



New Jersey Board of Public Utilities

NEWS RELEASE

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New Jersey Natural Gas Ratepayers to See Steep Reduction in Rates

TRENTON, N.J. – The New Jersey Board of Public Utilities (Board) today announced that New Jersey’s natural gas customers will receive rate reductions of up to 9.5%, largely due to lower wholesale natural gas prices and stability in the marketplace. The natural gas rate reductions for the State’s four gas utility companies range from 7% up to 9.5%.

At today’s Board Agenda meeting, President Solomon and the other Commissioners were updated by Board staff regarding the pending reduction in rates after New Jersey Natural Gas (NJNG), South Jersey Gas (SJG), Elizabethtown Gas Company (E’town), and Public Service Electric and Gas Company (PSE&G) made their annual Basic Gas Supply Service (BGSS) filings. As a result of the stability in the market place, the gas utility companies expect to pass the savings on to their customers, lowering the typical annual gas bill for New Jerseyans.

“These rate reductions are good news for New Jersey’s residents and businesses who are struggling with what seems like never-ending price increases for everyday items,” said Lee A. Solomon, President, N.J. Board of Public Utilities. “Through the process of drafting the State’s energy master plan and encouraging new in-state generation we expected lower gas rates, but to see rate reductions of around 9.5% is very encouraging and perhaps a sign that we are on the right path to meeting our mission of ensuring safe, reliable utility service at affordable rates.”

The recent stability in natural gas prices has occurred after escalating costs during the last decade. The stability in gas prices and the likelihood of continued price stability are the results of two primary industry trends: The completion of the Rockies Express Pipeline (REX), and the development of Marcellus gas reserves. The Rockies Express Pipeline provides Northeastern states access to Rocky Mountain gas, which increases competition with both Gulf Coast gas and Canadian gas suppliers. The Marcellus shale reserves, which are estimated to exceed existing natural gas reserves nationwide, are being developed from Northeast Texas and Ohio to neighboring states, such as Pennsylvania and New York. The development of Marcellus shale has allowed New Jersey utilities to tap into natural gas reserves locally, resulting in lower delivery costs and savings for New Jersey ratepayers.

PSE&G customers are expected to see a 7% reduction in the cost of the natural gas it delivers, taking into account the reductions the company had last year. E’town is expected to reduce rates by about

8.8% and NJNG by 9 percent. SJG customers are expected to see the largest total rate reduction of 9.5%, when taking into account the companies reductions last year.

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For more information about the NJBPU or *New Jersey's Clean Energy Program* visit NJCleanEnergy.com or call 866-NJSMART.

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.

About the New Jersey Clean Energy Program (NJCEP)

NJCEP, 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 (NJBPU), and its website is www.NJCleanEnergy.com.