



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
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www.nj.gov/bpu/

IN THE MATTER OF THE BOARD'S REVIEW OF THE) AMENDED PREHEARING
PRUDENCY OF THE COSTS INCURRED BY JERSEY) ORDER
CENTRAL POWER AND LIGHT COMPANY IN)
RESPONSE TO MAJOR STORM EVENTS IN 2011) DOCKET NOs. AX13030196
AND 2012) & EO13050391

Parties of Record:

Gregory Eisenstark, Esq., Jersey Central Power and Light Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel
Janine Bauer, Esq., AARP
Catherine E. Tamasik, Esq., Marlboro Township
Tracey Thayer, Esq., Director, New Jersey Natural Gas Company
Martin C. Rothfelder, Esq., Public Service Electric & Gas Company
Stephan Kern, Esq., Gerdau Ameristeel Sayreville, Inc.
Anthony R. Francioso, Esq., Robbinsville Township
Anthony Zarillo, Esq., County of Morris
Steven S. Goldenberg, Esq., New Jersey Large Energy Users Coalition
Matthew J. Giacobbe, Esq., Wayne Township
Fred Semrau, Esq., Township of West Milford

BY COMMISSIONER MARY-ANNA HOLDEN:

On March 20, 2013 the New Jersey Board of Public Utilities ("Board") issued an Order (effective as of April 1, 2013) establishing a generic proceeding to review the prudence of costs incurred by New Jersey utilities in connection with the preparation for, as well as the repair and restoration of service due to multiple major storm events which occurred in 2011 and 2012 ("Generic Storm Costs Proceeding").

Jersey Central Power & Light Company ("JCP&L") filed a base rate case on November 30, 2012 using a 2011 test year which included its costs for the 2011 Major Storms including Hurricane Irene¹. The requested costs for the 2011 Major Storm events total approximately \$164 million.

¹ In the Matter of the Verified Petition of Jersey Central Power and Light Company For Review and

On February 22, 2013, JCP&L filed an "update" to its base rate case filing which included a request for recovery of JCP&L's costs for preparation, response and recovery related to Superstorm Sandy and the subsequent Nor'Easter snowfall. The requested costs for the 2012 Major Storm events total approximately \$603 million.

On March 18, 2013, JCP&L filed a letter with the Board requesting that the Board not sever JCP&L's costs for both storm event years, 2011 and 2012, as its base rate case was pending and the 2012 Base Rate Filing was the appropriate proceeding for review of the Major Storm costs. On April 4, 2013, JCP&L filed a Motion for Reconsideration of the March 20, 2013 Order, asking, among other things, that the Major Storm costs remain in the 2012 Base Rate Filing.

By Order Denying Reconsideration and Clarifying Original Order dated May 31, 2013, the Board reiterated that the Major Storm costs would be reviewed within this proceeding, retained this matter for hearing at the Board, and designated me as the presiding Commissioner with authority to rule on all motions that arise during the proceeding, and set an appropriate schedule. To aid in the setting of that schedule and the framing of the issues to be resolved, after notice, a prehearing conference was held on September 25, 2013.

On October 23, 2013, I issued a Pre-Hearing Order establishing a procedural schedule which inadvertently did not contain the opportunity for JCP&L to file rebuttal testimony and for other parties to issue a round of discovery prior to oral sur-rebuttal at the evidentiary hearings. On further review, I am amending the Prehearing Order to include these additional steps in the procedural schedule. In addition, I am amending the Prehearing Order to include additional parties who subsequently expressed interest in continuing to be involved in this matter.

Accordingly, I **HEREBY ISSUE** the attached Amended Prehearing Order for this matter, and I **HEREBY DIRECT** the parties to comply with its terms.

I **HEREBY DIRECT** that all documents required to be served under the terms of the schedule described on Exhibit A, shall be served by electronic mail, with hard copies provided upon request only. Documents that must be filed with the Board must still be provided in hard copy.

I **HEREBY DIRECT** that this Order be posted on the Board's website.

This provisional ruling is subject to ratification or other alteration by the Board as it deems appropriate during the proceedings in this matter.

DATED: November 13, 2013

BY:



MARY-ANNA HOLDEN
COMMISSIONER

Approval of Increases in and Other Adjustments to Its Rates and Charges for Electric Service, and For Approval of Other Proposed Tariff Revision in Connection Therewith; and for Approval of an Accelerated Reliability Enhancement Program ("2012 Base Rate Filing"), Docket No. ER12111052, OAL Docket No. PUC 16310-2012N

JCP&L Generic Storm Costs Proceeding

AMENDED PREHEARING ORDER

1. NATURE OF PROCEEDINGS AND ISSUES TO BE RESOLVED:

JCP&L seeks Board approval of the prudence, cost effectiveness and cost efficiency of its 2011 and 2012 Major Storm Costs so that those costs can then be recovered in an appropriate proceeding.

A. Issues to be Resolved

- 1) The amount, prudence, cost effectiveness and cost efficiency of the 2011 Major Storm Costs; and
- 2) The amount, prudence, cost effectiveness and cost efficiency of the 2012 Major Storm Costs.

2. PARTIES AND THEIR DESIGNATED ATTORNEYS:

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3. **SPECIAL LEGAL REQUIREMENTS AS TO NOTICE OF HEARING:**

None at this time.

4. **SCHEDULE OF HEARING DATES, TIME AND PLACE:**

Evidentiary hearings will be held on 4 of the following dates (based on availability of space at the Office of Administrative Law and subject to developments in Commissioner Holden's schedule): January 13, 14, 16, 17, 24, 27 and 31, 2014, starting at 9:00 a.m. on each selected day at the Office of Administrative Law, 33 Washington Street, Newark, New Jersey. Notice of selected dates will be provided when confirmed with the OAL.

5. **STIPULATIONS:**

None at this time.

6. **SETTLEMENT:**

Parties are encouraged to engage in settlement discussions. All parties shall be given notice and a meaningful opportunity to participate in settlement discussions before any settlement is finalized.

7. **AMENDMENTS TO PLEADINGS:**

None at this time.

8. **DISCOVERY AND DATE FOR COMPLETION:**

The time limits for discovery shall be in accordance with N.J.A.C. 1:1-10.4 or as provided in Exhibit A. Unless I otherwise provide, all discovery shall be completed in accordance with the schedule in Exhibit A.

9. **ORDER OF PROOFS:**

JCP&L has the burden of proof.

Witnesses will be presented in the following order unless otherwise agreed to by the parties:

First – JCP&L

Second – Rate Counsel

Third – Interveners

Fourth – BPU Staff

The parties will agree on the proposed schedule of witnesses no later than ten (10) days before the first hearing date.

10. **EXHIBITS MARKED FOR IDENTIFICATION:**

None at this time.

11. **EXHIBITS MARKED INTO EVIDENCE:**

None at this time.

12. **ESTIMATED NUMBER OF FACTS AND EXPERT WITNESSES:**

JCP&L will present the following three witnesses: Jeffrey S. Cummings, Steven E. Strah and Mark A. Mader. Additional witnesses may be identified by JCP&L as necessary for purposes of rebuttal or sur-rebuttal.

Rate Counsel will present Peter Lanzaotta. Additional witnesses may be identified by Rate Counsel as necessary for purposes of rebuttal or sur-rebuttal.

Intervenors reserve the right to present witnesses but have none to identify at this time. Any party substituting witnesses shall identify such witnesses within five (5) days of determining to replace a witness, and in no event later than five (5) days before the filing of testimony of a substitute witness. All direct testimony will be pre-filed, and all witnesses submitting pre-filed direct testimony will be subject to cross-examination at evidentiary hearings unless the parties agree otherwise.

13. **MOTIONS:**

None at this time.

14. **SPECIAL MATTERS:**

None at this time.

Exhibit A

**IN THE MATTER OF THE BOARD'S REVIEW OF THE PRUDENCY OF THE COSTS
INCURRED BY JERSEY CENTRAL POWER AND LIGHT COMPANY IN RESPONSE TO
MAJOR STORM EVENTS IN 2011 AND 2012
BPU DOCKET NOS. AX13030196 & EO13050391**

PROCEDURAL SCHEDULE

October 25, 2013: Deadline for additional discovery requests

November 6, 2013: Deadline for responses to discovery requests

Date to be determined: Settlement discussions/discovery conference

November 15, 2013: Rate Counsel and Interveners file direct testimony

November 27, 2013: Discovery propounded on Rate Council and Intervener Testimony

December 6, 2013: Responses to discovery on Rate Counsel and Intervener Testimony

December 20, 2013: Company Rebuttal

Date to be determined: Settlement discussions/discovery conference

December 30, 2013: Discovery on JCP&L Rebuttal

January 10, 2014: Responses to discovery on Company Rebuttal

January 13 to 31, 2014: Four days of Evidentiary Hearings with live sur-rebuttal (subject to OAL in Newark confirmation on four of the following dates January 13, 14, 16, 17, 24, 27 and 31)

End of February: Initial and reply briefs