



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

IN THE MATTER OF THE PETITION OF NEW JERSEY)
NATURAL GAS COMPANY FOR APPROVAL OF A)
MUNICIPAL FRANCHISE IN THE BOROUGH OF)
SAYERVILLE, MIDDLESEX COUNTY TO SERVE RED)
OAK POWER, LLC)
ORDER APPROVING
SCHEDULE
DOCKET NO. GE12121084

Parties of Record:

Andrew K. Dembia, Esq., on behalf of New Jersey Natural Gas Company
Steven S. Goldenberg, Esq., Fox Rothschild, LLP., and **Paul Forshay, Esq.**, Sutherland Asbill & Brennan LLP, on behalf of TAQA Gen-X, LLC
David K. Richter, Esq. PSEG Services Corporation, on behalf of Public Service Electric and Gas Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY COMMISSIONER HOLDEN:

On December 17, 2013, New Jersey Natural Gas ("NJNG" or the "Company"), filed a petition requesting that the New Jersey Board of Public Utilities ("Board") pursuant to N.J.S.A. 48:2-14 and N.J.A.C. 14:1-5.5 approve a franchise granted by the Borough of Sayreville, Middlesex County, New Jersey ("Borough") so that NJNG can provide gas distribution service to Red Oak Power, LLC ("Red Oak"). The scope of the consent is limited solely to the Red Oak facility¹.

Red Oak currently has a tolling agreement with TAQA Gen-X, LLC ("TAQA"). Red Oak has agreed to use the generating facility to convert the natural gas fuel provided by TAQA into electric energy for delivery back to TAQA which, in turn, trades that energy on the PJM, LLC ("PJM") wholesale energy market.

TAQA has a natural gas supply contract with PSEG ER&T, an unregulated affiliate of PSE&G.

¹ Under a separate petition, NJNG has requested approval of a gas service agreement, docketed as GO13010059, dependent on approval of this municipal consent. Should the Board approve this municipal consent, it will then review the terms of that proposed agreement.

According to NJNG, the initial 11-year term of this natural gas supply contract expires on or about October 1, 2013. NJNG states that TAQA has approached PSEG ER&T to negotiate updated pricing terms to apply after expiration of the supply contract's initial 11-year term and that, to date, PSEG ER&T and TAQA have been unable to negotiate mutually agreeable revised pricing terms for the gas supply agreement.

Red Oak currently receives natural gas distribution service from Public Service Electric and Gas Company ("PSE&G"), and is situated within PSE&G's franchised service area. The initial term of Red Oak's current gas supply contract with PSEG Energy Resources & Trade ("PSEG ER&T"), and of its current gas transportation agreement with PSE&G, are due to terminate on or about October 1, 2013. To implement a construction timeline that would permit all necessary facilities for service to the Red Oak generating station to be placed in-service prior to October 1, 2013, NJNG has requested expedited treatment of its municipal consent petition.

By Order dated March 20, 2013, the Board retained NJNG's petition for review and hearing, granted the motions to intervene of PSE&G and TAQA, and as authorized by N.J.S.A. 48:2-32, designated me as the presiding officer with authority to rule on all motions that arise during the pendency of the case.

After a scheduling conference held on April 18, 2013, I was informed that the parties to this proceeding had agreed to establish a procedural schedule. I have reviewed the proposal and FIND that it allows sufficient time to develop the record for future review by the Board. Therefore, I HEREBY SET the procedural schedule for this proceeding as follows:

Rolling discovery with all requests transmitted by	May 10, 2013
Responses to discovery by	May 24, 2013
Status conference call (to determine need for evidentiary hearings)	May 30, 2013 *

The municipal consent hearing required under N.J.S.A. 48:2-14 will be held on **May 20, 2013** at **11 a.m.** at the Office of the Attorney General, 124 Halsey Street, Newark, New Jersey, 5th floor conference room.

I HEREBY DIRECT Board staff to post this Order on the Board's website with the caption "Notice of Procedural Schedule."

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

DATED: *24 April 2013*

BY:


MARY-ANNA HOLDEN
COMMISSIONER

*Date subject to confirmation based on my schedule. NJNG to provide conference call number.