



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
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Trenton, New Jersey 08625-0350

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

A Regular Board meeting of the Board of Public Utilities was held on November 22, 2013, at the State House Annex, Committee Room 11, 125 West State Street, Trenton, New Jersey 08608.

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

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

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

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

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

It was announced that the next regular Board Meeting would be held on December 18, 2013 at the State House Annex, Committee Room 11, 125 West State Street, Trenton, New Jersey 08608.

CONSENT AGENDA

I. AUDITS

<u>Energy Agent, Private Aggregator and/or Energy Consultant Initial Registrations</u>		
EE13080783L	Stanwich Energy Advisors, LLC	I – EA
EE13020105L	Natures Current, LLC	I – EA
EE13080777L	AUI Associates, Incorporated	I – EA/PA
GE13080778L		
GE13080782L	Gabel Associates, Incorporated	I – PA
EE13100929L	Supernova Partners, LLC	I – EA/PA
GE13100930L	Affordable Gas & Electric Company, LLC d/b/a Affordable Gas & Electric	
EE13101008L	T&M Associates (T&M)	I – EA/PA/EC
GE13101009L		
<u>Energy Agent, Private Aggregator and/or Energy Consultant Renewal Registration</u>		
EE13100914L	John Orr d/b/a Energy Management Services	R – EA
EE13090852L	Clear Energy Solutions	R – EA
EE13090857L	Blue & Silver Energy Consulting, LLC d/b/a Pro-Star Energy Services	R – EA
EE13090858L	EnerPros, LLC	R – EA/PA
EE13090858L	EnerPros, LLC	R – EA/PA
GE13090859L		
EE13100927L	Avalon Energy Services, LLC	R – EA/PA
GE13100928L		
EE13100912L	Kevin J. Cobb & Associates Incorporated	R – EA/PA
GE13100913L	d/b/a Quest Energy Solutions	
EE13090850L	TFS Energy Solutions, LLC	R – EA/PA/EC
GE13090851L	d/b/a Tradition Energy	
EE13090816L	Good Energy, L.P.	R – EA/PA/EC
GE13090817	d/b/a Good Energy Consulting Group L.P.	
EE13080724L	Unified Energy Services, LLC	R – EA/EC
GE13080725L		
EE13080781L	Gabel Associates, Incorporated	R – EA/EC
EE13100925L	Advisors Energy Group, LLC	R – EA/EC
GE13100926L		
EE13090855L	America Approved Commercial, LLC	R – EA/EC
GE13090856L		
<u>Electric Power and Natural Gas Supplier Initial Licenses</u>		
EE13080779L	Oasis Power, LLC	I – EGSL
GE13080780L	d/b/a Oasis Energy	
<u>Electric Power and/or Natural Gas Supplier License Renewals</u>		
EE13090845L	Choice Energy, LLC d/b/a 4 Choice Energy, LLC	R – ESL

EE13080769L	Integrays Energy Services, Incorporated	R – ESL
EE13070652L	Ambit Northeast, LLC	R – EGSL
GE13070653L	d/b/a Ambit Energy	
EE12050443L	North American Power and Gas, LLC	R – EGSL
GE13020163L		
EE13100922L	AmeriGreen Energy, Incorporated	R – EGSL
GE13100923L		
EE13060477L	Astral Energy, LLC	R – EGSL
GE13100918L		
GE13100916L	Global Energy Marketing, LLC	R – GSL
 <u>Green Power Marketer Initial License</u>		
EP13090818L	Oasis Power, LLC d/b/a Oasis Energy	I – GPM

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 and private aggregators, are required to renew timely their licenses in order to continue to do business in New Jersey.

Having reviewed the submitted applications, Staff recommended the Board issue initial registrations as an energy agent and/or private aggregator for one year to:

- Stanwich Energy Advisors, LLC
- Natures Current LLC
- AUI Associates, Inc.
- Gabel Associates, Inc.
- Supernova Partners, LLC
- Affordable Gas & Electric Company, LLC d/b/a Affordable Gas & Electric
- T&M Associates (T&M)

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

- John Orr d/b/a Energy Management Services
- Clear Energy Solutions
- Blue & Silver Energy Consulting, LLC d/b/a Pro-Star Energy Services
- EnerPros, LLC
- Avalon Energy Services LLC
- Kevin J. Cobb & Associates Inc. d/b/a Quest Energy Solutions
- TFS Energy Solutions, LLC d/b/a Tradition Energy
- Good Energy, L.P. d/b/a Good Energy Consulting Group L.P.

- Unified Energy Services, LLC
- Gabel Associates, Inc.
- Advisors Energy Group LLC
- America Approved Commercial, LLC

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

- Oasis Power, LLC d/b/a Oasis Energy

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

- Choice Energy, LLC d/b/a 4 Choice Energy, LLC
- Integrys Energy Services, Inc.
- Ambit Northeast, LLC d/b/a Ambit Energy
- North American Power and Gas, LLC d/b/a North American Power
- AmeriGreen Energy, Inc.
- Astral Energy LLC
- Global Energy Marketing LLC

Lastly, Staff recommended the following applicant be issued an initial license as a Green Power Marketer for one year:

- Oasis Power, LLC d/b/a Oasis Energy

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

II. ENERGY

There were no items in this category.

III. CABLE TELEVISION

- A. Docket No. CE13080741 – In the Matter of the Petition of CSC TKR, LLC d/b/a Cablevision of Raritan Valley for a Renewal Certificate of Approval to Continue to Operate and Maintain a Cable Television System in the Township of Piscataway, County of Middlesex, State of New Jersey.**

BACKGROUND: On December 4, 2012, the Township of Piscataway (Township) adopted an ordinance granting CSC TKR, LLC d/b/a Cablevision of Raritan Valley (Cablevision) renewal municipal consent for a term of ten years from the date of issuance of the Renewal Certificate of Approval. On May 16, 2013, Cablevision accepted the terms and conditions of the ordinance, and on August 19, 2013, filed a petition with the Board for its Renewal Certificate of Approval.

After review, Staff recommended approval of the proposed Renewal Certificate of Approval for the Township. This certificate shall expire on December 2, 2023.

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

B. Docket No. CE13080706 – In the Matter of the Petition of Comcast of the Meadowlands, LLC for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Town of Kearny, County of Hudson, State of New Jersey.

BACKGROUND: On May 28, 2013, the Town of Kearny (Town) adopted an ordinance granting Comcast of the Meadowlands, LLC (Comcast) renewal municipal consent for a term of 15 years. On June 27, 2013, Comcast accepted the terms and conditions of the ordinance, and on August 5, 2013, Comcast filed a petition with the Board for its Renewal Certificate of Approval.

After review, Staff recommended approval of the proposed Renewal Certificate of Approval for the Town. This certificate shall expire on May 25, 2028.

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

C. Docket No. CE13080705 – In the Matter of the Petition of Comcast of the Meadowlands, LLC for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Borough of East Rutherford, County of Bergen, State of New Jersey.

BACKGROUND: On June 18, 2013, the Borough of East Rutherford (Borough) adopted an ordinance granting Comcast of the Meadowlands, LLC (Comcast) renewal municipal consent for a term of 15 years. On June 27, 2013, Comcast accepted the terms and conditions of the ordinance, and on August 5, 2013, Comcast filed a petition with the Board

Staff recommended approval of the proposed Renewal Certificate of Approval for the Borough. This Certificate shall expire on May 25, 2008.

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

D. Docket No. CE13080762 – In the Matter of the Petition of Comcast of New Jersey II, LLC for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Township of Belleville, County of Essex, State of New Jersey.

BACKGROUND: On June 11, 2013, the Township of Belleville (Township) adopted an ordinance granting Comcast of New Jersey II, LLC (Comcast) renewal municipal consent for a term of 15 years. On July 11, 2013, Comcast accepted the terms and conditions of the ordinance, and on August 22, 2013, Comcast filed a petition with the Board for its Renewal Certificate of Approval for the Township.

After review, Staff recommended approval of the proposed Renewal Certificate of Approval for the Township. This certificate shall expire on April 28, 2027.

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

E. Docket No. CW12060479 – In the Matter of Verizon New Jersey, Inc. Petition for a Renewal of Waiver of the New Jersey Administrative Code N.J.A.C. 14:18-7.7(c) Regulation Pertaining to Telephone Performance Reports.

BACKGROUND: The matter involved a request by Verizon New Jersey, Inc (Verizon) for a renewal of the waiver granted by the Board Order dated August 15, 2012. In that Order, the Board granted Verizon a waiver of the requirement to submit telephone system performance reports to the Office of Cable Television (Office) within 10 days of the end of the month for which the report is filed. Specifically, Verizon was granted its request for an extension of five days allowing the company 15 days following each quarter to submit its quarterly telephone system performance reports.

After review, Staff recommended the Board approve Verizon's request for renewal of the waiver for a period of one year, pursuant to N.J.A.C. 14:18-7.7(g).

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

IV. TELECOMMUNICATIONS

A. Docket No. TM13090878 – In the Matter of the Verified Joint Petition of Business Telecom, Inc., Conversent Communications, of New Jersey, LLC, CTC Communications Corp., DeltaCom, LLC, EarthLink Business, LLC and Lightship Telecom, LLC for Approval of Certain Pro Forma Intra-company Changes.

BACKGROUND: On September 27, 2013, Business Telecom, Inc. d/b/a EarthLink Business, Conversent Communications of New Jersey, LLC d/b/a EarthLink Business, CTC Communications Corp. d/b/a EarthLink Business, DeltaCom, LLC d/b/a EarthLink Business, EarthLink Business, LLC, and Lightship Telecom, LLC d/b/a EarthLink Business (collectively, the Petitioners), filed a verified Petition with the Board requesting approval for certain *pro forma* intra-company changes. The Petitioners are all indirect subsidiaries of EarthLink, Inc. (EarthLink and together with its subsidiaries, the Company).

The *pro forma* intra-company changes are being done to eliminate unnecessary intermediate companies, and realign entities within, the EarthLink corporate structure and to establish a new publicly traded holding Company as the ultimate parent in the ownership chain.

Following the reorganization, the Petitioners will continue to provide service to all of their customers at the same terms, rates and conditions on which they currently offer such services to customers in the state.

After review, 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. Staff recommended the Board allow the Petitioners to proceed with the proposed reorganization.

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

V. WATER & SEWER

There were no items in this category.

VI. RELIABILITY & SECURITY

There were no items in this category.

VII. CUSTOMER ASSISTANCE

A. Docket Nos. BPU EC13060446U and OAL PUC 11167-13 – In the Matter of Thomas F. Smith, Petitioner v. Public Service Electric and Gas Company, Respondent – Billing Dispute.

BACKGROUND: This matter involved a billing dispute between Thomas F. Smith (Mr. Smith) and Public Service Electric and Gas Company (PSE&G or Company). The petition was transmitted to the Office of Administrative Law on July 31, 2013, as a contested case. Administrative Law Judge (ALJ) James A. Geraghty filed an Initial Decision in this matter with the Board on October 8, 2013, approving a Stipulation of Settlement (Settlement) of the parties.

Pursuant to the terms of the Settlement, the parties agreed as follow: (1) PSE&G will credit Mr. Smith's account in the amount of \$2,500.61; (2) after application of this credit, Mr. Smith acknowledges that there still remains an outstanding overdue balance on the account owed to PSE&G in the amount of \$2,295.00; (3) In addition to timely payment of his bills for electric and gas service, Mr. Smith agreed to make twelve monthly supplemental payments of \$191.25 per month in addition to his monthly bills commencing with the first bill received after the ALJ's approval of the Settlement. It was further agreed that Mr. Smith is not foreclosed from paying off the \$2,295.00 prior to the twelve month period allotted for payment. This Deferred Payment Agreement (DPA) was agreed to by PSE&G as well; (4) Mr. Smith acknowledged that he is responsible for monthly costs associated with appliance service and Worryfree contract purchases; and (5) Mr. Smith further acknowledged that if he does not comply with the terms of the DPA or fails to make current payments for electric and gas service, the Company may exercise its authority in accordance with its tariffs and N.J.A.C. 14:3-3A.1 et seq.

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

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

B. Docket Nos. BPU EC12030239U and OAL PUC 03126-13 – In the Matter of Peter Triestman, Petitioner v. Public Service Electric and Gas Company, Respondent – Request for Extension.

BACKGROUND: The Initial Decision of the Administrative Law Judge was received by the Board on October 11, 2013; therefore the 45-day statutory period for review and the issuing of a Final Decision will expire on November 25, 2013. Prior to that date, the Board requested an additional 45-day extension of time for issuing the Final Decision in order that it may examine the extensive record in this matter.

Good cause having been shown, pursuant to N.J.S.A. 52:14B-10(c) and N.J.A.C. 1:1-18.8, Staff recommended that the time limit for the Board to render a Final Decision be extended until January 9, 2014.

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

C. Docket Nos. BPU EC13040348U and OAL PUC 09396-13 – In the Matter of Vishindas Harjani, Petitioner v. Atlantic City Electric Company, Respondent – Request for Extension.

BACKGROUND: The Initial Decision of the Administrative Law Judge was received by the Board on October 24, 2013; therefore the 45-day statutory period for review and the issuing of a Final Decision will expire on December 9, 2013. Prior to that date, the Board requested an additional 45-day extension of time for issuing the Final Decision in order that it may examine the extensive record in this matter.

Good cause having been shown, pursuant to N.J.S.A. 52:14B-10(c) and N.J.A.C. 1:1-18.8, Staff recommended that the time limit for the Board to render a Final Decision be extended until January 23, 2014.

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

VIII. CLEAN ENERGY

There were no items in this category.

IX. MISCELLANEOUS

A. Approval of the Minutes of June 21, 2013, July 19, 2013, August 21, 2013 and September 18, 2013.

BACKGROUND: Staff presented the minutes from the June 21, 2013, July 19, 2013, August 21, 2013 and September 18, 2013 Agenda Meetings and recommended they be accepted.

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

After appropriate motion, the consent agenda was approved.

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

AGENDA

1. AUDITS

- A. **Docket No. GA11050310 – In the Matter of an Audit of the Affiliated Transactions between South Jersey Gas Company and Its Affiliates and a Comprehensive Management Audit of South Jersey Gas Company Pursuant to N.J.S.A. 48:2-16.4, N.J.S.A. 48:3-49, N.J.S.A. 48:3-58 and N.J.A.C. 14:3-12.1 through N.J.S.A. 14:3-12.4, N.J.S.A. 14:4-3 et seq. – Audit Report.**

Dennis Moran, Director, Division of Audits, presented this matter.

BACKGROUND AND DISCUSSION: On October 8, 2013, Overland Consulting, Inc. submitted the confidential and public versions of its final audit report to the Board in the matter of the Audit of Affiliated Transactions and the Comprehensive Management Audit of South Jersey Gas Company.

Staff recommended the following to the Board:

- (1) Accept Overland's final audit report for filing purposes only;
- (2) Release the public;
- (3) Approve the issuance of a Secretary's letter consistent with the draft letter included in the agenda packets setting forth a request for comments by December 23, 2013; and
- (4) Approve the release of hold back fees due to Overland Consulting, Inc. consistent with the Agreement for Consulting Services in this matter.

Staff indicated it would prepare a summary of the Consultant's recommendations and any filed comments on the report. Subsequently, Staff will bring this matter back to the Board with Staff's recommendations for implementation of the audit report's findings and recommendations.

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

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

2. ENERGY

- A. Docket No. EF13070637 – In the Matter of the Petition of Public Service Electric and Gas Company Pursuant to N.J.S.A. 48:3-7 and N.J.S.A. 48:3-9 for Authority from January 1, 2014 through December 31, 2015 to Sell and/or Encumber Property and Purchase, Issue and Sell Debt.**

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

BACKGROUND AND DISCUSSION: Public Service Electric and Gas Company, (Petitioner) filed a petition with the Board dated July 18, 2013, requesting authority from January 1, 2014 through December 31, 2015 to issue and sell, pursuant to N.J.S.A. 48:3-9, New Long-Term Debt in aggregate principal amount of not more than \$2,100,000,000 secured and unsecured, with maturities up to 40 years.

The Petitioner also requested authority to execute and deliver pursuant to N.J.S.A. 48:3-7 one or more indentures or supplemental indentures and/or one or more pledges, Uniform Commercial Code financing statements and related agreements and instruments, creating one or more encumbrances and/or liens on the property and/or assets of the Petitioner and providing for pledges, transfers or sales of assets and/or issuance of its First and Refunding Mortgage Bonds and/or Medium-Term Notes and/or debenture bonds and/or promissory notes and/or other debt instruments and/or evidences of indebtedness, secured or unsecured, having maturities of from 1 to 40 years; to purchase through tender offer, open market or negotiated transactions, redeem at a premium or defease any or all of its currently outstanding debt payable more than 12 months after the date of original issuance at or above par to achieve cost savings or more efficient management of its capital structure.

The New Long-Term Debt will be used to provide funds for the financing of the Petitioner’s physical plant and facilities, construction and/or other general corporate purposes, acquisition opportunities and/or to reimburse its treasury for funds expended. The funds will also be used to refinance \$800 million of maturing debt.

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

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

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

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

B. Docket No. GR13070674 – In the Matter of New Jersey Natural Gas Company’s Annual Review and Revision of Its Societal Benefits Charge Factors for Remediation Years 2012 and 2013.

BACKGROUND AND DISCUSSION: New Jersey Natural Gas (Company) filed a petition with the Board requesting approval to provisionally decrease the Company's remediation adjustment (RA) rate from \$0.0324 to \$0.0300; increase the (New Jersey Clean Energy Program (NJCEP) rate of \$0.0203 to \$0.0422; and approve the remediation expenditures incurred by the Company for the period July 1, 2011 through June 30, 2013 (Remediation Years 2012/2013), to be effective October 1, 2013, or as of the effective date of the Board Order in this proceeding.

The Board established the RA rate as the cost recovery method by which the Company recovers its remediation spending associated with the clean-up of its six former manufactured gas plant sites on a deferred basis over a rolling seven-year period.

The NJCEP rate is designed to recover costs incurred for the Company's share of the state-wide energy efficiency and renewable energy expenditures approved by the Board on June 21, 2013, for the period July 2013 through June 2014.

The Board provisionally approved the Stipulation for the proposed RA and NJCEP rates to be effective on and after December 1, 2013. The Board also ordered that this matter be transmitted to the Office of Administrative Law for full review and an Initial Decision, and then returned to the Board for a Final Decision.

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

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

C. Docket No. ER13050378 – In the Matter of the Provision of Basic Generation Service for the Period Beginning June 1, 2014.

BACKGROUND AND DISCUSSION: This matter involved the Board issuing an Order to determine how to procure the remaining one third of the State's Basic Generation Service (BGS) fixed price (FP) and the annual Commercial and Industrial Energy Pricing (CIEP) requirements for the period beginning June 1, 2014.

The Board also directed each of the Electric Distribution Companies (EDCs), as well as other interested parties, to file proposals for the procurement of BGS service consistent with its May 29, 2013 Order by July 1, 2013.

On July 1, 2013 a filing was received from the EDCs via a joint BGS filing. Initial Comments on the Basic Generation Service (BGS) filing were filed on or about August 30, 2013. A legislative-type hearing was held on September 19, 2013. Final Comments were filed on September 27, 2013.

The EDCs Joint Proposal for BGS, consisted of a generic proposal for BGS beginning on June 1, 2014, including proposed preliminary auction rules, Supplier Master Agreements and EDC-Company Specific Addendums dealing with auction issues specific to that particular utility.

Similar to past years, the EDCs have jointly proposed two simultaneous, multi-round, descending clock auctions for the procurement of supply to meet the full electricity requirements for retail customers that have not chosen a Third-Party Supplier.

The first proposal is the BGS-CIEP Auction that would procure service for a one-year period beginning June 1, 2014, for Commercial and Industrial customers on the EDCs' systems with a peak usage of at least 500 kw and above, through an auction to provide hourly-priced service. This is the same type of Auction that the Board approved for the 2013 BGS Auction.

The second proposal is the BGS-FP Auction that would procure one-third of the service requirements for all other customers of all four EDCs, for a three-year period beginning June 1, 2014, through a fixed-price auction. This is the same type of Auction that the Board approved for the 2013 BGS Auction.

In addition, as in previous years Rockland Electric Company (RECO) is proposing a competitive bid process to secure the full service requirements of its New Jersey Central and Western Divisions (non-PJM customers) commencing June 1, 2014.

As part of this proceeding the Board received comments on issues relating to a proposal to have more frequent BGS Auctions, lowering the CIEP threshold, interval meters, the EDCs BGS administrative expenses, BGS and TPS pricing parity issues and BGS supplier collateral issues.

All of the issues raised in this BGS proceeding have been thoroughly briefed in your agenda memo, including Staff's recommendations for each issue. Staff recommended the Board approve the BGS-FP and BGS-CIEP descending clock auction process, the auction rules, supplier master agreements, Board approval process, and EDC company specific addendums proposed by the EDCs in their July 1, 2013 joint BGS filing.

Staff also recommended the Board approve the RECO proposed competitive bid process to secure the full service requirements of its Central and Western Divisions commencing June 1, 2014.

Staff also recommended the Board require each of the EDCs to file an amended BGS Compliance Filing by December 2, 2013.

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

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

D. Docket No. AX13030197 – In the Matter of the Board’s Establishment of a Generic Proceeding to Review the Costs, Benefits and Reliability Impacts of Major Storm Event Mitigation Efforts; and

Docket No. GR13090828 – In the Matter of the Petition of New Jersey Natural Gas Company for Approval of the New Jersey Rise Program and Associated Rate Recovery Mechanism.

BACKGROUND AND DISCUSSION: On March 20, 2013, the Board issued an Order (March Order), which initiated a generic proceeding to investigate possible avenues to support and protect New Jersey’s utility infrastructure so that it may be better able to withstand the effects of future Major Storm Events. It also invited all regulated utilities to submit detailed proposals for infrastructure upgrades designed to protect the State’s utility infrastructure from future Major Storm Events, and found that all petitions filed in the future should be retained by the Board for review and hearing.

Pursuant to the March Order, New Jersey Natural Gas filed a petition on September 3, 2013, for approval of its NJ Reinvestment in System Enhancement (NJ RISE) Program. The NJ RISE Program proposes to implement six projects at an estimated investment cost of approximately \$102.5 million, to be collected from ratepayers through an annual base rate adjustment mechanism.

Staff recommended the matter be retained by the Board and designate Commissioner Dianne Solomon as the presiding officer. Staff further recommended the Board order the parties to serve all documents electronically, while still providing hard copies to the Board for those documents which must be filed with the Board, with hard copies to each party upon request.

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

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

- E. Docket No. AX13030197 – In the Matter of the Board’s Establishment of a Generic Proceeding to Review the Costs, Benefits and Reliability Impacts of Major Storm Event Mitigation Efforts; and**

Docket No. GO13090814 – In the Matter of the Petition of South Jersey Gas Company for Approval of a Storm Hardening and Reliability Program (SHARP) and Associated Recovery Mechanism.

BACKGROUND AND DISCUSSION: On March 20, 2013, the Board issued an Order (March Order), which initiated a generic proceeding to investigate possible avenues to support and protect New Jersey’s utility infrastructure so that it may be better able to withstand the effects of future Major Storm Events. It also invited all regulated utilities to submit detailed proposals for infrastructure upgrades designed to protect the State’s utility infrastructure from future Major Storm Events, and found that all petitions filed in the future should be retained by the Board for review and hearing.

Pursuant to the March Order, South Jersey Gas (SJG) filed a petition on September 3, 2013, for approval of its Storm Hardening and Reliability Program, in which it proposes to replace 179 miles of distribution mains and 26,000 services. SJG estimates the cost for the program at approximately \$280 million over a seven-year period. The company requested a cost recovery mechanism that would recover costs over a 7 year period commencing January 1, 2014.

Staff recommended the matter be retained by the Board and designated Commissioner Diane Solomon as the presiding officer. Staff further recommended the Board order the parties to serve all documents electronically, while still providing hard copies to the Board for those documents which must be filed with the Board, with hard copies to each party upon request.

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

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

- F. Docket No. AX13030197 – In the Matter of the Board’s Establishment of a Generic Proceeding to Review the Costs, Benefits and Reliability Impacts of Major Storm Event Mitigation Efforts; and**

Docket No. GO13090826 – In the Matter of the Petition of Pivotal Utility Holdings, Inc., d/b/a Elizabethtown Gas for Approval of the Elizabethtown Natural Gas Distribution Utility Reinforcement Effort Program and Deferred Accounting Treatment.

BACKGROUND AND DISCUSSION: On March 20, 2013, the Board issued an Order (March Order), which initiated a generic proceeding to investigate possible avenues to

support and protect New Jersey's utility infrastructure so that it may be better able to withstand the effects of future Major Storm Events. It also invited all regulated utilities to submit detailed proposals for infrastructure upgrades designed to protect the State's utility infrastructure from future Major Storm Events, and found that all petitions filed in the future should be retained by the Board for review and hearing.

Pursuant to the March Order, Pivotal Utility Holdings, Inc., d/b/a Elizabethtown Gas (Elizabethtown) filed a petition on September 4, 2013, for approval of its Elizabethtown Natural Gas Distribution Utility Reinforcement Effort (ENDURE) Program, in which it proposes to invest approximately \$15 million to replace portions of its infrastructure, including replacement of 600 meter sets located in Federal Emergency Management Agency flood zone areas, the upgrading of approximately 12 miles of utilization pressure main, and the elevation of its building on Erie Street in Elizabeth, New Jersey. Elizabethtown has requested deferred cost accounting treatment for the costs associated with the ENDURE program.

Staff recommended the matter be retained by the Board and designated Commissioner Mary-Anna Holden as the presiding officer. Staff further recommended the Board order the parties to serve all documents electronically, while still providing hard copies to the Board for those documents which must be filed with the Board, with hard copies to each party upon request.

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

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

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

Docket No. GO13070610 – In the Matter of the Board's Establishment of a Generic Proceeding to Review the Prudency of the Costs Incurred by New Jersey Natural Gas Company in Response to Major Storm Events in 2011 and 2012.

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

Pursuant to the March Order, New Jersey Natural Gas (NJNG) filed a petition on July 3, 2013, requesting the recovery of approximately \$38.8 million in storm-related expenses. NJNG also requested that it be permitted to fully recover those costs in its next base rate proceeding, in accordance with a previous Order issued by the Board.

Staff recommended the matter be retained by the Board and designated Commissioner Diane Solomon as the presiding officer. Staff further recommended the Board order the parties to serve all documents electronically, while still providing hard copies to the Board for those documents which must be filed with the Board, with hard copies to each party upon request.

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

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

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

Docket No. GO13070611 – In the Matter of the Board's Establishment of a Generic Proceeding to Review the Prudency of the Costs Incurred by Rockland Electric Company in Response to Major Storm Events in 2011 and 2012.

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

Pursuant to the March Order, Rockland Electric Company (RECO) initially filed a storm costs report with the Board. On October 1, 2013, RECO filed a formal petition, requesting the recovery of approximately \$25.37 million in storm-related expenses. RECO also requested that it be permitted to fully recover those costs in its next base rate proceeding, which Staff anticipated it would be filing by the end of the month.

Staff recommended the matter be retained by the Board and designated Commissioner Mary-Anna Holden as the presiding officer. Staff further recommended that the Board order the parties to serve all documents electronically, while still providing hard copies to the Board for those documents which must be filed with the Board, with hard copies to each party upon request.

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

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

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

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

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

Pursuant to the March Order, Public Service Electric and Gas Company filed a petition on July 1, 2013 for the recovery of its 2012, 2011 and 2010 storm-related expenses.

Staff recommended the matter be retained by the Board and designated Commissioner Joseph Fiordaliso as the presiding officer. Staff further recommended the Board order the parties to serve all documents electronically, while still providing hard copies to the Board for those documents which must be filed with the Board, with hard copies to each party upon request.

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

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

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

Docket No. GO13060600 – In the Matter of the Board’s Establishment of a Generic Proceeding to Review the Prudency of the Costs Incurred by South Jersey Gas Company in Response to Major Storm Events in 2011 and 2012.

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

Pursuant to the March Order, South Jersey Gas (SJG) filed a petition on June 28, 2013, requesting the recovery of approximately \$720,000 in storm-related expenses. SJG also requested that it be permitted to fully recover those costs in its next base rate proceeding.

Staff recommended the matter be retained by the Board and designated Commissioner Diane Solomon as the presiding officer. Staff further recommended the Board order the parties to serve all documents electronically, while still providing hard copies to the Board for those documents which must be filed with the Board, with hard copies to each party upon request.

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

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

- K. **Docket Nos. BPU EC12090876 and OAL PUC 00559-2013 – In the Matter of Shamong Township, Petitioner v. Public Service Electric and Gas Company, Respondent – Dispute Removal for All Trees.**

BACKGROUND AND DISCUSSION: This matter pertains to a dispute between Shamong Township and Public Service Electric and Gas Company (PSE&G) regarding planned vegetation management of a 500 kilovolt transmission line. The Administrative Law Judge (ALJ) submitted an initial decision to the Board on July 10, 2013 approving the agreement between the parties. Staff found that the agreement is consistent with the current vegetation rules imposed by the Board. Staff recommended the Board adopt and approve the decision/recommendation of the ALJ and allow both parties to proceed

under the signed settlement agreement; as amended by both parties at the request of Board Staff.

President Hanna discussed the importance of vegetation management, particularly on transmission lines and the nuances needed to get these programs and work completed. He commended the Township and PSE&G. Commissioner Fox echoed his sentiments.

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

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

L. Docket No. EO13030236 – In the Matter of the Board’s Review of Utility Consolidated Billing and Purchase of Receivables Programs – Request for Waiver.

BACKGROUND AND DISCUSSION: On July 9, 2013 and subsequently amended on July 12, 2013, Rockland Electric Company (RECO) filed a Verified Petition and on October 21, 2013, New Jersey Natural Gas Company (NJNG), South Jersey Gas Company (SJG) and Pivotal Utility Holdings, Inc., d/b/a/ Elizabethtown Gas Company (ETG) (collectively, Joint Petitioners) filed a letter petition (Joint Letter Request) with the Board, seeking a waiver of certain provisions set forth in the Board’s May 29, 2013 Order (May 29 Order).

In the May 29 Order, the Board addressed issues relating to Utility Consolidated Billing (UCB) and “Purchase of Receivables” (POR), specifically issues related customer class eligibility, customer eligibility restrictions, payments to Third Party Suppliers (TPS), criteria for dropping customers from UCB to dual billing, discount factors and consolidated billing fees, implementation dates for the modifications to the individual utility UCB/POR Programs and the issue which is the subject of the waiver requests, arrearage reporting and notifications.

With regard to the issue of arrearage reporting and notifications, the Board directed Gas Distribution Companies (GDC), and the Electric Distribution Companies (EDC) that drop customers to dual billing based upon the customer’s arrearages to provide TPSs with monthly customer arrearage reports (Monthly Arrearage Reports). However, the Board further directed all GDCs and EDCs to notify TPS on the day the TPS provides the utility with the request to switch the customer, of the number of days that a customer’s account is in arrears provided the customer’s account is 60 days or more in arrears (Daily Arrearage Reports).

RECO argued that the Daily Arrearage Report requirement will not benefit TPSs and is contrary to the Board’s recognition that such information is of no benefit to TPSs as reflected in its exclusion of the requirement to provide Monthly Arrearage Reports. Since RECO accepts all customers for enrollment and does not drop customers in

arrears to dual billing, RECO asserted that the Daily Arrearage Report requirement will not provide TPSs with either informative or relevant information.

The Joint Petitioners also sought a waiver of the Daily Arrearage Report requirement. Joint Petitioners argue that companies that do not now or do not intend to drop customers from UCB due to non-payment by the customer, that it is unnecessary, costly and not useful to provide TPS with any arrearage information. Joint Petitioners assert that the information is not relevant to or useful for the TPS and adds an unnecessary administrative burden on the utility. Thus, Joint Petitioners request that the Board grant RECO's request for a waiver of the Daily Arrearage Report and make it applicable to all utilities that do not drop customers due to late payments.

Only three UCB/POR participants filed comments, the Retail Energy Supply Association (RESA), NJNG and SJG. NJNG and SJG support RECO's request for a waiver. RESA also supports RECO's request as well as the Joint Petitioner's request for a waiver, stating however that any granting of the waiver should be conditional as long as RECO and the Joint Petitioners continue their current practice of providing a non-recourse purchase of receivables to all TPSs by accepting all customers into their respective UCB/POR programs and never exercising their right to drop customers with arrears to dual billing.

Staff recommended the Board grant the waiver requests but direct RECO, NJNG, SJG and ETG to comply with the May 29 Order Daily Arrearage Reporting Requirements if they should change their policy and commence the practice of dropping customers from UCB to dual billing. Moreover, Staff recommended the GDCs and EDCs provide a sixty day notice prior to implementation of changing such policy to Staff, the TPSs and their customers.

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

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

M. Docket No. ER13060535 – In the Matter of the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery.

BACKGROUND AND DISCUSSION: On June 21, 2013, Rockland Electric Company (RECO or Company) filed a petition with the Board proposing to implement a Low Income Audit II Program to provide free energy efficiency measures, recommended as a result of an energy audit to RECO customers that meet the specified income criteria. The program will target participation by 100 eligible customers in each of the three year life of the program, or 300 customers in total.

The Company requested approval of rate recovery of all Low Income Audit II Program costs totaling \$1,346,279. RECO requested that the carrying charge on its deferred

balances for the Low Income Audit II Program be set based upon RECO's overall weighted average cost of capital authorized by the Board in RECO's most recent base rate case (8.21%) based upon a return on equity of 10.3% together with the income tax effects.

N.J.S.A. 48:3-98.1 requires the Board to decide cost recovery issues within 180 days of the filing of the petition. Pursuant to the Board Order issued in response to a further statutory directive within that section, Board Staff must review a petition for completeness within 30 days and, when a petition is determined to be complete, set the beginning of the 180-day period. In re Electric Public Utilities and Gas Public Utilities Offering Energy Efficiency and Conservation Programs, Investing in Class I Renewable Energy Resources, and Offering Class I Renewable Energy Programs in their Respective Service Territories on a Regulated Basis Pursuant to N.J.S.A. 48:3-98.1, Dkt. No. EO08030164 (May 8, 2008). On October 15, 2013, Board Staff notified RECO that with the information submitted in the Company's remediation filing filed on September 18, 2013, the filing was administratively complete. Accordingly, the 180-day review period for a Board determination on cost recovery commenced on September 18, 2013.

Staff recommended the Board retain this matter for hearing at the Board and designate Commissioner Mary-Anna Holden as presiding officer for this proceeding.

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

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

N. Non-docketed Matter – In the Matter of PPL EnergyPlus, LLC v. Solomon – United States Court of Appeals for the Third Circuit, Agency Docket No. 13-4330 – See Executive Session.

Jennifer S. Hsia, Deputy Attorney General, Division of Law, presented this matter.

BACKGROUND AND DISCUSSION: This matter was initially discussed in executive session pursuant to the attorney/client privilege exceptions to the Open Public Meetings Act. Subsequently, Staff presented the matter in the public session.

Deputy Attorney General Hsia reported that on November 21, 2013, the Division of Law filed a notice of appeal of the District Court judgment declaring a Long-Term Capacity Agreement Pilot Program and the Standard Offer Capacity Agreement unconstitutional, and she recommended the Board ratify the filing of this notice of appeal.

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

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

O. Docket No. GO13090881 – In the Matter of the Petition of TAQA Gen-X, LLC for Emergent Relief.

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

BACKGROUND AND DISCUSSION: On September 27, 2013, TAQA GEN-X, LLC (TAQA) filed a petition with the Board seeking emergent relief related to an increase in the transportation service rate to be charged to its Sayreville, New Jersey facility by its electric distribution company, Public Service Electric and Gas Company (PSE&G). The primary term of the contract between PSE&G and TAQA supposedly expired on or about October 1, 2013. Without a negotiated alternative rate agreed to by the parties and approved by the Board, TAQA's rate for transportation service increased to the full Rate Schedule Transportation Gas Service-Non-firm (TSG-NF) rate which is presently at \$0.67837 per dth. TAQA's petition for emergent relief contends that the rate increase that PSE&G imposed on it is punitive and will inflict substantial economic harm on both TAQA and New Jersey ratepayers. TAQA also contends that the contract termination underlying the rate increase did not comply with the Board's prior notice requirements for such actions as mandated by a prior decision.

Staff recommended the Board grant the requested relief made by TAQA. The consequences of having TAQA subjected to the full rate schedule TGS-NF rate will result in New Jersey ratepayers facing higher costs of electricity, a possible lower level of reliability and the increased air emissions.

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

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

P. Docket No. EO13080751 – In the Matter of the Complaint of the Village of Ridgewood.

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

BACKGROUND AND DISCUSSION: On August 15, 2013, the Village of Ridgewood filed a Petition with the Board seeking review of the installation of 65-foot poles and the

construction of a 69 kilovolt (kV) transmission circuit within the Village by Public Service Electric and Gas Company (PSE&G) in the public right of way along four streets. Specifically, the Village requested an expedited hearing to address substantive issues concerning the installation and the continuation of a consensual moratorium on any further work to be performed by PSE&G on the project during the course of the hearing process. PSE&G filed a response to the Petition, and a group comprised of Village residents known as Individuals Concerned About Residential Electricity (ICARE) also filed a response to the petition.

The Village maintained that the change in use of the facilities (taller poles and additional lines) required PSE&G to either obtain municipal consent, or at the very least take into consideration local concerns prior to the installation of the new facilities. It also argued that PSE&G failed to obtain street opening permits prior to the installation of the poles. ICARE added that there are potential health and safety impacts upon Village residents as a result of the installation of the higher utility poles and the addition of the sub-transmission line.

PSE&G argued that it did not need to obtain municipal consent prior to the installation of the project because the poles are being placed in the public-right-of way and, pursuant to New Jersey law, it need not obtain consent. PSE&G also asserted that the project had been approved by PJM as part of the Regional Transmission Expansion Plan and, due to overloads on the system, the 69 kV upgrade was necessary.

After notice, evidentiary and public hearings were conducted simultaneously on September 9, 2013 in Hackensack, New Jersey before Commissioners Joseph Fiordaliso and Dianne Solomon. At the evidentiary hearing, the Village presented two witnesses and PSE&G presented three witnesses. At the public hearing, approximately ten Village residents and the Mayor of the Village placed their positions into the record, as well as presented photographs, research and data for the Board to take into consideration.

Following the hearings, the parties and ICARE filed additional submissions with the Board. Using the criteria in N.J.S.A. 40:55D-19, Staff reviewed the local considerations and weighed them against the greater public interest to reach a determination on whether the project is reasonably necessary for the service, convenience and/or welfare of the public. Based on the testimony presented, Staff found that PSE&G tried to find alternative routes for the project, but they were unfeasible either due to safety issues or crowding of the existing infrastructure, and that shortening of the poles would violate the National Electric Safety Code. Staff recommended that the project be allowed to continue, with the caveat that, in the future, PSE&G should provide a municipality with adequate notice prior to the commencement of a project. Staff further recommended that PSE&G be directed to continue to keep the Board apprised of any significant developments with regard to the health and/or safety issues alleged by the Village residents.

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

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

3. CABLE TELEVISION

There were no items in this category.

4. TELECOMMUNICATIONS

A. Docket No. TS13100953 – In the Matter of Talkspan, Inc.’s Failure to Comply with Board Order and Applicable Statutes and Rules Requiring Payment of Annual Assessments and Filing of Annual Reports.

Anthony Centrella, Director, Division of Telecommunications, presented this matter.

BACKGROUND AND DISCUSSION: This item pertains to an Order to Show Cause stemming from the failure of Talkspan, Inc. to comply with statutory requirements. Talkspan has not complied with the requirements to pay its annual assessment for the calendar years 2009, 2010 and 2011. The annual assessment is \$500.00 per year for a total of \$1,500.00. Talkspan has also failed to file its annual reports for the years ending December 31, 2009, 2011 and 2012, which were due on or before March 31, 2010, 2012 and 2013 respectively. Noncompliance results in a penalty of \$10,945.00 as of September 6, 2013 and \$5.00 a day for each day thereafter. Talkspan has until December 23, 2013 to answer this Order to Show Cause or its authority granted at Docket No. TE09030188 shall be revoked by the Board. Staff recommended the Board approve the issuance of the Order.

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

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

5. WATER

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

A. Docket No. WR13080757 – In the Matter of the Petition of Aqua New Jersey, Inc., Maxim Wastewater Division for Approval of a 2012 Purchased Wastewater Treatment Adjustment Clause True-Up and Other Required Approvals.

BACKGROUND AND DISCUSSION: On August 20, 2013, Aqua New Jersey, Inc., Maxim Wastewater Division (Company, Aqua Maxim) filed a Petition with the Board seeking approval of a Purchased Sewerage Treatment Adjustment Clause or Purchased Wastewater (Sewerage) Treatment Adjustment Clause (PSTAC). The Company originally filed for an overall decrease in PSTAC revenues totaling \$124,017 or approximately -12.638% below pro forma PSTAC revenues.

Aqua Maxim services approximately 2,572 wastewater customers within a portion of Howell Township in Monmouth County. It is a wastewater utility engaged in the collection and transmission of sewage. The Ocean County Utilities Authority receives and treats all of the sewage transmitted by Aqua Maxim.

This matter was retained by the Board. Since Aqua Maxim requested a decrease in rates, it was deemed that a public comment hearing was not required. Aqua Maxim, Rate Counsel and Board Staff (Parties) reached a settlement on all issues in the case and executed a Stipulation. The Parties agreed that Aqua Maxim's current PSTAC rates on file with the Board should be decreased.

- The overall decrease in Maxim's PSTAC revenues total \$129,018 which is based upon the estimated costs for 2014, the over-recovery for 2012 and the costs of this proceeding.
- The decrease of \$129,018 represents approximately -13.15% below present rate PSTAC revenues. For the average residential customer, the annual flat PSTAC rate will decrease from \$371.21 to \$322.41, an annual decrease of \$48.80 or approximately -13.15%. With respect to the total annual rate for wastewater services, the overall total annual rate for the average residential customer will decrease from \$675.21 to \$626.41, a decrease of \$48.80 or approximately 7.32%.

Staff recommended the Board adopt the Stipulation of the Parties.

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

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

B. Docket Nos. BPU WR13030210 and OAL PUC 03748-13 – In the Matter of the Petition of United Water New Jersey Inc. for Approval of an Increase in Rates for Water Service and Other Tariff Changes.

BACKGROUND AND DISCUSSION: On March 11, 2012, United Water New Jersey filed a petition with the Board seeking an increase to revise its rates and charges for water service by 14.69%.

On April 29, 2013, the matter was transmitted and assigned to the Administrative Law Judge (ALJ) Irene Jones. A telephonic Pre-Hearing Conference was convened and dates were established for discovery and hearings. The Parties to the proceeding are the Petitioner, Rate Counsel and Board Staff.

The public hearing was conducted on August 28, 2013, in Hackensack. Members of the public attended the Public Hearing and provided comments on the proposed increase in tariff rates and charges for this proceeding.

Subsequent to the public hearing and prior to the scheduled evidentiary hearings, the Parties to the proceeding engaged in numerous settlement negotiations and reached a Stipulation on all contested issues in this matter which resulted in an overall increase in rates of \$11,000,000 or 5.4% over total operating revenues.

Some of the pertinent points include:

- Changing its billing from quarterly to monthly.
- Based on an average annual water usage of 78,000 gallons per year, the average residential customer will see an increase from the current annual rate of \$494.65 to an annual rate of \$530.52, an increase of \$35.87 or 7.25%.
- Public Fire Protection will not receive an increase in this docketed matter.
- The currently reviewed costs of Hurricane Sandy are included in the rate proceeding and will be amortized over three years.

ALJ Jones issued an Initial Decision accepting the Stipulation of the Parties.

Staff recommended the Board adopt the ALJ's Initial Decision which adopts the Stipulation of Settlement of the Parties.

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

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

6. RELIABILITY & SECURITY

A. Docket Nos. GS13080790K, et al. – In the Matter of Alleged Violations of the Underground Facility Protection Act, N.J.S.A. 48:2-73 et seq.

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

BACKGROUND AND DISCUSSION: This matter involved the settlements of alleged violations of the Underground Facility Protection Act by both excavators and operators of underground facilities. The categories of infraction include failure to provide proper notice, failure to use reasonable care and mismarking of facilities. The cases have been settled in accordance with a penalty strategy which escalates the penalty ranges in relationship to the aggravating factors such as injury, property damage, fire, evacuation, road closure, and other public safety concerns. Moreover, the strategy sought to establish appropriate disincentives for actions which violate the Underground Facility Protection Act (the Act).

Pursuant to the Act, the Board through the Bureau of One-Call supervises and enforces the One-Call Underground Damage Prevention System. The Act subjects violators of its provisions to civil penalties of not less than \$1,000.00 and not more than \$2,500.00 per violation per day, not to exceed \$25,000 for any related series of violations. N.J.S.A. 48:2-88(a). Violations relating to natural gas or hazardous liquid underground pipelines or distribution facilities shall subject the violator to civil penalties not to exceed \$100,000.00 per violation per day and not to exceed \$1,000,000.00 for any related series of violations. In addition, a violator may be assessed the cost of any Board investigation, inspection or monitoring survey which leads to the establishment of a violation and for the reasonable costs of preparing and litigating the matter. N.J.S.A. 48:2-86(b)(2).

Staff is employing a single order to close multiple cases in order to create a more streamlined and effective enforcement process.

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

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

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

7. CUSTOMER ASSISTANCE

There were no items in this category.

8. CLEAN ENERGY

A. Docket No. QO13090865 – In the Matter of New Jersey Electric Distribution Companies' Proposed Procedures for Eliminating Outdated Net Energy Metering/Interconnection Applications from the Proposed Project Queues.

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

BACKGROUND AND DISCUSSION: This matter involved the Electric Distribution Companies' (EDCs) proposed procedures for eliminating outdated net energy metering and interconnection applications from their proposed project queues. This item arose from power net energy metering interconnection stakeholder group meetings that Staff conducts with industry participants, renewable energy industry participants, EDCs and Rate Counsel.

In or around 2012, distribution feeders (particularly within Atlantic City Electric territory) started to become highly penetrated by renewable energy installations. There was a perception among industry participants that outdated applications to interconnect applicants from receiving approval. This perception highlighted a shortcoming in the interconnection rules and process; there was no method for the EDCs to eliminate projects that didn't move forward.

Staff worked with EDCs and stakeholders to develop an interconnection application process to implement the rules, but this shortcoming was not apparent at that time. Traditionally, net energy metering and interconnection have always been complementary, dating back to the Electric Discount Energy Competition Act. Entry for customer generators to have the ability to net meter has been through interconnection, so they have been very closely related. Not all applicants that apply to interconnect enjoy net metering. Staff frequently cites net energy metering and interconnection together, but this matter pertains to interconnection applications.

The program has a two-part process where a potential customer generator submits the first part of an application to interconnect at a location. The EDC processes that application and gives a preliminary approval to proceed. The customer generator develops the project and after it's installed, comes back for the formal approval and authorization to energize. The breakdown is when projects don't proceed beyond the first part of the process to the second part.

The interconnection rules and processes never established a life for an application. Therefore, the EDCs hadn't removed applications that didn't proceed; they remained in their queues. Staff recommended the Board approve an interim process for EDCs to eliminate projects over two years old and then Staff will conduct a rulemaking to incorporate this procedure into the net energy metering and interconnection regulations.

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

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

B. Docket No. QG13100960 – In the Matter of the New Jersey Clean Energy Program Authorization of Commercial and Industrial Program Energy Efficiency Incentives Exceeding \$500,000 – Riviera Towers Corporation.

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

BACKGROUND AND DISCUSSION: This Clean Energy Program received an application for a commercial and industrial rebate in an amount over \$500,000. Riviera Towers is a 34-story high rise multifamily structure built in 1976, located on Kennedy Boulevard East in West New York, NJ 07093. Riviera Towers plans to install a 400 kilowatt cogeneration plant, which will generate an estimated 2.8 million kilowatt hours of electricity per year and will recover 19 thousand MMBtus of waste heat to be used for space heating, space cooling, and water heating. This is a standalone Small Combined Heat and Power application, with no associated Pay for Performance application.

The proposed system will be capable of operating independently from the grid, and will cost an estimated \$2.2 million, for which the applicant will receive \$800,000. The incentive for this project results in a simple payback of 6.5 years for the applicant. The project is estimated to save the customer \$220,000 in annual energy costs, and will take approximately 90-150 days after Board approval to complete.

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

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

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

C. Docket No. QO13100952 – In the Matter of the Memorandum of Understanding Between the New Jersey Department of Community Affairs, Division of Fire Safety and the New Jersey Board of Public Utilities for the Transfer of Funds for Firefighting Training Materials and Services from Underwriters Laboratories.

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

BACKGROUND AND DISCUSSION: This matter involved a Memorandum of Understanding (MOU) between the New Jersey Department of Community Affairs (DCA), Division of Fire Safety, and the Board for the transfer of funds for firefighting training materials and services from Underwriters Laboratories.

Staff proposed and the Board approved at its June 18, 2013 Agenda meeting, the Clean Energy Program (CEP) Fiscal Year 14 programs and budgets. Staff's proposal contained, in the Board's Compliance Filing under the administration and overhead budget, a line item of \$35,000 for the transfer of funds to the DCA, Division of Fire Safety to provide renewable energy firefighter training materials. Staff had not finalized the MOU at that time.

Staff and DCA have since finalized the MOU to transfer \$35,000 to DCA to reproduce firefighter training materials that are produced by the Underwriters Laboratory, and conduct and evaluate the trainings. Staff has periodically worked with the Division of Fire Safety since about 2009, in advancing firefighters' knowledge of how to fight fires involving solar installations.

As a result of a recent fire that was experienced in a New Jersey wind turbine, CEP's small wind rebate program has also found the need for developing firefighter training materials for energy storage and wind applications. While this MOU doesn't directly address the transfer of funds for the development of wind or energy storage training materials, Staff anticipates it will be coming back to the Board at a future date with a recommendation for transferring additional funds to develop and distribute firefighter training materials on wind and energy storage systems as well.

Staff recommended the Board approve the MOU and authorize President Hanna to execute the MOU to transfer 35,000 to DCA's Division of Fire Safety for the training of fire services and volunteer fire services across the state.

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

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

9. MISCELLANEOUS

- A. Docket No. QO13111045 – In the Matter of the Sub-recipient Agreement between the New Jersey Department of Community Affairs and the New Jersey Board of Public Utilities Implementing Project Management for a Grant Under the U.S. Department of Housing and Urban Development Community Development Block Grant – Disaster Relief through the Post Sandy Disaster Relief Planning Assistance Grant Program.**

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

BACKGROUND AND DISCUSSION: This item is in the matter of the sub-recipient agreement between the New Jersey Department of the Community Affairs (NJDCA) and the Board implementing project management for a grant under the U.S. Department of Housing and Urban Development Community Development Block Grant for Disaster Relief program through the post Sandy Disaster Relief Planning Assistance Grant program.

Over the past several years New Jersey and the Northeast/Mid-Atlantic states have been impacted by several major storms including:

1. East Coast Derecho July 2011
2. Hurricane Irene August 2011
3. October snow storm October 30, 2011
4. Super Storm Sandy October 29, 2012
5. Northeaster November 7, 2012
6. East Coast Derecho June 2013.

These storms and others, while they resulted in varying degrees of power outages across New Jersey and the Mid-Atlantic/Northeastern states, point to the immediate need to harden the energy infrastructure to be more resilient to future storms. New Jersey State government, with the federal government along with the State's utilities, is taking steps to harden the distribution system infrastructure.

A Community Development Block Grant will be used for funding of project management to evaluate the deployment of distributed energy resources and the potential development of financing programs. The goal of the program is to encourage the increased deployment of those resources and technologies and micro-grids at public critical infrastructure and other state critical assets and facilities. The Memorandum of Understanding between the Board and NJDCA is intended to set forth the terms for management of the grant, and is a requirement of the federal government to obtain the funding.

One of the key objectives of the grant is to develop potential financing programs for distributed energy resources and micro-grids, and review policies at the state that might enhance or impede their development. A statewide database will be created to track these projects.

Staff recommended the Board approve the sub-recipient agreement between NJDCA and the Board, and authorized President Hanna to execute the final document on behalf of the Board.

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

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

EXECUTIVE SESSION

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

2. ENERGY

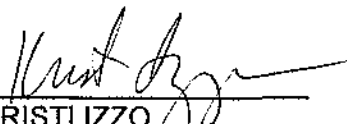
N. Non-docketed Matter – In the Matter of PPL EnergyPlus, LLC v. Solomon – United States Court of Appeals for the Third Circuit, Agency Docket No. 13-4330.

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

After appropriate motion, the Board reconvened to Open Session.

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

DATE: 1/29/14



KRISTI IZZO
BOARD SECRETARY