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New Jersey Resources Corporation Q3 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator instructions) Your first question from Jim Likens [ph] of Hilliard Lyons.

Jim Likens – Hilliard Lyons

Good afternoon everyone. I like the slide presentation. I hope you will consider using that going forward with your conference calls.

Larry Downes

We will definitely do that Jim. Thanks for sharing that with us.

Jim Likens – Hilliard Lyons

I have a question about the new 16-inch main. You mentioned the potential for thousands of new customers. I'm wondering, first of all, if that was part of slide nine and also if you could maybe quantify a little bit what you mean by thousands and what the timing could be for getting these new customers?

Larry Downes

Let me take that in a couple of pieces. First of all, the work as far as quantifying the thousands is still ongoing, and that's an area that does not currently have natural gas service and we have seen at least in a preliminary sense what I would call very good interest in potential customers wanting natural gas service there. But the work of assessing that, very specifically, the size of that market is still ongoing. Tom Massaro, our Vice President of Marketing is here. Tom, do you want to add anything to that?

Tom Massaro

No, and I think, when you look at where those customers will pop out on slide number nine, they would currently be in that non-gas off main segment of customers.

Jim Likens – Hilliard Lyons

Okay. I was just going to do the math real quickly. It looks like you are going to add about 40,000 customers between now and 2012. So, it's like 6,000 a year. So, I'm just wondering if you could maybe give us a feel for – if you are going to stay at that. You talked previously about being around, I

believe, 1.6% customer gross for the rest of '08. I'm just wondering, if part of this is back end loaded, or if you are going to stay around that 1.26% or maybe if you could change your projections for customer growth for this year or what you see in '09 as well?

Larry Downes

No, we haven't changed our projections. As I said, the residential side is a little soft right now. What we try to do is obviously, I mean, the customer numbers are important but the real important number, I think, is more the margin that we expect from those customers.

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