



Agenda Date: 2/10/10  
Agenda Item: 8A

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
**Two Gateway Center**  
**Newark, NJ 07102**  
**[www.nj.gov/bpu/](http://www.nj.gov/bpu/)**

**CLEAN ENERGY**

IN THE MATTER OF PROGRAM COORDINATOR )  
APPLIED ENERGY GROUP, INC. (AEG) – LINE ITEM )  
TRANSFER FOR 2009 PROGRAM COORDINATION )  
SERVICES FOR THE CLEAN ENERGY PROGRAM )  
CONTRACT # 68922 )

ORDER  
  
DOCKET NO. EO07030203  
& EO09020122

BY THE BOARD

This Order adjusts AEG's 2009 budgets for the Clean Energy Program as approved by the Board in its Order dated March August 7, 2009. OCE is requesting a line item transfer of 58,131.50 from the Evaluation and Related Research to the Administration and Program Development component of its 2009 budget.

**BACKGROUND AND PROCEDURAL HISTORY**

Applied Energy Group ("AEG") was engaged by the Board to provide Program Coordinator services, Contract No. A68922. By Order dated August 7, 2009, Docket No. EO07030203, the Board approved revised 2009 programs and budgets. The OCE Oversight component of the budget included a budget for the Program Coordinator services provided by AEG.

	2009 Budget	Administration and Program Development	Sales, Call Centers, Marketing and Website	Rebate Processing, Inspections and Other Quality Control	Evaluation and Related Research
Program Coordinator	\$2,072,014.75	\$675,070.00	\$514,264.75	\$762,880.00	\$119,800.00

AEG's contract with the Board includes several contract lines that provide for fixed fees per month and two contract lines that are based on the number of hours worked. Specifically, Contract Line 28 for Miscellaneous Administrative services and Contract Line 33 for Program Evaluation services are billed based on the number of hours of services provided multiplied by hourly rates set out in the contract.

AEG's detailed 2009 budget was developed in May of 2009 based on both the fixed fees included in the contract and estimates of the number of hours of services that would be required to support the programs. In July of 2009 the Board approved and Treasury issued a revised contract that expanded the scope of services provided by AEG to include services related to support of federal stimulus programs, utility stimulus programs, RGGI programs, retail margin programs, and other utility programs. Fees for these additional services are billed to AEG Contract Line 28 which is charged against the Administration component of the budget.

Fees charged to the Administration budget component exceed the Administration component of the budget approved by the Board. The increase in fees charged to the Administration component of the budget is wholly attributable to the additional services related to supporting the federal stimulus programs and utility programs as approved by the Board and Treasury in July 2009. However, the detailed budgets were not updated to include these additional services.

### **PROPOSED BUDGET' MODIFICATIONS**

By letter dated January 15, 2010 AEG requested a line item transfer indicating that AEG's detailed 2009 budget was developed in May of 2009 based on both the fixed fees included in the contract and estimates of the number of hours of services that would be required to support the programs. Fees for these additional services are billed to AEG Contract Line 28 which is charged against the Administration component of the budget.

AEG recently submitted its invoice for services provided in December 2009. While overall fees charged by AEG for 2009 remain below the 2009 budget approved by the Board, fees charged to the Administration budget component exceed the Administration component of the budget approved by the Board. The increase in fees charged to the Administration component of the budget is wholly attributable to the additional services related to supporting the ARRA and utility programs as approved by the Board and Treasury in July 2009. However, the detailed budgets were not updated to include these additional services.

AEG's overall fees for 2009 were \$89,502.75 below the Board approved budget. However, fees charged to Administration exceed the budget by \$58,131.50. Based on the above, AEG is requesting a line item transfer of \$58,131.50 from the Evaluation and Related Research to the Administration and Program Development component of its 2009 budget.

The proposed line-item transfer represents a minor budget adjustment which is necessary to align program budgets with contract prices previously approved by the Board and Treasury. The proposed revision does not modify the overall program budgets approved by the Board. Staff has reviewed AEG's requests for the line-item transfer and recommends the requests be approved by the Board.

### **DISCUSSION AND FINDINGS**


The Board **HEREBY FINDS** that the requested line-item transfer to the budget proposed by AEG do not modify the overall program budgets approved by the Board in its August 7, 2009

Order. The Board **FURTHER FINDS** that the proposed changes to the detailed budgets are reasonable and necessary and reflect the additional services related to supporting the federal stimulus and utility programs as approved by the Board and Treasury in July 2009. Therefore, the Board has reviewed the changes to the detailed budget proposed by AEG and **HEREBY APPROVES** the revised detailed budget for AEG as set out in the table below.


	Total	Administration And Program Development	Sales, Call Centers, Marketing and Website	Rebate Processing Inspection and other Quality Control	Evaluation and Related Research
Total AEG 2009 Expenses	\$1,982,512.50	\$733,201.50	\$504,186.00	\$693,825.00	\$51,300.00
2009 Budget	\$2,072,014.75	\$675,070.00	\$514,264.75	\$762,880.00	\$119,800.00
Difference	\$89,502.25	(\$58,131.50)	\$10,078.75	\$69,055.00	\$68,500.00

DATED: 2/17/10

BOARD OF PUBLIC UTILITIES  
BY:

  
ELIZABETH RANDALL  
ACTING PRESIDENT

  
FREDERICK F. BUTLER  
COMMISSIONER

  
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COMMISSIONER

ATTEST:

  
KRISTI IZZO  
SECRETARY

I HEREBY CERTIFY that the within  
document is a true copy of the original  
in the files of the Board of Public  
Utilities

