



Agenda Date: 11/9/22
Agenda Item: 2F

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 RATE SCHEDULE CSG)
TRANSPORTATION SERVICE AGREEMENT)
BETWEEN PUBLIC SERVICE ELECTRIC AND GAS)
COMPANY AND MARCAL MANUFACTURING, LLC)
)
) DOCKET NO. GR22100657

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Kenneth R. Stark, Esq., McNees Wallace & Nurick, LLC, Counsel to Marcal Manufacturing, LLC
Danielle Lopez, Esq., Associate General Counsel, Public Service Electric and Gas Company

BY THE BOARD:

On October 20, 2022, Public Service Electric and Gas Company (“PSE&G”) and Marcal Manufacturing, LLC (“Marcal”), formerly d/b/a Soundview Paper Company, LLC (“Soundview”), entered into a Rate Schedule Contract Service Gas (“CSG”) Amended Service Agreement (“2022 CSG Agreement”) for gas service at its paper mill in Elmwood Park, New Jersey (“Marcal Mill”). On October 21, 2022, PSE&G filed a letter petition with the Board requesting approval of the 2022 CSG Agreement (“CSG Petition”). The current Rate Schedule CSG Transportation Service Agreement (“2015 CSG Agreement”) will expire on December 1, 2022.

BACKGROUND

By Order dated November 16, 2015, the Board approved the 2015 CSG Agreement between Soundview and PSE&G for a term of seven (7) years.¹ In the 2015 Order, the Board also approved a discount of the Societal Benefits Charge (“SBC”) associated with Soundview’s natural

¹ In re the Petition of Soundview Paper Company, LLC for Approval of a Rate Schedule CSG Transportation Service Agreement Between Public Service Electric and Gas Company and Soundview Paper Company, LLC and In re Rate Schedule CSG Transportation Service Agreement Between Public Service Electric and Gas Company and Marcal Manufacturing, LLC and the Potential Discount of Societal Benefits Charges, BPU Docket Nos. GR14111287 and GR15060659, Order dated November 16, 2015 (“2015 Order”). Based upon the effective date, the CSG Agreement and gas SBC discount would expire December 1, 2022.

gas distribution service. Pursuant to the 2015 Order, Soundview was required to pay only the Clean Energy Program (“CEP”) portion of the SBC.

By Order dated September 27, 2019, the Board approved discounted SBC rates for the electric and natural gas usage of Soundview.² The September 2019 Order approved a 75% discount of the total SBC rate that is billed by PSE&G to Soundview for electric service and natural gas service, which will expire on December 1, 2022.

Petition

In the CSG Petition, PSE&G requested approval of the 2022 CSG Agreement which seeks to continue the rates, terms and conditions under which PSE&G currently provides natural gas transportation services to the facilities at the Marcal Mill for a three-year period. It also included the Affidavit of Stephen Swetz, Sr. Director - Corporate Rates and Revenue Requirements for PSEG Services Corporation in support of the confidential treatment requested for portions of the 2022 CSG Agreement. PSE&G requested that the Board issue an order approving the 2022 CSG Agreement on an expedited basis.

Motions

Marcal Motion to Intervene

On October 24, 2022, Marcal filed a motion to intervene in the CSG matter pursuant to N.J.A.C. 1:1-16.1 – 16.4. Marcal stated that, as a party to the 2022 CSG Agreement, it will be directly and specifically affected by the relief requested in the CSG Petition and that it has a substantial interest in the outcome of this proceeding. Marcal stated that its interests in the CSG proceeding are unique and distinct, and no other party can adequately represent its interests in this matter. In addition, Marcal requested expedited approval of the 2022 CSG Agreement, or a temporary extension of the 2015 CSG Agreement to avoid the lapsing of Marcal’s current discounted rates on December 1, 2022.

Motion for Temporary Extension

On October 25, 2022, PSE&G filed a letter with the Board requesting a temporary extension of the 2015 CSG Agreement to avoid the lapsing of Marcal’s current discounted rates on December 1, 2022. On October 25, 2022, Rate Counsel filed comments with the Board stating that it does not oppose Marcal’s motion to intervene in the CSG matter. Further, Rate Counsel stated that it does not object to PSE&G’s request for a temporary extension, and it recommends that a temporary extension of the 2015 CSG Agreement be granted to permit the parties to conduct a comprehensive review of the CSG Petition.

DISCUSSIONS AND FINDINGS

Marcal’s Motion to Intervene

In ruling on a motion to intervene, N.J.A.C. 1:1-16.3(a) requires that the decision-maker consider

² In re the Petition of Soundview Paper Company, LLC to Modify the Electric and Natural Gas Societal Benefits Charge Due to Changed Circumstances, BPU Docket Nos. ER19070812 and GR19070813, Order dated September 27, 2019 (“September 2019 Order”).

the following factors:

1. The nature and extent of the moving party's interest in the outcome of the case;
2. Whether that interest is sufficiently different from that of any other party so as to add measurably and constructively to the scope of the case;
3. The prospect for confusion and delay arising from inclusion of the party; and
4. Other appropriate matters.

If the standard for intervention is not met, every motion for leave to intervene shall be treated, in the alternative, as a motion for permission to participate consistent with N.J.A.C. 1:1-16.5. N.J.A.C. 1:1-16.6 provides for a more limited form of involvement in the proceeding as a "participant," if, in the discretion of the trier of fact, the addition of the moving party is likely to add constructively to the case without causing undue delay or confusion. Under N.J.A.C. 1:1-16.6(c), such participation is limited to the right to argue orally, or file a statement or brief, or file exceptions, or all of these as determined by the trier of fact.

As the Board stated in previous proceedings, application of these standards involves an implicit balancing test. The need and desire for development of a full and complete record, which involves consideration of a diversity of interests, must be weighed against the requirements of the New Jersey Administrative Code, which recognizes the need for prompt and expeditious administrative proceedings by requiring that an intervener's interest be specific, direct and different from that of the other parties so as to add measurably and constructively to the scope of the case. See In re the Joint Petition of Public Service Electric and Gas Company and Exelon Corporation for Approval of a Change in Control, Docket No. EM05020106, Order dated June 8, 2005.

After consideration of the papers and given the lack of any objections, the Board **HEREBY FINDS**, pursuant to N.J.A.C. 1:1-16.6(b), Marcal will be directly affected by the outcome of this proceeding, and will contribute to the development of a full and complete record for review by the Board in its evaluation. Therefore, the Board **HEREBY FINDS** that Marcal has met the standards for intervention in this matter, as it has interests in this proceeding that are not represented by another party, and it will add measurably and constructively to the proceeding without causing delay. Accordingly, the Board **HEREBY GRANTS** Marcal's motion for intervention in the CSG proceeding.

Temporary Extension

The Board has reviewed the record to date in the CSG Petition and **FINDS** that the timing of the CSG Petition does not permit sufficient time prior to the expiration of the existing discounted rate for the parties to complete comprehensive reviews of the petition and make recommendations regarding whether or not Marcal should be permitted to continue to receive this discount for a three-year period.

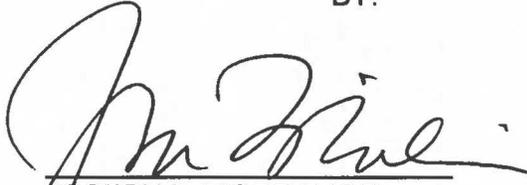
Therefore, it would be premature for the Board to approve the 2022 CSG Agreement at this time. However, based on the prima facie case that that PSE&G made in the CSG Petition, the Board does not believe it would be appropriate for Marcal's discount to expire on December 1, 2022 while this matter is under review. The Board **HEREBY FINDS** that a temporary extension of the 2015 CSG Agreement is appropriate in order to provide the parties with sufficient time to complete a comprehensive review.

Accordingly, the Board **HEREBY APPROVES** a temporary extension of the 2015 CSG Agreement until a final determination is rendered in the matter.

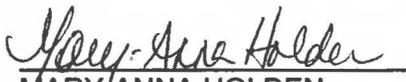
The effective date of this Board Order is November 16, 2022.

DATED: November 9, 2022

BOARD OF PUBLIC UTILITIES
BY:



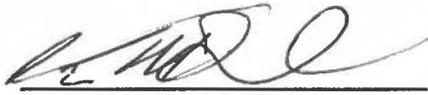
JOSEPH L. FIORDALISO
PRESIDENT



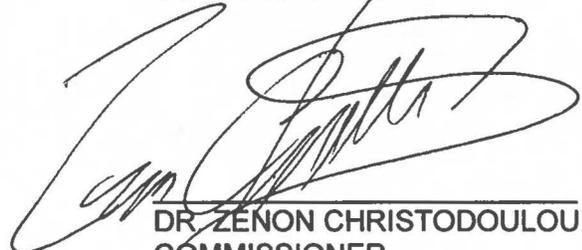
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COMMISSIONER



DIANNE SOLOMON
COMMISSIONER

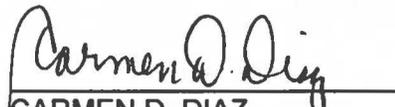


ROBERT M. GORDON
COMMISSIONER



DR. ZENON CHRISTODOULOU
COMMISSIONER

ATTEST:



CARMEN D. DIAZ
ACTING 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 THE RATE SCHEDULE CSG TRANSPORTATION SERVICE
AGREEMENT BETWEEN PUBLIC SERVICE ELECTRIC AND GAS COMPANY AND MARCAL
MANUFACTURING, LLC
DOCKET NO. GR22100657

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