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**SMITH CALLS ON ATTORNEY GENERAL TO INVESTIGATE ALLEGATIONS
OF PSE&G AFFILIATE'S DECADE-LONG FREE RIDE**

Senate Environment & Energy Committee Chair Concerned Energy Provider
Profited at the Expense of Other Rate Payers

TRENTON – Senator Bob Smith, Chair of the Senate Environment and Energy Committee, today called on Attorney General Paula Dow to investigate allegations that an affiliate of Public Service Electric & Gas (PSE&G) has failed to pay state-mandated energy surcharges for over a decade. In doing so, Sen. Smith sent a letter to the Attorney General citing the seriousness of the allegations as cause for launching a full investigation to determine if further action against the affiliate – Public Service Energy Group – is warranted.

“These allegations are extremely serious, not only because they imply that Public Service Energy Group has flouted the law, but because this negligence may possibly have created a greater burden for the millions of other energy customers in our state who are subject to these surcharges,” said Sen. Smith (D-Middlesex).

According to media reports today, Public Service Energy Group, an unregulated affiliate of PSE&G, purchases up to as much as one-third of the gas that PSE&G delivers, however the company has avoided paying the societal benefits charge (SBC), which helps fund a number of programs including those that support clean energy, energy efficiency and efforts to reduce utility bills for low-income households. Sen. Smith noted that state regulations expressly state that the charge cannot be bypassed.

Last year, energy customers paid \$740 million in SBC fees to support the fund, which has been in effect since the state passed a deregulation law in 1999. It is estimated that PSE&G’s affiliate should have paid nearly \$50 million into the fund last year alone. Smith has asked the Attorney General to investigate whether Public Service Energy Group has unlawfully avoided the SBC charge, as well as other state-mandated charges related to the Regional Greenhouse Gas Initiative auction of carbon emission allowances.

“A societal benefits charge is just that – a charge that serves to benefit the greater good of our society. Millions of hardworking families pay this surcharge every year to support valuable programs that are helping to responsibly transform the way we deliver energy. Yet a company that posted record profits of \$1.2 billion last year seems to have avoided these charges altogether. If this law was intentionally subverted, then the matter needs to be rectified,” added Sen. Smith.

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