

**On June 8, 2018, PSE&G proposed to invest an additional \$2.5 billion during the next five years to further strengthen the utility’s electric and gas systems to withstand storms, improve reliability and significantly enhance resiliency.**

If approved by the New Jersey Board of Public Utilities, the proposal will mean that more customers will experience fewer outages, faster restoration times and other improvements to already strong customer service. The program will also create jobs, improve worker safety and add more advanced technology and redundancy to make our systems even more resilient.

Under Energy Strong II, PSE&G will continue its momentum to modernize its infrastructure across New Jersey by being able to:

- raise critical electric and gas equipment in flood prone areas
- modernize aging electric and gas stations
- install stronger poles and wires to reduce wind and tree damage
- deploy advanced technology to quicken restoration
- build additional pipes to distribute natural gas to enhance reliability



More than 4,600 PSE&G customers in Ewing and Trenton had power in May thanks to Energy Strong. The program built a new, elevated station (on right) that did not flood while the lower old station (on left) flooded on May 27, 2018 after storms. When completed 490,000 of PSE&G’s 2 million customers who lost power during Sandy won’t lose power again due to flooding.

- improve PSEG’s already strong customer service.

### Proposal Highlights

#### Electric ~ \$1.5 billion

- \$428 million to raise and harden 14 stations and eliminate two stations in flood zones
- \$478 million to rebuild 15 outdoor stations, many built before 1956 and in need of replacement
- \$345 million to upgrade 475 miles of circuits, reducing power outages by making them more resistant to tree and limb damage

- \$145 million to upgrade to smart grid technologies to reduce the number of people impacted by an outage (rerouting electricity quickly around problems), enable swifter deployment of repair teams and reduce outage durations
- \$107 million to create an advanced distribution management system – deploying advanced technology to upgrade and secure vital communications networks.

## Gas ~ \$1 billion

- \$863 million to add redundancy to the gas distribution system to ensure more reliable service in the event gas deliveries into New Jersey are curtailed by a supplier
- \$136 million to modernize seven natural gas metering stations, including two located in flood zones.

## Modest Impact on Customer Bills

For the typical combined residential electric and gas customer, bills are 31 percent lower than they were in 2008. PSE&G gas bills are the second lowest in the region and electric bills are lower than average, allowing our customers to get better service at a lower cost than most of the region.

The total cumulative cost for a typical residential electric customer who uses 740 kilowatt-hours per summer month and 6,920 kilowatt-hours annually will be an average of about \$6 more per month. A residential gas heating customer who uses 172 therms in a winter month and 1,040 therms annually would pay an average of about \$5 more per month. The total impact for a typical combined electric and gas customer would be about 1 percent per year over the 5-year period.

## Under the first phase of Energy Strong (2014 – 2018), PSE&G:

- Raised, relocated or protected 26 switching and substations that were damaged by water in recent storms, including Sandy, benefiting 490,000 customers
- Made additional circuits available to 260 critical facilities (police, fire, hospitals, etc.) to improve resiliency; 412,500 other customers also benefit from this work
- Deployed smart grid technologies to better monitor system operations to increase our ability to more swiftly deploy repair teams

- Installed smart communications devices at 111 stations that serve 1.4 million customers, allowing for the remote detection of outages
- Created redundancy in the system, reducing outages when damage occurs
- Replaced and modernized 240 miles of low-pressure cast iron gas mains in or near flood areas, removing 90,000 customers from risk of losing gas service due to flooding
- Protected five natural gas metering stations and three gas storage facilities affected by Sandy or located in flood zones.

“In addition to the need to build greater resiliency, much of our electric infrastructure is aging and needs replacement,” said Kim Hanemann, senior vice president of electric transmission and distribution. “This next phase of Energy Strong will continue to modernize our electric system, resulting in less frequent outages and faster restoration. Building greater redundancy in our gas system will help ensure that we can deliver warmth in winter despite supply curtailments that can impact our system.”

PSE&G's proposal calls for upgrades statewide, with significant work on electric and gas facilities in Bergen, Burlington, Camden, Essex, Gloucester, Hudson, Mercer, Middlesex, Morris, Passaic, Somerset and Union counties. An estimated 3,150 jobs will be created annually for these projects.