



Agenda Date: 11/22/13
Agenda Item: 2H

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

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| IN THE MATTER OF THE BOARD'S ESTABLISHMENT) | ORDER DESIGNATING |
| OF A GENERIC PROCEEDING TO REVIEW THE) | COMMISSIONER AND |
| PRUDENCY OF COSTS INCURRED BY NEW JERSEY) | SETTING MANNER OF |
| UTILITY COMPANIES IN RESPONSE TO MAJOR) | SERVICE |
| STORM EVENTS IN 2011 AND 2012; and) | |
|) | DOCKET NO. AX13030196 |
| IN THE MATTER OF THE BOARD'S ESTABLISHMENT) | |
| OF A GENERIC PROCEEDING TO REVIEW THE) | |
| PRUDENCY OF THE COSTS INCURRED BY) | |
| ROCKLAND ELECTRIC COMPANY IN RESPONSE TO) | |
| MAJOR STORM EVENTS IN 2011 AND 2012) | DOCKET NO. GO13070611 |

Parties of Record:

James C. Meyer, Esq., Rockland Electric Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

The Board of Public Utilities ("Board") is empowered to ensure that regulated public utilities provide safe, adequate and proper service to the citizens of New Jersey. N.J.S.A. 48:2-23. Pursuant to N.J.S.A. 48:2-13, the Board has been vested by the Legislature with the general supervision and regulation of and jurisdiction and control over all public utilities, "so far as may be necessary for the purpose of carrying out the provisions of [Title 48]." The courts of this State have held that the grant of power by the Legislature to the Board is to be read broadly, and that the provisions of the statute governing public utilities are to be construed liberally. See, e.g. In re Public Service Electric and Gas Company, 35 N.J. 358, 371 (1961); Township of Deptford v. Woodbury Terrace Sewerage Corp., 54 N.J. 418, 424 (1969); Bergen County v. Dep't of Public Utilities, 117 N.J. Super. 304 (App. Div. 1971). The Board is also vested with the authority, pursuant to N.J.S.A. 48:2-19, to investigate any public utility, and, pursuant to N.J.S.A. 48:2-16 and 48:2-40, to issue orders to public utilities.

In 2011 and 2012, New Jersey was struck by five unusually damaging major storm events which caused severe damage to the State's utility infrastructure: Hurricane Irene on August 28, 2011; an unseasonal and powerful snowstorm on October 29, 2011; a derecho wind storm on June 20, 2012; Superstorm Sandy on October 29, 2012; and ten days later a powerful nor'easter on November 7, 2012.

On March 20, 2013, the Board issued an Order (effective April 1, 2013) establishing a generic proceeding to review the prudence of costs incurred by New Jersey utilities in response to the multiple major storm events in 2011 and 2012 ("Generic Storm Costs Proceeding"). Among other items, the Order required any utility that seeks reimbursement for these costs from its ratepayers to file a detailed expense report by July 1, 2013, for evaluation and prudence review under its own separate docket within the Generic Storm Costs Proceeding. March Order at 3.


On July 2, 2013, Rockland Electric Company ("RECO" or "Company") filed a storm costs report with the Board and on October 1, 2013, RECO filed a formal petition, requesting the recovery of its preparation, recovery and restoration costs associated with the 2011 and 2012 major storm events. The requested storm-related costs totaled approximately \$31 million, consisting of \$25.37 million in deferred incremental operational and maintenance costs and \$5.6 million in capital costs. RECO further requested that it be authorized to recover the storm costs over a period of time determined in its next base rate case and requested that the Board expeditiously review the matter so that it may be completed prior to the December 1, 2013 deadline for filing the base rate case. Petition at 1.

The Board has determined that the petition should be retained by the Board for hearing and, pursuant to N.J.S.A. 48:2-32, the Board **HEREBY DESIGNATES** Commissioner Mary-Anna Holden as the presiding officer with authority to rule on all motions that arise during the pendency of these proceedings and modify any schedules that may be set as necessary to secure a just and expeditious determination of the issues.

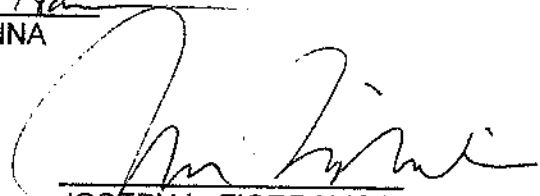
In the interests of economy, all parties are **HEREBY DIRECTED** to serve all documents electronically, while still providing hard copies to the Board for those documents which must be filed with the Board, with hard copies to each party upon request.

DATED: 11/22/13

BOARD OF PUBLIC UTILITIES
BY:



ROBERT M. HANNA
PRESIDENT


JEANNE M. FOX
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER


MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER

ATTEST:

KRISTI IZZO
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 BOARD'S ESTABLISHING A GENERIC PROCEEDING TO
REVIEW THE PRUDENCY OF COSTS INCURRED BY ROCKLAND ELECTRIC COMPANY IN
RESPONSE TO MAJOR STORM EVENTS IN 2011 AND 2012
DOCKET NOs. AX13030196 and GO13070611

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