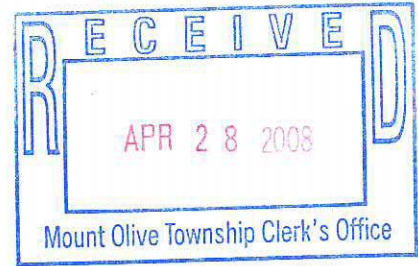




**New Jersey
Natural Gas**

©

cc: Admin



April 24, 2008

To: County Clerk, Municipal Clerk and County Administrator

IN THE MATTER OF THE PETITION OF
NEW JERSEY NATURAL GAS COMPANY
FOR APPROVAL OF AN INCREASE IN ITS
GAS RATES, DEPRECIATION RATES FOR
GAS PROPERTY, AND FOR CHANGES IN
THE TARIFF FOR GAS SERVICE,
PURSUANT TO N.J.S.A. 48:2-18, 48:2-21

BPU DOCKET NO.
GR07110889

OAL DOCKET NO.
PU 12545-07

Pursuant to N.J.S.A. 48:2-32.6, New Jersey Natural Gas Company hereby serves upon you the Notice of Public Hearings in the above referenced matter. The subject hearings are scheduled for Tuesday, May 13 at 2:00 pm in the afternoon at Freehold Borough Municipal Building, 51 W. Main Street, Freehold, New Jersey and on Wednesday, May 14 at 7:00 pm at Rockaway Township Municipal Building 65, Mt. Hope Road, Rockaway Township, New Jersey.

Very truly yours,

Tracey Thayer, Esq.
Director, Regulatory Policy

TT: jpc

Enclosure

C: Service List (electronically)

**NOTICE OF FILING AND PUBLIC HEARINGS FOR APPROVAL OF AN
INCREASE IN NATURAL GAS RATES, DEPRECIATION RATES AND FOR
CHANGES IN THE TARIFF FOR GAS SERVICE TO NEW JERSEY NATURAL
GAS CUSTOMERS**

**BPU Docket No. GR07110889
OAL Docket No. PUC 12545-07**

TO OUR CUSTOMERS:

PLEASE TAKE NOTICE that on November 20, 2007, New Jersey Natural Gas (“NJNG” or the “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board”) requesting an increase in the Company’s base rate charges for natural gas service. The current rate relief requested is necessary to support the Company’s ability to continue to operate and maintain its natural gas distribution system in a safe, adequate and proper manner. NJNG last requested such an increase in a filing dated April 3, 1993. In this filing, the Company has requested a natural gas revenue increase of \$58.4 million, including a change in the Company’s overall rate of return to 8.5 percent. The impact of this request on the average residential heating customer using 100 therms a month is approximately 7.5 percent.

Included in this filing is a request pursuant to N.J.S.A. 48:2-18 to increase depreciation rates based on a current Depreciation Study. The Company has proposed that the requested change in its depreciation rates be approved for implementation simultaneously with the effective date of the proposed new natural gas rates.

The proposed increases that follow are based upon current NJNG delivery rates and the applicable Basic Gas Supply Service charges, and assume that customers receive commodity service from NJNG. The effect of the proposed price change on typical residential, general service small, and general service large natural gas bills is estimated to be as follows:

Residential Sales Heat

Therm Level	Rates		Increase	
	Monthly Bill as of November 20, 2007	Proposed Bill	Amount	Percent
25	42.64	49.53	6.89	16.2%
100	150.76	162.11	11.35	7.5%
200	294.92	312.22	17.30	5.9%

Residential Sales Non-Heat

Therm Level	Rates		Increase	
	Monthly Bill as of November 20, 2007	Proposed Bill	Amount	Percent
25	41.97	48.85	6.88	16.4%
100	148.06	159.41	11.35	7.7%
200	289.52	306.82	17.30	6.0%

General Service Small

Therm Level	Rates		Increase	
	Monthly Bill as of November 20, 2007	Proposed Bill	Amount	Percent
100	159.23	171.36	12.13	7.6%
200	303.36	317.72	14.36	4.7%
400	591.62	610.44	18.82	3.2%

General Service Large

Therm Level	Rates		Increase	
	Monthly Bill as of November 20, 2007	Proposed Bill	Amount	Percent
5000	697.05	728.43	31.38	4.5%
7500	1,379.00	1,416.86	37.86	2.7%
10,000	6,771.00	6,924.31	153.31	2.3%

The Company is also proposing other changes to its tariff including, but not limited to, modifications to the existing commercial rate classes, changes in terminology, changes to reflect current operating requirements and modifications to the organization of its tariff to simplify the presentation of the information.

Any rate relief found by the Board to be just and reasonable may be allocated by the Board and applied to any class or classes of customers or any rate schedule or rate schedules as the Board may determine. Accordingly, the final rates approved by the Board in this proceeding for any rate class or classes may be higher or lower than those set forth herein.

PLEASE TAKE NOTICE that public hearings on the petition have been scheduled at the following dates, times and locations:

May 13, 2008 at 2:00 p.m.
Freehold Borough Municipal Building
Council Room, 2nd Floor
51 W. Main Street
Freehold, New Jersey 07728-2195

May 14, 2008 at 7:00 p.m.
Rockaway Township Municipal Building
Municipal Court Room
65 Mt. Hope Road
Rockaway Township, New Jersey 07866-1698

The public is invited to attend these hearings, and interested persons will be permitted to testify and/or make a statement of their views on the proposed increases and tariff modifications. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, including interpreter, listening devices or mobility assistance, 48 hours prior to this hearing. Regardless of whether they attend the hearing, members of the public may submit written comments concerning the petition to the Board by addressing them to: Kristi Izzo, Secretary, New Jersey Board of Public Utilities, Two Gateway Center, Newark, New Jersey 07102

Copies of NJNG's November 20, 2007, filing can be reviewed at the NJNG Customer Service Centers or at the New Jersey Board of Public Utilities, Two Gateway Center, Newark, New Jersey 07102.

Tracey Thayer, Esq.
New Jersey Natural Gas