

FEDERAL TRADE COMMISSION

V010003 – Comments Regarding Retail Electricity Competition

Comments of the New Jersey Division of the Ratepayer Advocate

Specific Questions to Be Addressed

History and Overview

1. *Why did the state implement retail electricity competition? What problems of the previous regulatory regime was it trying to solve?*

New Jersey's retail electric rates have long been among the highest in the nation. The goals of implementing retail competition are to lower prices, stimulate competition and technical innovation, and improve the economy of the state by making energy costs lower.

2. *What were the expected benefits of retail competition? Were price reductions expected in absolute terms or in relation to what price levels would be absent retail competition? Were the benefits of retail competition expected to be available to consumers in urban, suburban, and rural areas? Were the benefits expected to be available for residential, commercial, and industrial customers? Were the benefits expected to be comparable for each group of customers?*

See response to Question 1, above. In addition, the legislation that implemented retail electric competition, the Electric Discount and Energy Competition Act ("EDECA"), N.J.S.A. 48:2-49 *et seq.*, was expected to bring the benefits of competition to all classes of customers in all areas of the state. The EDECA mandates rate reductions for all customers during an initial four-year transition period. Over the long term, price reductions were expected in both absolute terms and in relation to what prices levels would be absent retail competition.

3. *What factors or measures should the Commission examine in viewing the success of a state's retail electricity competition program? How should these measures be evaluated?*

Among the factors the Commission should examine are: percentage of customers that are taking service from new electricity suppliers; percentage of load that has switched to new suppliers; the number of electricity suppliers licensed to provide retail service in a state; the number of licensed suppliers that are actively marketing to each retail customer class (residential, commercial, and industrial); whether retail prices have been reduced or increased since the onset of retail competition; and continued provision of reliable service to customers.

4. *What are the most successful and least successful elements in the state's retail competition program? Has the state taken steps to modify the least successful elements?*

Based on statistics provided by the New Jersey Board of Public Utilities, the most successful element of the state's retail competition program is that many large commercial and industrial customers were able to secure service from new suppliers, apparently at lower prices that they previously paid to the electric utility. The least successful elements include: lack of supplier interest in serving residential customers; lack of successful government aggregation programs; the "wet signature" requirement that applied to all customer enrollments with new suppliers; and, within the last sixth months, the exodus of many suppliers from the retail electric market in New Jersey. The only step the state has taken to date to ameliorate these problems in to allow internet enrollment in the retail choice program.

Consumer Protection Issues

1. *What efforts were made to educate consumers about retail competition? How was the success of these efforts measured? Were the programs successful? Who funded these efforts? Who implemented the programs?*

The New Jersey Board of Public Utilities ("NJBPU") launched a multi-year statewide consumer education program. The program, which was developed by the NJBPU, along with the state's electric and gas utilities, encompasses both a statewide media campaign (television, radio, magazines, newspapers) and a local, grass-roots campaign administered by each electric and gas utility in its service territory. The program is funded by the state's electric and gas customers, through the Societal Benefits Charge ("SBC") component of utility bills. An outside media consulting firm assisted the NJBPU in the program design and also did statistical surveys that were designed to measure the programs success.

From the Ratepayer Advocate's perspective, the consumer education program was not particularly successful. The program design and implementation was left almost entirely to the NJBPU and the state's incumbent utilities, without sufficient input from consumer advocates, new market entrants, or other stakeholders. While parts of the program did provide basic information about retail competition, many of the advertisements were misleading, encouraged customer apathy, and focused too heavily on potential problems with competition (e.g., "slamming"), rather than explaining retail choice and/or encouraging customers to actively shop for a new supplier. As a result, many customers do not have enough "nuts and bolts" information available to make an informed decision about their electricity supplier.

2. Do consumers have enough information to readily make informed choices among competing suppliers? Did the state coordinate its labeling requirements about the attributes of a supplier's product, if any, with neighboring states? Is there a need for federal assistance to provide standardized supplier labeling? If so, what would be the most useful federal role?

See response to the immediately preceding question. While it is unclear what type of "labeling requirements" this question is referring to (e.g., environmental characteristics, pricing, etc.), New Jersey has little in the way of generic labeling requirements and did not coordinate any requirements with neighboring states.

3. Have consumers complained about unauthorized switching of their accounts to alternative suppliers ("slamming") or the placement of unauthorized charges on their electric bills ("cramming")? Were rules adopted to prevent these practices? Has the state taken enforcement action under its new authority against slamming and cramming? Have these actions been effective to curb the alleged abuses? Is there a need for federal assistance with slamming and cramming issues? If so, what would be the most useful federal role?

The Ratepayer Advocate is not aware that there have been any allegations of slamming or cramming associated with retail electric competition in New Jersey. However, there were allegations that one supplier used misleading sales tactics in its efforts to enroll customers. Both the EDECA and the NJBPU regulations issued thereunder have strong prohibitions, including penalties, against slamming-type activities. The NJBPU has investigated and taken enforcement action against one supplier, for allegations of misleading sales tactics (but not specifically slamming or cramming).

4. How did the state facilitate the ability of customers to switch to a new supplier? Have these efforts been successful? Does the state allow consumers to aggregate their electricity demand? If so, has aggregation

enabled consumers to benefit from retail electricity competition? If not, why not?

New Jersey law requires the NJBPU to establish a “shopping credit” or “price-to-compare” to facilitate informed choice by customers. The EDECA also permits both private and government aggregation. However, with the rise in wholesale electricity prices, few new suppliers are able to compete with the utilities’ price to compare for default service. In addition, the EDECA and NJBPU regulations on government aggregation require many complicated steps to effectuate aggregation programs. Therefore, there have been no successful government aggregation programs that included residential customers in New Jersey. There were some successful private aggregation projects involving private entities and another involving public school districts. However, even in many of these cases, the supplier eventually ended its participation, or the contract expired and was not renewed, again largely due to the increase in wholesale electricity prices.

5. Has the state established licensing or certification requirements for new suppliers to provide electricity to customers? Why? Which licensing provisions are designed to protect consumers? How do they operate? Has the state taken enforcement action against unlicensed firms? Have these actions been effective to curb unlicensed activity? Have these requirements acted as an entry barrier for new suppliers?

Yes, New Jersey has established licensing and certification requirements for new suppliers. They may be reviewed on the BPU’s web site: www.bpu.state.nj.us. The licensing requirements are primarily for consumer protection purposes. Licenses must be renewed annually. The Ratepayer Advocate is not aware of any circumstances in which the state has taken enforcement actions against unlicensed firms. Certain market participants have argued that certain of the licensing requirements, such as the annual renewal and in-state office requirements, are an entry barrier for new suppliers.

6. Did the state place any restrictions on the ability of a utility’s unregulated affiliate(s) to use a similar name and/or logo as its parent helpfulness, in order to avoid consumer confusion when the affiliate offered unregulated generation services? Why or why not? What has been the experience to date with the use of these restrictions? Are consumers knowledgeable about who their suppliers are?

Yes, there are some restrictions; however, a utility’s unregulated affiliate is permitted to use a similar name and/or logo at the utility if it makes certain disclosures in advertisements and marketing materials. See the NJBPU’s interim affiliate relations standards, Section 6 (“Corporate Identification and Advertising”), posted on the internet at www.bpu.state.nj.us. In comments

filed with the BPU prior to its adoption of these interim standards, the Ratepayer Advocate proposed far greater restrictions on an unregulated utility affiliate's ability to use names and or logos that are similar to the utility or parent corporation. The use of similar names and/or logos can cause customer confusion and give the affiliate an unfair competitive advantage, because of the public's familiarity with the utility's name and logo.

7. Did the state place any restrictions on third-party or affiliate use of a utility's customer information (e.g., customer usage statistics, financial information, etc.)? What were the reasons for enacting the restrictions? What has been the effect of these restrictions on new marketing activity?

Yes. In general, the utility can only make such information available to an affiliate if it also makes the same information available to unaffiliated entities on a non-discriminatory basis. However, there are some exceptions to this general requirement. Please see the NJBPU's interim affiliate relations standards, Section 4 ("Information Disclosure"), posted on the internet at www.bpu.state.nj.us for a complete listing of the rules. The reasons for such restrictions are to prevent an unregulated utility affiliate from gaining an unfair competitive advantage over other firms, by virtue of access to the regulated affiliate's internal information.

8. Has the state adopted any other measures intended to protect consumers (e.g., length of consumer contracts, automatic renewal provisions, etc.) as it implemented retail competition? What has been the effect of these measures?

Yes. The NJBPU has adopted consumer protection and anti-slamming regulations, as well as rules for customer enrollment. These may be reviewed on the BPU's web site (www.bpu.state.nj.us). There have been few consumer complaints about supplier activities in New Jersey.

9. To what extent have suppliers engaged in advertising to sell their product(s)? Do some suppliers claim that their product is differentiated (e.g., that it has environmental benefits)? Has there been any enforcement or attempts to verify these advertising claims? Do any certification organizations, such as Green-e, operate in the state? Are they used by (or at least available to) a substantial portion of consumers?

There has been some advertising by suppliers, largely in the print media. At least one supplier has marketed their electricity as "better" for the environment. Suppliers who make such a claim are required to disclose their generation source and fuel mix in the environmental label for their product (suppliers who do not make any environmental claims are currently allowed to use a regional "default" label). The use of certification organizations, such as Green-e, is voluntary.

Retail Supply Issues

1. What difficulties have suppliers encountered in entering the market? What conditions/incentives attract suppliers to retail markets? Have suppliers exited the market after beginning to provide retail service? If so, why?

In New Jersey, the statutory starting date for retail electric competition was August 1, 1999. However, due to delays in implementing billing protocols and other logistical issues, actual enrollment did not commence until November 1999. By early 2000, there were numerous suppliers offering service to residential, commercial, and industrial customers. As discussed above, several elements of the implementation of retail choice made market entry difficult, including the wet-signature requirement, the in-state office requirement, and the government aggregation standards. However, because of the dramatic increases in wholesale energy costs, by mid- to late 2000, many suppliers had either left the New Jersey market altogether, or temporarily stopped enrolling new customers. The high wholesale market prices are the chief reason that retail competition is barely active in New Jersey in April 2000.

2. What are the customer acquisition costs and operational costs to service retail customers? How do acquisition and operational costs compare to profit margins for electric power generation services? Do retail margins affect entry? If so, how? Did the state harmonize the procedures suppliers use to attract and switch customers with other states' procedures, in order to reduce suppliers' costs?

The Ratepayer Advocate is not in a position to respond to this question, which is directed at energy suppliers.

3. Have customers switched to new suppliers? Why or why not? Are there greater incentives for certain customer classes (i.e., industrial, commercial, residential) than for others to switch suppliers? Why or why not? Are penalties or different rates applied to customers that switch back to the supplier of last resort? Are there other measures to determine whether customers are actively considering switching suppliers? If so, do these indicators show different patterns than the switching rate data?

At the high-point of customer switching, approximately 100,000 electricity customers had switched to new suppliers. This is equal to about 2.5% of customers, or 8% of total electric load. The percentage switching was higher for non-residential customers, who typically use more electricity and therefore have more incentive to switch. Because of supplier withdrawals, the number of customers served by alternative suppliers is now down to

approximately 82,000, or about 7.2% of load. The most recent switching data is posted at the NJBPU's website (www.bpu.state.nj.us). A copy of the March 26, 2001 switching data statistics for New Jersey is also attached hereto (Attachment 1). Most customers switched because the new supplier offered a lower rate than the utility's basic generation service rate. Although the rules are not uniform for all utilities, in general, non-residential customers that return to supplier of last resort service are required to remain on that service for a one-year period.

4. Have suppliers offered new types of products and services (e.g., time of day pricing, interruptible contracts, green power, etc.) in states where retail competition has been implemented? If so, describe the products and what customer response has been.

Because generation service is not regulated, the Ratepayer Advocate is not necessarily privy to the types of services new suppliers offer commercial or industrial customers. As discussed above, at least one supplier offered "green" power to residential customers.

5. What are the benefits or drawbacks of the different approaches to handling the supplier of last resort obligation for customers who do not choose a new supplier (e.g., allow incumbent utility to retain the obligation to provide generation services to non-choosing customers, auction the obligation, or assign the obligation to non-utility parties). What has been consumer reaction to these approaches? Is provider of last resort service necessary?

In New Jersey, the distribution utilities retain the provider of last resort ("POLR") obligation through at least July 21, 2002. Some of the utilities are supposed to "bid-out" POLR service for the year starting on August 1, 2002, but the procedures/parameters of this bid-out have yet to be established. Given the current state of the wholesale and retail electricity markets, POLR service is clearly necessary – in New Jersey, more than 98% of all customers are still taking POLR service. The Ratepayer Advocate posits that unless POLR service is re-designed to promote competition, retail electric choice will have little significance for the overwhelming majority of customers.

Retail Pricing Issues

1. How is entry affected by the price for the provider of last resort service (for customers who do not choose) or for default service (for customer whose supplier exits the market)? How does the price for the provider of last resort or default service compare to prices offered by alternative suppliers? Is the price for provider of last resort service or default service capped? If so, for how long?

In New Jersey the price for POLR service (called basic generation service) was pre-set for a four-year transition period (8/01/99 through 7/31/03). The price for POLR service equals the "shopping credit" or "price to compare." For each utility, the pre-set price increases very slightly over the four-year transition period for most customer rate classes. When the shopping credits were established in 1999, the NJBPU believed that they were sufficient to spur competition. In fact, many suppliers did make price offers that were below the shopping credit in late 1999 through early 2000. However, with the recent upswing in wholesale electricity prices, the fixed shopping credits are now substantially below even wholesale generation prices. Therefore, there is little retail marketing activity in New Jersey at this time.

2. Has the state required retail rate reductions prior to the start of retail competition? What is the rationale for these reductions? How have state-mandated rate reductions prior to the start of retail competition affected retail competition?

Under the EDECA, all electric customers in New Jersey received mandatory rate reductions of 5% starting in 1999, and increase to at least 10% by August 1, 2002. The rate reductions commenced at the date retail competition started. The rationale was to give immediate rate relief to customers, since New Jersey's electric rates are and have been among the highest in the United States. It is likely that the rate reductions affected retail competition, because customers who knew they would receive rate reductions without shopping may have had less incentive to actively shop for a new supplier.

3. Do any seasonal fluctuations in the price of wholesale generation cause some suppliers to enter the market only at certain times of the year? How have these suppliers fared?

Based on reported activity, some suppliers have signed customers to 8-month contracts (excluding the summer), in an attempt to "game the system" and avoid risks with procuring energy during the peak summer months. It is not clear that this will be a successful strategy. As discussed *supra*, non-residential customers that return to POLR service are generally required to remain on that service for a one-year period. So, such "seasonal" marketing may actually undermine the competitive market on a long-term basis.

4. How has the state addressed public benefit programs (e.g., universal service requirements, low income assistance, conservation education, etc.) as it has implemented retail competition? Which of these programs are necessary as competition is introduced and why? Are public benefits available to all customers or are they restricted to customers of the supplier of last resort? How does this affect retail competition?

The EDECA requires the NJBPU to implement a universal service fund, as well as energy efficiency and renewable energy programs in conjunction with the implementation of retail competition. The NJBPU has yet to implement a universal service fund, and it has just begun to implement the conservation requirements of the EDECA. Both universal service and conservation programs are essential as competition is introduced. Universal service programs are essential for much the same reason as they were under regulation – to ensure that lifeline services are available and affordable to all consumers. Conservation and renewable energy programs are necessary to reduce energy demand (with the concomitant reduction in energy costs) and encourage the development of new technologies and new energy sources. Capacity shortages in the west and elsewhere may be due, in part, to less emphasis on conservation programs during the transition to retail competition.

Market Structure Issues

1. How has the development of Regional Transmission Organizations (RTOs) affected retail competition in the state?

The three major electric utilities in New Jersey belong to the Pennsylvania-New Jersey-Maryland Independent System Operator (PJM). PJM is one of the first FERC-approved, fully-function ISOs in the nation. It operates the transmission grid in the region, as well as energy and capacity markets. On the whole, the PJM ISO has functioned well during the transition to retail competition in New Jersey. In order to be a licensed electricity supplier in New Jersey, entities must join the PJM ISO as members.

2. Did the state require the divestiture of generation assets (or impose other regulatory conditions on the use of these assets) when retail competition was introduced? To what extent was divestiture of generation assets a component of the state's handling of a utility's stranded costs? Was divestiture used to remedy a high concentration of generation assets serving the state? Was there appreciable voluntary divestiture of generation assets? Has the state examined whether there has been appreciable consolidation of ownership of generation serving the state since the start of retail competition?

New Jersey did not require divestiture of generation assets. Under the EDECA, New Jersey electric utilities had three options: divestiture, structural separation, or functional separation. Two of New Jersey's utilities divested all or nearly all of their generation. One divested most, but not all of its generation. The fourth transferred its generating assets to a newly-formed unregulated affiliate. For those utilities that did divest, stranded cost calculation was based on the net stranded costs after divestiture. Unfortunately, due at least in part to the sale of nuclear generation units at

very low prices, two of the state's utilities still have significant stranded costs even after divestiture. The NJBPU has not examined the consolidation of ownership of generation serving the state since the start of retail competition.

3. If a utility no longer owns generation assets to meet its obligations as the supplier of last resort or default service provider, what market mechanism (e.g., spot market purchases, buy back or output contracts, etc.) does it use to obtain generation services to fulfill these obligations? What share of a utility's load is obtained via the different mechanisms? How are these shares trending? Is the market mechanism transparent? Is it necessary to monitor these market mechanisms? Why or why not? If so, what should the monitor examine?

In New Jersey, those utilities that have divested generation assets have used a combination of spot market purchases, bi-lateral contracts, and buy-back contracts to obtain generation resources to fulfill their POLR obligations. New Jersey utilities also have significant non-utility generation ("NUG") contract commitments stemming from the PURPA requirements that are used to meeting POLR obligations. At least one utility has used competitive procurement for contracts to obtain energy and capacity to meet POLR obligations. The Ratepayer Advocate is not privy to the share of the utility's load that is obtained via the different mechanisms. During the transition period, it is necessary to monitor the market mechanisms to insure that the utility's actions in obtaining generation for POLR service are reasonable and prudent.

4. Explain the state's role in overseeing operation of the transmission grid in the state and the extent to which public power or municipal power transmission systems are integrated into this effort. What is the relationship between the state's role and the Federal Energy Regulatory Commission's role in transmission system operation in the state?

The state does not regulate the bulk transmission grid.

5. Do firms that have provider of last resort or default service obligations (formerly "native load" obligations in the regulated environment) receive preferential transmission treatment? If so, how does this affect wholesale electric power competition? How and by whom should retail sales of bundled transmission services (i.e., retail sales of both energy and transmission services) and retail sales of unbundled transmission be regulated? If by more than one entity, how should regulation be coordinated? What should the state's role be in overseeing wholesale transmission reliability?

Under the FERC's Order 888, each transmission-owning utility was required to file an open-access transmission tariff ("OATT"), allowing non-discriminatory access to its transmission facilities. The purpose of the open-access rule is to facilitate wholesale (and in turn retail) competition. As discussed elsewhere, three of the New Jersey transmission-owning utilities transmission lines are controlled by the PJM ISO and one by the NY ISO (Rockland Electric, as part of Consolidated Edison). These ISOs have pool-wide OATTs which are designed to eliminate preferential transmission treatment for "native load" obligations. That having been said, due to the complexities of the ISO tariffs, business rules, and energy market rules, there may nonetheless be circumstances in which transmission owning firms can exert native load preferences.

6. *To what extent did the state identify transmission constraints affecting access to out-of-state or in-state generation prior to the start of retail competition? Is the state capable of remedying these transmission constraints, or is federal jurisdiction necessary? How do the rationales for federal jurisdiction over electric power transmission siting compare to the reasons underlying federal jurisdiction over the siting of natural gas pipelines?*

The NJBPU undertook no formal proceeding to identify transmission constraints affecting access to out-of-state or in-state generation prior to the start of retail competition. In general, remedying any such transmission constraints in the interstate bulk transmission system would typically involve federal jurisdiction.

7. *How have state siting regulations for new generation and transmission facilities been affected by the onset of retail competition? Has new generation siting kept pace with demand growth in the state? If not, why not? Is federal jurisdiction necessary for siting of electric power generation facilities? Has the state actively monitored and reported the relationship between in-state capacity and peak demand in the state? What incentives do suppliers have to maintain adequate reserve capacity? What are the ways to value capacity in competitive markets? Is reserve sharing still important in competitive markets? Do other institutions/market processes provide a reasonable substitute for reserve sharing?*

In New Jersey the EDECA rescinded the Certificate of Need requirement, which formerly applied to new generation facilities in excess of 100 MW. Other than local government approval and environmental permitting requirements, there had not been other state siting approvals required for either new generation or transmission in New Jersey, even prior to the EDECA. As discussed above, New Jersey is a PJM state, and, according to the PJM ISO, there is currently sufficient capacity to meet load projections for the current year. Suppliers serving New Jersey customers must satisfy PJM

installed capacity requirements, which include a reserve margin (currently near 19% for 2001). There have been discussions in working groups at PJM about eliminating the installed capacity requirement and replacing it with market-based mechanisms.

8. *Since the start of retail competition, what has been the rate of generation plant outages (scheduled and unscheduled)? To what extent has the state monitored these outages and examined their causes?*

The Ratepayer Advocate does not have access to the information requested in this question.

Other Issues

1. *What measures has the state taken to make customer demand responsive to changes in available supply? Has the state provided utilities incentives to make customers more price responsive? Has the state moved away from average cost pricing? What effect have these measures had on demand and on demand elasticity?*

The NJBPU has approved some load curtailment programs which allow large customers the ability to curtail usage in exchange for financial incentives. The question concerning "average cost pricing" is unclear. New Jersey has deregulated generation pricing. Distribution rates are currently frozen, until the end of a four-year transition period in August, 2003. The frozen distribution rates are, at least theoretically, based on unbundling of the utilities' embedded costs prior to retail competition.

2. *Has the state provided mechanisms and incentives for owners of co-generation capacity to offer power during peak demand periods? Has the state identified, reported, and facilitated development of pumped storage facilities or other approaches to arbitraging between peak and off-peak wholesale electricity prices?*

No.

3. *What issues have arisen under retail competition that have required cooperation or coordination with other states? What approach was taken to securing this cooperation or coordination? Are there other issues requiring cooperation that have not yet been addressed? Which of these issues are the most significant?*

Aside from the implementation of the PJM ISO, which required coordination among the PJM states, there has been little coordination between New Jersey and other states regarding retail competition issues. Recently, there have been a few regional meetings to discuss inter-state coordination of electronic data interchange (“EDI”) protocols (to allow the exchange of billing and metering data between utilities and suppliers to facilitate retail competition). More inter-state coordination of supplier licensing rules, enrollment rules, supplier fees, and related issues would likely facilitate retail competition by making the “rules of the road” similar in different jurisdictions, particularly where many of the same suppliers are active in several states. Inter-regional ISO/RTO coordination has also recently received more attention. Such coordination is necessary to reduce or eliminate “seams” issues that make it difficult to sell and transmit power across different ISOs/RTOs.

4. How prevalent is the use of distributed resources (e.g., distributed generation) within the state? What barriers do customers face to implementing distributed resources?

The Ratepayer Advocate is not privy to any detailed information about the prevalence of distributed resources within New Jersey. Apparently there is some level of distributed resources in the form of on-site back-up and supplemental generation facilities at certain large commercial and industrial customer sites. The barrier customers face to implementing distributed resources is that there is no provision under New Jersey law that would require distribution utilities to allow interconnection of distributed generation resources. Therefore, legislation is necessary to require and establish appropriate standards for interconnection of distributed generation facilities in New Jersey.

5. Which specific jurisdictional issues prevent state retail competition programs from being as successful as they might be?

Aside from the issues concerning the EDECA already discussed in responses to previous questions, the Ratepayer Advocate is not aware of any such state jurisdictional issues. On the federal level, it might be appropriate to expand the FERC’s jurisdiction to include clearer authority regarding participation in RTOs, enforcement of market rules, as well as a federal role in ensuring reliability.

6. Which specific technological developments are likely to substantially affect retail or wholesale competition in the electric power industry that may alter the manner in which states structure retail competition plans? Why? What time frame is associated with these developments?

Advances in metering technology, distributed generation technology (including, *inter alia*, fuel cells and microturbines), gas-fired turbines, renewable resource technologies, energy efficiency technology, to name but a few, could and likely will impact wholesale and retail competition in the electric industry

7. What are the lessons to be learned from the retail electricity competition efforts of other countries? Are there other formerly-regulated industries in the U.S. (e.g., natural gas) that allow customer choice and provide useful comparisons to retail electricity competition? If so, what are the relevant insights or lessons to be learned?

The Ratepayer Advocate has not conducted a comparison of New Jersey's retail competition efforts with those of other countries, or with other formerly-regulated industries in the United States.

NEW JERSEY ELECTRIC STATISTICS**March 26, 2001****Number of Customers/Accounts Being Served by Competitive Suppliers**

Distribution Company	Residential	Non-Residential	Report Date
Conectiv	18,346	3,826	3/09/01
GPU	4,135	5,033	3/22/01
PSE&G	31,250	19,333	3/06/01
RECO	2	12	3/12/01
Statewide Total	53,733	28,204	81,937

Number of Customers by Distribution Company

Distribution Company	Residential	Non-Residential	Total
Conectiv	437,981	61,463	499,444
GPU	882,936	109,597	992,533
PSE&G	1,729,280	231,477	1,960,757*
RECO	60,504	8,349	68,853
Statewide Total	3,110,701	410,886	3,521,587

*June billed customers

Amount of Load in MW Being Served by Competitive Suppliers

Distribution Company	Residential	Non-Residential	Report Date
Conectiv	47.2	171.5	3/09/01
GPU	14.2	266.1	3/22/01
PSE&G	67.6	675.0	3/06/01
RECO	0	2.3	3/12/01
Statewide Total	129.0	1,114.9	1,243.9

Amount of Total Load in MW by Distribution Company

Distribution Company	Residential	Non-Residential	Total
Conectiv	1,076	1,159	2,235
GPU	2,433	2,391	4,825
PSE&G	3,905	5,768	9,350
RECO	231	188	419
Statewide Total	7,645	9,506	17,151