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CASE MANAGEMENT

FEB 08 2019

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

February 7, 2019



Sup
2/8/19

VIA E-MAIL AND OVERNIGHT MAIL

Aida Camacho-Welch, Secretary of the Board
New Jersey Board of Public Utilities
44 South Clinton Street, 9th Floor
Trenton, New Jersey 08625-0350

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FEB 08 2019

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

Re: College of New Jersey v. PSE&G
BPU Docket Number GC18111234

Dear Secretary Camacho-Welch:

On behalf of Public Service Electric and Gas Company, enclosed please find the original and four copies of an answer to the verified petition in the above-captioned matter. Kindly stamp the extra copy of the answer "filed" and return it to me in the enclosed, self-addressed stamped envelope. Please do not hesitate to contact me if you have any questions regarding this submission.

Thank you for your anticipated courtesies.

Respectfully submitted,

Justin Incardone

Justin B. Incardone

Cc: James H. Laskey, Esq. (via e-mail and first class mail)
Thomas Mahoney, Esq. (via e-mail and first class mail)

CMS
S. Patrone, Esq.
P. Krogman, Esq.
S. Peterson

FEB 08 2019

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BOARD OF PUBLIC UTILITIES
TRENTON, NJ

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

Swg
2/13/19

I/M/O Verified Petition of

The College of New Jersey

For Relief from a Penalty Assessed by
Public Service Electric and Gas Company

ANSWER TO VERIFIED PETITION

BPU Docket No. GC18111234

Respondent, Public Service Electric and Gas Company ("PSE&G" or the "Company"), having its general offices at 80 Park Plaza, Newark, New Jersey, 07102, a public utility of the State of New Jersey, subject to the jurisdiction of the New Jersey Board of Public Utilities ("Board" or "BPU"), files this answer in the above-referenced matter and states the following:

I. DESCRIPTION OF THE PETITIONER AND RESPONDENT

1. PSE&G neither admits nor denies the allegations set forth in paragraph 1.
2. Admit.

II. DESIGNATED CONTACTS

3. No response is necessary to petitioner's designated contacts.

III. BACKGROUND

4. PSE&G neither admits nor denies the allegations set forth in paragraph 4.
5. Admit.
6. PSE&G neither admits nor denies the allegations set forth in paragraph 6, except to state that The College of New Jersey ("TCNJ" or the "College") has successfully interrupted gas service upon notice from PSE&G.

7. PSE&G neither admits nor denies the allegations set forth in paragraph 7.

CMS
S. Petrucci, Esq.
P. Krogman, Esq.
S. Peterson

8. PSE&G refers to its applicable Tariff for Gas Service (the “gas tariff”) for its full and accurate contents.

9. PSE&G states that it offered, and TCNJ used, extended gas service on January 4, 2018. PSE&G admits that it subsequently advised the College on January 4, 2018 that extended gas service would no longer be available beginning January 5, 2018 at 10:00 a.m., and that the Company offered, and TCNJ used, extended gas service again beginning January 7, 2018 at 10:00 a.m.

10. PSE&G neither admits nor denies the allegations set forth in paragraph 10.

11. PSE&G neither admits nor denies the allegations set forth in paragraph 11, except to state that TCNJ notified PSE&G on January 5, 2018 that it did not curtail gas service; that TCNJ’s failure to interrupt gas service did not cause any PSE&G customer “to lose gas service”; and that PSE&G was able to deliver gas service to the College during the period TCNJ failed to interrupt gas service at a price at or below the highest price reported by the Gas Daily Publication.

12. PSE&G neither admits nor denies the allegations set forth in paragraph 12.

13. PSE&G admits that the applicable interruptible period ended on January 8, 2018 at 10:00 a.m., and states that the period of time during which extended gas service was not offered to the College was approximately 48 hours.

14. PSE&G admits that TCNJ asked the Company for a penalty calculation in February 2018, and states that the Company provided TCNJ with the Gas Daily reports for January 5 and 8, 2018. The Company states further that on the evening of January 5, 2018, it advised TCNJ that it was using penalty gas at the rate of approximately \$100,000 per hour, and that the publicly available gas tariff sets forth the applicable penalty and the gas indices on which

the penalty calculation is based. PSE&G denies that it asked TCNJ to accept the penalty calculation at “face value”.

15. PSE&G neither admits nor denies the allegations contained in paragraph 15, except to state that it provided TCNJ with calculations of the penalty, and the final penalty calculation, for which it has billed TCNJ, is \$2,359,532.

16. PSE&G states that the CIG price per term listed in paragraph 16 is applicable to non-interruptible periods. The Company states further that the price per therm listed for CEG in paragraph 16 is an “emergency sales service charge”, which is not applicable to the CIG rate.

17. Admit.

18. PSE&G neither admits nor denies the allegations set forth in paragraph 18, as those allegations relate to confidential settlement discussions.

19. Admit.

IV. GROUND FOR RELIEF

20. PSE&G refers to the cited statutes for their full and accurate contents.

21. PSE&G refers to the cited statutes and other legal authority for their full and accurate contents.

22. PSE&G refers to the cited statutes for their full and accurate contents.

23. PSE&G neither admits nor denies the allegations contained in paragraph 23, except to state that the applicable gas tariff provisions are just and reasonable, and have been approved by the Board.

24. PSE&G denies that the relevant gas tariff provisions are unreasonable and, therefore, denies the allegations set forth in paragraph 24.

25. PSE&G denies that the relevant gas tariff provisions are unreasonable and, therefore, denies the allegations set forth in paragraph 25.

26. PSE&G denies that the relevant gas tariff provisions are unreasonable and, therefore, denies the allegations set forth in paragraph 26.

27. PSE&G denies that the relevant gas tariff provisions are unreasonable and, therefore, denies the allegations set forth in paragraph 27.

28. PSE&G denies that the relevant gas tariff provisions are unreasonable and, therefore, denies the allegations set forth in paragraph 28.

29. PSE&G denies that enforcement of the BPU-approved tariff penalty provision would unjustly enrich the Company or PSEG Power LLC and, therefore, PSE&G denies the allegations set forth in paragraph 29.

30. PSE&G states that it has customers that take TSG-NF plus BGSS-I gas service, including TCNJ for its boilers, and the Company refers to its gas tariff for its full and accurate contents.

31. PSE&G admits that it ceased offering TCNJ extended gas service effective January 5, 2018 at 10:00 a.m., and states that at all relevant times it provided safe, adequate, and proper service at just and reasonable rates pursuant to a BPU-approved gas tariff.

32. PSE&G neither admits nor denies the allegations contained in paragraph 32.

33. PSE&G neither admits nor denies the allegations set forth in paragraph 33, except to state that: (i) the applicable gas tariff provisions are just and reasonable, and approved by the Board; and (ii) on the evening of January 5, 2018, it advised TCNJ that it was using penalty gas at the rate of approximately \$100,000 per hour, and that the publicly available gas tariff sets forth the applicable penalty and the gas indices on which the penalty calculation is based.

V. Conclusion

PSE&G takes no position with respect to TCNJ's request for relief.

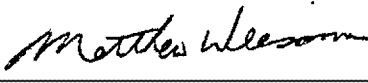
AFFIRMATIVE DEFENSES

1. The penalty PSE&G billed TCNJ is consistent with the Company's BPU-approved tariff for gas service, and the Board's Order *I/M/O The Board's Review of Energy and Home Heating Oil Markets*, BPU Docket No. GO00020088 (Order Requiring Tariff Changes, October 2, 2000).

2. The applicable provisions of the PSE&G gas tariff are just and reasonable.

Respectfully submitted,

PUBLIC SERVICE ELECTRIC AND
GAS COMPANY

By: 
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Dated: February 7, 2019.

CERTIFICATION OF SERVICE

I HEREBY CERTIFY that a copy of the above Answer to the Petition was served upon the Petitioner on this 7th day of February, 2019 via first class mail and e-mail, to:

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Norris McLaughlin, P.A.
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Justin B. Incardone

Dated: February 7, 2019