



STATE OF NEW JERSEY
Board of Public Utilities
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**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 27, 2016, 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:

Richard S. Mroz, President
Joseph L. Fiordaliso, Commissioner
Mary-Anna Holden, Commissioner
Dianne Solomon, Commissioner
Upendra J. Chivukula, Commissioner

President Mroz presided at the meeting and Irene Kim Asbury, Secretary of the Board, carried out the duties of the Secretary.

It was announced that the next regular Board Meeting would be held on May 25, 2016 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 Trenton Water Works Request for Extension of Time to File Its 2015 Annual Report with the Board.

BACKGROUND: This matter involved a request by Trenton Water Works for a 30 day extension to file its 2015 annual report. According to a letter dated February 25, 2016, the Trenton Water Works experiencing shortage of personnel at the present time. The annual report will be due on or before June 30, 2016.

After review, Staff recommended that the Board approve this request for extension.

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

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

EE14101185L	SaltHouse Energy Advisors, LLC	I – EA
EE16020113L	Connect Energy Resources, LLC	I – EA
EE15070786L	Big Bang Energy Group, LLC d/b/a The Vital Group	I – EA
EE15121355L	PRX Energy, LLC	I – EA
EE15121376L	Innovative Energy Advisors, LLC	I – EA/PA
GE15121377L		
EE15091019L	Global Energy, LLC	I – EA/PA/EC
GE15091020L	d/b/a Global Energy Gas & Electric	
EE15121374L	Bridge Power Consulting, LLC	I – EA/EC
GE15121375L		

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

EE16010083L	Stanwich Energy Advisors, LLC	R – EA
EE16020111L	Energy Procurement Partners, LLC	R – EA
EE15030298L	Utility Concepts Incorporated	R – EA
EE15101104L	Manhattan Energy, LLC	R – EA
EE16020148L	Clear Energy Solutions	R – EA
EE15080867L	US Energy Source, LLC	R – EA
EE15101218L	Legend Energy Advisors, LLC	R – EA
EE15091030L	Option One Energy, LLC	R – EA/PA
GE15091031L		
EE15080877L	Verdigris Energy, LLC	R – EA/PA
GE15080878L		
EE15080870L	Health Resource Network, Inc.	R – EA/PA/EC
GE15080871L	d/b/a HRNEnergy	
EE16030233L	Muirfield Energy, Inc.	R – EA/PA/EC
GE16030234L		
EE15070794L	Acclaim Energy, LTD	R – EA/PA/EC
GE15070795L	d/b/a Acclaim Energy Advisors	
EE16040288L	Commercial Utility Consultants, Inc.	R – EA/PA/EC
GE16040289L	d/b/a Commercial Utility Consultants	
EE16010068L	Customer Acquisition Specialists of America, Inc.	R – EA/EC

GE16010069L	d/b/a North American Energy Advisory	
EE15091021L	Avoca Engineers & Architects, LLC	R – EA/EC
GE15091022L		

Electric Power and Natural Gas Supplier Initial Licenses

EE15121447L	National Gas & Electric, LLC	I – EGSL
GE15121448L		

Electric Power and/or Natural Gas Supplier Renewal Licenses

EE15121370L	Morgan Stanley Services Group Inc. f/k/a Corporate Services Support Corp.	R – ESL
EE15121442L	Credit Suisse (USA), Inc.	R – ESL
EE15020251L	Brick Standard, LLC	R – ESL
EE15121356L	XOOM Energy New Jersey, LLC	R – EGSL

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

Having reviewed the submitted applications in accord with N.J.A.C. 14:4-5.4, -5.8 and -5.11, Staff recommended that the Board issue initial registrations as an energy agent, private aggregator and/or energy consultant for one year to:

- o SaltHouse Energy Advisors, LLC
- o Connect Energy Resources, LLC
- o Big Bang Energy Group LLC d/b/a The Vital Group
- o PRX Energy, LLC
- o Innovative Energy Advisors, LLC
- o Global Energy, LLC d/b/a Global Energy Gas & Electric
- o Bridge Power Consulting, LLC

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

- o Stanwich Energy Advisors, LLC
- o Energy Procurement Partners, LLC
- o Utility Concepts, Inc.
- o Manhattan Energy, LLC
- o Clear Energy Solutions
- o US Energy Source, LLC
- o Legend Energy Advisors, LLC
- o Option One Energy, LLC

- Verdigris Energy, LLC
- Health Resource Network, Inc. d/b/a HRNEnergy
- Muirfield Energy, Inc.
- Acclaim Energy, LTD d/b/a Acclaim Energy Advisors
- Commercial Utility Consultants, Inc. d/b/a Commercial Utility Consultants
- Customer Acquisition Specialists of America, Inc. d/b/a North American Energy Advisory
- Avoca Engineers & Architects, LLC

Staff also recommended that the following applicant be issued initial licenses as an electric power and a natural gas supplier for one year:

- National Gas & Electric, LLC

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

- Morgan Stanley Services Group Inc. f/k/a Corporate Services Support Corp.
- Credit Suisse (USA), Inc.
- Brick Standard, LLC
- XOOM Energy New Jersey, LLC

Finally, Staff recommended approval of the renewal applications of the following energy agents, energy consultants and/or private aggregators under the limited waiver program:

- Manhattan Energy, LLC
- US Energy Source, LLC
- Option One Energy, LLC
- Avoca Engineers & Architects, LLC

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

II. ENERGY

A. Docket No. ER16030252 – 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 for Approval of a Grid Resiliency Initiative and Cost Recovery Related Thereto and for Other Appropriate Relief (2016).

BACKGROUND: On March 22, 2016, Atlantic City Electric Company (ACE or Company) filed a petition with the Board seeking authority to (i) increase rates and charges for electric service that would result from the proposed amendments to the Company's tariff; (ii) implement the Company's proposed PowerAhead Program and the related cost recovery mechanism for the associated revenue requirement; (iii) implement the Company's proposed economic development riders; (iv) be relieved of its obligation to file an alternative rate design use the peak and average method as required in BPU Docket No. ER03020110.

The Company sought to implement its proposed rates to become effective for service rendered on or after April 22, 2016, but in no event after December 22, 2016. By letter dated April 6, 2016, ACE notified the Board that given that the regular agenda meeting scheduled April 27, 2016 is beyond the Company's proposed implementation date, it would not implement rates on an interim basis prior to the effective date of the Board's Suspension Order resulting from the April 27, 2016 meeting.

Since a review of this matter will not be complete prior to April 22, 2016, Staff recommended that the Board issue an order suspending the proposed rate increase until August 22, 2016 pending further action on this matter. In addition, it is anticipated that this matter will be transmitted to the Office of Administrative Law for hearing.

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

B. Docket No. ER15040482 – In the Matter of the Provision of Basic Generation Service for the Period Beginning June 1, 2016; and

Docket No. ER14040370 – In the Matter of the Provision of Basic Generation Service for the Period Beginning June 1, 2015.

BACKGROUND: Beginning on February 5, 2016 and ending on February 9, 2016, two descending clock auctions were initiated to secure the Basic Generation Service (BGS) electricity requirements of Atlantic City Electric Company, Jersey Central Power & Light Company, Public Service Electric and Gas Company, and Rockland Electric Company (collectively EDCs).

At its public agenda meeting held on February 11, 2016, the Board certified the results of the Auctions for BGS Residential and Small Commercial Pricing and Commercial Industrial Energy Price supply and ancillary services. The Board also directed the EDCs to 1) execute the necessary documents with the winning bidders, including the BGS Supplier Master Agreements, 2) implement the BGS rates resulting from the Auctions beginning June 1, 2016, and 3) file revised tariff sheets reflecting the BGS rates resulting from the Auction by March 25, 2016.

Additionally, at the Board's November 21, 2014 public agenda meeting, the Board directed each EDC to make a compliance filing to incorporate increased capacity prices resulting from the Federal Energy Regulatory Commission approved PJM Capacity Performance proposal within 14 days of the time the new capacity prices are available to the EDCs and the Board. Final zonal capacity prices resulting from the Third Incremental Reliability Pricing Model Auction for Delivery Year 2016-2017 were posted on March 11, 2016.

Consistent with the Board's directive, the EDCs filed revised tariffs to become effective on June 1, 2016 that incorporated the changes resulting from the recently completed auction process. Staff has reviewed the tariff filings of the EDCs and finds them consistent with the rate structure and results approved for this auction process.

After review, Staff recommended that the Board approve the tariff filings of the four EDCs and notify interested parties through the attached Secretary's letter. Staff further recommends that the Board direct that the EDCs post the approved tariffs on their

respective websites.

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

C. Docket No. ER16010003 – In the Matter of the Federal Energy Items for 2016 – FERC Docket No. ERP16-301 – Iroquois Gas Transmission System, L.P., Interstate Gas Pipeline Rate Investigation Iroquois Gas, Cost and Revenue Study.

BACKGROUND: Staff, on behalf of the Board, filed for intervention in this proceeding as an “interested state commission” under Federal Energy Regulatory Commission (FERC) rules of practice. The FERC e-filing rules allow for doc-less interventions, which is how this matter was filed. The purpose of this intervention is to establish the Board as a party to the proceeding. At present, Staff is monitoring the proceeding on behalf of the Board.

After review, Staff recommended that the Board ratify this intervention.

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

D. Docket No. GE15070798 – In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the City of Egg Harbor, Atlantic County, New Jersey.

BACKGROUND: On July 14, 2015, South Jersey Gas Company (SJG or Petitioner), filed a petition with the Board requesting that the Board approve the consent adopted by the City of Egg Harbor.

New Jersey Division of Rate Counsel (Rate Counsel), in its written comments to the petition dated November 5, 2015, indicated that it did not object to the Petitioner’s petition, and noted that the term of the municipal consent related to the use of streets is limited to ten years. However, the Rate Counsel requested that approval of the petition include certain restrictions.

After review, Staff recommended the Board approve the municipal consent granted to SJG without modification.

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

E. Docket No. GE15070799 – In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the Township of Egg Harbor, Atlantic County, New Jersey.

BACKGROUND: On July 14, 2015, South Jersey Gas Company (SJG or Petitioner) filed a petition requesting that the Board approve the consent adopted by the Township of Egg Harbor.

New Jersey Division of Rate Counsel (Rate Counsel), in its written comments to the petition dated November 5, 2015, indicated that it did not object to the Petitioner’s petition, and noted that the term of the municipal consent related to the use of streets is

limited to fifty years. However, the Rate Counsel requested that approval of the petition include certain restrictions.

After review, Staff recommended the Board approve the municipal consent granted to SJG without modification.

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

F. Docket No. GE15070800 – In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the Township of Fairfield, Cumberland County, New Jersey.

BACKGROUND: On July 14, 2015, South Jersey Gas Company (SJG or Company) filed a petition requesting that the Board approve the consent adopted by the Township of Fairfield.

New Jersey Division of Rate Counsel (Rate Counsel), in its written comments to the petition dated November 5, 2015, indicated that it did not object to the Company's petition, and noted that the term of the municipal consent related to the use of streets is limited to fifty years. However, the Rate Counsel requested that approval of the petition include certain restrictions.

After review, Staff recommended the Board approve the municipal consent granted to SJG without modification.

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

G. Docket No. GE15070797 – In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the Township of Greenwich, Gloucester County, New Jersey.

BACKGROUND: On July 14, 2015, South Jersey Gas Company (SJG or Company) filed a petition requesting that the Board approve the consent adopted by the Township of Greenwich.

New Jersey Division of Rate Counsel (Rate Counsel), in its written comments to the petition dated November 5, 2015, indicated that it did not object to the Company's petition, and noted that the term of the municipal consent related to the use of streets is limited to fifty years. However, the Rate Counsel requested that approval of the petition include certain restrictions.

After review, Staff recommended the Board approve the municipal consent granted to SJG without modification.

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

H. Docket No. GE15070803 – In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the Township of Hopewell, Cumberland County, New Jersey.

BACKGROUND: On July 14, 2015, South Jersey Gas Company (SJG or Company) filed a petition requesting that the Board approve the consent adopted by the Township of Hopewell.

New Jersey Division of Rate Counsel (Rate Counsel), in its written comments to the petition dated November 5, 2015, indicated that it did not object to the Company's petition, and noted that the term of the municipal consent related to the use of streets is limited to fifty years. However, the Rate Counsel requested that approval of the petition include certain restrictions.

After review, Staff recommended the Board approve the municipal consent granted to SJG without modification.

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

I. Docket No. GE15080892 – In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the Borough of Longport, Atlantic County, New Jersey.

BACKGROUND: On August 6, 2015, South Jersey Gas Company (SJG or Company) filed a petition requesting that the Board approve the consent adopted by the Borough of Longport.

New Jersey Division of Rate Counsel (Rate Counsel), in its written comments to the petition dated November 5, 2015, indicated that it did not object to the Company's petition, and noted that the term of the municipal consent related to the use of streets is limited to fifty years. However, the Rate Counsel requested that approval of the petition include certain restrictions.

After review, Staff recommended the Board approve the municipal consent granted to SJG without modification.

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

J. Docket No. GE15070796 – In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the Borough of Newfield, Gloucester County, New Jersey.

BACKGROUND: On July 14, 2015, South Jersey Gas Company (SJG or Company) filed a petition requesting that the Board approve the consent adopted by the Borough of Newfield.

New Jersey Division of Rate Counsel (Rate Counsel), in its written comments to the petition dated November 5, 2015, indicated that it did not object to the Company's petition, and noted that the term of the municipal consent related to the use of streets is limited to fifty years. However, the Rate Counsel requested that approval of the petition

include certain restrictions.

After review, Staff recommended the Board approve the municipal consent granted to SJG without modification.

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

K. Docket No. GE15080891 – In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the Borough of Paulsboro, Gloucester County, New Jersey.

BACKGROUND: On August 6, 2015, South Jersey Gas Company (SJG or Company) filed a petition requesting that the Board approve the consent adopted by the Borough of Paulsboro.

New Jersey Division of Rate Counsel (Rate Counsel), in its written comments to the petition dated November 5, 2015, indicated that it did not object to the Company's petition, and noted that the term of the municipal consent related to the use of streets is limited to fifty years. However, the Rate Counsel requested that approval of the petition include certain restrictions.

After review, Staff recommended the Board approve the municipal consent granted to SJG without modification.

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

L. Docket No. GE15070801 – In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the Borough of Pine Hill, Camden County, New Jersey.

BACKGROUND: On July 14, 2015, South Jersey Gas Company (SJG or Company) filed a petition requesting that the Board approve the consent adopted by the Borough of Pine Hill.

New Jersey Division of Rate Counsel (Rate Counsel), in its written comments to the petition dated November 5, 2015, indicated that it did not object to the Company's petition, and noted that the term of the municipal consent related to the use of streets is limited to fifty years. However, the Rate Counsel requested that approval of the petition include certain restrictions.

After review, Staff recommended the Board approve the municipal consent granted to SJG without modification.

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

M. Docket No. GE15070802 – In the Matter of the Petition of South Jersey Gas Company for Approval of a Municipal Consent in the Borough of Chesilhurst, Camden County, New Jersey.

BACKGROUND: On July 14, 2015, South Jersey Gas Company (SJG or Company) filed a petition requesting that the Board approve the consent adopted by the Borough of Chesilhurst.

New Jersey Division of Rate Counsel (Rate Counsel), in its written comments to the petition dated November 5, 2015, indicated that it did not object to the Company's petition, and noted that the term of the municipal consent related to the use of streets is limited to fifty years. However, the Rate Counsel requested that approval of the petition include certain restrictions.

After review, Staff recommended the Board approve the municipal consent granted to SJG without modification.

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

III. CABLE TELEVISION

A. Docket No. CE15121426 – In the Matter of the Petition of Service Electric Cable T.V. of New Jersey, Inc. for a Renewal Certificate of Approval to Own, Operate, Extend and Maintain a Cable Television System in the Borough of Franklin, County of Sussex, State of New Jersey.

BACKGROUND: On October 27, 2015, the Borough Franklin (Borough) granted Service Electric Cable T.V. of New Jersey, Inc. (Service Electric) renewal municipal consent for a term of ten years from the date of issuance of the Renewal Certificate of Approval. On November 2, 2015, Service Electric accepted the terms and conditions of the ordinance, and on December 16, 2015, Service Electric filed a petition with the Board for a Renewal Certificate of Approval with the Borough.

After review, Staff recommended approval of the proposed Renewal Certificate of Approval. This Certificate shall expire on December 27, 2025.

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

IV. TELECOMMUNICATIONS

A. Docket No. TM16010058 – In the Matter of the Verified Joint Petition of Communications Sales and Leasing, Inc. (Transferee) and PEG Bandwidth Holdings, LLC (Transferor) and PEG Bandwidth NJ, LLC (Licensee) for Approval of the Transfer of Control of PEG Bandwidth NJ, LLC to Communications Sales and Leasing, Inc.

BACKGROUND: On January 22, 2016, Communications Sales & Leasing, Inc. (CSAL); PEG Bandwidth Holdings, LLC (PEG Holdings); and PEG Bandwidth NJ, LLC (PEG-NJ) (collectively, the Petitioners) submitted a petition to the Board requesting approval for

the transfer of control of PEG-NJ from PEG Holdings to CSAL (the Transaction). Following the proposed Transaction, PEG-NJ will continue to offer the same services in New Jersey at the same rates, terms, and conditions.

By letter dated March 30, 2016, the New Jersey Division of Rate Counsel advised that it “has no objection to the Board’s grant of Petitioners’ request under the Verified Petition.”

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

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

B. Docket No. TM16030230 – In the Matter of the Verified Joint Petition of DSCI Holdings Corporation, DSCI, LLC and U.S. TelePacific Corp. for Approval for the Transfer of Control of DSCI, LLC to U.S. TelePacific Corp.

BACKGROUND: On March 14, 2016, DSCI Holdings Corporation (Parent), DSCI, LLC, and U.S. TelePacific Corp. (TelePacific and collectively, Petitioners) submitted a joint petition to the Board for approval for TelePacific to acquire control of DSCI, LLC, through a merger of DSCI, LLC with a TelePacific direct subsidiary (Transaction). Following the proposed Transaction, DSCI, LLC will continue to offer the same services in New Jersey at the same rates, terms, and conditions.

By letter dated April 4, 2016, the New Jersey Division of Rate Counsel advised that it “has no objection to the Board’s grant of Petitioners’ request under the Verified Joint Petition.”

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

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

C. Docket No. TF16030231 – In the Matter of the Verified Joint Petition of DSCI, LLC and U.S. TelePacific Corp. for Approval for DSCI, LLC to Participate in Certain Financing Arrangements of U.S. TelePacific Corp.

BACKGROUND: On March 14, 2016, DSCI, LLC (DSCI) and U.S. TelePacific Corp. (TelePacific) filed a joint petition with the Board requesting approval to the extent necessary, for DSCI to participate in the financing arrangements of TelePacific.

In order to fund a portion of the purchase price and to pay costs associated with TelePacific acquiring ownership and control of DSCI, TelePacific expects to incur up to \$130 million in additional indebtedness (the New Financing). To maintain adequate flexibility to respond to market conditions and requirements, Petitioners seek approval for DSCI to participate in the New Financing arrangements which approval would permit TelePacific, to the extent market conditions may warrant, modifying the specific structure of the New Financing in a manner most favorable to TelePacific.

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

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

D. Docket No. TF16010087 – In the Matter of the Verified Petition of Zayo Group, LLC for Approval to Expand Its Financing Arrangements.

BACKGROUND: On January 28, 2016, Zayo Group, LLC (Zayo or Petitioner) filed a Petition with the Board requesting approval to expand Zayo's existing Board approval for financing arrangements by \$700 Million to an aggregate amount of up to \$5.22 Billion.

The Petitioner expects that any long-term indebtedness incurred as part of the proposed expanded financing arrangements will mature up to ten years after issuance. Interest rate(s) will be set according to market conditions at issuance and may be fixed or floating, or a combination thereof, with floating rates consisting of a base rate plus an agreed upon margin. Some or all of the expanded financing arrangements may be secured with security interests in the assets of Zayo and its current and future subsidiaries and with a guaranty from Zayo's current and future subsidiaries. The financing arrangements may be used for acquisitions, refinancing existing debt, working capital requirements, and other types of general corporate purposes.

After review, 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: The Board adopted the recommendation of Staff as set forth above.

V. WATER

There were no items in this category.

VI. RELIABILITY & SECURITY

A. Docket Nos. **GS16030260K, et al.** – In the Matter of Alleged Violations of the Underground Facility Protection Act, N.J.S.A. 48:2-73 et. seq.

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

Pursuant to the Act, the Board through the Bureau of One-Call supervises and enforces the One-Call Underground Damage Prevention System. The Act subjects violators of its provisions to civil penalties of not less than \$1,000.00 and not more than \$2,500.00 per violation per day, with a \$25,000.00 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 \$100,000.00 for each violation for each day with a \$1,000,000.00 maximum for any related series of violations.

The number of settlements are 30 with a total penalty of \$86,000.00.

Staff employed a single order to close multiple cases in order to create a more streamlined and effective enforcement process. Staff recommended that the Board approve all those cases in which offers of settlement and payment have been received.

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

VII. CUSTOMER ASSISTANCE

A. Docket Nos. **BPU EC15070853U, OAL PUC 18813-15 and BPU GC15070853U, OAL PUC 18333-15** – In the Matter of Waterworks Laundromat, Petitioner v. Public Service Electric and Gas Company, Respondent – Billing Dispute.

BACKGROUND: This matter involved a billing dispute between Waterworks Laundromat (Waterworks) and Public Service Electric & Gas Company (PSE&G). The petition was transmitted to the Office of Administrative Law on November 5, 2015, as a contested case. Administrative Law Judge (ALJ) Caridad F. Rigo filed an Initial Decision in this matter with the Board on April 7, 2016, approving a Stipulation of Settlement (Settlement) of the parties.

Pursuant to the terms of the Settlement, and in order to fully resolve this matter, PSE&G agreed to credit Waterworks' account the amount of \$67,432.53, leaving an outstanding balance of \$32,000.00 as of February 16, 2016. As for the remaining balance, Waterworks agreed to forward to counsel for PSE&G a \$32,000.00 check payable to PSE&G by no later than April 15, 2016. PSE&G agreed that it shall install a remote

meter reading device at Waterworks' premise by no later than April 30, 2016.

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

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

B. Docket Nos. BPU WC15091000U and OAL PUC 18216-15 – In the Matter of Diane Roefaro, Petitioner v. SUEZ Water New Jersey, Inc., Respondent – Request for Extension.

BACKGROUND: The Initial Decision of the Administrative Law Judge was received by the Board on April 8, 2016. The 45-day statutory period for review and the issuing of a Final Decision will expire on May 23, 2016. Prior to that date, the Board requested an additional 45-day extension of time for issuing the Final Decision in order to adequately review the record in this matter.

Good cause having been shown, pursuant to N.J.S.A. 52:14B-10(c) and N.J.A.C. 1:1-18.8, Staff recommended that the time limit for the Board to render a Final Decision be extended until July 7, 2016.

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

C. Docket Nos. BPU EC15101179U and OAL PUC 116-16 – In the Matter of Joseph M. Dolan, Petitioner v. Atlantic City Electric Company, Respondent – Billing Dispute.

BACKGROUND: This matter involved a billing dispute between Joseph M. Dolan (Petitioner) and Atlantic City Electric Company (ACE). The petition was transmitted to the Office of Administrative Law on December 16, 2015, as a contested case. Administrative Law Judge (ALJ) W. Todd Miller filed an Initial Decision in this matter with the Board on March 9, 2016, approving a Stipulation of Settlement (Settlement) of the parties. At its March 18, 2016, Board meeting staff recommended and was granted a 45-day extension of time for issuing a final decision.

Pursuant to the terms of the Settlement and in order to fully resolve this matter, the parties agreed that the amount due to ACE in connection with the Petitioner's Account is \$20,000.00. The Petitioner agreed to make 99 monthly payments of \$202.02 in addition to his current bill in order to clear the remaining balance on the account and to maintain current payments for all future monthly usage charges, beginning with the April 2016 bill.

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

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

VIII. CLEAN ENERGY

There were no items in this category.

IX. MISCELLANEOUS

A. Approval of the Minutes for the March 18, 2016 Agenda.

Approval of the Executive Session Minutes of April 23, 2014, Agenda Item 8C.

Approval of the Executive Session Minutes of September 30, 2014, Agenda Item 2R.

Approval of the Executive Session Minutes of November 21, 2014, Agenda Item 8A.

Approval of the Executive Session Minutes of July 22, 2015, Agenda Item LSA.

BACKGROUND: Staff presented the minutes of Board meeting of March 18, 2016, and the executive session minutes of April 23, 2014 - 8C, September 30, 2014 – 2R, November 21, 2014 - 8A and July 22, 2015 – LSA, and recommended that they be accepted.

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

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

After appropriate motion, the consent agenda was approved.

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

AGENDA

1. AUDITS

A. Docket No. EO14090954 – In the Matter of the Department of Community Affairs' State Fiscal Year 2015 Universal Service Fund Administrative Cost Budget.

Maureen Clerc, USF Team, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved the administrative costs submitted by Department of Community Affairs (DCA) for State Fiscal Year 2015 (FY15) for the Universal Service Fund (USF) program.

On January 8, 2016 DCA submitted a detailed USF administrative report for FY15, which listed expenditures of \$6,579,285.00, with a remaining balance of \$349,215.00 from a budget authorization of \$6,928,500.00.

Staff reviewed DCA's expense reports for FY15 and found that the costs listed are appropriate and necessary for the administration of the USF program. Accordingly, Staff recommended that the Board find that DCA has adequately justified its FY15 USF administrative expenditures.

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

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

2. ENERGY

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

A. Docket Nos. BPU GR15060642 and OAL PUC 16178-15 – 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, 2016.

BACKGROUND AND DISCUSSION: On June 1, 2015, South Jersey Gas Company (the Company) filed its annual petition with the Board to change its Periodic Basic Gas Supply Service (BGSS) rate per therm from \$0.650270 to \$0.529214. The petition also included changes to the Company's per therm Conservation Incentive Program (CIP) rates to be effective as of October 1, 2015.

Together, the implementation of the provisional BGSS and CIP rates resulted in a net decrease of approximately \$15.27 or 11.2% for a residential heating customer using 100 therms during a winter month.

On August 26, 2015, the Company, the New Jersey Division of Rate Counsel, and Board Staff, (collectively, the Parties), executed a stipulation in which the Parties agreed that the requested rates should be approved on a provisional basis (Stipulation for Provisional BGSS and CIP Rates) with the rates subject to refund with interest on any net over recovered BGSS balance.

On October 9, 2015, the Petition was transmitted to the Office of Administrative Law and assigned to Administrative Law Judge (ALJ) William T. Miller for hearing as a contested case.

On March 29, 2016, ALJ Miller issued an Initial Decision adopting the Stipulation, finding that the Parties voluntarily agreed to the Stipulation and that the Stipulation fully disposes of all issues in controversy and is consistent with the law.

Staff found that the Initial Decision and Stipulation are reasonable, in the public interest, and in accordance with the law. Accordingly, Staff recommended the Board adopt the Initial Decision and the Stipulation in their entirety.

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

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

B. Docket Nos. BPU GR15111294 and OAL PUC 18642-15 – In the Matter of the Petition of Public Service Electric and Gas Company to Modify Its Manufactured Gas Plant (MGP) Remediation Component within Its Electric Societal Benefits Charge (SBC) and Its Gas SBC; During the Remediation Adjustment Charge (RAC) 23 Period, August 1, 2014 to July 31, 2015.

BACKGROUND AND DISCUSSION: On November 5, 2015, the Public Service Electric and Gas Company (the Company) filed a petition with the Board requesting an Order finding that its Remediation Adjustment Charge (RAC) activities and net Manufactured Gas Plant costs incurred during the RAC 23 period, August 1, 2014 through July 31, 2015, of \$54.113 million were reasonable and appropriate for recovery, and that the Company is justified in increasing the electric and gas RAC remediation rates accordingly.

After review of discovery and subsequent settlement discussions, the Company, the New Jersey Division of Rate Counsel and Board Staff, (collectively, the Parties) reached a Settlement on the RAC 23 issues, and on April 8, 2016 stipulated that the Parties agree that 1) the current residential service electric RAC rate should be increased from \$0.000502 per kWh to \$0.000546; and 2) the current residential service (RSG) gas RAC rate should be increased from \$0.009552 per therm to \$0.010366.

On April 11, 2016, Administration Law Judge Kimberly Moss issued an Initial Decision approving the Settlement.

Staff recommended the Board approve the Initial Decision and the Settlement of the Parties.

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

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

C. Docket Nos. BPU EO15070805 and OAL PUC 17727-15 – In the Matter of the Verified Petition of the Township of South Orange Village Seeking Approval to Mount Automated License Plate Reader Cameras on Light Poles Owned by Public Service Electric and Gas Company as an “Unmetered Service” Pursuant to B.P.U.N.J. 15 – Electric Tariff for Services.

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

BACKGROUND AND DISCUSSION: In July 2015, the Township of South Orange Village filed a petition with the Board to approve the Township of South Orange’s request to order Public Service Electric and Gas Company (PSE&G) to allow the installation of an Automated License Plate Reader on PSE&G’s light pole as an “unmetered service”. On October 30, 2015, PSE&G filed a motion for summary decision in lieu of an answer. On November 11, 2015 the matter was transferred to the Office of Administrative Law, and Administrative Law Judge (ALJ) Leslie Celentano was assigned as the presiding judge.

On March 24, ALJ Celentano issued an Initial Decision finding that PSE&G is entitled to summary decision, as a matter of law, and granted PSE&G’s motion for summary decision. ALJ Celentano determined that the structure of the statute, as well as the BPU Tariff, provides the utility with the discretion over whether to grant or deny a municipality’s request to install surveillance technology on its infrastructure. Therefore ALJ Celentano concluded that PSE&G is entitled to summary judgment, and granted PSE&G’s motion for summary decision.

Staff recommended the Board adopt ALJ Celentano’s initial decision.

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

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

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

D. Docket No. GR15070858 – In the Matter of the Petition of South Jersey Gas Company to Change the Level of Its Societal Benefits Clause (SBC) and Its Transportation Initiation Clause (TIC).

BACKGROUND AND DISCUSSION: On July 31, 2015, the South Jersey Gas Company filed its annual petition with the Board for approval to change the rates associated with its Transportation Initiation Clause (TIC) and two elements of its Societal Benefits Charge: its Remediation Adjustment Clause (RAC) and its Clean Energy Program (CLEP) clause as follows:

- Increase its current per therm RAC rate from \$0.000491 to \$0.010489.
- Decrease its current per therm CLEP rate from \$0.026441 to \$0.012738.
- Decrease its per therm TIC rate from \$0.001025 to (\$0.001010).

The proposed rates translate into a bill decrease of \$0.58 (0.47%) for a residential heating customer using 100 therms during a winter month.

Staff recommended that the Board approve the proposed rates.

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

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

E. Docket No. GR16020175 – In the Matter of the Petition of South Jersey Gas Company to Continue Its Accelerated Infrastructure Replacement Program (AIRP) Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1 and for Approval of a Base Rate Adjustment to Reflect AIRP Investments in Base Rates.

BACKGROUND AND DISCUSSION: On February 29, 2016, South Jersey Gas Company (Company) filed a petition with the Board seeking approval to continue its Accelerated Infrastructure Replacement Program (AIRP) for a period of seven years with a total program investment of \$500 million (AIRP II).

The Company represented that it will continue its Distribution Integrity Management Program based approach to addressing the most significant threats on its distribution system and will replace and retire a significant portion of the vintage and most leak prone mains and services in its distribution system, including (i) all remaining cast iron and unprotected bare steel mains and associated services, (ii) the most leak prone coated steel mains that are two inches (2”) in diameter or less and associated services, and (iii) other pipe materials and sizes found within replacement grids that would be logical and necessary to complete the modernization of the grid.

The Company claimed that the approval of the AIRP II will enable the Company to

continue enhancing the reliability and safety of its gas distribution system in a cost effective manner, achieve increased operational efficiencies and continue the employment benefits that have been created by its previous and existing main replacements programs.

Staff recommended that the Board retain this matter for hearing and designate Commissioner Dianne Solomon as presiding officer. Staff also recommended that Commissioner Solomon be authorized to rule on all motions that arise during the pendency of these proceedings and modify any schedules that may be set as necessary to secure a just and expeditious determination of the issues. Staff further recommended the entities seeking to intervene or participate in this matter file the appropriate application with the Board by May 30, 2016.

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

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

Cynthia Holland, Esq., Legal Specialist, Office of the Chief Counsel, presented these matters.

F. Docket No. ER16010003 – In the Matter of the Federal Energy Items for 2016 – FERC Docket Nos. ER16-372 and EL15-73 – PJM Interconnection LLC, Tariff Filing and Proposed Revisions to the Operating Agreement to Effectuate Hourly Offers.

BACKGROUND AND DISCUSSION: Staff has actively participated in this matter from its origination in the generator offer senior task force. The Board’s initial protest and subsequent answers have challenged the various deficiencies in PJM’s filing, urging the Federal Energy Regulatory Commission (FERC) to address the potential for aggregate and local market power abuse, and supporting the Market Monitor’s alternative were approved by the Board in January. Upon review of all of these filings, the FERC issued a Deficiency Notice to which PJM responded.

On May 5, 2014, Duke Energy Corporation (Duke) filed a complaint seeking indemnification from PJM for the costs it incurred to purchase gas during January 2014 and waiver from certain provisions of PJM’s Open Access Transmission Tariff (OATT) and Operating Agreement. By Order dated June 9, 2015 in Docket No. EL14-45-000, the FERC determined that Duke failed to demonstrate that it was entitled to indemnification from PJM for the costs it incurred to purchase gas on January 27, 2014 under the PJM OATT.

The FERC also denied Duke’s request for a waiver from various provisions of the PJM OATT as impermissible retroactive relief. However, the FERC found “that aspects of PJM’s current tariffs may be unjust, unreasonable, unduly discriminatory or preferential because they do not appear to allow market participants to submit day-ahead offers that vary by hour and do not appear to allow market participants to update their offers in real

time, including during emergency situations.”

In instituting a new proceeding, FERC specifically recognized the need to “move carefully” in issuing its directive due to “the potentially high costs and impacts on bidding behavior.” The FERC also took note “that PJM is currently working on several initiatives with its stakeholders to identify potential solutions to the problems that occurred during January 2014 in the PJM region.” Thus, rather than imposing “a sweeping directive,” the FERC directed PJM, within 30 days, either to

- (1) report whether it will propose tariff changes that (a) allow market participants to submit day-ahead offers that vary by hour and to update their offers in real time, including during emergency situations, and (b) make any associated modifications to its market power mitigation rules; such report must include a proposed timeline from PJM explaining how it will implement such changes by November 1, 2015, or as soon as practicable thereafter; or
- (2) explain why such changes are not necessary.

PJM filed a proposal to allow hourly offers on November 20, 2015. On the deadline to submit comments, Staff (joined by several parties) filed a Protest and subsequently an Answer supporting the position of the Independent Market Monitor.

Staff believed that the complete PJM Proposal, filed on November 20, 2015, far exceeds the FERC’s directive and, consequently, does not constitute a just and reasonable price offer mechanism.

Staff recommended that the Board ratify the Motion for Leave to Answer and Answer.

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

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

G. Docket No. ER16010003 – In the Matter of the Federal Energy Items for 2016 – FERC Docket Nos. EL16-6 and ER16-121 – PJM Interconnection, LLC, Tariff Filing and Revisions to the Operating Agreement to Address Certain Revenue Inadequacy Issues Related to the Allocation of Auction Revenue Rights (ARR) and Financial Transmission Rights (FTR).

BACKGROUND AND DISCUSSION: Staff has been actively engaged in this proceeding for several months with presentations to the Board on prior agendas. Earlier this year, Federal Energy Regulatory Commission (FERC) held a technical conference and solicited initial and reply comments on a variety of topics related to the market. Staff observed the technical conference and drafted initial and reply comments in support of a position advanced by the Independent Market Monitor. That position recommends a market redesign or, in the alternative, certain fixes to the existing market construct to the benefit of loads.

On October 19, 2015, PJM made a filing with the FERC seeking to make limited modifications in two rules affecting its Financial Transmission Rights (FTRs) market. PJM reports that the FTR market is no longer experiencing underfunding as the result of several changes, beginning in June 2014, including: (i) a reduction in the number of Auction Revenue Rights (ARRs) and FTRs issued to market participants and (ii) an improvement in the accuracy of modeling transmission outages in the FTR Model and in the Day-Ahead Market.

Nevertheless, PJM proposed additional modifications to the FTR market, designed to further reduce the possibility of future underfunding, namely: (i) eliminate portfolio netting, the netting of net negatively valued FTRs against positively valued FTRs and (ii) employ an added 1.5% growth rate to the 10-year simultaneous feasibility analysis used to determine ARR feasibility, which may accelerate transmission planning upgrades recommended to PJM's Regional Transmission Expansion Plan.

Staff recommended that the Board ratify Staff's initial and reply comments in this proceeding.

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

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

H. Docket No. ER16010003 – In the Matter of the Federal Energy Items for 2016 – FERC Docket No. RM16-5 – Notice of Proposed Rulemaking Regarding Offer Caps in Markets Operated by Regional Transmission Organizations and Independent System Operators.

BACKGROUND AND DISCUSSION: Staff, acting on behalf of the Board filed comments on a Notice of Proposed Rulemaking (NOPR). Staff submitted comments on the NOPR regarding the cost-based incremental energy offer verification process, cost components of verifiable offers and resources subject to the cap as well as the offer cap structure in general.

The Federal Energy Regulatory Commission (FERC) issued a proposal to revise the \$1,000 per megawatt-hour (MWh) cap on supply offered in day-ahead and real-time markets run by regional transmission organizations and independent system operators.

Under the Notice of Proposed Rulemaking, the FERC jurisdictional grid operators would cap each resource's incremental energy offer at the higher of \$1,000/MWh or that resource's verified cost-based offer.

Extreme weather during the 2013-14 winter, dubbed the "Polar Vortex," led to a significant rise in the price of natural gas that may have caused some resources with must-run requirements to operate at a loss because their short-run marginal costs exceeded the \$1,000/MWh offer cap in place at the time.

FERC has granted limited waivers of the offer cap rules in some regions to ensure that resources could recover costs above the cap.

Staff recommended that the Board ratify the comments.

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

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

I. Docket No. ER16010003 – In the Matter of the Federal Energy Items for 2016 – FERC Docket No. EL14-94 – PJM Interconnection, LLC, Rehearing Request of Independent Market Monitor.

BACKGROUND AND DISCUSSION: The Board intervened in this matter and filed an Answering Brief, along with the Public Service Commission of Maryland, on December 10, 2014.

That Brief, among other things, noted the Board's support of the Independent Market Monitor's (IMM's) request "to apply the lower of the seller's (i) cost-based offer, or (ii) non-zero market-based offer, unless the seller asserts and can support the assertion that its lower market-based offer is less than short run marginal costs." The Federal Energy Regulatory Commission (FERC) issued a decision in this docket on March 1, 2016 (March 1 Order).

Staff supported the IMM's request for clarification/rehearing because the ordering paragraphs of the March 1 Order appear inconsistent with the rationale contained in the body of the Order. Staff believed it likely that human error, rather than the Commission's true intention, is responsible for this non sequitur. Thus, Staff supported the IMM's request that the FERC clarify/rehear the March 1 Order to recognize that the lower of the cost-based or market-based offer is the most accurate measure of short run marginal cost.

Staff recommended that the Board ratify the comments.

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

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

3. CABLE TELEVISION

There were no items in this category.

4. TELECOMMUNICATIONS

There were no items in this category.

5. WATER

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

A. Docket Nos. BPU WC15080975 and OAL PUC 15788-15 – In the Matter of the Petition of William N. Sosis for a Review of Complaint No. W#44-15 and Injunctive Relief against the Ridgewood Water Company, Respondent.

BACKGROUND AND DISCUSSION: On August 21, 2015, William N. Sosis (Petitioner) filed a Petition with the Board against Ridgewood Water Company (Ridgewood) to prevent the installation of a radio frequency (RF) water meter in his home.

The Petitioner had previously filed an informal complaint against Ridgewood with Staff regarding the RF meter issue. Staff’s investigation concluded that the Company had acted properly pursuant to the New Jersey Administrative Code, was within its rights to gain access to the Petitioner’s residence in order to install the new metering device, and that the metering device was safe. The Petitioner chose to pursue the matter further and consequently filed the Petition against Ridgewood.

On October 2, 2015, the Board transmitted the matter to the Office of Administrative Law (OAL) as a contested case, after the Petitioner and Ridgewood, who are the Parties in this matter, failed to reach a settlement. The matter was assigned to Administrative Law Judge (ALJ) Imre Karaszegi, Jr.

On March 16, 2016, a Prehearing Conference was held between the Parties at the OAL in Newark. At this meeting, the matter was settled between the Parties, and a Settlement Agreement was drafted and signed.

On March 22, 2016, the Board received ALJ Karaszegi’s Initial Decision regarding the matter, which found that: the Settlement between the Petitioner and Ridgewood Water was voluntarily agreed upon; that the Settlement was consistent with the law; that the Settlement disposed of all issues in dispute; and that all Parties comply with the terms of the Settlement.

Staff recommended that the Board adopt ALJ Karaszegi’s Initial Decision in its entirety.

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

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

B. Docket Nos. BPU WR15101200 and OAL PUC 17708-15 – In the Matter of Pinelands Water Company for Approval of an Increase in Its Rates for Water Service and Other Tariff Changes.

BACKGROUND AND DISCUSSION: On October 21, 2015, Pinelands Water Company (Pinelands Water) filed a petition with the Board seeking to increase and revise its rates and charges for water service amounting to \$306,366.00 or approximately 48.49%.

Pinelands Water serves approximately 2,500 water customers in the Township of Southampton in Burlington County.

The matter was transmitted to the Office of Administrative Law and assigned to Administrative Law Judge (ALJ) McGee. A public hearing was held on February 10, 2016, at the Laurel Hall Leisuretown Association in Southampton. Approximately 15 members of the public provided comments which mainly focused on the adverse economic impact and financial hardships of the average Pinelands Water Company ratepayer.

Subsequent to the public hearing and prior to the evidentiary hearings in this matter, the Parties, namely Pinelands Water, the New Jersey Division of Rate Counsel and Board Staff, engaged in Settlement negotiations and as a result, reached a settlement on issues in the case. That Settlement included a 35.56% overall increase in rates and a 9.75% return on equity. The Parties further agreed that the proposed rate increase be implemented in three Phases. The Phase I increase amounts to 17.77%. The Phase II increase amounts to 9.20% and is to become effective one year from the date of the Phase I increase. The Phase III increase also amounts to 9.20% and is to become effective one year from the date of the Phase II increase. For the Phase I increase, an average general water service customer (with a 5/8" meter and utilizing approximately 20,000 gallons of water per quarter) will see their water bill increase from \$66.19 per quarter to \$77.95 per quarter, which is an increase of \$ \$11.76 or 17.77%.

ALJ McGee issued his Initial Decision that adopted the Settlement of the Parties.

Staff recommended that the Board adopt the Initial Decision of ALJ McGee.

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

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

C. Docket Nos. BPU WR15101202 and OAL PUC 17726-15 – In the Matter of Pinelands Wastewater Company for Approval of an Increase in Its Rates for Wastewater Service and Other Tariff Changes.

BACKGROUND AND DISCUSSION: October 21, 2015, Pinelands Wastewater Company (Pinelands Wasterwater) filed a petition with the Board seeking to increase and revise its rates and charges for wastewater service amounting to \$180,930 or approximately 16.73%.

Pinelands Wastewater serves approximately 2,500 wastewater customers in the Township of Southampton in Burlington County.

The matter was transmitted to the Office of Administrative Law and assigned to Administrative Law Judge (ALJ) Leland McGee. A public hearing was held on February 10, 2016, at the Laurel Hall Leisuretown Association in Southampton. Approximately 15 members of the public provided comments which mainly focused on the adverse economic impact and financial hardships of the average Pinelands Wastewater ratepayer.

Subsequent to the public hearing and prior to the evidentiary hearings in this matter, the Parties, namely Pinelands Wastewater Company, the Division of Rate Counsel and Board Staff, engaged in settlement negotiations and as a result, reached a settlement on issues in the case. That settlement included a 13.10% overall increase in rates and a 9.75% return on equity. Based on approximately 20,000 gallons of water use, an average wastewater customer will see his rates increase by \$21.41 or 11.84%.

ALJ McGee issues his Initial Decision that adopted the Stipulation of the Parties.

Staff recommended that the Board adopt the Initial Decision of ALJ McGee.

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

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

D. Docket No. WE15080957 – In the Matter of the Petition of Aqua New Jersey, Inc. for Approval of a Municipal Consent to Provide Water Service to a Portion of Byram Township and Other Related Approvals.

BACKGROUND AND DISCUSSION: On August 12, 2015, Aqua New Jersey, Inc. (Aqua) filed a Petition with the Board for approval of a Municipal Consent Ordinance, by Byram Township (Township) to allow Aqua to construct, lay, maintain and operate the necessary mains, pipes and appurtenances for the rendering of water services on property located in the Township. The Company further sought Board approval to the extent necessary for Byram Homeowners Association Water Company, Inc., (HOA), to abandon service to the proposed franchise area.

Pursuant to an Assets Purchase Agreement, Aqua has agreed to acquire the water system owned by the HOA. The HOA water system provides water service within the communities known as Forest West and Forest South, consisting of a total of 151 single-family homes located in a portion of Byram Township. The residential developments served by the HOA are fully developed and no growth is anticipated in the franchise area.

The Company has agreed to pay the HOA \$325,000 to purchase the water system assets. 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.

Presently, residents pay the HOA the equivalent of a fixed monthly charge of \$15.00 and an additional assessment of \$50.00 per month that covers improvements, repairs and loan costs. HOA customers also pay their actual water use through a volumetric charge of \$7.00 per thousand gallons. The HOA currently renders quarterly bills. In addition, the HOA provides fire protection service, the cost of which is included in their current water rates. There are a total of 15 hydrants in the Forest West and Forest South Communities.

Aqua proposes an initial tariff, which monthly rates include: a fixed charge of \$15.00; a Distribution System Improvement Charge of \$2.43; a Fire Service Charge of \$5.34; and a consumption charge of \$11.56 per thousand gallons for a 5/8" meter. A customer with a 5/8" meter using 4,000 gallons of water per month will see a bill of approximately \$69.01 per month. Under the rates charged by the HOA, customers will see a decrease of approximately \$22.65 per month. The proposed rates will remain in effect for at least two years after the effective date of the Company's initial tariff, and will be considered in Aqua's next filed base rate proceeding.

On February 22, 2016, a duly noticed municipal consent hearing on the Company's petition was held at the Board's Trenton office. No members of the public appeared at the hearing.

The Parties, Aqua, Rate Counsel and Board Staff executed a Stipulation of Settlement (Stipulation).

Staff recommended that the Board approve the Stipulation of the Parties, which includes the municipal consent granted by Byram Township for water service and Petitioner's initial tariff for general metered service and fire service, which shall remain unchanged for two years. Staff further recommended that the Board approve monthly billing for this franchise and direct Aqua to file the appropriate tariff pages within fifteen days of closing.

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

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

E. Docket Nos. BPU WR15101177 and OAL PUC 16468-15 – In the Matter of the Petition for Approval of an Increase in Rates for Water Service and Other Tariff Changes for SUEZ Water New Jersey, Inc.

BACKGROUND AND DISCUSSION: On October 7, 2015, SUEZ Water New Jersey (SUEZ) filed a petition with the Board seeking to increase its base rates by approximately \$29,485,322 or 13.51% above the adjusted annual level of revenues for the post-test year period ending June 30, 2016.

SUEZ serves approximately 200,000 customers located in portions of Bergen, Hudson, Passaic, Morris, Hunterdon and Sussex Counties. SUEZ also supplies water service to municipalities including the Township of Saddle Brook, the Boroughs of Fairlawn, Saddle River, Allendale, Mahwah and Ramsey and the Village of Ridgewood.

The rate increase was proposed to become effective on November 30, 2015. By Orders dated November 16, 2015 and March 18, 2016, the Board suspended and further suspended the proposed rate increase until July 30, 2016 pending a final determination.

The petition was transmitted to the Office of Administrative Law and was assigned to Administrative Law Judge (ALJ) Evelyn Marose.

After proper notice, ALJ Marose presided over a public hearing on January 19, 2016, in the Bergen County Board of Chosen Freeholders Public Meeting Room in Hackensack, New Jersey. Several members of the public provided comments that focused on the adverse economic impact and financial hardships for the average SUEZ ratepayer.

Subsequent to the public hearing, the Parties to the proceeding, namely, SUEZ, Rate Counsel and Board Staff, engaged in settlement negotiations and reached an agreement on all issues and executed a Stipulation agreeing to an overall increase in revenues totaling \$11,000,000 representing a 5.01% increase over Company revenues. Under the terms of the Stipulation, the average bill for the general metered customer using 6,732 gallons of water a month would increase by \$3.87 per month, from \$46.30 to \$50.17.

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

Staff recommended that the Board adopt the Initial Decision of ALJ Marose.

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

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

6. RELIABILITY & SECURITY

There were no items in this category.

7. CUSTOMER ASSISTANCE

A. Docket No. EO14070702U – In the Matter of Robert Lougy, 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.

This matter was discussed in executive session pursuant to attorney-client privilege and pending litigation exception to the Open Public Meetings Act. The Board will make the contents of its discussion of the above matter public at the earliest appropriate time.

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

B. Docket Nos. BPU EC15070755U and OAL PUC 17951-15 – In the Matter of Bryan D. Jones and Megan E. Purcell, Petitioners v. Public Service Electric and Gas Company, Respondent – Billing Dispute.

BACKGROUND AND DISCUSSION: This matter involved a billing dispute between Bryan D. Jones and Megan E. Purcell (the Petitioners) and Public Service Electric & Gas Company (PSE&G). The petition was transmitted to the Office of Administrative Law on November 5, 2015, as a contested case. Administrative Law Judge (ALJ) Laura Sanders filed an Initial Decision in this matter with the Board on March 14, 2016, dismissing the petition. No exceptions to the Initial Decision have been received by the Board.

ALJ Sanders, in her Initial Decision, concluded that there was no evidence that the meter itself was unacceptably inaccurate under the regulation. ALJ Sanders also concluded that PSE&G properly billed the Petitioners. Therefore, ALJ Sanders ruled that the petition of the Petitioners be dismissed.

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

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

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

C. Docket Nos. BPU EC14060549U and OAL PUC 14564-14 – In the Matter of Shamika Harper, Petitioner v. Atlantic City Electric Company, Respondent – Billing Dispute.

BACKGROUND AND DISCUSSION: This matter involved a billing dispute between Shamika Harper (the Petitioner) and Atlantic City Electric Company (ACE), the petition was transmitted to the Office of Administrative Law (OAL) on October 29, 2014, for hearing as a contested case. Administrative Law Judge (ALJ) W. Todd Miller filed an Initial Decision in this matter with the Board on March 7, 2016. On March 18, 2016

Board meeting, Staff recommended and was granted a 45-day extension of time for issuing a final decision. No exceptions have been filed in this matter.

ALJ Miller, in his Initial Decision, concluded that ACE met its burden of proof on its counterclaim that it is due \$10,839.29 from the Petitioner for the period she resided at Erial Road, Blackwood, New Jersey. ALJ Miller stated that the Petitioner failed to appear for the hearing. ALJ Miller further concluded that the Petitioner did not meet her burden of proof regarding her claim that she was not responsible for utilities pursuant to her lease.

While the Petitioner did contact OAL on February 26, 2016, indicating she had been in the hospital on the hearing date (February 25, 2016), she was advised to submit competent proof that she was actually hospitalized. As of the date of this Initial Decision, no such proof was submitted by the Petitioner. ALJ Miller concluded that the relief sought by the Petitioner is denied.

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

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

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

8. CLEAN ENERGY

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

Docket No. EO12090880V – In the Matter of the Implementation of L. 2012, c. 24, N.J.S.A. 48:3-87 (Q)(R)(S) Proceedings to Establish the Processes for Designating Certain Grid Supply Projects as Connected to the Distribution System – Request for Approval of Grid Supply Solar Electric Power Generation Pursuant to Subsection (S) – See Executive Session.

This matter was discussed in executive session pursuant to attorney-client privilege and pending litigation exception to the Open Public Meetings Act. The Board will make the contents of its discussion of the above matter public at the earliest appropriate time.

Marisa Slaten, Assistant Director, Division of Economic Development and Energy Policy, presented these matters.

B. Docket No. EO12090799 – In the Matter of the Verified Petition of Atlantic City Electric Company Concerning a Proposal for an Extended Solar Renewable Energy Certificate (SREC)-Based Financing Program Under N.J.S.A. 48:3-98.1 (SREC II);

Docket No. EO12080750 – In the Matter of the Verified Petition of Jersey Central Power & Light Company Concerning a Proposal for a SREC-Based Financing Program Under N.J.S.A. 48:3-98.1 (SREC II); and

Docket No. EO13020118 – In the Matter of the Verified Petition of Rockland Electric Company Concerning a Proposal Under N.J.S.A. 48:3-98.1 (SREC II).

Alex Moreau, Deputy Attorneys General, presented this matter.

BACKGROUND AND DISCUSSION: This matter addressed the results of the third solicitation held under the solar renewable energy certificates (SREC II) Programs (Round Three). The Request for Proposals for Round Three was issued on December 17, 2015, and bid applications were due February 12, 2016. Navigant Consulting, Inc., the Solicitation Manager (SM) received thirteen proposals by the due date and determined the following:

Segment 1. Residential & Small Commercial (50 kW and below): Of the 3 bids received, totaling 116.5 kW, 2 awards were made, totaling 78.1 kW. One was rejected because pricing was found not to be competitive. The average price per solar renewable energy certificates (SRECs) in Segment 1 was \$239.66

Segment 2. Residential & Small Commercial (Greater than 50 kW to 2 MW): Awards were made to all ten bids received, totaling 3,546.74 kW. The average price per SREC in Segment 2 was \$229.82

Segment 3. Subsection t. Landfills, Brownfields, or Area of Historic Fill (Up to 5.2 MW): No bids were received

Staff recommended that the Board adopt the recommendations of the SM regarding the results of the Third Solicitation in the SREC II programs and authorize the Electric Distribution Companies to execute Purchase and Sale Agreements for the 12 projects received with SREC prices deemed competitive.

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

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

Marisa Slaten, Assistant Director, Division of Economic Development and Emerging Issues, presented these matters.

C. Docket No. QG16030247 – In the Matter of the Clean Energy Program Authorization of Commercial and Industrial Program Energy Efficiency Incentives Exceeding \$500,000.00 – Phillips 66 Company.

BACKGROUND AND DISCUSSION: Pursuant to N.J.S.A. 48:3-60, the Board administers the New Jersey Clean Energy Program (NJCEP). The Large Energy Users Program (LEUP) of the NJCEP fosters self-investment in energy efficiency and combined heat and power projects, while providing necessary financial support to large commercial and industrial utility customers. Incentives are awarded to customers that satisfy the LEUP Program’s eligibility and requirements to invest in self-directed energy projects customized to meet the requirements of the customer’s existing facilities, while also advancing the State’s energy efficiency, conservation, and greenhouse gas reduction goals.

Phillips 66 Company submitted an application for a financial incentive in the amount of \$875,622.00 under the 2015 LEUP Program. The proposed project is located at 1400 S. Park Avenue, Linden, NJ. The applicant proposes installing measures to reduce steam usage and to upgrade lighting. Installing these measures will enable energy an estimated annual electric savings of 15,864 kWh; an estimated annual natural gas savings of 350,040 therms; and an estimated annual energy cost savings of \$176,119.00. The project is estimated to cost the applicant \$1,167,496.00 with an anticipated 60.3% internal rate of return and a 1.66 year payback with incentive.

Based upon the certifications of Applied Energy Group and TRC Solutions, the Program Administrator and Market Manager, respectively, Staff determined that the application meets the eligibility criteria for the Large Energy Users Program and recommended that the Board approve the application.

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

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

D. Docket Nos. BPU EC13111051 and OAL PUC 02807-14 – In the Matter of Mark Napier, Petitioner v. Public Service Electric and Gas Company, Respondent.

Alex Moreau, Deputy Attorney General, Division of Law, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved Mark Napier (Petitioner), a participant in the New Jersey solar market who owns two solar generation facilities, requesting the Board to reverse its approval of a solar generation program, “Solar 4 All,” owned and operated by Public Service Electric and Gas Company (PSE&G). The Petitioner also requested that the Board order PSE&G to return all the payments it has received for Solar Renewable Energy Certificates (SRECs) as a result of that

program. The Petitioner claimed that PSE&G has overstated the generation from the pole-mounted portion of the Solar 4 All program in order to receive more SRECs than it should and that if he could get the discovery he has sought on the generation of individual pole-mounted solar facilities, he could prove this.

The Solar 4 All program was approved in 2009 and the pole-mounted portion is measured on the basis of the metered generation from a set of sample poles. PJM developed the measurement protocols with PSE&G and accepts the sampling and modelling process proposed by PSE&G in the Solar 4 All petition as sufficient to serve as the basis of capacity payments. In addition, under the terms of the Board-approved Solar 4 All Stipulation, PSE&G applies all the SREC payments it receives to the costs of the program to reduce the charge born by its ratepayers.

On February 3, 2016, Administrative Law Judge (ALJ) Elia Pelios issued an initial decision in which he granted PSE&G's motion for summary decision, concluding that there is no genuine issue of material fact with respect to "the appropriateness of the methodology by which PSE&G calculates its solar power generation in order to receive SRECs." Accordingly, the ALJ granted PSE&G's motion for summary decision and dismissed the Petitioner's petition.

On February 12, 2016, the Petitioner filed exceptions to the initial decision and on March 2, 2016, PSE&G filed replies to the exceptions. On March 22, 2016, the Board filed with the Office of Administrative Law an Order authorizing an extension of time to issue a final decision for forty-five days, through May 5, 2016.

Staff determined that ALJ Pelios correctly determined that the Petitioner had failed to raise a genuine issue of material fact regarding the installation and maintenance of Solar 4 All and that summary decision was appropriate.

Staff recommended that the Board adopt the Initial Decision and deny the Petitioner's request.

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

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

Marisa Slaten, Assistant Director, Division of Economic Development and Energy Policy, presented these matters.

E. Docket No. QO15040477 – In the Matter of the Clean Energy Programs and Budget for Fiscal Year 2016 Revisions to C&I Energy Efficiency Program – Direct Install Program and Program Revisions Related to 2015 Building Codes.

BACKGROUND AND DISCUSSION: This matter involved recommendations to refine various Commercial and Industrial (C&I) Programs due to recent building efficiency code changes and to enhance the Direct Install Program as part of the ongoing transition to

the new Program Administration structure. The program revisions concern the following programs: Direct Install, SmartStart, Pay for Performance, the Large Energy Users Program, and the Local Government Energy Audit program. The revised International Energy Construction Code 2015 which was adopted by New Jersey's Department of Community Affairs with an effective date of March 21, 2016 (New Code) increases the level of energy efficiency required; for example, it requires 25% more efficiency on average across all building types, and 35% more efficiency in retail buildings and schools.

In accordance with the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49 et seq., and by Order dated June 25, 2015 (FY16 Order), the Board approved Fiscal Year 2016 (FY16) programs for the New Jersey Clean Energy Program (NJCEP). In the FY16 Order, the Board also approved the FY16 compliance filings of Honeywell International, Inc., which managed the Residential Energy Efficiency (EE) and Renewable Energy Programs, TRC Energy Solutions, Inc., which manages the C&I EE Programs, the Office of Clean Energy, which manages some programs by itself and others through the New Jersey Economic Development Authority, and the electric and gas utilities (collectively referred to as "the Utilities"), which manage the low-income Comfort Partners Program. The compliance filings include program descriptions for each program, and in this matter the Board considered approval of updates and revisions to some of the compliance filings.

In conjunction with the Program Administrator, Staff discussed the Proposed Revisions at a public meeting of the EE Committee to receive comments and input. The Proposed Revisions also were circulated to the EE committee listserv and posted on the NJCEP web site, and written comments were accepted from the public.

Staff determined the Proposed Revisions are appropriate, will benefit customers, and are consistent with the Board's goal of reducing energy usage and associated emissions and recommended that the Board approve the Proposed Revisions as refined in response to stakeholder comments. Additionally, Staff recommended that the Board approve the Revised Compliance Filings.

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

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

F. Docket No. QO16020176 – In the Matter of the State Energy Program for Program Year July 1, 2016 – June 30, 2017.

BACKGROUND AND DISCUSSION: This matter involved Staff seeking Board approval to submit the 2016-2017 State Energy Program (SEP) plan to the United States Department of Energy (USDOE), which provides federal financial assistance and technical support to the states for energy programs by means of the SEP. 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. For 2016-2017, New Jersey's new SEP allocation is \$1,096,290. Staff proposed that New Jersey's required twenty percent (20%) new match of \$219,258 for these federal funds come from Staff's salaries for time spent managing the grant, and from New Jersey Clean Energy Program (NJCEP) administrative costs.

The majority of the federal allocation will be used to implement the Market Title "Energy Efficiency Programs for Non-Investor Owned Utility Customers." Specifically, the Market Title expands the NJCEP's Home Performance with Energy Star (HPwES), Heating, Ventilating and Air Conditioning, and Direct Install programs to address residential and commercial/industrial customers who do not contribute to the Societal Benefits Charge, and are therefore ineligible to participate in the NJCEP.

In addition to the programs mentioned above, this year, the SEP Plan will allocate a portion of new federal funding to a joint program between the Board and The Department of Environmental Protection (DEP) called "It Pays to Plug In: New Jersey's Electric Vehicle Workplace Charging Grants." The Joint Program provides for the installation of electric vehicle charging stations at private commercial facilities by providing grants to employers to offset costs of purchasing and installing these stations. Funding up to \$200,000 for the Joint Program is contingent on a Memorandum of Understanding between the Board and the DEP.

Staff recommended the Board approve the proposed 2016-2017 SEP Plan at a budget level of \$1,354,962.44, comprised of \$1,096,290.00 in new federal SEP funds allocated by USDOE, \$219,258.00 in new State matching funds, \$32,845.37 in federal SEP funds carried over from the 2015-2016 SEP Plan, and \$6,569.07 in State matching funds carried over from the 2015-2016 SEP Plan.

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

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

9. MISCELLANEOUS

There were no items in this category.

EXECUTIVE SESSION

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

7. CUSTOMER ASSISTANCE

- A. Docket No. EO14070702U – In the Matter of Robert Lougy, 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.

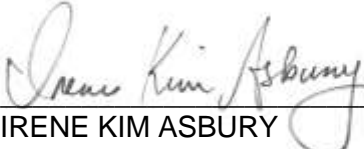
8. CLEAN ENERGY

- A. Docket No. EO12090832V – In the Matter of the Implementation of L. 2012, c. 24, The Solar Act of 2012, and;

Docket No. EO12090880V – In the Matter of the Implementation of L. 2012, c. 24, N.J.S.A. 48:3-87 (Q)(R)(S) Proceedings to Establish the Processes for Designating Certain Grid Supply Projects as Connected to the Distribution System – Request for Approval of Grid Supply Solar Electric Power Generation Pursuant to Subsection (S).

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

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


IRENE KIM ASBURY
BOARD SECRETARY

DATE: May 25, 2016