

Good morning President Solomon and Commissioners. My name is Chip Gerrity. I am President/Business Manager of IBEW Local 94 representing approximately 3600 employees of Public Service Enterprise Group both on the generation and utility sides of the business.

I have read through the technical questions that have been outlined for response today. They appear to be well-conceived questions, and the comments and answers should be interesting. I have no technical expertise to offer on any of them. However, there were several questions (1, 2, 3 & 7) that caught my attention. Those questions all carry the suggestion that Public Service has been intentionally causing delays to benefit its generation. Mr. President, I have never seen anything that would make me question the integrity of the company or its operations.

I do have some general thoughts, which are a result of sitting through the initial LCAPP legislation and discussions from July of last year on through today. I offer them as an observer and a layman who is on a continual learning curve in the energy market.

Years ago a utility union rep only needed to worry about grievances, arbitrations and the next round of contract negotiations. Today we need to be involved in, and understand, the business so we can explain to our members how Trenton and other legislative arenas affect us day to day.

This whole LCAPP I and LCAPP II process reminds me a lot of Gen Xers who want everything now - not later. My understanding of the deregulated energy model is that the market controls prices – not by artificial methods – and it does so over time. What is being discussed here feels and looks like a hybrid of deregulation and re-regulation. The subsidized model didn't work when generation was regulated. Why would it work now?

When EDECA became law, only one New Jersey company, PSEG, took a risk and kept generation when everyone else left. Our members and the construction locals throughout the state that also work on PSEG facilities should thank them for the decision to stay in the game. PSEG is continually putting money back into

the generating stations and distribution and transmission systems for both gas and electric, which means jobs and work inside and outside of PSEG.

Year after year I don't know that there is a better employer in the state that continues to provide decent paying jobs. The new transmission projects will create hundreds of jobs over the next two to three years. The work done to make the Mercer and Hudson generating stations environmentally compliant kept construction trades working for the past three years, averaging about 800 jobs during the construction period.

Since deregulation, the price of electric power has dropped, even as consumption by the businesses and residents of the state has gone down. That occurred as a result of the market.

Generation will continue to be built as needed and when needed, driven by the price of natural gas, the demand for power and changing environmental standards. New generation does not need to be subsidized for today. Doing so will only create a mess for New Jersey tomorrow.

Before the BPU acts, I hope thought is given to make sure the one utility that has helped keep people working through these tough years is not unintentionally hurt by any changes that might be proposed.

Respectfully submitted,

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