



***State of New Jersey***  
**Board of Public Utilities**  
Two Gateway Center  
Newark, NJ 07102

Richard J. Codey  
***Governor***

Jeanne M. Fox  
***President***

December 14, 2005

Dear New Jersey Leader:

It comes as no surprise to anyone that natural gas prices have risen dramatically. A substantial increase in worldwide demand of natural gas, in conjunction with the violent hurricane season that severely limited production and deliverability of natural gas pushed natural gas prices strongly upwards this winter season. Natural gas prices spiked at a 180% increase in the direct aftermath of Hurricane Katrina and Rita.

All over the country, and the world, states and nations are scrambling to tackle the mounting cost of natural gas and the consequences it will bring. New Jersey will fair better than many other states because our utilities, with our encouragement, properly anticipated the increase and locked in lower prices earlier in the year to offset the most dramatic increases. Still our residents are faced with a 15-25 % increase in natural gas cost this winter.

The New Jersey Board of Public Utilities (NJBPU) has been working vigorously to assess the volatile natural gas market and to construct an appropriate response to this crisis. Rate increases must be part of the response but the NJBPU is also working to expand rate payer relief programs to help the residents of New Jersey, and conduct community outreach to empower our citizens to conserve as a way to save on energy costs.

Currently the NJBPU Office of Clean Energy has doubled their rebates for replacing old, inefficient furnaces and boiler to highly efficient Energy Star furnaces and boilers. Furthermore, assistance with weatherization and free home energy analysis is available.

*You Have the Power to Save*

Beyond the efforts by the NJBPU to mitigate high natural gas costs, there are substantial saving New Jersey families can implement on their own. Conservation and proper consumption management can produce as much as 30 percent savings on heating bills. The NJBPU, in cooperation with the utilities, has compiled five tips that are easy to implement yet still yield measurable savings. Our hope is that with the help from leaders around the state, we will be able to empower all New Jersey residents to self-mitigate the large increase in natural gas prices.

The five tips the NJBPU identifies as most important are:

- ❖ **Program your thermostat** at 68 degrees when home and 60 degrees when out or asleep. This will result in up to 12% savings in energy cost.
- ❖ **Weatherize** - - You can save up to 10% more on your energy bill by reducing air leaks with caulking and weather stripping. Seal holes and cracks around windows, doors light fixtures, and walls. Purchase an inexpensive weatherization kit today!
- ❖ **Reduce your hot water usage** - -lower you hot water heater from 150° to 120° to see savings up to 16%. Wash your clothes in cold water. Take a short shower instead of a bath.
- ❖ **Keep warm air inside** - - First, close off vents or registers in rooms you are not using and close the door, unless room has a major common return duct. If you have storm windows, make sure they are closed and in place.
- ❖ **Take a Free Home Energy Analysis** - - This customized energy audit is designed to help you stop losing energy in your home and start saving money. Take it online at [www.njcleanenergy.com](http://www.njcleanenergy.com) or call 1-866-657-6278 for a printed version.

Rest assured that the NJBPU recognizes the severity of winter heating costs and is doing everything in our power to assemble a broad, all inclusive response and give your constituents the power to save.

For more information, visit our site at [www.bpu.state.nj.us](http://www.bpu.state.nj.us).

Sincerely,

Jeanne M. Fox  
President of the New Jersey Board of Public Utilities