

BEFORE THE STATE OF NEW JERSEY

BOARD OF PUBLIC UTILITIES

**I/M/O THE PETITION OF PUBLIC)
SERVICE ELECTRIC AND GAS COMPANY)
FOR APPROVAL OF A SOLAR ENERGY) BPU DKT. NO. EO07040278
PROGRAM AND AN ASSOCIATED COST)
RECOVERY MECHANISM)**

**SURREBUTTAL TESTIMONY OF BRIAN KALCIC
ON BEHALF OF THE
NEW JERSEY DEPARTMENT OF THE PUBLIC ADVOCATE,
DIVISION OF RATE COUNSEL**

**RONALD K. CHEN
PUBLIC ADVOCATE OF NEW JERSEY**

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Division of Rate Counsel
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1 **Q. Please state your name and business address.**

2 A. Brian Kalcic, 225 S. Meramec Avenue, St. Louis, Missouri 63105.

3

4 **Q. Have you previously submitted direct testimony in this proceeding?**

5 A. Yes, I have.

6

7 **Q. What is the subject of your surrebuttal testimony?**

8 A. My surrebuttal testimony responds to the Societal Benefits Charge (“SBC”) rate
9 design arguments raised in the rebuttal testimony of Company witness Gerald W.
10 Schirra.

11

12 **SBC Rate Design**

13

14 **Q. Mr. Kalcic, on page 11 of his rebuttal testimony, Mr. Schirra states that the
15 Company opposes your recommendation that Solar Energy Program
16 (“Program”) costs be recovered from all ratepayers on a uniform (\$/kWh)
17 basis. What reason(s) does Mr. Schirra give for opposing your rate design
18 proposal?**

19 A. The only argument that Mr. Schirra offers is the claim that my recommendation
20 would be “in conflict with the settlement and Board order in the Company’s last
21 electric base rate case.”

22

23 **Q. What does the settlement in BPU Docket No. ER02050303 state in that regard?**

24 A. Paragraph No. 24 of the settlement states that “the Company shall continue to
25 include loss factors in the calculations of the charges for the SBC and the NTC in a
26 manner similar to the current tariffs.”

27

28 **Q. Do you agree that the settlement in BPU Docket No. ER02050303 precludes the
29 adoption of your recommended rate design proposal?**

30 A. No. Counsel informs me that the settlement does *not* in any way restrict how
31 Program costs might be recovered from ratepayers, since the Company’s Solar
32 Energy Program was not in existence at the time Docket No. ER02050303 was
33 litigated.

34

1 **Q. Mr. Kalcic, would the Board's adoption of your recommended SBC rate design**
2 **for Program costs affected the manner in which the Company currently**
3 **recovers other SBC-related costs from ratepayers?**

4 A. Certainly not. In that respect, there is nothing inherent in my rate design proposal
5 that might undermine the settlement in Docket No. ER02050303.

6

7 **Q. Are there, in fact, any current components of the Company's SBC which are**
8 **recovered on a uniform (\$/kWh) basis, rather than a loss-adjusted basis?**

9 A. Yes. Mr. Schirra mentions that the USF and Lifeline components of the Company's
10 SBC are recovered in such a manner. As a result, there already exists a precedent
11 for recovering certain SBC-related costs from ratepayers on a uniform (\$/kWh)
12 basis. If my rate design proposal were to be adopted by the Board, there would
13 simply be one additional category of costs recovered in that fashion.

14

15 **Q. What do you recommend?**

16 A. My recommendation is unchanged. If PSE&G's Program is approved, I recommend
17 that the Board direct the Company to modify its proposed cost recovery mechanism
18 so that Program costs would be recovered from all ratepayers on a uniform (\$/kWh)
19 basis.

20

21 **Q. Does this conclude your surrebuttal testimony?**

22 A. Yes.

23

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