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February 1, 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) 25 Period, August 1, 2016, to July 31, 2017

BPU Docket No. _____

VIA E-FILING & OVERNIGHT MAIL

Office of the Secretary
Attn: Aida Camacho
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

Dear Secretary:

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 25 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) 25)
PERIOD, AUGUST 1, 2016 TO JULY 31, 2017)

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, 2016 through July 31, 2017 (RAC 25), 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 24 periods (July 1995 through July 2016). 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 24 in previous Decisions and Orders.

8. In this filing, the Company seeks an Order by April 1, 2018 finding that its RAC activities conducted and Program Costs incurred during the RAC 25 period, August 1, 2016 through July 31, 2017, 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 \$0.013692/therm (excluding New Jersey Sales and Use Tax, SUT), an increase from the current RAC rate of \$0.011189/therm (excluding SUT), or by \$7.393 million. The electric RAC factor as shown on Attachment A-2, page 2 calculates a new rate of \$0.000496/kilowatt-hour (excluding line losses and SUT), an increase from the current RAC rate of \$0.000462/ kilowatt-hour (excluding line losses and SUT), or by \$1.587 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 25 period at \$64,853,631. Ms. Powell credited insurance proceeds of \$6,000,000 against the RAC 25 annual program costs as well as other miscellaneous recoveries received of \$1,151,653. 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, \$7,442 of adjusted NRD-related interest costs incurred during the RAC 25 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 25 costs proposed for recovery in this filing, less the deferred NRD-related MGP costs, is \$57,694,536. (*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 24 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 25 period MGP Remediation Program.

12. It should also be noted that the Board of Public Utilities approved the sale of the Hobart Avenue Gas works in October 2017. A deposit in the amount of \$54,250 was received and credited to the RAC, as a benefit to the RAC ratepayers, during the RAC 25 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 25, which PSE&G requests be implemented on April 1, 2018. The Company is proposing that the current gas RAC factor of \$0.011189/therm excluding SUT be increased to \$0.013692/therm excluding SUT and the current electric RAC factor of \$0.000462/kilowatt-hour excluding line losses and SUT be increased to \$0.000496.

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, 2018:

- a) Determining that its Program Activities completed during the RAC 25 period were prudent;
- b) Determining that the program costs incurred for the RAC 25 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 \$0.000496/kilowatt-hour (excluding losses and SUT) and \$0.013692/therm (excluding SUT), respectively.

Respectfully submitted,

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

DATED: February 1, 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 25 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 24 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 recovery
14 of manufactured gas plant remediation costs. The Final Decision and Order in the
15 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 defines the SBC costs as "Actual costs
19 incurred by the Company for each of these components will be subject to deferred
20 accounting." Actual remediation costs incurred are deferred, subject to recovery in
21 future SBC proceedings. The remediation costs, less the recovery of insurance
22 proceeds, are being recovered from ratepayers over a 7-year period. All of the

1 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 24, including the
6 most recent Board Order on June 30, 2017. 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 18 through RAC 24 costs for the period
10 ending July 31, 2016. PSE&G has summarized the RAC 25 remediation program
11 costs for the twelve-month period ended July 31, 2017 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.

20

1 **THE PROPOSED REMEDIATION ADJUSTMENT CHARGE (RAC 24)**
2 **EXPENDITURES ARE FAIRLY STATED**

3
4 Attachment A-2, page 1 of 2 details the required RAC collection of
5 \$62.696 million after applying the Board-approved seven-year amortization, carrying
6 charges and RAC 24 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 \$40.711
8 million and \$21.985 million, respectively.

9 The Company is requesting recovery of the program costs for the RAC
10 25 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 25 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 24 costs. RAC 25 would
14 continue to include the previously approved amortizations of costs for the RAC 19
15 through RAC 24 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 \$0.014599/therm including current New Jersey Sales and Use Tax (SUT) of 6.625%, an
19 increase from the current rate of \$0.011958/therm including SUT of 6.875%. The
20 electric RAC factors as shown on Attachment A-2, page 2 calculates an increase for
21 electric Secondary service customers from \$0.000534 /kilowatt-hour including line
22 losses and SUT to \$0.000572/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 25 gross program costs incurred during the twelve-
4 month period ending July 31, 2017, aggregated \$64,853,631. The gross program
5 costs incurred have been reduced by a total of \$7,159,095 representing insurance
6 proceeds (net) received of \$6,000,000, other miscellaneous recoveries received of
7 \$1,151,653 and deferred Natural Resource Damage (Interest only) of \$7,442.
8 Included in the gross program costs is \$580 related to meals consumed during a
9 manufactured gas plant (MGP) related meeting and inadvertently charged to the RAC.
10 This amount will be credited to ratepayers during the RAC 26 period and will appear
11 as a miscellaneous recovery credit on Attachment A-3 page 1 in the RAC 26 filing.

12

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

14 In accordance with the BPU-approved Settlement Agreement for the
15 Company's previous RAC 15 filing, PSE&G has deferred NRD costs identified in the
16 RAC 15 through 25 periods pending BPU review and approval of recoverability of
17 such costs through the RAC mechanism. A total of \$736,367 inclusive of applicable
18 interest has been deferred to date.

1 Therefore, the net annual RAC 25 costs proposed for recovery in this
2 filing, less miscellaneous recoveries, insurance recovery and the deferred NRD-
3 related interest, is \$57,694,536 (See Attachment A-3, page 1).

4
5 **THE TRUE UP OF UNRECOVERED RAC 23 COSTS**

6
7 The RAC 25 Petition includes a true-up and recovery of the RAC 24
8 costs in the amount of \$7.375 million for gas and \$(.048) million for electric, based
9 upon a comparison of the approved RAC 24 costs with the actual recoveries during
10 the period from October 1, 2016 through September 30, 2017. The supporting detail
11 for the RAC 24 true-up is set forth in Attachment A-3, page 2.

12
13 **CARRYING COSTS ON UNRECOVERED REMEDIATION PROGRAM**
14 **BALANCE**

15
16 The carrying costs for the RAC 25 filing of \$3.581 million for gas and
17 \$2.197 million for electric, for the period August 2017 through June 2019 are based
18 on the unamortized deferred ending balance for the RAC 25 period. The supporting
19 detail for the carrying costs is included in Attachment A-5, page 2 (Gas) and page 4
20 (Electric).

21 The interest rate for the RAC is based on seven-year constant maturity
22 treasuries, as shown in the Federal Reserve Statistical Release on or closest to August
23 1, of each year, plus 60 basis points. As of August 1, 2016, the rate was 1.33%, plus

1 60 basis points, which equates to a total interest rate of 1.93%. Effective August 1,
2 2017, the rate was 2.07%, plus 60 basis points, which equates to a total interest rate of
3 2.67%.

4

5 **OTHER - SALES OF PROPERTY**

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

12 The BPU approved the sale of the Hobart Avenue Gas works in October
13 2017. A deposit in the amount of \$54,250 was received and credited to the RAC, as a
14 benefit to the RAC ratepayers, during the RAC 25 period. This deposit is shown as a
15 miscellaneous recovery (See Attachment A-3, page 1). The sale is expected to be
16 finalized during the RAC 26 period.

17

18

19 **SUMMARY and CONCLUSION**

20

21

22 Based on the above detail, PSE&G is requesting rates that are
anticipated to provide for annual recovery of \$40.711 million through the gas SBC

1 and \$21.985 million through the electric SBC. This testimony and the attached
2 schedules fully support the Company's request in this matter and comply with all Board
3 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**

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

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

1 Works, Somerville Gas Works, New Brunswick Gas Works and South Warren Street Gas
2 Works (Trenton), Jersey Street Gas Works (Paterson), Passaic Gas Works, and Halladay
3 Street Gas Works (Jersey City). In addition, the Company is engaged in third-party claims
4 with respect to the former Camden Coke Plant, and Provost Street Gas Works.

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

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

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

18 During the RAC 25 period, Public Service did not incur any costs for NRD
19 claims or assessments, other than interest on past NRD assessments, in conjunction with
20 its MGP remediation program. The following sections describe the activities that are either
21 ongoing or were completed during the period August 1, 2016 through July 31, 2017 (the
22 RAC 25 period).

1 **Bloomfield Gas Works**

2 The Bloomfield Gas Works site is composed of the following two parcels: 1) the “Former
3 Substation” property that is owned by PSE&G (through New Jersey Properties); 2) 50
4 West Street that is owned by Hartz Mountain. There is also a property located adjacent to
5 the Bloomfield Gas Works site that was impacted by the former gas works operations is
6 located at 55/57 West Street. A Remedial Action Work Plan for the two parcels and
7 adjacent property was submitted to NJDEP during March 2008 and was approved by
8 letter dated July 31, 2008.

9 The remediation of soil on the Former Substation property was completed in 2010. The
10 Remedial Action Report (RAR) for this work was submitted in September 2010 and
11 approved by NJDEP on January 13, 2011. The NJDEP issued a Soil Remediation Action
12 Permit (RAP) and the LSRP issued a Response Action Outcome (RAO) for the Former
13 Substation property in June 2012.

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

18

19 **Bordentown Gas Works**

20 The remediation of soils at the Bordentown Gas Works site has been completed and a No
21 Further Action (NFA) letter for soils was received from the NJDEP on December 24,
22 2002. A Ground Water Classification Exception Area (CEA) was approved on August 20,
23 2004. The NRD Settlement effective January 24, 2006 required transfer of property
24 ownership from PSE&G and New Jersey Properties to the City of Bordentown. The City

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

3 4 **Brunswick Avenue Gas Works**

5 The remediation of soils at the Brunswick Avenue Gas Works site was completed in 2004
6 and an NFA letter for soil was received from the NJDEP on February 13, 2004. A Soil
7 RAP was issued by the NJDEP in February 2015. A Ground Water CEA was issued by
8 the NJDEP on December 4, 2001. A Ground Water Remedial Investigation Report (RIR)
9 was approved by the LSRP in December 2013. A revised Ground Water CEA application
10 was submitted to the NJDEP in October 2014. The indeterminate duration CEA was
11 issued by the NJDEP in July 2016.

12 13 **Burlington Gas Works**

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

19 20 **Camden Coke**

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

1 remediation was conducted between January and October 2004 and reported in an IRMR
2 dated December 2004. Phase III and IV remediation was conducted in two mobilizations.
3 The first mobilization was between June 2013 and April 2014. The second mobilization
4 was in March 2015 and was completed in September 2015.

5 With regard to the sediment portion of the site, the NJDEP approved the Tier I Ecological
6 Assessment Work Plan (EAWP) in May 2009 and a Tier II EAWP in November 2010. A
7 Tier II Ecological Assessment Report was submitted to the NJDEP in September 2011. A
8 Remedial Action Work Plan (RAWP) for the excavation of contaminated sediment was
9 submitted to the NJDEP in June 2014. The NJDEP issued a third amendment to the
10 Administrative Consent Order (ACO) executed by PSE&G, Georgia-Pacific LLC, and GP
11 Gypsum Equity, LLC in May 2016. Charter Contracting Company, LLC mobilized to the
12 site in June 2016 for the remediation of contaminated sediment. As of June, 2017 the
13 dredging of contaminated sediments has been completed. Restoration of the dredged
14 areas and shoreline that was impacted by the dredging is on-going.

16 **Camden Gas**

17 The former Camden Gas Works was located on five properties identified as Parcel 1
18 through Parcel 5. The remediation of Parcel 2 was conducted between August 2011 and
19 March 2012. The LSRP-approved Remedial Action Report (RAR) for Parcel 2 was
20 submitted to the NJDEP in May 2012 and a Remedial Action Outcome (RAO) for Soils
21 was issued in February 2013. Remediation of Parcel 5 consisted of only engineering and
22 institutional controls. The LSRP-approved RAR for Parcel 5 was submitted to the
23 NJDEP in December 2013 and a RAP for Soils was issued in March 2015. A Soils RAO
24 was issued for Parcel 5 in October 2015. An LSRP-approved RIR for the entire site was

1 submitted to the NJDEP in February 2015. The NJDEP established a Classification
2 Exception Area/Well Restriction Area for contamination in ground water associated with
3 this site in September 2015. Remediation of a portion of Parcel 1 and Parcel 4 was
4 completed in May 2016. A Deed Notice was recorded for Parcel 4 in October 2016 and a
5 portion of Parcel 1 referred to as 1B, was recorded in November 2016. Remedial Action
6 Permit applications for Parcels 4 and 1B were submitted to the NJDEP on December 23,
7 2016 and were approved on May 25, 2017.

8 9 **Central Gas Works**

10 The Central Gas Works site is divided into six separate zones (Zones 1 thru 6) for the
11 purpose of the remedial activities. The remedial investigation of all 6 Zones is complete
12 and an RIR was submitted to the NJDEP in July 2004. An RAWP for all 6 Zones was
13 submitted to the NJDEP in July 2008 and was approved in March 2010. The remediation
14 of Zone 5 was completed in 2006. A portion of Zone 3 was remediated during 2012. An
15 RAR for that portion of Zone 3 was submitted to the NJDEP in May 2014 and a RAO
16 was issued by the LSRP. Waste soil classification sampling for Zones 2 and the balance
17 of Zone 3 was completed during February 2015 in preparation for its remediation in mid-
18 2015. Panther Technologies, Inc. mobilized to the site during 2015 to begin remediation
19 of Zone 1, 2 the remaining portion of Zone 3 and Zone 4. This work was completed
20 during October 2016. PSE&G completed installing groundwater monitoring wells to
21 support the post-soil remedial action evaluation of groundwater during March 2017.
22 PSE&G completed a round of groundwater gauging and sampling in June and September
23 2017. The Construction Bid Specification for the remediation of contaminated sediments
24 in Silver Lake (Zone 6) was released for bid on June 23, 2017.

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Chauncey Street

The remediation of the site was completed in September 2012. A Licensed Site Remediation Professional (LSRP) approved Remedial Action Report (RAR) was submitted to the NJDEP in December 2012. A Soil Remedial Action Permit (RAP) was issued by the NJDEP in December 2014. The LSRP issued a Remedial Action Outcome (RAO) for soils on December 23, 2014. A Ground Water Classification Exception Area (CEA) application was submitted to the NJDEP in January 2015. The NJDEP issued two CEAs. One CEA was issued on November 16, 2015 for MGP contaminants and the other was issued on December 10, 2015 for Historic Fill contaminants. A Ground Water RAR was submitted to the NJDEP in April 2017 along with a Ground Water RAP Application.

East Newark Gas Works

The East Newark Gas Works site is divided into two parcels for the purpose of the remedial activities. The remediation of soil on Parcel 2 is complete. The NJDEP issued a Soil Remedial Action Permit and the Licensed Site Remediation Professional (LSRP) issued a Remedial Action Outcome (RAO) for Parcel 2 in June 2013.

A RIR for Ground Water that included two Ground Water CEA applications for the site was submitted to NJDEP in November 2013. The two Ground Water CEAs were established by the NJDEP in September 2014. A CEA removal request for Ammonia and a proposed CEA for historic fill were submitted to the NJDEP in October 2016. A Remedial Action Report (RAR) for Parcel 1 Soils was submitted to NJDEP and the LSRP issued a Response Action Outcome (RAO) for Parcel 1 in June 2015. The Historic fill

1 CEA was approved by NJDEP in April 2017 and the CEA for Ammonia was lifted by
2 NJDEP in May 2017.

3
4 **East Rutherford Gas Works**

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

9
10 **Englewood Gas Works**

11 The remedial investigation of the Englewood Gas Works site is complete and an RIR was
12 submitted to the NJDEP in July 2013. An RAWP was submitted to the property owner (a
13 Limited Liability Corporation) in October 2013 for review. Groundwater contamination
14 at this site has been determined to be a result of historic fill material that was brought in
15 after the MGP operations ceased. As a result, the NJDEP removed the Ground Water
16 CEA in December 2014. A RAR for groundwater was submitted to the NJDEP in August
17 2015. An area of concern (AOC) soils specific RAO was issued by the LSRP for four out
18 of eight AOCs in September 2015. A Remedial Action Report Addendum Remediation
19 for the excavation of about 200 tons of contaminated soil was completed in June 2016
20 and submitted to the NJDEP in January 2017. A Remedial Action Outcome for the
21 remaining Areas of Concern at this site was issued on February 17, 2017.

22

1 **Front Street Gas Works**

2 The Front Street Gas Works site is comprised of three areas for the purpose of the
3 remedial activities. The first area is Parcel 1, which includes the NJDOT property and the
4 Lombardy jug-handle located east of McCarter Highway. The remediation of soil on
5 portions of Parcel 1 was completed between August 2001 and October 2003. The RAR
6 for Parcel 1 was submitted to the NJDEP in April 2004 and approved by the NJDEP on
7 February 23, 2010. The Soil RAP application was submitted to the NJDEP on December
8 17, 2014.

9 The second area is Parcel 2, which is composed of the NJ Transit light rail and NJDOT
10 properties located west of McCarter Highway. An RAWP for Parcel 2 Soil was submitted
11 in November 2007 and approved by the NJDEP on February 23, 2010. No active
12 remediation was required. The RAR was submitted to the NJDEP in July 2014. The Soil
13 RAP for Parcel 2 was issued by the NJDEP in October 2014. An RAO was issued for
14 Parcel 2 Soil on December 17, 2014.

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

21 A RIR with a CEA application was submitted to the NJDEP on May 7, 2014. The NJDEP
22 established the CEA on August 24, 2015. The contractor, Posillico Environmental,
23 mobilized to the site on August 24, 2015 to begin the remediation of soil at the waterfront
24 and off-site property. Excavation of contaminated soil was completed on April 19, 2016.

1 Backfilling was completed on May 6, 2016. Posillico Environmental demobilized the site
2 on June 22, 2016. The RAR for the off-site property was submitted to NJDEP on
3 November 17, 2016. A RAP for Soil on the off-site property was issued by the NJDEP
4 on December 27, 2016 and an RAO for the off-site property was issued by the LSRP on
5 December 29, 2016.

6 By email dated February 4, 2016 the NJDEP stated that their review of the 2014
7 Remedial Investigation Report has been completed and should be resubmitted to address
8 their November 2015 clarification statement entitled, "Investigating Impacts from
9 Contaminated Sites to a Surface Water." PSE&G submitted an email response to the
10 NJDEP on April 27, 2016.

11

12 **Fulton Street Gas Works**

13 A RAWP was submitted to NJDEP in July 2009. The first phase of an In-Situ Chemical
14 Oxidation remediation was conducted between June and September 2010 and a Remedial
15 Action Report (RAR) was submitted to NJDEP in December 2010. A second phase of In-
16 Situ Chemical Oxidation injection was conducted between September and November
17 2012. Shallow excavations and surface cover improvements to address the remaining
18 areas of contaminated soil were completed in September and October 2014 and a RAR
19 Addendum was submitted to NJDEP in March 2015. NJDEP issued a Soil Remedial
20 Action Permit in May 2015. The LSRP issued a Response Action Outcome (RAO) for
21 on-site soils in September 2015. The Remedial Investigation Report (RIR) that included a
22 Ground Water Classification Exception Area (CEA) application was submitted in
23 October 2016. The Off-Site RAWP Addendum was submitted to NJDEP in December
24 2016.

1 **Gloucester Gas Works**

2 The remediation of soils at the Gloucester Gas Works site was completed in 2000 and an
3 NFA letter for soils was issued in December 2003. An NRD Settlement was effective as
4 of January 24, 2006. A CEA for ground water was issued by the NJDEP in July 2001.
5 The NJDEP issued RAPs for soil and ground water in January 2013. The NJDEP issued a
6 revised groundwater RAP in May 2014 reducing the frequency of ground water sampling.

7

8 **Hackensack Gas Works**

9 The Hackensack Gas Works site is composed of six areas for the purpose of the remedial
10 activities. Four of these areas are on land that the Hackensack Gas Works operated and/or
11 impacted. These land areas were investigated and remediated in four phases between
12 2003 and 2013. The two remaining areas are the sediments below the Hackensack River
13 that abuts the site and the streets (i.e., South River Street and Water Street) that transect
14 the site. The RAPs for Soils have been issued by the NJDEP and RAOs have been issued
15 for the land areas that have been remediated with the exception of a property owned by
16 the Kaplan Companies. The RAP will be issued for the property owned by the Kaplan
17 Companies following the execution of a Deed Notice by the owner, which is pending.

18 Sediment sampling in the Hackensack River, including its tributary, Bosses Creek, was
19 conducted between August and October 2010 and between August 2012 and November
20 2013. An area of coal tar contamination was identified in the Hackensack River
21 sediments located adjacent to the site. An RIR for sediment was submitted to the NJDEP
22 in January 2011. Sediment sampling for an Ecological Risk Assessment was completed in
23 the Hackensack River on July 7, 2016. A RIR was submitted to the NJDEP in May 2014.

24 An off-site property located at 249 South River Street that is located adjacent to a portion

1 of the site requires access to collect soil samples. The owner was sued for access during
2 January 2015 and an access agreement was fully executed on January 16, 2015. Soil
3 borings were drilled and sampled, and two groundwater monitoring wells were installed
4 on the off-site property in May 2015. Groundwater sampling was completed in two off-
5 site groundwater monitoring wells in June 2015. An RIR for the off-site property was
6 submitted to NJDEP on May 4, 2016. Notices in Lieu of Deed Notices for portions of
7 South River Street and Water Street were issued on May 25, 2016. A Remedial Action
8 Report for portions of South River Street and Water Street was issued on June 1, 2016. A
9 RAWP for the Hackensack River sediments was submitted to NJDEP on December 15,
10 2016. A RAWP for the remediation of soil located at the 249 South River Street off-site
11 property was submitted to NJDEP on March 24, 2017. A RAWP for groundwater was
12 submitted to the NJDEP on April 25, 2017. Geophysical and bathymetric surveys were
13 completed in the Hackensack River during May 2017 in support of the engineering design
14 for the sediment remedial action.

16 **Halladay Street Gas Works**

17 The Halladay Street Gas Works site is co-located on a site that was later owned and
18 operated by the Pittsburgh Plate Glass Company (PPG) who used the property to refine
19 chromium ore. During 2011, meetings were held with PPG, the responsible party for the
20 Chromium remediation, to discuss coordination of the remedial actions and to achieve
21 alignment on the remedial goals for the site. It was agreed that PSE&G would remediate
22 the Holder Area, also known as "Area A", that was predominately contaminated with
23 MGP wastes and PPG would remediate the remainder of the site that was predominately
24 contaminated with chromium wastes, also known as "Area B." The RAWP was

1 submitted to the NJDEP in December 2011. A remediation agreement between PSE&G
2 and PPG for the remediation of the site was executed in February 2013.

3 The remediation of “Area A” was completed by PSE&G in November 2013. PPG
4 completed the remediation of “Area B” in November 2014. A RIR was submitted to the
5 NJDEP on May 5, 2014. A CEA application was submitted to the NJDEP in June 2014.
6 The Ground Water CEA was established by the NJDEP on July 25, 2014. The remedial
7 investigation and remedial action of off-site areas by PPG is on-going. Groundwater
8 samples were collected adjacent to four off-site properties during August 2015 as part of
9 a vapor intrusion investigation. Vapor intrusion investigation sampling was completed at
10 an off-site property during March 2016 and March 2017. Approximately 1,152 tons of
11 MGP-contaminated soil was transported and disposed by Creamer Environmental in
12 support of PPG’s excavation of Forrest Street during April, May, June and July 2017.

13 14 **Harrison Gas Works**

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

18 A RAWP was submitted to NJDEP in September 2000 and conditionally approved in
19 October 2003. Remediation of the riverfront area was conducted between January 2003
20 and May 2004. A Remedial Action Report - Phase 1 Riverfront Stage was submitted to
21 the NJDEP in March 2008 and approved in April 2009.

22 A Remedial Action Selection Report (RASR)/RAWP for the future Red Bull Substation
23 Area at the northern portion of the site was submitted to the NJDEP in November 2007.
24 Remediation of this area was completed between July and December 2008 and an Interim

1 RAR was prepared in March 2009. NJDEP approved the Interim RAR – Future
2 Substation Area in June 2010 and a revised RAO was issued for the Red Bull Substation
3 Area in January 2013.

4 A RAWP for the proposed PATH Substation area at a western portion of the site was
5 submitted to NJDEP in May 2010. Remediation of this area was completed between
6 December 2010 and May 2011. The PATH Substation IRM Report was submitted to the
7 NJDEP in October 2011 and approved by the LSRP in June 2012. NJDEP issued a Soil
8 Remedial Action Permit Modification for the Red Bull Substation and PATH IRM in
9 February 2014.

10 A Remedial Investigation Report (RIR) was prepared and submitted to the NJDEP on
11 March 31, 2016. Waste classification soil sampling was conducted in May 2017 in
12 preparation for the In-Situ Solidification and Stabilization (ISS) Pilot Study. A treatability
13 study for ISS was completed in June 2017. A RAWP Addendum for the proposed Pilot
14 Study was submitted to the NJDEP in June 2017.

16 **Hobart Avenue Gas Works**

17 The remediation of soils at the Hobart Avenue Gas Works site has been remediated and
18 an NFA letter for soils was issued on February 21, 2008. A Ground Water CEA was
19 established by the NJDEP in 2002 for an indeterminate period. The NJDEP issued soil
20 and ground water RAPs in January 2015.

22 **Hoboken Gas Works**

23 The former Hoboken Gas Works site was located on two city blocks identified on the tax
24 maps of the City of Hoboken as Blocks 110 and 116. On October 6, 2011, PSE&G

1 executed a “Consent to Deed Notice Release and Settlement Agreement” and a “Deed of
2 Easement” with the owner of Block 110. An LSRP-approved RAWP for Block 110 was
3 submitted to the NJDEP in July 2012 and the remediation of this portion of the former
4 Hoboken Gas Works was conducted between September 2013 and February 2015. The
5 Deed Notice for Block 110 was submitted to the Hudson County Register for recording
6 on July 15, 2015. The RAR for Block 110 was submitted to NJDEP on August 19, 2015.
7 NJDEP issued a Remedial Action Permit for Soil on Block 110 on December 23, 2015.
8 The LSRP issued a Response Action Outcome for Soil on Block 110 on February 8,
9 2016.

10 The portion of Block 116 where the gas holders for the former Hoboken Gas Works were
11 located was remediated by Advance Realty per a Remediation Agreement that was
12 executed during March 2009. The agreement requires PSE&G to remunerate Advance
13 Realty for a portion of the remediation cost. During 2009, Advance Realty submitted an
14 RAWP to the NJDEP that was approved on October 6, 2009. Advance Realty conducted
15 the remediation of this portion of Block 116 between October 2011 and May 2014. The
16 RIR for the site and ground water was submitted to the NJDEP in May 2014. A CEA
17 application was submitted to NJDEP on September 30, 2015. Advance Realty issued a
18 RAR for Block 116 in October 2015. NJDEP issued a Remedial Action Permit for Soil
19 on Block 116 on December 3, 2015. The LSRP issued a Response Action Outcome for
20 Soil on Block 116 on December 11, 2015. In December 2016, fifteen soil borings were
21 drilled and sampled on the portion of Block 116 where a Rite-Aid is located and five soil
22 borings were drilled and sampled in adjacent sidewalks.

1 **Jersey Street Gas Works**

2 The remediation of soils at the Jersey Street Gas Works site has been remediated and an
3 NFA letter for soils was issued by NJDEP in December 2005. The NJDEP issued a
4 Ground Water CEA on March 10, 2006. Monitoring wells associated with the CEA for
5 this site were decommissioned in April 2012 and no further monitoring of ground water is
6 required. The NJDEP issued the Soil RAP on December 11, 2013.

7

8 **Market Street Gas Works**

9 The former Market Street Gas Works site was located on several properties and is divided
10 into six areas for remediation purposes. Areas A, B and C are located between the
11 Passaic River and Raymond Boulevard / Market Street. Areas D, E and F are located to
12 the south of Raymond Boulevard. A Remedial Investigation Report was submitted to
13 NJDEP in December 2015.

14 Remediation of the Passaic River waterfront portion of Area A was conducted between
15 April 2004 and June 2005. An RAR for this remediation was submitted to NJDEP in
16 December 2005. Remediation of the Gas Main portion of Area A was conducted between
17 April and November 2007. An RAR for this remediation was submitted to NJDEP in
18 January 2008. NJDEP approved both RARs in May 2011. The remediation of the
19 remainder of Areas A and B (including Jersey Street) was conducted between April 2012
20 and July 2014. A RAR for Area A, Area B and Jersey Street was submitted to NJDEP in
21 October 2015. A Soil Remedial Action Permit (RAP) was issued by the NJDEP for
22 Block 171 Lot 11 and Block 172 Lot 1 (Areas A and B) and for Block 172 Lot 3 (Area A)
23 on May 26, 2016. A Soil RAP was issued by the NJDEP for Block 171 Lots 1,6, and 8
24 (Area A), Block 171 Lots 41 and 42 and Block 172 Lots 31, 33, and 35 (Areas A and B)

1 on June 27, 2016. The LSRP subsequently issued RAOs for the four (4) areas on June
2 27, 2016.

3 The remediation of Area C, which was a public parking facility, was completed between
4 January and June 2014. An RAR for Area C was submitted to NJDEP in December
5 2014. NJDEP issued a Soil Remedial Action Permit for Area C in June 2015. The LSRP
6 issued a RAO for Area C in October 2015.

7 The remediation of Area D, which was a former restaurant, was completed between
8 August 2014 and April 2015. An RAR was submitted to NJDEP in July 2015. NJDEP
9 issued a Soil Remedial Action Permit and the LSRP issued a RAO for Area D in October
10 2015.

11 Area E is a privately owned car wash facility. On April 17, 2015 PSE&G executed a
12 "Property Appraisal and Purchase Agreement" with the owner to secure access in order to
13 conduct the remediation. PSE&G acquired access to the property (Master Car Wash) in
14 April 2017.

15 Area F is a restaurant with associated parking. An Interim Remedial Measures Work
16 Plan was submitted to NJDEP in December 2007 and approved in April 2008.
17 Remediation of Area F was conducted between June 2008 and June 2009. An Interim
18 RAR was submitted to the NJDEP in October 2009.

19 A Remedial Action Work Plan (RAWP) for Area E and a portion of Area F was
20 submitted to NJDEP in November 2016.

21 A revised site-wide Classification Exception Area (CEA) application and electronic files
22 (ArcGIS files) were submitted to NJDEP in February 2017. A copy of notification letters
23 were also sent to the appropriate government agencies and property owners.

24

1 **Medford Gas Works**

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

6
7 **Morristown Gas Works**

8 The former Morristown Gas Works Site was located on four discontinuous properties,
9 identified as Parcel 1 through Parcel 4, along the Whippany River. Parcel 1 was located
10 200 feet west of the river and Parcels 2, 3 and 4 were located east and north of the river
11 along Coal Avenue and Center Street. Revised CEA applications were submitted to the
12 NJDEP in June and October 2016 and established in January 2017.

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

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

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

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

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

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

8 The NJDEP issued a RAP for Soils on Parcel 3 in August 2013. NJDEP issued a NFA
9 letter for soils on Parcel 4 in December 2003. A Groundwater RAP was issued in January
10 2017 for Parcel 3 and 4. A Groundwater CEA for Historic Fill constituents was
11 established in January 2017. The LSRP issued a Limited Restricted Use Groundwater
12 RAO in January 2017 for Parcels 3 and 4.

13 Spring Hill Property – Remediation of off-site shallow soil in an area known as “Spring
14 Hill” that is situated along the riverbank of the Whippany River was completed in
15 December 2006. An RAR was submitted to the NJDEP in December 2006 and approved
16 in July 2007. The Morristown Planning Board approved the required subdivision of the
17 Spring Hill Property in May 2015. A Deed Notice was filed and recorded with
18 Morristown County in July 2015. A Soils RAP application was submitted to the NJDEP
19 in August 2015. The NJDEP issued a RAP for soils on the Spring Hill parcel in January
20 2016. The LSRP issued a restricted use RAO for soil in March 2016.

21
22 **Mount Holly Gas Works**

23 The remediation of soils at the Mount Holly Gas Works site was completed in May 2001
24 and an NFA letter for soils was issued in December 2002. Post-remedial groundwater

1 monitoring has demonstrated compliance with New Jersey Ground Water Quality
2 standards, and the NJDEP removed the CEA in August 2014. An Unrestricted Response
3 Action Outcome for ground water was issued by the LSRP in February 2016.

4 5 **New Brunswick Gas Works**

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

10 An LSRP- approved Soil RIR was submitted to the NJDEP in June 2013. An LSRP-
11 approved Ecological Risk Assessment Report was submitted to the NJDEP in November
12 2013. An LSRP approved Groundwater RIR and CEA application was submitted to the
13 NJDEP on April 30, 2014. Notices in Lieu of Deed Notices were filed for portions of
14 Route 18 and Johnson Drive in December 2014. Establishment of the CEA by the
15 NJDEP is pending.

16 Waste classification sampling was completed on the NJDOT Route 18 right-of-way
17 during May 2015. Supplemental soil sampling was completed on the J&J Property
18 during August 2015, in support of the design of the remedial action. Eight groundwater
19 piezometers were installed on the J&J property during October 2016, in support of the
20 design of the remedial action.

21 22 **Passaic Gas Works**

23 A RIR and RASR for the Passaic Gas Works site were submitted to the NJDEP in July
24 2006. A RAWP was submitted to the NJDEP in May 2011. A comprehensive, site-wide

1 RIR with a Ground Water CEA application was submitted to the NJDEP in December
2 2013. The CEA was established by the NJDEP in January 2014. The CEA has an
3 indeterminate expiration date and no monitoring requirements. During July 2016, a draft
4 contract to purchase the property was sent to the owner for review. The sale of the
5 property to PSE&G closed in December 2016. Additional soil investigation to refine the
6 May 2011 RAWP was performed in June 2017. A Construction Bid Specification for the
7 demolition of the former auto body building was prepared and issued for bid in May
8 2017. A Contractor was retained in July 2017 and the building will be demolished in
9 September 2017.

11 **Paterson Gas Works**

12 The migration of contaminated ground water is being controlled by a “pump and treat”
13 ground water treatment plant that commenced operations in July 2001. The remediation
14 of soils at the Paterson Gas Works site was completed in 2004. A Ground Water CEA
15 was issued by the NJDEP in November 2004. The Ground Water CEA was revised in
16 November 2014. A Soils RAP was issued on June 16, 2014. The NJDEP issued a
17 Groundwater RAP on January 12, 2015.

18
19 A RASR for the impacted sediments of the Passaic River adjacent to the Paterson Gas
20 Works site was submitted to the NJDEP in June 2001. An RAWP that proposed a marine
21 mattress cap was submitted in December 2001. In June 2007, the NJDEP was advised
22 that due to issues with the regulatory requirement for “no net fill,” PSE&G would collect
23 additional sediment data and file a revised/updated RASR in 2008. Sediment sampling
24 was completed in June 2008. The final easement required to access and Deed Notice the

1 portion of the Passaic River impacted by the Paterson Gas Works was acquired in June
2 2008. An Engineering Assessment Report was completed in October 2008 and a Revised
3 RASR was submitted to the NJDEP on December 8, 2008. The NJDEP issued a
4 conditional approval on August 10, 2009, requiring additional sediment delineation
5 sampling. Additional sediment samples collected during April and November 2010,
6 achieved delineation and the results were submitted to the NJDEP on November 22,
7 2010. The LSRP-approved RAWP was submitted to the NJDEP in April 2012. The LSRP
8 approved an addendum to the RAWP on October 23, 2012, which incorporated
9 recommendations made by the NJDEP based on its technical review of the RAWP.
10 Sediment waste classification sampling was completed in the Passaic River during
11 August 2016 in support of preparing the Construction Bid Specifications for the
12 remediation. The Construction Bid Specifications for the Paterson Passaic River
13 Sediment Remediation Project were released for bid on March 31, 2017. Bids were
14 received on May 22, 2017 and are under evaluation.

16 **Paulsboro Gas Works**

17 A RAWP for the Paulsboro Gas Works site was submitted to the NJDEP in August 2012.
18 The remediation of a portion of the Site was completed in February 2014 and a RAR was
19 submitted to the NJDEP in May 2014. This excluded NAPL beneath the on-site office
20 building/warehouse and off-site soil contamination, which is currently inaccessible. The
21 remedial investigation has been conducted in phases resulting in the submission of a
22 comprehensive site-wide RIR, including a CEA application to the NJDEP in September
23 2014. The CEA was issued by the NJDEP on October 10, 2014 and the NJDEP issued a
24 Soils RAP on May 5, 2015. A Restricted Soils RAO was issued by the LSRP in July

1 2015 for 7 on site areas of concern (AOCs) associated with the site. NAPL beneath the
2 on-site building, off-site soil contamination at AOC 10 (Off-Site NAPL and Soil Impacts
3 to the South) and AOC 11 (Off-Site Soil Impacts to the North) has not been remediated.
4 PSE&G external legal review completed in September 2016 concluded that PSE&G had
5 responsibility for off-site contamination. The July 2015 RAO was amended on January
6 27, 2017 at the request of the NJDEP. As arsenic and lead were remediated in 2014 the
7 notification “Regional Natural Background Levels of Materials in Soil and Naturally
8 Occurring Levels of Constituents in Groundwater” notice was removed from the RAO.
9 Additionally, NJDEP requested removal of the “Off-Site Source for Groundwater” notice
10 from the RAO as NJDEP did not concur with the RIR conclusion that the Paulsboro
11 Refinery was an off-site source that was impacting the site.

12

13 **Plainfield Gas Works**

14 An RAWP for the Plainfield Gas Works site was submitted to the NJDEP in November
15 2008 and was approved in September 2009. A RIR and a CEA application were filed
16 with the NJDEP in June 2014. The NJDEP established the CEA in December 2014. A
17 RAWP Addendum was submitted to NJDEP in September 2015. Waste soil
18 classification and geotechnical sampling was conducted during September and October
19 2015 and February and March 2016 in support of preparing the Construction Bid
20 Specifications for the remediation. A treatability study for In-Situ Solidification and
21 Stabilization was completed in October 2016.

22

1 **Princeton Gas Works**

2 Remedial Action was completed in 2003 and the NJDEP issued a NFA letter for Soils in
3 October 2009. A Groundwater RAWP was submitted to the NJDEP in July 2013. An
4 application for a groundwater CEA was submitted to the NJDEP in September 2014. A
5 Technical Impracticability (TI) Report was submitted to the NJDEP in December 2014.
6 The TI requests a waiver to leave in place contamination located in the bedrock below the
7 Princeton library. In October 2015, the NJDEP approved this waiver and issued a
8 Ground Water Remedial Action Permit. A restricted use Response Action Outcome for
9 groundwater was issued by the LSRP in February 2016.

10

11 **Provost Street Gas Works**

12 The Provost Street Gas Works site is located on Property in Jersey City that is owned by
13 Newport Associates. Newport Associates has entered into an Administrative Consent
14 Order with the NJDEP for the investigation and remediation of this site. On December 8,
15 1989, PSE&G entered into a Release and Settlement Agreement with Newport Associates
16 whereby PSE&G agreed to reimburse Newport Associates for the costs they incurred for
17 the investigation and remediation of this site. The December 8, 1989 Release and
18 Settlement Agreement only addressed on-site contamination from the Provost Street Gas
19 Works site. Therefore, in September 2009, PSE&G entered into a Release and Settlement
20 Agreement with Newport Associates whereby PSE&G agreed to reimburse Newport
21 Associates for the costs they incurred for the off-site investigation of contaminants that
22 emanated from this site. The consultant for Newport Associates, TRC Environmental
23 Corporation, prepared a Remedial Investigation Report in May 2014 for the off-site areas
24 of the Provost Street Gas Works site.

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Ridgewood Gas Works

The remediation of the Ridgewood Gas Works site was completed in 1989. The NJDEP issued an NFA Letter on September 29, 1997. The NJDEP approved an RAWP for the off-site Bellair Park property, jointly prepared by the Village of Ridgewood (Village) and PSE&G, to be implemented by the Village’s contractor. As a result of neighboring residents’ concerns, the Village re-evaluated its position and notified PSEG in a June 30, 2004 meeting that it did not consider moving forward with this remediation project to be in its best interests. The NJDEP was apprised of the Village’s position in a meeting and in writing in August 2004. PSE&G submitted a revised RAWP to the NJDEP in June 2007 (with Village consent to only address a portion of the site).

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

Riverton Gas Works

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

1 **Somerville**

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

8 Parcel 2 is located on the west side of Hamilton Street, immediately south of the overpass
9 of the New Jersey Transit Raritan Valley Line and the northwest corner of the intersection
10 of Hamilton Street and Second Street. The Parcel 2 RAWP was submitted to the NJDEP
11 during April 2002. RAWP Addenda were submitted to the NJDEP in September 2006
12 and July 2007. The LSRP approved the Parcel 2 RAWP and associated addenda on
13 November 15, 2013.

14 PSE&G completed a vapor intrusion investigation in May 2015 at an adjacent residential
15 property where access was obtained through legal action. A round of groundwater
16 sampling was completed at a church-owned property in May 2015 following execution of
17 an access agreement. A round of groundwater gauging was conducted on Parcel 2
18 groundwater monitoring wells during August 2015. Groundwater sampling was
19 conducted on Parcel 2 groundwater monitoring wells during September 2015. A round of
20 groundwater sampling was conducted on all accessible wells during October 2015. A
21 round of groundwater gauging and sampling was conducted on all accessible wells during
22 October 2016. PSE&G completed a vapor intrusion investigation in November 2016 at an
23 adjacent commercial property. The remedial investigation was completed in December

1 2016 and an RIR was submitted to NJDEP on December 29, 2016. A round of
2 groundwater gauging and sampling was completed on all accessible wells in June 2017.

4 **South Amboy Gas Works**

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

10 **South Warren Street Gas Works**

11 A RIR was submitted to the NJDEP on December 26, 2002. A comprehensive site-wide
12 RIR and Groundwater CEA application were submitted to the NJDEP in April 2014. An
13 RASR was submitted to the NJDEP in March 2009 and was approved in July 2009.
14 PSE&G submitted a RAWP to the NJDEP on March 24, 2010. A RAWP Addendum was
15 submitted in September 2014. The NJDEP issued a historic fill CEA in December 2015
16 and a CEA for the groundwater contaminants located on the Site in February 2016.

18 **West End Gas Works**

19 The former West End Gas Plant was located on four properties identified as Parcel 1
20 through Parcel 4. A Remedial Investigation Report was submitted to NJDEP in December
21 2015.

22 Parcel 1 – The Parcel 1 Soil and Near-Shore Sediments remediation project was
23 completed between October 2012 and December 2014. Parcel 1 Soils and Near-Shore

1 Sediment RAR was submitted to NJDEP in March 2015. NJDEP issued a Soil Remedial
2 Action Permit in September 2015.

3 Parcel 2 – A LSRP-approved RAWP for Parcel 2 Soil was submitted to NJDEP in March
4 2015. A contract for the remediation of a portion of Parcel 2 Phase 1 was awarded in
5 February 2016 and is expected to be completed in September 2017.

6 Parcels 3 and 4 – Remediation of Parcel 3 was completed between June 2004 and April
7 2006 and a RAR was submitted to NJDEP in December 2006. In December 2008,
8 PSE&G completed the sale of Parcel 3 and a portion of Parcel 4 (NJDOT Parcels 29A
9 and 29B) to the NJDOT. NJDEP issued a Soils No Further Action (NFA) for Parcel 3 on
10 June 25, 2010. The remediation of adjacent streets was completed between October 2006
11 and September 2007 and a RAR Addendum was submitted to NJDEP in November 2007.
12 NJDEP approved the RAR Addendum in March 2008. NJDEP issued a Soil Remedial
13 Action Permit for the adjacent streets in January 2015. The LSRP issued a RAO for the
14 adjacent streets in December 2015. The Parcel 4 Remedial Action Report (RAR) and
15 Draft Deed Notice was sent to the NJDOT for review and signature on March 28, 2016.

16 Hackensack River – Investigation of the Hackensack River sediments (adjacent to Parcel
17 1) has been conducted in phases and the following reports have been submitted to
18 NJDEP: a Supplemental RIR (SRIR) in April 2006; a SRIR Tier I Ecological Assessment
19 (EA) Phase I in October 2010, and a SRIR EA Phase II in December 2011. NJDEP
20 approved the SRIR EA Phase II in April 2012. A RAWP for impacted sediments was
21 submitted to the NJDEP in March 2014. Remediation was conducted between September
22 and November 2014. The RAR for this remediation was submitted to NJDEP in March
23 2015. The LSRP issued a RAO and submitted a Notice in lieu of Deed Notice to NJDEP
24 for the sediments in December 2015.

1 **Woodbury Gas Works**

2 The NJDEP issued an NFA letter for the Woodbury Gas Works site on September 29,
3 2000. The NRD settlement was effective as of January 24, 2006. A Soils Remedial
4 Action Permit was issued by the NJDEP in January 2014.

5

6 **Memorial Drive/West Paterson Site**

7 The Memorial Drive site did not contain a manufactured gas plant; however,
8 available information indicates that the site was utilized by a waste hauler, retained by
9 Public Service, to dispose of waste material from the former Paterson Gas Plant site.
10 Kearfott Guidance and Navigation Corporation, the current property owner, asserted a
11 claim against Public Service for the reimbursement of costs associated with the
12 investigation and clean-up of the Site pursuant to the requirements of its ACO. A
13 settlement with Kearfott was concluded and the project is considered closed.

14

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

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

22

CONCLUSION

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

REMEDATION ADJUSTMENT CHARGE GLOSSARY OF ACRONYMS

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

1	SIR	Site Investigation Report
2	SIRA	Site Investigation Report Addendum
3	SIWP	Site Investigation Work Plan
4	SRIR	Supplemental Remedial Investigation Report
5	SRIWP	Supplemental Remedial Investigation Work Plan
6	STTP	Sediment Toxicity Testing Plan
7	VI	Vapor Intrusion
8	VIR	Vapor Intrusion Report
9	VIWP	Vapor Intrusion Work Plan

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

PROFESSIONAL QUALIFICATIONS
OF
RICHARD A. BLACKMAN
SR. PROJECT MANAGER

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

I am Sr. Project Manager – Environmental Projects and Technical Services in the Delivery, Projects and Construction Department. I have held this position since January 2010.

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 25 period.

	<u>GAS ALLOCATION</u>		
	<u>RAC 25 Rates</u> <u>\$/THERM</u> <u>(Excl. SUT)</u>	<u>Current Rates</u> <u>\$/THERM</u> <u>(Excl. SUT)</u>	<u>Change</u>
RSG	0.013692	0.011189	0.002503
GSG	0.013692	0.011189	0.002503
LVG	0.013692	0.011189	0.002503
CIG	0.013692	0.011189	0.002503
TSG-F, NF	0.013692	0.011189	0.002503
SLG	0.013692	0.011189	0.002503



	<u>ELECTRIC ALLOCATION</u>		
	<u>RAC 25 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 Line</u> <u>Losses</u> <u>(Excl. SUT)</u>	<u>Change</u>
Secondary Service	0.000536	0.000500	0.000036
LPL Primary	0.000523	0.000487	0.000036
HTS Subtransmission	0.000511	0.000476	0.000035
HTS High Voltage	0.000503	0.000469	0.000034
Rate \$/KWH	0.000496	0.000462	0.000034



1 Q. Does this conclude your testimony?

2 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	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	RGGI 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 (EEExt) / 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

XXX Revised Sheet No. 57

B.P.U.N.J. No. 15 ELECTRIC

Superseding

XXX Revised Sheet No. 57

SOCIETAL BENEFITS CHARGE

**Cost Recovery
(per kilowatthour)**

Component:

Social Programs.....	\$ 0.001103
Energy Efficiency and Renewable Energy Programs.....	0.002849
Manufactured Gas Plant Remediation.....	<u>0.000462 0.000496</u>
Sub-total per kilowatthour.....	\$ <u>0.004414 0.004448</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	7.5377%	\$ <u>0.004774</u> <u>0.004811</u>	\$ 0.001391	\$ 0.000727	\$ <u>0.006892</u> <u>0.006929</u>
LPL Primary	5.1232%	<u>0.004652</u> <u>0.004688</u>	0.001391	0.000727	<u>0.006770</u> <u>0.006806</u>
HTS Subtransmission	2.9402%	<u>0.004548</u> <u>0.004583</u>	0.001391	0.000727	<u>0.006666</u> <u>0.006701</u>
HTS High Voltage & HTS Transmission	1.4590%	<u>0.004479</u> <u>0.004514</u>	0.001391	0.000727	<u>0.006597</u> <u>0.006632</u>

Charges including New Jersey Sales and Use Tax (SUT)

Secondary Service.....	\$ <u>0.007349 0.007388</u>
LPL Primary.....	<u>0.007219 0.007257</u>
HTS Subtransmission.....	<u>0.007108 0.007145</u>
HTS High Voltage & HTS Transmission.....	<u>0.007034 0.007071</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

XXX Revised Sheet No. 57

B.P.U.N.J. No. 15 ELECTRIC

Superseding

XXX Revised Sheet No. 57

SOCIETAL BENEFITS CHARGE

**Cost Recovery
(per kilowatthour)**

Component:

Social Programs.....	\$ 0.001103
Energy Efficiency and Renewable Energy Programs.....	0.002849
Manufactured Gas Plant Remediation.....	0.000496
Sub-total per kilowatthour.....	\$ 0.004448

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	7.5377%	\$ 0.004811	\$ 0.001391	\$ 0.000727	\$ 0.006929
LPL Primary	5.1232%	0.004688	0.001391	0.000727	0.006806
HTS Subtransmission	2.9402%	0.004583	0.001391	0.000727	0.006701
HTS High Voltage & HTS Transmission	1.4590%	0.004514	0.001391	0.000727	0.006632

Charges including New Jersey Sales and Use Tax (SUT)

Secondary Service.....	\$0.007388
LPL Primary.....	0.007257
HTS Subtransmission.....	0.007145
HTS High Voltage & HTS Transmission.....	0.007071

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.

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 41

B.P.U.N.J. No. 15 GAS

Superseding

XXX Revised 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.....	0.022606
Manufactured Gas Plant Remediation.....	0.011189 <u>0.013692</u>
Universal Service Fund - Permanent.....	0.003600
Universal Service Fund - Lifeline	<u>0.004600</u>
Societal Benefits Charge	\$ 0.041995 <u>0.044498</u>
Societal Benefits Charge including New Jersey Sales and Use Tax (SUT).....	\$ 0.044777 <u>0.047446</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
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in Docket No.

Effective:

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

XXX Revised Sheet No. 41

B.P.U.N.J. No. 15 GAS

Superseding

XXX Revised 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.....	0.022606
Manufactured Gas Plant Remediation.....	0.013692
Universal Service Fund - Permanent.....	0.003600
Universal Service Fund - Lifeline.....	<u>0.004600</u>
Societal Benefits Charge	\$ 0.044498
Societal Benefits Charge including New Jersey Sales and Use Tax (SUT).....	<u>\$ 0.047446</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:
200	1,920	\$353.08	\$353.12	\$0.04	0.01%
450	4,320	758.12	758.32	0.20	0.03
750	7,200	1,252.52	1,252.80	0.28	0.02
803	7,800	1,356.39	1,356.71	0.32	0.02
1,360	13,160	2,291.76	2,292.32	0.56	0.02

(1) Based upon current Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect January 1, 2018 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:
1,920	200	\$36.95	\$36.96	\$0.01	0.03%
4,320	450	80.13	80.14	0.01	0.01
7,200	750	134.01	134.04	0.03	0.02
7,800	803	143.90	143.93	0.03	0.02
13,160	1,360	247.78	247.84	0.06	0.02

(3) Based upon current Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect January 1, 2018 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	180	\$214.56	\$215.04	\$0.48	0.22%
50	360	359.17	360.11	0.94	0.26
100	610	572.74	574.36	1.62	0.28
159	1,000	893.65	896.33	2.68	0.30
165	1,010	902.54	905.28	2.74	0.30
200	1,224	1,078.97	1,082.21	3.24	0.30
300	1,836	1,583.50	1,588.42	4.92	0.31

- (1) Based upon current Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect January 1, 2018 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 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:
180	25	\$26.64	\$26.71	\$0.07	0.26%
360	50	47.47	47.60	0.13	0.27
610	100	90.81	91.07	0.26	0.29
1,010	165	146.06	146.50	0.44	0.30
1,224	200	175.82	176.35	0.53	0.30
1,836	300	260.80	261.60	0.80	0.31

- (3) Based upon current Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect January 1, 2018 and assumes that the customer receives commodity service from Public Service. Does not include any BGSS-RSG Bill Credits
- (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) 25 Period, August 1, 2016 to July 31, 2017

Notice of Filing and Notice of Public Hearings

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

TAKE NOTICE that, on February 1, 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 25 period, August 1, 2016 through July 31, 2017, are reasonable for recovery, and the rates are proposed to be effective on or about April 1, 2018. Included in this filing is one seventh (1/7) of each of RAC 19 through RAC 25 Program costs. The Company requests that the Board increase its current gas RAC rates by \$7.393 million and increase the current electric RAC rates by \$1.587 million, for a total increase of \$8.98 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 750 kilowatt-hours per summer month and 7,200 kilowatt-hours on an annual basis would see an increase in their annual bill from \$1,252.52 to \$1,252.80, or \$0.28 or approximately 0.02%.

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 \$572.74 to \$574.36, or \$1.62 or approximately 0.28%. Moreover, under the Company's proposal, a typical residential gas heating customer using 165 therms per month during the winter months and 1,010 therms on an annual basis would see an increase in their annual bill from \$902.54 to \$905.28 or \$2.74 or approximately 0.30%.

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)	\$0.000533	\$0.000572	\$0.007349	\$0.007388
Primary (LPL-P)	\$0.000519	\$0.000558	\$0.007219	\$0.007257
Subtransmission (HTS-S)	\$0.000508	\$0.000545	\$0.007108	\$0.007145
High Voltage (HTS-HV)	\$0.000500	\$0.000536	\$0.007034	\$0.007071
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)	\$0.011930	\$0.014599	\$0.044777	\$0.047446

**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:
1,920	200	\$36.95	\$36.96	\$0.01	0.03%
4,320	450	80.13	80.14	0.01	0.01
7,200	750	134.01	134.04	0.03	0.02
7,800	803	143.90	143.93	0.03	0.02
13,160	1,360	247.78	247.84	0.06	0.02

- (1) Based upon current Delivery Rates and Basic Generation Service Residential Small Commercial Pricing (BGS-RSCP) charges in effect January 1, 2018 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:
180	25	\$26.64	\$26.71	\$0.07	0.26%
360	50	47.47	47.60	0.13	0.27
610	100	90.81	91.07	0.26	0.29
1,010	165	146.06	146.50	0.44	0.30
1,224	200	175.82	176.35	0.53	0.30
1,836	300	260.80	261.60	0.80	0.31

- (1) Based upon current Delivery Rates and Basic Gas Supply Service (BGSS-RSG) charges in effect January 1, 2018 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