

NEW JERSEY RESOURCES CORP  
Form DEF 14A  
December 13, 2010

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A**

**PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE**  
**SECURITIES EXCHANGE ACT OF 1934**

(AMENDMENT NO. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to § 240.14a-12

**NEW JERSEY RESOURCES CORPORATION**

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

**NEW JERSEY RESOURCES CORPORATION**

**1415 Wyckoff Road**

**Wall, New Jersey 07719**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON JANUARY 26, 2011**

The Annual Meeting (the Meeting) of Shareholders of New Jersey Resources Corporation will be held at 10:30 a.m., Eastern Standard Time, Wednesday, January 26, 2011, at the Robert B. Meyner Reception Center at the PNC Bank Arts Center (Exit 116 on the Garden State Parkway) Holmdel, New Jersey 07733, for the following purposes:

1. To elect as directors the two nominees to the Board of Directors named in the attached proxy statement, for terms expiring in 2014
2. To approve a non-binding advisory resolution approving the compensation of our named executive officers
3. To provide a non-binding advisory vote as to the frequency (every one, two or three years) of the non-binding shareholder vote to approve the compensation of our named executive officers
4. To ratify the appointment by the Audit Committee of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending September 30, 2011
5. To transact any other business that may properly be brought before the Meeting or any adjournments or postponements thereof

The Board of Directors has fixed the close of business on November 30, 2010, as the record date for the determination of the shareholders entitled to notice of and to vote at the Meeting. Accordingly, only shareholders of record at the close of business on that date will be entitled to vote at the Meeting.

In accordance with the Securities and Exchange Commission (SEC) rules, we are furnishing proxy materials to our shareholders over the Internet. You may read, print and download our Annual Report and Proxy Statement at <http://investor.njresources.com/annual-proxy.cfm>. On or about December 14, 2010, we will mail our shareholders a notice containing instructions on how to access our 2010 Proxy Statement and Annual Report and vote online or by telephone. The notice also provides instructions on how you can request a paper copy of these documents if you desire.

A cordial invitation is extended to you to attend the Meeting. Regardless of whether you plan to attend the Meeting, it is important that your shares are represented and voted at the Meeting. If you received a paper copy of the proxy card or voting instruction by mail, you can vote by signing, dating and returning the enclosed proxy card or voting instruction. Registered shareholders and participants in plans holding shares of our Common Stock may vote by telephone or over the Internet. To use these convenient services, follow the steps detailed in the instructions for voting that are attached to the proxy card. Beneficial owners of shares of our Common Stock held in street name through a bank or brokerage account should follow the enclosed voting instruction for voting their shares. Please note that in the absence of specific instructions as to how to vote, brokers may not vote your shares on the election of directors, the non-binding proposal regarding the compensation of our executive officers or the non-binding proposal regarding an advisory vote as to the frequency of the non-binding shareholder vote to approve executive compensation. Please return your proxy card so your vote can be counted. I hope you will attend the Meeting, but even if you cannot, please vote your shares as promptly as possible. Thank you.

RHONDA M. FIGUEROA  
*Corporate Secretary*

Wall, New Jersey

December 13, 2010

**PROXY STATEMENT**

**NEW JERSEY RESOURCES CORPORATION**

**1415 Wyckoff Road**

**Wall, New Jersey 07719**

**ANNUAL MEETING OF SHAREHOLDERS**

**JANUARY 26, 2011**

This Proxy Statement sets forth certain information with respect to the accompanying proxy to be used at the Annual Meeting (the Meeting) of Shareholders of New Jersey Resources Corporation, or at any adjournments or postponements thereof, for the purposes set forth in the accompanying Notice of Annual Meeting. The Board of Directors (the Board) has designated the Robert B. Meyner Reception Center at the PNC Bank Arts Center (Exit 116 on the Garden State Parkway), Holmdel, New Jersey 07733 as the place of the Meeting. The Meeting will be called to order at 10:30 a.m., Eastern Standard Time, on Wednesday, January 26, 2011. The Board solicits this proxy and urges you to vote immediately. Unless the context otherwise indicates, reference to New Jersey Resources, we, us, our or the Company means New Jersey Resources Corporation.

The Board is making these materials available to you on the Internet or, upon your request, delivering printed versions of these materials to you by mail. On or about December 14, 2010, we will mail a notice to shareholders containing instructions on how to access the Proxy Statement and Annual Report and how to vote.

**QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING**

**1. Who is asking for my vote and why am I receiving this document?**

The Board asks that you vote on the matters listed in the Notice of Annual Meeting, which are more fully described in this Proxy Statement. We are providing this Proxy Statement and related proxy card to our shareholders in connection with the solicitation by the Board of proxies to be voted at the Meeting. A proxy, if duly executed and not revoked, will be voted and, if it contains any specific instructions, will be voted in accordance with those instructions.

**2. Who is entitled to vote?**

Only holders of record of outstanding shares of our common stock (the Common Stock) at the close of business on November 30, 2010, are entitled to notice of and to vote at the Meeting. At the close of business on November 30, 2010, there were 41,287,514 outstanding shares of Common Stock. Each share of Common Stock is entitled to one vote.

**3. What is a proxy?**

A proxy is your legal designation of another person to vote the stock you own. If you designate someone as your proxy or proxy holder in a written document, that document is called a proxy or a proxy card. Mr. Laurence M. Downes and Ms. Rhonda M. Figueroa have been designated as proxies or proxy holders for the Meeting. Proxies properly executed and received by our Corporate Secretary prior to the Meeting and not revoked will be voted in accordance with the terms thereof.

**4. What is a voting instruction?**

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A voting instruction is the instruction form you receive from your bank, broker or its nominee if you hold your shares of Common Stock in street name. The instruction form instructs you how to direct your bank, broker or its nominee, as record holder, to vote your shares of Common Stock.

### **5. What am I voting on?**

You will be voting on each of the following items of business:

The election as directors of the two nominees named in this Proxy Statement for terms expiring in 2014

The approval of a non-binding advisory resolution approving the compensation of our named executive officers

A non-binding advisory vote as to the frequency (every one, two or three years) of the non-binding shareholder vote to approve the compensation of our named executive officers

The ratification of the appointment by the Audit Committee of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending September 30, 2011

Any other business that may properly come before the Meeting or any adjournments or postponements thereof

**6. How many votes must be present to hold the Meeting?**

A majority of the outstanding shares of Common Stock as of the record date must be present in person or represented by proxy at the meeting. This is referred to as a quorum. Abstentions, withheld votes and shares of record held by a broker or its nominee ( broker shares ) that are voted on any matter are included in determining the existence of a quorum. Broker shares that are not voted on any matter will not be included in determining whether a quorum is present.

**7. What vote is needed to elect the two directors?**

The election of each nominee for director requires the affirmative vote of the holders of a plurality of the shares of Common Stock voted in the election of directors.

**8. What vote is needed to approve the non-binding advisory resolution approving the compensation of our named executive officers?**

The approval of the non-binding advisory proposal regarding the compensation of our named executive officers requires that the votes cast in favor of the proposal exceed the number of votes cast against the proposal.

**9. What vote is being requested to approve the non-binding advisory vote as to the frequency (every one, two or three years) of the non-binding shareholder vote to approve the compensation of our named executive officers?**

Shareholders are not voting to approve or disapprove the recommendation of the Board with respect to this proposal. The non-binding advisory vote as to the frequency (every one, two or three years) of the non-binding shareholder vote regarding the approval the compensation of our named executive officers will require you to choose between a frequency of every one, two or three years or abstain from voting.

**10. What vote is needed to ratify the appointment by the Audit Committee of Deloitte & Touche LLP?**

The ratification of the appointment by the Audit Committee of Deloitte & Touche LLP requires that the votes cast in favor of the ratification exceed the number of votes cast opposing the ratification.

**11. What are the voting recommendations of the Board?**

For the reasons set forth in more detail later in this Proxy Statement, THE BOARD RECOMMENDS THAT YOU VOTE:

**FOR** THE PROPOSED NOMINEES FOR THE BOARD

**FOR** THE NON-BINDING ADVISORY PROPOSAL REGARDING APPROVAL OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

**FOR** A ONE-YEAR FREQUENCY FOR THE NON-BINDING SHAREHOLDER VOTE REGARDING APPROVAL OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS



**FOR** THE RATIFICATION OF THE APPOINTMENT BY THE AUDIT COMMITTEE OF DELOITTE & TOUCHE LLP.

## 12. How do I vote?

Registered shareholders (shareholders who hold Common Stock in certificated form as opposed to through a bank, broker or other nominee) or employees who hold Common Stock through our New Jersey Resources Employees Retirement Savings Plan (our 401(k) Plan ) may vote in person at the Meeting or by proxy. There are three ways for registered shareholders and employees who own Common Stock through our 401(k) Plan to vote by proxy:

*By mail:* if you received your proxy materials by mail, complete, properly sign, date and mail the enclosed proxy card or voting instruction.

*By Internet:* connect to the Internet at <http://www.proxyvote.com> and follow the instructions included on the proxy card or voting instruction.

*By telephone:* call **1-800-690-6903** and follow the instructions included on the proxy card or voting instruction.

Registered shareholders and participants in plans holding shares of Common Stock are urged to deliver proxies or voting instructions by calling the toll-free telephone number, by using the Internet, or by completing and mailing the proxy card or voting instruction. The telephone and Internet voting procedures are designed to authenticate shareholders and plan participants identities, to allow shareholders and plan participants to give their proxies or voting instructions, and to confirm that such instructions have been recorded properly. Instructions for voting by telephone or over the Internet are included on the enclosed proxy card or voting instruction. If you received your proxy materials via mail, registered shareholders and plan participants may send their proxies or voting instructions by completing, signing and dating the enclosed proxy card or voting instruction and returning it as promptly as possible in the enclosed prepaid envelope.

Shareholders who hold Common Stock through banks, brokers or other nominees ( street name shareholders ) who wish to vote at the Meeting should receive voting instructions from the institution that holds their shares. Please contact the institution that holds your shares if you have not received voting instructions. Street name shareholders may also be eligible to vote their shares electronically by following the voting instructions provided by the bank, broker or other nominee that holds the shares, using either the toll-free telephone number or the Internet address provided on the voting instruction; or by completing, dating and signing the voting instruction and returning it promptly in the enclosed prepaid envelope.

The deadline for voting via the Internet or telephone is 11:59 p.m., Eastern Standard Time, on January 25, 2011.

## 13. Can I attend the Meeting?

Yes. The Meeting is open to all holders of our Common Stock as of the record date, November 30, 2010. You may vote by attending the Meeting and voting in person. Even if you plan to attend the Meeting, we encourage you to vote your shares by proxy. Cameras, recording devices and other electronic devices are not permitted at the Meeting.

## 14. How will my shares be voted if I sign, date and return my proxy card or voting instruction card, but do not provide complete voting instructions with respect to each proposal?

Shareholders should specify their choice for each matter on the enclosed proxy. The proxies solicited by this Proxy Statement vest in the proxy holders voting rights with respect to the election of directors (unless the shareholder marks the proxy to withhold that authority) and on all other matters voted upon at the Meeting.

Unless otherwise directed in the enclosed proxy card, the persons named as proxies therein will vote all properly executed, returned and not-revoked proxy cards or voting instruction cards (1) **FOR** the election of the two director nominees listed thereon; (2) **FOR** the non-binding proposal regarding approval of the compensation of the company s named executive officers; (3) **FOR** a one-year frequency for the non-binding shareholder vote regarding approval of the compensation of our named executive officers; and (4) **FOR** the proposal to ratify the appointment by the Audit Committee of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending September 30, 2011, with the following two exceptions:

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Shares of Common Stock held in our 401(k) Plan for which no direction is provided on a properly executed, returned and not revoked voting instruction card will be voted proportionately in the same manner as those shares held in our 401(k) Plan for which timely and valid voting instructions are received with respect to such proposals.

Shares of Common Stock held in our 401(k) Plan for which timely and valid voting instructions are not received will be considered to have been designated to be voted by the trustee proportionately in the same manner as those shares held in our 401(k) Plan for which timely and valid voting instructions are received.

As to any other business that may properly come before the Meeting, the persons named in the enclosed proxy card or voting instruction will vote the shares of Common Stock represented by the proxy in the manner as the Board may recommend, or otherwise in the proxy holders discretion. The Board does not presently know of any other such business.

**15. How will my shares be voted if I do not return my proxy card or my voting instruction?**

It will depend on how your ownership of shares of Common Stock is registered. If you own your shares as a registered holder, which means that your shares of Common Stock are registered in your name, your unvoted shares will not be represented at the Meeting and will not count toward the quorum requirement, as explained under 6. *How many votes must be present to hold the Meeting?* on page 2, unless you attend the Meeting to vote them in person.

If you own your shares of Common Stock in street name, which means that your shares are registered in the name of your bank, broker or its nominee, your shares may be voted even if you do not provide your bank, broker or other nominee with voting instructions. Under the rules of the New York Stock Exchange (NYSE) your bank, broker or other nominee may vote your shares in its discretion on routine matters. However, NYSE rules do not permit your broker to vote your shares on proposals that are not considered routine. When a proposal is not a routine matter and your bank, broker or other nominee has not received your voting instructions with respect to such proposal, your bank, broker or other nominee cannot vote your shares on that proposal. When a bank, broker or other nominee does not cast a vote for a routine or a non-routine matter, it is called a broker non-vote.

Please note that your bank, broker or other nominee may not vote your shares with respect to (i) the election of the two nominees for director, (ii) the non-binding proposal regarding the approval of the compensation of our named executive officers or (iii) the non-binding proposal regarding the non-binding vote as to the frequency of the non-binding shareholder vote regarding the approval of the compensation of our named executive officers in the absence of your specific instructions as to how to vote with respect to these matters, because under the rules of the NYSE, these matters are not considered routine matters. Based on the rules of the NYSE, we believe that the ratification of the appointment by the Audit Committee of Deloitte & Touche LLP is a routine matter for which brokerage firms may vote on behalf of their clients if no voting instructions are provided. Therefore, if you are a shareholder whose shares of Common Stock are held in street name with a bank, broker or other nominee and you do not return your voting instruction card, your bank, broker or other nominee may vote your shares **FOR** the ratification of the appointment by the Audit Committee of Deloitte & Touche LLP as our independent registered public accounting firm. **Please return your proxy card so your vote can be counted.**

**16. How are abstentions and broker non-votes counted?**

For purposes of determining the votes cast with respect to any matter presented for consideration at the Meeting, only those votes cast for or against are included. As described above, where brokers do not have discretion to vote or do not exercise such discretion, the inability or failure to vote is referred to as a broker non-vote. Proxies marked as abstaining, and any proxies returned by brokers as non-votes on behalf of shares held in street name because beneficial owners discretion has been withheld as to one or more matters to be acted upon at the Meeting, will be treated as present for purposes of determining whether a quorum is present at the Meeting. Broker non-votes and withheld votes will not be included in the vote total for the proposal to elect the nominees for director and will not affect the outcome of the vote for these proposals. In addition, under New Jersey corporation law, abstentions are not counted as votes cast on a proposal. Therefore, abstentions and broker non-votes will not count either in favor of or against (i) the non-binding proposal regarding the vote of the compensation of our named executive officers, (ii) the non-binding proposal regarding an advisory vote as to the frequency of the non-binding shareholder vote regarding the approval of the compensation of our named executive officers or (iii) the ratification of the appointment of Deloitte & Touche LLP.

**17. What if I change my mind after I vote?**

Whether you vote by telephone, Internet or by mail, you may later change or revoke your proxy at any time before it is exercised by: (i) submitting a properly signed proxy with a later date, (ii) voting by telephone or the Internet at a later time, or (iii) voting in person at the Meeting. See the enclosed proxy card for instructions. Attendance at the Meeting will not by itself revoke a previously granted proxy.

If you are a shareholder whose stock is held in street name with a bank, broker or other nominee, you must follow the instructions found on the voting instruction card provided by the bank, broker or other nominee, or contact your bank, broker or other nominee, in order to change or revoke your previously given proxy.

**18. Who pays the cost of proxy solicitation?**

All expenses of soliciting proxies, including clerical work, printing and postage will be paid by us. Our officers and other employees may personally solicit proxies or solicit proxies by mail, telephone, facsimile or Internet, but we will not provide any compensation for such solicitations. In addition, we have agreed to pay Eagle Rock Proxy Advisors a fee of \$5,500, plus reasonable expenses, for proxy solicitation services. We will also reimburse banks, brokers and other persons holding shares in their names or in the names of nominees for expenses incurred sending material to beneficial owners and obtaining proxies from beneficial owners.

**19. Could other matters be decided in the Meeting?**

The Board does not know of any other business that may be brought before the Meeting. However, if any other matters should properly come before the Meeting or at any adjournment or postponement thereof, it is the intention of the persons named in the accompanying proxy to vote on such matters as they, in their discretion, may determine.

**20. How do I make a shareholder proposal for the fiscal year 2011 Annual Meeting of Shareholders occurring in 2012?**

We must receive proposals from shareholders intended to be presented at the fiscal year 2011 Annual Meeting of Shareholders occurring in 2012, on or before August 16, 2011, to be considered for inclusion in our Proxy Statement and form of proxy/voting instruction card for that meeting pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended, and for consideration at that meeting. Shareholders submitting such proposals are required to be the beneficial owners of shares of the Common Stock amounting to at least \$2,000 in market value and to have held such shares for at least one year prior to the date of submission.

Our By-Laws also set forth the procedures a shareholder must follow to nominate directors or to bring other business before shareholder meetings. For a shareholder to nominate a candidate for director at the fiscal year 2011 Annual Meeting of Shareholders occurring in 2012, we must receive notice of the nomination no later than November 12, 2011. The notice must describe various matters regarding the nominee, including name, address, occupation and shares held. (See INFORMATION ABOUT THE BOARD'S COMMITTEES Nominating/Corporate Governance Committee on page 19 for more information regarding the director nomination process.) Additionally, under our By-Laws, for a shareholder to bring other matters before the fiscal year 2011 Annual Meeting of Shareholders occurring in 2012, we must receive notice no later than November 12, 2011. The notice must include a description of the proposed business, the reasons therefor and other matters specified in our By-Laws. In each case, the notice must be timely given to our Corporate Secretary, whose address is Office of the Corporate Secretary, 1415 Wyckoff Road, Wall, New Jersey 07719. A copy of the By-Laws is available free of charge on our website at <http://investor.njresources.com> under the caption Corporate Governance. A printed copy is available free of charge to any shareholder who requests it by contacting the Corporate Secretary in writing at Office of the Corporate Secretary, New Jersey Resources Corporation, 1415 Wyckoff Road, Wall, New Jersey 07719.

## STOCK OWNERSHIP

### Principal Shareholders

The following table sets forth as of November 30, 2010, certain information with respect to the beneficial ownership of shares of Common Stock by each person or group we know to beneficially own more than five percent of the outstanding shares of such stock.

Name and Address of Beneficial Owners	Number of Shares	Percent of Class <sup>(1)</sup>
BlackRock, Inc. 40 East 52 <sup>nd</sup> Street  New York, NY 10022	4,829,897 <sup>(2)</sup>	11.7%

<sup>(1)</sup> The percentage shown in the table is based on 41,287,514 shares of Common Stock outstanding on November 30, 2010.

<sup>(2)</sup> As reported on a Schedule 13G filed with the Securities and Exchange Commission (the "SEC") on January 8, 2010. The Schedule 13G indicates that BlackRock, Inc. ("BlackRock"), reported that it held sole voting power and sole dispositive power over 4,829,897 shares of Common Stock. The number of shares of Common Stock owned by BlackRock may have changed since the filing of the Schedule 13G.

### Directors and Executive Officers

The following table sets forth, as of November 30, 2010, the beneficial ownership of our Common Stock of (i) each of the directors, (ii) each of our executive officers listed in the Summary Compensation Table on page 44 of this Proxy Statement and (iii) all of our directors and executive officers as a group. Except as otherwise noted, each person has sole voting and investment power as to his or her shares. The beneficial ownership of each director and executive officer is less than one percent of the outstanding shares. The shares owned by all such persons as a group constitute approximately 1.5 percent of the total shares of Common Stock outstanding.

Name	Amount and Nature of Beneficial Ownership <sup>(1)(2)(3)(4)</sup>
Nina Aversano	25,613
Lawrence R. Codey	30,826
Donald L. Correll	3,165
Laurence M. Downes	202,096 <sup>(5)</sup>
Mariellen Dugan	28,285
Kathleen T. Ellis	30,563
Robert B. Evans	4,641
M. William Howard, Jr.	6,633
Jane M. Kenny	6,351
Alfred C. Koeppel	19,902
Glenn C. Lockwood	69,061
J. Terry Strange	21,075
David A. Trice	24,564
Stephen D. Westhoven	31,822
George R. Zoffinger	68,176 <sup>(6)</sup>
All Directors and Executive Officers as a Group (16 Persons)	604,270 <sup>(7)</sup>

<sup>(1)</sup> Information as to the amount and nature of beneficial ownership not within our knowledge has been furnished by each individual.

<sup>(2)</sup> Includes shares subject to currently exercisable options or any options exercisable within the next 60 days, as follows: Dr. Aversano 10,125 options, Mr. Codey 2,250 options, Mr. Downes 94,500 options, Ms. Dugan 13,500 options, Ms. Ellis 9,375 options, Mr. Lockwood 13,500 options, Mr. Strange 12,000 options, Mr. Westhoven 5,125 options and all directors and executive officers as a

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group 163,750 options.

<sup>(3)</sup> This column lists voting securities, including restricted stock held by the executive officers over which they have sole voting power but no investment power. Otherwise, except to the extent noted below, each director or executive officer

- has sole voting and investment power over the shares reported. Includes shares of restricted stock held by the executive officers over which they have sole voting power but no investment power, as follows: Mr. Downes 16,665 shares, Ms. Ellis 6,941 shares, Mr. Westhoven 1,201 shares, Mr. Lockwood 5,395 shares, Ms. Dugan 5,271 shares and all directors and executive officers as a group 36,075 shares.
- (4) Includes deferred shares of Common Stock held by the directors and executive officers pursuant to the Directors' Deferred Compensation Plan or the Officers' Deferred Compensation Plan over which they have sole voting power but no investment power, as follows: Dr. Aversano 2,211 shares, Mr. Codey 6,130 shares, Rev. Howard 3,833 shares, Ms. Kenny 3,833 shares, Mr. Koeppel 2,377 shares, Mr. Lockwood 27,876 shares, Mr. Strange 8,059 shares, Mr. Trice 14,381 shares, Mr. Zoffinger 27,228 shares and all directors and executive officers as a group 95,927 shares.
- (5) Includes 306 shares of Common Stock held by Mr. Downes as custodian for the benefit of a relative.
- (6) Includes 1,479 shares of Common Stock held by Mr. Zoffinger as custodian in trusts for the benefit of relatives, all as to which Mr. Zoffinger disclaims beneficial ownership.
- (7) Includes (a) 1,785 shares of Common Stock indirectly owned by certain of the directors and executive officers, (b) 163,750 shares of Common Stock subject to currently exercisable options, (c) 95,927 deferred shares of Common Stock held by certain of the directors and executive officers pursuant to the Directors' Deferred Compensation Plan or the Officers' Deferred Compensation Plan over which they have sole voting power but no investment power and (d) 36,075 shares of restricted stock held by certain of the executive officers over which they have sole voting power but no investment power.

**SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our executive officers and directors, and persons who beneficially own more than ten percent of our equity securities, to file reports of ownership and changes in ownership with the SEC and the NYSE. Executive officers, directors and greater than ten percent shareholders are required by SEC regulation to furnish us with copies of all Section 16(a) forms they file.

Based solely on a review of the copies of these reports furnished to us, we believe that all filing requirements applicable to such officers and directors (we are not aware of any ten-percent holder) were complied with during fiscal year 2010.



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**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table presents information as of September 30, 2010, with respect to equity compensation plans under which shares of Common Stock are authorized for issuance.

<b>Plan Category</b>	<b>Number of Securities to Be Issued Upon Exercise of Outstanding Options, Warrants and Rights<sup>(1)</sup></b>	<b>Weighted Average Exercise Price of Outstanding Options, Warrants and Rights<sup>(2)</sup></b>	<b>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans<sup>(3)</sup></b>
Equity Compensation Plans Approved by Shareholders	567,503	\$ 27.24	1,705,627
Equity Compensation Plans Not Approved by Shareholders <sup>(4)</sup>			
<b>Total</b>	<b>567,503</b>	<b>\$ 27.24</b>	<b>1,705,627</b>

(1) There are no outstanding warrants or rights. This amount includes stock options, deferred stock units and performance shares that may vest based upon certain conditions and would be paid in the form of shares of Common Stock on a one-to-one basis upon vesting.

(2) The weighted-average exercise price in this column does not take deferred stock units and performance shares into account.

(3) Amounts exclude any securities to be issued upon exercise of outstanding options.

(4) We do not have any equity compensation plans that have not been approved by shareholders.

**ELECTION OF DIRECTORS**

[Item (1) on proxy card]

**Item 1**

The Board currently consists of 11 members divided into three classes with overlapping three-year terms. Effective the date of the meeting, Dr. Nina Aversano is retiring from the Board after more than 12 years of service. The Board is not nominating a replacement for Dr. Aversano at this time. Subsequent to the Meeting, the Board will therefore consist of ten members. Two individuals have been nominated for election as directors at the Meeting. Ms. Kenny and Mr. Trice would each serve for a three-year term expiring in 2014 and until their respective successors are elected and have qualified. Each of the nominees is currently serving as a director of the Company and has been previously elected by our shareholders. There were no nominee recommendations from shareholders or from any group of shareholders submitted in accordance with our By-Laws. Unless otherwise indicated on a proxy, the proxy holders intend to vote the shares each proxy represents for all of the nominees for election as directors.

The affirmative vote of a plurality of the shares of Common Stock, present or represented by proxy and voted at the Meeting, is required for the election of directors.

Proxies solicited by the Board will be voted in favor of the nominees listed below, unless otherwise specified in the proxy. All of the nominees proposed by the Board have consented to serve if elected. We know of no reason why the nominees would not be available for election or, if elected, would not be able to serve. While it is not anticipated that any of the nominees will be unable to serve, if any should be unable to serve, the proxy holders reserve the right to substitute any other person approved by the Board.

Set forth below is information for each nominee and director concerning the age, principal occupation, employment and directorships during the past five years and positions with the Company of each nominee and director, the year in which he or she first became a director of the Company and his or her term of office as a director. Also set forth below is a brief discussion of the specific experience, qualifications, attributes or skills that led to the Board's conclusion that each nominee and director should serve as a director as of the date of this Proxy Statement, in light of our business and structure.

**Nominees for Election as Directors**

**Name, Period**

served as

**Director and Age**

Jane M. Kenny

Director since 2006

Age 59

**Business Experience During Past Five Years and Other Affiliations**

Managing Partner, The Whitman Strategy Group, LLC, a consulting firm specializing in governmental relations and environmental and energy issues, since January 2005; Regional Administrator of the Environmental Protection Agency, overseeing the federal agency's work in New York, New Jersey, Puerto Rico, and the Virgin Islands from November 2001 to December 2004; Commissioner of New Jersey Department of Community Affairs from May 1996 to November 2001; Trustee, NJ Future; Trustee, New Jersey Institute for Social Justice; Visiting Associate, The Eagleton Institute of Politics, Rutgers University; Member, State of New Jersey Local Finance Board.

Ms. Kenny's extensive public policy experience, especially with environmental, public policy, energy and government relations issues, based on her extensive regulatory and policy experience leading environmental initiatives as Administrator for Region 2 of the United States Environmental Protection Agency, and her service as a top advisor to two Governors of New Jersey, is essential for the Board of a company like ours that regularly faces such issues. That experience, as well as her firm's active consulting practice on environmental, energy and public policy issues, has provided Ms. Kenny an understanding of the energy industry, which is important in assisting the Board in monitoring and evaluating our business.

**Name, Period**

served as

**Director and Age**

David A. Trice

Director since 2004

Age 62

**Business Experience During Past Five Years and Other Affiliations**

Retired. Chairman from September 2004 to May 2010, President and Chief Executive Officer from February 2000 to May 2009, President and Chief Operating Officer from 1999 to 2000 and Vice President Finance and International from 1997 to 1999, Newfield Exploration Company, a public independent crude oil and natural gas exploration and production company; Director, Hornbeck Offshore Services, Inc., a public owner and operator of tugs and tank barges that transport crude and refined petroleum products and supply vessels that support offshore oil and gas drilling and production; Director, McDermott International, Inc., a public engineering and construction company with a focus on the energy and power industries; Past Chairman, The American Natural Gas Alliance, Inc and the American Exploration and Production Council.

A career with over 30 years of experience with energy companies such as Newfield Exploration Company has given Mr. Trice extensive knowledge of the energy industry, particularly natural gas, as well as other operational expertise, that is essential to our Board in understanding and evaluating our business. Mr. Trice also brings to our Board experience gained from holding senior leadership and board positions at public companies and industry groups that provides our Board with significant experience in risk oversight, financial policy, executive compensation and corporate governance matters. In addition, Mr. Trice's extensive experience in the energy industry and his familiarity with the relevant issues provide the Board with a valuable perspective.

**Directors With Terms Expiring in 2012**

**Name, Period**

Served as

**Director and Age**

Donald L. Correll

Director since 2008

Age 60

**Business Experience During Past Five Years and Other Affiliations**

Retired. President and Chief Executive Officer and member of the Board of Directors of American Water Works, Inc., a New Jersey-based public water utility holding company from April 2006 to August 2010; President and Chief Executive Officer and member of the Board of Directors of Pennichuck Corporation, a New Hampshire-based public water utility holding company from 2003 to 2006; Chairman, President and Chief Executive Officer of United Water Resources, a public water services company from 1991 through 2001. From 2001 to 2003, served as an independent advisor to water service and investment firms on issues relating to marketing, acquisitions, and investments in the water services sector; Director, HealthSouth Corp, a public national healthcare service provider.

Mr. Correll's experience with utilities companies through his leadership of American Water Works and other water services companies has given him an understanding of the regulatory and operational issues that we face. In his positions as a Chief Executive Officer and director of a public company, he has gained experience in financial policy and risk oversight that is essential to his positions as a member of the Audit and Financial Policy Committees.

Rev. M. William Howard, Jr.

Director since 2005

Age 64

Pastor of Bethany Baptist Church, Newark, New Jersey, since 2000; President, New York Theological Seminary from 1992 to 2000; Past Chairman and Current Member, Rutgers University Board of Governors; Chair of the New Jersey Death Penalty Study Commission from 2006 to 2007; Chair of Newark Mayor Cory Booker's Transition Team in 2005; Trustee, McCarter Theatre.

Rev. Howard is an experienced local and national community leader with extensive familiarity with and contacts within and outside of our service area. His work and experiences in the public sector, including his experience leading religious institutions bring unique and valuable perspectives and disciplines to the Board's deliberations and decision-making processes, particularly with regard to issues of corporate citizenship and community relations.

**Name, Period**

**Served as**

**Director and Age**

J. Terry Strange

Director since 2003

Age 66

**Business Experience During Past Five Years and Other Affiliations**

Retired. Vice Chair and Managing Partner of U.S. Audit Practice from 1996 to 2002 and Global Managing Partner of Audit Practice from 1998 to 2002, KPMG LLP, an independent accounting firm; Director, Newfield Exploration Company, a public independent crude oil and natural gas exploration and production company; Director, Group 1 Automotive, Inc., a public specialty retailer with automobile dealer franchises, collision service centers, financing, insurance and service contracts; Director, SLM Corp., a public company more commonly known as Sallie Mae, a leading provider of student loans and administrator of college savings plans.

Mr. Strange has extensive knowledge and experience with accounting practices, policies and rulemaking from his 34-year career at KPMG LLP, which is especially important in his role as Chairman of the Audit Committee and our audit committee financial expert. His significant experience working with companies in the energy sector, as well his experience as a director of a number of public companies has given him an understanding of the challenges and strategic alternatives available to public companies, financial policy and risk oversight.

George R. Zoffinger

Director since 1996

Age 62

President & Chief Executive Officer, Constellation Capital Corp., a financial services company, since December 2007; President and Chief Executive Officer, New Jersey Sports & Exposition Authority from March 2002 to December 2007; President & Chief Executive Officer, Constellation Capital Corp., from March 1998 to March 2002; Director, Virgin Media, Inc., a United Kingdom media company; Chairman, New Brunswick Development Corporation, a not-for-profit urban real estate development company; Member of the Rutgers University Board of Governors.

Mr. Zoffinger's leadership experience and work with public companies has given him financial, corporate governance and real estate development expertise and experience with executive compensation issues, which are important to his roles as a member of the Nominating/Corporate Governance and Leadership Development and Compensation Committees. In addition, he brings to the Board corporate development experience and knowledge gained from his leadership and board positions, including his long tenure on the Board.

**Directors with Terms Expiring in 2013**

**Name, Period**

**Served as**

**Director and Age**

Lawrence R. Codey

Director since 2000

Age 66

**Business Experience During Past Five Years and Other Affiliations**

Retired. President and Chief Operating Officer, Public Service Electric & Gas Company from September 1991 through February 2000; Director, United Water Resources, Inc., a public water utility holding company with subsidiaries providing water and wastewater services; Director, Horizon Blue Cross Blue Shield of New Jersey, a health care insurance provider; Director, Sealed Air Corporation, a manufacturer and seller of food and specialty packaging materials and systems.

Mr. Codey brings to our Board extensive business, leadership and administrative experience in the utility industry from his tenure at Public Service Electric & Gas Company and his service on public company boards. His understanding of issues facing utility companies, both as an officer and director, is invaluable to the Board.



**Name, Period**

**Served as**

**Director and Age**

Laurence M. Downes

Director since 1995

Age 53

**Business Experience During Past Five Years and Other Affiliations**

Chairman of the Board of the Company since September 1996 and President and Chief Executive Officer since July 1995; Director, Questar Corporation, a public integrated natural gas company; Director and past Chairman, American Gas Association; Trustee, American Gas Foundation; Member, Board of Directors of New Jersey Economic Development Authority; Chairman of Finance Council, Catholic Diocese of Trenton.

As Chairman of the Board, Mr. Downes provides the Board with strong leadership and direction and a considerable amount of experience. As our President and Chief Executive Officer, Mr. Downes is able to communicate and inform the Board about our operations, issues and developments. Mr. Downes' extensive knowledge of the energy industry, experience as the leader of the Company and innovative thinking provides an invaluable benefit to the Board. In addition, Mr. Downes' board positions at natural gas organizations have positioned him to bring experience and industry knowledge to his position as Chairman of the Board. Through Mr. Downes' many years of service on the Board, he has developed extensive knowledge in the areas of leadership, strategy, safety, risk oversight, management and corporate governance, each of which provides great value to the Board.

Robert B. Evans

Director since 2009

Age 62

Retired. President and Chief Executive Officer of Duke Energy Americas, a business unit of Duke Energy Corp., from January 2004 to March 2006; Served as the transition executive for Energy Services, a business unit of Duke Energy Corp., during 2003; President of Duke Energy Gas Transmission beginning from 1998 to 2002 and President and Chief Executive Officer from 2002 to 2003; Director, Targa Resources Partners LP, a provider of midstream natural gas and natural gas liquids services in the United States.

Mr. Evans' experience in senior leadership and board positions of other energy companies has positioned him to bring executive, corporate development, operational and financial experience and industry knowledge to his position as a member of the Board. His extensive executive experience with the natural gas transmission business and wholesale natural gas trading business of Duke Energy and Targa Resources Partners provides the Board with valuable knowledge of those aspects of the energy industry.

Alfred C. Koeppe

Director since 2003

Age 64

President and Chief Executive Officer, Newark Alliance, a non-profit organization whose mission is to improve the City of Newark, New Jersey, since October 2003; President and Chief Operating Officer from March 2000 to October 2003 and Senior Vice President - Corporate Services fr