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PVSC Saves Millions by Competitively Bidding Energy

NEWARK -- The Passaic Valley Sewerage Commissioners (PVSC) have utilized the competitive bulk purchase of electricity and natural gas to save millions of dollars for ratepayers, according to PVSC Executive Director Bryan J. Christiansen.

“Since 2002, PVSC’s competitive bulk purchase agreements for electricity and natural gas have resulted in a total savings of \$15.4 million compared to purchasing these resources at standard utility rates,” Christiansen said. “So far in 2008 alone, we have saved about \$1.5 million in costs by paying the competitive rates.

“Utility rates, especially for large industrial users like PVSC, can fluctuate from month-to-month,” Christiansen said. “Our purchase contracts enable us to budget more precisely and also protect our ratepayers from steep rate increases like those we saw earlier this year.

“PVSC began buying both natural gas and electricity on a competitively bid contract basis in 1995 and 2003, respectively, soon after the markets for these commodities were deregulated in New Jersey. By comparing what we actually paid under our competitive contracts with what we would have otherwise paid, PVSC has saved its ratepayers millions of dollars,” Christiansen said.

“In 2005, for example, a year of particularly steep price fluctuations, we paid \$7.1 million less thanks to our competitive bulk purchase agreement, as opposed to paying the standard rates,” Christiansen added.

“This is just one of the reasons PVSC is still able to offer its ratepayers the lowest average daily sewer rates in the State of New Jersey,” Christiansen said.