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November 30, 2018

In The Matter Of The Petition Of
Public Service Electric And Gas Company
To Modify Its Manufactured Gas Plant (MGP) Remediation Component
Within Its Electric Societal Benefits Charge (SBC)
And Its Gas SBC; During The Remediation
Adjustment Charge (RAC) 26 Period, August 1, 2017, to July 31, 2018

BPU Docket No. _____

VIA E-FILING & OVERNIGHT MAIL

Aida Camacho-Welch, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
P.O. Box 350
Trenton, New Jersey 08625-0350

Dear Secretary Camacho-Welch:

Enclosed for filing please find the original and two copies of Public Service Electric and Gas Company's Petition and attachments in the above-referenced RAC 26 matter.

Very truly yours,

A handwritten signature in blue ink that reads "Matthew Weissman".

C Attached Service List (via e-mail)

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STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF)
PUBLIC SERVICE ELECTRIC AND GAS) PETITION
COMPANY TO MODIFY ITS MANUFACTURED)
GAS PLANT (MGP) REMEDIATION) DOCKET NO. _____
COMPONENT WITHIN ITS ELECTRIC)
SOCIETAL BENEFITS CHARGE (SBC) AND ITS)
GAS SBC; DURING THE REMEDIATION)
ADJUSTMENT CHARGE (RAC) 26)
PERIOD, AUGUST 1, 2017 TO JULY 31, 2018)

Public Service Electric and Gas Company (Public Service, the Company), a Corporation of the State of New Jersey, having its principal offices at 80 Park Plaza, Newark, New Jersey, respectfully requests that the New Jersey Board of Public Utilities (Board), approve recovery of its Manufactured Gas Plant (MGP) Remediation Program Costs (Program Costs) incurred during the Remediation Adjustment Charge (RAC) period August 1, 2017 through July 31, 2018 (RAC 26), as described below:

1. Public Service is engaged in the transmission, distribution and sale of electric energy for residential, commercial and industrial purposes and is engaged in the purchase, transmission, distribution and sale of natural gas for residential, commercial and industrial purposes within the State of New Jersey.

2. On September 15, 1993, the Board issued an Order, BPU Docket No. ER91111698J, OAL Docket No. PUC-11058-91, pertaining to the recovery of Program Costs. This Order addressed the actual costs incurred after September 30, 1992 and established the RAC. The RAC as approved by the Board provides for an amortization over a rolling seven-year period of actual, reasonably incurred costs. The Board also approved a carrying cost, reflecting the interest rate at that time on medium-term bonds, at 6.25 percent on the unamortized balance, excluding deferred

taxes. The Board, in addition to approving the recovery mechanism, established an allocation method for recovery of these costs from customers, namely 60 percent to gas customers and 40 percent to electric customers.

3. On January 13, 1994, as a result of a Technical Conference, the Company, Board Staff and Ratepayer Advocate entered into a Stipulation (Technical Conference Stipulation) resolving all but two of the remaining Manufactured Gas Plant Remediation Program issues: the allocation of costs to contract cogenerators and sales of property.

4. Included within the above-referenced Technical Conference Stipulation was an agreement that the Company having filed in July for approval of its prior period RAC costs could, for billing and accounting purposes, reflect a change to the non-RAC components of its Levelized Gas Adjustment Clause (LGAC) and Levelized Electric Adjustment Clause (LEAC), subject to reconciliation in the next RAC proceeding.

5. At its Agenda Meeting of January 19, 1994, the Board approved the Technical Conference Stipulation. The Board Order dated November 4, 1994 (Technical Conference Order) determined that the allocation to the contract cogenerators would be done on the base rate increase method rather than on a volumetric basis. Also, pursuant to the Board's Technical Conference Order, the Company each year is to file an update to its actual RAC costs incurred from August of the prior year through July, with recovery beginning on October 1 of that year.

6. The Remediation Program Costs incurred from October 1, 1992 through July 31, 1994 (RAC 1 and 2) were allocated to the Company's gas and electric operations and were approved by the Board for recovery through the Company's LGAC on December 21, 1994 and through the LEAC on May 5, 1995, respectively.

7. The Company subsequently filed with the Board requests for the recovery of RAC Program Costs for the RAC 3 through RAC 25 periods (July 1995 through July 2017). The recovery of RAC Program Costs and carrying costs on unamortized balances for the above-mentioned RAC periods have been approved by the Board through RAC 25 in previous Decisions and Orders.

8. In this filing, the Company seeks an Order by April 1, 2019 finding that its RAC activities conducted and Program Costs incurred during the RAC 26 period, August 1, 2017 through July 31, 2018, are reasonable and are appropriate for recovery. The Company further requests that such Order find that it is reasonable to increase the existing gas Manufactured Gas Plant Remediation component of the Societal Benefits Charge and decrease the electric Manufactured Gas Plant Remediation component of the Societal Benefits Charge, herein after referred to as the RAC rates. The gas RAC factor as shown on Attachment A-2, page 2 calculates a new rate of \$0.015617/therm (excluding New Jersey Sales and Use Tax, SUT), an increase from the current RAC rate of \$0.013692/therm (excluding SUT), or by \$4.958 million. The electric RAC factor as shown on Attachment A-2, page 2 calculates a new rate of \$0.000579/kilowatt-hour (excluding line losses and SUT), an increase from the current RAC rate of \$0.000496/ kilowatt-hour (excluding line losses and SUT), or by \$3.535 million. Attachment A-2, page 2 also calculates the decrease for the RAC factors inclusive of line losses for Secondary service as well as for LPL Primary, HTS Sub-transmission, and HTS High Voltage. Typical residential bill impacts resulting from this filing are attached to this Petition as Attachment E.

9. Appended to this Petition as Attachment A are the testimony and exhibits of Donna M. Powell, quantifying the Program Costs incurred by Public Service in the furtherance

of its Remediation Program during the RAC 26 period at \$44,266,324. Ms. Powell credited insurance proceeds of \$6,000,000 against the RAC 26 annual program costs as well as other miscellaneous recoveries received of \$2,365,052. In accordance with the Board Order approving the Settlement Agreement for the Company's RAC 15 filing,¹ PSE&G will defer, for future recovery, \$11,589 of adjusted NRD-related interest costs incurred during the RAC 26 period. The Company will continue to defer the NRD-related MGP until the Board has addressed the rate recoverability of such costs through the RAC mechanism. Therefore, the net annual RAC 26 costs proposed for recovery in this filing, less the deferred NRD-related MGP costs, is \$35,899,683. (*See Attachments A-3, page 1 of Ms. Powell's testimony*).

10. Ms. Powell's testimony describes the method for quantifying the Program Costs (i.e., the Board-approved 1/7 methodology). In addition, Ms. Powell explains that the Company is requesting recovery of carrying costs on its unamortized remediation program balance, and the true-up and recovery of RAC 25 costs. As described in Ms. Powell's testimony, the above Program Costs were allocated to gas and electric customers on a 60/40 percent basis pursuant to the Board Order in Docket No. ER91111698J dated September 15, 1993, and, pursuant to that Order, are to be recovered over a rolling seven-year period.

11. Appended to this Petition as Attachment B is the testimony of Richard A. Blackman that provides a history of the clean-up for each MGP site and an on-going report on the status of the clean-up, remedial investigative work and any resolution before the New Jersey Department of Environmental Protection (NJDEP). Mr. Blackman's testimony supports the

¹ BPU RAC 15 Order, Docket Number ER07120970 (October 3, 2008).

reasonableness of the Company's clean-up activities in the furtherance of its RAC 26 period MGP Remediation Program.

12. It should also be noted that the Board of Public Utilities approved the sale of sale of lots 1-7 of Oak Street of the Hobart Avenue Gas works in January 2018. A total of \$501,857 was received and credited to the RAC, as a benefit to the RAC ratepayers, during the RAC 26 period.

13. Appended to this Petition as Attachment C is the testimony of Mr. Stephen Swetz. The purpose of this testimony is to discuss PSE&G's derivation of its proposed rates associated with the RAC 26, which PSE&G requests be implemented on April 1, 2019. The Company is proposing that the current gas RAC factor of \$0.013692/therm excluding SUT be increased to \$0.015617/therm excluding SUT and the current secondary service electric RAC factor of \$0.000496/kilowatt-hour excluding line losses and SUT be increased to \$0.000579.

14. Proposed tariff sheets are attached to this Petition as Attachment D.

15. Typical residential bill impacts resulting from this filing are attached to this Petition as Attachment E.

16. In addition, Public Service has appended hereto, as Attachment F, a form of Notice of Filing.

17. Communications and correspondence related to the Petition should be sent as follows:

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WHEREFORE, Public Service respectfully requests an Order by April 1, 2019:

- a) Determining that its Program Activities completed during the RAC 26 period were prudent;
- b) Determining that the program costs incurred for the RAC 26 period are reasonable and appropriate for recovery; and
- c) Determining that it is reasonable for the Company to update its existing electric and gas RAC rates to \$0.000579/kilowatt-hour (excluding losses and SUT) and \$0.015617/therm (excluding SUT), respectively.

Respectfully submitted,

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

DATED: November 30, 2018

By



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1 **PUBLIC SERVICE ELECTRIC AND GAS COMPANY**

2
3 **DIRECT TESTIMONY**
4 **OF**
5 **DONNA M. POWELL**

6 My name is Donna M. Powell and I am employed by PSEG Services
7 Corporation (PSEG Services), a subsidiary of Public Service Enterprise Group
8 Incorporated (PSEG or Enterprise), as Assistant Controller, Public Service Electric
9 and Gas Company (PSE&G or the Company). I am responsible for all accounting
10 matters for PSE&G. My business address is 80 Park Plaza, Newark, New Jersey. My
11 professional background and qualifications as a witness in this proceeding are
12 included in Attachment A-1 of this testimony.

13 **PURPOSE OF TESTIMONY**

14 My testimony presents PSE&G's proposed changes to its Manufactured
15 Gas Plant Remediation component of the Societal Benefits Charge (SBC), herein after
16 referred to as the Remediation Adjustment Charge (RAC) for the RAC 26 period,
17 including recording of the remediation program costs through the SBC, the
18 calculation of carrying costs on the unamortized remediation program balance and the
19 true-up and recovery of RAC 25 costs. The RAC is a separate component of the SBC,
20 as created by the Electric Discount and Energy Competition Act (EDECA).

1 **OVERVIEW AND BACKGROUND OF PSE&G'S REMEDIATION**
2 **PROGRAM**

3
4 PSE&G has implemented a program to address environmental
5 remediation regarding the Company's former Manufactured Gas Plant (MGP)
6 properties in cooperation with and under the direction of the New Jersey Department
7 of Environmental Protection (NJDEP). To date, PSE&G has entered into 11
8 Administrative Consent Orders (ACO) plus 26 Memorandums of Agreement (MOA)
9 with the NJDEP covering 38 sites, as fully discussed in the testimony of Richard A.
10 Blackman (Attachment B to the Petition).

11 Effective August 1, 1999, the Company implemented its Electric SBC and
12 on August 1, 2000 implemented its Gas SBC, as created by the Electric Discount and
13 Energy Competition Act (EDECA). Section 12(a) (4) of EDECA authorizes the
14 recovery of manufactured gas plant remediation costs. The Final Decision and Order in
15 the Company's electric restructuring case and its Gas Unbundling Order set forth the
16 components within the SBC and afforded deferred accounting treatment on the
17 over/under recovery of gas remediation costs, including an interest component. The
18 Stipulation in the electric restructuring case states with respect to the SBC costs that
19 "Actual costs incurred by the Company for each of these components will be subject
20 to deferred accounting." Actual remediation costs incurred are deferred, subject to
21 recovery in future SBC proceedings. The remediation costs, less the recovery of
22 insurance proceeds, are being recovered from ratepayers over a 7-year period. All of

1 the PSE&G remediation costs are net of miscellaneous recoveries and insurance
2 proceeds, and have been filed and recovered in that manner since the implementation
3 of the RAC.

4 Subsequently, the Board has approved the recovery of the Company's
5 MGP costs through its RAC rates in all RAC periods through RAC 25, including the
6 most recent Board Order on October 29, 2018. The term "RAC period" as used in
7 testimony is the twelve (12) month period from August 1 to July 31. The current gas
8 and electric SBC tariffs include a provision for the recovery of RAC costs through the
9 SBC, equal to the recovery of 1/7 of RAC 19 through RAC 25 costs for the period
10 ending July 31, 2017. PSE&G has summarized the RAC 26 remediation program
11 costs for the twelve-month period ended July 31, 2018 in its Petition (Attachment A-
12 2, page 1) and included the detailed remediation program costs and credits by month,
13 for that same period in Attachment A-3, page 1. The costs include those incurred by
14 the Company that are associated with the investigation and clean-up of former
15 manufactured gas plant facilities, in accordance with clean-up and the associated work
16 programs directed and approved by the NJDEP as more fully described and addressed
17 in the testimony of Richard A. Blackman, and costs of investigations and related
18 litigation regarding alleged contamination of waterways adjacent to such former
19 manufactured gas plant facilities.

1 **THE PROPOSED REMEDIATION ADJUSTMENT CHARGE (RAC 26)**
2 **EXPENDITURES ARE FAIRLY STATED**

3
4 Attachment A-2, page 1 of 2 details the required RAC collection of
5 \$71.189 million after applying the Board-approved seven-year amortization, carrying
6 charges and RAC 25 true-up. Attachment A-2, page 2 details the allocation of the
7 required RAC collection between gas and electric customers in the amounts of \$45.669
8 million and \$25.520 million, respectively.

9 The Company is requesting recovery of the program costs for the RAC
10 26 period, net of insurance and NRD-related MGP costs, and proposes to include 1/7 of
11 these costs in the RAC consistent with current Board policy. The RAC 26 filing also
12 includes the request for recovery of carrying costs on its unamortized remediation
13 program balance and the true-up and recovery of RAC 25 costs. RAC 26 would
14 continue to include the previously approved amortizations of costs for the RAC 20
15 through RAC 25 periods (Attachment A-2, page 1). Attachment A-2, page 2 details the
16 allocation between gas and electric customers, including the related customer classes.
17 The gas RAC factor as shown on Attachment A-2, page 2 calculates a new rate of
18 \$0.016652/therm including current New Jersey Sales and Use Tax (SUT) of 6.625%, an
19 increase from the current rate of \$0.014599/therm including SUT of 6.625%. The
20 electric RAC factors as shown on Attachment A-2, page 2 calculates an increase for
21 electric Secondary service customers from \$0.000572 /kilowatt-hour including line
22 losses and SUT to \$0.000656/kilowatt-hour including line losses and current New Jersey

1 Sales and Use Tax (SUT) of 6.625%, as well an increase in the proposed RAC factors
2 for LPL Primary, HTS Sub-transmission, and HTS High Voltage. As detailed on
3 Attachment A-3, page 1, the RAC 26 gross program costs incurred during the twelve-
4 month period ending July 31, 2018, aggregated \$44,266,324. The gross program
5 costs incurred have been reduced by a total of \$8,376,641 representing insurance
6 proceeds (net) received of \$6,000,000, other miscellaneous recoveries received of
7 \$2,365,052 and deferred Natural Resource Damage (Interest only) of \$11,589.

8

9 **NATURAL RESOURCE DAMAGE (NRD) RELATED MGP COSTS**

10 In accordance with the BPU-approved Settlement Agreement for the
11 Company's previous RAC 15 filing, PSE&G has deferred NRD costs identified in the
12 RAC 15 through 25 periods pending BPU review and approval of recoverability of
13 such costs through the RAC mechanism. A total of \$747,776 inclusive of applicable
14 interest has been deferred to date.

15 Therefore, the net annual RAC 26 costs proposed for recovery in this
16 filing, less miscellaneous recoveries, insurance recovery and the deferred NRD-
17 related interest, is \$35,889,683 (See Attachment A-3, page 1).

1 **THE TRUE UP OF UNRECOVERED RAC 23 COSTS**

2
3 The RAC 26 Petition includes a true-up and recovery of the RAC 25
4 costs in the amount of \$8.927 million for gas and \$1.304 million for electric, based
5 upon a comparison of the approved RAC 25 costs with the actual recoveries during
6 the period from October 1, 2017 through September 30, 2018. The supporting detail
7 for the RAC 25 true-up is set forth in Attachment A-3, page 2.

8
9 **CARRYING COSTS ON UNRECOVERED REMEDIATION PROGRAM**
10 **BALANCE**

11
12 The carrying costs for the RAC 26 filing of \$5.433 million for gas and
13 \$3.344 million for electric, for the period August 2018 through June 2020 are based
14 on the unamortized deferred ending balance for the RAC 26 period. The supporting
15 detail for the carrying costs is included in Attachment A-5, page 2 (Gas) and page 4
16 (Electric).

17 The interest rate for the RAC is based on seven-year constant maturity
18 treasuries, as shown in the Federal Reserve Statistical Release on or closest to August
19 1, of each year, plus 60 basis points. As of August 1, 2017, the rate was 2.07%, plus
20 60 basis points, which equates to a total interest rate of 2.67%. Effective August 1,
21 2018, the rate was 2.96%, plus 60 basis points, which equates to a total interest rate of
22 3.56%.

1 **OTHER - SALES OF PROPERTY**

2 PSE&G, in accordance with the Board's Decision and Order dated
3 November 4, 1994, was ordered to notify the Board of any sale of remediation
4 property 60 days prior to sale. Remediation property was defined in that Order as (a)
5 property whose purchase price was included in RAC expenditures in part or in full or
6 (b) property whose RAC expenditures were recovered in part or in full from PSE&G
7 customers.

8 The BPU originally approved the sale of lots 1-7 of Oak Street of the
9 Hobart Avenue Gas works in October 2017. A deposit in the amount of \$54,250 was
10 received and credited to the RAC, as a benefit to the RAC ratepayers, during the RAC
11 25 period. This property sale was finalized during the RAC 26 period and an
12 additional \$492,165 was received and credited to the RAC, as a benefit to the RAC
13 ratepayers, during the RAC 26 period. In addition, \$9,692 was received during the
14 RAC 26 period from an escrow release associated with the sale of the South Amboy
15 property which was approved by the BPU in April 2016 with the sale proceeds,
16 excluding escrow, credited to the RAC ratepayers during the RAC 24 period. The
17 total proceeds from both the Oak Street and South Amboy sites received during the
18 RAC 26 period was \$501,957 and is shown as a miscellaneous recovery (See
19 Attachment A-3, page 1).

1 **SUMMARY and CONCLUSION**

2 Based on the above detail, PSE&G is requesting rates that are
3 anticipated to provide for annual recovery of \$45.669 million through the gas SBC
4 and \$25.520 million through the electric SBC. This testimony and the attached
5 schedules fully support the Company's request in this matter and comply with all Board
6 Orders pertaining to MGP cost recovery.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

**PROFESSIONAL QUALIFICATIONS
OF
DONNA M. POWELL
ASSISTANT CONTROLLER**

I hold a B.S in Accounting from Villanova University and I am a Certified Public Accountant. I have been employed at PSEG Services since February 2012, serving as Assistant Controller-PSE&G. I have previously testified on behalf of PSE&G to the BPU. In my role as Assistant Controller – PSE&G, I am responsible for all regulatory accounting matters for PSE&G and I direct the utility accounting functions including regulatory compliance thereon.

Prior to joining PSEG I had been employed by New Jersey American Water Company from 2007 to 2012 as Vice-President of Finance where I was responsible for all of the financial aspects of that Company, including business planning, regulatory strategy and rate support, and all financial, statutory and management reporting. From 1998 to 2007, I worked in various financial capacities at Pepco Holdings, Inc. (formerly Conectiv, Inc. and Atlantic City Electric Company), including testifying before the New Jersey Board of Public Utilities in 1998 in support of Atlantic City Electric Company's request for stranded cost recovery as a result of deregulation. I also worked for nine years

with Deloitte & Touche in various capacities from entry level auditor through Senior Manager, where, in that role, I worked primarily in the utility sector and was designated a utility industry accounting and auditing expert.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

**DIRECT TESTIMONY
OF
Richard A. Blackman**

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7 My name is Richard A. Blackman, Director – Environmental Projects, in the
8 Delivery Projects and Construction Department of Public Service Electric and Gas
9 Company (PSE&G or Public Service). My professional credentials are attached as
10 Attachment B-1. The purpose of my testimony in this proceeding is to provide relevant
11 facts and support the reasonableness of the PSE&G Manufactured Gas Plant (MGP)
12 Remediation Program.

13 Public Service is currently implementing a program to address potential
14 environmental concerns regarding the Company's former MGP properties under the
15 direction and oversight of the New Jersey Department of Environmental Protection
16 (NJDEP). To date, Public Service has entered into 11 Administrative Consent Orders
17 (ACO) with the NJDEP covering the former Bordentown, Gloucester, Hackensack, Hobart
18 Avenue (Bayonne), Mount Holly, Morristown (Parcels 3 and 4), Paterson, Ridgewood,
19 Riverton, South Amboy and Woodbury sites, plus 26 Memoranda of Agreement (MOA)
20 with the NJDEP covering the former Harrison Gas Plant, Brunswick Avenue Gas Plant
21 (Trenton), Front Street Gas Works (Newark), Medford Gas Works, Central Gas Plant
22 (Edison), Market Street Gas Works (Newark), West End Gas Plant (Jersey City), East
23 Newark Gas Works, Morristown Gas Works (Parcel 1 and 2), Camden Gas Plant,
24 Burlington Gas Works, Plainfield Gas Works, Princeton Gas Works, Hoboken Gas Works,
25 East Rutherford Gas Works, Bloomfield Gas Works, Chauncey Street Gas Works
26 (Trenton), Englewood Gas Works, Fulton Street Gas Works (Paterson), Paulsboro Gas
27 Works, Somerville Gas Works, New Brunswick Gas Works and South Warren Street Gas

1 Works (Trenton), Jersey Street Gas Works (Paterson), Passaic Gas Works, and Halladay
2 Street Gas Works (Jersey City). In addition, the Company is engaged in third-party claims
3 with respect to the former Hackensack Gas Works, Camden Coke Plant, Provost Street Gas
4 Works, and the Lower Passaic Study Area (within which are located the former Market
5 Street Gas Works, East Newark Gas Works, Front Street Gas Works and Harrison Gas
6 Works).

7 In accordance with the New Jersey Site Remediation Reform Act that became
8 effective on May 7, 2009, PSE&G has retained Licensed Site Remediation Professionals
9 (LSRP) for each of the aforementioned sites. After a discussion of Natural Resources
10 Damages, the status of each site is described below.

11 **Natural Resource Damages (NRD) from MGP Sites**

12 The Company has been notified by the NJDEP and United States Environmental
13 Protection Agency (USEPA) that coal tar contamination at certain of its MGP sites may
14 have resulted in Natural Resource Damages. As Public Service has explained in
15 discovery responses in prior Remediation Adjustment Charge (RAC) proceedings before
16 the New Jersey Board of Public Utilities (Board or BPU), and in prior Petitions to the
17 BPU, the restoration of damaged resources is an integral part of the remediation of a
18 contaminated MGP site and these costs and any amounts assessed by NJDEP or USEPA
19 are part of the overall cost of site remediation for former Manufactured Gas Plants.

20 During the RAC 26 period, Public Service did not incur any costs for NRD claims
21 or assessments, other than interest on past NRD assessments, in conjunction with its
22 MGP remediation program. The following sections describe the activities that are either

1 ongoing or were completed during the period August 1, 2017 through July 31, 2018 (the
2 RAC 26 period).

3 **Bloomfield Gas Works**

4 The Bloomfield Gas Works site is composed of two parcels referred to as the “Former
5 Substation” property that is owned by PSE&G (through New Jersey Properties) and the
6 “50 West Street” property that is owned by Hartz Mountain. A third parcel located
7 adjacent to the Bloomfield Gas Works site was impacted by the former gas works
8 operations is located at 55/57 West Street. A RAWP for the three parcels was submitted
9 to NJDEP during March 2008 and was approved by letter dated July 31, 2008.

10 The remediation of soil on the Former Substation property was completed in 2010. The
11 RAR for this work was submitted in September 2010 and approved by NJDEP on January
12 13, 2011. The NJDEP issued a Soil RAP and the LSRP issued a RAO for the Former
13 Substation property in June 2012.

14 A Deed Notice and Access Agreement for the Hartz Mountain parcel was executed by
15 PSE&G in June 2014. During August and September 2016 groundwater and soil
16 sampling was conducted in the 50 West Street parcel. A site-wide final RIR was
17 submitted to the NJDEP on May 4, 2017.

18 **Bordentown Gas Works**

19 The remediation of soils at the Bordentown Gas Works site has been completed and a
20 NFA letter for soils was issued by the NJDEP on December 24, 2002. A Groundwater
21 CEA was approved on August 20, 2004. The NRD Settlement effective January 24, 2006
22 required transfer of property ownership from PSE&G and New Jersey Properties to the

1 City of Bordentown who accepted ownership on August 1, 2007. The NJDEP removed
2 the CEA in June 2013 The NJDEP issued Soil RAPs in February 2014.

3 **Brunswick Avenue Gas Works**

4 The remediation of soils at the Brunswick Avenue Gas Works site was completed in 2004
5 and an NFA letter for soil was issued by the NJDEP on February 13, 2004. A Soil RAP
6 was issued by the NJDEP in February 2015. A Groundwater CEA was issued by the
7 NJDEP on December 4, 2001. A Groundwater RIR was approved by the LSRP in
8 December 2013. A revised Groundwater CEA application was submitted to the NJDEP in
9 October 2014. A Groundwater CEA with an indeterminate duration was issued by the
10 NJDEP in July 2016. A Groundwater RAR and RAP application was submitted to the
11 NJDEP on April 20, 2018.

12 **Burlington Gas Works**

13 The remediation of soil at the Burlington Gas Works site was completed 2005 and an
14 NFA letter for soil was issued by the NJDEP on July 13, 2006. On June 19, 2009 the
15 NJDEP issued a second, "site-wide" NFA letter that includes the NJDOT portion of the
16 site (i.e., Rt. 130) and groundwater. The NJDEP issued RAPs for soils in August 2014.

17 **Camden Coke**

18 The Camden Coke site is composed of a land portion and sediment portion. Remediation
19 of the land portion has been conducted in four phases (i.e., Phase I through IV). The
20 Phase I remediation was conducted between February and September 2001 and reported
21 in an Interim Remedial Measures Report (IRMR) dated December 2001. The Phase II
22 remediation was conducted between January and October 2004 and reported in an IRMR
23 dated December 2004. Phase III and IV remediation was conducted in two mobilizations.

1 The first mobilization was between June 2013 and April 2014. The second mobilization
2 was in March 2015 and was completed in September 2015.

3 With regard to the sediment portion of the site, the NJDEP approved the Tier I Ecological
4 Assessment Work Plan (EAWP) in May 2009 and a Tier II EAWP in November 2010. A
5 Tier II Ecological Assessment Report was submitted to the NJDEP in September 2011. A
6 RAWP for the excavation of contaminated sediment was submitted to the NJDEP in June
7 2014. The NJDEP issued a third amendment to the Administrative Consent Order (ACO)
8 executed by PSE&G, Georgia-Pacific LLC, and GP Gypsum Equity, LLC in May 2016.
9 Charter Contracting Company, LLC mobilized to the site in June 2016 for the
10 remediation of contaminated sediment. As of December 2017 the dredging of
11 contaminated sediments has been completed however a portion of the backfilled sediment
12 has migrated outside of the dredged area. This issue is under investigation to determine
13 its cause and corrective measures. PSE&G has withheld payment of Charter's final
14 invoice until the migrated fill issue is resolved. In turn, Charter Contracting filed a
15 complaint on May 18, 2018 in U.S. District Court - New Jersey Division demanding final
16 payment among other claims.

17 **Camden Gas**

18 The former Camden Gas Works was located on five properties identified as Parcel 1
19 through Parcel 5. The remediation of Parcel 2 was conducted between August 2011 and
20 March 2012. The LSRP-approved RAR for Parcel 2 was submitted to the NJDEP in May
21 2012 and a Soil RAO was issued in February 2013. Remediation of Parcel 5 consisted of
22 only engineering and institutional controls. The LSRP-approved RAR for Parcel 5 was
23 submitted to the NJDEP in December 2013 and a RAP for Soils was issued in March

1 2015. A Soils RAO was issued for Parcel 5 in October 2015. An LSRP-approved RIR
2 for the entire site was submitted to the NJDEP in February 2015. The NJDEP established
3 a CEA for contamination in groundwater associated with this site in September 2015.
4 Remediation of a portion of Parcel 1 and Parcel 4 was completed in May 2016. A Deed
5 Notice was recorded for Parcel 4 in October 2016 and a portion of Parcel 1 referred to as
6 1B, was recorded in November 2016. Soil RAP applications for Parcels 4 and 1B were
7 submitted to the NJDEP on December 23, 2016 and were approved on May 25, 2017.

8 **Central Gas Works**

9 The Central Gas Works site is divided into six zones (Zones 1 thru 6) for the purpose of
10 phasing remedial activities. The remedial investigation of all 6 Zones is complete and a
11 RIR was submitted to the NJDEP in July 2004. A RAWP for all 6 Zones was submitted
12 to the NJDEP in July 2008 and was approved in March 2010. The remediation of Zone 5
13 was completed in 2006. A portion of Zone 3 was remediated during 2012. A RAR for
14 that portion of Zone 3 was submitted to the NJDEP in May 2014 and a RAO was issued
15 by the LSRP. Panther Technologies, Inc. mobilized to the site during 2015 to begin
16 remediation of Zone 1, 2, the remaining portions of Zones 3 and 4. This work was
17 completed during October 2016. A Deed Notice was submitted to the county for
18 recording on December 14, 2017.

19 PSE&G completed installing groundwater monitoring wells to support the evaluation of
20 groundwater during March 2017. PSE&G completed a round of groundwater gauging and
21 sampling in June 2017, September 2017, December 2017, and March 2018. Panther
22 Technologies mobilized for the Silver Lake Sediment remediation project on April 16,
23 2018. Sediment remediation was completed during June 2018.

1 **Chauncey Street**

2 The remediation of the site was completed in September 2012. A RAR was submitted to
3 the NJDEP in December 2012. The NJDEP issued a Soil RAP in December 2014. The
4 LSRP issued a RAO for soils on December 23, 2014. A Groundwater CEA application
5 was submitted to the NJDEP in January 2015. The NJDEP issued two CEAs. One CEA
6 was issued on November 16, 2015 for MGP contaminants and the other was issued on
7 December 10, 2015 for Historic Fill contaminants. A Groundwater RAR was submitted
8 to the NJDEP in April 2017 along with a Groundwater RAP Application. A Groundwater
9 RAP was issued by the NJDEP on November 1, 2017. The LSRP issued a RAO for
10 groundwater on January 15, 2018.

11 **East Newark Gas Works**

12 The East Newark Gas Works site is divided into two parcels (i.e., Parcels 1 and 2) for the
13 purpose of phasing remedial activities. The remediation of soil on Parcel 2 is complete.
14 The NJDEP issued a Soil RAP and the LSRP issued a RAO for Parcel 2 in June 2013.

15 A RIR for Groundwater that included two Groundwater CEA applications for the site was
16 submitted to NJDEP in November 2013. The two Groundwater CEAs were established
17 by the NJDEP in September 2014. A CEA removal request for Ammonia and a proposed
18 CEA for historic fill were submitted to the NJDEP in October 2016.

19 A RAR for Parcel 1 Soils was submitted to NJDEP and the LSRP issued a RAO for
20 Parcel 1 in June 2015. The Historic fill CEA was approved by NJDEP in April 2017 and
21 the CEA for Ammonia was lifted by NJDEP in May 2017. Amended RAOs for Parcel 1
22 and Parcel 2 were submitted to the NJDEP on December 19, 2017

1 **East Rutherford Gas Works**

2 The remediation of soils at the East Rutherford Gas Works site was completed April 2003
3 and a NFA letter for soil was issued by the NJDEP in November 2004. A Groundwater
4 CEA was established by the NJDEP in May 2009. Soil and Groundwater RAPs were
5 issued by the NJDEP on December 5, 2014.

6 **Englewood Gas Works**

7 The remedial investigation of the Englewood Gas Works site is complete and a RIR was
8 submitted to the NJDEP in July 2013. Groundwater contamination at this site has been
9 determined to be a result of historic fill material that was brought into the property after
10 the MGP operations ceased. A remediation of approximately 200 tons of contaminated
11 soil was completed in June 2016. A RAR was submitted to the NJDEP in January 2017.
12 An Unrestricted RAO was issued on February 17, 2017 and updated on August 22, 2017.

13 **Front Street Gas Works**

14 The Front Street Gas Works site is composed of three areas for the purpose of phasing
15 remedial activities. Parcel 1, which includes the NJDOT property and the Lombardy jug-
16 handle, is located east of McCarter Highway. The remediation of soil on portions of
17 Parcel 1 was completed between August 2001 and October 2003. The RAR for Parcel 1
18 was submitted to the NJDEP in April 2004 and approved by the NJDEP on February 23,
19 2010. The Soil RAP application was submitted to the NJDEP on December 17, 2014.

20 Parcel 2, which is composed of the NJ Transit light rail and NJDOT properties, is located
21 west of McCarter Highway. A RAWP for Parcel 2 Soil was submitted in November 2007
22 and approved by the NJDEP on February 23, 2010. No active remediation was required.
23 The RAR was submitted to the NJDEP in July 2014. The Soil RAP for Parcel 2 was

1 issued by the NJDEP in October 2014. A RAO was issued for Parcel 2 Soil on December
2 17, 2014.

3 The third area includes a portion of Parcel 1 owned by the NJDOT along the Passaic
4 River waterfront and an off-site property currently operated as a restaurant. A RAWP for
5 soil remediation of this area was submitted to NJDEP in April 2014. The RAR for soil
6 remediation of the waterfront was submitted to NJDEP on December 19, 2016. A Soil
7 RAP was issued by the NJDEP on December 22, 2016 for Parcel 1. A Soils RAO was
8 issued by the LSRP for Parcel 1 on January 30, 2017.

9 The RAR for the off-site property was submitted to NJDEP on November 17, 2016. A
10 RAP for Soil on the off-site property was issued by the NJDEP on December 27, 2016
11 and a RAO for the off-site property was issued by the LSRP on December 29, 2016.

12 A Groundwater RIR with a CEA application was submitted to the NJDEP on May 7,
13 2014. The NJDEP established the Groundwater CEA on August 24, 2015.

14 **Fulton Street Gas Works**

15 A RAWP was submitted to NJDEP in July 2009. The first phase of an In-Situ Chemical
16 Oxidation remediation was conducted between June and September 2010 and a RAR was
17 submitted to NJDEP in December 2010. A second phase of In-Situ Chemical Oxidation
18 injection was conducted between September and November 2012. Shallow excavations
19 and surface cover improvements to address the remaining areas of contaminated soil were
20 completed in September and October 2014 and a RAR Addendum was submitted to
21 NJDEP in March 2015. NJDEP issued a Soil RAP in May 2015. The LSRP issued a
22 Restricted Use RAO for on-site soils in September 2015.

1 The RIR that included a Groundwater CEA application was submitted in October 2016.
2 The Off-Site RAWP Addendum was submitted to NJDEP in December 2016.
3 In November 2017, PSE&G was notified by the NJDEP that the PAR submitted in 2002,
4 was incomplete. At the request of NJDEP, PSE&G withdrew the RIR and RAWP
5 Addendum for the Site on March 21, 2018. In June 2018, PSE&G submitted an updated
6 PAR, and revised RIR and RAWP Addendum.

7 **Gloucester Gas Works**

8 The remediation of soils at the Gloucester Gas Works site was completed in 2000 and an
9 NFA letter for soils was issued in December 2003. An NRD Settlement was effective as
10 of January 24, 2006. A CEA was issued by the NJDEP in July 2001. The NJDEP issued
11 RAPs for soil and groundwater in January 2013. The NJDEP issued a revised
12 Groundwater RAP in May 2014 reducing the frequency of groundwater sampling.

13 **Hackensack Gas Works**

14 The Hackensack Gas Works site is composed of six areas for the purpose of phasing
15 remedial activities. Four of these areas are on land that the Hackensack Gas Works
16 operated and/or impacted. These land areas were investigated and remediated in four
17 phases between 2003 and 2013. The RAPs for Soils have been issued by the NJDEP and
18 RAOs have been issued for the land areas that have been remediated with the exception
19 of a property owned by the Kaplan Companies. The RAP will be issued for the property
20 owned by the Kaplan Companies following the execution of a Deed Notice by the owner,
21 which is pending. The two remaining areas associated with the site are soil at the off-site
22 property located at 249 River Street and the sediments below the portion of the
23 Hackensack River that abuts the site.

1 A RIR for the off-site property located at 249 River Street was submitted to NJDEP on
2 May 4, 2016 and a RAWP for this property was submitted to NJDEP on March 24, 2017.

3 The access agreement with this Owner was executed on April 23, 2018.

4 Sediment sampling in the Hackensack River, including its tributary, Bosses Creek, was
5 conducted between August and October 2010 and between August 2012 and November
6 2013. An area of product was identified in the Hackensack River sediments located
7 adjacent to the site. A RIR for sediment was submitted to the NJDEP in January 2011.

8 Sediment sampling for an Ecological Risk Assessment was completed in the Hackensack
9 River on July 7, 2016. A RAWP/EA for the Hackensack River sediments was submitted
10 to NJDEP on December 15, 2016. Additional information requested by the NJDEP

11 pertaining to the RAWP, sediment management and water management were provided to
12 the NJDEP on March 20, 2018. The NJDEP provided technical comments to the RAWP
13 in June 2018 which were reviewed with NJDEP on June 26, 2018. The NJDEP

14 Waterfront Development Individual Permit (Upland and In-Water) and Flood Hazard
15 Area Rule Compliance Statement and the USACE Application for Nationwide Permits
16 #33 and #38 were approved on April 24, 2018 and May 4, 2018, respectively. The

17 Tidelands Dredging License application technical review was completed by NJDEP on
18 July 2, 2018 and the license is pending. The Request for Proposal (RFP) Construction Bid
19 Specification (CBS) for the sediment remediation was released in March 2018.

20 On April 12, 2018 the Kaplan Companies filed a Complaint alleging that the remediation
21 conducted by PSE&G on their property in 2007 resulted in their inability to develop the
22 property as planned. PSE&G will refute this claim and file a counter claim.

1 **Halladay Street Gas Works**

2 The Halladay Street Gas Works site is co-located on a site that was later owned and
3 operated by the Pittsburgh Plate Glass Company (PPG) who used the property to refine
4 chromium ore. During 2011, meetings were held with PPG, the responsible party for the
5 Chromium remediation, to discuss coordination of the remedial actions and to achieve
6 alignment on the remedial goals for the site. It was agreed that PSE&G would remediate
7 the Holder Area, also known as “Area A”, that was predominately contaminated with
8 MGP wastes and PPG would remediate the remainder of the site that was predominately
9 contaminated with chromium wastes, also known as “Area B.” The RAWP was
10 submitted to the NJDEP in December 2011. A remediation agreement between PSE&G
11 and PPG for the remediation of the site was executed in February 2013.

12 The remediation of “Area A” was completed by PSE&G in November 2013. PPG
13 completed the remediation of “Area B” in November 2014. The restoration of “Area A”
14 and “Area B” was completed by PPG in January 2018. A RIR was submitted to the
15 NJDEP on May 5, 2014. A CEA application was submitted to the NJDEP in June 2014.
16 The Groundwater CEA was established by the NJDEP on July 25, 2014. The remedial
17 investigation and remedial action of off-site areas by PPG is on-going. Groundwater
18 samples were collected adjacent to four off-site properties during August 2015 as part of
19 a vapor intrusion investigation. Vapor intrusion investigation sampling was completed at
20 an off-site property during March 2016 and March 2017. Approximately 1,152 tons of
21 MGP-contaminated soil was transported and disposed by Creamer Environmental in
22 support of PPG’s excavation of Forrest Street between April and July 2017.

1 **Harrison Gas Works**

2 The former Harrison Gas Works site is located entirely within one contiguous parcel of
3 property. However, due to its size the remediation of this site has been completed in
4 phases.

5 A RAWP was submitted to NJDEP in September 2000 and conditionally approved in
6 October 2003. Remediation of the riverfront area was conducted between January 2003
7 and May 2004. A RAR - Phase 1 Riverfront Stage was submitted to the NJDEP in March
8 2008 and approved in April 2009.

9 A RASR/RAWP for the future Red Bull Substation Area at the northern portion of the
10 site was submitted to the NJDEP in November 2007. Remediation of this area was
11 completed between July and December 2008 and an Interim RAR was prepared in March
12 2009. NJDEP approved the Interim RAR – Future Substation Area in June 2010 and a
13 revised RAO was issued for the Red Bull Substation Area in January 2013.

14 A RAWP for the proposed PATH Substation area at a western portion of the site was
15 submitted to NJDEP in May 2010. Remediation of this area was completed between
16 December 2010 and May 2011. The PATH Substation IRM Report was submitted to the
17 NJDEP in October 2011 and approved by the LSRP in June 2012. NJDEP issued a Soil
18 RAP Modification for the Red Bull Substation and PATH IRM in February 2014.

19 A RIR was prepared and submitted to the NJDEP on March 31, 2016. Waste
20 classification soil sampling was conducted in May 2017 in preparation for the In-Situ
21 Solidification and Stabilization (ISS) Pilot Study. A treatability study for ISS was
22 completed in June 2017. A RAWP Addendum for the proposed Pilot Study was
23 submitted to the NJDEP in June 2017. The Harrison Pilot Study remediation contract was

1 awarded in December 2017 and began in January 2018. A Deed Notice Termination,
2 Revised Deed Notice, and Soil RAP modification were submitted for the PATH and Red
3 Bull IRM Parcels, to the NJDEP in December 2017.

4 **Hobart Avenue Gas Works**

5 The remediation of soils at the Hobart Avenue Gas Works site has been remediated and
6 an NFA letter for soils was issued on February 21, 2008. A Groundwater CEA was
7 established by the NJDEP in 2002 for an indeterminate period. The NJDEP issued soil
8 and groundwater RAPs in January 2015. The LSRP issued a RAO for groundwater on
9 January 15, 2018.

10 A portion of the Site (Block 471, Lots 1-7) was sold to the City of Bayonne Housing
11 Authority on February 1, 2018.

12 **Hoboken Gas Works**

13 The former Hoboken Gas Works site was located on two city blocks identified on the tax
14 maps of the City of Hoboken as Blocks 110 and 116. On October 6, 2011, PSE&G
15 executed a “Consent to Deed Notice Release and Settlement Agreement” and a “Deed of
16 Easement” with the owner of Block 110. An LSRP-approved RAWP for Block 110 was
17 submitted to the NJDEP in July 2012 and the remediation of this portion of the former
18 Hoboken Gas Works was conducted between September 2013 and February 2015. The
19 Deed Notice for Block 110 was submitted to the Hudson County Register for recording
20 on July 15, 2015. The RAR for Block 110 was submitted to NJDEP on August 19, 2015.
21 NJDEP issued a RAP for Soil on Block 110 on December 23, 2015. The LSRP issued a
22 RAO for Soil on Block 110 on February 8, 2016.

1 The portion of Block 116 where the gas holders for the former Hoboken Gas Works were
2 located was remediated by Advance Realty per a Remediation Agreement that was
3 executed during March 2009. The agreement requires PSE&G to remunerate Advance
4 Realty for a portion of the remediation cost. During 2009, Advance Realty submitted a
5 RAWP to the NJDEP that was approved on October 6, 2009. Advance Realty conducted
6 the remediation of this portion of Block 116 between October 2011 and May 2014. The
7 RIR for the site and groundwater was submitted to the NJDEP in May 2014. A
8 Groundwater CEA application was submitted to NJDEP on September 30, 2015.
9 Advance Realty issued a RAR for Block 116 in October 2015. NJDEP issued a Soil RAP
10 for Block 116 on December 3, 2015. The LSRP issued a RAO for Soil on Block 116 on
11 December 11, 2015. In December 2016 and November 2017, additional soil investigation
12 was conducted on the portion of Block 116 where a Rite-Aid pharmacy is located.

13 **Jersey Street Gas Works**

14 The remediation of soils at the Jersey Street Gas Works site has been remediated and an
15 NFA letter for soils was issued by NJDEP in December 2005. The NJDEP issued a
16 Groundwater CEA on March 10, 2006. Monitoring wells associated with the CEA for
17 this site were decommissioned in April 2012 and no further monitoring of groundwater is
18 required. The NJDEP issued the Soil RAP on December 11, 2013.

19 **Market Street Gas Works**

20 The former Market Street Gas Works site was located on several properties and is divided
21 into six areas for purpose of phasing remedial activities. Areas A, B and C are located
22 between the Passaic River and Raymond Boulevard / Market Street. Areas D, E and F are

1 located to the south of Raymond Boulevard. A RIR was submitted to NJDEP in
2 December 2015.

3 Remediation of the Passaic River waterfront portion of Area A was conducted between
4 April 2004 and June 2005. A RAR for this remediation was submitted to NJDEP in
5 December 2005. Remediation of the Gas Main portion of Area A was conducted between
6 April and November 2007. A RAR for this remediation was submitted to NJDEP in
7 January 2008. NJDEP approved both RARs in May 2011. The remediation of the
8 remainder of Areas A and B (including Jersey Street) was conducted between April 2012
9 and July 2014. A RAR for Area A, Area B and Jersey Street was submitted to NJDEP in
10 October 2015. A Soil RAP was issued by the NJDEP for Block 171 Lot 11 and Block
11 172 Lot 1 (Areas A and B) and for Block 172 Lot 3 (Area A) on May 26, 2016. A Soil
12 RAP was issued by the NJDEP for Block 171 Lots 1,6, and 8 (Area A), Block 171 Lots
13 41 and 42 and Block 172 Lots 31, 33, and 35 (Areas A and B) on June 27, 2016. The
14 LSRP subsequently issued RAOs for the four (4) areas on June 27, 2016. On March 29,
15 2018, a RAWP Addendum for a portion of Area A (Block 171, Lot 11), B (Block 172,
16 Lots 1 & 35), and the eastern most portion of Jersey Street was submitted to the NJDEP
17 to support the planned replacement of cast iron gas main in these parcels.

18 The remediation of Area C, which was a public parking facility, was completed between
19 January and June 2014. A RAR for Area C was submitted to NJDEP in December 2014.
20 NJDEP issued a Soil RAP for Area C in June 2015. The LSRP issued a RAO for Area C
21 in October 2015.

22 The remediation of Area D, which was a former restaurant, was completed between
23 August 2014 and April 2015. A RAR was submitted to NJDEP in July 2015. NJDEP

1 issued a Soil RAP and the LSRP issued a RAO for Area D in October 2015. Area E is a
2 privately owned car wash facility known as the “Master Car Wash”. On April 17, 2015
3 PSE&G executed a “Property Appraisal and Purchase Agreement” with the owner of the
4 Master Car Wash to secure access in order to conduct the remediation. A contract for
5 remediation of the Master Car Wash property was awarded in November 2017 and work
6 began in January 2018.

7 Area F is a restaurant with associated parking. An Interim Remedial Measures Work
8 Plan was submitted to NJDEP in December 2007 and approved in April 2008.
9 Remediation of Area F was conducted between June 2008 and June 2009. An Interim
10 RAR was submitted to the NJDEP in October 2009. Deed Notices for Iberia properties
11 (Block 175 Lot 1 & 80 and Block 176 lot 50) were filed with the Essex County Clerk’s
12 office on June 14, 2018.

13 A revised site-wide CEA application was submitted to NJDEP in February 2017.

14 **Medford Gas Works**

15 The remediation of soils at the Medford Gas Works site was completed in October 1998
16 and an NFA letter for soils was issued by the NJDEP in November 1999. The Natural
17 Resources Damages settlement was effective as of January 24, 2006. An Unrestricted Use
18 NFA letter for groundwater was issued by NJDEP on March 14, 2012.

19 **Morristown Gas Works**

20 The former Morristown Gas Works Site was located on four dis-contiguous properties,
21 identified as Parcel 1 through Parcel 4, along the Whippany River. Parcel 1 was located
22 200 feet west of the river and Parcels 2, 3 and 4 were located east and north of the river

1 along Coal Avenue and Center Street. Revised CEA applications were submitted to the
2 NJDEP in June and October 2016 and established in January 2017.

3 Parcel 1 – is now part of a hotel and office complex known as “Headquarters Plaza”.
4 Remediation of Parcel 1 consisted of only engineering and institutional controls. NJDEP
5 issued a NFA letter in November 2008 and a RAP for Soils in August 2013. A
6 Groundwater CEA for Historic Fill constituents was established in January 2017.

7 Parcel 2 – Remediation was conducted between February and September 2001 and an
8 Interim RAR was submitted to NJDEP in December 2001. Additional remediation was
9 conducted in early 2004 and a RAR for Parcels 2 and 3 was submitted to NJDEP in
10 August 2004. NJDEP issued a NFA letter for Parcel 2, Coal Avenue, a portion of Center
11 Street, and a portion of Martin Luther King Avenue in May 2005 and RAP for Parcel 2
12 Soils in August 2013. A Groundwater RAP was issued in November 2016. A
13 Groundwater CEA for Historic Fill constituents was established in January 2017. The
14 LSRP issued a Limited Restricted Use Groundwater RAO in January 2017 for Parcel 2.

15 Parcels 3 and 4 – Remediation was completed in three phases:

16 (1) The first phase of the remediation was conducted between August and December
17 1995 and a RAR for Parcels 3 and 4 was submitted to NJDEP in December 1996.

18 (2) Remediation was conducted between February and September 2001 and a RAR for
19 Parcels 3 and 4 was submitted to NJDEP in December 2001.

20 (3) Remediation was conducted between October 2003 and April 2004 and a RAR for
21 Parcels 2 and 3 was submitted to NJDEP in August 2004.

22 The NJDEP issued a RAP for Soils on Parcel 3 in August 2013. NJDEP issued a NFA
23 letter for soils on Parcel 4 in December 2003. A Groundwater RAP was issued in January

1 2017 for Parcel 3 and 4. A Groundwater CEA for Historic Fill constituents was
2 established in January 2017. The LSRP issued a Limited Restricted Use Groundwater
3 RAO in January 2017 for Parcels 3 and 4.

4 Spring Hill Property – Remediation of off-site shallow soil in an area known as “Spring
5 Hill” that is situated along the riverbank of the Whippany River was completed in
6 December 2006. A RAR was submitted to the NJDEP in December 2006 and approved in
7 July 2007. The Morristown Planning Board approved the required subdivision of the
8 Spring Hill Property in May 2015. A Deed Notice was filed and recorded with
9 Morristown County in July 2015. A Soils RAP application was submitted to the NJDEP
10 in August 2015. The NJDEP issued a RAP for soils on the Spring Hill parcel in January
11 2016. The LSRP issued a restricted use RAO for soil in March 2016.

12 **Mount Holly Gas Works**

13 The remediation of soils at the Mount Holly Gas Works site was completed in May 2001
14 and an NFA letter for soils was issued in December 2002. Post-remedial groundwater
15 monitoring demonstrated compliance with New Jersey Groundwater Quality standards,
16 and the NJDEP removed the CEA in August 2014. An Unrestricted RAO for
17 groundwater was issued by the LSRP in February 2016.

18 **New Brunswick Gas Works**

19 The New Brunswick Gas Works site is composed of two areas for the purpose of phasing
20 remedial activities. One area is located west of Johnson Drive and is within the Johnson
21 & Johnson (“J&J Property”) corporate headquarters property. The other area east of
22 Johnson Drive is composed of the NJDOT Route 18 right-of-way.

1 An LSRP- approved Soil RIR was submitted to the NJDEP in June 2013. An LSRP-
2 approved Ecological Risk Assessment Report was submitted to the NJDEP in November
3 2013. An LSRP approved Groundwater RIR and CEA application was submitted to the
4 NJDEP on April 30, 2014. Notices in Lieu of Deed Notices were filed for portions of
5 Route 18 and Johnson Drive in December 2014. Establishment of the CEA by the
6 NJDEP is pending.

7 Waste classification sampling was completed on the NJDOT Route 18 right-of-way
8 during May 2015. Supplemental soil sampling was completed on the J&J property during
9 August 2015, and eight groundwater piezometers were installed on the J&J property
10 during October 2016, in support of the remedial action design. Soil and groundwater
11 samples were collected from the J&J property in March 2018 for in-situ chemical
12 oxidation bench-scale treatability study.

13 **Passaic Gas Works**

14 A RIR and RASR for the Passaic Gas Works site were submitted to the NJDEP in July
15 2006. A RAWP was submitted to the NJDEP in May 2011. A comprehensive, site-wide
16 RIR with a Groundwater CEA application was submitted to the NJDEP in December
17 2013. The CEA was established by the NJDEP in January 2014. The CEA has an
18 indeterminate expiration date and no monitoring requirements. Additional soil
19 investigation to refine the May 2011 RAWP was performed in June 2017 and an updated
20 RAWP was submitted to NJDEP in December 2017. PSE&G purchased the auto body
21 repair property that exists on portion of the site in December 2016. The auto body repair
22 building was demolished October 2017 to prepare for future remediation. NJDEP Flood

1 Hazard/Waterfront Development permits for the remediation were issued on April 24,
2 2018. A contract for the remediation was issued on June 4, 2018.

3 **Paterson Gas Works**

4 The migration of contaminated groundwater is being controlled by a “pump and treat”
5 groundwater treatment plant that commenced operations in July 2001. The remediation of
6 soils at the Paterson Gas Works site was completed in 2004. A Groundwater CEA was
7 issued by the NJDEP in November 2004. The Groundwater CEA was revised in
8 November 2014. A Soils RAP was issued on June 16, 2014. The NJDEP issued a
9 Groundwater RAP on January 12, 2015.

10 A RASR for the impacted sediments of the Passaic River adjacent to the Paterson Gas
11 Works site was submitted to the NJDEP in June 2001. A RAWP that proposed a marine
12 mattress cap was submitted in December 2001. In June 2007, the NJDEP was advised
13 that due to issues with the regulatory requirement for “no net fill,” PSE&G would collect
14 additional sediment data and file a revised/updated RASR in 2008. Sediment sampling
15 was completed in June 2008. The final easement required to access and Deed Notice the
16 portion of the Passaic River impacted by the Paterson Gas Works was acquired in June
17 2008. An Engineering Assessment Report was completed in October 2008 and a Revised
18 RASR was submitted to the NJDEP on December 8, 2008. The NJDEP issued a
19 conditional approval on August 10, 2009, requiring additional sediment delineation
20 sampling. Additional sediment samples collected during April and November 2010,
21 achieved delineation and the results were submitted to the NJDEP on November 22,
22 2010. The LSRP-approved RAWP was submitted to the NJDEP in April 2012. The LSRP
23 approved an addendum to the RAWP on October 23, 2012, which incorporated

1 recommendations made by the NJDEP based on its technical review of the RAWP.
2 Sediment waste classification sampling was completed in the Passaic River during
3 August 2016 and April 2018 in support of the sediment remediation project. The
4 Sediment Remediation Project began during April 2018.

5 **Paulsboro Gas Works**

6 A RAWP for the Paulsboro Gas Works site was submitted to the NJDEP in August 2012.
7 The remediation of a portion of the Site was completed in February 2014 and a RAR was
8 submitted to the NJDEP in May 2014. This excluded NAPL beneath the on-site office
9 building/warehouse and off-site soil contamination, which is currently inaccessible. The
10 remedial investigation has been conducted in phases resulting in the submission of a
11 comprehensive site-wide RIR, including a CEA application to the NJDEP in September
12 2014. The CEA was issued by the NJDEP on October 10, 2014 and the NJDEP issued a
13 Soils RAP on May 5, 2015. A Restricted Soils RAO was issued by the LSRP in July
14 2015 for 7 on site AOCs associated with the site. NAPL beneath the on-site building, off-
15 site soil contamination at AOC 10 (Off-Site NAPL and Soil Impacts to the South) and
16 AOC 11 (Off-Site Soil Impacts to the North) has not been remediated. PSE&G external
17 legal review completed in September 2016 concluded that PSE&G had responsibility for
18 off-site contamination. The July 2015 RAO was amended on January 27, 2017 at the
19 request of the NJDEP. As arsenic and lead were remediated in 2014 the notification
20 “Regional Natural Background Levels of Materials in Soil and Naturally Occurring
21 Levels of Constituents in Groundwater” notice was removed from the RAO. Additionally,
22 NJDEP requested removal of the “Off-Site Source for Groundwater” notice from the
23 RAO as NJDEP did not concur with the RIR conclusion that the Paulsboro Refinery was

1 an off-site source that was impacting the site. Additional soil investigation of the Conrail
2 Right-of-Way was performed in August 2017. This investigation confirmed the presence
3 of MGP by-products beneath the Conrail Right-of-Way.

4 **Plainfield Gas Works**

5 A RAWP for the Plainfield Gas Works site was submitted to the NJDEP in November
6 2008 and was approved in September 2009. A RIR and a CEA application were filed
7 with the NJDEP in June 2014. The NJDEP established the CEA in December 2014. A
8 RAWP Addendum was submitted to NJDEP in September 2015. Waste soil
9 classification and geotechnical sampling was conducted during September and October
10 2015 and February and March 2016 in support of preparing the Construction Bid
11 Specifications for the remediation. A treatability study for In-Situ Solidification and
12 Stabilization was completed in October 2016. A round of groundwater sampling was
13 completed in March 2018. A Construction Bid Specification for the soil remediation
14 project was finalized and issued for bid on June 1, 2018.

15 **Princeton Gas Works**

16 Remedial Action was completed in 2003 and the NJDEP issued a NFA letter for Soils in
17 October 2009. A Groundwater RAWP was submitted to the NJDEP in July 2013. A
18 Groundwater CEA application was submitted to the NJDEP in September 2014. A TI
19 Report was submitted to the NJDEP in December 2014. The TI requests a waiver to leave
20 in place contamination located in the bedrock below the Princeton library. In October
21 2015, the NJDEP approved this waiver and issued a Groundwater RAP. A Restricted Use
22 RAO for groundwater was issued by the LSRP in February 2016.

1 **Provost Street Gas Works**

2 The Provost Street Gas Works site is located on Property in Jersey City that is owned by
3 Newport Associates. Newport Associates has entered into an Administrative Consent
4 Order with the NJDEP for the investigation and remediation of this site. On December 8,
5 1989, PSE&G entered into a Release and Settlement Agreement with Newport Associates
6 whereby PSE&G agreed to reimburse Newport Associates for the costs they incurred for
7 the investigation and remediation of this site. The December 8, 1989 Release and
8 Settlement Agreement only addressed on-site contamination from the Provost Street Gas
9 Works site. Therefore, in September 2009, PSE&G entered into a Release and Settlement
10 Agreement with Newport Associates whereby PSE&G agreed to reimburse Newport
11 Associates for the costs they incurred for the off-site investigation of contaminants that
12 emanated from this site. The consultant for Newport Associates, TRC Environmental
13 Corporation prepared a RIR in May 2014 for the off-site areas of the Provost Street Gas
14 Works site.

15 **Ridgewood Gas Works**

16 The remediation of the Ridgewood Gas Works site was completed in 1989. The NJDEP
17 issued an NFA letter on September 29, 1997. The NJDEP approved the RAWP for the
18 off-site Bellair Park property, jointly prepared by the Village of Ridgewood (Village) and
19 PSE&G, to be implemented by the Village's contractor. As a result of neighboring
20 residents' concerns, the Village re-evaluated its position and notified PSEG in a June 30,
21 2004 meeting that it did not consider moving forward with this remediation project to be
22 in its best interests. The NJDEP was apprised of the Village's position in a meeting and in

1 writing in August 2004. PSE&G submitted a revised RAWP to the NJDEP in June 2007
2 (with Village consent to only address a portion of the site).

3 The Village approved the revised RAWP and Deed Notice Agreement by resolution No.
4 07-132 dated May 9, 2007. Remedial action was conducted in October and November
5 2007, and the RAR was submitted to the NJDEP in January 2008. On June 29, 2009,
6 NJDEP approved the revised RAWP as well as the RAR for MGP contamination at the
7 Bellair Park property. A Deed Notice for the Bellair Park off-site remediated area was
8 recorded in July 2011. A Soil RAP was issued by NJDEP in October 2013. The LSRP
9 issued a RAO for the remediation of the Bellair Park off-site area on February 17, 2015.

10 **Riverton Gas Works**

11 The remediation of the Riverton Gas Works site was completed in 1996. The NJDEP
12 issued an NFA letter on June 11, 1998. The NRD settlement was effective as of January
13 24, 2006. A Soils RAP was issued by the NJDEP in August 2014.

14 **Somerville**

15 The Somerville Gas Works site is composed of two parcels for the purpose of phasing
16 remedial activities. Parcel 1 comprises the southern portion of the property previously
17 occupied by an auto body repair shop at 55 Hamilton Street. Parcel 1 soil was remediated
18 between December 2010 and March 2011. A RAR for the Parcel 1 soil remediation was
19 submitted to the NJDEP in August 2011. A Soil RAP was issued by the NJDEP in
20 December 2014. The LSRP issued a RAO for Parcel 1 Soils on December 30, 2014.

21 Parcel 2 is located on the west side of Hamilton Street, immediately south of the overpass
22 of the New Jersey Transit Raritan Valley Line and the northwest corner of the intersection
23 of Hamilton Street and Second Street. The Parcel 2 RAWP was submitted to the NJDEP

1 during April 2002. RAWP Addenda were submitted to the NJDEP in September 2006
2 and July 2007. The LSRP approved the Parcel 2 RAWP and associated addenda on
3 November 15, 2013.

4 PSE&G completed a vapor intrusion investigation in May 2015 at an adjacent residential
5 property where access was obtained through legal action. A round of groundwater
6 sampling was completed at a church-owned property in May 2015 following execution of
7 an access agreement. A round of groundwater gauging was conducted on Parcel 2
8 groundwater monitoring wells during August 2015. Groundwater sampling was
9 conducted on Parcel 2 groundwater monitoring wells during September 2015. A round of
10 groundwater sampling was conducted on all accessible wells during October 2015. A
11 round of groundwater gauging and sampling was conducted on all accessible wells during
12 October 2016. PSE&G completed a vapor intrusion investigation in November 2016 at an
13 adjacent commercial property. The remedial investigation was completed in December
14 2016 and a RIR was submitted to NJDEP on December 29, 2016. Two bedrock
15 groundwater monitoring wells were installed during August and September 2017.
16 Groundwater gauging and sampling events were completed on all accessible wells in
17 June, September, and November 2017, and February 2018 and May 2018.

18 **South Amboy Gas Works**

19 The remediation of the South Amboy Gas Works site was completed between April and
20 June 1995. A RAR was submitted to the NJDEP in September 1996 and NFA letters were
21 issued by the NJDEP on March 5, 1999 and May 26, 2000. The NRD settlement was
22 effective January 24, 2006. The sale of the property closed in April 2016.

1 **South Warren Street Gas Works**

2 A comprehensive site-wide RIR and Groundwater CEA application were submitted to the
3 NJDEP in April 2014. A RASR was submitted to the NJDEP in March 2009 and was
4 approved in July 2009. PSE&G submitted a RAWP to the NJDEP on March 24, 2010. A
5 RAWP Addendum was submitted in September 2014. The NJDEP issued a historic fill
6 CEA in December 2015 and a CEA for the groundwater contaminants in February 2016.
7 A proposed remediation agreement was provided to property owner in September 2017.
8 This is currently under review.

9 **West End**

10 The former West End Gas Plant was located on four properties identified as Parcel 1
11 through Parcel 4. A RIR was submitted to NJDEP in December 2015.

12 Parcel 1 – The Parcel 1 Soil and Near-Shore Sediments remediation project was
13 completed between October 2012 and December 2014. Parcel 1 Soils and Near-Shore
14 Sediment RAR was submitted to NJDEP in March 2015. NJDEP issued a Soil RAP in
15 September 2015.

16 Parcel 2 – A RAWP for Parcel 2 Soil was submitted to NJDEP in March 2015. A
17 contract for the Phase 1 remediation was awarded in February 2016 and completed in
18 September 2017. A contract for Phase 2 was awarded in August 2017 and completed in
19 June 2018.

20 Parcels 3 and 4 – Remediation of Parcel 3 was completed between June 2004 and April
21 2006 and a RAR was submitted to NJDEP in December 2006. In December 2008,
22 PSE&G completed the sale of Parcel 3 and a portion of Parcel 4 (NJDOT Parcels 29A
23 and 29B) to the NJDOT. NJDEP issued a Soils NFA letter for Parcel 3 on June 25, 2010.

1 The remediation of adjacent streets was completed between October 2006 and September
2 2007 and a RARA was submitted to NJDEP in November 2007. NJDEP approved the
3 RARA in March 2008. NJDEP issued a Soil RAP for the adjacent streets in January
4 2015. The LSRP issued a RAO for the adjacent streets in December 2015. The Parcel 4
5 RAR and Draft Deed Notice was sent to the NJDOT for review and signature on March
6 28, 2016. A technical consultation meeting with PSE&G, NJDOT, NJDEP and LSRP is
7 pending regarding the deed notice acceptance by NJDOT.

8 Hackensack River – Investigation of the Hackensack River sediments (adjacent to Parcel
9 1) has been conducted in phases and the following reports have been submitted to
10 NJDEP: a SRIR in April 2006; a SRIR Tier I EA Phase I in October 2010, and a SRIR
11 EA Phase II in December 2011. NJDEP approved the SRIR EA Phase II in April 2012.
12 A RAWP for impacted sediments was submitted to the NJDEP in March 2014.
13 Remediation was conducted between September and November 2014. The RAR for this
14 remediation was submitted to NJDEP in March 2015. The LSRP issued a RAO and
15 submitted a Notice in lieu of Deed Notice to NJDEP for the sediments in December 2015.

16 **Woodbury Gas Works**

17 The NJDEP issued an NFA letter for the Woodbury Gas Works site on September 29,
18 2000. The NRD settlement was effective as of January 24, 2006. A Soils Remedial
19 Action Permit was issued by the NJDEP in January 2014.

20 **Memorial Drive/West Paterson Site**

21 The Memorial Drive site did not contain a manufactured gas plant; however, available
22 information indicates that the site was utilized by a waste hauler, retained by Public Service,
23 to dispose of waste material from the former Paterson Gas Plant site. Kearfott Guidance

1 and Navigation Corporation, the current property owner, asserted a claim against Public
2 Service for the reimbursement of costs associated with the investigation and clean-up of
3 the Site pursuant to the requirements of its ACO. A settlement with Kearfott was
4 concluded and the project is considered closed.

5 **Passaic River (Lower) and Newark Bay Proceedings**

6 The PSEG Companies are also involved in certain proceedings and activity related to
7 contaminants in the Passaic River and Newark Bay because of the MGP facilities and
8 former PSE&G generating stations along these waterways. A portion of the costs of these
9 activities, which include not only attorney fees but the costs for studies of contaminants and
10 remediation studies, are included in this RAC filing due to their association with the MGP
11 facilities.

12 CONCLUSION

13 The forgoing testimony provides the facts regarding the remediation of MGP properties
14 involved in the Company's MGP remediation program and related activity in the Passaic
15 River and Newark Bay. These basic facts are related to the rate request in this matter and
16 are consistent with the Board's prior Orders approving Remediation Adjustment Charge
17 Adjustments in prior Proceedings.

18

REMEDATION ADJUSTMENT CHARGE GLOSSARY OF ACRONYMS

1		
2		
3	ACO	Administrative Consent Order
4	AOC	Area of Concern
5	BCR	Biennial Certification Report
6	CEA	Classification Exception Area
7	DER	Declaration of Environmental Restrictions
8	DN	Deed Notice
9	DNAPL	Dense Non-Aqueous Phase Liquid
10	DSW	Discharge to Surface Water
11	EA	Ecological Assessment
12	GMSR	Groundwater Monitoring Summary Report
13	GW	Groundwater
14	GWM	Groundwater Monitoring
15	GWMR	Groundwater Monitoring Report
16	GWQS	Groundwater Quality Standards
17	GWRIWP	Groundwater Remedial Investigation Work Plan
18	GWTP	Groundwater Treatment Plant
19	IDS	Interim Data Submittal
20	IRA	Interim Remedial Action
21	IRM	Interim Remedial Measure
22	IRMWP	Interim Remedial Measure Work Plan
23	LNAPL	Light Non-Aqueous Phase Liquid
24	LSRP	Licensed Site Remediation Professional
25	MGP	Manufactured Gas Plant
26	MOA	Memorandum of Agreement
27	NFA	No Further Action
28	NJDEP	New Jersey Department of Environmental Protection
29	NJDOT	New Jersey Department of Transportation
30	NJPDES	New Jersey Pollutant Discharge Elimination System
31	NRD	Natural Resource Damages
32	PA	Preliminary Assessment
33	PAR	Preliminary Assessment Report
34	PSEG	Public Service Enterprise Group, Inc.
35	PSE&G	Public Service Electric and Gas Company
36	RAO	Response Action Outcome
37	RAP	Remedial Action Permit
38	RAR	Remedial Action Report
39	RARA	Remedial Action Report Addenda
40	RASR	Remedial Action Selection Report
41	RAWP	Remedial Action Work Plan
42	RAWPA	Remedial Action Work Plan Addenda
43	RER	Receptor Evaluation Report
44	RRAWP	Revised Remedial Action Work Plan
45	RI	Remedial Investigation
46	RIR	Remedial Investigation Report

1	RIRA	Remedial Investigative Report Addendum
2	RIWP	Remedial Investigation Work Plan
3	ROE	Right-of-Entry
4	SI	Site Investigation
5	SIR	Site Investigation Report
6	SIRA	Site Investigation Report Addendum
7	SIWP	Site Investigation Work Plan
8	SRIR	Supplemental Remedial Investigation Report
9	SRIWP	Supplemental Remedial Investigation Work Plan
10	STTP	Sediment Toxicity Testing Plan
11	TI	Technical Impracticability
12	VI	Vapor Intrusion
13	VIR	Vapor Intrusion Report
14	VIWP	Vapor Intrusion Work Plan

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

PROFESSIONAL QUALIFICATIONS
OF
RICHARD A. BLACKMAN, P.E.
DIRECTOR – ENVIRONMENTAL PROJECTS

My name is Richard A. Blackman and my business address is 4000 Hadley Road, South Plainfield, New Jersey 07080.

I am the Director of Environmental Projects in Public Service Electric and Gas Company's ("PSE&G") Delivery, Projects and Construction Department. I have held this position since January 2018. In this position I have overall responsibility for PSE&G's environmental remediation program.

From January 2010 to January 2018 I was a Senior Project Manager in the Environment, Health and Safety Group within PSE&G's Delivery, Projects and Construction Department. My responsibilities included the management of various remediation projects, including former Manufactured Gas Plant (MGP) sites, and other hazardous substance discharge sites to ensure: 1) compliance with applicable regulations; 2) protection of human health and the environment; and, that all work is done in a cost efficient, safe and high-quality manner. These responsibilities included the procurement of contractor and consultant services associated with the remediation process, monitoring of contractor and consultant performance from a safety, quality, cost and schedule perspective, and supporting cost recovery efforts.

From November 2003 to January 2010 I was a Project Manager in the Environment, Health and Safety Group within the PSEG Services Corporation. My responsibilities included the management of various remediation projects, including former Manufactured Gas Plant (MGP) sites, and other hazardous substance discharge sites to ensure: 1) compliance with applicable regulations; 2) protection of human health and the environment; and, that all work is done in a cost efficient, safe and high-quality manner. These responsibilities included the procurement of contractor and consultant services associated with the remediation process, monitoring of contractor and consultant performance from a safety, quality, cost and schedule perspective, and supporting cost recovery efforts.

From June 1992 through November of 2003 I was a Principal Environmental Analyst in the Environmental Projects and Technical Services Group responsible for providing technical and engineering input to the investigation and remediation of former Manufactured Gas Plant sites and other hazardous substance discharge sites.

Between 1987 and 1992 I worked for the Consolidated Edison Corporation in New York, New York as an Environmental Engineer responsible for environmental compliance matters and emergency spill response. From 1982 through 1987 I worked for the New York Power Authority in White Plains, New York as a Civil Engineer where I provided input and support on the design and construction of transmission line and power plant construction projects.

I graduated from Rutgers University – College of Engineering in 1980 with a Bachelor of Science Degree in Civil Engineering and from the New Jersey Institute of

Technology in 1986 with a Master of Science Degree in Environmental Engineering. I joined Public Service Electric and Gas Company in 1992. I am currently a Project Management Professional certified by the Project Management Institute, a Construction Health and Safety Technician certified by the Board of Safety Professionals, and a licensed Professional Engineer in the State of New Jersey.

1 **PUBLIC SERVICE ELECTRIC AND GAS COMPANY**
2 **DIRECT TESTIMONY**
3 **OF**
4 **STEPHEN SWETZ**
5 **SR. DIRECTOR - CORPORATE RATES AND REVENUE REQUIREMENTS**
6

7 **Q. Please state your name and business address.**

8 A. My name is Stephen Swetz and my business address is 80 Park Plaza, T-8,
9 Newark, New Jersey 07102.

10 **Q. By whom are you employed and in what capacity?**

11 A. I am the Sr. Director - Corporate Rates and Revenue Requirements for PSEG
12 Services Corporation. My credentials are set forth in the attached Schedule
13 SS-RAC-1.

14 **Q. Please describe the Remediation Adjustment Charge (RAC).**

15 A. Public Service Electric and Gas Company (PSE&G, the Company) has
16 implemented a program to address environmental concerns regarding the
17 Company's former Manufactured Gas Plant (MGP) properties under the direction
18 and oversight of the New Jersey Department of Environmental Protection
19 (NJDEP). The details of this program are set forth in the Testimony of PSE&G
20 Witness Richard A. Blackman.

1 **Q. What is the purpose of your testimony?**

2 A. The purpose of this testimony is to discuss PSE&G's derivation of the rates
3 and tariffs associated with the Manufactured Gas Plant Remediation
4 component of the Societal Benefits Charge, herein after referred to as the RAC.

5 **Q. Does your testimony include any schedules?**

6 A. Yes. My testimony includes Schedule SS-RAC-1, which is my credentials. In
7 addition, I am sponsoring Section II (Allocation to Gas Customer Classes) and
8 Section III (Allocation to Electric Customer Classes) of Attachment A-2 page
9 2 of 2 that is encompassed in the schedules sponsored by Donna M. Powell.
10 This schedule details the allocation of the RAC rate between gas and electric
11 customer classes. This allocation is calculated on a volumetric basis. For gas,
12 the rate is derived by dividing the recovery amount (revenue requirement) by
13 the total projected sales for the recovery period. For electric these rates are
14 derived on a volumetric basis, by dividing the recovery amount by the
15 projected kWh generated for the recovery period and grossing up each class of
16 service by its respective line loss. The table below shows the rates currently in
17 effect and those calculated for the RAC 26 period as shown on Attachment A-2
18 page 2 of 2.

GAS ALLOCATION

	<u>RAC 26 Rates</u> <u>\$/THERM</u> <u>(Excl. SUT)</u>	<u>Current Rates</u> <u>\$/THERM</u> <u>(Excl. SUT)</u>	<u>Change</u>
RSG	0.015617	0.013692	0.001925
GSG	0.015617	0.013692	0.001925
LVG	0.015617	0.013692	0.001925
CIG	0.015617	0.013692	0.001925
TSG -F, NF	0.015617	0.013692	0.001925
SLG	0.015617	0.013692	0.001925

ELECTRIC ALLOCATION

	<u>RAC 26 Rates</u> <u>\$/KWH</u> <u>Including Line</u> <u>Losses</u> <u>(Excl. SUT)</u>	<u>Current Rates</u> <u>\$/KWH</u> <u>Including</u> <u>Line Losses</u> <u>(Excl. SUT)</u>	<u>Change</u>
Secondary Service	0.000615	0.000527	0.000088
LPL Primary	0.000599	0.000513	0.000086
HTS Subtransmission	0.000591	0.000506	0.000085
HTS High Voltage	0.000584	0.000500	0.000084
Rate \$/KWH	0.000579	0.000496	0.000083

Q. Does this conclude your testimony?

A. Yes.

1 other filings including unbundling electric rates and Off-Tariff Rate Agreements. I have
2 had a leadership role in various economic analyses, asset valuations, rate design, pricing
3 efforts and cost of service studies.

4 I am an active member of the American Gas Association's Rate and
5 Strategic Issues Committee, the Edison Electric Institute's Rates and Regulatory Affairs
6 Committee and the New Jersey Utility Association (NJUA) Finance and Regulatory
7 Committee.

8 **EDUCATIONAL BACKGROUND**

9 I hold a B.S. in Mechanical Engineering from Worcester Polytechnic
10 Institute and an MBA from Fairleigh Dickinson University.

LIST OF PRIOR TESTIMONIES

Company	Utility	Docket	Testimony	Date	Case / Topic
Public Service Electric & Gas Company	G	GR18070831	written	Jul-18	Gas System Modernization Program (GSMP) - Third Roll-In
Public Service Electric & Gas Company	E/G	ER18070688 - GR18070689	written	Jun-18	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, S4AEXT II, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER18060681	written	Jun-18	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR18060675	written	Jun-18	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	EO18060629 - GO18060630	written	Jun-18	Energy Strong II / Revenue Requirements & Rate Design
Public Service Electric & Gas Company	G	GR18060605	written	Jun-18	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER18030231	written	Mar-18	Tax Cuts and Job Acts of 2017
Public Service Electric & Gas Company	E/G	GR18020093	written	Feb-18	Remediation Adjustment Charge-RAC 25
Public Service Electric & Gas Company	E/G	ER18010029 and GR18010030	written	Jan-18	Base Rate Proceeding / Cost of Service & Rate Design
Public Service Electric & Gas Company	E	ER17101027	written	Sep-17	Energy Strong / Revenue Requirements & Rate Design
Public Service Electric & Gas Company	G	GR17070776	written	Jul-17	Gas System Modernization Program II (GSMP II)
Public Service Electric & Gas Company	G	GR17070775	written	Jul-17	Gas System Modernization Program (GSMP) - Second Roll-In
Public Service Electric & Gas Company	G	GR17060720	written	Jul-17	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER17070724 - GR17070725	written	Jul-17	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, S4AEXT II, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER17070723	written	Jul-17	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR17060593	written	Jun-17	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER17030324 - GR17030325	written	Mar-17	Energy Strong / Revenue Requirements & Rate Design - Sixth Roll-in
Public Service Electric & Gas Company	E/G	EO14080897	written	Mar-17	Energy Efficiency 2017 Program
Public Service Electric & Gas Company	E	ER17020136	written	Feb-17	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E/G	GR16111064	written	Nov-16	Remediation Adjustment Charge-RAC 24
Public Service Electric & Gas Company	E	ER16090918	written	Sep-16	Energy Strong / Revenue Requirements & Rate Design - Fifth Roll-in
Public Service Electric & Gas Company	E	EO16080788	written	Aug-16	Construction of Mason St Substation
Public Service Electric & Gas Company	E	ER16080785	written	Aug-16	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	G	GR16070711	written	Jul-16	Gas System Modernization Program (GSMP) - First Roll-In
Public Service Electric & Gas Company	G	GR16070617	written	Jul-16	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER16070613 - GR16070614	written	Jul-16	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER16070616	written	Jul-16	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR16060484	written	Jun-16	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E	EO16050412	written	May-16	Solar 4 All Extension II (S4AllExt II) / Revenue Requirements & Rate Design
Public Service Electric & Gas Company	E/G	ER16030272 - GR16030273	written	Mar-16	Energy Strong / Revenue Requirements & Rate Design - Fourth Roll-in
Public Service Electric & Gas Company	E/G	GR15111294	written	Nov-15	Remediation Adjustment Charge-RAC 23
Public Service Electric & Gas Company	E	ER15101180	written	Sep-15	Energy Strong / Revenue Requirements & Rate Design - Third Roll-in
Public Service Electric & Gas Company	E/G	ER15070757-GR15070758	written	Jul-15	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER15060754	written	Jul-15	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR15060748	written	Jul-15	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	G	GR15060646	written	Jun-15	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER15050558	written	May-15	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E	ER15050558	written	May-15	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER15030389-GR15030390	written	Mar-15	Energy Strong / Revenue Requirements & Rate Design - Second Roll-in
Public Service Electric & Gas Company	G	GR15030272	written	Feb-15	Gas System Modernization Program (GSMP)
Public Service Electric & Gas Company	E/G	GR14121411	written	Dec-14	Remediation Adjustment Charge-RAC 22
Public Service Electric & Gas Company	E/G	ER14091074	written	Sep-14	Energy Strong / Revenue Requirements & Rate Design - First Roll-in
Public Service Electric & Gas Company	E/G	EO14080897	written	Aug-14	EEE Ext II
Public Service Electric & Gas Company	G	ER14070656	written	Jul-14	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER14070651-GR14070652	written	Jul-14	Green Programs Recovery Charge (GPRC)-Including CA, DR, EEE, EEE Ext, S4All, S4AEXT, SLII, SLIII / Cost Recovery
Public Service Electric & Gas Company	E	ER14070650	written	Jul-14	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR14050511	written	May-14	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	GR14040375	written	Apr-14	Remediation Adjustment Charge-RAC 21
Public Service Electric & Gas Company	E/G	ER13070603-GR13070604	written	Jun-13	Green Programs Recovery Charge (GPRC)-Including DR, EEE, EEE Ext, CA, S4All, SLII / Cost Recovery
Public Service Electric & Gas Company	E	ER13070605	written	Jul-13	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	G	GR13070615	written	Jun-13	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	G	GR13060445	written	May-13	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	E/G	EO13020155-GO13020156	written/oral	Mar-13	Energy Strong / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	G	GO12030188	written/oral	Mar-13	Appliance Service / Tariff Support
Public Service Electric & Gas Company	E	ER12070599	written	Jul-12	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	E/G	ER12070606-GR12070605	written	Jul-12	RRGI Recovery Charges (RRC)-Including DR, EEE, EEE Ext, CA, S4All, SLII / Cost Recovery
Public Service Electric & Gas Company	E	EO12080721	written/oral	Jul-12	Solar Loan III (SLIII) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO12080721	written/oral	Jul-12	Solar 4 All Extension(S4AllExt) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	G	GR12060489	written	Jun-12	Margin Adjustment Charge (MAC) / Cost Recovery
Public Service Electric & Gas Company	G	GR12060583	written	Jun-12	Weather Normalization Charge / Cost Recovery
Public Service Electric & Gas Company	E/G	ER12030207	written	Mar-12	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E	ER12030207	written	Mar-12	Non-Utility Generation Charge (NGC) / Cost Recovery

LIST OF PRIOR TESTIMONIES

Company	Utility	Docket	Testimony	Date	Case / Topic
Public Service Electric & Gas Company	G	GR11060338	written	Jun-11	Margin Adjustment Charge (MAC) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	G	GR11060395	written	Jun-11	Weather Normalization Charge / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO11010030	written	Jan-11	Economic Energy Efficiency Extension (EEEext) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E/G	ER10100737	written	Oct-10	RGGI Recovery Charges (RRC)-Including DR, EEE, CA, S4All, SLII / Cost Recovery
Public Service Electric & Gas Company	E/G	ER10080550	written	Aug-10	Societal Benefits Charge (SBC) / Cost Recovery
Public Service Electric & Gas Company	E	ER10080550	written	Aug-10	Non-Utility Generation Charge (NGC) / Cost Recovery
Public Service Electric & Gas Company	E/G	GR09050422	written/oral	Mar-10	Base Rate Proceeding / Cost of Service & Rate Design
Public Service Electric & Gas Company	E	ER10030220	written	Mar-10	Solar Pilot Recovery Charge (SPRC-Solar Loan I) / Cost Recovery
Public Service Electric & Gas Company	E	EO09030249	written	Mar-09	Solar Loan II(SLII) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E/G	EO09010056	written	Feb-09	Economic Energy Efficiency(EEE) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO09020125	written	Feb-09	Solar 4 All (S4All) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E	EO08080544	written	Aug-08	Demand Response (DR) / Revenue Requirements & Rate Design - Program Approval
Public Service Electric & Gas Company	E/G	ER10100737	written	Jun-08	Carbon Abatement (CA) / Revenue Requirements & Rate Design - Program Approval

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 16 ELECTRIC

XXX Sheet No. 57

SOCIETAL BENEFITS CHARGE

**Cost Recovery
(per kilowatt-hour)**

Component:

Social Programs.....	\$ 0.001266
Energy Efficiency and Renewable Energy Programs.....	0.003142
Manufactured Gas Plant Remediation.....	<u>0.000496 0.000579</u>
Sub-total per kilowatt-hour.....	\$ <u>0.004904 0.004987</u>

Charge including losses, USF and Lifeline:

	<u>Loss Factor</u>	<u>Sub-total Including Losses</u>	<u>USF</u>	<u>Lifeline</u>	<u>Total Charge</u>
Secondary Service	5.8327%	\$ <u>0.005208</u> <u>0.005296</u>	\$ 0.001255	\$ 0.000706	\$ <u>0.007169</u> <u>0.007257</u>
LPL Primary	3.3153%	<u>0.005072</u> <u>0.005158</u>	0.001255	0.000706	<u>0.007033</u> <u>0.007119</u>
HTS Subtransmission	2.0472%	<u>0.005006</u> <u>0.005091</u>	0.001255	0.000706	<u>0.006967</u> <u>0.007052</u>
HTS High Voltage & HTS Transmission	0.8605%	<u>0.004947</u> <u>0.005030</u>	0.001255	0.000706	<u>0.006908</u> <u>0.006991</u>

Charges including New Jersey Sales and Use Tax (SUT)

Secondary Service.....	\$ <u>0.007644 0.007738</u>
LPL Primary.....	<u>0.007499 0.007591</u>
HTS Subtransmission.....	<u>0.007429 0.007519</u>
HTS High Voltage & HTS Transmission.....	<u>0.007366 0.007454</u>

SOCIETAL BENEFITS CHARGE

This mechanism is designed to insure recovery of costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Actual costs incurred by the Company for each of these cost components will be subject to deferred accounting. Interest at the two-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances for all components other than Manufactured Gas Plant Remediation. Interest at the seven-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances for the Manufactured Gas Plant Remediation. The interest rates for all components other than USF and Lifeline shall change each August 1. The interest rates for the USF and Lifeline components shall be reset each month.

Date of Issue:

Issued by SCOTT S. JENNINGS, Vice President Finance – PSE&G
80 Park Plaza, Newark, New Jersey 07102
Filed pursuant to Order of Board of Public Utilities dated
in Docket No.

Effective:

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 16 ELECTRIC

XXX Sheet No. 57

SOCIETAL BENEFITS CHARGE

**Cost Recovery
(per kilowatt-hour)**

Component:

Social Programs.....	\$ 0.001266
Energy Efficiency and Renewable Energy Programs.....	0.003142
Manufactured Gas Plant Remediation.....	0.000579
Sub-total per kilowatt-hour.....	\$ 0.004987

Charge including losses, USF and Lifeline:

	<u>Loss Factor</u>	<u>Sub-total Including Losses</u>	<u>USF</u>	<u>Lifeline</u>	<u>Total Charge</u>
Secondary Service	5.8327%	\$ 0.005296	\$ 0.001255	\$ 0.000706	\$ 0.007257
LPL Primary	3.3153%	0.005158	0.001255	0.000706	0.007119
HTS Subtransmission	2.0472%	0.005091	0.001255	0.000706	0.007052
HTS High Voltage & HTS Transmission	0.8605%	0.005030	0.001255	0.000706	0.006991

Charges including New Jersey Sales and Use Tax (SUT)

Secondary Service.....	\$ 0.007738
LPL Primary.....	0.007591
HTS Subtransmission.....	0.007519
HTS High Voltage & HTS Transmission.....	0.007454

SOCIETAL BENEFITS CHARGE

This mechanism is designed to insure recovery of costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Actual costs incurred by the Company for each of these cost components will be subject to deferred accounting. Interest at the two-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances for all components other than Manufactured Gas Plant Remediation. Interest at the seven-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances for the Manufactured Gas Plant Remediation. The interest rates for all components other than USF and Lifeline shall change each August 1. The interest rates for the USF and Lifeline components shall be reset each month.

Date of Issue:

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80 Park Plaza, Newark, New Jersey 07102
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Effective:

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 16 GAS

XXX Sheet No. 41

SOCIETAL BENEFITS CHARGE

**CHARGE APPLICABLE TO
RATE SCHEDULES RSG, GSG, LVG, SLG,
TSG-F, TSG-NF, CIG, CSG
(Per Therm)**

Social Programs.....	\$ 0.000000
Energy Efficiency and Renewables Programs.....	0.022332
Manufactured Gas Plant Remediation.....	0.013692 <u>0.015617</u>
Universal Service Fund - Permanent.....	0.004600
Universal Service Fund - Lifeline	<u>0.005100</u>
Societal Benefits Charge	\$ 0.045724 <u>0.047649</u>
Societal Benefits Charge including New Jersey Sales and Use Tax (SUT)	\$ 0.048753 <u>0.050806</u>

Societal Benefits Charge

This mechanism is designed to insure recovery of costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Actual costs incurred by the Company for each of these cost components will be subject to deferred accounting. Interest at the two-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under-over recovered balances for all components other than Manufactured Gas Plant Remediation. Interest at the seven-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances for the Manufactured Gas Plant Remediation. The interest rates for all components other than USF and Lifeline shall change each August 1. The interest rates for the USF and Lifeline components shall be reset each month.

See Section 16 of the Standard Terms and Conditions for exemptions from this charge.

Date of Issue:

Issued by SCOTT S. JENNINGS, Vice President Finance – PSE&G
80 Park Plaza, Newark, New Jersey 07102
Filed pursuant to Order of Board of Public Utilities dated
in Docket No.

Effective:

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

B.P.U.N.J. No. 16 GAS

XXX Sheet No. 41

SOCIETAL BENEFITS CHARGE

**CHARGE APPLICABLE TO
RATE SCHEDULES RSG, GSG, LVG, SLG,
TSG-F, TSG-NF, CIG, CSG
(Per Therm)**

Social Programs	\$ 0.000000
Energy Efficiency and Renewables Programs.....	0.022332
Manufactured Gas Plant Remediation	0.015617
Universal Service Fund - Permanent.....	0.004600
Universal Service Fund - Lifeline	<u>0.005100</u>
Societal Benefits Charge	\$ 0.047649
Societal Benefits Charge including New Jersey Sales and Use Tax (SUT) ...	<u>\$ 0.050806</u>

Societal Benefits Charge

This mechanism is designed to insure recovery of costs associated with activities that are required to be accomplished to achieve specific public policy determinations mandated by Government. Actual costs incurred by the Company for each of these cost components will be subject to deferred accounting. Interest at the two-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under-over recovered balances for all components other than Manufactured Gas Plant Remediation. Interest at the seven-year constant maturity treasury rate plus 60 basis points will be accrued monthly on any under- or over-recovered balances for the Manufactured Gas Plant Remediation. The interest rates for all components other than USF and Lifeline shall change each August 1. The interest rates for the USF and Lifeline components shall be reset each month.

See Section 16 of the Standard Terms and Conditions for exemptions from this charge.

Date of Issue:

Issued by SCOTT S. JENNINGS, Vice President Finance – PSE&G
80 Park Plaza, Newark, New Jersey 07102
Filed pursuant to Order of Board of Public Utilities dated
in Docket No.

Effective:

TYPICAL RESIDENTIAL ELECTRIC BILL IMPACTS

The effect of the proposed change in the electric SBC (Manufactured Gas Plant Remediation component) charges on typical residential electric bills, if approved by the Board, is illustrated below:

Residential Electric Service					
If Your Monthly Summer kWhr Use Is:	And Your Annual kWhr Use Is:	Then Your Present Annual Bill (1) Would Be:	And Your Proposed Annual Bill (2) Would Be:	Your Annual Change Would Be:	And Your Percent Change Would Be:
185	1,732	\$341.44	\$341.60	\$0.16	0.05%
370	3,464	623.28	623.56	0.28	0.04
740	6,920	1,193.52	1,194.20	0.68	0.06
803	7,800	1,339.64	1,340.36	0.72	0.05
1,337	12,500	2,134.52	2,135.76	1.24	0.06

(1) Based upon current Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect November 1, 2018 with Tax Adjustment Credit (TAC) rates as of January 1, 2019, and assumes that the customer receives BGS-RSCP service from Public Service.

(2) Same as (1) except includes change in the Manufactured Gas Plant Remediation component of the SBC.

Residential Electric Service					
If Your Annual kWhr Use Is:	And Your Monthly Summer kWhr Use Is:	Then Your Present Monthly Summer Bill (3) Would Be:	And Your Proposed Monthly Summer Bill (4) Would Be:	Your Monthly Summer Bill Change Would Be:	And Your Percent Change Would Be:
1,732	185	\$35.50	\$35.52	\$0.02	0.06%
3,464	370	66.06	66.09	0.03	0.05
6,920	740	129.08	129.15	0.07	0.05
7,800	803	140.35	140.42	0.07	0.05
12,500	1,337	235.87	236.00	0.13	0.06

(3) Based upon current Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect November 1, 2018 with Tax Adjustment Credit (TAC) rates as of January 1, 2019, and assumes that the customer receives BGS-RSCP service from Public Service.

(4) Same as (3) except includes change in the Manufactured Gas Plant Remediation component of the SBC.

TYPICAL RESIDENTIAL GAS BILL IMPACTS

The effect of the proposed changes in the gas SBC (Manufactured Gas Plant Remediation component) charge on typical residential gas bills, if approved by the Board, is illustrated below:

Residential Gas Service					
If Your Monthly Winter Therm Use Is:	And Your Annual Therm Use Is:	Then Your Present Annual Bill (1) Would Be:	And Your Proposed Annual Bill (2) Would Be:	Your Annual Bill Change Would Be:	And Your Percent Change Would Be:
25	170	\$227.65	\$228.03	\$0.38	0.17%
50	340	351.86	352.54	0.68	0.19
100	610	558.90	560.10	1.20	0.21
159	1,000	849.36	851.42	2.06	0.24
172	1,040	880.23	882.35	2.12	0.24
200	1,210	1,006.98	1,009.46	2.48	0.25
300	1,816	1,459.50	1,463.16	3.66	0.25

- (1) Based upon current Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect November 1, 2018 with Tax Adjustment Credit (TAC) rates as of January 1, 2019, and assumes that the customer receives commodity service from Public Service.
- (2) Same as (1) except includes change in the Manufactured Gas Plant Remediation component of the SBC.

Residential Gas Service					
If Your Annual Therm Use Is:	And Your Monthly Winter Therm Use Is:	Then Your Present Monthly Winter Bill (3) Would Be:	And Your Proposed Monthly Winter Bill (4) Would Be:	Your Winter Bill Change Would Be:	And Your Percent Change Would Be:
170	25	\$27.62	\$27.67	\$0.05	0.18%
340	50	46.60	46.70	0.10	0.21
610	100	85.82	86.02	0.20	0.23
1,040	172	141.45	141.80	0.35	0.25
1,210	200	163.04	163.45	0.41	0.25
1,816	300	240.24	240.85	0.61	0.25

- (3) Based upon current Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect November 1, 2018 with Tax Adjustment Credit (TAC) rates as of January 1, 2019, and assumes that the customer receives commodity service from Public Service.
- (4) Same as (3) except includes change in the Manufactured Gas Plant Remediation component of the SBC.

NOTICE TO PUBLIC SERVICE ELECTRIC AND GAS COMPANY ELECTRIC AND GAS CUSTOMERS

In The Matter Of The Petition Of Public Service Electric And Gas Company To Modify Its Manufactured Gas Plant (MGP) Remediation Component Within Its Electric Societal Benefits Charge (SBC) And Its Gas SBC; During The Remediation Adjustment Charge (RAC) 26 Period, August 1, 2017 to July 31, 2018

Notice of Filing and Notice of Public Hearings

Docket No. XXXXXXXXXXXX
OAL Docket No. XXXXX-XXXX:

TAKE NOTICE that, on November 30, 2018 Public Service Electric and Gas Company (Public Service, PSE&G, the Company) filed a Petition and supporting documentation with the New Jersey Board of Public Utilities (Board, BPU) in Docket Number XXXXXXXXXXXX requesting an increase in its Manufactured Gas Plant (MGP) Remediation charges, in its Remediation Adjustment Clause (RAC) component of its Societal Benefits Charge (SBC), pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1. The Company's RAC has been implemented in accordance with prior BPU Orders which allow the Company to recover, through successive 7 year amortizations, reasonable costs incurred in the Company's MGP Program. This Program has been and continues to be carried out under the direction and supervision of the NJDEP. In this filing, the Company seeks an Order finding that its Program costs incurred during the RAC 26 period, August 1, 2017 through July 31, 2018, are reasonable for recovery, and the rates are proposed to be effective on or about April 1, 2019. Included in this filing is one seventh (1/7) of each of RAC 20 through RAC 26 Program costs. The Company requests that the Board increase its current gas RAC rates by \$4.958 million and increase the current electric RAC rates by \$3.535 million, for a total increase of \$8.49 million on an annual basis for customers receiving service under tariff rates.

The new proposed RAC charges for electric and gas customers, if approved by the Board, are shown in Table #1. The allocation to gas contract customers has been incorporated on the basis of the terms of the particular contracts and/or applicable Board Orders, rather than on a volumetric basis.

The approximate effect of the proposed increase on typical electric and gas residential monthly bills, if approved by the Board, is illustrated in Tables # 2 and #3.

Based on the filing, a typical residential electric customer using 740 kilowatt-hours per summer month and 6,920 kilowatt-hours on an annual basis would see an increase in their annual bill from \$1,193.52 to \$1,194.20, or \$0.68 or approximately 0.06%.

A residential gas heating customer using 100 therms per month during the winter months and 610 therms on an annual basis would see an increase in their annual bill from \$558.90 to \$560.10, or \$1.20 or approximately 0.21%. Moreover, under the Company's proposal, a typical residential gas heating customer using 172 therms per month during the winter months and 1,040 therms on an annual basis would see an increase in their annual bill from \$880.23 to \$882.35 or \$2.12 or approximately 0.24%.

The Board has the statutory authority pursuant to N.J.S.A. 48:2-21, to establish the RAC charges to levels it finds just and reasonable. Therefore, the Board may establish the RAC charges at a level other than that proposed by Public Service. Therefore, the described charges may increase or decrease based upon the Board's decision.

Copies of the Company's filing are available for review at the Company's Customer Service Centers, online at the PSEG website at <http://www.pseg.com/pseandgfilings> and at the Board of Public Utilities, 44 South Clinton Avenue, Seventh Floor, Trenton, New Jersey 08625-0350.

The following dates, times and locations for public hearings have been scheduled on the Company's filing so that members of the public may present their views.

Information provided at the public hearings will become part of the record of this case and will be considered by the Board in making its decision.

Date 1, 2018
Time 1
Location 1
Room 1
Address 1
City 1, NJ Zip Code 1

Date 2, 2018
Time 2
Location 2
Room 2
Address 2
City 2, NJ. Zip Code 2

Date 3, 2018
Time 3
Location 3
Room 3
Address 3
City 3, NJ Zip Code 3

In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, such as interpreters, listening devices or mobility assistance, 48 hours prior to the above hearings to the Board's Secretary at the following address.

Customers may also file written comments with the Secretary of the Board of Public Utilities at 44 South Clinton Avenue, Third Floor, Suite 314, P.O. Box 350, Trenton, New Jersey, 08625-0350 ATTN: Secretary Irene Kim Asbury whether or not they attend the public hearings. To review PSE&G's rate filing, visit <http://www.pseg.com/pseandgfilings>

Table # 1

Electric Tariff Rates	Manufactured Gas Plant Remediation Component of the SBC		Total Societal Benefits Charge	
	Present \$/kWhr (Incl. SUT)	Proposed \$/kWhr (Incl. SUT)	Present \$/kWhr (Incl. SUT)	Proposed \$/kWhr (Incl. SUT)
Voltage (Rate Schedule)				
Secondary (RS, RHS, RLM, WH, WHS, HS, GLP, LPL-S, BPL, BPL-POF, PSAL)	\$0.000562	\$0.000656	\$0.007644	\$0.007738
Primary (LPL-P)	\$0.000547	\$0.000639	\$0.007499	\$0.007591
Subtransmission (HTS-S)	\$0.000540	\$0.000630	\$0.007429	\$0.007519
High Voltage (HTS-HV)	\$0.000533	\$0.000623	\$0.007366	\$0.007454
Gas Tariff Rates	Present \$/Therm (Incl. SUT)	Proposed \$/Therm (Incl. SUT)	Present \$/Therm (Incl. SUT)	Proposed \$/Therm (Incl. SUT)
Rate Schedule (RSG, GSG, LVG, SLG, TSG-F, TSG-NF, CIG)	\$0.014599	\$0.016652	\$0.048753	\$0.050806

**Table #2
Residential Electric Service**

If Your Annual kWhr Use Is:	And Your Monthly Summer kWhr Use Is:	Then Your Present Monthly Summer Bill (1) Would Be:	And Your Proposed Monthly Summer Bill (2) Would Be:	Your Monthly Summer Bill Change Would Be:	And Your Monthly Summer Percent Change Would Be:
1,732	185	\$35.50	\$35.52	\$0.02	0.06%
3,464	370	66.06	66.09	0.03	0.05
6,920	740	129.08	129.15	0.07	0.05
7,800	803	140.35	140.42	0.07	0.05
12,500	1,337	235.87	236.00	0.13	0.06

- (1) Based upon current Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect November 1, 2018 with Tax Adjustment Credit (TAC) rates as of January 1, 2019, and assumes that the customer receives BGS-RSCP service from Public Service.
- (2) Same as (1) except includes change in the Manufactured Gas Plant Remediation component of SBC.

**Table #3
Residential Gas Service**

If Your Annual Therm Use Is:	And Your Monthly Winter Therm Use Is:	Then Your Present Monthly Winter Bill (1) Would Be:	And Your Proposed Monthly Winter Bill (2) Would Be:	Your Monthly Winter Bill Change Would Be:	And Your Monthly Winter Percent Change Would Be:
170	25	\$27.62	\$27.67	\$0.05	0.18%
340	50	46.60	46.70	0.10	0.21
610	100	85.82	86.02	0.20	0.23
1,040	172	141.45	141.80	0.35	0.25
1,210	200	163.04	163.45	0.41	0.25
1,816	300	240.24	240.85	0.61	0.25

- (1) Based upon current Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect November 1, 2018 with Tax Adjustment Credit (TAC) rates as of January 1, 2019, and assumes that the customer receives commodity service from Public Service. Does not include any BGSS-RSG bill credits
- (2) Same as (1) except includes change in the Manufactured Gas Plant Remediation component of SBC.

**Matthew M Weissman
General Regulatory Counsel - Rates**

PUBLIC SERVICE ELECTRIC AND GAS COMPANY