CONSUMER ASSISTANCE HANDBOOK

James E. McGreevey
Governor

Seema M. Singh, Esq.
Ratepayer Advocate

A GUIDE FROM THE NEW JERSEY DIVISION OF THE RATEPAYER ADVOCATE FOR NATURAL GAS, WATER, ELECTRIC, TELEPHONE AND CABLE TELEVISION CUSTOMERS

November 2003 Revision

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RATEPAYER ADVOCATE
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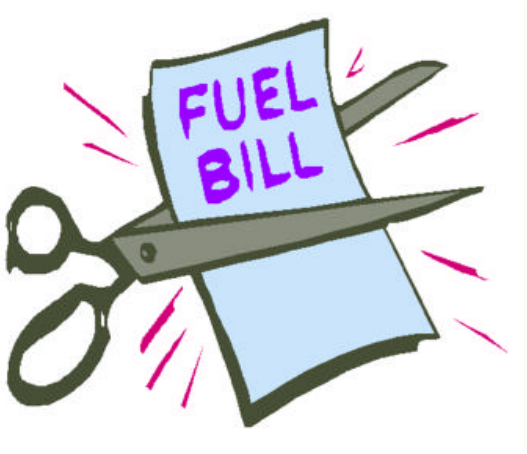

State of New Jersey

OFFICE OF THE GOVERNOR

JAMES E. MCGREEVEY
Governor

November 14, 2003

Dear Friends,

Whether you are purchasing a car, a kilowatt-hour of electricity, or telephone services, you should know your rights as a consumer. Within the pages of the **Consumer Assistance Handbook**, you will find useful information so that you can make better, more informed decisions when it comes to your electric, natural gas, telecommunications and water services bills.

Since taking office, our administration has worked hard to protect your rights as consumers. In recent months, we passed legislation to stop predatory lending, establish one of the strongest *Do Not Call* lists in the Nation, and create a consumer bill of rights for auto insurance customers.

Within the pages of this handbook you will find a guide to your bill of rights, a glossary of terms, and helpful consumer information, all designed to assist you in making thoughtful decisions about your essential services.

Whether by helping you make more informed decisions, encouraging conservation, or participation in our revamped energy aggregation program, with the help of Ratepayer Advocate Seema M. Singh, my administration is working to keep energy, telecommunications and water services affordable and reliable for New Jersey consumers.

With all good wishes,

James E. McGreevey

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JAMES E. MCGREEVEY
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SEEMA M. SINGH, ESQ.
Acting Ratepayer Advocate and Director

November, 2003

Dear Friends:

We are pleased to present the current revision of the Ratepayer Advocate's *Consumer Assistance Handbook.*

The *Electric Discount and Energy Competition Act* signed into law in February 1999 and revised in 2003 restructured the energy marketplace in New Jersey and imposed changes and created opportunities for all New Jersey electric and natural gas customers. The telecommunications industry is also being restructured because of the *Federal Telecommunications Act of 1996* which caused the breakup of the long-distance marketplace. As the energy and telecommunications industries change, all consumers, whether residential, small business, not-for-profit or commercial, face complex choices when choosing their utility suppliers. These opportunities for change require consumers to consider and understand a great deal of information before they make a decision.

To help you make these decisions, the Division of the Ratepayer Advocate has prepared this **Consumer Assistance Handbook** to provide concrete information as you consider your options when selecting electric, natural gas or telecommunications providers and when you want to understand why water and sewer rates have risen so rapidly in recent years.

In this Handbook you will also find your rights as a consumer and useful hints on what to do during drought conditions and weather emergencies that affect your energy and water services. A glossary of terms in each subject area is also provided as well as important contact numbers when you need assistance during emergencies.

We hope this manual will help you in making informed choices for more assistance, you can access more information about New Jersey's essential services on the Ratepayer Advocate's website at www.rpa.state.nj.us in Spanish and English and can request materials from this office by e-mail or the US post office.

Please do not hesitate to contact us by mail or website if you have problems this Handbook does not address.

We look forward to continue working with you in the future on behalf of the best interests of all state ratepayers.

Sincerely,

Seema Singh

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Director and Ratepayer Advocate

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NEW JERSEY DIVISION OF THE RATEPAYER ADVOCATE

CONSUMER'S BILL OF RIGHTS

- All consumers must have access to reliable, safe, and affordable energy, telecommunications, and water services.
- All consumers, including low-income consumers, must be ensured affordable energy, telecommunications and water services through appropriate state and federal policies.
- All consumers must receive the benefits of new services, technological advances, improved efficiency and competitive prices.
- All providers of electric, gas, telecommunications and water services must be required to hold a license as a condition of doing business in New Jersey, and appropriate financial, operational, bond or other requirements must be established and enforced.
- Standards for protecting consumers in matters such as deposit and credit requirements, service denials and terminations, and deferred payment provisions must be applied to all service providers.
- All consumers must be protected from anticompetitive practices of providers of electric, gas and telecommunications services.
- All consumers must be protected from price increases resulting from inequitable cost shifting.
- Sufficient enforcement resources must be provided to ensure that consumers receive the benefits of this Bill of Rights.
- All consumers must be protected from unfair, deceptive, unconscionable and fraudulent practices on the part of any provider of electric, gas, or telecommunications services, including practices such as slamming, cramming, pyramid schemes, and deceptive information regarding pricing and terms and conditions of service.
- All consumers must be given unbiased, accurate, and understandable information concerning the price and terms of service, and in a form that allows simple price and term comparisons. This information must include disclosures about the generation resource mix, the environmental characteristics of their energy purchases, and the safety of portable water supplies.
- All consumers are entitled to protection of their privacy and must be protected from use of consumer records or payment history without their express, informed consent.
- All consumers must have access to an independent administrative process that provides a simple, quick, and effective means of resolving complaints about service and bills from all utility service providers.
- Standards must be established to ensure quality safe service, so that all consumers will receive quality service, including high levels of customer services.

(OVER)

The Division of the Ratepayer Advocate introduces this Consumer Bill of Rights to focus attention on fundamental consumer rights that must be protected —no matter what form utility deregulation or restructuring takes— if consumers are to continue to receive safe, adequate, and reliable service. We recognize that utility services affect the essential needs of New Jersey's ratepayers that must be protected at all times. These principles have also been adopted by the National Association of State Consumer Advocates whose members are advocates from states throughout the nation.

The deregulation of the electric, natural gas and telecommunications marketplaces are moving forward in New Jersey and nationally. These changes mean, among other things, that consumers will have the option of choosing the companies that supply their electricity, natural gas and local telephone service.

Although competition is intended to bring consumers lower rates, new technology and better service, competition also raises unique consumer protection issues, such as whether providers will have an obligation to serve low-income residents in dense urban markets or high cost rural areas and who will be responsible for resolving disputes between customers and their utility suppliers.

Because utility services are basic lifeline necessities for New Jersey consumers of electric, gas, telecommunications and water services, the Ratepayer Advocate supports the consumer protections detailed in the Utility Consumers Bill of Rights, even after restructuring of the market place.

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TELEPHONE SERVICES

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TELEPHONE SERVICES

I. SMART CHOICES FOR SMART CONSUMERS

SHOPPING FOR LOCAL TOLL AND LONG DISTANCE CALL PLANS

New Jersey residents can save money on their monthly phone bills by carefully choosing local toll call and long distance carriers that serve their calling needs. New changes in the law now allow different companies to offer subscribers local toll and long distance telephone services. To obtain benefits from competition in toll and long distance services, residents need accurate information concerning the call options available to them.

◆***Components of Your Telephone Bill: What Are All These Charges?***

Frequently, telephone bills for local, toll, and long distance service are prepared by your local service provider. These bills contain charges for local service, and may include charges for long-distance service (provided by your long-distance carrier, a separate entity) as well as various charges for collect calls, calling card charges, 900 charges, plus taxes and fees established by the Federal government. Some long distance carriers like AT&T have moved to direct customer billing, so that you receive a separate bill for your long distance service.

◆***Let's Look at Your Bill***

The ***local*** **service charge** covers services provided by your local telephone company. These charges include basic service fees for standard, local telephone service, and may also include additional charges for optional features, such as call-waiting or voice-mail. ***Toll*** **charges** are for calls that go beyond the **local calling area, but do not cover enough distance to be classified as "long-distance."** New Jersey has relatively **small local calling areas; accordingly, many of your calls may be billed as regional toll calls**. ***Long distance*** **calls** are those carried by your long-distance, or inter-exchange carrier.

◆***What is a Local Toll Call?***

A **local toll call** is a phone call that doesn't cover enough distance to be a long distance call, but that travels too far to be a local call. Your local telephone company used to be the only carrier allowed to handle your local toll calls but changes in the

law now allow you to choose a local toll call provider in the same way that you choose a long distance provider. Consumers can now also choose two different toll carriers; one for their local toll calls and another for their long distance calls. But, this added choice makes selecting the right carrier even more important.

◆***How to Choose the Right Calling Plan.***

The best way to save money on local toll and long distance service may be to enroll in a **calling plan**. There are many calling plans to choose from. While phone companies provide that information, it can be confusing to make comparisons among their rate plans.

Before selecting a carrier, consumers should first examine their local toll call and long distance calling habits.

Take a close look at your monthly phone bill and answer the following questions:

- **How many local toll and/or long distance calls do you make each month?**
- **On average how long do you talk on each call?**
- **What days of the week and times of day do you usually make these calls?**
- **What rate per minute do you currently pay for your local toll and long distance calls?**
- **Are you currently being charged a flat monthly fee, or is there a minimum spending limit?**

◆***How to Get Information.***

Request written information from local toll or long distance providers to allow you to compare their rates and available calling plans and determine which plan best suits your needs. Some carriers may offer discounts if you use them for both your local toll and long distance service.

There are services available that can help you in obtaining information on local toll rates. You can check the ***Division of the Ratepayer Advocate Local Toll Rate Finder*** in this Handbook. It is also available at our website at *http://www.rpa.state.nj.us.*

For more information on long distance rate plans, Consumer Action, a non-profit advocacy and education organization, offers a free guide to long distance calling plans. Send your request to:

Consumer Action
116 New Montgomery Street, Suite 223
San Francisco, California 94105

There are also services available on the Internet to assist you in deciding which plan is best for you. **The Telecommunications Research and Action Center (TRAC)**, a public interest group which offers ***Web Pricer*** on its website at *http://www.trac.org/webpricer*, can search the seven largest long distance carriers to find the cheapest long distance rate based on information you provide from your most recent long distance telephone bills.

◆***How to Decide Whether to Switch Carriers.***

You should carefully review the information you have obtained to determine whether you will save money if you switch your local toll or long distance carrier. **Here are some questions to consider before you change:**

- **What are the available rate plans?**
- **Which rate plan is best for you given the volume of calls you make and your calling patterns?**

- **How does your present company measure the length of a phone call for billing purposes?**

- **Does it bill by the minute? Every six seconds? Every second? What about the other plans?**

- **Does your present company charge more for the first minute? What about the other plans?**

- **Are there any monthly charges associated with your plan? What about the other plans?**

- **Does your company offer flat rate plans (one rate for unlimited calls) or measured service (additional charge for calls exceeding a set limit)?**

◆***What About "Dial Around" Plans?***

If you're unsure about switching your present local toll or long distance carrier, you may want to try one of those access code, or "dial-around" plans — the seven-digit numbers you've seen advertised on TV and on those stickers you receive in the mail. To use these plans, you simply dial a seven digit access code before dialing a telephone number. The access code allows you to place a call using another carrier besides your presubscribed long distance carrier. **But, even though some of these plans promise that their rates are lower than your present long distance carrier, before you try them, you should request written information about these plans to determine if you actually will pay less.** In many cases, the dial around plans advertised compare their own rates to the highest available rates offered by long distance carriers. In fact, long distance carriers may offer one-rate plans or calling plans that charge significantly less. For example, the dial around services may also charge you an additional monthly fee the first time you access the dial-around service (even if you only use their service for that single call).

◆***What Other Charges May be On Your Phone Bill?***

In addition to these charges, telephone bills often include federally-mandated charges such as the **Federal Universal Service Fund (*USF*), Subscriber Line Charge (*SLC*),** and a **Number Portability Charge**.

Federal Universal Service Fund (USF)

The ***USF*** is a Federally-mandated and administered fund that is distributed to local telephone companies to provide affordable telephone service to all consumers, particularly those with low incomes, those living in high cost areas, to schools and libraries, and rural health care providers. These carriers incorporate these funds into their revenue pool, and are thereby able to reduce the monthly service fees that their subscribers pay. The *USF* assures that phone service is available and affordable for all subscribers, helping to ensure telephone connectivity throughout the nation.

Subscriber Line Charges (SLC)

The revenue from the ***SLC*** is distributed to local telephone companies. Though the *SLC* is a creation of the Federal government, it is not a tax. The charge is intended to pay for the cost of the local telephone network that is connected to your home or business. According to Federal regulations, the *SLC* cannot exceed $5.00 for a primary residential line. For a secondary line, i.e., any second line installed at a residential address, regardless of whose name the line is billed under, the *SLC* can be as much as $7.00. For businesses, the maximum *SLC* for a primary line is $5.00; the maximum *SLC* for a multi-line business line is $9.20 per line. The maximum monthly charge for each primary residential, and single-line business subscriber increased to $6.00 on July 1, 2002 and to $6.50 on July 1, 2003.

Number Portability Charge

The ***Number Portability Charge*** is a temporary fee that provides funding to your local telephone company to make necessary changes to the telephone network to allow customers to retain their current telephone number if they switch to a new local service provider. The Number Portability Charge for Verizon-New Jersey is $.23 per month. This charge will be phased out in five years.

◆***Review Before you change***

If you are considering changing your local toll or long distance provider review the facts. **First**, call your present local toll and long distance company and make sure that you are taking advantage of their lowest rate plan. **Next**, make your own cost comparisons by calling several carriers and getting information on their rates and whether any monthly surcharges apply. **Remember, to find the best rate for you, you need to do research and shop around.** ***Shopping Tips for the Savvy Phone Customer*** on the next page may be helpful.

II. SHOPPING TIPS FOR THE SAVVY PHONE CUSTOMER

• **Examine Your Old Telephone Bills to Save Money** - Before you can comparison shop, you need to know how much you currently spend on phone service, whom you call most often and when you call them. Check your last phone bill (or, better yet, your last three phone bills). Look for the plan that gives you the best rates at the times you typically make your calls.

• **Always Ask If There's a Better Deal** - The calling plan being promoted by long distance or local toll call telephone companies may not be the cheapest plan for you. Always ask what other plans are available that may result in lower
rates.

• **Every Second Does Count** - It is very important to check out what increments of time a company uses to bill. All phone companies charge based on the duration of your phone call, but they don't all tell time the same way. Some companies will bill you by the minute; others will charge in smaller increments, such as six seconds. If you make a large number of very short calls, whole-minute billing may eat away at any low rate offered. *This seemingly small item...billing time increments... can make a big difference over the course of a year's worth of phone bills.*

• **Know Your Calling Patterns** - Many plans charge based on the time of day that you place the call or whether the call is placed on a week-day or weekend. If you make calls at various times of the day and week, it's hard to beat the plans that offer a single flat rate. You'll pay the same no matter what time you call.

• **Define Off-peak Hours** - If you do opt for a phone plan that charges based on whether your call is made during on-peak or off-peak hours, make sure you know when off-peak hours begin. Long distance companies traditionally charged "evening" rates for calls made between 5 p.m. and 11 p.m. "Night rates" started at 11 p.m. But, no longer. Your rates will either be "peak" which are the old higher "day rates," or "off-peak." These lower rate "off peak." hours usually begin at 7 p.m., not 5 p.m.

• **Don't Make Assumptions** - Your current long distance or local toll call company may be offering new, low rates to attract new customers. Don't assume you'll automatically be getting the new deal. You need to call the company and ask them for the lowest rate available.

• **The More Things Change** - Keep in mind that rates are always changing. Shop around periodically for lower rate offerings and watch for special promotions.

• **What Have You Done For Me Lately** - Carriers may charge a switching fee per phone line every time you change your local toll call or long distance provider. (That means a separate charge for switching to a new local toll provider or long distance provider). Ask your new provider to pay that switching charge (or PIC charge) to your local phone company. For that matter, if your new calling plan includes a monthly fee, ask for the fee to be waived.

• **Don't Feel Pressured** - An "average" consumer spends hundreds - and sometimes, thousands - a year on local, local toll, and long distance services. Treat telephone service as you would any other major purchase, and take the time to make an informed decision. If you are not sure you want to switch companies, state clearly that you are interested only in receiving information. Request all information in writing!

III. REGIONAL TOLL CALL RATE SAMPLING

This information was compiled in October 2003 from phone companies that offer regional toll call service to residential customers in New Jersey. Although several companies have been granted authority to operate as toll call providers in New Jersey, they may not be actually offering service in New Jersey. The companies selected for this report are those that 1) have made their services available by direct access, and 2) are currently offering rates that may be attractive to residential customers.

Division of the Ratepayer Advocate Regional Toll Call Rate Sampling

Company	Sample Rate/Plan Name	Monthly Fee	Customer Service
AT&T	7¢ per minute; (Enrollment in "AT&T Unlimited Plan" req'd @ $19.95/mo for LD and toll calls)	$4.95*	1-800-222-0300
MCI/WorldCom	5¢ per minute any time "Any Time Advantage"	$5.95*	1-800-444-3333
Sprint-United Telephone	8¢ per minute (7pm-7am) "Sprint Nickel Nights"	$5.95	1-800-829-8009
Verizon - New Jersey	8¢ per minute "Sensible Minutes"	None	1-800-427-9977

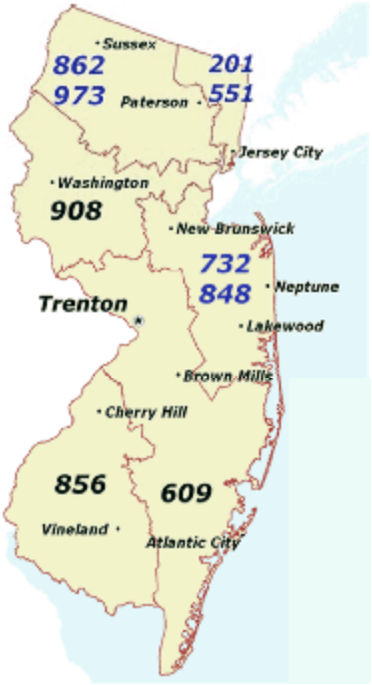
Note: This information is merely a sampling and is not an exhaustive listing of regional toll service carriers for New Jersey. The Ratepayer Advocate urges all consumers to obtain the most current written information from carriers as service providers frequently adjust, change or implement new calling plans that may differ from those listed here. This sampling does not constitute an endorsement of any particular calling plan or of any particular carrier.

*** These plans require the customer to subscribe to interstate long distance service in order to be eligible for regional toll call rates listed here. The monthly fee covers both services.**

IV. HAS YOUR AREA CODE RECENTLY CHANGED?

♦ ***What is the effect of new area codes on consumers?***

In the last six years, the number of area codes in New Jersey has more than doubled from three (201, 609, 908) to a current total of seven! However, the introduction of these new area codes does not — and should not — affect consumer's rates.



- **Between 1997-1999, three new area codes were added in New Jersey (973, 732, 856). The introduction of these new area codes were implemented by a method known as a "*geographic split*", in which the existing geographic areas were split in two to create a new area code. Customers in the new geographic areas were assigned the new area codes, and were required to change their area code.**

- **In March 2001, the Board of Public Utilities approved three new area codes in the existing geographic areas covered by the 201, 973, and 732 area codes. These new area codes (551, 862 and 848) were implemented through a new method, called an "*overlay*" in which the new area code is added to the existing geographic area. These geographic areas now have two (2) area codes, and new numbers will have the following new area codes for these areas, as noted in the map, and listed below:**

  201 / 551
  973 / 862
  732 / 848

- **With the introduction of these new "overlay" area codes, "*ten-digit dialing*" was introduced. Prior to the new area code changes, when your friend had the same area code as you, all you had to do was dial the seven-digit number to call. But now, if you live in one of the geographic areas where a new "overlay" area code was implemented , you must now dial all 10 digit telephone number, including area code for all calls you make. Even if you're dialing across the street, or next door, you now must dial all ten-digits of the number you are calling for each call you make. But, even though you have to dial more digits, it should not affect the charge for the call.**

- **Rates for telephone calls, whether they are local, local toll or long distance, are determined primarily by distance, not by whether consumers make calls outside their area codes. Therefore, even though your friend used to have the same area code as you but now has a new area code, since there is no change in the distance of the call, there should be no change in the charge for the call.**

V. CONSUMER RIGHTS AND RESPONSIBILITIES

TELEPHONE DISCONNECTION

If you do not pay your telephone bill in full, your service can be disconnected. However, while you have a responsibility to pay your telephone bill in a timely fashion, your local telephone provider also has responsibilities to you, such as providing you proper notice of its' intention to discontinue your service and offering you an opportunity to submit payment.

Here are some of your important rights and responsibilities.

- **A notice of disconnection must require payment at least 15 days after the date postmarked on the envelope containing the disconnect notice.**

- **As long as your payment is received within two full business days of the due date printed on the bill, your payment shall be considered "on time" by your carrier.**

- **If you have not paid your bill in a timely manner, the carrier may discontinue service; however, it must provide at least 10 days written notice of its intention to discontinue. This notice cannot be served until the 15 day period for payment has ended.**

- **A new notice is required every time a carrier intends to discontinue service for non-payment except when, in response to a notice for disconnection, a customer submits a check for "insufficient funds".**

- **Your telephone carrier must make a good faith effort to determine which residential customers are over the age of 65 and must make a good faith effort to notify such customers by telephone as well as by mail.**

- **Any notice of disconnection must provide the following information:**

- **A statement that the carrier is subject to the jurisdiction of the Board of Public Utilities, and provide the Board of Public Utilities' telephone number;**

- **A statement that in the event the customer is unable to pay the bill or wishes to contest the bill the customer should contact the carrier and provide a telephone number or address to contact;**

- **A statement that if the customer is unable to pay the entire bill, he may contact the carrier to discuss the possibility of entering a deferred payment program.**

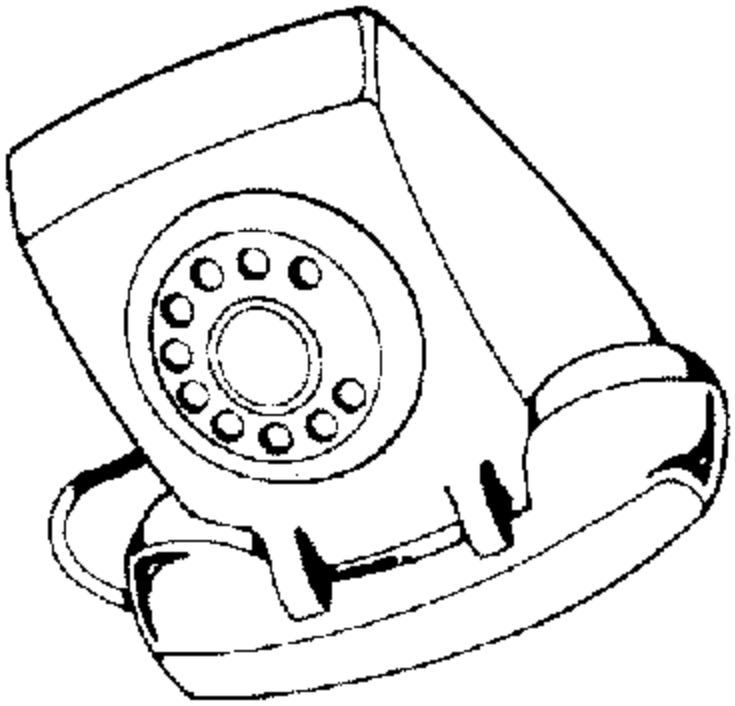
- **The carrier must make a good faith effort to offer a deferred payment program, and may not require more than 25% of the amount due as a down payment.**

- **If customers' financial circumstances change significantly due to factors beyond their control, the carrier must renegotiate or amend the deferred payment program.**

Any deferred payment program that will last longer than two months must be in writing.

If customers do not make their deferred payments on schedule, the carrier can disconnect service after providing proper notice.

New rules now allow consumers to maintain local telephone service even if the non-local telephone bill has not been paid, provided payments are submitted for the cost of local service.



TELEPHONE ASSISTANCE PROGRAMS/LIFELINE AND LINK UP

Federal assistance programs are available from the state's three local telephone providers Verizon-New Jersey, Sprint/United and Warwick Valley) to residential subscribers who qualify. These programs include the Lifeline Assistance Program, offering reductions in the bill for monthly telephone service and Link-Up, offering reductions in charges to obtain service.

◆ ***What is Lifeline?***

Lifeline is a federally funded program which helps residential consumers in need of financial assistance to maintain monthly telephone service at a reduced rate including:

- **Credits on your monthly telephone bill ranging from $5.25 to $7.00, depending on your local telephone service provider. The credit represents a waiver of the Federal subscriber line charge and/or monthly service charge for residential telephone service.**
- **Access to 911 emergency operators.**
- **Access to toll free 800/888/877 Services.**
- **Access to Directory Assistance Services.**
- **Free Toll Restriction Options.**
- **Access to certain privacy services, such as Call Trace, Call Block and Caller ID.***

Types of calling plans available under the Lifeline program will vary based upon the offerings of your local telephone service provider. Verizon-New Jersey Lifeline customers are now permitted to use its Lifeline Credit for unlimited flat rate service.

In 2003, as a result of the Board of Public Utilities' approval of a new Alternative Plan of Regulation for Verizon New Jersey (PAR-2), eligible participants can be automatically enrolled in Lifeline. (See the eligibility criteria for Lifeline on the following pages)

***Must be separately purchased. Other optional services, such as three-way calling and call waiting are not permitted under the lifeline program.**

◆ ***What is Link-Up?***

Link-Up is a federally funded program which helps consumers in need of financial assistance obtain new telephone service. Link-Up provides financial support for the one-time cost of becoming connected to the network. For consumers eligible for Lifeline service, the Link-Up program provides:

- **A reduction of the up-front service connection charge equal to one half of such charges or $30 (whichever is less).**
- **An interest-free deferred payment plan for service connection charges which do not exceed $200.**

◆ ***How do I Qualify for Lifeline and Link-Up?***

To be eligible, you must be a current participant in one of the following New Jersey State programs:

- **Food Stamp Program**
- **General Assistance (GA)**
- **Home Energy Assistance Program (HEAP)**
- **Lifeline Utility Credit/Tenants Lifeline Assistance**
- **Pharmaceutical Assistance to the Aged and Disabled (PAAD)**
- **Supplemental Security Income(SSI) Medicaid**
- **Temporary Assistance to Needy Families/ Work First New Jersey (TANF/WFNJ)**

Special Notes on Qualifying for Lifeline and Link-UP

You may not be a dependent for Federal Income Tax purposes, unless you are sixty years of age or older.

Sprint/United Telephone Company also allows applicants who are able to provide proof of income at or below the annual United States Census Poverty Level Guidelines to qualify for these assistance programs. Applicants who wish to be certified for Life-line pursuant to the low-income option must provide the company one of the following:
1) currently filed State Income Tax Form, 2) currently filed Federal Income Tax Form,
or 3) equivalent documentation as prescribed by United Telephone.

◆ ***How do I Apply?***

Contact your local telephone provider to obtain an application for Lifeline or Link-Up. Customers must complete an application form to verify their receipt of benefits. Contact the local or state agency that administers the assistance that qualifies you for Lifeline or Link-Up benefits, such as your Municipal or County Welfare Offices, the New Jersey Department of Human Services, or the New Jersey Department of Health and Senior Services to complete the portion of the form that verifies you are receiving benefits. Contact your local telephone service provider once you have completed the form to arrange for Lifeline and Link-Up Service.

VI. TELECOMMUNICATIONS SERVICES FOR THE DEAF

As a result of the passage of the Federal Americans with Disabilities Act (ADA), all states are required to provide Telecommunications Relay Service (TRS), a service which gives people who are deaf, hard of hearing, or speech impaired the ability to communicate with others using telecommunications network services for the deaf (TRS).

◆ **What is TRS?**

TRS enables people with hearing or speech disabilities to conduct telephone conversations with others, whether or not they have hearing or speech disabilities. Persons with hearing disabilities use a device that operates as a text telephone (TTYs), by typing in text that is sent out over regular phone lines. The text is directed to hearing persons who serve as communications assistants (CA) at a "relay center". They read the text and relay the content of calls by human voice to hearing persons at the receiving end of the call. For example, a TTY user may telephone a voice user by calling a relay center, where a CA will place the call to the voice user. Once connected, the CA relays the conversation between the two parties by reading the caller's typed messages aloud to the hearing person receiving the call, and typing in the response of the hearing person, which is in turn transmitted to the hearing disabled caller as written text through the TTY. TRS can also be used by hearing persons wishing to place calls to those with hearing disabilities.

TRS is available 24 hours a day, 7 days a week and can be accessed by simply dialing 711.

VII. BEWARE OF TELEMARKETING FRAUD

SLAMMING and CRAMMING

Slamming and cramming are the cause of many consumer complaints before State and Federal authorities. "Slamming" refers to the unauthorized switching of a customer's long-distance carrier. Although the Federal government has established guidelines for long-distance carrier switches, the use of "fine print" and other deceptive devices are often used by unscrupulous carriers in violation of the law to sign up additional customers. The Federal Communications Commission (FCC) has passed slamming rules that enable customers to seek relief without filing a complaint with the FCC. Instead, customers are directed to call their local and long-distance service providers, and the long-distance carrier which "slammed" them. Customers are not required to pay any charges incurred for the first 30 days after the unauthorized switch. If a customer pays any charges, the "slamming" carrier is required to forward that payment to the original long-distance provider, which is in turn obligated to refund the customer any amount paid in excess of charges that would have been incurred had service with the original provider been maintained.

If You Have Been Slammed:

- **Call your local telephone company and report that you have been slammed. Ask to be reconnected to your originally-selected long-distance carrier, and request that all "change of service provider charges" be taken off your bill.**

- **Call your original long-distance provider and report the slam. Ask to be reconnected. The long-distance carrier will generally not charge for this switch.**

- **Call the carrier that slammed you and inform it that all charges incurred during the first 30 days of "slammed" service should be removed from your bill. Any other charges should be reduced to the amount that would have been charged by your original carrier.**

If you are not able to resolve complaints with the company that slammed you, you can file a complaint with the FCC:

Federal Communications Commission
Consumer and Governmental Affairs
Attn: Bureau of Consumer Complaints
Washington, DC, 20554*
(T)1-888-225-5322 (F) 1-866-418-0232

***Each Federal agency in Washington, DC, has its own zip code; therefore, a street address is not necessary.**

Complaints can also be filed over the Internet via the FCC's web site at *www.fcc.gov/ccb/enforcement.*

Cramming

"Cramming" refers to billing telephone subscribers for unauthorized services, or for services that were not provided. Frequently, "crammed" charges are not fully explained, and the entities providing those services are not clearly identified. Consumers are urged to review their telephone bills carefully, to look for charges identified only as "service charge," "membership," "calling plan," "other fees," "service fee," or similarly vague terms. Cramming may occur either intentionally, or unintentionally. In either event, customers should contact their local telephone company, and the company that billed for the service. Customers, when reviewing bills, should look for services or provider names that they do not recognize. Although a "cram" charge may be relatively small, the $2.00 you may not notice can add up for the "crammer" who wrongfully assesses the charge on thousands of customers.

HOW TO COMPLAIN*

***Complaints regarding cramming of in-state services or charges can be filed with the New Jersey Board of Public Utilities, at 1-800-624-0241 or on their web site, *http://www.bpu.state.nj.us*/homecomplaintsform.shtml.**

Complaints can also be filed in person or by letter to their offices:

New Jersey Board of Public Utilities
Division of Customer Assistance
2 Gateway Center, 8th Floor
Newark, NJ 07102

***Complaints about charges for interstate or international telephone-related services should be directed to the FCC:**

Federal Communications Commission,
Common Carrier Bureau, Consumer Complaints
Mail Stop Code 1600A2
Washington, DC 20554

***Complaints about non-telephone, "content"-related services (such as psychic lines or dial-a-joke) can be filed with the Federal Trade Commission (FTC). Information on filing a complaint can be obtained from the FTC either on the Internet at *www.ftc.gov*, by calling 202-326-3128, or by writing to the FTC:**

Federal Trade Commission
Public Reference Branch, Drop H240,
Washington, DC, 20580.

*** Make sure you keep copies of all written complaints whether hard copy or by e-mail and the dates and name of person spoken with if you call.**

VIII. TELEMARKETING: HOW TO PROTECT YOURSELF FROM UNWANTED TELEPHONE SOLICITATIONS

Do you want to stop your dinner being interrupted by telemarketers asking you to change your phone company, buy life insurance or subscribe to a magazine? Do you wonder how a company obtained your name and number, whether their solicitation is legal and what you can do to limit the number of telephone solicitations you receive?

In New Jersey, on May 21, 2003, Governor James E. McGreevey signed legislation establishing the New Jersey "Do Not Call Law." The New Jersey Division of Consumer Affairs is responsible for creating and maintaining the "Do Not Call" list and will issue regulations to implement the law and provide notice to consumers on how to register. As of October 2003, there is no weblink.

As of July 1, 2003, the National "Do Not Call Registry" is available. You can contact the Federal Communications Commission at www.fcc.gov. On the home page, click on the "Do Not Call Registry". You can also register by calling 1-888-382-1222. The hearing impaired can contact 1-866-290-4236.

◆ ***How do telemarketers get telephone numbers?***

Most often, telemarketers purchase your name, address, telephone number and other personal information from companies, such as credit card companies and magazine publishers, to whom you have given personal information.

Sometimes, sales organizations call telephone numbers in numerical order (973) 555-1000, 1001, etc., and do not know the name of the person called.

Even if you have an unlisted telephone number, it can still be obtained from a directory assistance operator; but if you have a non-published number, it cannot be obtained from a directory assistance operator.

◆ ***Are the telemarketers breaking the law?***

There are federal and state laws which limit how and when telemarketers may contact you. These laws also protect your rights to limit unwanted telemarketing solicitations. Make sure

you know your rights so that you can enjoy the consumer protection you deserve.

- **Telephone solicitations are only permitted between 8 am and 9pm.**

- **Federal law requires a person making telephone solicitation to state the name of the individual caller, the name of the entity on whose behalf the call is being made and a telephone number or address at which that person or entity may be contacted.**

- **Solicitations from a computerized or artificial voice are generally prohibited except when the call is made by a non-commercial tax-exempt entity or when the message does not contain an unsolicited advertisement.**

◆ ***How can we limit telemarketing calls to homes?***

Do not give your personal information to commercial entities unless you are required to do so. If you do not want your personal information to be given out, send a request in writing to the company or individual telling them not give or sell your name and personal information to others. Ask for confirmation of your request in writing as well.

When you receive a telephone solicitation, tell the caller that you wish to be added to his "Do Not Call" list and that you do not want to receive any further solicitations from that person or entity. The FCC requires callers to maintain a list and honor your request for ten years.

Some of these limitations may not apply to tax-exempt non-profit organizations. They may also not apply to calls made to a business telephone number.

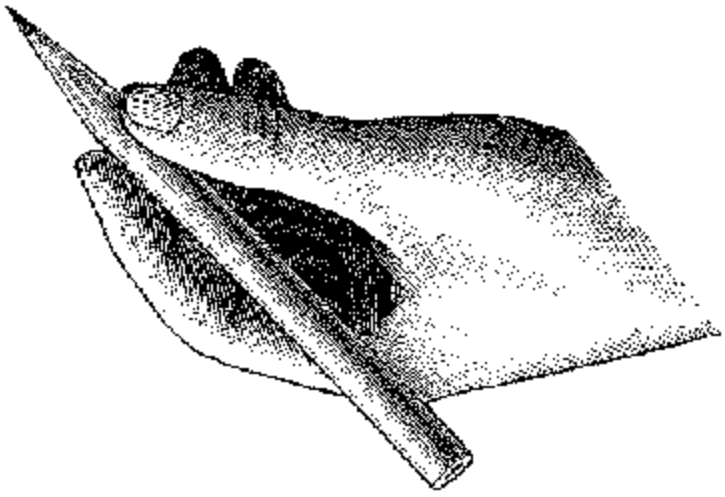
Additionally, Verizon- New Jersey sells a service, for a fee over and above the fee for Caller I.D., that permits a customer to block certain calls.

Write the Direct Marketing Association and let them know that you want to be removed from telemarketers lists. Make sure to include your name, telephone number and address. The Direct Marketing Association lets telemarketers know that you do not wish to receive telephone solicitations. While this will not end telemarketing calls completely, it can cut down on the number of calls you receive. The Direct Marketing Association can be reached at the following address:

Telephone Preference Service
Direct Marketing Association
P.O. Box 9014
Farmingdale, New York 11735-9014

If you believe your rights have been violated, or if you have questions about telephone solicitations,

CONTACT:
Federal Communications Commission
Common Carrier Bureau
Consumer Complaints
Mail Stop 1600A2
Washington, D.C. 20554



TELECOMMUNICATIONS GLOSSARY

Access: Electronic connection to a telecommunications network. The ability of a user to enter the network.

Access Charge: Cost associated with connecting to a network. Local Exchange Carriers (LECs) collect access charges from both customers and long distance companies.

Access Line: The circuit that connects the calling party's location with a switching center.

Area of Service ("AOS"): The geographical area supported by a communication service.

Base Rate: The non-discounted "per minute" charge for Measured Service.

Bell Operating Company ("BOC"): The local (or regional) telephone company that owns and operates lines to customer locations and Class 5 Central Office Switches. BOC may refer to the 22 local telephone companies providing local service to a large portion of the U.S. Each BOC is owned by one of the seven RHCs (Regional Holding Companies) (not including Cincinnati Bell or Southern New England Telephone), which were created as a result of the 1982 divestiture of AT&T.

Billing Account Number ("BAN"): Used by telephone companies to designate a customer or customer location that will be billed. A single customer can have multiple billing accounts.

Blocking: A process that prevents certain types of calls to or from customer premise equipment, keeping users from accessing alternate networks or completing any non-billable calls.

Board of Public Utilities: Regulatory body that regulates utilities in the State of New Jersey.

Billing Telephone Number ("BTN"): The phone number associated, for billing purposes, with the working phone number.

Call: A completed switched communication (at a specified bandwidth) between two stations on a network. A call is originated by a "calling party", "calling station" or "caller". The destination or termination of a call is the "called party," "called station(s)," or "destination node" on the network.

Call Duration: The period of time that begins with Answer Supervision (destination off hook) and ends when the call is terminated.

Called Station - Also known as Called Party Destination Node on the Network: The telephone number to which a call is directed or terminated.

Calling Card: A telecommunications credit card with an authorization code for using a long distance carrier when the customer is away from his/her home or office .

Carrier: Originally a long distance company that leases the facilities to carry a call; the term is now used to describe companies that resell other services without leasing facilities.

Central Office ("CO"): A facility of a telecommunications common carrier where calls are switched.

Centrex: A telephone company service that uses central office switching to route internal calls from one extension to another, to route incoming phone calls directly to the appropriate extension, to handle direct dialing of outbound calls, and to provide many PBX-like service features. Centrex uses a separate dedicated line between each telephone at the customer premises and the switch at the central office.

Circuit: A switched or dedicated communications path with a specified bandwidth (transmission speed/capacity).

Division of the Ratepayer Advocate: Independent state agency created in 1994 which represents and protects the interests of all utility customers, including residential, business, commercial and industrial, whenever utility companies in New Jersey seek changes in the delivery of services and in how much they charge for natural gas, electric, water, wastewater, telephone or cable TV services.

Fiber-Optics: A means for transmitting digital information (voice, video, data) over high purity, hair-thin fibers of glass in the form of digital signals. Bandwidth capacity of fiber optic cable is much greater than that of conventional cable or copper wire.

Frequency: The number of cycles per second of a electromagnetic transmission, usually described in hertz. Generally, high frequency transmissions can carry more information at greater speeds than low frequency transmissions.

Hub: A point or piece of equipment where a branch of a multi-point network is connected. In a telegraph network, signals appear as DC pulses at the hub. A network may have a number of geographically distributed hubs or bridging points.

ILEC: *Incumbent Local Exchange Carrier*. The traditional monopoly provider of local telephone service.

Interexchange Carrier: A company providing long-distance phone service.

InterLATA Calling: Communication between *Local Access Transport Areas* ("LATAs"). New Jersey currently has three LATAs. Phone calls between LATAs are long distance phone calls.

IntraLATA Calling: Communication within a LATA. Phone calls within a LATA but beyond a party's local calling area are defined as local or regional toll calls.

ISDN: ***Integrated Services Digital Network.*** **A technology that digitally enhances regular telephone lines to provide users much faster data connections and simultaneous transmission of both voice and data.**

IXC: ***Interexchange Carrier.*** **A company that provides long-distance service.**

LATA: ***Local Access Transport Area.*** **Geographic region set up to differentiate local and long distance calls; the area where a local exchange carrier provides local and regional toll call service, and access to long distance carriers for InterLATA service.**

LEC: ***Local Exchange Carrier.*** **The local or regional telephone company that owns and operates lines to customer locations and Class 5 Central Office Switches.**

Municipal Utility: A utility owned by the city; the Board of Public Utilities does not have jurisdiction to regulate matters dealing with municipal utilities.

POTS: ***Plain Old Telephone Service.*** **Basic voice phone service.**

Public Utility: Privately owned business entity, subject to government regulation that provides to the public an essential commodity or service, such as water, electricity, transportation and telecommunications services.

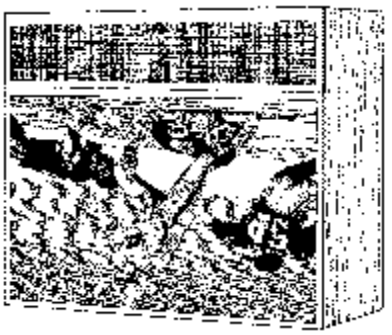
Rates and Tariffs: Standards published by telecommunications companies that define service availability, cost, and provisioning procedures.

Regulation: A rule or law established by the federal or state government which establishes the procedures that a utility must follow.

Switch: A device that routes a call by selecting the paths or circuits to be used for transmission of information and establishing a connection.

Switching: Process of routing communications traffic from a sender to the correct receiver (*e.g.* telephone switchboard)

CABLE TELEVISION



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CABLE TELEVISION

Increasing cable rates and the lack of competition in the provision of cable television services frustrate consumers both in New Jersey and nationally. It is important to remember that the federal government has decided to deregulate cable rates and services leaving New Jersey regulators and legislators with limited authority to control rate increases.

◆***Why did the US Congress deregulate the cable industry?***

When Congress deregulated the cable industry in the Telecommunications Act of 1996 ("Federal Act"), it assumed that the deregulated marketplace would encourage competition. The theory was, that competition would require cable operators to be more innovative and pro-consumer in order to maintain their market share. In this way, Congress anticipated that consumers would benefit from lower rates and new and innovative services.

◆***How is authority over cable TV operators divided between federal and state government?***

In 1992, Congress divided authority over cable television rates and services between the federal and state governments. In New Jersey, the Board of Public Utilities regulates rates for **basic service**. **Basic service includes, at a minimum, local broadcast signals, public, educational and governmental access channels and charges for equipment necessary to provide service.** The Federal Communication Commission ("FCC") regulates the **cable service programming tier("CPST"). The CPST includes other tiers of programming -- such as the Discovery Channel, ESPN and Nickelodeon -- but it does not regulate premium channel offerings, such as HBO or Cinemax, or per-program offerings, such as Pay-Per-View. These premium channel offerings have never been subject to regulation**.

◆***What controls does New Jersey retain over cable rates for basic service?***

In New Jersey, the local franchise authority is the Board of Public Utilities **("Board"). Cable operators may petition the Board for rate increases by filing FCC forms which are then reviewed by the Board and Ratepayer Advocate. Currently, the Board and the FCC only**

have authority to regulate a cable company's basic rates. When cable operators petition the Board of Public Utilities for a **basic rate increase**, the Ratepayer Advocate and the Staff of the Board review the requests and question cable operators to determine if the operators are requesting unreasonable or unfair rate increases. **Often, the Ratepayer Advocate and Board Staff raise challenges to the reasonableness of rate increases proposed by cable companies in their petitions.** As a result of these challenges, cable operators have been permitted to implement only minor basic service rate increases in recent years. In some cases, cable operators have been required to refund overcharges with interest to consumers.

◆***How did the FCC's role in cable television change as of March 31, 1999?***

Pursuant to the Federal Act, the FCC's authority to regulate the Cable Service Programming Tier (CPST) set ended on March 31, 1999. **This means that on March 31, 1999, the FCC lost all its previous authority to review CPST rates**. Prior to March 31, 1999, the FCC could review a cable operator's CPST rate increases when it received two or more consumer complaints shortly after the rate increase was implemented. As the rising costs of many cable television bills indicate, however, the FCC's efforts to limit CPST rate increases did limit rate increases. The Ratepayer Advocate and the Board of Public Utilities will continue to work to limit basic service rate increases.

◆***What is the impact of the end of federal cable regulation?***

On March 31, 1999, when the **FCC's** authority to receive or act upon consumer complaints regarding cable television service for the CPST ended, many consumers were unsure if any consumer protection from cable rate increases remained. While the end of the FCC's authority did **decrease** the amount of consumer protection, state agencies, such as the Board, are still permitted to regulate some aspects of cable service and State consumer advocates, like the Ratepayer Advocate, remain committed to protecting cable consumers to the fullest extent of the law. The FCC is also committed to maintaining a role in

protecting cable TV customers and has prepared the ***Federal Communications Commission Cable Television Consumer Bill of Rights*** which is included at the end of this section.

◆***Without federal regulation, will rates for "premium" cable packages rise?***

The Ratepayer Advocate believes that there will continue to be steady and unacceptable increases in cable rates. Both nationally and locally, federal cable rate deregulation has failed to encourage competition within the market. Competition between two or more franchised systems in the same service territory is practically nonexistent. **Alternative service providers and technologies have yet to challenge cable operators' monopoly control in every municipality**. Notwithstanding rising rates, cable subscribership continues to grow resulting in a steady increase in the number of homes capable of receiving cable television and the number of consumer subscriptions to premium channels.

◆***What about non-cable programming?***

Non-cable video programming -- provided most commonly by satellite operators such as DirecTV or EchoStar (also known as Direct Broadcast Satellite providers or DBS or Satellite Master Antenna Television providers or SMATV) -- has slowly increased its number of customers and its share of the market. However, this share still remains relatively small. Traditional cable operators continue to dominate the combined cable and non-cable video programming market in most markets. As of June 2002 data reported by the FCC, DBS providers account for approximately 20.3% of the total cable video programming market. SMATV providers account for approximately 1.8% of the total cable market.

◆***How has the lack of competition affected cable rates?***

The absence of **significant actual effective** competition in the video programming market has permitted operators to increase cable rates continually. **According to the FCC's most recent survey of cable rates, on the average, rates increased by 8.2% over the 12 month**

period ending July 1, 2002. The FCC also found that the differential between competitive and noncompetitive cable operators was 6.4%. This pace far exceeds increases in inflation. Clearly, monopoly control of the cable market has permitted cable operators to continue to raise rates without concern for loss of market share that would otherwise be present in a real competitive market.

◆***Will the cable industry maintain existing service rates?***

The answer is "probably". First, the Board still has the authority to regulate basic service rates and review cable operators' requests for increases. Second, many cable television operators have gone on record stating that the end of the FCC's authority will not affect their rates. Third, cable operators do not want to anger those members of Congress who supported deregulation of the CPST. Fourth, most cable operators support the argument made by consumer advocates around the country, including the New Jersey Ratepayer Advocate, that deregulation must promote competition, not strengthen monopolies. Finally, cable operators do not want to price their services higher than satellite systems, which, in the future, may compete effectively with cable operators for customers.

◆***How are cable television late fees regulated?***

Cable television late fees are regulated by the Board. The Board's rules require that a cable television operator may not impose a late fee until the consumer's account balance is 30 or more days overdue. The Board's rules also require cable operators to clearly specify the amount of a late fee on their bill. **As of November 1, 1999 Board rules do not regulate the amount cable operators may charge for a late fee**. In 2003, the Ratepayer Advocate asked the Board to re-open a proceeding on the late fees charged to customers because there are questions about the fairness of the late fees being imposed. Some late fees average over $5.00 per month, while some operators charge as much as $14.95. The late fees charged to subscribers must be fully reviewed and standardized. The Ratepayer Advocate has recommended that the Board revise its proposed rule to a maximum of $2.00 or 6% of the monthly bill, whichever is less.

◆***Why does the Ratepayer Advocate support vigorous cable competition?***

The problems that New Jersey cable television consumers face are the problems confronted by any consumer served by a monopoly: when rates are increased for service and equipment, there is no other provider to choose from. Obviously, the best form of consumer protection is for consumers to have other video programming providers to choose from but only a small number of towns throughout the country have multiple cable providers. Their rates are lower than the nationwide average, customer service is better and consumer benefits are greater. In some other towns where cable operators have refused to compete in the service territory of an incumbent, local governments have built their own cable television system, either by themselves or in partnership with a local utility or other entity. These towns, as well, reap the benefits of competition.

◆***Why don't satellite systems provide meaningful competition to the Cable Television industry?***

Nationally, the most significant competitor to cable television are **satellite systems**. If, competition fails to develop between cable franchises, satellite operators may be the most effective competitor to the entrenched cable monopolies. **But, satellite/DBS operators still face entry barriers.** Prior to November 1999, DBS providers were prohibited from carrying local programming. This made it difficult for satellite providers to compete with cable providers since local programming is extremely important to subscribers. In November of 1999, Congress passed the Satellite Home Viewer Improvement Act ("SHVIA") which, among other things, permitted satellite providers to carry local channels such as ABC, CBS and NBC. This regulatory change permitted satellite providers to compete on a more significant level with cable companies. However, although satellite service is considered to be available nationally, it may not actually be available to each and every subscriber due to line-of-sight problems. For subscribers to receive clear satellite signals, the satellite dishes attached to their homes must have an unobstructed view of the satellite. However, the Ratepayer Advocate is optimistic that technological developments will alleviate this problem in the future.

◆***What changes does the Ratepayer Advocate support to protect cable customers?***

As evidenced by the continuous rate increases that New Jersey's cable consumers must pay to retain their cable services, the Ratepayer Advocate has determined that the present state of regulation does not adequately protect consumers. The current regulatory structure does not provide the Ratepayer Advocate, the Board of Public Utilities -- or any other arm of state government -- adequate authority to regulate cable television meaningfully in consumers interests. To obtain such authority, fundamental changes in federal laws defining the federal and state roles in cable rate regulation are needed. Only action by Congress can provide the State with a greater role in regulating cable rates and services. In other words, Congress must fundamentally change the division of authority between federal and state government over cable rates.

◆***What does the Ratepayer Advocate plan to do until the Federal Government decides to allow New Jersey's Legislators and the Board of Public Utilities a larger role in regulating cable operators?***

The Ratepayer Advocate will continue to represent ratepayers' interests by: (1) studying the cable television market to determine which current and proposed legislation promote competition and consumer choice; (2) filing comments on proceedings before the FCC; (3) informing New Jersey's representatives in the federal government of our support for or opposition to proposed legislation affecting the competitive provision of cable programming; and (4) challenging petitions before the Board for unjustified rate increases of basic service rates.

Presently, the Ratepayer Advocate recommends that Congress continue to implement policies which promote non-cable competitors, particularly, satellite providers, who provide the most successful competitive alternative to cable operators' monopoly control of the video programming market at this time. Additionally, the Ratepayer Advocate supports the introduction of non-traditional providers, such as municipalities and utility companies into the **cable programming market**.

◆***Conclusions***

It is time for consumers to start receiving the benefits of a truly competitive market for video programming. In these areas throughout the country where meaningful competition from a second cable provider exists, real savings and consumer benefits have been realized. The Ratepayer Advocate believes consumer benefits can grow exponentially in New Jersey if competition and choice are introduced to the state's marketplace.

How to Complain about Cable Television Rates and Service

Consumers have little redress if they have a complaint about their cable television rates. Rates for cable programming channels such as Pay-Per-View are totally unregulated. Since March 31, 1999, rates for upper tier services are deregulated. Only the basic service tier remains regulated. In New Jersey, the Board of Public Utilities regulates the basic tier but cable operators are able to request rate increases, provided those rate increases meet standards established in Federal rules. As long as a cable operator follows the Federal rules, the Board must permit the requested basic service tier rate increases. For these reasons, consumers are unlikely to receive any significant results by complaining to the Board about cable television rates.

Consumers have a greater opportunity for a remedy if they have complaints about their cable television operators services. The Board has considerable authority to enforce rules and standards for cable television operators' service. Such standards include rules against poor cable television reception or reception that is blacked-out entirely, or if an operator fails to meet a service call commitment. In such cases, the Board may order a cable operator to provide limited refunds to consumers for the failure to provide proper service.

Consumers can register a complaint about cable television services with the Board by various means.

- A consumer can mail a complaint to the Board at:

  Board of Public Utilities
  Attn: Office of Cable Television
  Two Gateway Center
  Newark, New Jersey 07102

- A consumer can also submit a complaint via email to the Board on its website at http://www.bpu.state.nj.us.

- A consumer can call the Board's Division of Customer Relations (P)(973) 648-4436, (F) (973) 648-2836 or; the Office of Cable Television (973) 648-3272; (F) (973) 648-4298 to register a complaint.

- The Ratepayer Advocate strongly recommends that whatever method is used it should be simultaneously sent in writing, by mail, fax, or through the Internet.

THE FCC'S CABLE TELEVISION CONSUMER BILL OF RIGHTS

- **Consumers should expect a fair deal from their cable company, with reasonable rates that fairly reflect the costs of doing business;**

- **Consumers should expect an explanation from their cable company whenever rates for the programming service tier are raised, particularly when cable companies attribute price increases to increases in the cost of obtaining programming;**

- **Consumers are entitled to write or call their cable companies whenever they have complaints about the cable services being provided on the various channels, or about program cost increases, and they should expect a speedy response;**

- **Consumers are entitled to file complaints with their local government regarding basic service tier cable rate increases and service quality.**

- **Consumers are entitled to provide their own inside wiring for cable hookups;**

- **Consumers will soon be entitled to purchase and use set-top boxes at competitive market prices;**

- **Consumers have a right to contact local, state and national advocacy groups with grievances that are not being adequately resolved by their cable operators; and**

- **Consumers unhappy with their local cable company should explore competitive alternatives for video programming service available from DBS and other providers.**

To contact the FCC, write to the Federal Communications Commission, General Cable Inquiries, 445 12th Street, S.W., Washington, D.C. 20554, or call the FCC's toll free number at 1-888-225-2322 to have fact sheets describing various aspects of cable regulations mailed to you or to ask questions. You can also access recent Commission decisions regarding cable regulations via Internet at the FCC's Internet addresses on its World Wide Web site: http://www.fcc.gov/.

CABLE TELEVISION GLOSSARY

Access Channels: Channels set aside by a cable operator for use by third parties, including the public, educational institutions, local governments, and commercial interests unaffiliated with the operator.

Advanced Television ("ATV") : A series of digital television technologies that are designed to improve the current commercial-quality television system.

Analog : A signaling method that uses continuous changes in the amplitude or frequency of a transmission to convey information.

Basic Cable: Primary level or levels of cable service offered for subscription. Basic cable offerings may include retransmitted broadcast signals as well as local and access programming. In addition, regional and national cable network programming may be provided. Basic service offerings at the system level may be offered as more than one tier.

Board of Public Utilities: regulatory body that regulates utilities **and cable operators** in the State of New Jersey.

Box: Electronic equipment used to process television signals in a consumer's home, usually housed in a "box" that sits atop a TV set or VCR.

Cablecasting: The use of cable systems by federal, state, and local officials to disseminate information and television programming to their constituents.

Cable Modem: A communication device connected to a personal computer which offers customers access to the Internet over a cable system at speeds 50-100 times faster than a telephone connection.

Cable Ready: Label for consumer electronic devices, such as television sets and VCRs, that are designed to allow direct connection to a cable television network.

Cable System: A localized communications network that distributes television, Internet, and telephone services by means of coaxial cables and/or fiber optics.

Channel Capacity: Maximum number of television channels that a cable system can carry simultaneously.

Converter: Device which increases the number of channels that a TV set can receive by converting the large number of signals carried on a cable or satellite system to a single channel tuned by the TV set, usually channel 3 or 4.

Direct Broadcast Satellite ("(DBS"): A TV broadcast service from a small satellite dish antenna that offers similar services, like that of cable TV, and which transmits highly compressed digital signals.

Descrambler: Electronic circuit that restores a scrambled video signal to its original form. Television signals, especially those transmitted by satellite, are often scrambled to protect against theft and other unauthorized use.

Digital: An intelligence-carrying signal consisting of a stream of bits of zeros and ones for sound, video, computer data or other information.

Digital Cable: Cable services, programming, and equipment that use digital, not analog, formats.

Dish: A parabolic antenna used to receive satellite transmissions at home. The older "C band" dishes measure 7-12 feet in diameter, while the newer "Ku band" dishes used to receive high-powered DBS services can be as small as 18 inches in diameter.

Distant Signal: Television signal from another city that is imported and carried locally by a cable television system.

Division of the Ratepayer Advocate: Independent state agency created in 1994 which represents and protects the interests of all utility customers, including residential, business, commercial and industrial, whenever utility companies in New Jersey seek changes in the delivery of services and in how much they charge for natural gas, electric, water, wastewater, telephone or cable TV service.

Drop Cable: The final stretch of coaxial cable that connects a customer's home to the cable system.

Digital TV ("DTV"): Television signals transmitted and received in digital format (discontinuous zeroes and ones; compares with Analog). Digital TV has several formats and varying degrees of resolution, from 480 lines per screen progressively scanned to 1080 lines interlaced. DTV includes HDTV, but not all DTV is HDTV since the bandwidth required for HDTV can be broken down to accommodate several DTV signals of lesser resolution.

Due date: this is the date by which the bill must be paid to keep a utility account current.

Federal Communications Commission ("FCC"): Established by the Communications Act of 1934, the FCC is the federal agency in charge of overseeing interstate telecommunications, as well as all the communications services originating and terminating in the United States.

Feeder Line: Intermediate distribution line (fiber or coaxial cable) that connects a trunk from the headend to the drop cables serving individual homes.

Franchise: Contractual agreement between a cable operator and a governmental entity that defines the rights and responsibilities of each in the construction and operation of a cable system within a specified geographic area.

High Definition Television ("HDTV") : Digital television which offers twice the resolution,

wider screens, better sound, and better color than the NTSC format. "True" HDTV involves a 16:9 aspect ratio and a least 720 lines per screen.

Leased Access: Commercial channels made available by a cable operator to third parties for a fee, as required by the Cable Acts of 1984 and 1992.

Multiple System Operator ("MSO"): A major cable TV organization that has franchises in multiple locations.

Municipal utility: a utility owned by the city; the Board of Public Utilities does not have jurisdiction to regulate matters dealing with municipal utilities.

Must Carry: A policy, developed by the FCC in the 1960s and codified by Congress in 1992, requiring cable systems to carry the analog signal of a local television station if that broadcaster so chooses (see also Retransmission Consent). The Supreme Court voted 5-4 in 1997 to uphold must carry for analog broadcast television signals.

Open Cable: An initiative of the cable industry (through CableLabs) to develop and label a new generation of interoperable digital boxes available through retail stores that will provide subscribers with video, data and interactive services.

Pay Cable: A network of services available for an added monthly fee. Also called premium. Some services, call mini-pay, are marketed at an average monthly rate below that of full-priced premium.

Pay Cable Unit: Each premium service to which a household subscribes is counted as one unit.

Pay-Per-View: Pay service that enables a subscriber to order and view events or movies on an individual basis.

Public utility: private owned business entity, subject to government regulation that provides an essential commodity or service, such as water, electricity, transportation, communications to the public.

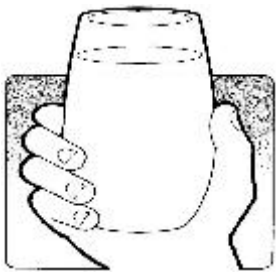
Regulation: a rule or law established by the federal or state government which establishes procedures a utility must follow**.**

Retransmission Consent: Former FCC rule that required cable systems to obtain consent from broadcast stations prior to retransmitting their signal to cable subscribers.

Scrambling: An electronic security technique used to render a TV signal unviewable unless it is processed and restored by an authorized decoder or descrambler.

Set Top Box: See Box, Converter, and Descrambler.

WATER SERVICES



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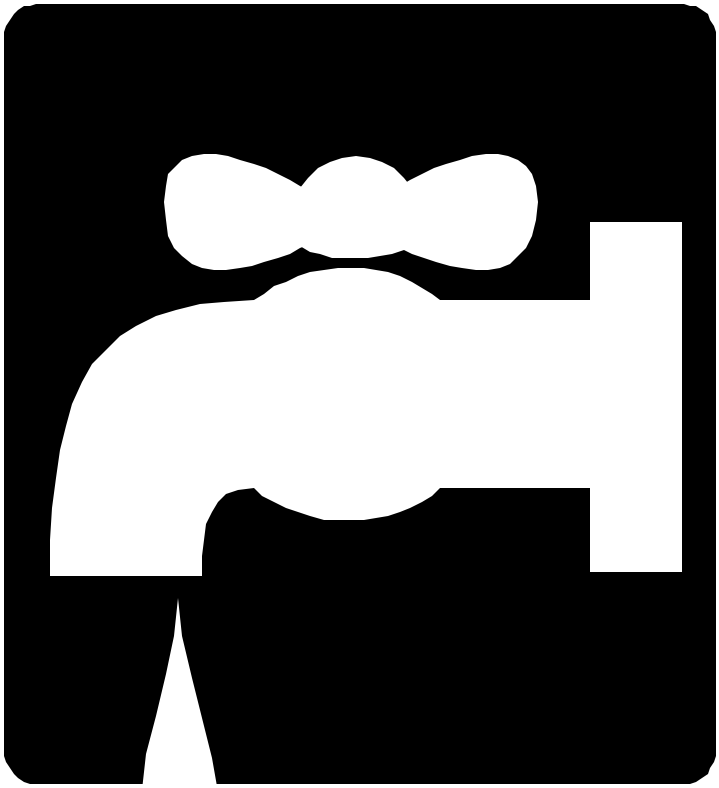


BILL OF RIGHTS FOR WATER CONSUMERS

As a water utility customer you have rights that must be protected. Water service is a basic lifeline necessity and consumers must be assured of the protections outlined in the Bill of Rights for Water Customers. Your rights include:

- The right to receive safe, proper, and adequate water service at the most reasonable rate possible.
- The right to receive water that meets federal and state quality regulations and service standards.
- The right to receive the benefits of new services, technological enhancements, and improved efficiencies.
- The right of all consumers, including low-income consumers to receive affordable and potable water services through appropriate state and federal policies.
- The right not to pay unreasonably high deposits as a condition of water service.
- The right to application of equal standards for protecting water customers in matters of deposit and credit requirements, service denials, and terminations.
- The right of protection from unfair, deceptive, unconscionable and fraudulent practices on the part of any provider of water services.
- The right of privacy protection from the use of consumers records or payment histories without your express, informed consent.
- The right of access to an independent administrative process that provides a simple, quick and effective means of resolving complaints about service and bills from water utility service providers.
- The right to service standards that ensure quality service, a toll free service number to report system failures, a prompt response to system failures, questions and concerns, and courteous customer service.
- The right to have your water meter tested for accuracy, at least once a year at no cost.
- The right to continued water service while a disputed charge is before the Board of Public Utilities, provided undisputed charges are paid.
- The right to have water service resumed as quickly as possible after main breaks or disruptions as the results of accidents, storms or other break downs in the system.

WATER SERVICES

I. INTRODUCTION

New Jersey residents enjoy one of the best supplies of drinking water in the United States. Residents traditionally expect their drinking water to be clean, affordable and limitless. However, New Jersey water resources are being constantly strained by the competing needs of the growing population, agriculture, industry and recreation.

NEW WATER INITIATIVES OF THE McGREEVEY ADMINISTRATION

A key environmental priority of the McGreevey Administration has been a focused effort to strengthen the protection of New Jersey's water resources. The drought emergency in 2002 was the worst drought in state history. It was one of a series of recurring drought emergencies over the past several years, and highlighted the need to protect water resources even in a relatively water-rich state like New Jersey.

Protecting water resources in New Jersey today will require strengthened protection of high-quality waters, greater incentives for water reuse and recycling, recovery on thousands of claims for natural resource injury to groundwater resources, and long-term changes in water use practices. The two necessary initial steps toward improved protection of water resources are the expansion of the water quality anti-degradation policy and the move to set aside more open space.

Under the first initiative established in 2003, the New Jersey Department of Environmental Protection (NJDEP's) highest water quality protections standard has been extended to drinking water supplies for the first time. The protection is called a "Category One" (C1) designation, and prevents any measurable deterioration in existing water quality. The C1 designation limits the impact that developments are permitted to have on the designated water bodies and waterways. A significant aspect of the C1 classification is a strict limit on discharges. While the state's previous C1 designations were primarily extended to trout production streams, protection of these water bodies represents the first significant effort to safeguard high-quality drinking water supplies.

In April 2003, the Governor signed rules strengthening protection for nine major drinking water reservoirs and six ecologically sensitive river and stream segments. The nine reservoirs provide drinking water to approximately 3.5 million residents, or more than 40% of the state's population. May 2003 was proclaimed Watershed Awareness month by Governor McGreevey. On October 7, 2003, his administration announced that 12 more ecologically sensitive stream segments and tributaries in the Delaware River Watershed as well as three streams and rivers and two lakes in the Raritan and Hackensack Watersheds would receive the same high protection. In announcing the new designations, Governor McGreevey stated that "[t]he water our children drink deserves the same protection as the water where our fish swim," said McGreevey. "Before protections were put in place, developers and industry could literally build right on top of our state's reservoirs and streams."

Another essential clean water initiative of the McGreevey Administration is Public Question No. 1 on the November 4, 2003 ballot. If approved, Public Question No. 1 will allow the Garden State Preservation Trust to issue an additional $150 million in bonds for the preservation of open space and drinking water in the Highlands, among other initiatives. The preservation of open space goes hand in hand with the C1 classifications, as the two strategies move development away from high quality water supplies and channel it into areas more beneficial to the state's health and sustainable development.

For more information on these and other water protection related topics, please consult the NJDEP website at www.state.nj.us/dep.

◆The Cost of Clean Water Rises

Drinking water comes from surface water and ground water. Large-scale water supply systems tend to rely on surface water resources. Smaller water systems tend to use ground water. Consumers in New Jersey have in recent years seen an increase in the cost of clean water. One major factor driving up water rates has been the cost of implementing federal and state environmental laws to maintain a safe and clean water supply. **The Clean Water Act (CWA)** and the **Safe Drinking Water Act (SDWA)** are federal laws designed to improve water quality and improve the safety of drinking water. The **SDWA** mandated the construction of expensive new water treatment plants aimed at ensuring clean water for New Jersey consumers. The costs of building these new treatment plants have been almost entirely passed on to New Jersey water customers.

◆Maintaining Safe, Adequate and Reliable Service

The Board of Public Utilities is responsible for deciding whether water and wastewater utilities currently under its jurisdiction provide safe, proper and adequate service at the most reasonable rates possible. The performance of water utilities is examined in light of state and federal minimum service standards when a water utility's application for a rate increase is reviewed.

When a water or wastewater utility files an application with the BPU to increase rates or change services, the **Ratepayer Advocate** investigates all aspects of the water utility's application and develops a position that protects ratepayers' interests consistent with state and federal standards.

New Jersey residents can also play a part in maintaining a safe, adequate, affordable and potable water supply by becoming more knowledgeable about drinking water. The **Ratepayer Advocate** strongly supports consumer education as the key factor in reducing costs and protecting the quality and quantity of our water supply for generations to come. Given the importance of water to life, consumers are encouraged to become more informed and involved in maintaining the safe and efficient delivery of state water resources.

II. CONSUMER PROTECTION

◆Avoiding Disconnections

In most instances a water utility customer will be given notice before service is discontinued. Most water companies also charge a turn-on fee after water has been discontinued for non-payment. If you are notified that service will be discontinued for non-payment, contact your water provider. You may be able to establish a payment plan to avoid loss of service.

You should note that service **cannot** be discontinued for:

- Failure to pay for service provided to a previous occupant at a residence;
- Failure to pay an amount the subject of which is in dispute before the Board of Public Utilities;
- Failure to pay charges not specified in service provider tariffs or approved by the Board of Public Utilities

◆Customer Complaints

If you encounter a problem with billing or service, you should first contact your water company to discuss the problem and possible solutions. Your water company's telephone number is printed on each billing statement. **Make a note of it before an emergency occurs.**

If you are unable to solve the problem with your water company, you can contact the Board of Public Utilities' Division of Customer Relations at (973)648-2275 or (800)624-0241. The Board is responsible for reaching out to the people of New Jersey to both educate and resolve various utility problems. The Division of Customer Relations investigates written and verbal complaints and assists consumers with a wide range of utility problems such as billing and service complaints and other emergency utility problems.

When you call, you should be prepared to provide the Board of Public Utilities staff as much information as possible including the nature of the complaint and details about any contacts you have had with the water company concerning the problem.

◆Consumer Confidence Report

The Safe Drinking Water Act Amendments of 1996 imposed new compliance standards on the nation's public water systems. These Amendments include, among other things, new contamination prevention rules, changes to the regulatory reporting program, funding for State and local water systems, and improved consumer information.

Under the Amendments, each water system must prepare an annual **Consumer Confidence Report** on the quality of the drinking water provided. The information provided in the Report heightens customer awareness of drinking water issues, and may also provide the ability for customers to become involved in helping to improve water conditions, or protecting a good quality water source. The Report must be sent to all customers by mail and must provide the following information about drinking water:

- What rivers, lakes or underground aquifers are the source(s) of the drinking water;
- A summary of the susceptibility to contamination of the local drinking water source, based on the source of water evaluations that states must complete over the next five years;
- How to obtain a copy of the water system's complete source water evaluation;
- The level /range of levels of any contaminant found in local drinking water;
- The likely source of that contaminant in the local drinking water supply;
- The potential health effects of any contaminant detected in violation of an Environmental Protection Agency ("EPA") health standard, and an accounting of the water system's actions to restore safe drinking water;
- The water system's compliance with other drinking water-related rules;
- Education information on nitrate, arsenic or lead in areas where these contaminants are detected above 50% of EPA's standards; and
- Telephone numbers of additional sources of information, including the water supplier and EPA's Safe Drinking Water Hotline (800-426-4791).

III. WATER CONSERVATION

◆How Water Gets to Your Tap

Typically you receive water from a tap. Water is transported under pressure through a distribution network of buried pipes. Smaller pipes, called service lines, are attached to the main water lines to bring water from the distribution network to your tap. Water pressure is provided by pumping water up into storage tanks that store water at higher elevations than the houses they serve. The force of gravity then pushes the water into your home when you open your tap. Houses on a private supply usually receive their water from a private well. A pump brings the water out of the ground and into a small tank within the home, where the water is stored under pressure.

◆Why Conserve Water?

As demonstrated by the droughts of 1999 and 2002, an abundant supply of water is no longer guaranteed. Demand for water is on the rise. New Jersey water resources are strained by the competing needs of the growing population, agriculture, industry, and recreation. In addition, pollution, declining water tables, and prolonged drought conditions are shrinking New Jersey's usable supply. As consumers, we need to reassess our water and water conservation activities.

Although water comes out of the tap and goes down the drain, it is a mistake to think that it's a one-way trip. In fact, water continually cycles through the environment, and both water treatment and water use rely on this cycle. When we think of water in this way, we begin to appreciate the significance of water conservation on the natural environment. The less water we use, or abuse, the less we degrade this valuable resource. Water conservation can ensure that the cycle will work for us well into the future. In addition there are certain steps you can take to conserve water in and around your home and business.

◆The Amount of Water We Use in Our Homes Varies During the Day

- Lowest rate of water use – 11:30 p.m. to 5:00 a.m.
- Sharp rise/high use – 5:00 a.m. to Noon. (Peak hourly use from 7:00 a.m. to 8:00 a.m.)
- Moderate use – Noon to 5:00 p.m. (Lull around 3:00 p.m.)
- Increasing evening use – 5:00 p.m. to 11:00 p.m. (Second minor peak, 6:00 p.m. to 8:00 p.m.)

◆**Compared With Other Countries, the United States Uses the Most Water Per Person (per capita)**

This is true even when compared with other countries that are equally well developed. In the United States, significant amounts of water are used for lawn and garden sprinkling, automobile washing, kitchen and laundry appliances, such as garbage disposals, clothes washers, and automatic dish washers.

Country*	Annual Water Use Per Capita in Gallons	% of Use for Residential Needs	% of Use for Industrial/ Agriculture Needs
U.S.	525,000	10	90
Canada	310,000	13	87
Belgium	221,000	6	94
India	132,000	3	97
China	122,000	6	94
Poland	112,000	14	86
Nicaragua	72,000	18	82
Malta	16,000	100	0

*Van Der Leeden, F., F.L. Troise, and D.K. Todd. *The Water Encyclopedia*, Lewis Publishers, Inc., Second Ed. (1990)

◆Conserving Water in the Kitchen

Here are some steps that can add up to big water savings in the kitchen.

- Take foods out of the freezer early and place in refrigerator to allow plenty of time for thawing. Thawing frozen goods under a running tap wastes water.
- Clean fruits and vegetables in a partially filled sink and rinse them quickly.
- When boiling vegetables, use only enough water to cover the foods. Steaming uses even less water while conserving more nutrients.
- Chill tap water in the refrigerator for drinking.
- Completely fill the dishwasher before you turn it on.
- Turn your taps off tightly but gently so they don't drip. Repair any leaks in and around your taps and faucets without delay.
- Use ice trays in your freezer and turn off automatic ice makers.
- Install a water efficient faucet aerator to reduce water flow.

◆Conserving Water In the Bathroom

The bathroom accounts for about 65% of the water used inside the home. Since we waste the most there, it is also the area where potential water savings are the biggest and the easiest to achieve.

- Men can save 10 to 20 gallons of water each time they shave by filling the basin instead of letting the water run continuously.
- Turn off the tap while brushing your teeth, and use short bursts of water for rinsing.
- Install a high-pressure, low flow showerhead.

- A quick shower uses less hot water than a bath in a full tub. If you prefer a bath, don't overfill the tub; half full should be enough. If you're taking a bath, put in the plug and turn on the hot water. Let it run until the water gets hot before adjusting the temperature with cold water.

- If you are purchasing a new toilet, consider one that uses less water than the five to seven gallons a conventional toilet uses. If you cannot afford to purchase a new toilet, consider filling a two liter plastic soda bottle with water and placing it in the tank. This will decrease the amount of water stored and flushed in your toilet.

  Flush the toilet only when necessary. Never use it as a wastebasket and never flush paints, solvents or other chemicals down the toilet.

◆Conserving Water In the Utility Room

An automatic clothes washer can use from 150 to 250 gallons of water for each cycle. This accounts for about 20% of total indoor water use. Cutting back on the amount of water you use for clothes washing takes planning; you can reduce water consumption and save on energy costs by planning ahead.

- When selecting a washing machine, consider one with conservation features, such as load size selector and variable water control. Adjust the amount of water according to the size of the wash load, if your machine comes with this feature. If yours does not come with this feature let the laundry accumulate until you have a full load before starting the machine.

- Insulating your hot water tank and hot water pipes can also reduce water-heating costs and save water, because the insulation keeps the water hotter longer, thereby less water is wasted by running the tap to reach the desired temperature.

◆Conserving Water by Repairing Leaks

You should periodically check for leaks in and around your home. You can check your plumbing system by locating your water meter and recording the reading before you go to bed, and reading it again early in the morning, before any water use. Compare the two readings. If there is a difference, you've got a leak that needs repair.

Leaking faucets can be surprisingly large water wasters. The steady drip of a leaking faucet can waste as much as 20 gallons of water per day. The problem is often a worn-out washer, which costs pennies to replace. A more serious type of leak can occur in toilet tanks and can do great damage to your water conservation efforts. A toilet that continues to run after flushing can waste as much as 200 gallons of water a day. Toilet run-on usually means that the flush or flapper valve isn't sitting properly in the valve seat at the bottom of the tank. The valve may need replacing. This is an inexpensive item to replace. Test for a leaking toilet by adding food coloring to the water in the tank. If colored water appears in the bowl after 30 minutes, your toilet is leaking.

◆Conserving Water Outdoors

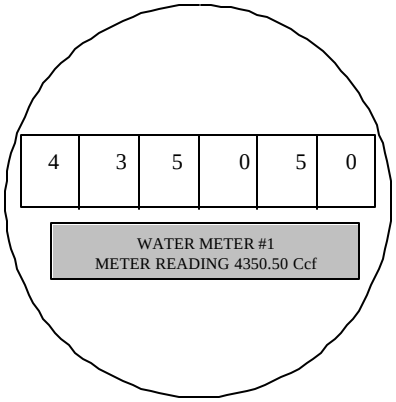
During the summer months, the biggest drains on water resources are lawns and gardens. If you have a lawn and garden, the careful selection of the right plants, coupled with wise watering habits, can significantly reduce outdoor water use without affecting the beauty of your landscape.

- Good planning can result in the highest quality landscaping with limited maintenance and water requirements. Take advantage of the natural climate conditions in your yard by grouping plants with similar water needs.
- Check the watering needs of your plants noting areas in the yard that are hot, dry, shady or damp.
- Grow grass only in those areas where it provides functional benefit. Whenever possible substitute less water-demanding materials, such as ground covers, mulches, rocks and wood to enhance your yard.

- A timed sprinkler system saves water and reduces water waste. You should consider a timer with a moisture sensor, which compensates for changing weather conditions.
- Soil enhanced with organic matter allows for better water absorption and water-holding capacity.
- Use a broom or leaf-blower instead of a hose to clean sidewalks and driveways
- Use a pail of soapy water to clean your car. Pull out the hose only to rinse it off.
- Collect rainwater in garbage cans to water plants, wash cars, windows, driveways or sidewalks.

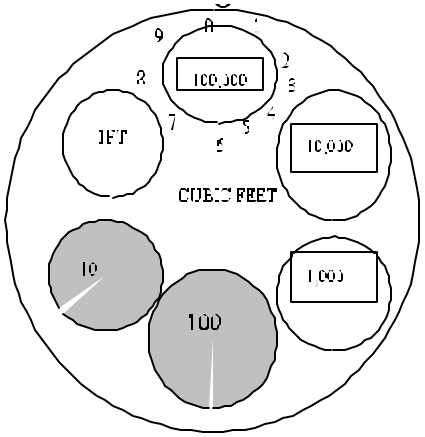
IV. ABOUT YOUR WATER METER

Learning to read a water meter can help you detect water leaks, monitor water usage and review your utility bill for accuracy. Water meters are usually located either in the basement, in a concrete box along the front curb or along an outside wall to your house. Most meters are read manually by an employee of your water utility. **Employees of your water utility are required to wear photo identification badges. Always ask to see an employee's identification before allowing an employee in your home**.



There are two main types of water meters in use today. Both record water usage in units of cubic feet (Ccf) or gallons.

Water Meter #1 looks like an odometer and is read in the same way an odometer is read in your car, left to right. To determine your monthly water usage, write down the meter reading on a specific date. Take another reading exactly 30 days later. Subtract the old reading from the new reading and you will have the number of water units your household has consumed in 30 days.



Water Meter # 2 looks like a set of small clocks, each with one pointer hand. These clocks turn either clockwise or counter clockwise. To determine water usage, start at the first clock with the highest cubic feet rating, i.e., 100,000. Write down the number the pointer hand points to on the first clock. If the pointer hand is between two

numbers, write down the number to the left of the pointer hand. Proceed to the next lower clock and repeat procedure until all clocks are read.

As with meter #1, take a reading and repeat in 30 days. Subtract the old reading from the new one and you will have your water usage for that period.

Modern technology now permits automatic meter reading in some areas. Meters can be read from either a touch pad or over a telephone line, so that you won't have to wait for a meter reader and you will get an actual reading every time.

V. ABOUT YOUR WATER BILL

Generally any bill or statement presented for water supplied or sold should include the following information:

- Customer name, billing address and service address, if different from billing address.
- Name of person, firm, association, corporation, authority or governmental entity providing water service.
- Office hours of water service provider.
- Telephone number of water service provider which the customer can use to inquire about the bill.
- Billing period - this is the specified period of service covered by the bill. Most water companies bill quarterly or monthly.
- Due date - this is the date by which the bill must be paid to keep the account current.
- Current charges – amount charged for water during specified period covered by the billing.
- Total amount due – includes any late payment charges (**applies to municipal utilities authority customers only**), current charges, previous balances and interest amount on past due balances.
- Statement of amount of water used or sold in gallons or indication that 100 cubic feet of water equals 748 gallons.
- Past amount due if any.

- Rate or tariff price for water.
- Billing date.
- Indication whether the bill is estimated, based on prior usage, or actually read from the actual meter.

VI. WATER QUALITY

♦ **Troubled Waters**

Each year, between 50 and 1,200 people die in the United States from water-related diseases, and 200,000 to 1.3 million are made sick. Elevated levels of mercury and radium have been found in area water wells. National sales for bottled water are rising by 9% a year, as many consumers avoid their own tap water. Consumers are concerned about their water supply: *How safe is it to drink? What additives are in it? Where does it come from?*

♦ **Safe Drinking Water Act of 1974**

In the 1970's water-quality standards and improvements in both drinking water and wastewater moved forward. The Safe Drinking Water Act (SDWA), passed by Congress in 1974, started a new era in the supply of drinking water to the public. In addition, wastewater treatment, under the Clean Water Act of 1972 (CWA), established national water pollution control goals.

The SDWA ordered the United States Environmental Protection Agency (EPA) to establish drinking water standards for all public water systems serving 25 or more customers or having 15 or more connections. Pursuant to this mandate, the EPA created maximum contaminant levels (MCLs) for public water distribution systems. MCLs of inorganic, organic chemicals, turbidity and microbiological contaminants were established. The SDWA required that coliform, a persistent and harmful pathogen, be eliminated from our drinking water. In addition to the goal of complete eradication of coliform, many other pathogens have been identified, many of which are even more persistent than coliform. The SDWA regulations prescribe treatment techniques to remove these harmful substances from drinking water.

SDWA regulations are mandatory and must be complied with by all applicable public water systems. If analysis of the water produced by a water system indicates that an MCL for a contaminant is exceeded, the system must then stop providing the water to the public or must initiate treatment to reduce the contaminant concentration to below the MCL. The EPA has also issued guidelines to the states for secondary drinking water standards concerning drinking water contaminants that may adversely affect the aesthetic qualities of water, such as odor and appearance. In the late 1980's and 1990s amendments were made to the federal SDWA. The most significant amendments were adopted in 1996 emphasizing comprehensive public health protection through risk-based standard setting, increased funding, reliance on best available science, prevention tools and programs, strengthened enforcement authority for the EPA and public participation on drinking water issues.

♦ **The New Jersey Department of Environmental Protection-Water Supply Administration**

In New Jersey, the Department of Environmental Protection - Water Supply Administration is the agency responsible for administering the federal SDWA.

♦ **New Jersey Safe Water Drinking Act**

In addition, New Jersey has enacted its' own statutory water standards ***N.J.S.A.*** 58:12A-1 ***et seq***., to ensure the provision of safe drinking water and for the purpose of implementing the federal water program. The quality standards adopted into regulation by both the federal and state governments are the minimum considered necessary for the maintenance of public health.

♦ **The Goals and Objectives of the New Jersey Safe Drinking Water Act**

- To ensure that drinking water supply systems meet the Federal and New Jersey Safe Drinking Water Standards
- To ensure that surface and ground water diversions do not exceed the sustainable yield of available water resources
- To protect the ground water resources of the state through proper well drilling activities.

- To help protect the surface and ground water sources of the state through development and implementation of New Jersey's source water assessment plan and watershed planning and management strategies

- To administer the Drinking Water State Revolving Fund and other funds to finance the costs of drinking water infrastructure improvements needed to achieve or maintain compliance with the Safe Drinking Water Act, and to implement other drinking water initiatives

- To ensure the proper construction, operation and management of drinking water supply systems

- To help identify water supply needs and issues and develop plans for their resolution

- To ensure the proper response to water supply drought emergencies.

♦ Federal Standards For WasteWater Discharge

The CWA ordered the EPA to establish standards for wastewater discharge. Conventional wastewater treatment removes 99 to 99.9% of pathogenic microorganisms in raw wastewater, however the effluent still contains significant concentrations of excreted viruses and other bacteria. The standard requires that wastewater be given a secondary treatment so that suspended solids, biodegradable material and pathogens are reduced to acceptable levels. Industrial dischargers are required to treat their wastewater to the level achievable by the most current technology for wastewater treatment in that particular industry.

♦ How Does Water Become Contaminated?

Drinking water becomes contaminated in a number of ways. Chemicals from factories, refineries, buried storage tanks and landfills are all potential sources. Animal wastes and pesticides may be carried by rain runoff to streams and lakes or seep into aquifers. Human waste may be discharged into water supplies also used for drinking. Hazardous materials, such as radon and radium can also occur naturally and contaminate water supplies.

In New Jersey, 87% of the population receives its drinking water from the public water system. The remainder uses private

wells. Public water supplies are treated and tested regularly and the majority provide safe water. According to state health reports in 1998 New Jersey met 92% of all federal and state healthstandards. Private well owners, however are responsible for their own check-up and maintenance. Health officials recommend that private well owners test their drinking water annually for chemical, biological and radioactive contaminants.

♦ Some of the Most Common Drinking Water Contaminants

Cryptosporidium is a microscopic, disease-causing parasite that is spread through human or animal fecal matter. It causes cryptosporidiosis which can cause diarrhea, cramps and flu-like symptoms and kill. It can be fatal for those with weak immune systems. The largest reported case of cryptosporidium was in 1993 when the disease got into the Milwaukee water supply system killing 50 people and causing 400,00 others to get ill. Cryptosporidium is resistant to chlorination. The best treatment is filtration. Large water utilities are required to test water sources monthly for the bacteria.

Giardia is spread through human or animal fecal matter. The parasite can cause the disease giardiasis, also known as "beaver fever." This parasite can survive in water for one to three months, and symptoms of the disease, including diarrhea, fatigue and cramps can persist for months. Public water systems using surface water are required to disinfect water so that at least 99.9% of the parasites are killed. Chlorination is effective in killing the parasite. Boiling water also kills the parasite.

Mercury There are several types of mercury. Exposure to high levels of inorganic mercury can cause kidney damage, nervous system effects, nausea and diarrhea. Inorganic mercury enter the water from natural deposits, manufacturing plants, pesticides, fungicides, old plants, factories, cemeteries, landfills, and atmospheric residue from coal generated power plants. Metallic mercury or organic mercury are hazardous contaminants that build up in fish and other animals that are eaten by people.

This type of mercury presents a serious danger to people in any medium. Inorganic mercury is not as hazardous and does not present a danger when showering or bathing.

Nitrate is common in rural areas where it can enter the drinking supply from chemical fertilizer and animal manure. Nitrate is a hazard primarily to babies and pregnant women because excessive levels of nitrate in an infant's digestive tract can starve the baby's system of oxygen. In the worst case, brain damage or death can occur.

Lead occurs in water caused by old lead service lines or in-house plumbing in homes built more than 30 years ago and is a serious problem. Lead can also be found in soldered joints of copper pipes and in brass fixtures. For infants and young children, chronic exposure can cause brain damage, learning disabilities and hyperactivity. In adults lead has been linked to kidney problems, high blood pressure, anemia and nerve damage. Flushing the water lines by running the faucets for a few minutes at the start of the day can significantly lower lead levels.

Radium is a naturally occurring radioactive substance that is present in small amounts in many water supplies. Radium was once advanced as providing a health benefit and sold in bottled water. It is now known to cause cancer. Exposure to radium has been associated with an increased risk of bone and nasal cancers. Three types of radium are cause for concern in drinking water: Radium 224, 226 and 228. The health standard for Radium 226 and 228 is 5 picocuries per liter. No standard has been set for Radium 224 yet. Currently, public water suppliers deal with radioactive water by diluting it with uncontaminated water.

♦ **METHYL TERTIARY BUTYL ETHER (MTBE)**

Chemicals from industry, agriculture and underground storage tanks sometimes get into drinking water supplies. *Methyl tertiarybutyl ether*, MTBE, is an organic chemical contaminant currently receiving national attention. An oxygen and octane gasoline booster, it is used in New Jersey and 18 other States. MTBE in underground tanks has seeped into drinking water wells in a number of communities around the country presenting a real threat to the quality of the country's drinking water resources and public health. A colorless, flammable liquid with a strong odor, MTBE does not occur naturally, but is produced in very large amounts by twenty-seven companies in the United States. It is almost exclusively used by companies that add the chemical to gasoline. MTBE is added to gasoline to improve

combustion and to reduce harmful carbon monoxide emissions and to improve the overall quality of air. States have permitted the use of MTBE since the 1970s to meet federal clean air standards.

Exposure to MTBE can occur in the workplace or in the environment following release into the air, water, land, or groundwater. Exposure can also occur when people:

- are in places where gasoline is being pumped into vehicles;
- fill gasoline-powered home maintenance equipment;
- live near bulk gasoline loading and unloading facilities; or
- live near facilities that leak gasoline from underground storage containers.

♦ What Happens to MTBE In The Environment?

MTBE evaporates when exposed to air. It dissolves when mixed with water. Most direct releases of MTBE to the environment are into the air. MTBE also evaporates from water and soil exposed to air. Because it is a liquid that does not bind well to soil, MTBE that makes it way into the ground can move through the ground and enter groundwater.

♦ How Does MTBE Affect Human Health?

MTBE enters the body when breathed in with contaminated air or when consumed with contaminated food or water. It is also absorbed through skin contact. Effects of MTBE on human health depends on how much is present and the length and frequency of exposure. Effects depends on the health of the person.

Human health effects associated with breathing or otherwise consuming any amount of MTBE for short periods of time are not known. Available data show that breathing large amounts of MTBE for short periods of time adversely affects the nervous system of animals. Effects range from hyperactivity and incoordination to convulsions and unconsciousness. Laboratory studies show that repeated exposure to large amounts of MTBE in air causes kidney damage and adversely affects the developing fetus of animals. Studies also show that lifetime exposure to MTBE in the air can cause cancer in animals.

♦ **How Do We Remediate MTBE?**

Unfortunately, the chemical properties of MTBE make it very difficult to clean up. It moves further and faster through soil and is more soluble than other gasoline components. It does not adhere well to soil particles. It does not break down easily. More troubling , it vaporizes into the air at 55.2 degrees Celsius or about 131 degrees F. The average home hot water heater is set at 140 degrees F or higher, therefore running hot water for a bath or hot shower, cooking or using a washer or dishwasher can vaporize MTBE from the water, making it part of the air in homes. This makes MTBE available for inhalation as well as for drinking from cold water. There currently is no practical technology available for removing MTBE from household air. MTBE can smell like turpentine when water is heated in contaminated water areas.

♦ **The Search For a National Solution**

The federal government is now responding to a broad range of environmental groups and state health officials to resolve the MTBE problem. The EPA has proposed banning the additive under existing law, which gives the EPA the power to prohibit a chemical's use if it poses a risk to the environment or health. The EPA also is contemplating asking Congress to eliminate the section of the 1990 Clean Air Act that requires gasoline in areas with serious air pollution to contain at least 2% oxygen by weight.

♦ **What Water Consumers Can Do To Make Sure Water Supplies Are Safe.**

The federal EPA now requires public water systems to provide annual reports to water customers on the quality of their drinking water supply. The "**Consumer Confidence Reports**" that must be sent to consumers include detailed information on what contaminants have been found in drinking water and at what level. In addition, customers can get information about the quality of a water supplier's drinking water by requesting a copy of a water system's current water quality report.

For private well owners, it is recommended that you conduct annual tests of your drinking water for coliform bacteria, nitrate, volatile organic compounds and lead. Those with public water may want to test their water too, especially if some members if the household have weak immune systems.

♦ **What Can Be Done If Your Water is Contaminated or Doesn't Taste Right?**

For water that is contaminated or just does not taste good, filters and other treatment devices are available. The most effective treatment devices are installed at the point the water enters the house's plumbing system. Faucet-mounted filters are much cheaper and are good for dealing with taste or odor problems, but less effective for removing hazardous contaminates. Countertop models, which require the user to pour water through a filter, are effective for removing lead and organic chemicals. Ordinary water softeners are effective for removing lead, radium and nitrate, and for softening water.

VII. DROUGHT

◆ **Understanding and Defining Drought**

New Jersey is a state that is blessed with an abundance of fresh, clean water that is naturally refreshed by our state's normally ample precipitation. However, precipitation levels, in the form of rain and snow, vary over time. Water use in New Jersey, on the other hand, is predictable. Water use, especially for irrigation, tends to increase as the weather warms and precipitation decreases. When winter and spring precipitation do not sufficiently replenish New Jersey's water supplies, summer water usage must occasionally be constrained. Severely dry periods can trigger drought conditions.

Droughts are a recurrent feature of climate. A drought is defined as a deficiency of precipitation over an extended period of time, which results in a water shortage. Water experts use five standards to assess drought conditions: streamflows, precipitation, reservoir storage levels in a variety of locations, groundwater elevations throughout the affected region and soil moisture. By looking at these parameters to assess drought conditions, experts can then advise public officials as to what phase of drought preparedness is warranted in a specific region.

New Jersey has experienced droughts of varying severity throughout its history. Governor McGreevey's Executive Order No. 44 noted that water supply emergencies had been declared in 1995, 1999 and 2002, while unusually dry conditions had persisted from 1998 until the fall and winter of 2002. Executive Order No. 44 repealed Executive Order No. 11, by which the Governor had last declared a statewide drought emergency on March 4, 2002. However, while terminating the declared drought emergency, the

Governor's Order directed the Commissioner of the Department of Environmental Protection (DEP) to "strictly enforce the terms and conditions of all water allocation permits and water registrations" and to "develop and implement a short-term and long-term strategy to strengthen protections of New Jersey's water supply, and to reduce the frequency and severity of drought emergencies affecting our communities."

The Ratepayer Advocate strongly supports the efforts of the Governor and the DEP Commissioner to ensure ample drinking water supplies for all residents and businesses in New Jersey. The Ratepayer Advocate will work with the other arms of state government and the public water purveyors to ensure that New Jersey's water supplies will remain secure and reasonably priced into the future. The DEP has established more rigorous protocols for monitoring and responding to drought conditions. Some of these definitions and protocols are summarized below. More detailed explanations and definitions are available from the DEP's drought website at http://www.nj.gov/dep/drought.

◆ **Phases of Drought Preparedness**

- **Drought Watch:** This phase is used to alert government agencies, public water suppliers, water users and the public regarding the onset of conditions indicating the potential for future drought-related problems. The focus during a drought watch is on increased monitoring, awareness and preparation for response if conditions worsen. A request for voluntary water conservation is usually made. The usual objective of voluntary water conservation measures during a drought watch, generally, is to reduce water usage by 5% in the affected areas. Because conditions may vary, individual water suppliers or municipalities may ask for more stringent conservation actions.

- **Drought Warning:** This phase prepares for coordinated responses to imminent drought conditions and potential water supply shortages and initiates concerted voluntary conservation measures to avoid or reduce shortages, relieve stressed sources, develop new sources, and, if possible, forestall the need to impose mandatory water use restrictions. The objective of voluntary water conservation measures during a drought warning is to reduce overall water usage by 10-15% in the affected areas. Because conditions may vary, individual water suppliers or municipalities may ask for more stringent conservation actions.

- **Drought Emergency:** This phase of drought preparedness is a concentrated management operation to make available all resources needed to respond to actual emergency conditions, to avoid depletion of water sources, to assure at least minimum water supplies to protect public health and safety, to support essential and high priority water uses and to avoid unnecessary economic dislocation. It is usually during this stage that mandatory restrictions on nonessential water uses are imposed. The objective of water use restrictions (mandatory and voluntary) during a drought emergency is to reduce water consumption in the affected area by 15%, and to reduce total use to the extent necessary to preserve public water system supplies, to avoid or mitigate local or area shortages, and to assure equitable sharing of limited supplies.

◆Knowing the Rules in a Drought Emergency

At the time of an official drought, emergency water restrictions are imposed on all New Jerseyans. Typical elements of statewide water restrictions can include:

- **Prohibition of lawn watering, with the following exceptions**:
  - Newly seeded or sodded grass may be watered for 20 days from the date of planting, but only for up to 45 minutes between proscribed hours.
  - Grass may be watered up to five days after fertilizer, pesticide, or herbicide is applied, but only up to 45 minutes between proscribed hours.
  - The watering of plants, trees, shrubs and vegetable gardens is prohibited by any means other than by bucket, can or hand- held hose equipped with a nozzle that shuts off automatically when dropped.

- **Agricultural Water Use**
  - Food crops are exempted from all restrictions.
  - Sod farms and nurseries can water fields and containers with sprinklers between proscribed hours.
  - Retail outlets can water between proscribed hours.

- **Washing Cars**
  - No motor vehicles may be privately washed, except ambulances and fire trucks, unless there is a public health

threat certified by the municipal department of health.

- Commercial car washes may remain open, but must meet certain requirements.

- **Food Service**
  - No water can be served in restaurants, clubs or eating establishments unless specifically requested by the patron.

- **Recreational water use is prohibited, except:**
  - Golf course greens and tees may be watered with sprinklers or other mechanical means within prescribed hours.

  - Clay tennis courts may be watered by sprinklers for no more than 10 minutes once each day between prescribed hours.

  - Partially filled pools cannot be drained except for maintenance.

  - Outdoor use of water for ornamental purposes, including fountains, artificial waterfalls and reflecting pools, is prohibited.

- **Municipal Water Use**
  - Using water to sweep or wash the streets, driveways, sidewalks or paved areas is prohibited, except for towns that use non-potable water or if the town certifies that a public health threat exists.

  - Flushing sewers or fire hydrants is prohibited, except for public health or safety reasons.

WATER RESOURCE TELEPHONE NUMBERS

Board of Public Utilities

Water/Wastewater Complaints	(973) 648-2275
Division of Customer Relations	(800) 624-0241
Emergency Numbers	(973) 623-2565; (973) 623-2566
Office of the Secretary	(973) 648-3177
Consumer Inquiries and Complaints	
From In State	(800) 624-0331
From Out of State	(973) 624-2670
Website	http://www.bpu.state.nj.us[1]

The Ratepayer Advocate (973) 648-2690

Website	http:/www.rpa.state.nj.us
E-Mail	njratepayer@rpa.state.nj.us

NJ Department of Environmental Protection (DEP) (609) 292-2885

NJ Drought Information

Websites: http://www.nj.gov/dep/drought and http://www.njdrought.org

U.S. Environmental Protection Agency (EPA) (202) 260-7786

Website http://www.epa.gov/OGWDW

EPA Regional Office #2 (212) 637-3000
(Includes New Jersey)

[1]A copy of the Board of Public Utilities Complaint Form from its website is attached.

GLOSSARY OF WATER TERMS

Board of Public Utilities: Regulatory body that regulates investor owned and some municipal water and wastewater utilities in the State of New Jersey.

Ccf: A unit of measuring water; it is short for hundred cubic feet.

Conservation: Reducing a customer's use of water which results in reduced utilities costs and water preservation.

Department of Environmental Protection ("DEP"): The DEP's mission is to assist the residents of New Jersey in preserving, sustaining, protecting and enhancing the environment to ensure integration of excellent environmental quality, public health and economic vitality.

Division of the Ratepayer Advocate: Independent agency created in 1994 which represents and protects the interests of all utility customers, including residential, business, commercial and industrial, whenever utility companies in New Jersey seek changes in the delivery of services and in how much they charge for natural gas, electric, water, wastewater, telephone or cable TV service.

Due date: This is the date by which the bill must be paid to keep a utility account current.

Effluent: Treated wastewater from sewage plant.

Environmental Protection Agency ("EPA"): Federal governmental agency responsible for implementing the federal laws designed to protect the environment.

Municipal utility: A utility owned by a municipality. The Board of Public Utilities does not have jurisdiction to regulate municipal utilities, unless they service more than 1,000 customers outside of their geographic boundaries.

Public utility: Privately owned business entity, subject to government regulation that provides an essential commodity or service, such as water, electricity, transportation, communication to the public.

Regulation: A rule or law established by the federal or state government which sets procedures a utility must follow**.**

Safe Drinking Water Act 1976: Federal law which establishes national uniform drinking water standards.

Sewage: Liquid waste from domestic, commercial and industrial establishments discharged into water receiving systems.

Sewage treatment plant: Facility designed to receive the waste from domestic, commercial and industrial sources and to remove materials that damage water quality and comprise public health and safety when discharged into water receiving systems.

Water main: Large pipe in a water distribution system that is used to convey and/or transfer water.

Water meter: Instrument used by water utility to measure water use in given period**;** a water meter reading is taken by the utility to determine the amount of your water bill .

Water quality: Term used to describe chemical, physical and biological characteristics of water.

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ENERGY RESTRUCTURING IN NEW JERSEY

I. What is the Electric Discount and Energy Competition Act?

Prior to the passage of the Electric Discount and Energy Competition Act in February 1999, New Jersey consumers were paying some of the highest rates in the nation for energy, making the state less economically attractive. Major companies employing thousands of people were considering relocating to other states or overseas in search of cheaper energy prices. High natural gas and electricity utility bills were placing a financial strain on residents, especially senior citizens and others living on fixed incomes.

To demonstrate what New Jersey ratepayers were facing, in 1990 the cost of electricity in the state averaged 9 cents per kilowatt hour (kWh), compared to an average of 6.5 cents/kWh nationally. By 1998, New Jersey electric rates had climbed a full penny to 10 cents/kWh, while the national average increased only slightly to 6.75 cents/kWh.

As a possible solution, the previous administration in Trenton introduced energy restructuring. "**EDECA**" – the **Electric Discount and Energy Competition Act** – was signed into law on February 9, 1999, by then Governor Christine Todd Whitman. EDECA called for a four-year transition to a deregulated energy market. To ease the transition, EDECA reduced rates by 10% and also capped rates at 1997 levels.

The intent of EDECA was to achieve lower rates and better service by encouraging retail competition among energy suppliers - local utilities, out-of-state utilities, or third-party independent power producers.

Before EDECA, the electric and natural gas utility companies were responsible for all aspects of providing consumers with energy services. Your local utility was a monopoly provider responsible for power generation and energy purchases plus the delivery of that power to consumers over the utility's electric wires and through its gas pipes. ***Monopoly provider*** means consumers had no choice about what company they purchased their utility services from. The purchase price was regulated – and set – by the New Jersey Board of Public Utilities (BPU).

Energy Choice

As a result of EDECA, by August 1, 1999, all consumers had the option to choose an electricity supplier and a natural gas supplier other than the incumbent utilities that New Jersey consumers have been dealing with for the last 100 years. Today, in 2003, these incumbent utilities remain responsible for delivering the energy to residences and businesses. The local electric utility still maintains the poles and wires, and is responsible for restoring power if there is an outage. The local natural gas utility still maintains the pipelines. Reliability is not supposed to be affected if you

choose to switch suppliers. If the lights go out, or you suspect there is a gas leak, you must still call your local utility for assistance.

What Does EDECA Change?

EDECA is a complicated law with more than 60 sections. It applies to both electric and natural gas markets. The primary purpose of the law was to stimulate the development of competitive markets to supply energy to consumers. Although the delivery and reliability of the energy remain the responsibility of the utility, consumers are supposed to be able to choose from whom to buy the actual supply of energy. It is hoped that, eventually, services such as metering, billing and account administration would become competitive as well. The end result of this competition is supposed to be lower rates and improved service for all customers, both residential and institutional. However, EDECA does not require consumers to "shop" for energy and switch suppliers. You can stay with your utility for all services, although you may find lower prices or less environmentally harmful suppliers if you choose to shop around.

Another change under EDECA is that the state's electric utilities were encouraged to divest themselves of their energy generating capacity. Public Service Electric & Gas, the state's largest power company, sold its power plants to an unregulated subsidiary, while the three other energy utilities mostly divested or sold their power generation plants to private companies.

How is EDECA Working?

Four years after the passage of EDECA, it is clear that energy restructuring did not work as envisioned. Today, there is little competition in the state and customers cannot truly "shop" for electricity. In July 2003, out of 3.1 million residential electric customers statewide, only 1,600 have switched electricity suppliers, and out of 465,000 industrial and commercial customers, only 353 have switched to an electricity supplier other than the local utility. Smaller users of electricity and natural gas clearly have not achieved EDECA's promised benefits of competition.

Why No Competition?

There are a host of reasons why third-party competitive suppliers have been discouraged from entering the small commercial and residential markets in New Jersey and nationally. On the electric side, one important reason is that the artificial rate reductions imposed by EDECA did not permit new suppliers to make a profit. On the natural gas side, price spikes in the market took away any hopes that natural gas companies could compete with the local gas utility. Many competitors lacked the resources, or the incentive, to consider serving customers in a market that promised only small profit margins.

On the consumer side, retail energy choice programs have been hampered by apathy among most residential customers. This lack of enthusiasm is understandable. Given the meager savings

that residential customers can hope to achieve by shopping for energy suppliers, it has not seemed worth the time and effort to study the issues and compile energy usage profiles. Without the expectation of any significant savings, the average customer does not want to spend time shopping for energy.

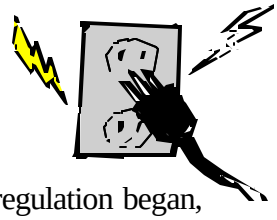
Changes in the Delivery of Energy to Consumers

Another aspect of the delivery of energy that has changed because of EDECA is the pricing for sending gas and electricity along transmission lines from the generating plant to substations. This is now regulated by the Federal Energy Regulatory Commission (FERC), while the BPU regulates the placement (siting) of the physical transmission lines. The distribution price to deliver power from substations to the individual customers in their homes, offices or plants along the so-called "last mile" remains regulated by the BPU.

What are Deferred Balances?

Although ratepayers enjoyed lower utility bills for the past four years because of the 10 percent reduction and the rate caps imposed under EDECA, electric utilities were unable to recover from ratepayers the actual costs they incurred in purchasing energy. During this transition period, the state's four electric utilities bought power at rates that steadily increased while charging customers rates that were kept artificially low. The costs not received by the utilities during this time are called **"deferred balances."**

An unforeseen consequence of EDECA has been the accumulation of the large deferred balances that the utilities amassed by buying power to meet their customers' demand during the transition period, which began on August 1, 1999 and ended on July 31, 2003. When EDECA was made law, it was believed that since New Jersey's energy rates were already high, the price of power would not exceed these rates. But, because of the volatility in energy markets, particularly skyrocketing natural gas prices, the actual cost of electricity has been far more expensive than the fixed rates set by EDECA back in 1999. As a result, the utilities have been carrying these accumulated additional costs as deferred balances.



What Happened on August 1, 2003?

On August 1, 2003, the four-year transition to energy competition ended, deregulation began, the rate caps came off, and the bill came due.

According to filings made by the four electric utilities, the total accrued amount of deferred balances was estimated to be about $1 billion, a proposed average 15 percent increase in all residential bills.

The Ratepayer Advocate (RPA), an independent state agency that represents the interests of all utility customers, challenged the amount of deferred balances each utility sought to recover as of August 1, 2003. In legal briefs filed with the Office of Administrative Law (OAL) and the BPU, the RPA maintained that some of the deferred costs were not prudently incurred and should not be passed on to ratepayers. The Ratepayer Advocate took the position that the deferred balances that the ratepayers should be required to pay to utilities should be reduced by about half.

What Did the Companies Request?

The following chart shows the request by each utility and the position of the Ratepayer Advocate on the deferred balance for each utility. These cases were all decided during the summer of 2003 except for Conectiv's base rate increase request. The Board's final decision in respect to these requests can be found on page D- 8.

Deferred Balance Request Summaries

Public Service Electric & Gas Company (PSE&G)

PSE&G Request	Ratepayer Advocate's Position
$404 million credit to ratepayers (includes interest)	$831 million credit to ratepayers (includes interest)

The Ratepayer Advocate argued that PSE&G should credit ratepayers **$427 million more** than the utility said it should credit ratepayers. PSE&G agreed to a credit to ratepayers because the utility had over-collected from customers.

Jersey Central Power & Light Company (JCP&L)

JCP&L Request	Ratepayer Advocate's Position
$687.8 million under-recovery balance (includes interest)	$389.3 million under-recovery balance (includes interest)

The Ratepayer Advocate argued that ratepayers owe **$298.5 million less** in deferred balance charges than JCP&L wanted ratepayers to pay.

Atlantic City Electric Company (ACE)

ACE Request	Ratepayer Advocate's Position
$180.6 million under-recovery balance (includes interest)	$ 78.1 million under-recovery balance (includes interest)

The Ratepayer Advocate argued that ratepayers owe **$102.5 million less** in deferred balance charges than ACE wanted ratepayers to pay.

Rockland Electric Company (RECO)

RECO Request	Ratepayer Advocate's Position
$ 96.3 million under-recovery balance (includes interest)	$ 52.4 million under-recovery balance (includes interest)

The Ratepayer Advocate argued that ratepayers owe **$ 43.9 million less** in deferred balance charges than RECO expected ratepayers to pay.

Why Did Utilities Charge Interest on Deferred Balances?

As part of the accumulated deferred balances, EDECA permitted the utilities to charge interest on the money the utilities spent to purchase power during the four-year transition.

- JCP&L's deferred energy balance request included about $40 million in interest.
- PSE&G's request included $5.5 million in interest.
- RECO's deferred balance request included $9 million in interest.
- ACE's deferred balance request included $8.9 million in interest.

Total interest charges to the deferred balance bills left adds up to $63.4 million as of July 31, 2003.

The Ratepayer Advocate argued that the utilities would have been more cautious and prudent in purchasing power for New Jersey consumers if EDECA had not permitted them to recover interest along with the actual price of the energy. The Ratepayer Advocate claimed that much lower deferred energy balances would have resulted if shareholder money had been at risk for paying the interest amounts.

In 2003, simultaneously, the four electric utilities also sought distribution base rate increases, the first base rate filings in ten years. The Ratepayer Advocate challenged the utilities' filings, arguing that rate increases should be substantially reduced. In the accompanying chart, the utilities' requests and the Ratepayer Advocate's positions are outlined.

What Were the Ratepayer Advocate's Positions in Respect to the Companies Requests for Increased Distribution Costs?

Public Service Electric & Gas (PSE&G)

PSE&G Request	**Ratepayer Advocate's Position**
$250 million increase in rates	$82 million increase in rates

The Ratepayer Advocate argued that rates for PSE&G customers should increase by only $82 million, $168 million less than the utility was seeking.

Jersey Central Power & Light Company (JCP&L)

JCP&L Request	**Ratepayer Advocate's Position**
$ 41.5 million decrease in rates	$251.5 million decrease in rates

The Ratepayer Advocate argued that JCP&L should decrease rates by $210 million more than the utility argued was owed the company. The basis for the requested decrease was that the utility's revenues exceeded its expenses in the test year of 2002. [Rate cases are based on the past year's revenues and expenses which is, "the test year" upon which subsequent rate cases are based].

Atlantic City Electric & Gas Company (ACE)

ACE Request	**Ratepayer Advocate's Position**
$68.3 million increase	Still under investigation, not yet determined as of October 2003

The difference between what ACE wants to increase rates and the amount the Ratepayer Advocate says rates should increase is not determined as of October 2003.

Rockland Electric Company (RECO)

RECO Request	Ratepayer Advocate's Position
$ 3.1 million increase	$6.7 million decrease

The Ratepayer Advocate argued that rates for RECO customers should be decreased by $9.8 million, instead of the $3.1 million increase that the utility requested.

The deferred balance increase and the base rate increase were combined into a single increase on customer utility bills after August 1, 2003.

The BPU's Decisions on the Utilities' Applications

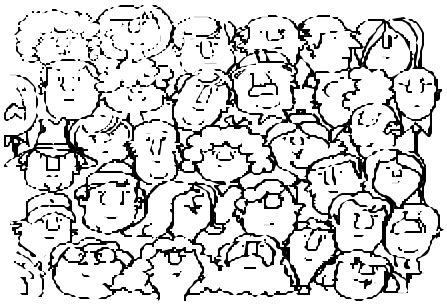
Utility	Deferred Balance	Distribution Rate
PSE&G	+ $230 million	+ $159 million
JCP&L	- $156 million	- $219 million (possible review in future)
ACE	+ $125 million	Pending as of 10/03
RECO	+ $83 million	- $7.2 million

II. WHAT ARE SOME OTHER IMPORTANT PROVISIONS OF EDECA?

The Societal Benefits Charge

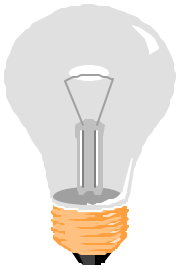
EDECA establishes a **Societal Benefits Charge**, requiring utilities to charge all customers for certain programs vital to the public interest, including low-income assistance, the Winter Termination Program, conservation programs, and, in the future, grants for senior citizens to convert homes with all-electric heating to natural gas heating.

The public policy of the State of New Jersey is that consumers should not face life-threatening hazards from heat and cold because they cannot pay their energy bills. The **societal benefits charge** also includes costs for **energy efficiency programs**, **weatherization programs** and **renewable energy programs**.



What Other Consumer Protections does EDECA Provide?

To protect consumers shopping for a new supplier, EDECA also mandates that alternate suppliers (generators) provide in their contracts the **price per kilowatt-hour (for electricity)** or **therm (for natural gas)**, **notice of any fees**, and a **toll-free** or **local customer contact number**. A company that switches a customer's energy supplier without the proper consent ("slamming") is subject to a fine of up to $10,000.



III. ENERGY AGGREGATION (GROUP ENERGY BUYING)

What is Energy Aggregation?

EDECA also permits governmental units (municipalities, counties, or other political subdivisions) as well as private sector companies or non-governmental organizations to form **energy buying groups**. At its simplest level, energy aggregation means pooling customers into buying groups to buy natural gas or electricity. In this way, EDECA permits governmental bodies to aggregate on behalf of consumers so that consumers can obtain large-volume pricing and, consequently, lower rates. Private aggregators may be for-profit or non-profit organizations. A private aggregator must register with the Board of Public Utilities before aggregating any customers in New Jersey.

What is the Role of a Governmental Aggregator?

Under EDECA, the role of a government aggregator is to organize customers, solicit bids, and select the most advantageous contract. Local government entities can obtain bids from several suppliers on behalf of the aggregated group and select the supplier offering the most favorable terms and conditions. Customers within the boundaries of the aggregating government unit can choose to join the group, remain with their current utility, or choose another supplier altogether. In government aggregation, the public bidding process must be followed, and prices must be the same or lower than the prices offered by your local utility.

While the intent of EDECA in 1999 was that aggregation of consumer energy needs should be possible, the initial legislation was flawed in respect to energy aggregation. When it was first passed, EDECA required that all the residents of a municipality attempting to aggregate had agreed to join the power pool, or **opt-in**, before aggregation could occur in the municipality. This made the process burdensome and difficult to accomplish.

How Have 2003 Changes in EDECA by the McGreevey Administration Made Aggregation Easier?

Although EDECA was not an initiative of the McGreevey Administration, Governor James E. McGreevey and his Administration began responding to the challenges of a restructured energy

market immediately upon taking office. The Governor established the Deferred Balance Task Force to determine the impact of EDECA on the public when the four-year transition ended on August 1, 2003. One of the results of the Governor's Task Force Report was significant changes in the New Jersey law governing municipal aggregation.

What Are These Changes in EDECA That Will Make Aggregation Easier?

In an important step that can reduce rates for residential customers, in February 2003 Governor McGreevey signed into law amendments to EDECA that simplify the process for municipal aggregation. The Ratepayer Advocate and the Board of Public Utilities worked together with the Legislature to improve the existing provisions of the aggregation law so that local governments will now be able to pursue aggregating their residents more efficiently and economically, thereby making them more attractive to third party energy suppliers.

The amendments allow municipalities to implement **"opt-out" aggregation**, requiring residents to affirmatively indicate **they do not want** to be part of the aggregation program. In other words, residents of a municipality that is aggregating are automatically considered to be members of the power pool unless they voluntarily choose not to join by "opting out".

This change in the legislation provides the third party supplier with an estimate of the size of the power pool or amount of energy upon which they are bidding. The legislation also requires that the aggregation price be equal to or lower than the basic generating service (BGS) rate for electricity of the local utility. The aggregation price can be higher than the BGS rate only if a greater amount of electricity comes from clean renewable sources than is provided by the BGS electricity. In another important change, municipalities will also be able to obtain the load profile and other customer information in electronic format. The lack of this provision in the original legislation proved to be a significant impediment to aggregation.

Does the Ratepayer Advocate Support Aggregation?

Successful municipal aggregation can benefit consumers by enabling them to negotiate with third party energy suppliers as a pool of customers, with the goals of achieving lower rates and better services. In other states with effective municipal aggregation laws, such as Ohio, residential communities have already reaped considerable savings in reduced bills.

The Ratepayer Advocate's has consistently held that successful municipal aggregation will benefit consumers by enabling them to negotiate with the third party energy suppliers as a pool of customers, resulting in economies of scale and achieving lower rates and better service.

To assist governmental entities seeking to explore aggregation in their communities, the Division of the Ratepayer Advocate has prepared a comprehensive manual on how to aggregate, which is available for purchase: ***Manual for New Jersey Government Energy Aggregators***. Please contact

us if you, your community, organization or your legal governmental body is interested in aggregation. (See order form at end of this handbook).

IV. ENERGY RESTRUCTURING

What is energy restructuring and what does it mean for you and your family?

When the four-year transition to energy competition under EDECA ended on July 31, 2003, a new restructured energy environment in New Jersey began to emerge. The Ratepayer Advocate sees evidence that a market for energy choice by residential consumers is developing. As energy choice becomes viable, the best advice the Ratepayer Advocate has for consumers is to start reading your utility bills very carefully now to understand the dynamics of the cost of energy. Review them while following developments in the media and on the websites of the Ratepayer Advocate and the Board of Public Utilities as the competitive market emerges.

The Ratepayer Advocate has prepared easy to understand guides on how to read electric and gas Bills. They can be found in this handbook and on the RPA website at www.rpa.state.nj.us. Once you choose to shop for a new energy supplier, here are some basic steps you should follow.

How to Shop for a New Supplier

Energy restructuring means that customers can choose natural gas and electric suppliers other than their traditional utility. These alternate suppliers are also known as **third party suppliers**. The price paid for the energy supply depends on the supplier chosen. The regular utility company will still deliver the power to homes on its pipes and wires. While the company you choose as a supplier will generate the power or obtain the natural gas. Consumers can choose a supplier based on price only or on other factors such as environmental responsibility, meaning that you can choose "green" or "clean" electricity that is less harmful to the environment.

You are not required to switch energy suppliers. If you choose not to shop for a new supplier, your utility will continue to provide your energy requirements with no further action required from you.

If you stay with your current electric provider, the cost of the electricity will be based on the price of **Basic Generation Service (BGS)**, which is the price for all the energy that has been purchased by a utility to supply customers who have not actively chosen their own supplier. This

price, called the **"default price,"** may or may not be lower than the prices offered by individual third party suppliers.

If you stay with your current natural gas supplier, the cost of the gas will be based on the price of **Basic Gas Supply Service (BGSS)**, which is the price of natural gas purchased by the utility to supply customers who have not switched to a third-party supplier.

How to Compare Prices When Considering Switching Electric or Gas Suppliers

The restructuring of the energy market is based upon the expectation that the market forces of competition among suppliers will give customers choice, lower prices and offer better service. After you compare prices and gather the necessary information, you will be able to make an informed decision about whether it makes sense for you to switch suppliers.

Step one:

- You can obtain information about shopping for energy suppliers from gas and electric utilities. Call your local utility's toll-free number and request an **Energy Choice Enrollment Package**. This package will include a list of licensed suppliers that serve customers in your area, as well as information to help compare prices and environmental standards. As with any other purchase that you make, read your contract carefully and ask to have anything that you do not understand explained. Make sure that the contract clearly states who to call if you have a billing dispute; what your remedies may be if you believe there are mistakes on your bill; and the methods by which they can be resolved.

- Review your energy bills from the previous months (if you did not keep old bills, start today) and look for the "price to compare," sometimes called the **"shopping credit"**. The price to compare will provide per-kilowatt hour charges for electricity, or per-therm charges for natural gas. You also need your average monthly usage, which is also on the bill. When you have these numbers, you are ready to begin the comparison process.

Other Issues to Keep in Mind:

- Before you shop, look over past bills. Be aware of your pattern of energy usage and what you have been paying. Look to see if there are significant differences in your seasonal or time-of-day energy use.

- Collect and read offers from several suppliers. Look through the different offers and terms that are used.

- Insist on receiving a written copy of the supplier's agreement, which will include information about rates and services, prices, terms and conditions. If you are not fluent in English, ask whether the agreement is available in your first language.

- Be aware of the terms and conditions of the contract. Make sure you understand them and, if not, ask for explanations. If you are not satisfied with an answer or are still unclear about a contract term- **DO NOT ENTER INTO THE CONTRACT!**

Some Questions to Ask:

- How long will the quoted price last before I have to "lock-in" to the rate?
- If the wholesale cost of energy purchased by the supplier drop below the retail contract price offered by my local utility will the contract price adjust downward?
- Is the rate fixed for the life of the contract, or is it a variable rate that changes from month to month with the wholesale price of energy? (With a variable rate contract, you may pay a different rate in a given month rather than the same fixed rate in each month, even if costs in that particular month are cheaper or more expensive for the supplier).
- Is there a late payment fee?
- Is budget billing offered?
- Is there a bonus for signing up?
- Does the supplier have a round-the-clock 800-number for customer assistance?
- Can you purchase both gas and electric services together from one supplier for further savings?
- How long will the terms of the contract be in effect?
- Are there early cancellation or termination fees? (Although you can always change suppliers, ask if you will be subject to a cancellation fee if you choose to do so.)
- Is there an energy-buying group (Aggregation Group) that you can join?

What Else Can Consumers Do to Reduce Costs?

Some things affect the purchase of energy over which consumers have no control, like cold snaps or heat spells that make it necessary to heat or cool homes for longer periods, or the special health needs of family members.

However, there are other aspects of energy consumption over which we do have control and choice. We have much more control over our energy suppliers than ever before because:

- we can manage households in an energy-efficient manner
- we can choose energy suppliers based on price
- we can choose suppliers based on their environmental impact
- we can implement conservation measures at little or no cost.

What is Green Power?

Ratepayers can choose environmentally friendlier "green power." Green power is electricity that is at least partially produced from renewable resources. Renewable resources unlike fossil fuels like oil, constantly renew themselves and are virtually inexhaustible. They also do not adversely affect the environment as other fuels do. Examples of green power are:

- solar power;
- wind power;
- tidal power;
- biomass;
- landfill gas; and
- by-products of municipal waste incinerators

WHY SHOULD CONSUMERS CONSIDER GREEN POWER?

There are good reasons to choose a green energy supplier. The use of renewable energy can reduce U.S. dependence on foreign oil; insulate consumers from dramatic price fluctuations in the traditional power markets; increase local jobs and revenue; create new jobs; and contribute significant public health benefits through reduced pollution.

Traditional power plants emit approximately one-third of the nation's carbon dioxide emissions, the "greenhouse gas" that is the principal contributor to global warming. Power plants also emit sulfur dioxide (the "acid" in acid rain) and nitrogen (a component of ground level ozone and smog). Particulate matter and mercury emissions from power plants also put human health at risk.

Renewable energy (green power) may not be the most inexpensive power available, but is generally competitive with the traditional suppliers. All electric suppliers and basic generation service providers are now required to disclose environmental impact information about their energy production, including how much of their production comes from renewable resources.

What Environmental Information Must be Disclosed to Consumers?

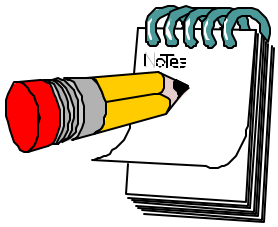
The environmental information that must be disclosed to an electric customer in an Environmental Disclosure Statement includes:

- the fuel mix that produced the electricity (*i.e*., coal, gas, nuclear, renewable);
- the supplier's emissions of sulfur dioxide, carbon dioxide, nitrogen oxides, and other pollutants recognized as hazardous; and
- the amount of emission reduction credits that have been retired by the supplier pursuant to regulations and;
- the amount of energy that has been saved through the supplier's efficiency efforts.

There are three separate pieces of information in the Environmental Disclosure Statement that customers must receive either with their bills or in a quarterly report. They are "Energy Source," "Air Emissions" and "Energy Conservation."

- The **Energy Source** section lists all the resources used to produce the electricity and the percentages of each source that were used to produce the electricity sold by the supplier.
- The **Air Emissions** section graphically compares the amount of air pollution produced by the electricity generation with the New Jersey benchmark, which approximates the average emission rate for all electricity generation in New Jersey.
- The **Energy Conservation** section provides the specific number of kilowatt hours that the supplier was able to save plus the amount of air emissions, measured in tons, that consequently were not released into the air.

The **Environmental Disclosure Statement is another way in which consumers have been given the power of information to make informed decisions.**



What do the Charges on My Bill Mean?

How to Read Natural Gas Bills

In New Jersey, your gas bill is **unbundled**, which means that the charges for the gas itself and the pipes to get it to you appear as separate line items rather than as one total charge.

The **supply charge** is the cost of buying the gas in producing areas like the Gulf Coast and Canada and transporting it to New Jersey on the interstate pipeline system. The **delivery charge** covers the cost of delivering the gas to customers through the utility's system of gas pipes in New Jersey. From November through March, the delivery charge includes a **balancing charge**. This charge covers the cost of adjusting the flow of gas from the interstate pipelines due to weather-related variations in gas usage during the heating season.

On your utility bill is the price for natural gas to compare, that is the price to consider when shopping for an alternative supplier.

How to Read Your Electric Bills

On electric bills, there will be a "**supply**" charge and a "**delivery**" charge. The supply charge is what it costs to produce (generate) the power and get it to the utility so that it can be distributed to consumers. If you choose to switch suppliers, your supply charges include the cost of the electricity and the expense of getting the commodity to the utility. The delivery charge also includes the cost of delivering the electricity from the utility to the door. The delivery charge includes government programs for renewable energy programs and conservation. This charge will not be affected by the choice of supplier; it will be the same no matter what the source of supply.

Electricity is measured in **kilowatt-hours** (kWh). Your monthly electric bill is based on how many kilowatt-hours you use. An "average" residential customer is expected to use about 600 kWh per month. You will see the charge for your actual usage on your bill. This is sometimes called the **Electric Generation Supplier Charge**. It is the kilowatt-hours used multiplied by the rate. If you remain with your utility for your electricity supply, you will be charged the rate for **Basic Generation Service**, which is the "**default**" rate for those who choose not to change suppliers.

The following charges may also be on your bill:

- **Basic Generation Service Charge**: This is the "supply" charge for electricity when the customer does not receive energy from a third party supplier, but continues to receive power from the utility.

- **Market transition charge:** This covers the costs of changing over to a competitive market place.

- **Net non-utility generation charges**: These are charges associated with purchasing power contracts from non-utility generators.

- **Societal Benefits Charge**: This is the cost of state-mandated social programs.

- **Regulatory Assets Recovery Charge**: These are the costs associated with deferred Board approved expenses.

Finally, the bill also contains usage information, including the average daily use for the past month, a comparison with the average daily use from the same month in the previous year, and a chart showing actual usage over the last year. This information is very important when calculating potential savings when selecting an alternative electric supplier.

What Can Consumers Do if They Are Having Trouble Paying Energy Bills?

Financial Assistance

Things sometimes can happen that are beyond individual control. If a time comes when consumers have trouble paying energy bill they should, **take action quickly – and not wait**.

The first thing to do is to call the utility and try to work out, if possible, a **payment plan**. Customers should not be embarrassed to take the initiative. They should not wait for the company to call for collection. Utility customer service representatives are trained to provide options and assistance regarding financial arrangements.

One option that can help is **Budget Billing**. This makes sense even if you are not having problems with bill payments. A budget billing plan keeps monthly energy bills the same year round so that during the times you use less energy, you are pre-paying for times when you use more energy (during a hot spell or a cold snap). The utility calculates the monthly payment by calculating average yearly energy consumption, adjusting it to correspond to current rates and dividing by twelve. The customer pays this pro-rated amount each month. During times of higher energy consumption, bills are lower than they would be without a budget billing plan, because your credit has been built up for some of this energy use.

While it is often referred to as "**budget billing**", some utilities have different names for it. For example, PSE&G calls its program the "**Equal Payment Plan**" or "**EPP**."

What Other Financial Assistance Programs are Available for Eligible Residential Consumers?

LIHEAP: 1-800-510-3102

The Low Income Home Energy Assistance Program, known as **LIHEAP**, is a federally funded program that provides low-income households, including renters, with assistance in paying **heating bills**, including electric, natural gas, oil, kerosene, wood, coal or propane gas heating costs. In general, a household has to meet 175% of federal poverty level guidelines to qualify for this type of assistance. For example, a household of 3 with a maximum monthly gross income of $2,134 qualifies for this program which generally runs during the Winter Termination Program period, when utilities cannot shut off your heat (from November to March).

- The BPU has created a **Universal Service Fund (USF)** to help low-income households pay for electric and natural gas service. This ratepayer-funded program will be administered by the New Jersey Department of Human Services (DHS). The USF program will begin in two phases. Initially, LIHEAP enrollees who meet USF eligibility guidelines will be automatically enrolled as of October 2003. Those not enrolled in this first phase will be able to apply for USF in the second phase, which will begin when an application process is developed. This second phase is anticipated to begin in or around November 2004. Further information about the USF program can be obtained from DHS at 866-240-1347.

NJ SHARES: 1-866-NJSHARES (657-4273)

NJ SHARES is the New Jersey Statewide Heating Assistance and Referral for Energy Services. This non-profit corporation provides assistance through a statewide, year round independent energy fund. NJ SHARES is managed by the utilities with the assistance of various non-profit organizations such as AARP and Citizen Action. This assistance program consists of a one-time grant for those who are experiencing a major financial setback, such as a lost job. **There is no low-income requirement -- this is crisis intervention to prevent the shut off of either electric or gas services**. Recipients are asked to demonstrate that they have exhausted all other sources of assistance and that there has been a good faith effort to pay the energy bills.

LIFELINE: 1-800-792-9745

LIFELINE is a state-run program to help those over 65 or those 18 and over who receive Social Security Disability Benefits. The current income eligibility guideline is $19,739 for a single person and $24,203 for a married couple. (This guideline is adjusted each January.) This program provides up to $225 in assistance for electric and natural gas bills.

Check With Your Own Utility

Finally, check with your utility regarding any assistance programs it may have for its own customers. For example, New Jersey Natural Gas has a fund called the Gift of Warmth to assist its own customers who are facing unanticipated financial hardships or who meet low-income standards.

WHAT ARE YOUR RIGHTS AS AN ENERGY CONSUMER?

Since utility services are basic lifeline necessities, New Jersey consumers of energy services have their rights protected. The Board of Public Utilities has established the following:

Utility Residential Customer's Bill of Rights:

- You have the right to utility service if you are a qualified applicant.
- You shall not be asked to pay unreasonably high deposits as a condition of service or to make unreasonable payments on past-due bills.
- You have the right to budget billing or payment plans if you are an electric or gas customer.
- You are entitled to at least one deferred payment plan in one year.
- You have the right to have any complaint against your utility handled promptly by that utility.
- You have the right to call upon the New Jersey State Board of Public Utilities to investigate your utility complaints and inquiries. Your service may not be terminated for non-payment of disputed charges during a BPU investigation.
- If you suspect your meter is not working properly, you have the right to have it tested, free of charge, once a year by your utility. For a $5 fee, the meter test will be conducted under the supervision of the staff of the BPU.
- You have the right to a written notice of termination 10 days prior to discontinuance of service.
- Residential service may be cut off, after proper notice, Monday through Thursday, 8:00 a.m. to 4 p.m. A utility may not shut off residential service on Friday, Saturday, Sunday, a holiday, the day before a holiday, or if a valid medical emergency exists in your household.
- Winter Termination Program: if you are an elderly or low-income customer having problems paying your utility bill, you should request the company to enroll you in a budget plan in accordance with your ability to pay. You are required to make good-faith payments

of all reasonable bills for service and in return are assured the right to have gas and electric utility service from November 15 to March 15 without fear of termination of such service.

- If you live in a multi-family dwelling, you have the right to receive posted notice of any impending shut-off. This notice must be posted in a common area and/or sent individually to occupants.

- You have the right to have "diversion of service" investigation if you suspect that the level of consumption reflected in your utility bill is unreasonably high.

- Service shall not be shut off for non-payment of repair charges, merchandise charges or yellow page charges, nor shall notice threatening such discontinuance be given.
- You have the option of having a deposit refund applied to your account as a credit or of having the deposit refunded by separate check.

WHAT IF I HAVE A PROBLEM WITH MY UTILITY?

Problems with your utility should first be raised with the utility itself. If you have difficulty in resolving the problem with the utility, register your complaint with the Board of Public Utilities, by either regular mail or e-mail. The BPU e-mail link can be found on the BPU's website at **www.bpu.state.nj.us/ComplaintInstructs.htm**.

You can also send your complaint by mail to: **Division of Customer Relations, State of New Jersey Board of Public Utilities, 2 Gateway Center, Newark, NJ 07102**.

If you prefer to call rather than write, **the utility consumer complaint phone number is 1-800-624-0241**. However you choose to contact the Board, be sure to provide the following information for action to be taken:

- Your name;
- Your address;
- Your home telephone number;

- Your daytime phone number;
- The name of the utility about which you have a complaint;
- Your utility account number;
- A detailed description of your complaint; and
- A detailed description of any action that the company has taken.

After obtaining this information, a Board representative will contact the utility and investigate the complaint. If more information is needed, you will be contacted again. Please be sure to keep a record of your complaint, the date sent and, if on the telephone, the name of the person with whom you spoke.

How do I Solve Other Problems With my Energy Supplier?

The Board of Public Utilities is the agency that regulates all New Jersey energy utilities. The Board of Public Utilities also licenses third party suppliers of natural gas and electricity. Make sure that you deal only with third party suppliers that are licensed by the Board.

As with every purchase you should be aware of potential consumer problems. Three major problems to watch for are:

- Slamming (an unauthorized change of your energy supplier);
- False or misleading advertising; and
- Discriminatory marketing practices.

If you have a problem with a third party supplier, first call the supplier customer service representative and attempt to resolve the problem with the supplier directly. If you are unable to resolve the problem with your supplier, follow the same procedure outlined above and file a complaint with the Board of Public Utilities.

When dealing with your utility or a third party supplier, you should keep a copy of any correspondence, complaints and documents you sent to the company or BPU. If your problem is not resolved in a reasonable amount of time, you may also want to write the Division of the Ratepayer Advocate also.

CONSERVATION

Conservation as a money-saver

Clearly, the less energy you use in your home, the lower your energy bill will be. Conservation and waste prevention are the areas over which we have the most control that can make dramatic differences in energy costs. You can decide whether to make no-cost changes like lowering your thermostat, low-cost changes like installing a low-flow shower head to reduce hot water consumption, or more costly changes that pay for themselves over time like the installation of **Energy Star appliances**.

Residential Energy Conservation

There are four main categories of residential energy usage: heating water, home heating and cooling, lighting/cooking/appliances, and the refrigerator. It is estimated that 14% of energy is used on heating water, 44% on home heating and cooling, 33% on cooking and appliances, and 9% on the refrigerator. While you can pick and choose what energy conservation measures you choose to take, using a "**whole house**" approach makes your home as efficient as possible and is the best way to achieve the most savings.

For example, even if you invest in a state-of-the-art Energy Star furnace, if the ducts through the house are leaky, or you have no insulation, or you do not seal the windows and put draft stoppers at the doors, then you lose much of the potential savings. The best way to approach efficiency and conservation is systemic. Every little bit can help. Many steps that don't cost anything can save money, such as turning down water heaters to 120 degrees, and moving furniture so that heating vents or radiators are not blocked.

SOME ENERGY SAVING TIPS FROM THE DIVISION OF THE RATEPAYER ADVOCATE

Winter Heating Tips

Try these tips during the winter and lower your bills!

- Set your thermostats to the lowest temperature that still keeps you comfortable. Cost: Nothing!

- Open drapes or blinds to let the sunshine warm your home in the winter and give your thermostat a break Cost: Nothing! Savings potential: About $5 per window, depending on location and time of year.

- Check for drafts coming from doors, windows, walls, ceilings and floors, then caulk and weather-strip them as necessary. Cost: $5 or less. Savings potential: About $2 per draft.

- Lower the thermostat setting on your water heater. Cost: Nothing! Savings potential: about $24 per year, if the setting is reduced by 10 degrees Fahrenheit.

- Close heating vents and cover exterior windows in rooms not often used. Cost: Nothing!

Some Other Winter Energy Saving Tips

Conservation is the **best** way to keep your energy bills down.

- Set the thermostat at the lowest comfortable setting, which is 65 degrees to 68 degrees for most people. At night, set the thermostat down to a lower setting. Purchase a timer to do it for you to make it easy and routine.

- Wear warmer clothing indoors.

- During the day, keep shades and draperies open to let the sun inside. Close them at night to keep warmth indoors.

- 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 weather-strip the windows and doors.
- Add insulation to attics and crawl spaces.

- Wrap an insulated water heater with an insulation blanket.

Tips For Reducing Your Energy Bill in the Summer

Practicing energy efficiency is especially important in the summer months, when energy, especially for air conditioners, is at peak use. The following suggestions can reduce your energy usage and save you money:

- Air conditioners vary considerably in efficiency and in the amount of energy used. When selecting new equipment, shop wisely and choose equipment with the best possible federal energy efficiency rating. For window units, this rating is the **Energy Efficiency Ratio**, or **EER**. As a general rule, an EER of 8 or more is excellent. By law, units manufactured between 1990 and 1994 must have an EER of at least 8.
- Central air-conditioning units are rated on their **Seasonal Energy Efficiency Ratio**, or **SEER**. A rating of 15 is excellent. Ten (10) is the lowest rating permitted by law for units made after 1992.
- When you shop for new air conditioning equipment, be sure you know the size of the space and the number of windows in the space to be cooled. Consult a professional as to the size of cooling equipment you will need. Oversized units should be avoided because they use more energy than is necessary and will not dehumidify properly. Direct sunlight falling on a window air-conditioning unit increases its workload.
- If you buy central air conditioning equipment, locate the compressor units of central air conditioning and heat pump systems in an outside area shaded by the house or by plantings. Units should be kept clean and free of any plants that interfere with air circulation.
- Set the cooling thermostat as high as comfort will permit. The higher the setting, the more energy you save.
- Attics should be ventilated to relieve heat buildup caused by the sun. Determine whether attic ventilation is adequate and, if necessary, improve airflow by adding or enlarging vents.
- Open windows during moderate weather to admit outside air for cooling instead of operating air conditioning equipment.

- Close cooling vents and turn off window air conditioners in unused rooms. Keep doors to unused rooms closed.

- Draw blinds, shades, or drapes to block the sunlight during the hottest part of the day.

Minimize Home Cooling Costs

You can cool your home without spending a fortune on air conditioning. Before the hot weather hits, consider the following alternative cooling methods:

- Install an attic fan;
- Use ceiling fans in rooms that are used the most;
- Open doors and windows for cross ventilation;
- Close off rooms that are rarely used; and
- Avoid using the oven during the warmest times of the day.

Other Resources for Conservation and Money-saving Tips:

The **U.S. Department of Energy Energy Efficiency and Renewable Energy Network (EREN)** produces an excellent 36-page publication called Energy Savers Handbook. It is free to individuals, and can be:

- downloaded from the website (in .pdf format) at www.eren.doe.gov/consumerinfo/energy_savers
- ordered by phone at 800-363-3732
- ordered by fax at 703-893-0400
- ordered by e-mail at **doe.eren@nciinc.com** or by regular mail at:

  EERE Clearinghouse
  P.O. Box 3048
  Merrifield, Virginia 22116

The not-for-profit Sierra Club web site also includes conservation and money savings tips at **www.sierraclub.org/energy/conservation/family_guide.asp**, as well as in-depth information regarding its environmental perspectives on national energy policy and other environmental concerns.

To save even more money through conservation, check out **www.doityourself.com/energy**, where there is an extensive list of simple to complex do-it-yourself energy conservation projects.

GLOSSARY OF ENERGY TERMS

Aggregation: Bonding many smaller energy customers together to form one large pool of customers to be in a better position to negotiate a better rate due to economies of scale. The combination of purchasing power in order to obtain rates more favorable than the single resident or business acting alone. (See "Private Aggregation" and "Government Aggregator.")

Basic Generation Service (BGS): The default electric generation service provided by the electric public utility to consumers who do not elect to buy electricity from a third party supplier.

Basic Gas Supply Service (BGSS): The default gas commodity service provided by the natural gas utility to consumers who do not elect to buy gas from a third party supplier.

Board of Public Utilities: The state agency that regulates utilities in New Jersey.

Broker: Natural Gas: A duly licensed gas supplier that assumes the contractual legal obligation to provide gas supply service to end-use retail customers, but does not take title to (*i.e.*, ownership of) the gas. Electric: A duly licensed electric power supplier that assumes the contractual legal responsibility for the sale of electric generation service, transmission or other services to end-use retail customers, but does not take title to (*i.e.*, ownership of) any of the power sold.

Burner Tip: The point at which natural gas becomes available in the customer home or business.

City Gate: The point at which the Local Gas Distribution Company takes delivery of natural gas from an interstate pipeline.

Dekatherm (Dth): Refers to a unit of heating value equal to ten therms. A typical residential heating customer in New Jersey uses about 100 dekatherms of natural gas per year.

Demand Side Management (DSM): Conservation resource planning that takes into account factors that affect energy usage for each customer class, and is generally designed to reduce or shift energy consumption.

Deregulation: The elimination of government regulation (control and oversight) from a previously regulated industry or sector of an industry for the purpose of creating a free market.

Distribution: Gas: The gas delivery service provided by the Local Gas Distribution Company (GDC). This service encompasses the delivery of the natural gas from the city gate to the burner tip, using the GDC's network of pipes within New Jersey. Historically, New Jersey's GDCs have referred to this service as transportation service. Electric: The delivery of electricity to the retail customer home or business through low voltage distribution lines.

Division of the Ratepayer Advocate: Independent state agency created in 1994 which represents and protects the interests of all utility customers, including residential, business, commercial and industrial, whenever utility companies in New Jersey seek changes in the delivery of services and in how much they charge for natural gas, electric, water, wastewater, telephone or cable TV services.

Due date: This is the date by which the bill must be paid to keep a utility account current.

EDECA: The Electric Discount and Energy Competition Act, signed into law in 1999, that restructured New Jersey's electric and natural gas utilities.

Electric Distribution Company (EDC): The company that delivers the electricity. This company owns the power lines and other equipment needed to handle the transmission and distribution of the electricity into your home or business. This company will continue to be your local utility.

Electric Generation Service: The provision of retail electric energy and capacity that is generated off-site from the location at which the consumption of such electric energy and capacity is metered for retail billing purposes.

Electric Generation Supplier (EGS): The company that generates or supplies the electricity. A supplier may or may not own a generation facility, but must be licensed to provide electricity.

Electric Power Generator: An entity that proposes to construct, own, lease or operate, or currently owns, leases or operates, an electric power production facility that will sell or does sell at least 90 percent of its output, either directly or through a marketer, to a customer or customers located at sites that are not on or contiguous to the site on which the facility will be located or is located.

Electric Power Supplier: A person or entity that is duly licensed pursuant to the provisions of EDECA to offer and to assume the contractual and legal responsibility to provide electric generation service to retail customers, and includes load serving entities, marketers, and brokers that offer or provide electric generation service to retail customers. The term excludes an electric public utility that provides electric generation service only as a basic generation service.

Electric Public Utility: A public utility, as that term is defined in *N.J.S.A.* 48:2-13, that transmits and distributes electricity to end users within this State.

Electric Related Service: This is a service that is directly related to the consumption of electricity by an end user, including, but not limited to, the installation of demand side management measures at the end user's premises, the maintenance, repair or replacement of appliances, lighting, motors or other energy-consuming devices at the end user's premises, and the provision of energy consumption measurement and billing services.

Energy Agent: A person that is duly registered pursuant to the provisions of EDECA and arranges the sale of retail electricity or electric related services or retail gas supply or gas related services between government aggregators or private aggregators and electric power suppliers or gas suppliers, but does not take title to the electric or gas sold.

Energy Efficiency: Using less energy/electricity to perform the same function through programs designed to use electricity more efficiently. In other words, doing the same thing but with less energy. Energy efficiency is distinguished from DSM programs in that the latter are utility sponsored and financed, while the former is a broader term not limited to any particular sponsor of funding source. Energy conservation implies doing without in order to save energy rather than using less energy to do the same thing. However, the terms are sometimes used interchangeably.

Federal Energy Regulatory Commission (FERC): The Federal Energy Regulatory Commission regulates the price, terms and conditions of power sold in interstate commerce and regulates the price, terms and conditions of all transmission services. FERC is the federal counterpart to state utility regulatory commissions (in New Jersey, this is the Board of Public Utilities).

Gas Distribution Company (GDC): A state-regulated natural gas utility that delivers gas to end users within its service territory. New Jersey has four GDCs: Elizabethtown Gas Company, New Jersey Natural Gas Company, Public Service Electric and Gas Company, and South Jersey Gas Company. Also referred to as local distribution company or LDC.

Gas Supply Service: The service of purchasing natural gas at the wellhead and arranging for delivery of the gas to the local utility's city gates. In a competitive market such as New Jersey, consumers have the choice of buying gas supply service either from the local utility or from a third party supplier.

Generation: The production of electricity.

Government Aggregator: Any government entity subject to the requirements of the Local Public Contracts Law, the Public School Contracts Law or the County College Contracts Law that enters into a written contract with a licensed electric power or gas supplier to provide: 1) service for its own use or the use of other government aggregators; or 2) if a municipal or county government, to provide electric generation service or gas supply service on behalf of business or residential customers within its territorial jurisdiction.

Government Energy Aggregation Program: A program and procedure in which a government aggregator enters into a written contract for the provision of electric generation service or gas supply service for its own use and/or on behalf of business and residential customers within its territorial jurisdiction.

Grid: A system of interconnected power lines and generators that is managed so that the generators are dispatched as needed to meet the requirements of the customers connected to the grid at various points. PJM, Inc. is the grid operator for the states of NJ, PA, MD, DE, VA and Washington, D.C.

Interstate Delivery System: A national network of pipelines that runs across state lines that brings natural gas into a particular region across state lines.

Interstate Pipeline: A pipeline that transports natural gas across state lines. The Federal Energy Regulatory Commission regulates interstate pipelines.

Interstate Pipeline Capacity: This is the contractual right to use interstate pipeline facilities, including both pipelines and storage facilities, for the delivery specified amounts of natural gas. Capacity rights are generally stated in dekatherms per day.

Interstate Pipeline Storage Service: This is the variety of storage services offered by interstate pipelines at storage facilities, usually depleted oil or gas fields or other underground geological reservoirs. Storage services have varying conditions, such as the maximum amounts and timing of the customer deliveries and withdrawals of gas into and from the storage facility.

Interstate Pipeline Transportation Service: The service of transporting gas over an interstate pipeline.

Investor-Owned Utility (IOU): A company, owned by stockholders for profit, which provides utility services. A designation used to differentiate a utility that is owned and operated for the benefit of shareholders from municipally owned and operated utilities and rural electric cooperatives.

Independent System Operator (ISO): A neutral operator responsible for maintaining constant and instantaneous balance of the grid system. The ISO performs its function by controlling the dispatch of flexible plants to ensure that loads match resources available to the system. PJM is an ISO.

Kilowatt-hour (kWh): A measure of electricity consumption equivalent to the use of 1,000 watts of power over a period of one hour.

Local Distribution Company (LDC): See "Gas distribution company (GDC)."

Market-Based Price: A price set by the mutual decisions of many buyers and sellers in a competitive market.

Market Transition Charge (MTC): A charge imposed by an electric public utility, determined by the Board of Public Utilities, on the electric public utility customers for a limited duration the transition period to full deregulation to recover stranded costs created as a result of the introduction of electric power supply competition pursuant to the provisions of EDECA.

Marketer: A licensed electric power supplier that takes title to electric energy and capacity, transmission and other services from electric power generators and other wholesale suppliers and then assumes contractual and legal obligation to provide electric generation service, and may include transmission and other services, to an end-use retail customer or customers, or a licensed gas supplier that takes title to gas and then assumes the contractual and legal obligation to provide gas supply service to an end-use customer or customers.

Municipal Utility: The process by which a municipal entity assumes responsibility for supplying utility service to its constituents. In supplying electricity, the municipality may generate and distribute the power or purchase wholesale power from other generators and distribute it. The Board of Public Utilities does not have jurisdiction to regulate matters dealing with municipal utilities unless its also serves more than 10,000 customers outside of its municipality.

Non-Utility Generator (NUG): A generation facility owned and operated by an entity that is not defined as a utility in that jurisdictional area.

Obligation to Serve: The obligation of a utility to provide electric service to any customer who seeks that service, and is willing to pay the rates set for that service. In the past, utilities have assumed the obligation to serve in return for an exclusive monopoly franchise.

Price to Compare: This is the per kWh rate charged by the utility for Basic Generation Service (see "shopping credit") or the per therm rate charged by the utility for Basic Gas Supply Service.

Private Aggregator: A non-government aggregator that is an organized business or non-profit organization authorized to do business in this State that enters into a contract with a licensed electric power supplier for the purchase of electric energy and capacity, or with a licensed gas supplier for the purchase of gas supply service, on behalf of multiple end-use customers by combining the loads of those customers.

Provider of Last Resort: A legal obligation (traditionally given to utilities) to provide service to a customer where competitors have decided they do not want that customer's business.

Public Utility Regulatory Policies Act of 1978 (PURPA): This federal legislation requires utilities to buy electric power from private qualifying facilities, at an avoided cost rate. This avoided cost rate is equivalent to what it would have otherwise cost the utility to generate or purchase that power itself. Utilities must further provide customers who choose to self generate a reasonably priced back-up supply of electricity.

Public Utility: This is a privately owned business entity, subject to government regulation, which provides an essential commodity or service, such as water, sewer, natural gas, electricity, cable television or telecommunications services to the public.

Real-Time Pricing: The instantaneous pricing of electricity based on the cost of the electricity available for use at the exact time the electricity is demanded by the customer.

Reliability: Electric system reliability has two components, which are adequacy and security. Adequacy is the ability of the electric system to supply the aggregate electrical demand and energy requirements of the customers at all times, taking into account scheduled and unscheduled outages of system facilities. Security is the ability of the electric system to withstand sudden disturbances, such as electric short circuits or the unanticipated loss of system facilities.

Renewable Resources: Renewable energy resources are those that occur naturally and can be replenished. Renewable energy resources include: biomass, hydro, geothermal, solar and wind energy. In the future, they could also include the use of ocean thermal, wave, and tidal action technologies. Renewable resources provide "green" or "clean" energy.

Restructuring: This is the reconfiguration of the vertically integrated electric utility. Restructuring usually refers to separation of the various utility functions into individually operated and owned entities.

Retail Competition: A system under which more than one electric provider can sell to retail customers, and retail customers are allowed to buy from more than one provider.

Retail Market: A market in which electricity and other energy services are sold directly to the end use customer.

Shopping Credit: The "shopping credit" is also referred to as the "price to compare." It is the price per kWh that the electric utility charges for energy or basic generation service or the price per therm that the gas utility charges for basic gas supply service. This is to be used by the consumer to

compare with the cost of other suppliers. Most electric utility bills clearly label the "price to compare."

Societal Benefits Charge (SBC): This is a charge imposed by an electric public utility on all consumers, at a level determined by the Board of Public Utilities, to continue social programs approved prior to restructuring. This charge is mandated by EDECA.

Stranded Cost: The amount by which the net cost of an electric public utility's electric generating assets or electric power purchase commitments exceeds the market value of those assets or contractual commitments in a competitive supply marketplace and the costs of buy-downs or buyouts of power purchase contracts.

Tariff: A document, approved by the responsible regulatory agency (in New Jersey, the Board of Public Utilities), listing the terms and conditions, including a schedule of prices, under which utility services will be provided.

Therm: A unit of heating value used by GDCs and suppliers for billing purposes. A typical residential heating customer in New Jersey uses about 1000 therms of natural gas per year.

Third Party Supplier (TPS): This is a competitive supplier of natural gas other than the utility.

Time-of-Use (TOU) Rates: This is the pricing of electricity based on the estimated cost of electricity during a particular time block. Time of use rates are usually divided into three or four time blocks per twenty four hour period (on peak, mid peak, off peak and sometimes super off peak) and by seasons of the year (summer and winter). Real time pricing differs from TOU rates in that it is based on actual (as opposed to forecasted) prices that may fluctuate many times a day and are weather sensitive, rather than varying with a fixed schedule.

Transmission: This is the component of a utility's electric system that delivers electricity at high voltage from points of supply (generating facilities and interconnections with other utilities) to substations from which the electricity is distributed to customers by the distribution system. Also, this is the movement of electricity through electric lines to the point of distribution.

Transportation Service: This term is used to refer to interstate pipeline transportation service and the distribution service provide by local gas utilities. It is the delivery of natural gas to your home or business.

Unbundling: This is the separation out from the packaged offering service that makes up traditional utility service into its basic components and offering each component separately with separate rates for each component. For example, generation, transmission and distribution are unbundled components of energy service.

Universal Service Fund: This is the funding mechanism through the utilities for the purpose of assisting low-income residential customers obtain or retain electric and gas service.

Vertical Integration: This is an arrangement in which the same company owns all of the different aspects of making, selling and delivering a product or service. In the electric industry, it refers to

the historically common arrangement whereby a utility would own its own generating plants, transmission system, and distribution lines to provide all aspects of electric service.

Wellhead: The site at which natural gas comes out of the ground, typically used as a pricing point for the gas commodity.

I. WHAT TO DO WHEN AN EMERGENCY CAUSES UTILITY OUTAGES

Although New Jersey generally enjoys a comparatively mild Atlantic climate with a fair amount of seasonal variation, sometimes, the state experiences major, severe weather events, occasionally on a large scale. The 2003 hurricane season was a near miss for our State, as Hurricane Isabelle stayed to our west. Between hurricanes in the autumn, nor'easters in the winter, and the strong, windy thunderstorms of the late spring and summer that cause power outages, New Jersey's weather provides significant challenges to the utilities that serve the residents of our State.

Recent examples of the impact severe weather can have on us occurred during the July 4, 2003 holiday weekend when over 40,000 shore residents lost power. Not only were homes and businesses affected but tens of thousands of tourists vacationing in the Seaside Heights area were left in the dark. The outage created confusion and chaos for those stuck on the amusement pier and boardwalk and placed a severe strain on local and county emergency services such as fire, police and first aid squads.

Again in September, 1999, when Hurricane Floyd hit New Jersey a state of emergency arising from bad weather was declared. The storm caused severe flooding, exceeding heights previously recorded in some areas, and causing at least four reported deaths. Major roadways throughout New Jersey were affected. Over 250,000 gas and utility customers were affected at the height of the storm. Utility customers throughout New Jersey were cut-off from basic services, including water, gas, electric and telephone.

You, your family, and co-workers should prepare for emergency utility outages, caused by weather or other unforeseeable disasters by becoming knowledgeable on how to protect your family and possessions during emergencies.

◆Awareness Information

- **A National Weather Service (NWS) Watch** is a message indicating that conditions favor the occurrence of a certain type of hazardous weather condition. The NWS Storm Prediction Center issues such watches. Local NWS forecast offices issue other watches (flash flood, winter weather, etc.) 12 to 36 hours in advance of possible hazardous weather or flooding.

- **An NWS Warning** indicates that a hazardous event is occurring or is imminent in about 30 minutes to an hour. Local NWS forecast offices issue warnings on a county-by-county basis.

◆Four Steps of Preparedness

1. **Educate yourself about your community and service providers.** Identify types of human, weather or technological disasters that can affect your area and the utility services supplied to the area. Know if your area has a public warning system and what you should do to help the

elderly or other individuals, who have special needs in the event of an electrical outage. Know where to go if authorities ask you to evacuate. Have emergency numbers for utility suppliers readily at hand. **Prepare a list of these numbers before any emergency occurs and post them in a nunber of locations in your business or residence**.

2. **Create a Disaster Plan**. After you have identified possible disasters that could occur in your area, talk to family members and co-workers about how to prepare and how to respond if one occurs.

3. **Make a checklist of steps to take in the event of an emergency which may include:**

- identification of an outside meeting location;
- an emergency communications plan if family members are separated;
- identification of a "family contact", who lives outside your area to call and check-in with;
- familiarity with escape routes;
- teaching all responsible family members how and when to turn off the water, gas and electricity at the main switches or valves
- identification of safe places in your home for each type of disaster emergency;
- preparation of two photocopies of vital documents, keeping one copy in a safe place outside the home;
- preparation of a complete written and videotaped inventory of your home, garage and surrounding property, storing the record outside the house;
- maintaining extra batteries and a battery powered radio that works tuned to NWS advisories;
- having a fire extinguisher and showing family members how to use it and where it is kept;
- planning what to do with pets

4. **Practice and maintain your disaster plan.** Practicing your plan will help you to respond effectively during an actual emergency. You should review your plan periodically and make updates.

RATEPAYER ADVOCATE
PUBLICATIONS

CONSUMER ASSISTANCE HANDBOOK: A GUIDE FROM THE NEW JERSEY DIVISION OF THE RATEPAYER ADVOCATE FOR NATURAL GAS, WATER, ELECTRIC, TELEPHONE AND CABLE TELEVISION CUSTOMERS - OCTOBER 2003 REVISION

The Handbook was prepared to provide consumers, residential, small business, not-for-profit, and commercial customers information needed to make informed choices when selecting energy and telecommunications providers in the restructured energy and telecommunications marketplaces. It also includes information about water and wastewater rates and services, the Consumer Bill of Rights, information about the deregulation of the Cable Television industry, and what to do during drought conditions and emergencies that affect water and energy services.

MANUAL FOR GOVERNMENT ENERGY AGGREGATORS - NOVEMBER 2003

The Ratepayer Advocate consistently supported energy aggregation as the best way to provide the lowest possible energy rates for residential, small business and state and local governments since the passage of the Energy Discount and Energy Competition Act (EDECA) in 1999. On February 27, 2003, Governor James E. McGreevey signed into law legislation simplifying the energy aggregation process for municipalities in New Jersey, paving the way for money-saving opportunities for residential and business customers throughout the state, by ordering the Board of Public Utilities to adopt rules and regulations requiring electric and natural gas public utilities to assist municipal and county aggregators in establishing government energy aggregation programs at the request of the governing body of a county or municipality. The law also provides a role for the Ratepayer Advocate in the municipal aggregation process as a reviewer and analyst of bid notices, bidding documents and written agreements.

The Ratepayer Advocate strongly supports governmental aggregation as the best opportunity to achieve lower rates for small businesses, government agencies, and residential customers in communities throughout the state.

In October 2003, Ratepayer Advocate Seema M. Singh and her staff completed a step-by-step, how-to guide: Manual For Government Energy Aggregators: A Guide to Aggregation Procedures Pursuant to the Electric Discount and Energy Competition Act As Amended, to provide guidance for municipal and

county officials planning to aggregate their communities' energy needs. The manual includes the most recent Board of Public Utilities aggregation rules and regulations.

To order a copy of the Manual For Government Energy Aggregators: A Guide to Aggregation Procedures Pursuant to the Electric Discount and Energy Competition Act As Amended, please complete the enclosed form and mail or fax it to the address indicated, and forward a check, payable to the Treasurer, State of New Jersey. The costs for the nearly 300 page manual including forms, mailing and handling are: $50.00 for municipalities, other government agencies, and non-profit agencies and organizations; $100.00 for profit making entities.

RATEPAYER ADVOCATE FACT SHEETS

Water Edition: Current Water Issues, Spring 2003

Telephone Edition: Telephone Services Update, Spring 2003

Energy Edition: Current Energy Issues, Winter 2002

Water Edition: Current Water Issues, Winter 2002

Telephone Edition: Telephone Services Update, Winter 2002

Cable Television Edition: Informed Consumers Make Smart Decisions, Fall/Winter 2002

Special Local Telephone Services: What Consumers Need to Know About Verizon New Jersey's Plan for Local Telephone Service, July, 2001

Natural Gas Prices Edition: Consumer Advisory on Increased Natural Gas Prices, October, 2000

Telecommunications Update: The Ratepayer Advocate Discussion of Consumer Issues arising from the Telecommunications Proceedings at the Board of Public Utilities, September, 2000

Telecommunications Update: The Ratepayer Advocate Supports Competition in the Local Exchange Telecommunications Market, August 2000

***All fact sheets and newsletters are also available on the Ratepayer Advocate's Website http://www.rpa.state.nj.us.**

%%Spanish Versions Available

Universal Service Fund: Making Energy Bills Affordable, August 2000

Government Aggregation: Providing Energy Choice Through Government Aggregation, Revised April 2000

State Universal Service Fund Telecommunications: Connecting New Jersey's Schools and Libraries to the Information Superhighway, Revised April 2000

Energy Customer Choice Q & A, September 1999

Tips For Choosing An Electric Generation Supplier, September 1999******

Consumer Update On Customer Choice For Residential Natural Gas Users, August 1999

A Consumer Update on Area Code Relief, June 1999******

A Consumer Update on Deregulation of Cable Television Rates, April 1999******

Municipal Aggregation (Revised), April 1999******

Special Water Edition: The Cost of Clean Water Rises, September 1998******

Bill of Rights for Consumers in the Era of Utility Competition, July 1998******

Utility Competition: Competition Must Thrive If Consumers Are to Benefit From Energy and Local Telephone Deregulation, June, 1998******

State Universal Service Fund: Telecommunications; Connecting New Jersey's Schools and Libraries to the Information Super Highway, January, 1998

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