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

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 Goldberg, 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:

[Signature]
Joseph Fiordaliso
COMMISSIONER

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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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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.

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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
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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)