



JON S. CORZINE  
Governor

*State of New Jersey*  
OFFICE OF THE ATTORNEY GENERAL  
DEPARTMENT OF LAW AND PUBLIC SAFETY  
DIVISION OF LAW  
P.O. Box 45029  
Newark, NJ 07101

ANNE MILGRAM  
Attorney General

TAYSEN VAN ITALLIE  
Director

September 24, 2009

Via Electronic Mail and U.S. Mail

Tamara L. Linde, Esq.  
Vice President - Regulatory  
PSEG Service Corporation  
80 Park Plaza - T5G  
Newark, New Jersey 07102-4194

Re: In the Matter of the Petition of Public Service Electric and Gas Company for a Determination Pursuant to the Provisions of N.J.S.A. 40:55D-19 (Susquehanna-Roseland)  
BPU Docket No. EM09010035

Dear Ms. Linde:

On behalf of Board Staff, enclosed are discovery requests SRTT-102 to SRTT-124 in the above captioned matter.

Pursuant to N.J.A.C. 1:1-10.4, please respond to the requests and submit copies of the documents requested herein within fifteen (15) days. In the event that response is not possible within that timeframe, please submit a schedule of reasonable compliance within fifteen (15) days from receipt of this letter.

Please repeat each question at the top of a separate page of the response. In addition, please identify the person responsible for each response. Responses should be submitted electronically and on three-hole punched paper.

These discovery requests are of a continuing nature. Responses should be updated or corrected, if necessary, during the course of this proceeding as soon as such information becomes available.

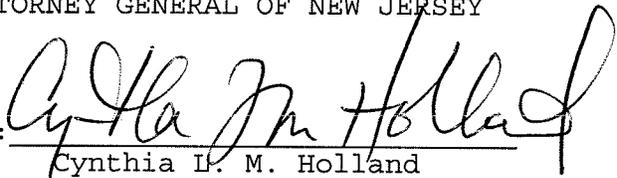


If you have any questions or concerns, please feel free to contact me.

Sincerely yours,

ANNE MILGRAM  
ATTORNEY GENERAL OF NEW JERSEY

By:

  
Cynthia L. M. Holland  
Deputy Attorney General

Enclosure  
C. Service List

STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES

In The Matter of The Petition of Public Service Electric and Gas Company for a Determination Pursuant to The Provisions of N.J.S.A. 40:55D-19 (Susquehanna-Roseland)  
BPU Docket No. EM09010035

**Board Staff's Discovery Requests SRTT-102 through SRTT-124 Directed to Public Service Electric and Gas Company**

Reference Petitioner's Exhibit P-20, Rebuttal Testimony of Paul R. McGlynn and Petitioner's Exhibit P-12, Direct Testimony of Paul R. McGlynn

- SRTT-102 Please explain why the violations numbered 1 and 7 Exhibit PFM-1, which occurred during normal operations, are not shown as normal operation violations as presented in Exhibits PFM-2 and PFM-3. Please explain the factors that have contributed to these changes.
- SRTT-103 Please explain why the number of violations that are expected to occur in 2012 appears to have increased from 3 as shown in Exhibit PFM-1 to 7 as shown in Exhibits PFM-2 and PFM-3. Please explain the factors that have contributed to these changes.
- SRTT-104 Please explain why the number violations of NERC Reliability Standards due to the loss of two lines that are built on a common transmission structure appear to have increased when comparing Exhibit PFM-1 to Exhibits PFM-2 and PFM-3. Please explain the factors that have contributed to these changes.
- SRTT-105 Please explain all other changes in the reliability violations that are shown in Exhibit PFM-1 from those shown in Exhibits PFM-2 and PFM-3. Please explain the factors that have contributed to these changes.

Reference Petitioner's Exhibit P-20, Rebuttal Testimony of Paul R. McGlynn

- SRTT-106 Referencing Exhibits PFM-2 and PFM-3, can capacity be placed in a particular area that would alleviate the violations that begin in 2012? If so where would that capacity need to be placed and how much capacity would be necessary. In particular, where and how much capacity would be needed to alleviate the violations that are numbered 1 and 2 on Exhibit PFM-2? Where and how much capacity would be needed to alleviate the violations that are numbered 1,2,3,4, and 5 on Exhibit PFM-3?

Reference Petitioner's Exhibit P-21, Rebuttal Testimony of John M. Reynolds

SRTT-107 Page 4, lines 18-19 of Witness Reynolds rebuttal testimony states that the PJM load forecast model continues to be developed through the PJM stakeholder process. In particular, what issues are now being considered in the stakeholder process?

Reference Petitioner's Exhibit P-15, Rebuttal Testimony of Esam A.F. Khadr and Petitioner's Exhibit P-19, Rebuttal Testimony of Steven R. Herling

SRTT-108 With reference to Page 4 of Witness Herling's rebuttal testimony and Page 5 of Witness Khadr's rebuttal testimony, what were the factors that resulted in the delayed need for the PATH project?

SRTT-109 With reference to Page 4 of Witness Herling's rebuttal testimony and Page 5 of Witness Khadr's rebuttal testimony, what were the factors that resulted in the cancellation of the need for the Indian River – Salem portion of the MAPP project?

SRTT-110 Page 4 of Witness Khadr's rebuttal testimony states that the inputs for the establishment of a PJM baseline analysis are load projections, generation additions, generation retirements, merchant transmission projects, changes to planned baseline upgrades, firm power transactions and demand response and energy efficiency quantities that have bid into and cleared the PJM capacity auctions.

Pages 4 and 5 of Witness Herling's rebuttal testimony states that number and severity of reliability criteria violations is not based entirely on PJM's load forecasts, and that generation additions and retirements and other factors are taken into account.

What are the main drivers behind the reliability violations for the Susquehanna-Roseland Transmission line? Please provide some quantitative measure such as a percentage or MW amount to each of the factors listed by Esam Khadr that have led to the reliability violations.

SRTT-111 Page 4 of Witness Khadr's rebuttal testimony states that demand response reduces consumption and hence locational marginal prices paid to generators. He reasons that generation developers will re-evaluate the need for new generation projects and/or existing projects may contemplate retirement, particularly in the Mid-Atlantic region. He then states that less generation in turn can increase the need for the construction of transmission solutions.

Similarly, Page 10 of Witness Herling's testimony states that if consumer demand is further lowered, the risk for retirement of generation units will increase due to

reduced or non-existent revenue streams. He goes to say that need for imports into the east will increase rather than decrease.

Does the Susquehanna-Roseland transmission line have the capability to lower the LMP in New Jersey and in the Mid-Atlantic region? If so, doesn't the Susquehanna-Roseland line also reduce revenues and potential revenues to new and existing generation in the Mid-Atlantic region making it more likely that developers will re-evaluate the need for new generation projects and/or contemplate retirement?

SRTT-112 Page 4 of Witness Khadr's rebuttal testimony and Pages 4-5 of Witness Herling's rebuttal testimony make clear that generation retirements are an input into the RTEP analysis.

Page 138 of PSE&G's 2008 10K statement states that "In August 2008, the NJDEP proposed revisions to NOx emission control regulations that would impose new NOx emission reduction requirements and limits for New Jersey fossil fuel-fired electric generation units. Although this rule is proposed but not final, as written it would have significant impact on Power's generation fleet, including the necessity to retire a significant portion of the peaking units by 2015 or 2016. If adopted as proposed, the rule could necessitate the retirement of up to 102 combustion turbines (approximately 2,000 MW) and five older New Jersey steam electric generating units (approximately 800 MW)."

On March 20, 2009, the NJDEP adopted the proposed revisions to NOx emission control regulations discussed in PSE&G's 10K. The revisions became operative on May 19, 2009.

Did the 2008 RTEP analysis factor the impact of the NJDEP regulations on PSE&G's generation fleet? Did the 2008 RTEP analysis factor the impact of the NJDEP regulations on NERC reliability criteria?

If the 102 combustion turbines and five older steam electric generating units are retired, are all of the reliability violations projected in the 2008 RTEP analysis still projected to occur by the dates that were projected in the 2008 RTEP analysis? List all changes to the projections. Include any additional reliability violations that are projected to occur when these retirements are considered.

SRTT-113 Page 4 of Witness Khadr's rebuttal testimony and Pages 4-5 of Witness Herling's rebuttal testimony make clear that merchant transmission projects are an input into the RTEP analysis.

On September 24, 2008, PSE&G and PJM signed an Interim Interconnection Agreement with Hudson Transmission Partners. If the project that is the subject of that Agreement is placed in service during 2012, are all of the reliability

violations projected in the 2008 RTEP analysis still projected to occur by the dates that were projected in the 2008 RTEP analysis? List all changes to the projections. Include any additional reliability violations that are projected to occur when the Hudson Transmission Project is considered, separately and in conjunction with the retirements described above.

Reference Petitioner's Exhibit P-15, Rebuttal Testimony of Esam A.F. Khadr

- SRTT-114 In light of the Board's Order directing staff to seek information from the parties to enable the Board to evaluate the effect of a development upon Statewide Greenhouse Gas Emissions for any proceeding under N.J.S.A. 40:55D-19, please provide an estimate of the amount of leakage that Petitioner believes may result from the implementation of the project for each full calendar year from 2013 through 2020.
- SRTT-115 In light of the Board's Order directing staff to seek information from the parties to enable the Board to evaluate the effect of a development upon Statewide Greenhouse Gas Emissions for any proceeding under N.J.S.A. 40:550-19, please describe Petitioner's efforts to estimate the amount of leakage that may result from the implementation of the project.
- SRTT-116 In light of the Board's Order directing staff to seek information from the parties to enable the Board to evaluate the effect of a development upon Statewide Greenhouse Gas Emissions for any proceeding under N.J.S.A. 40:550-19, please describe Petitioner's efforts to obtain from PJM or others an estimate of the amount of leakage that may result from the implementation of the project.

Reference the letter and attachments dated August 21, 2009 describing the relocation of the switching station that was originally proposed in Jefferson Township and that would now be located in the Borough of Hopatcong.

- SRTT-117 Provide an estimated cost breakdown for construction of the new Hopatcong switching station. The answer should be in the same or similar format to the one that was used to provide the cost breakdown in the answer to S-ENR-21 and SRTT-83.
- SRTT-118 Why does the new proposed location reduce the need for approximately eleven (11) transmission structures?
- SRTT-119 Please provide a one page diagram showing the switching station at the originally proposed Jefferson location and also at the Hopatcong location.
- SRTT-120 Why was the switching station not originally proposed at the Hopatcong location.

- SRTT-121 Did the originally proposed Jefferson station connect to the Branchburg to Ramapo transmission line? If so, by what voltage?
- SRTT-122 Does the change in location from Jefferson to Hopatcong alter the purpose of the switching station either in theory or in practice? How does the relocation impact the framework for future reinforcement of ties into the JCP&L 230kV and 115kV system as described on page 8 in the testimony of Esam F. Khadr.
- SRTT-123 Does the change in location from Jefferson to Hopatcong alter the electrical configuration of project?
- SRTT-124 Why is a switching station being proposed between the new 500 KV Susquehanna-Roseland lines and the existing 500 KV Branchburg-Ramapo line?