

July 31, 2006

VIA HAND DELIVERY

Ms. Kristi Izzo, Secretary
New Jersey Board of Public Utilities
2 Gateway Center
Newark, NJ 07102

**Re: IMO Natural Gas Customer Enrollment Issues and Procedures
Docket No. GX06010036
Comments to Board Decision and Order dated June 27, 2006**

Dear Ms. Izzo:

Please accept this letter as the comments of the New Jersey Division of Rate Counsel ("Rate Counsel") regarding price-to-compare procedures addressed in the Board Order dated June 27, 2006.

General Comments

Any decisions concerning price-to-compare data must take into account the volatile nature of natural gas prices and their effect on Basic Gas Supply Service ("BGSS") rates, as well as indexed prices for Commercial and Industrial ("C & I") customers. As a result, price-to-compare data will necessarily be time-sensitive.

The Board should also bear in mind that a significant percentage of customers (particularly residential customers) do not have access to internet source data. Accordingly, web site postings cannot be assumed to provide adequate information access for all customers.

C&I Customers

At this time, there does not appear to be any need to provide price-to-compare data on monthly C&I bills. Since the Board's Order in Docket No. GX01050304, many C&I customers now pay monthly index based gas rates for which it is impossible to provide prospective prices.

From a C&I customer's perspective, it would appear sufficient to state on the bill that price comparisons should be made based on charges relative to index gas prices. Since utilities charge at index rates, alternative offers should be evaluated relative to index based rates.

Residential Customers

All price-to-compare information concerning BGSS rates should continue to be provided on residential customers' bills. This information should be limited to the prevailing BGSS rate and its expiration date.

The gas distribution companies ("GDCs") should be very careful in presenting any BGSS data other than the prevailing rate. Additional information could be provided periodically in a bill insert that explains the impact of BGSS rate filings and the procedures that may be used to adjust BGSS rates outside the GDCs' BGSS annual reviews.

In the present natural gas commodity price environment it would be a disservice to customers to provide rate information with any suggestion that the current rate level reflects future rates. It would be more productive merely to provide the currently authorized rate and explain on the bill that it will be subject to change as gas commodity rates fluctuate.

The GDCs' ability to provide price-to compare data is currently very limited. Therefore, residential ratepayers would benefit from the GDCs' periodically providing information to customers concerning the benefits of budget billing and its ability to levelize monthly payments for customers.

Thank you for the opportunity to comment on this price-to-compare proposal.

DEPARTMENT OF THE PUBLIC ADVOCATE
DIVISION OF RATE COUNSEL

By: _____

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c: Service List