



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

IN THE MATTER OF THE BOARD'S REVIEW OF THE )  
PRUDENCY OF THE COSTS INCURRED BY JERSEY )  
CENTRAL POWER AND LIGHT COMPANY IN )  
RESPONSE TO MAJOR STORM EVENTS IN 2011 )  
AND 2012 )

PREHEARING ORDER  
  
DOCKET NOs. AX13030196  
& EO13050391

Parties of Record:

**Gregory Eisenstark, Esq.**, Jersey Central Power and Light Company  
**Stefanie A. Brand, Esq.**, Director, New Jersey Division of Rate Counsel  
**Janine Bauer, Esq.**, AARP  
**Catherine E. Tamasik, Esq.**, Marlboro Township  
**Tracey Thayer, Esq.**, Director, New Jersey Natural Gas Company  
**Martin C. Rothfelder, Esq.**, Public Service Electric & Gas Company  
**Stephan Kern, Esq.**, Gerdau Ameristeel Sayreville, Inc.  
**Anthony R. Francioso, Esq.**, Robbinsville Township  
**Anthony Zarillo, Esq.**, County of Morris

BY COMMISSIONER MARY-ANNA HOLDEN:

On March 20, 2013 the New Jersey Board of Public Utilities ("Board") issued an Order (effective as of April 1, 2013) establishing a generic proceeding to review the prudence of costs incurred by New Jersey utilities in connection with the preparation for, as well as the repair and restoration of service due to multiple major storm events which occurred in 2011 and 2012 ("Generic Storm Costs Proceeding").

Jersey Central Power & Light Company ("JCP&L") filed a base rate case on November 30, 2012 using a 2011 test year which included its costs for the 2011 Major Storms including Hurricane Irene<sup>1</sup>. The requested costs for the 2011 Major Storm events total approximately \$164 million.

<sup>1</sup> In the Matter of the Verified Petition of Jersey Central Power and Light Company For Review and Approval of Increases in and Other Adjustments to Its Rates and Charges for Electric Service, and For Approval of Other Proposed Tariff Revision in Connection Therewith; and for Approval of an Accelerated Reliability Enhancement Program ("2012 Base Rate Filing"), Docket No. ER12111052, OAL Docket No. PUC 16310-2012N

On February 22, 2013, JCP&L filed an "update" to its base rate case filing which included a request for recovery of JCP&L's costs for preparation, response and recovery related to Superstorm Sandy and the subsequent Nor'Easter snowfall. The requested costs for the 2012 Major Storm events total approximately \$603 million.

On March 18, 2013, JCP&L filed a letter with the Board requesting that the Board not sever JCP&L's costs for both storm event years, 2011 and 2012, as its base rate case was pending and the 2012 Base Rate Filing was the appropriate proceeding for review of the Major Storm costs. On April 4, 2013, JCP&L filed a Motion for Reconsideration of the March 20, 2013 Order, asking, among other things, that the Major Storm costs remain in the 2012 Base Rate Filing.

By Order Denying Reconsideration and Clarifying Original Order dated May 31, 2013, the Board reiterated that the Major Storm costs would be reviewed within this proceeding, retained this 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 set an appropriate schedule. To aid in the setting of that schedule and the framing of the issues to be resolved, after notice, a prehearing conference was held on September 25, 2013.

After reviewing various proposals exchanged regarding a 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 and matter, and I **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 electronic 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: October 23, 2013

BY:

  
MARY-ANNA HOLDEN  
COMMISSIONER

**JCP&L Generic Storm Costs Proceeding**

**PREHEARING ORDER**

**1. NATURE OF PROCEEDINGS AND ISSUES TO BE RESOLVED:**

JCP&L seeks Board approval of the prudence, cost effectiveness and cost efficiency of its 2011 and 2012 Major Storm Costs so that those costs can then be recovered in an appropriate proceeding.

**A. Issues to be Resolved**

- 1) The amount, prudence, cost effectiveness and cost efficiency of the 2011 Major Storm Costs; and
- 2) The amount, prudence, cost effectiveness and cost efficiency of the 2012 Major Storm Costs.

**2. PARTIES AND THEIR DESIGNATED ATTORNEYS:**

**Counsel for Jersey Central Power and Light Company:**

Gregory Eisenstark, Esq.  
89 Headquarters Plaza North – Suite 1453  
Morristown, NJ 07960  
geisenstark@morganlewis.com

**Counsel for the Staff of the New Jersey Board of Public Utilities:**

Alex Moreau and Carolyn McIntosh, Deputy Attorneys General  
Division of Law  
124 Halsey Street  
P.O. Box 45029  
Newark, NJ 07101  
alex.moreau@dol.lps.state.nj.us  
Carolyn.mcintosh@dol.lps.state.nj.us  
Babette.Tenzer@dol.lps.state.nj.us

**Counsel for the Division of Rate Counsel:**

Stefanie A. Brand, Esq., Director,  
New Jersey Division of Rate Counsel  
140 East Front Street, 4<sup>th</sup> Floor  
P.O. Box 003  
Trenton, NJ 08625  
sbrand@rpa.state.nj.us

Counsel for Interveners:

AARP

Janine G. Bauer, Esq.  
Szaferman, Lakind, Blumstein & Blader, P.C.  
101 Grovers Mill Road, Suite 200  
Lawrenceville, NJ 08648  
JBauer@Szaferaman.com

Marlboro Township

Catherine E. Tamasik, Esq.  
Decotis, Fitzpatrick & Cole, LLP  
Glenpointe Centre West  
500 Frank W. Burr Blvd. – Suite 31  
Teaneck, NJ 07666  
ctamasik@decotislaw.com

New Jersey Natural Gas Company

Tracey Thayer, Esq.  
Director, Regulatory Affairs Counsel  
New Jersey Natural Gas  
1415 Wyckoff Road  
Wall, NJ 07719  
tthayer@njng.com

Public Service Electric and Gas Company

Martin C. Rothfelder, Esq.  
PSEG Services Corporation  
80 Park Plaza – T5  
Newark, NJ 07102-4194  
martin.rothfelder@pseg.com  
constance.lembo @pseg.com

Gerdau Ameristeel Sayreville, Incorporated

Steven Kern, Esq.  
McNees, Wallace and Nurick, LLC  
100 Pine Street  
PO Box 1166  
Harrisburg, PA 17108-1166  
skern@mwn.com

Robbinsville Township

Anthony R. Francioso, Esq.  
Fornaro Francioso LLC  
98 Franklin Corner Road  
Lawrenceville, New Jersey 08648  
afrancioso@fornarofrancioso.com

County Of Morris

Anthony Zarillo, Esq.  
Bevan, Mosca, Giuditta & Zarilla, P.C.  
222 Mount Airy Road, Suite 200  
Basking Ridge, NJ 07920-2335  
azarillo@bmgzlaw.com

3. **SPECIAL LEGAL REQUIREMENTS AS TO NOTICE OF HEARING:**

None at this time.

4. **SCHEDULE OF HEARING DATES, TIME AND PLACE:**

Evidentiary hearings will be held on 4 of the following dates (to be confirmed with OAL and contingent upon Commissioner Holden's schedule): January 13, 14, 16, 17, 24, 27 or 31, 2014 starting at 9:00 a.m. on each selected day at the Office of Administrative Law, 33 Washington Street, Newark, New Jersey.

5. **STIPULATIONS:**

None at this time.

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 any 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.

9. **ORDER OF PROOFS:**

JCP&L has the burden of proof.

Witnesses will be presented in the following order unless otherwise agreed to by the parties:

First – JCP&L

Second – Rate Counsel

Third – Interveners

Fourth – BPU Staff

The parties will agree on the proposed schedule of witnesses no later than ten (10) days before the first hearing date.

10. **EXHIBITS MARKED FOR IDENTIFICATION:**

None at this time.

11. **EXHIBITS MARKED INTO EVIDENCE:**

None at this time.

12. **ESTIMATED NUMBER OF FACTS AND EXPERT WITNESSES:**

JCP&L will present the following three witnesses: Jeffrey S. Cummings, Steven E. Strah and Mark A. Mader. Additional witnesses may be identified by JCP&L as necessary for purposes of rebuttal or sur-rebuttal.

Rate Counsel will present Peter Lanzalotta. Additional witnesses may be identified by Rate Counsel as necessary for purposes of rebuttal or sur-rebuttal.

Interveners reserve the right to present witnesses but have none to identify at this time. Any party substituting witnesses shall identify such witnesses within five (5) days of determining to replace a witness, and in no event later than five (5) days before the 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 unless the parties agree otherwise.

13. **MOTIONS:**

None at this time.

14. **SPECIAL MATTERS:**

None at this time.

**Exhibit A**

**IN THE MATTER OF THE BOARD'S REVIEW OF THE PRUDENCY OF THE COSTS  
INCURRED BY JERSEY CENTRAL POWER AND LIGHT COMPANY IN RESPONSE TO  
MAJOR STORM EVENTS IN 2011 AND 2012  
BPU DOCKET NOS. AX13030196 & EO13050391**

**PROCEDURAL SCHEDULE**

October 25, 2013: Deadline for additional discovery requests

November 6, 2013: Deadline for responses to discovery requests

Date to be determined: Settlement discussions/discovery conference

November 15, 2013: Rate Counsel and Interveners file direct testimony

December 2, 2013: Discovery propounded on Rate Counsel and Intervener testimony

December 16, 2013: Responses to discovery on Rate Counsel and Intervener testimony

Mid to Late January 2103: Evidentiary Hearings with live sur-rebuttal (subject to Commissioner's availability on four of the following dates January 13, 14, 16, 17, 24, 27 and 31)

End of February: Initial and reply briefs