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PSE&G To Cut Residential Gas Bills By 5.7 Percent This Winter

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Featured [1] Other IR News Releases [2]

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Contacts:
Carlotta N. Chan [3]

Customers to save about $52 per year

Gas supply reductions have lowered customer bills 47 percent since 2009

(Newark, N.J. – Sept. 14, 2015) Public Service Electric and Gas Co. (PSE&G), New Jersey's largest utility, today announced that it will reduce residential natural gas bills this winter by 5.7 percent, saving customers almost $52 per year. The reduction was approved by the New Jersey Board of Public Utilities, enabling PSE&G to reduce its basic gas supply rate to 40 cents from 45 cents – the utility's lowest rate in 15 years. Also included in this filing is a small reduction to the Balancing Charge to 9.4 cents from 9.6 cents.

Including the new reduction, since January 2009 PSE&G has decreased residential gas bills by 47 percent through supply rate reductions for an annual savings of $792 for PSE&G's typical residential gas heating customer. In addition, customers have saved another $433 through bill credits since 2012.

With this reduction, to take effect Oct. 1, a typical residential heating customer using 165 therms in a winter month, and 1,010 therms per year, would see their annual bill reduced to $878 from $930, for a savings of $52 or approximately 5.7 percent. This same customer would see their monthly winter bill reduced to $140 from $149, for a savings of $9 or approximately 5.8 percent.

"Natural gas prices have dropped significantly and we are pleased to be able to pass on our cost savings to our customers," said Jorge Cardenas, PSE&G vice president of asset management and centralized services. "In addition to the abundant supply of natural gas from the nearby Marcellus Shale Formation, PSE&G has managed its portfolio of gas pipeline and storage agreements to lower gas costs for its residential customers and help to keep heating bills down when the temperature drops." Cardenas said the price per therm of gas in 2009 was about $1 compared with 40 cents this winter.

PSE&G makes no profit on the sale of natural gas. The company passes along what it pays to customers. Costs for natural gas supply account for approximately half of a customer's bill.

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Public Service Electric and Gas Company (PSE&G) is New Jersey's oldest and largest regulated gas and electric delivery utility, serving nearly three-quarters of the state's population. PSE&G is the winner of the ReliabilityOne Award for superior electric system reliability. PSE&G is a subsidiary of Public Service Enterprise Group Incorporated (PSEG) (NYSE:PEG), a diversified energy company.

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Links:
[1] http://investor.pseg.com/category/universal-categories/%5Bcatpath-raw%5D
[2] http://investor.pseg.com/category/press-release-category/%5Bcatpath-raw%5D-1
[3] http://investor.pseg.com/contact/carlotta-n-chan