



State of New Jersey
DIVISION OF RATE COUNSEL
140 EAST FRONT STREET, 4TH FL
P. O. BOX 003
TRENTON, NEW JERSEY 08625

PHIL MURPHY
Governor

SHEILA OLIVER
Lt. Governor

STEFANIE A. BRAND
Director

April 22, 2020

Via Electronic Mail

Danielle Lopez, Esq.
Associate Counsel - Regulatory
Public Service Electric & Gas Company
80 Park Plaza, T-5
Newark, New Jersey 07102-4194
danielle.lopez@pseg.com

Re: **In the Matter of the Petition of Public Service Electric and Gas Company for Approval of the Second Energy Strong Program BPU Docket Nos. EO18060629 and GO18060630**

Dear Ms. Lopez:

This letter is in response to Public Service Electric and Gas Company's ("PSE&G" or the "Company") notice dated April 16, 2020 (attached herewith) informing the Staff of the New Jersey Board of Public Utilities ("Staff") and the New Jersey Division of Rate Counsel ("Rate Counsel") of changes to the proposed flood mitigation method used for certain substation projects previously agreed to by the parties as part of the Energy Strong II Electric Station Flood Mitigation subprogram, under Docket Nos. EO18060629 and GO18060630 and approved by the Board on September 11, 2019 (hereinafter "the Stipulation"). Specifically, PSE&G's April 16th notice states that "[t]he supply station for ratepayers now served by the Academy Street Substation will be transferred to a new Fairmount Substation." Additionally, the Company proposes a \$16,500,000 increase in the State Street Substation project based on a change in location which requires extensive underground installation not included in the project's original scope.

Rate Counsel objects to the Company implementing these changes without further clarification. Pursuant to the express terms of the Stipulation, if PSE&G makes a change in its mitigation method, it must provide notification that includes "detailed supporting information to support the Company's position." See Stipulation at ¶24. The notification provided by PSE&G fails to provide sufficient supporting information to support the Company's position that the significant changes to the Academy Street and State Street Substations projects deliver the same benefits to customers or are appropriate under the circumstances. Without further detail and supporting information, this office is unable to determine whether the Company's changes are

Danielle Lopez, Esq.
April 22, 2020
Page 2 of 2

necessary or a more cost effective method exists to address the concerns raised by the Company. Moreover, the PJM Sub Regional RTEP (“SRRTEP”) presentation on May 25, 2018 identifies the Academy Street, State Street, and Woodlynne substations as part of a much larger Company agenda directed solely at transmission enhancements.

Accordingly, PSE&G should cease all activities related to its change in mitigation method for the Academy Street and State Street substation projects until such time as additional information and clarification can be provided by the Company to Rate Counsel and Staff. Rate Counsel suggests a teleconference or virtual meeting be scheduled at the parties’ earliest convenience to discuss a process for moving forward.

If you have any questions, please contact me at dwand@rpa.nj.gov.

Very truly yours,

STEFANIE A. BRAND, DIRECTOR
DIVISION OF RATE COUNSEL

By: T. David Wand
T. David Wand, Esq.
Assistant Deputy Rate Counsel

Attachment

c: Aida Camacho-Welch, Secretary, BPU
Paul Flanagan, Executive Director BPU
Stacy Peterson, Director BPU Energy Div.
Abe Silverman, BPU Chief Counsel
Matko Ilic, Deputy Attorney General
Joseph F. Accardo Jr., Esq., PSE&G