A Regular Board meeting of the Board of Public Utilities was held on August 21, 2013, at the State House Annex, Committee Room 11, 125 West State Street, Trenton, New Jersey 08608.

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

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

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

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

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

It was announced that the next regular Board Meeting would be held on September 18, 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

<table>
<thead>
<tr>
<th>Registration Number</th>
<th>Company Name</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>EE13070655L</td>
<td>Hovey Energy, LLC</td>
<td>I – EA</td>
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<tr>
<td>EE13080702L</td>
<td>National Energy Group, Corporation</td>
<td>I – EA/EC</td>
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<tr>
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<td>EE13010021L</td>
<td>TLR Energy, Incorporated</td>
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<td>GE13010022L</td>
<td>Commercial &amp; Industrial Energy Solutions, LLC</td>
<td>I – EA/PA/EC</td>
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<td>d/b/a NUS Consulting Group</td>
<td>R – EA</td>
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<td>EE13060503L</td>
<td>Walsh Energy, LLC d/b/a Peak Energy Group</td>
<td>I – EA/EC</td>
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<tr>
<td>GE13060504L</td>
<td>Your Choice Energy, LLC</td>
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</table>

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

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<td>EE13060463L</td>
<td>Consumer Sales Solutions, LLC</td>
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<td>EE13070622L</td>
<td>Energy Management Resources of Missouri, Inc.</td>
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<td>Energy Procurement Partners, LLC</td>
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<td>Energy Solutions Group, LLC</td>
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<td>EE13060511L</td>
<td>EnergySolve, LLC</td>
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<td>EE13060521L</td>
<td>Energy Spectrum, Incorporated</td>
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<tr>
<td>EE13060505L</td>
<td>Groom Energy Solutions, LLC</td>
<td>R – EA/PA</td>
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<tr>
<td>GE13060506L</td>
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<tr>
<td>GE13070659L</td>
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C. Electric Power or Natural Gas Supplier Initial Licenses

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<th>Company Name</th>
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<tr>
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<td>Sperian Energy, Corporation</td>
<td>I – GSL</td>
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<tr>
<td>GE13070639L</td>
<td>Compass Energy Gas Services, LLC</td>
<td>I – GSL</td>
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<tr>
<td>GE13020103L</td>
<td>Vista Energy Marketing, LP</td>
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</table>
Electric Power and/or Natural Gas Supplier License Renewals

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<tr>
<th>License Number</th>
<th>Company Name</th>
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<td>Green Mountain Energy Company</td>
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<td>EE13060522L</td>
<td>Reliant Energy Northeast, LLC, d/b/a Reliant</td>
<td>R – ESL</td>
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<td>EE13060524L</td>
<td>MPower Energy New Jersey, LLC</td>
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<td>GE13060525L</td>
<td>Commerce Energy, Incorporated</td>
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<td>Constellation NewEnergy, Incorporated</td>
<td>R – ESL</td>
</tr>
<tr>
<td>GE13070650L</td>
<td>Metromedia Energy, Incorporated</td>
<td>R – GSL</td>
</tr>
<tr>
<td>GE13070660L</td>
<td>Compass Energy Services, Incorporated</td>
<td>R – GSL</td>
</tr>
</tbody>
</table>

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:

- Hovey Energy, LLC
- National Energy Group Corp.
- O.E. Group d/b/a Optimal Energy
- Progressive Energy Consultants, LLC
- Pennell & Wiltberger Inc. d/b/a PWI Engineering Inc.
- TLR Energy Inc.
- Commercial and Industrial Energy Solutions, LLC
- Walsh Energy LLC d/b/a Peak Energy Group
- Your Choice Energy LLC

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

- National Utility Service, Inc. d/b/a NUS Consulting Group
- Premier Energy Group, LLC
- Consumer Sales Solutions, LLC
- Energy Management Resources of Missouri, Inc. d/b/a Energy Management Resources
- Energy Procurement Partners LLC
- Energy Solutions Group LLC
- EnergySolve, LLC
- Energy Spectrum, Inc.
- Groom Energy Solutions LLC
- Metromedia Power, Inc.
- Acclaim Energy, Ltd. d/b/a Acclaim Energy Advisors
• SourceOne, Inc. (DE)
• Secure Energy Solutions, LLC

In addition, Staff recommended the following applicants be issued initial licenses as an electric power or natural gas supplier for one year:
• Park Power, LLC
• Sperian Energy Corp.
• Compass Energy Gas Services, LLC
• Vista Energy Marketing, L.P.

Lastly, Staff recommended the following applicants be issued renewal licenses as an electric power and/or natural gas supplier for one year:
• Green Mountain Energy Company
• Constellation NewEnergy, Inc. d/b/a Constellation
• Reliant Energy Northeast, LLC d/b/a Reliant
• MPower Energy NJ LLC
• Commerce Energy, Inc. d/b/a Just Energy
• Constellation NewEnergy – Gas Division, LLC
• Metromedia Energy, Inc.
• Compass Energy Services, Inc.

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

II. ENERGY


BACKGROUND: The Working group for Investment in Reliable and Economic Electric Systems (a/k/a WIRES) is a national non-profit association, composed principally of transmission owners, who promote investment in the transmission infrastructure. WIRES filed a petition asking the Federal Energy Regulatory Commission (FERC) to adopt a number of changes to its return on equity (ROE) policy that would shield existing ROEs from the downward pressures being exerted by present-day capital markets and realistic applications of the Discounted Cash Flow methodology.

A motion to intervene and comments were filed by Staff on the Board’s behalf in this matter. Staff recommended the Board’s ratification.

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


BACKGROUND: On July 5, 2013, Ameren Energy Resources Generating Company (AERG) filed a formal complaint against Midcontinent Independent System Operator, Inc. (MISO) regarding the compensation that a System Support Resource unit should be provided under MISO’s Tariff.

AERG was asking the Federal Energy Regulatory Commission (FERC) to expand the types of payments its plant can receive under its reliability-must-run-type contract in the MISO, indicating that the commission in other Independent System Operators has approved costs outside of those deemed incremental. Specifically, AERG requested FERC to find that existing costs at the plant, including a return on “undepreciated rate base, depreciation expense, and taxes,” should be included in its System Support Resource agreement with MISO to run its 95-MW Edwards 1 plant.

After review, Staff recommended the Board ratify the Motions to Intervene and Comments filed with FERC on or about July 29, 2013, under docket number EL13-76 and ER13-1962.

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


BACKGROUND: The Initial Decision of the Administrative Law Judge was received by the Board on July 17, 2013; therefore the 45-day statutory period for review and the issuing of a Final Decision expires on September 2, 2013. Prior to that date, the Board requested an additional 45-day extension of time for issuing the Final Decision to allow sufficient time to review the Initial Decision and the entire record in this matter.

Good cause having been shown, pursuant to N.J.S.A. 52:14B-10(c) and N.J.A.C. 1:1-18.8, Staff recommended that the time limit for the Board to render a Final Decision be extended until October 17, 2013.

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

A. Docket No. CE13040303 – In the Matter of the Petition of Comcast of Central New Jersey II, LLC for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Township of Mendham, County of Morris, State of New Jersey.

BACKGROUND: On January 29, 2013, the Township of Mendham (Township) adopted an ordinance granting renewal municipal consent to Comcast of Central New Jersey, II, LLC (Comcast). On February 13, 2013, Comcast formally accepted the terms and conditions of the ordinance, and on April 10, 2013, Comcast filed with the Board for a renewal of its Certificate of Approval for the Township.

After review, Staff recommended approval of the proposed Renewal Certificate of Approval for the Township. This Order shall be effective on September 3, 2013.

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

B. Docket No. CE13030200 – In the Matter of the Petition of Comcast of Garden State, L.P. for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Borough of Pemberton, County of Burlington, State of New Jersey.

BACKGROUND: On November 19, 2012, the Borough of Pemberton (Borough) adopted an ordinance granting renewal municipal consent to Comcast of Garden State, L.P. (Comcast). On January 3, 2013, Comcast formally accepted the terms and conditions of the ordinance, and on March 8, 2013, Comcast filed with the Board for a renewal of its Certificate of Approval for the Borough.

After review, Staff recommended approval of the proposed Renewal Certificate of Approval for the Borough. This Order shall be effective on September 3, 2013.

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

C. Docket No. CE13050395 – In the Matter of the Petition of Comcast of South Jersey, LLC for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Borough of Woodstown, County of Salem, State of New Jersey.

BACKGROUND: On February 12, 2013, the Borough of Woodstown (Borough) adopted an ordinance granting renewal municipal consent to Comcast of South Jersey, LLC. On March 18, 2013, Comcast formally accepted the terms and conditions of the ordinance, and on May 16, 2013, Comcast filed with the Board for a renewal of its Certificate of Approval for the Borough.

After review, Staff recommended approval of the proposed Renewal Certificate of Approval for the Borough. This Order shall be effective on September 3, 2013.

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


BACKGROUND: This matter involved Staff requesting approval to submit Board’s Comments to Federal Communications Commission (FCC). The comments urge the FCC to deny Verizon’s application. The Board also objected to any action by the FCC that would automatically grant Verizon’s Application on the 60th day after the release of the Public Notice, or otherwise allow Verizon’s Voice Link service to go into effect. The comments ask the FCC to notify Verizon that its request for discontinuance will not be automatically effective and the FCC should allow for further review of the Application.

These comments were filed on July 29, 2013, and staff recommended the Board to authorize the filing of the document.

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

B. Docket No. TF13070628 – In the Matter of the Petition of tw telecom, Inc., tw telecom Holdings, Inc., tw telecom Holdings II LLC and tw telecom of New Jersey L.P. for Authority to Enter into Certain Financing Arrangements.

BACKGROUND: tw telecom Inc., tw telecom holdings II LLC, tw telecom holdings Inc. and TW Telecom of New Jersey LP, (together, the Petitioners, and each a Petitioner), filed a Petition with the Board dated July 8, 2013, for approval to participate in various debt financing arrangements and capital leases.

The Petitioners requested the Board approval to encumber the assets of tw-nj as security for up to $3.0 billion in long-term indebtedness and capital leases of tw telecom Inc. and holdings (and, as applicable their other direct and indirect subsidiaries, including TW-NJ). The Petitioners stated that the requested authority will be used, in part, to refinance various debt issuances previously authorized by the Board in BPU Docket Nos. TF06080601, TF10020159 and TF12050430. The Petitioners also requested authority for tw-nj to guarantee and assume the obligations of tw telecom inc. and holdings (and, as applicable their other direct and indirect subsidiaries) of up to $3.0 billion in long-term indebtedness, and capital leases.

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

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

C. Docket No. TM13060493 – In the Matter of the Verified Joint Petition of Birch Communications, Inc. and Lightyear Network Solutions, LLC for Approval to Transfer Assets and Customers.

BACKGROUND: On June 17, 2013, Birch Communications, Inc. (Birch or Petitioner) Lightyear Network Solutions, LLC (Lightyear) filed with the Board a petition for approval to transfer assets and customers from Lightyear to Birch. Customers of Lightyear will receive
services utilizing Birch’s existing interconnection agreements, 911 arrangements and numbering arrangements. The Petitioner has complied with Mass Migration guidelines at N.J.A.C. 14:10-12.1 et seq.

Birch will file any necessary tariff revisions to incorporate Lightyear’s current services and rates so that the affected customers of Lightyear will continue to receive services under the same terms, rates and conditions that they currently receive without any immediate changes.

After review, Staff recommended approval of the Petitioner’s request.

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

**D. Docket No. TM13070609 – In the Matter of the Application of Verizon New Jersey, Inc. for the Approval of the Sale and Conveyance of Real Property Located in the Township of Cherry Hill, County of Camden, State of New Jersey to Route 70, LLC.**

**BACKGROUND:** On July 1, 2013, Verizon New Jersey Inc. (VNJ or Petitioner) filed a petition seeking the Board’s approval of the sale and conveyance of real property located in the Township of Cherry Hill, Camden County, New Jersey (Property), to Route 70, LLC for the consideration of $426,666.00. VNJ also requested a waiver of the Board’s Rules under N.J.A.C. 14:1-5.6, which requires the Petitioner to re-advertise the Property prior to the second round of bidding if the first round of bidding does not produce an acceptable offer. VNJ maintained that the Property will not be required for any present or prospective utility purposes.

After review, Staff recommended the Board approve the petition and grant a waiver to the advertising rule as specified under N.J.A.C. 14:1-5.6. The waiver should be granted since the competitive bidding process produced the highest bid. The Petitioner accepted the best achievable market price and the re-bidding by the previous bidders, without any further advertisement of the property, has had no adverse impact on the final outcome. Furthermore, 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.

**V. WATER**

**A. Docket No. WO13070617 – In the Matter of the Resolution of the Township of Chester (Township) Requesting Water Service from the Washington Township Municipal Utilities Authority to Serve a Portion of the Township.**

On July 3, 2013, the Township of Chester (Chester) filed a Petition with the Board stating that on June 5, 2013, Chester had adopted Resolution R-2013-62 requesting that the Washington Township Municipal Utilities Authority furnish potable water at retail to portions of Chester.

Chester requested the Resolution be approved by the Board pursuant to N.J.S.A. 40:14B-20(6) which states, in part, with regard to a municipal utility authority “…that no water shall be sold at retail in any municipality without the district unless the governing body of such
municipality shall have adopted a resolution requesting the municipal authority to sell water at retail in such municipality, and the board of public utility commissioners shall have approved such resolution as necessary and proper for the public convenience."

After review, Staff determined that approval of Resolution R-2013-62 is necessary and is in the public’s interest for the provision of safe, adequate and proper water service. Therefore, Staff recommended Board approval of the Petition, subject to the provisions contained in the Board Order.

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


BACKGROUND: The Initial Decision of the Administrative Law Judge was received by the Board on July 25, 2013; therefore the 45-day statutory period for review and the issuing of a Final Decision will expire on September 9, 2013. Prior to that date, the Board requested an additional 45-day extension of time for issuing the Final Decision to allow the parties sufficient time to file exceptions and for the Board to fully review the record in this matter.

Good cause having been shown, pursuant to N.J.S.A. 52:14B-10(c) and N.J.A.C. 1:1-18.8, Staff recommended that the time limit for the Board to render a Final Decision be extended until October 24, 2013.

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


BACKGROUND: This matter involved a billing dispute between Augustine Ukeachu (Mr. Ukeachu) and Public Service Electric and Gas Company (PSE&G). The matter was transmitted to the Office of Administrative Law on October 17, 2012, as a contested case. Administrative Law Judge (ALJ) Leland S. McGee filed an Initial Decision in this matter with the Board on July 19, 2013, approving a Stipulation of Settlement (Settlement) of the parties.

Pursuant to the Settlement, PSE&G will apply a $400.00 credit to Mr. Ukeachu’s arrears balance of $819.61 leaving an arrears balance of $419.61. In return, Mr. Ukeachu shall pay the arrears balance of $419.61 in monthly installment payments of $35.00 plus current charges over a period of twelve (12) months. Payments shall be due in full on the date specified on the invoice submitted to Mr. Ukeachu and failure to follow this installment plan will
void the Settlement and the remaining charges shall be due in full.

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

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


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 August 26, 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 October 10, 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

A. Approval of the Minutes of April 29, 2013.

BACKGROUND: Staff presented the minutes from the April 29, 2013 Agenda Meeting and recommended they be accepted.

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

After appropriate motion, the consent agenda was approved.

Roll Call Vote:  

President Hanna  Aye  
Commissioner Fox  Aye  
Commissioner Fiordaliso  Aye  
Commissioner Holden  Aye  
Commissioner Solomon  Aye
AGENDA

1. AUDITS


Maureen Clerc, USF Team, Office of the Secretary, presented this matter.

BACKGROUND AND DISCUSSION: On August 20, 2013, Department of Community Affairs (DCA) submitted its USF administrative cost budget for State Fiscal Year 2014 (FY 2014) in the amount of $7,220,743.00. This is a $727,556.00 decrease from the prior fiscal year’s budget.

The FY 2014 budget is broken down as follows:

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<th></th>
<th>Amount</th>
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<td>DCA</td>
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<td>Subgrantees</td>
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<td>County Welfare Organizations</td>
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<tr>
<td>Community Based Organizations</td>
<td>$5,079,782.00</td>
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<tr>
<td>Total</td>
<td>$7,220,743.00</td>
</tr>
</tbody>
</table>

DCA’s proposed administrative budget for the 2013-2014 program year included administrative costs above the $3 million cap that was instituted in the April 2003 Order, which accordingly required the Board approval prior to such expenditures.

Staff reviewed DCA’s proposed budget and found that the costs listed therein appeared to be appropriate and necessary for the administration of the USF program by DCA. The costs contained in the budget are proportionally justified, relative to the enrollment size of the program. Therefore, Staff recommended the Board approve this budget. It is noted that the budget is an estimate. DCA will provide the Board with an accounting of all expenditures; after reviewing these expenditures, Staff will report to the Board for final approval of all expenditures.

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

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

2. ENERGY

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

A. Docket No. ER12030293 – In the Matter of Rockland Electric Company’s Annual Societal Benefits Charge Filing.

BACKGROUND AND DISCUSSION: On March 30, 2012, Rockland Electric Company (RECO
or Company) filed a petition with the Board seeking approval of its revised annual Societal Benefits Charge (2012 SBC). The annual filing is submitted to reconcile any over or under-recovered balances recovered through the SBC and to provide for current program cost recovery. These program costs relate to RECO’s Demand-side Management Programs (DSM), the Clean Energy Program (CEP), Universal Service Fund (USF) and Lifeline programs.

In its March 30, 2012 filing, RECO initially proposed an increase in the SBC rate from the previously existing rate of 0.6727¢/kWh to 0.7164 ¢/kWh, including Sales & Use Tax (SUT), for all classes of customers effective as of August 1, 2012. The proposed rate reflected (1) a 0.3920 ¢/kWh rate component including SUT, reflecting $5,964,379 in projected DSM Programs and CEP spending for the twelve-month period ending July 31, 2013, and an undercollection of $132,493 for the period August 1, 2011 through July 31, 2012; (2) a 0.2567 ¢/kWh rate component, including SUT, relating to USF; and (3) a .0677 cents per kwh rate component including SUT relating to Lifeline. The 2012 SBC Filing did not propose any changes to the USF and Lifeline rate components of the SBC, as these rates are subject to review in a separate statewide proceeding.

The Company subsequently recalculated the SBC based on actual data for the period August 1, 2011 through July 31, 2012. The result was a revised proposed SBC rate of 0.7158 ¢/kWh, including SUT, effective as of January 1, 2012. This revised rate included an under-collection of $123,333 for the period August 1, 2011 through July 31, 2012, in addition to the projected DSM/CEP spending for the twelve-month period ending July 31, 2013. The Company’s recalculation did not propose any changes to the USF and Lifeline rate components of the SBC, and thus included the Board approved USF and Lifeline rates that were effective at that time.

Throughout the course of this proceeding, the Board Staff and the Division of Rate Counsel (Rate Counsel) propounded numerous discovery requests which were responded to by the Company. On July 1, 2013, two public hearings were held in Mahwah, New Jersey. No members of the public attended the hearings or submitted comments.

Representatives of the Company, Staff and Rate Counsel (collectively, the Parties) engaged in substantive discussions in an attempt to resolve all outstanding issues and to finalize the Company’s SBC charge. As a result of those discussions, on July 9, 2013, the Parties entered into a Stipulation resolving all issues in this proceeding.

Staff recommended the Board issue an order adopting the Stipulation of the Parties as just and reasonable.

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

**Roll Call Vote:**

- President Hanna: Aye
- Commissioner Fox: Aye
- Commissioner Fiordaliso: Aye
- Commissioner Holden: Aye
- Commissioner Solomon: Aye

BACKGROUND AND DISCUSSION: On June 28, 2013, Jersey Central Power & Light Company, Public Service Electric and Gas Company, and Rockland Electric Company (collectively, the EDCs) filed a joint petition with the Board requesting recovery of Federal Energy Regulatory Commission (FERC) approved changes in firm transmission service related charges.

The EDCs’ proposed tariff changes reflect increases to the Basic Generation Service (BGS) Fixed Price (BGS-FP) and Commercial and Industrial Energy Pricing (BGS-CIEP) rates to customers resulting from changes in the PJM Open Access Transmission Tariff (OATT) made in response to (i) the annual formula rate update filings made by PPL Electric Utilities Corporation (PPL) in FERC Docket No. ER09-1148, by American Electric Power Service Corporation (AEP) in FERC Docket No. ER08-1329 and ER10-355, and by Trans-Allegheny Interstate Line Company in FERC Docket No. ER07-562, and (ii) the formula rate update filings made by the public utility affiliates of Pepco Holdings Inc. in FERC Docket No. ER08-1423 and the respective utility affiliate compliance filings for formula rate updates made by Atlantic City Electric Company (ACE) in Docket No. ER09-1156, Delmarva Power and Light in Docket No. ER09-1158, and Potomac Electric Power Company in Docket No. ER09-1159. The filings referred to in (i) and (ii) above are collectively referred to as the Filings. The EDCs requested that the changes become effective on September 1, 2013.

The Transmission Enhancement Charges (TECs) detailed in Schedule 12 of the PJM OATT were implemented to compensate transmission owners for the annual transmission revenue requirements for Required Transmission Enhancements that are requested by PJM for reliability or economic purposes. TECs are recovered by PJM through an additional transmission charge in the transmission zones assigned cost responsibility for Required Transmission Enhancement projects.

The BGS-FP and BGS-CIEP rates included in the amended tariff sheets for each EDC reflect costs effective on June 1, 2013 for TECs resulting from all of the FERC-approved filings, except the AEP- East filing which is effective on July 1, 2013. The EDCs also requested that the BGS suppliers be compensated for the changes to the OATT resulting from the implementation of the updates from formula rates effective June 1 and July 1, 2013. Suppliers will be compensated subject to the terms and conditions of the applicable Supplier Master Agreements. Any differences between payments to BGS-FP and BGS-CIEP Suppliers and charges to customers will flow through BGS Reconciliation Charges. This treatment is consistent with the previously-approved mechanisms.

No comments were received from Rate Counsel or any other party.

Staff recommended the Board issue an order accepting the proposed tariff changes and approving implementation of changes to the EDCs’ retail transmission rates as filed with FERC, effective for service on or after the date of service of the Board Order. Staff further recommended approval of the EDCs’ request that the affected BGS suppliers receive the appropriate compensation for the rate adjustment(s) subject to the terms and conditions of the appropriate BGS-FP and BGS-CIEP Supplier Master Agreement(s).
DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

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

C. Docket No. GO12070693 – In the Matter of the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas for Approval of an Accelerated Infrastructure Replacement Program and an Associated Cost Recovery Mechanism.

BACKGROUND AND DISCUSSION: On July 24, 2012, Elizabethtown Gas (ETG, Company) filed a petition requesting the Board approve the Company’s Accelerated Infrastructure Replacement Program (AIR) to invest up to $135.0 million in the Company’s natural gas infrastructure over a five-year period to enhance the safety, reliability and integrity of the Company’s distribution system while stimulating the New Jersey economy. The projects included in the proposed AIR are incremental to the Company’s projected normal capital expenditures and do not duplicate any of the projects previously undertaken in connection with the Company’s Utility Infrastructure Investment Program. ETG also sought authority to recover the costs associated with the proposed AIR in a timely manner via a recovery mechanism similar to that presently in place.

Subsequent to extensive discovery and discussions, the Company, Rate Counsel, and Board Staff (the Parties) reached a stipulation of agreement which resolve all issues. Staff recommended the Board approve the stipulation of the Parties.

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

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

D. Docket Nos. GR12100951, GR11060360, GR10110836, GR09110925 and GR09030195 – In the Matter of the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas for Approval to Revise Its Base Rates to Recover the Costs of Its Utility Infrastructure Enhancement Program and Related Tariff Revisions.

BACKGROUND AND DISCUSSION: Elizabethtown Gas’ (Company) utility infrastructure enhancement (UIE) Program was initially authorized by a Board Order dated April 28, 2009 approving a stipulation between the Company, Board Staff and Rate Counsel in which they agreed to allow the Company to recover the costs associated with in accelerated construction spending (UIE I Projects) to occur over a multi-year period beginning April 2009.

In compliance with the Board’s May 16, 2011 Order in Docket Nos. GO10120969 and GR09030195, the Board approved a Stipulation authorizing the Company to recover its UIE I
and UIE II costs through an adjustment to base rates.

On September 22, 2011 in Docket GR11060360 the Company was authorized to provisionally increase its base distribution revenue by $8.159 million effective October 1, 2011. On February 1, 2012, the Company terminated the UIE Rider rate and credited the BGSS-P rate $0.615 million. On October 23, 2012 in Docket GR12100951, the Company petitioned to increase its base distribution revenue by $2.108 million related to estimated UIE II project costs through October 31, 2012.

On December 5, 2012 the Company filed a Supplemental Petition supporting a base revenue increase of $2.339 million based on actual results through October 31, 2012. Following discovery and discussions, Elizabethtown Gas, Rate Counsel and Board Staff (the Parties) executed a Stipulation that recommended approval of the Company’s Petition to implement the UIE ($2.339 million) revenue adjustment on a final basis.

Staff’s recommended the Board approve the Parties’ Stipulation.

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

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


**BACKGROUND AND DISCUSSION:** On June 1, 2013, South Jersey Gas Company (SJG or the Company) filed with the Board its annual petition to establish new periodic Basic Gas Supply Service (BGSS) rates for the period October 1, 2012 through September 30, 2013. The Company’s petition sought a decrease to its periodic after-tax per therm BGSS charge from the then current charge of $0.6493 to $0.5325, a reduction of $0.1168, to be effective October 1, 2012.

Following review and discussions, SJG, Rate Counsel, and Board Staff entered into a Stipulation for Final BGSS and Conservation Incentive Program (CIP) Rates, dated July 30, 2013, agreeing that the Company’s provisional BGSS and CIP Rates should be implemented on a final basis. The Stipulation for Final BGSS and CIP Rates had provided for an increase in annual revenue of $3.39 million for SJG.

There was no change in rates at this time.

ALJ Irene Jones issued an Initial Decision approving the Stipulation for Final BGSS and CIP Rates.
After review of the Initial Decision and Stipulation for Final BGSS and CIP Rates of the Parties, Staff found them to be reasonable and in the public interest. Therefore Staff recommended the Board approve the Initial Decision and Stipulation for Final BGSS and CIP Rates in their entirety.

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

**Roll Call Vote:**

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<td>President Hanna</td>
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F. **Docket No. GR11060361 – In the Matter of the Petition of New Jersey Natural Gas Company for Approval of a Pilot Program for the Installation of Compressed Natural Gas Infrastructure and an Associated Recovery Mechanism with the Approval of Changes in the Company’s Tariff for Gas Service.**

**BACKGROUND AND DISCUSSION:** On June 16, 2011, New Jersey Natural Gas Company (NJNG, Company) filed a petition with the Board seeking recovery, through base rates, of up to $15 million for a Compressed Natural Gas pilot program (CNG Program) to construct between seven and ten CNG vehicle refueling stations at host customer locations within its service territory. The express purpose of this CNG Program is to stimulate the deployment and use of natural gas vehicles (NGVs) throughout the State, with particular emphasis on fleet-based organizations. After continued negotiations, on or about May 9, 2012, NJNG circulated a revised settlement proposal.

On May 18, 2012, Rate Counsel filed comments on the revised settlement proposal, reiterating its earlier objections and adding that even the company was agreeing that rate recovery would be an interim basis under N.J.S.A. 48:2-21.1. Rate Counsel continued to object to the proposal and the CNG Program. This program was ultimately approved by the Board at its June 18, 2012 agenda meeting for the period of one year.

On July 9, 2013, NJNG submitted a petition requesting that the Board extend the initial one-year term for this pilot program through December 31, 2013. The Company contended that this extension is needed as a result of Superstorm Sandy which significantly delayed marketing efforts and installation of CNG infrastructure. Rate Counsel, who did not sign the original stipulation approving the CNG pilot program, did not object to NJNGs request for an extension. In its comments, Rate Counsel stated that it recognized that the investments in the CNG Program are subject to review in the Company’s next base rate case.

Staff recommended the Board approve the extension request made by NJNG.
DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:

President Hanna
Commissioner Fox
Commissioner Fiordaliso
Commissioner Holden
Commissioner Solomon

Aye
Aye
Aye
Aye
Aye


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

BACKGROUND AND DISCUSSION: Pennsville Travel Center, Inc. (PTCI) filed a letter petition with the Board requesting a formal hearing and finding that Atlantic City Electric (ACE) should be required to absorb some or all of the cost of relocating 6 utility poles on property near the Delaware Memorial Bridge. The Board transmitted the case to the Office of Administrative Law as a contested case.

By letter dated March 22, 2013, after two years of settlement appeared to have stalled, ALJ Miller notified the parties that a plenary hearing would be conducted on May 20, 2013, where “[a]ll parties [were] expected to appear and be prepared to proceed with the hearing at that time.” Initial Decision at 4. According to ALJ Miller, the July 20, 2010 Prehearing Order placed the burden of proof on PTCI and discovery was ordered to be completed ten days before the first hearing date. Initial Decision at 6. At the May 20, 2013 hearing, PTCI’s counsel appeared but did not present any witnesses or expert witnesses to testify. PTCI made several oral motions during the hearing. First, PTCI moved for adjournment based on a denial of due process, as it had not yet received ACE’s competitive bid package. Initial Decision at 6. PTCI asserted that the bid package was discoverable, and was essential to its case, while ACE maintained that the bid package was irrelevant. Ibid. PTCI’s second motion was for a refund of the deposit it had previously paid to ACE for engineering work. Id. at 7. Third, PTCI moved to enforce a settlement agreement, allegedly memorialized in an email sent by PTCI to ACE. Id. at 8. Finally, PTCI moved for attorneys’ fees asserting that ACE acted in bad faith evidenced by the disparity and fluctuation of the relocation cost estimates ACE provided. Ibid.

Because PTCI had previously moved for interlocutory appeal which the Board denied, at this time the decisions in the earlier Summary Decision Order, as well as those in the Initial Decision, are subject to review.

In the Summary Decision Order, ALJ Miller found that the Board has jurisdiction to determine who bears the costs of relocation of utility infrastructure, that the matter is ripe for decision as a contested case, and that PTCI has the burden of proof. Summary Decision Order at 4. He additionally found that public utilities are required to file tariffs that clearly identify the services offered by a utility as well as the terms and conditions regarding those services, and as the Board supervises activities under those tariffs, including relocation of utility poles, the matter lies within the jurisdiction of the Board. Id. at 5.

In its exceptions dated June 11, 2013, PTCI asserted that the ALJ erred by improperly
assuming the applicability of ACE’s Tariff. PTCI asserts that the Tariff is inapplicable because PTCI is not a “governmental entity”, the Welcome Center serves a public purpose, ACE’s Tariff is devoid of any rates, and ACE’s charges are excessive, punitive, and retaliatory.

Although ACE generally agreed with the Initial Decision, it filed exceptions, stating:

(1) ACE’s Tariff requires PTCI to pay for ACE’s electrical facilities; (2) The common law requires PTCI to pay for relocation of ACE’s electrical facilities; (3) PTCI has not presented a “contested case” ripe for adjudication; (4) PTCI failed to produce any expert to challenge ACE’s estimate; and (5) PTCI failed to file any discovery motion to compel the production of the bid package.

[ACE Exceptions at 1-2.]

In its reply, PTCI asserted that ACE’s exceptions are “procedurally deficient” and should be “wholly rejected” because ACE failed “to specify the findings of fact, conclusions of law or dispositions to which exception is taken,” and even supported the Initial Decision. PTCI Reply to ACE Exceptions at 2. Further, PTCI counters ACE’s claim that this case is not ripe for adjudication, and asserts that a contested case includes one where there is “hardship to the parties if judicial review is withheld at this time” and according to the N.J.A.C. 1:2-2.1, a hearing is required when “adjudication concern[s] ... disputed questions of fact, law or disposition relating to past, current or proposed activities or interests.” PTCI Reply to ACE Exceptions at 3.

PTCI claimed that its harm is “concrete” and the development of the Welcome Center has been and will continue to be delayed until this matter is resolved, resulting in “substantial expense, lost revenues, time impacts, and delay damages.” PTCI Reply to ACE Exceptions at 4. Moreover, PTCI avers that ACE’s exception that PTCI disregarded the ALJ’s requirement to produce expert witnesses should be wholly rejected, but supports its own previous exception that it does not bear the burden of proof. Id. at 2. Lastly, PTCI believed that ACE’s assertion that PTCI failed to compel the bid package in discovery should be rejected, as it is not an exception. Ibid. PTCI claimed that the court previously ordered ACE to produce the bid package and ACE did not comply, so it was not necessary to compel the discovery. Id. at 6.

ALJ Miller found that ACE’s tariff was ambiguous and that there was therefore a need to look to the common law to determine whether ACE’s other ratepayers or PTCI should bear the costs of the relocation of the utility infrastructure. Staff recommended the Board direct Staff to review the applicable provisions of ACE’s tariff to determine if there is any ambiguity about whether section 9.7 is triggered when a non-governmental entity makes a relocation request and, if so, to work with ACE to clarify its tariff. In any event, Staff recommended that the Board should concur with the ALJ’s analysis of the common law to determine who should bear the relocation costs.

Staff also recommended the Board adopt ALJ Miller’s finding that PTCI has not shown that the Welcome Center satisfies the common law public interest exception which would shift the responsibility for relocation costs to ACE’s other ratepayers, presumably along with the burden of proof.

Staff recommended the Board adopt ALJ Miller’s finding that PTCI had sufficient information to prepare its own cost estimate for presentation at the hearing without the ACE bid package. PTCI had a description of the work to be done as prepared by ACE in response to ENR-4,
included as part of Exhibit F to PTCI’s Exceptions, and must have had some idea of the work required to prepare the estimate submitted with the petition. Therefore, Staff recommended the Board find that the ALJ properly denied PTCI’s motion for adjournment.

Staff also recommended the Board find that the ALJ properly denied PTCI’s request for the deposit refund brought for the first time at the May 20, 2013 hearing.

In addition, Staff recommended the Board find that the ALJ properly denied PTCI’s motion to enforce a purported settlement.

After a careful review of the record in this proceeding, including the Summary Decision Order, the Initial Decision, PTCI’s exceptions, ACE’s exceptions, and PTCI’s reply to ACE’s exceptions, Staff recommended the Board adopt the May 20, 2013 Initial Decision. Staff recommended the Board adopt the ALJ’s decision that PTCI failed to satisfy its burden of proof and was not prepared when it had 60 days’ notice of the hearing to prepare, and over two years of failed settlement discussions. Based on the record, the ALJ properly denied PTCI’s four motions at the May 20, 2013 hearing and properly dismissed PTCI’s petition.

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

**Roll Call Vote:**

- President Hanna: Aye
- Commissioner Fox: Aye
- Commissioner Fiordaliso: Aye
- Commissioner Holden: Aye
- Commissioner Solomon: Aye

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

**H. Docket No. GO12100946 – In the Matter of the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas for Authority to Extend the Term of Energy Efficiency Programs with Certain Modifications and Approval of Associated Cost Recovery Mechanism.**

**BACKGROUND AND DISCUSSION:** On October 23, 2012, Elizabethtown Gas (ETG or Company) filed a petition with the Board requesting approval to extend the term of the Company’s current energy efficiency programs (EE Programs) with certain modifications for a four-year period effective as of April 20, 2013. In its filing, the Company proposed an annual budget for its EE Programs of approximately $12 million, or $3 million on an annual basis. The Company’s existing EE Programs were initially authorized by an August 3, 2009 Order in BPU Docket Nos. EO09010056 and GO09010060 *et. al.*

ETG also requested that the costs of the EE Programs continue to be recovered through the Company’s existing EE Program Surcharge entitled the Energy Efficiency Program (EEP) Rider. The Company did not request a change to its EEP Rider rate but will seek any necessary rate adjustments in its next filing with the Board to reconcile that rate.
The Company requested approval of the following programs:

1. Gas Hot Water Heater Incentive Program
2. Oil Tank Removal Grant Program
3. Small Commercial Customer Energy Efficiency Program
4. Large Commercial Customer Energy Efficiency Program
5. Elementary School Energy Efficiency Education Program

Following numerous in-person and telephonic meetings, ETG, Board Staff and the New Jersey Division of Rate Counsel, (Signatory Parties) reached an agreement. On August 9, 2013, the Signatory Parties executed a Stipulation of Settlement (Stipulation) resolving all issues in this matter.

Staff recommended the Board adopt the Stipulation as executed by the Signatory Parties in its entirety, finding the Stipulation to be reasonable, in the public interest and in accordance with the law. Staff further recommended the Board order ETG to file final compliance tariffs within five days of service of the Order.

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

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

I. Docket No. GE12121084 – In the Matter of the Petition of New Jersey Natural Gas Company for Approval of a Municipal Franchise in the Borough of Sayreville, County of Middlesex, State of New Jersey, to Serve Red Oak Power, LLC.

BACKGROUND AND DISCUSSION: On December 17, 2013 New Jersey Natural Gas Company (NJNG) filed a petition requesting the Board approve a municipal franchise granted by the Borough of Sayreville, NJ, so that NJNG can provide gas distribution service to Red Oak Power (Red Oak). Red Oak currently has a tolling agreement with TAQA through Gen X (TAQA) through which Red Oak uses their generating facility to convert the natural gas fuel provided by TAQA into electric energy for delivery back to TAQA, which in turn trades that energy on the PJM wholesale energy market. Currently, Red Oak receives natural gas distribution service from Public Service Electric and Gas Company (PSE&G). The initial term of Red Oak’s current gas supply contract with Energy Resources & Trade and its current gas transportation agreement with PSE&G are due to terminate on or about October 1, 2013. Red Oak and TAQA do not wish to renew their contract with PSE&G and claimed it has a viable bypass option to interconnect with Transco or NJNG.

In February 2013 both TAQA and PSE&G filed motions to intervene in this matter. By order dated March 20, 2013, the Board retained NJNG’s petition for review and hearing and as authorized by N.J.S.A. 48:2-32 designated Commissioner Mary-Anna Holden as the presiding officer with Authority to rule on all motions that arise during the pendency of the case. On June 20 an evidentiary hearing was held and Commissioner Holden presided. Subsequently, initial briefs were submitted by NJNG, TAQA, and PSE&G on July 9 per the procedural
schedule. In lieu of a formal brief, the Division of Rate Counsel, also a party to this filing, submitted a letter dated July 9, 2013 stating that it did not object to the approval of the Petition granting NJNG a municipal Franchise in the Borough of Sayreville. Reply briefs by the same parties were submitted on July 23. Staff did not submit any briefs in this matter.

Staff recommended the Board issue an Order approving the municipal franchise.

DECISION: The Board noted its approval is for this unique set of circumstances, where the facts are narrowly defined. After discussion, the Board adopted the recommendation of Staff as set forth above.

Roll Call Vote:  

President Hanna  Aye  
Commissioner Fox  Aye  
Commissioner Fiordaliso  Aye  
Commissioner Holden  Aye  
Commissioner Solomon  Aye

3. CABLE TELEVISION

There were no items in this category.

4. TELECOMMUNICATIONS

There were no items in this category.

5. WATER

Maria L. Moran, Director, Division of Water, presented these matters.


BACKGROUND AND DISCUSSION: This matter involved the readoption with amendments of Chapter 9 within Title 14 of the New Jersey Administrative Code, which will expire on September 15, 2013. The proposed readoption must be presented for comment to the New Jersey Register before the expiration date of the existing rule to prevent its expiration.

There were no substantive changes made to the existing rule. The suggested amendments are to correct improper citations and typographical errors, and to update contact information.

Staff recommended the Board approve the Chapter 9 rules with the minor, non-substantive changes for publication and comment in the October 7, 2013, volume of the New Jersey Register.
DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

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

B. Docket Nos. BPU 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 to New Jersey American Water Company.

BACKGROUND AND DISCUSSION: This matter involved the Borough of Woodland Park’s petition which sought a declaratory ruling to lawfully compete with another water purveyor in the Borough; the other purveyor is New Jersey American Water (NJAW).

Administrative Law Judge (ALJ) Braswell filed an Initial Decision in this matter with the Board on May 31, 2013. The Board had 45 days to accept, reject or modify the Initial Decision. At its June 21, 2013, Agenda Meeting, the Board requested a forty-five day extension of time from the OAL to August 29, 2013, for issuing the Final Decision.

On June 18, 2013, the Borough filed exception to the entire Initial Decision, claiming that ALJ Braswell ignored almost every factual and legal argument submitted by the Borough in rendering his decision.

On June 26, 2013, Rate Counsel submitted its reply to the Borough’s exceptions supporting the Initial Decision, and recommended the Initial Decision be adopted by the Board in its entirety.

ALJ Braswell concluded that NJAWC maintains an existing, valid, and perpetual franchise. ALJ Braswell determined that the doctrine of equitable estoppel precludes the Borough, as a matter of law, from competing with NJAWC because the Company has spent and will spend a substantial amount of money on its water system and granting a duplicate water system to the Borough would result in an injustice.

Staff recommended the Board adopt the ALJ’s Initial Decision in its entirety, including: (1) confirming that New Jersey American Water has a valid franchise to provide water service to the Borough of Woodland Park; and (2) denying the Borough’s request to install and operate a parallel water system in competition with the existing water purveyor, the New Jersey American Water Company.

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

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

BACKGROUND AND DISCUSSION: This matter involved an Initial Decision in a matter between Country Gardens (Petitioner) and New Jersey American Water. Country Gardens is an apartment complex consisting of 216 apartment units and 11 laundry rooms in 18 buildings located in Carneys Point in Salem County.

Country Gardens filed a petition on February 3, 2009, requesting that New Jersey American Water be ordered to install individual water meters in the complex's boiler rooms. The Petitioner’s request would result in the installation of 227 meters. The Petitioner stated that the installation of individual water meters was aimed at reducing wasteful water consumption.

New Jersey American Water opposed the request to install individual meters in the boiler rooms. New Jersey American Water argued that it had no objection to the installation of individual meters provided that those meters are located in individual meter pits as set forth in its Board approved tariff. New Jersey American Water further argued that N.J.A.C. 14:3-4.2(c) states that meters shall be so located as to be easily accessible for reading, testing, and making necessary adjustments and repairs. Meters should be placed in a location where the visits of the meter reader or tester will cause minimum inconvenience to the customer or to the utility. New Jersey American Water also stated that Petitioner's proposal to have meters installed in locked boiler rooms would not make the meters easily accessible for reading, testing, or making necessary adjustments or repairs and that its employees should not be reasonably expected to carry individual keys to the boiler rooms for access to the meters.

Rate Counsel stated that the installation of meters inside meter pits is standard utility practice and is consistent with New Jersey American Water’s Board approved tariff.


On December 17, 2012, the Country Gardens filed a brief opposing New Jersey American Water’s motion.

On January 29, 2013, Rate Counsel filed a letter brief supporting New Jersey American Water’s motion for Summary Decision.

Administrative Law Judge (ALJ) Pelios filed an Initial Decision on June 13, 2013, finding that New Jersey American Water’s requirement that any meter be housed in meter pits outside of any structure is consistent with and permitted by its tariff. The ALJ further found that New Jersey American Water’s refusal for carrying keys for every customer’s premises is not unreasonable and is not a reason to grant an exception to its Board approved tariff. In granting the motion, ALJ Pelios found that New Jersey American Water’s denial of Country Gardens’ request for an exception was based upon articulated considerations, which tightly hew to the requirements of the governing regulations and its’ own tariff.

Staff recommended the Board adopt ALJ Pelios’ Initial Decision that New Jersey American Water’s Motion for Summary Decision be granted.
DECISION:  After discussion, the Board adopted the recommendation of Staff as set forth above.

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

6. RELIABILITY & SECURITY


James Giuliano, Director of the Division of Reliability & Security and Jerome May, Director of the Division of Energy, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved an update on the Electric Distribution Companies’ (EDCs) compliance with the Board’s January 23, 2013 Order. The EDCs are aggressively complying with the filing documentation deadlines of the order. The EDCs understand that their preparation, response and recovery systems and methodologies must be more transparent and effective. They also understand and have demonstrated in discussions with Staff that local officials and customers are entitled to enhanced real time information about electric systems reliability and outage recovery. The EDCs all conducted storm drills simulating outages to 75% of their customer base as a result of the January Order. EDC websites continue to evolve and are becoming more robust. Staff is continuing its evaluation of the submissions by the EDCs. Working groups have been established to further the intended approach to some events, such as the vegetation tracking recommendations. Additionally, an outside consultant will aid in the review and analysis of some of the larger initiatives and recommendations, including smart grid assessments.

7. CUSTOMER ASSISTANCE

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


BACKGROUND AND DISCUSSION: This matter involved a billing dispute between Margaret Adebayo (Ms. Adebayo) and Elizabethtown Gas (Company). The petition was transmitted to the Office of Administrative Law on October 22, 2012, as a contested case. Administrative Law Judge (ALJ) Kimberly A. Moss filed an Initial Decision in this matter with the Board on July 18, 2013, dismissing the petition of Ms. Adebayo. No exceptions were filed in this matter.

ALJ Moss stated in her Initial Decision that Ms. Adebayo did not prove by a preponderance of the evidence that she was improperly billed by the Company for charges from August 2011.
thru February 2012. ALJ Moss ordered that the Company will not bill Ms. Adebayo for charges incurred at her husband’s Hillside New Jersey residence. ALJ Moss further ordered that Ms. Adebayo had an outstanding balance of $891.00 for charges from August 2011 thru February 2012.

Staff recommended the Board adopt the Initial Decision in its entirety without modification.

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

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

**B. Docket Nos. BPU WC12050467U and OAL PUC 12151-12 – In the Matter of Sing Han Brewery, LLC, Petitioner v. Aqua New Jersey – Billing Dispute.**

**BACKGROUND AND DISCUSSION:** This matter involved a billing dispute between Sing Han Brewery, LLC (SSHB) and Aqua New Jersey, Inc. (ANJ). The petition was transmitted to the Office of Administrative Law on August 31, 2012, as a contested case. Administrative Law Judge (ALJ) Ronald W. Reba filed an Initial Decision in this matter with the Board on July 10, 2013, dismissing the petition of SSHB.

SSHB contended that it was inaccurately billed by ANJ from October 2011 through December 2011. SSHB stated that the bills in question arose from a warehouse which it began leasing in July 2011. It was alleged that the warehouse was never occupied and only a very small amount of water could have been used.

ANJ, in its answer dated August 3, 2012, denied the allegations that SSHB was incorrectly billed. ANJ contended that the meter in question was tested on December 14, 2011, and found to be working correctly, in accordance to Board regulations. ANJ further contended that services were supplied and billed in accordance with terms and conditions and rate schedules set forth in their Board approved Tariff. ANJ requested that the relief sought by SSHB be denied on the basis that it failed to set forth a claim upon which relief may be granted.

ALJ Reba stated that in the testimony of Mr. Hildabrant of ANJ, it was established that when the water was turned on in July 2011, the Company notified the owner of SSHB, Mr. Limm, that there was water running somewhere in the building. ALJ Reba noted that SSHB did not have the building’s plumbing inspected prior to having the water service turned on.

ALJ Reba also stated that at the time of the meter test, an ANJ field service representative, Mr. Hiles, discovered a leaking toilet within the warehouse. ALJ Reba concluded that SSHB did not prove by a preponderance of the credible evidence that the water meter was defective or that inaccurate readings of the meter were taken by the Company. ALJ Reba therefore ordered that the matter be dismissed.

Staff recommended the Board adopt the Initial Decision in its entirety without modification.
DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

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

8. CLEAN ENERGY

Mona Mosser, Bureau Chief, Office of Clean Energy, presented these matters.


BACKGROUND AND DISCUSSION: By Order dated June 21, 2013, the Board had approved the terms of a Stipulation entered into on June 14, 2013, specifically authorizing South Jersey Gas Company (SJG) to extend four energy efficiency programs: 1) Enhanced Residential Heating, Ventilation, and Air Conditioning Rebate; 2) Residential Home Performance Finance; 3) Commercial Customer Direct Install Financing; and 4) Non-Residential Energy Efficiency Investment. The programs were designed to complement or supplement existing New Jersey Clean Energy Program offerings.

In this matter, the Board considered the implementation of a Supplemental Stipulation correcting the June Stipulation that contained some erroneous language regarding the maximum amount of financing available for eligible Direct Install participants. On August 2, 2013, the parties executed a Supplemental Stipulation to amend the calculation error and allow the maximum amount eligible for SJG financing to be $53,571 rather than the $37,500 shown in the Stipulation and Order executed in June.

Staff recommended the Board adopt the Supplemental Stipulation.

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

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


BACKGROUND AND DISCUSSION: On July 9, 2012, New Jersey Natural Gas Company (NJNG) filed a petition requesting the Board approve an extension with modifications of the
energy-efficiency programs made available to NJNG customers known as the SAVEGREEN program. On June 21, 2013, the Board issued an Order approving the terms of a Stipulation entered into on June 10, 2013 among NJNG, the Staff of the Board and the New Jersey Division of Rate Counsel in the above captioned matter (June Stipulation).

This matter concerned a proposed Supplemental Stipulation correcting that portion of the June Stipulation that contained an incorrect calculation of the maximum amount of financing available for eligible Direct Install participants. On August 2, 2013, the parties executed a Supplemental Stipulation to amend the calculation error and allow the maximum amount eligible for NJNG financing to be $53,571 rather than the $37,500 shown in the Stipulation and Order executed in June.

Staff recommended the Board approve adopting the Supplemental Stipulation.

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

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


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

BACKGROUND AND DISCUSSION: On June 21, 2013, the Electric Distribution Companies (EDCs) on behalf of their Basic Generation Service providers (Providers) requested an extension of the deadline for complying with New Jersey’s Renewable Portfolio Standard (RPS) rules at for the energy year that ended on May 31, 2013. On July 15, 2013, the Retail Energy Supply Association (RESA) on behalf of the Third Party Suppliers (Suppliers) also submitted a letter requesting an extension to file their Energy Year 2013 RPS reports. The RPS rules require that Suppliers and Providers submit an annual report by October 1 demonstrating how RPS compliance was achieved, including the total number of megawatt-hours of electricity sold to retail customers, solar renewable energy certificates and Renewable Energy Certificates retired, and solar alternative compliance payment and Alternative Compliance Payments paid.

Based on stakeholder input and Staff investigations, Office of Clean Energy Staff determined that the EDCs’ and RESA’s requests for a two month extension for submitting their annual RPS reports is reasonable as to the solar portion only based on the issues outlined in their letters addressed to the Board. Therefore, Staff recommended the Board approve these requests as to the solar portion of the RPS compliance reports and extend the deadline for submitting the solar RPS compliance reports to December 1, 2013 while maintaining the current due date of October 1, 2013 for the balance of the reports.
DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

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

D. In the Matter of the Clean Energy Program Authorization of Commercial and Industrial Program Energy Efficiency Incentives Exceeding $500,000:

Docket No. EO13070677V – Celgene Corporation

Docket No. EO13070678V – Port Imperial South 13, LLC

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

BACKGROUND AND DISCUSSION: This matter involved the Clean Energy Program's (CEP) authorization of Commercial and Industrial (C&I) program energy efficiency incentives exceeding $500,000. In the month of July a total of 481 C&I applications were approved by CEP totaling over $7 million in rebates and incentives.

Celgene Corporation
Docket No. EO13070677V
The proposed Celgene Corporation project incentive is for a Pay for Performance (P4P) existing building program located at 86 Morris Ave in Summit, NJ. The total cost of proposed energy conservation measures is $2.3 million and the approved total rebate is $834,568 for an estimated 16.6 MW total energy savings. The P4P program pays out in three payments: one when the energy reduction plan has been approved; and then two equal payments, the first when the equipment is actually installed and the second after a 12-month performance period to confirm what actual energy savings.

Port Imperial South 13, LLC
Docket No. EO13070678V
The proposed Port Imperial South project incentive is for a high-rise multi-family new building construction in Weehawken, NJ which is estimated to achieve 18 percent total energy savings above the current American Society of Heating and Air-Conditioning Engineers standards. The measures include building shell measures, insulation, and windows and doors, interior and exterior lighting, heating, ventilation and air conditioning equipment, both for heating and cooling, as well as pool equipment and low flow plumbing fixtures. The rebate for this project is approximately $516,000 and is estimated to reduce energy costs on an annual basis at almost $150,000 a year.

Staff recommended the Board approve these incentives for Celgene Corporation and Port Imperial South.
DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

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

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


BACKGROUND AND DISCUSSION: On July 23, 2012, L. 2012, c. 24 (Solar Act) was signed into law, amending aspects governing generation, interconnection, and financing of renewable energy. The Act provides at subsection (q) that during Energy Years 2014 (EY14), EY15, and EY16, grid supply solar projects not exempted by other provisions or addressed in subsections (s) or (t) must, in order to be eligible to generate solar renewable energy certificates (SRECs), submit an application to the Board for designation as “connected to the distribution system.” The Act provides the Board “shall” approve such designation if the facility has filed a “notice escrow” of $40,000 per megawatt (MW) and is 10 MW or less. The total approved under subsection (q) in each relevant energy year may not exceed 80 MW.

Twenty eight Notices were filed on May 15, 2013. Staff recommended the Board approve or conditionally approval a total of twenty one subsection (q) applications that fulfilled the application procedures approved by the Board. Staff recommended that eleven applications for a total of 68.9 MW of capacity be approved and designated for EY14, seven applications for a total of 31.2 MW of capacity be conditionally approved for EY 2015, with full approval to commence on the first day of EY15 (June 1, 2014) and three applications for a total of 20.6 MWdc of capacity be conditionally approved for EY16, with full approval to commence on the first day of EY16 (June 1, 2015). Approved applicants were as follows: Con Ed (Frenchtown III); Beaver Run Solar; Energenic/WC Landfill Energy; Rock Solid Realty (Blue Sky); Pittsgrove Solar; JAS Homes/Pennoni; Community Energy (Cedar Branch; Jacobstown; West Pemberton; Monmouth East II; North Run and Harmony Solar); Reeves Station South; Brickyard; Midflare (1101 Quinton-Alloway Rd; and 700 Quinton-Salem Rd.) Alethea Cleantech; Meurer; Zongyi; Solartricity; and Orion Renewable Energy.

Staff recommended these approvals subject to maintenance of escrow and registration within the SREC Registration program and establishing the commencement of two year period for required construction completion as occurring when the application fulfills these conditions and becoming fully approved.

Staff also recommended that since capacity remains in EY14, EY15 and EY16, that a second application process following the previously used methodology be approved to begin on
October 15, 2013 and extend through October 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
Commissioner Solomon Aye


BACKGROUND AND DISCUSSION: On July 23, 2012, L. 2012, c. 24 (Solar Act) was signed into law, amending aspects governing generation, interconnection, and financing of renewable energy. The Act provides at subsection (q) that during Energy Years 2014 (EY14), EY15, and EY16, grid supply solar projects not exempted by other provisions or addressed in subsections (s) or (t) must, in order to be eligible to generate solar renewable energy certificates (SRECs), submit an application to the Board for designation as “connected to the distribution system.” The Act provides the Board “shall” approve such designation if the facility has filed a “notice escrow” of $40,000 per megawatt (MW) and is 10 MW or less. The total approved under subsection (q) in each relevant energy year may not exceed 80 MW.

Twenty eight Notices were filed on May 15, 2013. Staff recommended the denial of the eight Subsection q. applications, with a total of nearly 63 MW of capacity, for not completely fulfilling the requirements established by the Board: True Green Capital; Spano Partners Holding Project; North Park Solar; Innovative Technologies Applications; Syncarpha; EAI; Lumberton Solar; and G&S Wantage.

The Board’s decisions on applications pursuant to subsection (q) will have an impact on the NJ SREC market. By approving applications of completed projects to participate in the SREC market pursuant to subsection (q), prices may decline if market participants have not already accounted for this development. Approving all grid supply solar projects would likely lead to more being built over the long term which would reduce SREC prices, New Jersey’s Renewable Portfolio Standard (RPS) compliance costs and hence electricity supply costs. However, the continued uncertainty about project completions would probably lead to higher financing costs than necessary, reduced investment and higher RPS compliance costs.

Staff recommended that an additional application process under Subsection (q) be opened beginning on October 1, 2013, and notify stakeholders of available capacity within each of the applicable Energy Years and of the process for that solicitation.
DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

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

G. In The Matter of the Clean Energy Program Authorization of Renewable Energy Incentive Program (REIP) Rebates Exceeding $500,000:

Docket No. E013070679V - Bergen County Utilities Authority
Docket No. E013070680V - Township of Neptune Sewerage Authority

BACKGROUND AND DISCUSSION: The Board’s Renewable Energy Incentive Program (REIP) offers financial incentives to encourage installation of Class I renewable energy technologies to generate power with environmental benefits to New Jersey electric utility customers.

Bergen County Utilities Authority
Docket No. E013070679V
Bergen County Utilities Authority (BCUA) applied for an incentive for the installation of a 1.4 MW combined heat and power (CHP) system at its Little Ferry, NJ water pollution control facility to produce electricity through combustion of biogas. The project engineer submitted a signed and sealed estimate that the project will generate approximately 10.5 million kilowatt hours (kWh) annually, well below the 18.25 million kWh the BCUA consumed. The project will produce approximately 34,100 MMBtu of thermal energy annually, which will provide heat for the anaerobic digester. BCUA requested a rebate of $2,500,000, the maximum amount allowed for CHP under the REIP rebate structure, or 38% of total estimated project costs of approximately $6,591,688.

Township of Neptune Sewerage Authority
Docket No. E013070680V
The Township of Neptune Sewerage Authority (TNSA) applied for an incentive for the installation of a 380 kW CHP system at its Neptune, New Jersey water pollution control facility to produce electricity through combustion of biogas pursuant to N.J.A.C. 14:8-2.5(b)7. This application was made under the 2012-2013 REIP guidelines for a standardized equipment rebate for a biopower project to be net metered. The TNSA project is estimated to generate 2.85 million kWh annually, well below the facility’s annual consumption of 4.5 million kWh. TNSA requested a rebate of $1,140,000, less than the $2,500,000 maximum amount allowed for CHP under the 2012-2013 REIP rebate structure, or approximately 23% of the total estimated project costs of approximately $4,999,620.

Staff recently learned that the projects may apply for federal financial assistance. In light of this additional source of income available to the applicant to offset its installation costs, Staff proposed that the project receive a REIP rebate less than or equal to 40% of its total installed costs after deducting any federal funding award.

Staff recommended the Board authorize rebates contingent upon an adjustment downward
should any federal funding be received so that the rebate does not exceed 40% of the applicant's costs after verification of any federal funding award.

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

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

9. MISCELLANEOUS

There were no items in this category.

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

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KRISTI IZZO
BOARD SECRETARY

November 22, 2013