



# THE NEW JERSEY ADVOCATE



Quarterly Publication

A Publication Of The Division Of The Ratepayer Advocate

Winter 2005

## Message from the Director



Winter for many New Jersey residents is a time to rest after the hectic pace of the holiday season. Winter is also a time to plan for the future. This is exactly what we are doing at the Ratepayer Advocate.

This winter, the Ratepayer Advocate is involved in many cases and issues that directly affect New Jersey residents. We have urged the Federal Communications Commission (FCC) to leave in place our state's Do Not Call regulations, which are some of the toughest in the nation. We are working in conjunction with state officials to draft legislation recommending that Congress force the cable TV industry to provide consumers with detailed bills on what each cable channel actually costs, so customers can choose bundles of channels or make individual choices based on what programs their household actually watches.

The Ratepayer Advocate is also closely monitoring the FCC's actions concerning Voice Over Internet Protocol, better known as "VOIP," and is urging the FCC to allow New Jersey to regulate this burgeoning technology so that consumer interests are protected.

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## Message from the Acting Governor

### Charting a New Course for Advocacy in New Jersey

I became Governor at a time of political upheaval for the people of New Jersey, a time when our faith in government had been shaken. As Governor, I want to bring stability and dignity to the State House. I also want to be an advocate for people who don't have time to read the newspaper or the money to make a political contribution. And I want to build bi-partisan solutions and solicit new ideas from every political party and every community across our state. Most importantly, I want to be honest about the issues, the problems and the limits of what we can accomplish.



Working with Ratepayer Advocate Seema M. Singh, we are keeping our commitment to ensure that all residents have access to safe, affordable and proper utility service.

I have directed that more than \$2.2 million in Fiscal Year 2005 be provided to help needy families pay gas and electric utility bills. The state Treasury's Division of Taxation has already transferred the funds to NJ SHARES, a non-profit corporation designated by the N.J. Board of Public Utilities to provide financial assistance to eligible residents. This allocation represents the second highest amount authorized since the trust fund was established in Fiscal Year 2000.

In addition, as a prime sponsor of the New Jersey Do Not Call law and a long-time advocate for cable television customers in the state, I will continue working to ensure consumers receive the protections they deserve. I recently appealed to New Jerseyans to help us prevent the Federal Communications Commission from weakening our state's Do Not Call law, which is one of the strongest in the nation. You can add your voice to our effort by visiting <http://nj.gov/protectdonotcall> and filing a comment with the FCC.

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# THE RATEPAYER ADVOCATE EDUCATES CONSUMERS

CONTACT US TO SCHEDULE A PRESENTATION IN YOUR AREA

(973) 648-2690

[njratepayer@rpa.state.nj.us](mailto:njratepayer@rpa.state.nj.us)

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## Puzzled About How These Programs Can Help You?

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Learn how Utility Assistance Programs like LIHEAP, LINK-UP, NJ Shares, NJ USF and Lifeline might help improve the quality of your life and save you money on utility bills. To check for a consumer education presentation in your area, log onto [www.rpa.state.nj.us/events.htm](http://www.rpa.state.nj.us/events.htm). Interested organizations may contact us to arrange a presentation by the New Jersey Ratepayer Advocate by e-mailing us at [njratepayer@rpa.state.nj.us](mailto:njratepayer@rpa.state.nj.us) or calling (973) 648-2690.

## Ratepayer Advocate on the Road

### Some Places We've Been in 2004

**September 22** - The RPA participated in a panel discussion on "What County Officials Can Do to Save On Energy Costs" at the Bally's Park Plaza in Atlantic City.

**October 13** - Participants at the South Jersey Gas Consumer Advisory Council's Annual Consumer Social Services Seminar discussed the RPA Conservation and Financial Assistance Programs at the Merighis Savoy Inn in Vineland.

**December 17** - The RPA conducted a presentation on Services and Benefits for Seniors sponsored by the International Institute of New Jersey at the North Bergen Public Library in North Bergen.

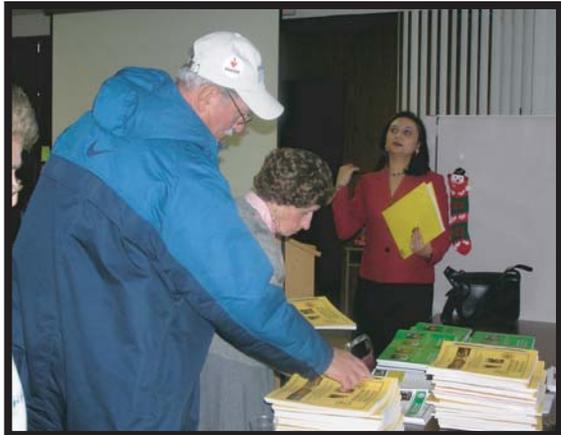
### Some Places We're Going in 2005

**January 12** - Ratepayer Advocate Seema M. Singh spoke at the New Jersey Natural Gas and Interfaith Neighbors, Inc. home dedication in Asbury Park. The new house was dedicated to a local minister and his family and includes photovoltaic technology for solar power.

**January 25** - Members of the Roxbury Township Chapter of the AARP gathered for a consumer education seminar on Conservation, Clean Energy and Utility Financial Assistance Programs.

**February 17** - Participants at the New Jersey Technology Council's panel on the future of telecommunications learned about the RPA's position on government regulation and Voice Over Internet Protocol at the AT&T headquarters in Bedminster.

**March 24** - New Brunswick Senior Resource Center members will receive a consumer education presentation on How to Read Your Utility Bills, Cable TV, and Conservation in New Brunswick.



Members of the Northvale Golden Age Club help themselves to free copies of the Ratepayer Advocate's Consumer Conservation Handbook and Consumer Assistance Handbook following a presentation on December 10, 2004.



An audience of senior citizens at the Old Bridge Senior Center listens to Seema M. Singh present Utility Assistance Programs on October 10, 2004.

## ON THE RATEPAYER ADVOCATE RADAR

### Proposed Mergers

- **PSEG/EXELON Proposed Merger**

Exelon Corporation, owner of utilities in Northern Illinois and Eastern Pennsylvania, and Public Service Enterprise Group Incorporated of New Jersey, the parent company of the electric and natural gas utility PSE&G, filed for approval to merge on February 4, 2005. If approved, the merger would create the largest power company in the United States.

The new company would generate more than 52,000 megawatts of power, serve nine million customers and earn about \$27 billion in annual revenues, according to estimates provided by Exelon and PSEG.

- **AT&T/SBC Proposed Merger**

The San Antonio, Texas-based SBC Communications, Inc., which currently sells phone service in 13 states in the South, West and Midwest and is part-owner of Cingular Wireless, announced its intentions to acquire Bedminster-based AT&T in January 2005. This merger could result in the country's largest phone company with services stretching into cellular phone, landline, Internet and cable TV.

### What is the Ratepayer Advocate Doing About the Proposed Mergers?

The Ratepayer Advocate's role in the merger proceedings is to determine the impact on consumers' rates, competition, the employees of the concerned utilities, and the effect on reliable and safe service at reasonable rates. Throughout the process, the Ratepayer Advocate will thoroughly review the merger agreement petitions and work to ensure that New Jersey's ratepayers are protected in these proposed mergers by requesting evidentiary documents, issuing testimony, and communicating directly with company executives.

## RATEPAYER ADVOCATE IN THE NEWS

### It's Time To Give Cable Customers The Option of 'A La Carte' Channel Menus

"Freedom of choice is the American way," Ratepayer Advocate Seema M. Singh said in an op-ed column. "One does not have to look further than the cable television industry to see the consequences of a lack of consumer choice. Cable TV prices have been increasing at an alarming rate since the federal deregulation of the cable industry in 1996. Under the existing pricing structure, cable TV subscribers (must) pay a fixed price for a fixed package or tier of channels."

--*Asbury Park Press*, September 26, 2004

### Ruling Could Raise Basic Cable TV Rate, NJ and FCC At Odds Over Regulating Cablevision

New Jersey regulators, state officials and the state's top consumer advocate said the decision by the Federal Communications Commission (FCC) regarding regulations was based on flawed data, and they vowed to contest it.

According to Ratepayer Advocate Seema M. Singh, the data used to determine how many customers subscribe to satellite TV were flawed. She said Cablevision used Census data from 2000 and satellite TV subscriber data from 2002 and 2003. Singh argued that the Census data skewed the results and that the FCC simply rubber stamped the Cablevision request to (deregulate basic service, hence allowing the company greater freedom in setting rates) in the 49 N.J. towns based on evidence that satellite TV (subscribers) created sufficient competition.

--*The Record*, May 19, 2004

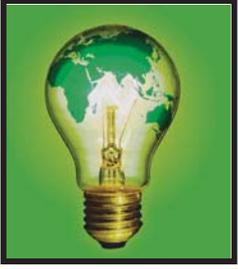
### Ratepayer Advocate Seema M. Singh Witnesses The Devastation Of The Tsunami Tragedy



As an American of South Asian origin, Ratepayer Advocate Seema M. Singh was interviewed by local station 101.5 FM (January 17, 2005) and *The Home News Tribune* (January 20, 2005) to give an account of what she saw following the devastation of the Tsunami in India. In early January, Singh took a previously scheduled personal trip to India that occurred after the Tsunami struck. Her travels took on a new meaning and concern after seeing the destruction in several villages she visited in India. Singh said she is extremely heartened at the generous support of New Jersey residents and those throughout the world who are helping victims of the disaster.

## CLEAN ENERGY

### Getting To Know The Clean Energy Program



**What is the Clean Energy Program?** When the Electric Discount and Energy Competition Act was signed into law in 1999, it required the establishment of renewable energy and energy efficiency programs. These programs are now collectively known as the Clean Energy Program (CEP). The CEP promotes and encourages greater efficiency in the use of renewable energy sources like solar panels and fuel cells to help meet the state's ever increasing energy needs.

**The most notable goal of the CEP** is to save New Jersey ratepayers money by helping them reduce overall consumption of gas and electricity. It is the mission of the CEP to reduce the need to build new transmission lines and power plants. Clean energy is crucial for New Jersey's future because it reduces pollution, protects the environment, creates jobs and decreases dependence on foreign oil.

The Ratepayer Advocate is proud to be an active participant in the ongoing initiatives of the CEP. With the CEP initiatives, New Jersey is setting a powerful example for the future of energy conservation, energy efficiency and energy technology.

**To learn more about the CEP**, you can call your electric or gas utility, or access the CEP website: [www.njcleanenergy.com](http://www.njcleanenergy.com).

**Recently, state funding for the Clean Energy Program was increased.**

**In 2004 and 2005, the Clean Energy Program had a budget of \$139 million, however, this amount will increase to:**

**\$165 million in 2006**

**\$205 million in 2007**

**\$235 million in 2008**

**That's good news for consumers and for the environment!**

### Winter Conservation Tips

- ❖ Clean or replace furnace filters once a month as needed.
- ❖ Turn down the thermostat. A thermostat setting of 68 degrees or cooler when family members are active and 60 degrees or cooler when everyone is in bed will help cut your heating bill.
- ❖ Keep all heat registers and air ducts clear from obstructions.
- ❖ Insulate the attic, walls and wall box areas and weatherstrip and caulk around doors and windows.
- ❖ Seal drafty windows with plastic.
- ❖ Open the drapes or blinds during sunny days and close them at night to keep warmth inside.
- ❖ Maintain proper humidity in your home. Your furnace reduces the relative humidity and makes rooms feel cooler than they are. The higher the humidity, the warmer you feel.



Mayor Richard Zoschak of Roxbury Township, Ratepayer Advocate Seema M. Singh and RPA Litigation Manager Paul Flanagan answer questions from the audience during a January 25, 2005 presentation to AARP members in Succasunna.

#### DID YOU KNOW?

**In 1908, Jersey City, New Jersey and Chicago, Illinois were the first in the United States to supply chlorinated water.**

## RATEPAYER ADVOCATE SUCCESSES

- **PSE&G Natural Gas Rate Case:** The Ratepayer Advocate, after over a year of negotiations, secured a one-time \$6 million credit for commercial and industrial gas customers.
- **NUI Settlement:** AGL Resources purchased Elizabethtown Gas Company (ETG), whose parent company is NUI Utilities. The Ratepayer Advocate secured the following for ETG customers: a five-year rate freeze; a one-time refund of about \$75 for the average residential customer; and a service and reliability commitment from the new owners.
- **JCP&L Deferred Balance and Rate Case:** Instead of the 11% rate increase the company sought, the Ratepayer Advocate succeeded in obtaining a lower 3% rate increase. The company's profits were also limited to 9.5% compared to the 9.75% the Board of Public Utilities allowed other utility companies. This .25% difference resulted in an approximate \$5 million loss to JCP&L and was meant as a measure to increase the company's reliability.
- **Atlantic City Electric Deferred Balance Case:** The Ratepayer Advocate's arguments reduced customers' monthly rate increase from 30% to 8%.
- **NJ American Water Company:** The water company asked the Board of Public Utilities for a 21% annual revenue increase. The RPA negotiated this down to less than 10%.
- **Elizabethtown Water Company:** EWC sought to increase their annual revenue by 12%, but the RPA negotiated the company down to 3.4%.
- **Mount Holly Water Company:** MHWC attempted to secure a 28% increase in annual revenue. The RPA negotiated the company down to a 9.6% increase.
- **Verizon NJ:** The RPA succeeded in keeping four free directory assistance calls per month for consumers until 2006. If Verizon had succeeded, more than 4 million Verizon NJ customers would have paid up to \$24 per telephone line a year.

### Message from the Director

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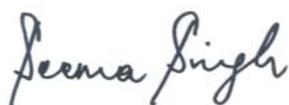
We will also be closely following the PSE&G/Exelon and AT&T/SBC mergers throughout the coming months and, if necessary, will submit commentaries, briefs and recommendations to the Board of Public Utilities, to ensure that your rights and needs are protected.

Several natural gas companies who service New Jersey raised their prices between 2% and 5% last fall, and they may raise them an additional 5% this winter. It is important to note that the companies are not profiting from these price increases, but are simply passing on their own cost increases due to factors beyond their control, namely the scarcity of natural gas supplies. During these cold winter months, I urge New Jersey residents to utilize conservation strategies to counter increases in natural gas rates. Conserving energy is the surest way to guarantee that your household is operating efficiently and that you are saving money. For conservation details, please visit our website at [www.rpa.state.nj.us](http://www.rpa.state.nj.us).

This Winter the Ratepayer Advocate is publishing new editions of the Consumer Conservation Handbook and Consumer Assistance Handbook. Both books will also be printed in Spanish. Be sure to check our website to make sure you get your copies hot off the press.

My staff and I are ready to address any utility concerns you may have, so please feel free to call or e-mail us regarding any utility issue that affects you. Stay warm and conserve energy.

Best wishes.



Seema M. Singh  
Ratepayer Advocate  
Winter 2005



The Ratepayer Advocate participates in community events throughout the state.

### VOIP-Voice Over Internet Protocol Using Your Computer as Your Phone

**What is VOIP?** VOIP is technology that allows you to make telephone calls using a broadband Internet connection (DSL or Cable Modem) on your computer instead of a regular phone line.

**How It Works:** VOIP calls travel over the Internet in "packages" of data similar to e-mail and web pages.

**VOIP Advantages:** Lower telephone bills if you purchase Internet and VOIP services from the same carrier (DSL users may be bound to traditional phone service since phone and web lines are the same); e-mail sent to consumers when voicemail is received (voicemail can then be checked from any computer in the country); instant lists of incoming/outgoing calls; Caller ID, call waiting, voicemail may be included. Usually no price distinction between local and long distance calls; many surcharges found on traditional phone bills do not apply.

**Bonus VOIP Feature:** Providers may permit consumers to select any area code—if your family lives in California, you can choose a California area code and avoid long distance charges if they apply.

**VOIP Disadvantages:** A power outage may knock out service (companies may provide back up batteries—check!); 911 operators may not be able to identify VOIP callers' location during an emergency; fax capability may not be available.

**VOIP Availability:** Most major Internet and cable providers service NJ, but call your Internet provider to identify features offered and their cost.

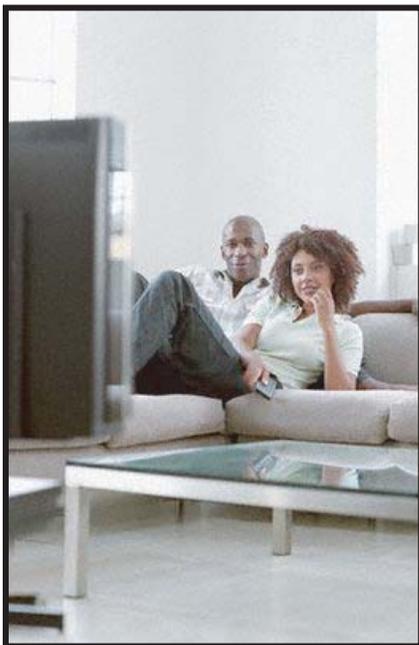
**Is VOIP Regulated?** The Internet is not currently regulated by the government, but the telephone industry is subject to state and federal regulations. This creates complex new legal issues. The Ratepayer Advocate is urging the state to regulate the intrastate portion of VOIP service and to fully address public safety access.



Ratepayer Advocate Seema M. Singh discusses utility concerns with a resident of Northvale Township at a consumer education presentation on 12/10/04.

#### The RPA has taken the lead

in recommending to the FCC that VOIP service in New Jersey be regulated by the Board of Public Utilities. The RPA wants the Board to regulate 911 emergency service, Universal Service issues, access by the disabled, and to preserve New Jersey's right to tax VOIP as a telecommunications service. Since traditional phone services provide substantial tax revenues, millions would be lost if VOIP is not subject to state regulation.



### A La Carte Cable Pricing Rejected By FCC Ratepayer Advocate Does Not Give Up

In two separately filed comments, the Ratepayer Advocate urged the Federal Communications Commission (FCC) to give consumers the optional right to select only the cable television channels they want, instead of being saddled with a bundled package of channels including many they may not want or watch. *A la carte* pricing, the Ratepayer Advocate urged, would give consumers the option of reducing exorbitant cable TV bills. The Ratepayer Advocate proposed that cable operators should itemize the price of each component of the bundled cable channels on consumers' bills so cable TV customers can decide whether to buy a package of channels or select their viewing choices *a la carte*. Late in 2004, the FCC issued a report refusing to impose an *a la carte* pricing requirement on the cable companies. As a result, cable TV customers are stuck paying a flat rate for channels they do not choose. The Ratepayer Advocate will continue to pressure the FCC to require the cable industry to disclose what consumers are paying for bulk channel packages, and is working with New Jersey Assemblyman Van Drew (D-1) in drafting legislation to accomplish this goal.

## WHAT'S HAPPENING IN TRENTON

### Cable TV Basic Rates Legislation



Assemblyman Jeff Van Drew (D-1) has introduced legislation, AR-188, that applauds the efforts of the Ratepayer Advocate and Board of Public Utilities (BPU) in urging the Federal Communications Commission to reverse a decision that would allow basic cable rates to go unregulated in 49 municipalities served by Cablevision in New Jersey.

On May 18, 2004, Ratepayer Advocate Seema M. Singh was joined by then-Senate President Richard J. Codey and Board of Public Utilities President Jeanne Fox at a press conference challenging the ruling. The Ratepayer Advocate and BPU contended that Cablevision did not satisfy the effective competition test in the 49 municipalities, thereby arguing that basic rates should remain regulated.

"We are pro-consumer and pro-competition because we believe consumers benefit with better service and better prices where a healthy competitive environment exists," said Ratepayer Advocate Singh. "Until competition occurs, basic cable rates must remain regulated by the BPU in order to protect the consumer."



BPU President Jeanne Fox and Ratepayer Advocate Seema M. Singh listen as then-Senate President Richard J. Codey addresses audience members at a press conference at the Ratepayer Advocate's Newark office challenging the FCC ruling.

### Message from the Acting Governor

*cont. from page 1*



Acting Governor Richard J. Codey signs an Executive Order creating the new position of Special Counsel for Ethics Reform as former Supreme Court Justice Daniel J. O'Hern Sr. and Seton Hall Law Professor Paula Ann Franzese, who jointly serve in the new post, look on.

With programs such as these, we are working together to make a fresh start for our state.

In my first few months in office, I have made ethics in government the focus of my policy agenda by stopping automatic increases in campaign contribution limits, creating an Inspector General to root out waste, fraud and mismanagement, and hiring Special Ethics Counsel to develop a mandatory ethics training program.

I also have called for the restoration of the Public Advocate because we need an entity of government that is independent and willing to fight whomever, including government itself, on behalf of ordinary citizens.

Strengthening the integrity of our government shows our commitment to democracy; fighting for those without a voice shows true compassion.

That is why I have proposed a \$200 million dollar housing trust fund for individuals with mental illness and other disabilities, as well as new incentives to attract and retain mental health workers. I have also pledged to expand access to health care and improve security for our schools.

I also have called for an investment of \$150 million to build and equip a world-class facility to be known as the New Jersey Stem Cell Institute. And we will ask the voters of New Jersey to put their faith behind a \$230 million investment in the promise of stem cell research.

Capitalizing on the promise of stem cell research, helping those with mental illness, providing needy families with assistance for utility bills -- these actions define our values as a state. They demonstrate that our government is taking sensible steps to help people lead better and healthier lives.

I entered public service because it offered the opportunity to make a difference for those society has left behind, but I can't do it alone. If we are willing to work together and be sensible in what we can achieve, then together we can make real and meaningful progress for the state.



Richard J. Codey  
Acting Governor  
State of New Jersey

## Financial Assistance Programs

There are several payment assistance programs to help qualified utility consumers having difficulty paying their natural gas and electric bills. Eligibility requirements, enrollment forms and registration/filing deadlines for each program can be obtained on the phone or on the Internet.

Low Income Home Energy Assistance Program (LIHEAP)  
1-800-510-3102

[www.energyassistance.nj.gov](http://www.energyassistance.nj.gov)

NJ Lifeline 1-800-792-9745

[www.state.nj.us/health/seniorbenefits](http://www.state.nj.us/health/seniorbenefits)

Universal Service Fund (USF) 1-866-240-1347

[www.energyassistance.nj.gov](http://www.energyassistance.nj.gov)

NJ SHARES 1-866-657-4273

[www.njshares.org](http://www.njshares.org)

Weatherization Assistance Program 1-800-510-3102

[www.erre.energy.gov/weatherization](http://www.erre.energy.gov/weatherization)

Winter Moratorium Program 1-800-624-0241

[www.bpu.state.nj.us/home/energyAssistance.shtml](http://www.bpu.state.nj.us/home/energyAssistance.shtml)

New Jersey Comfort Partners

Contact Your Local Utility for Information

[www.njcleanenergy.com](http://www.njcleanenergy.com)

## New Jersey's Do Not Call Law

Acting Governor Richard J. Codey is asking residents to contact the federal government and urge the Federal Communications Commission not to weaken New Jersey's Do Not Call law.



The Acting Governor recently launched a new state website, <http://nj.gov/protectdonotcall>, for residents to file their comments with the FCC.

Acting Governor Codey and Ratepayer Advocate Seema M. Singh pledged to continue fighting to protect the rights afforded to consumers under New Jersey's Do Not Call law.

To sign up for the Do Not Call list, visit [www.nj.gov/donotcall](http://www.nj.gov/donotcall) or for more information call 1 888-NJNOCALL.



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