

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

LOCAL



UNION 94

JURISDICTION

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N.J. State Tree Trimmers

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President Solomon and Commissioners:

My name is Chip Gerrity. I am President/ Business Manager of IBEW Local 94 representing approximately 3600 employees of PSEG both on the generation and utility sides of the business.

I have read through the technical questions that have been outlined for response today. They appear to be well conceived questions and the comments and answers should be interesting. I have no technical expertise to offer on any of them. However, there were several questions (1, 2, 3 & 7) that caught my attention, the suggestion that the Company has been intentionally causing delays to benefit its generation. Mr. President, I have never seen anything that would question the integrity of the Company and its operations.

I do have some general thoughts which are a result of sitting through the initial LCAPP legislation and discussions from July of last year on through today. I offer them as an observer and a layman who is on a continual learning curve in the energy market.

Years ago a utility union rep only needed to worry about grievances arbitrations and the next negotiations. Today we need to be involved in the business so we can explain to members how Trenton and other legislative arenas affect us day to day.

This whole LCAPP I and LCAPP II process reminds me a lot of the Gen X people who want everything now- not later. My understanding of the de-regulated model is that the market controls prices – not by artificial methods – and it does so over time. What is being discussed here feels and looks like a hybrid of de-regulation. The subsidized model didn't work when generation was regulated why would it work now?

The 100+ year old New Jersey Company PSEG took a risk and kept generation when everyone else left. Our members and the construction locals throughout the state that send their members to PSEG facilities should thank them for the decision to stay in the game. The Company is continually putting money back into the generation stations and distribution and transmission systems for both gas and electric, which means jobs and work inside and outside of the Company.

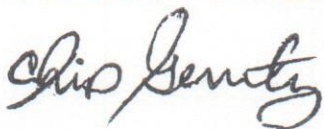
Year over year I don't know that there is a better employer that offers work to everyone. The transmission projects slated will create hundreds of jobs over the next two to three years. The work done to make Mercer and Hudson environmentally compliant kept construction trades working for the past three years averaging about 800 jobs during the construction period.

I could get you substantial data to show employment both within and outside of the company both in the past and for projects slated in the future.

The price of electric has dropped considerably as well as consumption by the businesses and residents of the state. That occurred as a result of the market. Generation will be built through a natural process driven by the price of gas, the demand for power and by environmental standards that are being enacted. New generation does not need to be subsidized for today. It will only create a mess for New Jersey tomorrow.

And in the end I hope thought is given to make sure the one constant utility that has helped keep people working through these tough couple of years is not unintentionally hurt by any changes that might be proposed.

Respectfully submitted,

A handwritten signature in black ink that reads "Chip Gerrity". The signature is written in a cursive, flowing style.

Chip Gerrity
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