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VIA ELECTRONIC MAIL

Aida Camacho-Welch, Secretary
Board of Public Utilities
44 South Clinton Avenue, 9th Flr.
P.O. Box 350
Trenton, New Jersey 08625-0350

**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
Notice of Change of Mitigation Method For Certain Substations***

Dear Secretary Camacho-Welch:

This letter is being submitted to provide notice of a change in mitigation method for certain substations identified in the flood mitigation subprogram of Energy Strong II, as specified below.

The Energy Strong II Program (the "Program") was approved by Board Order dated September 11, 2019 in Docket Nos. EO18060629 and GO18060630. This Order adopted the Stipulation pursuant to which Public Service Electric and Gas Company ("PSE&G" or the "Company") operates the Program and enumerates, among other things, when and how changes to components of the Program can be made. With respect to the Flood Mitigation Subprogram, Paragraph 24 of the Stipulation provides that PSE&G may change the method of mitigation for a station "if it concludes that an alternative method would provide the same benefits to customers at a lower cost, or if permitting or other circumstances make it impossible or inappropriate to use the method specified in the filing." Any change in the mitigation method for a station however, will not be made without 15 days prior written and electronic notification to Board Staff and Rate Counsel.

While assessing distribution projects, and in consideration of overall system needs and scheduled improvements, the Company has identified several opportunities to combine distribution and transmission work to take advantage of certain project efficiencies. PSE&G hereby provides notice of changes in the mitigation method for the three substations listed below.

Overall, combining the ES II distribution projects with scheduled transmission improvements will provide the same or increased benefits at the same or a lower overall cost.

1. Lakeside Avenue

The Company identified the need for transmission upgrades in the same area as the above-referenced ES II project and determined that it would be more beneficial for customers and less costly to perform the ES II project and transmission project together. While the Company initially contemplated constructing the distribution and transmission projects at the Lakeside Avenue location noted in the ES II filing, PSE&G has determined moving sites to a new property at 101 N. Park Street is the better option.

The ES II flood mitigation filing assumed acquisition of adjacent property to install the raised switchgear. However the property was not available, and a more complicated construction sequence requiring temporary relocation of the 4kV switchgear would be necessary. The initial Lakeside site is very small and would require a customized design to accommodate both the distribution and transmission facilities on the property. It would also require use of contingencies and cutovers that will increase safety, environmental and reliability risks, and pose a challenge to mitigate.

Conversely, since there is no existing utility operation at the new property at 101 N. Park Street, the use of contingencies is not required—thus improving construction safety and eliminating the reliability risk associated with performing construction and circuit cutovers. Additionally, the substation built at 101 N. Park Street will be a standard PSE&G design, which is better from an operational and maintenance standpoint. The initial estimates for the ESII and 69kV projects at the Lakeside Avenue site were \$36.1M and \$106M, respectively. The current, more refined study level estimates for the ESII and 69kV projects at the 101 N. Park Street site are now \$47.9M and \$93.6M respectively. The estimated combined savings on the distribution and transmission projects is approximately \$.6M.

2. Orange Valley

The Company is looking to move from the existing Orange Valley site to a larger property that is approximately 120 feet from the existing station. As with the above Lakeside project, the Company identified the need for transmission upgrades in the same area as the Orange project and determined that it would be less costly to perform the ES II project and transmission project jointly.

By combining the T&D work, the Company will be able to avoid the need for a 7 Breaker 69 kV Ring Bus Switchgear that would be required if the Company proceeded with the construction of two separate stations. The initial estimates for the ESII and 69kV projects at the Orange Valley site were \$26.6M and \$328M, respectively. The current, more refined estimate for the ES II and 69kV projects at the new site are \$21M and \$205.3M, respectively. The estimated combined savings on the distribution and transmission projects is approximately \$20-30M.

3. Constable Hook

The Company has identified an opportunity to combine the flood mitigation work at Constable Hook with new capacity needed in the area based on ongoing development. The proposed change can also support the Life Cycle replacement needs at neighboring Bergen Point.

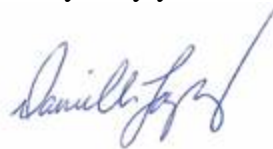
The Company's plan is to construct a new station in the area of Constable Hook—thereby eliminating this station—and supply the new load at the former Military Ocean Terminal. The new station will serve the existing Constable Hook customers with a storm-hardened facility. The future elimination of Bergen Point would provide significant costs savings for both Transmission and Distribution upgrades. The total estimate, including land and retirement of Bergen Point, is \$186.69.

This is approximately \$16M lower than the estimate to rebuild and convert Bergen Point of approximately \$203M.

Additional supporting calculations and explanation of the Lakeside Avenue, Orange Valley and Constable Hook station changes and cost savings associated therewith have been provided in PSE&G's responses to Staff's Discovery Requests, S-INF-0001 thru S-INF-0003 (served on September 2, 2020), and Rate Counsel's Discovery Requests RCR-INF-0001 thru RCR-INF-0003 (served as of the date of this correspondence).

Please advise if you have any questions regarding the foregoing.

Very truly yours,



Danielle Lopez

cc: Stefanie Brand
Paul Flanagan
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