

Question and Answers from Powering up with BGS
April 5, 2006

Scott F.: Who is exempt from paying the retail margin in New Jersey?

Customers who are with a third party supplier do not have to pay the regulated retail margin. Also, customers below 750 kW do not pay the retail margin.

James S.: Do you offer the BGS discount product? How does it work and who is eligible to get it?

Yes we offer the discount to BGS to customers in JCPL and PSEG with secondary meters that are above 1250 kW as well as customers with higher voltage levels.
It is structured similar to the BGS tariff to provide the clearest comparison to the tariff rates for RT energy, capacity, transmission and retail adder. We quote the price as \$/kWh discount off of the BGS rate.

Lanette J.: Is there a charge to be on price watch? Do I have to be a current customer to sign up for the service? Is the price watch service simply showing me general power prices or is it customized for me?

No, there is no charge to our customers or our perspective customers to be on the price watch system. To enroll in to price watch please contact your sales person or call 866-999-8374.
The prices you receive from the price watch system our customized for your accounts. Price Watch can also vary your terms for the contract to see what the best fit is for you.

John K.: Given the rolling 3 year BGS auction prices, won't next year's and the following years BGS prices continue to reflect this year's BGS auction prices? Whereas any reduction in gas prices will result in 3rd party supply prices below the BGS prices.

Yes, next years price will continue to have this year's auction in it. In fact, this year's auction will still have affect over the prices in 2008.
The price for FP were designed to move slowly compared to the markets because of this it had kept the FP price below the market price for the past few years.
The below market FP rate can be seen low switch rate for FP customers earlier on the presentation.

John R.: I noticed that PSEG showed high switching for CIEP customers but low switching for FP customers. With the recent auction that I would expect to add a higher layer of cost and drop a lower layer of cost ... How does current market prices look versus PSEG's new FP? Can the retail market prices now beat PSEG's FP for most customers -- (greater switching expected)?

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The switch rates for PSEG's CIEP is higher than FP because there has been always a discount off of CIEP where as FP has only recently been close to the market.

To receive prices for your facility to do comparisons against the FP rate contact your salesperson.

Steve: Are BGS prices in presentation current or will these be the prices we will see beginning in a couple of months?

These are prices beginning June 1, 2006.

Trenton C.: Is your price watch service available to consultants?

To enroll your customers on Price Watch just contact your sales person.