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PUBLIC HEARING
before
SENATE ENERGY AND ENVIRONMENT COMMITTEE
on
WINTER RESIDENTIAL ENERGY AND UTILITY
PROBLEMS OF THE POOR AND AGED

Held:
December 15, 1982
Room 308
State House Annex
Trenton, New Jersey

New Jersey State Library

MEMBERS OF COMMITTEE PRESENT:

Daniel J. Dalton, Chairman

ALSO PRESENT:

Mark T. Connelly, Research Associate
Office of Legislative Services
Aide, Senate Energy and Environment Committee

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I N D E X

	<u>Page</u>
Sam Scozzaro Senior Citizens' Utility Task Force	2
Charles Bisciegli Assistant Vice President of Commercial Operations South Jersey Gas Company	11 & 1x
R. William Potter Department of Public Advocate	16
David Paul Department of Public Advocate	18
Frederick D. DiSanti Public Service Electric and Gas Company	20
James F. Dieterle Public Service Electric and Gas Company	20
Barbara Wanzer Camden County OEO	26
Charles Richman Department of Energy	27
Robert English SCOPE	30
John McDonnell Atlantic Electric Company	32
Paul C. Liepe Atlantic Electric Company	33
Caroll Allen Community Action Program	35
E. J. McCarthy Vice President Customer Services Jersey Central Power and Light Company	38 & 38x
Jihad Saleem Paterson Task Force Community Action Program	41
Theodore Holliday Director of Government Affairs Elizabethtown Gas Company	43

INDEX (continued)

	<u>Page</u>
Clarence Bauknight Manager of Customer Service Elizabethtown Gas Company	43
Steven Gabel Board of Public Utilities	44 & 68x
ALSO SUBMITTED:	
Statistical Reports from Various Utility Companies	69x

MJZ: 1-48

DANIEL J. DALTON (CHAIRMAN): We would like to get the hearing started. For those of you who are testifying today, we're shooting today for terminating this hearing somewhere between one and one-thirty.

For those of you who may have been lulled into a belief by our early December heat wave that the Legislature had, indeed, repealed winter this year, I can only express our regrets and ask you to participate today in what is sadly becoming an annual event, a convening of concerned government and utility officials to try to determine how to deal with the critical problems of utility shutoffs of those customers who are unable to pay their bills. While I noted that the problem is perennial, this year's version is more critical than ever before, for the sharp increases in the prices of natural gas and electricity this year are being compounded by increased unemployment and inflation proportionate, and Federal and State reductions in those safety net programs developed to cushion the fall.

I don't want to take time away from our witnesses to describe the problem in detail, for most of the people in the room have struggled with it only too often. However, I would like to take a few minutes to suggest some of the complexities that have to be dealt with, and some of the questions I would like our speakers to address.

Part of the problem is inherent in our nation's and State's present economic and energy crises. Today's subject is really the back end of the other problems this Committee has been dealing with for the past several months. Some of the energy assistance programs designed to help have not been adjusted to new economic realities. The amounts of subsidy they provide are no longer -- At the same time, the requirements for eligibility have been undermined by that same inflation. For example, eligibility for weatherization programs are based on income levels so low that families of four earning more than \$10,000 do not qualify. Ten thousand dollars income, of course, leaves little extra money for insulation and other conservation measures. Thus, the utility bills rise, and with them payment delinquency. Such a family is thus scissored between stabilized eligibility requirements and rising energy costs and inflation. The tenant who lives in an apartment whose utilities are paid by the landlord may find himself in another kind of "no win" situation. He may find his utilities turned off for the failure of his landlord, who doesn't live in the dwelling, to pay the bill. The homeowner who heats with oil may find his heating effectively cut off by the shutoff of his electricity which runs his furnace.

Since we are talking about basic needs, the responses of aggrieved individuals are understandably sometimes desperate, unsafe or illegal. Heating with ovens or other makeshift devices leads inevitably each year to scores of accidents and deaths, and does little to solve the problem.

I should note that last year, a constituent of mine was killed that way, because of a gas stove that was open all night, with a subsequent explosion and fire. The same can be said for those who try to jimmy their furnaces or stoves to get them to work in ways which they were not intended to work, in order to circumvent an electrical shutoff. These kinds of problems and responses suggest some of the complexities of the issue, and I would hope that those here to speak might address them. I know the Board of Public Utilities has to deal with this each year, and I would like them to explain today the details and rationale of their order. I would like others to comment on this order, and on my legislation imposing a moratorium on shutoffs of residents. I would also like representatives of the utilities to explain

how they are dealing with the problem and what criteria or procedures they have adopted and, of course, what their own problems are, whether they have to do with their own fuel supply contracts or with customers who exploit measures to provide relief to the truly needy.

What I would like to hear are proposals for permanently solving, not just managing the problem, so that we do not have to reassemble again next year with another rash of bills and orders. I would like as the first witness to call up Mr. Sam Scozzaro from the Senior Citizens' Utility Task Force. Is Sam here?

S A M S C O Z Z A R O: Good morning, Senator.

SENATOR DALTON: Good morning, Sam.

MR. SCOZZARO: Before I begin, I want to preface my remarks with the following statement so you can get a picture of what we were really up against when we began this whole program. The New Jersey Federation of Senior Citizens spearheaded the battle for no winter shutoff, in collaboration with other citizens' groups statewide. We were able to convince the Board of Public Utilities of the rightness of our cause. With that and the PURPA Act, which had just come into being, the Board came up with a comprehensive policy that had to be worked out. Thanks to the understanding and perseverance of Tony Zarillo, Ed Beslow and Ken Papsun, all members of the Board staff, we came up with a workable plan for a No Winter Shutoff Program. It is not perfect, but it has been a help in relieving some of the pain and suffering for the poor souls who could not help themselves.

The utilities' representatives were another story. They accused us of being deadbeats and senior citizen owners of stocks and bonds who, rather than pay their utility bills, keep their money in banks to accumulate extra interest, which, of course, was a pure myth.

Now, with that out of the way, I would like to move on into the actual testimony that I have gotten together here. It will be necessary for me to refer to the actions of the then President of the Board of Public Utilities, Commissioner George H. Barbour, in the history of events leading up to the present no shutoff program in force at the present time from December 1, 1982 to March 15, 1983 in the State of New Jersey. My reference to him is not to be interpreted as criticism of his actions. Since he was President, as such he spoke for the Board; therefore, my remarks should be interpreted as criticism of the Board, since it was their policy he was carrying out.

Early in the 1970s, when gas and electric started to soar upward, the New Jersey Federation of Senior Citizens began to receive numerous complaints from its members who were on a low fixed income and were concerned because of their inability to meet their high utility bills, maintain their homes, their health, and feed themselves. They also complained of the harsh, abusive and sometimes cold-blooded brutal treatment they had received from local utility management. At the national level since 1972, there was concern because of the escalation of energy prices that exceeded the rise in the Consumer Price Index. Seniors living on \$200 or \$300 per month and paying rent were existing without even the essentials of a decent life style, without adequate help for fuel, and the high cost of prescription drugs left little for food. Such was the scenario we were faced with at the time. As a result of the growing complaints in New Jersey, not only from senior citizens, but from low and middle-income residential consumers as well, through the efforts of the New Jersey Federation the Residential Lifeline Bill A-1830 was born.

Assemblyman Pellecchia, together with twenty-five sponsors, introduced Bill A-1830 in the Assembly on April 5, 1976. It provided for the Public Utility Commission to designate a lifeline quantity of gas and electricity to supply the minimum energy needs of the average residential user for use of space and water heating, lighting, cooking and food refrigeration at the lowest possible cost. The bill was passed and signed by Governor Byrne. The Public Utility Commission returned the bill to the Legislature, together with a staff report that they could not come up with a plan to make the law workable. A new bill, A-3601, was introduced in the Assembly which provided for the repeal of Chapter 440 of the Laws of 1977, and provided a fixed-dollar energy credit to eligible senior citizens and the disabled. The difference between A-1830 and A-3601 was that funding would be provided exclusively from casino tax revenues instead of the restructuring of rates, and was limited to eligible senior citizens and the handicapped who met a means test, and excluded all other residential users.

As conditions worsened, the Federation together with other interested citizen groups, requested and was granted an opportunity to meet with George H. Barbour, Chairman of the Board of the Public Utility Commission. At that meeting, we requested of the Commissioner that, in view of the harsh winter that had been predicted and which we already had had a taste of from October to December, 1978, that he declare a moratorium on winter shutoffs for the remainder of the winter months. His response was that the Commission did not have the authority to implement a moratorium. Before meeting with Commissioner Barbour, we had been authoritatively advised by former Commissioner Joel Jacobson, at the Citizen/Labor Energy Coalition Convention, held in the Cherry Hill Inn, Cherry Hill, New Jersey, that Commissioner Barbour had the authority to declare a moratorium in view of the hardship on the termination of gas and electric service, and we advised the Commissioner that we had been so informed. His reply was that he was not too sure about that. We then asked Commissioner Barbour that, since he felt he did not have authority to declare a moratorium, we knew that the Governor had the authority in a hardship situation, and would he call the Governor and ask him to impose a moratorium on the termination of gas and electric service for the remainder of the winter months? He promised he would do that for us. When Rohn Hines, Executive Director of the Federation, called Commissioner Barbour the following week to ask if he had called the Governor, he reportedly replied that he had not, and that he had no intention of calling him. The Federation responded with a stiff letter to him. Shortly after that, late in January, 1979, a moratorium was declared for February and March, with an agreement with the utilities that it was not to be publicized. The Federation was not notified by the Public Utility Commission that a moratorium had been declared. We learned of the decision indirectly from the Governor's staff person when we made a request for a meeting with the Governor.

With the passage of the Federal Public Utility Regulatory Act of 1978, P.L. 95-647, which set up standards for the termination of service which were basically: (1) reasonable prior notice and opportunity to dispute; (2) no termination during periods when health may be impaired; (3) unable to pay for such service; and, (4) reasonable protection for the elderly and the handicapped consumer, the Board, pursuant to N.J.S.A. 48:2-13, 48:2-14 and 48:2-25, initiated Docket No. 792-88, to review its rules regarding discontinuance of residential electric and gas service. This was initiated pursuant to the Board's perceived obligation under the

PURPA Act. The docket was assigned to the Administrative Law Judge, Diane Sukovitch. Up until this time, the practice of the Board was to send out letters to the utilities requesting that they exercise compassion and restraint in the use of the shutoff as a tool to collect utility bills. Needless to say, the record shows, according to the reports the utilities are required to file with the Board monthly, that the request was largely ignored by the utilities.

As for the Administrative Law Judge, she did hold public hearings where interested parties such as the Federation, the Community Action Program Association, and county and State departments on aging, all of whom had an extensive background of experience and daily contacts with seniors, the needy and the handicapped, were permitted to make presentations before the Administrative Law Judge. What those hearings amounted to was window dressing. The real case was decided by attorneys for the utilities in hearings held in Newark, since the Administrative Law Judge and the attorneys had decided that it was to be a litigated case, which in effect meant that residential consumers' groups were excluded unless they had an attorney. The Federation did have an attorney to represent them who was a senior citizen who donated his services. However, he could not cope with his assignment and the expert testimony of the utilities. By comparison, when Senator Harrison Williams was involved in the passage of the nation's Home Energy Assistance Program in Washington, he requested the County Department on Aging to produce evidence, tape record it, and get it to him as soon as possible so that he could present it before the Senate Investigating Committee. We had no problem getting over a dozen seniors and handicapped persons from the Princeton area, transporting them to Trenton, and recording their testimony. We could not do that before the State Administrative Law Judge, because it required representation of a competent attorney who knew his way around. Needless to say, residential consumers, particularly seniors and handicapped, do not have that kind of money. Also, how do you get crippled seniors from South Jersey up to Newark to testify? Their condition does not permit a trip of this sort, as it would be detrimental to their well-being.

The Administrative Law Judge, on March 19, 1980, did make her initial decision which was submitted to the Board. Included therein was the finding of the Administrative Law Judge that the informal moratorium on winter terminations requested of the electric and gas utilities by the Board beginning with the 1977-1978 heating season, along with the informal practice of the utilities themselves, had greatly reduced the number of winter service terminations for nonpayment. This, coupled with the costs that have to be borne by the utilities, in reality borne by other consumers, resulted in the Administrative Law Judge's recommendation against a regulation that would specifically prohibit the termination of electric and gas service during the winter months.

In her decision and recommendation, the Administrative Law Judge is mouthing the utilities' line, which was in contradiction of evidence in the hands of interested parties with a background of experience and daily contacts with the seniors, the needy and the handicapped. We were not permitted to enter into the segment of the case where the decisions were to be made for reasons explained earlier in this presentation. The Administrative Law Judge received one side of the story -- the utilities.

The Board, however, in its Order dated June 19, 1980, determined that additional information was required in order that it could balance the merits of a

prohibition of service termination during the winter months against the adverse economic impact upon the utilities. The Board stated therein:

"The Board agrees with the Administrative Law Judge that its present regulations provide much relief to those residential customers who are burdened with a medical emergency or who are elderly or handicapped, and that the Board's informal moratorium, together with formal policies of the utilities, played a positive role in decreasing discontinuance of service during the winter season. Despite the above, however, it is equally apparent that the absence or potential absence of gas and electric service during the heating season continues to be a major problem to the health of many citizens of the State and, therefore, is a major concern of this Board.

"This concern, coupled with our concern with regard to the potential economic impact on the utilities of a complete winter termination, has led the Board to the conclusion that avenues must be investigated in an attempt to arrive at the most reasonable solution.

"To accomplish this, we are of the opinion that the record in this proceeding must be supplemented. Therefore, it is our determination that the question of the total ban on winter termination be made part of the Phase II proceeding to be conducted by the Board and participated in by all parties of record."

As a result, conferences were initiated and all parties of record were invited to attend. As usual, the utility representatives did not want a formal prohibition of winter terminations because it would interfere with their cash flow and inhibit them from collecting utility bills. Board staff took the position that they had a mandate from the Board to come up with a workable solution to an admittedly difficult problem that we all were faced with and insisted that the group come up with a workable solution to the problem. The Federation took the position that the utilities had an inherent social responsibility due to franchise granted by government for the promotion of the public good; that the Federation subscribed to pronouncements of experts in the field, one, Chairperson Cicchetti, of the Public Service Commission of Wisconsin, who said, "It is immoral to threaten using the potential loss of life (a penalty far more severe than the eighteenth century's cruel and inhuman punishment of debtor's prison) as a utility bill collection device;" and, that what had to be decided was what the priority was going to be, the preservation of life and health of people, or the preservation of the cash flow of the utilities.

The conferences produced a stipulation which was entered into and signed by the affected utilities staff of the Board of Public Utilities, and the Department of the Public Advocate, Division of Rate Counsel. The Federation did not sign the stipulation because it did not include an all-inclusive ban on winter termination for senior citizens, the needy and the handicapped.

The terms of the stipulation provided that no regulated electric or gas utility would discontinue service during the period from December 1 through March 15, for residential customers who demonstrated at the time of the intended termination that they were:

1. Recipients of the Lifeline Credit Program;
2. Recipients of benefits under the Federal Home Energy Assistance Program (HEAP), or certified as eligible therefore under standards set by the New Jersey Department of Human Services;
3. Recipients of Federal Aid to Families with Dependent Children (AFDC);
4. Recipients of Supplemental Security Income (SSI);
5. Members of the Pharmaceutical Assistance to the Aged Program (PAA);
6. Recipients of General Welfare Assistance benefits; or
7. Unable to pay their utility bills because of circumstances beyond their control.

Category No. 7 was included, unbeknown at the time by the Federation, as a concession to the Federation in response to its request for an all-inclusive no winter shutoff.

Highlights of the stipulation are:

A deferred payment agreement that utilities may request of their residential customers no more than 25% of the balance of a total bill outstanding at the time that the repayment agreement is made or executed.

Customers already determined to be in one of the seven categories of eligibility who are contacted on an accumulated delinquent balance would remain qualified for the moratorium, provided that they agreed to make good faith payment, if they had the financial ability to do so.

The payment should represent a good faith effort to meet the outstanding amount and, if possible, be equivalent to a budget amount, although a lesser amount could be accepted.

That there was insufficient evidence before the Board upon which to dispose of the issue left unresolved in the Board's previous order.

The unresolved issue was: as to the status to be given a customer whose service has not been terminated during the period of December 1 through March 15 of any year pursuant to the terms of the stipulation, and whose account was still unpaid, in whole or in part on next December 1. The question to be answered was, on or after the preceding March 16, the customer's service was terminated, must service be restored on December 1?

That the docket should remain open in order that the Board may dispose of the unresolved issue, monitor and evaluate the winter program, and modify it if necessary.

Prior to the following year's heating season, 1981-1982, another stipulation was entered into and signed by all parties, including the Federation. Without

going into detail, suffice to say that the stipulation was essentially the same as the previous one with the unresolved issue of what to do with customers who had not been terminated from December 1 through March 15, come December 1, should their service be restored? The question still remains unanswered due to insufficient data on their financial posture. The Board again left the docket open and gave direction on data it required to resolve the unanswered issue.

For the heating season 1982-1983, the Board assigned an order and decision adopting a modified version of the hearing examiner's findings which contain very little change from the 1981-1982 order.

On the whole, I consider the Board's order and decision a good one, and commend the staff and the Board for the diligence with which they have pursued the termination issue. I take one exception, however. It is admitted by the utilities, and the Board's staff concurs, that senior citizens are the best paying customers and that they have no problem with them. Therefore, why require senior citizens to go on a budget plan when they are already meeting their obligations? Placing the senior citizen on a budget plan is to punish him/her for the sins of others. With the few days left for living out the remainder of their lives, the right to use their money as they see fit should not be taken away from them. They should be permitted to make their decision whether to go on a budget or not the same as any other good paying customer.

In going over the October, 1982 reports from the New Jersey gas and electric companies on discontinuance of service, some interesting information emerges, even though some utilities do not supply the necessary information the Board requires. It is safe to say that shutoff and termination notices have been increasing since 1979, and are still increasing. A contributing factor in shutoff incidence is the skyrocketing rate increases, raw material and adjustment charges, the net effect of which is the pricing of consumers out of the market. Following is the information I have assembled from utility discontinuance of service reports which may be understated due to the unavailability of information from some utility reports:

TERMINATIONS	FROM	1979-81	1981-82
Atlantic City Electric Co.	Increase	87% and	Increasing
Elizabethtown Gas Co.	Increase	155% and	Increasing
Jersey Central Power & Light	Decrease	33% but	Increasing
N.J. Natural Gas Co.	Increase	21% and	Increasing
Public Service Electric & Gas	- Not available due to incomplete reports.		
Rockland Electric Co.	Decrease .0079%	No appreciable change.	
South Jersey Gas Co.	No appreciable change.	No appreciable change.	
TERMINATION NOTICES SENT OUT	FROM	1979-81	1981-82
Atlantic City Electric Co.	Increase	33% and	Increasing
Elizabethtown Gas Co.	Decrease	3.83% but	Increasing
Jersey Central Power & Light	Decrease	32% but	Increasing
N.J. Natural Gas Co.	Increase	15.5% and	Increasing
Public Service Electric & Gas	- Not available.		
Rockland Electric Co.	Decrease	26% No appre.	change.
South Jersey Gas Co.	Decrease	29.6% but	Increasing

It can be readily seen that we are facing a serious problem that is not getting any better.

There is evidence all around us that we all face a bleak future. Commercial competitive enterprise is trying to cope with the immediate economic problems we face by offering inducements in the form of rebates and discounts on posted prices. There is evidence that the utilities, with their captive consumers, are enjoying the highest rate of return in their history, not all due to inflation. They choose to raise rates rather than take a look at their efficiency and over-staffed management. There is evidence before this Committee that at least one utility is interested in maintaining their utility market rating and their cash flow in order that dividends may be provided for the utility's stockholders, who apparently accept their utility management regardless of management failures. There is evidence that legislators nationally and locally have become increasingly concerned with the plight of their constituents regarding the ever-increasing cost of energy.

In summary, it is going to take more than the Federal and State governments to deal with the energy crisis we face. It is going to have to include the cooperative effort of the utilities, the regulators, the legislators, and the churches. If the utilities refuse to cooperate, then it will be up to the Board and the Legislature to take corrective action.

Now, since then I came across a New York Times report on Sunday, and they stress that there will be 300,000 involuntary gas disconnections this heating season, against 260,000 last year, this according to a survey of state Public Utility Commissioners and utilities of the Citizens' Labor and Energy Coalition, a nonprofit group. I want to point out that I am not sure that this statistic represents the State of New Jersey, because my figures do not agree with that. While it is up, it is not that high for the State of New Jersey. On the other hand, they go on further to say that there are going to be a lot more people doubling up. There are going to be more people using their ovens. If this is a cold winter, there are going to be a great number of people in a great deal of trouble.

Further down, Trenton apparently had something to say about it: "As for urban homeowners, the City of Trenton, New Jersey, recently provided a typical report on their plight to the United States Conference of Mayors." The report found a rising number of people in Trenton who could not afford weekly heating costs of \$100 to \$225 in the city's aging uninsulated housing stock, yet who earned too much to qualify for Federal home heating programs. Therefore, many families, particularly those facing unemployment, cannot afford heating. The Trenton report said, "There have been recent incidents of fires in homes where the families are living without heat or electric service and are using candles or kerosene heaters." They go on further here and say, "The Ohio Public Utilities Commission, early this month, ordered a moratorium on utility shutoffs until April 1, and declared that any of the 25,000 homes currently without gas or electricity could be reconnected if the residents paid \$200 toward their overdue bill."

Now, Detroit Edison is going a little bit further than our New Jersey utility. Our New Jersey utility has established a limiting device, and that limiting device limits the people in the seven categories to ten amps of service on 120 volts. I have the record here right from the Department of Energy, Board of Public Utilities, and this is what they describe: "The service limiter is used for the purpose of taking responsible collection action against past due accounts of customers protected from service discontinuance. Test Location: the service limiter adapter test will be limited to the areas served by the Paterson Customer Service District Office and the Metropolitan Division of Electric Transmission and Distribution. The affected

municipalities are listed in Exhibit 2. The service limiter adapter test will commence on and after January 4, 1982, and will terminate at the conclusion of the 1981 winter moratorium. The Board will be notified of the effective start date."

Now, the selected customers were protected from service discontinuance by qualifying for one or more of the seven winter moratorium categories. Why did they select them? We fought so hard to get protection for these people, and the utility representatives went along with us, and the Board of Public Utilities went along and put in this device at their recommendation. This device, by the way, had its origination in France. They use that to sell their electricity. In other words, when you buy electricity in France, you don't buy kilowatt hours -- that is, you don't buy day-to-day kilowatt hours. You have a contract, and that contract specifies that you are going to use so much electricity. The idea there in France was to do away with peak loads, where the problem really occurs, so somebody in Canada got the bright idea of coming up with this device, and used this device in Canada to limit the electricity to those people who didn't pay.

Now, the State of New Jersey comes along and takes this and uses this device in the State of New Jersey. Our contention was it was cruel and inhuman punishment to shut off electricity for the poor and the needy. I feel, and the Federation feels, that the use of this device is a harassment, and it should be done away with. If they want to do anything, I think what they should do, as has been recommended -- and I think they are looking in that direction -- is to turn these people off who can't afford to pay two local charities, and see what can be done about it through that area. I spoke once before on that when it came to my attention that on Greenwood Avenue, right here in the City of Trenton, which is only a few blocks from where I live, one woman lost her life. She lost her life due to winter shutoff; the winter shutoff occurred the previous winter, but she never bothered to get her electricity turned back on. This woman had plenty of money; she had enough money to pay for that, for her bills. However, she wasn't getting along with her family. She was brought into court a number of times, and the court didn't pick up that this was a mental case which should have been turned over to a psychiatrist or a psychologist.

The rule was at the time that when you shut off someone, the utility was supposed to notify the health department of the municipality. I checked with Hamilton Township to find out whether that had happened, and there was no record of the utility having contacted that health department. It so happened that Franny McManimon, who works there, was there and he spoke to me over the telephone. He said, "Look, I don't go along with you, because this woman had plenty of money to pay." I said, "Wait a minute, Franny. It's true she had plenty of money to pay, but this woman was a mental case, and somebody should have been on the ball and turned this case over to the proper authorities." Well, he agreed with me, but that didn't bring the life back.

At the initial hearing here on the Board of Public Utilities, I think I pointed out that while I was in the hospital my doctor told me about two women who were brought into the hospital, one, eighty-two years old, both legs frozen; the doctor had to cut her legs off, and she died the next day. Now, as I pointed out, you can't document these kinds of cases; it is difficult. You can't get a doctor to come up to testify that this is what happened. After all, he has to practice. But that, nonetheless, takes away from the truth of what happened. That doctor had

no interest in telling me this, if there wasn't some basis of fact. So, I could go on and talk more on the situation in Trenton, where an article appeared with reference to a church taking in a lot of our people who cannot afford to even eat, let alone pay for electricity, and the situation is getting worse. But, I think I will stop right here because other people want to speak besides me. Now, if you have any questions --

SENATOR DALTON: Yes, Sam. I wasn't aware of the Paterson situation, the illustration. Do you want to run that by me again? What is happening there? I think you indicated that the utility up there is limiting the use of electricity, I would suppose in certain homes where people are in arrears.

MR. SCOZZARO: That's right, that is correct.

SENATOR DALTON: What are the parameters they are using? You said something about ten amps.

MR. SCOZZARO: Ten amps, 120 volts. That gives them enough to run an electric light, their refrigeration, and their motor to run the heating system. Now, if the party wants to iron a shirt or use a toaster, it will kick off. In the case of this eighty-two year old woman, I don't think she had a limiting device on there. But, anyway, in the case of this eighty-two year old woman who was unable to get around to go over and kick off -- to set that back up again, she just wouldn't be able to cope with that. There could be deaths, as occurred in this particular case, you see. By the way, I have copies of all that I have said here for Mark, and that is in there too. You can check it.

SENATOR DALTON: Let's go back to the recently announced Board policy, Sam. The one concern that you outlined with that policy is with regard to seniors who traditionally are, as you indicated, fairly good paying customers. You indicated that if, in fact, a senior -- and correct me if I'm wrong -- is in arrears, he may be required via this policy to be put on a budget plan. You find a problem with that, so why don't you tell me a little bit about that? I don't think I fully understand what you were getting at.

MR. SCOZZARO: Well, to begin with, if that senior citizen is in trouble and he can't pay his bills because he is on a fixed income, how do you expect to put him on a budget which will be far greater than he is able to pay? You see? Rather, if he is granted the moratorium and he is able to pay it when he doesn't have the high bills of buying medications, particularly in the wintertime, winter clothing, and that sort of thing, he will be better able to cope with that situation. By the way, when I was with the State of New Jersey, that was one of the things that -- when I was in charge of all the clothing up there in North Jersey as instructor, I would spend the biggest part of the budget during the winter months for the inmates, because that is when all the clothing is needed. In the summertime, all I needed for the men was a pair of shoes, a pair of pants and a shirt, and that was it. Now, that holds true in the general population.

SENATOR DALTON: If, in fact, you didn't put them on a budget plan, as you are suggesting, I would imagine that some would say that that is, in fact, encouraging people not to pay.

MR. SCOZZARO: I don't believe that they should be put on a budget plan, and I don't believe they should be granted a total moratorium. I believe they should come up with a program where there will be a good faith payment, as is described, and, if they made a good faith payment, that would indicate that at least good faith was

there and that they would pay their bills eventually.

SENATOR DALTON: And your concern is that with this requirement what will happen is that there will be sort of -- there will be owners' budget payment plans put in force?

MR. SCOZZARO: Yes, but you see, we're talking about the party who can't pay. What about the party who can pay who happens to be in that category, and who has been paying? Why deny him the right, or her the right to use the money as he/she sees fit?

SENATOR DALTON: I thought we were talking about people in arrears.

MR. SCOZZARO: We are -- in one form we are talking about people in arrears; but, we are also talking about people who are on this program --

SENATOR DALTON: Okay.

MR. SCOZZARO: -- but are able, or had been able and have not gotten into arrears.

SENATOR DALTON: Okay.

MR. SCOZZARO: That is the differentiation there.

SENATOR DALTON: Thank you very much, Sam.

MR. SCOZZARO: You're welcome.

SENATOR DALTON: Next, we would like to hear from Mr. Charles Bisciegia from the South Jersey Gas Company.

C H A R L E S B I S C I E G L I A: Good morning. Myname is Charles Bisciegia, and I am employed by South Jersey Gas Company as Assistant Vice President of Commercial Operations. In this position, I am responsible for the planning and directing of all general office and field staff functions with regard to commercial activities of the company, including the Customer Information Center and all meter reading and collection activities. I am here today to present testimony on behalf of South Jersey Gas Company with regard to Senate Bill 1928, an act concerning the termination of residential gas or electric utility service.

As I am sure you are aware, the Board of Public Utilities has issued a decision and order dated December 2, 1982 concerning the termination of gas or electric utility service to those residential customers who demonstrate an inability to satisfy their utility bills.

In essence, the decision and order established the following formal policy:

1. All residential customers receiving benefits under the Lifeline Credit Program, Home Energy Assistance Program (HEAP), Aid to Families with Dependent Children (AFDC), Supplemental Security Income (SSI), Pharmaceutical Assistance to the Aged (PAA), or General Welfare Assistance, or who are unable to pay their utility bills because of circumstances beyond their control, will not have their utility service discontinued for nonpayment during the period from December 1 through March 15.
2. Those customers who were disconnected for nonpayment after the end of the 1981-82 winter program and have not been reconnected as of December 1, 1982, should be required to make a down payment of up to 25% of the balance owed at the time of discontinuance as a condition precedent to the

receipt of utility service during this present heating season.

3. All customers seeking protection of the winter program be required to enroll in a budget payment plan.
4. All protected customers be required to make good faith payments during the heating season, if they have the ability to do so. Said payments should be equal to the budget amount, although a lesser amount can be accepted. No security deposit should be required during the moratorium period. Any customer who has the ability to make a good faith payment, but who refuses to do so, may be referred to the Board for determination.
5. All customers receiving benefits under the Home Energy Assistance Program are required to transfer these payments to the customer's major heat supplier. Such payments shall be considered sufficient to satisfy the requirement for good faith payments.
6. Utilities are required to increase their contacts with social service agencies with regard to the winter termination program. Utilities are also required to submit for Board approval, information sheets which will be made available to their customers setting forth the terms and conditions of the winter program.
7. If winter climate conditions persist longer than March 15, the Board reserves the right to extend the moratorium contingent upon the then known weather conditions.

Prior to this decision and order, numerous conferences were held during early 1982. Participants in these meetings included representatives of the utilities, Rate Counsel, Board staff, the Attorney General and a senior citizens' organization. Subsequent to these conferences, a hearing schedule was established by Board staff. Pursuant to this schedule, prefiled testimony was submitted by the utilities in early June. Cross-examination of the utility witnesses was held on June 25, 1982, before Examiner Edward D. Beslow, at which time all prefiled testimony was accepted into evidence.

For the utilities as a whole, the record established during this hearing reflects a pattern of increases in the number of annual residential delinquent accounts and the level of residential net write-offs to revenues. A significant portion of these increases has occurred since the inception of a formal winter program. In addition, the record also reflects that many customers have used the winter program as a means to avoid making any payments during the winter months.

In the case of South Jersey, everything within reason has been done to identify low-income customers who fall into one of the seven protected categories. With the exception of Lifeline customers, this identification was done primarily by field contact by the Collection Department. It is the policy of South Jersey that personal contact must be made before termination of any residential service during the period from December 1 through March 15. While South Jersey Gas Company has

identified 8,764 customers, it is believed that this number is considerably understated due to the large number of "no contacts" made on field visits.

If I could just briefly get away from this testimony to explain a little bit, and maybe answer some of Mr. Scozzaro's remarks, we had had various meetings with the Department of Human Services in order to try to work out some method to identify to the utilities which customers were receiving payments under the protected category. Because of a number of reasons with confidentiality of this information, we were unable to come up with a procedure that, I guess, would be compliant to the laws that are in existence with confidentiality. We even met, the utilities and the Board staff, with the Eagleton Institute to try to see if we could come up with some study that they would perform to help the utilities identify which customers may be protected. Because the information they needed would identify these recipients again, we had to drop those efforts. Mr. Scozzaro's remarks about the utilities not coming forth with any of the information that was requested by the Board is erroneous. Each utility that testified during the hearings in June presented figures and facts that were available to them, and every effort was made on their behalf to try to secure these facts. Unfortunately, there is just some identification that if a customer would not come forth with, the utility just could not identify that customer.

Of the 8,764 customers identified by South Jersey Gas Company, almost 18% paid nothing on their utility bills for the period December 1, 1981 to April 20, 1982. In addition, approximately 35% paid less than half the amount which they were billed. At this point I must bring up that the majority of those people who paid nothing fell in categories where they were receiving some aid through one of the programs. It must be pointed out that the Lifeline and HEAP categories, where substantial payments were made directly to the utility or in the form of dual-party checks, were responsible for over 88% of all payments received. These direct and dual-party payments do not, of course, represent discretionary payments by those protected customers.

If utilities were prohibited from discontinuing service for nonpayment by low-income customers without concern for good faith payments, we would surely see a dramatic increase in the number of customers who would pay nothing during the winter season. The end result would be the creation of unmanageable balances ending up in termination of service after the winter season and subsequent write-offs. As of November 30, 1982, South Jersey has written off \$93,000 of protected customers' unpaid balances with an additional \$84,700 subject to write-off in the coming months.

Out of the \$93,000 that we wrote off, \$84,000 represented customers in two categories: HEAP, those who were definitely receiving payments from the government, and those under AFDC, some of whom were receiving subsequent payments for energy, and some of whom we may not have known about. I think it is quite clear that the senior citizens are not a problem to the South Jersey Gas Company, nor have we ever on the record at the hearings indicated any adjectives that Sam used to describe the senior citizens. We regard them as good customers of ours, and we regard them as being paying customers of ours. I just want to go on record to indicate that South Jersey Gas Company has no problem with senior citizens.

We must keep in mind that the main purpose of a winter program is to assure utility service during the winter months to certain financially disadvantaged customers, with the expectation that they would pay for this service prior to the next winter heating season. In essence, it is a program that the utilities have

willingly participated in for the benefit of a predetermined category of customers during the winter heating season. It was never intended to be used by customers as a method of avoiding ultimate payment of utility bills. A utility cannot be expected to furnish service absent a reasonable expectation that it will be paid for. To provide otherwise would result in an injustice to both the utility and its paying customers.

While South Jersey has demonstrated it is sympathetic to the concern regarding the need for utility service during the winter heating season, such need is not different from the need of customers for food, clothing or shelter, and the difficulties many of them have in paying for such necessities. However, as with these necessities, the burden must be placed with society as a whole, and not with the utility industry. Other industries do not provide services or products to those customers who cannot afford to pay for them. The answer to this problem lies in social legislation rather than as the responsibility of all utilities to serve customers who do not or will not pay for utility service.

In conclusion, it is our opinion that the Board's recent decision and order best deals with the concern to protect low-income customers, as well as the potential economic impact a complete prohibition on winter termination without provisions for payments would have on utilities and their customers. All utilities in this State have, in the past, been able to work in a cooperative effort with the Board to assure all reasonable protection for low-income customers. It has been the experience of South Jersey that this cooperative effort has worked well with little or no problems and we can see a continuation of that effort with the present decision and order. It is our opinion that the Board has provided the public with every reasonable option to avoid termination of service for nonpayment, while not prohibiting the utility from its right to terminate service when all other options fail.

In addition to the present decision and order, current regulations provide for third-party notification, telephone notification prior to termination of service for those customers sixty-five years of age or older, notice to tenants when a landlord-tenant relationship exists and service is to be terminated, notice of discontinuance to include certain information to aid the customer in finding a remedy to prevent termination of service, medical emergency provisions, deferred payment arrangements and prohibition of weekend and holiday termination of service. An act to prohibit the discontinuance of residential gas or electric service during the winter months to certain low-income customers without concern for the provisions to provide good faith payments as outlined by the Board cannot be supported by South Jersey. This act would only create a subclass of customers, including many who would not be within the Board's definitions and who otherwise have the ability to pay, who would be receiving free utility service while increasing operating costs, delinquencies and write-offs. This would not be in the best interest of our customers or the public. South Jersey Gas Company endeavors to provide its service in a fashion that ensures fairness. A moratorium that encourages customers not to pay what they otherwise would, would not be fair for anyone. Thank you.

SENATOR DALTON: Thank you. I have some questions, if I may. You indicated that prior to shutting off, that you will attempt to reach the customer via phone. Is that correct?

MR. BISCIEGLIA: No. If we go out to make an effort to terminate service, we must have face-to-face contact during the months of December 1 to March 15.

If we make four trips to a property where the customer is not paying us and we have not made face-to-face contact, that service will not be discontinued.

SENATOR DALTON: If, in fact, the face-to-face contact uncovers the fact that the person may be disabled in a certain way, what is your usual treatment of that type of situation?

MR. BISCIEGLIA: Well, I guess the first thing is we try to determine whether or not the customer is eligible to receive any benefits under the existing programs. If the customer is receiving benefits under one of the programs, they are automatically protected. If they are not receiving benefits, and we feel they should, we would direct them to that agency that we feel could help them. If it is a customer who does not fit into any of those categories and who cannot receive help, we deal with them on the process of our deferred arrangements. We would sit with them and come up with what we would feel would be a reasonable agreement with a down payment, and a reasonable deferred payment, if they have the ability to make payments. If the customer does have the ability to make payments and refuses to do so, then they are subject to termination of service.

SENATOR DALTON: How far behind in payment does a customer have to get before you actually terminate?

MR. BISCIEGLIA: In our case, if we presented you with a utility bill today that was for thirty days' worth of prior service, we would not tell you you were delinquent until thirty days after the date you received the bill. Thirty days after the date you received the bill, if you did not pay it, you would have a notice on there telling you to contact our office for arrangements if you are having difficulties in paying your bill. It would contain, as well, a statement of the customer's rights. The customer has another seventeen days to call us prior to us making that field visit. So, you have thirty days' worth of service, thirty days' worth of notification, and another seventeen days before we go out there. So, you're talking about approximately seventy-five to seventy-seven days.

SENATOR DALTON: Okay. Do you treat commercial and industrial classes of customers the same way?

MR. BISCIEGLIA: No.

SENATOR DALTON: How do you treat them if they are in arrears?

MR. BISCIEGLIA: We treat them in the same way as far as notification is concerned. However, of course, there is no protection for those people as far as falling into certain categories. So, at the time we go out to make a field visit there, the collector makes a determination that we have a fair arrangement to get payment or he discontinues service.

SENATOR DALTON: You indicated that you had to write off approximately eighty-some thousand dollars --

MR. BISCIEGLIA: Yes.

SENATOR DALTON: -- for nonpayment.

MR. BISCIEGLIA: Yes.

SENATOR DALTON: I'm sorry; go ahead.

MR. BISCIEGLIA: That is only of the 8,700 people we identified to fall within the protective categories.

SENATOR DALTON: Is that residential customers alone?

MR. BISCIEGLIA: Yes, sir.

SENATOR DALTON: What is that figure with regard to commercial and industrial customers?

MR. BISCIEGLIA: I can tell you this, that we will end up with approximately \$200,000 written off for protected customers. Our total write-off, and this would represent only 229 customers -- our total write-offs would be \$750,000 for the year, and we are talking about thousands of customers. Two hundred and twenty-nine of protected will account for \$200,000 of the \$750,000. Our experience has been that commercial and industrial write-off is approximately between 4% and 5% of the total gross write-off -- very insignificant.

SENATOR DALTON: How much again?

MR. BISCIEGLIA: Between 4% and 5% of the \$750,000.

SENATOR DALTON: Four and five percent of the \$750,000?

MR. BISCIEGLIA: Yes, very insignificant. We have provided one of your aides, I think it's Debbie Borie, with a copy of our testimony that was submitted during the Commission's hearing. In there are a lot of statistics that may help answer some of your questions.

SENATOR DALTON: How many people in your company do the actual monitoring relative to your shutoff -- or implement your shutoff policy?

MR. BISCIEGLIA: Approximately six management-type individuals have the responsibility to oversee the policy, both at the general office level and at the divisional level.

SENATOR DALTON: Do you use any, I guess, devices that would establish parameters for use of energy within one's home, a la the Paterson type of situation that was described by Sam?

MR. BISCIEGLIA: No, I don't believe you will have any gas utilities that are using -- it's a device to limit electric service.

SENATOR DALTON: I have no further questions.

MR. BISCIEGLIA: May I make one more comment?

SENATOR DALTON: Sure.

MR. BISCIEGLIA: I am trying to recall exactly what -- On the budget plan, Sam was addressing the requirement to put the senior citizen people on the equal payment plan, or the budget plan. I think you have to keep in mind, that if the senior citizen is not having any difficulty in paying his bills, there is no obligation whatsoever in the Board's order that he enter an equal payment plan. The equal payment plan provision is only for that senior citizen who is not paying his bills, and who is having difficulty in meeting his bills. As far as the senior citizen who is able to pay, no utility, nor the Board, knows anything about him. He continues to pay his bill in the method that he chooses. It is not mandatory that all seniors enter an equal payment plan.

SENATOR DALTON: Okay. Thank you very much.

We would like to hear next from Mr. Bill Potter, Department of Public Advocate.

R. W I L L I A M P O T T E R: Thank you, Senator. Commissioner Rodriguez could not be here today. He had hoped to attend and present the Department's testimony, but he had a conflict which emerged pretty late and he asked me to come here, as I have often done in the past.

I have, not our usual long tome, but I do have an outline of our recommendations -- (Senator Dalton interrupts to inquire if microphones are working). I think, just to start off, it certainly is our view at the Public Advocate that the series of hearings you have been holding over the last several months are a

tremendous benefit to the State, in helping to focus attention on some problems that have been, in our view, swept under the rug for far too long and, even though we hope legislation emerges out of these that will be adopted, I think even in the absence of some positive legislation, that just by focusing attention that that is doing a great deal to galvanize State agencies and the public behind a lot of these measures, and thank you very much.

Let me start -- I can't help but comment on the testimony you have just heard from South Jersey Gas Company. Specifically, the comment was made that there is no real difference between the need for electric and gas service and a person's need for clothing and food. I would respectfully dissent from that point of view. In the first place, if you are behind in your bills at say J. C. Penney's, and you find yourself unemployed and they cancel your credit card there, you can still go to another store. If you cannot pay your bill at A&P, you can still go to Acme. There is no competition in a public utility service territory. If you are cut off by South Jersey Gas, there is not another gas company in the South Jersey area. If you are cut off by PSE&G for electricity, you can't go someplace else for electricity, and that is, I think, the fundamental misconception that I have heard for many years from various utilities, and that is that somehow the problems of the people whom they are serving who are too poor to pay their bills, or find themselves in extraordinarily desperate circumstances, that is a "social problem," and, therefore, it is one that they should not have to deal with, or that to the extent they do deal with it, it should be at a diminutive level.

In our view, the franchise obligation of a utility is to be a monopoly serving the public interest, and there should be a sort of quid pro quo there in return for them having the protections of a monopoly, including a guaranteed opportunity to earn a rate of return. They should be able to respond to certain social necessities as they are defined by such organs as the Legislature, the Board of Public Utilities or the Department of Energy. So, I think if we get past that basic conceptual problem, we can get on to some of the positive things that can be done for people who are too poor to pay their bills.

Now, I have to comment on one other item as well. He stated that the people who are on the moratorium level, that is, those people who meet the standards not to be shut off in the wintertime, that during that period of time there has been a significant increase in their nonpayment rate -- the nonpayment rate generally, and, therefore, the necessity to write off -- I think he said \$93,000 in unpaid bills. But, during the period of time that the limited moratorium has been in effect, we have also seen a dramatic increase in electric and gas rates and, according to the data that David Paul, an attorney with our office, submitted in response to a hearing examiner's report in November, the average increase in electric rates over the last four years has been about 50%. In the natural gas area, it has been closer to 100%. So, if there has been an increase in nonpayment, it very well could be that factor, and not the fact that some compassion is being shown for people too poor to pay their bills. I think that David could certainly discuss, if you wish, the fact that no one could really disaggregate, they could not really pinpoint the causes for increases in nonpayment. I submit it can't be done, given the enormous increase in rates.

Let me, if I could, turn to our recommendations. I know you have a lot of speakers here, and I think by focusing on that we could really get to what we have to say.

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Our first recommendation is that there be a utility duty of full disclosure to all of their consumers as to their rights to receive special treatment and, also, as to their rights for a hearing and to contest a bill. Now, this seems so fundamental it shouldn't really be a source of controversy, but what we have found is that many, many people simply have no idea of what their rights are, and there is no requirement that the utilities inform the people of their rights. We think that before anyone is terminated, they should be given a full reading of what their rights are, so that they can then act upon them.

SENATOR DALTON: Bill, as you go along, may I ask questions?

MR. POTTER: Yes sir, please.

SENATOR DALTON: Most utilities would respond to that by saying, "We are doing that, and before we terminate we do provide them with their rights." Has that been the experience at the Public Advocate?

MR. POTTER: Well, I think the experience is that that may happen, but it may not happen. Now, admittedly having a law that requires it doesn't guarantee that it will happen, but we think it will provide some uniform policy on it. David, did you want to comment further?

D A V I D G. P A U L: Senator Dalton, the current regulations promulgated by the Board of Public Utilities deal with notice only with respect to a discontinuance that might occur to any customer during any time of the year. There are no regulations that specifically speak to the moratorium. The moratorium was negotiated on an ad hoc basis, on a year-to-year basis over the past three years or so, and I can state that before we even started negotiating, the position of the utilities has been that it is their desire not to widely publicize any policy they have to be lenient. They would rather see a situation where most of the State understood that they had an obligation to pay, and that they were subject to termination. When a termination notice went out during the wintertime, if the customer were then to contact the utility and say, "Listen, I have a problem," between the utility and the customer something would be worked out. That was the policy that was in existence before the formal petition filed by the senior citizens and others back in 1979 for an amendment to the Board's rules that would ask for just a total ban on shutoffs.

Now, since 1979, the utilities still have not been all that anxious to publicize any of the agreements that have been entered into outlining the terms of the moratorium. It has been our position that all low-income people, in the State in general, would be aided if this information were widely distributed. But, as we stated at the outset, there is nothing in the Board's rules right now which requires any wide publicity at all of the rights and remedies under the moratorium programs.

MR. POTTER: Thank you. I might also add that we have recently -- in fact, I think today -- filed a motion with the Board of Public Utilities asking that such information be included in the next billing cycle for all residential consumers of the regulated electric and gas utilities.

Also, still sticking to the question of full disclosure and information, the Public Advocate for the past few years has been disseminating a little pamphlet that we call, "How to Fight the Cold War," and we are embarking upon a kind of annual campaign to get this out to as many people as possible. We just had another 12,000 printed up and, if you'd like, I'll certainly make this available to anyone here, or members of the public as well.

We also have a twenty-four hour toll free number, and I think I remember what it is, if I could just repeat it. It's 800-792-8600, and if people are having

difficulties with the utility shutoffs, we can't guarantee that we can get it turned back on again, but we do have people who will work with the BPU and the utility and do the best they can.

Let me go to something else here, the existing policies of the Board of Public Utilities. We think there has been a dramatic improvement over the last three or four years since the petition filed by the senior citizens, which has been supported by the Public Advocate all along. We have gone from a view that there is no responsibility to a view that there is a limited responsibility. Now, what is still lacking, however, are those safeguards that will assure that this will take place each winter, rather than be renegotiated every single year. It is always sort of a potential cliff-hanger -- will we have a moratorium this year, and each year the utilities want to sort of take back some of what was granted the year before and, in fact, I think for next year, they had a position that people in arrears had to be fully paid up, otherwise they could not be on the moratorium for next winter.

Now, the Board, I'm happy to say, rejected that position in their order and decision of December 3, but I think what is sorely lacking and could be very helpful here, is to just clarify what is State policy. That, of course, is the role of the Legislature. The legislation that we think could be very helpful is outlined in Roman numerals II and III. First, we think there ought to be a legislated moratorium on shutoffs at least between December 1 and March 15 for any person who lacks the ability to pay. Essentially, those appear to be the seven categories covered under the current moratorium customers. Second, and this is a change from existing policy, the burden of proof should be on the utility in each individual instance to demonstrate to the BPU that this particular customer ought to be shut off because this person has not paid, and this person, furthermore, has the ability to pay. We think right now the burden is on the person who has been shut off, to race to the Board and say, "Please turn my electric service back on again." We understand that the Board has directed their Bureau of Service and Inspection to be very compassionate and understanding, and generally not Scrooge-like in dealing with these people's problems, and we commend them for that. But, we think that the burden of proof ought to be on the utility to go to the Board and say, "Here we have someone who is making a fortune who won't pay." That way there won't be that sort of possible tragedy that we have all heard about, that Sam talked about -- elderly couples freezing in their sleep at night, or children who die in fires because they used candles because they couldn't afford to pay the electricity. That seems to happen each year, and we think that by putting the burden on the utility, they will then have to focus on the real deadbeats, rather than people who are too unfortunate.

A further requirement when a utility would go to the Board seeking to shut someone off ought to be that they show there is no reasonable likelihood of harm to the public health or safety. We think this provision ought to apply year-round. When the hearing began on the seniors' petition back in 1979 -- or was it 1978?

MR. PAUL: It was 1979.

MR. POTTER: -- 1979, there was a very well publicized fire in Somerville where several children died. As one of the attorneys for one of the utilities pointed out, he said, "See, that happened in April or May." My answer to that is, "Well, therefore, we need those protections year-round, not just in the wintertime," before someone ought to be shut off from their service.

Roman numeral III B. discusses something which I think is also very important, and my understanding is that the Department of Energy is going to talk

about it today as well, and that is, energy conservation is really the key to helping these people out, as well as all consumers. We think that before anyone should lose their electric or gas service, the utility should have to go in there and help weatherize that home. Now, we know that makes sense economically for all the consumers, rather than building power plants, and we certainly know that that would greatly benefit the individual who is unable to pay his or her bill. And, we list there a series of the types of weatherization improvements that ought to be taken and this list, by the way, is taken from certain items being done now by PSE&G for a limited number of customers. So, I think there should be general agreement on those.

I should also add that there is currently legislation pending that would provide for weatherization of homes that would be targeted to the poor. There may be several bills that do this; the one I am familiar with is A-2208, Assemblywoman Ogden. That bill provides for one-half of one percent of gross operating revenues to be set aside for weatherization, with 75% of that amount to go to targeted customers, who would be low-income customers. We think that that sort of thing would be very, very helpful here.

Let me just conclude by saying, as I said in the beginning, utility service really is a necessity of modern life. It is a monopoly which provides that service and, therefore, I believe that the Legislature has a complete opportunity to define the terms and conditions of that monopoly to include service to disadvantaged people. Thank you very much.

SENATOR DALTON: Thank you, Bill.

MR. POTTER: Senator, perhaps I will just leave copies of our "How to Fight the Cold War" up here in case people want to get them later. Thank you.

SENATOR DALTON: Is the representative from -- a representative from PSE&G here?

F R E D E R I C K D. D I S A N T I: Senator Dalton, joining me today are Dick Fryling from our Law Department, and Mr. Jim Dieterle, who is Manager of our Customer Service. We would like to address some of the things we have heard this morning, and further indicate to you that we have been involved in this very serious public policy issue for the last eight years in a continual dialogue with many State agencies. (Speaker interrupted by audience because they could not hear him -- he begins again.)

We have, as you are well aware, been involved in a very serious dialogue with many State agencies over the last eight years on this very serious public policy question. A number of issues that have been raised today we would like to address, and tell you about some of the positive things we are continuing to do in this area. I would like to turn to Jim to describe some of those programs to you.

J A M E S F. D I E T E R L E: PSE&G represents the utility for most of the State's large urban areas. As you are probably aware, in addition to Trenton and Camden, we serve Paterson, Newark, Jersey City and the North Hudson area and, as a result, really have the lion's share of the State's needy with regard to payment of electric and gas utilities. This is a very important point, we believe, because really we view this problem as a mutual problem, but one which really needs some type of social program from State, Federal and local governments to meet. We have initiated a number of programs ourselves to try to deal with the problem of customers who don't have the ability to pay for service. This winter, for example, we have conducted meetings with social agencies. During the week of December 6, we met -- we had four different meetings across the State with every social agency representative that we had ever had

contact with. We sent letters out inviting every agency, community action programs, local neighborhood groups -- any social organization that really had helped us in the past, to provide a means for customers to keep that service on and to avoid discontinuance of service all throughout the year. We invited them; we had an excellent turnout, many more than last year. What we did with them were several things. One is we explained the BPU's order, because we felt it was very important for them to have the message and to get it out to their constituents, as well as our own publicity, to try to bring some understanding as to what the customer's responsibility is, given they have the ability to pay, and what the utility's position is on this, and how we were going to try to work with this winter's moratorium to avoid discontinuance of service. We distributed question and answer sheets so that the folks who attended would have something to bring back. We offered to supply as many copies as they would need so they could get them out to their workers in the field.

We focused on the new provision of the budget payment plan, the determination of the good faith payment, and how PSE&G was going to try to administer the moratorium so that we wouldn't run into a situation of a customer who, just from lack of information or understanding, didn't really know what the program was. We wanted to ensure that everybody had information on it. We also took that opportunity to tell the social agency people about a new program at PSE&G this year. That program established what we call "CARE Representatives." It stands for Customer Assistance Referral and Evaluation, and what we have done this year is, in each of our collection departments in our district offices throughout the State, we have designated one individual, typically a supervisor, or a group supervisor, with an alternate in case he is not in the office, to gather together a data bank on all possible areas of aid. We felt that often customers are not aware of what kind of aid might be available. As they call in, rather than strictly deal from the point of view of what resources that customer might have, we thought it might be helpful to have information where we could, not only give them telephone numbers or addresses of where to go, but also the actual qualification data, so we could encourage customers and postpone any additional collection action until that customer gets back and says, "Well, I've made my application," or "I've done this or I've done that."

That particular program we are hopeful will bring together information on aid so that, if there is aid out there that a customer qualifies for, he will be able to get it. The Board's order has a very important provision in it, and that is that the "good faith payment" equal to a budget amount is required if the customer has the ability to make that payment. PSE&G, when they visit customers, asks the customers for their budget good faith payment if the customers indicate they are in one of those categories and cannot pay the amount of the bill that is due. We then take down any information that the customer says. Historically, we have been quite liberal in accepting customers' statements as to their ability or inability to pay. Last year's moratorium encouraged good faith payments for customers who had the ability to do so. We typically will accept on face value that customer's statements with regard to unemployment or medical emergency hardship or whatever. In addition, our deferred payment arrangements that we have established in the past have been very liberal. The regulations call for one payment agreement a year, with a 25% down payment. It is very common for our people to make second or third deferred payment agreements, all with the hope that by getting the monthly payments to the level where the customer has the ability to pay, he will be able to make the payments, keep the

agreement, and get the bill paid off eventually. We have, at any given time, upward of 20,000 plus deferred payment agreements working. We also have on the average around 5,000 of these agreements that are broken. From my experience, that is not particularly unusual with this kind of animal, because customers' circumstances change.

We are always promoting communication with the customers. For instance, during last year's moratorium we inserted with every discontinuance notice that went out a notice on the moratorium. We wanted the customers to know about it, and that particular notice explained to the customers how the moratorium was working, asked them to contact us and make a deferred payment agreement and, if nothing else, contact us, tell us you are eligible for that moratorium. As Mr. Bisciegliia mentioned from South Jersey Gas Company, we have had little success in trying to get lists of which customers are in the moratorium and which customers are not. Our statistics are very, very limited and relate to just those customers who have contacted us during prior moratoriums and told us that they are eligible for the moratorium. The only exception is the Lifeline customers, and I can only echo Mr. Bisciegliia's comments. Our payment problems and shutoff problems are not with senior citizens as a whole. It is about the best-paying group of customers that we have overall.

As another positive program to attempt to keep customers from getting into this position of facing unmanageable balances in the spring, we really do whatever we can to get this message out. I just wanted to make that very, very plain. We do not try to keep the moratorium a secret. We need to hear from our customers; we promoted -- we asked the social agency people to get that message out for us and, again, we plan to be putting inserts in with our discontinuance notices -- and reminders. Of course, we met with all our collection staffs and district managers on November 29, got the message to them about the moratorium, and ensured that we didn't have the type of situation where a customer just didn't know or didn't get the message.

Just to back that up, one further step we take is that, when we have a situation where we go out and visit a customer and that customer indicates, "I don't have the ability to pay," we look at that customer's payment record and we look at what type of effort the customer had been making to pay the bill in the past. For example, often we'll see customers who just have made no payments for months and months and months leading up to the moratorium. With other customers we will see sporadic payments indicating that they are paying what they can. Basically, we attempt to work with that customer on some type of payment agreement. We are finding already that some of the customers cannot meet the budget amount during the winter months. With electric and gas service, some of these customers have oil heat. The oil companies often are C.O.D. The customers have to pay for the oil, and so cannot afford the full budget amount on the electric. We work with those customers with deferred payment agreements calling for smaller payments during the winter season, and then higher payments after the oil heating season is over with, in order for them to afford it.

The case where a customer says, "I cannot afford to pay you money; I just can't afford to pay anything," and we have a payment record that indicates they haven't been paying anything up to the time of the collector's visit, and that payment record is at least three months old -- Our collection procedures are quite liberal, in that a customer has the use of about 117 days of service, a residential

customer, before (inaudible) -- made some type of payment or have gone to the BPU between that time. Frankly, the moratorium hasn't gone long enough for us to have had experience as to how that process is going to work, but we believe it is a safeguard for customers who say that they truly do not have the ability to pay anything.

SENATOR DALTON: When you say go to the BPU -- excuse me for one second -- I'm a person in the lower end of Camden County, and I'm told to go to the BPU, what do I do, go to Newark?

MR. DIETERLE: No, the vast, vast majority of inquiries that go to the BPU, at least the ones that involve PSE&G because we keep records on them for collection purposes, are telephone calls, probably 95%, although I really don't have those statistics in front of me. People need immediate action. They pick up the telephone and they call the BPU. The BPU calls us immediately and registers the inquiry, and that terminates shutoff action right then and there.

In addition to the CARE Representative program that we set up this year, and the social agency meetings which we have held, PSE&G has other programs to try to avoid this absolutely last resort of discontinuance of service. Frankly, I don't know myself of any moratorium qualified customer last year who had service discontinued during the December 1 to March 15 period. We have some other programs. We have what we call a "Holiday Collection Schedule," in that during the period of December 20 through December 31, we will not discontinue any residential customer's service regardless. We have a twenty-five degree temperature moratorium. That is a voluntary moratorium that PSE&G established several years ago, and that provides for a moratorium on residential service discontinuance whenever the forecasted temperature for the next day is twenty-five degrees or lower.

I don't know if I mentioned it, but we will not discontinue service if there is no contact when that collector visits during the period of December 1 to March 15. Further, this year as last year, we are going to be actively promoting the Home Energy Assistance Program through inserts that go with our notices of discontinuance and our reminders. We feel that the Home Energy Assistance Program, while not covering the entire problem, certainly goes a long way for customers in those financial circumstances. We worked with the Department of Human Services with the other utilities this year in establishing two-party checks for automatic payment recipients, so that the checks were applied against the customers' heating costs. We're really trying to avoid two major problems with any broad based moratorium, broad based to the extent of a blanket coverage regardless of customer payment responsibility.

Those two problems are these. One, obviously, is cost. The costs of collection have gone up tremendously, much more so than just the increase in the size of the bills. To give you a picture of this, just looking at the last two years' uncollectable bills. In 1980, PSE&G lost seventeen and a half million dollars for uncollectable bills. That was really about the time the moratorium was becoming more and more of a factor here, and more and more residential customers were jumping on the bandwagon. Since we can't visit all of our residential customers, obviously we would have to have a tremendous staff for that, many customers just floated right through the moratorium without making any payment, and then we saw lump sum payments coming in at the end of March to pay for their heating bills. Of course, these are the highest bills of the season for gas heat customers. This situation resulted in a record charge off of uncollectable bills in 1981 of \$26,989,000, almost \$27,000,000. It is true that our bills did increase in size during that time, but even measured

as a percentage against revenue, the percentage went from .60 in 1980 to .78 in 1981, and that eighteen point increase -- I don't know exactly what the percentage is, but that has been geared to the revenue going up -- the size of the bills going up, so that is a true, whatever percentage that is, and with some quick math it's certainly over a 25% increase, probably closer to a third, that is a pure increase in uncollectable bills factoring out any increase from rate increases or fuel adjustment charges. So, we see a very serious problem with uncollectable bills. We are also quite concerned because our cash flow during the winter diminishes in relation to what it normally is. We have to go out and borrow money and pay some of these high interest costs to make up for that. So much for cost. It is obviously a consideration for us, but just as much, if not more of a consideration, is what happens in the spring.

Our experience has been that customers in the moratorium categories who are covered by a blanket moratorium without any responsibility for payment pay us nothing, and it is kind of understandable; it's human nature. These folks don't have a lot of money in the first place. What happens is, in the spring, in April and May, we have record numbers of shutoffs because these customers have the four highest months of service usage all unpaid, the money has been spent for something else -- these folks typically do not have bank accounts -- and they are faced with service terminations in the spring. That has been our experience; that is what we are hoping to avoid. Candles cause just as much of a problem in April as they do during the winter. To have a year-round moratorium, we think, would send costs right through the roof. We hear a backlash already from customers, who wonder why their neighbor doesn't have to pay anything during the winter, while they're scrimping and saving and doing what they can to pay the bills. You know, in summary, we're working with social agencies; we're working with the BPU; we're trying to do the best that we can to avoid service terminations; but, we feel that there is some type of customer responsibility for payment that has to be required in order to avoid an escalation of costs and subsequent service shutoffs, which will really cause more hardship in the end. Obviously, these costs get placed on customers' bills as an operating cost, and we are trying to avoid that. We don't think it is fair for PSE&G ratepayers who have this disproportionate number of the State's needy in their service territory to take up that burden. We feel that it should be across the State for any type of social programs to make up for customers who truly do have just an inability to pay for service.

I don't have a prepared statement; that's a pretty broad-brush treatment, but I would be happy to answer any questions.

MR. DiSANTI: Senator, just to follow up with one quick comment. Certainly, I sense your frustration with the fact that you feel that over the past eight years there has been a piecemeal approach to this entire problem, and further have suggested through your bill that once and for all a statute be formulated to solve this problem. I would submit and suggest to you, however, that the way that this problem has been dealt with has been a very responsible and a very reasonable one, and further that it is a dynamic situation, which when something is done, trends develop beyond that and have to be reassessed and reevaluated and, while it is frustrating, I think it is perhaps the most reasonable way to do that.

This morning I heard that there are two states -- again, every state above the Frostbelt is dealing with the same type of problem, and I think the State of

Michigan -- and you also mentioned the State of Wisconsin -- had moratorium orders similar to the bill you have proposed, and have rescinded them as a result of the consequences on utilities. So, again, I can appreciate your frustration, but having been part of this process for eight years and recognizing the deliberations and people such as Sam Scozzaro and others participating, I think it is probably best handled by a dynamic type of ongoing continual refinement.

SENATOR DALTON: You indicated that last winter there were no shutoffs under the seven protected categories within the PSE&G service area. Do you suspect, or do you think there are going to be any shutoffs this year?

MR. DIETERLE: Well, we have a procedure this year under the Board's order, which calls for referral to the Board for this determination. I sat at the meeting when the BPU Commissioners announced the moratorium order, and they made it quite clear, each of them, that they were going to take a very liberal approach to a customer who truly had the inability to pay. We will not make that decision on our own. We will refer those customers to the Board of Public Utilities for the determination. We feel that this is really the proper State agency that can administer the determination of ability to pay, you know, on a uniform basis across the board, rather than have a collection representative, you know, an employee of PSE&G out there attempting to arrive at some type of Solomonlike decision -- "You have the ability to pay," and "You don't." It is quite a difficult problem for anybody who has to make that determination and, frankly, we do anticipate from the Board a very liberal interpretation. We do not expect to be shutting off customers who have that inability to pay, but I really can't speak for them, and I can only say that we don't anticipate that happening. I think that is something they would have to address.

During the many, many meetings and conferences, hearing testimony that I, and many other people submitted, what seemed to come across time after time was, it is important that there be a requirement. At least this was the utilities' point of view. It is important that there be a requirement so that customers don't have the expectation that they don't have to pay anything during the winter period. How that requirement is actually enforced may be a different matter, but it would be very important to ensure that customers are not left with the impression of free service during the winter period. It plays havoc with energy conservation; there are no incentives whatsoever, and part of our problem at PSE&G is that so many of the customers that live in our big city areas are receiving aid and they move. They move quite often. A program that allows them to simply pay nothing during the winter season, we believe, will end up with a tremendous escalation in uncollectable bills. We have seen a taste of that in what has occurred. Customers can move outside of our service territory and move in with somebody else who has service supplied. There are many different ways to avoid payment of that bill that has accumulated during the winter months.

It's obviously a problem. It's a problem with any type of program that really looks for some type of -- for instance, weatherization of an apartment where a landlord is going to reap the benefit, and the customer is going to be moving out after the bills have amounted to a certain degree and have been unpaid. We have, as I am sure you are aware, a weatherization program moving forward in any event to try to meet the problem. But, our experience has been that these customers are very mobile and either have service shut off and then move, or move even before that happens. We're really trying to avoid that, the kind of escalation we fear we have seen the beginning of.

SENATOR DALTON: I have no further questions. Thank you very much.

MR. DiSANTI: Thank you.

MR. DIETERLE: Thank you.

SENATOR DALTON: We are going to take a five-minute break and when we return -- and it is going to be five minutes -- when we return I would like to begin with Ms. Barbara Wanzer from the Camden County OEO.

(RECESS)

SENATOR DALTON: Is Barbara Wanzer here to testify? What we would like to do now is to attempt to move on as rapidly as possible. If we could set up parameters -- and this is probably unfair of me -- be that as it may -- if we could keep the dialogue, you know, the testimony, between five and seven minutes, so that we can -- there are a lot of people who came here from long distances, and we want to ensure that they do have the ability to testify, and only by keeping it at five to seven minutes will we ensure that. So, Barbara?

B A R B A R A W A N Z E R: Thank you. Good afternoon. Camden County OEO exists solely to serve low-income persons of Camden County. We strongly support Senate Bill 1928. Camden County OEO has worked for several years in trying to help poor persons with home energy problems. The soaring fuel and utility costs have placed poor persons in a period of unprecedented vulnerability. To help alleviate the plight of poor persons, Camden County OEO applied in 1982 to two Philadelphia foundations for emergency funds. As a result, the William Penn Foundation and the Glenmede Trust Company awarded two grants for emergency needs of poor persons. Ten thousand dollars of the \$40,000 we received from the William Penn Foundation were applied to help pay delinquent fuel bills of more than fifty families.

More recently we were awarded the Glenmede Trust Company grant of \$40,000, which is being utilized exclusively to help pay delinquent fuel and utility bills. In both grants, the Camden County OEO utilizes a maximum of \$200.00 to help each family. The two foundation grants provide no staffing money. We are grateful that our staffing money for this project is made possible by our current grants from the New Jersey Department of Community Affairs. These two grants gave us, and give us a unique opportunity to give the foundation money as leverage to help solve problems of some individuals and families. We believe that the nationwide benefit of spending these two grants is that in the process of taking case histories from applicants, we are documenting the tragedies and extraordinary vulnerability of the population in categories that can be found in all parts of America -- those who are on Social Security, those whose unemployment compensation has run out, persons on State and municipal welfare, and on SSI. Without using clients' names, we share at this time two case histories which, not only speak to the ways people have been helped, but to the fact that without the foundation money there would be no current solution to these clients' problems.

Case History #1: A mother of three children had been deserted by her husband who was in the service. She turned to OEO in desperation because of a \$559 gas and electric bill. The utility company wanted a \$278 payment that month. Her gas and electric had been turned off. Her allotment from Aid to Families With Dependent Children was \$414.00 per month; her rent was \$270.00 per month, plus approximately \$121 for fuel oil per month. That left only \$23.00. As a last resort, she sold a television set and a crib for a total of \$40. Through a grant obtained from the

William Penn Foundation, OEO was able to give her \$175.00 toward the utility bill. She combined this with the \$40.00 from the sale of her personal items. With this payment to the utility company of \$215.00, her gas for cooking was restored, as well as her electric. In the process OEO asked HUD to review her rent and obtain a \$48.00 per month subsidy for her. When OEO offered this woman emergency food assistance and clothing, she turned it down, believing that she had already accepted her share of help.

Case History #2: The father of three children had been laid off. By the time he came to OEO to ask for help, his gas and electric had been turned off for a month because of his inability to pay his bills. His unemployment compensation had run out. His bill with Public Service Electric and Gas in May of 1982 was \$1,781.00. He and his family lived without heat for some months previously. The house was heated with oil. His rent was \$176.00 a month. When he received unemployment, the check was \$532.00 a month. During the time he had been working he paid PSE&G when he could. His family includes a wife, and children aged three, two and six months. Through his own initiative, he lined up a job which was semi-skilled and would pay \$5.00 an hour. He had obtained that job the day he came to OEO. OEO helped him get out a plan of payment with PSE&G. OEO contributed \$200.00 from the William Penn Foundation. He borrowed \$206.00 toward the utility bill. Six of the dollars he borrowed were used to have the electric turned on again. His whole first pay of \$200.00 was committed to go toward the loan. When OEO offered to also assist with food, he was too proud to accept that as well as the \$200.00.

Indeed, we would like to read more case histories, but out of respect to your time we will not. In conclusion, we point out a little recognized fact. We know of no agency, including our own, which is following each person on public subsidy to see how and if they are surviving. Camden County OEO does not have the staff to do this. We know that we have gone below the tip of the iceberg. Ice is ice; no heat is no heat; no food is no food. Just what type of practical research should be undertaken is not the purpose of this presentation. It is to say that we know the misery of poor persons to the depth.

We believe that removing guaranteed percentages of payments to utility companies related to delinquent bills of poor persons could save a vast percentage of the New Jersey population from economic extinction. Thank you.

SENATOR DALTON: Thank you, Barbara. It should be noted that Barbara resides in a community that is in my district called Chesilhurst, and it is perhaps one of the more progressive communities in the State with regard to what they are doing in the whole area of energy. They are spending a lot of money down there through various programs, as Barbara pointed out, to ensure that the homes of the poor are well insulated and, additionally, the municipal government is doing some really good things with regard to alternative energy sources, including solar. So, Barbara, you should be commended, and I want to just thank you for coming up here today. We appreciate it.

MS. WANZER: Thank you very much.

SENATOR DALTON: The next speaker is Mr. Chuck Richman, Assistant Commissioner, Department of Energy.

C H A R L E S R I C H M A N: Thank you, Senator. Let me apologize for not having a written text; I will supply it to you at a future time. Now that I have a time limit, I guess I don't have to say, "Please do not mistake my brevity for not being

concerned with the situation." We at the Department are very concerned. We see the problems of the poor as they relate to energy as being a significant social and economic issue for the State. When 40% of a poor person's income during the winter -- and that number is growing -- on average must be paid to energy companies, that is a significant loss to them, and certainly is nonproductive money. When the cutoffs and unpaid bills continue to rise, as we have heard testimony today, that is not productive for our society. When in our cities increasingly, homeowners must depend on a C.O.D. delivery of oil, if they are to get oil at all, that does not speak well for our society.

What we would hope, is that this Committee looks not simply -- and simply is probably a poor choice of words -- but not look at the issue of cutoffs and as it applies to utilities, but look to the broader question of dealing with the disease, the problems of these homes, the inefficiency in them, and recognize that in most cases the homes and the people living in them are suffering from dwellings which are not insulated, or below standard in insulation. In the survey we did three years ago, we found that 50% of the homes in New Jersey lacked the bare minimum of R. 19 in the attic, let alone being in better shape than that. This continuing cycle of using many State programs and Federal programs to aid in paying a utility bill merely takes taxpayers' money, cycles it through a system, pays it to an energy company, which sends it back to the producing states or producing countries where much of our problems begin on this question.

What we believe should be examined by this Committee and the Legislature is to undertake a full-scale investigation and examination of how these revenues are being spent, what future monies would be available, and how they can be redirected, hopefully -- or partially redirected into areas of energy conservation and retrofits. The \$175.00 we now pay under Lifeline a year has been increasing at a rate in excess of most recent years' utility rates. While \$175.00 is not much, \$175.00 put into a proper retrofit package can return \$80.00 to \$100.00 in savings a year, and pay back that investment quickly. The amount of monies that are going from general public welfare and, maybe more important in terms of the State and the State budget problems that we have today, the amount of monies that are going into subsidized housing, often ill-constructed subsidized housing, is significant when measured against the potential for energy saving. There are about 100,000 subsidized housing units in the State of New Jersey. A recent study that was completed in New York states -- and I have no reason to believe after examining it that the data would differ significantly here in New Jersey -- that over 40% of the subsidy in those units is now going to pay for energy bills, and, if a portion of that can be set aside to retrofit to bring down the entire cost of energy, we think significant gains can be made in this whole issue of unpaid bills, and like problems.

Additionally, when we look at the State's present economic situation, and examine costs related to conservation and employment versus costs related to production, whether it be a utility or the petroleum cycle, we find that the manufacturing industry and the installation industry in the area of conservation, to provide a job, is costing about \$25,000 on the conservation side per employee. The capital investment when we look to the public utility sector or the petroleum industry is over \$100,000 per employee. So, in creating a spending cycle not to reinforce utility bill payments, but to have a spending cycle that promotes conservation, we have a four to one ratio in job creation, that we can create four conservation jobs

for a like amount of expenditures that now go into one job in the production side of energy.

You made mention earlier of multi-family dwellings and the problems there. Wisconsin recently established a minimum standard for -- minimum energy standard for existing multi-family dwellings, and I would urge you to take a hard look at that. It is a double-edged sword. Many people involved in the multi-family dwelling industry today tell us that if they are forced to make capital improvements, they will walk away from the housing and, when we already have a shortage of adequate housing units, that is a difficult choice. But, I think the cost of energy is quickly becoming so important, and so expensive, that it deserves a legislative look and examination of those issues.

We believe some of the programs that have been begun by the utilities should be expanded. Jersey Central has undertaken a new program recap to do a systematic retrofitting of homes. Public Service has suggested a program specifically designed for a quick fix of poor homes. While we have some reservations about how that is to be developed, the concept is good and should be continued, and I suggest to you that when utility spokesmen tell you about the large amounts of money that are outstanding because people are not paying their bills, -- well, that can be cut by conservation. A wise dollar spent by the utility now in conservation can offset some of that long run loss of revenues.

I think it is important for the utilities to expand in that area, but I am not addressing myself, frankly, to the moratorium question. I do not think we in the agency have the expertise in that.

SENATOR DALTON: I have one quick question. The vehicles that you would use to retrofit multi-family dwellings could be a bill such as Assemblywoman Ogden's, which provides, as I understand it -- is it loans to eligible income people for the retrofitting of their homes -- the bill that the Department has recommended with regard to low interest loans for weatherization that would emanate from the utilities, and the bill that I have in as well -- are they the three vehicles?

MR. RICHMAN: Yes. That approach, I think, and the legislation of Assemblywoman Ogden, spans everything from a grant to an interest-bearing loan type procedure.

SENATOR DALTON: Where would the money come from with Assemblywoman Ogden's bill?

MR. RICHMAN: That comes from an assessment against the utilities.

SENATOR DALTON: An assessment against the utilities?

MR. RICHMAN: Yes, it is in the bill as presently drafted, one-half of one percent of operating revenues must be set aside for this program. It also targets 75% of the money to low income, though it gives the Commissioner some authority to change that target, depending upon needs and future developments. I think we can even look further if we want to be innovative. Using seed money -- helping to develop the initial financing and infrastructure of some companies that are willing to get involved in this business, and patterning them after the recap program, can significantly reduce the cost of conservation. And, you have the best of both worlds there. If the State could help develop the capitalization of this company, and on the far end the company doing the retrofit gets no money unless there are actual savings, one, you are lowering the cost to begin with and, therefore, what the company has to earn is less and, secondly, the company really has to earn it. There must be proved

identified savings. That approach has a great deal of interest in our agency, and we are looking to expand it.

SENATOR DALTON: Thanks a lot, Chuck. Our next speaker is Mr. Bob English from SCOPE. Good afternoon.

R O B E R T E N G L I S H: Good afternoon, Senator. I would like to say from the onset that I am also here as First Vice President of the Community Action Agency Executive Directors' Association, and what I have to say, although the statistical information is germane to our area, is generally true to poor people. I am for an absolute moratorium, and the reasons have to do with affordable energy primarily, and not the process of discontinuance or not discontinuing the flow of energy to a low-income person's home.

We know that the average AFDC recipient receives about \$325.00 a month; the average SSI recipient receives about \$267.00 a month; and, the average utility bill at the coldest time in the winter is about \$250.00 a month, or a little better. Needless to say, once that utility bill is paid, there is absolutely nothing left for anything else. There is no money left for rent; there is no money left for food. We have served, in the summer, literally hundreds of people in our emergency food bank. We have ascertained through unemployment statistics that at least 10,000 people in our area, primarily working poor people, have been put on unemployment since the beginning of the year, since May, and most of those people about now will be coming off their extended benefits, and I would suggest to you that most of those people will not qualify for the heat program. Most of those people will not qualify for existing State and Federal aid.

I think the other point that we need to take a good, strong look at is the fact that out of the 283,000 people that applied for heat service this last year, only 60% of them actually received those services. Forty percent of the people who applied were not given any of that service at all. I don't know what happened to the money; perhaps you could find that out. Beyond that, the suggestion is that we have projected that approximately 45,000 people in our area will be in need of some kind of energy-related assistance through the winter, because of the rising unemployment rate, in addition to the fact that people simply cannot afford the current rates. Atlantic Electric, in particular, -- we were intimately involved in a case against that company that was just adjudicated in Newark, and the suggestion there is that, regardless of the peoples' inability to pay, they are still going to get increases, and we think that is wrong. People don't have money to pay a dime more. The money is simply not there. People on fixed incomes, obviously, feel the crunch a lot more than some of the rest of us.

We have seen that about 10% of the monthly income of a middle-income person is spent on energy costs, whereas the low-income person is spending between 30% and 40% of their monthly income on energy costs. Obviously, that disparity should be taken into consideration when you are formulating rates. The people cannot afford the current method of providing energy costs, that is, low-income people. What I am suggesting is that most utilities in the State -- all utilities in the State should make a concerted and sincere effort, and my personal opinion is that most of their conservation programs are "show and tell." They do not have a significant impact on the reduction of energy costs and the utilization of that energy, especially by low-income people and elderly people. I believe that if in fact Atlantic Electric, for example, takes the proposal that we are currently prepared to give them seriously, they can assist us in weatherizing more homes. That is obviously

going to reduce the amount of energy that is used by a low-income person any time of the year, and the suggestion is that if they are really serious about helping, they will do those kinds of things, instead of doing things for people that, in fact, do not really need it, such as their employees and others who have received assistance through their New Directions Program.

I understand that the law judge awarded Atlantic Electric about \$2.6 million for their energy conservation program. I would suggest that perhaps our public officials, and perhaps you, Senator, in particular, could be very helpful in pushing for alternative technology, the development of solar energy. When I worked in Burlington County, we installed solar hot water units and we found by monitoring the use of those units, that they supplied about 70% of the hot water requirements for a family of four in the wintertime, in January and February. Obviously, that has a tremendous impact on the amount of money that they are going to have to pay on utility bills. I think that the fact that we are at a strangle hold with alternative technology means that we can't develop it. If oil companies and utility companies have -- I know they have the technology, but they don't need to have the control, because they have an interest in oil, and the suggestion is that as long as their interests are in oil, their capital investments are twenty and thirty years into the future, we are not going to see solar development. We can create a lot of jobs for people through solar development and through energy conservation, such as weatherization projects, because we have done it before, and the suggestion is that it is not "make work." That is beneficial from the standpoint of reducing energy costs to the point where perhaps it might be affordable for people who currently cannot afford to pay it. And, secondly, to create jobs in what we consider to be a high tech area, in the energy field for people who frequently are unemployed most of the year. When the rest of the State is doing quite well, Cumberland County, Salem County and Gloucester County are not doing well. You know, this year the unemployment rate went above 17% in Cumberland County. It is currently at 15%. Many of the people who have been unemployed and who are currently unemployed have exhausted those benefits. They are working poor people. I would suggest to you that they will not qualify for these programs.

It is nice for the utilities to say that they are working with us, but the suggestion is that, in working with us they are still, in their policies and the way they budget their money and the way that they suggest their rates be set before the Board, they are not considering that poor people simply cannot -- deferring the payment does not resolve the problem. They cannot afford to pay the current rates. I have a difficult time paying the current rates, and I'm sure you do too, Senator. The suggestion is that if you are going to take somebody's total check and make them pay that on energy costs, and then leave them to decide on their own how they are going to get their food, then I would suggest to you that that perhaps has something to do with the rising rate in crime, as well as other kinds of problems that we are experiencing. That's really all I have to say, Senator.

SENATOR DALTON: Bob, you mentioned that the present energy conservation programs being implemented by the utilities are "show and tell" types of projects. When you say that -- can you expand on that for me?

MR. ENGLISH: Yes, sir. We serve approximately thirty-five to forty thousand poor people, depending on which class of person you are talking about -- if you are talking about elderly, or, generally speaking, the poor, and we do not

know of any, by telephone survey, that have received any conservation-related services from AC Electric, or from South Jersey Gas. I believe there is an effort at this point to extend those kinds of things to poor people, but the suggestion is that, generally speaking, those programs have not been beneficial. It is well documented through the Department of Energy, through the Public Advocate's office, and through my office as well, and through our statewide Association, that the utilities have not made a sincere effort to make energy affordable to people who cannot afford to pay current rates. I think it is absolutely ridiculous that they would even suggest that people continue to pay these rates. I think it is also ridiculous for them to assume that they can float indefinitely by having such rates. So, alternative technology should be seriously considered, if only for people who cannot afford to pay the rates that are currently in practice for conventional fuel sources.

SENATOR DALTON: I guess it was several months ago when we held a hearing on what the utilities are doing to encourage conservation, that a number of utilities indicated at that time that they had sent out brochures and information relative to them bringing "house doctors" in to check out homes of low, middle and upper income, everyone, in order to make recommendations and loans at that point to implement those types of energy conservation programs. They also indicated that the response to that has been minimal. Okay?

MR. ENGLISH: I would suggest, Senator, that perhaps the method they're using in order to reach the people is inappropriate. Putting it in the bill in a brochure -- I would suggest to you that most people throw those things away and never read them. I would suggest to you that their only concern when they receive a bill is whether or not they are able to pay it. They are not concerned with the other things that are in there. I think that that also illustrates their lack of knowledge of how poor people behave. They do not read a lot of information that is sent through the mail, and if they're sending it through the mail, the suggestion is that they know that and they do not really want them to respond. There are other ways of communicating. We could communicate very easily for them, but the suggestion is that perhaps they do not want that because we might be effective in reaching a large number of people who might be able to reap some benefits from the things they are suggesting they are willing to do.

SENATOR DALTON: The program that Assistant Commissioner Richman talked about, as far as low interest loans to retrofit places where low-income people live in multi-family dwellings, this type of thing -- obviously, leaving that type of program up to the homeowner or up to the apartment dweller -- you are suggesting, you know, that if the government or a utility or something sends out a brochure and says, "Hey, this is available," that people are not going to react. What you are further suggesting, if I am hearing you correctly, is that only through grass roots organizations can there be sufficient contact with poor people.

MR. ENGLISH: Unless the utilities are willing to redirect their resources, I would suggest to you that that is exactly correct. That's it.

SENATOR DALTON: Bob, thank you for coming up, and thanks for all your help, too. I appreciate it.

MR. ENGLISH: You're welcome, Senator.

SENATOR DALTON: Are the representatives from Atlantic Electric here?
J O H N M c D O N N E L L: Senator, we are as concerned with the problem as you are, and I have asked Paul Liepe, our Manager of Customer Services, to address the issue.

P A U L C. L I E P E: It's nice to be here today. I would like to start by commending you for your interest, and say that we are also concerned. I guess that is not a view shared by everyone in the audience, but protection of the health and safety of the million people in our service territory is taken very seriously by the people at Atlantic Electric.

With regard to S-1928, I do not believe it is necessary to go through the whole history of bans on termination of utility service in New Jersey again. I would like to make a few remarks about this year's program decided by the Board of Public Utilities. I think that the Board's order and S-1928 bear many similarities in that both seek to preserve the health and safety of the elderly and economically disadvantaged citizens. In some ways I think the Board's order is more far-reaching in that it encompasses more classes of citizens to be protected, and it also has provisions for reconnection of those people who have been disconnected outside of the moratorium period.

I think the most significant difference between S-1928 and the Board's order is that the Board's order will allow termination if a customer does not make good faith payment, and our data does indicate that there are people who were abusing the moratorium in previous years and not making payment when they had the ability to do so. The lack of any real incentive to pay results in the compilation of arrears which, as was mentioned earlier, become unmanageable and may result in terminations in the spring. Requirement for a good faith payment would seem to be in the best interest of the disadvantaged customers, customers in general, and the utility. Atlantic Electric makes many attempts to aid and support these customers with payment problems. These efforts include reasonable payment extensions, budget plans, deferred payment arrangements, and agency referrals.

To summarize our recent experience, our delinquencies are greater now in 1982 than they were in 1981. However, I am happy to report that we have sent less termination notices and that fewer terminations have actually occurred now than in previous years.

In addition to the actions required by the Board's order and anticipated by S-1928, Atlantic Electric has a number of programs which aid the elderly and disadvantaged, including no nonpayment terminations are worked during freezing weather or during the Christmas holiday week, or any holiday for that matter. Personal contact is required before all winter terminations. Whenever possible, terminations are done by employees who are familiar with the various aid programs which are available, and they frequently refer customers to those various aid programs. And, upon request, we will notify a third party of any pending disconnection to try to avoid any inconvenience.

We think that we have also taken the initiative in a number of areas. We have had social agency meetings, and these have been going on since 1981, and we are trying to build working partnerships through dialogue with the various social agencies in our service territory. We are now scheduling to begin in January, social agency site visits, where we will be going out -- our customer service representatives will be going out to the social agency offices on a regular schedule for the convenience of their clients. We have done quite a bit of work lately with Health and Human Services regarding the Home Energy Assistance payments. Through the efforts of the other utilities, as well as Atlantic Electric, beginning in January, I understand that HEA checks will be issued as two-party checks, assuring that the funds will be used for their intended purpose, which is to pay energy bills.

I would also like to tell you about one other thing we did this week in regard to Lifeline. Our records show large numbers of senior citizens who may be eligible for Lifeline, but who are not receiving Lifeline benefits. We have contacted each of these customers by letter, offering our assistance in making application for Lifeline.

One other point that is not actually a company-sponsored initiative, but one which I am involved in on my own time, and that is that the employees of Atlantic Electric have themselves started a fund in the hope of being of assistance to some of these disadvantaged people.

One additional issue which I feel must be addressed is that, despite our best efforts, we are unable to identify the people that you mention in S-1928. We don't know, with the exception of Lifeline, who these people are. We don't know who is on PAA; we don't really know who these disadvantaged people are. We could do better if we had more information. I think that despite the privacy concerns, some compromise must be made with Health and Human Services to give us more of this information.

To summarize, it would appear that the BPU's decision is beginning to work. There seem to be fewer abuses of the winter termination provisions so far this year, and there are fewer customers being terminated. On that basis, we really do not feel that S-1928 is warranted.

SENATOR DALTON: Is that because of the weather, as opposed to the BPU's policy? I mean, it hasn't been very cold recently.

MR. LIEPE: It is obviously a combination, but we have had a great deal of success now that there is a requirement for payment, with encouraging people to pay something. "Don't let it go until spring; pay what you can afford."

SENATOR DALTON: The issue that Bob English brought up relative to the person who is unemployed, you know, particularly in your service territory now -- We're talking about Cumberland County -- double digit inflation and unemployment -- Salem County. My legislative district is a combination of the counties you serve, and is close to double digit. What happens to the guy who runs out of the extended benefits and is not protected under -- who doesn't fall under one of the seven protected classes?

MR. LIEPE: Well, he would fall under one of the seven protected classes, in that he would have the inability to pay. That is in itself a protected class. If that person could demonstrate to us that he just didn't have the ability to pay, his service would remain on.

SENATOR DALTON: Okay. I'm sure Bob, and a lot of people in the audience, would feel more comfortable if somebody would identify the inability to pay. I talked about the person, and Barbara Wanzer talked about the person who has 40%, 50%, 60% of his monthly checks eaten up by utility bills. Do they come under the definition of inability to pay? Does an unemployed person who is, you know, out there scratching out something, whether it be right now selling Christmas trees, or whatever --

MR. LIEPE: I wish I had a good definition.

SENATOR DALTON: Yes.

MR. LIEPE: We just try to be as reasonable and as compassionate as we can, and to extend our service to people where there seems to be some expectation of payment, or the inability to pay entirely.

SENATOR DALTON: The whole issue that Chuck Richman raised with regard to the retrofit program --

MR. LIEPE: Yes?

SENATOR DALTON: What are your thoughts about that? I mean, is that something that you would be interested in? I don't know, you are probably not the right person --

MR. LIEPE: That is really an area I am not qualified to speak in. Perhaps John is.

MR. McDONNELL: We will address the Commissioner on that.

SENATOR DALTON: I would appreciate it.

MR. McDONNELL: I will see about that.

SENATOR DALTON: Okay. Thank you very much.

MR. LIEPE: Thank you.

MR. McDONNELL: Thank you.

SENATOR DALTON: The representatives from the New Jersey Tenants' Association -- are they here? (no response) Carol Allen from the Community Action Program -- Carol?

C A R O L A L L E N: I brought for the record a study by the National Council of Senior Citizens' Project Energy Care, and it is entitled "Seared Hopes and Frozen Promises." It's the Energy Care report on home energy for the elderly, and it also includes disabled in here. This is a statistical survey of the whole country of energy prices broken down by regions and fuel types, and by relating it to incomes. Also, there is a section on weatherization and what weatherization does. So, I am going to give this to you to study. I also just gave some people back there the address of where to send for that study, because it's free. If anybody else wants to they can send for a copy. It is a very good study; it relates to the problem, which is the high cost of energy and the inability of people to afford to pay for their home energy.

The comments that I want to make -- My name is Carol Allen and I work for the Community Action Program's Executive Directors' Association in an energy advocacy project which has been funded for the past four years by the U. S. Community Services Administration, which was the anti-poverty program at the Federal level. In those four years I have been to a number of national meetings where we talked with Federal officials about the Federal response to the energy problem.

I would like to make my comments today a little bit general and just ask, -- possibly since I have been sitting in hearings like this for a number of years and I have heard a lot, as well as read a lot, I kind of get the feeling that everybody is grappling with this issue, and the worst thing that can happen is for people to break down and become adversative in the middle of such an important and difficult question, because everybody has a role to play, and the problem is bigger than all of us together. So, when we say what is the problem, what kind of a problem, whose problem is it, and we hear things like economic problem, social problem, political problem, the economic problem is obviously what is contained in that book, and we have heard figures today. The average U.S. household -- this is everybody -- spends 6% of their income on home energy costs. These statistics are all verified in that book. Low-income households, after energy assistance, spend an average of 19% on home energy on an annual basis. Then we come to the winter months. Over 70% of elderly households in the study spend more than 20% of their income on home energy during the winter months. Now, 25% of those, which is one-fourth, spend over 40%

of their incomes on home energy during the winter months -- that's senior and disabled. Now, if you get down to disabled people on SSI, their energy bills are equal to their SSI payments in the winter months. In other words, that's all they can do with SSI. If you have a SSI recipient, and a single household SSI recipient, he would have to spend his whole check just on energy. That's really the extreme case.

Sixty percent of low-income population heats with natural gas, so those are the people who are going to expect prices to rise, which is another way of saying that the problem is going to get worse. We are not at some kind of a plateau, because natural gas is where the next big increases are going to be expected, and that is going to hit low-income people. The oil thing has sort of already happened; now, there is a leveling of oil prices. During the 1970s we saw the tremendous disruption caused both to residences heating with oil, and, also, to utility companies which used oil for fuel.

So, what are the solutions? Political solutions to an economic problem are obviously the government's fuel assistance program, and the Lifeline's assistance program at the State level. "If fuel assistance (this is again in this book) -- if fuel assistance were to provide the amount needed to bring the average low-income person's energy expenditure to the 5% or 6% of all residences' average expenditure on fuel, it would take a seven billion dollar program, Federally." That is with fuel assistance. It is now \$1.875 billion, but it would take \$7 billion in order to put low-income people at parity in terms of percentage of expenditure that the average person realizes.

The experience of the past three years in the low-income energy assistance program has been sustained at the same level, \$1.875 billion, and that as been by a lot of work, by a lot of people, including myself and others in the State, with the Northeastern Congressional Delegation, which has basically held up for this. The Republicans in the Northeast have told the Republican Administration which is running the budget package through, that they would go along with it, if they would bring home energy assistance up to the previous years' level. So, even though we know, of course, that there has been the usual 20% increase in energy prices, at least with Federal budget cuts in assistance programs, low-income energy assistance has the same dollar amount running through for the past three years. It was supposed to be higher, because it was supposedly originally conceived as being connected with windfall profits on the decontrol of oil, and when oil was decontrolled it meant there were oil reserves that were held, which just automatically became more valuable in that they could be sold for more without having to be drilled for. Thus, the existing old oil reserves suddenly resulted in a tremendous windfall by the change in their value resulting from decontrol. At that time, Congress was supposed to set up a trust fund which would include low-income energy assistance, even a little bit of sort of lower middle-income energy assistance, and lots of conservation, and a lot of exploration for alternative fuel. Somehow or other in Congress -- this was about two years ago -- that broke down and they had to do it piecemeal, as Congress sometimes does when they aren't all in agreement, and so the trust fund didn't materialize. The windfall profits tax has been cut a couple of times, and it's now -- so low-income energy assistance comes out of the regular revenues.

Okay, but to combine sort of the political solution to the economic problem, obviously the low-income energy assistance, -- perhaps a tax on major energy providers is a political solution to an economic problem. Also, policies

for weatherization programs, which again this book documents in a whole chapter -- the advantages of weatherization. I'll skip over that in the interest of saving time here.

SENATOR DALTON: Carol, isn't a tax on energy providers going to be passed along to the consumer? Isn't it ultimately the consumers who consume a disproportionate amount of their income who will, in effect, pay a disproportionate amount of the tax, i.e., low-income people -- it is all going to come back to the low-income people, the tax itself, it is going to be passed along -- a disproportionate share of that tax will be passed along to low-income people?

MS. ALLEN: Well, a disproportionate share of energy costs is now in profits of major producers, major producers of oil and natural gas, which are some of the same conglomerates. So, if you tax revenue at the production level, you actually get into the companies. As I was saying before, and I hate to be responsible for what seems like sort of inflammatory rhetoric, there is a Congressional study which shows that as of the decontrol -- as of the day the decontrol of oil prices took place, there was an income transfer of thirty billion dollars from everybody else, and that includes not just residences but businesses and public institutions, and everybody, to the major oil companies, because of the value change in the held reserves. This has nothing to do with incentive to go out and drill for more gas or drill for more reserves. It is simply a pure money transfer. Now, sometimes we hear, in what you call conservative rhetoric, that income transfers should be limited -- "It isn't right for middle-income people like most of us here to be taxed to pay for poor people, because the poor people can't somehow get it together." But you talk about income transfers -- it is not only income transfers -- income transfers aren't just in the income maintenance domain, or even in the fuel assistance domain. This is an income transfer as a result of a political process. In other words, you are not talking about a market, you are talking about a political process. Maybe some people disagree with how it was in the first place but, nevertheless, you have to deal with -- this energy thing is so big, you sort of have to deal, in my opinion, for the rest of the century at least, with what you've got, which is you have these controlled oil reserves, and now the same thing applies to natural gas -- controlled prices in natural gas. And, the same thing threatens to happen with natural gas. Even though it may seem a little bit of a digression from the substance of this meeting here, nevertheless, if you want to talk about -- The New Jersey gas utilities would not be able to do very much about prices once the wholesale supply of natural gas goes whipping up in price. Then it would be passed on to customers, and I think it would be the same profile of low-income customers, greatly confounded by unemployed people because the shutoff regulation lists the assistance categories, which is very appropriate, but you are also running into another group of people who are sort of disequilibrated on a month-by-month basis because of loss of income due to a loss of job. That can happen to, you know, people right here in Trenton in the public sector, or depending on public funds -- they can be experiencing that, along with a lot of people who have worked for many years in basic industries.

So, the economic problem, which it really is, has some solutions in the political realm. I think that this discussion today about shutoff regulations is an attempt at a political solution to what is both an economic and, also, a social problem. The utilities talk about, "Well, it is a social problem and we can't handle it." I like their term "good faith payment," because I think that if we are going to include

everybody in the solution, that if we are going to say that it is political, economic and social, we have to include the utilities in the good faith -- I think, instead of talking to you, I should probably look out and talk to them -- the good faith effort has to be made to somehow muddle through this, because it is not going to end on April 15 of this year. It is going to get bigger, and more and more unemployed people are going to want to be protected by fuel assistance and/or by utility termination protection. You know, it certainly isn't the fault of the individuals who are, in a sense, powerless, compared to the utility companies. That is why we have to turn the good faith argument around and say there has to be sort of a good faith effort to protect individual human beings, because individual human beings are much less able to help themselves.

SENATOR DALTON: What do you think about the Board's policy --

MS. ALLEN: The Board's policy as it --

SENATOR DALTON: -- relative to the moratorium -- the shutoff policy? That is what we are here today to discuss.

MS. ALLEN: Okay, as of right now. I agree with what the people from the Public Advocate said about people lacking knowledge of their rights, and I think it is a complicated protection in the sense that it -- I also like what I hear from Public Service about having special people. In fact, I asked Barbara Wanzer, who works closely with this in Camden, I said, "Is this really happening?" and she said, "Yes, I talked to the guy." It happens to be the same guy she has been talking to for three or four years, but he is now designated as a CARE person, which means that he is in the Public Service office. He is supposed to make referrals to assistance, and to discuss individual payment problems with people. That is what you mean by good faith. I think it is complicated, and it depends on the good faith of everybody. Apparently it is up to the individual customer to convince his utility that he is making some kind of an effort to pay. So, it certainly is more complicated than a simple moratorium on winter disconnections of gas and electric utilities.

I think the Board has also indicated that they stand ready to sort of hold people harmless in the process of figuring out what their relationship in the utility bill payment is. I think that basically a law has been wanted by all parties in all the three years that I have been hearing about utility termination discussions. For one thing, every year you go back to the same old process. If you don't have a law, then the regulation has to be renegotiated every year. I think a law is stronger, because the Legislature is probably -- with the signature of the Governor -- is a stronger political input than a regulation, since regulations are based on laws. So, I think the law is even better than the regulation, and I think the regulation requires the cooperation and good faith of everybody in order to be operative.

SENATOR DALTON: Thank you, Carol. I appreciate it. May we have the representative from Jersey Central Power and Light?

E. J. Mc C A R T H Y: Good afternoon, Senator. I appreciate the opportunity of coming down here to testify before your Committee. I just have a brief opening statement I would like to read to you, and then make a few comments on some of the remarks made by the people who spoke this morning.

As you are aware, the BPU recently issued their decision and order with respect to the termination moratorium which is to be in effect this winter for residential accounts. Moratoriums in some form or another have been in effect since the winter season of 1977. Prior to the issuance of the most recent decision and order,

a number of discussions and conferences were held with representatives from the BPU, the Public Advocate's Office, the New Jersey Federation of Senior Citizens and the electric and gas companies. In addition, testimony was presented by the utilities to the Board's hearing officer on June 25, 1982, and such testimony was subject to cross-examination by the parties involved. Rather than belabor you with a reading of the testimony we submitted in June, it is attached in the booklet you have before you this morning -- or this afternoon.

At this point, I will briefly review for you exactly what our residential collection policy is, how it works and some of the special programs which are in existence to protect customers. Then I will try to quickly summarize the testimony we presented in June.

Basically, our collection policy provides for the mailing of delinquent or termination notices to residential customers shortly after the due date of the second or third month's billing. That would depend upon the past record of the account. If payment or satisfactory arrangements for payment are not made, we then attempt to contact the customer by telephone prior to working a collection or termination notice in the field. When working a notice in the field, our collectors are instructed to first attempt to contact the customer prior to ever terminating service, and if an emergency or unusual condition exists, such as sickness, death in the family, etc., our collectors are instructed not to terminate service, but rather to report the condition to their supervisor. During the winter months, it is mandatory that a personal face-to-face contact be made by our collector with a responsible adult member of the household prior to ever terminating service.

As a matter of information to members of the Committee, through the joint efforts of the BPU and the utility companies, there have been a number of special programs and procedures implemented over the years to protect residential customers. Some of these are the third-party notification procedure, notifying customers over sixty-five years of age, determining the presence of electrically operated life-support equipment, determining the presence of a medical emergency and notifying municipalities of residential service terminations.

As I mentioned previously, all of the major electric and gas utilities presented testimony in June pertaining to the 1981-1982 winter moratorium. One of the purposes of the testimony was to attempt to show the financial impact on our uncollectable losses and on our monthly accounts receivable delinquency percentage, and to also show the payment record during the moratorium period for some of the accounts which qualified for one of the seven categories contained in the stipulation. As our testimony at that time indicated, it has been our experience that as the moratorium becomes more and more publicized, there are a greater number of customers who take advantage of it, and treat it as a moratorium on a payment of bills altogether, rather than on termination of service. Thus, in this most recent year for example, when the moratorium ended on March 15, in many instances we found that the amount of money outstanding had now exceeded the customer's ability to pay, and in some cases the customer was forced to vacate the premises because he or she could not pay the billing.

As our June testimony also indicated, the ultimate effect of a moratorium is that it does have an adverse impact on our uncollectable losses and on our monthly accounts receivable delinquency. The quantification of the actual dollars and cents effect of the moratorium has been the subject of much discussion between the parties involved in the proceedings. A major difficulty, as you have heard mentioned before, is that, with the exception of the Lifeline credit program, we are unable to

identify which of our customers qualify for the remaining protected categories. With the Lifeline credit program which I might add, in my opinion, is an example of a well-run program in accomplishing the purposes for which it was intended, the State identifies which of our customers qualify for a Lifeline credit and this is so noted on our customer master file. For the 1982-1983 season to date, approximately 35,000 of our customers, of our senior citizens, have received Lifeline credits totaling almost five million dollars. I might also add that commencing in January, 1983, checks issued in connection with the Home Energy Assistance Program known as HEAP, will be dual-party checks, that is, made payable to both the customer and the utility company. Thus, when these checks are received, we will then be able to identify these customers as recipients of HEAP benefits on our records.

In reviewing the proposed legislation, I noticed that it does not address the problem presented to the utilities where energy assistance monies received by the recipients are not used for the purposes for which they are intended, or the monies they receive are inadequate. I would suggest that a customer's inability to pay for utility service is really a social problem which must be resolved in the arena where other social reforms and financial aids are made available, namely through the legislative and executive branches of the government. I also noticed that the many customers in the State of New Jersey who heat their premises by oil are not covered by the proposed legislation, nor are they recipients of SSI benefits. This latter group is included in the recent BPU decision and order.

In summary, I can assure you that we at Jersey Central support the moratorium agreement under which we presently operate, the categories mentioned and the provision which provides that customers seeking protection of the winter program be required to enroll in a budget payment plan. In my opinion, this legislation is not needed, since it has been demonstrated that the utilities, the BPU and the Public Advocate have been able to work out a mutually satisfactory agreement with respect to a residential winter moratorium and, most importantly, to make necessary changes as required for coming years. I would suggest, however, that legislation in the area of some form of financial assistance for those who are unable to pay or for those who receive inadequate assistance may warrant further consideration by this Committee.

In your opening remarks, Senator, you also asked that we address the areas of concern and perhaps make some suggestions or mention some of the programs we are undertaking. I certainly do not have all the answers by any means, but one of the programs we have had in effect since 1978, with a year or two exception, is a compassion fund, where we allocate a certain number of dollars to Ocean, Inc. It is a social agency -- a nonprofit agency in Ocean County, whereby money is given to this agency and then as needy or poor individuals are referred to the agency, they will evaluate whether or not that person is deserving of some type of financial assistance with the payment of his or her electric bill. We are taking a very close look at this program, and we intend to explore the possibility of expanding this program in the year 1983. As you may be aware, in other states they have programs like this where there are some matching funds given by businesses, by corporations, by churches, by individual customers, and so on. But, we will take a look at that in 1983.

Chuck Richman and Bill Potter mentioned energy conservation and load management. EEI has a low-income weatherization assistance project that is a nationwide project. We have volunteered to participate in that program. Basically, what the program consists of is, the utilities participating in the project would, at

their expense, weatherize approximately ten homes of the poor. The purpose is to show that the monies are best spent for weatherization, as opposed to an outright grant to a person year after year.

Another program concerns the -- the energy conservation and load management programs we're involved in -- you've heard mention of RECAP, REAP, time of day rates and wrap up-turn down programs, these are not "show and tell" programs. These are programs where it can be documented that the savings will occur. They remove one of the biggest obstacles that customers face, especially the poor face in weatherizing their homes or making their homes more efficient, and they remove the necessity for an up-front expenditure of dollars on the part of the customer. REAP and RECAP resolve that problem.

Sam mentioned a load limiter. We have experimented with a load limiter in the Fort Dix-Wrightstown area. It was a two-month experiment that concluded on November 30. Right now, we are in the process of evaluating the results of that experiment, and we will be submitting our report to the BPU.

I would add that the limiter has been used in other states and, contrary to Sam's comments, many of the social organizations in other states have found it is a very worthwhile and humane thing to use, as opposed to just an outright termination of service.

In conclusion, I can reiterate what I said before, we need some type of legislation as far as making more funds available to the poor and needy, those with incomes below the poverty level, or even individuals with incomes slightly above the poverty level guidelines, who I am sure could use assistance, also. I know in the past that some suggestions have been made, back in the middle '70's, concerning fuel stamps. I don't know whether that is something your Committee would like to consider, Senator. I'm not sure how something like that would work. But, I can assure you that we are concerned about the problem of the poor and the needy, and the moratorium, and that we do apply our collection policy with compassion and understanding. The instructions we have given to our people administering the policy is that if we error, we are going to error on the side of leniency, as opposed to being hard-nosed and tough.

SENATOR DALTON: Thank you very much. Mr. Saleem, Deputy Director of the Paterson Task Force Community Action Agency. Good afternoon.

J I H A D S A L E E M: Good afternoon, Senator. How are you? I thank you for this opportunity to say a few words. Most of the things that I was prepared to say have already been said. I was particularly impressed by the presentation of the last speaker relative to the weatherization concept. I think that utility companies should pay more attention to that particular technique, because to me it represents a cure, rather than a bandage. The moratorium is an attempt to allow people to exist during the winter months, but it does nothing for them in the long run. It is a never-ending cycle.

I would like to see the utility companies, as well as this Board, make some sort of an attempt on our present national legislators, who right now are holding up -- are in limbo about the national weatherization program. They are talking about cutting back funds, etc., etc., etc., which is going to place poor and disadvantaged people further behind. I can personally attest to the fact that weatherizing a home is indeed a help. I'm not talking about just retrofitting, putting up storm doors and windows, and if we design a program, I would suggest to the utility companies that they be concerned about costs as far as contractors are concerned, to ensure that

the bulk of monies are not eaten up in labor costs, which do nothing for the low-income person.

Rather than see low-interest loans, I would prefer to see grants in the terms of a write-off for qualifying low-income people, because if a person is unable to exist as they are now, how can they take upon themselves another burden of a low-interest loan? I think if the utility companies are sincere, they can use this in terms of a write-off.

Many people spoke about the inability of poor people to pay. This is true, but some of these problems, I have found, have also been caused by some of the utility companies, mainly their meter readers. They go out, they ring a person's bell, and they wait. They count -- they must count a thousand one, a thousand two, a thousand three, and then they disappear. When they disappear, this disallows the person to let them in. So, what they do, they come back -- I don't know what kind of a report they make to their superiors, but the end result is an estimated bill. The estimated bill is always higher than the true cost. The accumulated effect of this is a discontinuation of service. Discontinuation of service has another additional charge, a reconnection charge of approximately \$16.00, varying with whatever area it is in.

What I am saying to you is that I think the utilities should make a greater effort. They have what they call outside meters. I think that if the utility company is having a problem of getting inside a home, they should make available to that particular customer, or at least bring it to their attention, an outside meter, where they do not have to go inside a person's home.

Another thing I wanted to stress, is that in the Paterson area over the past year, they performed an experiment with these load limiters. I would like to know the rationale behind that and, out of all the information and data collected, in what way do the utilities intend to use this? I think it was very discriminatory to pick a certain sector of the State. I don't know how it was done, but I can say this, it was definitely a disadvantage to the people in that area. The gentleman stated that in other areas, the low-income people, or the Community Action Agencies, or whoever, are in favor of this. That's news to me. I know it has caused a lot of discomfort for low-income people.

I think that in terms of billing, the price of the unit product should be skewed toward the residential user. I think that the industrial and commercial users relative to the cost directed against residential users, pay less. I think there is a better way to look at this problem, because in purchasing a product a person has a discretion whether he will pay that cost. But, with the utilities, when paying your bill, you don't have the discretion. I would rather see costs included in the product I am buying, rather than utility companies putting this cost on me as a residential person.

I really hope that this meeting and all the comments I have heard are not like water running off a duck's back, because I know that in the past when you have had such meetings, many people come; they say a lot of things; and, there is a lot of hoopla at the time, but the situation remains the same. I say in my final statement that I would like to see this Board effect some meaningful policy to our national legislators to ensure that this weatherization program is held intact presently. Secondly, I would like to see the utility companies get involved in that. They say that they are in it, that they are participating in it. I don't mean just

in sharing, or passing out information. I'm talking about really getting their teeth into it. If you want to help low-income people, weatherization is the concept because it is a cure. It is not a tentative situation. I thank you for your time.

SENATOR DALTON: Thank you, Mr. Saleem. I appreciate it. May we now have the representatives of the Elizabethtown Gas Company?

T H E O D O R E H O L L I D A Y: Good afternoon, Senator. How are you? I am Theodore Holliday, Director of Government Affairs for Elizabethtown Gas Company. With me today is Clarence Bauknight, who is the Manager of Customer Service for Elizabethtown. He will be presenting our statement.

C L A R E N C E B A U K N I G H T: Good afternoon, Senator. I am not going to reiterate a lot of the things that the other utilities have said, because I feel it would be redundant. A lot of the things the other utilities are doing, we are also doing, and we also share the same concerns that they have, and I think about four of them have testified already.

What I would like to do is just comment on a couple of the things we are doing, and then comment on a couple of observations that we have. Number one, I think there was some talk this morning regarding budgets, budget programs, and senior citizens being forced on budgets. It is not our policy, and I do not think it is the policy of any other utility, to force people to go on a budget. I think that perhaps the concept of the budget is misunderstood, because I think a budget program levelizes payments over a period of twelve months, therefore, enabling people to go through, for instance, the winter months when the utility bills are generally higher paying a much lower payment at that point in time. I think, for the most part, people who are on a budget find that that budget enables them to pay their bills more easily. Now, an individual who is in good standing is not required to go on a budget, be he a senior citizen or any other customer.

With regard to some of the other things we are doing, we have been working very actively with our community-based organizations in our service territory, holding meetings with them, discussing what our policies are with them, and providing specific contact people for them to contact us in the utility, and we have been having referrals back and forth. They have been referring individuals to us with problems, and we have tried to resolve them. We refer individuals to them with problems that we were unable to resolve, and they have been working that way. Additionally, we have an active speakers' bureau, whereby we go out to various community groups throughout our service territory, advising them exactly what our policies are. That has been very beneficial because we, as a result of that, come back and change some of those policies because of the customer input we received. One thing I can specifically sight is that senior citizens have indicated to us that in some of our brochures the print has been too small for them to read. We have come back and actually enlarged that kind of print so that they can understand exactly what our policies are.

With regard to terminations, we do notify customers well in advance that their service may be subject to interruption. We provide them with a customer bill of rights, and that is a matter of policy so that they know what their rights are. Our customers pretty much understand what their rights are, and they also understand how the moratorium works. What it comes down to, and I think what some of the other individuals from the various social service agencies have testified to, and I think we found it to be a fact also, is that low-income people simply do not

have enough money to make it go around for food, clothing, shelter and utility bills. I think the root of the problem is economic in nature. While the moratorium does provide protection against service cutoffs during the winter months, it does not get at the root of the problem. The problem is economic in nature and even if the service -- I've heard testimony where they indicate utility bills are too high -- even if the utility bills were, you know, just a dollar, some of the low-income people do not get enough money from various resources to pay even that minimum amount for service. What we're talking about is for the utilities to underwrite that cost. In other words, provide free service for low-income people. Quite frankly, we feel that is an unfair burden to put specifically on utilities, specifically on gas and electric customers. We think that is a societal problem, and it should be dealt with by society as a whole. We feel that somehow there has to be more money funneled through to the low-income individuals, and that is a burden that should be shared by everybody, and not just the ratepayers who pay gas and electric bills.

To point out a couple of things in terms of the fact that our customers are not as naive as we would think they are, or as it has been alluded to that they are regarding the moratorium, we have had customers in our service territory, and they have advised us of this, who have specifically moved out of units that were oil heated because there was no protection for them. Once the oil was cut off, they could not get any assistance in terms of providing heat in their oil heated houses, and they specifically moved to gas heated units because they are aware that there is a protection, and it is a moratorium that it cannot be turned off during the winter months.

From this, our arrears have gone up and, quite frankly, in this particular category we have no reasonable expectation that some of these individuals will ever be able to pay for gas service. We continue to give it to them during the moratorium period, but we think that this burden should be shared, not solely by the utility companies, but by the general populace of the general society as a whole. This is something I think the Legislature has to deal with.

They are pretty much my comments. I will be glad to answer any questions you may have regarding our specific policies.

SENATOR DALTON: Thank you very much. I don't have any questions, but I certainly appreciate your time and your testimony. Mr. Gabel?

S T E V E N G A B E L: Good afternoon, Senator. The Commissioners are tied up in Newark today, and they have asked me to come down to explain the current Board policy on termination and moratorium.

Let me briefly go over that, and then I will try to work through my notes and see if I can comment on some of the remarks that were made by the other speakers.

SENATOR DALTON: I think we have an understanding of the Board policy. We have had your policy for a long time now, since it was made public. If you want to make some general comments though --

MR. GABEL: I just wanted to hit on a few salient points that seem to be of concern from the comments I've heard.

SENATOR DALTON: Okay.

MR. GABEL: The first of those, I think, is that we have set the seventh category, what we call the "catchall" category, of those in need. That is one that we feel can catch those people who are not in those first six, but who are now, say on unemployment, or who may have lost their unemployment, who have a true

problem meeting their utility bill. I think this allows for some flexibility in the regulations. It is a necessary flexibility, in that if we set down hard and fast rules, we may be losing some people, or cutting off some people, who we would not want to cut off. So, I think this makes the standards workable, but gives them the flexibility to protect the needy consumer.

The second area I thought was important to note, was the handling of customers who have been turned off in the interim period since the last moratorium. The policy the Board set was that they had to make a payment of up to 25% of the outstanding balance, and I have to underline a number of times that "up to" part of that. Again, the Board has asked the utilities, and then the Board staff, to be very compassionate in making that determination. If it is 5%, 3% or 10%, we'll look at the situation and try to meet the needs of that particular customer. Again, the preservation of health for these customers is a primary concern of the Board.

The third point that was raised was the question of the budget payment plan. There is a requirement that for restoration of service, you have to enter a budget payment plan which would require a certain amount of money per month. However, the customer in that situation only has to make good faith payments if he has the ability to do so. In other words, if the budget payment is set at \$250.00 a month, and he can't make \$250.00 a month but can give what he can afford, his service will continue.

SENATOR DALTON: Are the utility companies all aware of that?

MR. GABEL: Yes, it's in the order. Again, this gives, I think, a necessary flexibility to our ruling. I think I have run over what I saw as the major points within our order. I want to mention a few things that you have mentioned. One was the question of multi-family dwellings, which was not fully addressed by this order nor by any of the proceedings that led up to this order. There is presently in place a statute, an administrative code, which I have copies of here -- it's N.J.A.C. 14:37.14, and it deals with discontinuance of service to tenants. It requires that the utility, before cutting off service to a multi-family dwelling, post notice of discontinuance in the common areas, and allows the tenants to get together, if they can, to meet the bills that are due, not the back billings but the future billings that would be due the utility. In general, this is a problem which is not only an electric or gas problem, but these landlords are not meeting their responsibilities to provide adequate housing to the residents. So, this is something that the Board is already working with. We have talked to the Department of Community Affairs to try to work with them, so that we could communicate to them if a landlord was not meeting his payment responsibility. They could then take the necessary action, working with us and the utility, to see that that landlord was making payment.

Let me run down my notes here. Several witnesses mentioned the need for conservation programs. I think the Board has been very, very concerned with that over the last several years. In fact, President Curran, several weeks ago when she announced the major conservation program for Public Service Electric and Gas, said that the main intent of these programs was to reach low-income customers. Let me go down a few aspects of that program, and I think it does begin to reach out into that population.

The first of these is the Zero Interest Loan Program, which will be available to anyone with an income below \$30,000 a year, so that will reach low and middle income. Then there is a subsidized loan program for those with incomes above

that amount. They also authorize Public Service to go ahead with what we call a "low-income seal-up program." Free of charge, Public Service will be sending out contractors to do basic conservation work in homes or rental space. This will be about \$140.00 worth of work, which will be done free of charge for the customers. They will go into the home, into the apartment and do caulking, weatherstripping, and put in plastic storm windows, whatever they think is necessary to basically tighten up the space. The Board has also authorized rebates for air conditioners and heat pumps, which I think is something that Assistant Commissioner Potter mentioned. They are going ahead on water heater wrap programs. We have incentive programs for windmill power, and we also have -- and this was mentioned by the gentleman from the Paterson community action organization -- a grant program for low-income customers who can get the necessary dollars to do major retrofit work. The Board has announced this for Public Service Electric and Gas. At the same time, it announced that all the other major energy utilities -- gas and electric utilities in the State -- were to file similar programs within forty-five days.

So, the Board sees the termination or the moratorium policy as the necessary solution to the immediate problem, but is looking further than that to cut the bills of these customers.

SENATOR DALTON: The grant program, the seal-up program you talked about -- is that a self-elect program?

MR. GABEL: Well, the seal-up program is an open-ended program. Any low-income homeowner or apartment dweller who wants this would get approximately \$140.00 worth of work done free.

SENATOR DALTON: How is it charged off?

MR. GABEL: This will be billed into the general rate structure.

SENATOR DALTON: Of the utilities?

MR. GABEL: Right. Again, though, it is our feeling that it is not a subsidy; it is something that when you get the utility to cut back on a kilowatt hour or a therm, there are savings that all the customers realize. So, in the long run, all the customers will benefit, these customers in particular.

SENATOR DALTON: What can you do for \$140.00? I mean, obviously, you can do some weatherstripping --

MR. GABEL: It's really the basic work, the weatherstripping, the caulking, door sweeps, plastic storm windows if they are needed -- the basic things which will, hopefully, keep the wind from blowing into the apartment.

SENATOR DALTON: This is via PSE&G?

MR. GABEL: Right now this is for PSE&G. We're looking --

SENATOR DALTON: What can -- go ahead, I'm sorry.

MR. GABEL: --for all the utilities in the State.

SENATOR DALTON: What is the total amount of that conservation program that doesn't involve (inaudible)?

MR. GABEL: Well, I think it is listed as a first-year cost of ten to eleven million. That is a budgeted amount. As I said, this low-income seal-up program is open-ended. Any low-income customer who contacts the utility for the program will receive it. They will meet the need that's there.

SENATOR DALTON: The same as the Zero Interest Loan Program?

MR. GABEL: That's right, sure.

SENATOR DALTON: The concern that Mr. English from SCOPE expressed, and a lot of other people seem to think about, is that, you know, you send out a

brochure or something telling about these programs in the mail with the billing, and the focus of the low-income person is not the brochure or the booklet, but how much their bill is. I assume you agree that it is a legitimate concern. Do you see any attempts to resolve that problem?

MR. GABEL: Yes. We ordered Public Service to have a large advertising budget attached to this conservation program. They are going to publicize it in the general newspapers and in the media. They are also attempting to get in touch with the low-income and community action organizations, so they can hit those organizations where they would read it essentially.

SENATOR DALTON: I would be interested in -- I know the people from Public Service are here -- finding out how successful they are in obtaining respondents relative to that program.

MR. GABEL: Right now, this was ordered three or four weeks ago, so we are in the process of getting it to a stage where the company can offer it to the public at large.

SENATOR DALTON: Is the Board going to involve itself in any type of reporting form with regard to the whole shutoff issue this winter, because I know this Committee would be very interested in obtaining information as to the number of people who were shut off in the different service areas? I don't know if you could provide the Committee with a rationale for each and every one, but if you could categorize rationale as to why they were shut off, I know I would be interested.

MR. GABEL: Well, one of the things that was a problem throughout the whole proceeding was that there was limited data to make the right types of decisions.

SENATOR DALTON: Well, most of the decisions are now going to be made by you, aren't they?

MR. GABEL: That's right. When I say that, I mean that the utilities could not provide us data where they could point to particular customer types in particular situations. We have ordered them to begin to gather that data in a much more aggressive manner.

SENATOR DALTON: When you say customer types --

MR. GABEL: In other words, generally the utilities couldn't tell us whether a customer who was nonpayment was in those seven categories or not in those seven categories.

SENATOR DALTON: Okay.

MR. GABEL: And clearly that data would be helpful in reaching a good policy.

SENATOR DALTON: Do you mean even if you try to get a person, via the phone or in person, and you can't get him for several months or whatever, and there is a termination -- any information of that sort, I know we would be interested in, as well as the seven other categories. I don't know if you are going to set up reporting forms for you to monitor the policy.

MR. GABEL: Well, we're getting in a position where we can get the proper information from the utilities. We also pull in what we get from our Bureau of Service and Inspection, and catalog that in a way that will let us see exactly what is going on.

SENATOR DALTON: Yes. I'm sure other members of the Legislature would be interested, too. Thank you very much; I appreciate it.

MR. GABEL: Thank you.

SENATOR DALTON: I think that concludes our session. I appreciate everyone coming out to provide the Committee with input.

(HEARING CONCLUDED)



SOUTH JERSEY GAS COMPANY



TESTIMONY OF
CHARLES BISCIEGLIA
ASSISTANT VICE PRESIDENT COMMERCIAL OPERATIONS
ON BEHALF OF SOUTH JERSEY GAS COMPANY
DOCKET NO. 792-88
THE UNRESOLVED ISSUE

SOUTH JERSEY GAS COMPANY

TABLE OF CONTENTS

<u>Part</u>	<u>Description</u>
I	Introduction
II	The Unresolved Issue
III	BPU Requested Information
IV	Exhibits

SOUTH JERSEY GAS COMPANY
TESTIMONY OF CHARLES BISCIEGLIA
ASSISTANT VICE PRESIDENT, COMMERCIAL OPERATIONS

My name is Charles Bisciegliia, my business address in Number One South Jersey Plaza, Route 54, Folsom, New Jersey 08037. My title is Assistant Vice President, Commercial Operations. I am a graduate of Goldey Beacom Junior College, Wilmington, Delaware, with an Associate of Arts degree, majoring in Accounting and Business Administration. I also attended the University of Delaware, Newark, Delaware, where I furthered my education in Business Administration. I began my employment with South Jersey Gas Company in 1968 as a Cadet Accountant in the Treasury Department. In 1969, I became an Internal Auditor and performed that function until March 1971 when I was promoted to Manager of Customer Information Center. In February, 1975, I was promoted to General Commercial Manager and performed that function until April, 1981, when I was elected to my present position of Assistant Vice President, Commercial Operations. In this position, I am responsible for the planning and directing all general office and field staff functions with regard to commercial activities of the Company, including the Customer Information Center and all Meter Reading and Collection activities.

Before going into the details of the unresolved issue in other parts of my testimony, I would like to comment briefly on the position of South Jersey Gas Company and the financial and social impact that restoration of service without payment would have. South Jersey Gas Company is opposed to restoring service

on each December 1, to protected customers where service had been previously discontinued for non payment. The restoration of service to these customers could have a severe adverse impact on the Company's ability to collect its bills as customers would have no incentive to pay either their previous outstanding bills or their bills for winter service. In addition, the increased costs associated with this sub-class of customers would be passed on to the remainder of South Jersey's customers and would most likely result in a strong negative reaction from those who have been paying their bills prior to December 1 to avoid termination of service. It is also most likely that if this practice of restoring service without payment were to continue from year to year, customers falling within any of the seven protected categories would be more likely to stop paying their bills during the non-moratorium months knowing that they would receive service during the moratorium months. In the cooler periods of the spring and fall they could heat with other sources of energy (electric, kerosene, wood, etc.) knowing that on December 1, their service would be restored. This would not only provide free gas service and substantially increase potential write-offs, but could also create possible safety hazards during the spring and fall months.

We must also keep in mind that the main purpose of the stipulation is to assure utility service during the winter months to certain financially disadvantaged customers with the expectation that they would pay for this service prior to the next winter heating season. In essence, it is a deferred payment program that the utilities have willingly participated in for the benefit of a predetermined category of customers during the winter heating

season. It was never intended by South Jersey or the B.P.U. to be used by customers as a method of avoiding ultimate payment of gas bills. A utility cannot be expected to furnish service absent a reasonable expectation that it will be paid for. To provide otherwise would violate traditional concepts of due process of law, constitute the taking of private property for public use without just compensation and result in an injustice to both the utility and its paying customers.

While South Jersey is sympathetic to the concern regarding the need for gas service during the winter heating season, such need is not different from the need of customers for food, clothing or shelter and the difficulties many of them have in paying for such necessities. However, as with these necessities, the burden must be placed with society as a whole, and not with the utility industry. Other industries do not provide services or products to those customers who cannot afford to pay for them. The answer to this problem lies in social legislation rather than as the responsibility of all utilities to serve customers who do not or will not pay for utility service.

In conclusion, it is our opinion that the Board has already provided the public with every reasonable option to avoid termination of service for non-payment while not prohibiting the utility from its right to terminate service when all other options fail. In addition to the present stipulation, current regulations provide for Third Party Notification, Telephone Notification prior to termination of service for those customers 65 years of age or older, Notice to Tenants when a landlord-tenant relationship

exists and service is to be terminated, Notice of Discontinuance to include certain information to aid the customer in finding a remedy to prevent termination of service, Medical Emergency Provisions, Deferred Payment Arrangements and prohibition of Weekend and Holiday Termination of Service. An added requirement to notify, certify and restore service to certain non-current customers with unpaid balances cannot be supported by South Jersey. As mentioned before, this would only create a sub-class of customers who would be receiving free utility service while increasing operating costs, delinquencies and write-offs. This would not be in the best interest of our customers or the public.

PART II

PART III

PART IV

By a Decision and Order dated February 18, 1981, B.P.U. Docket No. 792-88, the Board of Public Utilities adopted a stipulation establishing a series of six categories, and was later amended to seven categories. Any individual falling into any one of the seven categories would not have his or her utility service discontinued for non-payment of utility bills between the period December 1 and March 15 of each year. It is to be noted that this stipulation represented an accommodation among the utilities, the Staff of the B.P.U. and the Office of the Public Advocate. This accommodation represented a spirit of cooperation and compassion on behalf of all involved parties.

However, the stipulation and the Board's Order left one issue unresolved. The unresolved issue was stated in the stipulation as follows:

"One question which is unresolved concerns the status of the beneficiary of a prior winter's prohibition once a succeeding December 1 arises. [That is, if a customer's service is not terminated for non-payment during the period December 1 to March 15 of any year, due to the provisions of this stipulation and that customer's account is still unpaid in whole or in part on the next December 1, what is that customer's status? If on or after March 16, that customer's service was terminated, must service be restored on December 1?"[?]]

During the latter part of 1981, representatives of the Utilities, the Office of the Public Advocate, the New Jersey Federation of Senior Citizens and the Staff of the B.P.U. have been meeting in an attempt to resolve the unresolved issue. Final agreement towards resolving this issue has not been made. However, all parties

have agreed to a procedure for resolution. Such procedure was outlined in a Decision and Order by the B.P.U. dated December 3, 1981.

In essence, the Decision and Order established the following formal policy:

1. Customers falling in any one of the seven protected categories would not have their service terminated during the period December 1, 1981 to March 15, 1982. In addition, those customers who had been terminated subsequent to March 15, 1981, would have their service restored if those customers could demonstrate that they fell within one of the seven protected categories.
2. Utility companies would adopt an appropriate procedure which could include a direct mailing to terminated customers or some other procedure to notify currently terminated customers of the availability of the moratorium for the coming year. If the customers who were notified, demonstrated to the utility that they fell within one of the seven categories, those customers would have their service restored. South Jersey, on its behalf, mailed notification to these customers on November 16, 1981 and the results of such a mailing is contained in Exhibit VIII, Part IV.
3. A proceeding would be held, which would involve hearings before an employee of Staff of the B.P.U. The hearings would be designed to be completed on

or before June 30, 1982. Each utility would collect and introduce evidence at the hearings relative to the effect of the unresolved issue on their financial impacts and any other studies and determinations which would be germane and reasonable. In addition, consideration should be given by the utility to code the accounts of those customers who fall into one of the seven protected categories. It was intended that this would allow monitoring of the results of the Board's Orders issued in this matter and provide a more equitable evaluation of their effects and benefits.

South Jersey has done everything within reason to identify those customers within its service territory who fall into one of the seven protected categories. As shown in Exhibit I, Part IV, we have identified 8,764 customers. With the exception of Lifeline customers, this was done mainly by field contact with our Collection Department. It is our opinion that because of the large number of no contacts made on field visits, we have not identified nearly the number of eligible customers who might be protected. Because of this, South Jersey, along with a number of other utilities, requested a meeting with the Department of Human Services in an effort that they might assist us in identifying these customers. In brief, the result of that meeting was that the Department of Human Services could not assist us with such identification because of the confidentiality of the information. In its next effort to identify these customers, South Jersey, as well as

other utilities and B.P.U. Staff, proceeded to meet with The Eagleton Institute to design the features of a possible research study. Once it was determined that identification of social program recipients was necessary to conclude a creditable research study, a second meeting was held with the Department of Human Services, the utilities and B.P.U. Staff. The position of the Department of Human Services remained the same with regards to releasing the identification of social program recipients. Because of this inability to acquire the necessary data to proceed with the Eagleton study, the B.P.U. is continuing its efforts within the structure of the various State departments to secure the necessary information. However, as of this date, the data is still unavailable. In still another effort on the part of South Jersey to obtain all available data regarding recipients of energy assistance, a formal written request was made on May 3, 1982, to the Division of Public Welfare requesting a match of delinquent residential customers of South Jersey with their energy assistance files. South Jersey has made every effort possible to comply with the Board's request for information, as evidenced by the Exhibits contained in Part IV of this testimony. However, the magnitude of the unresolved issue is not as fully visible in these Exhibits as it would be if identification of all protected customers were made.

PART III

PART IV

In a meeting held on January 12, 1982, at the offices of the Board, Mr. Anthony Zarillo, Executive Officer, asked that all utilities direct testimony to specific items. [This request was] also made by Mr. Gerald A. Calabrese, Secretary, in a letter dated May 3, 1982. These items were: (a) the results of uncollectible net write-offs for the years pre 1973 and post 1973; (b) analysis of residential delinquencies; (c) payment habits of eligible customers by protected categories; and (d) the results of the special mailing to non-current residential customers.

[In part III of my testimony I address these matters seriatim]

Analysis of Net Write-Off to Revenues for the Years 1968 to 1981.

Exhibit IV shows a comparative analysis of residential and other net write-offs to revenues. As can be seen from this exhibit, there has been a substantial increase in the cents per \$100 of residential revenues written-off during the last two years that the stipulation has been in effect. [Residential net write-offs] have increased from 61.9 cents per \$100 of revenues in 1979 to 87.2 cents per \$100 of revenues in 1981, an increase of 40.9 percent. This is a result of the dramatic increase in the average monthly delinquent final bills from 1979 to 1981. During 1979, the average monthly delinquent final bills were \$183,855 or \$103 per customer. By the end of 1981, the average monthly delinquent final bills increased to \$457,293 or \$206 per customer, an increase [of 149 percent for the month and 100 percent per customer.] As of April 30, 1982, there were delinquent final bills in the amount of \$728,418. (See Exhibit VII). Of this amount, approximately

\$100,000 represents delinquent balances of currently inactive protected customers as identified by South Jersey Gas Company. It is anticipated that this will increase to at least \$250,000 by July 1982 when termination to all protected customers is completed. It is this same \$250,000 that will ultimately end up being written-off as uncollectible when service to these customers would be restored each December 1 without payment.

Analysis of Residential Delinquencies. The experience of South Jersey Gas Company regarding residential delinquencies has shown that there has been a dramatic increase since 1979. While average

monthly residential revenues increased by only 57 percent for the period 1979 to 1981, as shown in Exhibit VI, Exhibit V shows that average monthly residential delinquencies increased by 98 percent for the same period. This is a result of many of the protected customers making little or no payment during the stipulation period. Exhibit II, Page 1, shows that of a total outstanding receivable for all protected categories of \$415,393 as of April 30, 1982, \$223,901 or 54 percent is delinquent. While the total number of identified delinquent protected customers represents only 5.7 percent of all delinquent residential customers, they represent almost 10 percent of the total residential delinquent dollars. If utilities are required to restore service to these customers with unpaid balances, the company will be put in the position of geometrically increasing unpaid balances for these customers. This is, the affected customer will continue to owe 100 percent of his balance from the previous winter; and, in addition, will now owe 100 percent of his balance from the current

winter season. The end result will be that these customers will become deeper and deeper in debt to the utility companies. They will inevitably become part of a sub-class of customers unable or unwilling to pay their utility bills, who will continue to receive free utility service at the expense of other customers.

Payment Habits of Eligible Customers by Protected Categories.

Exhibit III, Page 1, shows the payment habits of all protected customers for the period December 1, 1981 to April 30, 1982. While almost 18 percent of these customers paid nothing on their utility bills since December, approximately 35 percent paid less than half of what they were billed. However, it must be pointed out that the LIFELINE and HEAP categories, where substantial payments were made directly to the utility or in the form of dual party checks, were responsible for over 88 percent of all payments received. These direct and dual party payments do not, of course, represent discretionary payments by the protected customers. If utilities were required to restore service to all protected customers each December regardless of their outstanding balances, we would surely see a dramatic increase in the number of customers who would pay nothing as knowledge of this policy became more widely known.

Results of Letter to Non-Current Residential Customers. On November 16, 1981, South Jersey Gas Company made a special mailing to all non-current residential customers with unpaid balances. (See Exhibit VIII A). As shown on Exhibit VIII, 606 letters were mailed representing unpaid balances of \$180,129. Of the 84 re-

sponses received, 40 customers were found to be eligible for one of the protected categories. As of the date of the mailing, November 16, 1981, these customers had outstanding balances totaling \$12,181. As of April 30, 1982, these same 40 customers had remaining balances of \$15,371. Twenty of these 40 customers have had their service discontinued as of April 30, 1982. This is a clear indication of the lack of good faith payments which supports South Jersey's position that if utilities were required to restore service to these customers each December, regardless of their unpaid balances, we would surely see a dramatic increase in delinquencies and the number of customers who would pay nothing. In addition, only 13.9 percent of the non-current customers responded to our letter and only 6.6 percent were found to be eligible. The reasons for this is first, the 402 customers who did not respond were not eligible and second, those customers who would have been eligible had already paid in full or made satisfactory arrangements for payment. This will surely not be the case when customers become aware of a policy that would require restoration of service without payment.

SOUTH JERSEY GAS COMPANY

INDEX OF EXHIBITS

- Exhibit I** **Number of Eligible Customers by Protected Categories as Identified by South Jersey Gas Company.**
- Exhibit II** **Delinquent Receivable Balances of Eligible Customers by Protected Categories as of April 30, 1982.**
- Exhibit III** **Payment Habits of Eligible Customers by Protected Categories for the Period December 1, 1981 to April 30, 1982.**
- Exhibit IV** **Analysis of Net Write-Off to Revenues for the Period 1968 to 1981.**
- Exhibit V** **Analysis of Monthly Residential Delinquencies for the Period January 1977 to April 1982.**
- Exhibit VI** **Analysis of Monthly Residential Revenues for the period January 1977 to April 1982.**
- Exhibit VII** **Analysis of Monthly Delinquent Final Bills for the Period January 1977 to April 1982.**
- Exhibit VIII** **Analysis of Special Mailing to Non-Current Residential Customers made on November 16, 1981.**
- Exhibit VIII A** **Copy of Letter Mailed to Non-Current Residential Customers on November 18, 1981.**

New Jersey State Library

05/05/82

EXHIBIT I
PAGE 1

MONTHLY STATISTICAL REPORT

APRIL 1982

TOTAL DIVISION

CUSTOMER ASSISTANCE RECORDS

PROGRAM	COUNT
LIFELINE	7315
AFDC	269
HEAP	1059
CBC	13
G.A.	66
SSI	20
PAA	2
TOTAL	8764

05/05/82

MONTHLY STATISTICAL REPORT

APRIL 1982

ATLANTIC CITY DIVISION

CUSTOMER ASSISTANCE RECORDS

PROGRAM	COUNT
LIFELINE	2633
AFDC	58
HEAP	309
CBCC	1
G.A.	18
SSI	3
PAA	1
TOTAL	3023

17x

MONTHLY STATISTICAL REPORT

APRIL 1962

GLASSBORO DIVISION

CUSTOMER ASSISTANCE RECORDS

PROGRAM	COUNT
LIFELINE	3211
AFDC	104
HEAP	511
CBCC	12
G.A.	35
SST	4
PAA	
TOTAL	3677

05/05/62

05/05/82

MONTHLY STATISTICAL REPORT

APRIL 1982

CUMBERLAND DIVISION

CUSTOMER ASSISTANCE RECORDS

PROGRAM	COUNT
LIFELINE	1471
AFDC	107
HEAP	239
CBCC	
G.A.	33
SSI	13
PAA	1
TOTAL	1864

EXHIBIT 1
PAGE 4

19x

ANALYSIS OF ASSISTANCE PROGRAMS

TOTAL COMPANY

	LIFELINE	AFDC	HEAP	CBCC	G.A.	SSI	PAA	TOTAL ASST. RECORDS
April 1982								
20x Total Receivable/Program	\$ 149,655.85	\$ 76,766.43	\$ 165,632.16	\$ 6,168.18	\$ 12,142.27	\$ 4,488.17	\$ 541.44	\$ 415,392.50
Total Records/Program	7,315	269	1,059	13	86	20	2	8,764
Delinquent Receivable/Program	31,673.50	57,450.69	117,120.93	5,346.39	8,531.31	3,236.84	541.44	223,901.10
Delinquent Records/Program	269	202	524	11	48	13	1	1,068
% Delinquency/Receivable	21.2	74.8	70.7	86.7	70.3	72.1	100.0	53.9
% Delinquent Records/Total Records	3.7	75.1	49.5	84.6	55.8	65.0	50.0	12.2
Total Residential Delinquency	\$2,292,123.17	\$2,292,123.17	\$2,292,123.17	\$2,292,123.17	\$2,292,123.17	\$2,292,123.17	\$2,292,123.17	\$2,292,123.17
% Assistance / Total Residential Delinquency Delinquency	1.4	2.5	5.1	.2	.4	.2	--	9.8

ANALYSIS OF ASSISTANCE PROGRAMS
ATLANTIC CITY DIVISION

	LIFELINE	AFDC	HEAP	CBCC	G.A.	SSI	PAA	TOTAL ASST. RECORD
April 1982								
21x Total Receivable/Program	\$ 69,243.34	\$ 22,645.14	\$ 57,559.00	\$ 1,098.32	\$ 850.36	\$ 2,409.79	\$ 541.44	\$184,447.39
Total Records/Program	2,633	58	309	1	18	3	1	3,023
Delinquent Receivable/Program	13,596.46	17,564.85	37,581.02	952.86	269.68	2,053.10	541.44	72,559.41
Delinquent Records/Program	92	45	147	1	7	3	1	296
% Delinquency/Receivable	19.6	77.6	65.3	86.8	31.7	85.2	100.0	47.0
% Delinquent Records/Total Records	3.5	77.6	47.8	100.0	38.9	100.0	100.0	9.8
Total Residential Delinquency	\$740,989.40	\$740,989.40	\$740,989.40	\$740,989.40	\$740,989.40	\$740,989.40	\$740,989.40	\$740,989.40
% Assistance / Total Residential Delinquency / Delinquency	1.9	2.4	5.1	.1	--	.3	--	9.8

ANALYSIS OF ASSISTANCE PROGRAMS
GLASSBORO DIVISION

	LIFELINE	AFDC	HEAP	CBCC	G.A.	SSI	PAA	TOTAL ASST. RECORDS
April 1982								
22X Total Receivable/Program	\$ 69,376.03	\$ 31,581.95	\$ 86,053.63	\$ 5,069.86	\$ 8,925.32	\$ 532.02	\$ --	\$ 201,488.81
Total Records/Program	3,211	104	511	12	35	4	--	3,877
Delinquent Receivable/Program	14,236.17	24,554.41	67,242.38	4,393.53	6,727.71	229.57	--	117,383.77
Delinquent Records/Program	130	81	282	10	25	3	--	531
% Delinquency/Receivable	20.5	77.8	78.1	86.7	75.4	43.2	--	58.3
% Delinquent Records/Total Records	4.1	77.9	55.2	83.3	71.4	75.0	--	13.7
Total Residential Delinquency	\$1,309,257.79	\$1,309,257.79	\$1,309,257.79	\$1,309,257.79	\$1,309,257.79	\$1,309,257.79	\$1,309,257.79	\$1,309,257.79
% Assistance / Total Residential Delinquency Delinquency	1.1	1.9	5.2	.3	.5	--	--	9.0

ANALYSIS OF ASSISTANCE PROGRAMS

CUMBERLAND DIVISION

	LIFELINE	AFDC	HEAP	CBCC	G.A.	SSI	PAA	TOTAL ASST. RECORD
April 1982								
23x Total Receivable/Program	\$ 10,936.48	\$ 22,589.34	\$ 22,019.53	\$ --	\$ 2,366.59	\$ 1,544.36	\$ --	\$ 59,456.30
Total Records/Program	1,471	107	239	--	33	13	1	1,864
Delinquent Receivable/Program	3,840.87	15,331.43	12,297.53	--	1,533.92	954.17	--	33,957.92
Delinquent Records/Program	47	76	95	--	16	7	--	241
% Delinquency/Receivable	35.1	67.9	55.6	--	64.8	61.8	--	57.1
% Delinquent Records/Total Records	3.2	71.0	39.8	--	48.5	53.6	--	12.9
Total Residential Delinquency	\$241,875.98	\$241,875.98	\$241,875.98	\$241,875.98	\$241,875.98	\$241,875.98	\$241,875.98	\$241,875.98
% Assistance / Total Residential Delinquency / Delinquency	1.6	6.3	5.1	--	.6	.4	--	14.0

SOUTH JERSEY GAS COMPANY
CUSTOMER ASSISTANCE ANALYSIS

EXHIBIT III
PAGE 1

ALL PROGRAMS
PAYMENT HABITS 12/1/81 TO 4/30/82

PERCENT PAID	-0-	0% - 25%	25% - 50%	50% - 75%	75% - UP	ALL	TOTAL
ATLANTIC CITY	601	116	303	630	416	873	2,939
BILLING	\$29,412.61	\$27,392.17	\$92,616.80	\$247,438.67	\$161,970.28	\$297,856.32	\$856,686.85
PAYMENT	\$0.00	\$4,334.40CR	\$37,640.56CR	\$155,988.73CR	\$142,688.39CR	\$368,647.57CR	\$709,299.65CR
GLASSBORO	527	178	555	881	671	757	3,809
BILLING	\$30,761.70	\$45,886.44	\$167,389.61	\$316,800.51	\$241,073.76	\$303,558.28	\$1,105,490.30
PAYMENT	\$0.00	\$5,943.26CR	\$68,276.56CR	\$175,470.15CR	\$213,246.39CR	\$374,774.41CR	\$857,710.77CR
CUMBERLAND	391	94	214	317	303	504	1,823
BILLING	\$16,104.49	\$11,078.31	\$49,319.79	\$88,693.51	\$100,996.93	\$144,477.53	\$410,690.56
PAYMENT	\$0.00	\$1,929.44CR	\$19,895.00CR	\$55,462.70CR	\$88,592.00CR	\$182,368.85CR	\$348,247.99CR
TOTAL COMPANY	1,519	408	1,072	1,828	1,410	2,334	8,571
BILLING	\$76,278.80	\$84,376.92	\$309,326.20	\$652,932.69	\$504,060.97	\$745,892.13	\$2,372,867.71
PAYMENT	\$0.00	\$12,207.10CR	\$125,812.12CR	\$406,921.58CR	\$444,526.78CR	\$925,790.83CR	\$1,915,258.41CR
PERCENT OF CUSTOMERS	17.72	4.76	12.51	21.33	16.45	27.23	100.00

SOUTH JERSEY GAS COMPANY
CUSTOMER ASSISTANCE ANALYSIS

EXHIBIT III
PAGE 2

LIFELINE
PAYMENT HABITS 12/1/81 TO 4/30/82

PERCENT PAID	-0-	0% - 25%	25% - 50%	50% - 75%	75% - UP	ALL	TOTAL
ATLANTIC CITY	569	99	269	546	346	726	2,555
BILLING	\$19,232.65	\$13,861.78	\$71,118.81	\$199,679.97	\$129,952.52	\$247,756.96	\$681,602.69
PAYMENT	\$0.00	\$1,981.30CR	\$29,248.10CR	\$125,491.33CR	\$115,007.06CR	\$303,660.32CR	\$575,388.11CR
GLASSBORO	487	167	491	737	585	690	3,157
BILLING	\$17,631.75	\$31,605.63	\$136,135.98	\$248,375.90	\$199,313.17	\$219,375.77	\$652,438.20
PAYMENT	\$0.00	\$3,547.34CR	\$55,743.99CR	\$153,191.51CR	\$176,979.50CR	\$263,281.89CR	\$652,744.23CR
CUMBERLAND	378	84	185	262	239	296	1,444
BILLING	\$13,825.06	\$7,355.23	\$34,494.03	\$63,970.92	\$74,075.45	\$82,464.23	\$276,184.92
PAYMENT	\$0.00	\$1,175.74CR	\$13,961.13CR	\$39,746.01CR	\$65,246.32CR	\$99,032.58CR	\$219,161.78CR
TOTAL COMPANY	1,434	350	945	1,545	1,170	1,712	7,156
BILLING	\$50,689.46	\$52,822.64	\$241,748.82	\$512,026.79	\$403,341.14	\$549,596.96	\$1,810,225.81
PAYMENT	\$0.00	\$6,704.38CR	\$98,953.22CR	\$318,428.85CR	\$357,232.88CR	\$665,974.79CR	\$1,447,294.12CR
PERCENT OF CUSTOMERS	20.04	4.89	13.21	21.59	16.35	23.92	100.00

25X

SOUTH JERSEY GAS COMPANY
CUSTOMER ASSISTANCE ANALYSIS

AFOC
PAYMENT HABITS 12/1/81 TO 4/30/82

PERCENT PAID	-0-	0% - 25%	25% - 50%	50% - 75%	75% - UP	ALL	TOTAL
ATLANTIC CITY	18	9	9	6	7	8	57
BILLING	\$4,880.74	\$6,347.14	\$5,014.28	\$4,613.24	\$2,997.82	\$2,709.71	\$26,562.93
PAYMENT	\$0.00	\$1,124.00CR	\$1,877.26CR	\$2,954.37CR	\$2,737.57CR	\$3,515.50CR	\$12,208.70CR
GLASSBORO	11	9	19	16	13	33	101
BILLING	\$3,862.04	\$3,772.19	\$8,729.43	\$8,290.68	\$5,624.07	\$10,513.83	\$40,792.24
PAYMENT	\$0.00	\$680.02CR	\$3,782.87CR	\$4,769.51CR	\$4,631.28CR	\$13,967.50CR	\$27,831.18CR
CUMBERLAND	10	4	15	18	18	36	101
BILLING	\$1,770.99	\$1,175.50	\$6,500.25	\$8,119.71	\$6,907.84	\$10,745.87	\$35,220.16
PAYMENT	\$0.00	\$257.00CR	\$2,641.51CR	\$5,064.32CR	\$5,969.35CR	\$13,793.59CR	\$27,725.77CR
TOTAL COMPANY	39	22	43	40	38	77	259
BILLING	\$10,513.77	\$11,294.83	\$20,243.96	\$21,023.63	\$15,529.73	\$23,969.41	\$102,575.33
PAYMENT	\$0.00	\$2,061.02CR	\$8,301.64CR	\$12,788.20CR	\$13,338.20CR	\$31,276.59CR	\$67,765.65CR
PERCENT OF CUSTOMERS	15.06	8.49	16.60	15.45	14.67	29.73	100.00

26x

SOUTH JERSEY GAS COMPANY
CUSTOMER ASSISTANCE ANALYSIS

EXHIBIT III
PAGE 4

HEAP
PAYMENT HABITS 12/1/81 TO 4/30/82

PERCENT PAID	-0-	0% - 25%	25% - 50%	50% - 75%	75% - UP	ALL	TOTAL
ATLANTIC CITY	13	7	24	77	57	128	306
BILLING	\$4,847.26	\$6,430.60	\$15,860.36	\$42,550.97	\$27,506.47	\$46,487.94	\$143,683.60
PAYMENT	\$0.00	\$1,104.10CR	\$6,340.71CR	\$27,234.71CR	\$23,536.20CR	\$60,254.77CR	\$118,470.49CR
GLASSBORO	22	19	36	118	90	216	501
BILLING	\$7,393.94	\$9,207.84	\$19,322.21	\$55,835.24	\$35,675.88	\$68,812.33	\$196,247.44
PAYMENT	\$0.00	\$1,478.90CR	\$7,434.70CR	\$34,721.65CR	\$31,218.82CR	\$91,073.88CR	\$165,927.95CR
CUMBERLAND	1	6	13	27	39	148	234
BILLING	\$319.38	\$2,567.58	\$7,986.93	\$12,809.48	\$17,667.09	\$47,018.39	\$88,368.85
PAYMENT	\$0.00	\$496.70CR	\$3,192.36CR	\$8,412.12CR	\$15,379.84CR	\$63,587.18CR	\$91,068.20CR
TOTAL COMPANY	36	32	73	222	186	492	1,041
BILLING	\$12,560.58	\$18,206.02	\$43,169.50	\$111,195.69	\$80,849.44	\$162,318.66	\$428,299.89
PAYMENT	\$0.00	\$3,079.70CR	\$16,967.77CR	\$70,368.48CR	\$70,134.86CR	\$214,915.83CR	\$375,466.64CR*
PERCENT OF CUSTOMERS	3.46	3.07	7.01	21.33	17.87	47.26	100.00

*\$241,958.75 OR 64.44% OF THIS AMOUNT WAS PAID BY DUAL-PARTY CHECKS

27x

SOUTH JERSEY GAS COMPANY
CUSTOMER ASSISTANCE ANALYSISCBCC
PAYMENT HABITS 12/1/81 TO 4/30/82

PERCENT PAID	-0-	0% - 25%	25% - 50%	50% - 75%	75% - UP	ALL	TOTAL
ATLANTIC CITY	0	0	1	0	0	0	1
BILLING	\$0.00	\$0.00	\$623.35	\$0.00	\$0.00	\$0.00	\$623.35
PAYMENT	\$0.00	\$0.00	\$174.49CR	\$0.00	\$0.00	\$0.00	\$174.49CR
GLASSBORO	4	0	2	1	0	5	12
BILLING	\$1,241.91	\$0.00	\$763.73	\$665.08	\$0.00	\$1,757.33	\$4,428.05
PAYMENT	\$0.00	\$0.00	\$300.00CR	\$390.00CR	\$0.00	\$2,530.11CR	\$3,220.11CR
CUMBERLAND	0	0	0	0	0	0	0
BILLING	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PAYMENT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL COMPANY	4	0	3	1	0	5	13
BILLING	\$1,241.91	\$0.00	\$1,387.08	\$665.08	\$0.00	\$1,757.33	\$5,051.40
PAYMENT	\$0.00	\$0.00	\$474.49CR	\$390.00CR	\$0.00	\$2,530.11CR	\$3,394.60CR
PERCENT OF CUSTOMERS	30.77	--	23.08	7.69	--	38.46	100.00

28X

SOUTH JERSEY GAS COMPANY
CUSTOMER ASSISTANCE ANALYSIS
GENERAL ASSISTANCE
PAYMENT HABITS 12/1/81 TO 4/30/82

PERCENT PAID	-0-	0% - 25%	25% - 50%	50% - 75%	75% - UP	ALL	TOTAL
ATLANTIC CITY	0	0	0	1	5	10	16
BILLING	\$0.00	\$0.00	\$0.00	\$594.49	\$870.95	\$830.03	\$2,295.47
PAYMENT	\$0.00	\$0.00	\$0.00	\$308.32CR	\$832.56CR	\$1,089.98CR	\$2,230.86CR
GLASSBORO	2	3	6	9	3	12	35
BILLING	\$559.58	\$1,300.78	\$2,229.05	\$3,633.61	\$480.64	\$3,011.33	\$11,214.99
PAYMENT	\$0.00	\$237.00CR	\$915.00CR	\$2,397.48CR	\$416.79CR	\$3,772.00CR	\$7,738.27CR
CUMBERLAND	2	0	1	7	5	17	32
BILLING	\$189.06	\$0.00	\$338.58	\$2,017.82	\$1,837.65	\$2,635.31	\$7,018.42
PAYMENT	\$0.00	\$0.00	\$100.00CR	\$1,212.25CR	\$1,569.67CR	\$3,405.48CR	\$6,287.40CR
TOTAL COMPANY	4	3	7	17	13	39	83
BILLING	\$748.64	\$1,300.78	\$2,567.63	\$6,245.92	\$3,189.24	\$6,476.67	\$20,528.88
PAYMENT	\$0.00	\$237.00CR	\$1,015.00CR	\$3,918.05CR	\$2,819.02CR	\$8,267.46CR	\$16,256.53CR
PERCENT OF CUSTOMERS	4.82	3.62	8.43	20.48	15.66	46.99	100.00

SOUTH JERSEY GAS COMPANY

EXHIBIT III
PAGE 7

CUSTOMER ASSISTANCE ANALYSIS

SSI
PAYMENT HABITS 12/1/81 TO 4/30/82

PERCENT PAID	-0-	0% - 25%	25% - 50%	50% - 75%	75% - UP	ALL	TOTAL
ATLANTIC CITY	1	0	0	0	1	1	3
BILLING	\$451.96	\$0.00	\$0.00	\$0.00	\$642.52	\$71.68	\$1,166.16
PAYMENT	\$0.00	\$0.00	\$0.00	\$0.00	\$575.00CR	\$127.00CR	\$702.00CR
GLASSBORO	1	0	1	0	0	1	3
BILLING	\$72.48	\$0.00	\$209.21	\$0.00	\$0.00	\$87.69	\$369.38
PAYMENT	\$0.00	\$0.00	\$100.00CR	\$0.00	\$0.00	\$149.03CR	\$249.03CR
CUMBERLAND	0	0	0	3	2	7	12
BILLING	\$0.00	\$0.00	\$0.00	\$1,775.58	\$508.90	\$1,613.73	\$3,898.21
PAYMENT	\$0.00	\$0.00	\$0.00	\$1,028.00CR	\$426.82CR	\$2,550.02CR	\$4,004.84CR
TOTAL COMPANY	2	0	1	3	3	9	18
BILLING	\$524.44	\$0.00	\$209.21	\$1,775.58	\$1,151.42	\$1,773.10	\$5,433.75
PAYMENT	\$0.00	\$0.00	\$100.00CR	\$1,028.00CR	\$1,001.82CR	\$2,626.05CR	\$4,755.87CR
PERCENT OF CUSTOMERS	11.11	--	5.55	16.67	16.67	50.00	100.00

30X

SOUTH JERSEY GAS COMPANY
CUSTOMER ASSISTANCE ANALYSIS

PAA
PAYMENT HABITS 12/1/81 TO 4/30/82

PERCENT PAID	-0-	0% - 25%	25% - 50%	50% - 75%	75% - UP	ALL	TOTAL
ATLANTIC CITY	0	1	0	0	0	0	1
BILLING	\$0.00	\$752.65	\$0.00	\$0.00	\$0.00	\$0.00	\$752.65
PAYMENT	\$0.00	\$125.00CR	\$0.00	\$0.00	\$0.00	\$0.00	\$125.00CR
GLASSBORO	0	0	0	0	0	0	0
BILLING	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PAYMENT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CUMBERLAND	0	0	0	0	0	0	0
BILLING	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PAYMENT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL COMPANY	0	1	0	0	0	0	1
BILLING	\$0.00	\$752.65	\$0.00	\$0.00	\$0.00	\$0.00	\$752.65
PAYMENT	\$0.00	\$125.00CR	\$0.00	\$0.00	\$0.00	\$0.00	\$125.00CR
PERCENT OF CUSTOMERS	--	100.00	--	--	--	--	100.00

31x

SOUTH JERSEY GAS COMPANY
ANALYSIS OF NET WRITE-OFF TO REVENUES
FOR THE YEARS 1968 TO 1981

	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
Residential Net Write-Off	\$ 70,272	\$ 129,612	\$ 111,523	\$ 78,518	\$ 81,803	\$ 68,435	\$ 96,523	\$ 631,583	\$ 266,099	\$ 356,676	\$ 343,016	\$ 275,530	\$ 414,602	\$ 601,900
Other Net Write-Off	13,921	23,052	19,835	13,965	14,549	12,172	17,523	112,331	47,327	63,437	61,008	49,005	60,314	112,946
Total Net Write-Off	\$ 92,193	\$ 152,664	\$ 131,358	\$ 92,483	\$ 96,352	\$ 80,607	\$ 116,046	\$ 743,914	\$ 313,426	\$ 420,113	\$ 404,024	\$ 324,535	\$ 474,916	\$ 714,846
Residential Revenues	\$14,320,219	\$15,454,400	\$16,482,022	\$17,580,390	\$19,170,463	\$20,609,936	\$21,893,140	\$27,421,786	\$34,728,119	\$38,344,960	\$43,862,471	\$44,539,448	\$53,296,532	\$69,046,165
Other Revenues	17,073,132	18,522,491	20,431,431	21,635,348	22,802,521	23,616,247	24,062,305	27,005,761	35,315,162	46,967,393	55,168,696	84,054,702	\$124,308,505	\$149,859,770
Total Revenues	\$31,393,351	\$33,976,891	\$36,913,453	\$39,215,738	\$41,980,984	\$44,226,183	\$45,955,445	\$54,427,547	\$70,043,281	\$85,312,353	\$99,031,167	\$128,594,150	\$177,605,037	\$218,905,935
Net Write-Off (cents per \$100 of Residential Revenues)	54.7	83.9	67.7	44.7	42.7	33.2	45.0	230.3	76.6	93.0	78.7	61.9	77.8	87.2
Net Write-Off (cents per \$100 of Other Revenues)	68.2	12.5	99.7	66.5	66.4	65.2	67.3	41.6	13.4	13.5	11.1	66.8	64.9	67.6
Net Write-Off (cents per \$100 of Total Revenues)	29.4	44.9	35.6	23.6	23.0	18.2	25.3	136.7*	44.8	46.2	40.9	25.2	26.7	32.8

* This extraordinary net write-off was a result of South Jersey Gas Company involuntary suspension of field collections and discontinuance of service for non-payment due to problems inherent with the installation of a new computer system. Discontinuance of service was suspended for a twelve month period from June 1973 to May 1974.

EXHIBIT V

SOUTH JERSEY GAS COMPANY
ANALYSIS OF MONTHLY RESIDENTIAL DELINQUENCIES
FOR 1977, 1978, 1979, 1980, 1981 AND FOUR MONTHS ENDED APRIL 1982

<u>MONTH</u>	1977	1978	1979	1980	1981	1982
January	736,394	621,082	662,056	862,433	1,177,390	1,373,928
February	898,968	1,001,601	900,025	1,112,201	2,070,568	2,522,261
March	974,058	1,072,529	1,050,725	1,437,140	2,163,864	2,352,128
April	891,669	1,098,875	1,134,958	1,454,089	2,376,893	2,308,026
May	925,478	1,075,157	1,069,272	1,298,304	2,123,213	
June	887,071	955,956	807,763	1,001,057	1,872,922	
July	822,799	709,731	688,808	907,302	1,690,570	
August	692,430	647,894	557,539	807,570	1,411,804	
September	1,062,086	571,127	494,642	686,152	959,578	
October	708,299	414,034	480,634	607,876	819,937	
November	624,007	445,110	588,545	562,874	848,713	
December	<u>639,616</u>	<u>650,835</u>	<u>998,064</u>	<u>928,999</u>	<u>1,171,023</u>	
TOTAL	<u>9,862,875</u>	<u>9,263,931</u>	<u>9,433,031</u>	<u>11,665,997</u>	<u>18,686,475</u>	<u>8,556,343</u>
Average Monthly Delinquencies	821,906	771,994	786,086	972,166	1,557,206	2,139,086
Inc. or (Dec.) in Avg.						
Monthly Delinquencies		(49,912)	14,092	186,080	585,040	
% Inc. or (Dec.) in Avg.						
Monthly Delinquencies		(6.07)	1.83	23.67	60.18	

SOUTH JERSEY GAS COMPANY
ANALYSIS OF MONTHLY RESIDENTIAL REVENUES
FOR 1977, 1978, 1979, 1980, 1981 AND FIRST FOUR MONTHS 1982

	1977	1978	1979	1980	1981	1982
<u>MONTH</u>						
January	6,339,207	6,450,808	6,518,589	7,044,801	12,754,072	12,887,306
February	5,373,155	7,243,983	7,654,896	7,982,038	10,891,630	12,066,762
March	3,320,882	6,108,944	5,801,901	7,075,398	8,397,789	9,858,157
April	3,730,005	3,784,053	3,855,546	4,467,293	5,844,686	7,596,685
May	3,011,480	2,840,671	2,514,499	2,843,487	3,966,024	
June	2,081,046	1,959,942	2,029,837	2,129,200	2,757,386	
July	1,802,662	1,716,590	1,765,819	1,943,464	2,356,528	
August	1,619,628	1,536,458	1,664,080	1,752,759	2,069,364	
September	1,624,866	1,640,454	1,651,281	1,903,816	2,320,209	
October	2,026,036	2,112,892	2,138,074	2,117,974	3,255,226	
November	3,056,473	3,349,175	3,854,890	5,059,225	5,565,635	
December	<u>4,359,570</u>	<u>4,817,572</u>	<u>5,090,064</u>	<u>8,978,038</u>	<u>9,837,698</u>	
TOTAL	<u>38,345,010</u>	<u>43,561,542</u>	<u>44,539,476</u>	<u>53,297,493</u>	<u>70,016,247</u>	<u>42,408,910</u>
Average Monthly Revenues	3,195,418	3,630,129	3,711,623	4,441,458	5,834,687	10,602,228
Inc. or (Dec.) in Avg.						
Monthly Rev.		434,711	81,494	729,835	1,393,229	
% Inc. or (Dec.) in Avg.		13.6	2.2	19.7	31.4	
Monthly Rev.						
Number of Residential	110,374	109,978	111,729	116,975	119,740	119,703
Customers						

EXHIBIT VII

SOUTH JERSEY GAS COMPANY

ANALYSIS OF MONTHLY DELINQUENT FINAL BILLS

FOR 1977, 1978, 1979, 1980, 1981 AND FOUR MONTHS ENDED APRIL 1982

MONTH	1977		1978		1979		1980		1981		1982	
	Dollars	Customers	Dollars	Customers	Dollars	Customers	Dollars	Customers	Dollars	Customers	Dollars	Customers
January	206,111	1,902	143,042	1,700	78,846	1,357	87,231	1,140	147,693	1,407	286,796	1,653
February	210,523	1,964	151,795	1,647	101,224	1,547	136,938	1,669	221,913	1,669	453,327	1,869
March	227,438	1,935	165,330	1,680	129,045	1,625	192,030	1,975	281,888	1,903	612,444	2,198
April	335,366	2,456	237,550	2,032	227,087	2,174	332,488	2,590	423,871	2,192	728,418	2,521
May	438,397	2,820	347,952	2,585	315,943	2,399	466,652	2,966	658,839	2,632		
June	456,412	2,934	364,741	2,647	312,953	2,335	438,364	2,795	727,292	2,862		
July	432,281	2,780	351,662	2,650	275,007	2,182	418,809	2,593	769,234	3,087		
August	385,978	2,695	302,286	2,526	229,380	2,015	389,629	2,446	752,906	3,238		
September	350,558	2,578	236,939	2,016	185,858	1,724	287,159	2,103	497,194	2,372		
October	289,754	2,278	168,840	1,803	126,730	1,415	193,019	1,577	366,684	1,802		
November	259,572	2,094	117,759	1,555	132,137	1,500	153,524	1,408	331,818	1,736		
December	196,038	1,853	98,423	1,540	92,049	1,176	162,639	1,472	308,178	1,751		
TOTAL	3,788,428	28,289	2,686,319	24,381	2,206,259	21,449	3,258,482	24,734	5,487,510	26,651	2,080,985	8,241
Average Monthly Final Bill	315,702	2,357	223,860	2,032	183,855	1,787	271,540	2,061	457,293	2,221	520,246	2,060
Inc. or (Dec.) in Avg.												
Monthly Final Bills			(91,842)		(40,005)		87,685		185,753			
% Inc. or (Dec.) in Avg.			(29.09)		(17.87)		47.69		68.41			
Monthly Final Bills												

EXHIBIT VIII

SOUTH JERSEY GAS COMPANY

ACCOUNTS DISCONTINUED FOR NON-PAYMENT

SPECIAL MAILING - STATISTICAL BREAKDOWN

LETTERS MAILED			RESPONSES RECEIVED	
Atlantic City	200	\$ 77,754.25	Atlantic City	26
Glassboro	210	57,588.89	Glassboro	29
Cumberland	196	44,785.98	Cumberland	30
All Company	606	\$180,129.12	All Company	84

CUSTOMERS ELIGIBLE BY NUMBER OF PROGRAMS

	0	1	2	3	4	5	6	7	Total
Atlantic City	5	11	4	4	1	-	-	-	25
Glassboro	2	18	5	4	-	-	-	-	29
Cumberland	4	19	5	2	-	-	-	-	30
All Company	11	48	14	10	1	-	-	-	84

CUSTOMERS ELIGIBLE BY INDIVIDUAL PROGRAMS

	None	Lifeline	HEAP	SSI	Welfare	PAA	General Assistance	Other	Total
Atlantic City	3	-	5	1	11	1	3	12	36
Glassboro	2	1	8	-	14	-	4	13	42
Cumberland	4	4	5	2	10	-	1	13	39
All Company	9	5	18	3	35	1	8	38	117

OVERALL RESPONSES (ACCOUNTS-AMOUNTS)

	Atlantic City	Glassboro	Cumberland	All Company
Responses-Eligible	13 \$ 3,985.65	15 \$ 4,991.08	12 \$ 3,204.60	40 \$ 12,181.33
Responses- Not Eligible	12 2,479.17	14 2,752.46	18 2,116.38	44 7,348.01
Returned Mail	41 12,180.23	36 9,134.52	43 9,227.36	120 30,542.11
Sub-Total	66 \$18,645.05	65 \$16,876.06	73 \$14,548.34	204 \$ 50,071.45
No Responses	130 \$58,819.67	144 \$40,378.26	128 \$30,859.74	402 \$130,057.67
Total	196 \$77,464.72	209 \$57,256.32	201 \$45,408.08	606 \$180,129.12

BREAKDOWN OF RESPONSES FROM ELIGIBLE RECIPIENTS

Lifeline	2	Paid Full	1	Service Connected	36
HEAP	6	Paid Partial	5	Unauthorized Use	4
SSI	-	Arrangements	7		
AFDC	28				
PAA	-				
General Ass't.	-				
Circumstances	4				
	40		12		40

BREAKDOWN OF RESPONSES FROM NON-ELIGIBLE RECIPIENTS

Deceased	1	Paid Full	9	Service Connected	8
Moved	7	Paid Partial	4		
Not on any program	34	Arrangements	1		
Not Confirmed	1				
Doesn't want service	1				
	44		14		8

SOUTH JERSEY GAS COMPANY

NUMBER ONE SOUTH JERSEY PLAZA, ROUTE 64, FOLSOM, NEW JERSEY 08037/TEL. 661-9000



DATE- 11/16/81

DEAR

OUR RECORDS INDICATE THAT YOUR GAS SERVICE HAS BEEN DISCONTINUED FOR NON-PAYMENT SINCE 09/18/81 BECAUSE OF UNPAID BALANCES IN THE AMOUNT OF \$271.87.

IF YOU ARE CURRENTLY AN ELIGIBLE RECEPIENT OF ANY OF THE FOLLOWING PROGRAMS, INDICATE BY PLACING A CHECK ON THE APPROPRIATE LINE OR LINES.

- LIFELINE CREDIT PROGRAM
- HOME ENERGY ASSISTANCE PROGRAM - HEAP
- SUPPLEMENTAL SECURITY INCOME - SSI
- AID TO DEPENDENT CHILDREN - WELFARE - AFDC
- PHARMACEUTICAL ASSISTANCE TO THE AGED - PAA
- GENERAL ASSISTANCE WELFARE BENEFITS

OR

- IF YOU ARE UNABLE TO PAY YOUR GAS BILL BECAUSE OF CIRCUMSTANCES BEYOND YOUR CONTROL AND CAN PROVIDE PROOF TO THE UTILITY OF SUCH INABILITY AS REQUIRED BY ORDER OF THE BOARD OF PUBLIC UTILITIES.
-

PLEASE COMPLETE, SIGN AND RETURN THIS FORM. UPON RECEIPT OF THIS INFORMATION, SOUTH JERSEY GAS COMPANY WILL CONTACT YOU BY PHONE OR MAIL IN AN EFFORT TO ASSIST IN RESTORATION OF YOUR GAS SERVICE.

SIGNATURE _____

DATE _____

PHONE NUMBER _____

**TESTIMONY OF EUGENE MC CARTHY
VICE PRESIDENT - CUSTOMER SERVICES
ON BEHALF OF JERSEY CENTRAL POWER & LIGHT COMPANY**

DOCKET NO. 792-88

**TESTIMONY OF EUGENE MC CARTHY
VICE PRESIDENT - CUSTOMER SERVICES
ON BEHALF OF JERSEY CENTRAL POWER & LIGHT COMPANY**

DOCKET NO. 792-88

My name is Eugene J. McCarthy. I am the Vice President - Customer Services of Jersey Central Power & Light Company. Among my responsibilities are the staff responsibilities for meter reading, billing, meter service, credit and collections, customer service centers and customer relations. I am also responsible for consumer affairs, energy conservation and load management, load forecasting, remittance center operations and energy diversion. I graduated from Fordham University in 1960 with a B.S. in Accounting and in 1965 received an M.B.A. in Finance from Seton Hall. I attended the Public Utility Executive Development Program at the University of Michigan, Graduate School of Business in 1967, the Livingston Institute sponsored by Columbia University in 1968 and the Edison Electric Institute, Graduate Management Program in 1977.

I have been employed by Jersey Central Power & Light Company since 1960 when I began as an auditor in the Internal Audit Department. Since 1962, my career with Jersey Central has been spent in the Customer Accounting Department. I have worked in a number of different capacities in various business offices of the company including Manager of the Morristown Business Office and have also served as both Assistant Manager

and Manager of all business offices. I have been in my present position as Vice President - Customer Services for four months.

This testimony is in response to the Order of the Board of Public Utilities dated December 3, 1981, in this matter and is addressed to the following information requests contained in Mr. Gerald Calabrese's letter dated May 3, 1982:

1. Information showing uncollectible accounts as a percentage of total revenues for the year 1968 to the present;
2. As detailed an analysis as possible of delinquent accounts;
3. An analysis of the payment habits of those customers who have been identified as eligible for one of the seven protected categories of the winter moratorium program;
4. An analysis of the responses to the notices sent to non-current customers as required by the Board's Order dated December 3, 1981.

I. Total revenue, residential revenue, residential revenue as a percentage of total revenue, net uncollectible losses, net uncollectible losses per \$100.00 of total revenues, net residential uncollectible losses and the percentage of residential uncollectible losses to the total uncollectible losses are shown on Exhibit 1.

II. An analysis of delinquent accounts for all customers from January, 1980 through April, 1982 is contained in Exhibit 2A-1. For the 1980 - 1981 and 1981 - 1982 moratorium months, this exhibit shows an increase in monthly revenues which are overdue at billing time when compared with previous non-moratorium months. Since these figures are for all accounts, Exhibit 2A-2 is an estimate of the monthly residential revenues overdue at billing time.

Exhibit 2B is a categorized analysis of overdue active residential accounts with respect to the 1981 - 1982 winter moratorium period. For the months of October, 1981 through April, 1982, the exhibit categorizes active residential accounts overdue by 1) amounts overdue (\$151.00 or more), 2) days overdue (61 or more), 3) amounts overdue by days overdue, with a grand total of dollars overdue. The baseline criteria of 61 days was selected since JCP&L generally does not terminate accounts overdue less than 61 days, and the baseline criteria of \$151.00 was selected to keep the number of accounts to be analyzed within reason. This exhibit clearly shows that for residential accounts the number of accounts overdue and associated dollar amounts overdue substantially increase at the onset of the moratorium and snowballs during the moratorium period, and that many of these customers are either dragging payments or not paying at all during the moratorium period. In addition, the exhibit further shows that in the month before (Novem-

ber) and after (April) the moratorium, customers are paying overdue bills apparently to avoid having service disconnected.

Exhibits 2C-1 through 2C-5 are graphs showing the relationship between the 1981 - 1982 moratorium and the number of delinquent residential accounts and amount of overdue residential revenues. Exhibit 2C-1 shows that residential revenue overdue as a percent of total revenue decreases substantially immediately prior to the moratorium, increases substantially during the moratorium, and declines substantially after the moratorium. As can be readily seen from Exhibit 2C-2, the number of residential accounts overdue increases substantially during the moratorium period irrespective of the number of days overdue. Prior to the moratorium, the number of accounts overdue by 2 to 3 months, 3 to 4 months and over 4 months is well below the respective annual average for the company, whereas during the moratorium period the number of such accounts increases substantially and is well above the respective annual average, especially in the 2 to 3 month category. Interestingly, the number of accounts overdue by 2 to 3 months substantially decreases after the moratorium, indicating that many of those customers may be using the 3 month moratorium as a moratorium on all bill payments. Exhibit 2C-3 is a graph of the data in Exhibit 2C-2 as compared, by percent, with the total number of residential customers overdue.

Exhibit 2C-4 shows the substantial decline in the number of residential customers who owed \$150.00 or more immediately prior to the 1981 - 1982 moratorium, the substantial increase in the number of these customers during the moratorium, and the substantial decline in the number of these customers after the moratorium. Exhibit 2C-5 is a comparison of the data in Exhibit 2C-4, by percent, with all residential customers overdue.

III. Exhibit 3A is an analysis of payment habits for sixteen (16) randomly selected HEAP accounts with respect to the 1981 - 1982 winter moratorium. This exhibit shows a continuous increase in the amounts owed by these customers throughout the moratorium period, with prior months' billings remaining unpaid by as high as 69.5% (December) to as low as 48.9% (February), all well above the company average for the respective months. Exhibits 3B-1 through 3B-10 show payment habits for ten protected customers prior to, during, and subsequent to the 1981 - 1982 winter moratorium. Six of these customers made no payment whatsoever during the moratorium. Of the other four customers, two customers made two payments and two customers made one payment during the moratorium period. With the exception of one \$30.00 payment, all of these payments were at the beginning and/or the end of the moratorium period.

IV. Exhibit 4A is a summary of the activity with respect to notices sent to non-current terminated customers as required by the Board's Order in this matter dated December 3, 1981. Of the 547 notices sent, 27 of the responding customers qualified for one of the seven protected categories and were reconnected. Exhibit 4B shows the amounts outstanding for these 27 customers at the time they were reconnected. This exhibit also shows subsequent billings, payments and balances relating to these 27 customers as of May 5, 1982.

V. Exhibit 5 is a breakdown, by category, of those Jersey Central Power & Light Company customers who fell within one of the seven protected categories during the 1981-1982 moratorium period.

JERSEY CENTRAL POWER & LIGHT COMPANY
 INFORMATION REGARDING UNCOLLECTIBLE LOSSES
 FOR YEARS 1968 - 1982

Year	Total Revenue	Residential Revenue	Residential Revenue As A % Of Total Revenue	Net Uncollectible Losses	Loss Per \$100 Of Revenue	Net Residential Uncollectible Losses	% Of Residential Losses To Total Uncollectible Losses
1968	\$ 135,322,442	\$ 65,285,448	48.2	\$ 129,463	\$.10		
1969	148,446,516	71,931,656	48.5	156,205	.11		
1970	166,876,011	81,812,797	49.0	165,835	.10		
1971	190,050,614	93,505,693	49.2	211,278	.11		
1972	224,249,427	109,356,025	48.8	263,463	.12		
1973	259,598,018	126,839,687	48.9	266,037	.10		
1974	365,171,101	168,015,819	46.0	516,080	.14		
1975	392,012,271	186,928,973	47.7	760,668	.19 (2)		
1976	464,914,130	222,605,555	47.9	768,940	.16		
1977 (1)	556,452,935	266,738,855	47.9	1,184,147	.21 (3)		
1978	587,298,756	279,450,674	47.6	1,075,377	.18		
1979 (1)	658,399,914	310,803,383	47.2	1,260,376	.22		
1980 (1)	876,474,932	393,396,027	44.9	2,088,940	.24 (4)		
1981 (1)	1,008,993,088	436,886,959	43.3	2,192,697 (5)	.22	\$1,598,476	72.9
1982 (5 Mo.)	463,661,788	205,476,692	44.3	915,296	.20 (6)	741,112	72.1

45x

- (1) Moratorium in effect for residential accounts only.
- (2) Would have been \$.17 except for three large non-residential write-offs totaling \$124,944.
- (3) Would have been \$.17 except for six large non-residential write-offs totaling \$224,095.
- (4) Would have been \$.20 except for Whippany Paper Board Bankruptcy of \$375,113.
- (5) Includes recovery of \$75,065 from Whippany Paper Board Bankruptcy.
- (6) Would have been \$.22 except for Whippany Paper Board recovery of \$112,598.

JERSEY CENTRAL POWER & LIGHT COMPANY

PRIOR MONTHS TOTAL ACCOUNT BALANCE UNPAID AT BILLING TIME

	<u>1980</u>		<u>1981</u>		<u>1982</u>	
	<u>Outstanding</u>	<u>%</u>	<u>Outstanding</u>	<u>%</u>	<u>Outstanding</u>	<u>%</u>
January	16,142,514	22.8	18,973,320	20.6	23,354,029	21.4
February	14,157,023	17.8	19,174,055	18.1	24,680,841	19.5
March	13,893,380	17.5	18,965,235	18.7	24,220,715	19.1
April	14,783,665	17.5	19,009,072	19.9	24,672,469	21.1
May	14,274,573	17.6	17,188,612	19.3		
June	13,556,908	17.7	15,910,136	17.8		
July	14,531,154	16.9	17,857,173	17.9		
August	17,313,393	18.0	20,830,999	18.4		
September	16,439,144	15.5	20,225,289	17.5		
October	16,463,869	16.3	17,963,216	16.0		
November	15,023,647	16.8	17,333,618	17.2		
December	14,775,731	17.3	19,699,892	19.8		

Exhibit 2A-1

JERSEY CENTRAL POWER & LIGHT COMPANY

ESTIMATED PRIOR MONTHS RESIDENTIAL ACCOUNT BALANCE UNPAID AT BILLING TIME

	<u>1980</u>	<u>1981</u>	<u>1982</u>
	<u>Outstanding</u>	<u>Outstanding</u>	<u>Outstanding</u>
January	\$7,925,974	\$9,315,900	\$11,817,139
February	6,951,098	9,414,461	12,587,229
March	6,821,650	9,311,930	12,376,785
April	7,258,780	9,333,454	12,114,182
May	7,008,815	8,439,608	
June	6,656,442	7,382,303	
July	7,134,797	8,482,157	
August	8,500,876	10,623,809	
September	8,071,620	9,809,265	
October	8,083,760	8,694,197	
November	7,376,611	7,904,130	
December	7,254,884	9,672,647	

Exhibit 2A-2

JERSEY CENTRAL POWER & LIGHT COMPANY
OVERDUE RESIDENTIAL ACCOUNT ANALYSIS

	1981			1982			
	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>
No. of Accts. Overdue By Amts. Overdue	Number of Accounts						
\$150 to 250	12,006	11,743	19,297	20,065	16,904	18,841	14,428
\$251 to 500	4,093	3,798	6,800	9,781	10,332	10,647	7,988
\$501 to 1000	620	529	870	1,664	2,443	2,865	2,262
over \$1000	89	73	89	143	258	383	344
Total Accts. (Over \$150)	16,808	16,143	27,056	31,653	29,937	32,736	25,022
No. of Accts. Overdue By Days Overdue	Number of Accounts						
61 - 90 days	10,705	9,028	10,833	11,622	11,414	12,416	9,964
91 - 120 days	3,781	4,553	6,158	6,563	6,060	5,888	5,981
over 120 days	2,399	2,261	3,078	3,189	3,814	3,617	3,625
Total Accts. (Over 60 Days)	16,885	15,842	20,069	21,374	21,288	21,921	19,570
Total \$ Amt. Overdue By Days Overdue	Total Dollar Amounts						
61 - 90 days	\$ 779,749.47	\$ 592,205.20	\$ 716,847.98	\$ 899,537.56	\$1,012,034.67	\$1,209,826.22	\$1,039,442.35
91 - 120 days	244,826.81	301,240.50	409,488.28	466,912.82	494,914.87	509,569.77	582,636.98
over 120 days	165,497.53	149,829.54	209,747.71	221,730.89	283,787.56	285,544.19	329,769.77
Total \$ Amt. (Over 60 Days)	\$1,190,073.81	\$1,043,275.24	\$1,336,083.97	\$1,588,181.27	\$1,790,737.10	\$2,004,940.18	\$1,951,849.10

ACTUAL TOTALS FROM OVERDUE ACCT REPORT

Exhibit 28

JERSEY CENTRAL POWER & LIGHT CO.

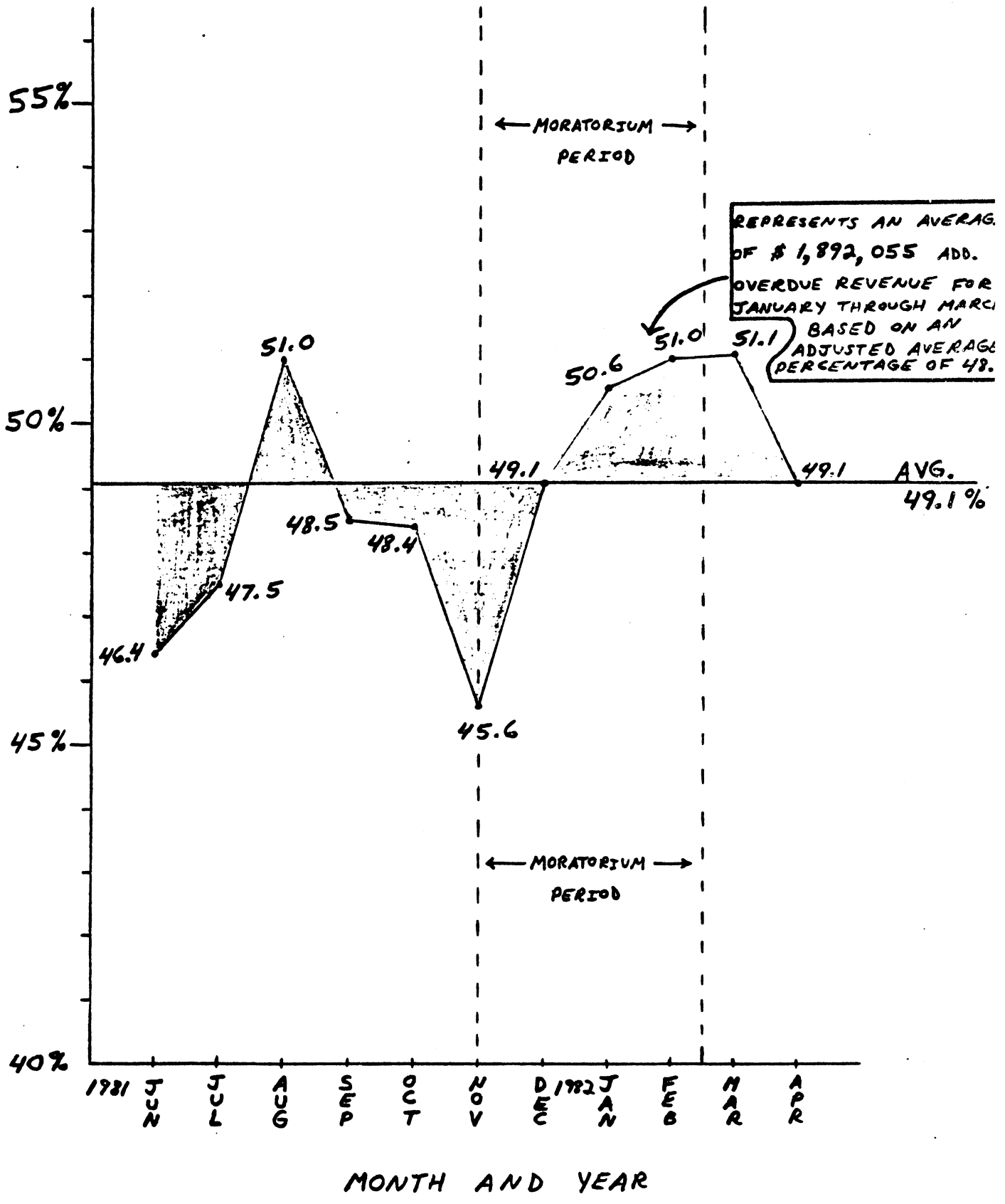
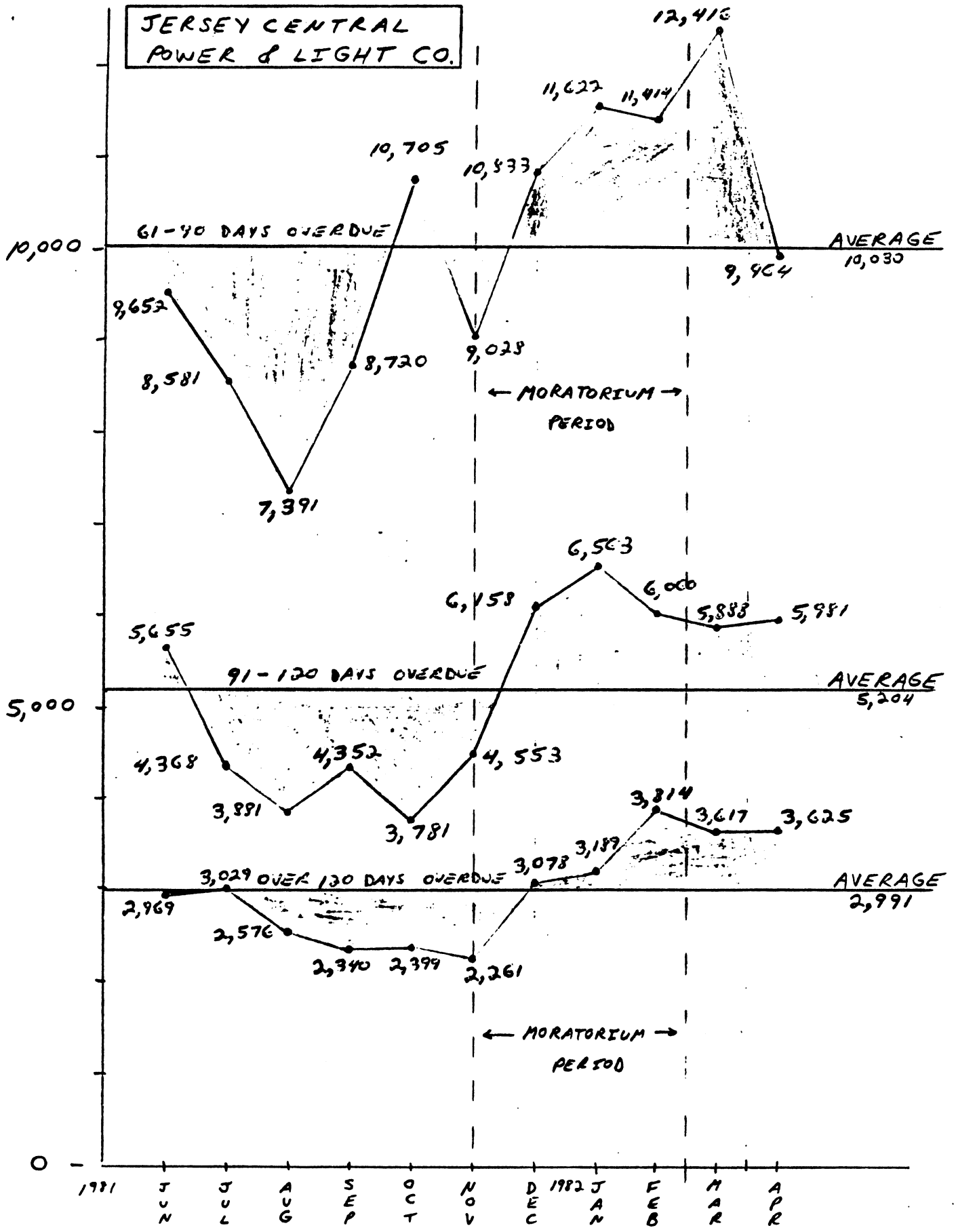


EXHIBIT 2C-1

NUMBER OF MONTHS OVERDUE BY DAYS OVERDUE

JERSEY CENTRAL
POWER & LIGHT CO.



MONTH AND YEAR

EXHIBIT 2C-2

RECEIVED BY DATA AS A % OF TOTAL RES. ACCOUNTS. OVERDUE

JERSEY CENTRAL POWER & LIGHT CO.

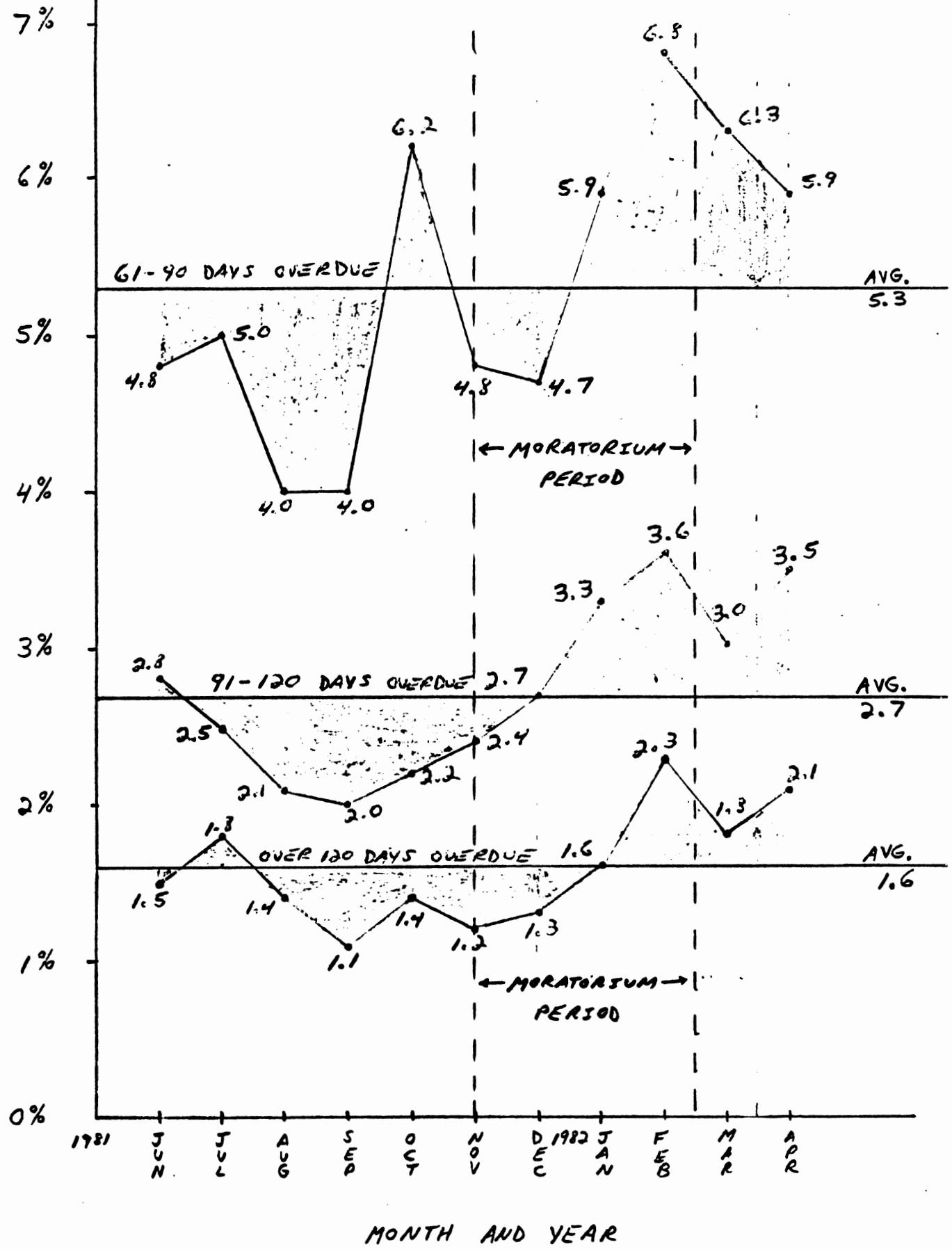


EXHIBIT 2C-3

JERSEY CENTRAL POWER & LIGHT CO.

NUMBER OF RESIDENTIAL ACCOUNTS WITH MORE THAN \$1500 OVERDUE

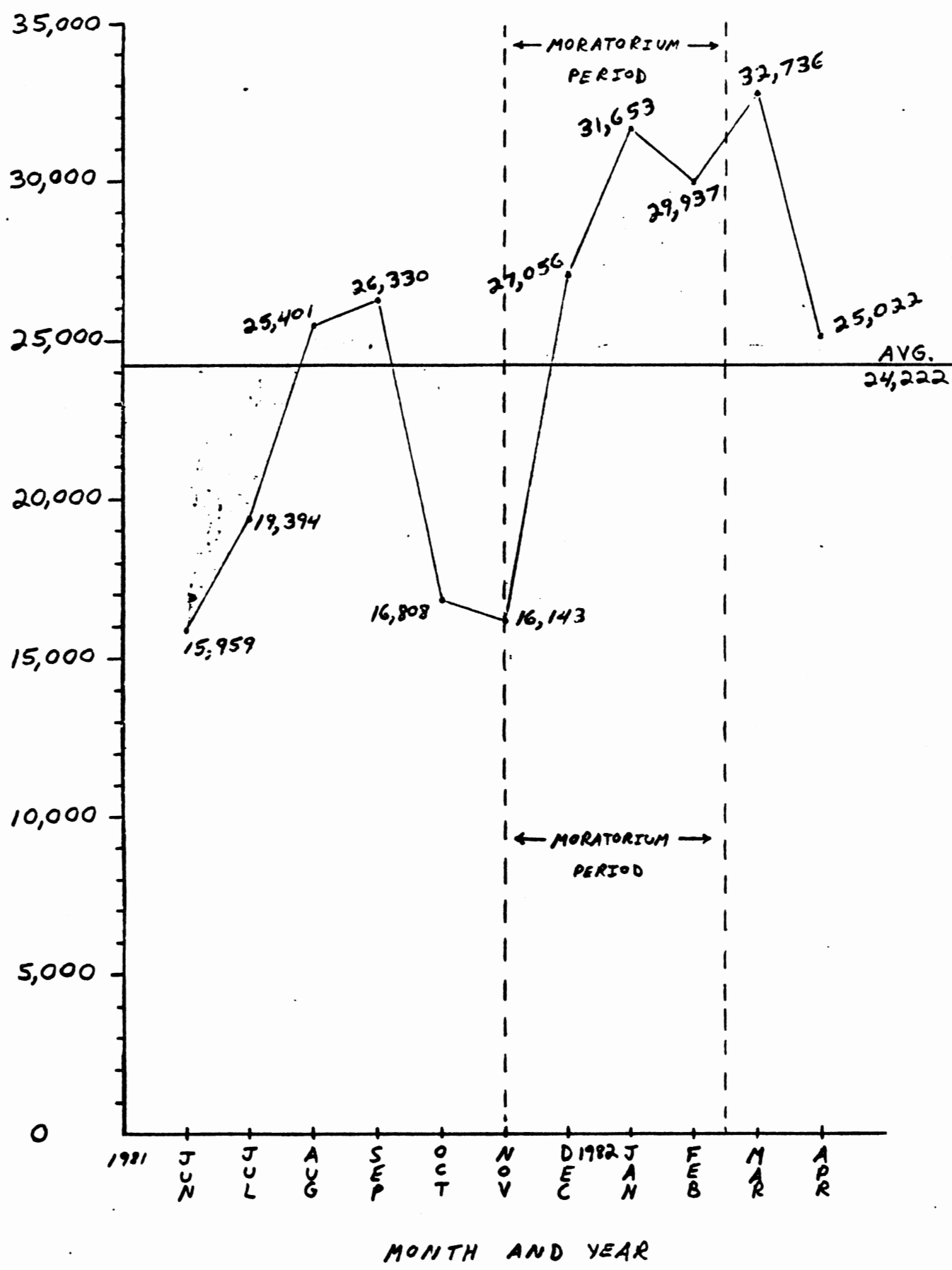


EXHIBIT 2C-4

PERCENTAGE OF RESIDENTIAL ACCOUNTS OVERDUE WHICH EXCEED \$150

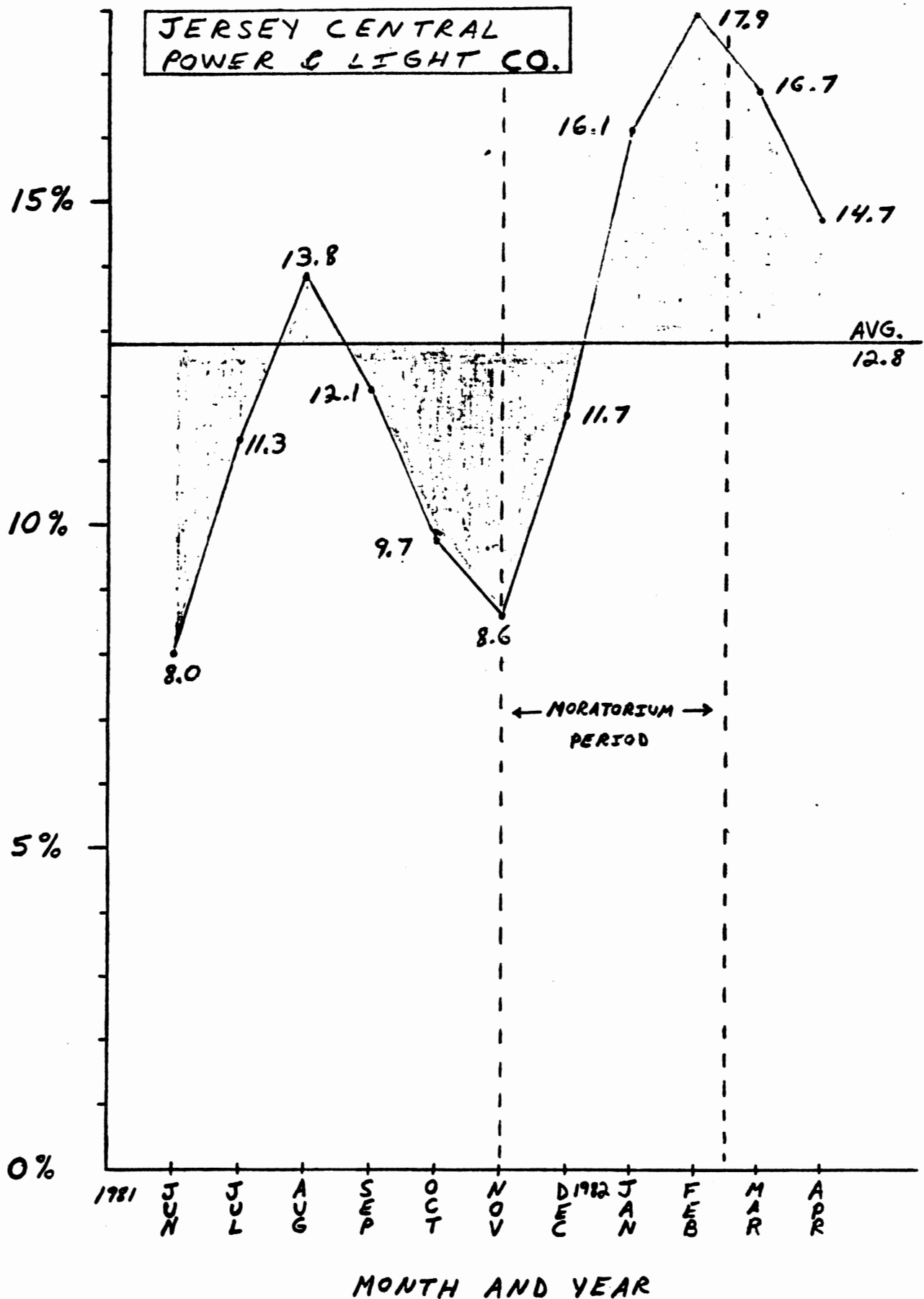


EXHIBIT 2C-5

Analysis Of 16 Randomly Selected HEAP Accounts

Amounts Outstanding At Bill Date

		<u>1981</u>			<u>1982</u>				
		<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>
Previous Balance		\$1,065.68	1,518.01	2,092.18	\$2,472.84	2,486.49	3,581.29	3,482.73	3,706.13
Revenue		\$1,399.03	1,490.53	1,874.37	\$2,610.13	2,926.97	2,562.76	2,153.66	1,423.78
Total		\$2,464.71	3,008.54	3,966.55	\$5,082.97	5,413.46	6,144.05	5,636.39	5,129.91
% Of Prior	)	Sample HEAP							
Months Total	)	Average	61.6%	69.5%	62.3%	48.9%	66.2%	56.7%	65.8%
Account Balance)								
Unpaid At	)	Company							
Billing Time	)	Average	17.2%	19.8%	21.4%	19.5%	19.1%	21.1%	N/A

54x

ACCOUNT

7,0,6,4,3,4 | 1,21,0 | 3,6CATEGORY WELFARE

BILLING DATE	CURRENT BILL	DUE DATE	PREVIOUS BALANCE	TOTAL	PAYMENTS DATE / AMOUNT	ACCOUNT BALANCE
5/20/82	24.15	6/1/82	317.65	341.80	1/1	341.80
4/21/82	17.70	5/2/82	299.95	317.65	1/1	317.65
3/22/82	85.62	4/2/82	512.13	597.75	3/27/82 297.80	299.95
2/19/82	90.06	3/4/82	422.07	512.13	1/1	512.13
1/19/82	109.75	2/1/82	312.32	422.07	1/1	422.07
12/17/81	88.63	12/28/81	223.69	312.32	1/1	312.32
11/18/81	81.95	11/30/81	141.74	223.69	1/1	223.69
10/20/81	90.00	11/2/81	171.74	261.74	11/18/81 120.00	141.74
9/18/81	112.61	10/1/81	109.13	221.74	10/27/81 50.00	171.74
8/19/81	109.13	8/31/81	108.95	218.08	9/1/81 108.95	109.13
7/21/81	108.95	8/3/81	116.00	224.95	7/27/81 116.00	108.95
6/19/81	104.16	7/2/81	86.95	191.11	7/15/81 75.11	116.00
1/1	.	1/1	.	.	1/1	.
1/1	.	1/1	.	.	1/1	.
1/1	.	1/1	.	.	1/1	.
1/1	.	1/1	.	.	1/1	.
1/1	.	1/1	.	.	1/1	.
1/1	.	1/1	.	.	1/1	.
1/1	.	1/1	.	.	1/1	.
1/1	.	1/1	.	.	1/1	.

EXHIBIT 3B-1

CATEGORY. WELFARE

EXHIBIT 3B-2

ACCOUNT

6,2,6,4,1,9,5,8,9,0,5,8CATEGORY WELFARE

BILLING DATE	CURRENT BILL	DUE DATE	PREVIOUS BALANCE	TOTAL	PAYMENTS DATE / AMOUNT	ACCOUNT BALANCE
5/10/82	152.67	5/21/	757.12	909.79	/ /	909.79
4/8/82	153.02	4/22/	704.10	857.12	4/22/82 100.00	757.12
3/10/82	201.35	3/22/	776.99	978.34	X 274.24	704.10
2/5/82	232.68	2/18/	544.31	776.99	/ /	776.99
1/7/82	247.80	1/18/	296.51	544.31	/ /	544.31
12/7/81	146.16	12/18/	150.35	296.51	/ /	296.51
11/6/81	98.59	11/19/	51.76	150.35	/ /	150.35
10/7/81	51.76	10/19/	.	.	/ /	51.76
/ /	.	/ /	.	.	/ /	.
/ /	.	/ /	.	.	/ /	.
/ /	.	/ /	.	.	/ /	.
/ /	.	/ /	.	.	/ /	.
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/ /	.	/ /	.	.	/ /	.
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/ /	.	/ /	.	.	/ /	.
/ /	.	/ /	.	.	/ /	.
/ /	.	/ /	.	.	/ /	.
/ /	.	/ /	.	.	/ /	.

* 4/6/82 \$ 80.00
 3/22/82 \$ 139.00
 3/22/82 55.24

EXHIBIT 38-3

ACCOUNT

7.1.64.93/8.5.4.0/2.0

CATEGORY WELFARE

BILLING DATE	CURRENT BILL	DUE DATE	PREVIOUS BALANCE	TOTAL	PAYMENTS DATE / AMOUNT	ACCOUNT BALANCE
5/21/	52.97	6/3/	887.74	940.71	5/24/82 100.00	840.71
4/22/	165.15	5/3/	1086.74	1251.89	5/4/82 165.15	887.74
3/23/	210.22	4/5/	1076.52	1286.74	4/13/82 199.00	1086.74
2/22/	260.83	3/5/	1174.53	1435.36	3/19/82 100.00	1076.52
1/20/	233.10	2/1/	941.43	1174.53	3/19/82 358.84	1174.53
12/18/	146.43	12/31/	795.00	941.43	1/1	941.43
11/19/	113.15	11/30/	681.85	795.00	1/1	795.00
10/21/	70.55	11/2/	611.30	681.85	1/1	681.85
9/21/	50.53	10/2/	355.71	406.24	10/6/81 * 255.06	611.30
8/20/	43.79	8/31/	351.92	395.71	9/9/81 40.00	355.71
7/22/	59.17	8/3/	292.75	351.92	1/1	351.92
6/22/	71.37	7/6/	271.38	342.75	7/20/81 50.00	292.75
1/1	.	1/1	.	.	1/1	.
1/1	.	1/1	.	.	1/1	.
1/1	.	1/1	.	.	1/1	.
1/1	.	1/1	.	.	1/1	.
1/1	.	1/1	.	.	1/1	.
1/1	.	1/1	.	.	1/1	.
1/1	.	1/1	.	.	1/1	.

* FINAL BILL TRANSFER

EXHIBIT 3B-4

ACCOUNT

7,5,6,4,7,4|1,3,9,0|3,4CATEGORY WELFARE

BILLING DATE	CURRENT BILL	DUE DATE	PREVIOUS BALANCE	TOTAL	PAYMENTS DATE / AMOUNT	ACCOUNT BALANCE
5/27/82	160.94	6/7/82	1215.92	1376.86	1/1	1376.86
4/28/82	245.40	5/10/82	970.52	1215.92	1/1	1215.92
3/29/82	195.20	4/12/82	775.32	970.52	1/1	970.52
2/26/82	235.06	3/11/82	1040.26	1275.32	* 500.00	775.32
1/26/82	245.04	2/8/82	795.22	1040.26	1/1	1040.26
12/24/81	274.73	1/7/82	520.49	795.22	1/1	795.22
11/25/81	159.84	12/7/81	360.65	520.49	1/1	520.49
10/27/81	212.52	11/9/81	148.13	360.65	1/1	360.65
9/25/81	296.26	10/8/81	161.57	457.83	11/3/81 10/20/81	148.13
8/26/81	161.57	9/8/81	191.24	352.81	9/21/81	161.57
7/28/81	191.24	8/10/81	195.77	387.01	8/20/81	191.24
6/26/81	209.55	7/9/81	136.22	345.77	7/27/81	195.77
1/1	.	1/1	.	.	1/1	.
1/1	.	1/1	.	.	1/1	.
1/1	.	1/1	.	.	1/1	.
1/1	.	1/1	.	.	1/1	.
1/1	.	1/1	.	.	1/1	.
1/1	.	1/1	.	.	1/1	.
1/1	.	1/1	.	.	1/1	.

* 3/24/82 \$ 200.00
 3/10/82 \$ 100.00
 3/2/82 \$ 200.00

EXHIBIT 3B-5

ACCOUNT

CATEGORY PUBLIC ASSISTANCE

7,9,6,5,5,8 | 8,0,9,5 | 2,4

BILLING DATE	CURRENT BILL	DUE DATE	PREVIOUS BALANCE	TOTAL	PAYMENTS DATE / AMOUNT	ACCOUNT BALANCE
5/4/82	189.08	5/7/82	1727.25	1916.33	1/1	1916.33
4/2/82	230.88	4/15/82	1656.37	1887.25	4/27/82	1727.25
3/4/82	266.38	3/15/82	1389.99	1656.37	1/1	1656.37
2/1/82	315.19	2/16/82	1074.80	1389.99	1/1	1389.99
12/31/81	269.57	1/14/82	805.23	1074.80	1/1	1074.80
12/2/81	193.16	12/14/81	512.07	705.23	12/15/82	805.23
11/2/81	146.07	11/13/81	466.00	612.07	11/13/82	512.07
10/1/81	189.08	10/13/81	276.92	466.00	1/1	466.00
9/17/81	276.90	9/28/81	.02	276.92	1/1	276.92
1/1	NO BILL	1/1	.	.	8/5/81	.02
7/2/81	122.55	7/16/81	1373.02	1495.57	1/1	1495.57
6/3/81	123.28	6/15/81	1249.74	1373.02	1/1	1373.02
1/1	.	1/1	.	.	1/1	.
1/1	.	1/1	.	.	1/1	.
1/1	.	1/1	.	.	1/1	.
1/1	.	1/1	.	.	1/1	.
1/1	.	1/1	.	.	1/1	.
1/1	.	1/1	.	.	1/1	.
1/1	.	1/1	.	.	1/1	.

* CHECK RETURNED —
"INSUFFICIENT FUNDS"

EXHIBIT 3B-6

ACCOUNT

7,2,6,3,7,7|4,0,0,5|5,1CATEGORY SSI

BILLING DATE	CURRENT BILL	DUE DATE	PREVIOUS BALANCE	TOTAL	PAYMENTS DATE / AMOUNT	ACCOUNT BALANCE
5/24/82	18.44	6/4/82	79.14	97.58	1/1	97.58
4/23/82	20.55	5/6/82	99.14	119.69	5/29/82 20.00 5/7/82 20.55	79.14
3/24/82	18.35	4/5/82	170.79	189.14	4/20/82 90.00	99.14
2/23/82	20.72	3/8/82	150.07	170.79	1/1	170.79
1/21/82	29.05	2/1/82	121.02	150.07	1/1	150.07
12/21/82	19.50	1/4/82	101.52	121.02	1/1	121.02
11/20/82	22.35	12/3/81	79.17	101.52	1/1	101.52
10/22/82	18.53	11/2/81	60.64	79.17	1/1	79.17
9/22/82	27.00	10/5/81	48.64	75.64	10/7/81 15.00	60.64
8/21/82	28.57	9/3/81	35.07	63.64	9/8/81 15.00	48.64
7/23/82	33.54	8/3/81	21.53	55.07	8/10/81 20.00	35.07
6/23/82	21.53	7/6/81	.	21.53	1/1	21.53
1/1	.	1/1	.	.	1/1	.
1/1	.	1/1	.	.	1/1	.
1/1	.	1/1	.	.	1/1	.
1/1	.	1/1	.	.	1/1	.
1/1	.	1/1	.	.	1/1	.
1/1	.	1/1	.	.	1/1	.
1/1	.	1/1	.	.	1/1	.
1/1	.	1/1	.	.	1/1	.

619

EXHIBIT 3B-7

ACCO # 7.4.6.5.5.4.2.9.4.0.13.1 CATEGORY HEAP & WELFARE

BILLING DATE	CURRENT BILL	DUE DATE	PREVIOUS BALANCE	TOTAL	PAYMENTS DATE / AMOUNT	ACCOUNT BALANCE
5/26/82	117.47	6/7/82	944.39	1061.86		1061.86
4/27/82	137.85	5/10/82	1276.90	1414.75	5/4/82 470.36	944.39
3/26/82	135.36	4/8/82	1141.54	1276.90		1276.90
2/25/82	145.83	3/8/82	1195.71	1341.54	3/19/82 200.00	1141.54
1/25/82	140.98	2/5/82	1054.73	1195.71		1195.71
12/23/81	114.97	1/4/82	939.76	1054.73		1054.73
11/24/81	90.15	12/7/81	849.61	939.76		939.76
10/26/81	89.27	11/6/81	760.34	849.61		849.61
9/24/81	110.08	10/5/81	650.26	760.34		760.34
8/25/81	132.92	9/8/81	517.34	650.26		650.26
7/27/81	118.19	8/7/81	699.15	817.34	7/24/81 300.00	517.34
6/25/81	120.28	7/6/81	578.87	699.15		699.15
1/1	.	1/1	.	.		.
1/1	.	1/1	.	.		.
1/1	.	1/1	.	.		.
1/1	.	1/1	.	.		.
1/1	.	1/1	.	.		.
1/1	.	1/1	.	.		.
1/1	.	1/1	.	.		.

EXHIBIT 3B-8

ACCOUNT

6,2,6,3,2,7,7,0,1,5,4,8CATEGORY WELFARE

BILLING DATE	CURRENT BILL	DUE DATE	PREVIOUS BALANCE	TOTAL	PAYMENTS DATE / AMOUNT	ACCOUNT BALANCE
5/10/82	19.41	5/21/82	159.98	179.39	1/1 — .	179.39
4/8/82	21.13	4/22/82	138.85	159.98	1/1 — .	159.98
3/10/82	20.55	3/22/82	118.30	138.85	1/1 — .	138.85
2/5/82	21.13	2/18/82	97.17	118.30	1/1 — .	118.30
1/7/82	20.15	1/18/82	107.02	127.17	1/25/82 30.00	97.17
12/7/81	20.96	12/18/81	86.06	107.02	1/1 — .	107.02
11/6/81	19.33	11/19/81	66.73	86.06	1/1 — .	86.06
10/7/81	18.69	10/19/81	48.04	66.73	1/1 — .	66.73
9/8/81	13.38	9/21/81	34.66	48.04	1/1 — .	48.04
8/7/81	17.07	8/20/81	17.59	34.66	1/1 — .	34.66
7/9/81	17.59	7/20/81	29.50	47.09	7/10/81 29.50	17.59
6/9/81	29.50	6/22/81	0.00	29.50	1/1 — .	29.50
1/1	.	1/1	.	.	1/1 .	.
1/1	.	1/1	.	.	1/1 .	.
1/1	.	1/1	.	.	1/1 .	.
1/1	.	1/1	.	.	1/1 .	.
1/1	.	1/1	.	.	1/1 .	.
1/1	.	1/1	.	.	1/1 .	.
1/1	.	1/1	.	.	1/1 .	.

EXHIBIT 3B-9

ACCOUNT

6,9,6,3,5,3|6,0,6,0|1,0CATEGORY WELFARE

BILLING DATE	CURRENT BILL	DUE DATE	PREVIOUS BALANCE	TOTAL	PAYMENTS DATE / AMOUNT	ACCOUNT BALANCE
5/19/82	144.49	6/1/82	478.69	623.18	1/1	623.18
4/20/82	273.31	5/3/82	905.38	1178.69	5/18/82	478.69
3/19/82	361.92	4/1/82	743.46	1105.38	4/16/82	905.38
2/18/82	252.30	3/1/82	710.18	962.48	3/12/82	743.46
1/18/82	491.16	1/29/82	219.02	710.18	1/1	710.18
12/16/81	219.02	12/28/81	—	219.02	1/1	219.02
11/17/81	170.49	11/30/81	130.29	300.78	12/14/81	—
10/19/81	130.29	10/30/81	—	130.29	1/1	130.29
9/17/81	118.06	9/28/81	277.38	395.44	10/19/81 9/21/81	118.06 277.38
8/18/81	163.73	8/31/81	113.65	277.38	1/1	277.38
7/20/81	113.65	7/31/81	94.56	208.21	8/3/81	113.65
6/18/81	94.56	6/29/81	—	94.56	1/1	94.56
1/1	.	1/1	.	.	1/1	.
1/1	.	1/1	.	.	1/1	.
1/1	.	1/1	.	.	1/1	.
1/1	.	1/1	.	.	1/1	.
1/1	.	1/1	.	.	1/1	.
1/1	.	1/1	.	.	1/1	.
1/1	.	1/1	.	.	1/1	.

64x

EXHIBIT 38-10

**RESULTS OF LETTERS MAILED TO CUSTOMERS WHO WERE TERMINATED FOR NON-PAYMENT
ON OR AFTER 4/01/81 WHERE SERVICE HAD NOT BEEN RESTORED BY DECEMBER, 1982**

65x

OFFICE	LETTERS MAILED	LETTERS RETURNED UNDELIVERED	NUMBER OF ACCOUNTS RECONNECTED	AFDC	LL	HEAP	PAA	SSI	G.W.	CAT. # 7
Union Beach	78	25	4	1	1	-	-	-	-	1
Asbury Park	164	-	5	-	-	1	-	-	-	4
Point Pleasant	7	1	-	-	-	-	-	-	-	-
Red Bank	30	5	4	1	-	-	-	-	1	2
Hightstown	32	7	1	1	-	-	-	-	-	-
Wrightstown	49	15	4	3	-	-	-	-	-	-
Lakewood	66	-	3	-	-	-	-	-	1	2
Toms River	92	-	2	1	-	1	-	-	-	-
Morristown	8	-	-	-	-	-	-	-	-	-
Riverdale	-	-	-	-	-	-	-	-	-	-
Dover	9	-	2	-	-	-	-	-	-	-
Newton	2	-	2	-	-	-	-	-	-	1
Flemington	9	-	-	-	-	-	-	-	-	-
Washington	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	547	53	27	7	1	2	0	0	2	10

Exhibit 4A

ANALYSIS OF BILLING AND PAYMENTS
FOR ACCOUNTS RECONNECTED AS A RESULT
OF THE BOARD'S ORDER DATED 12/3/81

<u>ACCOUNT NO.</u>	<u>AMT. OUTS.</u> <u>WHEN REC.</u>	<u>ADD. BILLING</u> <u>TO 5/05/82</u>	<u>PAYMENTS AS</u> <u>OF 5/05/82</u>	<u>OUTS. BALANCE</u> <u>AS OF 5/05/82</u>
651239-5390-67	\$ 475.88	\$ 173.78	\$ 574.75	\$ 74.91
741202-2200-17	240.16	898.82	832.27	306.71
691470-4800-43	247.76	219.19	363.44	103.51
751404-1010-14	308.25	581.61	767.86	122.00
784287-4053-27	217.04	79.69	74.19	222.54
624216-6180-89	127.21	37.29	37.29	127.21
754211-5720-47	129.79	223.20	234.61	118.38
714228-2380-40	547.25	327.95	401.23	473.97
665143-7805-34	472.93	840.47	250.08	1,063.32
715173-2020-14	506.45	527.83	25.00	1,009.28
695114-2210-85	169.69	78.79	20.00	228.48
715173-2500-62	316.12	253.42	340.00	229.54
675147-5500-31	520.13	992.38	873.95	638.56
* 705527-2640-83	605.02	784.09	605.70	783.41
* 635542-2600-99	270.66	229.29	.00	499.95
765503-5500-61	171.14	208.57	246.14	133.57
* 695519-3280-30	450.90	221.11	.00	672.01
726171-2250-48	644.54	481.38	529.32	596.60
* 736177-2530-35	445.41	439.56	462.75	422.22
* 696152-6060-96	425.86	265.27	.00	691.13
656125-9940-94	44.44	171.35	141.71	74.08
* 716306-0524-41	204.08	81.46	.00	285.54
666409-6710-37	962.03	842.67	1,500.00	304.70
626421-3221-18	1,178.45	524.27	219.95	1,482.77
646471-2758-26	226.93	56.38	50.00	233.31
756572-1230-62	404.78	1,223.61	356.00	1,272.39
786545-1160-34	303.89	719.87	240.00	783.76
<u>27 Accounts</u>	<u>\$10,616.79</u>	<u>\$11,483.30</u>	<u>\$9,146.24</u>	<u>\$12,953.85</u>

* Accounts C.N.P. as of 5/05/82

16 of 27 Customers (59%) Increased Their Outstanding Balance.

4 of 27 Customers (15%) Made No Payment On Account.

Total Outstanding Balance Up By \$2,337.06 / \$86.56 per customer /
 22% Over Beginning Balance.

Exhibit 48

JERSEY CENTRAL POWER & LIGHT COMPANY

NUMBER OF CUSTOMERS BY PROTECTED CATEGORIES

1981 - 1982 MORATORIUM PERIOD

<u>Category</u>	<u>Number Of Customers</u>
Lifeline Credit Program	35,611
Home Energy Assistance Program (HEAP)	351
Aid To Families With Dependent Children (AFDC)	16
Supplemental Security Income (SSI)	100
Pharmaceutical Assistance To The Aged (PAA)	3
General Welfare	253
Circumstances Beyond Customers Control	<u>726</u>
TOTAL	37,068

ADDED

Exhibit 5

6/24/82

Company	1980			1981			1982		
	Overdue Accounts	Discontinuance Notices	Accounts Terminated	Overdue Accounts	Discontinuance Notices	Accounts Terminated	Overdue Accounts	Discontinuance Notices	Accounts Terminated
Atlantic Electric	1,050,962	287,948	17,634	1,158,151	295,441	21,090	1,180,469	406,142	18,399
Elizabethtown Gas	347,403	54,175	5,866	343,317	53,173	8,368	373,299	73,052	11,395
Jersey Central	758,021	516,805	19,661	841,267	559,125	10,627	879,474	591,102	16,112
New Jersey Natural	N/A	207,360	5,989	277,008	212,848	6,713	656,385	235,665	7,807
Rockland Electric	139,318	37,297	975	138,540	29,666	1,114	145,642	36,055	1,231
South Jersey Gas	172,354	174,675	7,850	186,375	223,649	8,013	187,174	235,468	8,459
Sussex Rural	N/A	N/A	N/A	6,300	7,617	259	8,494	5,651	172
PSE&G	6,376,611	N/A	64,540	6,554,448	1,068,039	77,980	6,774,751	1,092,004	89,575
Totals	8,844,669	1,278,260	122,515	9,505,406	2,449,558	134,164	10,205,688	2,675,139	153,150

3-11-82 N.J. BOARD OF PUBLIC UTILITIES

COMPANY NAME Atlantic ElectricTELEPHONE NUMBER (609) 645-4370PREPARED BY Paul C. LiepePERIOD COVERED December 1 - 31, 1982

LINE NO.	DESCRIPTION	THIS MONTH	YEAR TO DATE	YEAR 1978	YEAR 1979	YEAR 1980	YEAR 1981	YEAR 1982
	Residential							
1	Total No. Accounts: Heating Billed Monthly	60,346						
	Residential							
2	Total No. Accounts: Non-Heating Billed Monthly	265,136						
3	Total No. Accts. Sent Disc. Notices (all classes)	27,660	412,635	323,099	231,430	290,572	308,985	
	(A) Third Party Notification	39	760	NA	NA	NA	118	
	(B) Sr. Citizen Phone Notification	47	1,017	NA	NA	NA	147	
	(C) Other Residential (MED EMERGENCY)	37	419	NA	NA	NA	54	
	(D) Other	1,214	12,752	NA	NA	NA	42	
x69 4	Master Metered Accts. Posted if Service is to be Terminated	0	3	0	6	6	5	
	Residential							
5	No Accts. with Third Party Designation	2	3,068	1,745	2,022	2,572	3,198	
	No. Accts. with Sr. Citizen Telephone Designation	-42	5,111	3,083	3,525	4,825	8,169	
6A	Total Field Visits Subject to Termination	1,404	38,091				31,824	
	(A) Residential (Actual Cut)	548	18,312				18,686	
	(B) Other (Actual Cut)	75	1,491				1,786	
6B	Total No. Accts. Terminated	623	18,180	11,028	11,090	15,831	20,472	
	(A) Residential	548	17,312				18,686	
	(B) Other	75	1,491				1,786	
6C	Total No. of Residential Accounts Not Terminated Due to Stipulation							
	(A) Lifeline	158	3,715				200	
	(B) HEAP	138	3,183				6	
	(C) AFDC	93	2,178				17	
	(C) SSI	34	809				3	
	(E) PAA	3	85				1	
	(F) General Assistance	40	1,077				4	
	(G) Circumstances beyond Customer Control	45	1,070				21	

LINE NO.	DESCRIPTION	THIS MONTH	YEAR TO DATE	YEAR 1978	YEAR 1979	YEAR 1980	YEAR 1981	YEAR 1982
	All Classes							
7.	No. Overdue Accounts	90,987						
	Amount Overdue - \$1 - 100	2,889,756						
	101 - 500	3,392,710						
	501 - 1000	875,179						
	Over - 1000	3,239,677						
	All Classes							
8.	Reason for Termination							
	(a) Nonpayment of Bill	623	18,803	11,028	11,090	15,831	20,472	
	(b) Tampering with Meter or Service	128	1,873	NA	NA	1,984	1,935	
	All Classes							
9.	Reconnections	531	11,158	NA	NA	9,677	13,105	
	All Classes							
10.	Charge Off							
	(a) Gross			686,000	1,151,000	1,049,000	2,191,000	
	(b) Recovery **	53,429.91	170,020.89	89,000	67,000	46,447	33,153	58

**Amount recovered is from all prior years charged off accounts.

* Not all data is available from all utilities. Until program changes can be completed, efforts will be made to provide data requested where possible.

COMPANY NAME Public Service Electric & Gas Co.TELEPHONE NUMBER (201) 430-5754PREPARED BY J. F. Dieterle - ManagerPERIOD COVERED December 1982Customer Services Operations

<u>LINE</u> <u>NO.</u>	<u>DESCRIPTION</u>	<u>MONTH</u>	<u>YEAR</u> <u>TO DATE</u>	<u>YEAR</u> <u>1978</u>	<u>YEAR</u> <u>1979</u>	<u>YEAR</u> <u>1980</u>	<u>YEAR</u> <u>1981</u>	<u>YEAR</u> <u>1982</u>
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Residential

1	Total No. Accounts: Heating	Gas	Electric					
	Billed Monthly	574,092	39,828					
	Billed Bimonthly	43,054	452					
	Billed Quarterly							

Residential (1)

2	Total No. Accounts: Non-Heating							
71x	Billed Monthly	542,059	1,395,724					
	Billed Bimonthly	13,946	57,184					
	Billed Quarterly							

All Classes

3	Total No. Accts. Sent Disc. Notices (All Classes)	Residential	54,352	Com & Ind	16,901			
	(A) Third Party Notification	59						
	(B) Sr. Citizen Phone Notification	27						
	(C) Other Residential							
	(D) Other							

4	Master Metered Accts. Posted If Service is to be Terminated	52						
---	--	----	--	--	--	--	--	--

Residential

5	No. Accts. with Third Party Designation	6,506						
	No. Accts. with Sr. Citizen Telephone Designation	3,908						

All Classes

COMPANY NAME Public Service Electric & Gas Co.TELEPHONE NUMBER (201) 430-5754PREPARED BY J.F. Dieterle - ManagerPERIOD COVERED December 1982Customer Services Operations

LINE NO.	DESCRIPTION	MONTH	YEAR TO DATE	YEAR 1978	YEAR 1979	YEAR 1980	YEAR 1981	YEAR 1982
6 i	Total Field Visits Subject to Termination							
	(A) Residential	24,203						
	(B) Other	6,191						
ii	Total No. Accts. Terminated							
	(A) Residential	1,145						
	(B) Other	663						
iii	Total No. of Residential Field Visits Not Terminated Due to Stipulation							
	(A) Lifeline	60						
	(B) HEAP	439						
	(C) AFDC	92						
	(D) SSI	87						
	(E) PAA	393						
	(F) General Assistance	50						
	(G) Circumstances Beyond Customer Control	535						
	All Classes	1,656						
7	No. Overdue Accounts (*)							
	Amount Overdue - \$ 1-100	543,912						
	101-500							
	501-1000							
	Over 1000							
	All Classes							
8	Reason for Termination							
	(a) Nonpayment of Bill	1,808						
	(b) Tampering with Meter or Service	44						

72x

COMPANY NAME Public Service Electric & Gas Co.TELEPHONE NUMBER (201) 430-5754PREPARED BY J. F. Dieterle - ManagerPERIOD COVERED December 1982Customer Services Operations

<u>LINE</u> <u>NO.</u>	<u>DESCRIPTION</u>	<u>MONTH</u>	<u>YEAR</u> <u>TO DATE</u>	<u>YEAR</u> <u>1978</u>	<u>YEAR</u> <u>1979</u>	<u>YEAR</u> <u>1980</u>	<u>YEAR</u> <u>1981</u>	<u>YEA</u> <u>198</u>
9	Reconnections		Residential 875 Com & Ind 267					
	All Classes							
10	Charge Off							
	(a) Gross	\$3,623,000			35,191,000			
	(b) Recovery	244,000	Year to Date		2,801,000			
	(c) Net	\$3,379,000			32,390,000			

73x

* Not all data is available from all utilities.

Until program changes can be completed, efforts
will be made to provide data requested where
possible.

(1) Total number of accounts less line no. 1.

Aging of System Accounts
Two or More Months Outstanding

December 1982

	1981	1982	% of Inc. (Dec.)
Newark	128,508	135,322	5.3
Roseland	41,211	53,438	29.7
Harmon Cove	104,386	118,235	13.3
Garret Mountain	29,983	33,035	10.2
Passaic	21,324	21,910	2.7
Hackensack	16,491	19,096	15.8
Elizabeth	28,926	33,093	14.4
Plainfield	18,602	20,972	12.7
New Brunswick	22,954	24,390	6.3
Camden	30,479	40,304	32.2
Princeton	22,738	24,285	6.8
Burlington	<u>11,591</u>	<u>14,748</u>	<u>27.2</u>
Total	477,193	538,828	12.9

COMPANY NAME JERSEY CENTRAL POWER & LIGHT COMPANYTELEPHONE NUMBER 201-433-0774PREPARED BY DONALD R. HENNIONPERIOD COVERED December, 1982

75x

LINE NO.		MONTH	YEAR TO DATE	YEAR 1980	YEAR 1981	YEAR 1982
1	TOTAL NO. ACCOUNTS: HEATING	80,520				
	Billed Monthly	80,520				
	Billed Bi-Monthly					
	Billed Quarterly					
	RESIDENTIAL					
2	TOTAL NO. ACCOUNTS: NON-HEATING	643,924				
	Billed Monthly	643,924				
	Billed Bi-Monthly					
	Billed Quarterly	724,444				
	ALL CLASSES					
3	TOTAL NO. ACCOUNTS SENT DISCONTINUANCE NOTICES	28,604	604,339	454,940	493,818	599,125
	Third Party Notification	8	177			352
	Senior Citizen Telephone Notification	43	883			958
	Other Residential	21,924				
	Non-Residential	6,680				
4	MASTER METERED ACCOUNTS POSTED IF SERVICE IS TO BE TERMINATED	0	114			33
5	NO. ACCOUNTS WITH THIRD PARTY DESIGNATION	931	931			
	NO. ACCOUNTS WITH SR. CITIZEN TELEPHONE DESIGNATION	17,923	17,923			
6	A. TOTAL FIELD VISITS SUBJECT TO TERMINATION	6,931				
	Residential	5,247				
	Non-Residential	1,684				
	B. TOTAL NO. OF ACCOUNTS TERMINATED	72	16,470	15,921	19,593	10,627
	Residential	29	15,422			
	Non-Residential	43	1,048			

(2)

LINE NO.	DESCRIPTION	MONTH	YEAR TO DATE	YEAR 1979	YEAR 1980	YEAR 1981
	C. TOTAL NO. OF RESIDENTIAL FIELD VISITS NOT TERMINATED DUE TO STIPULATION	10	783			
	Lifeline	4	77			
	HEAP	-	203			
	AFDC	1	94			
	SSI	5	47			
	PAA	-	18			
	General Assistance	-	109			
	Circumstances Beyond Customer Control	-	235			
7	NO. OVERDUE ACCOUNTS					
	Amount Overdue: \$ 1 - 25	44				668
	\$ 26 - 100	10,513				209,161
	\$ 101 - 250	36,387				381,159
	\$ 251 - 1000	18,818				197,891
	OVER 1000	4,937				52,388
	ALL CLASSES	70,699				841,267
8	REASON FOR TERMINATION					
	Non-Payment Of Bill	72	16,470	15,921	19,593	10,627
	Tampering With Meter Or Service	-				
	ALL CLASSES	72	16,470	15,921	19,593	10,627
9	RECONNECTIONS					
	ALL CLASSES	189	12,982	13,533 E	17,010 E	9,034 E
10	CHARGE OFF					
	Gross	218,093	3,472,618	1,231,958	2,374,535	2,627,359
	Recovery	58,284	845,676	200,635	285,595	434,661
	Net	159,809	2,626,942	1,031,323	2,088,940	2,192,698

76x

MONTHLY COLLECTION REPORT FOR THE BOARD OF PUBLIC UTILITIES

COMPANY NAME Rockland Electric CompanyTELEPHONE NUMBER (914) 352-6000PREPARED BY R. J. HaydenPERIOD COVERED DECEMBER

LINE NO.	DESCRIPTION	THIS MONTH	YEAR TO DATE	YEAR 1978	YEAR 1979	YEAR 1980	YEAR 1981	YEAR 1982
1	<u>Residential</u>							
	Total No. Accounts: Heating	215						
	Billed Monthly	536						
	Billed Bi-Monthly							
	Billed Quarterly							
2	<u>Residential</u>							
	Total No. Accounts: Non-Heating							
	Billed Monthly	46,511						
	Billed Bi-Monthly							
	Billed Quarterly							
3	<u>All Classes</u>							
	No. Accounts Sent Disc. Notices	2,843	36,191	40,212	40,212	36,407	29,667	36,191
	(a) Third Party Notification	15	169	145	134	101	151	169
	(b) Sr. Citizen Telephone Notification	1	29	N/A	16	24	17	29
4	Master Metered Accounts Posted If Service is to be Terminated	0	0	0	0	0	0	0
5	<u>Residential</u>							
	No. Accounts with Third Party Designation	-9	642	336	350	543		642
	No. Accounts with Sr. Citizen Telephone Designation	-13	1,914	N/A	N/A	2,097	1,992	1,914

JAN 18 10 09 AM '83
 DEPT. OF
 PUBLIC UTILITIES
 NEWARK, N.J.

77x

LINE NO.	DESCRIPTION	THIS MONTH	YEAR TO DATE	YEAR 1978	YEAR 1979	YEAR 1980	YEAR 1981	YEAR 1982
6	<u>All Classes</u>							
	No. Accounts Terminated Last Two Years	24	1,131	1,263	1,133	988	1,124	1,131
7	<u>All Classes</u>							
	No. Overdue Accounts	12,574						
	Amount Overdue - \$ 1-100	8,262						
	101-500	5,723						
	Over 500	263						
	Over 1000	260						
8	<u>All Classes</u>							
	Reason for Termination							
	(a) Non-payment of Bill	24	1,131	1,263	1,133	099	1,124	1,131
	(b) Tampering with Meter or Service	0	0	N/A	N/A	0	0	0
9	<u>All Classes</u>							
78x	Reconnections	16	886	N/A	N/A	N/A	756	886
0	<u>All Classes</u>							
	Charge Off							
	(a) Gross	\$7,841.97	\$193,204.55	\$138,795.92	\$115,745.94	\$127,951.07	\$168,642.98	\$193,204.55
	(b) Recovery**	1,587.30	42,348.26	9,731.78	35,084.23	14,921.92	20,286.58	
1	Total No. of Residential Accounts Not Terminated Due to Stipulation							
	(a) Lifeline	0	0				0	
	(b) HEAP	0	0				0	
	(c) AFDC	0	0				0	
	(d) SSI	0	0				0	
	(e) PAA	0	0				0	
	(f) General Assistance	0	1				0	
	(g) Circumstances Beyond Customer Control	0	0				0	

** Amount recovered is from all prior years charged off accounts

COMPANY NAME NEW JERSEY NATURAL GAS COMPANY TELEPHONE NUMBER (201) 988-2800 Ext. 346
 PREPARED BY George D. Walling PERIOD COVERED December, 1982

LINE NO.	DESCRIPTION	MONTH	YEAR TO DATE	1978	1979	1980	1981	1982	1983
RESIDENTIAL									
1	Total No. Accounts: Heating	171,856							
	Billed Monthly	171,856							
	Billed Bimonthly								
	Billed Quarterly								
RESIDENTIAL									
2	Total No. Accounts: Non-Heating	46,966							
	Billed Monthly	46,966							
	Billed Bimonthly								
	Billed Quarterly								
3	Total No. Accts. Sent. Disc. Notices (All Classes)	18,261	242,085		184,226	207,023	212,851	242,085	
	(A) Third Party	11	225			215	247	225	
	(B) Sr. Citizen Phone Notific.	54	528			557	450	528	
	(C) Other Residential	14,683	200,319					200,319	
	(D) Other	3,513	41,013					41,013	
4	Master Metered Accts. Posted If Service is to be Terminated	-1-	-3-	-1-	-2-	-3-	19		
RESIDENTIAL									
5	No. Accts. with Third Party Designation	-3-	80	395	491	522	820	900	
	No. Accts. with Sr. Citizen Telephone Designation	-1-	29	1,430	1,541	1,917	1,976	2,005	

LINE NO.	DESCRIPTION	MONTH	YEAR TO DATE	1978	1979	1980	1981	1982	1983
6 i.	Total Field Visits Subject to Termination	5,009	62,188					62,188	
	(A) Residential	4,543	57,408					57,408	
	(B) Other	466	4,778					4,778	
ii.	Total No. Accts. Terminated	91	7,876					7,876	
	(A) Residential	73	7,143					7,143	
	(B) Other	18	733					733	
iii.	Total No. of Residential Field Visits Not Terminated Due to Stipulation	115						1,170	
	(A) Lifeline	13						27	
	(B) HEAP	45						789	
	(C) AFDC	17						109	
	(D) SSI	6						11	
	(E) PAA	-0-						0	
	(F) General Assistance	20						141	
	(G) Circumstances Beyond Customer Control	14						72	
	ALL CLASSES								
7	No. Overdue Accounts								
	Amount Overdue -\$ 1-100	19,350							
	101-500	28,982							
	501-1000	739							
	Over 1000	558							
	Total	49,629							
	ALL CLASSES								
8	Reason for Termination								
	(A) Nonpayment of Bill	91	7,876	5,987	5,544	5,845	6,695	7,876	
	(B) Tampering with Meter or Service	1	88				52	88	

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>MONTH</u>	<u>YEAR TO DATE</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>
	ALL CLASSES							
9	Reconnections	160	4,911	2,833	2,241	2,673	2,695	4,911
	ALL CLASSES							
10	Charge Off							
	(A) Gross	80,179	1,319,876	482,260	469,918	816,257	1,108,167	1,319,876
	(B) Recovery	47,496	365,433	127,217	126,145	219,699	190,011	365,433
	(C) Net	32,683	954,443	355,043	343,733	616,558	1,118,156	954,443

PREPARED BY Lorraine HudakPERIOD COVERED December, 1982

LINE NO.	DESCRIPTION	MONTH	YEAR TO DATE	YEAR 1978	YEAR 1979	YEAR 1980	YEAR 1981	YEAR 1982
Residential								
1	Total No. Accounts: Heating Billed Monthly Billed Bimonthly Billed Quarterly	100,450						
Residential								
2	Total No. Accounts: Non-Heating Billed Monthly Billed Bimonthly Billed Quarterly	82,380						
All Classes								
3	No. Accts. Sent Disc. Notices (a) Third Party Notification (b) Sr. Citizen Telephone Notification	6,325 - 20	73,012 35 135	52,743	55,296	52,960 278 170	53,173 165 251	
3A	Total No. of Residential Accounts Not Terminated Due to Stipulation (a) LIFELINE (b) HEAP (c) AFDC (d) SSI (e) PAA (f) General Assistance (g) Circumstances Beyond Customer Control	1 34 25 11 - 66 27	5 470 127 56 8 267 102					
	Total All Classes	164	1,035					

82x

JAN 13 10 19 AM '83
 DIVISION OF
 REVENUE
 TAXES

<u>NO.</u>	<u>DESCRIPTION</u>	<u>MONTH</u>	<u>TO DATE</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>
Residential								
4	Master Metered Accts. Posted if Service is to be Terminated.	2	65				76	
Residential								
5	No. Accts. with Third Party Designation	-	290	375	359	237	237	
	No. Accts. with Sr. Citizen Telephone Designation	21	4,317	733	1,611	3,004	3,284	
All Classes								
6	No. Accounts Terminated Last Two Years	699	11,395	4,750	3,271	6,028	8,368	
All Classes								
7	No. Overdue Accounts							
	Amount Overdue - \$ 1-100	31,391						
	101-500							
	501-1000							
	Over 1000							
All Classes		4,925,739						
8	Reason for Termination							
	(a) Non-payment of Bill	692	11,171			5,546	8,094	
	(b) Tampering with Meter or Service	7	224			303	274	
All Classes								
9	Reconnections	660	7,523			3,115	5,126	
All Classes								
10	Charge Off*							
	(a) Gross	252,084	560,129	466,744	480,754	889,983	1,064,191	1,202,345
	(b) Recovery	37,836	85,605	36,450	47,672	66,639	153,020	195,513
	(c) Net	214,248	474,524	430,294	433,082	823,344	94,171	1,006,832

*Figures from fiscal year October 1, 1982 to September 30, 1983.

COMPANY NAME SOUTH JERSEY GAS COMPANYTELEPHONE NUMBER 609-561-9000PREPARED BY ALLEN M. PERGAMENTPERIOD COVERED DECEMBER 1982

LINE NO.	DESCRIPTION	MONTH	YEAR TO DATE	YEAR 1978	YEAR 1979	YEAR 1980	YEAR 1981	YEAR 1982
1	Residential Total No. Accounts: Heating Billed Monthly Billed Bimonthly Billed Quarterly	94,134						
2	Residential Total No. Accounts: Non-Heating Billed Monthly Billed Bimonthly Billed Quarterly	28,161						
3	Total No. Accts. Sent Disc. Notices (All Classes)	17,469	239,998	172,162	172,481	174,675	223,649	239,998
84x	(A) Third Party Notification	31	284	N/A	N/A	N/A	293	284
	(B) Sr. Citizen Phone Notification	18	503	N/A	N/A	N/A	694	503
	(C) Other Residential	15,572	216,759	N/A	N/A	N/A	N/A	216,759
	(D) Other	1,848	22,452	N/A	N/A	N/A	N/A	22,452
4	Master Metered Accts. Posted If Service is to be Terminated	1	21	N/A	N/A	N/A	N/A	21
5	Residential No. Accts. with Third Party Designation	394	N/A	N/A	310	347	377	394
	No. Accts. with Sr. Citizen Telephone Designation	2,790	N/A	N/A	2,580	2,741	2,816	2,790
6.1	Total Field Visits Subject to Termination	2,498	51,489	N/A	N/A	N/A	3,089	51,489
	(A) Residential	2,263*	46,398	N/A	N/A	N/A	2,742	46,398
	(B) Other	235	5,091	N/A	N/A	N/A	347	5,091
.11	Total No. Accts. Terminated	176	8,492	8,904	7,881	7,885	8,013	8,492
	(A) Residential	156	7,889	N/A	N/A	N/A	N/A	7,889
	(B) Other	20	603	N/A	N/A	N/A	N/A	603

* 677 Accounts were unable to be contacted, 493 accounts were paid and 937 accounts have made arrangements

LINE NO.	DESCRIPTION	MONTH	YEAR TO DATE	YEAR 1978	YEAR 1979	YEAR 1980	YEAR 1981	YEAR 1982
.111	Total No. of Residential Field Visits Not Terminated Due to Stipulation							
	(A) Lifeline	13	13	N/A	N/A	N/A	N/A	08
	(B) HEAP	66	66	N/A	N/A	N/A	N/A	524
	(C) AFDC	29	29	N/A	N/A	N/A	N/A	351
	(D) SSI	4	4	N/A	N/A	N/A	N/A	46
	(E) PAA	1	1	N/A	N/A	N/A	N/A	7
	(F) General Assistance	3	3	N/A	N/A	N/A	N/A	78
	(G) Circumstances Beyond Customer Control	1	1	N/A	N/A	N/A	N/A	209
	All Classes	117	117	N/A	N/A	N/A	N/A	1,310
7	No. Overdue Accounts			N/A	N/A	172,354	186,455	
	Amount Overdue - \$ 1-100	15,580	187,174	N/A	N/A			
	101-500							
	501-1000							
	Over 1000							
	All Classes	\$1,442,902						
8	Reason for Termination							
	(a) Nonpayment of Bill	174	8,421	8,904	7,881	7,815	7,965	8,421
	(b) Tampering with Meter or service	2	73	N/A	N/A	N/A	N/A	73
	All Classes							
9	Reconnections	70	3,930	N/A	N/A	N/A	N/A	3,930
	All Classes							
0	Charge Off							
	(a) Gross	72,990	986,874	531,497	485,466	670,905	929,668	986,874
	(b) Recovery	25,938	235,266	126,473	154,290	195,788	214,823	235,266
	(c) Net	47,052	751,608	404,024	311,176	475,117	714,846	751,608

