



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF PUBLIC UTILITIES**

A Regular Board meeting of the Board of Public Utilities was held on August 24, 2016, at the State House Annex, Committee Room 11, 125 West State Street, Trenton, New Jersey 08625.

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:

Richard S. Mroz, President
Joseph L. Fiordaliso, Commissioner
Mary-Anna Holden, Commissioner
Dianne Solomon, Commissioner
Upendra J. Chivukula, Commissioner

President Mroz presided at the meeting and Irene Kim Asbury, Secretary of the Board, carried out the duties of the Secretary.

It was announced that the next regular Board Meeting would be held on September 23, 2016 at the State House Annex, Committee Room 11, 125 West State Street, Trenton, New Jersey 08625.

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

- BlueRock Energy, Inc.

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

- Constellation NewEnergy, Inc., d/b/a Constellation
- Independence Energy Group, LLC
- Choice Energy, LLC d/b/a 4 Choice Energy, LLC

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

II. ENERGY

There were no items in this category.

III. CABLE TELEVISION

A. Docket No. CE16040283 – In the Matter of the Petition of Cablevision of Warwick, LLC for a Renewal Certificate of Approval to Continue to Operate and Maintain a Cable Television System in the Township of Montague, County of Sussex, State of New Jersey.

BACKGROUND: On March 24, 2015, the Township of Montague (Township) granted Cablevision of Warwick, LLC (Cablevision) renewal municipal consent. On August 25, 2015, Cablevision accepted the terms and conditions of the ordinance, and on April 11, 2016, Cablevision filed a petition with the Board.

After review, Staff recommended approval of the Renewal Certificate of Approval for the Township. This Certificate shall expire on September 3, 2026.

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

B. Docket No. CE16020125 – In the Matter of the Petition of Comcast of Northwest New 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 High Bridge, County of Hunterdon, State of New Jersey.

BACKGROUND: On October 24, 2015, the Borough of High Bridge (Borough), after public hearing, adopted a municipal ordinance granting renewal consent to Comcast of Northwest New Jersey, LLC (Comcast). On November 24, 2015, Comcast accepted the terms and conditions of the ordinance, and on February 18, 2016, Comcast filed a petition with the Board.

After review, Staff recommended approval of the Renewal Certificate of Approval for the Borough. This Certificate shall expire on April 18, 2030.

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

C. Docket Nos. CE16070615 and CE15091034 – In the Matter of the Petition of CSC TKR, LLC d/b/a Cablevision of Raritan Valley for Amendment of Certificate of Approval to Operate and Maintain a Cable Television System in the Borough of Metuchen, County of Middlesex, State of New Jersey.

BACKGROUND: On January 28, 2016, the Board granted a Renewal Certificate of Approval to CSC TKR, LLC d/b/a Cablevision of Raritan Valley (Cablevision) for the Borough of Metuchen (Borough). The Borough and Cablevision entered into negotiations regarding the removal of the Borough as the designated complaint officer. On March 21, 2016, the Borough amended its municipal consent ordinance of February 17, 2015 to designate the Office of Cable Television as the complaint officer. On June 2, 2016, Cablevision accepted the terms and conditions of the amended ordinance. On July 1, 2016, Cablevision filed a petition with the Board for its Renewal Certificate of Approval for the Borough.

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

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

D. Docket No. CF16040384 – In the Matter of the Application of Service Electric Cable T.V. of Hunterdon, Inc. for a Authority to Amend a Credit Agreement.

BACKGROUND: This matter involved Service Electric Cable T.V. of Hunterdon, Inc. (Service Electric, Petitioner) seeking approval to amend a 2016 Credit Facility Agreement.

Service Electric asserted that its financial performance has continued to strengthen giving the company an opportunity to re-exam pricing and structure of the current credit facility with more favorable terms. It maintains that the proposed amendment will, among other things, give the company flexibility and will allow the Petitioner and affiliates to take advantage of current market dynamics. The maturity dates of the loans will be extended 5 years. The proposed amendment will also include an accordion feature giving the company flexibility for the use of the accordion borrowing of up to \$30,000,000.00 for the payment of the U.S. Estate Tax obligations of the Estate of Margaret Walson, one of the principal owners of the Service Electric Television, Inc. along with other remaining obligations under the SECTV Wilkes Barre acquisition.

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 the Petitioner's request.

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

IV. TELECOMMUNICATIONS

A. Docket No. TO16010091 – In the Matter of the Application of Verizon New Jersey, Inc. for Hammer Fiber Optic Investments, Ltd. for Approval of an Interconnection Agreement Under Section 252(e) of the Telecommunications Act of 1996.

BACKGROUND: By separate letters, Verizon New Jersey, Inc. (Verizon NJ) and Hammer Fiber Optic Investment, Ltd. (collectively, Petitioners) filed an application with the Board for the approval of a negotiated interconnection agreement (Agreement). The Agreement 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 within each Local Access and Transport Area in which they operate in New Jersey.

The Agreement addresses a number of complex issues, which provide 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.

After review, Staff recommended approval of the Agreement.

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

B. Docket No. TO16050394 – In the Matter of the Joint Petition of United Telephone Company of New Jersey, Inc. d/b/a CenturyLink and DishNet Wireline, LLC for Approval of a Resale Agreement.

BACKGROUND: By separate letters, United Telephone Company of New Jersey, Inc. d/b/a CenturyLink and dishNET Wireless, LLC (collectively, Petitioners) filed an application with the Board for the approval of a negotiated Resale Agreement (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.

On May 11, 2016, the New Jersey Division of the Rate Counsel submitted comments to the Board regarding the Agreement stating that it did not object to the approval of the Agreement.

After review, Staff recommended approval of the Agreement.

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

C. Docket No. TF16070622 – In the Matter of the Verified Joint Petition of inContact, Inc. and NICE Systems, Inc. for Approval for inContact, Inc. to Participate in Certain Financing Arrangements of NICE Systems, Inc. and NICE, Ltd.

BACKGROUND: On July 5, 2016, inContact, Inc. (inContact), NICE Systems, Inc., and NICE, Ltd. (collectively, Petitioners) submitted a Petition to the Board requesting approval to participate in financing arrangements in an aggregate amount of up to \$875 million.

The Petitioners sought approval to participate in a debt financing transaction (the Debt Financing) in connection and substantially concurrently with, the acquisition of inContact by NICE, Ltd., NICE Systems, Inc.'s direct parent. NICE Systems, Inc., NICE, Ltd. and certain Israeli and U.S. subsidiaries of NICE, Ltd. expect to pledge substantially all of their assets and those of inContact and certain of its subsidiaries to secure its obligations under the Debt Financing, the proceeds of which will be used to fund a portion of the consideration for the acquisition of inContact and for general corporate purposes.

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.

D. Docket No. TM16070621 – In the Matter of the Verified Joint Petition of inContact, Inc. and NICE Systems, Inc. for Approval for the Transfer of Control of inContact, Inc. to NICE Systems, Inc.

BACKGROUND: On July 5, 2016, inContact, Inc. (inContact) and NICE Systems, Inc. (NICE Systems) (collectively, Petitioners) submitted a joint petition to the Board requesting approval of a proposed transaction to transfer control of inContact to NICE Systems by merging inContact with a NICE systems direct subsidiary. inContact, the surviving entity, will continue to offer the same services in New Jersey at the same rates, terms, and conditions.

inContact is a Delaware corporation with principal business offices located at 75 West Towne Ridge Parkway, Tower 1, Sandy, Utah 84070-5522. The petition stated that inContact provides an integrated software and cloud-based call center solution in all fifty states, the District of Columbia and Puerto Rico. inContact's primary business is its call center offering, which includes telecommunications services and Software as a Service (SaaS) components.

NICE Systems is a Delaware corporation, which is a wholly-owned direct subsidiary of NICE, Ltd. (formerly known as NICE-Systems, Ltd.), an Israeli company with principal business offices located in Ra'anana, Israel.

Having reviewed the Petition and supporting documents, Staff did not find any reason to believe that there will be an adverse impact on rates, competition in New Jersey, the employees of the Petitioners, or on the provision of safe adequate and proper service to New Jersey consumers. Moreover, a positive benefit may be expected from the strengthening of the Petitioner's competitive posture in the telecommunications market.

Therefore, Staff recommended that Petitioners be allowed to proceed with the Proposed Transaction.

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

V. WATER

There were no items in this category.

VI. RELIABILITY & SECURITY

A. Docket Nos. **GS16060499K, et al.** – In the Matter of Alleged Violations of the Underground Facility Protection Act, **N.J.S.A. 48:2-73 et seq.**

BACKGROUND: This matter involved settlements of alleged violations of the Underground Facility Protection Act (the Act) by both excavators and operators of underground facilities. The categories of infraction include failure to provide proper notice, failure to use reasonable care and mismarking of facilities. The cases have been settled in accordance with a penalty strategy which escalates the penalty ranges in relationship to the aggravating factors such as injury, property damage, fire, evacuation, road closure, and other public safety concerns. Moreover, the strategy seeks to establish appropriate disincentives for actions which violate the Act.

Pursuant to the Act, the Board through the Bureau of One-Call supervises and enforces the One-Call Underground Damage Prevention System. The Act subjects violators of its provisions to civil penalties of not less than \$1,000.00 and not more than \$2,500.00 per violation per day, with a \$25,000.00 maximum for a related series of violations. Violations involving a natural gas or hazardous liquid underground pipeline or distribution facility are subject to civil penalties not to exceed \$100,000.00 for each violation for each day with a \$1,000,000.00 maximum for any related series of violations.

The number of settlements are 46 with a total penalty of \$133,000.00.

Staff employed a single order to close multiple cases in order to create a more streamlined and effective enforcement process. Staff recommended that the Board approve all those cases in which offers of settlement and payment have been received.

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

VII. CUSTOMER ASSISTANCE

A. Docket Nos. **BPU GC16020101U and OAL PUC 07410-16** – In the Matter of Harry Heerwig, Petitioner v. Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas, Respondent – Billing Dispute.

BACKGROUND: This matter involved a billing dispute between Harry Heerwig (Petitioner) and Elizabethtown Gas (ETG). The petition was transmitted to the Office of Administrative Law on May 13, 2016, as a contested case. Administrative Law Judge (ALJ) Danielle Pasquale filed an Initial Decision in this matter with the Board on July 11, 2016, approving a Stipulation of Settlement (Settlement) of the parties.

Pursuant to the terms of the Settlement, and in order to fully resolve this matter, the Petitioner agreed to make payment of \$422.37 to ETG, representing one-third of the disputed amount. ETG agreed to accept this payment from the Petitioner as full settlement of the disputed amount.

The Board, at its discretion, has the option of accepting, modifying or rejecting the Initial Decision of ALJ Moss. Staff recommended that the Board adopt the Initial Decision.

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

B. Docket Nos. BPU EC16020120U and OAL PUC 06268-16 – In the Matter of Deborah Bucci, Petitioner v. Public Service Electric and Gas Company, Respondent – Billing Dispute.

BACKGROUND: This matter involved a billing dispute between Deborah Bucci (Petitioner) and Public Service Electric & Gas Company (PSE&G). The petition was transmitted to the Office of Administrative Law on April 21, 2016, as a contested case. Administrative Law Judge (ALJ) Edward J. Delanoy, Jr. filed an Initial Decision in this matter with the Board on July 14, 2016, approving a Stipulation of Settlement (Settlement) of the parties. Staff recommended acceptance of the Initial Decision in this matter without modification.

Pursuant to the terms of the Settlement, and in order to fully resolve this matter, PSE&G agreed to credit the Petitioner's account \$281.09. The Petitioner agreed to enter into a twelve month Deferred Payment Arrangement with PSE&G to pay off the remaining \$1,800.00 in twelve monthly payments of \$150.00, commencing on August 1, 2016.

The Board, at its discretion, has the option of accepting, modifying or rejecting the Initial Decision of ALJ Delanoy, Jr. Staff recommended that the Board adopt the Initial Decision.

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

C. Docket Nos. BPU EC15091077U and OAL PUC 01722-16 – In the Matter of Anthony and Linda LaSpina, Petitioners v. Jersey Central Power & Light Company, Respondent – Billing Dispute.

BACKGROUND: This matter involved a billing dispute between Anthony and Linda LaSpina (Petitioners) and Jersey Central Power & Light Company (JCP&L or Company). The petition was transmitted to the Office of Administrative Law (OAL) on February 1, 2016, as a contested case. Administrative Law Judge (ALJ) Dean J. Buono filed an Initial Decision in this matter with the Board on July 25, 2016, approving a Settlement Agreement (Settlement) by the parties.

The Petitioners and JCP&L filed a Certificate of Withdrawal with Prejudice with the OAL, which was signed by the Petitioners on June 9, 2016 and by JCP&L on June 14, 2016. In the jointly-signed Certificate of Withdrawal, the parties stated that this matter should be marked "Withdrawn and Closed with Prejudice" on the dockets of the OAL and the Board.

The Board, at its discretion, has the option of accepting, modifying or rejecting the Initial Decision of ALJ Bueno. N.J.A.C. 1:1-19.1(a) requires full disclosure of the settlement terms. The Initial Decision did not discuss the settlement terms. Accordingly, there is no evidence in the record under which the Board can accept the ALJ's conclusion that the provisions of N.J.A.C. 1:1-19.1 have been met. Staff recommended that the Board reject the Initial Decision.

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. Approval of the Minutes of the July 29, 2016 Agenda Meeting.

Approval of the Executive Session Minutes of the April 29, 2013 Agenda Meeting – Items 8C and 8D.

BACKGROUND: Staff presented the minutes of the Board meeting of July 29, 2016 and the executive session minute of April 29, 2013 – 8C and 8D, and recommended that they be accepted.

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

Roll Call Vote:	President Mroz	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye

After appropriate motion, the consent agenda was approved.

Roll Call Vote:	President Mroz	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye

AGENDA

1. AUDITS

A. Docket No. EO16070661 – In the Matter of the Department of Community Affairs' State Fiscal Year 2017 Universal Service Fund Administrative Cost Budget.

Maureen Clerc, USF Team, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved the Universal Service Fund (USF) administrative cost budget submitted by the Department of Community Affairs (DCA) for State Fiscal Year (FY) 2017 in the amount of \$6,883,454.00. The DCA is the USF Program Administrator. The proposed FY 2017 USF administrative cost budget has decreased by \$381,993.00 compared to the FY 2016 USF budget of \$7,265,447.00, which was approved by the Board on August 19, 2015.

Staff reviewed the budget submitted by DCA, as well as the budgets for each Community Based Organization (CBO), included as part of the DCA submission. The CBOs process USF applications for DCA, with each county represented by one or more agencies. The USF application is also the application for the federal Low Income Home Energy Assistance Program (LIHEAP) therefore DCA and CBOs submit joint USF/LIHEAP budgets. The budget of each individual agency is based on the number of applications the agency processed in the previous fiscal year and the percentage of household served for each program in a particular county. The DCA portion of the budget is split according to the number of households served for each program state-wide. DCA submitted its final USF administrative cost budget for FY 2017 in the amount of \$6,883,454.00 for period of July 1, 2016 through June 30, 2017 as follow:

DCA	\$1,629,095.00
Subgrantees-	
County Welfare Organizations	\$227,200.00
Community Based Organizations	<u>\$5,027,159.00</u>
Total	\$6,883,454.00

Staff reviewed DCA's proposed FY 2017 budget and found that the costs listed therein appear to be appropriate, and necessary for the administration of the USF program by DCA. Therefore, Staff recommended that the Board approve this budget. It is noted that the budget is an estimate. DCA will provide the Board with an accounting of all expenditures, and afterwards Staff will come before the Board for final approval of all expenditures.

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

Roll Call Vote:	President Mroz	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye

B. Non-Docketed Matter – In the Matter of the Request for Extension of Treasury Term Contract No. T-2482 Relating to Request for Proposal 13-X-22139, Management Consulting: Contracted Management Auditing Firms, BPU – Request for Approval of One-Year Contract Extension of Pre-Qualified Bidders List. Current Contract Duration – October 1, 2012 - September 30, 2016.

James Rekulak, Division of Audits, presented this matter.

BACKGROUND AND DISCUSSION: Pursuant to N.J.S.A. 48:2-16.4 (the Statute), the Board is required to perform Management Audits by either Board Staff or an independent management consulting firm at least once every three years but in no event, less than once every six years. This consists of an audit of the operating procedures and any other internal workings of every gas or electric utility subject to the Board's jurisdiction. All expenses of the audits are borne by the affected utilities. Moreover, N.J.A.C. 14:3-12 et seq. states that where the Board determines that an audit of a utility is necessary or desirable, it does not limit such audits to gas and electric utilities, but states that the Board shall order management audits of any public utility, as defined by N.J.A.C. 13:3-1.1.

This matter involved Staff's request to extend for one year the Department of Treasury, Division of Purchase and Property, Purchase Bureau's (Treasury) Contract Term # T-2482 relating to a list of pre-qualified consulting firms contracted to perform management audits of utilities under the jurisdiction of the Board which is anticipated to result in audit costs in excess of \$250,000.00 during the extension year period from October 1, 2016 through September 30, 2017.

The contracts between the State and the list of pre-qualified consulting firms provides that the contract may be extended for all or part of two one year periods, by mutual written consent of the consultants.

Staff recommended that the Board seek the Office of Management and Budget's approval of the extension, so that it might commence and finalize the negotiations process for the contract extension as soon as possible, and that contactors will be available to perform the management audits as planned for the period October 1, 2016 through September 30, 2017.

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

Roll Call Vote:	President Mroz	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye

2. ENERGY

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

A. Docket No. ER16070620 – In the Matter of the Petition of Atlantic City Electric Company for Approval to Implement FERC-Approved Changes to ACE’s Retail Transmission (Formula) Rate Pursuant to Paragraph 15.9 of the BGS-RSCP and BGS-CIEP Supplier Master Agreements and Tariff Filing Reflecting Changes to Schedule 12 Charges in PJM Open Access Transmission Tariff (2016).

BACKGROUND AND DISCUSSION: On July 1, 2016, Atlantic City Electric Company (ACE or Company) filed a petition with the Board requesting recovery of Federal Energy Regulatory Commission (FERC) approved changes in firm transmission service related charges.

ACE’s proposed tariff changes reflect changes to the Basic Generation Service (BGS) Residential and Small Commercial Pricing (BGS-RSCP) and Commercial and Industrial Energy Pricing (BGS-CIEP) rates to customers resulting from changes in the PJM Open Access Transmission Tariff (OATT) made in response to (i) the annual formula rate update filings made by PPL Electric Utilities Corporation in FERC Docket No. ER09-1148, by American Electric Power Service Corporation (AEP) in FERC Docket No. ER08-1329 and ER10-355, and by Trans-Allegheny Interstate Line Company (TrAILCo) in FERC Docket No. ER07-562, and (ii) a revised formula rate filing made by Delmarva Power and Light Company in FERC Docket No. ER09-1158; a revised formula rate filing made by Potomac Electric Power Company in FERC Docket No. ER09-1159; and ACE’s revised formula rate filing in FERC Docket No. ER09-1156. The filings referred to in (i) and (ii) above are collectively referred to as the “Filings.” ACE requested that the changes become effective on September 1, 2016.

The retail transmission rates, as well as the BGS-RSCP and BGS-CIEP rates included in the amended tariff sheets for ACE reflect costs effective on June 1, 2016 for Transmission Enhancement Charges resulting from all of the FERC-approved filings, except the AEP- East filing which is effective on July 1, 2016. The Company also requested that the BGS suppliers be compensated for the changes to the OATT resulting from the implementation of the updates from formula rates effective June 1 and July 1, 2016.

No comments were received from the New Jersey Division of Rate Counsel or any other party.

Staff recommended that the Board approve the proposed tariff changes as filed by ACE as well as implementation of FERC approved changes to ACE’s retail transmission rates through changes to the BGS-RSCP and BGS-CIEP rates, effective on or after September 1, 2016. Staff also recommended approval of the Company’s request that the affected BGS suppliers receive the appropriate compensation for the rate adjustment(s) subject to the terms and conditions of the relevant BGS-Fixed Price and BGS-CIEP Supplier Master Agreement(s).

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

Roll Call Vote:	President Mroz	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye

B. Docket No. ER14101262 – In the Matter of the Verified Petition of Jersey Central Power & Light Company Constituting Its Annual Filings with Respect to the Non-Utility Generation Charge Clause of Its Filed Tariff (2012/2013 NGC Filing); and

Docket No. ER15080960 – In the Matter of the Verified Petition of Jersey Central Power & Light Company Constituting Its Annual Filing with Respect to the Non-Utility Generation Charge Clause of Its Filed Tariff (2014 NGC Filing).

BACKGROUND AND DISCUSSION: On October 31, 2014, Jersey Central Power and Light Company (JCP&L or Company) filed a petition with the Board seeking review and approval of the amounts included in the Company's Non-Utility Generation Charge (NGC) deferred balance to the extent accumulated during two periods: from January 1, 2012 through December 31, 2012, and from January 1, 2013 through December 31, 2013. (October 2014 Petition) In the October 2014 Petition, the Company projected that, at present rates, the net NGC deferred balance at December 2014 would be an under-recovery of \$19.29 million, after the application of carrying costs of \$11.43 million. JCP&L proposed to change the level of its NGC to reflect an increase in the non-securitized portion of the NGC rate factor from a credit of \$0.001499 (excluding Sales and Use Tax (SUT)) per kWh to \$0.000205 per kWh (excluding SUT). When combined with the securitized portion of the NGC, the resultant composite NGC factor would be \$0.003750 (excluding SUT).

By Order dated January 21, 2015, the Board approved a stipulation executed by the JCP&L, Board Staff (Staff) and the New Jersey Division of Rate Counsel (Rate Counsel) (collectively, Parties) to implement a composite NGC factor of \$0.003750 (excluding SUT) on a provisional basis, subject to refund with interest, to provide the parties additional time to complete the review of the rates proposed in the October 2014 Petition.

On August 14, 2015, JCP&L filed a petition with the Board seeking review and approval of the amounts included in the Company's NGC deferred balance to the extent accumulated from January 1, 2014 through December 31, 2014. (August 2015 Petition) In the August 2015 Petition, the Company sought approval to increase its Rider NGC rate to recover an additional \$26.265.00 million on an annual basis, effective January 1, 2016. The requested amount was based on JCP&L's projected under recovered NGC deferred balance at December 31, 2015. JCP&L proposed to change the level of its NGC to reflect a rate of \$0.001449 per kWh (excluding SUT) for the non-securitized portion of the NGC rate factor. When combined with the securitized portion of the NGC, the resultant NGC composite NGC factor would be \$0.004994 (excluding SUT). Similar to the October 2014 Petition, JCP&L did not propose a change to the securitized NGC factor.

On May 22, 2016, JCP&L updated schedules to reflect actual information through December 31, 2015.

Following discovery, the Company, Board Staff and Rate Counsel (the Parties) met to discuss the issues in these matters. As a result, on August 4, 2016, the Parties executed a Stipulation of Settlement (Settlement) to resolve both matters.

Staff recommended that the Board approve the Settlement of the Parties. Staff also recommended that the Board order JCP&L to file revised tariff sheets conforming to the terms of the Settlement by September 1, 2016.

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

Roll Call Vote:	President Mroz	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye

C. Docket No. ER14080869 – In the Matter of the Verified Petition of Jersey Central Power & Light Company Seeking Review and Approval of Its Deferred Balances Relating to, and an Adjustment of, the Rider RRC – RGGI Recovery Charge of Its Filed Tariff (2009-2013 Rider RRC Filing); and

Docket No. ER15090995 – In the Matter of the Verified Petition of Jersey Central Power & Light Company Seeking Review and Approval of Its Deferred Balances Relating to, and an Adjustment of, the Rider RRC – RGGI Recovery Charge of Its Filed Tariff (2014 Rider RRC Filing).

BACKGROUND AND DISCUSSION: On August 1, 2014, Jersey Central Power and Light Company (JCP&L or Company) filed a petition with the Board requesting review and approval of the deferred balances accumulated with respect to amounts the Company incurred under Board-approved demand response and renewable energy programs, to the extent accumulated from May 1, 2009 through December 31, 2013. In addition, the August 2014 Petition requested approval to increase JCP&L's overall Regional Greenhouse Gas Initiative Recovery Charge (Rider RRC) rate from \$0.000116 per kilowatt-hour (kWh) (\$0.000124 per kWh including Sales and Use Tax (SUT)) to \$0.000981 per kWh (\$0.001050 per kWh with SUT) to recover an additional \$18.31 million on an annual basis over current recoveries. The August 2014 Petition was based on three months of actual data and nine months of forecasted data for calendar year 2014.

On March 11, 2015, JCP&L filed an amendment to the August 2014 Petition to update for actual data through December 31, 2014 and to correct certain errors and omissions it had discovered. Based on the March 2015 Update, the Company revised its request to reflect an increase of approximately \$17 million to its Rider RRC (as opposed to the \$18.3 million increase proposed in the August 2014 Petition. Accordingly, based on the March 2015 Update, JCP&L proposed a total Rider RRC rate \$0.000983 per kWh (including SUT).

On August 31, 2015, JCP&L filed a petition requesting review and approval of the deferred balances accumulated with respect to amounts the Company incurred for the same programs to the extent accumulated from January 1, 2014 through December 31, 2014. In addition, the August 2015 Petition requested approval to increase JCP&L's overall Rider RRC rate from \$0.000116 per kWh (\$0.000124 per kWh including SUT to \$0.001119 per kWh (\$0.001197 per kWh with SUT) to recover an additional \$21.17 million on an annual basis over current recoveries. The August 2015 Petition was based on actual data through June 30, 2015, and forecasted data for the remainder of 2015.

During the discovery process, JCP&L updated its information to include actual data through September 30, 2015.

The Company, Board Staff and the New Jersey Division of Rate Counsel (the Parties) executed a Stipulation of Settlement (Settlement) resolving both matters.

Staff recommended that the Board approve the Settlement of the Parties. Staff also recommended that the Board order JCP&L to file revised tariff sheets conforming to the terms of the Settlement by September 1, 2016.

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

Roll Call Vote:	President Mroz	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye

D. Docket Nos. ER16030272 and GR16030273 – In the Matter of the Petition of Public Service Electric and Gas Company for Approval of Electric and Gas Base Rate Adjustments Pursuant to the Energy Strong Program.

BACKGROUND AND DISCUSSION: On March 31, 2016, the Public Service Electric and Gas Company's (Company) filed a Petition with the Board seeking approval for electric and gas base rate changes tied to capital investments for costs associated with the Company's Electric- Energy Strong Program (ES Program) and Gas-ES Programs.

On July 26, 2016, the Company, Board Staff and the New Jersey Division of Rate Counsel (the Parties) agreed to a Stipulation of Settlement (Settlement) that allows the Company to provisionally recover annual revenue requirements of \$15.955 million pertaining to electric investment and \$22.858 million pertaining to gas investment tied to actual Electric ES and Gas ES Program costs through May 31, 2016.

The Parties agreed that the Company may implement the rates reflected in Attachments 1 and 2 of the Stipulation effective September 1, 2016. The rate adjustments shall be provisional, subject to prudence review in the Company's next base rate case (to be filed no later than November 1, 2017) and its subsequent base rate case to the extent there are any ES Program investments up to \$1.0 billion not included within the test year of the next base rate case. Additionally, the prudence review will ensure that actual costs incurred in completing the projects exclude transmission investments.

The annual impact of the proposed rates to the typical residential electric customer who uses 750 kWh in a summer month and 7,200 kilowatt-hours annually is an increase of \$4.12 or 0.32%. The annual impact of the increased rates to the typical residential gas heating customer using 165 therms in a winter month and 1,010 therms annually is \$12.66 or 1.45%.

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

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

Roll Call Vote:	President Mroz	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye

E. Docket No. ER16010003 – In the Matter of the Federal Energy Items for 2016 – FERC Docket No. AD16-18, Competitive Transmission Development Technical Conference.

Cynthia Holland, Esq., Legal Specialist, Office of the Chief Counsel, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved Staff, acting on behalf Board, filing a Motion for an Extension with Federal Energy Regulatory Commission (FERC) seeking a 31-day extension of time for the filing of comments. Without the Extension, comments would be due September 2, 2016. The Delaware Public Service Commission and various other parties have similarly sought extension of time.

On June 27–28, 2016, the FERC held a technical conference addressing issues related to competitive transmission development processes as well as transmission planning and cost allocation. Discussed at the conference were the FERC’s consideration of transmission rates with cost-containment provisions and resulting from competitive transmission development processes; the relationship of competitive transmission development to transmission incentives; interregional transmission coordination, development, and cost allocation; and regional transmission planning and development.

By notice of August 3, 2016, FERC invited interested parties to file post-technical conference comments on the detailed questions listed in a five-page attachment to the notice. FERC encouraged commenters “to submit new or additional information rather than reiterate information that is already in the record” and, “when possible, to provide examples in support of their answers.” The notice made these comments due 30 days from the issuance of the notice, on or before September 2, 2016.

On August 5, 2016, a Joint Motion was filed by the American Public Power Association, Edison Electric Institute, Large Public Power Council, National Rural Electric Cooperative Association, and Transmission Access Policy Study Group (the Utility Trade Associations) requesting a 31-day extension of time, until October 3, 2016, to file post-technical conference comments in this docket. The Utility Trade Associations state that the additional time will allow them to provide a more robust response to FERC’s numerous and complex questions.

An extension of time for filing comments would neither prejudice any party nor materially delay the resolution of these issues. Rather, the requested extension would allow for the review and submission of more meaningful responses to the Commission's questions in that notice.

Staff recommended that the Board ratify the request for extension.

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

Roll Call Vote:	President Mroz	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye

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

F. Docket No. EM16060605 – In the Matter of the Petition of Public Service Electric and Gas Company for Approval of the Sale and Conveyance of Real Property Located on 148 Upper Hibernia Road, Rockaway Township, New Jersey with a Municipal Tax Map Designation of Block 30201 Lot 31, in the Township of Rockaway, County of Morris and State of New Jersey, to Stephen and Laura Treutlein for the Sum of \$300,000.00.

BACKGROUND AND DISCUSSION: On June 28, 2016, Public Service Electric and Gas Company (PSE&G or Company) filed a petition with the Board seeking approval of a Contract for Sale and Conveyance of Real Estate (Contract) of real property (Property), located in Rockaway Township, Morris County, New Jersey, to Stephen and Laura Treutlein (Purchasers) for the sum of \$300,000.00. Additionally, PSE&G requested the Board to grant a waiver of the requirement to advertise this Property pursuant to N.J.A.C. 14:1-5.6 (i)7.

Since acquiring the Property, PSE&G represented that it has maintained the single-family residence located on the Property until the completion of the Project in June 2015. PSE&G further represented that it will reserve a permanent easement across the Property for access to the transmission structures and for underground utilities serving the Verizon structure. In addition, PSE&G has entered into license agreement with Verizon for Verizon's attachment to PSE&G's transmission structure. The rental value of the license agreement is \$19,700.00 per year for a five year term, with three five year renewals at \$19,700.00 per year, plus Consumer Price Index increases every five years.

By letter dated July 21, 2016, New Jersey Division of Rate Counsel (Rate Counsel) stated that it did not object to the sale of the Property or to the waiver for advertisement. However, Rate Counsel reserved the right to examine the ratemaking and accounting treatment of the transaction in the context of the Company's next base rate case or other appropriate proceeding. Rate Counsel also requested that approval of the petition include certain conditions including notification of any material changes to the Contract; the right to review all costs and proceeds of the sale in another appropriate proceeding; and a statement that the Order shall not affect nor in any way limit the exercise of the authority of the Board or of this State, in any future petition or in any proceedings.

Staff found that the sale of the Property by PSE&G to the Purchasers will not adversely affect the public interest and will not affect the Company's ability to render safe, adequate and reliable service. Accordingly, Staff recommended that the Board approve the Contract for sale of the Property to the Purchasers in the amount of \$300,000.00, with the net proceeds being credited to ratepayers through an offset to PSE&G's Susquehanna-Roseland Project.

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

Roll Call Vote:	President Mroz	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye

G. Docket No. GR16050403 – In the Matter of Rate Schedule CSG Transportation Service Agreement between Public Service Electric and Gas Company and North Jersey Energy Associates.

BACKGROUND AND DISCUSSION: On May 3, 2016, Public Service Electric and Gas Company (PSE&G) filed a petition with the Board seeking approval of the Rate Schedule CSG Transportation Service Agreement dated April 28, 2016 (Service Agreement) between PSE&G and North Jersey Energy Associates (NJEA).

PSE&G presently provides natural gas transportation services to the Facility. NJEA owns a 300 MW facility that operates in the PJM Interconnection, LLC wholesale energy market.

In November 2015, NJEA submitted an application to PSE&G seeking a new discounted natural gas transportation rate pursuant to the Economically Viable Bypass provision of Rate Schedule CSG. NJEA has argued that it has a viable bypass option with Transcontinental Gas Pipeline Corporation.

PSE&G evaluated NJEA's application and determined that it was consistent with the terms of its tariff. Staff received a letter from the New Jersey Division of Rate Counsel (Rate Counsel), stating that Rate Counsel did not object to the Board approving the Service Agreement between PSE&G and NJEA.

Staff recommended that the Board approve the Service Agreement between PSE&G and NJEA.

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

Roll Call Vote:	President Mroz	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye

H. Docket No. EF15070779 – In the Matter of a Financial and Operation Review of the Jersey Central Power & Light Company's Distribution System – Request for Proposals to Consultants.

Paul Flanagan, Executive Director, presented this matter.

BACKGROUND AND DISCUSSION: On July 27, 2016, Navigant Consulting, Inc. provided a Report on the Financial and Operational Review of Jersey Central Power and Lighting (JCP&L's or Company) Distribution. The Report was commissioned pursuant to directions from the Board resulting from JCP&L's 2012 Base Rate Case and Staff recommendations.

Staff recommended that the Board accept the Report and make it public. Staff also recommended that Staff be directed to meet with the Company and the New Jersey Division of Rate Counsel to discuss the recommendations contained in the Report and possible implementation of those recommendations.

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

Roll Call Vote:	President Mroz	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye

3. CABLE TELEVISION

There were no items in this category.

4. TELECOMMUNICATIONS

There were no items in this category.

5. WATER

A. Docket No. WE16040307 – In the Matter of the Petition of Aqua New Jersey, Inc. for Approval of Municipal Consents to Provide Water Service to Portions of the Township of Mansfield and the Township of Washington, and Other Related Approvals.

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

BACKGROUND AND DISCUSSION: On April 22, 2016, Aqua New Jersey (Company) filed a petition with the Board seeking approval of the following: (1) the Municipal Consents of the Township of Washington (Washington) in Morris County and the Township of Mansfield (Mansfield) in Warren County to allow Aqua New Jersey to provide water service to the property located in Washington and Mansfield now served by Cliffside Park Associates; (2) the expansion of Aqua New Jersey's service territory to include Washington and Mansfield customers; (3) the transfer of the assets now owned by Cliffside Park Associates; and (4) the revised tariff sheets.

By letter dated June 18, 2016, Aqua New Jersey amended its petition as follows: 1) the Company requested that the Board approve the continuance of Cliffside Park's current annual flat rate of \$540.00 per year to be billed on a monthly basis of \$45.00 per month; and 2) the Company will be metering Cliffside Park's system. Aqua New Jersey's amended petition also requested that the Company be authorized to begin charging Cliffside Park's customers Aqua New Jersey's then-applicable Board authorized Distribution System Improvement Charge (DSIC) upon completion of the meter installation program.

New Jersey Division of Rate Counsel (Rate Counsel) submitted its comments by letter dated August 5, 2016. Among other things, Rate Counsel stated that it did not object to Aqua New Jersey's request to allow Cliffside Park Associates to discontinue service and sell its assets to Aqua New Jersey; that it did not object to Board approval of the municipal consents; however, Rate Counsel stated that approval of the municipal consents should be limited to a term of 50 years; the ratemaking treatment of any assets acquired or constructed as a result of the acquisition should be addressed in a future base rate proceeding; and the Board should Order that Aqua New Jersey shall not depreciate any portion of the water system that is funded by Contributions in Aid of Construction.

Staff recommended that the Board approve the acquisition of the water system assets of Cliffside Park Associates by Aqua New Jersey. Staff also recommended that the Board approve the Municipal Consents granted by the two Townships. In addition, Staff recommended the Board approve tariff pages for the Cliffside Park customers to be incorporated into Aqua New Jersey's tariff; and that the Board approve the discontinuance of water service by Cliffside Park Associates. Staff further recommended that the Board deny Aqua New Jersey's request to charge the then-effective DSIC rate to customers now served by Cliffside Park Associates. The request to charge Cliffside Park's customers any DSIC rate will result in a rate increase for Cliffside Park's customers. A rate increase can only be effectuated by hearing and notice to the affected customers pursuant to N.J.S.A. 48:2-21, hence, Staff recommended that this request be denied.

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

Roll Call Vote:	President Mroz	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye

6. RELIABILITY & SECURITY

There were no items in this category.

7. CUSTOMER ASSISTANCE

Eric Hartsfield, Director, Division of Customer Assistance, presented this matter.

A. Docket Nos. BPU WC14060545U and OAL PUC 01087-15 – In the Matter of Robert Smith, Petitioner v. SUEZ Water New Jersey, Inc., Respondent – Billing Dispute.

BACKGROUND AND DISCUSSION: This matter involved a billing dispute between Robert Smith (Petitioner) and Suez Water New Jersey (Suez or Company). The petition was transmitted to the Office of Administrative Law on January 16, 2015, for hearing as a contested case. Administrative Law Judge (ALJ) Kimberly A. Moss filed an Initial Decision in this matter with the Board on July 1, 2016. At its July 29, 2016, Board meeting staff recommended and was granted a 45-day extension of time for issuing a final decision. On July 25, 2016, the Petitioner filed exceptions to the Initial Decision with the Board.

ALJ Moss, in her Initial Decision, concluded that the Petitioner had not proved by a preponderance of the evidence that he was improperly billed by Suez. ALJ Moss also concluded that from August 22, 2009, to December 2013 there were no actual meter readings and the meter was not running fast. Suez estimated the bills because it could not access the meter and the Company issued a catch up bill for the actual usage that the Petitioner was under-billed from May 22, 2009 through December 12, 2013. Therefore, ALJ Moss ordered that the petition be dismissed. ALJ Moss further ordered that the Petitioner be allowed to pay the catch-up bill in equal installments over a period of time equal to the period when no actual reading was taken by Suez.

The Board, at its discretion, has the option of accepting, modifying or rejecting the Initial Decision of ALJ Moss. Staff recommended that the Board adopt the Initial Decision of ALJ Moss.

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

Roll Call Vote:	President Mroz	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye

B. Docket Number EX15121427 – In the Matter of the Readoption of Special Adopted Amendments: N.J.A.C. 14:47.2, 7.3, and 7.4 and the Readoption of Special Adopted New Rule: N.J.A.C. 14:4-7.13 – Third Party Suppliers Advertising and Marketing Standards.

Cynthia Covie, Chief Counsel, Counsel's Office, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved Staff recommending that the Board readopt the specially adoption amendments at N.J.A.C. 14:7.2, 7.3, 7.4 and the specially adopted new rule N.J.A.C. 14:4-7.13 without amendments. The proposed readoption was published in the May 2, 2016 NJ Register and the Board received comments from Gable Associates and Jean Public.

The rules require that, in the advertisement and marketing of their services, electric power suppliers, gas suppliers, brokers, energy agents, marketers, private aggregators, sales representatives, and telemarketers are prohibited from making false or misleading advertising claims to a potential residential customer. Additionally, the rules prohibit suppliers' calls to customers where no existing business relationship exists if those individuals are on the Do Not Call list and state that the Board will forward complaints related to the violation of these provisions to the Division of Consumer Affairs.

Violations of the rules make the Third Party Supplier: liable to the residential customer in an amount equal to all charges paid by the residential customer after such violation occurs; liable for a civil penalty pursuant to N.J.S.A. 48:3-83; and subject to license revocation, after notice and opportunity to be heard.

Staff also recommended that adoption proceed without change.

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

Roll Call Vote:	President Mroz	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye

C. Docket Nos. BPU WC16020171U and OAL PUC 05555-16 – In the Matter of Nicholas Lamicella, Petitioner v. Middlesex Water Company, Respondent – Billing Dispute.

Eric Hartsfield, Director, Division of Customer Assistance, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved a billing dispute between Nicholas Lamicella (Petitioner) and Middlesex Water Company. The petition was transmitted to the Office of Administrative Law (OAL) on April 11, 2016, for hearing as a contested case. Administrative Law Judge (ALJ) Evelyn J. Marose filed an Initial Decision in this matter with the Board on June 3, 2016. At its June 29, 2016, Board meeting Staff recommended and was granted a 45-day extension of time for issuing a final decision. No exceptions to the Initial Decision have been received by the Board.

ALJ Marose, in her Initial Decision, concluded that, even after giving all favorable inferences to the evidence presented by the Petitioner, there was no disputed billing charge in the petition. ALJ Marose further concluded that the OAL cannot order a different method for an estimated bill reading than the use of an actual billing for the same time in a prior year. Therefore, ALJ Marose ruled that the petition be dismissed.

The Board, at its discretion, has the option of accepting, modifying or rejecting the Initial Decision of ALJ Marose. A customer of record is the person identified in utility account records as the person responsible for bill payment under N.J.A.C. 14:3-1.1 and N.J.A.C. 14:3-7.1(a). The Petitioner did not show he was the person identified as the customer in utility account records. Therefore, the Petitioner lacked standing to file a billing dispute. Furthermore, since the Petitioner was not the customer of record and lacked standing to

pursue a dispute, it is not necessary to reach the merits of this case. Staff recommended that the Board adopt the Initial Decision, in part, and reject the Initial Decision, in part.

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

Roll Call Vote:	President Mroz	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye

8. CLEAN ENERGY

Marisa Slaten, Assistant Director, Division of Economic Development and Energy Policy, presented these matters.

A. Docket No. QO16060487 – In the Matter of the Verified Joint Petition of Solops, LLC and College Road Associates, LLC for a Declaratory Judgment or, in the Alternative, for a Waiver of Rule.

BACKGROUND AND DISCUSSION: This matter involved a motion to intervene filed by Public Service Electric and Gas Company (PSE&G) in a declaratory judgment proceeding involving the Board’s net metering rules.

On June 9, 2016, SOLOPS, LLC and College Road Associates, LLC (collectively, Joint Petitioners) filed a joint petition with the Board for a declaratory ruling concerning the Board’s net metering rules. Specifically, the Joint Petitioners sought a declaratory ruling that the solar installation it proposes to build will be “on-site” for purposes of N.J.A.C. 14:8-4.1; or, in the alternative, a waiver of N.J.A.C. 14:8-4.2, pursuant to the Board’s authority under N.J.A.C. 14:1-1.2(b).

By letter dated July 5, 2016, PSE&G filed a motion to intervene. PSE&G stated that it has been involved with the Joint Petitioners in several discussions of their interconnection project and that it was aware that there might be issues involving the interpretation of the Board’s net metering rules. PSE&G asserted that the Board’s decision in this matter could have a direct impact on PSE&G and its customers, particularly on the utility’s evaluation process for future net-metering projects.

The electric distribution companies (EDCs) play a central role in the implementation of the Board’s net metering rules, which are intertwined with the interconnection rules governing Class I renewable energy generation. The Board and the public rely upon the EDCs to ensure that the renewable generation will not adversely affect safe, adequate, and proper functioning of the electricity grid. Staff concurred with PSE&G that the Board’s ruling upon the underlying petition could have a significant impact upon PSE&G and its evaluation of future net metering projects. In addition, as an EDC, PSE&G has expertise in interconnection issues and experience in dealing with the Board’s net metering rules. Its perspective is both valuable and quite different from that of the joint Petitioners. Thus, its involvement in this proceeding is likely to add constructively to the record.

Therefore, Staff recommended that the Board grant the motion to intervene.

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

Roll Call Vote:	President Mroz	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye

B. Docket No. QO16040382 – In the Matter of the Application of NJ Land, LLC Seeking a Declaratory Judgment Pursuant to N.J.S.A. 52:14B-1 et seq., or a Waiver Pursuant to the Waiver Rule, N.J.A.C. 14:1-1.2(B).

BACKGROUND AND DISCUSSION: President Mroz recused himself from this matter. This matter involved a motion to intervene filed by Jersey Central Power & Light (JCP&L) in a declaratory judgment proceeding involving the Board’s net metering rules.

On April 25, 2016, NJ Land, LLC (NJ Land or Petitioner), a solar developer, filed a petition with the Board for a declaratory ruling concerning the Board’s net metering rules. Specifically, the Petitioner sought a declaratory ruling that the two solar installations it proposes to build will be “on-site” for purposes of N.J.A.C. 14:8-4.1; or, in the alternative, a waiver of N.J.A.C. 14:8-4.2, pursuant the Board’s authority under N.J.A.C. 14:1-1.2(b).

On June 15, 2016, JCP&L filed a motion to intervene and a response to the Petition. Citing the intervention standards contained in N.J.A.C. 14:1-16.3, JCP&L asserted that the Board’s ruling on the Petition could substantially impact JCP&L’s operations and customers and references its revenues and the associated non-bypassable charges as well as potentially complex interconnection issues. In addition, JCP&L argued that since NJ Land sought an expanded interpretation of “contiguous” in the context of the Board’s net metering rules, the Board’s ruling on that issue will also have a direct and substantial impact on all electrical distribution companies (EDCs).

On June 21, 2016, NJ Land filed a reply to the motion to intervene, objecting to the motion on the ground that it was untimely that under N.J.A.C. 14:1-6.2, the timeframe for submitting an answer or motion to intervene is 20 days from service of the petition, which timeframe lapsed in mid-May 2016.

NJ Land asserted that JCP&L will add nothing of value to the record because it does not dispute the location of the proposed solar generation facility. However, as an EDC, JCP&L has expertise in interconnection issues and experience in dealing with the Board’s net metering rules. JCP&L’s perspective is both valuable and quite different from that of Petitioner. The EDCs play a central role in the implementation of the Board’s net metering rules, which are intertwined with the interconnection rules governing Class I renewable energy generation. The Board and the public rely upon the EDCs to ensure that the renewable generation will not adversely affect safe, adequate, and proper functioning of the electricity grid. Staff concurred with JCP&L that the Board’s ruling upon the underlying petition could have a significant impact upon JCP&L and could raise potentially complex interconnection issues.

Staff recommended that the Board grant the motion to intervene.

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

Roll Call Vote:

Commissioner Fiordaliso	Aye
Commissioner Holden	Aye
Commissioner Solomon	Aye
Commissioner Chivukula	Aye

C. Docket No. QO16070712 – In the Matter of the Clean Energy Program Authorization of Commercial and Industrial Program Energy Efficiency Incentives Exceeding \$500,000.00 – Merck & Company, Inc.

BACKGROUND AND DISCUSSION: Commissioner Fiordaliso recused himself from this matter. This matter involved Board consideration of the application of Merck & Co., Inc. (Merck), for an incentive of \$1,114,401.06 under the New Jersey Clean Energy Program's (NJCEP's) 2016 Large Energy User Program (LEUP) pursuant to the TRC FY 2016 Program & Budget Filing (June 15, 2015).

The scope of the project, located at 126 E. Lincoln Avenue in Rahway, Union County, includes re-piping certain portions of the existing chilled water plant distribution network and reprogramming/configuring the control system while balancing various, complex energy systems serving the Merck Rahway campus. Installing these measures will increase the annual electric usage by an estimated 1,327,041 kWh, but will result in a reduction of the annual natural gas usage by an estimated 734,114 therms. The proposed project will have an estimated annual energy cost savings of \$438,822.00 and a total project cost of \$2,400,000.00. The payback period without incentives is 5.5 years; and when factoring in the incentives, the payback period is reduced to 2.9 years.

TRC, the Program Manager engaged by the Board to manage the NJCEP LEUP program, and Applied Energy Group, in its role as the NJCEP Program Administrator, submitted certifications that the incentive was calculated in accordance with the program policies and procedures, and that the listed amount is the true and accurate estimated incentive for which the applicant is eligible. This project incentive is within the entity cap, based upon the application approval date.

Based on its review and the certifications and the information provided by the Program Manager and Program Administrator, Staff recommended that the Board approve Merck & Co. Inc.'s application for the total estimated incentive amount of \$1,114,401.06 and authorize issuance of a standard commitment letter to the applicant, setting forth the terms and conditions of this commitment.

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

Roll Call Vote:

President Mroz	Aye
Commissioner Holden	Aye
Commissioner Solomon	Aye
Commissioner Chivukula	Aye

D. Docket No. QO16080781 – In the Matter of the New Jersey Renewable Portfolio Standard (NJ RPS) – Request for Board Action Extending NJ RPS Compliance Deadline for Energy Year 2016.

Marisa Slaten, Assistant Director, Division of Economic Development and Energy Policy and Scott Hunter, Renewable Energy Program Administrator, presented this matter.

BACKGROUND AND DISCUSSION: On April 19, 2016, the Electric Distribution Companies (EDCs) requested an extension of the deadline for filing the Annual Report from October 1, 2016 to December 1, 2016. The EDCs relied primarily on their assertion that ending the true-up period on October 1, 2016, the same day that the Annual Reports are due, deprives the EDCs of the time they need to perform the necessary calculations. The EDCs maintain that basic generation suppliers (BGS) providers will not be able to determine their final solar generation obligations for Energy Year 2016 (EY16) in the time allowed by the rules and that they themselves will not be able to verify individual BGS provider retail electricity supply numbers for the Office of Clean Energy (OCE) in the short time which will be available. This in turn, they assert, will delay the submission of the Annual Reports to the Board.

In addition, some BGS providers and Third Party Suppliers (TPSs) continue to secure Renewable Energy Certificates (RECs) and Solar Renewable Energy Certificates (SRECs) through the end of the true-up period, and the EDCs reported that during the development of past Annual Reports there have been difficulties in completing SREC transfers. The EDCs also stated that they must sometimes remove significant numbers of reported RECs and SRECs, referred to as “data scrubbing,” if they find that RECs and SRECs have been submitted that are not New Jersey certified or are otherwise defective. The EDCs claimed that they will likely be unable to complete this data scrubbing, particularly for data reported on or near October 1, 2016, and submit a final report on that same date. These assertions form the basis of the EDCs’ request for an extension of the due date for the Annual Reports to December 1, 2016.

On August 4, 2016, the Retail Energy Supply Association (RESA), requested a one month extension of the deadline giving similar reasons as the EDCs. However, RESA contended that since the SREC calculations are much simpler (based on percentage of sales), RESA requested only a 30 day extension to November 1, 2016 for TPSs.

Both the EDCs and the TPS have worked cooperatively with OCE to address the issues created by the compliance requirements of the rules and the changes made first by Solar Energy Advancement and Fair Competition Act and then by the Solar Act.

Staff recommended that the Board grant a thirty day extension for filing the Annual Report to November 1, 2016 for EY16. Staff also recommended that the Board allow the retirement of the associated RECs or SRECs until November 1, 2016. Staff noted that the market has an interest in knowing the number and price of the RECs and SRECs retired as close to the end of the true-up period as possible and that this need for timeliness must be considered as well.

Under the Board's authority to relax its procedural rules for good cause under N.J.A.C. 14:1-1.2, Staff recommended that the Board approve revised timelines for compiling and submitting the Annual Reports beginning with EY16 and order the EDCs and their BGS providers to work with Staff to develop a more efficient and timely process to transfer, verify, and retire RECs and SRECs by the October 1 date as mandated in the rules.

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

Roll Call Vote:	President Mroz	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye

E. Docket No. QO16040353 – In the Matter of the Clean Energy Programs and Budget for Fiscal Year 2017; and

Docket No. QO16060525 – In the Matter of Revisions to New Jersey's Clean Energy Program Fiscal Year 2017 Protocols to Measure the Resource Savings – Motion for Reconsideration.

BACKGROUND AND DISCUSSION: On July 13, 2016, Bloom Energy Corporation filed a motion for reconsideration of a portion of the Board's June 29, 2016 Order in the above referenced matter. N.J.A.C. 14:1-8.7 (c) provides that "[a]ny motion hereunder which is not granted or otherwise expressly acted upon by the Board within sixty days after the filing thereof, shall be deemed denied unless the parties are otherwise notified in writing by the Board or its Secretary."

Due to the timing of the Board's agenda meetings as well as the pending review of the motion, Staff recommended that the Board authorize the issuance of a Secretary's Letter to Bloom Energy advising them that the Board intends to continue its review of the above-referenced request for reconsideration beyond the sixty day time period and note that, having taken such action, the motion for reconsideration will remain open pending the Board's issuance of a final decision upon the completion of its review.

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

Roll Call Vote:	President Mroz	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye

9. MISCELLANEOUS

There were no items in this category.

ENERGY

LSA. Docket No. ER16030252 – In the Matter of the Petition of Atlantic City Electric Company for Approval of Amendments to Its Tariff to Provide for an Increase in Rates and Charges for Electric Service Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1, for Approval of a Grid Resiliency Initiative and Cost Recovery Related Thereto, and for Other Appropriate Relief (2016).

BACKGROUND AND DISCUSSION: On March 22, 2016, Atlantic City Electric Company (ACE or Company), filed a petition with the Board for approval of an increase in its current base rates for electric service of approximately \$84.4 million, including Sales and Use Tax (SUT), to be effective for electric service provided on or after April 22, 2016. The Company also requested a return on equity of 10.60%. According to the petition, the primary reason for the requested increase is that the Company's current base rates do not (i) provide sufficient operating revenues to reflect increased investment in the Company's rate base, meet operating expenses, taxes, and fixed charges; and (ii) provide an opportunity to earn a reasonable rate of return on the fair value of the Company's property.

In addition, ACE sought authority to implement a grid resiliency program, the PowerAhead Program, with an associated cost recovery mechanism. The Company proposed to implement the program over a five year period at a total approximately capital investment of \$176 million.

Additionally, the Company requested that the Board relieve it of the obligation to file an alternative rate design using Peak and Average Coincident Peak method as required by the Board in the Order issued in connection with in Docket No. ER03020110. ACE also sought approval of its proposed economic development riders to promote economic development in its service territory.

On April 11, 2016 this matter was transmitted to the Office of Administrative Law (OAL) where it was assigned to Administrative Law Judge (ALJ) Irene Jones. An in-person Pre-Hearing Conference was held by ALJ Jones on May 19, 2016, and Pre-Hearing Orders were issued on June 13, 2016 and July 14, 2016.

On June 13, 2016, ALJ Jones granted Unimin Corporation Intervenor status and Public Service Electric and Gas Company was granted Participant status. On May 16, 2016 a motion to intervene was filed with the OAL by the Environmental Defense Fund which remains pending.

On May 10, 2016, ACE filed its First Amendment to the Verified Petition, including revised schedules the Company's actual results for the 12 month test year and updated the petition to reflect the merger of Pepco Holdings, Inc., and Exelon Corporation.

Two public hearings were held in Mays Landing, New Jersey on June 30, 2016 at 3:30 P.M. and 5:30 P.M. with ALJ John S. Kennedy and ALJ W. Todd Miller presiding, respectively. Several individuals spoke, representing New Jersey companies and organizations, in favor of the petition. All comments were transcribed by the Court reporter and are part of the record.

On August 19, 2016, the Board recalled the matter- from the OAL in order to consider the proposed stipulation and address issues relating to PowerAhead.

After discovery and comprehensive settlement discussion, on August 19, 2016, the Company, Board Staff, Unimin and New Jersey Division of Rate Counsel (collectively, the Signatory Parties) reached a Stipulation of Settlement (Stipulation).

Staff found the Stipulation to be reasonable, in the public interest and in accordance with the law. Accordingly, Staff recommended the Board adopt the Stipulation of the Signatory Parties in its entirety.

Staff also recommended that the Board designate Commissioner Upendra Chivukula as the presiding Commissioner for the Phase II, PowerAhead program, and authorize Commissioner Chivukula to establish and modify schedules, decide all motions, and otherwise control the conduct of this case, without the need for full Board approval, subject to subsequent Board ratification.

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

Roll Call Vote:	President Mroz	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye

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



KENNETH J. SHEEHAN
ACTING SECRETARY

Date: September 23, 2016