



State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

PREHEARING ORDER

OAL DKT. NO. PUC 03991-24

AGENCY DKT. NO. GR24020158

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

BEFORE **JACOB S. GERTSMAN**, ALJ t/a:

Pursuant to N.J.A.C. 1:1-13.1 et seq., a telephone prehearing conference was held in the above-entitled matter on May 8, 2024, and the following procedures were settled.

1. NATURE OF PROCEEDINGS AND ISSUES TO BE RESOLVED

A. Nature of Proceedings: On February 29, 2024, petitioner Elizabethtown Gas Company (Company), filed a petition with the Board of Public Utilities (Board) for approval of an increase in gas base rates, for increased base tariff rates and changes to depreciation rates and other tariff revisions pursuant to N.J.S.A. 48:21 and N.J.S.A. 48:2-21.1, N.J.S.A. 48:2-18, N.J.A.C. 14:1-5.12 and N.J.A.C. 14:1-5.7. The impact of the petition on the bill of an average residential heat customer using 100 therms per month would be an increase of \$21.92 or 15.8 percent.

B. Issues to be resolved: Whether petitioner can establish by the preponderance of credible evidence that:

1. Petitioner's proposed increases to its base rates for natural gas distribution services are just and reasonable.
2. Petitioner should be authorized to implement its proposed depreciation rates.
3. Petitioner's proposed rate base should be utilized to establish petitioner's rates.
4. Petitioner's proposed Uncollectible Adjustment Clause in response to arrears related to the COVID-19 pandemic is just and reasonable.
5. The investments made as part of petitioner's Infrastructure Investment Program are prudent.
6. Petitioner's proposed tariff changes should be approved.
7. Petitioner should be permitted to continue to utilize deferred accounting for costs related to its Transmission Integrity Management Program (TIMP) as previously authorized by the Board.
8. Petitioner should be authorized to recover costs accounted for as part of a regulatory asset related to an Energy and Water Benchmarking Study ordered to be completed pursuant to the Board's order dated September 7, 2022, in BPU Docket No. QO21071023.
9. Petitioner should be authorized to recover deferred costs associated with its most recent management audit in BPU Docket No. GA22030141.
10. Petitioner should be permitted to establish a regulatory asset and recover the costs associated with its rate case filing over a three-year period.
11. Petitioner has complied with the relevant conditions set forth in the 2023 Merger Order after the acquisition of SJI by IIF, BPU Docket No. GM22040270
12. Petitioner has complied with the relevant conditions set forth in the 2018 Acquisition Order dated June 22, 2018, BPU Docket No. GM17121309.
13. Petitioner has met its customer service obligations.

2. PARTIES AND THEIR DESIGNATED ATTORNEYS OR REPRESENTATIVES

A. For petitioner, Elizabethtown Gas Company

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No change in designated trial counsel shall be permitted without leave of the Administrative Law Judge (ALJ) if such change will interfere with the scheduled hearing date or dates. If no special counsel is set forth in this order, any partner or associate may be expected to proceed with trial on the agreed date.

3. SPECIAL LEGAL REQUIREMENTS AS TO NOTICE OF HEARING

None.

4. PUBLIC NOTICE

Public hearings on this matter are to be held on **July 23, 2024**, at 4:30 p.m. and 5:30 p.m. via Zoom Video Communications (Zoom).

5. SCHEDULE OF HEARING DATE, TIME AND PLACE

Evidentiary hearings will take place on **January 21, 22, 23, 28 and 29, 2025** at 9:30 a.m. at the Office of Administrative Law, 9 Quakerbridge Plaza, Mercerville, New Jersey 08619.

6. STIPULATIONS

Upon completion of discovery, the parties are to work on a joint stipulation of facts with joint exhibits such that only the disputed facts will be presented at the hearing. Counsel shall file a joint stipulation of facts, if any is agreed upon, with the undersigned no later than five business days prior to the hearing. The stipulation will contain a recitation of all facts that are not the subject of dispute. Counsel will attach to the stipulation any item of documentary evidence which would be admitted either by consent or without objection. Joint exhibits shall use the designation J-1, etc.

7. SETTLEMENT AGREEMENT

None at this time. Any settlement shall be immediately communicated to the ALJ. This ALJ is available for telephone settlement conference, if necessary.

8. AMENDMENTS TO PLEADINGS

None

9. DISCOVERY AND DATE FOR COMPLETION

A. The parties shall exchange lists of the names and addresses of all persons who may be called to testify as witnesses at the hearing. Except for good cause shown, the undersigned will not permit any witnesses to testify whose name does not appear on these lists. This restriction will not apply to rebuttal witnesses whose testimony cannot be reasonably anticipated.

B. The parties shall exchange copies of all documents that may be relied upon at the hearing. Except as provided below the time limits for discovery will be strictly imposed in accordance with the OAL rules governing discovery unless it is found to be impracticable.

C. The parties have agreed to the following discovery schedule:

2024

Discovery commences on a rolling basis with responses due in accordance with N.J.A.C. 1:1-10.4	May
Pre-hearing conference with ALJ	May 8
Petitioner files 9+3 Update	May 15
First Round of Discovery served by	May 29
Discovery meeting, if necessary	Week of June 24
All second-round discovery served on or before	July 17
Two Virtual Public hearings (4:30 PM and 5:30 PM)	July 23
Discovery meeting, if necessary	Week of July 22
Settlement meetings	Week of July 29
Petitioner files 12+0 Update	July 31
Settlement meetings (if required)	Week of August 5
Rate Counsel/Intervenor Testimony due on or before	August 30
Settlement meetings (if required)	Week of September 9
Discovery on Rate Counsel and Intervenor Testimony	September 13
Rate Counsel and Intervenor responses to discovery	October 11
Petitioner and Intervenor rebuttal testimony	October 22
Discovery served on Rebuttal Testimony	October 31
Responses to discovery on Rebuttal Testimony	November 7

2025

Evidentiary hearings	January 21, 22, 23, 28, 29
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10. ORDER OF PROOFS

The burden of proof is on the petitioner and petitioner shall proceed first.

11. EXHIBITS MARKED FOR IDENTIFICATION

None at this time.

12. EXHIBITS MARKED IN EVIDENCE

All exhibits which the parties intend to use in this matter shall be premarked in the upper right-hand corner of each document and placed in a loose-leaf, three-ring binder, and the premarked exhibits shall be provided to the ALJ, and exchanged with each other, no later than five business days prior to the first scheduled hearing date. Petitioner shall use the designation P-1, etc.; Staff shall use the designation S-1, etc.; Rate Counsel shall use the designation RC-1, etc. If the parties agree as to an exhibit, it should be designated as J-1, etc., and provided to the ALJ by petitioner. Each hearing book shall contain a table of contents along with index separators.

13. ESTIMATED NUMBER OF FACT AND EXPERT WITNESSES

No limitation. As to any expert witness, the offering party shall provide the other parties in the matter with a resume, a written summary of testimony, and reasonable access to all reports, data, investigations, studies, tests, and the like upon which the expert testimony will be based.

14. MOTIONS

Motion practice, if any, will be conducted pursuant to N.J.A.C. 1:1-16 et seq.

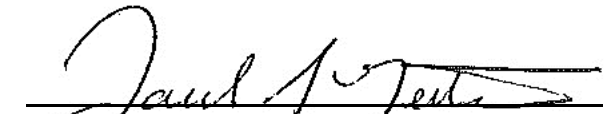
15. **SPECIAL MATTERS**

None

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.

May 16, 2024 _____

DATE



JACOB S. GERTSMAN, ALJ t/a

JSG/nn

c: Clerk OAL-T