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October 5, 2023

Via Electronic Mail

Sherri L. Golden, Board Secretary

NJ Board of Public Utilities

44 South Clinton Avenue, 1st Floor

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Trenton, NJ 08625-0350

**Re: I/M/O/ the Verified Petition of the College of New Jersey for Relief from a
Penalty Assessed by Public Service Electric & Gas Company
BPU Docket No. GC18111234**

Dear Secretary Golden:

Please accept this letter as a response of the Division of Rate Counsel ("Rate Counsel") to the Motion for Summary Disposition and supporting Brief filed on September 14, 2023 on behalf of Petitioner The College of New Jersey's ("TCNJ" or the "College") in the above-referenced matter.

Contemporaneously with the filing of Petitioner's motion, Rate Counsel filed a Motion for Summary Decision and supporting Brief setting forth the reasons why the relief requested in the Petition should be denied. Rate Counsel's brief addresses most of the arguments presented in the Petitioner's brief, and accordingly Rate Counsel relies primarily on and incorporates by reference its Brief filed September 14, 2023 as Rate Counsel's response to TCNJ's motion. In addition, Rate Counsel wishes to comment on two of TCNJ's arguments that are unsupported by and inconsistent with the record.

RATE COUNSEL'S COMMENTS

One of the arguments TCNJ's raises in its brief concerns Special Provision (g) of Rate Schedule CIG, which states: "Public Service agrees that service under this rate schedule will not be interrupted unless service to the TSG-NF customers receiving BGSS-I default service has already interrupted." Exh. J-1. Specifically, in its Brief, the College argues that Special Provision (g) of Rate Schedule CIG is "meaningless in terms of providing comfort to CIG customers" because "the record does not disclose that there are actually any customers who take TSG-NF plus BGSS-I service." PIB p. 22. It is unclear why TCNJ believes that its unambiguous obligation to interrupt when called upon to do so is dependent on whether there are any TSG-NF customers taking BGSS-I service, and whether TCNJ has knowledge of such customers. Taken to its logical conclusion, TCNJ's argument would mean that its obligation to interrupt would be extinguished in the event all of PSE&G's TSG-NF customers were to elect to purchase their gas supply from third-party suppliers. The CIG tariff makes no such exception to TCNJ's obligation to discontinue its gas use upon proper notification. In addition, TCNJ's statement that "the record does not disclose that there are actually any customers who take TSG-NF plus BGSS-I service" is simply incorrect. In its July 21, 2023 response to RCR-PSEG-INF 0002, which is in the record as stipulated Exhibit J-18, PSE&G stated that during the 2017-2018 heating season, there were 16 customers receiving service under the Rate Schedule TSG-NF (BGSS-I).

Additionally, the College incorrectly argues that "PSE&G's denied without explanation the availability of CEG service during the interruption period" and that "PSE&G has declined to provide sufficient details that would enable to the Board to fully evaluate the matter." PIB p. 24. This argument is also unfounded. Special Provision (n) of the Rate Schedule CIG defines the

circumstances under which PSE&G will offer Extended Gas Service. Specifically, this provision states in part:

Approval of a customer's request [for Extended Gas Service] will be provided on a case by case basis so as not to **adversely impact Public Service's distribution system**. When service under this Rate Schedule is interrupted, service under this Special Provision will be supplied at Public Services option.

Exh. J-1. (emphasis added)

Further, it is not the case that PSE&G denied Extended Gas Service without explanation. PSE&G's notification that Extended Gas Service would not be available included copy of forecasted weather data indicating an average daily temperature of 9.6° for January 5, 2018, and 6° for January 6, 2018. Exh. J-25, p. 3. All things considered, it should have been clear to TCNJ that Extended Gas Service would be unavailable due to gas supply constraints expected to result from the forecasted weather.¹ Further, the Stipulation of Facts filed September 6, 2023, to which TCNJ is a signatory, states that PSE&G's decision not offer Extended Gas Service was made "in light of the weather forecast." Stipulated Facts, par. 22, 23; PIB p. 7. Furthermore, TCNJ has not explained why it believes the record lacks "sufficient details" to permit a determination by the Board, nor has it documented what it believes is needed to aid Board in its determination.

Based on the stipulated record, PSE&G's decision not to offer Extended Gas Service to TCNJ on January 5-6, 2018 during an extremely cold weather event is consistent with its statutory obligation to offer safe, adequate, and proper services to the 1.9 million customers it supplies.

As noted in our Brief, TCNJ's estimated annual savings under is current interruptible CIG tariff is calculated to be about \$1,267,406 compared to LVG, and \$841,695 compared to TSG-NF. Stipulated Facts, par. 4. This is still a significant savings compared to the \$88,000 it

¹ Indeed, TCNJ's continued reliance on the availability of Extended Gas service in order to remain on the CIG tariff demonstrates that TCNJ may in fact be on the wrong tariff.


spent to repair its oil fuel backup system. Stipulated facts, par. 48. Additionally, TCNJ admitted that “TCNJ presently has no contingency plans in the event the Cogen’s fuel oil backup system should fail during an interruption event when Extended Gas Service is not available.” Stipulated Facts, par. 49. Therefore, TCNJ’s argument that the penalty is “unjust and unreasonable” seems to suggest it is facing significant difficulties with remaining on its current interruptible tariff. If the Board does determine that all or part of the penalty to TCNJ should be waived, Rate Counsel suggests that the Board further evaluate whether the interruptible CIG tariff is indeed appropriate for TCNJ going forward.

CONCLUSION

For the above reasons, and the reasons set forth in Rate Counsel Brief in this matter, Petitioner TCNJ’s Motion for Summary Disposition should be denied.

Respectfully submitted,

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By: 

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