

Agenda Date: 11/22/13 Agenda Item: 21

STATE OF NEW JERSEY

Board of Public Utilities 44 South Clinton Avenue, 9th Floor Post Office Box 350 Trenton, New Jersey 08625-0350 <u>www.ni.gov/bpu/</u>

IN THE MATTER OF THE BOARD'S ESTABLISHMENT OF A GENERIC PROCEEDING TO REVIEW THE PRUDENCY OF COSTS INCURRED BY NEW JERSEY UTILITY COMPANIES IN RESPONSE TO MAJOR STORM EVENTS IN 2011 AND 2012; and

IN THE MATTER OF THE BOARD'S ESTABLISHMENT OF A GENERIC PROCEEDING TO REVIEW THE PRUDENCY OF THE COSTS INCURRED BY PUBLIC SERVICE ELECTRIC AND GAS COMPANY IN RESPONSE TO MAJOR STORM EVENTS IN 2011 AND 2012 **ENERGY**

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ORDER DESIGNATING COMMISSIONER AND SETTING MANNER OF SERVICE

DOCKET NO. AX13030196

DOCKET NO. E013070607

Parties of Record:

Matthew Weissman, Esq., Public Service Electric and Gas 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. <u>N.J.S.A.</u> 48:2-23. Pursuant to <u>N.J.S.A.</u> 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. <u>See, e.g. In re Public Service Electric and Gas Company</u>, 35 <u>N.J.</u> 358, 371 (1961); <u>Township of Deptford v. Woodbury Terrace Sewerage Corp.</u>, 54 <u>N.J.</u> 418, 424 (1969); <u>Bergen County v. Dep't of Public Utilities</u>, 117 <u>N.J. Super.</u> 304 (App. Div. 1971). The Board is also vested with the authority, pursuant to <u>N.J.S.A.</u> 48:2-19, to investigate any public utility, and, pursuant to <u>N.J.S.A.</u> 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 prudency of costs incurred by New Jersey utilities in response to multiple major storm events in 2011 and 2012 ("Generic Storm Costs Proceeding"). Amongst other items, the Order requires any utility that seeks reimbursement for these costs from its ratepayers to file a detailed expense report by July 1, 2013, for evaluation and prudency review under its own separate docket within the Generic Storm Costs Proceeding. March Order at 3,

On July 1, 2013. Public Service Electric and Gas Company filed a "Compliance Filing" with the Board which identified its preparation, response and restoration costs associated with the 2011 and 2012 Major Storm Events, as well as a March 2010 Nor'easter and February 2010 blizzard.

The Board has determined that the petitions filed under the Generic Storm Costs Proceeding should be retained by the Board for hearing and, pursuant to N.J.S.A. 48:2-32, the Board HEREBY DESIGNATES Commissioner Joseph Fiordaliso 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:

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PRESIDENT

ANNE M. FOX

COMMISSIONER

COMMISSIONER

ATTEST:

KRISTI IZZO SECRETARY

JOSEPH L. FIORDÁLISO COMMISSIONER

DIANNE SOLOMON

COMMISSIONER

I MERENY CERTIFY that the with document is a true copy of the or n the file

IN THE MATTER OF THE BOARD'S ESTABLISHING A GENERIC PROCEEDING TO REVIEW THE PRUDENCY OF COSTS INCURRED BY PUBLIC SERVICE ELECTRIC AND GAS COMPANY IN RESPONSE TO MAJOR STORM EVENTS IN 2011 AND 2012 DOCKET NOs. AX13030196 and EO13070607

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