



New Jersey Board of Public Utilities

PRESS RELEASE

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NJBPU APPROVES MORE THAN \$500 MILLION IN RATEPAYER RELIEF FOR CUSTOMERS OF NATURAL GAS UTILITIES

(NEWARK, NJ) – The New Jersey Board of Public Utilities (BPU) today approved proposals from the state’s four natural gas utilities, which will result in annual savings of over \$500 million for the state’s natural gas customers. The new rates reflect declining market costs for natural gas and will become effective immediately. The reduced rates apply to residential and small business natural gas customers of Public Service Electric and Gas, New Jersey Natural Gas, South Jersey Gas and Elizabethtown Gas.

“These are significant rate reductions that will provide immediate relief for customers struggling with the effects of the worldwide economic downturn,” said Board President Jeanne M. Fox. “The present rate reductions complement Governor Corzine’s effort to grow New Jersey’s economy and provide support to families bearing the brunt of its decline.”

The amount of the rate reduction approved by the Board varies among the state’s natural gas utility companies. In some cases, the Board has already approved interim rate reductions over the course of the past year to reflect declining natural gas prices. With today’s reductions, New Jersey’s natural gas customers are benefiting from an overall reduction in natural gas prices ranging from 23.5% to 37.3% compared to a year ago.

	Oct. '08 Rate (Dollars per therm)	Oct. '09 Rate (Dollars per therm)	Annual Reduction (Dollars per therm)	Annual Percentage Reduction
PSE&G	1.186	.888	.298	25.2%
NJNG	1.101	.804	.297	27.0%
SJG	1.098	.840	.258	23.5%
ETG	1.280	.803	.477	37.3%

Note: An average residential heating customer’s annual consumption is 1,000 therms.

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The specifics of the rate reductions approved today are as follows:

Public Service Electric and Gas Company

The Board approved PSE&G's proposal to reduce its rate from \$0.990753 per therm to \$0.88795 per therm (10.4%). The Company's existing rate reflected interim reductions taken in January and March of this year. Those interim reductions reduced the bill for an average residential heating customer (using 1000 therms annually) by \$106.41 annually. The new rate would result in an additional reduction of \$155.91 per average residential customer.

The rate reduction approved by the Board today will result in a reduction of \$142.2 million in PSE&G's annual revenue.

New Jersey Natural Gas Company

The Board approved NJNG's proposal to reduce its rate from \$1.1008 per therm to \$0.8039 per therm. The Company had already instituted bill credits from January through March of this year, which reduced the typical residential heating customer's annual bill by \$107.70. The new rate will result in an additional annual reduction in the residential customer's bill of \$187.70.

In addition, the Board approved the Company's latest Conservation Incentive Program (CIP) filing, which will further reduce charges to its customers. The additional annual reduction for the typical residential heating customer will be \$29.90. The Company has also announced that it will institute a bill credit effective October 1, 2009 resulting in a further annual revenue reduction of \$35 million.

The rate reduction approved by the Board today will result in a reduction of \$185.4 million in NJNG's annual revenue.

South Jersey Gas Company

The Board approved SJG's proposal to reduce its rate from \$1.0977 per therm to \$0.8398 per therm. In addition, the Board approved the Company's proposal to provide a bill credit for October 2009. The Company's existing rate reflects an interim reduction taken in January, which resulted in a reduction of \$26.22 in the average residential heating customer's annual bill. The new rate will result in an additional annual reduction in the residential customer's bill of \$215.01. The October bill credit will further reduce the residential customer's annual bill by \$83.00 for a total reduction of \$324.23 over the past 12 months.

In addition, the Board approved the Company's latest CIP filing, which will reduce charges for its average residential heating customer by an additional \$31.30 annually compares to rates approved a year ago.

The rate reduction approved by the Board today will result in a reduction of \$80 million in SJG's annual revenue.

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Elizabethtown Gas Company

The Board approved Elizabethtown's proposal to reduce its rate from \$1.2801 per therm to \$0.8031 per therm. The reduction will result in an annual bill reduction for the typical residential heating customer of \$477.00 compared to rates of a year ago. In addition to declining natural gas prices, Elizabethtown's rates also reflect the elimination of charges that had been in effect to recover previous shortages in the calculation of allowable natural gas prices for its customers. Elizabethtown had no interim reductions in its rate over the past year.

The rate reduction approved by the Board today will result in a reduction of \$107.2 million in Elizabethtown's annual revenue.

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About the New Jersey Board of Public Utilities (NJBP):

The New Jersey Board of Public Utilities is a state agency and regulatory authority mandated to ensure safe, adequate, and proper utility services at reasonable rates for New Jersey customers. Critical services regulated by the NJBP include natural gas, electricity, water, wastewater, telecommunications and cable television. The Board has general oversight responsibility for monitoring utility service, responding to consumer complaints, and investigating utility accidents. To find out more about the NJBP, visit our web site at www.nj.gov/bpu.

About the New Jersey Clean Energy Program (NJCEP):

New Jersey's Clean Energy Program, established on January 22, 2003 in accordance with the Electric Discount and Energy Competition Act (EDECA), provides financial and other incentives to the State's residential customers, businesses and schools that install high-efficiency or renewable energy technologies, thereby reducing energy usage, lowering customers' energy bills and reducing environmental impacts. The program is authorized and overseen by the New Jersey Board of Public Utilities (BPU), and its website is www.njcleanenergy.com.