



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF SOUTH)
JERSEY GAS COMPANY TO IMPLEMENT AN)
INFRASTRUCTURE INVESTMENT PROGRAM ("IIP"))
AND ASSOCIATED RECOVERY MECHANISM)
PURSUANT TO N.J.S.A. 48:2-21 AND N.J.A.C. 14:3-)
2A)
ORDER REINSTATING AND)
MODIFYING PROCEDURAL)
SCHEDULE)
DOCKET NO. GR20110726

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Deborah M. Franco, Esq., SJI Utilities, on behalf of South Jersey Gas Company
Martin C. Rothfelder, Esq., Rothfelder Stern, L.L.C., on behalf of the Environmental Defense Fund

BY COMMISSIONER DIANNE SOLOMON:

BACKGROUND

On November 19, 2020, South Jersey Gas Company ("SJG" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board") seeking approval of its proposed Infrastructure Investment Program ("IIP" or "Program"), including an associated cost recovery mechanism, pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:3-2A.1 et seq. ("Petition").

According to SJG, the proposed IIP is a five-year program designed to modernize and enhance the safety and reliability of its gas distribution system by replacing its vintage, at-risk facilities, including the replacement of 825 miles of coated steel main installed prior to the 49 CFR 192 code adoption (pre-code), and vintage plastic mains in SJG's distribution system. SJG also proposed to install 43,500 excess flow valves on new service lines. The projected total expenditures associated with the proposed IIP are approximately \$742.5 million, excluding Allowance for Funds Used During Construction and the cost of an independent IIP monitor, which SJG proposed to recover under a proposed IIP Rider over the five-year IIP.

By Order dated January 7, 2021, the Board determined that the Petition should be retained by the Board, and pursuant to N.J.S.A. 48:2-32, designated myself, Commissioner Dianne Solomon, as the Presiding Commissioner with authority to rule on all motions that arise during the pendency of these proceedings, and modify any schedules that may be set as necessary to secure a just

and expeditious determination of the issues.¹ In the January 2021 Order, the Board also directed that any entity seeking to intervene or participate file the appropriate application with the Board by January 27, 2021, and any party wishing to file a motion for admission of counsel *pro hac vice* must do so concurrently with any motion to intervene or participate.

On March 8, 2021, I issued a Prehearing Order with Procedural Schedule and Order on Motions to Intervene or Participate.² In the March 2021 Order, intervenor status was granted to the Environmental Defense Fund and participant status was granted to Public Service Electric and Gas Company. By Order dated May 4, 2021, I granted a request filed by SJG to modify the Procedural Schedule.³ The May 2021 Order also approved a modified Procedural Schedule which superseded the Procedural Schedule provided in the March 2021 Order.

Via correspondence dated June 29, 2021, SJG requested that the Procedural Schedule approved in the May 2021 Order be suspended "to allow the parties to discuss factual issues raised by the [C]ompany's filing and explore possibilities for settlement." No party objected to the suspension. Thereafter, via Order dated July 9, 2021, in an effort to allow further settlement discussions, and hearing no objection from any party, I suspended the Procedural Schedule.⁴

During the first week of February, 2022, I was informed that notwithstanding extensive discovery and numerous settlement discussions, the parties had not reached a settlement agreement. The parties requested that I reinstate and modify the Procedural Schedule to move this matter forward. A new, agreed upon, Procedural Schedule is attached hereto as Exhibit A.

DISCUSSION AND FINDINGS

I **HEREBY FIND** that since the July 2021 Order, the parties worked in good faith and utilized best efforts to reach a settlement agreement. I **FURTHER FIND** that as of the date of this Order, the parties have not reached a settlement, wish to move this contested case forward, and have agreed to the Procedural Schedule provided in Exhibit A.

After reviewing Exhibit A, I **HEREBY FIND** that Exhibit A is reasonable and is likely to lead to a timely resolution of this matter. As such, I **HEREBY ORDER** that from this date forward, Exhibit A is the Procedural Schedule in this matter, and the parties must comply with the terms and

¹ In re the Petition of South Jersey Gas Company to Implement an Infrastructure Investment Program (IIP) and Associated Recovery Mechanism Pursuant to NJSA 48:2-21 and NJAC 14:3-2A, Order Designating a Commissioner, Setting A Bar Date and Manner of Service, BPU Docket No. GR20110726, Order dated January 7, 2021 ("January 2021 Order").

² In re the Petition of South Jersey Gas Company to Implement an Infrastructure Investment Program (IIP) and Associated Recovery Mechanism Pursuant to NJSA 48:2-21 and NJAC 14:3-2A, Prehearing Order Setting Procedural Schedule and Rulings on Motions to Intervene and Participate, BPU Docket No. GR20110726, Order dated March 8, 2021 ("March 2021 Order").

³ In re the Petition of South Jersey Gas Company to Implement an Infrastructure Investment Program (IIP) and Associated Recovery Mechanism Pursuant to NJSA 48:2-21 and NJAC 14:3-2A, Order Modifying Procedural Schedule, BPU Docket No. GR20110726, Order dated May 4, 2021 ("May 2021 Order").

⁴ In re the Petition of South Jersey Gas Company to Implement an Infrastructure Investment Program (IIP) and Associated Recovery Mechanism Pursuant to NJSA 48:2-21 and NJAC 14:3-2A, Order Suspending Procedural Schedule, BPU Docket No. GR20110726, Order dated July 9, 2021 ("July 2021 Order").

deadlines provided therein. I **FURTHER ORDER** that Exhibit A supersedes any prior Procedural Schedule, and should a dispute arise, the language provided in Exhibit A controls.

Additionally, in compliance with the Board's Order in Docket No. EO20030254, I **HEREBY DIRECT** all parties to serve documents electronically. No hard copies shall be filed until the Board lifts the restrictions imposed in that Order.

I **FURTHER DIRECT** that this Order be posted on the Board's website.

This provisional ruling is subject to ratification or other alteration by the Board as it deems appropriate during the proceedings in this matter.

DATED: 2/24/2022

BY:

A handwritten signature in black ink, appearing to read "Dianne Solomon", written over a horizontal line.

DIANNE SOLOMON
COMMISSIONER

EXHIBIT A

**IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY TO IMPLEMENT
AN INFRASTRUCTURE INVESTMENT PROGRAM ("IIP") AND ASSOCIATED RECOVERY
MECHANISM PURSUANT TO N.J.S.A. 48:2-21 AND N.J.A.C. 14:3-2A**

BPU DOCKET NO. GR20110726

PROCEDURAL SCHEDULE

Second Round of Discovery	December 6, 2021
Company Responses	December 21, 2021
Third Round of Discovery+	January 7, 2022
Company Responses	January 21, 2022
Non-Petitioner Direct Testimony	February 14, 2022
Discovery Due on Non-Petitioner Direct Testimony	February 22, 2022
Discovery Responses Due	March 7, 2022
Rebuttal Testimony	March 14, 2022
Discovery Due on Rebuttal	March 21, 2022
Discovery Responses Due	April 4, 2022
Settlement Conference	March 22 and 25, 2022
Hearings with oral surrebuttal and rejoinder if necessary	April 26, 27 & 29, 2022
Initial Briefs	May 26, 2022
Reply Briefs	June 7, 2022

+ The Parties agree that discovery is ongoing and will endeavor to answer all discovery within 15 days of service. The Parties reserve their rights to assert objections to discovery based upon the N.J.A.C. or other applicable law.

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