



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE BOARD'S ESTABLISHMENT)	PREHEARING ORDER
OF GENERIC PROCEEDING TO REVIEW THE)	
PRUDENCY OF COSTS INCURRED BY NEW JERSEY)	DOCKET NO. AX13030196
UTILITY COMPANIES IN RESPONSE TO MAJOR)	
STORM EVENTS IN 2011 AND 2012)	
)	
IN THE MATTER OF THE BOARD'S ESTABLISHING A)	
GENERIC PROCEEDING TO REVIEW THE)	DOCKET NO. GO13070610
PRUDENCY OF THE COSTS INCURRED BY NEW)	
JERSEY NATURAL GAS COMPANY IN RESPONSE)	
TO MAJOR STORM EVENTS IN 2011 AND 2012)	

Parties of Record:

Tracey Thayer, Esq., Director, New Jersey Natural Gas Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

BY PRESIDENT DIANNE SOLOMON:

By Order dated November 22, 2013 ("November 22 Order"), in response to a petition filed with the New Jersey Board of Public Utilities ("Board") by New Jersey Natural Gas Company ("NJNG") for the recovery of \$38.8 million in costs resulting from the preparation, response and restoration associated with Superstorm Sandy in 2012, the Board retained the matter for hearing, 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, a proposed preliminary procedural schedule was issued on January 2, 2014 ("January 2 Order") and posted to the Board's website. The January 2 Order required all parties to file comments on the proposed schedule by January 16, 2014. After reviewing the proposals exchanged regarding the proposed schedule, 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.

Consistent with the Board's November 22 Order, I **HEREBY DIRECT** that all documents shall be served by electronic mail, 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.

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: February 7, 2014

BY:

A handwritten signature in black ink, appearing to read "D. Solomon", written over a horizontal line.

Dianne Solomon
PRESIDENT

IN THE MATTER OF THE BOARD'S ESTABLISHING A GENERIC PROCEEDING TO
REVIEW THE PRUDENCY OF COSTS INCURRED BY NEW JERSEY NATURAL GAS
COMPANY IN RESPONSE TO MAJOR STORM EVENTS IN 2011 AND 2012
DOCKET NOs. AX13030196 & GO13070610

SERVICE LIST

<p>NJNG:</p> <p>Tracey Thayer, Esq., Director, Regulatory Affairs Counsel New Jersey Natural Gas Company 1415 Wyckoff Road Post Office Box 1464 Wall, NJ 07719 TThayer@NJNG.com</p> <p>Mark R. Sperduto New Jersey Natural Gas Company 1415 Wyckoff Road Post Office Box 1464 Wall, NJ 07719 MSperduto@NJNG.com</p> <p>Michael Moscufo New Jersey Natural Gas Company 1415 Wyckoff Road Post Office Box 1464 Wall, NJ 07719 MMoscufo@NJResources.com</p> <p>Frances Karras New Jersey Natural Gas Company 1415 Wyckoff Road Post Office Box 1464 Wall, NJ 07719 FKarras@NJNG.com</p> <p>Tina Trebino New Jersey Natural Gas Company 1415 Wyckoff Road Post Office Box 1464 Wall, NJ 07719 TTrebino@NJNG.com</p>	<p>Rate Counsel:</p> <p>Division of Rate Counsel 140 East Front Street, 4th Floor Post Office Box 003 Trenton, NJ 08625-0003</p> <p>Stefanie A. Brand, Esq., Director sbrand@rpa.state.nj.us</p> <p>Sarah Steindel ssteinde@rpa.state.nj.us</p> <p>Brian Lipman, Esq., Litigation Manager blipman@rpa.state.nj.us</p> <p>Felicia Thomas-Friel, Esq. ftomas@rpa.state.nj.us</p> <p>Christine Juarez, Esq. cjuarez@rpa.state.nj.us</p> <p>Shelley Massey smassey@rpa.state.nj.us</p> <p>David Dismukes, Ph.D. Kimberly Dismukes Alex Aguila Acadian Consulting Group 5800 One Perkins Place Drive Building 5, Suite F Baton Rouge, LA 70808 daviddismukes@acadianconsulting.com kimdismukes@acadianconsulting.com alexaguila@acadianconsulting.com</p> <p>Andrea C. Crane The Columbia Group, Inc. P.O. Box 810 Georgetown, CT 06829 ctcolumbia@aol.com</p>
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Board of Public Utilities:

44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Executive Director:

Paul Flanagan, Esq.

Division of Energy

Jerry May, Director
Alice Bator, Chief
Tom Walker, Chief
Rosalie Serapiglia, Manager
Robert Schultheis, Chief
Nanik Aswani
David Ballengee
Rene Demuynck
Henry Rich
Ricky John

Reliability & Security

James Giuliano, Director

Counsel's Office

Tricia Caliguire, Esq.
Bethany Rocque-Romaine, Esq.
Megan Lupo, Esq.

Economist Office

Mark Beyer
Christine Lin
Dr. Son Lin Lai
Jackie O'Grady

Deputy Attorneys General:

Division of Law
124 Halsey Street
Post Office Box 45029
Newark, New Jersey 07101-45029

Alex Moreau, DAG
alex.moreau@dol.lps.state.nj.us

Babette Tenzer, DAG
babette.tenzer@dol.lps.state.nj.us

Veronica Beke, DAG
veronica.beke@dol.lps.state.nj.us

PREHEARING ORDER

1. NATURE OF PROCEEDINGS AND ISSUES TO BE RESOLVED:

In this proceeding, New Jersey Natural Gas Company ("NJNG" or "Company") seeks a Board order finding reasonable the costs associated with the Company's preparation, response and restoration activities associated with Superstorm Sandy in 2012.

Issue to be Resolved

The amount, prudence, cost effectiveness and cost efficiency of the Company's restoration activities and investments associated with Superstorm Sandy in 2012.

2. PARTIES AND THEIR DESIGNATED ATTORNEYS OR REPRESENTATIVES:

Counsel for NJNG:

Tracey Thayer, Esq.
Mark Sperduto, Director, Regulatory Affairs Counsel
New Jersey Natural Gas Company
1415 Wyckoff Road
Post Office Box 1464
Wall, NJ 07719
(732) 919-8025 (Thayer)
(732)938-1214 (Sperduto)
(732) 938-2620 (fax)
TThayer@NJNG.com
MSperduto@NJNG.com

Counsel for the Staff of the NJ Board of Public Utilities:

Alex Moreau, DAG
Veronica Beke, DAG
Department of Law & Public Safety
124 Halsey Street
P.O. Box 45029
Newark, N.J. 07102
(973)648-3762 (phone)
(973) 648-3555 (fax)
alex.moreau@dol.lps.state.nj.us
veronica.beke@dol.lps.state.nj.us

Counsel for Division of Rate Counsel:

Stefanie Brand, Esq., Director, Division of Rate Counsel
Felicia Thomas-Friel, Esq.
Sarah H. Steindel, Esq.
Christine Juarez, Esq.
Brian Lipman, Esq., Litigation Manager
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, N.J. 08625
(609) 984-1460 (phone)
(609) 292-2923 (fax)
sbrand@rpa.state.nj.us
ftomas@rpa.state.nj.us
ssteindel@rpa.state.nj.us
cjuarez@rpa.state.nj.us
blipman@rpa.state.nj.us

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 the Company's service territory. The parties have agreed that two public hearings will be held on February 18, 2014 and February 19, 2014 in Rockaway, New Jersey and Freehold, New Jersey, with sessions at 4:30 p.m. and 5:30 p.m.

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

Evidentiary hearings will be held the week of July 21, 2014, subject to my availability, starting at 9:00 a.m. on each day at the Board of Public Utilities, 44 South Clinton Avenue, Trenton, New Jersey. Exact dates will be determined based on the availability of the parties and myself.

5. **STIPULATIONS:**

None at this time.

6. **SETTLEMENT:**

Parties are encouraged to engage in settlement discussion. Notice should be provided to all parties of any settlement discussions for the preparation of an agreement to resolve the issues in the case.

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:**

NJNG bears the burden of proof. The parties will propose an order of witnesses no later than 1 week prior to the hearings. Witnesses will be presented in the following order, unless otherwise agreed by the parties prior to the hearings:

First – NJNG

Second – Rate Counsel

Third – 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:**

NJNG shall notify the Board and the parties of the identities of its anticipated witnesses within ten (10) days of its receipt of this Prehearing Order. Additional witnesses may be identified by the Company as necessary for purposes of testimony.

Rate Counsel will present the following two witnesses: David Dismukes, and Andrea C. Crane. Additional witnesses may be identified by Rate Counsel as necessary for purposes of testimony.

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:**

All motions to intervene or participate in this proceeding were required to be filed on or before January 16, 2014, pursuant to the January 2 Order. No motions to intervene or participate were filed, and there are no other motions pending at this time.

14. **SPECIAL MATTERS:**

None at this time.

Exhibit A

IN THE MATTER OF THE BOARD'S ESTABLISHING A GENERIC PROCEEDING TO REVIEW THE PRUDENCY OF COSTS INCURRED BY NEW JERSEY NATURAL GAS COMPANY IN RESPONSE TO MAJOR STORM EVENTS IN 2011 AND 2012 DOCKET NOs. AX13030196 & GO13070610

PROCEDURAL SCHEDULE

- January 16, 2014: Deadline for filing requests for intervention/participation
- February 7, 2014: Deadline for first round of discovery
- February 18, 2014 and February 19, 2014: Public hearings
- February 26, 2014: Deadline for responses to first round of discovery
- March 14, 2014: Deadline for second round of discovery
- April 4, 2014: Deadline for responses to second round of discovery
- Date to be determined: Settlement discussions/discovery conference
- April 25, 2014: Deadline for Rate Counsel to file direct testimony
- May 9, 2014: Deadline for discovery on Rate Counsel testimony
- May 23, 2014: Deadline for responses to discovery on Rate Counsel testimony
- June 6, 2014: Deadline for rebuttal testimony by Company
- June 20, 2014: Discovery on rebuttal testimony
- July 11, 2014: Deadline for responses to discovery on rebuttal testimony
- Week of July 21, 2014: Evidentiary hearings with live sur-rebuttal (subject to President's availability)
- Dates to be determined: Deadlines for filing initial and reply briefs
- September 2014: Anticipated Board action