

Agenda Date: 04/15/15
Agenda Item: 2C

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 RATE SCHEDULE CSG)	ORDER ON PSE&G'S
TRANSPORTATION SERVICE AGREEMENT)	REQUEST FOR
BETWEEN PUBLIC SERVICE ELECTRIC AND GAS)	CORRECTION OF
COMPANY AND HOMASOTE COMPANY AND THE)	DECEMBER 17, 2014
POTENTIAL DISCOUNT OF SOCIETAL BENEFITS)	ORDER
CHARGES)	
)	DOCKET NO. GR14030266

Parties of Record:

Martin C. Rothfelder, Esq., Public Service Electric and Gas Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel
Peter Tindall, Homasote Company

BY THE BOARD¹:

BACKGROUND AND PROCEDURAL HISTORY

By Order dated December 17, 2014, the New Jersey Board of Public Utilities ("Board") approved a transportation service agreement between Public Service Electric and Gas Company ("PSE&G" or "Company") and the Homasote Company ("Homasote") (the "Service Agreement"). The agreement was filed pursuant to PSE&G's Rate Schedule Contract Service Gas ("CSG"). The Board found that Homasote qualified for a discounted gas service rate on the basis of other considerations under PSE&G's Rate Schedule CSG.

¹ Commissioner Upendra J. Chivukula recused himself due to a possible conflict of interest, and did not participate in the deliberations on this matter.

In its findings, the Board stated the following:

Similarly, the Board notes that the agreement does not include a provision for Homasote to pay the Green Programs Recovery Charge ("GPRC"). Therefore, the Board **FINDS** that as a provision of approving the contract, Homasote shall be precluded from participating in, and receiving funds, from any PSE&G energy efficiency or solar program whose costs are recovered in the GPRC.

By letter dated February 18, 2015, PSE&G requested that the December 17, 2014 Order be corrected to remove the above language. PSE&G asserted that the Board erred in finding that the Service Agreement does not provide for payment of the GPRC. (PSE&G Letter Request for Correction of Order at 2). In addition, PSE&G stated that the Board also provided relief based upon the finding that was not requested or contemplated by the filing that initiated this docket. (Id.)

In addition, PSE&G asserted that the Board's restriction on Homasote's participation in the PSE&G Green Programs is based upon the same incorrect assumption that the Service Agreement did not require Homasote to pay the GPRC. Accordingly, PSE&G suggested that since the Service Agreement contemplates payment of these charges, the restriction on Homasote participating in PSE&G's Green Programs is not appropriate. (Id. at 3).

DISCUSSION AND FINDINGS

The Board has reviewed PSE&G's Letter Request for Correction of Order, as well as the Service Agreement. The Board **HEREBY FINDS** that PSE&G correctly noted that the Service Agreement includes a provision for Homasote to pay the GPRC, along with "all other current and future CSG tariff charges that may apply, such as the New Jersey Energy Sales and Use Tax, the Transitional Energy Facilities Assessment, the Societal Benefits Charge (SBC) or the Regional Greenhouse Gas Initial charge, except as provided by the Board of Public Utilities." (Service Agreement at section 2.2) (emphasis added). The Board **FURTHER FINDS** that the reasons for approval of the discount rate set in the Board's December 17, 2014 Order in this matter remain valid.

Staff informed the Board that the approved rate provides a balancing of the financial needs of Homasote with the benefit of avoiding lost load on the system. Rather than grant the relief requested by Homasote that the SBC rate be set at \$.025 per dekatherm for the entire term of the Service Agreement, the Board reduced Homasote's obligation to paying "the portion of the SBC that is attributable to the New Jersey Clean Energy Program (NJCEP) at the level set each year by the Board and allocated to PSE&G," an amount that may vary from year to year and may exceed the level requested by Homasote. The Board eliminated the requirement to pay the GPRC as a way of reducing the financial obligation on Homasote that payment of both the required SBC contribution and of the GPRC could impose, while minimizing the impact on other ratepayers.

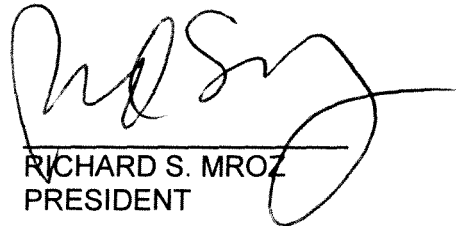
Accordingly, the Board **HEREBY MODIFIES** its December 17, 2014 Order as follows:

While the Board **NOTES** that the agreement does include a provision for Homasote to pay the Green Programs Recovery Charge ("GPRC") as well as all other current and future CSG tariff charges except as otherwise determined by the Board, the Board **FINDS** that in consideration of the total rate to be paid by Homasote, the GPRC shall not be applicable to usage under the Service Agreement. All other findings in the Board's December 17, 2014 Order, including the preclusion of Homasote from participating in PSE&G's Green Programs, remain in effect.

The Company's costs will remain subject to audit by the Board. This Decision and Order does not preclude the Board from taking any actions deemed to be appropriate as a result of any Board audit.

DATED: 4/15/15

BOARD OF PUBLIC UTILITIES
BY:



RICHARD S. MROZ
PRESIDENT



JOSEPH L. FIORDALISO
COMMISSIONER

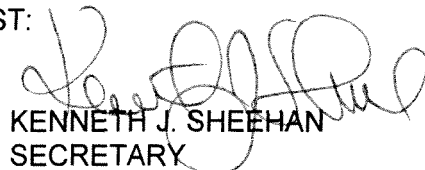


MARY-ANNA HOLDEN
COMMISSIONER



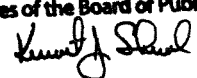
DIANNE SOLOMON
COMMISSIONER

ATTEST:



KENNETH J. SHEEHAN
SECRETARY

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



**IN THE MATTER OF RATE SCHEDULE CSG TRANSPORTATION SERVICE AGREEMENT
BETWEEN PUBLIC SERVICE ELECTRIC AND GAS COMPANY AND HOMASOTE
COMPANY AND THE POTENTIAL DISCOUNT OF SOCIETAL BENEFITS CHARGES**

DOCKET NO. GR14030266

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