



STATE OF NEW JERSEY
Board of Public Utilities
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**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF PUBLIC UTILITIES**

A Regular Board meeting of the Board of Public Utilities was held on December 18, 2013, at the State House Annex, Committee Room 11, 125 West State Street, Trenton, New Jersey 08608.

Public notice was given pursuant to N.J.S.A. 10:4-18 by posting notice of the meeting at the Board's Trenton Office, on the Board's website, filing notice of the meeting with the New Jersey Department of State and the following newspapers circulated in the State of New Jersey:

Asbury Park Press
Atlantic City Press
Burlington County Times
Courier Post (Camden)
Home News Tribune (New Brunswick)
North Jersey Herald and News (Passaic)
The Record (Hackensack)
The Star Ledger (Newark)
The Trenton Times

The following members of the Board of Public Utilities were present:

Robert M. Hanna, President
Jeanne M. Fox, Commissioner
Joseph L. Fiordaliso, Commissioner
Mary-Anna Holden, Commissioner
Dianne Solomon, Commissioner

President Hanna presided at the meeting and Kristi Izzo, Secretary of the Board, carried out the duties of Secretary.

It was announced that the next regular Board Meeting would be held on January 22, 2014 at the State House Annex, Committee Room 11, 125 West State Street, Trenton, New Jersey 08608. The meeting date was subsequently changed to January 29, 2014, due to inclement weather.

CONSENT AGENDA

I. AUDITS

A.

Docket No. TE13100935 – In the Matter of the Verified Petition of Onvoy, Inc. for Authority to Provide Resold and Facilities-Based Local Exchange, Interexchange, Exchange Access and Private Line Telecommunications Services throughout the State of New Jersey.

BACKGROUND: By letter dated October 9, 2013, Onvoy, Inc. (Petitioner or Onvoy) filed a Petition with the Board requesting authority to provide both resold and facilities-based local exchange, exchange access, interexchange and private line telecommunications services throughout the State of New Jersey.

The Petitioner asserted that approval of its Petition will further the public interest by expanding the availability of competitive telecommunications services in the State of New Jersey. The Petitioner also asserted that approval of this Petition will provide New Jersey customers with access to new technologies and service choices and will permit customers to achieve increased efficiencies and cost savings.

Onvoy requested a waiver of N.J.S.A. 48:3-7.8 and N.J.A.C. 14:1-4.3, which requires that books and records be kept within the State of New Jersey and be maintained in accordance with the Uniform System of Accounts (USOA), respectively. The Petitioner also stated, upon written notice from the Board and/or Board Staff, it will provide its books and records at such time and place within New Jersey as the Board may designate and will pay any reasonable expenses for examination of the records.

After review, Staff recommended the Board approve the Petitioner's request for authority to provide local exchange, exchange access, interexchange and private line telecommunications services in the State of New Jersey. Staff also recommended the Board approve the request for waivers from its requirements that the Petitioner maintain its books and records in accordance with the USOA and within New Jersey.

DECISION: The Board adopted the recommendation of Staff as set forth above.

B. Energy Agent, Private Aggregator and/or Energy Consultant Initial Registrations

EE13100964L	Insight Energy, LLC	I – EA
EE13100932L	Elite Energy Group, Incorporated	I – EA
EE13100919L	Gulf Stream Energy Consultants, LLC	I – EA
EE13121143L	G.A. DiGiovine Consulting, LLC	I – EA
EE13100920L GE13111060L	Smart Energy Brokers, LLC	I – EA/PA

EE13100978L GE13100979L	Jersey Energy Group, LLC	I – EA/PA/EC
EE13111062L	Partner Assessment Corporation	I – EA/PA/EC
GE13111063L	d/b/a Partner Engineering and Science, Incorporated	
EE13090848L GE13090849L	Energy Auction House, Incorporated	I – EA/EC
EE13100970L	Teslar Group Corporation	R – EA
EE13111102L	Optimum Group, LLC d/b/a Optimum Energy Solutions	R – EA
EE12030288L	Summit Energy Services, Incorporated	R – EA
EE13111104L	Rapid Power Management, LLC	R – EA
EE13100974L	L5E, LLC	R – EA/PA
GE13100975L	d/b/a 5	
GE13111065L	NJHA Healthcare Business Solutions	R – PA
EE13100980L	SIMEC, LLC	R – EA/PA/EC
GE13100981L	d/b/a SIMEC Energy	
<u>Electric Power and/or Natural Gas Supplier Initial Licenses</u>		
EE13060474L	GreenLight Energy, Incorporated	I – ESL
EE13111066L	Source Power & Gas, LLC	I – ESL
EE13100983L GE13100984L	CenStar Energy Corporation	I – EGSL
<u>Electric Power and/or Natural Gas Supplier License Renewals</u>		
EE13100961L GE13100962L	Alpha Gas & Electric, LLC	R – EGSL
EE13090846L GE13090847L	Plymouth Rock Energy, LLC	R – EGSL
GE12060549L	GreenLight Energy, Incorporated	R – GSL

BACKGROUND: The Board must register all energy agents and consultants, and the Board must license all third party electric power suppliers and gas suppliers. An electric

power supplier, gas supplier, or clean power marketer license shall be valid for one year from the date of issue, except where a licensee has submitted a complete renewal application at least 30 days before the expiration of the existing license, in which case the existing license shall not expire until a decision has been reached upon the renewal application. An energy agent, private aggregator or energy consultant registration shall be valid for one year from the date of issue. Annually thereafter, licensed electric power suppliers, gas suppliers, and clean power marketers, as well as energy agents and private aggregators, are required to renew timely their licenses in order to continue to do business in New Jersey.

Having reviewed the submitted applications, Staff recommended the Board issue initial registrations as an energy agent, private aggregator and/or energy consultant for one year to:

- Insight Energy, LLC
- Elite Energy Group, Inc.
- Gulf Stream Energy Consultants, LLC
- G.A. DiGiovine Consulting, LLC
- Smart Energy Brokers, LLC
- Jersey Energy Group, LLC
- Partner Assessment Corporation d/b/a Partner Engineering and Science, Inc.
- Energy Auction House Inc.

Staff also recommended the following applicants be issued renewal registrations as an energy agent, private aggregator and/or energy consultant for one year:

- Teslar Group Corporation
- Optimum Group, LLC d/b/a Optimum Energy Solutions
- Summit Energy Services Inc.
- Rapid Power Management, LLC
- L5E, LLC d/b/a 5
- NJHA Healthcare Business Solutions
- SIMEC, LLC d/b/a/ SIMEC Energy

In addition, Staff recommended the following applicants be issued an initial license as an electric power and/or natural gas supplier for one year:

- GreenLight Energy Inc.
- Source Power & Gas LLC
- CenStar Energy Corp.

Staff further recommended the following applicants be issued renewal licenses as an electric power and/or natural gas supplier for one year:

- Alpha Gas & Electric, LLC
- Plymouth Rock Energy, LLC
- GreenLight Energy Inc.

DECISION: The Board adopted the recommendation of Staff as set forth above.

II. ENERGY

A. Docket No. EO11110800 – In the Matter of the Phase Out of the Transitional Energy Facility Assessment Pursuant to N.J.S.A. 48:2-21.34(5) and N.J.S.A. 54:30A-102.

BACKGROUND: This matter involved the phase out of the Transitional Energy Facility Assessment (TEFA), and the final step in the phase out will occur on January 1, 2014, when TEFA will be eliminated.

On July 14, 1997, the Energy Tax Reform Act was signed into law. This law replaced the Gross Receipts and Franchise Tax (GR&FT) with Sales and Use Tax, Corporate Business Tax, and TEFA. The Energy Tax Reform Act provides that TEFA would be phased out and fully eliminated by January 1, 2003; however, the phase out period was later extended by law. Most recently L. 2008, c. 32 was signed into law on June 30, 2008 extending TEFA to December 31, 2013. This legislation froze TEFA unit rate surcharges at calendar year 2008 rates through 2011, and established that the 2011 TEFA rates would be reduced on January 1, 2012 by 25%, reduced on January 1, 2013 by 50%, and eliminated after December 31, 2013.

In November of 2013, Atlantic City Electric Company, Jersey Central Power & Light Company, Rockland Electric Company, the Borough of Butler, Public Service Electric & Gas Company, Elizabethtown Gas, New Jersey Natural Gas Company, and South Jersey Gas Company (collectively, the Energy Utilities) filed proposed tariffs with the Board to reflect the elimination of TEFA effective January 1, 2014.

The complete elimination of the 2011 TEFA rates will reduce the average residential customer's bill by about 1.5% to 2% or about \$20 to \$25 per year, and reduce commercial customers' bills by about 1% to 2.2%.

Staff recommended the Board authorize the issuance of a Secretary's letter stating that the proposed tariffs accurately reflect the January 1, 2014 elimination of TEFA, making January 1, 2014 the effective date of the new rates, and directing the utilities to file final copies of the proposed tariff sheets with the Board by December 27, 2013.

DECISION: The Board adopted the recommendation of Staff as set forth above.

III. CABLE TELEVISION

A. Docket No. CE13060448 – In the Matter of the Petition of Comcast of Central New Jersey II, LLC for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Township of Bedminster, County of Somerset, State of New Jersey.

BACKGROUND: The Township of Bedminster (Township), after public hearing, adopted ordinance 2012-010 granting renewal municipal consent to Comcast of Central New Jersey, II, LLC (Comcast) on October 1, 2012.

On October 17, 2012, Comcast informed the Township that the adopted ordinance contained a provision that it did not agree to therefore, it could not accept the ordinance in

its entirety. Thereafter the parties continued negotiations and on March 18, 2013, the Township, after public hearing, adopted ordinance 2013-005, which superseded ordinance 2012-010. On April 2, 2013, Comcast formally accepted the terms and conditions of the ordinance 2013-005. This Certificate shall expire on May 15, 2027.

After review, Staff recommended approval of the proposed Renewal Certificate of Approval.

DECISION: The Board adopted the recommendation of Staff as set forth above.

B. Docket No. CE13070662 – In the Matter of the Petition of Comcast of South Jersey, LLC for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Borough of Upper Pittsgrove, County of Salem, State of New Jersey.

BACKGROUND: On May 14, 2013, the Township of Upper Pittsgrove (Township) adopted an ordinance granting renewal municipal consent to Comcast of South Jersey, LLC (Comcast). On June 11, 2013, Comcast formally accepted the terms and conditions of the ordinance, and on July 18, 2013, Comcast filed with the Board for renewal of its Certificate of Approval for the Township. This Certificate shall expire on May 27, 2027.

After review, Staff recommended approval of the proposed Renewal Certificate of Approval.

DECISION: The Board adopted the recommendation of Staff as set forth above.

C. Docket No. CE10070502 – In the Matter of the Petition of Comcast of South Jersey, LLC for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Township of Washington, County of Gloucester, State of New Jersey.

BACKGROUND: On July 28, 2010, Comcast of South Jersey, LLC (Comcast) filed a petition with the Board for a renewal of its Certificate of Approval for the Township of Washington (Township), based on the automatic renewal provision, for a term which was set to expire on July 25, 2010.

On March 24, 2004, the Township amended its municipal consent ordinance of April 27, 1995, to provide for a dedicated educational/governmental access channel for the Township, the installation of a two-way fiber run and modification of the franchise term to provide for an automatic renewal term of ten years. On May 26, 2004, the Township adopted a second amendment to the ordinance which changed the location of the return line.

On June 28, 2004, Comcast accepted both of the ordinance amendments and on April 20, 2005 the Board issued an Order of Amendment of a Renewal Certificate of Approval approving the Township's ordinance which granted a term of fifteen years, with an automatic renewal term of ten years. This Certificate shall expire on July 25, 2020.

After review, Staff recommended approval of the proposed Automatic Renewal Certificate of Approval.

DECISION: The Board adopted the recommendation of Staff as set forth above.

D. Docket No. CE10080625 – In the Matter of the Petition of Comcast of Central Jersey II, LLC for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Township of Hillsborough, County of Somerset, State of New Jersey.

BACKGROUND: On August 30, 2010, Comcast of Central New Jersey II, LLC (Comcast) filed a petition with the Board seeking a five year automatic renewal of its Certificate of Approval for the Township of Hillsborough (Township), which was set to expire on June 19, 2010 and will be renewed until June 19, 2015.

On July 10, 2007, the Township amended its municipal consent ordinance to modify the franchise term to incorporate an automatic renewal term of five years and also included a provision for free internet services to the Township's municipal buildings, schools and libraries.

On August 3, 2007, Comcast accepted the amended ordinance. On January 17, 2008, the Board issued an Order of Amendment of a Renewal Certificate of Approval approving the Township's ordinance granting a term of fifteen years with an automatic renewal term of five years. This Certificate shall expire on June 19, 2015.

After review, Staff recommended approval of the proposed Automatic Renewal Certificate of Approval.

DECISION: The Board adopted the recommendation of Staff as set forth above.

E. Docket No. CE13080740 – In the Matter of the Petition of CSC TKR, LLC d/b/a Cablevision of Morris for a Renewal Certificate of Approval to Continue to Operate and Maintain a Cable Television System in the Borough of Hopatcong, County of Sussex, State of New Jersey.

BACKGROUND: On December 5, 2012, the Borough of Hopatcong (Borough) granted Cablevision of Morris (Cablevision) renewal municipal consent for a term of ten years from the date of issuance of the Renewal Certificate of Approval. On May 16, 2013, Cablevision accepted the ordinance, and on August 19, 2013, Cablevision filed a petition with the Board. This Certificate shall expire on December 30, 2023.

After review, Staff recommended approval of the proposed Renewal Certificate of Approval.

DECISION: The Board adopted the recommendation of Staff as set forth above.

F. Docket No. CE09030231 – In the Matter of Cablevision of Oakland, LLC for the Conversion to a System-wide Franchise in the Borough of Alpine.

On March 20, 2009, Cablevision of Oakland, LLC filed notice with the Township of Cedar Grove (Township) and the Board that it would convert its municipal consent-based franchise in the Township to a system-wide franchise. This action was the first conversion in the system and undertaken pursuant to N.J.S.A. 48:5A-25.1, which provides that a cable television operator with municipal consent-based franchises may automatically convert any or all of its municipal franchises upon notice to the Board and to the affected municipality or

municipalities. The Board commemorated Cablevision of Oakland's conversion of the Township by Order dated July 1, 2009, and through subsequent filings, Cablevision of Oakland converted an additional 37 municipalities.

Cablevision of Oakland's system-wide franchise will expire on March 20, 2016.

After review, the Office of Cable Television recommended approval of the Seventh Order of Amendment acknowledging the conversion of the Borough of Alpine into Cablevision of Oakland's system-wide franchise.

DECISION: The Board adopted the recommendation of Staff as set forth above.

G. Docket No. CE10010024 – In the Matter of CSC TKR, LLC for the Conversion to a System-wide Franchise in the Borough of Florham Park and the Township of Watchung.

BACKGROUND: On January 11, 2010, CSC TKR, LLC, pursuant to N.J.S.A. 48:5A-25.1, filed notice with the Board and the Borough of Allentown (Borough) that it would convert its cable television system serving the Borough to a system-wide franchise. The Board commemorated CSC TKR, LLC's conversion of the Borough by Order dated February 11, 2010. Through subsequent filings, CSC TKR, LLC has converted an additional 31 municipalities.

CSC TKR, LLC's system-wide franchise will expire on January 11, 2017.

After review, the Office of Cable Television recommended approval of the Sixth Order of Amendment acknowledging the conversion of the Borough of Florham Park and the Township of Watchung into CSC TKR, LLC's system-wide franchise.

DECISION: The Board adopted the recommendation of Staff as set forth above.

H. Docket No. CO13111074 – In the Matter of Comcast of Central New Jersey II, LLC Request for Waiver of the 30-day Notice Period for Filing an Alteration in Channel Allocation Pursuant to N.J.A.C. 14:18-3.17.

BACKGROUND: This matter involved a request by Comcast of Central New Jersey II, LLC (Comcast) for a waiver, under N.J.A.C. 14:18-3.7, with respect to the notification thereof. By letter dated October 10, 2013, Comcast notified the Board that it is moving Bloomberg News from Channel 142 to Channel 42 and the Travel Channel from Channel 42 to Channel 81. Comcast asserted that the changes are being made in response to an order issued by the Federal Communications Commission Federal Communications Commission directing Comcast to move Bloomberg News to a position in the neighborhood of other news channels.

Notice was provided via bill messages, beginning on October 16, 2013 through November 9, 2013. Notices were also published on October 12, 2013 in three newspapers of general circulation in the Somerset system service area. Notices to municipal officials were faxed on October 4, 2013.

N.J.A.C.14:18-3.17 generally requires 30 days' advance notice of such changes to subscribers, municipalities and the Office of Cable Television. Comcast believes that it has met such requirement through the newspaper publication. However, Staff was of the opinion that such newspaper notice is insufficient as not all subscribers might have access to newspapers on that day as consumers have increasingly turned to digital media and less on print media.

Recognizing that the reason for the channel changes was required by a regulatory agency, the Board may relax the time for providing notification pursuant to N.J.A.C. 14:18-3.17(c-1). Therefore, Staff recommended the Board approve the waiver of the 30-day notice period required for an alteration of service to customers under N.J.A.C. 14:18-3.17 (c) (1).

DECISION: The Board adopted the recommendation of Staff as set forth above.

IV. TELECOMMUNICATIONS

A. Docket No. TF13100989 – In the Matter of the Verified Petition of Level 3 Communications, LLC, Broadwing Communications, LLC, Global Crossing Telecommunications, Inc., TelCove Operations, LLC and WiTel Communications, LLC for Approval to Participate in Certain Financing Arrangements.

BACKGROUND: On October 28, 2013, Level 3 Communications, LLC (Level 3), Broadwing Communications, LLC, Global Crossing Telecommunications, Inc., TelCove Operations, LLC, and WiTel Communications, LLC (Collectively, Petitioners) filed a petition requesting approval from the Board, to the extent necessary, to participate in certain financing arrangements.

The Petitioners requested Board approval to participate in three separate term loan financing arrangements (Financing). In the first and second transactions, Level 3 and Financing entered into term loan arrangements for \$815 million with a 2019 maturity date and \$595.5 million with a 2020 maturity date. Interest is London Interbank Offered Rate (LIBOR) plus 3%, with a minimum LIBOR of 1%. Financing has lent the proceeds of the term loans to Level 3 LLC in return for intercompany demand notes. The funds were used to prepay in full two existing tranches of term loans totaling \$1.411 billion consisting of a \$815 million term loan and a \$595.5 million term loan that were otherwise set to mature in 2019 and 2016, respectively. The Petitioners requested Board approval to pledge their assets and act as guarantors in support of the term loan arrangements for \$815 million and \$595.5 million.

In a third transaction, Level 3 and Financing entered into a term loan arrangement of \$1.2 billion with a 2020 maturity date. Financing has lent the proceeds of the term loan to Level 3 LLC in return for an intercompany demand note. The funds were used to prepay in full an existing \$1.2 billion term loan that was otherwise set to mature in 2019. The Petitioners request Board approval to pledge their assets and act as guarantors in support of the new term loan arrangements of \$1.2 billion.

The Office of the Economist after review of the information submitted in this proceeding, found that the action requested is in accordance with the law and in the public interest and therefore recommended approval of this petition.

DECISION: The Board adopted the recommendation of Staff as set forth above.

B. Docket No. TO13090813 – In the Matter of the Joint Application of Megapath Corporation and United Telephone Company of New Jersey, Inc. d/b/a CenturyLink for Approval of a Master Resale Agreement Under Section 252 (e) of the Telecommunications Act of 1996.

BACKGROUND: By separate letters, United Telephone Company of New Jersey, Inc. d/b/a CenturyLink (CenturyLink) and MegaPath Corporation (collectively, Petitioners) filed an application with the Board, pursuant to Section 252 (e) (1) of the Telecommunications Act of 1996 (Act) for the approval of a negotiated Master Resale Agreement.

The agreements set forth the terms, conditions and prices under which the Petitioners will offer and provide network interconnection, call transport and termination, and ancillary services to each other.

Section 252(e) (1), requires that:

Any resale agreement adopted by negotiation or arbitration shall be submitted for approval to the State commission. A State commission to which an agreement is submitted shall approve or reject the agreement, with written findings as to any deficiencies.

After review, Staff recommended approval of the Agreement.

DECISION: The Board adopted the recommendation of Staff as set forth above.

C. Docket No. TO13080711 – In the Matter of the Joint Application of Verizon New Jersey, Inc. and Wimactel, Inc. for Approval of an Adoption by Local Access, LLC of the Interconnection Agreement Under Section 252 (e) of the Telecommunications Act of 1996.

BACKGROUND: By separate letter, Verizon New Jersey Inc. (Verizon NJ) and WicMacTel, Inc. (collectively, Petitioners) filed an application with the Board, pursuant to Section 252 of the Act for the approval of a negotiated interconnection agreement. The agreement sets forth the terms, conditions and prices under which the Petitioners will offer and provide network interconnection, call transport and termination, and ancillary services to each other within each Local Access and Transport Area in which they operate in New Jersey.

The agreement addresses a number of complex issues, which provides for:

- (1) access to unbundled network elements;
- (2) reciprocal compensation for terminating local traffic depending on where traffic is terminated on the companies' respective networks;

- (3) the resale of Verizon NJ retail telecommunications services for a wholesale discount; and
- (4) the offering of 911 services to all customers.

Staff's review of the above referenced agreement found that each has similar rates and consistent terms and conditions sufficient to support Staff's recommendation for approval of the Agreement. Therefore, Staff recommended the Board approve the Petitioners' request.

DECISION: The Board adopted the recommendation of Staff as set forth above.

V. WATER & SEWER

A. Docket Nos. BPU WR13070686 and OAL PUC 12399-2013 – In the Matter of the Petition of Aqua New Jersey, Inc. for an Increase in Rates for Wastewater Service Provided by Systems Located in Woolwich and North Hanover Townships and Other Tariff Changes.

BACKGROUND: On July 31, 2013, Aqua New Jersey, Inc. (Aqua, Company or Petitioner), filed a petition with the Board seeking to increase its rates for wastewater service provided by systems located in Woolwich and North Hanover Townships amounting to approximately \$751,547 or 62.50% above the annual revenues. The increase in rates was proposed to become effective on September 1, 2013.

On August 10, 2013, the Company filed a letter with the Board stating that it will not implement rates on an interim basis prior to the effective date of the Board's Suspension Order resulting from the September 18, 2013, agenda meeting. The Petitioner did not seek interim rate relief pending final determination on the petition.

On August 27, 2013, this matter was transmitted to the Office of Administrative Law for hearing(s) and was assigned to Administrative Law Judge Elia A. Pelios.

On September 27, 2013, the Board, pursuant to N.J.S.A. 48:2-21, issued an Order suspending Aqua's proposed rate increase until January 1, 2014.

Since this proceeding will not be completed by January 1, 2014, Staff recommended the Board issue an Order further suspending the rates until May 1, 2014.

DECISION: The Board adopted the recommendation of Staff as set forth above.

B. Docket No. WE13050379 – In the Matter of the Petition of Aqua New Jersey Inc. for Approval of a Municipal Consent to Provide Water Service to a Portion of the Township of Winslow and Other Required Approvals.

BACKGROUND: On May 8, 2013, Aqua New Jersey Inc. (Aqua) filed a petition with the Board seeking approval for a Municipal Consent to provide water service to a portion of the Township of Winslow (Township) and other required approvals.

The proposed franchise area is largely rural and undeveloped, and it is isolated from the remainder of the Township by the Atlantic City Expressway. Currently, there is no public water or sewer service in the Franchise area. To the extent service is available in the proposed franchise area, it is provided by private wells and septic systems. Elsewhere in the Township, water service is provided by the municipality. The Township, however, does not have the resources necessary to provide public water service to the proposed franchise area. Aqua, however, provides water service to several nearby communities including Gloucester Township, which is directly adjacent to the proposed franchise area. Aqua's intention is to provide service to the proposed franchise area via an interconnection with its existing facilities in Gloucester Township.

Pursuant to N.J.S.A. 48:2-14, the Township of Winslow's governing body adopted Ordinance No. 0-2012-031 on October 23, 2012, which granted Aqua the authority to construct and maintain water utility facilities in public roads and other places necessary to provide service to designated portion of Winslow Township. The municipal consent further authorizes Aqua to provide water service to a specific parcel of land located in Winslow Township. The Township granted an extension of time required for the filing of the Municipal Consent and obtaining the Board's approval of Ordinance No. 0-2012-031 in Resolution R-2013-180 adopted on April 23, 2013.

After review, Staff determined that the municipal consent is necessary and in the public interest for the provision of safe, adequate and proper water utility service and therefore recommended Board approval.

DECISION: The Board adopted the recommendation of Staff as set forth above.

C. Docket No. WR13111059 – In the Matter of the Petition of Middlesex Water Company for Approval of an Increase in Its Rates for Water Service and Other Tariff Changes.

BACKGROUND: Middlesex Water Company (Company) requested an increase in annual revenues of approximately \$10.6 million, or an overall increase of 15.89%. The Company also requested to increase its rates up to an additional 5% on an interim basis, pursuant to the approved Distribution System Improvement Charge Foundational Filing approved by the Board on February 20, 2013.

This petition was filed with the Board on November 8, 2013, with rates proposed to become effective for service on and after August 15, 2014. This matter will be transmitted to the Office of Administrative Law for a hearing.

On November 19, 2013 Middlesex Water Company submitted a letter to Board Secretary advising that the Company will not implement rates on an interim basis prior to the effective date of the Board's Suspension Order of December 28, 2013.

After review, Staff recommended the Board issue an Initial Suspension Order as outlined above.

DECISION: The Board adopted the recommendation of Staff as set forth above.

D. Docket Nos. BPU WC12121070 and OAL PUC 00876-13 – In the Matter of Larry S. Loigman, Petitioner v. New Jersey American Water Company, Respondent – Request for Extension.

BACKGROUND: On June 29, 2012, a pipe bridge owned by New Jersey-American Water Company, Inc. (NJAWC or Company), crossing the Swimming River in Monmouth County, New Jersey, collapsed. The bridge had supported three water pipelines (a 30-inch potable water main, a 36-inch potable water main, and a 42-inch raw water main) carrying water to and from the Swimming River Treatment Plant. The incident resulted in approximately 95,000 NJAWC customers in twenty two Monmouth County communities, being subject to a precautionary boil water advisory and outdoor water ban.

Due to this incident, Larry S. Loigman (Petitioner) filed a formal complaint with the Board against the Company. The Petitioner claimed that NJAW failed to provide safe, adequate, and proper service due to the pipe bridge collapse, and subsequent loss of potable water service.

This matter was transmitted to the Office of Administrative Law and assigned to Administrative Law Judge (ALJ) Elia A. Pelios.

The Initial Decision of ALJ Pelios was received by the Board on December 2, 2013; therefore the 45-day statutory period for review and the issuing of a Final Decision will expire on January 16, 2014. The first regularly scheduled Board Meeting for 2014 is January 22, 2014. Therefore, Staff recommended the Board request an additional 45-day extension of time from the Office of Administrative Law, in order that it may adequately review the record in this matter before issuing its Final Decision.

DECISION: The Board adopted the recommendation of Staff as set forth above.

E. Docket No. WR13080715 – In the Matter of the Petition of Shore Water Company for Approval of an Increase in Rates for Service.

BACKGROUND: The petition in this matter was filed on August 9, 2013, by Shore Water Company (Petitioner, Company, Shore) proposing that the rate increase become effective thirty days after the filing of its petition. By letter dated August 30, 2013, the Company stated that it would not implement the proposed rates prior to the effective date of the Board's Suspension Order resulting from the September 18, 2013 public agenda meeting. On September 18, 2013, the Board issued an Order suspending the proposed rate increase until January 9, 2014.

This matter was transmitted to the Office of Administrative Law on August 29, 2013 and assigned to Administrative Law Judge (ALJ) W. Todd Miller.

Since this matter is still pending before ALJ Miller, Staff recommended the Board issue an Order Further Suspending the proposed rate increase until May 9, 2014 pending further action on this matter.

DECISION: The Board adopted the recommendation of Staff as set forth above.

VI. RELIABILITY & SECURITY

There were no items in this category.

VII. CUSTOMER ASSISTANCE

A. Docket Nos. BPU TC13010013U and OAL PUC 07042-13 – In the Matter of Olander Peters, Petitioner v. AT&T Corporation, Respondent – Request for Extension.

BACKGROUND: The Initial Decision of the Administrative Law Judge was received by the Board on November 14, 2013; therefore, the 45-day statutory period for review and the issuing of a Final Decision will expire on December 30, 2013. Prior to that date, the Board requested an additional 45-day extension of time for issuing the Final Decision in order to fully review the record in this matter.

Good cause having been shown, pursuant to N.J.S.A. 52:14B-10(c) and N.J.A.C. 1:1-18.8, Staff recommended that the time limit for the Board to render a Final Decision be extended until February 13, 2014.

DECISION: The Board adopted the recommendation of Staff as set forth above.

B. Docket Nos. BPU EC13040349U and OAL PUC 09457-13 – In the Matter of Gloria Dunphy, Petitioner v. Atlantic City Electric Company, Respondent – Request for Extension.

BACKGROUND: The Initial Decision of the Administrative Law Judge was received by the Board on November 27, 2013; therefore the 45-day statutory period for review and the issuing of a Final Decision will expire on January 13, 2014. Prior to that date, the Board requested an additional 45-day extension of time for issuing the Final Decision in order that it might fully review the entire record in this matter.

Good cause having been shown, pursuant to N.J.S.A. 52:14B-10(c) and N.J.A.C. 1:1-18.8, Staff recommended that the time limit for the Board to render a Final Decision be extended until February 27, 2014.

DECISION: The Board adopted the recommendation of Staff as set forth above.

VIII. CLEAN ENERGY

There were no items in this category.

IX. MISCELLANEOUS

A. Request for Approval of the Executive Session Minutes of December 14, 2011 – Item 8B and the Minutes of the Agenda Meeting of October 16, 2013.

BACKGROUND: Staff presented the minutes of the Executive Session Minutes of December 14, 2011 – Item 8B and the Minutes of the Agenda Meeting of October 16, 2013 Agenda Meetings and recommended they be accepted.

DECISION: The Board adopted the recommendation of Staff as set forth above.

After appropriate motion, the consent agenda was approved.

Roll Call Vote:	President Hanna	Aye
	Commissioner Fox	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye

AGENDA

1. AUDITS

A. Docket No. AA09020127 – In the Matter of the Rate Charged by One Call Concepts, Inc. for Operation of the New Jersey One-Call Damage Prevention System.

James P. Giuliano, Director, Division of Reliability and Security, presented this matter.

BACKGROUND AND DISCUSSION: On September 16, 2009, the Board selected One Call Concepts, Inc. (OCC), of Hanover, Maryland, to operate the New Jersey One-Call Damage Prevention System for a five year contract term beginning February 17, 2010 and ending February 16, 2015.

Each year, OCC is permitted to file with the Board a proposed tariff rate per-mark-out notification ticket to underground facility operators. Changes in the rate are subject to approval by the Board.

On November 20, 2013, OCC filed a petition with the Board seeking approval of a revised tariff for facilities protection services which includes a rate of \$1.22 per mark-out notification ticket to underground facility operators. This rate will minimize any over-under collection in support of the contract rate increase. The charge is subject to an annual adjustment, up or down, based upon actual revenues received.

In addition to the contract rate, the Tariff sets forth rates for other permissible services provided by OCC under the contract. Any revenue from these charges shall be included by OCC when calculating the annual reconciliation as well as any subsequent rate changes and true-ups.

OCC sought the Board approval of a tariff for year five of the contract for facilities protection services. The matter before the Board concerns the approval of this tariff.

Staff recommended the Board approve the proposed year five tariff rate of \$1.22 per mark-out notification ticket to underground facility operators. This represents an increase of \$.08 from the existing rate of \$1.14.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Hanna	Aye
	Commissioner Fox	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye

2. ENERGY

Mark C. Beyer, Chief Economist, presented these matters.

A. Docket No. EF13080772 – In the Matter of the Petition of Atlantic City Electric Company Pursuant to N.J.S.A. 48:2-13 and N.J.S.A. 48:3-9 for Authority to Issue Up to \$350 Million of Short-Term Indebtedness Prior to January 1, 2016.

BACKGROUND AND DISCUSSION: On August 26, 2013, Atlantic City Electric Company (Petitioner) filed a petition with the Board requesting authority pursuant to N.J.S.A. 48:2-13 and N.J.S.A. 48:3-9 to continue to issue, renew or extend unsecured short-term indebtedness from time to time prior to January 1, 2016, in an aggregate principal amount outstanding at any one time not in excess of \$350 million. The Board, in Docket No. EF11090577, dated December 15, 2011, authorized the Petitioner to issue similar Short-Term Debt, except as to amount, prior to January 1, 2014.

The Petitioner anticipated that short-term external financing will be needed to provide for temporary financing of construction program expenditures and other general corporate transactions.

The Office of the Economist, after review of the information submitted in this proceeding, found that the action requested is in accordance with the law and in the public interest and therefore recommended approval of this petition.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Hanna	Aye
	Commissioner Fox	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye

B. Docket No. EF13090843 – In the Matter of the Petition of Atlantic City Electric Company for Authority to Issue up to \$300 Million of Long-Term Debt Securities Pursuant to N.J.S.A. 48:3-9.

BACKGROUND AND DISCUSSION: Atlantic City Electric Company (Company) by petition filed on September 17, 2013 requested authority pursuant to N.J.S.A. 48:3-9 to: (i) not later than December 31, 2015, at its option, issue and sell in one or more series up to \$300 million in aggregate of Debt Securities (as defined below), and (ii) take any other action which may be necessary or desirable in connection therewith.

The proceeds of the financing will be used in part to refund maturing long term debt. In addition, the Petitioner is engaged in a construction program with estimated expenses of \$641,000,000 over three years, which are designed to improve and extend its facilities so as to enable it to better serve the public. The Company sought the flexibility to obtain permanent financing for up to \$159,800,000 of short-term debt anticipated to be incurred for outlays associated with its 2013-2015 construction program.

Debt Securities include tax-exempt bonds that may be issued through a governmental agency and/or may be issued as credit enhancement for such tax-exempt bonds. The Company also requested that the Debt Securities include secured or unsecured bank loans. Bank Loans would carry interest rates (fixed or variable) and maturities, and other terms and conditions, all of which would be dependent upon market conditions prevailing at the time of execution.

The Office of the Economist, after review of the information submitted in this proceeding, found that the action requested is in accordance with the law and in the public interest and therefore recommended approval of this petition.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Hanna	Aye
	Commissioner Fox	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye

Jerome May, Director, Division of Energy, presented this matter.

C. Docket No. GO11100761 – In the Matter of the Petition of South Jersey Gas Company for Approval of a Standard Gas Service Agreement (EGS-LV) and a Standard Gas Service Agreement (EGS-LV) Addendum and to Modify Rate Schedule EGS-LV – Phase II.

BACKGROUND AND DISCUSSION: On October 31, 2011, South Jersey Gas Company (South Jersey) filed a petition with the Board requesting that the Board issue an Order approving a Standard Gas Service Agreement- Electric Generation Service- Large Volume and a Standard Gas Service Agreement Addendum entered into between South Jersey and ACI Energy Partners, LLC (ACI) (South Jersey/ACI Agreement).

By Order dated August 15, 2012, the Board approved a stipulation entered into between South Jersey, the New Jersey Division of Rate Counsel (Rate Counsel) and Board Staff (Staff) (collectively, the Parties). The Parties did not agree on whether the Societal Benefits Charge (SBC) and the Energy Efficiency Tracker (EET) (Clause Charges) could be imposed on the South Jersey gas service to ACI, but agreed on the terms of the ACI Agreement.

In addition to approving the stipulation, the August 15 Order left the docket open to address the issue of applicability of the Clause Charges and designated President Hanna as the presiding officer on the reserved issue. At issue was whether the sale transfer of electricity from ACI's Combined Heat and Power (CHP) plant to ACR Energy Partners, LLC's (ACR) Central Utility Plant (CUP) were subject to the Clause Charges or whether the transaction qualified for exemption of the Clause Charges claimed under the provision of Section 60.1 of the Long-Term Capacity Agreement Plot Program Act (Section 60.1). In addition, to the extent that the gas sales under the ACI Agreement are not subject to the Clause Charges, the Board was also to determine whether the Clause Charges or equivalent electric clause charges should be applied to the sales of electricity connected to the project.

By Order dated August 20, 2012, a procedural schedule for briefing was issued by President Hanna, which was subsequently amended by an Order dated September 25, 2012, which also granted a motion to intervene by ACI and a motion to participate by Public Service Electric and Gas Company. On September 28, 2012, SJG and ACI filed briefs and certification. On November 27, 2012, Rate Counsel filed its initial brief. Reply briefs were filed by South Jersey and ACI on December 20, 2012 and December 21, 2012, respectively.

Staff recommended the Board issue an order finding that the transfer of electricity from ACI's CHP Plant to ACR's CUP and then to the Revel Casino does not fall within the meaning of the phrase "sold for resale" so as to qualify for the exemption from the Clause Charges claimed under Section 60.1. Staff further recommended the Board find that Section 60.1 does not prohibit South Jersey from imposing an SBC or EET on its sale of gas to ACI. Further, should the Board find that the charges do apply to the South Jersey-ACI transaction, it does not reach the issue of whether ACI or ACR must collect the electric equivalent of these charges.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Hanna	Aye
	Commissioner Fox	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye

D. Docket Nos. BPU EO11010026, OAL PUC 08022-12 and OAL PUC 12918-12 – In the Matter of the Long Term Capacity Agreement Pilot Program.

David Wand, Deputy Attorney General, Division of Law, presented this matter.

BACKGROUND AND DISCUSSION: On October 23, 2013, the Superior Court of New Jersey, Appellate Division issued a sua sponte order dismissing without prejudice in regard to Long Term Capacity Agreement Pilot project consolidated appeals under Docket Numbers A-4467-10 and A-5192-10. The Court also dismissed without prejudice the Office of Administrative Law (OAL) matter pending before the Board.

Staff recommended that a secretary's letter be issued informing the OAL that since the issues before the Board are now moot, no further action will be taken by the Board regarding Administrative Law Judge Bari-Brown's initial decision.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above

Roll Call Vote:	President Hanna	Aye
	Commissioner Fox	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye

E. Docket No. GO13111049 – In the Matter of the Petition of South Jersey Gas Company for a Determination Pursuant to the Provisions of N.J.S.A. 40:55D-19.

Megan Lupo, Esq., Legal Specialist, Counsel’s Office, presented this matter.

BACKGROUND AND DISCUSSION: On November 4, 2013, South Jersey Gas filed a petition with the Board pursuant to the Municipal Land Use Act set forth in N.J.S.A. 40:55D-19 for a determination that the construction of a 21.6 mile, 24-inch diameter steel natural gas transmission pipeline with an alignment through the Township of Maurice River in Cumberland County, City of Estell Manor in Atlantic County, and Upper Township in Cape May County is reasonably necessary for the service, convenience or welfare of the public, and accordingly, is requesting that the Board issue an order that the zoning, site plan review and all other municipal land use ordinances and regulations promulgated pursuant to the Municipal Land Use Act shall not apply to the proposed project.

Staff recommended the matter be retained by the Board and that the Board designate a presiding commissioner, which Staff understood to be Commissioner Joseph Fiordaliso. Staff further recommended the Board order the parties to serve all documents electronically, while still providing hard copies to the Board for those documents which must be filed with the Board, with hard copies to each party upon request.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Hanna	Aye
	Commissioner Fox	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye

Jerome May, Director, Division of Energy, presented these matters.

F. Docket No. GO13010059 – In the Matter of the Petition of New Jersey Natural Gas Company for (1) Approval of a Gas Service Agreement Between TAQA GEN-X, LLC and New Jersey Natural Gas Company and (2) a Protective Order and Exemption from Public Disclosure of Confidential Information.

BACKGROUND AND DISCUSSION: On January 25, 2013, New Jersey Natural Gas Company (NJNG or Company) filed a petition requesting the Board to approve (1) a Gas Service Agreement (GSA) between NJNG and TAQA GEN-X, LLC and (2) a Protective Order and exemption from disclosure of certain confidential information pursuant to N.J.S.A. 47:1A et seq.

Under the terms of the GSA, the Company will provide gas distribution service to Red Oak Power, LLC (Red Oak), located in the Borough of Sayreville, Middlesex County, New Jersey. After discovery and several Technical Conferences, the NJNG, TAQA, Rate Counsel, Board Staff and the Attorney General’s Office, counsel for Board Staff (collectively,

the Parties) agreed to a Stipulation of Settlement regarding the GSA.

Staff recommended the Board approve the Stipulation of Settlement of the Parties.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Hanna	Aye
	Commissioner Fox	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye

G. Docket No. GR12100936 – In the Matter of the Petition of Pivotal Utility Holdings, IKnc. d/b/a Elizabethtown Gas to Revise the Remediation Adjustment Clause Component of Its Societal Benefits Charge Rate.

BACKGROUND AND DISCUSSION: On October 12, 2012, Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas (Company) filed its annual petition with the Board requesting approval of its Remediation Adjustment Clause (RAC) rate. The Company requested an increase in its RAC rate from \$0.0106 per therm inclusive of all applicable taxes to \$0.0229. Approval of the RAC would result in a revenue increase of \$10.0 million for RAC-related costs.

The annual bill increase for a residential heating customer utilizing 1,000 therms would be \$12.30.

On December 5, 2013, the Company, Rate Counsel and the Board Staff (the Parties) executed a Stipulation of Settlement (Stipulation) that recommended approval of the \$0.0229 RAC rate.

Staff recommended the Board approve the Stipulation of the Parties.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Hanna	Aye
	Commissioner Fox	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye

H. Docket No. ER13070605 – In the Matter of the Petition of Public Service Electric and Gas Company for Approval of Changes in Its Electric Solar Pilot Recovery Charge (SPRC) for Its Solar Loan I Program.

BACKGROUND AND DISCUSSION: On July 1, 2013, Public Service Electric and Gas Company (PSE&G or Company) filed a petition with the Board seeking approval to increase its electric Solar Pilot Recovery Charge (SPRC) by approximately \$200,000 for the period

October 1, 2013 through September 30, 2014. The rates proposed for the SPRC were designed to recover approximately \$19.5 million in revenue on an annual basis.

PSE&G, Board Staff and the New Jersey Division of Rate Counsel (collectively, the Parties), agreed that the current SPRC rate should be maintained at this time. In addition, any costs incurred after October 1, 2013 will be reviewed for reasonableness and prudence in future SPRC adjustment proceedings. Accordingly, on December 3, 2013 the Parties entered in a Stipulation of Settlement (Stipulation).

Staff recommended the Board issue an order accepting the Stipulation.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Hanna	Aye
	Commissioner Fox	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye

I. **Docket No. EO13030241 – In the Matter of Atlantic City Electric Company’s Annual Filing to Set the Level of Its “Rider RGGI” Rate Associated with Its Solar Renewable Energy Certificate Financing Program; and**

Docket No. EO12040312 – In the Matter of Atlantic City Electric Company Renewable Energy Portfolio Standard – Amendments to the Minimum Filing Requirements for Energy Efficiency, Renewable Energy, and Conservation Programs and for Electric Distribution Company Submittals of Filings in Connection with Solar Financing.

BACKGROUND AND DISCUSSION: On April 12, 2012, Atlantic City Electric Company (ACE or Company) filed a Verified Petition (2012 Petition) with the Board requesting approval to implement recovery of costs associated with its Solar Renewable Energy Certificates (SRECs) Financing Program. (BPU Docket No. EO12040312). This filing was in accordance by an Order dated August 7, 2008 (the August 2008 Order) in which the Board had directed Jersey Central Power & Light Company and ACE to file, by September 30, 2008, a solar financing program based on SRECs, utilizing and incorporating certain mandatory design and filing requirements. In the 2012 Petition, recovery of costs for the SRECs and the Rider Regional Greenhouse Gas Initiative (RGGI) were to be implemented with bills rendered on or after July 12, 2012. On May 31, 2012, two public hearings were held in Hammonton, New Jersey. No members of the public attended the hearings or submitted comments.

On March 21, 2013, ACE filed a Verified Petition and SREC Financing Program Update, BPU Docket No. EO13030241, (the 2013 Petition). The 2013 Petition was filed in response to the Board’s Orders dated March 27, 2009 and September 16, 2009 (the Orders) issued pursuant to BPU Docket No. EO08100875. As of the date of the filing of the 2013 Petition, the April 2012 Update Petition had not been acted upon. In the 2013 Petition, the Company updated the 2012 Petition to include the period from the commencement of the program

through January 2013. In addition, since the 2012 Petition remained an open docket, the projected billing determinants for the rate effective period reflected in the 2013 Petition were updated to cover the period June 1, 2012 through May 31, 2014. Discovery in this matter was propounded by the Division of Rate Counsel (Rate Counsel) and Board Staff, and ACE provided responses to all requests.

After extensive discussions, ACE, Rate Counsel and Staff (the Parties) executed a Stipulation of Settlement (Stipulation) on December 5, 2013 resolving all issues in this matter.

The Parties agreed that the proposed SREC RGGI Recovery Charge should be set at \$0.000610 per kWh, inclusive of SUT. This would result in a rate impact on a typical residential customer using 1000 kWh per month of \$0.61 or a 0.36 percent increase. The rate of \$0.000610 per kWh, inclusive of SUT, is based on an annual revenue requirement of \$5,527,545. This revenue requirement reflects actual results through January 2013, and includes: a) a deferred balance of \$5,264,652 b) interest of \$18,171 and c) SREC Transaction fees of \$232,971 and d) interest of \$11,751 projected through May 2014. The Parties also acknowledged and agreed that the 2013 Petition and adoption of the Stipulation, resolved the April 2012 Petition.

Staff recommended the Board issue an order adopting the Stipulation as executed by the Parties in its entirety.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Hanna	Aye
	Commissioner Fox	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye

J. Docket No. GO10070446 – In the Matter of the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to Revise Its Regional Greenhouse Gas Initiative Rider Rate;

Docket No. GR11070398 – In the Matter of the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to Revise Its Regional Greenhouse Gas Initiative Rider Rate and Rename the Rate to the Energy Efficiency Program Rider Rate; and

Docket No. GR12080729 – In the Matter of the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to Revise Its Energy Efficiency Program Rider Rate.

BACKGROUND AND DISCUSSION: On June 30, 2010, Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas (Elizabethtown or Company) filed a Petition (2010 Petition) with the Board, requesting to decrease its then current Regional Greenhouse Gas Initiative Rider (RGGI) rate of \$0.0081 per therm to \$0.0007 per therm inclusive of all applicable taxes effective October 1, 2010. The 2010 Petition sought to reconcile Energy Efficiency (EE)

Program costs and cost recoveries for the period commencing August 3, 2009 through June 30, 2010 and to recover forecast revenues for the period July 1, 2010 through June 30, 2011. The actual EE Program costs for the 2010 Recovery Year were \$1,327,179.

By Order dated January 19, 2011, BPU Docket No. GO10070446 and GO10100735 (January 19 Order), the RGGI Rider rate was set to \$0.0000 per therm effective February 1, 2011 in accordance with the methodology established in the August 3 Order. The January 19 Order also authorized the Company to continue its EE Programs through January 2012.

On June 30, 2011, Elizabethtown filed a Petition (2011 Petition) with the Board, requesting to decrease the RGGI rate of \$0.0000 per therm to (\$0.0015) per therm inclusive of all applicable taxes effective October 1, 2011. The 2011 Petition sought to reconcile EE Program costs and cost recoveries for the period commencing July 1, 2010 through June 30, 2011 and to recover forecast revenues for the period July 1, 2011 through June 30, 2012. Actual EE Program costs for the period July 1, 2010 through June 30, 2011 amounted to \$2,849,195.

By Order dated April 11, 2012, Elizabethtown was authorized to rename its RGGI Ride Rate to the EEP Rider rate and to maintain the rate at \$0.0000 per therm. The April 11 Order also authorized the Company to continue its EE Programs through April 2013.

On August 1, 2012, Elizabethtown filed a Petition (2012 Petition) with the Board, requesting to increase its EEP rate of \$0.0000 per therm to \$0.0046 per therm inclusive of all applicable taxes effective October 1, 2012. The 2012 Petition sought to reconcile EE Program costs and cost recoveries for the period commencing July 1, 2011 through June 30, 2012 and to recover forecast revenues for the period July 1, 2012 through June 30, 2013. Actual EE Program costs for the period July 1, 2011 through June 30, 2012 amounted to \$3,644,274. The rate of \$0.0046 per therm was designed to recover actual and projected allowable recoverable EE Program costs of \$1,820,984 through June 30, 2013. Actual recoverable EE Program costs through June 30, 2013 amount to \$1,687,666.

On October 22, 2012, the Company filed a Petition to extend the term of its EE Programs upon their expiration in April 2013 for a four-year period. That Petition, resulted in a Stipulation approved by Board Order dated August 21, 2013, authorizing the Company to continue to operate its EE programs with minor revisions through August 31, 2015.

The Company requested implementation of an EEP rate of \$0.0042 per therm, inclusive of all applicable taxes, and that rate shall remain in effect until changed by order of the Board. This EEP rate of \$0.0042 per therm shall become effective on January 1, 2014 and is based on actual recoverable costs through June 30, 2013.

On December 5, 2013, the Company, Board Staff and Rate Counsel (collectively, the Parties) executed a Stipulation of Settlement (Stipulation). Staff recommended the Board adopt the Stipulation of the parties.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Hanna	Aye
	Commissioner Fox	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye

K. Docket No. ET13070667 – In the Matter of the Request of Rockland Electric Company to Extend the Enrollment Period and Make Certain Changes to Its Building Utilization and Business Expansion Riders.

BACKGROUND AND DISCUSSION: On July 22, 2013, Rockland Electric Company (RECO, Petitioner, or Company) filed a petition with the Board requesting approval to extend the enrollment period of its Building Utilization Rider (BUR) and its Business Expansion Rider (BER) from January 1, 2014 through December 31, 2016.

Currently the BUR is available to commercial and industrial customers under rate schedules Service Classification (SC) 2, General Service and Service Classification 7, Large General Time of Day Service under RECO's tariff who purchase or lease a minimum of 7,500 square feet of building space that has been vacant for at least three months, and who add new permanent full-time employees to their payrolls. Relocation or consolidation of New Jersey based employees, without employment growth, does not qualify. By December 31 of each of the five years a customer receives service under this Rider, the customer shall submit to the Company, a letter detailing how many additional jobs it has added for that year and its current employee level. A customer failing to provide this information by December 31 of each year shall no longer be eligible for service under this Rider.

RECO's credit is set at twenty percent of the Customer Charge and Distribution Charges. The Company did not propose changing this method or level of credit.

Rate Counsel did not object to the extension request and Staff recommended the Board adopt the Petitioner's Extension request.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Hanna	Aye
	Commissioner Fox	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye

L-1. Docket No. EO12080750 – In the Matter of the Verified Petition of Jersey Central Power & Light Company Concerning a Proposal for a Solar Renewable Energy Certificate (SREC)-Based Financing Program Under N.J.S.A. 48:3-98.1;

BACKGROUND AND DISCUSSION: On August 15, 2012, Jersey Central Power & Light Company (JCP&L) filed a verified petition with the Board requesting approval of its Solar Renewable Energy Certificate (SREC) - Based Financing Program (SREC II Program), pursuant to the Board's May 23 Order and N.J.S.A. 48:3-98.1. As proposed, the JCP&L's SREC II Program is a 52 megawatt (MW) program modeled closely on JCP&L's and Atlantic City Electric's (ACE) first solar renewable energy certificate (SREC I Program) approved by Board Orders dated March 29, 2009 and September 16, 2009 under Dockets EO08100875 and EO08090840

This petition is pursuant to the Board's Order of May 23, 2012 approving an extension of the Electric Distribution Companies (EDCs) SREC-based Financing Programs for a total capacity of 180 MW over three years, to be divided among the participating EDCs based on retail sales. JCP&L's share of the 180 MW is 52 MW. The May 23, 2012 Order also approved various provisions the EDCs were directed to follow in their SREC financing programs

The Parties, JCP&L, the Staff of the Board, the Division of Rate Counsel, Solar Energy Industries Association, Mid-Atlantic Solar Energy Industries Association and NJ Land, LLC (the Parties) engaged in an extensive discovery process. JCP&L responded to numerous data requests and informally provided additional data and information in connection with this proceeding. The Parties have also engaged in detailed settlement conferences and communications.

During the course of the settlement discussions, it was agreed that the efficiency of JCP&L's SREC II Program would be enhanced if the program undertaken by JCP&L was similar to and coordinated, to the extent feasible, with the review of the SREC II Programs filed with the Board by ACE and Rockland Electric Company, as is reflected in the Stipulation.

On December 13, 2013, the Parties executed a Stipulation of Settlement (Stipulation). Staff recommended the Board adopt the Stipulation of the Parties.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Hanna	Aye
	Commissioner Fox	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye

L-2. Docket No. EO12090799 – In the Matter of the Petition of Atlantic City Electric Company Concerning a Proposal for an Extended Solar Renewable Energy Certificate (SREC)-Based Financing Program Pursuant to N.J.S.A. 48:3-98.1; and

BACKGROUND AND DISCUSSION: On September 5, 2012, Atlantic City Electric Company (ACE) filed a petition with the Board requesting approval of its Solar Renewable Energy Certificate (SREC) - Based Financing Program (SREC II Program), pursuant to the Board's May 23 Order and N.J.S.A. 48:3-98.1. As proposed, the ACE's SREC II Program is a 23 megawatt (MW) program modeled closely on JCP&L's and ACE first solar renewable energy certificate (SREC I Program) approved by Board Orders dated March 27, 2009 and by Board Order dated September 16, 2009 modifying SREC I under Dockets EO08100875 and EO08090840.

This petition is pursuant to the Board's Order of May 23, 2012 approving an extension of the Electric Distribution Companies (EDCs) SREC-based Financing Programs for a total capacity of 180 MW over three years, to be divided among the participating EDCs based on retail sales. ACE's share of the 180 MW is 23 MW. The May 23, 2012 Order also approved various provisions the EDCs were directed to follow in their SREC financing programs

ACE, Board Staff, the Division of Rate Counsel, and Solar Energy Industries Association, (collectively, the Parties) engaged in an extensive discovery process. ACE responded to numerous data requests and informally provided additional data and information in connection with this proceeding. The Parties have also engaged in detailed settlement conferences and communications.

During the course of the settlement discussions, it was agreed that the efficiency of ACE's SREC II Program would be enhanced if the program undertaken by ACE was similar to and coordinated, to the extent feasible, with the review of the SREC II Programs filed with the Board by JCP&L and Rockland Electric Company, as is reflected in the Stipulation.

On December 13, 2013, the Parties executed a Stipulation of Settlement (Stipulation). Staff recommended the Board adopt the Stipulation of the Parties.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Hanna	Aye
	Commissioner Fox	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye

L-3. Docket No. EO13020118 – In the Matter of the Verified Petition of Rockland Electric Company for Approval to Implement an Extended Solar Renewable Energy Certificate-Based Financing Program Pursuant to N.J.S.A. 48:3-98.1 (SREC-II Program).

BACKGROUND AND DISCUSSION: On February 6, 2013, Rockland Electric Company (RECO) filed with the Board a Verified Petition requesting approval to extend RECO's Solar Renewable Energy Certificate (SREC) – based financing program with modifications (SREC II Program or Petition), pursuant to the Board's May 23, 2012 Order (May 23 Order) and pursuant to N.J.S.A. 48:3-98-1.

According to RECO's Petition, it will implement an SREC II Program whereby it will enter into SREC Purchase and Sale Agreements (SREC-PSAs), with solar project owners or developers (Program Participants) selected through a competitive process. RECO will enter into SREC-PSAs for up to 4.5 MW of installed solar capacity in RECO's service territory. The RECO SREC II Program is modeled closely after RECO's first SREC Financing Program (SREC I Program) approved by Board Order dated July 31, 2009 under Docket No. EO09020097 but modified to reflect requirements set forth in the May 23 Order.

RECO, Board Staff, and the New Jersey Division of Rate Counsel, (collectively, the Parties) engaged in an extensive discovery process. RECO responded to numerous data requests and informally provided additional data and information in connection with this proceeding. The Parties have also engaged in detailed settlement conferences and communications. During the course of the settlement discussions, it was agreed that the efficiency of RECO's SREC II Program would be enhanced if the SREC II Program undertaken by the Company was similar to and coordinated, to the extent feasible, with the review of the SREC II Programs filed with the Board by Atlantic City Electric Company and Jersey Central Power and Light as is reflected in the Stipulation.

On December 13, 2013, the Parties executed a Stipulation of Settlement (Stipulation). RECO will solicit solar capacity from the following program segments:

- Segment 1. Net-metered residential and small commercial solar photovoltaic projects less than or equal to 50 kW for a total segment size of 1.0 MW - Total Segment size: 1.0 MW
- Segment 2. Net-metered commercial solar photovoltaic projects equal to 50 kW or greater. Total Segment size: 2.0 MW
- Segment 3. Grid-supply solar photovoltaic projects conditionally certified or fully certified by the Board and located on closed landfills, brownfields, or areas of historic fill. Total Segment size: 1.5 MW

Staff recommended the Board adopt the Stipulation of the Parties.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Hanna	Aye
	Commissioner Fox	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye

M. Non-docketed Matter – In the Matter of PPL EnergyPlus, LLC v. Hanna, et al. – See Executive Session.

This matter was only discussed in executive session pursuant to attorney-client privilege exception to the Open Public Meetings Act. The Board will make the contents of its discussion of the above matter public at the earliest appropriate time.

3. CABLE TELEVISION

There were no items in this category.

4. TELECOMMUNICATIONS

There were no items in this category.

5. WATER

A. Docket No. WF13100971 – In the Matter of the Application of Middlesex Water Company for Authority to Borrow up to \$4.5 Million and to Issue Evidences of Indebtedness Pursuant to the Environmental Infrastructure Trust Financing Program.

Mark C. Beyer, Chief Economist, presented this matter.

BACKGROUND AND DISCUSSION: Middlesex Water Company (Company) by petition filed with the Board on October 24, 2013, pursuant to N.J.S.A. 48:3-7, 48:3-9 and N.J.A.C. 14:1-5.9, requested authority to:

- a) Borrow up to \$4.5 million (Loans) from the New Jersey Environmental Infrastructure Trust (Trust), a public body corporate and politic, and the State of New Jersey, acting by and through the New Jersey Department of Environmental Protection (State) and make, execute and deliver to the Trust and the State documents required in connection therewith;
- b) Make, execute and deliver, if necessary, one or more Supplemental Indentures of Mortgage to U.S. Bank National Association, as Trustee, for the purpose among other things, of describing the terms of the Petitioner's First Mortgage Bonds (hereinafter called the Company's Bonds), or to make such guarantee or guarantees as are required by State and the Trust to secure the Loans; and
- c) Issue and deliver, if necessary, to the Trust and the State up to \$4.5 million principal amount of the Company's Bonds, with a final maturity in 2034. The Petitioner's Bonds will bear interest at approximately one-quarter of the interest rate of the Trust's Bonds which are intended to be sold by competitive bidding.

The proceeds of the Loans will be used by the Company to finance a project for rehabilitating its cast-iron transmission and distribution mains, referred to as "Cleaning and

Lining", under the Company's continuing RENEW program. The Cleaning and Lining project is an annual program estimated to continue for over 15 years and the proceeds of the Loans will be used for the project work for the calendar year 2014.

The Office of the Economist, after review of the information submitted in this proceeding, found that the action requested is in accordance with the law and in the public interest and therefore recommended approval of this petition.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Hanna	Aye
	Commissioner Fox	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye

B. Docket No. WO13100969 – In the Matter of the Petition of United Water Princeton Meadows, Inc. for Deferral Accounting Authority for the Financial Impact of Damage Related to Hurricane Irene and Superstorm Sandy.

Maria L. Moran, Director, Division of Water, presented this matter.

BACKGROUND AND DISCUSSION: On October 23, 2013, United Water Princeton Meadows (Company, Petitioner), a sewer utility serving approximately 3500 unmetered wastewater customers in a portion of Plainsboro in Middlesex County, filed a petition seeking authorization for deferred accounting treatment of actually incurred incremental storm costs associated with Hurricane Irene and Superstorm Sandy that are not otherwise recovered through the Company's currently approved base rates. The Company proposed that the appropriate amortization period for such deferred costs be addressed in its next base rate case.

The Petitioner asserted that the storm related incremental expenses that it seeks to defer are actual, were prudently incurred and were associated with the impact of Hurricane Irene and Superstorm Sandy on the Company's water distribution and wastewater collection systems. The costs associated with Hurricane Irene and Superstorm Sandy for which the Company is seeking deferral authority is currently \$461,784.00 and includes the cost of overtime, outside contractor costs, fuel, generator rental and transport, rental of equipment and other directly related expenses resulting from storm damage mitigation, assessment, repair, clean up and restoration activities. The Company further stated that no ongoing, routine non-emergency expenses will be included in the requested deferral accounts established for costs associated with Hurricane Irene and Superstorm Sandy storm damages.

Staff recommended the Board grant the deferred accounting request, for accounting purposes only.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Hanna	Aye
	Commissioner Fox	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye

C. Docket No. WF13100959 – In the Matter of the Petition of Aqua New Jersey, Inc. for Authority to Enter into Long-Term Debt in an Amount up to \$12,000,000.

Mark C. Beyer, Chief Economist, presented this matter.

BACKGROUND AND DISCUSSION: Aqua New Jersey, Inc. (Company, Petitioner), filed a petition dated October 22, 2013, pursuant to N.J.S.A. 48:3-9 and N.J.A.C. 14:1-5.9, requesting authority to:

1. Make, execute and deliver to Aqua America, Inc. a note (Note) for long-term debt in a principal amount up to \$12,000,000;
2. To take such actions as are necessary to effectuate the transaction described in the Petition.

The Petitioner stated that its parent, Aqua America, Inc., has issued debt and intends to downstream a portion of the proceeds of that debt issuance to the Petitioner. In exchange for a portion of the proceeds of the debt issuance, the Petitioner sought authority to execute a Note to Aqua America, Inc. for long-term debt in a principal amount up to \$12,000,000. The Petitioner stated that the proceeds of the down streamed debt will be used to refinance existing debt and convert existing short term debt to long term debt. The Company proposed to execute a note with its parent for all or a portion of the \$12 million unsecured debt with a 15 year term at a 4.4% coupon rate.

The Office of the Economist, after review of the information submitted in this proceeding, found that the action requested is in accordance with the law and in the public interest and therefore recommended approval of this petition.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Hanna	Aye
	Commissioner Fox	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye

6. RELIABILITY & SECURITY

- A. Docket No. GX13101010 – In the Matter of the Proposed Readoption with Amendments of the New Jersey Administrative Code N.J.A.C. 14:6 Gas Service – Posting for Comment in the New Jersey Register.**

James P. Giuliano, Director, Division of Reliability and Security, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved the proposed readoption with amendments of Chapter 6 of the New Jersey Administrative Code, N.J.A.C. 14:6 “Gas Service”, which will expire on January 19, 2014. The proposed readoption must be presented for comment to the NJ Register before the expiration date of the existing rule, to prevent the rule from expiring.

This chapter governs the operation and provision of service by natural gas utilities to their customers. The rules proposed for readoption and amendment will continue to enhance an existing regulatory framework that ensures that New Jersey citizens have access to safe, adequate and proper gas utility services. Throughout the chapter, minor clarifying amendments are proposed that do not change the meaning of the text.

Staff recommended the Board approve the proposed readoption with amendments of N.J.A.C. 14:6 “Gas Service” for publishing in the New Jersey Register for public comment.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Hanna	Aye
	Commissioner Fox	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye

7. CUSTOMER ASSISTANCE

Eric Hartsfield, Director, Division of Customer Assistance, presented these matters.

- A. Docket Nos. BPU GC12110992U and OAL PUC 11156-13 – In the Matter of Cheryl Hensle, Petitioner v. Public Service Electric and Gas Company, Respondent – Billing Dispute.**

BACKGROUND AND DISCUSSION: This matter involved a billing dispute between Cheryl Hensle (Ms. Hensle) and Public Service Electric and Gas Company. The petition was transmitted to the Office of Administrative Law (OAL) on January 25, 2013, and Administrative Law Judge (ALJ) Kimberly A. Moss filed an Initial Decision in this matter with the Board on March 21, 2013, dismissing the petition.

At its April 29 and May 29, 2013, Board meetings, Staff recommended and was granted 45-day extensions of time. Ms. Hensle submitted exceptions with the Board on March 28, 2013, and PSE&G replied to those exceptions on May 16, 2013. At its July 19, 2013, Board

meeting Staff recommended the Board remand the matter to the OAL for further finding of fact. By Order dated July 24, 2013, the Board issued an Order of Remand.

The petition was then re-transmitted to the OAL on July 29, 2013, and ALJ Moss filed an Initial Decision in this matter with the Board on October 3, 2013, dismissing the petition. At its October 16, 2013, Board meeting, Staff recommended and was granted a 45-day extension of time. Staff recommended the Board adopt the Initial Decision in this matter without modification.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Hanna	Aye
	Commissioner Fox	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye

B. Docket Nos. BPU EC12030239U and OAL PUC 03126-13 – In the Matter of Peter Triestman, Petitioner v. Public Service Electric and Gas Company, Respondent – Billing Dispute.

BACKGROUND AND DISCUSSION: On March 8, 2012, Peter Triestman alleged that he experienced a diversion of service and that Public Service Electric and Gas Company overbilled him for electric and gas usage during the period between June 6, 2009 and February 8, 2012. The Petition was transmitted to the Office of Administrative Law (OAL) on April 23, 2012 for determination as a contested case, pursuant to N.J.S.A. 52:14B-1 to -15 and N.J.S.A. 52:14F-1 to -13.

A hearing was held on July 27, 2012, before Administrative Law (ALJ) Judge Kimberly A. Moss. After reviewing the record, the Board adopted the Initial Decision, in part, and remanded, in part. The remanded matter was transmitted to the OAL and filed on March 5, 2013. ALJ Moss conducted hearings on June 24, 2013 and September 10, 2013 on the remanded issues. On October 7, 2013, the ALJ issued her initial decision, dismissing the petition.

Staff recommended the Board adopt the Initial Decision of ALJ issued on October 7, 2013.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Hanna	Aye
	Commissioner Fox	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye

8. CLEAN ENERGY

A. Docket No. QG13111138 – In the Matter of the Clean Energy Program Authorization of Commercial and Industrial Program Energy Efficiency Incentives Exceeding \$500,000 – Merck & Co., Inc.

Elizabeth Teng, Office of Clean Energy, presented this matter.

BACKGROUND AND DISCUSSION: Commissioner Joseph Fiordaliso noted he was recusing himself in this matter due to a potential conflict of interest. He therefore did not participate in the discussion and did not vote. In November 2013, the Clean Energy Program approved 257 projects, totaling approximately \$4.3 million in incentives. Staff also received applications for commercial and industrial rebates in amounts over \$500,000.

Merck and Company in Rahway, NJ, submitted a Large Energy Users Program application for an incentive of \$1 million for a comprehensive lighting upgrade at two of their facilities, one in Rahway and one in Trenton. At the Trenton facility, Merck plans to replace all of its interior fluorescent lighting and metal halide fixtures with higher efficiency LEDs. At the Rahway facility, Merck plans to replace all of its exterior pole mounted and wall-mounted lighting with LED fixtures. Completing these measures would result in approximately 3.5 million kilowatt hours saved in annual electric usage, which translates to approximately \$412,000 in annual energy cost savings. The project is estimated to cost the customer \$2.8 million to complete, and with the incentive, the customer would have a 10.4% internal rate of return and a simple payback of 6.8 years.

Staff determined that this application has met the eligibility criteria for commercial and industrial program rebates and recommended the Board approve this application and authorize the issuance of a standard commitment letter to the applicant.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Hanna	Aye
	Commissioner Fox	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye

B. Docket No. EO12090832V – In the Matter of the Implementation of L. 2012, C. 24, The Solar Act of 2012;

Docket No. EO12090862V – In the Matter of the Implementation of L. 2012, C. 24, N.J.S.A. 48:3-87(T) – A Proceeding to Establish a Program to Provide Solar Renewable Energy Certificates to Certified Brownfield, Historic Fill and Landfill Facilities;

Docket No. QO13121129 – KDC Solar RTC, LLC – Delilah Road Landfill; and

Docket No. QO13111111 – Public Service Electric and Gas Company – Kinsley Landfill.

B. Scott Hunter, Renewable Energy Program Administrator, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved two applications to be considered connected to the distribution system serving New Jersey to be eligible to collect solar renewable energy certificates pursuant to the Solar Act Subsection T.

The first application, from KDC Solar, is for the Delilah Road landfill and the second application, from PSE&G, is for the Kinsley landfill. The Delilah Road landfill project is proposed to be 11.48 megawatts and the Kinsley landfill is proposed to be 10 megawatts. The Kinsley landfill is the first project that's been certified under Subsection T under the PSE&G's Solar 4 All Extension Program, which was approved in May 2013 for 42 megawatts of capacity to place solar on landfills.

Each of the applications are on properly closed landfills. Staff received the applications and delivered them to the Department of Environmental Protection (DEP), seeking recommendations on the land use with regard to its eligibility pursuant to the Solar Act, as well as whether additional remediation is required at the sites. The DEP identified both as being on properly closed landfills and each requiring additional remediation activities for installing solar on that facility.

Staff recommended that each of these projects be conditionally certified and that the applicants be directed to demonstrate their compliance with all of the DEP's permitting requirements after the system is constructed toward getting full certification from Staff.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Hanna	Aye
	Commissioner Fox	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye

C. Docket No. QG13111139 – In the Matter of the New Jersey Clean Energy Program Authorization of Commercial and Industrial Program Energy Efficiency Incentives Exceeding \$500,000 – Ahold eCommerce Sales Company, LLC.

Elizabeth Teng, Office of Clean Energy, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved Ahold eCommerce Sales Company, LLC applying for a rebate under the Pay for Performance New Construction program. Located in Quincy, MA, they are the parent company to the “Stop & Shop” and “Peapod” Delivery Service brands, which have several locations in New Jersey. Ahold eCommerce Sales Company plans to build a refrigerated warehouse on Routes 1 & 9, in Jersey City, NJ.

The rebate is estimated at \$605,000, for which the applicant plans to install a centralized ammonia-based refrigeration system, to install control measures on the system, to install LED lighting with occupancy sensors, to increase insulation in the coolers and freezers, and to increase insulation in the roof, exterior wall, doors, and ground. This project would cost the customer \$1.9 million to install these highly efficient measures over what is required in the current building code. The project would save the customer 3.2 million kilowatt hours, though it would increase natural gas usage by 5,700 therms annually. However, energy savings net out to a 24% total energy savings over the baseline and save the customer \$385,000 in annual energy costs. This project has a 19% internal rate of return and a five year payback.

Staff determined that this application has met the eligibility criteria for commercial and industrial program rebates and recommended that the Board approve the application and authorize the issuance of a standard commitment letter to the applicant.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Hanna	Aye
	Commissioner Fox	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye

Elizabeth Ackerman, RA+LEED AP, Acting Director, Division of Economic Development & Energy Policy, presented these matters.

D. Docket No. EO09020122 – In the Matter of the Contract for Applied Energy Group, Inc. for 2013 Program Coordination Services for the New Jersey Clean Energy Program; Contract No. 68922 – Request for Extension.

Docket No. EO05080667 – In the Matter of the Clean Energy Program Request for Proposal for Market Manager;

Docket No. EO09100835 – In the Matter of the Clean Energy Program Honeywell International, Inc., Market Manager; Contract No. A67052 – Request for Extension; and

Docket No. EO09100836 – In the Matter of the Clean Energy Program – TRC Energy Services, Market Manager; Contract No. A67053 – Request for Extension.

Docket No. EO08040273 – In the Matter of the Clean Energy Program – Municipal Audit Program; Contract No. 08 –X-39537 – Request for Extension.

BACKGROUND AND DISCUSSION: An extension is necessary as the protest of the New Jersey Clean Energy Program Administrator (PA) contract, issued earlier this year, is still under protest. The new PA contract will condense the administrative services of both Market Managers and the current Program Coordinator into a public contract award for a

five-year term to a single applicant.

In January 2013, Treasury issued its Recommendation Report for the award of the PA contract to AEG. At its February 20, 2013 agenda meeting, the Board concurred with Treasury's recommendation. In February 2013, Honeywell and TRC filed formal protests of the award with Treasury. Staff reviewed the proposal and recommended the Board approval of contract extensions from June 30, 2013 through October 31, 2013. The Board then approved an extension of two months through December 31, 2013.

On November 15, 2013, the Director of the Division of Purchase and Property (DPP) issued two final agency decisions, in response to the filed protests in which she remanded the Request for Proposal back to the Procurement Bureau for a new independent assessment of all six responsive proposals. On December 2, 2013, DPP advised the bidders of the new independent assessment. To complete the new assessment, Staff recommended additional six-month contract extensions, conditioned upon the approval by Treasury.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Hanna	Aye
	Commissioner Fox	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye

E. Docket Nos. EO07030203 and EO11100631V – In the Matter of the Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for the Years 2009 through 2012: Revised 2012 Programs – Large Scale Combined Heat and Power Fuel Cell Grant Program – Award Recommendation.

BACKGROUND AND DISCUSSION: This matter involved requesting the Board to consider its approval of a potential awardee under the Large Scale Combined Heat and Power/ Fuel Cell Grant Program. Verizon Sourcing LLC (Verizon) submitted an application under the second solicitation on May 13, 2013, requesting a \$3 million grant. Verizon proposed to construct a 2 MW CHP facility in Basking Ridge, NJ. The facility will utilize combined heat and power (CHP) to produce domestic hot water and heating/cooling. The total cost of the project was \$15,318,200.

Verizon planned to install five 400kw ClearEdge Power PureCell Phosphoric acid fuel cells to generate 2MW of electricity. The units would utilize CHP to produce domestic hot water and heating/cooling of the facility. Verizon was in negotiations with ClearEdge Power to provide a turnkey installation that would include a ten year maintenance plan for the units. The proposed operation had a June 2013 start and a December 2013 finish dates.

The five unit system will generate 2MW of the 3MW to 8MW facility load. The electrical output will be delivered by a direct bus connection into facility's electrical distribution system. The cells will be connected on the facility side of the electric meter and Verizon will consume 100% of all of the electrical output.

Verizon Operational Centre located at One Verizon Way, Basking Ridge, NJ in Somerset County. The building is a 1.4M square foot facility that sits on 140 acres. The building has four floors that has a capacity for 4,000 employees.

The five units will consume Natural Gas provided by Public Service Electric and Gas Company and annually generate 16,644 MWhr/year.

Total Grant Incentive Requested is \$3,000,000, and the anticipated dates of drawdown are as follow:

- 1) At time company makes non-refundable deposit on equipment (up to 30% of amount awarded) - June 2013
- 2) Upon equipment delivery (up to 70% of amount awarded, but not to exceed 90% of total amount awarded when combined with the prior disbursement) - October 2013
- 3) Upon system installation (remainder awarded) - December 2013

A \$3,000,000 Incentive is 19.5% as a Share of Total of the \$15,318,200 total turnkey Project cost. This project has an Estimated Rate of Return of 6%.

Staff recommended the Board approve the Verizon project as discussed above.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Hanna	Aye
	Commissioner Fox	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye

F. Docket No. EO09120966 – In the Matter of the Clean Energy Manufacturing Fund Solicitation Second Round – Award Modification.

John Garvey, Energy Policy & Planning, presented this matter.

BACKGROUND AND DISCUSSION: On December 16, 2009, the Board approved an award of \$3.3 million in assistance to Princeton Power Systems, Inc. (PPS) pursuant to the second public competitive solicitation for the Edison Innovation Clean Energy Manufacturing Fund (CEMF). Because of fire damage to its research and development (R&D) facility and the growing demand for products from key customers, PPS requested that the Board authorize the following modifications to its loan agreement: (1) Consent to additional indebtedness of \$1.5M from Sand Hill Finance; (2) Authorize the signing of an intercreditor agreement with a 120-day payment standstill period; and (3) Approval of a restructured loan repayment over a 30-month period beginning January 2014.

Fire Damage at R&D Facility - In February 2011, PPS suffered a total loss of its labs and solar and battery testing facility in Princeton, due to an accidental fire caused by an engineering employee. The financial loss was reimbursed by the company's insurance

provider, and PPS' rebuilt the facility at its current location. To assist PPS in rebuilding, the New Jersey Economic Development Authority (EDA) extended the loan disbursement period by 6 months.

Increased Customer Demand - Despite the 6-month setback, PPS has maintained revenue pace from \$4.98 million in 2012, to \$5.83 million as of September 30, 2013. Management's forecast for 2013 and 2014 are \$7.6 million and \$17 million respectively.

PPS designs and manufactures advanced power conversion products and alternative energy systems for microgrids; electronic vehicle charging stations; energy storage systems and military applications. The company was founded in 2001 by Princeton undergraduate students, based on their patented electronic circuit and software mechanisms to uniquely convert electric power. The PPS CEMF loan project involves development of a new manufacturing facility in West Windsor, NJ which will be used to manufacture the PPS Grid-tied Inverter product line. The project will enable PPS to expand from its current manufacturing capacity of 4.5 MW of its Grid-tied inverter device to projected capacity of 21.5 MW annually within two years.

Since the PPS' first product release in 2005, the EDA and the Board have provided \$4.75M in financial assistance to support the company's growth. PPS now requires a significant increase in working capital to fulfill new product orders in 2014, according to the EDA's underwriting analysis. To build capital reserves, in the third quarter of 2013 the company closed \$1.3 million in new equity from GHO Ventures (existing investors) and reached terms with Sand Hill Finance for a \$1.5 million credit facility. However, further cost structure adjustments are needed to meet the re-forecasted \$17 million revenue opportunity in 2014. According to the EDA, PPS' new financial projections are attributable to two main issues listed above – fire damage to its R&D facility and the growing demand for products from key customers.

Staff reviewed the underwriting analysis and recommendations for approval by the EDA. Based on that analysis, Staff recommended the Board approve the loan agreement modifications

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Hanna	Aye
	Commissioner Fox	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye

G. Docket No. EW12090798V – In the Matter of the Appeal by James S. Knoeller, Sr. for the Renewable Energy Incentive Program Small Wind Rebate Payment for REIPR-07339.

B. Scott Hunter, Renewable Energy Program Administrator, presented this matter.

BACKGROUND AND DISCUSSION: By petition dated August 28, 2012, James Knoeller (Knoeller) appealed Staff's decision to withhold payment for a small wind rebate

commitment made in the Renewable Energy Incentive Program (REIP) in New Jersey's Clean Energy Program (NJCEP). An Enertech wind turbine installed on Knoeller's farm in Stafford, NJ experienced a catastrophic failure on March 2, 2011 after it lost all three rotor blades after inspections were completed by a local code enforcement official and an NJCEP quality control inspector.

A turbine similar to Knoellers was installed on the same day for a different customer by the same installer, Skyland Renewable Energy Inc. (Skyland). The catastrophic failure of the Knoeller installation motivated Enertech, manufacturer of the wind turbine, to advise the owner of a second installation to temporarily disable the wind turbine pending investigation of stress cracks observed on turbine blades. Since Knoeller's turbine experienced problems since installation, he refused to release the damaged rotor blades to the manufacturer for inspection and demanded the installer or manufacturer remove the failed system. The installer accused Knoeller of voiding the installation warranty, mis-operating turbine controls and blamed the owner for the turbine's failure.

Preceding the events involving the two Enertech wind turbines, on January 8, 2011, an Xzeres wind turbine caught fire at the Hasson residence in Villas, NJ. The fire garnered press attention due to the difficulty experienced by the local fire department in extinguishing the fire and controlling the blades on the rotor. The manufacturer, Xzeres, quickly replaced the rotor, inverter and controls on the wind energy system at no additional cost to the customer.

On March 7, 2011, AEG, the NJCEP Program Coordinator, advised Staff that it had received "conflict resolution inquiries" from two NJCEP rebate applicants that had Enertech wind turbines installed by Skylands Renewable Energy. The dispute filed by Mr. Knoeller reported "numerous problems resulting in very few operational days" since the installation in December 2010. Staff issued a notice to stakeholders on March 8, 2011 that "effective immediately, there is temporary a hold on all new REIP wind application and REIP wind rebate processing until further notice".

In May 2011, Staff engaged with the National Renewable Energy Laboratory (NREL) to conduct a forensic analysis of the failed wind turbines to determine the causes of failure. On October 9, 2013, Staff was presented with final reports produced by NREL including reports for Enertech turbines and for the Xzeres turbine. Based on the NREL forensic investigators conclusions, specifically that the Enertech turbine blades were flawed and there was no evidence that the rotor blade separation was caused by improper operation, Staff recommended that the Board authorize the committed rebate payment be made to Mr. Knoeller by the Market Managers.

In addition, Staff recommended posting the NREL forensics reports to the NJCEP website and reconvene the New Jersey Small Wind Stakeholders in early 2014 to discuss whether the NJCEP REIP small wind rebate program should be reopened and if so what improvements to the program should be made to ensure public safety and adequate return on ratepayer investment.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Hanna	Aye
	Commissioner Fox	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye

H. Docket No. EO13050376V – In the Matter of the Clean Energy Programs and Budgets for Fiscal Year 2014 – Revised FY14 Programs and True-Up Budget.

Elizabeth Ackerman, RA+LEED AP, Acting Director, Division of Economic Development & Energy Policy, presented this matter.

BACKGROUND AND DISCUSSION: In June of 2013, the Board approved the Clean Energy Programs and Budget of \$568 million. This budget was based on fifteen months of actual commitments and expenditures, as well as three months of projected commitments and expenditures to finish the 18-month program year. Staff trued up the budget based on actual expenditures and commitments, as well as accounted for a \$161 million lapse of Clean Energy Program (CEP) funds to the state's general operating budget. Thereby, the revised Fiscal Year 14 (FY14) budget is \$418 million. Based on last year's spending and commitment rates, as well as FY14 rates of participation, Staff asserted there is sufficient funding to keep all programs funded through the remainder of FY14. Staff also proposed some programmatic changes.

The Combined Heat and Power/Fuel Cell program (CHP) application requires CHP fuel cell projects be evaluated for annual system utilization (minimum run hours a facility will operate at full load); however, program guidelines do not explicitly state the minimum run rate. Applicants for an Energy Savings Improvement Plan (a financial mechanism that allows governments and school Boards to fund energy efficiency without any capital outlay at the outset), by adding CHP or fuel cell projects, can extend the payback period to 20 years, which can often justify the required financial equation. The addition of CHP can also allow an applicant to generate electricity during summer peak hours and deliver that capacity into the PJM demand response program. Staff did not believe that CEP's CHP program should be funded by ratepayers to fund underutilized CHP or where the primary benefit is to sell electricity into the wholesale market. With this proposed change, Staff recommended that to be eligible for incentives, CHP or fuel cell projects must meet a minimum annual system utilization rate of 5,000 hours. This is based upon Environmental Protection Agency (EPA's) ENERGY STAR CHP award which requires a 5,000 hour minimum run rate. Staff recommended that Office of Clean Energy (OCE) be able to grant exceptions to this requirement for critical facilities as defined by Office of Emergency Management, if the system operates at minimum of 3,500 full load equivalent hours a year.

Staff also recommended a change to the Pay for Performance (P4P) new construction program. This program required a preapproval and pre-inspection before any incentives included in an Energy Reduction Plan (ERP) would be eligible for incentive. P4P projects tend to be large scale, high profile projects that rely on a tight construction schedule to be economically feasible; however, the application review process has often caused delays

such that these projects were unable to take advantage of energy efficient methodology and associated incentives. Staff therefore recommended waiving pre-inspection and pre-approval requirements. The applicant would be allowed to proceed with construction with the understanding that should any equipment or technologies they have installed prove ineligible, they will be removed from the ERP. In order to prevent old projects from receiving incentives, Staff recommended that invoices for equipment installed without pre-approval must have a maximum six months prior to the approval of the ERP.

In October 2013, the Board moved the large CHP program out of the Economic Development Authority (EDA) back in-house for Board Staff to implement. Staff has always done the technical review of the applications, but now the EDA financial review part is eliminated. In the June 2013 budget order that initially transferred administration of the program from EDA to TRC, in the compliance filing, the Board eliminated the financial review requirement entirely. In order to be consistent with all applications that are currently in the pipeline and considering that there are no financing options or offerings being offered by the Board for CHP fuel cells, the financial review component is not as critical as if there were loans and other financing options. Staff recommended that applications currently in the pipeline filed prior to July 1, 2013 and any new applications that might come in would only receive a technical review. Staff noted that incentives granted through CHP are in the same magnitude as P4P new construction program and Large Energy Users Program. Those programs do not have a financial review component as part of incentive requirements, so Staff made this recommendation for consistency as well.

Staff recommended the Board approve the revised budget, as well as programmatic changes.

DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:	President Hanna	Aye
	Commissioner Fox	Abstained
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye

9. MISCELLANEOUS

There were no items in this category.

EXECUTIVE SESSION

After appropriate motion, the following matter, which involved the attorney-client privilege exception to the Open Public Meetings Act, was discussed in Executive Session.

2. ENERGY

M. Non-docketed Matter – In the Matter of PPL EnergyPlus, LLC v. Hanna, et al.

The substance of this discussion shall remain confidential except to the extent that making the discussion public is not inconsistent with law.

After appropriate motion, the Board reconvened to Open Session.

There being no further business before the Board, the meeting was adjourned.



DATED: February 19, 2014

KRISTI IZZO
BOARD SECRETARY