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Contact:
Susanne LaFrankie
609-292-0701
Greg Reinert
609-777-3305

Christie Administration Announces Residential Natural Gas Customers Will Again Pay Less to Heat Homes This Winter

- Residential natural gas prices have plummeted over the last seven years -

TRENTON, N.J. – The Christie Administration announced that New Jersey’s residential natural gas customers will continue the trend of paying less this winter for natural gas to heat their homes. Today, the New Jersey Board of Public Utilities (Board) approved provisional Basic Gas Supply Service (BGSS) rate reductions of between 5.0% and 14.3% for most residential natural gas customers. Residential and small business customers of Elizabethtown Gas (ETG), New Jersey Natural Gas (NJNG), Public Service Electric and Gas Company (PSE&G) and South Jersey Gas (SJG) continue to reap the benefits of low costs for natural gas service.

“We are meeting a primary goal of Governor Christie’s 2011 Energy Master Plan by achieving lower energy costs for all ratepayers,” said Richard S. Mroz, President of the NJ Board of Public Utilities. “The Energy Master Plan laid out a path to take full advantage of cleaner, cheaper natural gas for use by residents and businesses, to fuel power plants and distributive generation, and as an alternative fuel to diesel and gasoline. Over the past five years, this strategy has produced outstanding results for New Jersey ratepayers.”

Over the last seven years, natural gas customers have seen their natural gas costs plummet thanks to the abundance of natural gas and New Jersey’s infrastructure that allows for ratepayers to take advantage of the low cost energy. In fact, when compared to utility bills from the winter of 2009, a typical residential natural gas customer of PSE&G using 100 therms per month this coming winter will benefit from an approximate 51.5% drop in their monthly bill, from approximately \$167.00 in 2009 to approximately \$81.00 after October 1. The typical residential customer of ETG will have experienced a 52.0% drop in their monthly bill come October 1, from \$171.36 to \$82.33. Customers of NJNG and SJG, who use 100 therms per month, will see their bills fall by approximately 38.2% from \$170.00 to \$105.00, and approximately 17.0% from \$141.26 to \$117.21, respectively.

“Since 2009, residential ratepayers have seen their monthly natural gas bills fall with each successive year,” said Mroz. “While lower utility bills are certainly good news for both residential and business ratepayers, it also enables the Board to approve the use of a small portion of those savings for pipeline replacement projects that improve safety and reliability while supporting jobs and the State’s economy.”

According to the U.S. Energy Information Administration’s (EIA) ranking of the state residential retail natural gas prices, New Jersey’s ranking has plummeted in recent years from one of the highest cost states in 2010 to one of the lowest cost states. In 2010, New Jersey was ranked as the 17th highest cost state and in 2016 New Jersey’s monthly ranking have fallen to one of the lowest cost states. EIA’s June 2016 rankings have New Jersey ranked at the fifth lowest cost.

The BGSS serves as a method to pass along changes in wholesale gas costs directly to customers without affecting the gas companies’ income, as the companies do not make a profit on the gas supply price.

New BGSS rates taking effect on October 1, 2016:

- ETG - BGSS-P per therm rate will drop from 42.03 cents to 37.61 cents.
- PSE&G - BGSS-RSG per therm rate will drop from 40.11 cents to 33.99 cents.
- SJG - BGSS-P per therm rate decreases from 52.92 cents to 35.47 cents.
- NJNG - BGSS-P per therm rate will decrease from 48.04 cents to 42.80 cents.

A typical residential customer who uses 1,000 therms per year will see the following annual savings from the BGSS rate reductions that are effective on October 1, 2016:

Utility	Average Annual Savings	% Annual Savings
PSE&G	\$63.30	7.2
ETG	\$44.20	5.0
SJG	\$174.51	14.3
NJNG	\$52.40	5.4

The Board also today approved a settlement reached among the parties in a base rate case filed by NJNG. For the average residential customer, who uses 1,000 therms annually, the settlement results in an annual increase of \$72.30, down from a requested annual increase of \$236.40 under the company’s original filing. When NJNG’s announced bill credit of approximately 16.66 cents per therm for the months November 2016 through February 2017 is factored in, along with the Board provisionally approved BGSS and Conservation Incentive Program (CIP) proposed rates, a typical residential customer will actually see an annual bill reduction of approximately \$2.11 in totality.

Additionally, an upward adjustment in SJG’s Conservative Incentive Program, due to warmer than expected winter last year, will reduce the impact of the lower BGSS on an average use

customer's bill by approximately \$131.96, resulting in annual savings of \$42.55 or 3.5%. Likewise, an adjustment to PSE&G's Weather Normalization Clause will reduce the BGSS impact on an average use customer's bill by approximately \$32.67, resulting in annual savings \$30.63 or 3.45%.

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. <http://www.bpu.state.nj.us/>