



Consumer Chat

The Newsletter of the Ratepayer Advocate

2001 ACHIEVEMENTS OF THE RATEPAYER ADVOCATE

The Division of the Ratepayer Advocate achieved many successes for the ratepayers of New Jersey in 2001 in the areas of gas, electric, water/wastewater, cable television, and telecommunications rates and services. Actual dollar savings on utility bills, financial assistance programs for low-income and disabled residents, and new technologies available for schools and libraries have resulted from Ratepayer Advocate efforts. Some highlights of the achievements include:

***GPU/FIRST ENERGY MERGER.** The Ratepayer Advocate successfully negotiated many ratepayer benefits in the stipulation approving the merger of GPU Energy of Morristown and FirstEnergy Corp. of Ohio. The benefits include a \$300 million savings in deferred energy costs; a two-year, \$5.5 million assistance program for low-income customers; \$1 million for technology enhancements to schools and libraries; upholding the collective bargaining agreement for 1,600 employees; and maintaining two regional headquarters in New Jersey.

***UNIVERSAL SERVICE FUND.** The Board of Public Utilities ordered the creation of a Universal Service Fund program on October 25, 2001 to assist residential customers who have difficulty paying their energy bills. The Ratepayer Advocate had represented consumers in urging the Board to establish such a fund, which was required by the Electric Discount and Energy Competition Act of 1999. An interim fund is scheduled to be in place for this winter's heating season with full implementation by next year.

***VERIZON LOCAL RATES.** The Ratepayer Advocate is representing consumers in a proposal by Verizon to modify its alternative regulatory plan for providing local residential telephone service in New Jersey and to reclassify multi-line rate regulated business services as competitive. The Ratepayer Advocate is seeking a five-year cap on the \$8.19 basic charge; a separation of Verizon's wholesale and retail operations; the expansion of local calling areas and incentives for competition.

***CHARITABLE DONATIONS.** The Ratepayer Advocate won a State Supreme Court decision finding that utilities cannot pass the cost of their charitable donations on to ratepayers, thereby saving these charges being billed to customers.

***CABLE TELEVISION.** The Ratepayer Advocate testified before the State Legislature in support of legislation that would reduce cable rates for senior citizens and is encouraging a re-regulation of the industry to drive down rates for all cable customers.

***ENERGY AND WATER: NAVIGATING THE CURRENTS.** The Ratepayer Advocate hosted its fourth annual utility conference in conjunction with the League of Municipalities on May 11. More than 200 participants, including industry and consumer experts, legislators, public officials, utility representatives and the public, discussed and debated issues on water quality, energy conservation, public policy and future population needs.

CHANGING THE WAY YOU DIAL...

Beginning December 1, 2001, areas in northern and central New Jersey will be required to use ten-digit dialing for local calls. Because of the high demand for telephone numbers — the result of increased usage of phones, cell phones, modems, fax machines, and beepers — new area codes will be implemented in certain areas. Your current area code will stay the same, but any new numbers in the area will be assigned a new “overlay” area code.

This new 10-digit dialing will affect customers who use 201, 732, and 973 area codes. Instead of dialing a 7-digit number to make a call in these areas, you will have to include the area code when you dial. For calls outside your local area, you will need to dial a “1” first.

The new area codes:

For 201, the new overlay will be 551.

For 732, the new overlay will be 848.

For 973, the new overlay will be 862.



What to do:

When calling within your area code or overlay area code, dial Area Code + 7-digit number. When calling outside your area code or overlay area code, dial 1+Area Code + 7-Digit Number. (If you dial a “1” before the area code in your local area, the call will still go through)

Important to note:

Your local calling area will not change, and rates will not change.

You will still dial 911 for emergency assistance and 411 for information assistance.

Automatic dialing equipment, like fax machines or computers, will have to be re-programmed.

Customers with areas codes 609, 856, and 908 will not be affected.

BREAKING NEWS... VERIZON LONG DISTANCE IN NEW JERSEY

Verizon New Jersey is planning to seek approval from the Federal Communications Commission to offer long-distance service in the state. On October 22, 2001, the Ratepayer Advocate filed testimony with the Board of Public Utilities opposing Verizon's application. It is the Ratepayer Advocate's position that Verizon's proposal is premature, due to the lack of competition in New Jersey's local telephone market.

Under the Federal Telecommunications Act of 1996, the Baby Bell local telephone companies are barred from providing long-distance service until competition exists in their local markets. Verizon's competitors have captured only a small and insignificant fraction of the local exchange market. Right now, ratepayers have no choice. The local New Jersey telephone market remains a Verizon monopoly.

In addition to the competition issue, there are several other critical public interest issues that must be satisfactorily resolved before Verizon should be allowed to enter the long-distance market. The Ratepayer Advocate supports incentives for competition, but competition must be implemented at the proper time to protect the best interests of ratepayers.

BASIC GENERATION SERVICE (“BGS”) AUCTION

A very important pending electricity matter has received little public attention. The state's four power utilities are proposing to hold an auction to purchase all of New Jersey's wholesale electricity needs for an entire year in December of this year. The Ratepayer Advocate believes the plan will subject consumers to the unnecessary risk of high and volatile energy prices and will not encourage retail competition.

The proposed December auction, which requires approval from the Board of Public Utilities (BPU), would be completed in 24 hours to supply Public Service Electric & Gas Co., GPU Energy, Rockland Electric, and Conectiv with 18,000 megawatts of electricity to meet almost all of their residential and business customers' needs from August 1, 2002 through July 31, 2003 — the fourth and final year of the state's transition to energy competition.

Ratepayer Advocate Blossom A. Peretz testified at a BPU hearing that the utilities' proposal is inconsistent with the 1999 Electric Discount and

Energy Competition Act (EDECA) goals to promote retail competition, and provide lower energy prices, better services, new technology and consumer choice. Ms. Peretz called it an outsourcing plan for the utilities that passes all of the risks on to consumers.

The Ratepayer Advocate is recommending an alternate plan that fosters retail energy competition and keeps electricity supplies reliable and affordable. It would require the state's four power utilities to solicit proposals from non-utility electricity suppliers to provide basic generation service directly to at least 30% of residential and smaller commercial customers. A similar type of plan was successfully implemented in Pennsylvania.



UTILITY ASSISTANCE FOR SEPTEMBER 11TH VICTIMS

The Ratepayer Advocate community extends our prayers and deepest sympathy to the victims of the terrorist attacks. If you need general assistance, please call the New Jersey crisis hotline at 1-866-NJCRISIS.

The Board of Public Utilities has directed all utilities to assist the New Jersey families of the victims of September 11th, as well as military personnel, in paying their utility bills. The utility companies are directed to offer extended payment plans and to increase customer awareness of existing assistance programs, such as NJ SHARES, which provides financial help to families who need temporary assistance in paying their utility bills. This order is part of Acting Governor Donald DiFrancesco's recovery and assistance program for New Jersey.



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ENERGY SAVING TIPS

Although natural gas wholesale prices have decreased since last year, conservation is the best way to keep your energy bills down.

- Set the thermostat at the lowest comfortable setting — 65 degrees to 68 degrees for most people. At night, set the thermostat down to a lower setting.
- Wear warm clothing indoors.
- During the day, keep shades and draperies open to let the sun inside. Close them at night.
- Have a qualified professional check the furnace to make sure it is operating efficiently and safely.
- Change/clean the furnace filter once a month.
- Caulk and weatherstrip windows and doors.
- Add insulation to attics and crawl spaces.
- Wrap the water heater with an insulation blanket.



DROUGHT WATCH ISSUED

State officials have issued a drought watch because reservoir and groundwater levels have declined. After a wet spring, autumn rainfall is eight inches below normal in North Jersey and six inches below normal in South Jersey. Ratepayer Advocate Blossom A. Peretz concur with state environmental officials in urging water conservation measures such as installing low-flow showerheads, fixing leaky faucets, and making sure washing machines and dishwashers are filled to capacity before running them. "Water conservation is always good consumer advice," Ms. Peretz said, "but during times of water shortages it is essential."



REQUEST A SPEAKER FOR YOUR ORGANIZATION'S COMMUNITY OUTREACH:

The Division of the Ratepayer Advocate is available to speak to your group on a variety of utility topics. We can tailor topics to fit your organization's needs.

Name _____

Organization _____

Topic of Interest _____

Address _____

City _____

State _____ Zip _____

Phone Number _____

***Please fax your request to (973) 624-1047 or mail to:
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