



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)
OF GENERIC PROCEEDING TO REVIEW THE)
PRUDENCY OF COSTS INCURRED BY NEW JERSEY)
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)
PRUDENCY OF THE COSTS INCURRED BY SOUTH)
JERSEY GAS COMPANY IN RESPONSE TO MAJOR)
STORM EVENTS IN 2011 AND 2012)

PREHEARING ORDER
DOCKET NO. AX13030196
DOCKET NO. GO13060600

Parties of Record:

Ira Megdal, Esq., South Jersey Gas Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY PRESIDENT DIANNE SOLOMON:

By Order dated November 22, 2013 ("November Order"), in response to a petition filed with the New Jersey Board of Public Utilities ("Board") by South Jersey Gas Company ("SJG") for the recovery of approximately \$718,891.08 in costs resulting from the preparation, response and restoration associated with Superstorm Sandy which occurred 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 with the Board 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 "Dianne 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 SOUTH JERSEY GAS COMPANY IN
RESPONSE TO MAJOR STORM EVENTS IN 2011 AND 2012
DOCKET NOs. AX13030196 & GO13060600

SERVICE LIST

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PREHEARING ORDER

1. NATURE OF PROCEEDINGS AND ISSUES TO BE RESOLVED:

In this proceeding, South Jersey Gas Company ("SJG" 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 SJG:

Ira G. Megdal, Esq.
Stacy F. Mitchell, Esq.
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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 the Company's service territory. Two public hearings will be held in March 2014 with sessions at 3:30 p.m. and 6:30 p.m., subject to the procedural schedule set forth in the Company's base rate proceeding by Judge Miller. Public hearings will be held at a location to be determined by the parties and Judge Miller.

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

Evidentiary hearings will be held in June 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. 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:**

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 – SJG

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:**

SJG 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 SJG as necessary for purposes of rebuttal or sur-rebuttal.

Rate Counsel will present the following witnesses: David Dismukes and David E. Peterson. 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 SOUTH JERSEY GAS COMPANY IN
RESPONSE TO MAJOR STORM EVENTS IN 2011 AND 2012
DOCKET NOs. AX13030196 & GO13060600**

PROCEDURAL SCHEDULE

- January 16, 2014: Deadline for filing requests for intervention/participation
- February 14, 2014: Deadline for first round of discovery
- March 3, 2014: Deadline for responses to first round of discovery
- March 26, 2014: Deadline for second round of discovery
- April 2014: Public hearings (subject to procedural schedule set forth by ALJ in base rate proceeding)
- April 18, 2014: Deadline for responses to second round of discovery
- Date to be determined: Settlement discussions/discovery conference
- April 30, 2014: Deadline for Rate Counsel to file direct testimony
- May 14, 2014: Deadline for discovery on Rate Counsel testimony
- May 28, 2014: Deadline for responses to discovery on Rate Counsel testimony
- June 11, 2014: Deadline for rebuttal testimony by Company
- June 25, 2014: Discovery on rebuttal testimony
- July 9, 2014: Deadline for responses to discovery on rebuttal testimony
- Week of July 28, 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