A Regular Board meeting of the Board of Public Utilities was held on September 30, 2014, at the State House Annex, Committee Room 11, 125 West State Street, Trenton, New Jersey 08625.

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

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

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

- Dianne Solomon, President
- Joseph L. Fiordaliso, Commissioner
- Mary-Anna Holden, Commissioner

President Solomon 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 October 22, 2014 at the State House Annex, Committee Room 11, 125 West State Street, Trenton, New Jersey 08625.
CONSENT AGENDA

I. AUDITS

A. Docket No. TE14070819 – In the Matter of the Petition of Network Enhanced Telecom, LLP d/b/a NetworkIP for Approval to Provide Facilities-Based Local Exchange Telecommunications Services throughout the State of New Jersey.

BACKGROUND: By letter dated July 28, 2014, Network Enhanced Telecom, LLP d/b/a NetworkIP (NetworkIP, Petitioner) filed a Petition with the Board requesting authority to provide facilities-based local exchange telecommunications services throughout the State of New Jersey.

Staff recommended the Board approve the request for authority to provide local exchange telecommunications services in the State of New Jersey. Staff also recommended the Board approve the request for waivers from its requirements that Petitioner maintain its books and records in accordance with the USOA and within New Jersey.

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

B. Docket No. TE14080907 – In the Matter of the Verified Petition of ZenFi Networks, Inc. for Approval to Provide Resold and Facilities-Based Local Exchange and Interexchange Telecommunications Services throughout the State of New Jersey.

BACKGROUND: By letter dated August 12, 2014, ZenFi Networks, Inc. (Petitioner or ZenFi) filed a verified Petition with the Board requesting authority to provide facilities-based and resold local exchange and Interexchange telecommunications services in the State of New Jersey.

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

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

C. Energy Agent and/or Private Aggregator Initial Registrations

<table>
<thead>
<tr>
<th>Docket No.</th>
<th>Name of Energy Agent/Aggregator</th>
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<tbody>
<tr>
<td>EE14060589L</td>
<td>Bostwick Energy Partners, LLC</td>
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<td>GE14060590L</td>
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Energy Agent, Private Aggregator and/or Energy Consultant Renewal Registrations

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<tr>
<th>Docket No.</th>
<th>Name of Energy Agent/Aggregator</th>
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<tr>
<td>EE14050453L</td>
<td>5LINX Enterprises, Inc.</td>
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<tr>
<td>EE14050448L</td>
<td>US Energy Consulting Group, LLC</td>
</tr>
<tr>
<td>EE14060584L</td>
<td>RJT Energy Consultants, LLC</td>
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<tr>
<td>GE14060585L</td>
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</tbody>
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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 and private aggregator for one year to:

• bostwick energy partners, llc

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

• 5linx enterprises, inc.
• us energy consulting group, llc
• rjt energy consultants, llc
• lower watt, llc
• NRGing, LLC d/b/a NetGain Energy Advisors
• Woodruff Energy
• Commercial Utility Consultants, Inc. d/b/a Commercial Utility Consultants

In addition, Staff recommended the following applicant be issued an initial license as a natural gas supplier for one year:
• Choice Energy, LLC d/b/a 4 Choice Energy

Staff also recommended the following applicants be issued renewal licenses as an electric and/or natural gas supplier for one year:
• Nordic Energy Services, LLC
• NATGASCO, Inc. d/b/a Supreme Energy, Inc.
• S.J. Energy Partners, Inc.
• Integrys Energy Services – Natural Gas, LLC

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

II. ENERGY

A. Docket No. GE14040366 – In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the Borough of Barrington, County of Camden, State of New Jersey.

BACKGROUND: This matter involved the renewal of municipal consent granted to South Jersey Gas Company (SJG or Company) by the Borough of Barrington (Borough). The Company’s consent to use the streets within the Borough for the provision of gas service expired on October 9, 2012.

On November 12, 2013, the Borough adopted Ordinance No. 1012, by which it renewed its consent and granted SJG continued permission to lay and construct its pipes and mains and related appurtenances and facilities within the streets, alleys, squares and public places within the Borough for a period of 50 years. By letter dated November 25, 2013, the Company accepted and agreed to the terms of the consent.

On April 15, 2014, SJG filed a petition with the Board requesting approval of the consent adopted by the Borough. After review, Staff recommended the Board issue an Order approving the municipal consent.

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

B. Docket No. GE14050408 – In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the Borough of Elmer, County of Salem, State of New Jersey.

BACKGROUND: This matter involved the renewal of municipal consent granted to South Jersey Gas Company (SJG or Company) by the Borough of Elmer (Borough). The Company’s consent to use the streets within the Borough for the provision of gas service expired on September 9, 1997.

On April 9, 2014, the Borough adopted Ordinance No. 2014-15, by which it renewed its
consent and granted SJG continued permission to lay and construct its pipes and mains and related appurtenances and facilities within the streets, alleys, squares and public places within the Borough for a period of 50 years. By letter dated April 29, 2014, the Company accepted and agreed to the terms of the consent.

On May 14, 2014, SJG filed a petition with the Board requesting approval of the consent adopted by the Borough. After review, Staff recommended the Board issue an Order approving the municipal consent.

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

C. Docket No. GE14040360 – In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the Borough of Lindenwold, County of Camden, State of New Jersey.

BACKGROUND: This matter involved the renewal of municipal consent granted to South Jersey Gas Company (SJG or Company) by the Borough of Lindenwold (Borough). The Company’s consent to use the streets within the Borough for the provision of gas service expired on September 11, 1997.

On November 6, 2013, the Borough adopted Ordinance No. 1349, by which it renewed its consent and granted SJG continued permission to lay and construct its pipes and mains and related appurtenances and facilities within the streets, alleys, squares and public places within the Borough for a period of 50 years. By letter dated February 10, 2014, the Company accepted and agreed to the terms of the consent.

On April 15, 2014, SJG filed a petition with the Board requesting approval of the consent adopted by the Borough. After review, Staff recommended the Board issue an Order approving the municipal consent without modification.

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

D. Docket No. GE14040362 – In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the Borough of Runnemede, County of Camden, State of New Jersey.

BACKGROUND: This matter involved the renewal of municipal consent granted to South Jersey Gas Company (SJG or Company) by the Borough of Runnemede (Borough). The Company’s consent to use the streets within the Borough for the provision of gas service expired on October 7, 1997.

On March 4, 2014, the Borough adopted Ordinance No. 14-04, by which it renewed its consent and granted SJG continued permission to lay and construct its pipes and mains and related appurtenances and facilities within the streets, alleys, squares and public places within the Borough for a period of 50 years. By letter dated March 12, 2014, the Company accepted and agreed to the terms of the consent.

On April 15, 2014, SJG filed a petition with the Board requesting approval of the consent adopted by the Borough. After review, Staff recommended the Board issue an Order approving the municipal consent without modification.
DECISION: The Board adopted the recommendation of Staff as set forth above.

E. Docket No. GE14040359 – In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the Borough of Somerdale, County of Camden, State of New Jersey.

BACKGROUND: This matter involved the renewal of municipal consent granted to South Jersey Gas Company (SJG or Company) by the Borough of Somerdale (Borough). The Company’s consent to use the streets within the Borough for the provision of gas service expired on September 10, 1997.

On November 14, 2013, the Borough adopted Ordinance No. 2013:14, by which it renewed its consent and granted SJG continued permission to lay and construct its pipes and mains and related appurtenances and facilities within the streets, alleys, squares and public places within the Borough for a period of 50 years. By letter dated December 11, 2013, the Company accepted and agreed to the terms of the consent.

On April 15, 2014, SJG filed a petition with the Board requesting approval of the consent adopted by the Borough. Staff recommended the Board issue an Order approving the municipal consent without modification.

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


BACKGROUND: This matter involved the renewal of municipal consent granted to South Jersey Gas Company (SJG or Company) by the Borough of Pitman (Borough). The Company’s consent to use the streets within the Borough for the provision of gas service expired on September 22, 1997.

On February 24, 2014, the Borough adopted Ordinance No. 6, 2014, by which it renewed its consent and granted SJG continued permission to lay and construct its pipes and mains and related appurtenances and facilities within the streets, alleys, squares and public places within the Borough for a period of 50 years. By letter dated March 13, 2014, the Company accepted and agreed to the terms of the consent.

On April 15, 2014, SJG filed a petition with the Board requesting approval of the consent adopted by the Borough. Staff recommended the Board issue an Order approving the municipal consent without modification.

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

G. Docket No. GE14040364 – In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the City of Linwood, County of Atlantic, State of New Jersey.

BACKGROUND: This matter involved the renewal of municipal consent granted to South Jersey Gas Company (SJG or Company) by the City of Linwood (City).
Company’s consent to use the streets within the City for the provision of gas service expired on October 14, 1997.

On February 12, 2014, the City adopted Ordinance No. 2, 2014, by which it renewed its consent and granted SJG continued permission to lay and construct its pipes and mains and related appurtenances and facilities within the streets, alleys, squares and public places within the City for a period of 50 years. By letter dated February 24, 2014, the Company accepted and agreed to the terms of the consent.

On April 15, 2014, SJG filed a petition with the Board requesting approval of the consent adopted by the City. Staff recommended the Board issue an Order approving the municipal consent without modification.

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

**H. Docket No. GE14050407 – In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the City of Margate, County of Atlantic, State of New Jersey.**

**BACKGROUND:** This matter involved the renewal of municipal consent granted to South Jersey Gas Company (SJG or Company) by the City of Margate (City). The Company’s consent to use the streets within the City for the provision of gas service expired on July 31, 1997.

On April 17, 2014, the City adopted Ordinance No. 12 of 2014, by which it renewed its consent and granted SJG continued permission to lay and construct its pipes and mains and related appurtenances and facilities within the streets, alleys, squares and public places within the City for a period of fifty 50 years. By letter dated May 5, 2014, the Company accepted and agreed to the terms of the consent.

On May 14, 2014, SJG filed a petition with the Board requesting approval of the consent adopted by the City. Staff recommended the Board issue an Order approving the municipal consent without modification.

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

**I. Docket No. GE14050503 – In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the City of Pleasantville, County of Atlantic, State of New Jersey.**

**BACKGROUND:** This matter involved the renewal of municipal consent granted to South Jersey Gas Company (SJG or Company) by the City of Pleasantville (City). The Company’s consent to use the streets within the City for the provision of gas service expired on October 7, 1997.

On March 17, 2014, the City adopted Ordinance No. 2-2014, by which it renewed its consent and granted SJG continued permission to lay and construct its pipes and mains and related appurtenances and facilities within the streets, alleys, squares and public places within the City for a period of 50 years. By letter dated May 19, 2014, the Company accepted and agreed to the terms of the consent.
On May 28, 2014, SJG filed a petition with the Board requesting approval of the consent adopted by the City. Staff recommended the Board issue an Order approving the municipal consent without modification.

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

J. Docket No. GE14040361 – In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the Township of Evesham, County of Burlington, State of New Jersey.

BACKGROUND: This matter involved the renewal of municipal consent granted to South Jersey Gas Company (SJG or Company) by the Township of Evesham (Township). The Company's consent to use the streets within the Township for the provision of gas service expired on March 7, 2011.

On December 3, 2013, the Township adopted Ordinance No. 27-11-2013, by which it renewed its consent and granted SJG continued permission to lay and construct its pipes and mains and related appurtenances and facilities within the streets, alleys, squares and public places within the Township for a period of 50 years. By letter dated December 11, 2013, the Company accepted and agreed to the terms of the consent.

On April 15, 2014, SJG filed a petition with the Board requesting approval of the consent adopted by the Township. Staff recommended the Board issue an Order approving the municipal consent without modification.

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


BACKGROUND: This matter involved the renewal of municipal consent granted to South Jersey Gas Company (SJG or Company) by the Township of Harrison (Township). The Company's consent to use the streets within the Township for the provision of gas service expired on November 3, 1997.

On April 7, 2014, the Township adopted Ordinance No. 07-2014, by which it renewed its consent and granted SJG continued permission to lay and construct its pipes and mains and related appurtenances and facilities within the streets, alleys, squares and public places within the Township for a period of 50 years. By letter dated May 19, 2014, the Company accepted and agreed to the terms of the consent.

On May 28, 2014, SJG filed a petition with the Board requesting approval of the consent adopted by the Township. Staff recommended the Board issue an Order approving the municipal consent without modification.

DECISION: The Board adopted the recommendation of Staff as set forth above.
L. Docket No. GE14050409 – In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the Township of Mannington, County of Salem, State of New Jersey.

BACKGROUND: This matter involved the renewal of municipal consent granted to South Jersey Gas Company (SJG or Company) by the Township of Mannington (Township). The Company's consent to use the streets within the Township for the provision of gas service expired on May 26, 2011.

On April 3, 2014, the Township adopted Ordinance No. 14-03, by which it renewed its consent and granted SJG continued permission to lay and construct its pipes and mains and related appurtenances and facilities within the streets, alleys, squares and public places within the Township for a period of 50 years. By letter dated April 29, 2014, the Company accepted and agreed to the terms of the consent.

On May 14, 2014, SJG filed a petition with the Board requesting approval of the consent adopted by the Township. Staff recommended the Board issue an Order approving the municipal consent without modification.

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

M. Docket No. GE14040365 – In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the Township of Medford, County of Burlington, State of New Jersey.

BACKGROUND: This matter involved the renewal of municipal consent granted to South Jersey Gas Company (SJG or Company) by the Township of Medford (Township). The Company's consent to use the streets within the Township for the provision of gas service expired on March 15, 2011.

On November 12, 2013, the Township adopted Ordinance No. 2013-13, by which it renewed its consent and granted SJG continued permission to lay and construct its pipes and mains and related appurtenances and facilities within the streets, alleys, squares and public places within the Township for a period of 50 years. By letter dated November 19, 2014, the Company accepted and agreed to the terms of the consent.

On April 15, 2014, SJG filed a petition with the Board requesting approval of the consent adopted by the Township. Staff recommended the Board issue an Order approving the municipal consent without modification.

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


BACKGROUND: This matter involved Cablevision Systems Corporations, Inc. (Cablevision) requesting a waiver of the 30-day notice period for 2 filings of alteration in channel allocation.

Cablevision stated that the waiver requests were sought because it was unable to file notice of an alteration in channel allocation with the Office of Cable Television (OCTV) in sufficient time to comply with the 30-day notice requirement in both instances necessary when a deletion in service occurs. Cablevision also stated that subscribers and municipal officials were notified of the deletion of service on July 1, 2014. Cablevision notified the OCTV by letter on July 2, 2014.

After review, Staff recommended the Board approve Cablevision's requests for waiver of the filing requirements.

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

B. Docket No. CE14040386 – In the Matter of the Petition of Service Electric Cable T.V. of New Jersey, Inc. for a Renewal Certificate of Approval to Own, Operate, Extend and Maintain a Cable Television System in the Township of Vernon, County of Sussex, State of New Jersey.

BACKGROUND: On December 9, 2014, the Township of Vernon granted Service Electric Cable T.V. of New Jersey, Inc. (Service Electric) renewal municipal consent for a term of 10 years. On April 16, 2014, Service Electric accepted the terms and conditions of the ordinance, and on April 30, 2014, Service Electric filed a petition with the Board for its Renewal Certificate of Approval.

After review, Staff recommended approval of the proposed Renewal Certificate of Approval. This Certificate shall expire on May 30, 2022.

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

C. Docket No. CR14020188 – In the Matter of Comcast Cable Communications, LLC for Approval of the Filing of FCC Form 1205 Determining Regulated Equipment and Installation Costs Using the Optional Expedited Rate Procedures.

BACKGROUND: Comcast Cable Communication, LLC (Petitioner) filed Federal Communications Commission (FCC) Form 1205 with the Board seeking approval of certain changes in its regulated equipment and installation rates for the period of January 1, 2015 to December 31, 2015.

This filing resulted in a Stipulation of Final Rates reflecting certain changes in the costs of regulated equipment and installation charges.
Staff recommended the Board adopt the Stipulation of Final Rates in its entirety, thereby approving the Petitioner's FCC Form 1205, adjusting the Petitioner’s regulated equipment and installation rates.

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

D. Docket No. CR14020187 – In the Matter of Comcast of Wildwood, LLC (Maple Shade/Gloucester City) 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:** Comcast of Wildwood, LLC (Maple Shade-Gloucester City) (Petitioner) filed Federal Communications Commission (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 34.0% for the period of January 1, 2015 to December 31, 2015.

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 $9.03 to $12.10 per month. However, the actual bill will reflect a change in the basic (operator selected) rate from $8.70 to $11.10 (an increase of 27.6%).

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

IV. TELECOMMUNICATIONS

A. Docket No. TO14040323 – In the Matter of the Joint Application of Verizon New Jersey, Inc. and Discount CLEC Services Corporation 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 Discount CLEC Services Corporation (collectively, Petitioners) filed an application with the Board, pursuant to Section 252 of the Act for the approval of a negotiated interconnection agreement. The agreement 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.

After review, Staff recommended approval of the Agreement.

**DECISION:** The Board adopted the recommendation of Staff as set forth above.
B. Docket No. TF14080909 – In the Matter of the Verified Petition of Sunesys, LLC for Authority to Provide Guaranty and Other Security in Connection with a Credit Agreement.

BACKGROUND: On August 14, 2014, Sunesys, LLC filed a petition with the Board requesting approval to provide security pursuant to a Third Amended and Restated Credit Agreement, a related Third Amended and Restated Security Agreement, and a related Third Amended and Restated Pledge Agreement, all dated October 30, 2013 and entered into by Quanta Services, Inc. the indirect and ultimate parent of Sunesys, on behalf of itself and its participating subsidiaries.

The Credit Agreement provides for a secured revolving credit facility to Quanta of $1.325 billion in base aggregate commitments. It also allows Quanta the option of incremental revolving credit increases of up to $300 million, total, on conditions set forth in the Credit Agreement. The maturity date of the Credit Agreement is October 30, 2018. The interest rates, may vary during the term of the Credit Agreement or Quanta’s financial condition.

Proceeds from the financing will be used for designing, installing, upgrading, repairing and maintaining network infrastructure in North America and in select international markets.

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

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

C. Docket No. TM14070752 – In the Matter of the Verified Joint Petition of Block Line Systems, LLC, Assignee, and Line Systems, Inc., Magellan Hill Technologies, LLC and Infinite Communications, LLC, Assignors, for Approval for Assignee to Acquire the Customers and Certain Assets of Assignors and for Approval for Assignee to Issue Evidence of Indebtedness in Connection with Certain Financing Arrangements.

BACKGROUND: On July 17, 2014, Block Line Systems, LLC (Assignee or Block) and Line Systems, Inc., Magellan Hill Technologies, LLC, and Infinite Communications, LLC (Assignors) filed a petition with the Board for approval to transfer certain assets, customers and certain financing arrangements from Assignor to Assignee.

Block will acquire certain assets, customers and issue indebtedness in connection with certain financing arrangements of Assignors. All transferred customers to Block will continue to receive telecommunications services under the same rates, terms and conditions of service.

Staff recommended the Petitioners be allowed to proceed with the proposed transactions and financing since there will be no adverse affect to subscribers in New Jersey.

DECISION: The Board adopted the recommendation of Staff as set forth above.
D. Docket No. TM14070710 – In the Matter of the Verified Joint Petition of Level 3 Communications, Inc., Saturn Merger Sub 1, LLC, Saturn Merger Sub 2, LLC, Level 3 Communications, LLC, Broadwing Communications, LLC, Global Crossing Telecommunications, Inc., Global Crossing Local Services, Inc., WilTel Communications, LLC, and TelCove Operations, LLC, and tw telecom, Inc., tw telecom holdings, Inc., and tw telecom of new jersey L.P., for Approval of the Transfer of Control and Related Financing Arrangements.

BACKGROUND: On July 2, 2014, Level 3 Communications, Inc. (Level 3), and its direct and indirect subsidiaries Saturn Merger Sub 1, LLC and Saturn Merger Sub 2, LLC (together the Merger Subs), Level 3 Communications, LLC (Level 3 LLC), Broadwing Communications, LLC (Broadwing), Global Crossing Telecommunications, Inc. (GC Telecommunications), Global Crossing Local Services, Inc. (GC Local), WilTel Communications, LLC (WilTel), and TelCove Operations, LLC (TelCove and collectively with Level 3 LLC, Broadwing, GC Telecommunications, GC Local, and WilTel, (the Level 3 Companies) and tw telecom inc. (tw telecom) and its subsidiaries tw telecom holdings inc. (tw telecom holdings) and tw telecom of new jersey L.P. (tw telecom new jersey) (collectively Level 3, Merger Subs, the Level 3 Companies, tw telecom, tw telecom holdings and tw telecom new jersey, the Petitioners), filed a petition with the Board for approval to consummate a transaction whereby Level 3 will acquire indirect control of tw telecom new jersey and related financing.

The Petitioners also requested authority to participate in certain new financing arrangements necessary to accomplish the acquisition of tw telecom and tw telecom new jersey, including for intercompany demand notes to remain unpaid for more than 12 months from the date of issuance, as well as the participation of tw telecom new jersey in certain existing financing arrangements put in place by Level 3’s subsidiary Level 3 Financing, Inc. Following the proposed transfer of control and financing arrangement, the Petitioners will continue to offer the same services in New Jersey at the same rates, terms, and conditions.

Staff recommended that Petitioners be allowed to proceed with the proposed transfer and financing, finding that there will be no adverse effect to customers in New Jersey.

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

E. Docket No. TM14070787 – In the Matter of the Verified Petition of Zayo Goup, LLC for Approval of a Pro Forma Change in Indirect Ownership.

BACKGROUND: On July 23, 2014, Zayo Group, LLC (Zayo or Petitioner), filed a petition with the Board requesting approval, of a pro forma change in indirect ownership of Zayo (the Pro Forma Change) that will occur in connection with an initial public offering by Zayo Group Holdings, Inc. (Holdings), the Petitioner’s direct holding company. The pro forma change, which will remove Zayo’s current indirect holding company from the Holdings and Zayo ownership structure by assigning its owner’s equity interests to Holdings and offering a portion of the Holdings equity to the public, is not expected to result in any new equity owners who will hold 10 percent or more indirect ownership in the Petitioner.

Following the proposed Pro Forma Change, the Petitioner will continue to offer the same
services at the same rates, terms, and conditions in New Jersey.

Staff recommended the Petitioners be allowed to proceed with the Pro Forma transactions, finding that there will be no adverse effect to customers in New Jersey.

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

V. WATER

A. Docket No. WR14080905 – In the Matter of the Petition of Shorelands Water Company for an Increase in Rates for Water Service and Other Tariff Modifications.

BACKGROUND: On August 13, 2014, Shorelands Water Company, Inc. (Company), filed a petition with the Board seeking to increase its rate for water service amounting to approximately $1,017,052 or 9.86% above the annual revenues.

The increase in rates is proposed to become effective on September 15, 2014. On September 2, 2014, the Company filed a letter with the Board stating that it will not implement rates on an interim basis prior to the effective date of the Board’s suspension Order resulting from the September 30, 2014 agenda meeting.

On September 9, 2014, this matter was transmitted to the Office of Administrative Law for hearing(s) and once assigned, hearings will proceed accordingly.

Since this proceeding will not be completed by September 15, 2014, an Order suspending the rates until January 15, 2015, is warranted, and Staff recommended the Board issue such an 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

There were no items in this category.

VIII. CLEAN ENERGY

There were no items in this category.
IX. MISCELLANEOUS

A. Approval of the Executive Session Minutes of January 23, 2013 – Item 8H.
   Approval of the Executive Session Minutes of February 20, 2013 – Item 8D.
   Approval of the Minutes of the July 23, 2014 Agenda Meeting.

BACKGROUND: Staff presented the executive session minutes of January 23, 2013 - 8H; February 20, 2013 - 8D; and the regular session minutes of July 23, 2014 agenda meetings and recommended they be accepted.

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

After appropriate motion, the consent agenda was approved.

Roll Call Vote: President Solomon Aye
Commissioner Fiordaliso Aye
Commissioner Holden Aye
AGENDA

1. AUDITS


Maureen Clerc, USF Team, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved Staff requesting the Board approve the Universal Service Fund (USF) administrative cost budget for State Fiscal Year 2015 in the amount of $6,928,500.00. Department of Community Affairs administers the USF program on behalf of the Board and therefore submitted the budget to Board staff for review and Board approval. The budget covers Department of Community Affair’s (DCA) expenses as well as the expenses for the Community Based Organizations which process applications for the DCA and are overseen by the DCA. The budget is just under 4% of the total program year budget for 2014 and is a decrease of about $375,000.00 from the Fiscal Year 2014 administrative cost budget.

Staff reviewed the budget request and recommended the Board approve the budget.

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

Roll Call Vote:

President Solomon  Aye
Commissioner Fiordaliso  Aye
Commissioner Holden  Aye

2. ENERGY


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

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


BACKGROUND AND DISCUSSION: On May 29, 2014, Public Service Electric and Gas Company (PSE&G or the Company) filed a petition with the Board, requesting a change in its Margin Adjustment Charge (MAC) to be a credit of ($0.011403) including
Sales & Use Tax per therm to be implemented for service rendered on and after October 1, 2014.

On September 3, 2014, the Company, Board Staff, and the New Jersey Division of Rate Counsel (collectively, the Parties) determined that additional time is needed to complete the review of the Company’s proposed MAC rate. The Parties executed a Stipulation that provides for PSE&G’s proposed MAC rate to be changed to a credit of ($0.011403) on a provisional basis subject to refund with interest on any net over-recovered MAC balance.

Staff recommended the Board approve the Stipulation for PSE&G’s Provisional MAC rates subject to refund with interest on any over-recovered MAC balance for service rendered on and after the date of the Board’s Order.

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

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


BACKGROUND AND DISCUSSION: On May 29, 2014, Public Service Electric and Gas Company (Company, PSE&G) filed a petition with the Board requesting that the Board permit the Company to decrease its Basic Gas Supply Service (BGSS-RSG) Commodity Charge to Residential Service (RSG) customers effective October 1, 2014 or earlier should the Board deem it appropriate. Approval of the request would result in a decrease in annual BGSS-RSG revenues of approximately $105 million (excluding losses and New Jersey Sales and Use Tax (SUT)). The requested decrease in the BGSS-RSG Commodity Charge is from $0.544009 per therm (including losses and SUT) to $0.451880 per therm (including losses and SUT).

The Company, New Jersey Rate Counsel and Board Staff determined that while additional time is needed to complete a review of the Company’s current BGSS-RSG Commodity Charge rate, approval on a provisional basis, is reasonable at this time.

Staff recommended the Board approve PSE&G’s Provisional BGSS-RSG rates subject to refund with interest on any over recovered BGSS balance for service rendered on and after October 1, 2014.

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

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

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

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


BACKGROUND AND DISCUSSION:  On May 30, 2014, South Jersey Gas Company (Company or Elizabethtown), filed a petition with the Board requesting the annual review and approval of its Basic Gas Supply Service (BGSS) Rate. The Company also filed to revise its Conservation Incentive Program (CIP) rates. The Company proposed that the new rates become effective October 1, 2014 through September 30, 2015. Approval of the BGSS/CIP filing would result in an approximate $4.9 million increase in annual revenue to the Company. The impact of the Company’s request on the monthly bill for the average residential heating customer utilizing 100 therms per month would be an increase of $5.13 per month or 4.0%.

Following discovery and discussions, the Company, Rate Counsel and Board Staff (the Parties) agreed that additional time is needed to review the filing. The Parties executed a Stipulation that provides for provisional BGSS/CIP rates that would produce a provisional increase in annual revenue of $4.9 million for South Jersey Gas Company.

Staff recommended the Board approve the Stipulation for Provisional BGSS and CIP rates subject to refund with interest on any net over-recovered BGSS balance.

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

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

F. Docket No. GR13070685 – In the Matter of the Petition of South Jersey Gas Company to Change the Levels of Its Societal Benefits Clause (SBC) and Its Transportation Initiation Clause (TIC).

BACKGROUND AND DISCUSSION:  On July 31, 2013, South Jersey Gas Company (Company or Elizabethtown) filed a Petition with the Board seeking approval to change its per therm rates.

The impact on the monthly bill for the average residential heating customer utilizing 100 therms monthly would decrease by $1.08 from $132.53 to $131.45 or 0.81%.
The Company, New Jersey Division of Rate Counsel and Board Staff (the Parties) executed a stipulation of settlement.

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

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

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


**BACKGROUND AND DISCUSSION:** On May 30, 2014, Pivotal Utility Holdings (Company) filed a notification with the Board proposing to decrease the Basic Gas Supply Service (BGSS) rate from $0.6241 per therm inclusive of all applicable taxes to $0.5045 per therm, effective as of October 1, 2014, the beginning of the 2014-2015 BGSS year.

The Company, New Jersey Division of Rate Counsel and Board Staff (the Parties) agreed that additional time was needed to review the filing. The Parties executed a stipulation that recommended approval of Elizabethtown’s proposed Periodic Basic Gas Supply Service (BGSS-P) BGSS-P rates on a provisional basis subject to refund with interest on any net over-recovered BGSS balance. The Stipulation provides for the provisional after-tax per therm BGSS-P rate of $0.5045 designed to bring the BGSS balance to zero at September 30, 2015.

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 Solomon: Aye
- Commissioner Fiordaliso: Aye
- Commissioner Holden: Aye

H. Docket Nos. BPU GR13111137 and OAL PUC 17562-13 – In the Matter of the Petition of South Jersey Gas Company for Approval of Increased Base Tariff Rates and Charges for Gas Service and Other Tariff Revisions;

Docket No. AX13030196 – In the Matter of the Board’s Establishment of a Generic Proceeding to Review the Prudency of Costs Incurred by New Jersey Utility Companies in Response to Major Storm Events in 2011 and 2012; and


**BACKGROUND AND DISCUSSION:** On March 20, 2013, the Board issued an Order establishing a generic proceeding to examine the prudency of costs incurred by New
Jersey utilities in response to Major Storm Events in 2011 and 2012. The Order directed any utility seeking reimbursement from ratepayers to file a detailed expense report by July 1, 2013, for evaluation and prudence review of the costs incurred.

On June 28, 2013, South Jersey Gas Company (SJG or Company) filed a petition requesting that it be authorized to defer incremental Operations and Maintenance (O&M) expenses associated with Superstorm Sandy. (Storm Costs Petition) According to the Storm Costs Petition, SJG had incurred O&M expenses of approximately $718,891 related to Superstorm Sandy through May 31, 2013. The Company proposed that it would seek to recover the amortization of these costs over an appropriate period of time in its next base rate case proceeding (Storm Costs Proceeding).

On November 29, 2013, SJG filed a petition (Rate Case Petition) with the Board to increase its base tariff rates and charges for gas service, and implement certain other tariff reviews. The Rate Case Petition sought an increase in operating revenues, adjusted for Sales and Use Tax of approximately $62.6 million or 13.5% over the then projected $463 million in operating revenues. The revenue increase in the Rate Case Petition is after the reduction giving effect to the revenue requirement roll-in from SJG’s Capital Investment Recovery Tracker and Conservation Incentive Program. In addition, SJG sought to recover O&M expenses related to Superstorm Sandy of approximately $736,785 via a three-year amortization.

In addition, the proposed revenues include revenue associated with the roll-in to rate base of investments made pursuant to the Accelerated Infrastructure Replacement Program (AIRP), previously approved by the Board. After elimination of the effects of these previously approved AIRP investments, the true incremental effect of the Company’s proposal in the Rate Case Petition was a revenue increase of approximately $53.6 million, or 11.5%.

In the Rate Case Petition, SJG proposed a test year ending June 30, 2014. As originally filed, the Rate Case Petition was based upon three months of actual data and nine months of estimated data. On July 30, 2014, the Company filed its 12+0 update consisting of 12 months of actual data reflected a net revenue increase of approximately $54.5 million, including the impact of the roll-in of AIRP investments. The O&M expenses related to Superstorm Sandy were updated to $736,779 in the Company’s 12+0 update.

On December 7, 2013, this proceeding was transmitted by the Board to the Office of Administrative Law (OAL) and was assigned to Administrative Law Judge (ALJ) W. Todd Miller. On February 18, 2014, a prehearing conference was conducted by ALJ Miller and on February 19, 2014, ALJ Miller issued a pre-hearing order establishing procedures and hearing dates for the conduct of this case.

On February 26, 2014, the Board filed a letter with the OAL in the rate case proceeding (Docket No. GR13111137) directing that those portions of the case pertaining to the recovery of Major Storm Event expenditures be returned to the Board for consideration in the separate, generic proceeding.

After appropriate notice in newspapers of general circulation within SJG’s service territory, and the serving of notice upon affected municipalities and counties within the
Company’s service area, two public hearings were held in Voorhees, New Jersey on May 7, 2014.

After engaging in discovery and settlement negotiations, on September 11, 2014, the Company, the New Jersey Division of Rate Counsel (Rate Counsel) and Board Staff executed a stipulation of settlement of the Storm Costs Petition (Storm Costs Stipulation) and a separate stipulation for the base rate case (Rate Case Stipulation).

As a result of the stipulations, the typical residential sales service customers, using 100 therms of gas during a winter month, will receive an increase of $7.81 or 6.1% on their monthly bills from $127.22 to $135.03. The average residential heating customers using 776 therms annually will receive an increase of $63.60 or 6.2% in their annual energy costs.

On September 12, 2014, ALJ Miller issued an Initial Decision approving the Rate Case Stipulation pursuant to N.J.A.C. 1:1-19.1, finding that the settlement is voluntary, consistent with the law, and fully disposes of all issues in controversy.

Staff recommended the Board approve the Storm Costs Stipulation. Staff further recommended the Board adopt the Initial Decision and approve the Rate Case Stipulation.

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

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


BACKGROUND AND DISCUSSION: On June 2, 2014, New Jersey Natural Gas Company filed a petition with the Board seeking to maintain its per therm after-tax Basic Gas Supply Service (BGSS) rate applicable to residential and small commercial customers of $0.5356.

In addition, based on actual and estimated data through September 30, 2015, the Company sought to revise the level of its Conservation Incentive Program (CIP) recovery rates resulting in a net decrease in revenues of $27.02 million. Also, the Company sought to decrease its after-tax Balancing Charge from $0.0863 to $0.0750 per therm.

The Company notified the Board and Rate Counsel of its intent to self-implement a decrease in its BGSS after-tax per therm rate applicable to residential customers to $0.4804 per therm.

Staff recommended the Board provisionally approve to maintain the Company’s BGSS rate, and to establish new after-tax balancing and CIP rates effective October 1, 2014.
DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

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


BACKGROUND AND DISCUSSION: On July 1, 2014, Public Service Electric and Gas Company (PSE&G, Company) petitioned the Board for approval to refund $44.696 million through its Weather Normalization Clause (WNC) over the 2014-2015 Winter Period.

The Company is proposed a WNC after-tax rate of ($0.033965) per balancing therm applicable to Residential Service Gas, General Service Gas and Large Volume Gas customers.

The Company, Board Staff and New Jersey Division of Rate Counsel determined that additional time was needed to complete a comprehensive review of PSE&G’s proposed WNC rate and other aspects of the Company’s filing, and agreed that the stipulated provisional after-tax WNC rate of ($0.033965) per balancing therm, to be made effective October 1, 2014, subject to refund with interest, is reasonable and in the public interest.

Staff recommended the Board approve the Stipulation for Provisional WNC rates.

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

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

K. Docket No. GR14040298 – In the Matter of the Rate Schedule CSG Transportation Service Agreement between Public Service Electric and Gas Company and National Gypsum Company.

BACKGROUND AND DISCUSSION: On April 2, 2014, Public Service Electric and Gas Company (PSE&G), filed a petition with the Board seeking approval of the Rate Schedule CSG Transportation Service Agreement dated April 1, 2014 (the Service Agreement) between PSE&G and National Gypsum Company (National).

PSE&G presently provides natural gas transportation services to the facilities owned and operated by National in Burlington, N.J. under rates and terms set forth in a previous agreement. According to PSE&G, in April 2013, in an effort to move National to its new arrangement for consideration of discounts (Rate Schedule CSG), the Company provided notice of its intent not to renew its contract with National.

In accordance with Rate Schedule CSG, National submitted applications seeking
discounted rates under the “Other Considerations” portion of rate Schedule CSG for its facilities. PSE&G represented that it evaluated National’s application and determined that it was consistent with the terms of its tariff.

By letter dated September 17, 2014, the New Jersey Division of Rate Counsel submitted a letter stating that it did not object to the Distribution charge including the Societal Benefits Charge, Maintenance charge, and the terms of service set forth in the proposed Service Agreement and First Amendment.

Staff recommended the Board issue an Order approving the service agreement between PSE&G and National.

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

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

L. Docket No. GR14040344 – In the Matter of the Rate Schedule CSG Transportation Service Agreement between Public Service Electric and Gas Company and Holcim Inc. a/k/a St. Lawrence Cement and the Related Request for a Discount in the Applicable Societal Benefits Charge.

BACKGROUND AND DISCUSSION: On April 11, 2014, Public Service Electric and Gas Company (PSE&G or Company), filed a letter with the Board seeking approval of the Rate Schedule CSG Transportation Service Agreement dated April 1, 2014 (the Service Agreement) between PSE&G and Holcim (US) Inc. a/k/a St. Lawrence Cement (Holcim).

Holcim requested to have the Societal Benefits Charge (SBC) discounted to $0.0375 per therm (inclusive of New Jersey Sales and Use Tax). In addition, Holcim requested a rate effective date of September 1, 2013. PSE&G took no position on either request. Both PSE&G and Holcim requested that the Board address these request by Holcim.

PSE&G presently provides natural gas transportation services to the facilities owned and operated by Holcim in Camden, NJ at rates and terms set by a an agreement that provided for commencement of service on September 1, 2001. Via letter dated August 29, 2012, PSE&G, in an effort to move Holcim to its new arrangement for consideration of discounts (Rate Schedule CSG), the Company provided notice of its intent to not renew its contract with Holcim at the end of August 31, 2013.

In accordance with Rate Schedule CSG, Holcim submitted an application seeking discounted rates under the “Economically Viable Bypass” portion of rate Schedule CSG for its facilities. PSE&G evaluated Holcim’s application and determined that it was consistent with the terms of its tariff.

On September 17, 2014, Staff received comments from the New Jersey Division of Rate Counsel (Rate Counsel). Rate Counsel stated that it did not object to the Distribution charge, Maintenance Charge, and terms of service set forth in the proposed Service Agreement. Further, based on the documentation presented and the representations by
the Company and Holcim, Rate Counsel did not object to the proposed reduction in the Societal Benefits Charge. However, Rate Counsel objected to the retroactive application of the terms of the proposed Service Agreement and SBC reduction. Rate Counsel noted that the application was filed on April 10, 2014, which was subsequent to the expiration date of the previous agreement.

Staff recommended the Board issue an Order approving the service agreement between PSE&G and Holcim. Staff further recommended the Board approve a discounted SBC charge of $0.0375 per therm applicable to the service to Holcim. Finally, Staff recommended the Board deny Holcim’s request for an effective date of September 1, 2013.

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

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

M. Docket No. ER14060613 – In the Matter of the 2014/2015 Annual Compliance Filings for the Universal Service Fund (USF) Program Factor Within the Societal Benefits Charge Rate.

Kristi Izzo, Secretary of the Board, presented this matter.

BACKGROUND AND DISCUSSION: This matter concerned the annual compliance filing to determine the Universal Service Fund (USF) and Lifeline program budgets and rates for the upcoming 2014/2015 program year.

The Utilities submitted their annual compliance filing to the Board on June 20, 2014, which requested rates to recover a USF budget of approximately $178.8 million, $75.5 million for the Lifeline Program, and a projected Department of Community Affairs (DCA) budget of $7.7 million. That initial filing was based upon seven months of actual information through April 2014 and five months of estimated information.

During the summer, public hearings were held throughout the State and Staff engaged in discovery with the parties. As part of the discovery process, the utilities submitted actual information for the months of May and June, which provided Staff with nine months of actual information and three months of estimated information. This updated information supported higher electric rates and gas rates. Additionally, on September 8, 2014, DCA submitted its USF administrative budget for Fiscal Year 2015 in the amount of $6.9 million, which is approximately $800,000 less than the initial projection contained in the June 20th Utility filing.

During the review period, New Jersey Division of Rate Counsel (Rate Counsel) submitted written comments offering its opinion on the compliance filing. Rate Counsel stated that it is not opposed to the USF rates becoming effective on October 1, 2014. Additionally, Rate Counsel opposed the implementation of the updated gas rate because it is higher than the increased rate listed on public notices for the hearings that were held concerning the rate increase.
The utilities submitted comments urging the Board to approve rates and administrative expenses based on the updated actual costs through June 2014.

Staff recommended the Board approve USF gas rates based on the revised DCA administrative budget and the information contained in the June filing, with actual data through April 2014. Staff also recommended the Board approve USF electric rates based on the updated electric data obtained during discovery, with actual information through June 2014 and the revised DCA budget submitted in September. All together, these rates would support a USF budget of approximately $183.5 million for the new program year.

Staff further recommended the Board approve the Lifeline rates contained in the Order, which support a Lifeline program budget of approximately $75.5 million. Finally, Staff recommended the Board approve for recovery the Utilities’ actual administrative cost amounts for the period of August 1, 2013 through June 30, 2014.

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

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

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

**N. Docket No. GR12060473 – In the Matter of the Petition of South Jersey Gas Company for Approval of an Increase of the Cost Recovery Associated with Energy Efficiency Programs; and**

**Docket No. GR13050435 – In the Matter of the Petition of South Jersey Gas Company for Approval of an Increase of the Cost Recovery Charge Associated with Energy Efficiency Programs.**

**BACKGROUND AND DISCUSSION:** On January 23, 2009, South Jersey Gas Company (SJG, Company) filed a petition with the Board for approval to develop and implement a number of energy efficiency programs over a two-year period to promote energy efficiency and conservation while stimulating the State’s economy. The Company also sought Board approval for an associated cost recovery rider mechanism referred to as the Energy Efficiency Tracker (EET).

On July 9, 2010, the Company submitted its annual EET cost true-up filing with the Board which was assigned Docket No. GO10070466 (July 2010 filing) seeking to increase the EET rate from $0.0024 to $0.0078 per therm, including taxes.

On June 1, 2011, the Company submitted its Second Annual EET True-up filing with the Board. This filing was assigned Docket No. GR11060336. In this filing, SJG proposed to increase the existing EET rate to $0.0096 per therm, including taxes. On September 13, 2012, the Board issued an Order approving an increase in the EET rate to $0.0096 per therm, including taxes, thereby resolving the First and Second Annual EET Filings.

On June 1, 2012, the Company submitted its Third Annual EET Filing with the Board
seeking to increase the EET rate to $0.0119 per therm, including taxes. This filing was assigned Docket No. GR12060473.

On May 31, 2013, the Company submitted its Fourth Annual EET Filing with the Board seeking to increase the EET rate to $0.0134 per therm, including taxes. This filing was assigned Docket No. GR13050435.

The Company, Staff, and Rate Counsel are the only parties to this case. The Parties conducted discovery and participated in a number of meetings and discussions to review outstanding issues and explore settlement. As a result of those meetings and related discussions, on September 11, 2014, the Parties entered into a Stipulation resolving all issues in the Company’s Third and Fourth Annual EET Filings.

Staff recommended the Board adopt the Stipulation of the Parties.

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

**Roll Call Vote:**

- President Solomon Aye
- Commissioner Fiordaliso Aye
- Commissioner Holden Aye

**O. Docket No. EO13070607 – In the Matter the Board’s Establishment of a Generic Proceeding to Review the Prudency of Costs Incurred by Public Service Electric and Gas Company in Response to Major Storm Events in 2011 and 2012; and**

**Docket No. AX13030196 – In the Matter of the Board’s Establishment of a Generic Proceeding to Review the Prudency of Costs Incurred by New Jersey Utility Companies in Response to Major Storm Events in 2011 and 2012.**

**BACKGROUND AND DISCUSSION:** On March 20, 2013, the Board issued an Order (March 20 Order) establishing a generic proceeding to review the prudency of costs incurred by New Jersey utilities in response to multiple major storm events in 2011 and 2012 (Generic Storm Costs Proceeding). Amongst other items, the Order requires any utility that seeks reimbursement for these costs from its ratepayers to file a detailed expense report by July 1, 2013, for evaluation and prudency review under its own separate docket within the Generic Storm Costs Proceeding.

Public Service Electric and Gas Company (PSE&G or Company) submitted a “Compliance Filing” with the Board on June 28, 2013, in which it represented that its unreimbursed incremental costs associated with Major Storm Events (October 2011 Snowstorm, Hurricane Irene, the March 2010 Nor’easter, and the February 2010 Blizzard) consisted of $240,506,727 for Operations and Maintenance (O&M) and $125,780,421 for capital expenditures. PSE&G requested that these costs be found by the Board to be reasonable, prudent and recoverable in rates by the Company in a future rate proceeding.

On September 17, 2014, the Company, New Jersey Division of Rate Counsel and Board Staff (the Parties) reached a Stipulation of Agreement, in which the Parties agreed that the Company’s Major Storm Event Costs, in which the Company represents total
$366,287,148, are reasonable and prudent. The Parties agreed that incremental O&M amount should be reduced by $424,000 to reflect a reduction in expenses for food and incremental pay provided to certain management employees in connection with their service restoration efforts. As a result, the parties have agreed to an incremental O&M expense in the amount of $240,082,727.

The Parties further agreed that these costs should be eligible for rate recovery and the Company may seek rate recovery of these costs in a future base rate proceeding before the Board. The Company agreed that it will not seek to recover any other Major Storm costs related to the Major Storms Events in any future rate case. Staff recommended the Board approve the agreements among the Parties.

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

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


BACKGROUND AND DISCUSSION: On August 8, 2014, Public Service Electric and Gas Company (PSE&G or Company) filed a petition with the Board requesting approval to extend with modifications the 3 sub-programs of the Company’s Energy Efficiency Economic Extension Program. PSE&G proposed to invest an additional $95 million in the three sub-programs.

Staff recommended the Board retain this matter for hearing at the Board, and designate Commissioner Mary-Anna Holden or her designee as presiding officer for proceedings on this matter.

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

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


Geoffrey R. Gersten, Deputy Attorney General, Division of Law, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved a request by Atlantic City Electric Company (ACE) for permission for the sale of utility property claimed no longer
used or useful for utility purposes pursuant to N.J.S.A. 48:3-7. ACE’s petition was initially filed on May 22, 2002.

In its petition, ACE sought approval to sell approximately 1,350 acres of property located in Millville, New Jersey. The property consists of vacant land, a corporate meeting facility, and a holly farm. ACE had originally purchased the property for a coal-fired electric generation plant, but that plan did not come to fruition and instead ACE subdivided the property and determined it was no longer used or useful for utility purposes.

At its April 14, 2010 agenda meeting and subsequently through its June 21, 2010 Order, the Board granted ACE’s petition approving the sale to Millville 1350. The Board decision was appealed to the Appellate Division but a stay was not sought. As such, ACE and Millville 1350 consummated the sale on October 12, 2010, in accordance with the Board’s ruling. The Appellate Court agreed with the Environmental Interveners and New Jersey Division of Rate Counsel, who argued the Board violated its statutory mandate when it approved developers’ purchase of the property without first considering whether developers’ offer was the best price obtainable.

The Board interpreted its authority under N.J.S.A. 48:3-7(a) as requiring a showing of three factors known as the Erie-Lackawanna test:

(a) The property must be no longer used or useful, presently or prospectively, for utility purposes;
(b) The sale and conveyance of the property under the terms proposed will not adversely affect the ability of the utility to render safe, adequate, and proper service; and
(c) The proposed sale price is the best price obtainable and represents fair market value for the property.

In a July 17, 2013 decision, the Appellate Division reversed and remanded the matter to the Board. The Appellate Court stated the Erie-Lackawanna test is the proper standard by which petitions for sale of utility property are judged. Here, the primary issue is whether the proposed sale to developers represents the best price obtainable and represents the fair market value for the property. The Board, in Erie-Lackawanna, recognized that when faced with multiple offers, determination of which offer is the best price obtainable required more than the comparison of the face value of the offers. Rather, the Board must consider risk factors of both offers with an eye toward which truly is the best price obtainable.

On September 13, 2013, the Board asked for the parties’ position, which included New Jersey Audubon Society, New Jersey Conservation Foundation Association of New Jersey Environmental Commissions and New Jersey Division of Rate Counsel on the matter moving forward, in light of the July 17, 2013 decision by the Appellate Division. In an attempt to seek the parties’ positions on their continued interest in participating in any proceedings in this matter, the Board sought clarification on the status of any outstanding offers and interest in purchasing the subject property, including Department of Environmental Protection’s (DEP) 1999 and 2009 offers. Although submissions were initially due October 11, 2013, DEP sought extensions to determine whether it would withdraw its 2009 offer.
On December 16, 2013, the parties met at the Board’s offices in Trenton to discuss the status of the matter. At this meeting, the parties discussed how the matter would proceed as well as concerns over the current status of Millville 1350’s title to the property. At that time, the Board advised the parties that it must determine whether the contract contemplated in the pending petition is the best price obtainable and represents fair market value for the property.

The Parties further requested an opportunity to submit comments regarding procedural steps to be taken by the Board. As such, the Board sought comments from the Parties regarding the procedure to ensure that the contract in the pending petition represents the best price obtainable and fair market value for the property, consistent with Erie-Lackawanna, including comments regarding whether ACE should re-advertise the property and the impact of DEP's pending determination of its interest in purchasing the property. The Parties could submit comments by January 10, 2014 and reply comments by January 17, 2014.

On April 28, 2014, a conference was held and a briefing schedule was agreed to between the parties. A June 2, 2014 Status Conference was held, in which the Board acknowledged receiving the Parties’ briefs and it would subsequently render a decision.

Staff found that the proposed property to be sold to Millville 1350 is no longer used or useful for utility purposes, that the sale will not adversely affect the ability of ACE to provide safe, adequate, and proper service, and that the sale price reflects the best price obtainable and the fair market value at the time of the agreement. Staff also found that the proposed sale is in accordance with regulation and law. Accordingly, Staff recommended the Board approve the sale, subject to certain conditions to be set forth in the Board’s Order.

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

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


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

3. CABLE TELEVISION

Lawanda Gilbert, Esq., Acting Director, Office of Cable Television, presented these matters.

A. Docket Nos. BPU CR13100885 through CR13100906 and OAL CTV 17314-13 – In the Matter of the Application of Comcast Cable Communications, LLC on
behalf of Its Wholly Owned Subsidiaries for Approval of the Filing of Federal Communications Commission Forms 1240, an Annual Updating of the Maximum Permitted Rate for Basic Cable Service.

BACKGROUND AND DISCUSSION: This matter involved Administrative Law Judge (ALJ) W. Todd Miller’s Initial Decision which was filed with the Board on September 9, 2014, recommending approval of a Stipulation of Settlement (Stipulation) regarding 22 Comcast Federal Communications Commission (FCC) Forms 1240. This matter was filed on October 1, 2013 and transmitted to the Office of Administrative Law on November 21, 2013 for determination and initial disposition.

ALJ Miller noted that the parties settled the case and executed the Stipulation on August 20, 2014. The highlights of the Stipulation were foregone rate increases of approximately $16,568,772, representing the difference between the “proposed” and “Stipulated” Form 1240 Maximum Permitted Rates.

Staff recommended the Board adopt the Initial Decision and the Stipulation in their entirety.

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

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


BACKGROUND AND DISCUSSION: This matter involved the proposed rulemaking which was published in the April 21, 2014 New Jersey Register at 46 N.J.R. 4(2). Written comments were due by June 20, 2014.

A public hearing was also held on June 13, 2014, where President Dianne Solomon presided. There were five commenters in total to the proposal:

1) The NJ Division of Rate Counsel;
2) Verizon;
3) NJ Cable and Telecommunications Association;
4) The New Jersey Business and Industry Association; and

While the majority of the amendments were implemented due to legislative changes, the proposals that generated the most comments were the office closing rule and the enforcement rule.

The office closing rule [N.J.A.C. 14:18-5.1(c)] amendments would allow a company to close its office in a particular location after notice to the Board and its customers unless it is required by municipal consent and Board order, it is more than 35 miles from another office, or it is outside the state or the company’s service territory.
While the Office of Cablevision (OCTV) recognizes this may cause inconvenience to some customers, the rule was proposed after many years of discussion with the cable television industry in which they argued that the cost of carrying two offices when approval is pending is costly, and the requirement to seek approval from the Board is unnecessarily intrusive on the companies' business decisions. The OCTV recommended proposal of the rule in great part due to the number of options a customer currently has for paying his/her bill and/or returning equipment.

The new “Violations” rule (N.J.A.C. 14:18-16.8) limits enforcement of penalties upon cable television companies that allegedly violate the Board’s rules and with respect to certain rules requires that the Board prove the cable television company “willfully” violated a rule in order to assess a penalty. This will reduce enforcement actions, but is in keeping with Governor Christie’s Executive Order No. 2 (2010) which required agencies to “[value] performance-based outcomes and compliance, over the punitive imposition of penalties for technical violations that do not result in negative impacts to the public health, safety or environment.”

New Jersey Division of Rate Counsel (Rate Counsel) and Jersey Access Group objected to the office closing rule. The OCTV believes the requirements of the amended rule are reasonable, although they may cause some inconvenience to some customers. Rate Counsel disagreed with the penalty enforcement rule. The OCTV found the rule to be in keeping with the Governor’s objective regarding punitive enforcements.

Verizon agreed with some changes but stated that rules should not apply to them, as a competitive cable television provider. The OCTV disagrees and believes the rules should apply to all cable television companies.

JAG disagreed with the proposed rule eliminating notices to municipalities in certain instances. The OCTV continues to support the streamlining and reduction of certain notices where it is shown that the effort and costs exerted by the cable television companies to provide the notice is not equal to the concomitant benefit.

The readoption notice will go into effect upon filing with the Office of Administrative Law. All amendments, new rules and the repeal contained in the proposal will become effective upon publication of the adoption notice in the New Jersey Register on November 3, 2014.

Staff recommended approval of the readoption notice with amendments and new rules and repeal for publication in the New Jersey Register.

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

**Roll Call Vote:**

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<thead>
<tr>
<th>President Solomon</th>
<th>Aye</th>
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<tr>
<td>Commissioner Fiordaliso</td>
<td>Aye</td>
</tr>
<tr>
<td>Commissioner Holden</td>
<td>Aye</td>
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C. Docket Nos. CO13040296, CO13040297 and CO13040298 – In the Matter of the Petition of Comcast of South Jersey, LLC for Permission to Close Certain Customer Offices (City of Northfield, County of Atlantic; City of Ocean City, County of Cape May; and City of Ventnor, County of Atlantic, State of New Jersey) Pursuant to N.J.A.C. 14:18-5.1.

BACKGROUND AND DISCUSSION: On April 4, 2013, Comcast of South Jersey (Comcast, Petitioner) filed a petition with the Board for permission to close three of its customer service offices. The three offices are located in Northfield City, Ocean City and Ventnor City. Both the Ocean and Ventnor offices are already closed due to Superstorm Sandy damage. Comcast alleged that the landlord refused to make repairs to the structures at both locations, which prevented them from returning to the previous locations. Both buildings are currently still unoccupied. The Northfield office currently remains open, while Ocean City is being served via a temporary trailer. Comcast seeks permission to close the offices and redirect its customers to its existing customer service office located approximately 3.7, 12.7 and 7.6 miles respectively away at 901 West Leeds Avenue, Absecon, in Atlantic County. The Petitioner asserted that the proposed office location, where its customers will be redirected, offers identical service, longer hours and sufficient parking.

Customer Service Representatives at the present Northfield and Ocean City Trailer offices currently assist walk-in customers with equipment exchanges, taking payments, processing applications for service and handling of complaints. The Petitioner represented that all services presently available at the existing Northfield office and temporary Ocean City trailer office are also available at the Absecon location. Comcast’s office hours at its Absecon office are 9AM to 7PM Mon. – Fri. and Sat. from 9AM to 5PM. In total, the Absecon office is open 18 hours longer per week than the Northfield office which is open until 6PM Mon. – Fri., and does not have Sat. hours. It is also open 12 hours longer than the Ocean City Trailer, which does have Saturday hours from 9AM to 3PM.

Comcast posted notices of the proposed office closings at each location, informing customers of the ability to file comments with the Board. Notice was also provided to the 12 surrounding municipalities served by the offices proposed to be closed, whose residents would be redirected to the Absecon office.

On July 12, July 16 and July 30, 2013, “Answers” to Comcast’s petition were sent to the Board by Ocean City, Ventnor City and Margate City respectively. The main concern was similar in that they believed that the closing of the offices is contrary to public interest in that residents would need to travel further without reasonable public transportation. Additionally Margate and Ventnor felt it would be a violation of Ventnor’s cable franchise agreement. Ocean City believed that closing the Ocean City office would contravene the intent and purpose of Ocean City’s ordinance. Ocean City also confirmed that there was a temporary Comcast trailer office in their town.

By letter dated September 17, 2014, the New Jersey Division of the Rate Counsel (Rate Counsel) filed comments with the Board concerning this petition. Rate Counsel recommended that the Board approve the requests for closure providing that: Comcast service requests requiring truck rolls be provided at no additional charge, Comcast should provide free overnight shipping for customers to return equipment and Comcast
should be required to keep providing services for a limited time out of the temporary trailer.

After the review of the petition and supporting documentation, Staff found that the proposed closing and redirection of customers to the proposed Absecon office located approximately 3.7 miles from the Northfield office, 12.7 miles from the Ocean City office and 7.6 miles away from the Ventnor is not in conflict with any franchise obligations. However, in an effort to minimize the adverse affects of congested roads experienced by customers traveling to and from the barrier islands during the peak summer months, Staff recommended that Comcast continue to maintain the Ocean City trailer as a seasonal office (April 15 to October 15) to ensure that adequate customer service is provided to customers on the barrier islands.

Staff also recommended the Board grant the Petitioner’s request for permission to close its Northfield, Ocean City and Ventnor offices.

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

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

4. **TELECOMMUNICATIONS**

John DeLuca, Bureau Chief, Division of Telecommunications, presented these matters.

**A. Docket No. TS14080934 – In the Matter of CitiBroadband Wireless, Inc.’s Failure to Comply with Regulations Requiring Payment of an Annual Assessment.**

**BACKGROUND AND DISCUSSION:** This matter involved CitiBroadband Wireless Inc. (CitiBroadband) which is obligated to pay an annual assessment for fiscal year 2014 based on Gross Interstate revenues for calendar year 2012. After numerous attempts by Staff to collect the assessment, CitiBroadband failed to pay the required assessment of $500.00.

Staff recommended that the Board order CitiBroadband Wireless, Inc. to show cause before the Board why the Board should not find that Respondent (i) failed to submit the requisite assessment to the Board; and (ii) failed to comply with the terms and conditions of the Board’s 2006 Order.

Staff also recommended that the Board order CitiBroadband Wireless, Inc to file an Answer to this Order to Show Cause and any and all documents or other written evidence upon which it relies in responding to the within Order to Show Cause by October 30, 2014.

If CitiBroadband fails to pay the required assessment by October 30, 2014, Staff further recommended the Board revoke its authority granted to CitiBroadband in Docket No.
DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

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

B. Docket No. TS14080935 – In the Matter of IBC Telecom Corporation’s Failure to Comply with Regulations Requiring Payment of an Annual Assessment Fee and Filing of Annual Reports.

BACKGROUND AND DISCUSSION: This matter involved IBC Telecom Corporation (IBC Telecom) which is required to file an annual report, a statement of gross interstate revenues and pay an annual assessment. IBC Telecom filed its annual report for calendar year 2012, 35 days late which resulted in a penalty of $175.00. IBC Telecom also failed to file its statement of gross interstate revenues and pay its annual assessment of $500.00 for Fiscal Year 2014, after numerous attempts by Staff to collect the monies due. IBCTelecom has a total amount due to the Board of $675.00.

Staff recommended that the Board order IBC to show cause before the Board why the Board should not find that IBC (i) failed to file its annual reports in a timely manner; (ii) failed to submit the requisite assessment to the Board; and (iii) failed to comply with the terms and conditions of the Board’s 2010 Order.

Staff also recommended that the Board order IBC to file an Answer to this Order to Show Cause and any and all documents or other written evidence upon which it relies in responding to the within Order to Show Cause by October 30, 2014.

Staff further recommended that if IBC Telecom fails to respond to the Order to Show Cause by October 30, 2014 then the authority granted to IBC Telecom in Docket No TE10060404 be revoked.

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

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

C. Docket No. TS14080936 – In the Matter of NetTalk.com, Inc.’s Failure to Comply with Regulations Requiring Payment of an Annual Assessment and Filing of Annual Reports.

BACKGROUND AND DISCUSSION: This matter involved NetTalk.com (NetTalk) which is required to file an annual report, a statement of gross interstate revenue and pay an annual assessment. NetTalk filed its annual report for calendar year 2012, 128 days late which resulted in a penalty of $640.00 and filed its annual report for calendar year 2013, 104 days late which resulted in a penalty of $520.00. After numerous attempts by Staff to collect, NetTalk also failed to pay its assessment for Fiscal Year 2014 of $500.00.
Staff recommended that the Board order NetTalk to show cause before the Board why the Board should not find that NetTalk (i) failed to file its annual reports in a timely manner; (ii) failed to submit the requisite assessment to the Board; and (iii) failed to comply with the terms and conditions of the Board’s 2009 Order.

Staff also recommended that the Board order NetTalk to file an Answer to this Order to Show Cause and any and all documents or other written evidence upon which it relies in responding to the within Order to Show Cause by October 30, 2014.

If NetTalk fails to file an answer to this Order to Show Cause by October 30, 2014, then Staff further recommended the authority granted to NetTalk in Docket No TE09060455 be revoked.

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

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

5. WATER

A. Docket No. WF14080886 – In the Matter of the Petition of Environmental Disposal Corporation for Authorization to Enter into a Senior Secured Term Loan for Up to $2.1 Million.

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

BACKGROUND AND DISCUSSION: On August 5, 2014, Environmental Disposal Corporation filed a petition with the Board seeking approval to increase by up to $2.1 million its current indebtedness.

The proceeds of the New Loan will finance the Schley Mountain Road Pump Station Redundancy Project, which involves replacement and repair of two pump systems that are approximately thirty years old, construction of a second wet well and installation of a duplicative system of two new pumps, and protecting the new wet well and pumps by an addition to the building covering the existing wet well so that it covers the new wet well.

The current interest rate with a variable rate option was approximately 2.0% per annum and with the fixed rate option approximately 5%.

The Office of the Economist after review of the information submitted in this proceeding, found that the action requested is in accordance with the law and in the public interest and therefore recommended approval of this petition.
DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

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

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

B. Docket Nos. BPU WR14040325 and OAL PUC 05139-14 – In the Matter of the Petition of Gordon’s Corner Water Company for Approval of an Increase in Rates and Charges for Water Service.

BACKGROUND AND DISCUSSION: On April 10, 2014, Gordon’s Corner Water Company filed a petition with the Board seeking to increase its rates for water service amounting to approximately 8.81%. Gordon’s Corner serves approximately 14,800 general water service customers in the Townships of Marlboro and Manalapan in Monmouth County.

The matter was transmitted to the Office of Administrative Law and assigned to Administrative Law Judge McGee.

After proper notice, a public hearing was held on August 27, 2014 in Manalapan. No members of the public spoke in opposition to the proposed increase.

As a result of settlement negotiations, Gordon’s Corner Water Company, the New Jersey Division of Rate Counsel and Board Staff (the Parties) reached a Stipulation of Settlement (settlement) on all issue and entered into a Stipulation that, among other things, provided for an overall increase of $726,500, representing a 7.34% increase above current operating revenues. An average residential customer will see his bill increase by $4.16 per month.

On September 15, 2014, Administrative Law Judge McGee issued his Initial Decision recommending adoption of the Settlement executed by the Parties, finding that the Parties had voluntarily agreed to the Settlement and that the Settlement fully disposes of all issues and was consistent with the law.

Staff recommended the Board adopt Administrative Law Judge McGee’s Initial Decision which adopts the Stipulation of Settlement among the Parties.

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

Roll Call Vote: President Solomon Aye
              Commissioner Fiordaliso Aye
              Commissioner Holden Aye
C. Docket No. WM14070708 – In the Matter of the Petition of United Water Toms River, Inc. for Approval to Sell Its Administrative Offices as a Result of Superstorm Sandy.

BACKGROUND AND DISCUSSION: On July 7, 2014, United Water Toms River filed a petition with the Board seeking to sell certain Company owned property located in Toms River that housed its administrative offices prior to Superstorm Sandy.

As a result of Superstorm Sandy, United Water Toms River’s office located at 15 Adafre Avenue became unusable for public utility purposes. The property is being sold to SERVPRO of Toms River and Point Pleasant at a sale price of $550,000.

The property was originally purchased by the Company in 1969 and became the main office of the Company in Toms River. Because of the unique circumstances surrounding the need to sell the property as a result of the damages of Superstorm Sandy, the Company requested a waiver of Section N.J.A.C. 14:1-5.6(b), regarding advertising for the sale of the property in question.

New Jersey Division of Rate Counsel submitted a letter stating that it did not object to the sale of the property nor did any party allege that the price was less than fair market value or that the property was sold for less than the best price obtainable.

Staff recommended the Board approve the sale of the former administrative office to SERVPRO, and waive the advertising requirement as the Company meets the criteria for a waiver.

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

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

6. RELIABILITY & SECURITY

A. Docket No. GS14070696K et al. – In the Matter of Alleged Violations of the Underground Facility Protection Act Pursuant to N.J.S.A. 48:2-73 et seq.

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

BACKGROUND AND DISCUSSION: This matter involved settlements of alleged violations of the Underground Facility Protection Act by both excavators and operators of underground facilities. This matter did not include settlements involving catastrophic situations, death or major property damage. The categories of infraction include failure to provide proper notice, failure to use reasonable care and mismarking of facilities. The cases have been settled in accordance with a penalty strategy which escalates the penalty ranges in relationship to the aggravating factors such as injury, property damage, fire, evacuation, road closure, and other public safety concerns. Moreover, the
strategy seeks to establish appropriate disincentives for actions which violate the Underground Facility Protection Act (the Act).

The Board through the Bureau of One-Call supervises and enforces the One-Call Underground Damage Prevention System. The Act subjects violators of its provisions to civil penalties of not less than $1,000 and not more than $2,500 per violation per day, with a $25,000 maximum for a related series of violations. N.J.S.A. 48:2-88. Violations involving a natural gas or hazardous liquid underground pipeline or distribution facility are subject to civil penalties not to exceed $100,000 for each violation for each day with a $1,000,000 maximum for any related series of violations. N.J.S.A. 48:2-86(c).

Staff recommended the Board approve all those cases in which offers of settlement and payment have been received.

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

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

7. CUSTOMER ASSISTANCE


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


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Jake Gertsman, Legal Specialist, Office of Chief Counsel, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved the rules prohibiting electric power suppliers, gas suppliers, brokers, energy agents, marketers, private aggregators, sales representatives, and telemarketers from making false or misleading advertising claims to a potential residential customer.

Additionally, the rules prohibit suppliers’ calls to customers where no business relationship exists if those individuals are on the Do Not Call list and state that the Board will forward complaints related to the violation of these provisions to the Division of Consumer Affairs.

Violations of the specially adopted new rules and amendments make the Third Party Suppliers (TPS): 1) liable to the residential customer in an amount equal to all charges paid by the residential customer after such violation occurs; 2) liable for a civil penalty pursuant to N.J.S.A. 48:3-83; and 3) subject to license revocation, after notice and opportunity to be heard.

As a special adoption, this has not been through a formal rulemaking comment process. However, as a part of the ongoing Third Party Supplier Stakeholder process, Staff sought comments on the special adoption and received generally supportive comments.

Staff is continuing to work on the separate TPS stakeholder process dealing with the consumer protection related provisions of N.J.A.C. 14:4-7. The specially adopted amendments and new rules will be effective upon filing with the Office of Administrative Law and will expire on March 30, 2016.

Staff recommended the Board approve the special adoption of amendments and new rule to codify statutory requirements regarding third party supplier advertising and marketing standards.

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

Roll Call Vote: President Solomon Aye
Commissioner Fiordaliso Aye
Commissioner Holden Aye
Eric Hartsfield, Director, Division of Customer Assistance, presented these matters.


BACKGROUND AND DISCUSSION: Staff recommended the Board approve the proposed order directing third party suppliers to conspicuously include a completed Contract Summary with the contract upon signing up a new customer, or renewing a contract, to provide greater consumer protection to those purchasing energy through a third party supplier (TPS), before the winter, and while the rule making process is in progress.

Last winter, because of historic cold snaps in the North Eastern part of the country, prices spiked for wholesale natural gas and electricity. Many New Jersey energy consumers who selected variable rate pricing contracts experienced dramatic price increases for their energy consumption. As a result, the Board received a record number of complaints regarding TPS’s charges and the manner in which they conducted business. The increase in price, in some cases, arose from: 1) complicated contract terms; 2) important terms not brought to the attention of the consumer at the time of the sign up; or 3) consumers’ confusion over what the volatility of the energy market could mean to their bills. Additional protections and consumer education tools should be implemented as soon as possible, and before the onset of the coming cold season.

The Board is reviewing its rules at N.J.A.C. 14:4 et seq to ensure that sufficient consumer safeguards are in place for customers who shop for their energy supplier(s). As part of this process, the Board held stakeholder meetings on July 17, 2014 and September 4, 2014 to obtain input from the public, the utilities and the TPSs. Several possible modifications to the current rules were presented, commented on, and in some cases critiqued, by the stakeholders. However, there was a general consensus that it would be helpful for shopping customers to receive a standardized TPS contract summary in addition to the actual TPS contract when they sign up with a TPS for gas or electric supply.

Based upon its review and the aforementioned stakeholder process, Staff recommended the Board require the TPSs to provide the TPS Contract Summary to all TPS residential customers along with the TPS contract upon initiation or renewal of service. As the rulemaking process will not be completed by this winter and the Board believes it is beneficial for switching customers to begin receiving the TPS Contract Summary as soon as possible, Staff also recommended the Board order all TPSs to complete the TPS Contract Summary for each residential customer that they sign up or renew for service on or after November 15, 2014.

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

Roll Call Vote: President Solomon Aye
Commissioner Fiordaliso Aye
Commissioner Holden Aye
G. Docket EO14040318 – In the Matter of the Petition of Jersey Central Power & Light Company Seeking Approval to (i) Relocate Its Morristown Business Office Function to 300 Madison Avenue, Morristown, New Jersey Due to the Flooding/Destruction Caused by Hurricane Irene; and to (ii) Close the Morristown Business Office as a Result of such Flooding and Destruction.

BACKGROUND AND DISCUSSION: On April 1, 2014, Jersey Central Power & Light Company (JCP&L or Company) filed a petition with the Board requesting authorization to move its Morristown administrative offices/Customer Service Center (CSC) from 90 Ridgedale Avenue to its Northern Region Headquarters located at 300 Madison Avenue, also located in Morristown.

According to JCP&L, the relocation is the direct result of the flooding caused by Hurricane Irene on August 28, 2011, that rendered the Morristown administrative offices and CSC unusable absent extensive and expensive repairs and rehabilitation. The offices and CSC has been temporarily closed since August 28, 2011 and JCP&L advised the Board that after an evaluation of, among other things, the costs of repairs and rehabilitation, the temporary closure became permanent in November 2013, when the demolition of the administrative offices and CSC building was completed.

The Company claimed that because of the unusual and unforeseen circumstances that led to the closure of that location, it could not comply with the provisions of N.J.S.A. 14:3-5.1(e) which requires an application for Board approval to be filed 60 days prior to the closing, but recognizes that the relocation of the administrative and CSC function is explicitly subject to the Board’s written approval, which it is seeking through the pending petition. JCP&L also stated that the new location will not unduly prejudice or inconvenience the public interest. The Company requests that the Board authorize the closure and relocation of its Morristown Business Office.

The New Jersey Division of the Rate Counsel advised Staff by letter dated September 3, 2015 that it did not oppose the relocation. The Board has received no letters in opposition to the relocation from interested parties or customers. The relocation of JCP&L’s CSC will affect all customers located in the City of Morristown.

Staff recommended the Board approve the petition and grant JCP&L’s request for authorization to move its CSC.

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

Roll Call Vote:     President Solomon     Aye
                   Commissioner Fiordaliso     Aye
                   Commissioner Holden     Aye
8. CLEAN ENERGY

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

A. In the Matter of the Clean Energy Program Authorization of Commercial and Industrial (C&I) Program Energy Efficiency Incentives Exceeding $500,000:

Docket No. QG14091016 – AT&T Services, Inc. (Freehold)
Docket No. QG14091017 – AT&T Services, Inc. (Middletown)

BACKGROUND AND DISCUSSION: The AT&T Services, Inc., Dallas, TX, 2014 Small Combined Heat and Power (CHP)/Fuel Cells project is for a 600 kW fuel cell system consisting of three 200 kW solid oxide fuel cell units, to be installed at 175 West Main Street in Freehold, NJ. It will have the following annual estimated energy savings (through production) and cost savings: annual estimated electric production of 4,993,200 kWh; and an estimated average annual energy cost savings of $223,166.12;

The CHP rebate is for a total of $1,800,000, of which an estimated $540,000 will be paid upon proof of purchase of equipment; an estimated $1,080,000 will be paid upon project completion, review and acceptance of documentation, and successful inspection; and an estimated $180,000 will be paid one year after project inspection and acceptance, upon confirmation that the project is achieving its minimum efficiency threshold. The application has an estimated project cost of $6,876,800.

The AT&T Services, Inc., Dallas, TX, 2014 Small CHP and Fuel Cells project is for a 1 MW fuel cell system consisting of four 250 kW solid oxide fuel cell units, to be installed at 200 South Laurel Avenue in Middletown, NJ 07748. It will have the following annual estimated energy savings (through production) and cost savings: annual estimated electric production of 8,322,000 kWh; and an estimated average annual energy cost savings of $272,791.93.

The CHP rebate is for a total of $2,000,000, of which an estimated $600,000 will be paid upon proof of purchase of equipment; an estimated $1,200,000 will be paid upon project completion, review and acceptance of documentation, and successful inspection; and an estimated $200,000 will be paid one year after project inspection and acceptance, upon confirmation that the project is achieving its minimum efficiency threshold. The application has an estimated project cost of $11,128,000.

Based on the certifications of Applied Energy Group and TRC Solutions, the Program Coordinator and Market Manager, Staff determined that these applications meet the eligibility criteria for Commercial & Industrial (C&I) rebates and recommended the Board approve the applications.

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

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

BACKGROUND AND DISCUSSION: This matter involved the Clean Energy Programs and budgets for Fiscal Year 2015 (FY15), specifically the FY15 compliance filings. At the June 18, 2014 agenda meeting, the Board approved FY15 Programs and Budgets for the New Jersey Clean Energy Program (NJCEP). At that time, the Board extended Fiscal Year 14 (FY14) compliance filings. The Board Order in this matter captures limited changes to the compliance filings in order to keep NJCEP programs consistent with ENERGY STAR standards, emerging technologies, and to respond to some stakeholder comments.

Highlights of the changes to the compliance filings include the Residential New Construction Program will be open to raters and aligned with the Department of Energy’s Zero Energy Ready Homes which Department of Energy’s anticipates adopting early in 2015. Enhanced post-Sandy incentives in the heating, ventilation and air conditioning program will be maintained. Appliance standards for clothes washers, refrigerators, and clothes dryers will be brought up to new ENERGY STAR standards. Within lighting, LED incentives will be reduced to reflect the start of the transformation to a larger adoption of LED light bulbs.

Within the Renewable Energy (RE) Program, the compliance filings will address the new energy storage and biopower solicitations, and develop and implement an online application process for the solar registration program.

In a need to collect greater performance data in the Combined Heat and Power (CHP) Fuel Cell program, participants will now be required to submit performance data for five years rather than the current three years. CHP/Fuel Cell projects that do receive funding from the Energy Resiliency Bank will not be eligible for incentives through the NJCEP’s CHP/Fuel Cell Program. Instead, they will be invited to partake of Pay For Performance and other energy efficiency programs before they apply for CHP, but they will not get additional clean energy incentives for CHP and Fuel Cell.

In the large energy users program (LEUP), from stakeholder input, quantified entities will be allowed to participate in other Clean Energy Programs above and beyond the LEUP.

These changes were discussed at June and July 2014 Energy Efficiency and RE committee meetings, and were put out for public comment. The compliance filings maintain current program eligibility requirements and incentive levels and propose limited changes to current NJCEP programs for FY15.

Staff recommended the Board approve the FY15 compliance filings submitted by Honeywell, TRC, the Office of Clean Energy, and the utilities without any change.

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

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

Sherri Jones, Office of Clean Energy, presented this matter.

BACKGROUND AND DISCUSSION: Naturally Beautiful Plant Products LLC (Petitioner) is appealing the denial of a measure to be included in a Pay for Performance rebate through New Jersey’s Clean Energy Program (NJCEP). The Petitioner requested an exemption to the program requirement that all Light-emitting diodes (LEDs) eligible to receive an incentive and included in the projected energy savings of the project be listed on ENERGY STAR® or DesignLights Consortium® (DLC) qualified program lists.

Located for over 11 years in Belvidere, NJ, Naturally Beautiful Plant Products is a 210,702 sq. ft. facility consisting of two warehouses, an office and multiple greenhouses. The largest energy savings will come from installation of thermal overhead curtains in the greenhouses, as well as LED lighting upgrades. The Petitioner is requesting to install LEDs specific to promote plant growth. Such LEDs may reduce energy usage for Naturally Beautiful; however, are not listed on the Program’s qualified products list.

On April 18, 2013, the Petitioner submitted an application to the Pay for Performance – Existing Buildings Program to install thermal overhead curtains, replace fan motors and upgrade to new LEDs. In December 2013, the Petitioner was informed that specified lighting did not qualify under NJCEP guidelines. On December 20, 2013, the Petitioner requested an exemption to the Program Administrator, AEG. On January 6, 2014, AEG notified Petitioner that correct guidelines had been applied and upheld TRC’s denial.

The denial to use LEDs not listed on the qualified products list will still grant eligibility (pending further review) to the Petitioner under NJCEP – Pay for Performance – Existing Buildings Program. Exclusion of LEDs would result in a 17% projected energy savings rather than a 20.4% energy savings.

For any new technology, NJCEP sets qualification requirements to offer incentives based on factors including product maturity, sustainability, energy savings, warranty, safety and market potential. The program utilizes third party qualified products lists e.g., Consortium for Energy Efficiency (CEE), ENERGY STAR and DLC, to establish minimum program requirements while not incurring significant costs associated with individual product testing. It is important that NJCEP continue to provide incentives only for products that have been certified by CEE, ENERGY STAR or DLC. To do otherwise, could result in the program providing incentives to products that underperform, are not safe, or do not produce the anticipated energy savings.

Staff recommended the Board deny the Petitioner’s request for an exception to the program requirement that all LED measures be CEE, ENERGY STAR or DLC certified.

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

Roll Call Vote: President Solomon Aye Commissioner Fiordaliso Aye Commissioner Holden Aye
D. In the Matter of the Clean Energy Program Authorization of Commercial and Industrial (C&I) Program Energy Efficiency Incentives Exceeding $500,000:

Docket No. QG14091013 – Becton, Dickinson and Company
Docket No. QG14091014 – Camden County Technical Schools

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

BACKGROUND AND DISCUSSION: This matter involved Becton, Dickinson and Company applying under the Pay for Performance Program for an incentive of approximately $907,000. The applicants proposed measures such as boiler replacements, variable frequency drives and controls on exhaust fans, and replacement of a chiller. These measures are anticipated to achieve over 6 million kilowatt hours in electric savings, a 3,400 kilowatt electric demand reduction, and over $530,000 in annual energy cost savings. These measures will cost the applicant approximately $3.1 million. With incentive, the payback for the project is 4.14 years.

In addition, Camden County Technical Schools in Sicklerville, NJ, has applied under the Pay for Performance Program for an incentive of approximately $508,000. The applicant proposes to replace their lighting, add vending machine power controls, replacement of a boiler as well as installing advanced controls for the boiler, replacement of hot water pumps, replacement of heating and ventilation units in their indoor pool, piping insulation, food service energy efficiency measures, a building management system upgrade, carbon dioxide sensors, building envelope measures, and a transformer upgrade. These measures are anticipated to achieve over 1.1 million kilowatt hours in electric savings, over 88,000 therms of natural gas, and over $259,000 in annual energy cost savings. These measures will cost the applicant approximately $2 million. With incentive, the payback for the project is 6.04 years.

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

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

Roll Call Vote:

President Solomon Aye
Commissioner Fiordaliso Aye
Commissioner Holden Aye

9. MISCELLANEOUS

A. Docket No. AX12070601 – In the Matter of the Board’s Main Extension Rules – N.J.A.C. 14:3-8.1 et seq.

William P. Agee, Legal Specialist, Office of Chief Counsel, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved the Board Staff proposing approval of Amendments and New Rules to the Board’s Main Extension Rules, N.J.A.C.
14:3-8.1 et seq., to comply with the directive of the New Jersey Superior Court, Appellate Division, in the Centex Decision, In re Centex Homes, LLC Petition for Extension of Serv., 411 N.J. Super. 244 (App. Div. 2009) (Centex Decision) and the Main Extension Decision, In the Matter of the Board’s Main Extension Rules N.J.A.C. 14:3-8.1 et seq., 426 N.J. Super. 538 (App. Div. 2012) (Main Extension Decision) to amend its rules and provide notice and refunds through a Rulemaking Proceeding.

The Proposed Amendments and New Rules eliminate the distinction between Growth and Non-Growth Areas in the State, consistent with the Appellate Court’s direction, and set forth procedures for notifying Consumers and processing Refund Requests. The Proposed Amendments and New Rules are consistent with an Interim Board Order of July 19, 2013 that required the Utilities to initiate a Refund Process.

Upon approval by the Board, the Rule Proposal was filed with the Office of Administrative Law on September 30, 2014. Staff expects the Proposal to be published in the New Jersey Register by November 3, 2014. Upon publication in the New Jersey Register, there will be a 60-day Comment Period on the Rule Proposal.

Staff recommended the Board approve the adoption of the amendments and the new main Extension Rules.

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

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

B. Docket No. QO14060626 – In the Matter of the New Jersey Energy Resilience Bank – Initial Program Guide and Budget Extension; and


Thomas N. Walker, P.E., CCP, Deputy Director, New Jersey Energy Resilience Bank (ERB), presented this matter.

BACKGROUND AND DISCUSSION: In the aftermath of Superstorm Sandy, the federal government issued a disaster declaration for the State that enabled New Jersey individuals and certain entities to access specified federal programs. The federal government also enacted the Disaster Relief Appropriations Act of 2013 on January 29, 2013. The law appropriated additional funding through the Community Development Block Grant Disaster Recovery (CDBG-DR) program for communities that experienced natural disasters during 2011, 2012 or 2013. On May 30, 2014, U.S. Department of Housing and Urban Development (HUD) approved Amendment Number Seven to the Action Plan, including funding for the New Jersey New Jersey Energy Resilience Bank (ERB) to provide financial and technical assistance for individual projects that will enhance resiliency and to further develop a market that would encourage additional investments in energy resilience projects.
Board and New Jersey Economic Development Authority (EDA) Staff, with input from New Jersey Department of Community Affairs (DCA) and the Governor’s Office of Recovery and Rebuilding, developed and executed a Subrecipient Agreement between EDA and the Board, which sets forth the respective duties and responsibilities of each agency in connection with the joint development and implementation of the ERB, including the joint responsibility for the development of ERB program guidelines and financial products guide. The Board and the EDA approved the Subrecipient Agreement on August 18, 2014 and August 19, 2014, respectively. The decision was made to initially focus on the Water and Waste Water Treatment Facilities (W/WWTF) sector due to the significant direct and indirect impacts the community at large experienced due to disruption of electric service or actual physical damage to these facilities during Superstorm Sandy.

ERB Staff developed and presented the ERB Grant and Loan Financing Program Guide (Guide) and Financing Program (Product) for the W/WWTF sector. These documents were Exhibits A and B respectively to the Order. In the development of the ERB Guide and Product for W/WWTP, Board Staff and EDA Staff solicited public input on the design and operation of the ERB as well as the type and structure of financial incentives the program should offer to W/WWTP facilities. ERB Staff reviewed, considered and discussed all submitted comments and drafted responses to them (Exhibit C to the Order).

One of the primary objectives of the ERB program is the use of Distributed Energy Resources (DER) technologies, including Combined Heat and Power (CHP), fuel cells, and renewable energy resources such as solar with energy storage capabilities, for resiliency and continued operation of critical facilities during an emergency event. While the current facilities being targeted by the ERB program are W/WWTF facilities, the overall group of facilities will ultimately include hospital and long term care facilities, colleges and universities, state and county correctional facilities, primary and secondary schools, multifamily housing units, community shelters, certain municipal facilities, and transportation and transit infrastructure. Eligible DER equipment may be installed in new systems or as retrofits to existing systems and microgrids. Only the incremental costs of retrofit installations will be eligible for ERB funding. The systems must be capable of “Islanding” and disconnecting from the grid and well as have “blackstart” capability. While the costs for purchasing and installing solar photovoltaic cells are not funded under the program, energy storage and inverters are eligible for ERB funding.

The ERB is funded by the CDBG-DR, a HUD program, and the Societal Benefits Charge (SBC), N.J.S.A. 48:3-60.3. The HUD Requirements, General program requirements, application process, approval process and specifics of the Product were reviewed.

The Subrecipient Agreement (SRA) requires the Board and EDA to jointly develop an annual budget and to determine the use of Program income as part of that budget. Staff requested an extension of the requirement until the October 21, 2014 Board meeting. Staff would also present the Challenge process required under the SRA. EDA Staff intended to present the proposed Guide and Product to the EDA Board, for its review and determination at the October 14, 2014 EDA public agenda meeting.

The Board was pleased with the attention Staff gave to creating a proposal for the ERB’s implementation that is consistent with the HUD Action Plan, the goals of the State
recovery plans and the SRA, the level of stakeholder involvement and the resulting Guide and Product. The Board found the process utilized in developing the Guide and the Product related to implementation of the ERB was appropriate and provided stakeholders and interested members of the public sufficient notice and the opportunity to comment and participate in the ERB process creation.

Staff recommended the Board to adopt both the New Jersey Energy Resilience Bank Grant and Loan Financing program Guide and ERB funding, Round 1, W/WWTP. Staff also recommended the Board to direct Staff to develop a challenge process for applicants where the technical review leads to a determination that the project is ineligible. Staff further recommended the Board to direct Staff to finalize ERB budget and present it at the October 22, 2014 Board meeting for approval.

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

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

C. **Docket No. QO14060626 – In the Matter of the New Jersey Energy Resilience Bank – Request for Approval of Supplementary Ethical Standards for Program Contracts Supported by Federal Funds.**

This matter was deferred.

**LATE STARTER A**

**ENERGY**

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) – OAL Request for Extension – **See Executive Session.**

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

**BACKGROUND AND DISCUSSION:** This matter was initially discussed in Executive Session pursuant to the attorney/client privilege exemption to the Open Public Meetings Act. The Jersey Central Power & Light Company base rate case was filed in 2012 and updated in early 2013. The matter is pending before Administrative Law Judge Richard McGill.

On September 26, 2014 Judge McGill requested a second 45 day extension of time to issue his decision, due to his heavy caseload. If extension is granted, the decision will be due November 13, 2014. Chief ALJ Laura Sanders, who has full knowledge of his
case load, has granted Judge McGill’s request and is seeking President Solomon’s approval of the extension order so it can be returned to the OAL. Staff recommended the Board consent to and the President sign the 45 day order of extension.

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

**Roll Call Vote:**

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

**LATE STARTER B**

**CUSTOMER ASSISTANCE**


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

**BACKGROUND AND DISCUSSION:** The record in this matter closed on August 11, 2014; therefore, the 45 day period to issue the Initial Decision expired on September 25, 2014. Due to an inadvertent oversight, the Office of Administrative Law did not request an extension to issue the Initial Decision by that date and has now submitted the request as within time. ALJ Elia A. Pelios has requested additional time to complete the Initial Decision due to voluminous caseload.

Staff recommended that good cause having been shown, pursuant to N.J.S.A. 52:14B-10(c) and N.J.A.C. 1:1-18.8, the time for filling the initial decision be extended until November 10, 2014 as requested by the Office of Administrative Law.

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

**Roll Call Vote:**

- President Solomon: Aye
- Commissioner Fiordaliso: Aye
- Commissioner Holden: Aye
EXECUTIVE SESSION

After appropriate motion, the following matters, which involved pending litigation attorney-client privilege, and/or contract exceptions to the Open Public Meetings Act was discussed in Executive Session.

2. ENERGY


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


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


Discussion: DAGs David Wand and Jennifer Hsia updated the Board regarding the action taken by the Eastern PJM State Public Utility Regulatory Agencies, and Consumer Advocates, requesting, under the Federal Power Act, to reduce transmission rates charged by Pepco Holdings, Inc., the parent company of Atlantic City Electric (ACE). The Board is a party in this action. In the request the parties, among other actions, sought a reduction of Pepco’s return on equity.

Complainants (PUCs, Consumer Advocates, et al,) will provide a settlement offer by October 9, with a response due on October 20, and a second settlement conference will be held (the first was on September 23, 2014) on October 21. Currently, the Board is sharing the costs of hiring an expert with Rate Counsel and other parties.

A further update will be provided after the next settlement conference.

7. CUSTOMER ASSISTANCE


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

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LSA. ENERGY

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) – OAL Request for Extension.

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

After appropriate motion, the Board reconvened to Open Session.

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

DATE: December 17, 2014

KRISTI IZZO
BOARD SECRETARY
A Regular Board meeting of the Board of Public Utilities was held on September 30, 2014, at the State House Annex, Committee Room 11, 125 West State Street, Trenton, New Jersey 08625.

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

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

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

Dianne Solomon, President
Joseph L. Fiordaliso, Commissioner
Mary-Anna Holden, Commissioner

President Solomon 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 October 22, 2014 at the State House Annex, Committee Room 11, 125 West State Street, Trenton, New Jersey 08625.
EXECUTIVE SESSION

After appropriate motion, the following matters, which involved pending litigation and attorney-client privilege exceptions to the Open Public Meetings Act were discussed in Executive Session.

2. ENERGY


Discussion: DAG Babette Tenzer and Energy Director Jerry May asked the Board to authorize the Department of Treasury, Division of Purchase and Property, to enter into negotiations with Boston Pacific regarding a one-year extension of its contract to provide services related to the BGS auction. The contract allows two extensions of time, each for a period of one year. The Board agreed Treasury should begin such negotiations.

LATE STARTER A

ENERGY

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) – OAL Request for Extension.

Discussion: DAG Babette Tenzer and Legal Specialist Bethany Rocque-Romaine informed the Board the Office of Administrative Law sought another extension of time until November 13, 2014, for Judge McGill to file his initial decision in this matter.

The Board discussed the impact of the delay on ratepayers and its options.

After appropriate motion, the Board reconvened to Open Session.

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

DATE: March 18, 2015  
KENNETH J. SHEEHAN  
BOARD SECRETARY