



# Consumer Chat

## *The Newsletter of the Ratepayer Advocate*

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### A MESSAGE FROM THE RATEPAYER ADVOCATE

Greetings from all of us at the Division of the Ratepayer Advocate.

While winter's snows made our state particularly beautiful, we will all be glad to see the end of the heating season. We are facing significant increases in the cost of natural gas due to lower production and high demand from consumers and industry. Increased demand for electricity played a part as well, since natural gas is used to fuel many electric power plants.

Fortunately, we did not face California-style electric power problems. But we should not be complacent and assume that we are immune from future problems. My staff and I will continue to work with the legislature, the BPU, the utilities, energy providers, public interest groups and members of the public to make sure that all New Jersey consumers continue to receive reliable energy at affordable cost. We will also work to encourage suppliers of electricity and natural gas to enter our state so that consumers can reap the benefits of competition.

In the meantime, we urge you to conserve energy. Conservation saves money and reduces the need to find new energy sources. This edition of *Consumer Chat* includes some conservation tips for the coming months. Some of the tips may offer modest savings, but when your efforts are combined with the efforts of the eight million residents of New Jersey, savings can be substantial.

As you may have followed in the newspapers, last year Verizon filed a request with the Board of Public Utilities (BPU) to increase basic monthly residential rates from \$8.19 to \$15 per month. Subsequently, after a number

of hearings, Verizon withdrew this request and in February 2001 filed a new application with the BPU, seeking approval to modify its current plan of alternative regulation of telecommunications services. More details on this new Verizon proposal are discussed in this newsletter. We urge you to follow the media's reports this summer on the BPU hearings scheduled to review Verizon's new application. As always, we will represent all consumers' interests at these proceedings and are carefully studying Verizon's request in preparation for the hearings.

You can keep up to date with our activities via our website at [www.rpa.state.nj.us](http://www.rpa.state.nj.us) and you can contact us directly at [njratepayer@rpa.state.nj.us](mailto:njratepayer@rpa.state.nj.us) or call us at 973-648-2690.

We look forward to continuing to work with you insuring reasonable rates and reliable services for all utility ratepayers.

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## **WATER SUPPLY ISSUES**

### **MAY 11 CONFERENCE SET ON ENERGY AND WATER**

The Division of the Ratepayer Advocate, in association with the New Jersey League of Municipalities, is holding a conference at the Holiday Inn, Monroe Township, in Jamesburg, New Jersey, on Friday, May 11, from 8:30 a.m. to 12:30 p.m. The discussion, "Energy and Water: Navigating the Currents," will explore current water and energy issues affecting our state and will include panel discussions by legislators, energy and water experts, and consumer and utility representatives exploring how utilities, government, conservation groups and consumers interact in the management of these precious resources.

Representatives of state and local governments, not-for-profit agencies, utilities and individual consumers are invited to attend. Please call 973-648-2690 or check our website for more information and the complete program and registration form.



### **WATER RATE CASES BEFORE THE BPU**



Seven water companies have recently asked the Board of Public Utilities for permission to raise rates. Currently pending before the BPU are requests filed by the Middlesex Water Company, Elizabethtown Water Company, Pinelands Water and Wastewater, Gordon's Corner Water Company, Pennsgrove

Water Company, Wildwood Water Company and Roxbury Water Company. The Ratepayer Advocate is an active participant in each of these cases and is working to ensure that New Jersey's consumers continue to receive potable water at just and reasonable rates.

New Jersey Water and United Water Company are seeking BPU approval for lease arrangements with cellular communications companies for the mounting of cellular antennas on water towers. The Ratepayer Advocate supports allocating revenues from cellular leases as a benefit to consumers and not just to shareholders, and has presented this position before the BPU.

### **HAVE YOU SEEN YOUR WATER QUALITY REPORT CARD?**

Do you want to know what's in the water you drink? Your water company has to provide you with a report about your water supply every year describing the sources of your water, the level or range of levels of any contaminants, the likely sources of the contaminants and the potential health effects of the contaminants. The report also must describe the water company's compliance with other drinking water-related rules. If you have not received a copy of the annual report for 2000, contact your water company.



## RENEWABLE ENERGY PROGRAMS-- AN IMPORTANT RESOURCE

One of the challenges in ensuring sufficient energy supplies for the future is balancing the needs for additional generation capacity and clean, safe and reliable energy sources. Renewable energy programs can be an important part of this equation. Renewable energy sources include photovoltaic (solar) technologies, fuel cells (which produce electricity by splitting water molecules), wind energy and methane gas production from landfills or a biomass facility.

Since renewable energy projects are in their infancy, the start-up costs—including initial equipment and installation as well as costs associated with connecting the renewable energy sources to the power grid—are higher than those associated with traditional energy sources. In order to promote the development and

use of renewable technologies, New Jersey's Electric Discount and Energy Competition Act required the Board of Public Utilities to initiate a program to provide financial incentives for renewable energy programs, which were established in March 2001.

The development and implementation of renewable energy programs will provide New Jersey consumers additional electric generation with less environmental impact than traditional sources. In addition, by reducing demand for traditional power plants, these programs should also reduce overall costs for consumers. Information on the renewable energy programs will be provided in future editions of *Consumer Chat* as the programs are developed.

### MEET THE RATEPAYER ADVOCATE STAFF

Andrew Dembia is the Managing Attorney for the Water and Wastewater Division. He and his legal staff provide guidance to the Ratepayer Advocate on all issues affecting the water and wastewater utility industries.

Andrew has been with the Ratepayer Advocate since 1994. He joined the Ratepayer Advocate's predecessor agency, the Division of Rate Counsel in the Department of the Public Advocate, in 1993. Prior to that he was an associate at a law firm in Newark.

"My parents encouraged me to give something back to the community," said Andrew. Through this job, my colleagues and I represent those who typically do not have a voice in proceedings affecting the delivery of safe, affordable and essential services to the people of New Jersey."

Andrew's commitment to contributing to the community doesn't end when he goes home for the day, he is also a volunteer auxiliary police officer. He lives in Morristown with his wife, his two sons, and their dog.



**Acting Governor Donald T. DiFrancesco**

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<http://www.rpa.state.nj.us>

## TELECOMMUNICATIONS ISSUES VERIZON FILES NEW RATE PROPOSAL

On February 15, 2001, Verizon New Jersey, Inc., filed a petition with the Board of Public Utilities to retain the current \$8.19 rate for basic telephone service - a major reversal from Verizon's 2000 filing which sought to increase the rate to \$15 per month. Verizon claims that the proposal will expand the Lifeline program for economically disadvantaged residents and supplement benefits for Access New Jersey, which currently offers high-speed Internet access to schools and libraries at discounted rates until 2004. Verizon also petitions the Board to declare a significant portion of the business marketplace competitive by reclassifying all

multi-line business services from rate regulated to competitive.

The Division of the Ratepayer Advocate is reviewing Verizon's plan to ensure that adoption will be in the best interests of the state's consumers. For example, while Verizon states that it will retain the \$8.19 rate for basic service, the company also intends to retain a \$1.00 per month surcharge for touchtone service - a surcharge that has been eliminated in every other state. The review process is lengthy, and final approval is unlikely before the end of the year.

### GET READY FOR TEN DIGIT DIALING

The Board of Public Utilities has approved area code "overlays" for the 201, 732 and 973 calling areas. Starting July 1, a new area code will be assigned to each of the three calling areas for use with new phone service. Residents in those areas then can use the area code as well as the seven digit telephone number for every call. *Ten digit dialing will be required for residents in the 201, 732 and 973 calling areas as of December 1, 2001.*

If you live in an affected area, you will have to use the area code--even for a call across the street. **Your rates will not be affected and your current area code will not be changed.**

Ten digit dialing is inconvenient but necessary due to the explosion of new numbers issued for cell phones, fax machines, pagers, computers and other electronic devices.

To minimize inconvenience, you may want to consider purchasing a new phone with last number redial and memory features. Even inexpensive phones often have these features.

**REMEMBER--All devices that automatically dial telephone numbers--such as fax machines, computer modems and alarm systems--will have to be reprogrammed to add area codes before December 1, 2001.**



## **ENERGY ASSISTANCE FOR PEOPLE IN NEED**

Presently, there are two sources of assistance for New Jersey residents who need help with energy bills.

**LIHEAP**, the Low Income Home Energy Assistance Program, is a federally-funded program designed to help consumers in need of financial assistance to pay for heating costs. Eligibility is based on total household income, with gross monthly income limits set at about 175% of the poverty line. This year's LIHEAP program runs until May 31, 2001. For more information, call **1-800-510-3102**.

**NJSHARES**, the New Jersey Statewide Heating Assistance and Referral for Energy Services, provides assistance to individuals and families in need of **temporary** help in paying energy bills. For more information, call toll-free **1-866-657-4273**.

## **CONSUMER GUIDE AND ANNUAL REPORT AVAILABLE**

The Division of the Ratepayer Advocate has prepared a Consumer Assistance Handbook which provides comprehensive descriptions of available options for selecting telecommunications, electric and natural gas providers, and detailed information about natural gas, electric, telecommunications and water services in New Jersey.

Also available is the Ratepayer Advocate Annual Report for 2000. This 100 page report details the Ratepayer Advocate's activities regarding electricity and natural gas deregulation, other electricity and natural gas matters, water and wastewater, telecommunications and cable television.

You can request copies by phone, fax, letter, or e-mail. Copies of both publications are posted on our website as well. Our telephone number and address are on page 1 of *Consumer Chat*.

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## **REQUEST A SPEAKER FOR YOUR ORGANIZATION'S COMMUNITY OUTREACH**

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

Name \_\_\_\_\_

Organization \_\_\_\_\_

Topic of Interest \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_ Zip \_\_\_\_\_

Phone number \_\_\_\_\_

**Please fax your request to (973) 624-1047 or mail to:  
N.J. Division of the Ratepayer Advocate  
P.O. Box 46005  
Newark, N.J. 07101**



## SPRING AND SUMMER ENERGY CONSERVATION TIPS

### Throughout the House:

- Consider energy efficiency standards when shopping for new appliances--especially refrigerators, freezers, air conditioners and hot water heaters.
- If you have central heating and cooling, consider purchasing a programmable thermostat to warm or cool your house only when you are home.

### In the Kitchen:

- Repair leaks around taps and faucets.
- Don't run the dishwasher unless it is fully loaded.
- Use only enough water to cover foods when boiling.
- Keep the coils of your refrigerator clean to maximize energy efficiency.

### In the Bathroom:

- Turn off the tap when brushing your teeth.
- Don't let the water run when shaving--fill the sink first.
- Take a quick shower instead of a bath.
- Don't flush toilets unnecessarily.

### In the Utility Room:

- Use cold water in your washing machine whenever possible.
- If your washing machine has a load size selector, use it. Otherwise, use the washer only when full.
- Consider using a clothesline to dry clothes.
- Keep the lint trap of your dryer clean.
- Insulate your hot water tank and hot water pipes to reduce water heating costs and save water.

### Outdoors:

- Use a timed sprinkler to save water and reduce waste.
- Wherever possible, use plants that do not require frequent watering.
- Use mulches, rocks and wood as well as plants to enhance your yard.

