



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/

**IN THE MATTER OF PUBLIC SERVICE ELECTRIC
AND GAS FOR APPROVAL OF THE ENERGY
STRONG PROGRAM**

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PREHEARING ORDER

DOCKET NOs. EO13020155
GO13020156

Parties of Record:

Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel
Matthew Weissman, Esq., Public Service Electric and Gas Company
Janine Bauer, Esq., for AARP
Steven Goldenberg, Esq., for the New Jersey Large Energy Users Coalition
Roger Schwarz, Esq., for the Unions
Aaron Kleinbaum, Esq., for the Environmental Intervenors

BY COMMISSIONER JOSEPH FIORDALISO:

By Order dated June 21, 2013,, in response to a petition filed with the New Jersey Board of Public Utilities ("Board") by Public Service Electric and Gas ("PSE&G") for approval of the first five years of a program for investments in and for the recovery of costs to bolster its "electric and gas infrastructure to make them less susceptible to damage from wind, flying debris and water damage in anticipation" of future Major Storm Events (hereafter "Energy Strong"), the Board retained the matter for hearing at the Board, and designated me as the presiding Commissioner with authority to rule on all motions that arise during the proceeding, and to set a

schedule that will secure a just and expeditious determination of the issues.

To aid in the setting of an appropriate schedule and the framing of the issues to be resolved, after notice, prehearing conferences were held on July 10, 17, and 25, 2013. After engaging in lengthy discussion and reviewing various proposals exchanged regarding the proposed schedule, settlement discussion parameters and other issues to be resolved, and after giving due consideration to the positions of the parties, I **HEREBY ISSUE** the attached as the prehearing order for this matter, and **HEREBY DIRECT** the parties to comply with its terms.

I **HEREBY DIRECT** that all documents required to be served under the terms of the schedule described on Exhibit A, shall be served by e-mail, with hard copies provided upon request only. Documents that must be filed with the Board must still be provided in hard copy.

I **HEREBY DIRECT** that this Order be posted on the Board's website.

This provisional ruling is subject to ratification or other alteration by the Board as it deems appropriate during the proceedings in this matter.

DATED: August 2, 2013

BY:


Joseph Fiordaliso
COMMISSIONER

PREHEARING ORDER

1. NATURE OF PROCEEDINGS AND ISSUES TO BE RESOLVED:

Through this proceeding Petitioner Public Service Electric and Gas Company ("PSE&G" or the "Company") seeks to obtain a Board order approving and finding reasonable the first five years of a program known as Energy Strong, which involves an investment of approximately \$1.703 billion for electric delivery and \$906 million for gas delivery and associated gas and electric operations and maintenance expenses for a total investment of approximately \$2.609 billion as well as the associated proposed cost recovery mechanism and rates proposed for January 1, 2014.

A. Issues to be Resolved

- 1) The prudence, cost effectiveness and cost efficiency of the activities and programs proposed for the first five years of the proposed Energy Strong program;
- 2) The reasonableness and lawfulness of the proposed cost recovery mechanism; and
- 3) The reasonableness of the rates proposed for January 1, 2014.

2. PARTIES AND THEIR DESIGNATED ATTORNEYS:

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For Intervenors:

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For Participants:

Local Union 94 of the International Brotherhood of Electrical Workers,
Local 855 of the United Association of Journeyman and Apprentices of the
Plumbing and Pipefitting Industry,
Local 601 of the Utility Workers Association of America, and
Local 153 of the Office and Professional Employees International Union

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No change in designated trial counsel shall be made without leave if such change will interfere with the date for hearing. If no specific counsel is set forth in this Order, any partner or associate may be expected to proceed with evidentiary hearings on the agreed dates.

3. **SPECIAL LEGAL REQUIREMENTS AS TO NOTICE OF HEARING:**

Pursuant to N.J.S.A. 48:2-32.6, public hearings will be held in the Company's service territory after publication of notice in newspapers of general circulation in PSE&G's service territory. The three (3) public hearings will be held as follows with sessions at 3:30 P.M. and 6:30 P.M at each location: on September 16 in

Newark, NJ, and on September 19 and October 7, 2013, at locations to be determined in New Brunswick and Cherry Hill.

4. **SCHEDULE OF HEARING DATES, TIME AND PLACE:**

Evidentiary hearings will be held in January 2014 starting at 9:00 a.m. on each selected day at the Board of Public Utilities, 44 South Clinton Avenue, Trenton, New Jersey. Dates will be determined based on the availability of the parties and myself.

5. **STIPULATIONS:**

The Staff of the Board of Public Utilities, the Division of Rate Counsel and PSE&G have entered into an Agreement of Non-Disclosure of Information Agreed to Be Confidential. AARP and NJLEUC have also signed the agreement.

6. **SETTLEMENT:**

Parties are encouraged to engage in settlement discussions. All parties shall be given notice and a meaningful opportunity to participate in settlement discussions before a settlement is finalized.

7. **AMENDMENTS TO PLEADINGS:**

None at this time.

8. **DISCOVERY AND DATE FOR COMPLETION:**

The time limits for discovery shall be in accordance with N.J.A.C. 1:1-10.4 or as provided in Exhibit A. Unless I otherwise provide, all discovery shall be completed in accordance with the schedule in Exhibit A.

9. **ORDER OF PROOFS:**

PSE&G has the burden of proof.

The hearings will be conducted by topic (see point 12, below); within each topic, the hearings will be conducted in the following order:

First – PSE&G

Second – Rate Counsel

Third – Intervenors

Fourth – BPU Staff

10. **EXHIBITS MARKED FOR IDENTIFICATION:**

None at this time.

11. **EXHIBITS MARKED IN EVIDENCE:**

None at this time.

12. **ESTIMATED NUMBER OF FACTS AND EXPERT WITNESSES:**

PSE&G will present the following two witnesses: Jorge L. Cardenas and Stephen Swetz. Additional witnesses may be identified by PSE&G as necessary for purposes of rebuttal or sur-rebuttal.

Rate Counsel will present the following five witnesses: Andrea Crane, Matthew Kahal, Charlie Salamone, David Dismukes, and Ed McGee

Additional witnesses may be identified by Rate Counsel as necessary for purposes of testimony.

Intervenor NJLEUC reserves the right to present witnesses but has none to identify at this time.

Intervenor AARP will present Barbara Alexander.

Any party substituting witnesses shall identify such witnesses within 5 days of determining to replace a witness, and in no event later than 5 days before filing of testimony of a substitute witness. All direct testimony will be pre-filed, and all

witnesses submitting pre-filed direct testimony will be subject to cross examination at evidentiary hearings, which will be conducted by topic (e.g., program elements, revenue requirements, and so forth).

13. **MOTIONS:**

A joint Motion for Intervention was filed on July 8, 2013 by the Sierra Club-New Jersey Chapter and the New Jersey Environmental Federation (Environmental Intervenors). The Environmental Intervenors were granted Participant status on August 2, 2013.

Any additional motions to intervene in this proceeding must be filed on or before Monday, August 12, 2013.

14. **SPECIAL MATTERS:**

None at this time.

Exhibit A

PSE&G ENERGY STRONG BPU Docket Nos. EO13020155 and GO13020156 PROCEDURAL SCHEDULE

- August 1, 2013:** Deadline for first round discovery requests
- August 2, 2013:** Delivery of all previous discovery responses to current Parties
- August 12, 2013:** Deadline for filing of motions to intervene or participate
- August 15, 2013:** First round responses due
- Week of August 20:** Gas Operations Technical conference
- September 3, 2013:** Deadline for second round discovery requests
- September 16, 2013:** Second round responses due
- September 23 - October 3:** Settlement Talks/Discovery Conference
- October 18, 2013:** Rate Counsel and Intervenors file direct testimony
- November 1, 2013:** Discovery on Rate Counsel and Intervenor testimony
- November 15, 2013:** Responses to discovery on Rate Counsel and Intervenor testimony
- November 29, 2013:** Rebuttal testimony by Company and Intervenors
- December 13, 2013:** Discovery on rebuttal testimony due
- December 27, 2013:** Responses to discovery on rebuttal testimony due
- Week of January 1:** Settlement Conference
- January 2014:** Hearings with live surrebuttal (subject to Commissioner's availability)