



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

IN THE MATTER OF PUBLIC SERVICE ELECTRIC) ORDER ADOPTING
AND GAS COMPANY FOR APPROVAL OF A GAS) REVISED SCHEDULE
SYSTEM MODERNIZATION PROGRAM AND)
ASSOCIATED COST RECOVERY MECHANISM) DOCKET NO. GR15030272

Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel
Matthew Weissman, Esq., Public Service Electric and Gas Company
Steven Goldenberg, Esq., Fox Rothschild, LLP, for the NJLEUC
Donald J. Meliado, Jr., Meliado & Meliado, PC, for EDF
Roger Schwarz, Esq., Issues Management LLC, for the PSE&G Unions
Michael Rato, Esq., McElroy, Deutsch, Mulvaney & Carpenter, LLP, for Ferreira
Janine Bauer, Esq., Szaferman, Lakind, Blumstein & Blader, PC, for AARP
Albert G. Kroll, Esq., Kroll Heineman Carton, LLC, for NJLECET
Daniel J. Brennan, Esq., Susanin Widman & Brennan, PC, for ELEC
Kevin G. Walsh, Esq., Gibbons, PC, for CSJV
Vincent M. Giblin, Esq., Pitta & Giblin, LLP, for Local 825

BY COMMISSIONER JOSEPH L. FIORDALISO:

On February 27, 2015, Public Service Electric and Gas ("PSE&G" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board") seeking approval to implement and administer a Gas System Modernization Program ("GSMP") and to implement an associated cost recovery mechanism. The Company seeks approval to spend up to \$1.594 billion in GSMP investment across its gas service territory over 5.5 years. According to the petition, the GSMP will replace cast iron mains, replace unprotected steel mains and services, abandon district regulators associated with cast iron and unprotected steel plant and relocate inside meter sets. The Company anticipates that these expenditures will result in the replacement of approximately 810 miles of cast iron and unprotected steel mains, 55,000 unprotected steel services, and associated district regulators.

The Company proposes to implement the same cost-recovery methodology and rate design as used for the Energy Strong Program¹, including annual "roll-in" filings based on investment through May 31, with no deferred return or deferred depreciation, for rates to be effective as of September 1. The Company also seeks a return on and of the approved investments using an after-tax weighted average cost of capital of 6.32% based on a return on equity of 9.75% and a cost of debt of 4.60%.

¹ In re Petition of Public Service Electric and Gas Company for Approval of the Energy Strong Program, BPU Docket Nos. EO13020155 & GO13020156 (Order dated May 21, 2014).

By Order dated April 15, 2015, the Board retained this matter for hearing, and designated me as the presiding officer with the authority to establish and modify schedules, decide all motions and otherwise control the conduct of this case, subject to Board ratification.

On May 21, 2015, I issued a Prehearing Order along with a procedural schedule. Following the issuance of the Prehearing Order, I am informed that the parties engaged in several settlement conferences during the month of July, with the most recent settlement conference occurring on July 30, 2015.

By letter dated August 6, 2015, the New Jersey Division of Rate Counsel ("Rate Counsel") has requested additional time in the schedule to continue settlement discussions while maintaining the reserved evidentiary hearing dates in October. In light of these circumstances, Rate Counsel has submitted a revised procedural schedule, and represents that Board Staff and the Company have agreed to the dates proposed therein.

DISCUSSION AND FINDINGS:

I have reviewed Rate Counsel's proposal, and have concluded that the requested revisions to the schedule may help foster settlement and will not alter the previously reserved hearing dates. Accordingly, given the consent of Board Staff and Rate Counsel to the revisions and the lack of prejudice to any of the remaining parties, I **HEREBY ISSUE** the revised procedural schedule attached to this Order as Exhibit A, and **HEREBY DIRECT** the parties to comply with its terms.

I **HEREBY 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: August 10, 2015

BY:



Joseph L. Fiordaliso
COMMISSIONER

IN THE MATTER OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY FOR APPROVAL
OF A GAS SYSTEM MODERNIZATION PROGRAM AND ASSOCIATED COST RECOVERY
MECHANISM

DOCKET NO. GR15030272

SERVICE LIST

PSE&G:

Matthew M. Weissman, Esq.
PSE&G Services Corporation
80 Park Plaza – T5
P.O. Box 570
Newark, New Jersey 07102
matthew.weissman@pseg.com

Martin Rothfelder, Esq.
PSE&G Services Corporation
80 Park Plaza – T5
P.O. Box 570
Newark, New Jersey 07102
martin.rothfelder@pseg.com

Hesser McBride, Esq.
PSE&G Services Corporation
80 Park Plaza – T5
P.O. Box 570
Newark, New Jersey 07102
hesser.mcbride@pseg.com

Connie E. Lembo
PSE&G Services Corporation
80 Park Plaza – T5
P.O. Box 570
Newark, New Jersey 07102
constance.lembo@pseg.com

Michele Falcao
PSE&G Services Corporation
80 Park Plaza – T5
P.O. Box 570
Newark, New Jersey 07102
michele.falcao@pseg.com

Board of Public Utilities:

Jerome May, Director
NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350
jerome.may@bpu.state.nj.us

Robert Schultheis, Chief
NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350
robert.schultheis@bpu.state.nj.us

Henry Rich
NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350
henry.rich@bpu.state.nj.us

Bethany Rocque-Romaine, Esq.
NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350
bethany.rocque-romaine@bpu.state.nj.us

Megan Lupo, Esq.
NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350
megan.lupo@bpu.state.nj.us

Division of Rate Counsel:

Stefanie A. Brand, Director
State of New Jersey
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-003
sbrand@rpa.state.nj.us

Felicia Thomas-Friel, Esq.
State of New Jersey
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-003
ftthomas@rpa.state.nj.us

Brian O. Lipman, Litigation Manager
State of New Jersey
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-003
blipman@bpu.state.nj.us

Henry M. Ogden, Esq.
State of New Jersey
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-003
hogden@bpu.state.nj.us

Sarah H. Steindel, Esq.
State of New Jersey
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-003
ssteindel@bpu.state.nj.us

Kurt S. Lewandowski, Esq.
State of New Jersey
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-003
klewando@bpu.state.nj.us

Cynthia Covie, Esq., Chief Counsel
NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350
cynthia.covie@bpu.state.nj.us

Paul Flanagan, Executive Director
NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350
paul.flanagan@bpu.state.nj.us

Mark Beyer, Chief Economist
NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350
mark.beyer@bpu.state.nj.us

Jackie O'Grady
NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350
jackie.ogrady@bpu.state.nj.us

DAsG:

Alex Moreau, DAG
State of New Jersey
Department of Law & Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029
alex.moreau@dol.lps.state.nj.us

David Wand, DAG
State of New Jersey
Department of Law & Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029
david.wand@dol.lps.state.nj.us

Maura Caroselli, Esq.
State of New Jersey
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-003
mcaroselli@bpu.state.nj.us

James W. Glassen, Esq.
State of New Jersey
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-003
jglassen@bpu.state.nj.us

Shelly Massey
State of New Jersey
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-003
smassey@bpu.state.nj.us

Andrea Crane
The Columbia Group
Post Office Box 810
Georgetown, CT 06829
ctcolumbia@aol.com

David Dismukes, Ph.D.
Acadian Consulting Group
5800 One Perkins Place Drive
Building 5, Suite F
Baton Rouge, LA 70808
daviddismukes@acadianconsulting.com
kimdismukes@acadianconsulting.com

Edward McGee
Acadian Consulting Group
5800 One Perkins Place Drive
Building 5, Suite F
Baton Rouge, LA 70808
edwardmcgee@acadianconsulting.com

Matthew I. Kahal
c/o Exeter Associates, Inc.
1108 Pheasant Crossing
Charlottesville, VA 22901
mkahal@exeterassociates.com

Babette Tenzer, DAG
State of New Jersey
Department of Law & Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029
babette.tenzer@dol.lps.state.nj.us

Angela Hickson
State of New Jersey
Department of Law & Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029
angela.hickson@dol.lps.state.nj.us

NJLEUC:

Steven S. Goldenberg, Esq.
Fox Rothschild, LLP
997 Lenox Drive, Bldg. 3
Lawrenceville, NJ 08648
sgoldenberg@foxrothschild.com

Paul F. Forshay, Esq.
Sutherland, Asbill & Brennan, LLP
700 Sixth Street, NW, Suite 700
Washington, DC 20004
paul.forshay@Sutherland.com

PSE&G Unions:

Roger M. Schwarz, Esq.
Issues Management, LLC
100 Overlook Center, 2nd Floor
Princeton, NJ 08540
609-252-1300
rschwarz@issuesllc.com

Kenneth Thoman
IBEW Local Union 94
219 Franklin Street
Hightstown, NJ 08529
bud@ibew94.org

Michael J. Majoros, Jr., Esq.
Snavely, King, Majoros & Associates, Inc.
Analytica94.org
Post Office Box 727
Millersville, MD 21108
mmajoros@snavely-king.com

ELEC:

Daniel J. Brennan, Esq.
1285 Drummers Lane, Suite 202
Wayne, PA 19087
dbrennan@swbcounsellors.com

CSJV:

Kevin G. Walsh, Esq.
Gibbons P.C.
One Gateway Center
Newark, New Jersey 07102-5310
kwalsh@gibbonslaw.com

EDF:

Donald J. Meliado, Jr. Esq.
Meliado & Meliado, P.C.
707 Broadway
Bayonne, NJ 07002
demeliado@aol.com

Michael Panfil, Esq.
Environmental Defense Fund
1875 Connecticut Avenue NW
Washington, D.C. 20009
mpanfil@edf.org

Ferreira:

Thomas P. Scrivo, Esq.
Michael Rato, Esq.
McElroy, Deutsch, Mulvaney & Carpenter, LLP
1300 Mount Kemble Avenue
P.O. Box 2075
Morristown, NJ 07962-2075
tscrivo@mdmc-law.com
mrato@mdmc-law.com

AARP:

Janine G. Bauer, Esq.
Szaferman, Lakind, Blumstein & Blader, P.C.
101 Grovers Mill Road, Suite 200
Lawrenceville, NJ 08648
jbauer@szaferman.com

Douglas Johnston, Interim NJ State Director
Evelyn Liebman, Associate State Director
101 Rockingham Row Forrestal Village
Princeton, NJ 08540
djohnston@aarp.org
eliebman@aarp.org

NJLECET:

Albert G. Kroll, Esq.
Kroll Heineman Carton, LLC
99 Wood Avenue South, Suite 301
Iselin, NJ 08830
akroll@krollfirm.com

Local 825:

Vincent M. Giblin, Esq.
Pitta & Giblin, LLP
120 Broadway, 28th Floor
New York, NY 10271
vgiblin@pittagiblin.com

Exhibit A

**IN THE MATTER OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY FOR APPROVAL
OF A GAS SYSTEM MODERNIZATION PROGRAM AND ASSOCIATED COST RECOVERY
MECHANISM**

DOCKET NO. GR15030272

REVISED PROCEDURAL SCHEDULE

- May 22, 2015:** Deadline for first round discovery requests
- June 5, 2015:** Deadline for first round responses
- June 5, 2015:** Deadline for filing of motions to intervene or participate
- June 8, 11 and 15, 2015:** Public hearings in New Brunswick, Westampton and Hackensack at 3:30 p.m. and 6:30 p.m., respectively
- June 19, 2015:** Deadline for second round discovery requests
- June 15, 2015:** Deadline for filing of responses to motions to intervene or participate
- June 30, 2015:** Deadline for second round discovery responses
- June 30, 2015:** Deadline for delivery of all previous discovery responses to current Parties
- July 14, 2015:** Technical conference
- July 16-21, 2015:** Discovery conference/settlement discussions
- September 3, 2015:** Deadline for Rate Counsel and Interveners to file direct testimony
- September 10, 2015:** Discovery on Rate Counsel and Interveners' testimony
- September 18, 2015:** Responses to discovery on Rate Counsel and Interveners' testimony
- September 28, 2015:** Rebuttal testimony by Company and Interveners
- October 5, 2015:** Deadline for discovery on rebuttal testimony
- October 13, 2015:** Deadline for responses to discovery on rebuttal testimony
- Early October 2015:** Settlement conferences
- October 19-21, 23, 27, and 28 (if necessary), 2015:** Hearings with live sur-rebuttal.
- To Be Determined:** Briefing schedule

Discovery will be conducted on a rolling basis, with responses due in accordance with N.J.A.C. 1:1-10.4, subject to the scheduled end dates.