



April 4, 2014

Hon. Joseph Fiordaliso
Commissioner
Board of Public Utilities
44 South Clinton Avenue
PO Box 350
Trenton, New Jersey 08625-0350

VIA ELECTRONIC & US MAIL

Re: In the Matter of the Petition of Public Service Electric and Gas Company
For Approval of the Energy Strong Program
Dkt. Nos. EO13020155 and GO13020156

Dear Commissioner Fiordaliso:

Please accept this letter submitted on behalf of the four labor unions that represent more than 5,000 non-management employees on the property of Public Service Electric and Gas Company ("PSE&G").

The four labor unions (collectively the "Unions") are Local 94 of the International Brotherhood of Electrical Workers ("IBEW"), which has 2,275 members who are employed in electric distribution and transmission, gas distribution and appliance service, and other work in support of those operations (another 1,400 members work at nuclear and fossil electric plants owned by PSE&G's affiliate, PSEG Power); Local 855 of the United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry, which has 1,400 members who do the construction and maintenance of PSE&G's gas distribution system and who work in appliance service; Local 601 of the Utility Workers Union of America, which has 1,300 members who are employed in meter reading, billing, collection and customer service among other assignments; and Local 153 of the Office and Professional Employees International Union, which represents 250 members who provide clerical and technical services in PSE&G's four electric divisions.

By order dated July 2, 2013, Your Honor granted permission for the Unions to participate in this proceeding. Members of the unions and counsel have presented statements at the public hearings, participated in conferences and site visits, reviewed discovery, presented an opening statement, and been present at all of the evidentiary hearings.

The subject of this proceeding is a request by PSE&G for approval of its Energy Strong Program and its proposed regulatory mechanism for the recovery of the costs of the program. PSE&G describes Energy Strong as a series of investments and initiatives to improve the durability and stability of its electric and gas distribution infrastructure, making it better able to withstand the impacts of hurricanes and other severe weather events, enabling faster response to customer outages, and quicker recovery and restoration following storms.



Let's look at one of the storms. Governor Christie declared a statewide state of emergency. The *Star-Ledger* quoted his warning. "'We're in for the long haul here,' the governor said. 'If this storm hits the way it is (expected), people are going to lose power and they're going to be out of power for quite some time. ... This is not just a possibility – this is an overwhelming probability that this is going to happen....'"

The Governor was, as we know, correct. In the aftermath, the *Star-Ledger* reported that "[i]t will go down as one of the most damaging storms to hit New Jersey in a century, if not in recorded history." Looking back later, the newspaper said that "[f]orecasters had called it the most destructive storm ever to hit the state of New Jersey."

The Unions have participated in this proceeding and supported Energy Strong because their members see before anyone else the damage that major storms cause up and down the state. They are PSE&G's front-line responders to hurricanes and all other severe weather events.

The Energy Strong initiatives will better able the Unions' members to keep the lights and heat on. PSE&G initially requested approval of approximately \$3.9 billion in infrastructure upgrades. What is now at issue here is a first phase of \$2.6 billion over five years, with projects to harden and protect 30 electric substations; replace and modernize 750 miles of low-pressure, cast-iron gas mains; protect nine gas metering stations; bury overhead electric distribution lines and improve overhead systems; and adopt and expand smart-grid technology to better identify problems.

The Unions have participated in this proceeding and supported Energy Strong because they recognize the value of the initiatives and because their members will do the work of implementing the various Energy Strong projects – either directly, as in the case of the electric and gas distribution employees – or indirectly in support of that work.

The Energy Strong projects will not only mean work for the members of the Unions, but much of the electric substation work and gas main replacement work will be done by outside contractors using union labor. These construction projects will mean jobs for thousands. Jobs that can't be

outsourced down south or out of the country. Jobs that are badly needed – and have long been badly needed – as New Jersey’s unemployment rate continues to be higher than the national average and higher than the averages in the New York and Philadelphia metro areas.

The PSE&G Unions are far from alone in having emphasized that Energy Strong presents a unique opportunity to put New Jerseyans back to work. Local 825 of the International Union of Operators and Engineers and the New Jersey Laborers-Employers Cooperation and Trust are also participants in this proceeding. And at the public hearings, the call for jobs – good quality, skilled jobs – rang out in testimony from IBEW Locals 164, 269, 351 and 456; the New Jersey Building & Construction Trades Council; the Associated Construction Contractors of New Jersey; the Heavy Construction Laborers District Council; and the State AFL-CIO.

The Unions see the need for, and the value of, Energy Strong (and, in fact, recognize that value as PSE&G customers themselves). They and their brothers and sisters in the labor recognize the need for, and the value of, the jobs that would be created. The question, then, is when to get started.

Recently, the American Association for the Advancement of Science smacked America in its collective forehead with a report warning of the near-imminent dangers of climate change. The report, entitled *What We Know: The Reality, Risks and Response to Climate Change*, called the evidence overwhelming.

“Climate change is happening now. And it’s going to get worse....[R]egional flooding trends in the northeast and upper Midwest are linked to increases in extreme precipitation and are consistent with global trends driven by climate change.... Coastal flooding events that currently occur every 100 years will occur much more frequently, possibly as often as yearly for many locations”

<http://whatweknow.aaas.org/wp-content/uploads/2014/03/AAAS-What-We-Know.pdf>

It is a safe bet that those warnings will continue and get louder. Witness, for example, the latest report of the United Nations’ Intergovernmental Panel on Climate Change released on Monday of this week (available here: <https://www.ipcc.ch/>). The report warns, among other things, of the risk of damage to coastal communities. Taking that cue, *NBC Nightly News* led Monday evening with Anne Thompson doing a stand-up from Port Monmouth.



Finally, those quotes from the *Star-Ledger* about the storm of the century? They are quotes about Hurricane Irene, the one in August of 2011. That century didn't last very long. Sandy hit in October of 2012

The start of the 2014 hurricane season is now less than two months away.



Respectfully submitted,

Roger M. Schwarz

- c: Service List
Hon. Dianne Solomon
Hon. Jeanne Fox
Hon. Mary-Anna Holden