



# NEWS RELEASE

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## THE CHEMISTRY COUNCIL OF NEW JERSEY, REPRESENTING AN ENERGY INTENSIVE INDUSTRY, OPPOSES PSE&G'S \$4 BILLION PETITION

February, 20, 2013 -- (Trenton, NJ) – The CCNJ calls upon the Board of Public Utility, legislators and other elected officials in the wake of Superstorm Sandy, to be mindful of all ratepayers when reviewing the multi-billion dollar proposals in additional utility costs that purportedly reflect the costs of storm recovery or improvements to the reliability of utility infrastructure in advance of “the next Sandy.” While CCNJ does not question the need for storm relief and reliable utility systems, there is a significant concern that the crisis created by Sandy is being used as a pretext for the advancement of ineffective and unnecessarily expensive utility programs.

“Isn’t it ironic,” said Hal Bozarth, executive director of the CCNJ, “a day after PSE&G’s parent company declared yet another increase in the company’s common dividend, it asks ratepayers to foot the bill to improve its infrastructure to the tune of \$4 billion? It is unreal!”

PSE&G’s parent company is proud about being able to pay annual dividends on an uninterrupted basis since 1907. Perhaps, the billions of dollars paid to shareholders could have possibly been reduced and redirected to make the necessary investments to its infrastructure and make the utility “Energy Strong” since 1907, and not since 2013. Mr. Izzo feels that “the cost of inaction is too high,” the Council could not agree more. The inaction of PSE&G to effectively invest in its own systems through the years has cost all of us, and New Jersey ratepayers not only continue to pay the 9<sup>th</sup> highest electricity rates in the nation, but must now pay to fix PSE&G’s infrastructure and see their rates increase by \$4 billion.

Today’s \$4 billion request by PSE&G is in addition to its pending “Solar 4 All Extension” proposal, an objectionable and unnecessary investment that the State’s Division of Rate Counsel estimates will cost ratepayers an additional \$2 billion.

PSE&G claims that customer bills will remain stable, and rates will be lower than in 2008. In 2008, or 2007, the electricity rates in New Jersey were just as non-competitive then as they are today. There is no question that this exorbitantly high proposal will impact ratepayers’ electricity bills.

New Jersey’s industrial electricity rates are fifty-seven percent above the national average and continue to put our member companies at a competitive disadvantage.

For members of the CCNJ, a \$4 billion rate increase will have a significant impact on their annual electricity bill. NJ Rate Counsel estimates that if a \$4 billion proposal is approved, electric distribution rates would increase by .84 cent per kilowatt hour, if this the case our largest member will face an annual increase of \$714,000 per year on their electricity bill and CCNJ’s average sized company using 20 million kWh per year would see an additional annual increase of \$168,000.

### POTENTIAL COST OF A \$4 BILLION FILING TO CCNJ MEMBERS

CCNJ Member Facility	kWh per Year	Impact of .84 c/kWh increase, \$/Year	Impact of .84 c/kWh increase, \$/Month
Smallest	1,000,000	\$8,400	\$700
Small	2,500,000	\$21,000	\$1,750
Average	20,000,000	\$168,000	\$14,000
Large	85,000,000	\$714,000	\$59,500

Members of the Chemistry Council of New Jersey continue to recover from Sandy as do many New Jersey residents and businesses. Such a shocking increase to members’ already high energy bills will have an even more devastating impact on New Jersey’s economy.

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*The Chemistry Council of New Jersey (CCNJ), founded in 1955, is the trade and advocacy organization representing the interests of about 70 New Jersey manufacturers in the business of chemistry. Our membership consists of large and small companies that are part of New Jersey’s chemical, pharmaceutical, consumer packaged goods, petroleum, flavor & fragrances and precious metals industries. The CCNJ is committed to a better quality of life through science.*

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