

State of New Jersey

DIVISION OF RATE COUNSEL 140 East Front Street, 4TH FL P.O. BOX 003 Trenton, New Jersey 08625

July 18, 2014



Via Electronic Mail and US Regular Mail

TO: Service List

CHRIS CHRISTIE

Governor

KIM GUADAGNO

ER14060613

Re: In the Matter of the 2014/2015 Annual Compliance Filing For a Change in the Statewide Electric and Gas Permanent Universal Service Fund Program

Factors within the Electric and Gas Societal Benefits Charges Rates

Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:21.1

BPU Docket No. ER14060613

Enclosed please find the Division of Rate Counsel's discovery requests RCR-1 through RCR-8 in the above-referenced matter.

Please responds to the requests and submit copies of the documents requested herein in accordance with the agreed schedule in this matter.

Please note that all discovery requests are of a continuing nature and should be updated, if necessary, over the course of the proceeding. Also, provide a designation on each response identifying the witness sponsoring the answer and finally, please provide the response on three-hole punch paper.

PLANO

Tel: (609) 984-1460 • Fax: (609) 292-2923 • Fax: (609) 292-2954 http://www.ni.gov/rpa E-Mail: njratepayer@rpa.state.nj.us Also, please update your service list in this matter by adding the following attorneys and consultant on behalf of the Division of Rate Counsel:

Email Addresses:

Stefanie A. Brand, Director Brian Lipman, Esq. Ami Morita, Esq. Felcia Thomas-Friel, Esq. Sarah H. Steindel, Esq. Lisa Gurkas, Paralegal Division of Rate Counsel 31 Clinton Street, 11th Floor P.O. Box 46005 Newark, NJ 07101

blipman@rpa.state.nj.us amorita@rpa.state.nj.us fthomas@rpa.state.nj.us ssteinde@rpa.state.nj.us lgurkas@rpa.state.nj.us

David Peterson

Chesapeake Regulatory Consulting Inc. 10351 Southern Maryland Blvd. Suite 202
Dunkirk, MD 20754-9500

davep@chesapeake.net

By copy of this letter I am requesting that the other parties to this matter also amend their service lists as indicated above. Thank you for your attention to this matter.

Very truly yours,

STEFANIE A. BRAND DIRECTOR, DIVISION OF RATE COUNSEL

By:

Sarah H. Steindel

Assistant Deputy Rate Counsel

c: Service list

In the Matter of the 2014/2015 Annual Compliance Filing For a Change in the Statewide Electric and Gas Permanent Universal Service Fund Program Factors within the Electric and Gas Societal Benefits Charges Rates Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:21.1 BPU Docket No. ER14060613

DIVISION OF RATE COUNSEL'S DISCOVERY REQUESTS TO THE NEW JERSEY GAS AND ELECTRIC UTILITIES

- RCR-1. Please identify, describe, quantify, and correct any errors and/or omissions in the utilities' compliance filings. Please also identify, describe and quantify any and all material changes that have occurred following the filing of the Compliance plans.
- RCR-2. Please update all estimates with actual results once they become known.
- RCR-3. Please provide support and confirmation for the anticipated Department of Community Affairs program administrator budget in the amount of \$7,726,195.
- RCR-4. Refer to the template included in Attachment A to PSE&G's Compliance filing. Therein, the "Jurisdictional Revenue Percentages" for the purpose of calculating the Lifeline rates are 33% to the gas utilities and 67% to the electric utilities. For purposes of calculating the USF rate, however, the percentages are 23.736% to the gas utilities and 76.264% to the electric utilities. Please explain why the allocation factors for the gas/electric split are different for developing the Lifeline rates than what is used for developing the USF rates.
- RCR-5. Refer to the template provided as an attachment to PSE&G's Compliance Filing, specifically the pages marked "Gas Pmts to State" and "Elec Pmts to State". Therein the footnote states that ETG, ACE, RECO, and JCP&L's USF recoveries paid to Clearninghouse are based on actual account by account billing of USF charges and may vary from the pre-tax USF rate due to rebilling cumulative rounding effect, late bills, rebilling, and rate changes." Please explain the basis for the USF recoveries shown on these schedules for the remaining utilities that are not identified in the footnote.
- RCR-6. For those electric and gas utilities that seek recovery of administrative costs, please provide a detailed description and quantitative summary of the administrative costs for which the individual utilities seek recovery.
- RCR-7. For those electric and gas utilities that seek recovery of administrative costs, please provide a detailed schedule showing each utility's administrative costs by cost category, by year, for each of the last three years.

RCR-8. Please provide a statement supporting the inclusion of estimated (rather than actual only) utility administrative costs in determining USF rates.

I/M/O the 2014/2015 Annual Compliance Filings For a Change In the Statewide Electric and Gas Permanent Universal Service Fund Program Factors Within the Electric and Gas Societal Benefits Charges Rates Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:21.1 BPU Docket No. ER14060613

* Denotes parties receiving hard copies

- * Matthew M. Weissman, Esq. PSEG Services Corporation 80 Park Plaza, T05 Newark, NJ 07102
- * Sarah H. Steindel, Esq. Division of Rate Counsel 140 East Front Street, 4th Floor P.O. Box 003 Newark, NJ 08625
- *David Peterson Chesapeake Regulatory Consulting Inc. 10351 Southern Maryland Blvd. Suite 202 Dunkirk, MD 20754-9500

- * Kristi Izzo, Secretary
 Board of Public Utilities
 44 South Clinton Avenue- 9th Fl.
 P.O. Box 350
 Trenton, NJ 08625-0350
- * Caroline Vachier, DAG Division of Law Dept. of Law & Public Safety 124 Halsey Street P.O. Box 45029 Newark, NJ 07101
- *Jennifer S. Hsia, DAG
 Division of Law
 Dept. of Law & Public Safety
 124 Halsey Street
 P.O. Box 45029
 Newark, NJ 07101

- *Deborah M. Franco, Esq.
 Cullen and Dykman LLP
 en City Center
 Ou Quentin Roosevelt Blvd.
 Garden City, NY 11530-4850
- *Mary Patricia Keefe, Esq. Elizabethtown Gas 300 Connell Drive, Suite 3000 Berkeley Heights, NJ 07922
- *Philip J. Passanante, Associate General Counsel Atlantic City Electric Company P.O. Box 6066 Newark, DE 19714-6066

- *Andrew K. Dembia, Esq. New Jersey Natural Gas Company 1415 Wyckoff Road P.O. Box 1464 Wall, NJ 07719
- *Michael J. Connolly, Esq. Morgan, Lewis & Bockius LLP 89 Headquarters Plaza North, Suite 1435 Morristown, NJ 07960
- *John L. Carley, Esq. Consolidated Edison Co. of NY Law Dept., Room 1815-S 4 Irving Place New York, NY 10003

- * Ira G. Megdal, Esq. Cozen O'Connor 457 Haddonfield Road, Suite 300 LibertyView Cherry Hill, NJ 08002
- * Stefanie A. Brand, Director Division of Rate Counsel 140 East Front Street, 4th Floor P.O. Box 003 Newark, NJ 08625
- Brian Lipman, Esq. Division Rate Counsel 140 East Front Street, 4th Floor P.O. Box 003 Newark, NJ 08625

- Ami Morita, Esq.
 Con Rate Counsel
 40 East Front Street, 4th Floor
 One Box 003
 Newark, NJ 08625
- Felicia Thomas-Friel, Esq. Division of Rate Counsel 140 East Front Street, 4th Floor P.O. Box 003 Newark, NJ 08625
- Lisa Gurkas, Paralegal Division of Rate Counsel 140 East Front Street, 4th Floor P.O. Box 003 Newark, NJ 08625

Alice Bator, Bureau Chief Board of Public Utilities 44 South Clinton Avenue C. Box 350 nton, NJ 08625-0350 Robert Catona
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton, NJ 08625-0350

Maureen Clerc Board of Public Utilities 44 South Clinton Avenue P.O. Box 350 Trenton, NJ 08625-0350

Matthew Davey Board of Public Utilities 44 South Clinton Avenue P.O. Box 350 Trenton, NJ 08625-0350 Victoria Fisher
Division of Energy
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton, NJ 08625-0350

Eloisa Flores
Division of Energy
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton, NJ 08625-0350

Tulie Ford-Williams, Supervisor 3 oard of Public Utilities 14 South Clinton Avenue 2.0. Box 350 Frenton, NJ 08625-0350

Eric Hartsfield, Director Board of Public Utilities 44 South Clinton Avenue P.O. Box 350 Trenton, NJ 08625-0350 Peter Hilerio
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton, NJ 08625-0350

Dennis Moran, Director Board of Public Utilities Touth Clinton Avenue F.J. Box 350 Trenton, NJ 08625-0350 Albert Weierman Board of Public Utilities 44 South Clinton Avenue P.O. Box 350 Trenton, NJ 08625-0350 Jerome May, Director Board of Public Utilities 44 South Clinton Avenue P.O. Box 350 Trenton, NJ 08625-0350

Jeoffrey Gersten, DAG

NJ Dept. Of Law and Public Safety
Division of Law

24 Halsey Street

20. Box 45029
Newark, NJ 07102

Kenneth T. Maloney, Esq. Cullen and Dykman 1101 Fourteenth Street, NW Washington, DC 20005 Thomas Kaufmann, Manager, Rates & Tariffs Elizabethtown Gas 300 Connell Drive, Suites 3000 Berkeley Heights, NJ 07922

oger E. Pedersen, Manager, NJ egulatory Affairs tlantic City Electric Company 3ML38 100 Harding Highway Iays Landing, NJ 08330

Joseph Janocha, PE
Atlantic City Electric Company
63ML38
5100 Harding Highway
Mays Landing, NJ 08330

Lawrence Sweeney
Jersey Central Power & Light Co.
300 Madison Avenue
P.O. Box 1911
Morristown, NJ 07962

ally J. Cheong, Manager-Tariff
y, Rates NJ
rsey Central Power & Light Co.
Madison Avenue
O. Box 1911
forristown, NJ 07962

Susan D. Marano
Jersey Central Power & Light Co.
300 Madison Avenue
P.O. Box 1911
Morristown, NJ 07962-1911

Tina Sinks
NJ Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

Aargaret Comes, Esq.
Consolidated Edison Co. of NY
Law Dept., Room 1815-S
Lining Place
York, NY 10003

Cheryl Ruggiero
Cockland Electric Co.
Irving Place, 2nd Floor East
Vew York, NY 10003

Stacey Barnes, Manager
States and Revenue Requirements
South Jersey Gas
One South Jersey Plaza
Soute 54
Solsom, NJ 08037

odi L. Moskowitz, Esq.
'SEG Services Corporation

'K Plaza, T5G

Ve...ark, NJ 07101

William A. Atzl, Jr.
Rockland Electric Company
4 Irving Place
Room 515-S
New York, NY 10003

John Pultz Rockland Electric Company 4 Irving Place 2nd Floor East New York, NY 10003

Samuel A. Pignatelli, V.P. Rates & Regulatory Affairs South Jersey Gas Company One South Jersey Plaza Folsom, NJ 08037

Pilar M. Foy Sr. Administrative Asst. Public Service Electric & Gas Co. 80 Park Plaza, T-8 Newark, NJ 07101 Eric Caban
Orange & Rockland Utilities Inc.
Energy Services
390 West Route 59
Spring Valley, NY 10977

James Fredericks So. Jersey Gas Company One South Jersey Plaza Route 54 Folsom, NJ 08037

Tracy K. Morgan, Senior Regulatory Analyst Public Service Electric & Gas Co. 80 Park Plaza-T-08C Newark, NJ 07101