



State of New Jersey
Board of Public Utilities
Two Gateway Center
Newark, New Jersey 07102

Honorable Barbara Buono, Chair
Senate Budget & Appropriations Committee
State House Annex
PO Box 068
Trenton, NJ 08625-0068

Dear Chairman Buono,

During the Department of Environmental Protection and the Board of Public Utilities budget hearing before the Senate Budget & Appropriations Committee on Monday, April 20, 2009 you indicated that written responses would be needed to the following questions raised by members of the committee.

Please accept the following submission as our responses to those inquiries.

Regards,
Thomas Lynch
Legislative Liaison
NJ Board of Public Utilities

Senator Oroho:

- *Please provide the committee with information on whether New Jersey Statewide Heating Assistance and Referral for Energy Services (NJ Shares) has a waiting list for individuals whose applications for energy assistance are rejected due to the unavailability of funds or whether unsuccessful applicants have to rea[[ly in the hope that they can beat the crowd on a first-come-first-serve basis? If there is no waiting list, could NJSHARES create one?*

BPU RESPONSE: NJ SHARES is a non-profit corporation organized to provide assistance to individuals and families living in New Jersey who need temporary help in paying their gas and electric bills. The Board of Directors includes representatives from gas and electric utilities, Verizon and consumer interest groups such as AARP and Association for Children of NJ. NJ SHARES awards grants on a first come first served basis statewide. Applicants can apply at 237 intake sites including many Legislative offices. Moderate income households with incomes above the LIHEAP and USF standards but below 400% of the federal poverty level are eligible for a NJ SHARES grant if funds are available. NJ SHARES utilize a

web-based application system that obligates the funds when the application is submitted for review with all of the necessary grant backup information. This ensures that every application taken receives a grant. Unfortunately, NJ SHARES does not have a sustained funding stream that would allow year-round operation. NJ SHARES has not made a waiting list available for potential clients for several reasons:

1. Funding is frequently unavailable for long periods of time. Last year NJ SHARES turned away 15,000 households over an eight month period.
 2. Clients are facing a crisis situation and a prolonged delay in providing assistance would typically result in a termination of their utility service.
 3. No grant commitments to the utilities that can delay termination can be made by NJSHARES if they do not have funding.
 4. A pending application list would create an expectation of assistance which might not be available for multiple months.
 5. All applicant information about utility balances, good faith payments and current income would be outdated and would require updating. This would require an additional visit to an intake site.
- ***President Fox indicated during the hearing that she thought a few, but not all, natural gas utilities had recently lowered their rates. Please indicate any recent decreases in electric and natural gas rates.***

BPU RESPONSE: There have been instances of electric and natural gas utilities decreasing their rate:

- PSE&G lowered its BGSS rate from \$1.1856/therm to \$1.10349/therm in January and to \$0.990753/therm in March. The reductions total about \$19.50 per month for a typical residential customer using 100 therms per month.
- New Jersey Natural Gas Company implemented a bill credit for January and February of \$0.1996/therm and a credit of \$0.2510/therm in March for an averaged bill reduction of \$21.67 per month for a typical residential customer using 100 therms per month.
- South Jersey Gas Company reduced its BGSS rates in January from \$1.0977/therm to \$1.0627/therm. The reduction totals about \$3.50 per month for a typical residential customer using 100 therms per month.

The gas utilities will be making BGSS filings in June of this year covering the period October 2009-September 2010. The Board expects the BGSS rate levels in those filings to be substantially lower than those underlying the present BGSS rates. The recent BGS auction on the electric side will result in either no increase or minimal increases in rates commencing June 1, 2009. The auction process has helped to keep electric rates stable over the past several years compared to rate fly-ups experienced in other states such as Maryland and Illinois.

Senator Stack:

- ***Please explain whether the board requires electric and natural gas utilities to notify municipalities when they cut electric and natural gas service to customers. If not, could and should the board issue regulations requiring such a notice or should the notification be required by legislation?***

BPU RESPONSE: The BPU has through the NJ Administrative Code ⁱ a rule in place that all electric and gas public utilities shall “annually notify all municipalities located within their service area that, upon request, they, and/or any enforcing agency enforcing the Uniform Fire Code (5:18) within the municipality, will be sent a daily list of the residential customer of record and premises located within the municipality at which gas or electric service was discontinued involuntarily on the preceding day”. Furthermore, the utilities are required to file with the Board annually every August 15th and February 15th a report detailing which municipalities did and did not request notification of service terminations in their respective areas. The BPU will separately reach out to Senator Stack with an accounting of the municipalities in his district culled from the February 15, 2009 report.

Senator Karrow:

- *Please provide a list of all the electric and gas rate increases the BPU approved over the last two years.*

BPU RESPONSE: Please refer to document labeled 2006-2008 BPU rate changes attached.

ⁱ N.J.A.C. 14:3-3A.7 <http://www.michie.com/newjersey/lpext.dll?f=templates&fn=main-h.htm>

New Jersey Natural Gas Company		
Date of Change	Impact on typical Residential Customers' Annual Bill	Delivery or Supply
10/4/2007	-0.62%	Delivery and Supply
11/1/2007	-0.31%	Delivery and Supply
10/3/2008	14.96%	Delivery and Supply
10/24/2008	0.32%	Delivery

South Jersey Gas Company		
Date of Change	Impact on typical Residential Customers' Annual Bill	Delivery or Supply
10/5/2007	-0.33%	Delivery
10/26/2007	-1.55%	Delivery and Supply
10/27/2008	0.33%	Delivery
11/21/2009	0.09%	Supply
11/21/2008	-0.18%	Delivery and Supply

Elizabethtown Gas Company		
Date of Change	Impact on typical Residential Customers' Annual Bill	Delivery or Supply
10/4/2007	-0.34%	Delivery
10/25/2007	-4.45%	Supply
7/30/2008	-0.03%	Delivery
10/3/2008	16.66%	Supply
	0.06%	Delivery
10/24/2008		

Public Service Electric & Gas Company - Gas

Date of Change	Impact on typical Residential Customers' Annual Bill	Delivery or Supply
10/4/2007	-0.36%	Delivery
11/9/2007	-0.27%	Delivery
10/3/2008	14.18%	Delivery and Supply
10/24/2008	0.31%	Delivery
12/9/2008	0.31%	Delivery

Atlantic City Electric Company

Date of Change	Impact on typical Residential Customers' Annual Bill	Delivery or Supply
6/1/2007	0.68%	Supply
10/1/2007	4.72%	Delivery and Supply
3/15/2008	1.92%	Supply
6/1/2008	8.15%	Supply
10/24/2008	-2.86%	Delivery
1/1/2009	-0.60%	Delivery and Supply

Public Service Electric and Gas Company - Electric

Date of Change	Impact on typical Residential Customers' Annual Bill	Delivery or Supply
6/1/2007	11.70%	Supply
10/4/2007	0.50%	Delivery
10/26/2007	-0.10%	Delivery
11/9/2007	0.06%	Delivery
1/1/2008	0.18%	Delivery and Supply
2/1/2008	-0.28%	Supply
6/1/2008	12.32%	Supply
10/1/2008	0.24%	Supply
10/3/2008	2.36%	Delivery
10/24/2008	-2.02%	Delivery
12/9/2008	1.23%	Delivery
1/1/2009	0.01%	Delivery and Supply

Jersey Central Power & Light Company		
Date of Change	Impact on typical Residential Customers' Annual Bill	Delivery or Supply
6/1/2007	16.40%	Supply
9/1/2007	-5.61%	Supply
10/3/2007	0.43%	Delivery
12/1/2007	7.29%	Supply
1/1/2008	0.07%	Supply
2/1/2008	0.01%	Supply
3/1/2008	-4.63%	Supply
6/1/2008	13.25%	Supply
9/1/2008	-5.37%	Delivery and Supply
10/1/2008	0.18%	Supply
10/24/2008	0.62%	Delivery
12/1/2008	4.32%	Supply
1/1/2009	0.62%	Supply

Rockland Electric Company		
Date of Change	Impact on typical Residential Customers' Annual Bill	Delivery or Supply
6/1/2007	11.89%	Supply
8/1/2007	1.42%	Delivery and Supply
10/3/2007	0.41%	Delivery
1/1/2008	-1.37%	Supply
2/1/2008	0.01%	Supply
6/1/2008	17.73%	Supply
8/1/2008	0.13%	Delivery
10/1/2008	0.17%	Supply
10/24/2008	0.40%	Delivery
12/1/2008	-1.10%	Delivery
1/1/2009	0.47%	Supply