

Agenda Date: 9/23/16 Agenda Item: 2I

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 <u>www.nj.gov/bpu/</u>

<u>ENERGY</u>

IN THE MATTER OF THE PETITION OF PUBLIC SERVICE ELECTRIC AND GAS COMPANY FOR APPROVAL OF THE CONSTRUCTION OF THE MASON SUBSTATION DAMAGED DURING SUPERSTORM SANDY ORDER DESIGNATING PRESIDING COMMISSIONER, SETTING MANNER OF SERVICE AND INTERVENTION BAR DATE

BPU DOCKET NO. EO16080788

Parties of record:

Matthew M. Weissman, Esq. and Hesser G. McBride, Esq., Public Service Electric and Gas Company

Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On August 15, 2016, pursuant to <u>N.J.S.A.</u> 48:2-21 and -23, Public Service Electric and Gas ("PSE&G" or "Company"), 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 seeking approval for proposed re-construction and resiliency enhancement of two adjacent substations, the Mason and Building 9 substations ("Existing Substation") located in Kearny, New Jersey currently owned by New Jersey Transit Corporation ("NJ Transit").

The Company states that the Existing Substation serves as a flow-through facility for power transmitted by PSE&G throughout Northern New Jersey, and is the source of traction pówer for the NJ Transit train Morris and Essex Lines between Maplewood & Hoboken. The Company alleges that the Existing Substation was damaged during Superstorm Sandy and requires replacement and that the newly constructed substation ("New Substation") would be owned by PSE&G and operated primarily but not exclusively by PSE&G. The New Substation will allegedly enhance the reliability and resilience of PSE&G's provision of energy service to a larger region benefitting customers across PSE&G's service territory; along with provide highly reliable, sufficient power to NJ Transit's electric traction system, maintenance facilities, and other related facilities and systems.

The Company is also requesting the Board find the PSE&G's proposed construction, ownership and operation of the New Substation is reasonable, prudent and recoverable in distribution rates. In addition the Company requests the Board approve PSE&G's proposed revised High Tension Service ("HTS") tariff to include a special provision that describes the services provided to the New Substation, and for approval of a cost-recovery mechanism for the costs of rebuilding the Existing Substation consistent with the cost recovery mechanism approved by the Board in PSE&G's Energy Strong infrastructure hardening and resiliency proceeding.¹

DISCUSSION AND FINDINGS

The 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</u> <u>Public Service Electric and Gas Company</u>, 35 <u>N.J.</u> 358, 371 (1961); <u>Twp. of Deptford v.</u> <u>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 has determined that the PSE&G reconstruction of the Existing Substation petition described above should be retained by the Board for hearing and, pursuant to <u>N.J.S.A</u>. 48:2-32, and <u>HEREBY</u> <u>DESIGNATES</u> Commissioner Joseph Fiordaliso as the presiding Commissioner to establish and modify schedules, decide all motions, and otherwise control the conduct of this case, without the need for full Board approval, subject to subsequent Board ratification.

Further, the Board <u>HEREBY</u> <u>DIRECTS</u> that any entities seeking to intervene or participate in this matter file the appropriate application with the Board by Monday, October 17, 2016.

The Board <u>HEREBY DIRECTS</u> staff to post this Order on the Board's website. In addition, in the interests of economy, all parties are <u>HEREBY DIRECTED</u> to serve all documents in matter electronically, while still providing hard copies to the Board for those documents which must be filed with the Board, and hard copies to each party upon request.

¹ In re the Petition of Public Service Electric and Gas Company for the Approval of the Energy Strong <u>Program</u>, BPU Docket Nos. EO13020155 and GO 13020156, Order Dated May 21, 2014.

This Order shall be effective on October 3, 2016.

DATED: 9123116

BOARD OF PUBLIC UTILITIES BY:

RICHARD S. MROZ PRESIDENT

JOSÉPH L. FIORDALISO

JOSEPH L'. FIORDAL

NO DIANNE SOLOMON

COMMISSIONER

MARY-ANNA HOLDEN COMMISSIONER

UPENØRA J. CHIVUKULA COMMISSIONER

ATTEST:

HAN KENNETH ACTING SECRETARY

I HEREBY CERTIFY that the within ciocument is a true copy of the original in the files of the Board of Public Utilities $\sqrt{-\Omega} = 0$

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