



**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 July 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 August 20, 2014 at the State House Annex, Committee Room 11, 125 West State Street, Trenton, New Jersey 08625.

## CONSENT

### I. AUDITS

**A. Docket No. TE14040345 – In the Matter of the Verified Petition of Global Inter Xchange, LLC for Approval to Provide Resold and Facilities-Based Competitive Local Exchange and Interexchange Telecommunications Services to Business Customers throughout the State of New Jersey.**

**BACKGROUND:** By letters dated April 9, 2014 and May 27, 2014, Global Inter Xchange, LLC (Petitioner or GIX) filed an initial verified Petition and a revised verified Petition, respectively, with the Board requesting approval to provide resold and facilities-based competitive local exchange and interexchange telecommunications services to business customers throughout the State of New Jersey.

By letter dated June 3, 2014, the New Jersey Division of Rate Counsel submitted comments with the Board stating that the Verified Petition meets the regulatory requirements and is consistent with the public interest, convenience, and necessity.

After review, Staff recommended the Board approve the Petitioner's request for authority to provide local exchange and interexchange telecommunications services in the State of New Jersey. Staff also recommended the Board approve the request to treat GIX's financial information as confidential and placed under seal.

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

**B. Energy Agent and/or Private Aggregator Initial Registrations**

EE14050467L	American Utility Management, Inc. d/b/a AUM	I – EA
EE14050468L	Sam Lawrence Energy, LLC	I – EA
EE14050464L	Broker Online Exchange, LLC	I – EA
EE14050469L	The Energy Link, LLC d/b/a Consultant EnergyLink, LLC	I – EA
EE14040331L GE14040332L	Energy Consultants, LLC	I – EA/PA

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

EE14040326L	Resource Energy Systems, LLC	R – EA
EE14040327L GE14040328L	Concord Engineering Group d/b/a Concord Energy Services	R – EA/PA/EC

**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 and/or private aggregator for one year to:

- American Utility Management, Inc. d/b/a AUM
- Sam Lawrence Energy, LLC
- Broker Online Exchange, LLC
- The Energy Link, LLC d/b/a Consultant EnergyLink, LLC
- Energy Consultants, LLC

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

- Resource Energy Systems, LLC
- Concord Engineering Group d/b/a Concord Energy Services

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

## II. ENERGY

### A. Docket No. ER14010002 – In the Matter of the Federal Energy Items for 2014 – Exelon Corporation and Pepco Holdings, Inc. – FERC Docket No. EC14-96 – Motion for Intervention.

**BACKGROUND:** On May 30, 2014, Exelon and Pepco filed a joint application seeking authorization of jurisdictional assets and merger of Exelon Corporation and Pepco Holdings. On June 30, 2014, the Board filed a motion to intervene in the proceeding. Staff sought ratification of the intervention.

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

### B. Docket No. ER14010002 – In the Matter of the Federal Energy Items for 2014 – CPV Shore, LLC – FERC Docket Nos. ER14-2105-000 and ER14-2105-001 – Motion for Intervention.

**BACKGROUND:** CPV Shore, LLC (CPV) filed a request on June 2, 2014, asking the Federal Energy Regulatory Commission (FERC) to declare just and reasonable the contracts that would provide funding for CPV's generating plant in Woodbridge, NJ. The EDCs subject to the contracts filed protests on June 12, 2014 opposing CPV's FERC

filings. Also joining the protests were PPL, Calpine, Essential Power LLC and Lakewood Cogeneration LP., et al. As a result of the court rulings, the protestors asserted the contracts “do not exist.” On June 23, 2014, the Board intervened in the matter. Board Staff sought ratification of the intervention.

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

**C. Docket No. ER14010002 – In the Matter of the Federal Energy Items for 2014 – FirstEnergy Services Company v. PJM Interconnection, LLC – FERC Docket No. EL14-55-000 – Motion for Intervention.**

**BACKGROUND:** The DC Circuit Court issued a decision vacating Order 745 of the Federal Energy Regulatory Commission (FERC), which established rules for compensation of Demand Response (DR) resources in the wholesale energy market. Because DR is a retail product, the Court found that the FERC rules encroached on an area subject to the exclusive jurisdiction of the states.

FirstEnergy Service Company – an affiliate of Jersey Central Power & Light – filed a complaint with FERC requesting an order (1) nullifying the portions of the PJM tariff which allow or include DR as capacity market participants; and (2) declaring the results of the PJM 2017-18 capacity auction null and void because of the inclusion of DR. On June 16, 2014, the Board intervened in the matter. Board Staff sought ratification of the intervention.

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

**III. CABLE TELEVISION**

**A. Docket No. CE14040373 – In the Matter of the Petition of Cablevision of Oakland, LLC for a Renewal Certificate of Approval to Continue to Operate and Maintain a Cable Television System in the Borough of Wanaque, County of Passaic, State of New Jersey.**

**BACKGROUND:** On May 13, 2013, the Borough of Wanaque (Borough) granted Cablevision of Oakland, LLC (Cablevision) renewal municipal consent for a term of ten years from the date of issuance of the Renewal Certificate of Approval. On August 12, 2013 the Borough amended the ordinance. On November 1, 2013, Cablevision accepted the ordinance and amended ordinance. On April 21, 2014, Cablevision filed with the Board for a renewal of its Certificate of Approval for the Borough.

After review, Staff recommended approval of the proposed Renewal Certificate of Approval. This Certificate shall expire on August 4, 2024.

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

**B. Docket No. CE14030288 – In the Matter of the Petition of CSC TKR, LLC d/b/a Cablevision of Morris for a Renewal Certificate of Approval to Continue to Operate and Maintain a Cable Television System in the Borough of Mount Arlington, County of Morris, State of New Jersey.**

**BACKGROUND:** On October 1, 2013, the Borough of Mount Arlington (Borough) adopted an ordinance granting renewal municipal consent to Cablevision of Morris (Cablevision) for a term of ten years. On January 13, 2014, Cablevision accepted the terms and conditions of the ordinance, and on March 26, 2014, Cablevision filed a petition with the Board for a renewal of its Certificate of Approval.

After review, Staff recommended approval of the proposed Renewal Certificate of Approval. This Certificate shall expire on August 4, 2024.

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

**C. Docket No. CE09030230 – In the Matter of the Petition of Cablevision of New Jersey, LLC for the Conversion to a System-wide Franchise in the Borough of Tenafly.**

**BACKGROUND:** This matter involved a Board order memorializing the addition of the Borough of Tenafly (Borough) to the system-wide franchise issued to Cablevision of New Jersey (Cablevision) on June 10 2009. Through previous filing, Cablevision has converted 20 municipalities. The Cablevision's system-wide franchise will expire on March 16, 2016.

On June 12, 2014, Cablevision filed a notice with the Borough that it would convert its municipal consent-based franchised in the Borough to its system wide franchise. The Notice was received by the Board on June 13, 2014.

The Office of Cable Television recommended the Board approve the Fifth Order of amendment acknowledging the conversion of the Borough into Cablevision's system-wide franchise.

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

**D. Docket No. CE13080756 – In the Matter of the Application of Verizon New Jersey, Inc. for Renewal of a System-wide Cable Television Franchise.**

**BACKGROUND:** This matter involved a Board Order memorializing the addition of the Borough of Seaside Heights to the renewal system-wide franchise issued to Verizon on January 30, 2014.

The total number of municipalities covered by Verizon's system-wide franchise is now 380. Verizon provides telephone service in all or parts of 526 municipalities in the State.

With the addition of the Borough of Seaside Heights, Verizon provides its FiOS cable television service to all or parts of 357 municipalities. The Borough was added to serve a specific, new-build residential complex in the municipality only.

After review, the Office of Cable Television recommended approval of the Order of Amendment to include the Borough of Seaside Heights into Verizon's renewal system-wide franchise.

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

**E. Docket No. CE14050495 – In the Matter of the Petition of Comcast of South Jersey, LLC for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the City of Pleasantville, County of Atlantic, State of New Jersey.**

**BACKGROUND:** On February 19, 2014, the City of Pleasantville (City) adopted an ordinance granting renewal municipal consent to Comcast of South Jersey, LLC (Comcast). On March 14, 2014, Comcast formally accepted the terms and conditions of the ordinance, and on May 22, 2014, Comcast filed with the Board for a renewal of its Certificate of Approval for the City.

After review, Staff recommended approval of the proposed Renewal Certificate of Approval. This Certificate shall expire on February 20, 2027.

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

**F. Docket No. CE13090835 – In the Matter of the Petition of Comcast of South Jersey, LLC for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Township of Harrison, County of Gloucester, State of New Jersey.**

**BACKGROUND:** On December 3, 2012, the Township of Harrison (Township) adopted an ordinance granting renewal municipal consent to Comcast of South Jersey, LLC (Comcast). On June 26, 2013, Comcast formally accepted the terms and conditions of the ordinance, and on September 12, 2013, Comcast filed with the Board for a renewal of its Certificate of Approval for the Township.

After review, Staff recommended approval of the proposed Renewal Certificate of Approval. This Certificate shall expire on January 28, 2028.

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

**G. Docket No. CE13121181 – In the Matter of the Petition of Comcast of Wildwood, LLC for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the City of Wildwood, County of Cape May, State of New Jersey.**

**BACKGROUND:** On May 22, 2013, the City of Wildwood (City) adopted an ordinance granting renewal municipal consent to Comcast of Wildwood, LLC (Comcast). On November 8, 2013, Comcast formally accepted the terms and conditions of the ordinance, and on December 18, 2013, Comcast filed with the Board for a renewal of its Certificate of Approval for the City.

After review, Staff recommended approval of the proposed Renewal Certificate of Approval. This Certificate shall expire on April 15, 2026.

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

**H. Docket No. CE14050501 – In the Matter of the Petition of Comcast of South Jersey, LLC for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Township of Buena Vista, County of Atlantic, State of New Jersey.**

**BACKGROUND:** On March 10, 2014, the Township of Buena Vista (Township) adopted an ordinance granting renewal municipal consent to Comcast of South Jersey, LLC (Comcast). On March 28, 2014, Comcast formally accepted the terms and conditions of the ordinance, and on May 27, 2014, Comcast filed with the Board for a renewal of its Certificate of Approval for the Township.

After review, Staff recommended approval of the proposed Renewal Certificate of Approval. This Certificate shall expire on January 22, 2028.

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

#### **IV. TELECOMMUNICATIONS**

**A. Docket No. TO13121209 – In the Matter of the Joint Application of Verizon New Jersey, Inc. and Mosaic Networkx, LLC for Approval of an Interconnection Agreement Under Section 252(e) of the Telecommunications Act of 1996.**

**BACKGROUND:** By separate letters, Verizon New Jersey, Inc. (Verizon NJ) and Mosaic Networkx LLC (collectively, Petitioners) filed an application with the Board for the approval of a negotiated interconnection agreement.

The agreement set forth the terms, conditions and prices under which Petitioners will offer and provide network interconnection, call transport and termination, and ancillary services to each other within each Local Access and Transport Area in which they operate in New Jersey.

After review, Staff recommended approval of the Agreement.

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

**B. Docket No. TO14020166 – In the Matter of the Joint Application of Verizon New Jersey, Inc. and RCLEC, Inc. for Approval of an Adoption of an Interconnection Agreement Under Section 252(e) of the Telecommunications Act of 1996.**

**BACKGROUND:** By separate letters, Verizon New Jersey Inc. (Verizon NJ) and RCLEC Inc. (collectively, Petitioners) filed an application with the Board, pursuant to Section 252 of the Act for the approval of adoption of negotiated interconnection agreement.

The agreement set forth the terms, conditions and prices under which Petitioners will offer and provide network interconnection, call transport and termination, and ancillary services to each other within each Local Access and Transport Area in which they operate in New Jersey.

After review, Staff recommended approval of the Agreement.

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

**C. Docket No TM14060541 – In the Matter of the Verified Joint Petition of Network Billing Systems, LLC and Cypress Communications Operating Company, LLC for Approval for the Assignment of Certain Retail Telecommunications Services and Customers of Cypress Communications Operating Company, LLC to Network Billing Systems, LLC.**

**BACKGROUND:** On June 3, 2014, Network Billing Systems, LLC (NBS), and Cypress Communications Operating Company (Cypress) filed a petition with the Board seeking approval to transfer assets and customers from Cypress to NBS.

NBS will acquire the regulated retail business services and customers of Cypress. NBS has complied with Mass Migration guidelines.

All transferred business customers to NBS will continue to receive telecommunications services under the same rates terms and conditions of service and will be seamless to customers.

After review, Staff did not find any reason to believe that there will be an adverse impact on rates, competition or in the provision of safe, adequate and proper service to New Jersey subscribers. Moreover, a positive benefit may be expected from the strengthening of Petitioner's competitive posture in the telecommunications market. Therefore, Staff recommended that Petitioners be allowed to proceed with the proposed transactions.

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

**V. WATER**

There were no items in this category.

**VI. RELIABILITY & SECURITY**

There were no items in this category.



## VII. CUSTOMER ASSISTANCE

### A. Docket Nos. BPU WC13111116U and OAL PUC 00960-14 – In the Matter of Gary D. Wartenberg, Petitioner v. United Water New Jersey, Inc., Respondent – Billing Dispute.

**BACKGROUND:** This matter involved a billing dispute between Gary D. Wartenberg and United Water New Jersey. The petition was transmitted to the Office of Administrative Law on January 16, 2014, as a contested case. Administrative Law Judge (ALJ) Kimberly A. Moss filed an Initial Decision in this matter with the Board on June 9, 2014, approving a Stipulation of Settlement of the parties.

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

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

### B. Docket Nos. BPU EC13060460U and OAL PUC 11163-13 – In the Matter of Orly Industry, Inc., Petitioner v. Public Service Electric and Gas Company, Respondent – Request for Extension.

**BACKGROUND:** The Initial Decision of the Administrative Law Judge was received by the Board on June 12, 2014; therefore the 45-day statutory period for review and the issuing of a Final Decision will expire on July 28, 2014. Prior to that date, the Board requested an additional 45-day extension of time for issuing the Final Decision in order to fully review the record in this matter. Staff recommended the time limit for the Board to issue a Final Decision be extended until September 11, 2014.

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

### C. Docket Nos. BPU EC14020162U and OAL PUC 05136-14 – In the Matter of Keum Lee, Petitioner v. Public Service Electric and Gas Company, Respondent – Billing Dispute.

**BACKGROUND:** This matter involved a billing dispute between Keum Lee and Public Service Electric and Gas Company. The petition was transmitted to the Office of Administrative Law on April 28, 2014, as a contested case. Administrative Law Judge (ALJ) James A. Geraghty filed an Initial Decision in this matter with the Board on June 30, 2014, approving a Stipulation of Settlement of the parties.

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 of ALJ Geraghty.

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

**VIII. CLEAN ENERGY**

There were no items in this category.

**IX. MISCELLANEOUS**

**A. Approval of the Minutes of the May 21, 2014 Agenda Meeting.**

**BACKGROUND:** Staff presented the minutes of May 21, 2014 Board 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

- A. Docket No. GA13010008 – In the Matter of an Audit of the Affiliated Transactions between New Jersey Natural Gas Company and Its Affiliates and a Comprehensive Management Audit of New Jersey Natural Gas Company Pursuant to N.J.S.A. 48:2-16.4, 48:3-49, 48:3-58 and N.J.A.C. 14:3-12.1 – 14:3-12.4, 14:4-3 et seq.**

**Arthur Gallin, Division of Audits**, presented this matter.

**BACKGROUND AND DISCUSSION:** This matter involved the audit of the affiliated transactions between New Jersey Natural Gas Company and its affiliates and a comprehensive management audit of New Jersey Natural Gas Company.

On June 26, 2014, NorthStar Consulting Group submitted to the Board the final report, which contains 18 chapters, including an executive summary.

Staff recommended the Board accept the final report for filing purposes only. Staff also recommended that the final report be released to the public for comments due by September 26, 2014.

Staff recommended issuance of a Secretary's letter setting the due date for comments. After review of these comments, Staff will bring this matter back to the Board for consideration of an implementation plan. Staff further recommended, consistent with the terms of the agreement for consulting services with NorthStar, that the whole backup fees in the amount of \$148,692.56 pending acceptance of the final report for filing purposes only be released to NorthStar.

**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>

### 2. ENERGY

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

- A. Docket No. GR13050425 – In the Matter of the Petition of New Jersey Natural Gas Company for the Annual Review and Revision of Its Basic Gas Supply Service and Conservation Incentive Program Factors for the Fiscal Year 2014.**

**BACKGROUND AND DISCUSSION:** This matter involved the New Jersey Natural Gas Company (Company) notifying the Board on May 24, 2013, of its intent to decrease its Basic Gas Supply Service after-tax per therm rate applicable to residential and small

commercial customers effective June 1, 2013, from its then current level of \$0.6681 to \$0.6056.

On June 10, 2014, New Jersey Natural Gas Company (Company), Rate Counsel and Staff (collectively, the Parties) agreed that the previously approved provisional after-tax rates should be made final, namely:

- 1) The Company's Periodic Basic Gas Supply Service rate of \$0.6056 effective June 1, 2013 through November 30, 2013, and \$0.5356 rate effective as of December 1, 2013;
- 2) The Company's balancing charge rate of \$0.0863; and
- 3) The following Capital Investment Program rates:
  - \$0.0049 for Residential Non-Heat customers;
  - \$0.0240 for Residential Heat customers;
  - \$0.0581 for Small Commercial customers; and
  - \$0.0568 for Large Commercial customers.

Staff recommended the Board approve the above final rates.

**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. GT13080785 – In the Matter of the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to Amend Its Tariff to Include a Natural Gas Vehicle Service Classification.**

**BACKGROUND AND DISCUSSION:** On August 29, 2013, Elizabethtown Gas filed a petition with the Board requesting authorization to amend Elizabethtown Gas's tariff to include a Natural Gas Vehicle (NGV) Service Classification that will provide Petitioner with the flexibility to respond to the needs of an emerging market for vehicular natural gas. Elizabethtown Gas proposed to provide distribution service to commercial and industrial customers wishing to fuel NGVs in two ways: (i) service to a customer where Elizabethtown Gas would own and maintain the Compressed Natural Gas (CNG) Fueling Facility at the customer's premises for use in dispensing vehicular gas, or (ii) service to a public CNG Fueling Facility owned and operated by the Company for the purpose of dispensing vehicular gas both to the Company's own vehicles and those owned and operated by the public.

Elizabethtown Gas proposed to invest in mains, services and appurtenant facilities needed to provide gas distribution service to CNG Fueling Facilities and also to invest in CNG Fueling Facilities themselves as well as provide customers with funds to offset differences in price between CNG-powered vehicles and those powered by gasoline or diesel fuel. Elizabethtown Gas requested authority to require revenue guarantees from prospective NGV service customers to assist the Company in ensuring that the recovery of its NGV-related investments will be from NGV Service Classification customers. The

Company submits that affording it the ability to obtain revenue guarantees will help to ensure that Petitioner's investments in NGV facilities will not become stranded or otherwise require subsidies from other customers.

For NGV service to public CNG Fueling Facilities, where Elizabethtown will own and operate, Elizabethtown proposes to charge customers rates equal to the Gasoline Gallon Equivalent of the following charges:

- Distribution Charge - \$0.3303 per therm
- Fueling Station Charge - \$0.3600 per therm
- Facilities Charge - \$0.2987 per therm
- Gas Cost - BGSS-M rate applicable to month of sale
- Taxes and Assessments - As applicable (including motor fuel taxes)

For NGV service to a customer where Elizabethtown Gas would own and maintain the CNG Fueling Facility on the customer's premises, Elizabethtown Gas proposes to enter into a separate individual service agreement with the customer to own and maintain the CNG Fueling Facility at rates that would recover distribution costs and margin revenue on a per therm basis obtained from the distribution rates set forth in Elizabethtown's Tariff for Small General Service Classification. The Company will also assess all related taxes and assessments including motor fuel taxes.

If the NGV customer is procuring its natural gas from Elizabethtown, the Company will charge the customer the Basic Gas Supply Service Monthly (BGSS-M) rate.

The Company will also recover the costs associated with Elizabethtown's investment (both return and return of capital) in excess of ten times the projected annual distribution revenues derived from service to such customers through a negotiated Facilities Charge. This charge will be designed on individual customer basis to recovery the CNG Fueling Facility investment costs. The Fueling Station Charges would recover the cost of operating and maintaining the CNG Fueling Facilities at customers' premises, Elizabethtown Gas further proposed that a NGV customer would be permitted to establish the terms, if any, under which the customer would sell CNG to third parties or the general public. Finally, Elizabethtown Gas proposes to permit NGV customers to make their own arrangements to obtain electricity for the CNG Fueling Facility or to have Elizabethtown obtain the electricity and pass through the cost to customers.

The Parties in this matter, Elizabethtown Gas, the Division of Rate Counsel and Board Staff, engaged in an extensive discovery and settlement process which resulted in an executed Stipulation on June 10, 2014. Under the terms of the Stipulation, the Parties have agreed to revised tariff sheets reflecting withdrawal of the Company's proposal to provide funds to Customers to offset the difference in price between CNG-powered vehicles and those powered by gasoline or diesel fuel. The Company will provide NGV Service in a manner consistent with all applicable laws and regulations and will obtain all necessary local, state or federal permits. Elizabethtown Gas will submit detailed annual reports to Staff and Rate Counsel beginning one year from the Effective Date.

Staff recommended the Board adopt the Stipulation between the Company, Rate Counsel, and Board Staff.

**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 Nos. BPU ET13040271 and OAL PUC 08055-13 – In the Matter of the Verified Petition of Jersey Central Power & Light Company for Approval of Modifications to Its Tariff Sheets for Service Classification OL – Outdoor Lighting Service.**

**BACKGROUND AND DISCUSSION:** On April 1, 2013, Jersey Central Power & Light Company (JCP&L, the Company) filed a petition with the Board to update the Company’s Tariff for “Service Classification OL - Outdoor Lighting Service” (OL) to provide a new area lighting service using High Pressure Sodium (HPS) fixtures.

The current OL tariff includes two lighting types: mercury vapor (MV) area lighting and sodium vapor flood lighting. The Company states that the MV area lighting equipment is no longer commercially available to replace or support existing MV equipment that fails. Therefore, JCP&L is also proposing to revise the terms of the OL tariff so that MV area lighting service will be removed when MV lighting. JCP&L will replace the MV equipment with the HPS equipment as the former fails.

On June 11, 2013, the Board transmitted the filing to the Office of Administrative Law (OAL), requesting that the matter be consolidated with JCP&L’s pending base rate case (BPU Docket No. ER12111052 and OAL Docket No. PUC 16310-2012N). It was subsequently assigned to the Honorable Administrative Law Judge (ALJ), Richard McGill. ALJ McGill held a prehearing conference on July 17, 2013 and issued a Prehearing Order dated July 26, 2013. By letter dated July 16, 2013, the Board withdrew said request to consolidate. On November 7, 2013, Judge McGill approved a procedural schedule that the Parties had consented to, and an evidentiary hearing was scheduled for January 15, 2014.

The Parties in this matter, JCP&L, New Jersey Division of Rate Counsel (Rate Counsel) and Board Staff, engaged in an extensive discovery process and JCP&L responded to numerous data requests and has informally provided additional data and information in connection with this proceeding. The Parties have also engaged in detailed settlement conferences and communications. The Parties have reached agreement on all relevant issues in this proceeding and have entered into a Stipulation settling this matter.

On July 1, 2014, ALJ McGill issued an Initial Decision approving the Stipulation, finding that the settlement is voluntary, consistent with the law, and fully disposes of all issues in controversy.

Staff recommended the Board adopt the Initial Decision and Stipulation 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>

**D. Docket Nos. BPU GR13070674 and OAL PUC 01145-14 – In the Matter of New Jersey Natural Gas Company’s Annual Review and Revision of Its Societal Benefits Charge Factors for Remediation Years 2012 and 2013.**

**BACKGROUND AND DISCUSSION:** On July 23, 2013, New Jersey Natural Gas (the Company) filed a petition relating to the Company’s Societal Benefits Charge (SBC) factors for approval to decrease the Company’s remediation adjustment rate from \$0.0324 to \$0.0300; increase the New Jersey Clean Energy Program (NJCEP) rate of \$0.0203 to \$0.0422; and approve the remediation expenditures incurred by the Company for the period July 1, 2011 through June 30, 2013 (Remediation Years 2012/2013), to be effective October 1, 2013, or as of the effective date of the Board Order.

The Company, Board Staff and Rate Counsel (collectively, the Parties), determined that additional time was needed to complete the final review of the Company’s request, the Parties executed a stipulation on October 29, 2013 (Stipulation) that, pending the conclusion of any further review and discussions among the Parties, at the time was reasonable for the Board to provisionally authorize the Company to change its Remediation Adjustment and NJCEP rates.

The Stipulation provided for the implementation of the proposed rate on a provisional basis pending additional review of the filing was approved by the Board on November 22, 2013, and became effective for service rendered on and after December 1, 2013. Subsequent to discovery and substantive discussions of the issues, on July 1, 2014 the Parties executed a Stipulation for Final SBC rates. Administrative Law Judge Pelios issued an Initial Decision on July 9, 2014.

Staff recommended the Board approve the Initial Decision and the Stipulation 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>

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

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

**BACKGROUND AND DISCUSSION:** Pivotal Utility Holdings, Inc., d/b/a Elizabethtown Gas (Company) filed a Petition on September 3, 2013 for approval to implement the Elizabethtown Natural Gas Distribution Utility Reinforcement Effort Program to invest approximately \$15.0 million plus associated Allowance for Funds Used During Construction in the Company’s natural gas infrastructure and related facilities and communication planning to harden and protect the Company’s infrastructure against damage from major storm events. The filing is also intended to assist the Company in developing a more robust capability to effectively communicate with customers and public officials during and after weather-related emergencies; and to utilize deferred accounting for the cost of the program in the same manner approved by the Board for the Company’s Accelerated Infrastructure Replacement program.

Staff recommended the Board approve \$14.9 million for the Company’s natural gas infrastructure and damage from the major storms. The prudence of all costs will occur in the Company’s next base rate case, which is to be filed no later than September 1, 2016.

**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>

- F. **Docket No. GR13050434 – In the Matter of the Petition of South Jersey Gas Company to Revise the Level of Its Basic Gas Supply Service Charge and to Revise the Level of Its Conservation Incentive Program Charges for the Year Ending September 30, 2014.**

**BACKGROUND AND DISCUSSION:** Following discovery and discussions, South Jersey Gas Company (SJG or Company), Rate Counsel, and Board Staff entered into a Stipulation for Final Basic Gas Supply Service (BGSS) and Conservation Incentive Program (CIP) Rates, dated July 7, 2014, agreeing that the Company’s provisional BGSS and CIP Rates should be made “final”. At the time, the provisional rate translated to an estimated decrease in annual revenue of \$17.3 million for SJG.

Staff recommended the Board approve the Stipulation for Final BGSS and CIP Rates 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>

**G. Docket Nos. BPU ER13111135 and OAL PUC 17625-13 – 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 AND DISCUSSION:** On November 27, 2013, Rockland Electric Company (RECO, Company, Petitioner) filed a petition for approval of an increase in its operating revenues of approximately \$19.3 million (exclusive of Sales and Use Tax) or 7.6% to be effective for electric service provided on or after January 1, 2014, as well as for certain other tariff changes and changes in its depreciation rates. The petition further requested approval from the Board to terminate the Smart Grid surcharge and to establish a storm hardening surcharge, among other relief. According to the petition, the primary reasons for the requested increase are the ongoing increased carrying costs for investments made since the Petitioner’s base rates were last adjusted, coupled with new infrastructure investments, increases in the cost of labor and materials, and increases in the costs to provide health care and retiree pensions and other post-employment benefits. The Petitioner also sought recovery for incurred and deferred significant costs relating to Hurricane Irene, the October 2011 snow storm and Superstorm Sandy.

The Company’s filing was based on a test year of the twelve months ending March 31, 2014, with six months of estimated data and six months of actual data. The petition was accompanied by exhibits and pre-filed testimony.

On December 6, 2013, the matter was transmitted to the Office of Administrative Law (OAL) as a contested case, and was assigned to Administrative Law Judge (ALJ) Irene Jones. On April 23, 2014, ALJ Jones issued a pre-hearing order establishing a procedural schedule including evidentiary hearings on June 23 through June 27, 2014, and July 8 and 11, 2014. No motions to intervene were filed.

Rate Counsel filed direct testimony on May 9, 2014 in the Base Rate Case, and RECO filed rebuttal testimony on June 2, 2014 in the Base Rate Case. Public hearings on RECO’s proposed distribution base rate increase were held on April 30, 2014 at 3:30 and 6:30 p.m., in Mahwah, New Jersey. After engaging in discovery and settlement negotiations, on July 1, 2014, the Company, Board Staff, and Rate Counsel, executed a stipulation of settlement (Stipulation) of the base rate case petition (Rate Case Stipulation).

On July 10, 2014, ALJ Jones issued an Initial Decision approving the Stipulation of the parties. Staff recommended the Board adopt the Initial Decision and approve the Stipulation 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>

**H. Docket No. EM14060581 – In the Matter of the Joint Petition of the Merger of Exelon Corporation and Pepco Holdings, Inc.**

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

**BACKGROUND AND DISCUSSION:** On June 18, 2014, a petition was filed with the Board requesting approval of a merger between Pepco Holdings, Inc. and Exelon Corporation. The Board decided to retain this matter. Staff recommended the Board approve Commissioner Fiordaliso as the presiding commissioner with authority to establish and modify schedules, decide all motions and control the conduct of the case, subject to Board ratification. Staff also recommended the establishment of August 15, 2014 as the bar date for motions to intervene.

**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>Abstained</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>

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

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

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

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

Pursuant to the March Order, New Jersey Natural Gas filed a petition on September 3, 2013, for approval of its NJ Reinvestment in System Enhancement (NJ RISE) Program. The NJ RISE Program proposes to implement six projects at an estimated investment

cost of approximately \$102.5 million. The NJ RISE program is comprised of the following six Projects:

- 1) Sea Bright – install redundant feeder main from Rumson to the Sea Bright Peninsula (\$3.5 million);
- 2) North Seaside – move a regulator station from the island to the mainland and install a redundant high-pressure main from Brick Township to Mantoloking (\$6.0 million);
- 3) South Seaside – install of four to six miles of redundant main from the mainland to the South Seaside Peninsula \$25.0 million);
- 4) Long Beach Island – install six miles of redundant main from the mainland to the southern portion of Long Beach Island (\$30.0 million);
- 5) Long Beach Island Regulator Station – reinforce the Ship Bottom regulator station and install communication equipment (\$3.0 million); and
- 6) Excess Flow Valves – install 35,000 EFVs reducing the potential for gas venting to the atmosphere caused by storm damage or service disruptions (\$35.0 million).

On July 11, 2014, the Company, Rate Counsel, New Jersey Large Energy Users Coalition and Staff (The Parties) reached a Stipulation of Agreement in which the Company will be authorized to spend \$102.5 million, excluding Allowance for Funds Used During Construction, of incremental natural gas infrastructure and related facilities (NJ RISE) investments, aimed at mitigating the impact of major storms. Staff recommended Board approval of the Stipulation 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>

### **3. CABLE TELEVISION**

There were no items in this category.

### **4. TELECOMMUNICATIONS**

#### **A. Docket No. TX14060550 – In the Matter of the Proposed Readoption of N.J.A.C. 4:10 – Rules Governing Telecommunications.**

**John DeLuca, Bureau Chief, Division of Telecommunications.**

**BACKGROUND AND DISCUSSION:** This matter involved Staff's proposal aimed at reducing regulation to reflect the current state of today's telecommunications market, while assuring that basic consumer protections are kept in place. Of note are the following modifications and deletions:

Non-Financial Reporting - This reporting monitors the competitiveness of the market. Carriers file the same report they file with the Federal Communications Commission (FCC), plus state specific information with BPU. As experienced was gained the data required by the FCC was found to be sufficient to meet the Board's requirement's to monitor the level of carrier competition in New Jersey. Therefore, the state specific data requirement should be eliminated. This modification is consistent with an industry request to the Lt. Governor's Red Tape Commission.

Competitive Telecommunications Services - This section provides for the rules governing the provision by carriers of competitive services. Among revisions to streamline regulations, the rule is being amended to revise tariff content filing requirements to reflect new legislation. Given the changes in law, it is no longer required to have tariffs filed with the Board. The elimination of competitive tariff filings with the Board is consistent with an industry request to the Red Tape Commission. The language is being revised to reflect that local exchange and interexchange carriers will be required to make any terms and conditions of retail competitive services available on the carrier's website. Also, a link to said carrier websites is proposed to be provided to the Board for inclusion on the Board's website. Staff is making this last request as part of this rule proposal.

Operator Service Providers - This subchapter is being substantially reorganized. Only certain requirements will be maintained such as language regarding service provider notification to callers of its involvement in a call and ownership of the telephone. Also required is the provision of dialing procedures; rates, prior to placing a call, access to the local exchange carrier, a procedure for the caller to access; where feasible, any other operator service provider free of charge and if transferring the caller to another operator service provider, bill the caller from the point of origination. This section is undergoing major revisions that condense the rules, retaining only those necessary to manage a declining industry.

Public Pay Telephone Service - This subchapter is also being significantly modified to reflect changes in the way consumers communicate. In today's telecommunications market, in particular with the extensive use of wireless telecommunications, the majority of these rules are no longer necessary. Therefore, most of this subchapter is being eliminated to reflect the decline in payphone use and the proliferation of wireless phones. Subsection 9.2, which applies to how the payphone operates, will only retain certain requirements, such as to require dial-tone first from public pay telephone instruments and free access to certain services to assure public safety. They are dialing 0 for operator, 8-1-1, 9-1-1 and telecommunications relay service.

Mass Migration Upon a Provider's Departure from a Service Territory - This section governs the departure of providers from the New Jersey service territory. Carriers departing a service territory are currently required to provide 90 days notice to the Board. This is being changed to 60 days.

Under the Subsection Notice to End Users, it is required that providers give notice of their departure to end users 60 days prior to departure. This is being amended to 30 days to mirror the FCC guidelines for departure.

These regulations also provide for a second letter via certified mail to end users and copies to the Board Secretary and each incumbent local exchange carrier. This second letter is proposed to be deleted because the FCC only requires one letter be sent and Staff believes letter notification should conform to the FCC guidelines.

Therefore, Staff recommended the proposed readoption be sent to the OAL for publication followed by a 60 days comment period.

**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. WE13121186 – In the Matter of the Petition of Aqua New Jersey, Inc. for Approval of Municipal Consents to Provide Water and Wastewater Service to Areas of the Township of North Hanover and the Borough of Wrightstown and Other Required Approvals.**

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

**BACKGROUND AND DISCUSSION:** On October 30, 2013, Aqua New Jersey (Aqua) filed a petition with the Board for approval of municipal consents in both North Hanover and Wrightstown to allow Aqua to construct, lay, maintain and operate the necessary mains, pipes and appurtenances for the rendering of water and wastewater services on property located in North Hanover and Wrightstown.

The purpose of obtaining the franchise grants was to permit Aqua to provide water and wastewater service to the proposed franchise area known as Spartan Village. Spartan Village is a residential community consisting of 221 mobile homes. Currently, all 221 mobile homes are occupied. Residents of Spartan Village presently receive water and wastewater service as part of the services provided with lot rentals. The cost of these services is included in the monthly rental payments for each of the lots. Spartan Village's water and wastewater system is a standalone system and does not provide water or wastewater service to the general public, or to areas located outside of the boundaries of the mobile home park.

Aqua agreed to acquire Spartan Village's water assets for \$1.00 and wastewater system assets for \$1.00.

At the closing of the asset purchase, Spartan Village agreed to place \$300,000 in an escrow account to fund capital improvements to the water and wastewater systems. At this time Aqua is not seeking Board approval for the recovery of the costs of this transaction or of any possible acquisition adjustment. Aqua will address these matters in its next base rate case proceeding.

Aqua proposed to charge rates for wastewater services according to its existing tariff. Residents will experience a fixed monthly bill of \$51.98 which is based on Aqua's current wastewater fixed rate.

Currently, the Spartan Village residents do not have individual meters for water service. Aqua intends to install meters in Spartan Village, however this project will not be completed until approximately one year after Board approval. On April 29, 2014, the Company submitted an initial tariff for the implementation of a fixed rate for water service on an interim basis. The proposed flat fixed rate is \$25.00 per month. The unmetered fixed rate for water service will be charged to water service customers located in Spartan Village until such time as individual meters are installed and operational. Upon the completion of the installation of individual customer meters, customers will be charged the fixed service charge and general metered consumption charge set out in the Board approved existing tariff.

Since utility services are presently included in the monthly lot rental fee, the owner of Spartan Village has agreed to rollback that portion of the lot rental fee (\$70.00 per month).

No less than fifteen days prior to the intended transition from the initial flat rate tariff to the volumetric tariff, Aqua shall file a compliance filing with the Board advising of the effective date of the transition and discontinuance of the use of the initial flat rate tariff. The Company shall further provide the affected residents no less than fifteen days' notice of the effective date of the volumetric tariff.

On June 12, 2014, a duly noticed public hearing on the Company's petition was held at the Board's Trenton office. No members of the public appeared at the hearing.

By letter dated July 2, 2014, Rate Counsel submitted its comments to the petition and was not opposed to its approval with the conditions outlined in the Board Order.

Staff recommended the Board approve the municipal consents granted by the Township of North Hanover and the Borough of Wrightstown for water and wastewater services. Staff also recommended the Board approval of the use of Aqua's existing wastewater tariff applicable in the new service territory along with the initial tariff for flat fixed rate for water.

**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**

**A. Docket Nos. WS14050432K et al. – In the Matter of Alleged Violations of the Underground Facility Protection Act Pursuant to N.J.S.A. 48:2-73 et seq.**

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

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

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

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

Staff recommended the Board approve all those cases in which offers of settlement and payment have been received, so that the cases can be brought to closure.

**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. AX14070647 – In the Matter of the Readoption by Notice of the New Jersey Administrative Code 14:2 – Protection of Underground Facilities – One Call Damage Prevention System.**

This matter was deferred.

## 7. CUSTOMER ASSISTANCE

- A. **Docket No. EO14040379U – In the Matter of the Memorandum of Understanding between the Board of Public Utilities and the Division of Consumer Affairs – Review of Complaints against Certain Third Party Suppliers – Update – 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.

- B. **Docket No. EO14070701U – In the Matter of John J. Hoffman, Acting Attorney General of the State of New Jersey, et al. v. Hiko Energy, LLC, et al. – Docket No. MER-C-32-14 – 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.

- C. **Docket No. EO14070702U – In the Matter of John J. Hoffman, Acting Attorney General of the State of New Jersey, et al. v. Palmco Power New Jersey, LLC, et al. – Docket No. MER-C-33-14 – 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.

- D. **Docket No. EO14070703U – In the Matter of John J. Hoffman, Acting Attorney General of the State of New Jersey, et al. v. Keil & Sons, Inc. d/b/a Systrum Energy, et al. – Docket No. MER-C-34-14 – 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.

- E. **Docket No. EX14050506 – In the Matter of the Division of Rate Counsel's Petition Seeking a Rulemaking Proceeding to Adopt or Modify Rules Requiring Third Party Suppliers of Retail Electric and Gas Service to Provide Full, Clear and Unequivocal Disclosures of Contract Terms and Impose Certain Conditions of Service and Consumer Protections – Notice of Action.**

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



**BACKGROUND AND DISCUSSION:** On May 27, 2014, the Board received a petition for rulemaking from the Division of Rate Counsel (Rate Counsel) regarding the Board's Third Party Suppliers (TPS) rules. Rate Counsel stated in the petition that the current rules at N.J.A.C. 14:4 are inadequate to address the concerns of TPS customers and require reexamination and modification.

The Board is required to act on a petition for rulemaking within 60 days in one of three ways: 1) by granting the petition and initiating a rulemaking proceeding; 2) denying the petition; or 3) referring the matter for 90 days of further deliberations.

On June 24, 2014, the Board announced the commencement of a stakeholder process dealing with the issues raised in the petition. Staff believes that the granting of this petition, and the commencement of a separate rulemaking process to address the specific issues raised in the petition, would detract from this more global review. Therefore, Staff recommended the Board deny the petition for rulemaking.

**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

### A. In the Matter of the Clean Energy Program Authorization of Commercial and Industrial Program Energy Efficiency Incentives Exceeding \$500,000:

**Docket No. QG14060611 – Marbella Tower Urban Renewal Associates South, LLC.**

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

**BACKGROUND AND DISCUSSION:** In June 2014, the Clean Energy Program approved 527 projects, totaling approximately \$5.88 million in incentives. (This total does not include two additional projects, NJ Transit and Phillips 66, each of which had incentives in excess of \$500,000 which therefore required Board approval. These were both approved by the Board at its June 2014 Board meeting.)

Marbella Tower Urban Renewal Associates South, LLC, a subsidiary of Roseland Properties in Short Hills, NJ, applied for an incentive under the Pay for Performance New Construction Program, for approximately \$629,000. Marbella is completing a gut rehab of a 38-story building to be used for multi-family housing, located at 401 Washington Boulevard, in Jersey City. Measures include installation of Energy Star rated air conditioning units; insulation in the ceilings and walls; energy efficient windows and glass doors; efficient lighting; Energy Star rated washing machines; low-flow showerheads; efficient gas-fired water heaters; and efficient gas-fired hot water boilers.

These measures are anticipated to achieve 621,000 kilowatt hours in electric savings, an 819 kilowatt electric demand reduction, 25,000 therms in natural gas savings, and

\$137,000 in annual energy cost savings. The incremental measures will cost the applicant approximately \$799,000. With incentive, the payback for the project is 1.24 years.

Staff determined that this application met the eligibility criteria for commercial and industrial program rebates and recommended that the Board approve the 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>

**B. 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, 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 – Subsection (Q) Round Two; and**

**Docket No. QO13101020 – In the Matter of Brickyard, LLC – Motion for Reconsideration.**

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

**BACKGROUND AND DISCUSSION:** Brickyard, LLC moved for reconsideration of the Board's February 4, 2014 orders implementing the Solar Act of 2012, which approved, conditionally approved or denied applications under N.J.S.A. 48:3-87(q) (Subsection q) for designation of certain proposed solar projects as eligible to generate solar renewable energy certificates (SRECs). Brickyard argued that the Board should reconsider its decisions because of what Brickyard alleged were irregularities in the Subsection q application process.

Brickyard was an applicant in Subsection q, Round Two, whose application was denied. Under Subsection q, the Board can only approve up to 80 megawatts in each of the relevant energy years. Other applications were received prior to Brickyard's, therefore approval of its application would violate the annual cap on Subsection q projects of 80 megawatts for the energy year at issue.

On October 1, 2013, Staff distributed instruction for participating in Round Two of the application process under Subsection q of the Solar Act. The instructions included a one-page "Notice" to be completed by applicants and sent as an attachment to the dedicated "QNotice" email address no earlier than 4:00 p.m. on October 15, 2013. According to Brickyard, its application should be approved and the applications of Hanover Solar and G&S Wantage Solar (G&S Wantage) disallowed because, according to Brickyard, their applications were e-mailed too early.

Both G&S Wantage and Hanover objected to this motion for reconsideration claiming that, as indicated in the instructions and in the Board's orders, the time of receipt by the Board and not the time of transmission by the applicant was the determinative factor. The Board utilizes the Office of Information Technology as its Internet provider and had no control over anything coming through the Internet. The Board could not control delays encountered between the time of the dispatch of a Notice and the time of its receipt at the Board. Board Staff had made it very clear that the determination would be based upon the time the Board's exchange servers received the Notices and marked the emails as delivered. Based on the time of receipt, there were no grounds to overturn the Board's previous decisions.

Staff recommended the Board deny the motion for reconsideration.

**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. EO12090860V – In the Matter of the Implementation of L. 2012, c. 24, N.J.S.A. 48:3-87 (D) (3) (B) – A Proceeding to Investigate Approaches to Mitigate Solar Development Volatility.**

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

**BACKGROUND AND DISCUSSION:** This matter is with regard to the Solar Act's Subsection (d)(3)(b) requirement that the Board conduct and conclude a proceeding to create and transmit a report to the New Jersey Legislature documenting the proceeding, as well as the Board's findings and recommendations, related to approaches to mitigating solar development volatility within two years of the effective date of the Solar Act, by July 23, 2014.

The proceeding began in October 2012 with a Board Order directing Staff to construct the proceeding (and several others) related to solar development volatility. This specific proceeding also required Staff to develop a report with findings and recommendations. A public hearing was held November 9, 2012, with over a hundred stakeholders participating, wherein the various proceedings were discussed, including this one. Staff presented a slide presentation on sources and uses of solar data with the history of the solar market in New Jersey. Staff directed stakeholders to participate in the renewable energy stakeholder meetings which Staff conducted on a monthly basis.

Beginning with the next renewable energy stakeholder meeting, Staff and stakeholders worked to define solar development volatility and approaches to mitigate volatility. Staff could not find a lot of consensus despite efforts through straw proposals and requests for comments, but developed a record that was passed to the Center for Energy, Economy and Environmental Policy (CEEEP) at Rutgers Bloustein School.

In mid-2013, Staff and the Rutgers Bloustein School developed a request for proposals and CEEEP issued a contract to Meister Consultants Group, Inc. and Sustainable Energy Advantage, LLC to use the assembled record, along with a review of literature

produced by CEEEP and input from Board Staff, New Jersey Rate Counsel, Solar Energy Industries Association, Alpha Inception, LLC, Renu Energy, Solar City, Alpha Inception, LLC, Mid-Atlantic Solar Energy Industries Association, and New Jersey Solar Grid Supply, among others, toward developing the report to be transmitted to the N.J. Legislature.

Staff recommended the Board authorize Staff's transmittal of the Solar Development Volatility Report and the Secretary's Letter to the New Jersey Legislature and post the report on the Board's website via the procedures laid out in the Solar Act.

**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

### A. **Docket No. QO14060626 – In the Matter of the New Jersey Energy Resilience Bank – Initial Subrecipient Agreement Between the Board of Public Utilities and the Economic Development Authority.**

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

**BACKGROUND AND DISCUSSION:** This matter involved the Board executing a Subrecipient Agreement (SRA or Agreement) with the New Jersey Economic Development Authority (EDA) to jointly manage the Energy Resilience Bank (ERB). The purpose of the ERB is to promote, develop and assist in the design including feasibility studies, construction and implementation of distributed energy resources (DER) technologies at critical facilities.

The DER technologies will operate as a microgrid solely within the facility or connected to other critical facilities in the vicinity of the DER. These microgrids will improve and increase the energy resiliency of the local area of the New Jersey electric distribution system operation. The DER microgrids will enable the critical facilities to supply services to their communities during future emergencies.

The ERB will achieve this mission through the development of a DER financing program with financial products for each specific critical facility market sectors as outlined in the Action Plan Amendment number 7 (APA-7).

The goal of the ERB program is to encourage the increased deployment of DER microgrids at public, not for profit and for profit-small business critical infrastructure facilities and other state critical assets and facilities.

The main difference between the draft Memorandum of Understanding (MOU) and the smaller sub-Subrecipient Agreement the Board previously reviewed as draft and this Agreement is that the BPU must now comply with and implement the ERB consistent

with all Housing and Urban Development (HUD) requirements in the Community Development Block Grant – Disaster Relief (CDBG-DR) statutes, regulations and guidelines including the “flow down” requirements. The prior draft MOU and sub-SRA that the Board had reviewed previously had the majority of these requirements as EDA’s responsibilities. This Agreement now requires joint responsibility for these “flow down” requirement that include:

1. Evaluation processes to prevent duplication of benefits and verify all other sources of disaster relief funding such as FEMA or private insurance;
2. Building code compliance;
3. Incorporating preparedness and mitigation measures into all rebuilding to minimize damage from future events;
4. Assurances that all sub-subrecipient, contractors and subcontractors adhere to all HUD flow down requirements including all National Environmental Policy Act (NEPA) requirements;
5. Cooperate with the New Jersey Department of Community Affairs (DCA) and HUD on any audit. The Board cannot begin any project without prior written consent of the New Jersey Department of Environmental Protection and DCA on NEPA provisions;
6. Assist in meeting the statewide Low and Moderate Income (LMI) goals which state that 50% of the CDBG-DR grant funds shall principally benefit LMI families. The goal for the ERB is 60% of the ERB funds should principally benefit LMI communities;
7. Contract monitoring and compliance with performance measures set forth in the agreement;
8. Maintain written codes and standards to prevent a conflict of interest in the use of federal funds;
9. Developing and maintaining all project records for 5 years;
10. Require all projects to acquire flood insurance; and
11. Translate all applicable public documents into appropriate languages for limited and non-English customers/clients.

Staff recommended the Board approve the subrecipient agreement between BPU and EDA and delegate the authority to the President to sign the MOU and agreement.

**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>

## EXECUTIVE SESSION

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

### 7. CUSTOMER ASSISTANCE

**A. Docket No. EO14040379U – In the Matter of the Memorandum of Understanding between the Board of Public Utilities and the Division of Consumer Affairs – Review of Complaints against Certain Third Party Suppliers – Update.**

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

**B. Docket No. EO14070701U – In the Matter of John J. Hoffman, Acting Attorney General of the State of New Jersey, et al. v. Hiko Energy, LLC, et al. – Docket No. MER-C-32-14.**

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

**C. Docket No. EO14070702U – In the Matter of John J. Hoffman, Acting Attorney General of the State of New Jersey, et al. v. Palmco Power New Jersey, LLC, et al. – Docket No. MER-C-33-14.**

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

**D. Docket No. EO14070703U – In the Matter of John J. Hoffman, Acting Attorney General of the State of New Jersey, et al. v. Keil & Sons, Inc. d/b/a Systrium Energy, et al. – Docket No. MER-C-34-14.**

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

After appropriate motion, the Board reconvened to Open Session.

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



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KRISTI IZZO  
BOARD SECRETARY

DATE: September 30, 2014