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October 13, 2017

BOARD OF PUBLIC UTILITIES

Via Federal Express

Irene Kim Asbury Secretary New Jersey Board of Public Utilities 44 South Clinton Ave, 9th Floor Trenton, NJ 08625-0350 OCT 16 2017

MAIL RECEIVED

Re: In the Matter of the Petition of Public Service Electric and Gas Company for Approval of a Gas System Modernization Program and Associated Cost Recovery Mechanism

BPU Docket No: GR17070776

Dear Secretary Asbury:

On behalf of the Engineers Labor-Employer Cooperative (ELEC), the Labor Management Fund of the International Union of Operating Engineers Local 825, enclosed herewith for filing are an original and eleven (11) copies of ELEC's Motion to Intervene in the above-captioned matter.

Upon filing, please return one (1) time-stamped copy of the same in the enclosed self-addressed stamped envelope.

Sincerely,

Elizabeth Schlax

Enclosures

cc: Attached Service List (via e-mail)

Rate Counsel Stefanie Brand (via Federal Express)

Petitioner (via Federal Express)

Case mont

STATE OF NEW JERSEY BOARD OF PUBLIC UTILITIES



IN THE MATTER OF THE PETITION:
OF PUBLIC SERVICE ELECTRIC AND:
GAS COMPANY FOR APPROVAL OF:
A GAS SYSTEM MODERNIZATION:
PROGRAM AND ASSOCIATED COST:
RECOVERY MECHANISM:

Docket No. GR17070776

BOARD OF PUBLIC UTILITIES

OCT 16 2017

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MOTION OF ENGINEERS LABOR-EMPLOYER COOPERATIVE TO INTERVENE

1. The Engineers Labor-Employer Cooperative ("ELEC"), the Labor Management Fund of the International Union of Operating Engineers Local 825, by way of this Motion, and the attached declaration of Mark Longo, request to intervene in the above-captioned Petition for Approval of a Gas System Modernization Program (the "Program") and Associated Cost Recovery (the "Petition"), filed by Public Service and Gas Company ("PSE&G") pursuant to N.J.A.C. § 1: 1-16.1. All communications and correspondence concerning these proceedings should be directed to:

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I. Background

- 2. ELEC is a labor-management organization that promotes economic development, investments in infrastructure and construction to provide opportunities for developers, union contractors and members of the International Union of Operating Engineers Local 825 (the "Union"), (heavy equipment operators). ELEC is a unique organization because it is a partnership between employers and the Union, seeking to find common ground and ways to improve the construction industry as a whole, for the benefit of both labor and management.
- 3. On or about July 27, 2017, PSE&G filed a petition with the Board of Public Utilities of the State of New Jersey (the "Board") for approval of a continuation of a previous Gas System Modernization Program and approval of the associated cost recovery mechanism (the "Program").
- 4. The Program seeks to improve energy infrastructure New Jersey by replacing dated cast iron and unprotected steel mains and services line, at a cost of \$1.594 billion over five (5) years.
- 5. The Program is a continuation of PSE&G's efforts to stabilize and modernize New Jersey's energy infrastructure. In 2014, the Board approved PSE&G's petition for the "Energy Strong Program," allocating \$1 billion toward infrastructure projects over 10 years. ELEC sent letters of support, testified before the Board and filed a brief on behalf of PSE&G. ELEC member contractors and operating engineers also played a key role in the construction work performed under the Energy Strong Program. In 2015, the Board approved the first phase of the instant Program, on behalf of which, ELEC sent letters of support and participated in hearings.

- 6. ELEC represents more than 6,500 experienced operating engineers throughout the state of New Jersey and the lower counties of New York state. These operating engineers operate cranes, bulldozers, front-end loaders, backhoes and graders. Representatives from large New Jersey construction contractors sit on ELEC's Board. These contractors regularly perform work for private and public entities in New Jersey, including PSE&G. For example, ELEC member contractors performed work for PSE&G in the recovery efforts from Superstorm Sandy, the \$2 billion High Line Project and the Energy Strong Program. During the first phase of the Program, over 90 ELEC member contractor crews have been utilized daily, employing 150 operating engineers.
- 7. ELEC regularly partners with New Jersey business and trade organizations and meets with local officials throughout New Jersey and county governments to stay on top of issues in the construction industry and offer professional support to union contractors.
- 8. ELEC also supports ongoing training for Union operating engineers to ensure higher levels of productivity, higher records of safety and greater profitability for contractors and project owners.
- 9. ELEC is in a unique position to provide insight on the impact of the Program from both a contractor and operating engineer perspective, speaking to the costs and feasibility of the planned energy infrastructure improvements, the related economic impact, and the impact of the future and long-term costs of the Program, in addition to providing insight on manpower requirements of the project, the market for

operating engineers and any additional specific training that may be necessary for operating engineers to perform work under the Program.

II. <u>Legal Standard</u>

10. Under N.J.A.C. § 1: 1-16.1(a), any person or entity substantially, specifically or directly affected by the outcome of a contested case, may on motion, seek leave to intervene. N.J.A.C. § 1: 1-16.3(a) provides that, in ruling on a motion to intervene, consideration should be made of the nature and extent of the movant's interest in the outcome of the case, whether or not the movant's interest is sufficiently different from that of any party so as to add measurably and constructively to the scope of the case, the prospect of confusion or delay arising from the movant's inclusion, and other appropriate matters.

III. Argument

11. The members of ELEC will be substantially, specifically and directly affected by the outcome of this proceeding, ELEC's interest in the case differs from that of any other party, ELEC's interest will add measurably and constructively to the scope of the case, and inclusion of ELEC as an intervenor will not cause confusion or delay.

Direct Impact to ELEC members

12. ELEC represents more than 6,500 experienced operating engineers throughout the state of New Jersey and the lower counties of New York state. Representatives from large New Jersey construction contractors sit on ELEC's Board. The planned replacement work under the Program will be construction work, including work performed by operating engineers utilized by ELEC member contractors.

13. ELEC's member contractors and operating engineers will be directly impacted by the Program because ELEC member contractors and operating engineers will be performing work called for in PSE&G's petition.

ELEC's Interest will Add Measurably and Constructively to Proceeding

- 14. As an interventor, ELEC has a substantial interest in knowing, understanding and reviewing the intricacies of the Program as discussed in this proceeding, so that it has the opportunity to provide input on the manpower requirements of the project, the market for operating engineers, and so that ELEC member contractors who are likely to be used for the construction work performed under the project can provide input on the costs and scope of the project.
- 15. Given ELEC's support for additional training for operating engineers, ELEC also has a substantial interest in knowing, understanding and reviewing the intricacies of the Program as discussed in this proceeding, so that it has the opportunity to provide input on any additional or specialized training necessary for completing the work.
- 16. ELEC has a history of successful efforts on behalf of PSE&G and other energy and pipeline projects, including supporting PSE&G and testifying before the Board in the 2014 Energy Strong Initiative, participating as an intervenor during the Board's review of the petition with respect to the first phase of the Program, and routinely attending public meetings and supporting new pipelines throughout the region including the SpectraEnergy Algonquin Incremental Market project, the PennEast Pipeline, the Pilgrim Pipeline, the New Jersey Natural Gas Southern Reliability Link and the Construction Line. Through this work, ELEC has gained a profound understanding

of the impact of energy infrastructure projects on the construction industry and the economy of the region.

- 17. ELEC's member contractors have significant experience in large-scale, long-term construction projects, including previous energy infrastructure projects working with PSE&G, as described above, and can provide information on the financial markets for borrowing for large-scale construction projects and the cost feasibility of large-scale construction projects, such as the Program.
- 18. Permitting ELEC to intervene so that it can offer input on the market for operating engineers which will be used in the construction work under the Program, the economic impact on contractors, operating engineers and the construction industry, as well as the financial aspects of the Program, will add measurably and constructively to the scope of this proceeding and provide a substantial benefit to this Board in deciding the prudence and reasonableness of the Program.

ELEC's Interests are Not Adequately Represented

19. The above-referenced interests of ELEC's membership are not adequately represented by the Division of the Rate Counsel or any other Party to these proceedings. As a partnership between employers and the Union, ELEC is in a unique position to provide insight on the impact of the Gas System Modernization Program II from both a contractor and operating engineer perspective, with each constituency having an interest in the outcome of this proceeding, as demonstrated above.

Inclusion of ELEC as an Intervenor will Not Cause Delay or Confusion

20. Intervention of ELEC will not cause undue delay. This Motion is being made in accordance with the October 13, 2017 deadline for motions to intervene.

Additionally, no prospect of confusion arises from allowing ELEC to intervene. While ELEC's interest in the outcome of the petition is distinct from other Parties and potential Intervenors, ELEC will cooperate with other Parties to the proceeding to ensure that a decision is made in full view of all relevant facts.

WHEREFORE, pursuant to N.J.A.C. 1:1-16, ELEC respectfully requests that it be permitted to intervene in this matter.

Date: October 13, 2017

Respectfully submitted,

Daniel J. Brennan

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DECLARATION OF MARK LONGO

- I, Mark Longo, declare as follows:
 - 1. I am the Director of ELEC.
 - 2. I have read the herein motion and hereby certify that the statements contained therein are true and accurate to the best of my knowledge.

muchogo

Mark Longo, Director

ELEC

Dated: October 13, 2017

CERTIFICATE OF SERVICE

I, Elizabeth K. Schlax, hereby certify that copies of the herein motion were sent to all parties on the attached service list by electronic mail and two hard copies were sent to each parties on the attached service list via U.S. mail.

Date: October 13, 2017

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