



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/

ENERGY

IN THE MATTER OF THE BOARD'S ESTABLISHMENT)	ORDER DESIGNATING
OF A GENERIC PROCEEDING TO REVIEW THE)	COMMISSIONER AND
PRUDENCY OF COSTS INCURRED BY NEW JERSEY)	SETTING MANNER OF
UTILITY COMPANIES IN RESPONSE TO MAJOR)	SERVICE
STORM EVENTS IN 2011 AND 2012; and)	
)	DOCKET NO. AX13030196
IN THE MATTER OF THE BOARD'S ESTABLISHMENT)	
OF A GENERIC PROCEEDING TO REVIEW THE)	
PRUDENCY OF THE COSTS INCURRED BY NEW)	
JERSEY NATURAL GAS COMPANY IN RESPONSE)	
TO MAJOR STORM EVENTS IN 2011 AND 2012)	DOCKET NO. GO13070610

Parties of Record:

Tracey Thayer, Esq., Director, New Jersey Natural Gas Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

The Board of Public Utilities ("Board") is empowered to ensure that regulated public utilities provide safe, adequate and proper service to the citizens of New Jersey. N.J.S.A. 48:2-23. Pursuant to N.J.S.A. 48:2-13, the Board has been vested by the Legislature with the general supervision and regulation of and jurisdiction and control over all public utilities, "so far as may be necessary for the purpose of carrying out the provisions of [Title 48]." The courts of this State have held that the grant of power by the Legislature to the Board is to be read broadly, and that the provisions of the statute governing public utilities are to be construed liberally. See, e.g. In re Public Service Electric and Gas Company, 35 N.J. 358, 371 (1961); Township of Deptford v. Woodbury Terrace Sewerage Corp., 54 N.J. 418, 424 (1969); Bergen County v. Dep't of Public Utilities, 117 N.J. Super. 304 (App. Div. 1971). The Board is also vested with the authority, pursuant to N.J.S.A. 48:2-19, to investigate any public utility, and, pursuant to N.J.S.A. 48:2-16 and 48:2-40, to issue orders to public utilities.

In 2011 and 2012 New Jersey was struck by five unusually damaging major storm events which caused severe damage to the State's utility infrastructure: Hurricane Irene on August 28, 2011; an unseasonal and powerful snowstorm on October 29, 2011; a derecho wind storm on June 20, 2012; Superstorm Sandy on October 29, 2012; and ten days later a powerful nor'easter on November 7, 2012.

On March 20, 2013, the Board issued an Order (effective April 1, 2013) establishing a generic proceeding to review the prudence of costs incurred by New Jersey utilities in response to

multiple major storm events in 2011 and 2012 ("Generic Storm Costs Proceeding"). Amongst other items, the Order requires any utility that seeks reimbursement for these costs from its ratepayers to file a detailed expense report by July 1, 2013, for evaluation and prudence review under its own separate docket within the Generic Storm Costs Proceeding. March Order at 3.

On May 29, 2013,¹ the Board issued an Order ("May Order"), in response to a petition filed by New Jersey Natural Gas ("NJNG") on November 19, 2012, which permitted NJNG to defer "actually incurred prudent, incremental storm costs" as a regulatory asset subject to recovery in its next base rate case. May Order at 2.

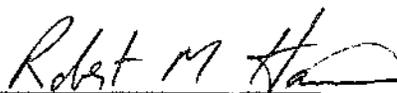
On July 3, 2013, NJNG filed a petition with the Board requesting the recovery of its preparation, response and restoration costs associated with Superstorm Sandy in 2012. The petition indicates that the costs total approximately \$38.8 million, and NJNG is requesting that it be permitted to fully recover those costs in its next base rate proceeding, in accordance with the May Order. Petition at 4, 7.

The Board has determined that the petition should be retained by the Board for hearing and, pursuant to N.J.S.A. 48:2-32, the Board **HEREBY DESIGNATES** Commissioner Dianne Solomon as the presiding officer 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.

In the interests of economy, all parties are **HEREBY DIRECTED** to serve all documents electronically, while still providing hard copies to the Board for those documents which must be filed with the Board, with hard copies to each party upon request.

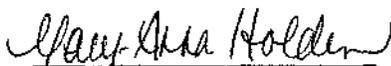
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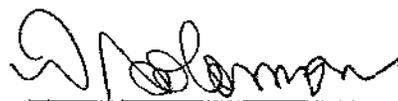
BOARD OF PUBLIC UTILITIES
BY:


ROBERT M. HANNA
PRESIDENT

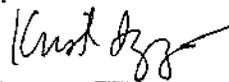

JEANNE M. FOX
COMMISSIONER

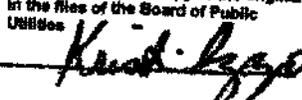

JOSEPH L. FIORDALISO
COMMISSIONER


MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER

ATTEST:


KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities.


¹ In the Matter of the New Jersey Natural Gas Company's Request for Deferral Accounting Authority for Storm Damage Restoration Costs Related to Hurricane Sandy, BPU Docket No. GR12111036, May 29, 2013 ("May Order").

IN THE MATTER OF THE BOARD'S ESTABLISHING A GENERIC PROCEEDING TO
REVIEW THE PRUDENCY OF COSTS INCURRED BY NEW JERSEY NATURAL GAS
COMPANY IN RESPONSE TO MAJOR STORM EVENTS IN 2011 AND 2012
DOCKET NOs. AX13030196 and GO13070610

SERVICE LIST

<p>NJNG:</p> <p>Tracey Thayer, Esq., Director, Regulatory Affairs Counsel New Jersey Natural Gas Company 1415 Wyckoff Road Post Office Box 1464 Wall, NJ 07719 TThayer@NJNG.com</p> <p>Mark R. Sperduto New Jersey Natural Gas Company 1415 Wyckoff Road Post Office Box 1464 Wall, NJ 07719 MSperduto@NJNG.com</p> <p>Michael Moscufo New Jersey Natural Gas Company 1415 Wyckoff Road Post Office Box 1464 Wall, NJ 07719 MMoscufo@NJResources.com</p> <p>Frances Karras New Jersey Natural Gas Company 1415 Wyckoff Road Post Office Box 1464 Wall, NJ 07719 FKarras@NJNG.com</p> <p>Tina Trebino New Jersey Natural Gas Company 1415 Wyckoff Road Post Office Box 1464 Wall, NJ 07719 TTrebino@NJNG.com</p>	<p>Rate Counsel:</p> <p>Division of Rate Counsel 140 East Front Street, 4th Floor Post Office Box 003 Trenton, NJ 08625-0003</p> <p>Stefanie A. Brand, Esq., Director sbrand@rpa.state.nj.us</p> <p>Shelley Massey, Esq. smassey@rpa.state.nj.us</p> <p>Sarah Steindel ssteinde@rpa.state.nj.us</p> <p>Brian Lipman, Esq., Litigation Manager blipman@rpa.state.nj.us</p> <p>Felicia Thomas-Friel, Esq. ftthomas@rpa.state.nj.us</p> <p>Christine Juarez, Esq.. cjuarez@rpa.state.nj.us</p> <p>David Dismukes, Ph.D. Acadian Consulting Group 5800 One Perkins Place Drive Building 5, Suite F Baton Rouge, LA 70808 daviddismukes@acadianconsulting.com</p> <p>Deputies Attorney General:</p> <p>Division of Law 124 Halsey Street Post Office Box 45029 Newark, New Jersey 07101-45029</p> <p>Caroline Vachier, DAG caroline.vachier@dol.lps.state.nj.us</p>
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Board of Public Utilities:

44 South Clinton Avenue, 9th floor
Post Office Box 350
Trenton, NJ 08625-0350

Executive Director:
Paul Flanagan, Esq.

Division of Energy

Jerry May, Director
Alice Bator, Chief
Tom Walker, Chief
Rosalie Serapiglia, Manager
Robert Schultheis, Chief
Nanik Aswani
David Ballengee
Rene Demuynck
Henry Rich
Ricky John

Reliability & Security

James Giuliano, Director

Counsel's Office

Tricia Caliguire, Esq.
Bethany Rocque-Romaine, Esq.
Megan Lupo, Esq.

Economist Office

Mark Beyer
Christine Lin
Dr. Son Lin Lai
Jackie O'Grady

Alex Moreau, DAG
alex.moreau@dol.lps.state.nj.us

Babette Tenzer, DAG
Babette.Tenzer@dol.lps.state.nj.us

David Wand., DAG
David.Wand@dol.lps.state.nj.us

Veronica Beke, DAG
Veronica.Beke@dol.lps.state.nj.us

Marisa Slaten, DAG
Marisa.Slaten@dol.lps.state.nj.us