

48:3-60(a) shows a legislative intent that the SBC be applied to all customers at the same level, and in practice the SBC charge varies between the utilities.

By Order dated November 16, 2015, the Board approved the 2015 CSG Agreement between Soundview and PSE&G for a term of seven (7) years.² In the 2015 Order, the Board approved a discount of the SBC associated with Soundview's natural gas distribution service. Under the discount, Soundview was required to pay only the CEP portion of the SBC.

By Order dated December 18, 2018, the Board approved a discounted SBC for the electric usage of Soundview.³ The 2018 Electric SBC Order approved a 50% reduction to Soundview's electric SBC obligations. The 50% electric SBC reduction also expired on December 1, 2022. The joint position approved by the 2018 Electric SBC Order included a condition wherein Soundview committed to not withdraw funds from the CEP while the SBC reduction was in effect.

By Order dated September 27, 2019, the Board approved discounted SBC rates for the electric and natural gas usage of Soundview.⁴ The September 2019 Order approved a 75% discount of the total SBC rate that is billed by PSE&G to Soundview for electric service and natural gas service, which will expire on December 1, 2022.

August 2022 Petition

In the August 2022 Petition, Marcal requested a three-year extension in agreements governing the SBC that Marcal pays for electric and gas service. Concurrently, a Motion for Admission Pro Hac Vice in New Jersey for Robert A. Weishaar, Jr. was filed with the Board.⁵ Marcal stated that it has not withdrawn any CEP funds since the Board approved the current 75% SBC discounts for natural gas and electric service at the Marcal Mill. Marcal previously reviewed and considered applying for funds for a natural gas fired, cogeneration facility ("Co-Gen Unit"). However, Marcal indicated that it does not anticipate further exploring the possibility in the immediate future. Marcal noted that if it decides to further explore the installation and use of a Co-Gen Unit at the mill and finalizes plans to use a Co-Gen Unit, Marcal affirmed that it would surrender any SBC discounts that are currently in place before the Co-Gen Unit is energized.

In addition, Marcal requested expedited review and processing of the matter to avoid further financial strain in the event Marcal does not receive the extensions prior to the SBC discounts' expiration on December 1, 2022.

² In re the Petition of Soundview Paper Company, LLC for Approval of a Rate Schedule CSG Transportation Service Agreement Between Public Service Electric and Gas Company and Soundview Paper Company, LLC and In re Rate Schedule CSG Transportation Service Agreement Between Public Service Electric and Gas Company and Marcal Manufacturing, LLC and the Potential Discount of Societal Benefits Charges, BPU Docket Nos. GR14111287 and GR15060659, Order dated November 16, 2015 ("2015 Order"). Based upon the effective date, the CSG Agreement and gas SBC discount would expire December 1, 2022.

³ In re the Petition of Soundview Paper Company, LLC for Approval of a Reduction of the Societal Benefits Charge, BPU Docket No. ER18070706, Order dated December 18, 2018 ("2018 Electric SBC Order").

⁴ In re the Petition of Soundview Paper Company, LLC to Modify the Electric and Natural Gas Societal Benefits Charge Due to Changed Circumstances, BPU Docket Nos. ER19070812 and GR19070813, Order dated September 27, 2019 ("September 2019 Order").

⁵ Robert A. Weishaar, Jr., Esq. is a member of the bars of Pennsylvania, the District of Columbia and Maryland.

On September 30, 2022, PSE&G filed a motion to intervene pursuant to N.J.A.C. 1:1-16.1 – 16.4.

On October 12, 2022, the New Jersey Division of Rate Counsel (“Rate Counsel”) filed a response to PSE&G’s motion to intervene in this matter and did not object to the motion being granted. By Order dated October 26, 2022, the Board granted PSE&G’s motion to intervene and admitted Robert A. Weishaar, Jr., Esq. pro hac vice on behalf of Marcal.⁶

Temporary Extension

On October 24, 2022, Marcal filed a letter with the Board requesting a temporary extension in the current SBC rates assessed to Marcal to avoid the lapsing of the current discounted SBC rates on December 1, 2022. On October 25, 2022, Rate Counsel filed comments with the Board stating that the August 2022 Petition is presently under review and discovery and additional time are needed to complete a comprehensive review. Rate Counsel stated that it does not oppose a temporary extension of the current SBC discount.

DISCUSSIONS AND FINDINGS

As mentioned in the Discount Contract Order, nothing in N.J.S.A. 48:3-60(a) shows a legislative intent that the SBC be applied to all customers at the same level, and in practice the SBC charge varies between the utilities. In addition, the Board re-affirms that it has the necessary authority to approve discounted SBC discount rates in appropriate circumstances.

The Board’s authorization to provide discounted SBC rates covers providing such rates to avoid a loss of load. In 2014, the Board determined that a combined heat and power facility qualified for a discounted gas service rate on the basis of “other considerations” under the PSE&G gas tariff.⁷ In effect, the Board discounted the SBC applicable to gas distribution service to avoid the loss of the customer and its entire contribution to the SBC.

The Board has reviewed the record to date in the August 2022 Petition. The Board **FINDS** that the timing of the August 2022 Petition does not permit sufficient time prior to the expiration of the existing discounted rate for the parties to complete comprehensive reviews of the petition and make recommendations regarding whether or not Marcal should be permitted to continue to receive this discount for a three-year period.

⁶ In re the Petition of Marcal Manufacturing, LLC for a Three-Year Extension in Electric and Gas Societal Benefits Charges, BPU Docket No. GR22080486, Order dated October 26, 2022.

⁷ In re Rate Schedule CSG Transportation Service Agreement Between Public Service Electric and Gas Company and Homasote Company and the Potential Discount of Societal Benefits Charges, Order dated April 15, 2015 and Decision and Order Approving Gas Service Agreement, BPU Docket No. GR14030266, Order dated December 17, 2014.

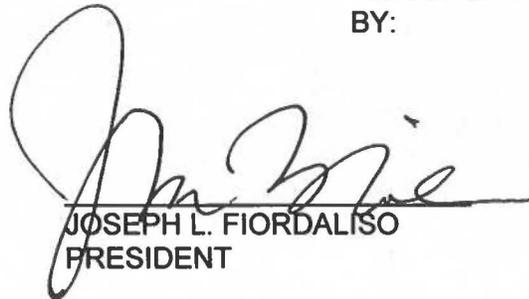
Therefore, it would be premature for the Board to approve a three-year extension of the SBC discounts at this time. However, based on the prima facie case that Marcal made in the August 2022 Petition for extending its SBC discounts for natural gas and electric service at the Marcal Mill, the Board does not believe it would be appropriate for Marcal's discount to expire on December 1, 2022 while this matter is under review. Therefore, the Board **HEREBY FINDS** that a temporary extension of the discounted electric and gas SBC rates is appropriate pursuant to N.J.S.A. 48:3-60(a). The Board **FURTHER FINDS** that, until the a final order is issued in this matter, Marcal must continue to pay 25% of the electric and natural gas SBC charges as billed to Marcal by PSE&G.

Therefore, the Board **HEREBY APPROVES** the continuation of the discounted electric and natural gas SBC rates applicable to Marcal for services rendered on or after December 1, 2022, until a final determination is rendered in the matter.

The effective date of this Board Order is November 16, 2022.

DATED: November 9, 2022

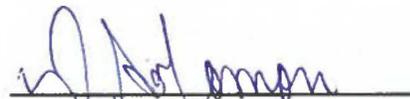
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ATTEST:



CARMEN D. DIAZ
ACTING SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities.

IN THE MATTER OF THE PETITION OF MARCAL MANUFACTURING, LLC FOR A THREE-
YEAR EXTENSION IN ELECTRIC AND NATURAL GAS SOCIETAL BENEFITS CHARGES
DOCKET NO. GR22080486

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