



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

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

A Regular Board meeting of the Board of Public Utilities was held on July 25, 2018, 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:

Joseph L. Fiordaliso, President
Mary-Anna Holden, Commissioner
Dianne Solomon, Commissioner
Upendra J. Chivukula, Commissioner
Robert M. Gordon, Commissioner

President Fiordaliso presided at the meeting and Aida Camacho-Welch, Secretary of the Board, carried out the duties of the Secretary.

It was announced that the next regular Board Meeting would be held on August 29, 2018 at the State House Annex, Committee Room 11, 125 West State Street, Trenton, New Jersey 08625.

CONSENT AGENDA

I. AUDITS

A. Energy Agent and/or Energy Consultant Initial Registrations

EE18070691L	Energy Edge Consulting, LLC	I – EA
EE17080906L	Energy Deals, LLC	I – EA
EE18050511L	BFP Enterprises, LLC	I – EA
	d/b/a Foresight Management	
EE18060669L	MountainView Partners, LLC	
	d/b/a M3 Energy	I – EA/EC
EE18030271L	Novera Energy, LLC	I – EA/EC
GE18030272L		

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

EE17090999L	AvidXchange, Inc.	R – EA
EE18020178L	M&R Energy Resources Corp.	R – EA
EE18030343L	Elite Energy Group, Inc.	R – EA
EE18020116L	The Eric Ryan Corp.	R – EA
EE18040396L	National Utility Service, Inc.	R – EA
	d/b/a NUS Consulting Group	
EE17101085L	Brice Associates, LLC	R – EA
EE18050590L	Telco Pros Inc.	R – EA
	d/b/a TPI Efficiency	
EE17121248L	Front Line Power Solutions, LLC	R – EA
EE18030257L	Energy Spectrum, Inc.	R – EA
EE17050552L	Unified Energy Services, LLC	R – EA
EE18020186L	MSI Utilities, Inc.	R – EA
EE18050601L	Lava Energy, Inc.	R – EA
GE17111212L	NJHA Healthcare Business Solutions	R – PA
GE18060619L	New Jersey Business & Industry Association	R – PA
EE18060617L	Secure Energy Solutions, LLC	R – EA/PA
GE18060618L		
EE17090991L	FS Energy, LLC	R – EA/PA
GE17090992L		
EE18070709L	SourceOne, Inc. (DE)	R – EA/PA/EC
GE18020171L		
EE18010018L	American PowerNet Management, LP	R – EA/PA/EC
GE18010019L		
EE18050509L	Pappas Financial Group, LLC	R – EA/PA/EC
GE18050510L	d/b/a EnergyLink / J. Pappas Energy	
EE17080853L	Applied Energy Partners, LLC	R – EA/EC
GE17030854L		
EE18050602L	Energy Auction House Inc.	R – EA/EC

Natural Gas Supplier Initial Licenses

GE18040374L	Phoenix Fuel Management Company	I – GSL
GE16121162L	Falcon Energy, LLC	I – GSL

Electric Power and/or Natural Gas Supplier Renewal Licenses

EE18020183L	Source Power & Gas, LLC	R – ESL
EE18040479L	Gerdau Ameristeel Energy, Inc.	R – ESL

EE18040480L	First Point Power, LLC	R – ESL
EE18050604L	Credit Suisse (USA), Inc.	R – ESL
EE17080852L	Respond Power, LLC	R – ESL
EE17080903L	American PowerNet Management, LP	R – ESL
EE18060652L	Ambit Northeast, LLC	R – EGSL
GE18060653L	d/b/a Ambit Energy	
EE18050501L	EDF Energy Services, LLC	R – EGSL
EE18030253L	Just Energy Solutions Inc.	R – EGSL
GE18030252L		
EE18020181L	Spring Energy RRH, LLC	R – EGSL
GE18020180L	d/b/a Spring Power & Gas	
EE18050583L	East Coast Power & Gas of New Jersey, LLC	R – EGSL
EE17080814L	Hudson Energy Services, LLC	R – EGSL
GE17080813L		
GE17080818L	Colonial Energy, Inc.	R – GSL
GE17080855L	Major Energy Services, LLC	R – GSL

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

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

- o Energy Edge Consulting, LLC
- o Energy Deals, LLC
- o BFP Enterprises, LLC d/b/a Foresight Management
- o MountainView Partners LLC d/b/a M3Energy
- o Novera Energy, LLC

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

- o AvidXchange, Inc.
- o M&R Energy Resources Corp.
- o The Eric Ryan Corp.
- o Elite Energy Group, Inc.
- o National Utility Services, Inc. d/b/a NUS Consulting Group
- o Brice Associates, LLC
- o Telco Pros Inc. d/b/a TPI Efficiency
- o Front Line Power Solutions, LLC
- o Energy Spectrum, Inc.
- o Unified Energy Services, LLC
- o MSI Utilities, Inc.
- o Lava Energy, Inc.

- NJHA Healthcare Business Solutions
- New Jersey Business & Industry Association
- Secure Energy Solutions, LLC
- FS Energy, LLC
- Applied Energy Partners, LLC
- Energy Auction House Inc.
- SourceOne, Inc. (DE)
- American PowerNet Management, LP
- Pappas Financial Group, LLC d/b/a EnergyLink/ J. Pappas Energy

Staff further recommended that the following applicant be issued initial licenses as a natural gas supplier for one year:

- Phoenix Fuel Management Company
- Falcon Energy, LLC

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

- Source Power & Gas, LLC
- Gerdau Ameristeel Energy, Inc.
- First Point Power, LLC
- Credit Suisse (USA), Inc.
- Respond Power, LLC
- American PowerNet Management, LP
- Ambit Northeast, LLC d/b/a Ambit Energy
- EDF Energy Services, LLC
- Just Energy Solutions Inc.
- Spring Energy RRH, LLC d/b/a Spring Power & Gas
- East Coast Power & Gas of New Jersey, LLC
- Hudson Energy Services, LLC
- Colonial Energy Inc.
- Major Energy Services, LLC

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

II. ENERGY

A. Docket No. ER18010004 – In the Matter of Federal Energy (FERC) Items for 2018 – FERC Docket No. EL18-169 CPV Power Holdings, LP, et al. v. PJM Interconnection, LLC.

BACKGROUND: This matter involved Staff, on behalf of the Board, filing an intervention in this proceeding as an “interested state commission” under the Federal Energy Regulatory Commission (FERC or Commission) Rules of Practice and Procedure. The FERC e-filing rules allow for doc-less interventions, which is how this matter was filed.

On May 31, 2018, CPV Power Holdings, Calpine Corporation, and Eastern Generation (Complainants) filed a Complaint at FERC against PJM Interconnection LLC, (PJM).

The Complainants requested that the Commission act expeditiously under Section 206 of the Federal Power Act to adopt a Minimum Offer Pricing Rule (MOPR) that is (1) applicable to all

resources meeting the expanded definition of “Material Subsidy” proposed by the Complainants, and (2) without the categorical exemptions proposed by PJM. Due to the removal of the exemptions and expansion of the definition, Complainants refer to their proposal as “Clean MOPR.”

The Complainants presented their filing as a procedural vehicle by which the Commission can require PJM’s adoption of a “Clean MOPR” in time for the base residual capacity auction for the 2022-2023 delivery year; thereby fully mitigating the impact of subsidized resources on the Reliability Pricing Model market.

Staff recommended that the Board ratify this intervention.

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

B. Docket No. ER18010004 – In the Matter of Federal Energy (FERC) Items for 2018 – FERC Docket No. EL18-178 – PJM Interconnection, LLC re: 206 Proceeding to Determine Just and Reasonable Replacement Rate.

BACKGROUND: This matter involved Staff, on behalf of the Board, filing an intervention in this proceeding as an “interested state commission” under the Federal Energy Regulatory Commission (FERC or Commission) Rules of Practice and Procedure. The FERC e-filing rules allow for doc-less interventions, which is how this matter was filed.

On June 29, 2018, the FERC partially granted Calpine's 2016 complaint and rejected the PJM Interconnection LLC (PJM) capacity market tariff filing. The Commission initiated a Section 206 proceeding and established a paper hearing regarding the just and reasonable replacement rate for PJM’s existing Minimum Offer Price Rule (MOPR). Although the FERC agreed with Calpine that PJM’s existing Tariff is unjust and unreasonable and unduly discriminatory, it did not support Calpine or PJM’s proposed solutions. Instead, the Commission proposed an alternative approach in which PJM would expand the MOPR to all subsidized resources with little to no exemptions. The FERC also recommended creating a unit specific mechanism similar to the fixed resource requirement, which would allow states to withdraw any resources receiving out-of-market support as well as some associated load from the capacity auction.

Staff filed an intervention in this proceeding on July 6, 2018.

Staff recommended that the Board ratify this intervention.

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

C. Docket No. GE18040463 – In the Matter of the Petition of New Jersey Natural Gas for Approval of a Municipal Franchise in the Borough of Manasquan, Monmouth County, New Jersey.

BACKGROUND: This matter involved the approval of a municipal consent granted to New Jersey Natural Gas (NJNG or Company) by the Borough of Manasquan (Borough) in Monmouth County, New Jersey. NJNG filed a petition requesting Board approval of the consent for the use of the streets for the furnishing of gas service for a period of twenty years.

This consent is a renewal of a prior consent that expired on May 31, 2018. The ordinances enacted by the Borough granted NJNG the right to provide service and to lay and construct its facilities within the public rights-of-way as a means to provide that service. Since the time for

consents to use the streets and rights of way expired, the Company represented that it had continued to provide adequate and safe gas service to its customers at tariff rates approved by the Board.

A hearing in this matter was held on June 12, 2018, and appearances were made on behalf of the Company, the New Jersey Division of Rate Counsel and Board Staff. No other party participated in the hearing or filed any written submission with the Board related to this proceeding.

After review, Staff recommended that the Board approve the municipal consent.

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

III. CABLE TELEVISION

A. Docket No. CE18040471 – In the Matter of the Application of Cablevision of Oakland, LLC for a Renewal of a Certificate of Approval to Operate and Maintain a Cable Television System in the Borough of Bloomingdale, County of Passaic, State of New Jersey.

BACKGROUND: On February 20, 2018, the Borough of Bloomingdale (Borough) granted Cablevision of Oakland, LLC (Cablevision) renewal municipal consent for a term of ten years from the date of issuance of the Renewal Certificate of Approval. On March 1, 2018, Cablevision accepted the terms and conditions of the ordinance, and on April 27, 2018, Cablevision filed a petition with the Board for a renewal of its Certificate of Approval for the Borough.

After review, Staff recommended approval of the proposed Renewal Certificate of Approval. This Certificate shall expire on August 4, 2028.

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

B. Docket No. CE18030250 – In the Matter of the Petition of Comcast of Monmouth County, LLC, for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Borough of Monmouth Beach, County of Monmouth, State of New Jersey.

BACKGROUND: Commissioner Gordon recused himself from voting on this matter. On December 12, 2017, the Borough of Monmouth Beach (Borough), after public hearing, adopted a municipal ordinance granting renewal consent to Comcast of Monmouth County, LLC (Comcast). On December 14, 2017, Comcast accepted the terms and conditions of the ordinance, and on March 9, 2018, Comcast filed a petition with the Board for a renewal of its Certificate of Approval for the Borough.

After review, Staff recommended approval of the proposed Renewal Certificate of Approval. This Certificate shall expire on January 29, 2033.

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

C. Docket No. CE17040373 – In the Matter of the Petition of Comcast of Garden State, LP, for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Township of Shamong, County of Burlington, State of New Jersey.

BACKGROUND: Commissioner Gordon recused himself from voting on this matter. On April 11, 2017, Comcast of Garden State, LP (Comcast) filed a petition for an Automatic Renewal Certificate of Approval for the Township of Shamong (Township) based on the automatic renewal provision.

The Comcast petition is based on the Township's ordinance granting renewal municipal consent which was adopted on June 5, 2002. The Township's ordinance granted a term of 15 years with an automatic renewal term of ten years.

After review, Staff recommended approval of the proposed Automatic Renewal Certificate of Approval. This certificate shall expire on February 10, 2027.

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

D. Docket No. CE17030255 – In the Matter of the Petition of Comcast of South Jersey, LLC, for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the City of Salem, County of Salem, State of New Jersey.

BACKGROUND: Commissioner Gordon recused himself from voting on this matter. On March 13, 2017, Comcast of South Jersey, LLC (Comcast) filed a petition with the Board for an Automatic Renewal Certificate of Approval for the City of Salem (City), based on the automatic renewal provision.

The Comcast petition is based on the City's ordinance granting renewal municipal consent which was adopted on September 17, 2001. The City's ordinance granted a term of 15 years with an automatic renewal term of ten years.

After review, Staff recommended approval of the proposed Automatic Renewal Certificate of Approval. This Certificate shall expire on January 12, 2027.

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

IV. TELECOMMUNICATIONS

A. Docket No. TM18050503 – In the Matter of the Verified Joint Petition of Cross River Fiber, Inc. and Zenfi Networks, Inc. for Approval of a Business Merger, Transfer of Control and Certain Financing Arrangements.

BACKGROUND: On May 3, 2018, Cross River Fiber LLC (CRF) and ZenFi Networks, Inc. (ZenFi), and their subsidiaries and affiliates (collectively, Petitioners), submitted a Joint Petition with the Board requesting approval of a transaction in which Zenfi will acquire CRF, and its wholly-owned subsidiary Cross River Fiber NJ, LLC (CRF NJ) and merge them into ZenFi, through an intermediary Merger Sub and to participate in the equity transfers and financing arising in connection with the transaction.

Following completion of the transaction, the same services will continue to be offered in New

Jersey at the same rates, terms, and conditions to CRF and CRF NJ s customers.

By letter dated May 15, 2018, the New Jersey Division of Rate Counsel (Rate Counsel) submitted comments stating it did not oppose Board approval of Petitioners' request in this filing. The Rate Counsel concurred with the Petitioners that the particular facts herein do not trigger application of the Board's mass-migration rules and customer notification under the rules could lead to unnecessary customer confusion.

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

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

B. Docket No. TM18060612 – In the Matter of Verified Joint Petition of Extenet Systems, Inc. and Hudson Fiber Network, Inc. for Approval to Transfer Indirect Control of Hudson Fiber Network, Inc. to Extenet Systems, Inc.

BACKGROUND: On June 4, 2018, ExteNet Systems, Inc. (ESI) and Hudson Fiber Network Inc. (HFN) (collectively, Petitioners), submitted a Petition to the Board requesting approval to transfer indirect control of HFN to ESI. Following completion of the transaction, the same services will continue to be offered in New Jersey at the same rates, terms, and conditions to HFN customers.

By letter dated June 7, 2018, the New Jersey Division of Rate Counsel (Rate Counsel) submitted comments stating it did not oppose approval of the proposed acquisition provided conditions are imposed to ensure continued service quality in connection with potential future employment attrition in New Jersey. Specifically, as a condition of approval, the Rate Counsel urged that the Board require the Petitioners to notify the Board and the Rate Counsel, providing an appropriate explanation in writing within a minimum of thirty days prior to effectuating a reduction in New Jersey jobs that is greater than 15%, throughout a three year period following approval.

By letter dated June 14, 2018, the Petitioners objected to the proposal by the Rate Counsel stating that such a condition requiring prior notice is not consistent with the Board's prior decisions in other transfer of control transactions in substantially identical circumstances involving other competitive providers serving the New Jersey market. The Petitioners stated that the Rate Counsel's proposal for advance notice, if adopted would be significantly more burdensome on the Petitioners than a requirement to notify the Board after the fact.

Staff shares the concern of the Rate Counsel to avoid the potential for diminished service, service quality and customer service capability based on post-transaction employment attrition. Staff also concurred with the Rate Counsel that there is a need for the Board to be notified when there is a reduction in staff, and consistent with the Board's findings in similar merger reviews.

Having reviewed the Petition and supporting documents, Staff did not find any reason to believe that there will be an adverse impact on rates, competition in New Jersey, the

employees of the Petitioner, or on the provision of safe, adequate and proper service to New Jersey consumers. Moreover, a positive benefit may be expected from the strengthening of the Petitioner's competitive posture in the telecommunications market.

Staff recommended that the Petitioners be allowed to proceed with the transaction.

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

C. Docket No. TM18050568 – In the Matter of the Verified Joint Petition of MLN TopCo, Ltd., Mitel Networks Corporation, and Mitel Cloud Services, Inc. f/k/a Mitel NetSolutions, Inc. for Approval to Transfer Indirect Control of Mitel Cloud Services, Inc. to MLN TopCo Ltd.

BACKGROUND: On May 21, 2018, MLN TopCo Ltd. (Transferee); Mitel Networks Corporation; and Mitel Cloud Services, Inc. (MCSI) (collectively, the Petitioners), submitted a Petition to the Board requesting approval to the extent required, to transfer indirect control of MCSI to Transferee (the Transaction). Following completion of the transaction, the same services will continue to be offered in New Jersey at the same rates, terms, and conditions to MCSI's customers.

The New Jersey Division of Rate Counsel (Rate Counsel) submitted comments by letter dated May 29, 2018, stating it does not oppose approval of the proposed acquisition provided conditions are imposed to ensure continued service quality in connection with potential future employment attrition in New Jersey. Specifically, as a condition of approval, the Rate Counsel urged that the Board require the Petitioners to notify the Board and the Rate Counsel, providing an appropriate explanation in writing within a minimum of thirty days prior to effectuating a reduction in New Jersey jobs that is greater than 15%, throughout a three year period following approval.

Staff shared the concerns of the Rate Counsel to avoid the potential for diminished service, service quality and customer service capability based on post-transaction employment attrition. Staff also concurred with the Rate Counsel that there is a need for the Board to be notified when there is a reduction in staff, and consistent with the Board's findings in similar merger reviews.

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

Staff recommended that the Petitioners be allowed to proceed with the transaction.

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

D. Docket No. TF18050567 – In the Matter of the Joint Petition MLN TopCo. Ltd., Mitel Networks Corporation and Mitel Cloud Services, Inc. f/k/a Mitel NetSolutions, Inc. for Approval for Mitel Cloud Services, Inc. to Participate in Certain Financing Arrangements.

BACKGROUND: On May 18, 2018, MLN TopCo Ltd., Mitel Networks Corporation, and Mitel Cloud Services, Inc. (MCSI) (collectively, Petitioners) submitted a Joint Petition to the Board requesting approval for MCSI to participate in certain financing arrangements in an aggregate

amount of up to \$1.480 billion upon completion of the transfer of indirect control of MCSI to TopCo (Mitel Merger).

The Petitioners sought Board approval for MCSI, only upon completion of the Mitel Merger, to participate in certain financing arrangements up to an aggregate amount of \$1.480 billion (Financing Arrangements). The Petitioners expect that any long-term indebtedness incurred as part of the financing will mature up to eight years after issuance. Interest rate(s) will be set according to market conditions at issuance and may be fixed or floating, or a combination thereof, with floating rates consisting of a base rate plus an applicable margin. Some or all of the Financing Arrangements may be secured facilities, which may include a grant of a security interest in the assets of TopCo and its current and future subsidiaries, including MCSI. Additionally, TopCo's current and future subsidiaries, including MCSI, may provide a guaranty as security for the full aggregate amount of the Financing Arrangements. The Financing Arrangements may be used for acquisitions, including the Mitel Merger, refinancing existing debt, working capital requirements, and other types of general corporate purposes.

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

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

E. Docket No. TF18060613 – In the Matter of Verified Petition of ExteNet Systems, Inc. and Hudson Fiber Network Inc., for Approval for Hudson Fiber Network Inc. to Participate in Certain Financing Arrangements.

BACKGROUND: On June 4, 2018, ExteNet Systems, Inc. (ESI) and Hudson Fiber Network Inc. (HFN) (collectively, Petitioners) submitted a Joint Petition with the Board requesting approval for HFN to participate in certain financing arrangements upon completion of the transfer of indirect control of HFN to ESI (Transaction).

The Petitioners sought Board approval for HFN, only upon completion of the Transaction, to participate in certain financing arrangements up to an aggregate amount of \$750 million (Financing Arrangements). The Petitioners expect that any long-term indebtedness incurred as part of the financing will mature up to ten years after issuance. Interest rate(s) will be set according to market conditions at issuance and may be fixed or floating, or a combination thereof, depending on the type of debt and market conditions. Some or all of the Financing Arrangements may be secured facilities, which may include a grant of a security interest in the assets of ESI and its current and future subsidiaries, including HFN. Additionally, ESI's current and future subsidiaries, including HFN, may provide a guaranty as security for the full aggregate amount of the Financing Arrangements. The Financing Arrangements may be used for acquisitions, including the Transaction, refinancing existing debt, working capital requirements, and other types of general corporate purposes. In order to maintain adequate flexibility, the Petitioners therefore sought authority for HFN, concurrently with or following consummation of the Transaction, to incur debt as borrower, co-borrower, or guarantor and to pledge its assets as security for Financing Arrangements up to an aggregate amount of \$750 million consistent with the parameters outlined above.

The Petitioners stated that the Financing Arrangements will serve the public interest in promoting competition among telecommunications carriers by providing access to greater financial resources that will allow ESI and its subsidiaries, including HFN, to become more effective competitors in the communications industry. The Petitioners state that, among other

things, the Financing Arrangements may be used to fund some or all of the purchase price for the Transaction and future acquisitions, to support strategic growth initiatives, to provide for ongoing working capital, and for other corporate purposes. The Petitioners stated that the Financing Arrangements are necessary and appropriate, are consistent with the performance by the Petitioners of their services to the public, will not impair their ability to perform such services, and will promote their corporate purposes. The Petitioners asserted that the Financing Arrangements will be transparent to the Petitioners' customers and will not disrupt service or cause customer confusion or inconvenience.

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.

V. WATER

A. Docket No. WR18030268 – In the Matter of the Petition of Gordon's Corner Water Company for an Increase in Rates and Charges for Water Service.

BACKGROUND: Gordon's Corner Water Company (Petitioner) is engaged in the business of collecting, treating and distributing water for retail services to approximately 15,000 customers in portions of Marlboro and Manalapan Townships, Monmouth County, New Jersey.

On March 16, 2018, the Petitioner filed a petition with the Board seeking to increase its base tariff rates and charges for water service amounting to approximately \$1,827,537.00 or 16.1%.

The increase in rates was proposed to become effective on April 20, 2018. By letter dated April 3, 2018, the Petitioner notified the Board that it would not implement the proposed rate increase on an interim basis prior to the effective date of the Initial Suspension Order emanating from the Board's April 25, 2018 public agenda meeting. By Order dated April 25, 2018, the Board suspended the proposed rates until August 20, 2018. The matter was transmitted to the Office of Administrative Law on April 5, 2018 and it is expected that hearings will be proceeding accordingly.

The Petitioner did not seek interim rate relief pending final determination on the petition.

Since the proposed revisions will increase existing rates and change or alter existing classifications in the Petitioner's tariff, Staff recommended that the Board issue an Order that include the following:

1. The proposed revisions be, and are suspended until December 20, 2018, unless the Board prior to that date makes a determination disposing of the petition;
2. The Petitioner shall, at least 10 days prior to the date set for hearing on the petition by the Office of Administrative Law, file with the Board and with the Office of Administrative Law proof of compliance with the Notice provisions of N.J.S.A. 48:2-32.2 and N.J.A.C. 14: 1-5.12 (b) and (c), which Notice shall include a statement that any relief found by the Board to be just and reasonable may be allocated by the Board to any class or classes of customers on any rate or schedule as the Board may determine; and
3. The Petitioner shall serve copies of this Order upon the Office of Administrative

Law, the Division of Rate Counsel, the clerks of the affected municipalities, the clerk of the Board of Chosen Freeholders of the affected county, and if appropriate, the executive officer of the affected county within its service area. Proof of service of this Order shall be filed with the Board within 15 days of the date of this 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

A. Docket Nos BPU GC17040387U and OAL PUC 17315-17 – In the Matter of Alfredo Toro, Petitioner v. Elizabethtown Gas Company, Respondent.

BACKGROUND: This matter involved a billing dispute between Alfredo Toro (Petitioner) and Elizabethtown Gas Company (E-Town). The petition was transmitted to the Office of Administrative Law for hearing as a contested case. Administrative Law Judge (ALJ) Elissa Mizzone Testa filed an Initial Decision in this matter with the Board on July 9, 2018, approving the Stipulation of Settlement (Stipulation) of the parties.

Pursuant to the terms of the Stipulation, and in order to fully resolve this matter, E-Town agreed to credit the Petitioner's account the amount of \$258.98. The Petitioner agreed to accept the settlement amount in accordance with the Stipulation. The Petitioner also agreed to pay his E-Town bills on a timely basis going forward.

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

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

B. Docket Nos. BPU EC18020156U and OAL PUC 04778-18 – In the Matter of Hellane Freeman, Petitioner v. Public Service Electric and Gas Company, Respondent.

BACKGROUND: Commissioner Gordon recused himself from voting on this matter. This matter involved a billing dispute between Hellane Freeman (Petitioner) and Public Service Electric and Gas Company (PSE&G). The petition was transmitted to the Office of Administrative Law for hearing as a contested case. Administrative Law Judge (ALJ) Jude-Anthony Tiscornia filed an Initial Decision in this matter with the Board on June 25, 2018, approving a Stipulation of Settlement (Stipulation) of the parties.

Pursuant to the terms of the Stipulation, and in order to fully resolve this matter, PSE&G agreed to adjust the Petitioner's account leaving an overdue balance of \$500.00. The Petitioner will pay the remaining \$500.00 balance by June 30, 2018. The Petitioner also agreed to pay her PSE&G bills on a timely basis going forward.

The Board, at its discretion, has the option of accepting, modifying or rejecting the Initial

Decision of ALJ Tiscornia. Staff recommended the Board adopt the Initial Decision of ALJ Tiscornia.

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

C. Docket Nos. BPU GC18020152U and OAL PUC 04851-18 – In the Matter of Norman Penderghest, Petitioner v. South Jersey Gas, Respondent.

BACKGROUND: This matter involved a billing dispute between Norman Penderghest (Petitioner) and South Jersey Gas Company (SJG). The petition was transmitted to the Office of Administrative Law for hearing as a contested case. Administrative Law Judge (ALJ) Tama B. Hughes filed an Initial Decision in this matter with the Board on June 29, 2018, approving a Stipulation of Settlement (Stipulation) of the parties.

Pursuant to the terms of the Stipulation, and in order to fully resolve this matter, SJG applied two credits to the Petitioner's account in the total amount of \$350.00. The Petitioner agreed to pay the remaining \$267.78 balance by making payments of \$44.63 per month for the next six months, plus current charges.

The Board, at its discretion, has the option of accepting, modifying or rejecting the Initial Decision of ALJ Hughes. Staff has completed its review of the record and recommended the Board adopt the Initial Decision of ALJ Hughes.

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

D. Docket Nos. BPU WC17060642U and OAL PUC 17477-17 – In the Matter of Kumar Ramasubramanian, Petitioner v. New Jersey American Water, Respondent.

BACKGROUND: This matter involved a billing dispute between Kumar Ramasubramanian (Petitioner) and New Jersey American Water (NJAW). The petition was transmitted to the Office of Administrative Law for hearing as a contested case. Administrative Law Judge (ALJ) Carl V. Buck, III filed an Initial Decision in this matter with the Board on June 29, 2018, approving a Stipulation of Settlement (Stipulation) of the parties.

Pursuant to the terms of the Stipulation, and in order to fully resolve this matter, NJAW agreed to credit the Petitioner's account in the amount of \$461.43. The Petitioner will make a payment of \$117.65 in full and final settlement of this matter.

The Board, at its discretion, has the option of accepting, modifying or rejecting the Initial Decision of ALJ Buck, III. Staff has completed its review of the record and recommended the Board adopt the Initial Decision of ALJ Buck, III.

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

E. Docket Nos. BPU WC17101028U and OAL PUC 04019-18 – In the Matter of Chukwuemeka Nwokoro, Petitioner v. New Jersey American Water Company, Respondent.

BACKGROUND: This matter involved a billing dispute between Chukwuemeka Nwokoro (Petitioner) and New Jersey American Water (NJAW). The petition was transmitted to the Office of Administrative Law for hearing as a contested case. Administrative Law Judge (ALJ) Julio C. Morejon filed an Initial Decision in this matter with the Board on July 9, 2018, approving a Stipulation of Settlement (Stipulation) of the parties.

Pursuant to the terms of the Stipulation, and in order to fully resolve this matter, NJAW agreed to credit the Petitioner's account in the amount of \$838.05.

The Board, at its discretion, has the option of accepting, modifying or rejecting the Initial Decision of ALJ Morejon. Staff has completed its review of the record and recommended the Board adopt the Initial Decision of ALJ Morejon.

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

VIII. CLEAN ENERGY

There were no items in this category.

IX. MISCELLANEOUS

**A. Approval of the Minutes for the April 25, 2018, Agenda Meeting; and
Approval of the Minutes for the May 22, 2018 Agenda Meeting.**

BACKGROUND: Staff presented the minutes of the Regular Board Agenda meetings of April 25, 2018 and May 22, 2018, 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 Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye
	Commissioner Gordon	Aye (excluding noted recusals)

AGENDA

1. AUDITS

There were no items in this category.

2. ENERGY

Cynthia L. M. Holland, Esq., Director, Federal and Regional Policy Division, presented these matters.

A. Docket No. ER18010004 – In the Matter of Federal Energy (FERC) Items for 2018 – FERC Docket No. EL18-169 CPV Power Holdings, LP, et al. v. PJM Interconnection, LLC.

BACKGROUND AND DISCUSSION: This matter involved Staff, on behalf of the Board, filing a Protest in this proceeding, which was initiated by CPV Power Holding et al. (the Complainants) upon Complaint against PJM Interconnection LLC (PJM). The Complainants used PJM's recent tariff filing, as well as a prior Complaint, as the foundation for their new filing. In doing so, the Complainants expand upon PJM's mischaracterizations of law, misplaced analogies, and speculation about the impacts of state programs to further tempt the Commission to take action against state programs.

On May 31, 2018, Complainants filed a Complaint at FERC against PJM. The Complainants requested that the Commission act expeditiously under Section 206 of the Federal Power Act (FPA) to adopt a Minimum Offer Pricing Rule (MOPR) that is (1) applicable to all resources meeting the expanded definition of "Material Subsidy" proposed by Complainants and (2) without the categorical exemptions proposed by PJM. Due to the removal of the exemptions and expansion of the definition, Complainants refer to their proposal as "Clean MOPR."

The Complainants presented their filing as a procedural vehicle by which the Commission can require PJM's adoption of a "Clean MOPR" in time for the base residual capacity auction for the 2022-2023 delivery year; thereby fully mitigating the impact of subsidized resources on the Reliability Pricing Model (RPM) market.

The "Clean MOPR," as proposed by the Complainants, would act as nothing short of punitive mitigation to foreclose New Jersey's lawful generation policies. If approved, the "Clean MOPR" will have a significant cost impact on ratepayers. Consistent with prior filings of the Board, Staff requested that the Commission deny the Complaint and, in doing so, direct PJM to work with the states to ensure that any future capacity market revisions are complementary to the policies of and attributes sought by the several states.

Staff recommended that the Board ratify this Protest.

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

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

B. Docket No. ER18010004 – In the Matter of Federal Energy (FERC) Items for 2018 – FERC Docket No. ER18-614 – PJM Interconnection LLC re: RTEP Projects Approved December 2017.

BACKGROUND AND DISCUSSION: Commissioner Gordon recused himself from voting on this matter. This matter involved Staff, on behalf of the Board, filing a Motion for Leave to Answer PJM's second Answer to the deficiency letter issued by the Federal Energy Regulatory Commission (FERC). Staff challenges that PJM's response continues to offer only an insufficient explanation of PJM's conclusions, which raises further concern regarding the transparency of PJM's planning process. PJM's lack of transparency in re-evaluating two PSE&G immediate need transmission projects appears to be a violation of Order 890.

On January 5, 2018, PJM submitted the PJM Board approved changes to the Regional Transmission Expansion Plan, which included approximately \$350.45 million in additional baseline transmission enhancements and expansions.

Among the projects approved by the PJM Board were certain "immediate need" projects in the PSE&G Zone that may no longer be necessary given the change in withdraw rights approved for Linden and Hudson Transmission Partners (HTP). Therefore, PPA-NJ has protested the PJM filing and sought new modeling from PJM to determine the need for those projects.

PJM's filing also eliminates any cost allocation for HTP and Linden, consistent with other PJM filings. The PJM Transmission Owners protest the filing, because PJM has failed to allocate any costs for Targeted Market Efficiency Projects (TMEPs) to HTP and Linden, despite their continued benefit from the congestion reductions achieved by those TMEPs.

Staff, on behalf of the Board, prepared and filed a limited Answer in February 2018 to support the protests, which raised issues quite similar to those of the Board in its Complaint.

Staff recommended that the Board ratify the Motion for Leave to Answer filed on June 27, 2018.

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

Roll Call Vote:	President Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye
	Commissioner Gordon	recused

Joseph DeLosa, Esq., Deputy Attorney General, Division of Law, presented these matters.

C. Docket No. ER18010004 – In the Matter of Federal Energy (FERC) Items for 2018 - FERC Docket No. RM18-9 – Participation of Distributed Energy Resource Aggregations in Markets Operated by Regional Transmission Organizations and Independent System Operators.

BACKGROUND AND DISCUSSION: On June 26, 2018, Staff, on behalf of the Board, filed Post-Technical Conference Comments on the Federal Energy Regulatory Commission's (FERC or Commission) November 17, 2016 Notice of Proposed Rulemaking (NOPR) concerning the paradigm for Distributed Energy Resource (DER) aggregation in wholesale

markets. Comments were offered to ensure state-jurisdictional interconnection processes remain the venue for determination of reliability and cost allocation issues attendant to DER aggregation. In disputes between state and federal interconnection guidelines, PJM must not be able to override state determinations and allow resource participation.

Staff continues to oppose allowing DERs to receive payment for the same service from the wholesale and retail markets. Staff supports a paradigm where the Board could preclude jurisdictional DERs from participation in certain wholesale markets based on a state regulatory determination of the value already provided under existing retail compensation programs. The comments also support robust metering and telemetry requirements to help ensure double compensation does not occur.

Staff recommended that the Board ratify the Post-Technical Conference Comments filed on June 27, 2018.

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

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

D. Docket No. ER18010004 – In the Matter of Federal Energy (FERC) Items for 2018 - FERC Docket Nos. EL17-36 and EL17-32 – Advanced Energy Management Alliance and Old Dominion Electric Cooperative et al. v. PJM Interconnection, LLC (consolidated).

BACKGROUND AND DISCUSSION: This matter involved, Staff, on behalf of the Board, filing Post-Technical Conference Comments in the above captioned proceeding at the Federal Energy Regulatory Commission’s (FERC) concerning the treatment of Seasonal Capacity Performance Resources in PJM Interconnection LLC’s (PJM) capacity market.

On December 23, 2016, Old Dominion Electric Cooperative, Direct Energy Business, LLC, and American Municipal Power, Inc. (collectively, ODEC) filed a formal complaint against PJM requesting that FERC take action to prevent the loss of participation by certain resources, referred to as “Seasonal Capacity Performance Resources,” in PJM’s Reliability Pricing Model (RPM) and determine that PJM’s Open Access Transmission Tariff (Tariff) and the Reliability Assurance Agreement regarding Seasonal Capacity Performance Resources in the RPM auctions are no longer just and reasonable.

On January 5, 2017, the Advanced Energy Management Alliance (AEMA) filed a Complaint against PJM concurrent with the filing of a Motion for Consolidation of its Complaint with the proceedings in ODEC Complaint. AEMA similarly requested fast-track processing to “protect customers in the PJM Region from unnecessary and dramatic increases in electricity costs that will result” if Seasonal Capacity Performance Resources are precluded from participating in the May 2017 BRA for the 2020/2021 Delivery Year.

Staff’s comments highlight the connections between this matter and other ongoing capacity market revisions, including capacity repricing, state-sponsorship of resources, PJM’s fuel-security initiative, and resilience. Staff explained that, if FERC fails to rule in a coordinated fashion across these interwoven issues, additional uncertainty will be introduced at an already

tenuous time for the capacity construct; thereby rendering FERC's decision arbitrary and capricious.

Staff recommended that the Board ratify the Post-Technical Conference Comments filed on July 13, 2018.

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

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

Stacy Peterson, Director, Division of Energy, presented these matters.

E. Docket No. EW18030345 – In the Matter of Commercial Utility Consultants, Inc. – Request for Waiver Related to Government Energy Aggregation Submittals for the Township of Bloomfield and the City of Linden Pursuant to N.J.A.C. 14:1-1.2 Construction and Amendment.

BACKGROUND AND DISCUSSION: On March 27, 2018, Commercial Utility Consultants, Inc. (CUC) filed a letter petition (Letter Petition) with the Board seeking a waiver from compliance with N.J.A.C. 14:4-6.6(i) as applied to the Government Energy Aggregation (GEA) Programs for which it serves as the energy agent on behalf of the Township of Bloomfield and the City of Linden (collectively, GEA Programs). The rule requires the submission, for review by Board Staff and the New Jersey Division of Rate Counsel (Rate Counsel), of the draft bidding documents for a GEA program. While not cited in CUC's request, Board rules also require CUC to submit its draft public opt-out notice to residents of those municipalities participating in the GEA program. (N.J.A.C. 14:4-6.6(t)).

CUC renewed the GEA Programs without submitting the draft bidding documents or the draft public opt-out notice to Board Staff (Staff) or the Rate Counsel for review. Essentially, CUC mistakenly interpreted the rules and therefore concluded that because it had submitted draft bidding documents several years ago, when these programs were first established and the first third party supplier was selected to serve the customers for each of these programs, it had no obligation to submit draft bidding documents or opt-out notices associated with the selection of any future suppliers to serve customers after the first supply contract ended.

CUC included the documents in question in its waiver request filing. Staff reviewed the documents submitted by CUC and recommended that the Board accept, nunc pro tunc, CUC's submission of its draft bidding documents and draft public notices for the GEA Programs. Further, Staff recommended that the Board waive N.J.A.C. 14:4-6.6(i) and (t) for this case.

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

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

F. Docket No. GR1711182 – In the Matter of New Jersey Natural Gas Company for the Annual Review and Revision of Societal Benefits Charge Factors for Remediation Years 2016 and 2017.

BACKGROUND AND DISCUSSION: On November 17, 2017, New Jersey Natural Gas Company (NJNG or Company) filed a petition (Petition) with the Board requesting approval to change rates for two components of its Societal Benefits Charge (SBC): the Remediation Adjustment (RA) and the New Jersey Clean Energy Program (NJCEP).

In the Petition, NJNG sought approval to decrease the Company’s per therm after-tax RA rate; increase the NJCEP per therm after-tax rate; and to approve the remediation expenditures incurred by the Company for the period July 1, 2015 through June 30, 2017.

Based on information submitted in the Petition and subsequent data responses, the Company proposed to decrease the January 1, 2018, per therm after-tax RA rate from \$0.0145 to \$0.0106 and increase the per therm after-tax NJCEP rate from \$0.0166 to \$0.0194. These rates combined with the existing combined Universal Service Fund and Lifeline Program rates of \$0.0087 per therm will comprise the proposed SBC after-tax rate of \$0.0387 per therm.

On June 27, 2018, following review of the petition and discovery responses, NJNG, the New Jersey Division of Rate Counsel, and Board Staff executed a Stipulation of Settlement (Stipulation).

Staff recommended that the Board issue an Order approving the Stipulation. Staff also recommended that the Board direct NJNG to file tariff sheets consistent with the terms and conditions of the Order by September 1, 2018.

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

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

G. Docket Nos. EO18060629 and GO18060630 – In the Matter of the Petition of Public Service Electric and Gas Company for Approval of the Second Energy Strong Program (Energy Strong II).

BACKGROUND AND DISCUSSION: Commissioner Gordon recused himself from voting on this matter. On June 12, 2018, Public Service Electric & Gas (PSE&G, Company) filed a petition with the Board for approval to implement the next phase of its Energy Strong Program (Energy Strong II or Program) and an associated cost recovery mechanism. The Company proposed a five year program with a total investment level of approximately \$2.5 billion. PSE&G stated that the Program aims to improve the reliability and resiliency of the Company’s electric and gas systems by rebuilding critical electrical equipment, installing stronger poles, deploying advanced technology, building backup pipes, modernizing critical gas equipment, and improving customer service.

According to the petition, the proposed Program is consistent with the Board’s rules on Infrastructure Investment Programs (IIP), promulgated in N.J.A.C. 14:3-2A. Consistent with

the IIP regulations, PSE&G stated that the Program aims to enhance safety, reliability, and/or resiliency through four electric and two gas subprograms. The Company proposes to conduct the Program from March 1, 2019 through February 29, 2024.

PSE&G projected that the first base rate adjustment filings related to the Program will be in September 2020 for electric rates and March 2022 for gas rates. The Company also proposed a rate filing no later than September 15, 2024 comprised of all actual cost data for rates effective January 1, 2025. Costs to be included in rates will include depreciation/amortization expense, return on the net investment, and the impact of any tax adjustments applicable to the Program.

Following the filing of the petition, the New Jersey Large Energy Users Coalition filed a motion to intervene and for the admission pro hac vice of Paul F. Forshay, Esq., a member of the bar of the District of Columbia.

Staff recommended that the Board retain this matter for hearing and designated President Fiordaliso as the presiding officer. Staff further recommended that the Board set a bar date of August 17, 2018 for the filing of motions to intervene and/or participate and for admission pro hac vice.

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

Roll Call Vote:	President Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye
	Commissioner Gordon	recused

H. Docket No. ER18020157 – In the Matter of the Provision of Basic Generation Service and the Compliance Tariff Filing Reflecting Changes to Schedule 12 Charges in PJM Open Access Transmission Tariff (OATT) – February 2018 Joint Filing Related to JCP&L TECs.

BACKGROUND AND DISCUSSION: Commissioner Gordon recused himself from voting on this matter. On February 13, 2018, Atlantic City Electric Company, Jersey Central Power & Light Company (JCP&L), Public Service Electric and Gas Company and Rockland Electric Company (collectively, the EDCs) filed a joint petition (February 2018 Petition) with the Board requesting recovery of Federal Energy Regulatory Commission (FERC) approved changes in transmission service related charges.

By Order dated January 31, 2018, the Board authorized the EDCs to modify their Basic Generation Service (BGS) Residential/Small Commercial Pricing (BGS-RSCP) and Commercial and Industrial Energy Pricing (BGS-CIEP) rates to reflect the changes in their transmission charges resulting from the FERC-approved changes to the TECs resulting from changes in the PJM Open Access Transmission Tariff (OATT) made in response to the formula rate filing made by JCP&L.

On December 15, 2017, in Docket Nos. EL-17-84-000 and EL17-90-000 (HTP and Linden VFT Orders), FERC issued orders, effective January 1, 2018 that modified the PJM OATT as a result of a change in Hudson Transmission Partners' (HTP) and Linden VFT's responsibility for certain transmission cost allocations resulting from the conversion of Firm to Non-Firm

Transmission Withdrawal Rights. The revisions remove HTP and Linden VFT as parties responsible for cost allocation under Schedule 12 of the PJM OATT. While FERC has ruled on these matters through the issuance of the HTP and Linden VFT Orders, the cost reallocations being implemented are still subject to ongoing challenges before FERC.

In the February 2018 Petition, the EDCs requested approval to implement the revised tariff rates with a rate effective date of January 1, 2018. The EDCs also requested a waiver of the 30-day filing requirement that would otherwise apply to this type of submission, because BGS suppliers began paying the revised transmission charges for service effective January 1, 2018 pursuant to the HTP and Linden VFT Orders.

Under the Supplier Master Agreement, specifically Section 15.9, the EDCs are permitted to recover increases in Firm Transmission Service charges from BGS customers subject to Board approval. Thereafter, EDCs are required to remit payment of the increased charges to suppliers upon, among other things, the issuance of a “FERC Final Order” approving the Firm Transmission Service increase. Accordingly, the EDCs request that the Board find that upon the EDCs collection of the increase due to the HTP and Linden VFT cost reallocations, the EDCS be authorized to remit to BGS suppliers the cost increases collected due to the cost reallocations with any differences between the payments to BGS suppliers and charges to customers flowing through each EDC’s BGS Reconciliation Charge.

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

Staff recommended that the Board issue an order approving the changes to the BGS-RSCP and BGS-CIEP rates requested in the February 2018 Petition by each EDC for its transmission charges resulting from the FERC-approved changes effective as of September 1, 2018. Staff also recommended that the Board authorize the EDCs to collect from BGS customers, effective September 1, 2018, the costs associated with the February 2018 Petition and track such collections until receipt of a Final FERC Order in the matter. Staff further recommended that the Board direct the EDCs to file tariffs and rates consistent with the Board’s findings prior to September 1, 2018.

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

Roll Call Vote:	President Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye
	Commissioner Gordon	recused

I. Docket No. ER18020158 – In the Matter of the Provision of Basic Generation Service and the Compliance Tariff Filing Reflecting Changes to Schedule 12 Charges in PJM Open Access Transmission Tariff – February 2018 Joint Filing.

BACKGROUND AND DISCUSSION: Commissioner Gordon recused himself from voting on this matter. On February 14, 2018, Atlantic City Electric Company (ACE), Jersey Central Power & Light Company, Public Service Electric and Gas Company, (PSE&G) and Rockland Electric Company (collectively, the EDCs) filed a joint petition (February 2018 Petition) with the Board requesting recovery of Federal Energy Regulatory Commission (FERC) approved changes in transmission service related charges.

By two separate Orders dated August 23, 2017, the Board authorized the EDCs to modify their Basic Generation Service (BGS) Residential/Small Commercial Pricing (BGS-RSCP) and Commercial and Industrial Energy Pricing (BGS-CIEP) rates to reflect the changes in their transmission charges resulting from the FERC-approved changes to the TECs resulting from changes in the PJM Open Access Transmission Tariff (OATT) made in response to (i) the annual formula rate update filings made by PPL Electric Utilities Corporation in FERC Docket No. ER09-1148, by Baltimore Gas and Electric Company in FERC Docket No. ER09-1100, and by Tran-Allegheny Interstate Line Company in FERC Docket No. ER07-562, and (ii) the formula rate update filings made by the public utility affiliates of Pepco Holdings Inc. in FERC Docket No. ER08-1423 and the respective utility affiliate compliance filings for formula rate updates made by ACE in FERC Docket No. ER09-1156, Delmarva Power and Light in FERC Docket No. ER09-1158, and Potomac Electric Power Company in FERC Docket No. ER09-1159.

By Order dated January 31, 2018, the Board authorized the EDCs to modify their BGS-RSCP and BGS-CIEP rates to reflect the changes in their transmission charges resulting from the FERC-approved changes to the TECs resulting from changes to the PJM OATT made in response to the annual formula rate update filing made by: (i) Potomac-Appalachian Transmission Highline, LLC in FERC Docket No. ER-08-386-000; (ii) PSE&G in FERC Docket No. ER08-1233, (iii) Virginia Electric Power Company in FERC Docket No. ER08-92-000; and (iv) AEP in FERC Docket No. ER17-405-000.

On December 15, 2017, in Docket Nos. EL-17-84-000 and EL17-90-000 (HTP and Linden VFT Orders), FERC issued orders, effective January 1, 2018 that modified the PJM OATT as a result of a change in Hudson Transmission Partners' (HTP) and Linden VFT's responsibility for certain transmission cost allocations resulting from the conversion of Firm to Non-Firm Transmission Withdrawal Rights. The revisions remove HTP and Linden VFT as parties responsible for cost allocation under Schedule 12 of the PJM OATT. While FERC has ruled on these matters through the issuance of the HTP and Linden VFT Orders, the cost reallocations being implemented are still subject to ongoing challenges before FERC.

In the February 2018 Petition, the EDCs requested approval to implement the revised tariff rates with a rate effective date of January 1, 2018. The EDCs also requested a waiver of the 30-day filing requirement that would otherwise apply to this type of submission, because BGS suppliers began paying the revised transmission charges for service effective January 1, 2018 pursuant to the HTP and Linden VFT Orders.

Under the Supplier Master Agreement, specifically Section 15.9, the EDCs are permitted to recover increases in Firm Transmission Service charges from BGS customers subject to Board approval. Thereafter, EDCs are required to remit payment of the increased charges to suppliers upon, among other things, the issuance of a "FERC Final Order" approving the Firm Transmission Service increase. Accordingly, the EDCs requested that the Board find that once the EDCs begin collecting the increases due to the HTP and Linden VFT cost reallocations, the EDCs be authorized to remit to BGS suppliers the cost increases collected due to the cost reallocations, with any differences between the payments to BGS suppliers and charges to customers flowing through each EDC's BGS Reconciliation Charge.

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

Staff recommended that the Board issue an order approving the changes to the BGS-RSCP and BGS-CIEP rates requested in the February 2018 Petition by each EDC for its transmission

charges resulting from the FERC-approved changes effective as of September 1, 2018. Staff recommended that the Board authorize the EDCs to collect from BGS customers, effective September 1, 2018, the costs associated with the February 2018 Petition and track such collections until receipt of a Final FERC Order in the matter.

Staff further recommended that the Board direct the EDCs to file tariffs and rates consistent with the Board's findings prior to September 1, 2018.

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

Roll Call Vote:	President Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye
	Commissioner Gordon	recused

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

J. Docket No. ER18060638 – In the Matter of the Petition of Atlantic City Electric Company for Approval of Amendments to its Tariff to Provide for an Increase in Rates and Charges for Electric Service Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1 and for Other Appropriate Relief (2018).

BACKGROUND AND DISCUSSION: On June 15, 2018, Atlantic City Electric Company (ACE or Company) filed a base rate case seeking an increase for electric service of approximately \$99.7 million to be effective on or after March 15, 2019. ACE filed its petition based on a test year ending December 31, 2018 and included three months of actual test year data for the months of January, February and March 2018. The petition included a proposed procedural schedule, which provides for the filing of the Company's 12 + 0 update, or the full test-year actual data, in February 2019, possibly after the case record has been closed. The Company stated that it will implement rates on a provisional basis after March 15, 2019, should the Board fail to make a final determination by that date.

On June 25, 2018, the New Jersey Division of Rate Counsel (Rate Counsel) filed a motion to dismiss arguing that the petition was deficient, as the Company's three months of actual data and nine months of estimated data (3+9), fails to comport with Board policy requiring six months of actual data as stated in the In re Elizabethtown Water Co. Rate Case, BPU Docket No. WR8504330 (May 23, 1985) (Elizabethtown Water). The Rate Counsel argued that by submitting a 3+9 filing, ACE requested the Board to set rates based on projected, not actual, data and that provisional rates will go into effect before the matter case can be decided.

The Rate Counsel argued that by filing its base rate case with the 3+9 data ACE is essentially asking the Board to set rates based on projected, not actual, data. Further, the Rate Counsel argued that while the Company states it will provide 12 months of actual data (12+0) in February 2019, by that time, if ACE's proposed schedule is adopted, the parties will have already conducted evidentiary hearings, submitted initial and reply briefs and the Administrative Law Judge will have issued an Initial Decision. Under ACE's proposed schedule, the 12+0 data will be provided after the record closes. Using ACE's proposed schedule, the Rate Counsel argued that the Company is asking the Board to adopt a projected test year and base final rates on Company estimated data.

Staff recommended that the Board dismiss ACE's petition, finding that it is deficient in that, at the time of filing, ACE did not provide the Board with sufficient actual data from the Company's selected test year to permit the parties an opportunity to review and conclude the case within the statutorily permissible period set forth in N.J.S.A. 48:2-21. Staff also recommended that the Board affirm the long-standing policy set forth in Elizabethtown Water that as a general guideline for major utilities, rate case petitions should contain when filed, six months actual test year data and six months estimated data, or at a minimum, five months actual and seven months estimated data. Staff further recommended that the Board dismiss the Company's base rate case petition, without prejudice.

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

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

3. CABLE TELEVISION

There were no items in this category.

4. TELECOMMUNICATIONS

A. Docket No. TO18070707 – In the Matter of the Request for Quotation for the Provision of Telecommunications Relay Service – See Executive Session.

Harold Bond, Chief, Engineering and Rates, Office of Cable Television & the Office of Telecommunications, presented this matter.

BACKGROUND AND DISCUSSION: Commissioner Gordon recused himself from voting on this matter. This matter was first discussed in executive session. This matter involved a Request for Quotation (RFQ) for the Provision of Telecommunications Relay Service (TRS) for a five-year contract. TRS is a telephone service that allows people who are deaf hard of hearing, blind, or have a speech disorder to place and receive calls as standard telephone users via a keyboard or assistive device with the assistance of communications operators to provide translation services.

In order to implement a new contract prior to the end of the transition year and to prevent a gap in service, staff sought a waiver of advertising from the Treasury Department which allowed the Board to secure a new contract through the RFQ process, rather than seeking a vendor under the request for proposal process which previously was used. Staff received pre-approval of the waiver from Treasury Department. Following the pre-approval, the Board granted staff's request to issue the RFQ under similar terms and conditions of the existing contract.

On April 1, 2010, Sprint was awarded its current contract which expired on March 31, 2013, but was extended to March 31, 2015 pursuant to the terms of the contract. On March 18, 2015, Sprint was awarded another contract under a similar bidding process which expired on March 31, 2018. However, the contract term had a provision for the Board to implement an automatic 90-day extension which was enacted. On April 25, 2018, the Board approved an additional 90-day extension and approved a waiver of advertising from Treasury Department

which allowed the Board to secure the new contract through the RFQ process.

The RFQ was released on June 20, 2018, and received two competing bids. Both bids were determined to be deficient and Staff requested the entities to correct the deficiencies. Revised proposals were received on July 18, 2018. An evaluation committee met to review, evaluate, and make the recommendation of a provider on the basis of quality of service, price, technical support, and adaptability to new technologies.

At the evaluation meeting, a provider was unanimously selected. Following staff's recommendation and Board approval, this matter will be submitted to Treasury for final review and awarding of the contract to the recommended bidder.

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

Roll Call Vote:	President Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye
	Commissioner Gordon	recused

5. WATER

A. Docket No. AX18010001 – In the Matter of the New Jersey Board of Public Utilities' Consideration of the Tax Cuts and Jobs Act of 2017; and

Docket No. WR18030237 – In the Matter of the Petition of Aqua New Jersey, Inc. Compliance Filing.

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

BACKGROUND AND DISCUSSION: On March 2, 2018, Aqua New Jersey Inc. (Aqua, Petitioner or Company) filed its petition pursuant to the Board's January 31, 2018 Generic Tax Cuts and Jobs Act (TCJA) Order, including proposed tariffs as well as a proposed plan. The Company's filing and proposed tariffs did not include an across-the-board rate reduction reflecting the reduction in the corporate tax rate from 35% to 21%. Therefore, Aqua refiled its petition (Tax Rate Adjustment Filing) which reflected the across-the-board rate reduction on March 19, 2018. The Tax Rate Adjustment Filing requested that the Board approve the Company's petition to implement the following:

1. A reduction in its base rates of \$2,614,507.00 to be effective April 1, 2018;
2. A refund of \$573,287.00 to customers for the difference between the April 1, 2018 effective rates and the current rates for the period commencing January 1, 2018 and ending March 31, 2018; and
3. Approval of \$9,495,469.00 of "protected" Excess Deferred Income Taxes which have been recorded as a regulatory liability to be amortized utilizing the Average Rate Assumption Method (ARAM) as required by Internal Revenue Service regulations, and \$50,828.00 of non-plant or "unprotected" Excess Deferred Income Taxes which have been recorded as a regulatory asset to be amortized over three years. The one-time refund will include interest at the Company's short-term debt rate as specified in the Company's last base rate case and is anticipated to be applied to customer accounts beginning in July 2018.

The Petitioner represented that this rate change and one-time refund results in an overall rate decrease of approximately 6.8% to the average residential water customer using 5,000 gallons of water per month.

A Stipulation finalizing the rate reduction that was implemented on an interim basis, effective April 1, 2018, was entered into by the Company, the New Jersey Division of Rate Counsel (Rate Counsel) and Board Staff (the Parties). Staff and the Rate Counsel reviewed the Company's filing, exchanged discovery and reached a resolution on all issues in this matter. The Company will apply the refunds to customer accounts beginning in July 2018 or as soon as possible after the receipt of a Board Order addressing the refunds in this proceeding. The total rate refund is estimated to be \$573,287.00. This results in an estimated one-time refund for a typical residential water customer of \$10.00 or 22% of an average monthly residential bill pursuant to the Board's March 26, 2018 Order. The Stipulation further addresses the other effects of the 2017 Act on Company's rate base, including protected and unprotected deferred income taxes. Finally, the Stipulation appropriately provides that additional review of any related refunds and rates may occur, as necessary, in future proceedings.

Staff recommended adoption of the Stipulation entered into by the Parties finalizing the rate reduction that was implemented on an interim basis to be effective August 4, 2018.

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

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

6. RELIABILITY & SECURITY

A. Docket No. EO18030255 – In the Matter of the Board's Review of Major Storm Events of March 2018.

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

BACKGROUND AND DISCUSSION: Commissioner Gordon recused himself from voting on this matter. In March 2018, New Jersey was struck by a series of severe weather events that impacted over 1.2 million electric utility customers and caused millions of dollars in property damage. These weather events were not without precedent. In recent years, the northeast region has experienced a number of storms comparable to the three March 2018 nor'easters that left customers in some areas without power for up to 11 days.

Winter Storm Riley, the first of three storms, arrived on March 2, 2018. Winter Storm Riley developed into a low-pressure system in the eastern Great Lakes on the morning of March 1, 2018, bringing a mix of rain, snow and high winds across the northeast region. On March 2, 2018, Winter Storm Riley intensified and became a powerful nor'easter with strong wind gusts reaching 50 to 70 mph. The intense weather event was strengthened by a weather phenomenon known as "bombogenesis," which describes a rapidly developing storm that results from a drop in atmospheric pressure of at least 24 millibars in a 24 hour period.

In addition to high winds, snowfall amounts of 12 to 18 inches were also reported in Sussex County and other parts of northwest New Jersey. By 9:00 p.m. Friday March 2, 2018, electric utility outages peaked at over 230,000, most of which were due to downed power lines from tree damage caused by high winds in areas of heavy canopy tree cover. All of New Jersey's 21 counties experienced power outages, with Morris, Hunterdon and Sussex experiencing the most damage.

Five days later, on March 7, 2018, a second nor'easter, Winter Storm Quinn, which developed in late February near the West Coast and made its multi-day voyage through the Rockies, brought up to 3 feet of heavy, wet snow and wind gusts over 50 mph to the northeast. Winter Storm Quinn's impact was much different from Winter Storm Riley, bringing heavier snow farther south and east along Interstate 95 with significant accumulating snow just west and northwest of Philadelphia and the New York City area.

Winter Storm Quinn brought additional power outages to the northeast. Just before snow began to fall in the morning of Wednesday March 7, 2018, over 29,000 customers were still without power from Winter Storm Riley, most in Jersey Central Power and Light's (JCP&L) northern region. By Wednesday night March 7th, the combination of remaining customers without power from Winter Storm Riley, and new outages from Winter Storm Quinn reached a new peak of over 342,000 customers without power.

During the restoration process, a number of questions were raised by electric utility customers, as well as public officials, as to the effectiveness of the Electric Distribution Companies' (EDCs) response to the storm-related outages. Questions were also raised about the effectiveness of the post Hurricane Irene and Superstorm Sandy infrastructure resiliency improvements and pre-storm preparedness measures implemented by the EDCs. Additionally, in the aftermath of the storms, Governor Murphy directed the Board to review all aspects of the EDCs' planning and response to the storms.

Based on an investigation of the EDCs' performance and a review of the issues raised by the public and elected officials, Board staff is recommending a number of measures designed to improve EDC pre-storm preparedness and response to major outage events such as the March 2018 nor'easters. A summary of Staff's recommendations are as follows:

1. The EDCs should participate in the Board's collaborative initiative with the National Weather Service with the goal of refining outage prediction modeling capabilities.
2. The EDCs should update their event level or severity level matrix used to determine pre-storm resource needs.
3. JCP&L should refine its outage prediction model to account for local, regional and division level differences.
4. The EDCs should work together to create an Intra-state Mutual Assistance Agreement that reflects a commitment to share internal company employees and contractors when out-of-state resources are likely to be unavailable through the RMAG process.
5. JCP&L should leverage its non-contiguous Northern and Central Region employees to perform second role damage assessment activities.
6. JCP&L should improve its span of control to ensure that all aspects of restoration work is considered including the size and terrain of its system, the type of work being performed and the capabilities and expectation of non-company foreign workers.

7. RECO should document and provide, for all Major Events, a complete breakdown of all workforce FTEs deployed to New Jersey in the company's Major Event Report.
8. The Board should initiate a stakeholder process to revisit the 2015 Vegetation management rules with the primary objective of revising the existing 4 year cycle based VM program with a more resiliency based program.
9. New Jersey should consider policy changes or rules that: (1) grants the Board or appropriate agency ultimate authority over vegetation management on the public ROW where utilities have overhead facilities, and (2) protects the EDCs and the oversight agency from homeowner and property owner litigation concerning the trimming and/or removal of off-ROW trees.
10. All New Jersey pole-owning utilities, including telecommunications providers, should conduct a Pole Safety Audit of their utility poles consistent with the most recent National Electrical Safety Code pole safety requirements on pole strength and pole loading.
11. The EDCs and pole-owning telecommunications providers should develop a formal joint-use storm coordination plan with roles and responsibility for the coordination of repairs and/or replacements of joint-use utilities poles during a major storm event.
12. The Board should direct Jersey Central Power & Light, Public Service Electric & Gas and Atlantic City Electric to each submit a plan and cost benefit analysis for the implementation of Advanced Metering Infrastructure.
13. Each EDC should maintain direct and live contact with critical care customers before, during, and after any outage event.
14. Rockland Electric Company should develop a training program for its Customer Service Representatives that, at a minimum, ensures that calls are handled in a professional and courteous manner.
15. Within 24 hours after weather event or other major event has exited the service territory, each EDC should provide a global Estimated Time of Restoration (ETR) separately at the operating districts, divisions or regions level instead of a system-wide global ETR.

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

Roll Call Vote:	President Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye
	Commissioner Gordon	recused

7. CUSTOMER ASSISTANCE

There were no items in this category.

8. CLEAN ENERGY

A. Docket No. QO18070708 – In the Matter of the State Energy Program for Program Year July 1, 2018 – June 30, 2019.

Kenneth J. Sheehan, Director, Division of Clean Energy, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved the Board’s Division of Clean Energy seeking Board approval to submit the Fiscal Year 2018–2019 State Energy Program (SEP) Plan to the United States Department of Energy (USDOE). The total allocation is \$1,677,116.94 for the 2018–2019 SEP. This budget is comprised of \$1,096,140.00 in new federal SEP funds allocated by USDOE, \$219,228.00 in required State matching funds, and carryover funding in the amount of \$361,748.94. The majority of the federal allocation will be used to implement the Market Title “Energy Efficiency Programs for Non-Investor Owned Utility Customers,” while a portion of funds will be allocated to New Jersey Department of Environmental Protection’s EV program “It Pays to Plug In Program” and \$7,500.00 will be reserved for Staff travel.

The SEP was established in 1996 by consolidating two existing programs: the State Energy Conservation Program (SECP) and the Institutional Conservation Program (ICP).

- The SECP was established under the Energy Policy and Conservation Act of 1975, Pub. L. No. 94-163, 89 Stat. 901, to address energy conservation in the states.
- The SECP provided funding to the states for a variety of energy efficiency and renewable energy activities.
- ICP provided schools and hospitals with technical analyses of their buildings and identified potential savings from proposed energy conservation measures.

USDOE currently provides federal financial assistance and technical support to states for energy programs by means of the SEP. Federal laws and regulations provide the criteria for participation, and define how funds may be used. To be eligible for financial assistance, a State must submit an annual application to the USDOE, executed by the Governor or his/her designee.

Staff recommended that the Board approve the 2018–2019 SEP Plan budget of \$1,315,368.00. The budget includes \$1,096,140.00 in new federal SEP funds allocated by USDOE and \$219,228.00 in required State matching funds. Furthermore, Staff shall also undertake development of alternate uses of SEP funds for future program years.

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

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

B. Docket No. QO18070713 – In the Matter of the Request for Proposal for Consulting Services: NJCEP Advertising/Public Relations/Marketing Research, and Web Design and Maintenance – See Executive Session.

Sherri Jones, Assistant Director, Division of Clean Energy, presented this matter.

BACKGROUND AND DISCUSSION: This matter was first discussed in executive session. This matter involved a Request for Proposal (RFP) for Consulting Services for New Jersey's Clean Energy Program Advertising, Public Relations, Marketing, Research, and Web Design and Maintenance. Staff recommended approval by the Board for staff to submit the RFP for advertising, public relations, marketing, and web design to treasury for issuance.

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

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

Kenneth J. Sheehan, Director, Division of Clean Energy, presented these matters.

C. Docket No. QX18040466 – In the Matter of Clean Energy Offshore Wind Renewable Energy Certificate Funding Mechanism Rule Proposal.

BACKGROUND AND DISCUSSION: This matter involved Staff proposing a new section and amendments to N.J.A.C. 14:8-6 et seq. to establish the Offshore Wind Energy Certificate (OREC) funding mechanism. The purpose of this rule is to set forth the method and processes by which ratepayers will fund an Offshore Wind (OSW) Project in accordance with all applicable laws, rules, Executive Orders, and Board Orders, and how all revenues earned from an OSW Project will be delivered to ratepayers.

Under the current rules, each supplier/provider that sells electricity to retail customers in New Jersey must ensure that the electricity it sells each reporting year in New Jersey includes at least the minimum percentage of offshore wind (OSW) energy required for that energy year as set by the Board following the approval of a qualified offshore wind project. (N.J.A.C. 14:8-6.2). The proposed amendments describe the method by which suppliers will meet this obligation and how funds from the sale of ORECs will flow to the qualified offshore wind projects. The amendments also describe how revenues earned by offshore wind project including the sale of electricity, capacity and other services, will be refunded to ratepayers as required under the 2010 Offshore Wind Economic Development Act (OWEDA).

The amendment sets forth the roles and responsibilities of each of the parties including suppliers, the suppliers' payment agent, and the electric distribution companies (EDCs), qualified offshore wind developers, and the OREC Administrator. The OREC funding mechanism requires that: (1) all suppliers shall retire sufficient number of ORECs each year to meet the Offshore Wind Renewable Portfolio Standard requirement set by the Board; (2) the

EDCs shall serve as payment agent on behalf of the suppliers to facilitate the exchange of OREC payments from ratepayers to an OSW Project and all revenues generated by an OSW Project to ratepayers. The EDCs shall make monthly payments to the OSW Project based on the number MWhs generated by the project and presented for payment; (3) Upon receipt of payment for ORECs, the qualified offshore wind developers shall transfer ORECs to suppliers via a PJM EIS GATs account and shall refund all revenues to ratepayers via the EDCs; and (4) an OREC Administrator shall be jointly contracted by the EDCs to facilitate invoicing, payment and verification that all obligations have been met. The OREC Administrator shall conduct a true-up twice a year to ensure compliance with the RPS offshore wind requirements.

Staff provided an opportunity for interested stakeholders to comment on a straw proposal of the proposed rule which described these roles and responsibilities. The straw proposal and a notice of request for comments was distributed to all interested parties and posted on the Board's website on April 27, 2018. A public meeting was held on May 8, 2018 to provide interested stakeholders with an opportunity to provide written comments on or before May 18, 2018. Staff posted all written comments on the Board's website and convened meetings with stakeholders to solicit additional input.

Staff recommended that the Board approve the publication of the proposed OREC Funding Mechanism Rule in furtherance of implementing Governor Murphy's Executive Order Number 8 which explicitly calls upon the Board to finalize the rules for an OREC Funding Mechanism in advance of a solicitation for 1,100 megawatts of capacity. The proposed rule will provide the framework and details necessary for offshore wind developers to seek third party financing and to develop OREC Price proposals for the upcoming solicitation of 1,100 megawatts of capacity. The publication of the rule proposal will also allow interested stakeholders to comment on the proposed rule in advance of final Board action.

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

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

D. Docket No. QW18030284 – In the Matter of the Award of Contract in Furtherance of the Matter of the Implementation of Executive Order 8 Offshore Wind.

BACKGROUND AND DISCUSSION: This matter was a follow-up to the May 2018 agenda, the Request for Responses under existing Waiver AJ-050 for an Offshore Wind Consultant to assist in the design of the application process. Staff received one response with Bates White which came in under the \$250,000.00 "not to exceed price" originally set, and complied with all of the scope of work.

The Waiver Scope of Work covered issues such as development of the guidance document, development of the Off Shore Wind application, application of specific evaluation requirements, integration of regulatory and statutory requirements, as well as general services associated with offshore wind.

Treasury has been involved throughout the process, and has been the conduit for all contracting.

Staff recommended the Board ratify the approval of Bates White.

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

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

9. MISCELLANEOUS

A. Docket No. AO18070752 – In the Matter of the Request for Proposal for Consulting Services: “Omnibus” Consulting Services – See Executive Session.

Jonathan Wallace, Research Scientist, Office of Budget and Finance, presented this matter.

BACKGROUND AND DISCUSSION: This matter was first discussed in executive session. Staff sought Board approval of staff’s recommendation to move this request for proposal for open and competitive bid, along the procurement continuum by submitting these documents to Treasury for its review and subsequent issuance of the proposal.

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

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

LATE STARTER A

CUSTOMER ASSISTANCE

Docket Nos. BPU EC16100995U and OAL PUC 18763-2016 – In the Matter of Joseph A. Canning, Petitioner v. Atlantic City Electric Company, Respondent – OAL Request for Extension.

Renee Greenberg, Esq., Deputy Attorney General, Division of Law, presented this matter.

BACKGROUND AND DISCUSSION: The record in this matter closed on April 23, 2018; therefore, the forty-five day period to issue the Initial Decision expired on July 23, 2018. Administrative Law Judge Elia A. Pelios requested additional time to complete the Initial Decision due to a voluminous caseload.

Good cause having been shown, pursuant to N.J.S.A. 52:14B-10(c) and N.J.A.C. 1:1-18.8. Staff recommended that the time for filing the initial decision be extended until September 6, 2018.

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

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

EXECUTIVE SESSION

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

4. TELECOMMUNICATIONS

A. Docket No. TO18070707 – In the Matter of the Request for Quotation (RFQ) for the Provision of Telecommunications Relay Service (TRS).

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

8. CLEAN ENERGY

B. Docket No. QO18070713 – In the Matter of the Request for Proposal for Consulting Services: New Jersey’s Clean Energy Program – Marketing Services.

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

9. MISCELLANEOUS

A. Docket No. AO18070752 – In the Matter of the Request for Proposal for Consulting Services: “Omnibus” Consulting Services.

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.



AIDA CAMACHO-WELCH
SECRETARY OF THE BOARD

Date: September 17, 2018