



Agenda Date: 1/31/18
Agenda Item: IIA

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF PUBLIC)	ORDER SUSPENDING
SERVICE ELECTRIC AND GAS COMPANY FOR)	INCREASES, CHANGES OR
APPROVAL OF AN INCREASE IN ELECTRIC AND)	ALTERATIONS IN RATES FOR
GAS RATES AND FOR CHANGES IN TARIFFS FOR)	SERVICE
ELECTRIC AND GAS SERVICE, B.P.U.N.J. NO. 16)	
ELECTRIC AND B.P.U.N.J. NO. 16 GAS, AND FOR)	
CHANGES IN DEPRECIATION RATES, PURSUANT)	
TO <u>N.J.S.A. 48:2-18</u> , <u>N.J.S.A. 48:2-21</u> AND <u>N.J.S.A.</u>)	BPU DOCKET NOS. ER18010029 &
48:2-21.1, AND FOR OTHER APPROPRIATE RELIEF)	GR18010030

Parties of Record:

Matthew M. Weissman, Esq., General Regulatory Counsel, PSEG Services Company
Stefanie A. Brand, Esq., Director, Division of Rate Counsel

BY THE BOARD:

On January 12, 2018, pursuant to N.J.S.A. 48:2-18, N.J.S.A. 48:2-21 and 48:2-21.1, N.J.A.C. 14:1-5.7 and N.J.A.C. 14:1-5.12, Public Service Electric and Gas Company ("Company" or "PSE&G"), a public utility of the State of New Jersey subject to the jurisdiction of the New Jersey Board of Public Utilities ("Board"), filed a petition for approval of an increase in its operating revenues of approximately \$95 million, or 1.2%, to be effective for electric and gas service provided on or after February 23, 2018. The Company has requested an electric revenue increase of \$27 million or approximately 0.49% and a gas revenue increase of \$68 million or approximately 2.97%. The Company also seeks Board approval to implement new depreciation rates that include cost of removal rates that the Company submits are more appropriate and will allow it to more fully recover its expected costs as it replaces aging infrastructure, as well as certain other tariff changes.

According to the petition, the primary reasons for the requested increase are: (1) the Company's current electric and gas rates do not reflect an adequate return on the Company's invested capital dedicated to the service of electric and gas customers; (2) the insufficiency of the Company's current depreciation rates; (3) flat sales since the filing of the Company's prior base rate case; (4) unrecovered incremental storm costs of approximately \$240 million; and (5) the Company's return to customers of approximately \$90 million of cost of removal in excess of the amount deemed to have been over-recovered in a prior rate case.

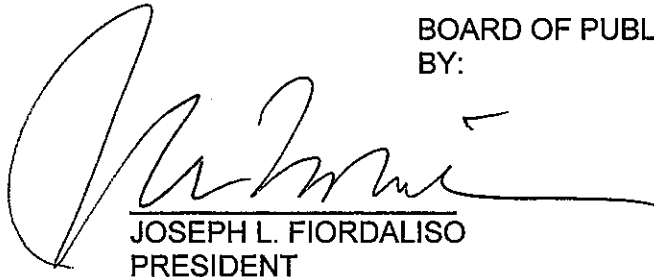
It appearing that the proposed revisions, if approved, will increase existing rates and change or alter existing classifications in PSE&G's tariff, it is **HEREBY ORDERED** that:

- (1) Pursuant to N.J.S.A. 48:2-21(d), the proposed revisions are suspended until June 23, 2018, unless prior to that date the Board makes a determination disposing of the petition or enters an Order further suspending the proposed revisions;
- (2) PSE&G shall, at least ten (10) days prior to the date set for public hearing on the petition, file with this Board proof of compliance with the notice provisions of N.J.S.A. 48:2-32.2 and N.J.A.C. 14:1-5.12(b) and (c), which notice shall include a statement that any relief found by the Board to be just and reasonable may be allocated by the Board to any class or classes of customers on any rate or schedule as the Board may determine; and
- (3) PSE&G shall, at the same time it files with the Board, also file proof of service of copies of this Order upon the Division of Rate Counsel, the clerks of each affected municipality, the clerks of the Boards of Chosen Freeholders of each affected County, and where appropriate, the executive officer of each affected County within its service area. Service of the petition, notice of hearings and this Suspension Order may be made simultaneously.

This Order shall be effective on February 10, 2018.

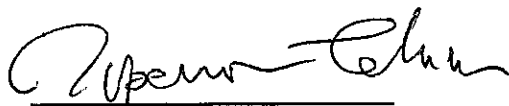
DATED: 1/31/18

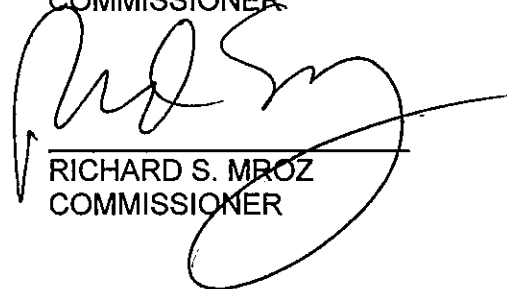
BOARD OF PUBLIC UTILITIES
BY:


JOSEPH L. FIORDALISO
PRESIDENT

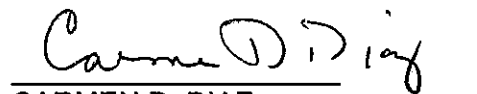

MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
COMMISSIONER


RICHARD S. MROZ
COMMISSIONER

ATTEST:


CARMEN D. DIAZ
ASSISTANT BOARD 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 PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY
FOR APPROVAL OF AN INCREASE IN ELECTRIC AND GAS RATES AND FOR CHANGES
IN TARIFFS FOR ELECTRIC AND GAS SERVICE, B.P.U.N.J. NO. 16 ELECTRIC AND
B.P.U.N.J. NO. 16 GAS, AND FOR CHANGES IN DEPRECIATION RATES, PURSUANT TO
N.J.S.A. 48:2-18, N.J.S.A. 48:2-21 AND N.J.S.A. 48:2-21.1, AND FOR OTHER APPROPRIATE
RELIEF - BPU DOCKET NOS. ER18010029 & GR18010030

SERVICE LIST

Public Service Electric and Gas Company:

Law Department
PSEG Services Corporation
80 Park Plaza-T5
Newark, NJ 07102-4194

Joseph F. Accardo, Jr.
Deputy General Counsel
Law Department
joseph.accardojr@pseg.com

Matthew Weissman, Esq.
General Regulatory Counsel, Rates
matthew.weissman@pseg.com

Hesser McBride, Esq.
Associate General Regulatory Counsel
hesser.mcbride@pseg.com

Danielle Lopez, Esq.
Associate General Regulatory Counsel
danielle.lopez@pseg.com

Michele Falcao
Regulatory Case Coordinator
michele.falcao@pseg.com

Caitlyn White
caitlyn.white@pseg.com

Bernard Smalls
bernard.smalls@pseg.com

Kenneth T. Maloney
Cullen and Dykman, LLP
1101 14th Street, NW, Suite 750
Washington, D.C. 20005
kmaloney@cullenanddykman.com

Board of Public Utilities:

44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350
Board.secretary@bpu.nj.gov

Division of Energy

Thomas Walker, Director
thomas.walker@bpu.nj.gov

Stacy Peterson, Deputy Director
stacy.peterson@bpu.nj.gov

Scott Sumliner
scott.sumliner@bpu.nj.gov

Jacqueline Galka
Jacqueline.galka@bpu.nj.gov

Andrea Reid
Andrea.reid@bpu.nj.gov

Bart Kilar
Bart.kilar@bpu.nj.gov

Oneil Hamilton
Oneil.hamilton@bpu.nj.gov

Beverly Tyndell
Beverly.tyndell@bpu.nj.gov

Executive Director

Paul Flanagan, Esq.
paul.flanagan@bpu.nj.gov

Counsel's Office

Megan Lupo, Esq.
megan.lupo@bpu.nj.gov

Division of Rate Counsel:

140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003

Stefanie A. Brand, Esq., Director
sbrand@rpa.nj.gov

Brian Lipman, Litigation Manager
blipman@rpa.nj.gov

Felicia Thomas-Friel, Esq.
ftthomas@rpa.nj.gov

Henry Ogden, Esq.
hogden@rpa.nj.gov

Sarah Steindel, Esq.
sarah.steinde@rpa.nj.gov

Ami Morita, Esq.
ami.morita@rpa.nj.gov

Diane Schulze, Esq.
diane.schulze@rpa.nj.gov

Henry Ogden, Esq.
henry.ogden@rpa.nj.gov

Kurt Lewandowski, Esq.
kurt.lewando@rpa.nj.gov

Maura Caroselli, Esq.
maura.caroselli@rpa.nj.gov

Shelly Massey, Esq.
smassey@rpa.nj.gov

Bethany Rocque-Romaine, Esq.
bethany.romaine@bpu.nj.gov

Cynthia Holland, Esq.
cythia.holland@bpu.nj.gov

Andrea Hart, Esq.
andrea.hart@bpu.nj.gov

Economist Office

Christine Lin
christine.lin@bpu.nj.gov

Dr. Son Lin Lai
son-lin.lai@bpu.nj.gov

Jackie O'Grady
jackie.ogrady@bpu.nj.gov

Deputy Attorneys General:

Department of Law & Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029

Alex Moreau, DAG
alex.moreau@law.njoag.gov

Geoffrey Gersten, DAG
geoffrey.gersten@law.njoag.gov

Patricia Krogman, DAG
patricia.krogman@law.njoag.gov

Andrew Kuntz, DAG
andrew.kuntz@law.njoag.gov

Timothy Oberleiton, DAG
timothy.oberleiton@njoag.gov

Emma Xiao, DAG
emma.xiao@njoag.gov

Jenique Jones, paralegal
jenique.jones@law.njoag.gov