



**STATE OF NEW JERSEY  
Board of Public Utilities  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
Post Office Box 350  
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 April 23, 2014, at the State House Annex, Committee Room 11, 125 West State Street, Trenton, New Jersey 08625.

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

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

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

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

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

It was announced that the next regular Board Meeting would be held on May 21, 2014 at the State House Annex, Committee Room 11, 125 West State Street, Trenton, New Jersey 08625.

## CONSENT AGENDA

### I. AUDITS

#### A. **Non-docketed Matter – In the Matter of Hotwire Communications, Limited – Request for Extension of Time to File Its 2013 Annual Report with the Board.**

**BACKGROUND:** This matter involved a request by Hotwire Communications, Ltd. (Hotwire) from the Board for a 60 day extension to file the 2013 annual report.

Pursuant to N.J.A.C. 14:3-6.3, every utility shall file with the Board, on or before the March 31 of each year, an annual report summarizing its finances and operations for the preceding calendar year. A utility may file a request with the Board Secretary for an extension of up to 30 days for filing the annual report. Each additional 30 day extension, after the initial extension granted, requires the submission of a separate request for extension.

Current policy requires Board approval for an extension of time to file an annual report which extends the filing date by more than 30 days. According to the letter dated March 17, 2014, Hotwire's Finance group is small, and it would be very difficult to meet the March 31, 2014 due date.

Therefore, Staff recommended the Board approve the requested extension of time.

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

#### B. **Docket No. TE14020160 – In the Matter of the Verified Petition of Wide Voice, LLC for Authority to Provide Competitive Facilities-Based Local Exchange, Interexchange and Exchange Access Telecommunications Services throughout the State of New Jersey.**

**BACKGROUND:** By letter dated February 14, 2014, Wide Voice, LLC (Petitioner or Wide Voice) filed a Petition with the Board requesting authority to provide all forms of facilities-based competitive local exchange, exchange access and facilities-based interexchange telecommunications services throughout the State of New Jersey.

The Petitioner submitted its financial information under seal and filed a sworn affidavit with substantiation for confidential treatment in accordance with the Board's rules for determining confidentiality, N.J.A.C. 14:1-12 et seq. and in compliance with the Open Public Records Act, N.J.S.A. 47:1A-1 et seq.

Wide Voice requested a waiver of N.J.S.A. 48:3-7.8 and N.J.A.C. 14:1-4.3, which requires that books and records be kept within the State of New Jersey and be maintained in accordance with the Uniform System of Accounts (USOA), respectively. The Petitioner also stated, upon written notice from the Board and/or Board Staff, it will provide its books and records at such time and place within New Jersey as the Board may designate and will pay any reasonable expenses for examination of the records.

By letter dated March 11, 2014, the Division of Rate Counsel submitted comments with the Board stating that it did not object to Board approval of the Verified Petition.

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

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

**C. Non-docketed Matter – In the Matter of the City of Trenton (Trenton Water Works) – Request for Extension of Time to File Its 2013 Annual Report with the Board.**

**BACKGROUND:** This matter involved a request by the City of Trenton (Trenton Water Works) from the Board for a 60 day extension to file the 2013 annual report.

Pursuant to N.J.A.C. 14:3-6.3, every utility shall file with the Board, on or before the March 31 of each year, an annual report summarizing its finances and operations for the preceding calendar year. A utility may file a request with the Board Secretary for an extension of up to 30 days for filing the annual report. Each additional 30 day extension, after the initial extension granted, requires the submission of a separate request for extension.

Current policy requires Board approval for an extension of time to file an annual report which extends the filing date by more than 30 days. According to the letter dated March 31, 2014, Trenton Water Works currently has a shortage of personnel and requested a 60 day extension to file its annual report. With this extension, the annual report will be due on or before May 30, 2014.

After reviewing the request submitted by Trenton Water Works, Staff recommended the Board approve this extension.

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

**D. Energy Agent, Private Aggregator and/or Energy Consultant Initial Registrations**

EE14020191L	Fleet Energy Power and Light, LLC	I – EA
EE14020195L	Epiq Energy, LLC	I – EA/PA/EC
GE14020196L		

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

EE14010026L	Cooperative Industries, LLC	R – EA
EE13111141L	Long Distance Consultants, LLC d/b/a LD Energy	R – EA
EE14020190L	Achieve Energy Solutions, LLC	R – EA/PA
GE14030291L		
EE14020198L	U.S. Power Trade, LLC	R – EA
EE14020203L	Atlas Commodities, LLC	R – EA
EE13080733L	Electric Advisors, Incorporated	R – EA/PA
GE13100882L		
EE14010044L	BidURenergy, Incorporated	R – EA/PA

GE14010010L		I – EC
EE14010011L	EnerNoc, Incorporated	R – EA/PA/EC
GE14010012L		
EE14010022L	Mitchell Energy Management Services, Inc.	R – EA/EC
GE14010023L		

**Electric Power and/or Natural Gas Supplier Initial Licenses**

EE13090853L	Residents Energy, LLC	I – EGSL
GE13090854L		
EE14020197L	Inspire Energy Holdings, LLC	I – ESL

**Electric Power and/or Natural Gas Supplier Renewal Licenses**

EE14010034L	Barclays Capital Services, Incorporated	R – ESL
EE14010024L	Marathon Power, LLC	R – EGSL
GE14010025L		
EE13111097L	IDT Energy, Incorporated	R – EGSL
GE13111098L		
EE14020146L	Direct Energy Services, LLC	R – EGSL
GE14020147L		
GE14020199L	Infinite Energy, Incorporated d/b/a Intelligent Energy	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 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 in accord with N.J.A.C. 14:4-5.4, Staff recommended the Board issue initial registrations as an energy agent for one year to:

- Fleet Energy Power and Light LLC
- Epiq Energy LLC

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

- Cooperative Industries, LLC
- Long Distance Consultants, LLC d/b/a LD Energy
- Achieve Energy Solutions, LLC
- U.S. Power Trade LLC
- Atlas Commodities, LLC
- Electric Advisors, Inc.
- BidURenergy, Inc.
- EnerNoc, Inc.

- Mitchell Energy Management Services, Inc.

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

- Residents Energy, LLC
- Inspire Energy Holdings, LLC

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

- Barclays Capital Services, Inc.
- Marathon Power LLC
- IDT Energy, Inc.
- Direct Energy Services, LLC
- Infinite Energy, Inc. d/b/a Intelligent Energy

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

## II. ENERGY

- A. Docket No. ER14030245 – 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 (2014).**

**BACKGROUND:** On March 14, 2014, Atlantic City Electric Company (Company) filed a petition with the Board seeking approval to revise the Company's tariff sheets containing increased rates for electric service and other revised terms and conditions. The Company sought to implement its proposed rates to become effective for service rendered on or after December 15, 2014, or at such later date as the Board may determine.

This matter was transmitted to the Office of Administrative Law (OAL) on or about March 24, 2014. Since this matter is still pending at the OAL, Staff recommended the Board issue an order suspending the proposed rate increase until July 14, 2014 pending further action on this matter.

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

- B. Docket No. ER13111135 – In the Matter of the Verified Petition of Rockland Electric Company for Approval of Changes in Electric Rates, Its Tariff for Electric Service, and Its Depreciation Rates; Termination of the Smart Grid Surcharge; Establishment of a Storm Hardening Surcharge; and for Other Relief.**

**BACKGROUND:** On November 27, 2013, Rockland Electric Company (Company) filed a petition with the Board seeking approval to revise the Company's tariff sheets containing increased rates for electric service and other revised terms and conditions. The Company sought to implement its proposed rates to become effective for service rendered on or after January 1, 2014, or at such later date as the Board may determine.

This matter was transmitted to the Office of Administrative Law on December 9, 2013 and assigned to Administrative Law Judge (ALJ) Richard McGill. Since this matter is still pending before ALJ McGill, Staff recommended the Board issue an order suspending the proposed rate increase until July 28, 2014 pending further action on this matter.

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

**C. Docket No. GR13111137 – In the Matter of the Petition of South Jersey Gas Company for Approval of Increased Base Tariff Rates and Charges for Gas Service and Other Tariff Revisions.**

**BACKGROUND:** On November 29, 2013, South Jersey Gas Company (Company) filed a petition with the Board seeking approval to revise the Company's tariff sheets containing increased rates for gas service and other revised terms and conditions. The Company sought to implement its proposed rates to become effective for service rendered on or after December 30, 2013, or at such later date as the Board may determine.

This matter was transmitted to the Office of Administrative Law on December 6, 2013 and assigned to Administrative Law Judge (ALJ) W. Todd Miller. Since this matter is still pending before ALJ Miller, Staff recommended the Board issue an order suspending the proposed rate increase until July 29, 2014, pending further action on this matter.

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

**III. CABLE TELEVISION**

There were no items in this category.

**IV. TELECOMMUNICATIONS**

**A. Docket No. TM14030234 – In the Matter of the Verified Joint Petition of Teleport Communications New York and Teleport Communications America, LLC for Approval of an Internal Merger and a Transfer of License as Part of an Internal Corporate Restructuring.**

**BACKGROUND:** On March 10, 2014, Teleport Communications New York (TCNY) and Teleport Communications America, LLC (TCAL and collectively, the Petitioners), filed a verified joint Petition requesting that the Board approve a proposed internal merger of TCNY and TCAL, both of which are wholly-owned indirect subsidiaries of AT&T Corp.

The Petitioners also requested the transfer of TCNY's Authority to TCAL. Upon completion of the reorganization, TCAL will provide telecommunications services to all of the customers of TCNY at the same rates, terms, and conditions that they currently receive.

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. As for the request for the waiver regarding the Board's anti-slamming and its mass migration regulations, Staff found that those rules are not necessary in this instance and could in fact cause confusion therefore, Staff recommended the rules be waived. Also, Staff found that the Petitioners request for the transfer of TCNY's Authority to TCAL is not required given that TCAL has the necessary Authority to provide telecommunications services in New Jersey.

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

**B. Docket No. TF14030263 – In the Matter of the Verified Petition of XO Communications Services, LLC for Authority to Provide Its Security in Connection with Financing.**

**BACKGROUND:** On March 19, 2014, XO Communications Services, LLC (XO) submitted a Verified Petition to the Board requesting approval to provide its guarantee, pledge its equity interests and assets, or to otherwise provide security in connection with financings being arranged for its parent company, XO Communications, LLC.

The currently planned financing, to be obtained through a syndicate of lenders, includes an initial \$500 million senior secured term loan facility, with the ability to add an incremental facility or facilities in an aggregate amount equal to the sum of \$250 million plus a projected amount of \$600 million.

The planned financing is expected to mature in 2021. Interest for the planned financing will be tied to market rates for similar financings. At XO's option, interest will be determined either as (a) a base rate (highest of (i) the Federal Funds Rate plus 0.50%, (ii) the current prime commercial lending rate of UBS AG / Stamford Branch; or (iii) London Interbank Offered Rate plus 1.00 % and not less than 2.00 % per annum) plus applicable interest margin; or (b) a rate equal to the plus applicable interest margin.

After review, Staff found that the proposed transaction and the expanded financing arrangements are in accordance with the law and in the public interest, and recommended the Board to authorize the Petitioner to participate in financing arrangements as described in the Petition, and to take those actions necessary to effectuate such financing arrangements, subject to a number of provisions.

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

**V. WATER**

**A. Docket No. WR13111059 – In the Matter of the Petition of Middlesex Water Company for Approval of an Increase in Its Rates for Water Service and Other Tariff Changes.**

**BACKGROUND:** Middlesex Water Company (Middlesex or the Company) requested an increase in annual revenues of approximately \$10.6 million, or an overall increase of 15.89%. The Company also requested to increase its rates up to an additional 5% on an interim basis, pursuant to its Distribution System Improvement Charge Foundational Filing approved by the Board on February 20, 2013.

This petition was filed with the Board on November 8, 2013, with rates proposed to become effective for service on and after December 15, 2013. On November 19, 2013, the Company submitted a letter to the Board Secretary advising that the Company will not implement rates on an interim basis prior to the effective date of the Board's Suspension Order of December 28, 2013. On December 13, 2013, this matter was transmitted to the Office of Administrative Law. On December 18, 2013, the proposed rates were suspended until April 15, 2014.

On March 21, 2014, Middlesex submitted a letter advising that the Company will not implement rates on an intern basis prior to the effective date of the Board's further Suspension Order resulting from the April 23, 2014, meeting. In view of the fact that this proceeding will not be completed by April 15, 2014, an Order suspending the rates until August 15, 2014, is warranted in order to provide the time needed for the hearings and determination of this matter, unless the Board prior to that date makes a determination disposing of the petition.

Staff recommended the Board issue an Order further suspending the rate increase requested by the Company until August 15, 2014, unless the Board prior to that date makes a determination disposing of the petition.

**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 GC13111048U and OAL PUC 18712-13 – In the Matter of Thomaso Zagari, Petitioner v. Public Service Electric and Gas Company, Respondent – Billing Dispute.**

**BACKGROUND:** This matter involved a billing dispute between Thomaso Zagari (Petitioner) and Public Service Electric and Gas Company (PSE&G). The petition was transmitted to the Office of Administrative Law on December 23, 2013, as a contested case. Administrative Law Judge (ALJ) Leland S. McGee filed an Initial Decision in this matter with the Board on March 11, 2014, approving a Stipulation of Settlement (Settlement) of the parties.

Pursuant to the terms of the Settlement, and in order to resolve this matter without further delay, PSE&G agreed to credit the Petitioner's account in the amount of \$1,186.54, leaving a remaining arrearage balance of \$1,163.84. The Petitioner agreed to make a lump sum payment of \$500.00 and will pay the remaining arrearage balance of \$663.84 over a thirty-three month period at \$20.00 per month plus current charges and will pay \$23.84 plus current charges on the last month.

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

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



**B. Docket Nos. BPU EC13080698U and OAL PUC 15638-13 – In the Matter of Cornell L. Adams, Petitioner v. Public Service Electric and Gas Company, Respondent – Billing Dispute.**

**BACKGROUND:** This matter involved a billing dispute between Cornell L. Adams (Petitioner) and Public Service Electric and Gas Company (PSE&G or Company). The petition was transmitted to the Office of Administrative Law on October 25, 2013, as a contested case. Administrative Law Judge (ALJ) James A. Geraghty filed an Initial Decision in this matter with the Board on March 24, 2014, approving a Stipulation of Settlement (Settlement) of the parties.

Pursuant to the terms of the Settlement, the parties agreed that the Company shall apply the respective credits to the following accounts: (1) A credit of \$2,850.55 to the account ending in #1400 at 125 Pennsylvania Avenue, Newark, New Jersey, resulting in a credit of \$1,882.21, the amount that PSE&G shall forward to the Petitioner; (2) A credit in the amount of \$16.86 to the account ending in #3002 at 131 Pennsylvania Avenue, Newark, New Jersey, resulting in a credit to the Petitioner of \$16.83; (3) A credit in the amount of \$3,069.62 to the account ending in #8709 at 63-69 Emmett Street, Newark, New Jersey resulting in a \$0 remaining balance; and (4) a credit in the amount of \$4,098.68 to the account ending in #7806 at 1199 Broad Street, Newark, New Jersey, resulting in a \$0 remaining balance. The Petitioner agreed to pay the remaining balance on the account ending in #7806 in the amount of \$27.83 by the next billing date following the execution of this Agreement.

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.

**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 Executive Session minutes of January 29, 2014, February 19, 2014 agenda meeting and the February 12, 2014 BGS Special Meeting.**

**BACKGROUND:** Staff presented the executive session minutes of January 29, 2014, the regular agenda minutes of February 19, 2014 and the February 12, 2014 BGS Special Meeting minutes and recommended that they be accepted.

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

**After appropriate motion, the consent agenda was approved.**

<b>Roll Call Vote:</b>	<b>President Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

## AGENDA

### 1. AUDITS

There were no items in this category.

### 2. ENERGY

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

#### **A. Docket No. GR13070615 – In the Matter of the Petition of Public Service Electric and Gas Company to Revise Its Weather Normalization Charge.**

**BACKGROUND AND DISCUSSION:** Public Service Electric and Gas Company, Rate Counsel, and Board Staff entered into a Settlement for the Final Weather Normalization Charge (WNC) Rates, dated March 14, 2014, agreeing that the Company's provisional WNC Rate of \$0.019983 including sales and use tax, approved by the Board on September 18, 2013, applicable to Residential Service Gas, General Service Gas and Large Volume Gas Customers, should be determined "final". Staff recommended the Board approve the Settlement.

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

<b>Roll Call Vote:</b>	<b>President Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

#### **B. Docket No. ER13100907 – In the Matter of Atlantic City Electric Company's Verified Petition Requesting Authorization to Continue Implementation of Its Residential Controllable Smart Thermostat Program for the Four Year Period Commencing on or about June 1, 2014 and Modification of Its Regional Greenhouse Gas Initiative Recovery Charge for 2014-2015.**

**BACKGROUND AND DISCUSSION:** On October 1, 2013, Atlantic City Electric Company (ACE or Company) filed a Verified Petition (October 2013 Petition) with the Board requesting authorization to continue its Residential Controllable Smart Thermostat Program (RCSTP, or the Program) for the four-year period commencing June 1, 2014 through May 31, 2018 and seeking modification to its Regional Greenhouse Gas Initiative (RGGI) Recovery charge that recovers the reasonable and prudent costs of the RCSTP for the annual period of June 1, 2014 through May 31, 2015. As proposed, the Company's current RGGI charge applicable to the RCSTP of \$0.000493 per kWh should be decreased for the period commencing June 1, 2014 through May 31, 2015 to \$0.000010 per kWh, resulting in a net decrease in Program rates of \$0.000483 per kWh.

After extensive discussions, the Company, the New Jersey Division of Rate Counsel and Board Staff (collectively, the Parties) entered into a Stipulation of Settlement (Stipulation) on March 26, 2014 and agreed to extend ACE's RCSTP for the four-year period commencing June 1, 2014 through May 31, 2018. Additionally, the Parties agreed to decrease the Company's current RGGI charge applicable to the RCSTP of \$0.000493 per kWh to 0.000010 per kWh, inclusive of sales and use tax, for the period commencing

June 1, 2014 through May 31, 2015. As a result of the proposed revised Recovery Charge applicable to the Company's RCSTP, a typical residential customer using 1000 kWh per month would see a decrease in their bill of \$0.480, or a decrease of 0.28 percent.

The Company also agreed to submit updated tariff sheets within five business days of ACE being served the Board's Order in this docket conforming to the agreed upon rate and terms set forth in the Stipulation.

Staff recommended the Board issue an order adopting the Stipulation as executed by the Parties in its entirety.

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

<b>Roll Call Vote:</b>	<b>President Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

**C. Docket No. GF14010067 – In the Matter of the Petition of New Jersey Natural Gas Company for Authorization through May 31, 2017: (1) to Issue and Sell Pursuant to N.J.S.A. 48:3-9 Medium Term Notes; (2) to Enter into Interest Rate Risk Management Transactions Related to Certain Outstanding Long-Term Debt Securities and any New Issuances Approved Hereunder; (3) Redeem, Refinance or Defease any of the Company's Outstanding Long-Term Debt Securities; and (4) Pursuant to N.J.S.A. 48:3-9, to Enter into a Credit Facility Allowing the Issuance of Bank Note Obligations.**

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

**BACKGROUND AND DISCUSSION:** On January 27, 2014, New Jersey Natural Gas Company filed a petition with the Board, pursuant to N.J.S.A. 48:3-7 and 48:3-9 and N.J.A.C. 14:1-5.9, requesting authorization through May 31, 2017 to:

- (a) (i) issue and sell Medium-Term Notes (MTNs) with a maturity of not more than thirty years in an aggregate principal amount of not more than \$300,000,000; (ii) make, execute and deliver a trust indenture, trust indentures or supplements thereto or a note purchase agreement or note purchase agreements providing for the issuance of the MTNs; (iii) make, execute and deliver a thirty-fifth supplemental indenture and additional supplemental indentures providing for the issuance of MTNs in the form of a first mortgage bond or bonds with a maturity or maturities of not more than thirty years and in aggregate principal amount of not more than \$300,000,000 or to secure MTNs issued as described in (i) above; and (iv) make execute and deliver other supplemental indentures, and issue first mortgage bonds as shall be necessary to complete the transactions contemplated in this petition;
- (b) enter into one or more interest rate risk management transactions, including interest rate swaps and interest caps, floors and collars or other derivative agreements or arrangements (i) with a duration of up to three years to

have the effect of synthetically fixing the rate on no more than \$100,000,000 of the certain outstanding tax-exempt variable rate bonds previously issued by the Economic Development Agency and identified as Economic Development Agency (EDA) "EDA Bonds" on the proceeds of which were loaned to the Company for the purposes of financing or refinancing a portion of the cost of constructing and equipping by the Company of certain natural gas distribution pipelines and auxiliary equipment throughout the franchise portion of the County of Morris, New Jersey; and/or (ii) in connection with the issuance and sale of the MTNs in amount up to \$300,000,000;

- (c) redeem, refinance, or defease any of the Company's outstanding long-term debt securities, as long as the redemption, refinancing or defeasance is economically advantageous for the Company;
- (d) enter into a revolving credit facility for up to five years providing, among other things, for the issuance of promissory notes in an aggregate principal amount not to exceed \$300,000,000 at any one time outstanding; and
- (e) make, execute and deliver purchase agreements and related agreements and instruments including procuring credit enhancement instruments with financial institutions and take such other actions the Company determines may be necessary to complete the transactions contemplated in this Petition without further order of the Board.

The net proceeds of these transactions or series of transactions will be utilized to:

- 1. retire short-term debt through the issuance of long-term debt;
- 2. to fund capital expenditure requirements, including those related to the Company's Safety And Facility Enhancement Program, energy efficiency expenditures and environmental remediation expenditures other system reliability infrastructure programs;
- 3. to fund pension and other post-employment benefit programs; and
- 4. to redeem, refinance or defease any of Petitioner's indebtedness or debt securities as long as the redemption, refinancing or defeasance would be economically advantageous for the Company. The Petitioner's construction program has been financed, and it is expected that it will be financed, in part, by short-term debt, and periodically the Petitioner will retire that debt.

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

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

<b>Roll Call Vote:</b>	<b>President Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

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

**D. Docket No. EO11090543 – In the Matter of the Board’s Review of the Utilities’ Response to Hurricane Irene.**

**BACKGROUND AND DISCUSSION:** On January 23, 2013, the Board adopted the Energy Preparedness Partnerships report which had a number of recommendations to ensure better storm preparation and restoration efforts by New Jersey Electric Distribution Companies (EDCs). The Energy Division was responsible for reviewing EDCs submissions for eleven of these recommendations. One of these eleven items was marked BPU-61 Hazard Vegetation Tracking. This initiative set out in the Irene Order directed energy Staff to form a work group and begin discussions focused on establishing a vegetation tracking mechanism.

After much collaboration with the EDCs, Staff concluded that many of the categories the Board identified for tracking are being captured by the utilities. However, there were some areas of focus that do require more tracking by the utilities which we have explained in further detail below. During the course of this collaborative effort the utilities did request that the data requirements for a normal weather (blue sky) day versus a major system storm event be distinguishable. Staff agreed with the EDCs on this point as restoration of service and safety should be the primary focus in the midst of any major weather event. Thus, the following specified categories are required to be tracked by the utilities during normal operating conditions weather, not major system storm events. The categories are as follows: Weather, Trim Cycle, Details, Tracking Threshold, and Reporting.

Staff recommended the Board approve the Order with Staff’s recommendations, thereby requiring the EDCs’ to comply with the above requirements, prospectively, beginning on June 1, 2014. Staff further recommended the Board direct Staff to explore potential amendments for post storm analysis specifically as related to vegetation as part of its major events report outlined in N.J.A.C. 14: 5-8.8.

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

<b>Roll Call Vote:</b>	<b>President Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

**E. 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 the Company) filed a petition (June 21 Petition) with the Board seeking approval to administer a three-year Energy Efficiency Stimulus Program and to recover program costs and revenue requirements through the Company’s Regional Greenhouse Gas Initiative (RGGI) recovery surcharge pursuant to N.J.S.A. 48:3-98.1. In the filing, the Company proposed to implement a Low Income Audit and Direct Install Energy Efficiency II Program (Low Income Audit II Program or Program) to provide free energy

efficiency measures recommended as a result of an energy audit to RECO customers that met the specified income criteria.

The Low Income Audit II Program will provide free energy efficiency measures recommended as a result of an energy audit to RECO customers that met the specified income criteria. RECO further stated in its petition that the Program was designed to be similar in most material respects to the Company's current Low Income Audit I Program approved by the Board in Docket No. EO9010061.

According to the Petition, the Program would target participation by 100 eligible customers in each year of the three-year life of the program, or 300 customers in total, and was designed to provide customers currently enrolled in the USF Program, households with an income level at or below 225% of the federal poverty guidelines, and customers who received federal Supplemental Security Income, Home Energy Assistance, Lifeline, Pharmaceutical Assistance to the Aged and Disabled, Temporary Assistance to Needy Families or Section 8 Housing with Energy Efficiency measures at no charge based on the results of an energy audit. The Company will identify the eligible customers with the highest electric usage for initial marketing. Through direct mail and follow-up telemarketing, eligible customers will be offered the Program until the first 100 customer enrollments each year are completed. Once the goal of 100 is met each year, proactive outreach will discontinue; however, customer referrals and customer requests will continue to be accepted. Customers who had measures installed in the Low Income Audit I Program will not be eligible to participate in the Low Income Audit II Program.

As currently projected, the Low Income Audit II Program component of the RGGI Surcharge would initially be set at \$0.000083/kWh, including sales and use tax (\$0.000078/kWh without SUT), as set forth in Exhibit 6, which would be in effect for the initial twelve-month period ending, to recover an estimated revenue requirement of approximately \$127,439. This initial Low Income Audit II Program component of the RGGI Surcharge will result in a monthly rate increase for a typical residential customer using 925 kWh per month of \$0.08 or 0.05% or approximately \$0.92 annually during the initial twelve-month period.

On July 29, 2013, Board Staff notified the Company that the June 21 Petition was administratively incomplete. On September 18, 2013, RECO made a filing intended to remedy the deficiencies in its June 21 Petition. On October 15, 2013, Board Staff notified RECO that with the information submitted in the September 18 filing, the filing was administratively complete. Accordingly, the 180-day review period for a Board determination on cost recovery commenced on September 18, 2013.

After extensive discussions, the Company, the New Jersey Division of Rate Counsel and Board Staff (collectively, the Parties) executed a Stipulation of Settlement (Settlement) on April 4, 2014.

Staff recommended the Board issue an order adopting the Settlement of the Parties.

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

<b>Roll Call Vote:</b>	<b>President Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

**Thomas Walker, Bureau Chief, Engineering Services, Division of Energy,** presented these matters.

**F. Docket No. GE13030250 – In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the Township of Oldmans, County of Salem, State of New Jersey.**

**BACKGROUND AND DISCUSSION:** This matter involved a renewal of municipal consent granted to South Jersey Gas Company (SJG) by Township of Oldmans (Township) in Salem County. Pursuant to the requirements of N.J.S.A. 48:2-14, SJG filed a petition in March of 2013, requesting Board approval of this consent.

SJG currently provides natural gas service within Township to approximately 298 residential, 24 commercial and 5 industrial customers. The Company's consent to use the streets within the Township for the provision of gas service expired on September 2, 1997. On August 1, 2012, the Township adopted Ordinance 2012-05 by which it renewed its consent and granted SJG permission to lay and construct its pipes and mains and related appurtenances and facilities within the streets, alleys, squares and public places within the Township in the manner prescribed by N.J.S.A. 48:3-17a and N.J.S.A. 48:9-21. By letter dated March 5, 2013, the Company accepted and agreed to the terms of the consent.

Division of Rate Counsel (Rate Counsel), in its written comments dated July 9, 2013, recommended the Board condition its approval on the limitation of the consent to a reasonable period not to exceed 50 years, and that any Order approving the consent reserve ratemaking issues for future proceedings. Rate Counsel maintained that grants in perpetuity are not favored under New Jersey law, and under N.J.S.A. 48:2-14, the Board can impose conditions on its approvals, including limiting the consent to a reasonable term.

Staff reviewed Rate Counsel's recommendations and the opposition submitted by SJG, and determined that there is no legal bar to the grant of a municipal consent with an unlimited duration. As indicated in its reply, SJG consents to a limitation of 50 years on the use of the streets granted by the Township.

After review, Board Staff recommended the Board approve the municipal consent granted by the Township.

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

<b>Roll Call Vote:</b>	<b>President Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

**G. Docket No. GE13111086 – In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the City of Somers Point, County of Atlantic, State of New Jersey.**

**BACKGROUND AND DISCUSSION:** This matter involved a renewal of municipal consent granted to South Jersey Gas Company (SJG) by the City of Somers Point (City) in Atlantic County. Pursuant to the requirements of N.J.S.A. 48:2-14, SJG filed a petition in August of 2013, requesting Board approval of this consent.

SJG currently provides natural gas service within the City to approximately 3,729 residential customers, 460 commercial customers and 1 industrial customer. The portion of the Company's consent from the City related to use of the streets expired on August 8, 1997. On October 24, 2013, the City renewed its consent by adopting Ordinance No. 22-2013 which gave SJG consent and permission to furnish gas service in the City and to lay and construct its facilities within the public rights-of-way for a period of 50 years from the date of expiration of the prior consent or until October 25, 2047. By letter dated November 1, 2013, the Company accepted and agreed to the terms of the consent.

Rate Counsel, in its written comments to the petition dated January 21, 2014, stated that it did not oppose approval of the consent for use of the streets as it was limited to 50 years.

After review, Board Staff recommended the Board approve the municipal consent granted by the City.

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

<b>Roll Call Vote:</b>	<b>President Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

**H. Docket No. GE13111084 – In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the Town of Hammonton, County of Atlantic, State of New Jersey.**

**BACKGROUND AND DISCUSSION:** This matter involved a renewal of municipal consent granted to South Jersey Gas Company (SJG) by Town of Hammonton (Town) in Atlantic County. Pursuant to the requirements of N.J.S.A. 48:2-14, SJG filed a petition in November of 2013, requesting Board approval of this consent.



SJG currently provides natural gas service within the Town to approximately 3,761 residential, 532 commercial and 8 industrial customers. The Company's consent to use the streets within the Town for the provision of gas service expired on October 27, 1997. On September 23, 2013, the Town adopted Ordinance 021-2013 by which it renewed its consent and granted SJG permission to lay and construct its pipes and mains and related appurtenances and facilities within the streets, alleys, squares and public places within the Town for a period of 50 years in the manner prescribed by N.J.S.A. 48:9-21. By letter dated October 16, 2013, the Company accepted and agreed to the terms of the consent.

Rate Counsel, in its written comments to the petition dated January 21, 2014, stated that it did not oppose approval of the consent for use of the streets as it was limited to 50 years.

After review, Board Staff recommended the Board approve the municipal consent granted by the Town.

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

<b>Roll Call Vote:</b>	<b>President Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

**I. Docket No. GE13030247 – In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the Township of Weymouth, County of Atlantic, State of New Jersey.**

**BACKGROUND AND DISCUSSION:** This matter involved a renewal of municipal consent granted to South Jersey Gas Company (SJG) by Township of Weymouth (Township) in Atlantic County. Pursuant to the requirements of N.J.S.A. 48:2-14, SJG filed a petition in March of 2013, requesting Board approval of this consent.

SJG currently provides natural gas service within the Township to approximately 315 residential and 13 commercial customers. That portion of the Company's consent from the Township related to use of the streets expired on February 7, 2001. On June 6, 2012, the Township renewed its consent by adopting Ordinance No. 504-2012 which gave SJG consent and permission to lay and construct its facilities within the public rights-of way for the purpose of conducting and distributing natural gas within the Township for a term of 25 years. By letter dated March 5, 2013, the Company accepted and agreed to the terms of the consent.

Rate Counsel, in its written comments to the petition dated July 9, 2013, stated that it had no objection to the granting of the relief requested by SJG provided that the Board clarified that the consent to provide service is limited to 25 years to match the term of the consent to use the streets.

After review, Board Staff recommended the Board approve the municipal consent granted by the Township.

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

<b>Roll Call Vote:</b>	<b>President Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

**J. Docket No. GE13080694 – In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the Borough of Berlin, County of Camden, State of New Jersey.**

**BACKGROUND AND DISCUSSION:** This matter involved a renewal of municipal consent granted to South Jersey Gas Company (SJG) by the Borough of Berlin (Borough) in Camden County. Pursuant to the requirements of N.J.S.A. 48:2-14, SJG filed a petition in August of 2013, requesting Board approval of this consent.

SJG currently provides natural gas service within the Borough to approximately 2,711 residential, 484 commercial and 11 industrial customers. The Company's consent from the Borough expired on September 15, 1997. On June 3, 2013, the Borough renewed its consent by adopting Ordinance No. 2013-06 which gave SJG exclusive and perpetual consent and permission to furnish gas service and to lay and to construct its facilities within the public rights-of-way. By letter dated July 8, 2013, the Company accepted and agreed to the terms of the consent.

While not opposed to its approval, Rate Counsel, in its written comments to the petition dated January 30, 2014, recommended that the Board condition its approval on the limitation of the Consent to a reasonable period not to exceed 50 years.

The Company responded to Rate Counsel's comments by objecting to the proposed limitation/modification of the duration of the Consent. SJG argued that the imposition by the Board of any limitation on the duration of the Consent would be contrary to the expressed intent of the Borough and would also be unsupported by the record in the proceeding and inconsistent with existing law.

Staff reviewed Rate Counsel's recommendations and the opposition submitted by SJG, and determined that there is no legal bar to the grant of a municipal consent with an unlimited duration. As indicated in its reply, SJG consents to a limitation of 50 years on the use of the streets granted by the Township.

After review, Board Staff recommended the Board approve the municipal consent granted by the Borough.

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

<b>Roll Call Vote:</b>	<b>President Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

**K. Docket No. GE13111082 – In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the Township of Logan, County of Gloucester, State of New Jersey.**

**BACKGROUND AND DISCUSSION:** This matter involved a renewal of municipal consent granted to South Jersey Gas Company (SJG) by Township of Logan (Township) in Gloucester County. Pursuant to the requirements of N.J.S.A. 48:2-14, SJG filed a petition in November of 2013, requesting Board approval of this consent.

SJG currently provides natural gas service within the Township to approximately 1,311 residential, 322 commercial and 34 industrial customers. The Company's most recent consent to use the streets within the Township for the provision of gas service expired on October 27, 1997. On October 22, 2013, the Township adopted Ordinance 05-2013 by which it renewed its consent and granted SJG permission to lay and construct its pipes and mains and related appurtenances and facilities within the streets, alleys, squares and public places within the Township for a period of 50 years in the manner prescribed by N.J.S.A. 48:3-17a and N.J.S.A. 48:9-21. By letter dated November 1, 2013, the Company accepted and agreed to the terms of the consent.

Rate Counsel, in its written comments to the petition, dated January 21, 2014, stated that it had no objection to the granting of the relief requested by SJG provided that the Board clarified that the consent to the term of the consent to use the streets is limited to 50 years.

After review, Board Staff recommended the Board approve the municipal consent granted by the Township.

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

<b>Roll Call Vote:</b>	<b>President Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

**L. Docket No. GE13111087 – In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the Borough of Medford Lakes (Borough), County of Burlington, State of New Jersey.**

**BACKGROUND AND DISCUSSION:** This matter involved a renewal of municipal consent granted to South Jersey Gas Company (SJG) by Borough of Medford Lakes (Borough) in Burlington County. Pursuant to the requirements of N.J.S.A. 48:2-14, SJG filed a petition in November of 2013, requesting Board approval of this consent.

SJG currently provides natural gas service within the Borough to approximately 1,265 residential and 49 commercial customers. The Company's consent to use the streets within the Borough for the provision of gas service expired on March 23, 2011. On October 23, 2013, the Borough adopted Ordinance 613 by which it renewed its consent and granted SJG permission to lay and construct its pipes and mains and related appurtenances and facilities within the streets, alleys, squares and public places within the Borough for a period of 50 years in the manner prescribed by N.J.S.A. 48:9-21. By

letter dated November 7, 2013, the Company accepted and agreed to the terms of the consent.

Rate Counsel, in its written comments to the petition stated that it had no objection to the granting of the relief requested by SJG provided that the Board clarified that the consent to the term of the consent to use the streets is limited to 50 years.

After review, Board Staff recommended the Board approve the municipal consent granted by the Borough.

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

<b>Roll Call Vote:</b>	<b>President Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

**M. Docket No. GE13111083 – In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the City of Millville, County of Cumberland, State of New Jersey.**

**BACKGROUND AND DISCUSSION:** This matter involved a renewal of municipal consent granted to South Jersey Gas Company (SJG) by the municipal consent in the City of Millville (City) in Cumberland County. Pursuant to the requirements of N.J.S.A. 48:2-14, SJG filed a petition in November of 2013, requesting Board approval of this consent.

SJG currently provides natural gas service within the City to approximately 7,883 residential, 738 commercial and 48 industrial customers. The portion of the Company's consent from the City applicable to the use of the City's streets expired on May 20, 2002. On October 13, 2013, the City renewed its consent by adopting Ordinance No. 29-2013 which gave SJG exclusive consent and permission to lay and construct its facilities within the public rights-of way for the purpose of conducting and distributing natural gas within the City for a term of 50 years. By letter dated October 23, 2013, the Company accepted and agreed to the terms of the consent.

Rate Counsel, in its written comments to the petition stated that it had no objection to the granting of the relief requested by SJG provided that the Board clarified that the consent to the term of the consent to use the streets is limited to 50 years.

After review, Board Staff recommended the Board approve the municipal consent granted by the City.

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

<b>Roll Call Vote:</b>	<b>President Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

**N. Docket No. GE13111085 – In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the Township of Mullica, County of Atlantic, State of New Jersey.**

**BACKGROUND AND DISCUSSION:** This matter involved a renewal of municipal consent granted to South Jersey Gas Company (SJG) by the municipal consent in the Township of Mullica (Township) in Atlantic County. Pursuant to the requirements of N.J.S.A. 48:2-14, SJG filed a petition in November of 2013, requesting Board approval of this consent.

SJG currently provides natural gas service within the Township to approximately 672 residential customers, 35 commercial customers and 1 industrial customer. The Company's consent to use the streets within the Township for the provision of gas service expired on November 5, 1997. On October 8, 2013, the Township adopted Ordinance 10-2013 by which it renewed its consent and granted SJG permission to lay and construct its pipes and mains and related appurtenances and facilities within the streets, alleys, squares and public places within the Township for a period of 50 years in the manner prescribed by N.J.S.A. 48:9-21. By letter dated October 16, 2013, the Company accepted and agreed to the terms of the consent.

Rate Counsel, in its written comments to the petition, dated January 21, 2014, stated that it had no objection to the granting of the relief requested by SJG provided that the Board clarified that the consent to the term of the consent to use the streets is limited to 50 years.

After review, Board Staff recommended the Board approve the municipal consent granted by the Township.

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

<b>Roll Call Vote:</b>	<b>President Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

**O. Docket No. GE13080693 – In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the Township of Berlin, County of Camden, State of New Jersey.**

**BACKGROUND AND DISCUSSION:** This matter involved a renewal of municipal consent granted to South Jersey Gas Company (SJG) by the municipal consent in the Township of Berlin (Township) in Camden County. Pursuant to the requirements of N.J.S.A. 48:2-14, SJG filed a petition in August of 2013, requesting Board approval of this consent.

SJG currently provides natural gas service within the Township to approximately 1,586 residential, 484 commercial and 3 industrial customers. The Company's consent from the Township expired on October 6, 1997. On July 1, 2013, the Township renewed its consent by adopting Ordinance No. 2013-06 which gave SJG exclusive and perpetual consent and permission to furnish gas service and to lay and construct its facilities within

the public rights-of-way. By letter dated July 26, 2013, the Company accepted and agreed to the terms of the consent.

While not opposed to its approval, Rate Counsel, in its written comments to the petition dated January 28, 2014, recommended that the Board condition its approval on the limitation of the Consent to a reasonable period not to exceed 50 years, and that any Order approving the Consent reserve ratemaking issues for future proceedings.

The Company responded to Rate Counsel's comments by objecting to the proposed limitation/modification of the duration of the Consent. SJG argued that the imposition by the Board of any limitation on the duration of the Consent would be contrary to the expressed intent of the Township, unsupported by the record in the proceeding and inconsistent with existing law.

Staff reviewed Rate Counsel's recommendations and the opposition submitted by SJG, and determined that there is no legal bar to the grant of a municipal consent with an unlimited duration. As indicated in its reply, SJG consents to a limitation of 50 years on the use of the streets granted by the Township.

After review, Board Staff recommended the Board approve the municipal consent granted by the Township.

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

<b>Roll Call Vote:</b>	<b>President Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

**P. Docket No. GE13030249 – In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the Township of Cherry Hill, County of Camden, State of New Jersey.**

**BACKGROUND AND DISCUSSION:** This matter involved a renewal of municipal consent granted to South Jersey Gas Company (SJG) by the municipal consent in the Township of Cherry Hill (Township) in Camden County. Pursuant to the requirements of N.J.S.A. 48:2-14, SJG filed a petition in March of 2013, requesting Board approval of this consent.

SJG currently provides natural gas service within the Township to approximately 3,404 residential and 94 commercial customers. The Company's consent from the Township expired on September 22, 1997. On June 25, 2012, the Township renewed its consent by adopting Ordinance No. 2012-19 which gave SJG exclusive and perpetual consent and permission to furnish natural gas service and to lay and construct its facilities within the public rights-of way. By letter dated August 22, 2012, the Company accepted and agreed to the terms of the consent.

Division of Rate Counsel (Rate Counsel), in its written comments dated July 9, 2013, recommended the Board condition its approval on the limitation of the consent to a reasonable period not to exceed 50 years.

The Company responded to Rate Counsel's comments by objecting to the proposed limitation/modification of the duration of the Consent. SJG argued that the imposition by the Board of any limitation on the duration of the Consent would be contrary to the expressed intent of the Township, unsupported by the record in the proceeding and inconsistent with existing law.

Staff reviewed Rate Counsel's recommendations and the opposition submitted by SJG, and determined that there is no legal bar to the grant of a municipal consent with an unlimited duration. As indicated in its reply, SJG consents to a limitation of 50 years on the use of the streets granted by the Township.

After review, Board Staff recommended the Board approve the municipal consent granted by the Township.

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

<b>Roll Call Vote:</b>	<b>President Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

**Q. Docket No. GE13030248 – In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the Township of Hamilton, County of Atlantic, State of New Jersey.**

**BACKGROUND AND DISCUSSION:** This matter involved a renewal of municipal consent granted to South Jersey Gas Company (SJG) by the municipal consent in the Township of Hamilton (Township) in Atlantic County, Pursuant to the requirements of N.J.S.A. 48:2-14, SJG filed a petition in March of 2013, requesting Board approval of this consent.

SJG currently provides natural gas service within the Township to approximately 6,994 residential, 446 commercial and 7 industrial customers. The Company's most recent consent from the Township expired on October 6, 1997. On February 6, 2012, the Township renewed its consent by adopting Ordinance No. 1711-2012 which gave SJG exclusive consent and permission to furnish gas service in the Township and to lay and construct its facilities within the public rights-of way for a period of 50 years from the date of approval by the Board. By letter dated March 13, 2012, the Company accepted and agreed to the terms of the consent.

Division of Rate Counsel (Rate Counsel), in its written comments dated July 9, 2013, recommended the Board condition its approval on the limitation of the consent to a reasonable period not to exceed 50 years.

The Company responded to Rate Counsel's comments by objecting to the proposed limitation/modification of the duration of the Consent. SJG argued that the imposition by the Board of any limitation on the duration of the Consent would be contrary to the expressed intent of the Township, unsupported by the record in the proceeding and inconsistent with existing law.

Staff reviewed Rate Counsel's recommendations and the opposition submitted by SJG, and determined that there is no legal bar to the grant of a municipal consent with an unlimited duration. As indicated in its reply, SJG consents to a limitation of 50 years on the use of the streets granted by the Township.

After review, Board Staff recommended the Board approve the municipal consent granted by the Township.

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

<b>Roll Call Vote:</b>	<b>President Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

**R. Docket No. GE13030251 – In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the Township of Franklin, County of Gloucester, State of New Jersey.**

**BACKGROUND AND DISCUSSION:** This matter involved a renewal of municipal consent granted to South Jersey Gas Company (SJG) by the municipal consent in the Township of Franklin (Township), Gloucester County. Pursuant to the requirements of N.J.S.A. 48:2-14, SJG filed a petition in March of 2013, requesting Board approval of this consent.

SJG currently provides natural gas service within the Township to approximately 1,631 residential customers, 69 commercial customers and 1 industrial customer. The Company's consent from the Township expired on September 16, 1997. On May 8, 2012, the Township renewed its consent by adopting Ordinance No. 0-8-12 which gave SJG exclusive and perpetual consent and permission to lay and construct its facilities within the public rights-of way. By letter dated June 11, 2012, the Company accepted and agreed to the terms of the consent.

Division of Rate Counsel (Rate Counsel), in its written comments dated July 9, 2013, recommended the Board condition its approval on the limitation of the consent to a reasonable period not to exceed 50 years.

The Company responded to Rate Counsel's comments by objecting to the proposed limitation/modification of the duration of the Consent. SJG argued that the imposition by the Board of any limitation on the duration of the Consent would be contrary to the expressed intent of the Township, unsupported by the record in the proceeding and inconsistent with existing law.

Staff reviewed Rate Counsel's recommendations and the opposition submitted by SJG, and determined that there is no legal bar to the grant of a municipal consent with an unlimited duration. As indicated in its reply, SJG consents to a limitation of 50 years on the use of the streets granted by the Township.

After review, Board Staff recommended the Board approve the municipal consent granted by the Township.



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

<b>Roll Call Vote:</b>	<b>President Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

**S. Docket No. GE13030256 – In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the Township of Winslow, County of Camden, State of New Jersey.**

**BACKGROUND AND DISCUSSION:** This matter involved a renewal of municipal consent granted to South Jersey Gas Company (SJG) by the municipal consent in the Township of Winslow (Township) in Camden County. Pursuant to the requirements of N.J.S.A. 48:2-14, SJG filed a petition in March of 2013, requesting Board approval of this consent.

According to the information provided in its petition, as updated by testimony at the public hearing, SJG currently provides natural gas service within the Township to approximately 10,545 residential and approximately 477 commercial customers. The Company's consent from the Township expired on September 27, 1997. On March 27, 2012, the Township renewed its consent by adopting Ordinance No. 0-2012-006 which gives SJG exclusive and perpetual consent and permission to furnish gas service to the Township and to lay and construct its facilities within the public rights-of-way. By letter dated April 30, 2012, the Company accepted and agreed to the terms of the consent.

While not opposed to its approval, Rate Counsel, in its written comments to the petition dated July 9, 2013, recommended that the Board condition its approval on the limitation of the consent to a reasonable period not to exceed 50 years.

The Company responded to Rate Counsel's comments by letter dated July 17, 2013, objecting to the proposed limitation/modification of the duration of the consent as it relates to the right to provide gas service to the Township. SJG argued that the imposition by the Board of any limitation on the duration of that portion of the consent would be contrary to the expressed intent of the Township, unsupported by the record in the proceeding and inconsistent with existing law. The Company stated that the portion of the consent related to the use of the streets is limited to 50 years.

Staff reviewed Rate Counsel's recommendations and the opposition submitted by SJG, and determined that there is no legal bar to the grant of a municipal consent with an unlimited duration. As indicated in its reply, SJG consents to a limitation of 50 years on the use of the streets granted by the Township.

After review, Board Staff recommended the Board approve the municipal consent granted by the Township.

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

<b>Roll Call Vote:</b>	<b>President Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

**T. Docket No. GE13080695 – In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the City of Port Republic, County of Atlantic, State of New Jersey.**

**BACKGROUND AND DISCUSSION:** This matter involved a renewal of municipal consent granted to South Jersey Gas Company (SJG) by the municipal consent in the City of Port Republic (City) in Atlantic County. Pursuant to the requirements of N.J.S.A. 48:2-14, SJG filed a petition in August of 2013, requesting Board approval of this consent.

SJG currently provides natural gas service within the City to approximately 8 residential customers. On July 12, 2013, the City adopted Ordinance No. 04-2013 which gave SJG exclusive and perpetual consent and permission to furnish gas service to the City and to lay and construct its facilities within the public rights-of-way. By letter dated July 11, 2013, the Company accepted and agreed to the terms of the consent.

While not opposed to its approval, Rate Counsel, in its written comments to the petition dated January 30, 2014, recommended that the Board condition its approval on the limitation of the consents, both as to the furnishing of service and use of the streets, to a reasonable period not to exceed 50 years.

The Company responded to Rate Counsel's comments by letter dated February 18, 2014, objecting to the proposed limitation/modification of the duration of the consent to serve, but agreed that there is a 50-year limit on the right to use the streets. SJG argued that the imposition by the Board of any limitation on the duration of the consent to serve would be contrary to the expressed intent of the City, unsupported by the record in the proceeding and inconsistent with existing law.

Staff reviewed Rate Counsel's recommendations and the opposition submitted by SJG, and determined that there is no legal bar to the grant of a municipal consent with an unlimited duration. As indicated in its reply, SJG consents to a limitation of 50 years on the use of the streets granted by the City.

After review, Board Staff recommended the Board approve the municipal consent granted by the City.

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

<b>Roll Call Vote:</b>	<b>President Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

**U. Docket No. EX14040314 – In the Matter of the Proposed Readoption of N.J.A.C.14:31 – Rules Governing Grant and Loan Programs.**

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

**BACKGROUND AND DISCUSSION:** This matter involved Staff recommendation for approval of the readoption, without change, of the Board's existing rules at N.J.A.C. 14:31 which address grants and loans. These rules provide for certain grants and loans that the Board no longer dispenses. However, many contracts and loan agreements were executed under the rules in the past, and one remains outstanding. There are provisions in the rules that may be needed in the future to interpret this agreement. Therefore, in June 2007, the Board added a new subchapter that restricts the application of the chapter to only those situations where a provision is needed to resolve a question regarding an outstanding contract or agreement.

These rules are being readopted by Notice because there are no changes. Accordingly, there is no Comment Period for this readoption. The readoption became effective when the Notice was filed with the Office of Administrative Law, which was on April 23, 2014.

With the readoption, the rules will remain in effect for 7 years, until April 23, 2021. They will be published in the New Jersey Register on May 19, 2014.

Although these grants and loans are no longer being dispensed by the Board, for contracts and loan agreements that were executed under these rules in the past, program recipients must abide by the following program requirements:

The Business Energy Improvement Program under this chapter provided funds to eligible applicants for the purpose of fostering energy conservation and encouraging investment in renovations, equipment replacement, energy conservation construction, alternative energy production facilities, resource recovery projects and energy demonstration projects. It administered four main programs:

- 1) Loan Interest Subsidy Program
- 2) Matching Grants
- 3) Revolving Loan Fund
- 4) Urban Enterprise Zones

Staff recommended the Board approve the readoption of the Grants and Loan Rules at N.J.A.C. 14:31.

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

<b>Roll Call Vote:</b>	<b>President Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

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

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

**BACKGROUND AND DISCUSSION:** On October 4, 2013, New Jersey Natural Gas Company (Company) filed a petition with the Board requesting to change from the “one cost-recovery/rate adjustment” accounting treatment approved in the June 18, 2012 Order (June 2012 Order) to the same accounting and rate recovery treatment agreed to by Board Staff and the New Jersey Division of Rate Counsel (Rate Counsel) and approved by the Board in the Company’s Safety Acceleration and Facility Enhancement (SAFE) Program in an Order dated October 23, 2013.

The Company and Board Staff (collectively, the Parties) agreed that:

- i.) the Company’s compressed natural gas (CNG) Program investment costs should be subject to the same rate recovery treatment approved by the Board in the Company’s SAFE Program.
- ii.) there should be no change to the \$10.0 million investment level approved in the June 2012 Order.
- iii.) the credit to ratepayers stemming from a \$0.20 per therm charge to be included on all CNG provided at a host facility will be recorded and deferred with the full deferred amount returned to customers at the resolution of the Company’s November 2015 base rate case.
- iv.) the Company will continue to submit quarterly reports to Board Staff and Rate Counsel and also submit a Final Report to Board Staff and Rate Counsel no later than December 31, 2014, that is to include data on facility utilization.

On April 9, 2014, Rate Counsel submitted a letter to the Board Secretary reiterating its opposition to ratepayer funding of the CNG Program.

Staff recommended the Board approve the Company’s request.

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

<b>Roll Call Vote:</b>	<b>President Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

**W. Docket No. ER14010002 – In the Matter of the Federal Energy Items for 2014 – In the Matter of the New Jersey Board of Public Utilities, et al. v. the Federal Energy Regulatory Commission (FERC), Third Circuit Court of Appeals – FERC Docket No. 11-4245 – See Executive Session.**

Pursuant to attorney-client privilege exception to the Open Public Meeting Act, the Board did not discuss this matter in Open Session. The substance of this discussion shall remain confidential except to the extent that making the discussion public is not inconsistent with law.

**3. CABLE TELEVISION**

There were no items in this category.

**4. TELECOMMUNICATIONS**

**Anthony Centrella, Director, Division of Telecommunications**, presented these matters.

**A. Docket No. TO12050367 – In the Matter of Lifeline and Link-up Reform.**

**BACKGROUND AND DISCUSSION:** On February 6, 2012, the Federal Communications Commission (FCC) issued an Order setting forth significant changes to the Federal Lifeline program which are applicable to all states.

By Order dated December 19, 2012, the Board eliminated the automatic enrollment programs that were established in 2003 for Verizon and 2008 for CenturyLink because they were inconsistent with the FCC Order.

The Board stated that it should take steps to implement an alternative automated means of verifying eligibility and otherwise promote enrollment in New Jersey.

The Board directed Staff to convene a meeting to discuss the establishment of a state Lifeline eligibility database or similar mechanism. A meeting was held with Lifeline service providers, the New Jersey Office of Information Technology (OIT), the New Jersey Department of Human Services (DHS), Board Staff, Rate Counsel and Association of American Retired Persons.

Wireless Lifeline providers who offer no charge service and free phones generally support the database and are willing to pay for its development as long as it is simple to use and not too expensive. Wireline Lifeline service providers and T-Mobile who charge their customers for Lifeline service are opposed to the mandatory use of a state database. The Association of American Retired Persons advocates a coordinated enrollment process where a client could sign up for telephone Lifeline service at the same time they apply for other social service programs.

Staff, DHS and OIT have met on numerous occasions and Staff concluded that a number of technical issues related to coordinated enrollment need to be addressed. A project is underway, called the Consolidated Assistance Support System (CASS) that will replace and consolidate most individual systems utilized by DHS.

The planning for CASS began more than three years ago and implementation has been pushed back and has not yet occurred.

Some key provisions in the FCC's 2012 Order have not yet been fully implemented; most notably completion of both the duplicate and eligibility databases that the FCC anticipated would be functional by the end of 2013. The FCC established the National Lifeline Accountability Database (NLAD) to detect, prevent and eliminate duplicative support in the Lifeline program.

The Eligible Telecommunication Carriers (ETCs) have been informed of their obligation to query the NLAD and the schedule required New Jersey ETCs to utilize the NLAD on March 13, 2014. It appears that the NLAD is now operating.

Staff was convinced that it is imperative that all ETCs operating in New Jersey utilize the database and therefore recommends that its use be mandatory for all ETCs before a new subscriber is enrolled. The FCC has mandated the use of the NLAD in order to prevent waste, fraud and abuse through duplicate benefits and the Board should do so with our state eligibility database since it is the best solution at this time to eliminate waste, fraud and abuse with respect to validating eligibility of an applicant.

Board Staff, DHS and OIT drafted a Memorandum of Understanding (MOU) between and among the three agencies that describes the roles and respective responsibilities of each to ensure that the web based eligibility database sufficiently addresses privacy issues and is developed and implemented in a timely manner and remains viable into the future.

Staff recommended the Board Order the following:

1. The implementation of the Web based state eligibility database;
2. The Board decline, at this time, to order coordinated enrollment due to technical limitations;
3. All carriers designated as an ETC to provide Lifeline service in New Jersey must utilize the database to verify eligibility in New Jersey prior to enrolling any applicant for Lifeline service;
4. All carriers designated as an ETC to provide Lifeline service in New Jersey must contribute to the funding of the development costs and additional on-going maintenance costs of the web based eligibility database; and
5. Authorize President Solomon to execute the MOU on behalf of the Board.

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

<b>Roll Call Vote:</b>	<b>President Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

**B. Docket No. TO12020155 – In the Matter of Verizon New Jersey, Inc.’s Alleged Failure to Comply with Opportunity New Jersey Commitments.**

**BACKGROUND AND DISCUSSION:** On March 12, 2012, the Board issued an Order to Show Cause in this matter. Staff and Verizon New Jersey (VNJ) engaged in settlement discussions over an extended period of time and reached a proposed Stipulation of Settlement which is intended to resolve all issues in the Order to Show Cause.

By Order dated January 29, 2014, the Board established a 45-day comment period seeking public comment on the proposed Stipulation prior to Board consideration of the agreement. The comment period expired on March 28, 2014 and the Board received more than 2,800 comments from individuals, municipalities, trade unions, chambers of commerce, Rate Counsel, VNJ and other groups.

More than 98% of the comments were from individual citizens and 13 comments were from municipalities. Of the 98% individual comments, 94.5% were form letters and 5.5% were individualized letters.

An overview of all comments indicates that 63% of individual commenters are opposed the stipulation for various reasons and recommended that the Board reject or modify the stipulation.

Other major opponents of the stipulation are municipalities, county organizations, trade unions, New Network Inc. and Rate Counsel. These commenters focused on the details of the stipulation.

Of the 37% of individual commenters who supported it, many called for a speedy approval. The chambers of commerce, VNJ and about half a dozen groups found the stipulation to be a step forward in the process of keeping New Jersey the most broadband wired state in the nation.

Opportunity New Jersey (ONJ) stated that the service and technology deployments described in the plan are “based upon assumptions regarding technology, markets and economic conditions over an extended period of time” and that “the evolution of ONJ will be guided by developments in these areas”.

There have been dramatic technological changes as well as changes in markets since the inception of ONJ in 1992. In addition, broadband digital service was described in ONJ as “Switching technologies matched with transmission capabilities to support data rates up to 45 mbps and higher”.

The issue of what original obligations are enforceable under ONJ is a dispute that absent a stipulation of agreement as to its terms, would rest with the court after litigation on the issue. In an effort to avoid protracted hearings in the appropriate judicial forum over the actual meaning of the terms of ONJ, Staff negotiated a stipulation that clarifies the obligations of VNJ to deploy broadband in its service territory.

Absent an agreement, litigation over VNJ’s obligations under ONJ would ensue and a resolution would not be achieved in a timely manner, further extending the timeframe for the implementation of the goals of ONJ. It is with the understanding that the terms of the

agreement will provide access to broadband to consumers throughout VNJ's service territory, that the stipulation was executed.

The purpose of the bonafide retail request is to determine underserved areas and provide a process for deployment where it has not taken place. While many voiced their desire for FiOS, ONJ was not designed to be a plan for FiOS build out and attempts to force FiOS deployment under the guise of an ONJ obligation is not appropriate. Much confusion has arisen over the obligations of VNJ under ONJ and their statewide cable franchise and the Stipulation is designed to resolve this issue.

Staff recommended the Board approve the Stipulation without modification.

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

<b>Roll Call Vote:</b>	<b>President Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

## 5. WATER

**A. Docket No. WR13030210 – 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 – Motion for Clarification – See Executive Session.**

**Geoffrey R. Gersten, Deputy Attorney General, Division of Law and Maria L. Moran, Director, Division of Water,** presented this matter.

**BACKGROUND AND DISCUSSION:** This matter was initially discussed in executive session pursuant to the attorney/client exception to the Open Public Meetings Act and it involved a petition by United Water New Jersey (UWNJ) for approval of increase in rates for water service and other tariffs. It was a motion for clarification and reconsideration of the Board's action in UWNJ's base rate case. Specifically, UWNJ asked for clarification of the Board's position with regards to its Distribution System Improvement Charge (DSIC) filing and the operation of DSIC, specifically the interaction between two different provisions of the DSIC rules, N.J.A.C. 14:9-10.6 and N.J.A.C. 14:9-10.4.

UWNJ argued that the provisions of the DSIC were contradictory; that the two provisions when put together created a position where one effectively had no meaning. After the motion was filed, there was some discussion amongst Board Staff, UWNJ and Division of Rate Counsel (Rate Counsel) (the parties) in an attempt to resolve and seek clarification of the status of the rules.

Response papers were filed by the Rate Counsel, wherein it stated there was an issue that required clarification in the rules with regard to N.J.A.C. 14:9-10.4 and N.J.A.C. 14:9-10.6. It essentially supported United's position that there was conflict between these two provisions in these rules. Rate Counsel also pointed out that in the Board's final Order, there was an issue with regard to the base spending and how the base spending would be allowed with regard to the UWNJ's case.



UWNJ filed response papers stating that it generally supported Rate Counsel's position and, in fact, supported the fact that the secondary change with regard to the base spending also was something it believed that the Board incorrectly stated. With regard to UWNJ's motion, it takes a legal position with regard to the conflict between 10.4 and 10.6.

The Division of Law, along with Staff, reviewed the response papers, as well as the reply papers, and the pertinent rules; N.J.A.C. 14:9-10.4, N.J.A.C. 14:9-10.6. The specific issue identified was the question of the water utilities continuing to spend money during the course of the foundational filing and after filing the base rate case. The secondary provision of the rules require that once the foundational filing is approved and implemented, at the next base rate case the DSIC rates are reset to zero and a new foundational filing is required in order for the company to continue to spend money under its DSIC program.

There are other provisions of the rule that specifically address circumstances in which a utility would be allowed to implement the DSIC during the course of a base rate case, as well as take certain of those costs and move them into the rate case at time of settlement. Specifically, as an example here, during the course of the filing of UWNJ's base rate case, it implemented its first six-month filing within the rate period and started collecting its DSIC rate during the course of that base rate case; the DSIC foundational filing continued up until the next base rate case.

Staff recommended the Board initiate a Phase II proceeding from the United Water rate case that was effective November 22, 2013. The Phase II proceeding would only address the recovery period from May 1, 2013 to October 31, 2013. It would also be Staff's recommendation to have the Phase II rates allocated to the different classes of customers in the same manner as in the November 22, 2013 base rate case.

Staff also recommended that the motion for clarification be denied.

**DECISION:** After discussion, the Board adopted the recommendation of Staff as set forth above. The Board voted on two separate matters: first, concerning Staff's recommendation to deny the Motion for Clarification; and second, concerning Staff's recommendation to commence the Phase II proceeding.

A motion was made to adopt Staff's recommendation to deny the Motion for Clarification:

<b>Roll Call Vote:</b>	<b>President Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

A second motion on this matter was made to adopt Staff's recommendation to commence the Phase II proceeding.

<b>Roll Call Vote:</b>	<b>President Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

**B. Docket No. WF14020168 – In the Matter of the Petition of Atlantic City Sewerage Company for Approval of a Financing Program Involving the Issuance of Long Term Debt through December 31, 2017.**

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

**BACKGROUND AND DISCUSSION:** On February 20, 2014, the Atlantic City Sewerage Company (Atlantic City, Company), filed a Petition with the Board seeking authority to: (1) issue and sell up to \$10,000,000 aggregate principal amount of long-term debt consisting of one or more series of Long-Term Debt; (2) execute and deliver one or more supplemental mortgage indentures, loan agreements, notes, and such other documents; and (3) take such actions as Petitioner determines may be necessary or desirable in connection with any of the foregoing.

According to the Company, the net proceeds of this transaction or series of transactions, will be used for the construction rehabilitation upgrade and expansion of various sections and components of the sanitary sewer system required to meet the needs and demands of Atlantic City, while maintaining the environmental integrity of the region.

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

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

<b>Roll Call Vote:</b>	<b>President Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

**6. RELIABILITY & SECURITY**

There were no items in this category.

**7. CUSTOMER ASSISTANCE**

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

**A. Docket Nos. BPU EC13020175U and OAL PUC 05301-13 – In the Matter of Gaspare Campisi of Gaspare’s Gourmet, Petitioner v. Atlantic City Electric Company, Respondent – Billing Dispute.**

**BACKGROUND AND DISCUSSION:** This matter involved a billing dispute between Gaspare Campisi of Gaspare’s Gourmet (Petitioner) and Atlantic City Electric Company (ACE or Company). The petition was transmitted to the Office of Administrative Law on April 15, 2013, as a contested case. Administrative Law Judge (ALJ) Damon G. Tyner filed an Initial Decision in this matter with the Board on December 13, 2013. No exceptions were filed. At its January 22, 2014 and March 19, 2014, agenda meetings, the Board approved 45-day extensions of time for review and issuing a final decision.

The Petitioner alleged that he was wrongly billed by ACE. The Petitioner contended that the billing was complicated, messy and uncertain. ACE stated that the meter was removed for testing, and that the meter tested 99.97% accurate, well within the Board's established guidelines. As a result, it was determined that the actual meter readings for the summer and fall of 2012 were correct. Therefore, the account was adjusted back to reflect the actual readings for those periods.

ALJ Tyner granted ACE's motion to dismiss. ALJ Tyner found that the meter readings were initially estimated. However, the Petitioner received bills that advised him the bills were estimated and that an adjustment bill would be sent at a later date. Further ALJ Tyner concluded that the miniscule amount of Mr. Campisi's monthly bill over the period of July through October 1, 2012, should reasonable have caused him to know that the bills did not reflect actual usage and that the bills would be adjusted appropriately.

Staff recommended acceptance of the Initial Decision of ALJ Tyner.

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

<b>Roll Call Vote:</b>	<b>President Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

**B. Docket Nos. BPU WC12100930U and OAL PUC 01404-13 – In the Matter of Seth C. Kurz, Petitioner v. United Water New Jersey, Inc., Respondent – Billing Dispute.**

**BACKGROUND AND DISCUSSION:** This matter involved a billing dispute between Seth Kurz (Petitioner) and United Water New Jersey (UWNJ), and was transmitted to the Office of Administrative Law on January 30, 2013. Administrative Law Judge (ALJ) Leland S. McGee filed an Initial Decision in this matter with the Board on February 20, 2014. At its March 19, 2014, agenda meeting, the authorized a 45-day extension of time for issuing a final decision. No exceptions were filed in this matter.

The Petitioner stated that in June 2012, he was incorrectly billed by UWNJ for 215,000 gallons of water in the amount of \$2,692.49. UWNJ, in its answer dated December 13, 2012, stated that the Petitioner failed to pay for water consumption.

On October 7, 2013, UWNJ requested permission to file a Motion for Summary Decision. ALG McGee granted the motion on January 28, 2014. ALJ McGee concluded that the Motion for Summary Decision should be granted because Mr. Kurz failed to respond and the petition be dismissed.

Staff recommended acceptance of the Initial Decision.

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

<b>Roll Call Vote:</b>	<b>President Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

**8. CLEAN ENERGY**

Rachel Boylan, Legal Specialist, Office of the Chief Counsel presented these matters.

**A. Docket No. EO12090832V – In the Matter of the Implementation of L. 2012, C. 24, The Solar Act of 2012;**

**Docket No. EO12090880V – In the Matter of the Implementation of L. 2012, C. 24, The Solar Act of 2012, N.J.S.A. 48:3-87(Q) (R) and (S) – Proceedings to Establish the Processes for Designating Certain Grid-Supply Projects as Connected to the Distribution System; and**

**Docket No. EO12121144V – In the Matter of Brickyard Solar Farms, LLC – Motion for Reconsideration.**

**BACKGROUND AND DISCUSSION:** In October 2013, the Board approved a second solicitation for the capacity remaining under Subsection (q) of the Solar Act. Notice of Applications up to 80 Megawatts received conditional approvals upon receipt on a first-in-time basis by a dedicated email address. Brickyard’s Notice just missed the cut-off point and was denied. On March 4, 2014, Brickyard filed a Motion for Reconsideration (MFR), claiming its notice had been “inordinately delayed” in electronic transmission processing. Per Board’s rules, if the Board has not ruled on an MFR within 60 days, it is deemed denied. Because of Board Agenda meetings scheduling and the complexity of issues raised, Staff recommended the Board approve issuance of a Secretary’s Letter to the Petitioner’s attorney extending its time to deliberate.

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

<b>Roll Call Vote:</b>	<b>President Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

**B. Docket No. QO14010068 – In the Matter of the Petition of the Sierra Club for a Rulemaking on an Energy Efficiency Portfolio Standard – Motion for Admission Pro Hac Vice.**

**BACKGROUND AND DISCUSSION:** On January 24, 2014, Sierra Club filed a petition for rulemaking on the creation of an Energy Efficiency Portfolio Standard. On February 6, 2014, Susan J. Kraham, Esq., filed a motion for admission pro hac vice of Diana A. Csank, Esq., a member of the bar of New York. Ms. Kraham represented that Ms.

Csank is a specialist in the complex field of law involved in this proceeding. Ms. Csank provided requisite affidavit that: she is associated with Ms. Kraham as New Jersey counsel of record; Sierra Club requested her representation; and she agreed to abide by requirements for admission pro hac vice.

Staff recommended the Board grant the Motion.

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

<b>Roll Call Vote:</b>	<b>President Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

**C. Docket No. QS14040316 – In the Matter of Michael Manis and Manis Lighting, LLC – New Jersey Clean Energy Program Renewable Energy Incentive Program – See Executive Session.**

**Carolyn McIntosh, Deputy Attorney General, Division of Law,** presented this matter.

**BACKGROUND AND DISCUSSION:** The Board administers the New Jersey Clean Energy Program (NJCEP). Commercial and Industrial (C&I) Energy Efficiency and Renewable Energy programs are administered by Market Manager TRC Solutions (TRC). Applied Energy Group serves as the NJCEP Program Coordinator. This matter involved the Market Manager’s recommendation that the Board impose a Level 4 suspension against Michael Manis (Manis) of Manis Lighting, LLC, for “intentional misconduct intended to be outside the established program guidelines and procedures,” as set forth in the Board’s Contractor Remediation Procedures.

The Smart Start C&I Retrofit Program (Program) offers prescriptive rebates to C&I customers who install various measures such as high efficient lighting, motors, or heating or cooling equipment. A customer may contract with a lighting professional to install incentive qualified lighting at their place of business or chose to self-install incentive qualified lighting. Approved applications are given a date within which the project must be completed in order to receive the rebate. If a contractor is used, an applicant may assign his approved rebate to the lighting contractor by submitting written authorization to TRC. In those instances, the approved rebate is addressed and sent directly to the lighting contractor by TRC. Rebates cannot be issued unless C&I customers obtain and submit to TRC a Tax Clearance Certificate (TCC) from the New Jersey Department of Treasury, Division of Taxation (Taxation), indicating that Taxation has reviewed the records of the applicant for a rebate and has no objections to the issuance of the incentive.

Manis participates in the Program as a lighting contractor. For each application relevant to this proceeding, Manis acted as the entity submitting all application paperwork to the Program on behalf of his C&I customers, including the TCC. In every case, Manis was assigned the right to receive his C&I customer’s rebate. In January 2014, TRC flagged two TCCs Manis had submitted to the Program that were printed on an outdated Taxation form that had been replaced a few months prior. TRC contacted Taxation which confirmed that both TCC’s were invalid and had not been issued by Taxation.

Later that month, TRC contacted Taxation to confirm the validity of a third TCC connected to another application, and learned that it was also invalid.

Manis met with the Market Manager's team on March 21, 2014, explaining how he altered each of 12 TCCs and a utility bill in order to expedite payment. Manis blamed his actions on financial distress and poor judgment and requested leniency and continued participation in the Program. In accordance with the Board's Contractor Remediation Procedures, the Market Manager recommended imposition of a Level 4 suspension necessary to maintain the integrity of the Program and safeguard the use of ratepayer funds.

Staff recommended the Board issue an Order to Show Cause (OSC) to Manis, requiring that he respond, within 15 days of the service of the OSC, as to why the Board should not issue a Final Order instituting Level 4 suspension from the Program.

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

<b>Roll Call Vote:</b>	<b>President Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

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

**Docket No. QG14030297 – US General Services Administration**

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

**BACKGROUND AND DISCUSSION:** This matter involved a Commercial and Industrial Pay-for-Performance New Construction application submitted by the U.S. General Services Administration (GSA). This application is for an incentive of about \$665,147 to install efficient lighting; lighting occupancy sensors; high efficiency chillers and cooling towers; an efficient Heating Ventilation and Air Conditioning system; and installation of variable frequency drives for demand controlled ventilation. The work will be done at GSA's Peter W. Rodino Federal Office Building on Broad Street in Newark, NJ.

Completing these measures would result in over 1.2 million kilowatt hours saved in annual electric usage and an electric demand reduction of approximately 104 kilowatts. Additionally, these measures are estimated to achieve 24,000 therms of natural gas savings annually. These energy savings translate to approximately \$210,000 in annual energy cost savings. The project is estimated to cost the customer an incremental \$1,079,000 to construct a building more efficient than current building code, and with the incentive, the customer would have a 19% internal rate of return and a simple payback of 5.1 years.

Staff determined that this application 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.

<b>Roll Call Vote:</b>	<b>President Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

**E. Docket No. QO14030271 – In the Matter of the State Energy Program for Program Year July, 1, 2014 through June 30, 2015.**

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

**BACKGROUND AND DISCUSSION:** This matter involved the Board's Division of Economic Development and Energy Policy is seeking approval to submit the 2014-2015 State Energy Program (SEP) plan to the United States Department of Energy (USDOE).

In 1996, the SEP was established by consolidating two existing programs: the State Energy Conservation Program (SECP) and the Institutional Conservation Program (ICP). The SECP provided funding to the states for a variety of energy efficiency and renewable energy activities and ICP provided schools and hospitals with a technical analysis of their buildings and identified the potential savings from proposed energy conservation measures.

USDOE currently provides federal financial assistance and technical support to the states for energy programs by means of the SEP. Federal laws and regulations establish set criteria for participation and define, in general terms, how funds may and may not be used. To be eligible for financial assistance, a State shall submit to the USDOE the annual application, which this year is due by May 2, 2014, executed by the Governor, or his designee.

The USDOE reviews state applications and amended State Plans and will then approve or disapprove funding through the SEP within 60 days from the date of a timely filed application packet. Using a formula designed by USDOE, New Jersey is allocated federal monies each year in support of its USDOE-approved SEP. New Jersey's 2014-2015 SEP allocation is \$1,101,720.

New Jersey is required to match this amount either in cash, through in-kind contributions, or both, in an amount totaling not less than 20 percent of the federal allocation. The required match of 20 percent, or \$220,344, will come from Clean Energy Program administrative costs associated with implementing the Plan.

As this is a new grant period, no carryover from previous years of funding applies. The majority of the federal allocation will be used to implement the Market Title "Energy Efficiency Programs for Non-Investor Owned Utility Customers," and \$7,500 will be reserved for Staff travel.

Staff recommended the Board approve the 2014-2015 SEP budget.

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

<b>Roll Call Vote:</b>	<b>President Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

**Jake Gertsman, Legal Specialist, Office of Chief Counsel,** presented these matters.

**F. Docket No. EO11050314V – In the Matter of the Petition of Fishermen’s Atlantic City Wind Farm, LLC for Approval of the State Waters Project and Authorizing Offshore Wind Renewable Energy Certificates – Motion to Reopen the Proceeding to Supplement the Record and for Reconsideration.**

**BACKGROUND AND DISCUSSION:** The Board denied Fishermen’s Atlantic City Windfarm LLC (FACW) petition for approval as a qualified offshore wind project by order dated March 28, 2014 (March 28 Order). FACW filed a motion on April 7, 2014 to reopen the proceedings to supplement the record and for reconsideration, alleging errors of fact or law and objecting to the procedural history on the grounds that the March 28 Order omitted information related to the party’s efforts to negotiate the application. On April 21, 2014, FACW also submitted a written request for the Board to delay its decision on the present motion until the United States Department of Energy issues a determination on FACW’s application for federal subsidies. Further, FACW requested an opportunity for oral argument on either the Petition or the Motion.

Staff recommended the Board find “that the lengthy procedural history of this case does not warrant additional delay” and deny FACW’s request for an extension of time and request for oral argument. Staff recommended the Board deny FACW’s motion to reopen proceedings to supplement the record, reconsideration or to amend procedural history as it believes that the procedural history accurately reflects that the parties’ efforts at settlement negotiations failed.

FACW argued that the Board erred in analyzing the project at an Offshore Wind Renewable Energy Certificates price of \$263 rather than \$199.17. The Board had rejected the price of \$199.17 on the basis that it was not adequately substantiated. Staff recommended that the Board reaffirm these findings and reject FACW’s claim that the Board’s decision shifted the risk of non-receipt of the federal subsidies to ratepayers. The Board denied the Application and did not place any burden on ratepayers. Finally, Staff therefore recommended that the Board find that FACW’s arguments misconstrue the March 28 Order, do not represent an error of law or fact, and are without merit.

FACW claimed the Board erred in applying a financial viability analysis to FACW’s internal rate of return within the context of whether the project could be built without federal subsidies. On this issue, the Board relied on Mr. Wissemann’s prior testimony, which FACW did not recant or amend. Thus, Staff believes it was proper to rely on such testimony and recommended that the Board find that there were no errors of law or fact with respect to the rate of return.



Concerning FACW's claim that the Board erred in stating that they did not submit translated financial records, Staff recommended the Board acknowledge that FACW did in fact submit translated XEMC New Energy financial statements; however, the translation does not alter the analysis because FACW provided insufficient documentation. Staff recommended the Board reject FACW's assertion that escrows constitute sufficient proof of financial integrity and that FACW's claims of errors of law with respect to the financial integrity of the project are without merit.

Although Commissioner Fox concurred with the Board's denial of FACW's motion, she did not agree with the totality of the Board's reasoning in coming to this conclusion and indicated she would write a concurring opinion. She stated neither N.J.S.A. 48:3-87.1 nor N.J.S.A. 48:3-87.2 create different standards for small projects. Therefore the Board must conduct the cost benefit analysis for FACW's project under the same standards as would be applied to commercial scale projects. While Commissioner Fox acknowledged that FACW has assumed the risk of non-receipt of the federal subsidies, she did not believe that the record shows sufficient financial integrity to allow for a reasonable expectation for a successful project over the 20 year term of an OREC order.

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

On the motion to denying FACW's request for an extension of time.

<b>Roll Call Vote:</b>	<b>President Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

On the motion to reject FACW's claims and errors in law with respect to financial integrity of the project.

<b>Roll Call Vote:</b>	<b>President Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

**G. Docket No. EO12090809V – In the Matter of the Federal Realty Investment Trust Solar Petition to Extend the Solar Renewable Energy Certificate Purchase Sale Agreement with Jersey Central Power & Light – Request for Extension.**

**BACKGROUND AND DISCUSSION:** This matter concerned Federal Realty Investment Trust (FRIT) Solar's, Inc. petition for extension of a construction deadline to complete solar energy project (Project) under Solar Renewable Energy Certificate (SREC) Purchase and Sale Agreement (PSA) with Jersey Central Power & Light (JCP&L).

The Board has previously ruled upon requests for an extension made by participants in long-term SREC contracts, looking at whether the applicant could document significant progress toward completion of the project, and whether the delay was unavoidable and unforeseeable at the time of the execution of the PSA. FRIT maintained that it has satisfied both prongs of this standard because the Project is now completed and the

delays related to the A&P bankruptcy and their impact on Pathmark, the party identified by FRIT as the actual customer of the Project, were both unforeseeable and unavoidable. However, the petition and its requests for a “correction” of the customer account information from L.A. Fitness to Pathmark (now acknowledged as an actual change in the customer) as well as an extension of the Commencement Date, raises novel issues not previously addressed by the Board. The Board is guided by Program rules and knowledge that PSA payments are ratepayer funded to the extent that the sale of the SRECs purchased under the PSA fails to cover the costs of the Program.

FRIT contended the PSA and Program’s Request for Proposal Rules do not specifically prohibit a change in the customer for an approved project as the definition of customer in the rules is broad enough to cover both the original and revised customers. The integrity of the Program is dependent on the accuracy of the information provided by applicants, with applications that require certifications as to their accuracy for the protection of ratepayers; yet, FRIT did not acknowledge that it was seeking an actual change in the customer for the Project until more than a year after the filing of the petition. FRIT represented that there are no other changes in the Project other than the identity of the customer. However, while the petition stated the Project size as 287.875 kW, FRIT’s February 7, 2014 letter stated that the Project size is now 290.16 kW. This change raises an additional concern as to the extent of the ratepayer commitment if the Board were to grant this extension, given the SREC price in the PSA, as contrasted with current market conditions.

Additionally, as pointed out by JCP&L, the SREC registration (SRP) number used in the application and PSA had expired before the petition was even filed, giving rise to the probability that there was no project maintained in the SRP for this PSA until after the filing of the petition. Finally, notwithstanding the Petitioner’s assertion that the Project could and would not be built unless the PSA was extended, the Project (in its current form) was completed on January 20, 2014 and has been given approval to operate and generate SRECs. Therefore, Staff recommended the Board deny the Petitioner’s request for a change in the customer under the PSA and an extension of the Commencement Date for the completion of the Project.

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

<b>Roll Call Vote:</b>	<b>President Solomon</b>	<b>Aye</b>
	<b>Commissioner Fox</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

## 9. MISCELLANEOUS

There were no items in this category.

## LATE STARTER A

### CUSTOMER ASSISTANCE

**Docket No EO14040379U - In the Matter of the Proposed Memorandum of Understanding Between the Board of Public Utilities and the Division of Consumer Affairs - Review of Complaints Against Certain Third Party Suppliers – See Executive Session.**

Pursuant to attorney-client privilege exception to the Open Public Meeting Act, the Board did not discuss this matter in Open Session. The substance of this discussion shall remain confidential except to the extent that making the discussion public is not inconsistent with law.

### EXECUTIVE SESSION

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

#### 2. ENERGY

**W. Docket No. ER14010002 – In the Matter of the Federal Energy Items for 2014 – In the Matter of the New Jersey Board of Public Utilities, et al. v. the Federal Energy Regulatory Commission (FERC), Third Circuit Court of Appeals – FERC Docket No. 11-4245.**

**Discussion:** Deputy Attorneys General Alex Moreau and Jennifer Hsia indicated this matter pertains to the Third Circuit's denial of appeals to FERC's 2011 orders approving the Minimum Price Offer Rule and several other issues. The Board, and other parties, appealed the FERC order. The Third Circuit denied the appeal stating that FERC's orders were not arbitrary or capricious. The Division of Law indicated the United States Supreme Court accepts very few cases. The Board agreed that an appeal should not be sought.

#### 5. WATER

**A. Docket No. WR13030210 – 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 – Motion for Clarification.**

**Discussion:** Deputy Attorney General Geoffrey Gersten stated United Water was seeking clarification regarding what it perceived as a conflict with the Board's rate case order issued in November 2013 and the Distribution System Improvement Charge (DSIC) rules. United sought to have DSIC charges attributed to the concluded foundational filing recovered after the base rate case has been finalized. The Division of Law recommended the Board deny the motion.

Maria Moran, Director of the Water Division, then advised the Board that there were certain options available relative to whether costs related to the concluded foundational filing could be recovered in through the finalized base rate case. DAG Gersten and

Director Moran also discussed the Board's options, relative to a potential rule amendment.

**8. CLEAN ENERGY**

**C. Docket No. QS14040316 – In the Matter of Michael Manis and Manis Lighting, LLC – New Jersey Clean Energy Program Renewable Energy Incentive Program.**

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

**LATE STARTER A**

**CUSTOMER ASSISTANCE**

**Docket No EO14040379U - In the Matter of the Proposed Memorandum of Understanding Between the Board of Public Utilities and the Division of Consumer Affairs - Review of Complaints Against Certain Third Party Suppliers**

**Discussion:** Section Chief Caroline Vachier stated the Division of Law sections representing BPU and Division of Consumer Affairs are working on a memorandum of understanding concerning third party suppliers, the sharing of information and enforcement. The Commissioners, having received the current draft of the MOU, agreed that if the MOU is finalized before the next agenda meeting, President Solomon could sign on the Board's behalf, with subsequent ratification by the Board. The Commissioners requested they be informed of any developments and be provided with subsequent copies of the MOU.

After appropriate motion, the Board reconvened to Open Session.

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



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KRISTI IZZO  
SECRETARY

Date: June 18, 2014