



Agenda Date: 8/14/24

Agenda Item: 2B

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 RATE SCHEDULE CSG)
TRANSPORTATION SERVICE AGREEMENT)
BETWEEN PUBLIC SERVICE ELECTRIC AND GAS)
COMPANY AND EAGLE POINT POWER)
GENERATION LLC) DOCKET NO. GR24060482

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Danielle Lopez, Esq., Associate General Counsel, Public Service Electric and Gas Company

BY THE BOARD:

On June 26, 2024, Public Service Electric and Gas Company ("PSE&G") and Eagle Point Power Generation, LLC ("Eagle Point") entered into a Rate Schedule Contract Service Gas ("CSG") Amended Service Agreement ("2024 CSG Agreement") for gas service at the Eagle Point facilities in Westville, New Jersey ("EP Facilities"). On June 26, 2024, PSE&G filed a letter petition with the New Jersey Board of Public Utilities ("Board") requesting approval of the 2024 CSG Agreement ("CSG Petition"). The previous Rate Schedule CSG Service Agreement ("2014 CSG Agreement") expired on July 1, 2024.

BACKGROUND

As a result of the Board's Order issued in Docket Nos. GR10100761 and ER10100762, PSE&G and the other gas distribution companies were directed to file revised tariffs that set forth the criteria the company will use when determining whether to offer a discounted rate for gas service.¹

The Board subsequently approved the modifications to PSE&G's gas tariff including the establishment of Rate Schedule CSG, to enable PSE&G to provide discount rates when presented with evidence of "Economically Viable Bypass" or "Other Considerations." Under the Board-approved tariff, once an agreement has been reached between PSE&G and its customer, PSE&G will forward the proposed contract to the Board for review and approval. Upon gaining

¹ In re the Generic Proceeding to Consider Prospective Standards for Gas Distribution Utility Rate Discounts and Associated Contract Terms and Conditions, BPU Docket Nos. GR10100761 and ER10100762, Orders Dated August 18, 2011.

the necessary approval from the Board, the customer agrees that the discounted rate set forth under this rate schedule will not be treated as confidential.

By Order dated June 18, 2014, the Board approved the 2014 CSG Agreement between Eagle Point and PSE&G for a term of ten (10) years.² Under the 2014 CSG Agreement, PSE&G moved Eagle Point from non-firm natural gas service to firm natural gas service. In addition, Eagle Point's rate structure was changed from a one-part volumetric rate to a two-part rate consisting of a fixed monthly charge and a variable per therm charge. This rate structure provided Eagle Point with a higher fixed charge and much lower volumetric charges.

Petition

In the CSG Petition, PSE&G requested approval of the 2024 CSG Agreement which seeks to continue the rates, terms and conditions under which PSE&G currently provides natural gas transportation services to the EP Facilities for a ten (10)-year period. The CSG Petition 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 2024 CSG Agreement. PSE&G requested that the Board issue an order approving the 2024 CSG Agreement on an expedited basis.

Motion for Temporary Reinstatement

On July 11, 2024, PSE&G filed a letter with the Board requesting a temporary reinstatement of the 2014 CSG Agreement that expired on July 1, 2024.

On July 25, 2024, the New Jersey Division of Rate Counsel ("Rate Counsel") filed comments with the Board stating that it did not object to PSE&G's request for a temporary reinstatement to permit the parties to conduct a comprehensive review of the CSG Petition.

DISCUSSIONS AND FINDINGS

The Board reviewed the CSG Petition, the relevant Board Orders, and the Motion for Temporary Reinstatement, and **HEREBY FINDS** that the timing of the CSG Petition does not permit sufficient time, prior to the expiration of the 2014 CSG Agreement discounted rates, for the parties to complete comprehensive reviews of the CSG Petition, and make recommendations regarding whether or not Eagle Point should be permitted to continue to receive this discount for a ten (10)-year period.

Therefore, it would be premature for the Board to approve the 2024 CSG Agreement at this time. However, based upon the prima facie case that PSE&G made in the CSG Petition, the Board believes it would be appropriate for Eagle Point's expired discounted rates to be reinstated while this matter is under review. The Board **HEREBY FINDS** that a temporary reinstatement of the 2014 CSG Agreement is appropriate in order to provide the parties with sufficient time to complete a comprehensive review.

² In re the Rate Schedule CSG Transportation Service Agreement Between Public Service Electric and Gas Company and Eagle Point Power Generation, LLC, BPU Docket No. GR14030293, Order dated June 18, 2014 ("2014 Order").

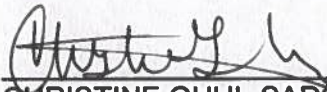
Accordingly, the Board **HEREBY APPROVES** a temporary reinstatement of the 2014 CSG Agreement from the effective date of this Board Order until a final determination is rendered in the matter.

The effective date of this Board Order is August 21, 2024.

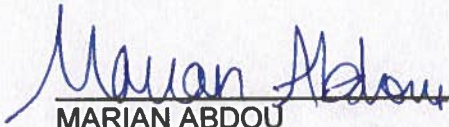
DATED: August 14, 2024

BOARD OF PUBLIC UTILITIES

BY:

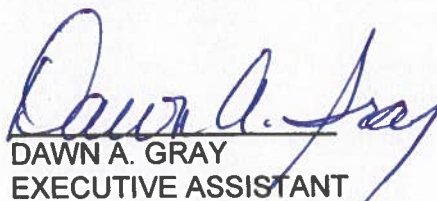

CHRISTINE GUHL-SADOVY
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COMMISSIONER


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MICHAEL BANGE
COMMISSIONER

ATTEST:


DAWN A. GRAY
EXECUTIVE ASSISTANT

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 EAGLE POINT POWER GENERATION LLC

DOCKET NO. GR24060482

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