



State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

PREHEARING ORDER

OAL DKT. NO. PUC 00872-22

AGENCY DKT. NO. GR2112154

**IN THE MATTER OF THE PETITION OF
ELIZABETHTOWN GAS COMPANY FOR
APPROVAL OF INCREASED BASE TARIFF
RATES AND CHARGES FOR GAS SERVICE,
CHANGES TO DEPRECIATION AND OTHER
TARIFF REVISIONS.**

Pursuant to N.J.A.C. 1:1-13.1 et seq., a telephonic pre-hearing conference was held in the above-entitled matter on March 23, 2022, and the following procedures were settled:

1. NATURE OF PROCEEDINGS AND ISSUES TO BE RESOLVED:

A. Nature of proceeding:

On December 28, 2021, Elizabethtown Gas Company (Elizabethtown or Company) filed a petition with the New Jersey Board of Public Utilities (Board or BPU) for approval of an overall increase in natural gas distribution revenues of approximately \$76.6 million or 19%, for changes in its tariff for gas service pursuant to N.J.S.A. 48:2-18 and N.J.S.A. 48:2-21.3 and for change to its current Board-approved depreciation rates pursuant to N.J.S.A. 48:2-18. The Company also proposed to change its depreciation rates. The Company further proposed to establish or continue regulatory assets to allow it to defer for future recovery the following costs to the extent not included in the Company's request for a base rate

increase: (1) the costs of the Company's federally mandated gas transmission integrity management program, (2) costs associated with Transportation Security Administration ("TSA") security directives (3) the remaining undepreciated costs of non-operational liquefaction equipment at the Company's Erie Street liquefied natural gas ("LNG") facility, to the extent not reimbursed by the vendor/manufacturer, and (4) costs incurred to establish an in-house gas supply function.

B. Issues to be resolved:

1. Whether the proposed rates and associated terms and conditions of service are reasonable and consistent with Elizabethtown's obligation to provide safe, adequate and proper service to all of its customers.
2. Whether Elizabethtown's proposed rate base is reasonable.
3. Whether Elizabethtown's proposed depreciation rates are reasonable.
4. Whether Elizabethtown should be allowed to establish its proposed regulatory assets.
5. Whether or not Elizabethtown has properly met its customer service obligations.
6. Any other relevant issues as shall have been presented in Elizabethtown's petition and supporting prefiled testimony, as well as issues which emerge in the course of discovery.

2. PARTIES AND THEIR DESIGNATED ATTORNEYS OR REPRESENTATIVES:

Counsel for Petitioner Elizabethtown Gas Company

Deborah M. Franco, Esq., V.P. Clean Energy & Sustainability

Sheree L. Kelly, Esq., Regulatory Affairs Counsel

Elizabethtown Gas Company

SJI Utilities, Inc.

520 Green Lane

Union, NJ 07083

Tel. (973) 886-7635

dfranco@sjindustries.com

skelly@sjindustries.com

Kenneth T. Maloney, Esq.

Cullen and Dykman, LLP
1101 Fourteenth Street, N.W. Suite 750
Washington, D.C. 20005
Tel: (202) 223-8890
kmaloney@cullenanddykeman.com

Terrence W. Regan, Esq.
Cullen and Dykman LLP
44 Wall Street
New York, NY 10005
Tel. No. (212) 510-2246
tregan@cullenllp.com

Counsel for the Staff of the BPU:

Terrel Klein, Deputy Attorney General
Michael Beck, Deputy Attorney General
Division of Law
25 Market Street, P.O. Box 112
Trenton, NJ 08625
Tel. (609) 376-3370
Terrel.klein@law.njoag.gov
Michael.beck@law.njoag.gov

New Jersey Division of Rate Counsel

Maura Caroselli, Esq. Managing Partner
Sarah H. Steindel, Esq., Assistant Deputy Rate Counsel
Division of Rate Counsel
140 East Front Street - 4th Floor
P.O. Box 003
Trenton, NJ 08625
Tel: (609) 984-1460
mcaroselli@rpa.nj.gov
ssteindel@rpa.nj.gov

Intervenors/Participants

New Jersey Large Energy User Coalition (NJLEUC) -- Intervenor

Steven S. Goldenberg, Esq.
Giordano, Halleran & Ciesla, P.C.
125 Half Mile Road, Suite 300
Red Bank, NJ 07701-677
Tel. (732) 224-6530 Fax: (732) 224-6599
sgoldenberg@ghclaw.com

New Jersey Large Energy User Coalition (NJLEUC) -- Intervenor

Paul F. Forshay, Esq.
Eversheds-Sutherland (US) LLP
700 Sixth Ave., Suite 700
Washington , D.C. 20001-3980
Tel: (202) 383-0100 Fax: (202) 637-3593
paulforshay@eversheds-sutherland.com

Public Service Electric & Gas Company (PSE&G) - Participant

Joseph Accardo, Esq., V.P. Regulatory
Danielle Lopez, Esq., Associate General Regulatory Counsel
PSE&G Services Corporation
80 Park Plaza, T5
P.O. Box 570
Newark, NJ 07102
Tel. (973) 430-7052/ (973) 430-5983
Joseph.accardojr@pseg.com
Danielle.lopez@pseg.com

New Jersey Natural Gas Company – Participant

Andrew K. Dembia, Esq., Regulatory Affairs Counsel
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719
Tel. (800) 221-0051
adembia@njng.com

3. SPECIAL LEGAL REQUIREMENTS AS TO NOTICE OF HEARING:

Pursuant to all relevant requirements, including N.J.S.A. 48:2-21 and 48:2-32.6, public hearings will be held remotely so as to be accessible in each geographic area within the Company's service territory, i.e., Union, Middlesex, Sussex, Warren, Hunterdon, Morris, and Mercer counties, on the date and times set forth below.

It is currently anticipated that these public hearings will take place remotely via Microsoft Teams meeting, on the following date and times: April 21, 2022 at 4:30PM and 5:30PM. Notice of the public hearings will be published in newspapers of general circulation within petitioner's service territory.

4. SCHEDULED HEARING DATES, TIME AND PLACE:

The hearings will be held at the Office of Administrative Law, 33 Washington Street, 8th Floor, Newark, N.J. 07103, at 9:00 a.m., on the dates set forth below.

Proposed Procedural Schedule

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|-----------------------------------|--|
| Week of April 18, 2022 | Public Hearings |
| May 2, 2022 | Petitioner's 12-0 Update |
| May 9-10, 2022 | Discovery/Settlement Meetings |
| Week of May 23 | Additional Settlement meetings |
| June 22, 2022 | Rate Counsel and Intervenor Direct Testimony due |
| July 6, 2022 | Discovery ¹ on Rate Counsel and Intervenor Direct Testimony due |
| Week of July 11, 2022 | Further Settlement Meeting ² |
| July 20, 2022 | Discovery responses due on Testimony |
| July 27, 2022 | Petitioner Rebuttal Testimony due |
| August 10, 2022 | Discovery on Petitioner Rebuttal Testimony due |
| August 24, 2022 | Responses to Aug. 10 discovery due |
| Sept. 8, 9, 12, 13, 14, 2022 | Evidentiary Hearings |
| 4 weeks from close of Hearings | Initial Briefs due |
| 2 weeks from filing Initial Brief | Reply Briefs due on or before |

5. STIPULATIONS:

Petitioner has submitted with this filing a proposed confidentiality agreement.

There are no other stipulations at this time.

6. SETTLEMENT:

The parties will hold settlement discussions. Additional settlement discussions consistent with the procedural scheduled set forth in paragraph 4 will be scheduled, if necessary, at a later date.

7. AMENDMENTS TO PLEADINGS:

¹ Discovery to proceed in accordance with OAL's rules.

² Further settlement discussions to be scheduled by the parties.

None at this time.

8. DISCOVERY AND DATES FOR COMPLETION:

Discovery is ongoing, which shall be propounded and completed where necessary on a rolling basis, and the parties will complete discovery in accordance with paragraph 4 above.

9. ORDER OF PROOFS:

Petitioner bears the burden of proof and shall proceed first followed by Rate Counsel, Board Staff, and then Intervenors.

10. EXHIBITS MARKED FOR IDENTIFICATION:

None at this time.

11. EXHIBITS MARKED IN EVIDENCE:

Proposal: All exhibits which the parties intend to use in this matter shall be premarked, and a list of the premarked exhibits shall be provided to the undersigned at the beginning of the hearing. Petitioner's exhibits shall be marked P-1, P-2, etc.; Staff's exhibits shall be marked S-1, S-2, etc.; Rate Counsel's exhibits shall be marked RC-1, RC-2, etc.; Intervenors shall mark any exhibits with the party's acronym. Joint exhibits, if any, shall be marked as J-1, J-2, etc. All exhibits for admission which number in excess of twenty (20) pages shall be on 3 hole punched paper, with binders supplied by the sponsoring party.

12. ESTIMATED NUMBER OF FACT AND EXPERT WITNESSES:

The parties have not provided the estimated number of fact and expert witnesses. The same shall be due prior to the conclusion of discovery in accordance with paragraph 4 above, but not later than August 24, 2022.

13. MOTIONS:

Motions for Intervenor and/or Participation status were filed by New Jersey Large Energy Users Coalition (NJLEUC), New Jersey Natural Gas Company (NJNGC), and PSE&G. In addition, NJLEUC has filed a motion for the *Pro Hac Vice*

admission of Paul F. Forshay, Esquire, to act as co-counsel to NJLEUC, and a motion to amend reflecting the transfer of this matter from the BPU to the OAL.

Petitioner and all parties do not oppose any of these motions. A separate Order will be issued granting these applications.

14. OTHER SPECIAL MATTERS:

Further case management conferences shall be convened at a later date.

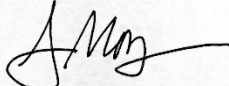
Electronic Delivery Instructions

- a. In this proceeding, the service or filing of a motion and/or briefing papers shall be done electronically, to my legal assistant Lisa Reyes at elisa.reyes@oal.nj.gov, and by mailing **one copy** to the Administrative Law Judge assigned to this matter, via regular mail or other delivery service. Overnight or hand-service is not required and no extra copies need to be filed with the Clerk of the Office of Administrative Law.
- b. Electronic documents shall be in Adobe PDF format, unless otherwise requested by the Administrative Law Judge.
- c. Service upon other parties may also be electronic upon consent of such party.
- d. All submissions shall be filed electronically with the undersigned no later than 3:00 p.m. on the due date.

This order may be reviewed by the **BOARD OF PUBLIC UTILITIES** either upon interlocutory review pursuant to N.J.A.C. 1:1-14.10 or at the end of the contested case pursuant to N.J.A.C. 1:1-18.6.

April 13, 2022

DATE
lr



JULIO C. MOREJON, ALJ