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June 29, 2020

Client/Matter No. 22427-2

VIA FIRST CLASS REGULAR MAIL

Honorable Tricia Caliguire, ALJ Quakerbridge Plaza, Bldg. 9 P.O. Box 049 Trenton, NJ 08625

Re: I/M/O the Petition of South Jersey Gas Company

for Approval of Increased Base Tariff Rates and Charges for Gas Service, Changes to Depreciation

Rates and Other Tariff Revisions BPU Docket Nos. GR20030243 and OAL DOCKET No. PUC 04830-20

Dear Judge Caliguire:

Enclosed for filing are an original and three (3) copies of motion of The Calpine Corporation to intervene in these proceedings

The parties on the distribution list have received copies of this motion via electronic mail this date and for those so designated, a hard copy is being forwarded via first class mail.

Thank you for your anticipated courtesies in this matter.

Respectfully yours,

STÉVEN S. GOLDENBERG

SSG/rad Encls.

cc:

Clerk, Office of Administrative Law

Distribution List

Docs #4451361-v1

STATE OF NEW JERSEY OFFICE OF ADMINISTRATIVE LAW

In the Matter of the Petition of South Jersey Gas)	
Company for Approval of Increased Base Tariff)	BPU Docket Nos. GR20030243
Rates and Charges for Gas Service, Changes to)	OAL Docket No. PUC 04830-20
Depreciation Rates and Other Tariff Revisions)	

MOTION TO INTERVENE OF CALPINE CORPORATION

The Calpine Corporation ("Calpine"), is a Delaware Corporation engaged, through various subsidiaries, in the development, financing, acquisition, ownership and operation of independent power production facilities in the United States and Canada. Through its various subsidiaries, Calpine has a fleet of 77 power plants in operation or under construction, representing nearly 26,000MW of generating capacity. Through wholesale operations and its retail business, Calpine's subsidiaries serve customers in 23 states including New Jersey, Canada and Mexico. Calpine Energy Services, L.P. ("CES") is an energy marketer that is charged with arranging natural gas supplies for a portfolio of gas-fired power plants owned and/or operated by affiliates of CES. (Calpine, CES and their affiliates sometimes collectively referred to as "Calpine") CES holds firm capacity on the South Jersey Gas Company ("SJG" or the "Company") system, which is used to serve several Calpine-owned natural gas peaking facilities located in southern New Jersey.

Calpine hereby moves to intervene in the above-captioned proceeding. In support of its motion, Calpine states as follows:

1. All communications and correspondence concerning this proceeding should be directed to:

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2. By Petition dated March 13, 2020, SJG seeks the Board's approval of certain increases in SJG's tariff rates and charges for natural gas service and for related relief. Specifically, SJG seeks, among other things, to: (i) increase its annual operating revenues for natural gas service in the sum of \$75.3 million above adjusted post-test year revenues to recover approximately \$579 million in costs associated with utility plant additions made since the Company's 2017 base rate case or projected to be made by the end of this calendar year, and certain investments in the Company's Information Technology systems; (ii) modify its existing depreciation rates; (iii) establish an overall return on invested capital of 7.34%, inclusive of a 10.4% return on common equity, with a capital structure that includes a common equity component of 54.18 percent; (iv) establish separate regulatory assets associated with the Company's Pipeline Integrity Management and Transmission Integrity Management Programs and to recover costs incurred in connection with the cancelled B.L. England pipeline project; and (v) authority to obtain additional related relief. The Company has calculated a consolidated tax adjustment in the filing.

WHEREFORE, in support of its application for intervention in this proceeding, and as further summarized below, Calpine respectfully submits that all factors for intervention set forth in N.J.A.C. 1:1-16 weigh in favor of the granting of Calpine's motion to intervene in the above-captioned proceeding:

- 1. Calpine, through its affiliate CES, purchases natural gas distribution service under SJG's Firm Electric Service (FES) tariff rate. To the extent that the rates, terms and conditions of the natural gas service provided to CES may be modified in this proceeding, Calpine has a substantial and direct interest in the outcome of the proceeding.
- 2. Given its capacity as the owner of power plants that take Firm Electric Service on the SJG system, Calpine's interests are clearly distinguishable from, and will not be adequately represented by, any other party.
- 3. Calpine has a unique perspective and insight regarding the potential impact, on SJG's large power plant customers, of the rate and other relief sought by SJG in this proceeding.
- 4. Calpine's motion is timely and will not delay or otherwise disrupt the prosecution of this proceeding;
- 5. Fundamental fairness and due process considerations require that Calpine be afforded an opportunity to fully participate as an Intervenor in this proceeding, the outcome of which could have a significant impact on the cost and quality of the natural gas service SJG provides to Calpine;
- 6. Calpine has appeared in numerous regulatory and Legislative proceedings that addressed issues pertaining to New Jersey's electric and natural gas utilities and the markets in which they operate.

- 7. Accordingly, the issues to be decided in this proceeding "substantially, specifically and directly affect" Calpine within the meaning of these terms as used in the Uniform Rules, thereby making it appropriate for Calpine to intervene as a party;
- 8. Furthermore, the interests of Calpine, as owner of natural gas-fueled power plants on the SJG system that take service under the Fixed Electric Service tariff rate, are substantially and qualitatively different from those of any other party seeking intervention;
- 9. Calpine's entry as a party would "measurably and constructively" advance this proceeding (N.J.A.C. 1:1-16.3(a)) because of its active involvement and expertise in utility rate cases and unique end-use customer status on the SJG system. Calpine's entry as a party would promote an informed and balanced presentation of the issues;
- 10. Notwithstanding its unique interests, where it is possible and practical for it to do so, Calpine will endeavor to work cooperatively with other parties in this proceeding in the interests of administrative efficiency and economy.
- 11. For the foregoing reasons, and because the cost and quality of natural gas service to Calpine will be directly and substantially affected by the issues to be determined in this proceeding, Calpine has a direct and substantial interest in the outcome of this proceeding that cannot adequately be represented by any other party.

WHEREFORE, pursuant to N.J.A.C. 1:1-16.1, *et seq.*, Calpine respectfully requests that it be permitted to intervene, with full procedural and substantive rights, in the above-captioned proceeding.

Respectfully submitted,

Steven S. Goldenberg, Esq.

Giordano Halleran & Ciesla, P.C.

125 Half Mile Road, Suite 300

Red Bank, New Jersey 07701

Phone: 732-741-3900

Attorpeys for Calpine Corporation

Dated: June 29, 2020

CERTIFICATION OF SERVICE

I hereby certify that I have this day served by regular or electronic mail a copy of the foregoing Motion to Intervene on all parties set forth on the attached service list. I further certify that I have this date also forwarded for filing hard copies of the motion to the Office of Administrative Law and Board of Public Utilities via first class mail.

Dated at Red Bank, New Jersey, this 29th day of June, 2020.

Steven/S. Goldenberg/Esq.

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Phone: 73/2-741-3900

Attorneys for Calpine Corporation

Docs #4345872-v1

In the Matter of the Petition of South Jersey Gas Company for Approval of Increased Base Tariff Rates and Charges for Gas Service, Changes to Depreciation Rates and Other Tariff Revisions BPU Docket No. GR20030243

* Denotes Hard Copies

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