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August 16, 2013

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To: County Clerk, Municipal Clerk and County Administrator

RE NEW JERSEY NATURAL GAS COMPANY
ANNUAL REVIEW AND REVISION OF ITS
BASIC GAS SUPPLY SERVICE (BGSS) AND
ITS CONSERVATION INCENTIVE PROGRAM
(CIP) FACTORS FOR F/Y 2014
BPU DOCKET NO. GR13050425

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

SOUTH JERSEY GAS COMPANY AND
NEW JERSEY NATURAL GAS COMPANY
FOR AUTHORITY TO CONTINUE THE
CONSERVATION INCENTIVE PROGRAM (CIP)
BPU DOCKET NO. GR13030185

IN THE MATTER OF THE PETITION OF
NEW JERSEY NATURAL GAS COMPANY
2012/2013 ANNUAL COMPLIANCE FILING FOR
THE UNIVERSAL SERVICE FUND PROGRAM
FACTOR WITHIN THE SOCIETAL BENEFITS
CHARGE RATE
BPU DOCKET NO. ER13060534

IN THE MATTER OF NEW JERSEY
NATURAL GAS COMPANY'S
ANNUAL REVIEW AND REVISION OF ITS
SOCIETAL BENEFITS CHARGE FACTORS
FOR REMEDIATION YEARS 2012 AND 2013
BPU DOCKET NO. GR13070674

Pursuant to N.J.S.A. 48:2-32.6, New Jersey Natural Gas Company hereby serves upon you the Notice of Public Hearing in the above referenced matters. The subject hearings are scheduled for the following times and locations:

September 10, 2013, at 4:30 p.m. and 5:30 p.m.
Rockaway Township Municipal Building
Conference Room
65 Mt. Hope Road
Rockaway, NJ 07866

September 11, 2013 at 4:30 p.m. and 5:30 p.m.
Freehold Township Municipal Building
Conference Room
One Municipal Plaza – Schanck Road
Freehold, NJ 07728-2195

Very truly yours,

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

Tracey Thayer, Esq.
Director, Regulatory Affairs Counsel

Enclosure

C: Edward Beslow, BPU
Bethany Roque-Romaine

NOTICE TO NEW JERSEY NATURAL GAS CUSTOMERS
Docket No. GR13050425

NOTICE OF FILING AND PUBLIC HEARING

TO OUR CUSTOMERS:

PLEASE TAKE NOTICE that on May 29, 2013, New Jersey Natural Gas (“NJNG” or the “Company”) filed its 2013–2014 Basic Gas Supply Service (“BGSS”) petition pursuant to the “Order Approving BGSS Price-Structure” issued by the New Jersey Board of Public Utilities (“Board”) on January 6, 2003, in Docket No. GX01050304 (“Generic BGSS Order”). At that time, NJNG also filed for Board approval of proposed price decreases related to the Conservation Incentive Program (“CIP”) and the Balancing Charge. Pursuant to its filing, NJNG requested that the Board permit NJNG to maintain its BGSS rate that was implemented on June 1, 2013 and adjust its CIP factors effective October 1, 2013. The impact of the CIP rate change for a residential heating customer using an average of 100 therms per month would be a decrease of **(\$1.12) per month or (1.0) percent**.

Additionally, NJNG requested that the Board permit NJNG to decrease its Balancing Charge applicable to transportation customers receiving their natural gas supply from a third party supplier by \$0.0035 per therm effective October 1, 2013. The impact of the Balancing Charge decrease for a residential heating transportation customer transporting an average of 100 therms per month would be a decrease of (\$0.35) per month, or (0.3) percent. All Balancing Charge revenues from transportation customers are credited to BGSS recoveries. For sales customers, there is no impact from the Balancing Charge change since the Balancing Charge is included as a component of the delivery charge and deducted from the BGSS charge in order to provide a BGSS “Price-to-Compare.”

The effect of the Company’s request for the price adjustments to be effective October 1, 2013, on typical residential, general service - small and general service - large natural gas bills is estimated to be as follows:

| Customer Type | Therm Level | Total Bill | | Bill Impact | | | % Impact | | |
|-----------------------------------|-------------|-------------------------|-------------------------------------|-------------|-----------|----------------|----------|--------|----------------|
| | | Bill as of July 1, 2013 | Proposed Bill as of October 1, 2013 | BGSS | CIP | Net (Decrease) | BGSS | CIP | Net (Decrease) |
| Residential Heat Sales | 100 | \$117.45 | \$116.33 | \$0.00 | (\$1.12) | (\$1.12) | 0.0% | (1.0%) | (1.0%) |
| Residential Non-Heat Sales | 25 | \$35.05 | \$34.79 | \$0.00 | (\$0.26) | (\$0.26) | 0.0% | (0.7%) | (0.7%) |
| General Service - Small | 100 | \$134.96 | \$132.27 | \$0.00 | (\$2.69) | (\$2.69) | 0.0% | (2.0%) | (2.0%) |
| General Service - Large | 1200 | \$1,500.82 | \$1,487.26 | \$0.00 | (\$13.56) | (\$13.56) | 0.0% | (0.9%) | (0.9%) |

TAKE FURTHER NOTICE that future changes in NJNG’s price for BGSS service may also occur if NJNG elects to adjust its BGSS rates upward by filing timely notice with the Board Staff and the New Jersey Division of Rate Counsel (“Rate Counsel”), pursuant to the Generic BGSS Order. Any such self-implementing increase will be limited to a maximum of 5 percent of the total residential bill, effective December 1, 2013, and to a maximum of 5 percent of the total residential bill, effective February 1, 2014. Further, these self-implementing increases will be provisional and subject to true-up in connection with the next annual BGSS filing. Pursuant to the Generic BGSS Order, NJNG is permitted to decrease its BGSS rate at any time upon five days notice and the filing of supporting documentation with the Board of Public Utilities and Rate Counsel.

If both of the above mentioned self-implementing adjustments were to be put into place as of the requested effective dates, the effect on typical residential and general service - small natural gas bills is estimated to be as follows:

| Customer Type | Therm Level | Total Bill | | Increase | |
|-----------------------------------|-------------|----------------------------|--|----------|---------|
| | | Bill as of October 1, 2013 | Proposed Bill Including December and February BGSS 5 Percent Increases | Amount | Percent |
| Residential Heat Sales | 100 | \$116.33 | \$128.26 | \$11.93 | 10.3% |
| Residential Non-Heat Sales | 25 | \$34.79 | \$37.78 | \$2.98 | 8.6% |
| General Service - Small | 100 | \$132.27 | \$144.20 | \$11.93 | 9.0% |

The Board has the statutory authority to establish the BGSS, CIP and Balancing charges at levels it finds just and reasonable. Therefore, the Board may establish the BGSS, CIP and Balancing charges at levels other than those proposed by NJNG. NJNG's natural gas costs addressed in this petition will remain subject to audit by the Board, and Board approval shall not preclude or prohibit the Board from taking any such actions deemed appropriate as a result of any such audit.

PLEASE TAKE NOTICE that public hearings on the petition have been scheduled at the following dates, times and places:

September 10, 2013 at 4:30 and 5:30 pm.
 Rockaway Township Municipal Building
 Conference Room
 65 Mt. Hope Road
 Rockaway, NJ 07866

September 11, 2013 at 4:30 and 5:30 p.m.
 Freehold Township Municipal Building
 Conference Room
 One Municipal Plaza, Schank Road
 Freehold, NJ 07728-3099

The public is invited to attend, and interested persons will be permitted to testify and/or make a statement of their views on the proposed 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 to the Board Secretary at the address below. Regardless of whether they attend the hearing, members of the public may submit written comments concerning the petition to the Board by addressing them to: Kristi Izzo, Secretary, New Jersey Board of Public Utilities, 44 South Clinton Avenue, 9th Floor, P.O. Box 350, Trenton, NJ 08625-0350. Copies of NJNG's May 29, 2013, 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, 44 South Clinton Avenue, 7th Floor, Trenton, NJ 08625-0350.

Tracey Thayer, Esq.
 New Jersey Natural Gas

NOTICE TO NEW JERSEY NATURAL GAS CUSTOMERS
Docket No. GR13030185

NOTICE OF FILING AND PUBLIC HEARINGS

TO OUR CUSTOMERS:

PLEASE TAKE NOTICE that on March 1, 2013, New Jersey Natural Gas (NJNG or the Company) filed with the New Jersey Board of Public Utilities (BPU) for approval to continue, with certain modifications, the Conservation Incentive Program (CIP) originally approved by the BPU in an Order dated December 12, 2006 in Docket No. GR05121020. In an Order dated January 21, 2010, the BPU approved the continuation of the CIP through September 30, 2013.

The CIP is a program to allow NJNG to encourage customer energy efficiency and conservation efforts without incurring negative financial impacts. The CIP allows the Company to recoup revenues lost as a result of customers' reductions in usage due to energy efficiency and conservation efforts and other factors. The CIP is structured as a modification of the Company's Weather Normalization Clause, approved by the BPU in 1992 in Docket No. GR91081393J, which allowed the Company to implement surcharges or credits to compensate for weather-related variations in customer usage. The approved CIP structure permits the Company to implement surcharges or credits to compensate for variations in customer usage based on all factors affecting usage, including customer energy efficiency and conservation efforts in addition to weather. Also, the CIP includes a requirement that customer savings related to commodity procurement be realized in an amount that is equal to or greater than reduced margins resulting from non-weather factors influencing customer usage. In addition, the recovery of any CIP shortage cannot result in the Company earning a return greater than the currently BPU approved return on equity as established in the last NJNG base rate case.

As an integral aspect of the CIP, NJNG promotes customer-oriented programs that encourage enhanced energy efficiency and provide information on conservation measures for customers to employ. The Company does not recover the costs of the customer program portion of the CIP from ratepayers.

At this time, the Company is requesting BPU approval to continue the CIP with modifications and, if approved, there is no immediate impact on customers' rates. NJNG has proposed to change the methodology by which the required customer savings are calculated. Specifically, NJNG is proposing that the customer savings be determined on a therm basis, rather than the current dollar basis, and that unused savings be carried forward to be eligible for offsetting future non-weather related CIP amounts. Additionally, NJNG is proposing to define a previously approved BGSS savings category of avoided costs by increasing the amount available to offset CIP surcharges using a factor based on net growth in residential customers. Each June, NJNG makes a filing with the BPU for approval of the CIP rate for the twelve month period starting on or about the following October. The amount of any increase or decrease depends on factors such as customer conservation, weather, and the resulting consumption patterns of NJNG's customers in comparison to a baseline level of usage previously approved by the BPU. Any final disposition of the annual CIP rate filings found by the BPU to be just and reasonable may result in an upward or downward impact on a customer's bill.

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

September 10, 2013 at 4:30 and 5:30 pm

Rockaway Township Municipal Bldg
65 Mt. Hope Road
Rockaway, NJ 07866

September 11, 2013 at 4:30 and 5:30 pm

Freehold Township Municipal Building
One Municipal Plaza, Schank Road
Freehold, NJ 07728-3099

The public is invited to attend, and interested persons will be permitted to testify and/or make a statement of their views on the proposed increases. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, including interpreter, listening devices or mobility assistance, 48 hours prior to these hearings to the Board Secretary at the address below. Regardless of whether they attend the hearing, members of the public may submit written comments concerning the petition to the Board by addressing them to: Kristi Izzo, Secretary, New Jersey Board of Public Utilities, 44 South Clinton Avenue, 9th Floor, P.O. Box 350, Trenton, New Jersey, 08625-0350. Copies of the NJNG filing can be reviewed at the NJNG Customer Service Centers, the addresses of which are located on the NJNG bill, or at the New Jersey Board of Public Utilities, 7th Floor, 44 South Clinton Avenue, P.O. Box 350, Trenton, New Jersey, 08625-0350.

Tracey Thayer, Esq.
New Jersey Natural Gas

NOTICE TO NEW JERSEY NATURAL GAS CUSTOMERS
Docket No. GR13070674

NOTICE OF SOCIETAL BENEFITS CHARGE FILING AND PUBLIC HEARING

TO OUR CUSTOMERS:

PLEASE TAKE NOTICE that on July 24, 2013, New Jersey Natural Gas (“NJNG” or the “Company”) filed its annual Societal Benefits Charge (“SBC”) petition with the New Jersey Board of Public Utilities (“Board”) for a price adjustment for all applicable service customers. Pursuant to its filing, NJNG requested that the Board permit NJNG to increase its overall SBC rate which would include a decrease to the Remediation Adjustment (“RA”) factor and an increase to the New Jersey Clean Energy Program (“NJCEP”) factor effective October 1, 2013. No change is proposed to the Universal Service Fund (“USF”) rate which would remain at the current Board-approved statewide rate.

The RA rate provides recovery of costs incurred by NJNG for the clean-up of former manufactured gas plant sites. The NJCEP surcharge is designed to recover costs incurred for NJNG’s share of statewide energy-efficiency and renewable energy expenditures. The USF is a fund established by the Board to provide affordable access to electricity and natural gas to residential customers in New Jersey. The overall SBC rate is comprised of the above components.

If the Board approves the requested price adjustment, the impact will result in an overall increase of approximately \$1.95 or 1.66 percent per month on a 100 therm residential heating customer bill. The above-referenced proposal will not result in any profit for NJNG. The Board is currently considering a proposed reduction to the statewide USF rate for natural gas companies that, if approved, would result in an overall decrease of 0.55 percent per month on a 100 therm residential bill.

If approved by the Board, the impact of the proposed changes to the RA and NJCEP factors on typical natural gas bills is illustrated below:

| Customer Type | Therm Level (Usage) | Total Bill | | Net Dollar Increase | Percent Increase |
|-----------------------------------|---------------------|---------------------------------|---|---------------------|------------------|
| | | Monthly Bill as of July 1, 2013 | Proposed Monthly Bill as of October 1, 2013 | | |
| Residential Heat Sales | 100 | \$117.45 | \$119.40 | \$1.95 | 1.66% |
| Residential Non-Heat Sales | 25 | \$35.06 | \$35.54 | \$0.48 | 1.37% |
| General Service Small | 100 | \$ 134.96 | \$136.91 | \$1.95 | 1.44% |
| General Service Large | 1200 | \$1,500.82 | \$1,524.22 | \$23.40 | 1.56% |

The Board has the statutory authority to establish the RA and NJCEP factors at levels it finds just and reasonable. Therefore, the Board may establish the RA and NJCEP factors at levels other than those proposed by NJNG. NJNG’s SBC costs addressed in this petition will remain subject to audit by the Board, and Board approval shall not preclude or prohibit the Board from taking any such actions deemed appropriate as a result of any such audit.

Copies of the Company’s July 24, 2013 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, 44 South Clinton Avenue, 7th Floor, P.O. Box 350 Trenton, NJ 08625-0350.

The following dates, times and locations for public hearings have been scheduled on the above filing so that members of the public may present their views:

September 10, 2013 at 4:30 and 5:30 P.M.
Rockaway Township Municipal Building
Conference Room
65 Mt. Hope Road
Rockaway Township, New Jersey 07866-1698

September 11, 2013 at 4:30 and 5:30 P.M.
Freehold Township Municipal Building
Conference Room
One Municipal Plaza, Schanck Road
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 increases. **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, 9th Floor, P.O. Box 350 Trenton, NJ 08625-0350.

New Jersey Natural Gas Company
Andrew K. Dembia, Esq.

**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
2012/2013 ANNUAL COMPLIANCE FILING FOR
THE UNIVERSAL SERVICE FUND PROGRAM FACTOR
WITHIN THE SOCIETAL BENEFITS CHARGE RATE
BPU DOCKET NO. ER13060534**

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 21, 2013, requesting authority to implement a decrease related to the statewide USF/Lifeline program charge, as described below, to be effective on October 1, 2013. The current after-tax USF/Lifeline program charge for natural gas customers is \$0.0184 per therm. The USF component is decreasing by \$0.0077 per therm and the Lifeline component is increasing by \$0.0013 per therm. The proposed after-tax USF/Lifeline program charge will decrease to \$0.0120 to recover approximately \$25.5 million for the statewide natural gas USF program and \$26.4 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, 2014.

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

| Universal Service/Lifeline Fund Components of Societal Benefits Charge | | | | |
|---|----------------|--|-----------------|---|
| | Present | Present (Incl. Sales and Use Tax) | Proposed | Proposed (Incl. Sales and Use Tax) |
| USF- per therm | \$0.0127 | \$0.0136 | \$0.0055 | \$0.0059 |
| Lifeline- per therm | \$0.0045 | \$0.0048 | \$0.0057 | \$0.0061 |
| Total USF/Lifeline | \$0.0172 | \$0.0184 | \$0.0112 | \$0.0120 |

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

| Customer Type | Therm Level | Rates | | Decrease | |
|----------------------------|-------------|----------------------------|---|----------|---------|
| | | Bill as of June 1, 2013 | Proposed Bill as of October 1, 2013 | Amount | Percent |
| Residential Heat Sales | 100 | \$115.45 | \$114.81 | (\$0.64) | (0.55%) |
| Residential Non-Heat Sales | 25 | \$34.56 | \$34.40 | (\$0.16) | (0.46%) |
| General Service Small | 100 | \$132.96 | \$132.32 | (\$0.64) | (0.48%) |
| General Service Large | 1200 | \$1,535.86 | \$1,528.18 | (\$7.68) | (0.50%) |

Based on this filing, a typical residential natural gas customer using 100 therms per month would see a decrease in their monthly bill from \$115.45 to \$114.81, or (\$0.64) or approximately (0.55) 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 21, 2013 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, 7th Floor, 44 South Clinton Avenue P.O. Box 350 Trenton, NJ 08625-0350.

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New Jersey Natural Gas Company
Tracey Thayer, Esq.