



**STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Ave., P.O. Box 350
Trenton, NJ 08625-0350**

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

A Regular Board meeting of the Board of Public Utilities was held on June 21, 2013, at the State House Annex, Committee Room 16, 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

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 July 19, 2013 at the State House Annex, Committee Room 11, 125 West State Street, Trenton, New Jersey 08608.

CONSENT AGENDA

I. AUDITS

A. Energy Agent, Private Aggregator and/or Energy Consultants Initial Registrations

EE13040325L	Sable Power & Gas, LLC	I – EA
EE13040326L	Genbright, LLC	I – EA
EE13040356L	Front Line Power Solutions, LLC	I – EA
EE13040310L	US Energy Consulting Group, LLC	I – EA
EE13040316L	Duxbury Energy, LLC	I – EA/PA
GE13040317L		
EE13060470L	C2C Energy Advisors, LLC	I – EA/PA
GE13060471L		
EE13050412L	Green Power Developers, LLC	I – EA/PA/EC
GE13050413L		
EE13040322L	Greencrown Energy, LLC	I – EA/PA/EC
GE13040323L		
EE13050406L	Woodruff Energy	I – EA/PA/EC
GE13050441L		
EE13030206L	Eneractive Solutions, LLC	I – EA/EC
GE13050440L		
EE13050439L	Rosenthal Energy Advisors, Incorporated	I – EA/EC
GE13040285L		

Energy Agent and/or Energy Consultant Renewal Registrations

EE13040284L	Resource Energy Systems, LLC	R – EA
EE13040281L	The Eric Ryan Corporation	R – EA
EE13040313L	Goldstar Energy Group, Incorporated	R – EA
EE13040282L	Technology Resource Solutions, Incorporated d/b/a VARO Technologies	R – EA
EE13040351L	5LINX Enterprises, Incorporated	R – EA
EE13040286L	Luthin Associates, Incorporated	R – EA/EC
GE13040287L		

Natural Gas Supplier Initial License

GE13040363L	Hess Energy Marketing, LLC	I – GSL
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Electric Power and/or Natural Gas Supplier License Renewals

EE13050438L	Respond Power, LLC	R – ESL
EE13020099L	Credit Suisse (USA), Incorporated	R – ESL
EE13020159L	Discount Energy Group, LLC	R – ESL
EE13030211L	Holcim (US), Incorporated	R – ESL
EE13020085L	EnerPenn USA, LLC d/b/a Y.E.P. and YEP Energy	R – ESL
EE13020160L	Starion Energy PA, Incorporated	R – ESL
EE13050410L	Hess Corporation	R – ESL
GE13060480L	Hess Corporation	R – GSL
EE13060481L	PPL EnergyPlus, LLC	R – ESL
EE13040333L	Dominion Retail, Incorporated	R – EGSL

GE13040332L	d/b/a Dominion Energy Solutions	
EE13040355L	NATGASCO, Incorporated	R – EGSL
GE13040354L	d/b/a Supreme Energy, Incorporated	
EE13030216L	Noble Americas Energy Solutions, LLC	R – EGSL
GE13030217L		
EE12080772L	Hudson Energy Services, LLC	R – EGSL
GE12080771L		
GE13050437L	Major Energy Services, LLC	R – GSL
GE13050400L	Woodruff Energy US, LLC	R – GSL
GE13050401L	Woodruff Energy	R – GSL

BACKGROUND: The Board must register all energy agents and consultants, and 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:

- Sable Power & Gas, LLC
- Genbright LLC
- Front Line Power Solutions, LLC
- US Energy Consulting Group, LLC
- Duxbury Energy, LLC
- C2C Energy Advisors, LLC
- Green Power Developers LLC
- Greencrown Energy, LLC
- Woodruff Energy
- Eneractive Solutions, LLC
- Rosenthal Energy Advisors, Inc.

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

- Resource Energy Systems, LLC
- The Eric Ryan Corporation
- Goldstar Energy Group, Inc.
- Technology Resource Solutions, Inc. d/b/a VARO Technologies
- 5LINX Enterprises, Inc.
- Luthin Associates, Inc.

In addition, Staff recommended the following applicant be issued an initial license as a natural gas supplier for one year:

- Hess Energy Marketing, LLC

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

- Respond Power LLC
- Credit Suisse (USA), Inc.
- Discount Energy Group, LLC
- Holcim (US) Inc.
- Enerpenn USA, LLC d/b/a Y.E.P. and YEP Energy
- Starion Energy PA Inc.
- Hess Corporation – ESL
- Hess Corporation - GSL
- PPL EnergyPlus, LLC
- Dominion Retail, Inc. d/b/a Dominion Energy Solutions
- NATGASCO, Inc. d/b/a Supreme Energy, Inc.
- Noble Americas Energy Solutions LLC
- Hudson Energy Services, LLC
- Major Energy Services, LLC
- Woodruff Energy US LLC
- Woodruff Energy

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. CE12121076 – In the Matter of the Petition of Comcast of Wildwood, LLC for a Renewal Certificate of Approval to Continue to Operate and Maintain a Cable Television System in and for the City of Cape May, County of Cape May, State of New Jersey.**

BACKGROUND: On August 21, 2012, the City of Cape May (City) adopted an ordinance granting renewal municipal consent to Comcast of Wildwood, LLC (Comcast). On October 26, 2012, Comcast formally accepted the terms and conditions of the ordinance, and on December 13, 2012, Comcast filed with the Board for a renewal of its Certificate of Approval for the City.

Staff recommended approval of the proposed Renewal Certificate of Approval for the City. This certificate shall expire on April 15, 2026.

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

- B. Docket No. CR12100905 – In the Matter of Comcast of Ocean County, LLC for Approval of the Filing of FCC Form 1240, an Annual Updating of the Maximum Permitted Rate for Regulated Basic Cable Service Using the Optional Expedited Rate Procedures.**

BACKGROUND: Cable operators that elect the annual rate adjustment method, Federal Communications Commission (FCC) Form 1240, must file for approval of these rates as

required by 47 C.F.R. § 76.922. Pursuant to the FCC's Thirteenth Order of Reconsideration, Operators that elect annual rate adjustments may change their filings from year to year, but at least 12 months must pass before the operator can implement its next annual adjustment.

Comcast of Ocean County, LLC (Petitioner) filed FCC Form 1240 with the Board seeking approval of inflation, channel change, programming cost and copyright fee adjustments for a total increase in the Maximum Permitted Rate (MPR) of 8.0% for the period of January 1, 2013 to December 31, 2013. This filing resulted in a Stipulation of Final Rates reflecting an increase in the Petitioner's MPR for the basic service tier.

Staff recommended the Board adopt the Stipulation of Final Rates in its entirety, thereby approving the Petitioner's FCC Form 1240, adjusting the Petitioner's MPR for the basic service tier from \$17.42 to \$18.81 per month. However, the actual bill will reflect a change in the basic (operator selected) rate from \$15.35 to \$16.10 (an increase of 4.9%). This rate is correctly calculated using the FCC's benchmark methodology and is for the period from January 1, 2013 to December 31, 2013.

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

C. Docket No. CR12100906 – In the Matter of Comcast of Southeast Pennsylvania, LLC (Hopewell and Lambertville) for Approval of the Filing of FCC Form 1240, an Annual Updating of the Maximum Permitted Rate for Regulated Basic Cable Service Using the Optional Expedited Rate Procedures.

BACKGROUND: Cable operators that elect the annual rate adjustment method, Federal Communications Commission (FCC) Form 1240, must file for approval of these rates as required by 47 C.F.R. § 76.922. Pursuant to the FCC's Thirteenth Order of Reconsideration, Operators that elect annual rate adjustments may change their filings from year to year, but at least 12 months must pass before the operator can implement its next annual adjustment.

Comcast of Southeast Pennsylvania, LLC (Hopewell and Lambertville) (Petitioner) filed FCC Form 1240 with the Board seeking approval of inflation, channel change, programming cost and copyright fee adjustments for a total increase in the Maximum Permitted Rate (MPR) of 8.0% for the period of January 1, 2013 to December 31, 2013. This filing resulted in a Stipulation of Final Rates reflecting an increase in the Petitioner's MPR for the basic service tier.

Staff recommended the Board adopt the Stipulation of Final Rates in its entirety, thereby approving the Petitioner's FCC Form 1240 adjusting the Petitioner's MPR for the basic service tier from \$14.21 to \$15.34. However, the actual bill will reflect a change in the basic (operator selected) rate from \$13.15 to \$14.00 (an increase of 6.5%). This rate is correctly calculated using the FCC's benchmark methodology and is for the period from January 1, 2013 to December 31, 2013.

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

D. Docket No. CR12100907 – In the Matter of Comcast of South Jersey, LLC (Pleasantville) for Approval of the Filing of FCC Form 1240, an Annual Updating of the Maximum Permitted Rate for Regulated Basic Cable Service Using the Optional Expedited Rate Procedures.

BACKGROUND: Cable operators that elect the annual rate adjustment method, Federal Communications Commission (FCC) Form 1240, must file for approval of these rates as required by 47 C.F.R. § 76.922. Pursuant to the FCC's Thirteenth Order of Reconsideration, Operators that elect annual rate adjustments may change their filings from year to year, but at least 12 months must pass before the operator can implement its next annual adjustment.

Comcast of South Jersey, LLC (Pleasantville) (Petitioner) filed FCC Form 1240 with the Board seeking approval of inflation, channel change, programming cost, and copyright fee adjustments for a total increase in the Maximum Permitted Rate (MPR) of 8.0% for the period of January 1, 2013 to December 31, 2013. This filing resulted in a Stipulation of Final Rates reflecting an increase in the Petitioner's MPR for the basic service tier.

Staff recommended the Board adopt the Stipulation of Final Rates in its entirety, thereby approving the Petitioner's FCC Form 1240 adjusting the Petitioner's MPR for the basic service tier from \$14.42 to \$15.57 per month. However, the actual bill will reflect a change in the basic (operator selected) rate from \$10.50 to \$11.30 (an increase of 7.6%). This rate is correctly calculated using the FCC's benchmark methodology and is for the period from January 1, 2013 to December 31, 2013.

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

E. Docket No. CR12100908 – In the Matter of Comcast of South Jersey, LLC (Pleasantville West/Mullica) for Approval of the Filing of FCC Form 1240, an Annual Updating of the Maximum Permitted Rate for Regulated Basic Cable Service Using the Optional Expedited Rate Procedures.

BACKGROUND: Cable operators that elect the annual rate adjustment method, Federal Communications Commission (FCC) Form 1240, must file for approval of these rates as required by 47 C.F.R. § 76.922. Pursuant to the FCC's Thirteenth Order of Reconsideration, Operators that elect annual rate adjustments may change their filings from year to year, but at least 12 months must pass before the operator can implement its next annual adjustment.

Comcast of South Jersey, LLC (Pleasantville West/Mullica) (Petitioner) filed FCC Form 1240 with the Board seeking approval of inflation, channel change, programming cost, and copyright fee adjustments for a total increase in the Maximum Permitted Rate (MPR) of 8.0% for the period of January 1, 2013 to December 31, 2013. This filing resulted in a Stipulation of Final Rates reflecting an increase in the Petitioner's MPR for the basic service tier.

Staff recommended the Board adopt the Stipulation of Final Rates in its entirety, thereby approving the Petitioner's FCC Form 1240 adjusting the Petitioner's MPR for the basic service tier from \$12.13 to \$13.10 per month. However, the actual bill will reflect a change in the basic (operator selected) rate from \$10.50 to \$11.30 (an increase of 7.6%). This rate is correctly calculated using the FCC's benchmark methodology and is for the period from January 1, 2013 to December 31, 2013.

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

F. Docket No. CR12100909 – In the Matter of Comcast of South Jersey, LLC (Vineland/Franklin Township) for Approval of the Filing of FCC Form 1240, an Annual Updating of the Maximum Permitted Rate for Regulated Basic Cable Service Using the Optional Expedited Rate Procedures.

BACKGROUND: Cable operators that elect the annual rate adjustment method, Federal Communications Commission (FCC) Form 1240, must file for approval of these rates as required by 47 C.F.R. § 76.922. Pursuant to the FCC's Thirteenth Order of Reconsideration, Operators that elect annual rate adjustments may change their filings from year to year, but at least 12 months must pass before the operator can implement its next annual adjustment.

Comcast of South Jersey, LLC (Vineland/Franklin Township) (Petitioner) filed FCC Form 1240 with the Board seeking approval of inflation, channel change, programming cost, and copyright fee adjustments for a total increase in the Maximum Permitted Rate (MPR) of 7.3% for the period of January 1, 2013 to December 31, 2013. This filing resulted in a Stipulation of Final Rates reflecting an increase in Petitioner's MPR for the basic service tier.

Staff recommended the Board adopt the Stipulation of Final Rates in its entirety, thereby approving the Petitioner's FCC Form 1240 adjusting the Petitioner's MPR for the basic service tier from \$11.46 to \$12.30 per month. However, the actual bill will reflect a change in the basic (operator selected) rate from \$10.50 to \$11.30 (an increase of 7.6%). This rate is correctly calculated using the FCC's benchmark methodology and is for the period from January 1, 2013 to December 31, 2013.

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

G. Docket No. CR12100910 – In the Matter of Comcast of Wildwood, LLC (Wildwood) for Approval of the Filing of FCC Form 1240, an Annual Updating of the Maximum Permitted Rate for Regulated Basic Cable Service Using the Optional Expedited Rate Procedures.

BACKGROUND: Cable operators that elect the annual rate adjustment method, Federal Communications Commission (FCC) Form 1240, must file for approval of these rates as required by 47 C.F.R. § 76.922. Pursuant to the FCC's Thirteenth Order of Reconsideration, Operators that elect annual rate adjustments may change their filings from year to year, but at least 12 months must pass before the operator can implement its next annual adjustment.

Comcast of Wildwood, LLC (Wildwood) (Petitioner) filed FCC Form 1240 with the Board seeking approval of inflation, channel change, programming cost and copyright fee adjustments for a total increase in the Maximum Permitted Rate (MPR) of 8.0% for the period of January 1, 2013 to December 31, 2013. This filing resulted in a Stipulation of Final Rates reflecting an increase in the Petitioner's MPR for the basic service tier.

Staff recommended the Board adopt the Stipulation of Final Rates in its entirety, thereby approving the Petitioner's FCC Form 1240 adjusting the Petitioner's MPR for the basic service tier from \$13.22 to \$14.27 per month. However, the actual bill will reflect a change in the basic (operator selected) rate from \$11.35 to \$12.25 (an increase of 7.9%). This rate is correctly

calculated using the FCC's benchmark methodology and is for the period from January 1, 2013 to December 31, 2013.

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

H. Docket No. CM12030252 – In the Matter of the Petition of Time Warner Entertainment Company, L.P. and Time Warner Cable New York City, LLC for Approval of the Conveyance of Property and the Transfer of Certificates of Approval.

BACKGROUND: This matter involved a request by Time Warner Cable New York City, LLC successor to Time Warner Entertainment Company, L.P. (TWE) for a waiver of Board Order Condition No. 9 (BO 9) for Approval of the Conveyance of Property and the Transfer of Certificates of Approval. BO 9 required a filing by TWE of OCTV Forms CATV 1 and 2 for the period from January 1, 2012 until the last day of business for TWE, or September 30, 2012.

Form CATV-1 is a Statement of Gross Operating Revenues by a Cable Television Operator (CTO) for a given Calendar Year pursuant to N.J.S.A. 48:5A-34(a). Form CATV-2 is a Gross Revenue Analysis by Municipality of a CTO pursuant to N.J.S.A. 48:5A-30(a) and (d).

By letters dated January 25, 2013 and March 28, 2013 filed with the Board on April 2, 2013, TWE sought a waiver of BO 9, claiming that the Transaction involved intra-company transactions whereby TWE, the successor company would be (and is) a subsidiary of the same parent company – Time Warner Cable, Inc. – that owned the prior company. TWE further asserted that under this circumstance there was no change in control and hence no dispute as to the responsibility for franchise fees. TWE also stated in the waiver request that franchise fees to be paid to the municipalities will be paid by the successor franchisee, TWE, and will encompass the entire period from January 1, 2012 through December 31, 2012. On May 31, 2013, TWE filed CATV-1 and 2 showing that such franchise fee payments were made to the municipalities.

Staff recommended the Board approve TWE's request for a waiver of BO 9.

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

IV. TELECOMMUNICATIONS

A. Docket No. TM13040304 – In the Matter of the Application of Verizon New Jersey, Inc. for Approval of the Sale and Conveyance of Real Property Located in the City of Newark, County of Essex, State of New Jersey to Bridgeview Development Limited Liability Company.

BACKGROUND: On April 11, 2013, Verizon New Jersey Inc. (VNJ or Petitioner) filed a Petition with the Board seeking approval of the sale and conveyance of real property located in the City of Newark, Essex County, New Jersey, to Bridgeview Development, LLC (Buyer). On May 1, 2013, the Petitioner filed a revised cover letter and Exhibit TAB 2 correcting the name of the Buyer from 540 Broad Urban Renewal Investors, LLC to Bridgeview Development LLC, a wholly owned affiliated entity of NEC Development LLC. The consideration to be paid by the Buyer to

the Petitioner is the sum of \$15,000,000.00. VNJ maintained that the Property will not be required for any present or prospective utility purposes.

Staff recommended the Board approve the request since the Property is not useful for any present or future purposes and the sale of the Property will not affect the ability of the company to provide safe, adequate or proper service.

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

B-1. Docket No. TO13040343 – In the Matter of the Joint Application of Verizon New Jersey, Inc. and O1 Communications East, LLC 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 O1 Communications East, LCC (Petitioners) filed applications with the Board for approval of a negotiated interconnection 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 within each Local Access and Transport Area in which they operate in New Jersey.

The agreements address 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 found that each has similar rates and consistent terms and conditions sufficient to support Staff's recommendation for approval.

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

B-2. Docket No. TO13040344 – In the Matter of the Joint Application of Verizon New Jersey, Inc. and United Federal Data of New Jersey, LLC 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 United Federal Data of New Jersey, LLC (Petitioners) filed applications with the Board, for the approval of a negotiated interconnection agreements. 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 within each Local Access and Transport Area in which they operate in New Jersey.

The agreements address 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 found that each has similar rates and consistent terms and conditions sufficient to support Staff's recommendation for approval.

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

C. Docket No. TM11100640 – In the Matter of the Verified Joint Petition of Intelepeer, Inc. for Authority to Complete Certain Pro Forma Intra-Corporate Transactions.

BACKGROUND: On December 15, 2011 the Board Authorized IntelePeer, Inc. (IntelePeer or Petitioner) to undertake one or more intra-corporate transactions whereby IntelePeer intended to (1) insert one or more holding companies between IntelePeer and its current direct shareholders; (2) move IntelePeer's subsidiary, IntelePeer Virginia, Inc., under the new holding company, making IntelePeer Virginia, Inc. an affiliate of IntelePeer Inc., rather than a subsidiary of IntelePeer, Inc.; and (3) assign certain assets into one or more affiliates of IntelePeer.

The Board Order stated that its approval would expire should the Transactions not be fully consummated on or before to December 31, 2012. By letter dated May 24, 2013 the Petitioner requested that the Board extend the approval deadline from December 31, 2012, to December 31, 2013 as, the second and the third steps of the transaction were not completed by December 31, 2012. Intelepeer represented that it is now or will shortly be able to proceed with the intra-corporate transactions. The Petitioner further asserted that there have been no material change to it or its affiliates or the proposed transactions.

Staff recommended the Board approve the request for the extension until December 31, 2013.

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

D. Docket No. TM13050370 – In the Matter of the Verified Petition of Cavalier Telephone Mid-Atlantic, LLC, Intellifiber Networks, Inc., Paetec Communications, Inc., Talk America, Inc., US LEC of Pennsylvania, Inc. and Windstream Corporation for Authority to Complete a Certain Pro Forma Intra-Corporate Transaction.

BACKGROUND: On May 1, 2013, Cavalier Telephone Mid-Atlantic, LLC, Intellifiber Networks, Inc., Paetec Communications, Inc., Talk America, Inc., US LEC of Pennsylvania, Inc. (collectively, Windstream Licensees) and Windstream Corporation (Windstream) (Windstream and Windstream Licensees collectively referred to as Petitioners), filed a verified Petition with the Board requesting authority to undertake a pro forma intra-corporate transaction (the Transaction) that will insert a new holding corporation, Windstream Holdings, Inc. into the ownership chain above Windstream. Following the consummation of proposed transactions, the Windstream Licensees will continue to provide service to customers in New Jersey at the same rates, terms and conditions.

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 the Petitioners be allowed to proceed with the proposed transactions and financing.

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

V. WATER

A. Docket Nos. BPU WO09020148 and OAL PUC 07146-09 – In the Matter of the Petition of the Borough of Woodland Park (Formerly known as the Borough of West Paterson) Seeking a Declaration with Respect to Its Rights and Obligations as to New Jersey American Water Company – Request for Extension.

BACKGROUND: The Initial Decision of the Administrative Law Judge was received by the Board on May 31, 2013. The 45 day statutory period for review to issue a Final Decision will expire on July 15, 2013. Prior to that date, the Board requested a 45 day extension of time for issuing the Final Decision to ensure that it has sufficient time to review the full and complete 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 August 29, 2013.

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 EC12060477U and OAL PUC 09923-12 – In the Matter of Frank Reed, Petitioner v. Public Service Electric and Gas Company, Respondent – Billing Dispute.

BACKGROUND: This matter involved a billing dispute between Frank Reed (Mr. Reed) and Public Service Electric and Gas Company (PSE&G). The matter was transmitted to the Office of Administrative Law on July 16, 2012, as a contested case. Administrative Law Judge (ALJ) John F. Russo, Jr. filed an Initial Decision in this matter with the Board on May 22, 2013, approving a Stipulation of Settlement (Settlement) of the parties.

Pursuant to the Settlement, Mr. Reed will continue participation in the Fresh Start Program (FSP), which began on June 1, 2012 and ended on June 1, 2013. Following the expiration date of the Program, Mr. Reed's arrears in the amount of \$7,393.23, will be forgiven so long as Mr.

Reed continues to make the required payments pursuant to the terms of the Program. In addition, PSE&G will provide Mr. Reed with monthly letters detailing the appropriate FSP payments to submit for the respective billing periods. Mr. Reed will only be responsible for paying the monthly amounts requested in these letters.

The Board, at its discretion, has the option of accepting, modifying or rejecting the Initial Decision of ALJ Russo. Staff recommended the Board adopt the Initial Decision in its entirety without modification.

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

B. Docket Nos. BPU EC12070671U and OAL PUC 14231-12 – In the Matter of George Boinides, Petitioner v. Public Service Electric and Gas Company, Respondent – Billing Dispute.

BACKGROUND: This matter involved a billing dispute between George Boinides (Mr. Boinides) and Public Service Electric and Gas Company (PSE&G). The matter was transmitted to the Office of Administrative Law on October 24, 2012, as a contested case. Administrative Law Judge (ALJ) Richard McGill filed an Initial Decision in this matter with the Board on May 23, 2013, approving a Stipulation of Settlement (Settlement) of the parties.

Pursuant to the terms of the Settlement, PSE&G agreed to credit Mr. Boinides's second floor apartment account, located at 106 Sadler Road, Bloomington, NJ in the amount of \$1,070.82. After the credit, Mr. Boinides agreed to pay the remaining \$430.37 on that account in installments of \$100.00 (except for the last installment) in addition to paying current bills by the due date indicated on said bills.

The Board, at its discretion, has the option of accepting, modifying or rejecting the Initial Decision of ALJ McGill. Staff recommended the Board adopt the Initial Decision in its entirety without modification.

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

C. Docket Nos. BPU GC13020144U and OAL PUC 04678-13 – In the Matter of Greg Laborde, Petitioner v. Public Service Electric and Gas Company, Respondent – Billing Dispute.

BACKGROUND: This matter involved a billing dispute between Greg Laborde (Mr. Laborde) and Public Service Electric and Gas Company (PSE&G). The matter was transmitted to the Office of Administrative Law on April 1, 2013, as a contested case. Administrative Law Judge (ALJ) Kimberly A. Moss filed an Initial Decision in this matter with the Board on May 23, 2013, approving a Stipulation of Settlement (Settlement) of the parties.

Pursuant to the terms of the Settlement, PSE&G agreed to credit Mr. Laborde's account in the amount of \$832.48, thereby resolving the dispute.

The Board, at its discretion, has the option of accepting, modifying or rejecting the Initial Decision of ALJ Moss. Staff recommended the Board adopt the Initial Decision in its entirety without modification.

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

D. Docket Nos. BPU EC12030187U and OAL PUC 04966-12 – In the Matter of Maylock Realty Corporation, Petitioner v. Public Service Electric and Gas Company, Respondent – Billing Dispute.

BACKGROUND: The Initial Decision in this matter, which involved a billing dispute between Petitioner Maylock Realty Corporation and Respondent Public Service Electric and Gas Company, approved a settlement between the parties.

N.J.A.C. 1:1-19.1(a)(1) permits parties to settle a matter through a written consent order or stipulation that discloses the full settlement terms and is signed by all parties or their attorneys. N.J.A.C. 1:1-19.1(b) states that if the judge determines that the settlement is voluntary, consistent with the law and fully dispositive of all issues in controversy, the judge shall issue an initial decision incorporating the full terms and approving the settlement. The Initial Decision erred in concluding that the Settlement Agreement resolved all of the issues between the parties.

The Settlement Agreement failed to identify the account at 1243 Erhardt St., Union, N.J. that was entitled to the credit identified in the agreement and also failed to identify the amount due on each account that received a credit. In addition, it failed to identify whether it settled Petitioner's claims against Respondent with respect to each account the Petitioner had with Respondent prior to the settlement or whether it only settled the accounts that were specifically mentioned in the Settlement Agreement.

Despite these obvious defects in the Settlement Agreement, the Division of Law recommended that the appropriate disposition of this case is for the Board to conclude the matter. The basis for the recommendation is that each party's legal representative notified the Board's Staff that their clients were satisfied with the Settlement Agreement and the resolution of this matter and Petitioner's attorney represented that her client does not want to pursue this matter any longer. Therefore, the Board should consider the matter as if the Petitioner withdrew its Petition.

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

E. Docket Nos. BPU EC12040303U and OAL PUC 07198-12 – In the Matter of Alva Muhammad, Petitioner v. Public Service Electric and Gas Company, Respondent – Request for Extension.

BACKGROUND: The Initial Decision of the Administrative Law Judge was received by the Board on April 12, 2013. By previous Order(s) of Extension, the period for issuing a Final Decision was extended to July 12, 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 the time limit for the Board to render a Final Decision be extended until August 26, 2013.

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

VIII. CLEAN ENERGY

There were no items in this category.

IX. MISCELLANEOUS

There were no items in this category.

After appropriate motion, the consent agenda was approved.

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

AGENDA

1. AUDITS

- A. Docket No. GA13010008 – In the Matter of the Audit of Affiliated Transactions and Comprehensive Management Audit of New Jersey Natural Gas Company – Ratification of Agreement for Consulting Services.**

Babette Tenzer, Deputy Attorney General, Division of Law, presented this matter.

BACKGROUND AND DISCUSSION: On May 29, 2013, the Board adopted the recommendation of the Evaluation Committee (Committee) for the selection of a consultant from the preapproved pool of management consulting firms to perform the captioned audit(s). The Committee recommended that the engagement be awarded to NorthStar Consulting Group (NorthStar) at a not-to-exceed amount of \$630,400.

Staff recommended the Board authorize President Hanna to execute the Contract for Consulting Services with NorthStar for this audit engagement. The contract award is in the not-to-exceed amount of \$630,400.

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

2. ENERGY

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

- A. Non-Docketed Matter – In the Matter of the Provision of Basic Generation Service (BGS) for the Period Beginning June 1, 2013 – Boston Pacific’s Final Report on the 2013 BGS Fixed Price and Commercial Industrial Energy Price Auctions.**

BACKGROUND AND DISCUSSION: This matter involved the contractual obligations of the Boston Pacific Company (Boston Pacific) to the Board regarding the review and oversight of the New Jersey electric distribution companies’ Basic Generation Service (BGS) auction process for the supply period beginning June 1, 2013. This matter pertains to the first year of a three contact with Boston Pacific.

In accordance with the contract, all contractual obligations regarding the procurement of BGS supply for the period beginning June 1, 2013, have been fulfilled satisfactorily by Boston Pacific, including the submission of a redacted and confidential version of its final report on the 2013 BGS procurement process.

The Energy Division reviewed the report and found it to be complete. Therefore, Staff recommended that Boston Pacific's Annual Final Report on the 2013 BGS- Fixed Price and BGS- Commercial and Industrial Energy Pricing Auctions be accepted for filing by the Board, and that the redacted version be made available to the public via the Board's website.

Staff also recommended that the 20% contractual hold back of fees be released, and that the Board direct the Division of Treasury to provide final payment to Boston Pacific.

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

B. Docket No. GO12070640 – In the Matter of the Petition of New Jersey Natural Gas Company for Approval of the Extension of Energy Efficiency Programs and the Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1; and

Docket No. GR12070641 – In the Matter of the Petition of New Jersey Natural Gas Company for Approval of the Cost Recovery Associated with Energy Efficiency Programs.

BACKGROUND AND DISCUSSION: On July 9, 2012, New Jersey Natural Gas Company (NJNG or Company) filed a petition with the Board requesting approval of an extension to the Company's existing energy-efficiency (EE) programs offered through the SAVEGREEN PROJECT® (SAVEGREEN) and its associated cost recovery mechanisms, (EE Extension Filing) in Docket No. GO12070640. As part of the petition, the Company also requested that the Board approve certain modifications to its existing programs.

Concurrently, the Company also submitted its annual SAVEGREEN Cost Recovery Filing (EE Rate Recovery Filing) in Docket No. GR12070641, to establish rates (EE Rates) to be collected through the Board approved NJNG Tariff Sheet Rider F (Rider F). The EE Rate Recovery Filing had been made coincident but separate from NJNG's annual Basic Gas Supply Service filings and included updates to the SAVEGREEN investment levels, operating costs and reconciled rate recoveries to actual costs.

By Orders dated July 17, 2009, September 24, 2010 and January 18, 2012, the Board adopted the terms of the stipulations entered into among representatives of NJNG, the New Jersey Division of Rate Counsel (Rate Counsel) and the Staff of Board (Staff) (collectively, Parties) approving the implementation and/or extension of EE programs and the associated cost recovery mechanism. Recovery of the costs needed to deliver these programs, including grants, incentives, incremental operation and maintenance expenses and carrying costs is provided through Rider F of the Company's Tariff.

NJNG's July 2012 petition requesting an extension of the EE programs, was accompanied by supporting schedules, program descriptions, financial and other related information. By letter

dated August 8, 2013, Staff notified the Company that the petition was found to be administratively complete pursuant to the terms of the Board's May 12, 2008 Order in Docket No. EO08030164, and that the 180-day period prescribed by N.J.S.A. 48:3-98.1(b) for a final Board determination on cost recovery commenced as of July 9, 2012, the date of the filing. Consequently, the statutory 180-day review period was to expire on January 5, 2013 (Review Date).

On September 13, 2012, the Board issued an Order retaining this matter for consideration and, pursuant to N.J.S.A. 48:2-32, designated Commissioner Mary-Anna Holden as the presiding officer. Additionally, the Board adopted a Procedural Schedule agreed to by the Company, Rate Counsel and Board Staff.

Discovery questions in this matter were propounded by Rate Counsel and Board Staff and NJNG provided responses to all requests. On October 26, 2012, Rate Counsel filed the Direct Testimonies of witnesses Robert J. Henkes and Robert Fagan. Public Notice was provided for four public hearings held on December 19, 2012, in Freehold Township and December 20, 2012, in Rockaway Township, NJ.

By Order dated December 19, 2012, the Board approved a stipulation executed by the Parties extending the Review Date to February 1, 2013, to provide additional time to complete the administrative processing and review of the petition and accompanying materials, and to provide the Board with sufficient time to issue a final determination in this matter. Additionally, by Order dated January 23, 2013, the Board approved a stipulation to further extend the Review Date to June 30, 2013.

Following numerous in-person and telephonic meetings, NJNG, Rate Counsel and Staff, reached an agreement and executed a Stipulation of Settlement (Stipulation) on June 10, 2013, resolving all issues.

Staff recommended the Board issue an order adopting the Stipulation, as the agreement is just and reasonable and in the public interest.

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

C. Docket Nos. BPU GR12060472 and OAL PUC 03556-13 – In the Matter of the Petition of New Jersey Natural Gas Company for the Annual Review and Revision of Its Basic Gas Supply Service and Conservation Incentive Program Factors for Fiscal Year 2013.

BACKGROUND AND DISCUSSION: Based on Basic Gas Supply Service (BGSS) projections through the 2013 BGSS year ending September 30, 2013, maintaining the current BGSS rate at \$0.6681 is expected to reduce the Company's actual under-recovered September 30, 2012 balance of \$7.1 million to less than \$0.5 million.

The Conservation Incentive Program (CIP) rate adjusts for i.) weather normalization and ii.) non-weather related savings relating to capacity release programs. The non-weather surcharges are limited to corresponding decreases in specific supply related costs incorporated in the Company's BGSS rates and subject to return on equity limits. The above rates are aimed at recovering \$17.8 million.

On May 21, 2013, the New Jersey Natural Gas Company, Rate Counsel and Board Staff (the Parties) stipulated that the following provisionally approved after-tax per therm BGSS and CIP rates be made final:

1. BGSS rate: \$0.6681.
2. CIP rates:

CIP - FINAL AFTER-TAX RATES PER THERM	
Residential Non-Heat	\$0.0152
Residential - Heat	\$0.0352
Commercial - Small	\$0.0850
Commercial - Large	\$0.0681

3. Balancing rate: \$0.0898

Staff recommended approval of the Stipulation of 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

D. Docket Nos. BPU GO12030188 and OAL PUC 08129-12 – In the Matter of the Petition of Public Service Electric and Gas Company for Approval to Offer New Appliance Service Products and/or Services in Accordance with N.J.A.C. 14:4-3.6(a) and (g).

BACKGROUND AND DISCUSSION: By Petition filed March 1, 2012, Public Service Electric and Gas (PSE&G, the Company) requested Board approval of new appliance product and/or service offerings it proposes to make available to its residential customers. PSE&G claimed that its customers have interest in purchasing additional such products and/or services. The Company would expand its residential Repair and Replacement Parts Service Contracts to include heat pumps, pool heaters, ductless heating and cooling systems (MINI SPLITS), and natural gas grills; expand its existing full replacement program to include heat pumps and ductless mini splits; and provide residential electric, sewer, water line, and plumbing protection offerings.

The Company sought the Board's approval to offer these new appliance products and/or service contracts under the following categories: a proposed Replacement Parts Service contracts will cover the cost of the repair and the replacement of specified parts for heat pumps, residential pool heaters, ductless MINI SPLITS, and residential natural gas grills; a proposed Home Electric System Protection service contract will cover inside electric line repairs to outlets, switches,

fuses, breakers, and inside wiring; the Home Sewer Protection service contract will cover the repair or replacement of sewer drain lines; the Water Line Protection service contract will pay for the repair or replacement of water service lines; and the Home Plumbing Systems Protection service contract will cover the repair and replacement of the key components associated with a home's internal plumbing system.

PSE&G, Rate Counsel, and Board Staff were the only parties to this proceeding. The parties proceeded to an evidentiary hearing on January 9, 2013.

On April 5, 2013, the Administrative Law Judge Cookson issued an Initial Decision in the matter approving PSE&G's application to expand its competitive service contract and appliance services except for the residential electric, sewer, water line, and plumbing protection offerings. She rejected Rate Counsel's and Staff's request that the Company credit to or share with ratepayers the Company's incremental net margins from these products received between base rate cases.

After review, Staff recommended the Board adopt the Administrative Law Judge's decision. However, Staff recommended the Board limit the installation of heat pumps and mini-splits to existing structures and order the Company to frequently update its hourly labor rates as published in its appliance service tariffs and other costs supporting the competitive floor rates so they recover the fully allocated costs.

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

E. Docket No. GO12050363 – In the Matter of the Petition of South Jersey Gas Company for Approval of an Energy Efficiency Program with an Associated Energy Efficiency Tracker Pursuant to N.J.S.A. 48:3-98.1.

BACKGROUND AND DISCUSSION: On May 3, 2012, South Jersey Gas Company (SJG or Company) filed a petition with the Board requesting approval of an Energy Efficiency Program (EEP II), and authority to continue its Energy Efficiency Tracker (EET) to recover all costs associated with the EEP II. SJG further requested that it be allowed to earn a return on and a return of investments associated with the EEP II. The proposed budget for the five programs included in the EEP II was \$24,238,341 to be spent through December 2013, and to be recovered through a separate component of the Company's EET.

Below is a summary of the requested sub-programs in the proposed EEP II and their associated budgets:

- | | |
|--|--------------|
| 1. Enhanced Residential Heating Ventilation and Air Conditioning Energy Efficiency Program | \$14,528,424 |
| 2. Natural Gas Vehicle Grant Program | \$3,220,000 |
| 3. Social Marketing and Education Program | \$1,039,000 |
| 4. Non-Residential Energy Efficiency Finance and Incentive Program | \$2,387,317 |
| 5. Combined Heat and Power and Distributed Generation Technology | \$3,063,600 |

By letter dated June 1, 2012, Board Staff notified SJG that the filing was administratively incomplete. On July 18, 2012, SJG submitted a supplemental filing to address the deficiencies outlined in the letter from Staff. On July 23, 2012, Board Staff notified SJG that, with the information submitted in the July 18 Supplemental Filing, the filing was administratively complete. Accordingly, the 180-day period for a Board determination commenced on July 18, 2012, and was set to expire on January 14, 2013.

By Order dated August 15, 2012, the Board retained this matter for review and hearing as authorized by N.J.S.A. 48:2-32, and designated Commissioner Mary-Anna Holden as the presiding officer in this proceeding. Additionally, the Board adopted a procedural schedule agreed to by the Company, Board Staff, and the New Jersey Division of Rate Counsel (Rate Counsel) (collectively, the Signatory Parties). By Order dated December 6, 2012, Commissioner Holden approved a proposed modified procedural schedule which was agreed to by the Signatory Parties. By Order dated December 19, 2012, the Board issued an Order approving a stipulation executed by the Signatory Parties that extended the review period to March 1, 2013 to accommodate the modified procedural schedule. By Order dated January 23, 2013, the Board issued an Order approving a stipulation between the Signatory Parties that further extended the 180 day review period through June 30, 2013 (January 2013 Order). The January 2013 Order also extended the Company's original energy efficiency programs and the through June 30, 2013 with an Extension Budget of \$2,522,469 for the period January 2013 through June 2013.

After several rounds of discovery and numerous settlement meetings, the Signatory Parties reached a stipulation of settlement (Stipulation) which would provide for modified energy efficiency programs through June 30, 2015 and an associated cost recovery mechanism.

Staff recommended the Board adopt the Stipulation of the Signatory 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

F. Docket Nos. BPU ER12111052 and OAL PUC 16310-12 – In the Matter of the Verified Petition of Jersey Central Power & Light Company for Review and Approval of Increases in and Other Adjustments to Its Rates and Charges for Electric Service, and for Approval of Other Proposed Tariff Revisions in Connection Therewith and for Approval of an Accelerated Reliability Enhancement Program (2012 Base Rate Filing) – Regarding Motion for Interlocutory Review.

Bethany Rocque-Romaine, Legal Specialist, Office of the Chief Counsel, presented this matter.

BACKGROUND AND DISCUSSION: Jersey Central Power & Light Company (JCP&L) filed a Base Rate Filing in November 2012, and subsequently amended it in February 2013. In December 2012 the matter was transmitted to the Office of Administrative Law and Administrative Law Judge (ALJ) McGill was assigned the matter. Also in December, the Township of Marlboro, Monmouth County, moved the court to intervene and Judge McGill granted that intervener status. Subsequently West Milford, Tewksbury, Wayne, Robbinsville, and Morris County have also been granted intervenor status. In January 2013 the Township of Marlboro filed a motion with ALJ McGill requesting that the judge order JCP&L to establish an escrow fund to pay for their professional experts to allow them to participate in the case successfully and prudently. JCP&L and Rate Counsel opposed the motion before ALJ McGill. ALJ McGill denied this motion on March 22, 2013. On May 3, 2013, Township of Marlboro filed an interlocutory appeal requesting the Board overturn the judge’s decision.

JCP&L and Rate Counsel filed opposition to both the Board accepting the appeal and on the underlying request of allowing an escrow fund for the municipalities use for expert fees. Staff recommended the Board accept the appeal to resolve this issue that will serve as precedent for other petitions pending and impending. The Board specifically addressed this issue in the PSE&G Susquehanna Roseland matter involving the installation/improvement of high voltage power lines through the northern part of the state. In the Susquehanna case, the Board ruled against ordering the utility to establish an escrow account for the municipalities that opposed the line. In that case the utility, PSE&G, voluntarily established an account, even though it was not ordered by the Board. JCP&L and Rate Counsel pointed to N.J.S.A. 48:2-32.2 which allows for municipalities which lie within the territory to join in the base rate case as interveners and which also provides an emergency resolution mechanism for the municipalities to raise money to fund their professionals to allow meaningful participation.

Staff recommended the Board accept the appeal and confirm ALJ McGill’s decision to deny the Township of Marlboro’s demand that JCP&L be ordered to establish an escrow fund for use by the municipalities for their professional fees.

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

G. Docket Nos. EO13020155 and GO13020156 – In the Matter of the Petition of Public Service Electric and Gas Company for Approval of the Energy Strong Program – Request for Specific Action.

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

BACKGROUND AND DISCUSSION: On February 20, 2013, PSE&G had petitioned the Board for approval of a program and for the recovery of costs to bolster its electric and gas infrastructure to make them less susceptible to damage from wind, flying debris and water damage in anticipation of future Major Storm Events (hereafter Energy Strong). PSE&G requested approval of approximately \$2.5 billion in infrastructure upgrades with the costs to be collected from ratepayers over a period of five years though the implementation of an Energy Strong Adjustment Mechanism.

On March 20, 2013, the Board issued an Order initiating a generic proceeding (hereinafter Storm Mitigation Proceeding) to investigate possible avenues to support and protect New Jersey's utility infrastructure so that it may be better able to withstand the effects of future Major Storm Events and found that the Energy Strong petition filed by Public Service Electric and Gas Company (PSE&G) should be retained by the Board for review and hearing as authorized by N.J.S.A. 52:14F-8. March 20 Order at 3.

In the Storm Mitigation Proceeding Order, the Board directed its Staff to evaluate the proposed measures submitted by PSE&G in the Energy Strong filing. Staff stated that it was in the process of this review and has been submitting data requests to PSE&G to clarify the details of the proposed plan. While this review remains in progress, Staff recommended that initiating several specific proposed programs within the Energy Strong filing is a timely and prudent next step.

Staff recommended that PSE&G move forward with measures proposed within the Energy Strong Station Flood and Storm Surge Mitigation sub-program. Staff recommended that PSE&G begin the investigative and planning stages for storm damage mitigation of substations listed in paragraph 23 of the Energy Strong filing in order of the priority identified in Substation Flood and Storm Surge Mitigation charts and that PSE&G commence site assessments necessary to complete any outstanding review and analyses of mitigation steps and options for each substation, such as temporary or permanent flood walls, rising of equipment, installation of berms and/or relocation. This review and analysis should include PSE&G's recommended mitigation action at each sub-station location with documentation to support the decision to include consideration of customers affected, cost benefits, physical constraints and other state and/or local considerations. Consideration should also be given to other protective measures that may be needed to address wind damage, overhead/underground egress concerns, and ensuring physical security and/or access.

Staff further recommended that PSE&G initiate preliminary engineering and planning necessary to fully evaluate the siting, study and permitting for the proposed mitigation measures, as well as identify any Federal, State, or local permitting requirements for each location. PSE&G should start any studies necessary to implement the proposed solution, such as, but not limited to, threatened and endangered species studies, environmental impact studies, soils analysis, wetland studies, drainage studies, and soil conservation studies.

Finally, Staff recommended that PSE&G provide the Board with detailed estimates of the costs

necessary to perform the work described above, and that the Company submit status reports to Board Staff on a monthly basis, starting 30 days from the effective date of this Order, as this phase of the program progresses. Staff recommended that Board approval be required to implement any of the proposed mitigation measures for each location.

Having reviewed Staff's recommendations and finding them reasonable and appropriate in light of the possibility of Major Storm Events within the upcoming summer season, the Board directed PSE&G to implement the Staff recommendations described above.

Additionally to expedite the review process, pursuant to N.J.S.A. 48:2-32, the Board designated Commissioner Fiordaliso as the presiding officer with authority to rule on all motions that arise during the pendency of these proceedings and modify any schedules that may be set as necessary to secure a just and expeditious determination of the issues.

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

3. CABLE TELEVISION

There were no items in this category.

4. TELECOMMUNICATIONS

There were no items in this category.

5. WATER

Michael Kammer, Bureau Chief, Division of Water, presented these matters.

A. Docket No. WO13040346 – In the Matter of the Petition of Middlesex Water Company for Deferral Accounting Authority for the Financial Impact of Damage Related to Hurricane Sandy.

BACKGROUND AND DISCUSSION: On April 26, 2013, Middlesex Water Company (Petitioner) filed a petition with the Board seeking authority for deferred accounting treatment of actually incurred uninsured incremental storm costs associated with Superstorm Sandy that are not otherwise recovered through the company's base rates. The Company further requested that the appropriate amortization period for such deferred costs be addressed in its next base rate case.

By letter dated May 16, 2013, Rate Counsel stated that it did not object to the Petitioner's request to defer on its books and records, for accounting treatment only, the actually incurred uninsured incremental storm costs associated with Superstorm Sandy that are not otherwise recovered through the company's base rates. Rate Counsel requested the Board Order the

Petitioner to file a petition for a base rate case within two years so that the prudence and rate recoverability of the Company's actually incurred storm costs can be determined.

Staff recommended the Board grant the Petitioner's request to defer on its books and records, for accounting treatment only, the actually incurred uninsured incremental storm costs associated with Superstorm Sandy that are not otherwise recovered through the company's base rates. Consistent with the Board's recent approval for a Distribution System Improvement Charge, Middlesex is required to file a base rate case on or before February 21, 2016. Middlesex's Superstorm Sandy related expenses will also be examined in the Superstorm Sandy generic proceeding. Thus there is no need for the Board to Order Middlesex to file a base rate case at this time.

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

B. Docket Nos. BPU WR12110983 and OAL PUC 16172-12 – In the Matter of the Petition of Montague Water and Sewer Companies for Approval of an Increase in Rates and Charges for Water and Sewer Service.

BACKGROUND AND DISCUSSION: On November 7, 2012, Montague Water Company and Montague Sewer Company (Petitioners) filed a petition with the Board seeking to increase and revise its rates and charges for water service amounting to \$185,455 or 65.5% and for sewer service amounting to \$83,166 or 44.3%.

Montague Water Company services approximately 724 water customers and Montague Sewer Company serves approximately 228 sewer customers in the Township of Montague, Sussex County, NJ.

The matter was transmitted to the Office of Administrative Law and public and evidentiary hearings were scheduled by the Administrative Law Judge. A public hearing was held on April 2, 2013 at the Montague Township Municipal Building in Montague, New Jersey. Approximately twenty five members of the public attended the public hearing and nine members of the public provided comments for the public record.

Subsequent to the public hearing and prior to the evidentiary hearings in this matter, the Parties (consisting of the Company, the Division of Rate Counsel and Board Staff) engaged in Settlement negotiations and as a result, reached a Stipulation of Settlement (Stipulation) on all issues in the case.

Staff recommended the Board adopt the Initial Decision and 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

C. Docket Nos. BPU WR13020138 and OAL PUC 03722-12S – In the Matter of the Petition of Atlantic City Sewerage Company to Change the Level of Its Purchased Sewerage Treatment Adjustment Clause.

BACKGROUND AND DISCUSSION: On February 14, 2013, Atlantic City Sewerage Company (Petitioner) filed a petition with the Board seeking to change the level of its Purchased Sewerage Treatment Adjustment Clause (PSTAC), volumetric treatment charge from \$21.695 per Mcf of metered water to a rate of \$22.234 per Mcf. This represents an increase of \$0.589 or 0.0248%. The Petitioner estimated that the amount to be recovered through the 2013 PSTAC will total \$9,262,017. This includes an under-recovery for 2012 of \$183,040.

Atlantic City Sewerage Company services approximately 7,688 wastewater customers in the Atlantic City, Atlantic County, NJ.

The matter was transmitted to the Office of Administrative Law on March 14, 2013, and assigned to Administrative Law Judge (ALJ) W. Todd Miller. A public hearing was held on May 29, 2013 at the City Council Chambers in Atlantic City, NJ. No members of the public appeared to provide comments for the public record.

Subsequent to the public hearing in this matter, the Parties (consisting of the Company, the Division of Rate Counsel and Board Staff) engaged in settlement negotiations and as a result, reached Stipulation of Settlement (Settlement) on all issues in the case. The following is a summary of the Settlement:

- The Test Year is the 12 months ending December 31, 2012.
- The amount to be recovered through the 2013 PSTAC is \$9,262,017.
- The amount to be recovered through the PSTAC also includes an under-recovery for 2012 of \$183,040 and projected regulatory costs of \$8,000.
- The Volumetric Treatment Charge of \$22.008 per Mcf assumes an implementation date of January 1, 2013.
- If a Board Order is effective as of July 1, 2013, the 2013 PSTAC will only be recovered over 184 days, rather than 365 days. Therefore, the PSTAC charge for 2013 will be compressed to a charge of \$22.316 per Mcf from the current PSTAC charge of \$21.695 per Mcf. This represents an increase of \$0.621 per Mcf.
- Beginning January 1, 2014, the uncompressed PSTAC charge of \$22.008 per Mcf will become effective resulting in a decrease of \$0.308 per Mcf from the compressed charge. The Petitioner was directed to make a compliance filing with the Board effective January 1, 2014 effecting this rate change.

Staff recommended the Board adopt the Initial Decision and 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

6. RELIABILITY & SECURITY

A. Docket No. GO13030202 – In the Matter of the Petition of South Jersey Gas Company for Authorization to Construct a 24” Pipeline through Maurice River Township in Cumberland County, City of Estell Manor in Atlantic County and Upper Township in Cape May County, New Jersey Pursuant to N.J.A.C. 14:7-1.4 et seq.

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

BACKGROUND AND DISCUSSION: South Jersey Gas Company (SJG) filed a petition requesting Board approval to construct 21.6 miles of 24-inch steel natural gas 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.

The proposed Transmission Pipeline will be certified for a maximum allowable operating pressure of 700 pounds per square inch gauge. The construction of this transmission pipeline is necessary to provide adequate supply of natural gas fuel to the future gas-fired combined cycle combustion turbine units to be constructed at the BL England Power Plant. It will also provide system reliability and reinforcement in South Jersey Gas’s service area, especially to customers living in Atlantic and Cape May counties.

After full public notice, on May 1, 2013 a public hearing was held in Upper Township at the municipal building. Public notification included newspapers, and direct notice to local officials, New Jersey Department of Transportation, and certified mail to property owners within 125 feet of the proposed route.

Richard Palombo, Mayor of Upper Township, spoke on behalf of the township committee in support of the construction of the proposed 24-inch Pipeline. Some members of the public spoke against burning of fossil fuels and its effect on global climate change, and asked about the environmental impact of the pipeline construction. The environmental impact was addressed by SJG in the permit requirements needed for pipeline construction.

This project will be constructed in accordance with a comprehensive series of pipeline safety codes and standards which apply to the construction, testing and operation of the line. New Jersey has set certain higher standards than federally required and those standards include:

- A minimum four-foot depth of cover over the pipeline.
- Installation of 12-inch wide warning tape over the line as a damage protection measures.
- Use of the highest yield strength steel with a wall thickness safety factor normally designed for high population urban areas.

- Stricter (select) fill requirement to prevent construction damage.
- Stricter testing requirement before its placed in service (24 hrs.)
- Design capability which allows the entire line to be periodically examined by internal inspection devices.

SJG anticipates initiating construction within the third quarter of 2013 and it is anticipated to be completed in November 2014.

Staff recommended the Board approve SJG's request for authorization to construct the proposed pipeline.

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

7. CUSTOMER ASSISTANCE

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

A. Docket Nos. BPU EC12100929U and OAL PUC 01332-13 – In the Matter of Gerard Felix, Petitioner v. Public Service Electric and Gas Company, Respondent – Billing Dispute.

BACKGROUND AND DISCUSSION: This matter involved a billing dispute between Gerard Felix (Mr. Felix) and Public Service Electric and Gas Company (PSE&G). The petition was transmitted to the Office of Administrative Law on February 1, 2013, as a contested case. Administrative Law Judge (ALJ) Kimberly A. Moss filed an Initial Decision in this matter with the Board on April 12, 2013, dismissing the petition of Mr. Felix. No exceptions have been filed in this matter.

On March 4, 2013, ALJ Moss scheduled a prehearing telephone conference. Mr. Felix could not be reached by phone at that time and an in-person pre-hearing conference was schedule for April 10, 2013.

The Initial Decision was decided on April 10, 2013 and received by the Board on April 12, 2013. It granted PSE&G's motion to dismiss the Petition on the grounds that: (a) Mr. Felix did not have standing to bring the claims against PSE&G because, insofar as he was not the customer of record and was not responsible for paying the bills that were sent to his grandmother, he did not have a sufficient stake in the outcome of the litigation; and (b) Mr. Felix did not present evidence to demonstrate that he satisfied the criteria set forth in N.J.A.C. 14:3-7.1(a), which ALJ Moss inadvertently referred to as N.J.A.C. 14:3-7(a), to act as a non-lawyer representative for his grandmother.

Staff recommended the Board adopt the initial decision of ALJ Moss dismissing Mr. Felix's claim without prejudice.

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

B. Docket Nos. BPU WC12080792U and OAL PUC 14365-12 – In the Matter of Esmat Zaklama, Petitioner v. United Water New Jersey, Respondent – Billing Dispute.

BACKGROUND AND DISCUSSION: This matter involved a billing dispute between Esmat Zaklama (Mr. Zaklama) and United Water New Jersey (UWNJ or Company). The petition was transmitted to the Office of Administrative Law (OAL) on October 22, 2012, as a contested case. Administrative Law Judge (ALJ) James A. Geraghty filed an Initial Decision in this matter with the Board on May 9, 2013, dismissing the petition of Mr. Zaklama. No exceptions have been filed in this matter.

Mr. Zaklama contended that he was inaccurately billed by UWNJ in the amount of \$4,135.00. He stated that the bill was illegal due to a broken water meter that the Company should have been aware of.

UWNJ, in its answer dated September 28, 2012, denied the allegations that Mr. Zaklama was incorrectly billed. The Company contended that Mr. Zaklama should have known that he had not received water consumption bills since 2009. UWNJ requested that the relief sought by Mr. Zaklama be denied on the basis that he failed to set forth a claim upon which relief may be granted.

ALJ Geraghty stated that Mr. Zaklama, now deceased, offered no valid reason why he or his then attorney failed to respond to OAL discovery requests. This failure is not the fault of Mr. Zaklama's current able attorney who represented him at the hearing.

ALJ Geraghty concluded that Mr. Zaklama had not complied with mandatory discovery requests and that the matter should be dismissed. Staff recommended the Board adopt ALJ Geraghty'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

8. CLEAN ENERGY

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

A. Docket No. EO11050324V – In the Matter of the Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for Fiscal Years 2014 through 2017 Clean Energy Program.

BACKGROUND AND DISCUSSION: Every four years, the Board must consider funding levels for New Jersey’s Clean Energy Program (NJCEP). In this matter, the Board was asked to consider funding for fiscal years 2014 through 2017 to be collected by the utilities from ratepayers each year through the Societal Benefits Charge. The new funding levels are then allocated to program budgets and added to carry-over from the previous year. The Board approves specific programs and detailed budgets on an annual basis.

Given the uncertainty regarding the timing of the transition to the new Program Administrator and the development of a Strategic Plan, and other issues that Staff believes require additional time to assess such as the role of utilities and alternative mechanisms for financing Combined Heat and Power (CHP) / fuel cell incentives, Staff proposed a funding level for Fiscal Year 14 (FY) only and recommended the Board defer consideration of funding levels for FY15 - FY17.

Staff recommended the Board approve the following funding level for FY14:

Funding Category	Revised Proposed FY14 Funding Level
EE (Energy Efficiency)	\$252,565,000
RE (Renewable Energy)	\$17,500,000
CHP (Combined Heat and Power) -Fuel Cells	\$50,000,000
EDA (Economic Development Authority)	\$7,500,000
NJCEP Administration	\$17,100,000
Total NJCEP	\$344,665,000

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

B. Docket No. EO13050376V – In the Matter of the Clean Energy Programs and Budgets for Fiscal Year 2014.

BACKGROUND AND DISCUSSION: In this matter, the Board considered proposed fiscal year 2014 (FY14) programs and budgets for New Jersey’s Clean Energy Program (NJCEP).

The Office of Clean Energy (OCE) has coordinated with the Market Managers and the Program Coordinator regarding the programs and budgets set out in the compliance filings. The OCE held monthly public meetings with the energy efficiency (EE) and renewable energy (RE)

committees from February to June 2013 to receive comments and input into the development of the FY14 programs and budgets. In addition, a public hearing was held on June 12, 2013, to solicit additional input on the proposed program plans and budgets and written comments were accepted from the public.

The following table shows the FY14 new funding level, estimated 2012-2013 carry over, line item transfers from one budget sector to another, Economic Development Authority (EDA), interest and loan repayments, and the resultant FY14 budget. The table also shows the level of commitments estimated to exist as of June 30, 2013, and the difference between the proposed FY14 budget and the estimated level of commitments:

Proposed FY14 Program Funding							
Budget Category	New FY14 Funding	Estimated 2012 - 2013 Carry Over	Line Item Transfers	Other Anticipated New Funding	FY14 Budget	Estimated Commitments	FY14 Budget less Estimated Commitments
	(a)	(b)	(c)	(d)	(e)=(a)+(b)+(c)+(d)	(f)	(g)=(e)-(f)
Energy Efficiency	\$252,565,000.00	\$138,071,260.23	\$20,000,000.00	\$0.00	\$410,636,260.23	\$120,947,091.68	\$289,689,168.55
CHP-FC: Large & Small	\$50,000,000.00	\$11,967,070.00	\$3,665,179.55	\$0.00	\$65,632,249.55	\$5,022,757.00	\$60,609,492.55
Renewable Energy	\$17,500,000.00	\$12,534,730.55	\$0.00	\$0.00	\$30,034,730.55	\$11,612,364.00	\$18,422,366.55
EDA Programs	\$7,500,000.00	\$4,735,602.88	(\$23,665,179.55)	\$1,665,179.55	\$30,235,602.88	\$22,010,743.00	\$8,224,859.88
NJCEP Administration	\$17,100,000.00	\$4,193,028.16	\$0.00	\$0.00	\$21,293,028.16	\$0.00	\$21,293,028.16
True Grant	\$0.00	\$9,789,874.29	\$0.00	\$0.00	\$9,789,874.29	\$9,789,874.29	\$0.00
Total NJCEP	\$344,665,000.00	\$221,291,566.10	\$0.00	\$1,665,179.55	\$567,621,745.65	\$169,382,829.97	\$398,238,915.68

- (a) Proposed FY14 new funding
- (b) Estimated 2012-13 carry over for EE, RE, EDA and NJCEP Administration.
- (c) Line item transfers to or from one program to another.
- (d) Other Anticipated Funding: EDA interest and loan repayments.
- (e) FY14 Budget equals New FY14 Funding (a), plus estimated carry over (b), plus line item transfers (c), plus other anticipated new funding (d)
- (f) Estimated program commitments as of June 30, 2013.
- (g) FY14 budget, less estimated program commitments.

The OCE believed the proposed programs and budgets will deliver significant benefits to the State and will satisfy the objectives of Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49 et seq. Therefore, the OCE recommended approval of the FY14 program and budget filings consistent with the recommended 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

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

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, Incorporated, Market Manager; Request for Contract Extension No. A67052; and

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

BACKGROUND AND DISCUSSION: Applied Energy Group, Inc. (AEG) is the current contracted Program Coordinator for the State’s Clean Energy Program (NJCEP), Honeywell International, Inc. (Honeywell) is the current contracted Market Manager (MM) for NJCEP for Residential Energy Efficiency and Renewable Energy programs, and TRC Energy Services (TRC) is the current contracted MM for the NJCEP’s Commercial and Industrial Energy Efficiency programs, AEG’s, Honeywell’s and TRC’s contracts expire on June 30, 2013. On or about June 4, 2013, the Division of Purchase and Property sent letters to AEG, Honeywell and TRC extending their contracted terms through December 31, 2013 (the proposed 2013 contract extensions).

Treasury approved the AEG, Honeywell and TRC contract extensions on June 20, 2013. Staff recommended the Board approve the contract extension requests.

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

D. Docket Nos. EO07030203 and EO11100631V – In the Matter of the Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for the 2009 through 2012 Clean Energy Program – Revised 2012 through 2013 Programs and Budgets – Budget Modifications.

BACKGROUND AND DISCUSSION: In this matter the Board considered modifications to the 2012-2013 budgets for New Jersey’s Clean Energy Program.

In April 2013, the utilities managing the Comfort Partners low-income program (Petitioner) requested changes to the detailed budget as some utilities have experienced greater than anticipated participation levels, and some lower than expected levels. In order to fully expend the overall statewide budget, the utilities are proposing to shift funds from utilities with lower than expected participation levels to those with higher than expected levels, while the overall Comfort Partners program budget approved by the Board would remain the same. The utilities also proposed certain line item transfers to enable them to fully expend the budget and maintain quality assurance standards while also reaching some of the neediest ratepayers.

Honeywell manages the Renewable Energy Incentive Program (REIP) program which includes fees for processing Solar Renewable Energy Credits (SREC) applications. Honeywell's original budget was based on an estimate of 3,000 SREC applications being processed. However, SREC applications are being submitted at a rate higher than estimated and Honeywell is now forecasting that it will process 4,200 SREC applications through June 30, 2013. Therefore, Honeywell requested a change to the REIP budget that shifts \$228,000 from the Rebates, Grants and Other Direct Incentives budget category to the Rebate Processing, Inspections and Other Quality Control budget category in order to accommodate processing the additional SREC applications, leaving the total REIP budget unchanged.

Staff recommended the Board approve the Petitioner's budget modification requests.

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

Anne Marie McShea, Marketing and Communications Administrator, Office of Clean Energy, presented these matters.

E. Docket No. EO09010048 – In the Matter of the Board Approval of the Contract and Memorandum of Agreement Between the New Jersey Board of Public Utilities Office of Clean Energy and the Rutgers Center for Economics, Energy and Environmental Policy.

BACKGROUND AND DISCUSSION: In this matter, the Board considered approval of a new four-year contract and Memorandum of Agreement (MOA) between the Board and the Rutgers Center for Energy, Economics and Environmental Policy (CEEPP).

Since 2003, CEEPP has been performing the evaluations of the New Jersey Clean Energy Program under prior contracts and is well-positioned to assist the Board in the implementation of New Jersey's Energy Master Plan (EMP) for the period of June 1, 2013 through May 31, 2017, contingent upon annual funding. Through ongoing research and evaluation, CEEPP has supported the New Jersey's Clean Energy Program (CEP) by performing Cost-Benefit Analyses (CBAs), developing program evaluation plans, developing Request for Proposals for evaluation services, procuring their party evaluation contracts and evaluating the cost of utility and renewable energy programs.

The new four-year MOA with CEEPP will provide staffing, expertise and resources necessary to support three areas of evaluation and study. The first is a programmatic evaluation of the CEP to ensure effective design and resource allocations necessary to reach New Jersey's EMP goals. The amount of funding for that work is approximately \$864,000.

The second area of evaluation will be in support of the Hurricane Sandy storm response studies. These will be a CBA of each of the three electric Utilities' proposals to upgrade and harden their systems in response to further severe weather events. The Sandy Storm response

study will be part of CEEEP's contract, but will be paid from federal grants under the American Recovery and Reinvestment Act and State Energy Regulators Assistance (SERA) grant of approximately \$492,000.

The third area of evaluation will be Rutgers University Institute of Marine and Coastal Science, Rutgers University Institute of Marine and Coastal Science, who will assess offshore wind resource properties and wind power production potentials. The amount for this area is approximately \$445,000.

The State Office of Management and Budget has reviewed and approved the MOA and Staff recommended the Board approve the MOA and authorize President Hanna to sign the contracts.

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

F. Docket Nos. EO07030203 and EO11100631V – In the Matter of the Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for the 2009 through 2012 Clean Energy Program – Revised 2012 – 2013 Programs and Budgets – Clean Power Choice.

BACKGROUND AND DISCUSSION: The Clean Power Choice (CPC) program offers retail electric customers the option of selecting an energy product with higher levels of renewable energy than what is required by the Renewable Portfolio Standards from a Board licensed Clean Power Choice Marketer (CPM). The CPC program has been delivered through a collaborative utility and CPM initiative, employing consolidated billing and a data interchange hosted by the four electric distribution companies (the EDCs), with oversight by the Office of Clean Energy (OCE).

Since the program's inception, New Jersey Clean Energy Program (NJCEP) has provided administrative and marketing support to CPC including support for an NJCEP Website, Electronic Data Interchange (EDI) customer enrollment, customer account look-up, consolidated utility billing and verification services to ensure customers received what they were promised. Over the past few years, CPC program expenses have consistently declined in recognition of the ability of CPM to bear more responsibility for the program.

In its December 20, 2011 Budget Order, the Board noted that the OCE would continue to manage the program, but proposes to reduce the level of support provided and instead rely on the efforts of Clean Power Marketers to market and verify delivery of renewable energy. Beginning in 2012, Staff proposed that the EDCs continue to support CPC at its current level by sustaining essential services such as EDI customer enrollment, customer account look-up and consolidated on-line billing services and that CPM cover all other services including marketing and verification.

CPC was established as a voluntary program based on the goal to spur a competitive marketplace for renewable energy without need for additional incentive or support. The EDCs have agreed to continue the CPC program as currently structured while shifting any incremental costs associated with operating the program from NJCEP to the CPMs.

Because the program will no longer be NJCEP-funded, Staff recommended that support services previously provided by the NJCEP also should be transferred to the CPMs. Namely, the CPMs should be required to provide third-party product verification that the appropriate number and type of Renewable Energy Certificates have been bought and retired to meet the CPC obligations. Such requirements will help to ensure that customers are properly informed about the scope of the CPC program.

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

G. Docket Nos. EO08070470 and EO09100830 – In the Matter of the Clean Energy Manufacturing Fund (CEMF) Solicitation Second Round – Award Modification – Noveda Technologies, Inc. – Restructuring CEMF Loan Agreement.

Michael Winka, Director, Senior Policy Advisor, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved amending an award granted by the Board at its October 28, 2009 agenda meeting, for \$3.3 million in assistance to Noveda Technologies, Inc. pursuant to the second public competitive solicitation for the Edison Innovation Clean Energy Manufacturing Fund.

The modifications recommended by Economic Development Authority (EDA), include:

- 1) Revising the amortization to a graduated payment plan;
- 2) Cancelling the undisbursed commitment of \$652,517 in grant and loan funds; and
- 3) Strengthening the Board's collateral position by filing perfected liens with the US Patents and Trademarks Office on all available intellectual property.

Staff agreed with the EDA and recommended the Board approve the 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

B. Scott Hunter, Renewable Energy Program Administrator, presented these matters.

H. Docket Nos. EO12090832V – In the Matter of the Implementation of L. 2012, C. 24, The Act of 2012; and

Docket No. EO12090880V – In the Matter of the Implementation of L. 2012, C. 24 N.J.S.A. (Q) (R) and (S) Proceedings to Establish the Processes for Designating Certain Grid-Supply Projects as Connected to the Distribution System.

BACKGROUND AND DISCUSSION: At its April 29, 2013 Agenda meeting, as part of establishing the process for grid supply projects to seek designation as connected to the distribution system under subsection (q) of the Solar Act, the Board approved an Escrow Agreement. Subsequent experience with the implementation of the application process and Escrow Agreement has led Staff to recognize that the Escrow Agreement does not address the situation where an applicant chooses to withdraw its application prior to Board designation as connected to the distribution system. Stakeholders are concerned that in such a situation they might forfeit their escrow deposits.

Staff's review of subsection (q) led to the conclusion that the Legislature intended for the escrow deposit to be forfeited only for failure to construct and begin operations within two years after Board designation. Therefore, an applicant who withdraws its application prior to designation should be entitled to release of the funds deposited upon presenting written confirmation from Staff that its application has been withdrawn.

Staff recommended the Board approve a Supplement to the Escrow Agreement which provides that escrowed funds shall be returned to an applicant in these circumstances. Staff further recommended the Board authorize Staff to provide the written confirmation without the need for further Board involvement.

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

I. Docket No. EO07030203 – In the Matter of the Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for the 2009 through 2012 Clean Energy Program – Revised 2012-2013 Programs and Budgets – Revised Renewable Energy Incentive Approval Process.

BACKGROUND AND DISCUSSION: In this matter, Staff requested the Board approval requirement for all Renewable Energy program incentives in excess of \$300,000 be raised to \$500,000. Staff had determined that the policy of requiring Board approval prior to issuance of a rebate approval letter results in substantial delays in project development of up to two-to-three months.

Further, Staff was concerned that the anticipated addition of renewable energy storage applications as a program focus for the Renewable Energy Incentives Program, on top of the routine biopower rebate activity, will significantly increase the number of projects that will now

be subject to Board approval, further delaying project development at a time when efforts are aimed at developing projects quickly.

Minimizing delays in the rebate approval process must be balanced with sufficient procedures to ensure that rebate approvals are issued only for projects that meet program requirements approved by the Board.

Staff believed the current procedures are sufficiently robust to meet this objective in that:

- Board Staff provides oversight to the delivery of the programs by the Market Managers, including regular meetings to discuss program issues, review and approval of program guidelines, review and approval of invoices for the payment of rebates and through resolution of disputes; and
- The services provided by the Program Coordinator include review of applications on a sample basis prior to issuance of a rebate approval letter, regular reports to Staff that identify any issues that arise through these reviews, and pre- and post-installation inspections to ensure that all program requirements are met.

After consultation with the Market Managers and Program Administrator, and in light of the program changes anticipated to result in an increased number of applications requiring Board approval, Staff recommended the Board approve a new dollar amount threshold of \$500,000 for applications in all renewable energy programs to trigger Board approval.

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

J. Docket No. EX13050418V – In the Matter of the Implementation of P.L. 2012, Chapter 55, an Act Concerning Energy Savings Improvement Programs.

Gary Finger, Ombudsman, Division of Economic Development and Energy Policy, presented this matter.

BACKGROUND AND DISCUSSION: In this matter, the Board, pursuant to its authority under N.J.S.A. 48:3-109 and Energy Savings Improvement Program (ESIP) statutes, considered adoption of guidelines in furtherance of ESIP administration and with regard to 2012 ESIP amendments. The Board also considered directing Staff to initiate a rulemaking proceeding to consider the full breadth of issues associated with the ESIP process and to further develop the program's requirements in light of the 2012 amendments.

ESIP Law authorizes certain public entities to implement an ESIP when it is determined that the savings generated from reduced energy use from the program will be sufficient to cover the cost of the program's energy conservation measures as set forth in an energy savings plan. ESIPs provide authorized public entities with an alternate method to finance the implementation of energy conservation measures. An ESIP is a type of performance contract, whereby a public entity can leverage the future value of energy savings to pay for the upfront project costs by

using the ESIP financing alternative

Authorized public entities can choose to implement the ESIP in one of three ways: 1) by contracting with an Energy Services Company which would be responsible for virtually all of the required work associated with the completion of the ESIP; (2) the Do-It-Yourself Method, where an authorized public entity with in-house expertise can complete the ESIP work in-house or retain an engineer or an architectural firm with engineering capabilities to assist with the ESIP and the procurement of ESIP related services; or (3) the Hybrid Method, which uses parts of both previous options.

On September 21, 2012, Governor Christie signed P.L. 2012, Chapter 55 (ESIP amendments) which further defines the ESIP process. Notably, the ESIP amendments designate the Board as the agency of the State Government responsible for implementing and enforcing the provisions of the ESIP law. The amendments further authorize the Board to take such action as it deems necessary and appropriate to implement and enforce the ESIP law. The Board is also charged, in consultation with the State Treasurer and the Department of Community Affairs, with establishing a standard request for proposal to be used for all ESIP projects to be undertaken by any State contracting agency or public agency authorized by law to implement an ESIP.

In addition to designating the Board as the implementing agency, the amendments call for certain programmatic changes. Staff recommended the Board adopt revised ESIP guidelines and initiate a rulemaking proceeding.

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

9. MISCELLANEOUS

There were no items in this category.

LATE STARTER A

ENERGY

Docket Nos. BPU ER12121071 and OAL PUC 00613-13 – 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 and for Other Appropriate Relief (2012).

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

BACKGROUND AND DISCUSSION: On December 11, 2012, Atlantic City Electric Company (ACE or Company) filed a petition with the Board seeking a \$71.431 million (exclusive of Sales and Use Tax (SUT) increase in its base rates for electric service and an approximate \$1.732

(excluding SUT) decrease in the Company's Regulatory Asset Recovery Charge, pursuant to N.J.S.A. 48:2-21 and 48:2-21.1. In addition, the Company also requested other changes to its tariff. The matter was transmitted to the Office of Administrative Law (OAL) for hearing and was assigned to Administrative Law Judge Gail M. Cookson.

On March 20, 2013 (March 20 Order), the Board issued an Order establishing a generic proceeding to examine the prudence of costs incurred by New Jersey utilities in response to Major Storm Events in 2011 and 2012. On April 4, 2013, the Board filed a letter with the OAL in the Company's base rate proceeding (BPU Docket No. ER12121071) directing that those portions of the Company's pending base rate case pertaining to the recovery of Major Storm Event expenditures be returned to the Board for consideration in the separate, generic proceeding.

On April 9, 2013, ACE filed a petition requesting recovery of certain of its Major Storm Event costs related to the derecho and Superstorm Sandy, which was assigned BPU Docket No. EO13040365. Specifically, the Company requested recovery of Operations and Maintenance (O&M) costs of approximately \$13,943,000 related to the derecho. The Company also requested recovery of O&M costs of approximately \$12,149,000, and capital costs of \$21,237,000 both related to Superstorm Sandy. Subsequently, the Company provided updated information demonstrating what the Company maintained are the actual capital costs of \$21,662,252 and actual O&M costs of \$13,939,840 related to the derecho, and actual capital costs of \$22,550,110 and actual O&M costs of \$11,863,626 related to Superstorm Sandy. The Company confirmed that it had received no insurance proceeds or funds from any governmental program or third party to cover any portion of these costs. The filing included other information required by the March 20 Order including proposed tax treatment and copies of the Company's Major Event Reports filed with the Board pursuant to N.J.A.C. 14:5-8.8, detailing the impact of the Major Storm Events on ACE's system, and the associated restoration efforts. The Company proposed to amortize the incremental expenses over a three-year period, and requested expedited review of these costs to allow recovery within the pending rate case.

After engaging in discovery and settlement negotiations, on June 20, 2013, the Company, Board Staff (Staff), the New Jersey Division of Rate Counsel, Walmart and the Standby Service Customers (collectively, the Stipulating Parties) executed a stipulation of settlement of the Major Storm costs petition (Storm Costs Stipulation) and a separate stipulation for the base rate case (Rate Case Stipulation). By letter dated June 20, 2013, the Board requested the return of the base rate case from the Office of Administrative Law pursuant to N.J.A.C. 1:1-3.3(a) so that the Rate Case Stipulation could be considered at the June 21, 2013 agenda meeting.

Staff recommended the Board approve the Stipulations.

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

LATE STARTER B

CLEAN ENERGY

Docket No. EO08040273 – In the Matter of the Clean Energy Program – Municipal Audit Program Contract Extension.

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

BACKGROUND AND DISCUSSION: The Local Government Energy Audit (LGEA) Program offers subsidized energy audits to municipalities and other local government entities. The program subsidizes the full cost of the audit if the eligible government entity installs cost effective energy efficiency measures recommended in the audit. On June 30, 2013 this contract will expire, Applied Energy Group, Inc., Honeywell International, Inc. and TRC Energy Services contracts expire on June 30, 2013.

Treasury approved the LGEA contract extension on June 20, 2013. Staff recommended the Board approve a five-month extension of the LGEA contract through December 31, 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

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



KRISTI IZZO
BOARD SECRETARY

November 22, 2013