



New Jersey Board of Public Utilities

NEWS RELEASE

For Immediate Release:
November 16, 2015

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Board Approves PSE&G's Natural Gas Main Replacement Program to Improve Reliability and Reduce Methane Emissions

– PSE&G to replace up to 510 miles of aging gas main infrastructure –

Trenton, N.J. - The New Jersey Board of Public Utilities (Board) today approved Public Service Gas Company's (PSE&G) Gas System Modernization Program (GSMP) which will replace up to 400 miles of gas mains and related service lines over a three-year period. PSE&G also committed to install and place into service an additional 110 miles of mains and related services during the three years of the program. In approving PSE&G's GSMP, the Board continues its efforts to improve the reliability and resiliency of natural gas infrastructure for the benefit of residents, businesses and the environment.

"Today's action continues the Board's efforts to improve the reliability and safety of natural gas infrastructure to meet the needs of residents and businesses, and to improve the environment by reducing methane emissions," said Richard S. Mroz, President of the N.J. Board of Public Utilities. "The Gas System Modernization Program investments, along with similar other programs approved by the Board show the Christie Administration's commitment to investing a small portion of the savings realized from low natural gas costs into the State's energy infrastructure to benefit ratepayers, the environment and New Jersey's economy for many years to come."

With the Board's approval, PSE&G will begin making an investment of up to \$650 million in the GSMP to replace aging infrastructure; and the company will provide an additional investment of \$205 million in the Company's gas system. PSE&G will be replacing the mains and service lines with plastic piping that is less likely to suffer from leaks or the release of methane gases. To ensure that work is prioritized, data on methane emissions from the Environmental Defense Fund (EDF) will be used. PSE&G will also install a new pressure system that enables the installation of excess flow valves. These valves automatically shut off gas service if the line is damaged while also offering better support for new high-efficiency appliances. By replacing this critical infrastructure, PSE&G should mitigate potential damage to the system and reduce methane emissions. The GSMP will also create 500 jobs during the three-year period.

To protect ratepayers, the Board ordered that no rate adjustments would be charged to customers until the improved facilities are placed in service. By 2017 a typical residential gas customer who uses 1,010 therms annually should see an increase of about \$0.50 on their average monthly bill. Upon the

completion of the program the same residential customer will see a cumulative increase of \$4.80 on their average monthly bill.

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About the New Jersey Board of Public Utilities (NJBPU)

*The NJBPU 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 NJBPU 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 NJBPU, visit our web site at www.nj.gov/bpu.
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