



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

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

A Regular Board meeting of the Board of Public Utilities was held on June 29, 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 July 29, 2016 at the State House Annex, Committee Room 11, 125 West State Street, Trenton, New Jersey 08625.

I. AUDITS

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

EE15101233L	INTL FCStone Financial, Inc.	I – EA
EE16040379L	Energy Management Partners II d/b/a Energy Management Partners	I – EA
EE16030192L	Electric Choice, Inc.	I – EA
EE15030346L	Energy Paradigm, LLC	I – EA
EE16050429L	J. Andrew Associates, Inc. d/b/a Seven-Utility Management Consultants, LLC	I – EA
EE16010072L	Papillion Productions	I – EA/PA
GE16010073L		
EE16010060L	HomeADE, LLC	I – EA/PA/EC
GE16010061L	d/b/a Zentility	

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

EE16040367L	Hovey Energy, LLC	R – EA
EE16020151L	KWH Savings, LLC	R – EA
EE15091029L	5LINX Enterprises, Inc.	R – EA
EE15101107L	AMERESCO, Inc.	R – EA
EE16050410L	Amerex Brokers, LLC d/b/a Amerex Energy Services	R – EA
EE16050443L	Atlas Commodities, LLC	R – EA
EE15010126L	Patriot Energy Group, Inc.	R – EA/PA
EE14101091L	Adler Energy Solutions, LLC	R – EA/PA
GE14101092L	d/b/a GridSmart Energy	
EE16040368L	On-Demand Energy, LP	R – EA/PA
GE16040369L	d/b/a OnDemand Energy	
EE16040370L	Pennell & Wiltberger, Inc.	R – EA/PA
GE16040371L	d/b/a PWI Engineering, Inc.	
EE15091023L	Woodruff Energy	R – EA/PA/EC
GE15091024L		
EE15020255L	Global Energy Marketing, LLC	R – A/PA/EC
GE15020256L		
EE16040365L	Good Energy, L.P.	R – EA/PA/EC
GE16040366L	d/b/a Good Energy Consulting Group, L.P.	
EE15121445L	Gabel Associates, Inc.	R – EA/PA/EC
GE15121446L		
EE16040364L	Energy Auction House Inc.	R – EA/EC
GE16040373L		

Electric Power and/or Natural Gas Supplier Initial Licenses

EE16050437L	Town Square Energy East, LLC	I – ESL
EE16030190L	East Coast Power & Gas of New Jersey, LLC	I – EGSL
GE16030191L		
GE15121371L	Standard Gas & Electric, LLC	I – GSL

Electric Power and/or Natural Gas Supplier Renewal Licenses

EE16030240L	Constellation Energy Services, Inc.	R – ESL
EE15121352L	AEP Energy, Inc.	R – ESL

EE16040363L	Kuehne Chemical Company, Inc.	R – ESL
EE16010080L	Park Power, LLC d/b/a Park Power	R – ESL
EE15020247L	CenStar Energy Corporation	R – EGSL

BACKGROUND: The Board must register all energy agents and consultants, and 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:

- INTL FCStone Financial Inc.
- Energy Management Partners II d/b/a Energy Management Partners
- Electric Choice, Inc.
- Energy Paradigm, LLC
- J. Andrew Associates, Inc. d/b/a Seven-Utility Management Consultants, LLC
- Papillon Productions
- HomeADE, LLC d/b/a Zentility

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:

- Hovey Energy, LLC
- KWH Savings LLC
- 5LINX Enterprises, Inc.
- AMERESCO, INC.
- Amerex Brokers LLC d/b/a Amerex Energy Services
- Patriot Energy Group, Inc.
- Adler Energy Solutions, LLC d/b/a GridSmart Energy
- On-Demand Energy, LP d/b/a OnDemand Energy
- Pennell & Wiltberger Inc. d/b/a PWI Engineering, Inc.
- Woodruff Energy
- Global Energy Marketing LLC
- Good Energy, L.P. d/b/a Good Energy Consulting Group, L.P.
- Gabel Associates, Inc.
- Energy Auction House, Inc.

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

- Town Square Energy East, LLC
- East Coast Power & Gas of New Jersey, LLC
- Standard Gas & Electric, LLC

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

- Constellation Energy Services, Inc.
- AEP Energy, Inc.
- Kuehne Chemical Company, Inc.
- CenStar Energy Corp.
- Park Power, LLC d/b/a Park Power

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

B. Docket No. TE16050434 – In the Matter of the Petition of eNetworks, LLC for an Order of Approval to Provide Competitive Facilities-Based Local Exchange, Switched Exchange Access and Interexchange Telecommunications Services throughout the State of New Jersey.

BACKGROUND: By letter dated May 18, 2016, eNetworks, LLC (Petitioner or eNetworks) filed a petition with the Board requesting an order of approval to provide intrastate competitive facilities-based local exchange, switched exchange access and interexchange telecommunications services throughout the State of New Jersey.

The Petitioner provides dark fiber, and other specialized services to carriers which is negotiated on an individual case basis and is determined based on location and demand. The Petitioner intends to offer leases on mobile infrastructure i.e. primarily dark fiber and metro cell nodes to mobility companies like Verizon Wireless, AT&T, Sprint and T-Mobile on build to suit basis. The location of these projects will depend on the demand growth of the carriers' networks for data, device, and population growth and, the fiber and node locations are not dependent upon traditional exchange boundaries but, will be directed primarily by the mobile carriers who own the equipment and the data.

The Petitioner proposed to deploy fiber and outdoor metro cell nodes at the direction of the mobility carriers which is comprised of equipment and an antenna most typically mounted on or near a utility pole or light pole. Over 20,000 nodes have been deployed across the United States and the footprint of a node is typically far less intrusive to a municipality than that of a traditional macro cell i.e. cell tower.

On May 19, 2016, the Petitioner filed its initial tariff under Docket No. TT16050435, which will become effective thirty days following approval of this petition. eNetworks requested a waiver of N.J.S.A. 48:3-7.8 which requires that books and records be kept within the State of New Jersey. The Petitioner stated, upon written notice from the Board and/or Board Staff, it will provide its books and records at such time and place within New Jersey as the Board may designate and will pay any reasonable expenses for examination of the records.

By letter dated June 1, 2016, the New Jersey Division of Rate Counsel (Rate Counsel) submitted comments to the Board stating that, based on its review, the Petition meets regulatory requirements and is consistent with the public interest, convenience, and necessity. Rate Counsel neither objected to a grant of the waiver requested in connection with record-keeping by the Petitioner, nor opposed the Petitioner's request to treat its financial information as confidential and placed under seal. Accordingly, Rate Counsel did not oppose a grant of authority or approval of the Petitioner's request to provide local exchange telecommunications services to carrier customers in New Jersey.

After review, Staff recommended that the Board approve the request for authority to provide local exchange, switch exchange access and interexchange telecommunications services in the State of New Jersey. Staff also recommended the Board approve the request for waiver from its requirements that the Petitioner keep its books and records in New Jersey.

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

C. Docket No. TE16040304 – In the Matter of the Petition of Mobilitie Management, LLC for Authority to Provide Competitive Local Exchange Carrier Services in the State of New Jersey.

BACKGROUND: By letter dated April 13, 2016, Mobilitie Management, LLC (Petitioner or Mobilitie Management) filed a Petition with the Board requesting authorization to provide facilities-based and resold competitive local exchange telecommunications services throughout New Jersey.

The Petitioner will provide transport, backhaul, and broadband data and other voice and data services as well as other infrastructure used by carriers, emergency responders, public safety agencies, backhaul providers, and other companies. These services will be provided using a combination of fixed lines and microwave links to ensure resiliency. Initially, the Petitioner will provide these services to a small number of customers, including: wireless carriers and other service providers, the hospitality industry, large-scale sports and entertainment venues and college campuses. Over the next one to five years, the Petitioner plans to expand its service offering to self-driving vehicle providers, remote weather monitoring station, rural communities, and healthcare facilities.

Mobilitie Management requested a waiver of N.J.S.A. 48:3-7.8 which requires that books and records be kept within the State of New Jersey. The Petitioner also stated, upon written notice from the Board and/or Board Staff, it will provide its books and records at such time and place within New Jersey as the Board may designate and will pay any reasonable expenses for examination of the records.

By letter dated May 11, 2016, the New Jersey Division of Rate Counsel (Rate Counsel) submitted comments to the Board stating that, based on its review, "Rate Counsel is satisfied that the Petition meets the regulatory requirements and is consistent with the public interest, convenience, and necessity, and does not object to a grant of the waiver requested in connection with record-keeping by the Petitioner, nor does Rate Counsel oppose Petitioner's request to treat its financial information as confidential and placed under seal..." Accordingly, Rate Counsel did not oppose a grant of authority or approval of the Petitioner's request to provide telecommunications services in New Jersey.

After review, Staff recommended that the Board approve the request for authority to provide facilities-based and resold competitive local exchange telecommunications services throughout the State of New Jersey. Staff also recommended the Board approve the request for waiver from its requirements that the Petitioner keep its books and records in New Jersey.

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

II. ENERGY

A. Docket No. ER16010003 – In the Matter of the Federal Energy Items for 2016 FERC – Docket No. EL16-60 – Vineland Municipal Electric Utility v. Atlantic City Electric Company.

BACKGROUND: On April 26, 2016, Vineland Electric Municipal Corp. (Vineland) filed a complaint against Atlantic City Electric Company (ACE). Vineland sought an order granting full and immediate refunds of all amounts paid in violation of the Interconnection Agreement and PJM Open Access Transmission Tariff (PJM OATT).

Vineland alleged ACE's decision to, without prior notice or approval from Vineland, apply a Reconciliation Factor to Vineland's five coincident hourly metered loads for the purpose of calculating Vineland's capacity obligation, is in violation of the Interconnection Agreement and the PJM OATT, as more fully explained in the complaint.

ACE countered that Vineland is not entitled to relief from this obligation and that granting Vineland's request for relief could increase rates to other ACE customers.

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

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

III. CABLE TELEVISION

A. Docket No. CE15030300 – In the Matter of the Petition of Comcast of Monmouth County, LLC for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Borough of Freehold, County of Monmouth, State of New Jersey.

BACKGROUND: On November 17, 2014, the Borough of Freehold (Borough), after public hearing, adopted a municipal ordinance granting renewal consent to Comcast of Monmouth County, LLC (Comcast). On December 8, 2014, Comcast accepted the terms of and conditions of the ordinance, and on March 9, 2015, Comcast filed a petition with the Board for its Renewal Certificate of Approval for the Borough.

On September 21, 2015, the Borough amended its ordinance to include a provision for a local office, as required by statute. On October 20, 2015, Comcast accepted the amended ordinance, and on May 4, 2016, Comcast filed an amended petition.

After review, Staff recommended approval of the proposed Renewal Certificate of Approval.

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

IV. TELECOMMUNICATIONS

A. Docket No. TF16040312 – In the Matter of the Verified Petition of Level 3 Communications, LLC for Approval to Participate in a Financing Arrangement.

BACKGROUND: This matter involved Level 3 Communications, LLC (Level 3, LLC) requesting Board approval to participate in a financing arrangement in connection with the issuance by its subsidiary Level 3 Financing (Financing) of \$775 million aggregate principal amount of its 5.25% Senior Notes due 2026 (the Senior Notes) in a private offering to qualified institutional buyers that is exempt from registration under U.S. Federal securities laws.

Financing has lent the proceeds it received in the offering of the Senior Notes plus available cash to its subsidiary, Level 3 LLC, in return for an intercompany demand note issued by Level 3 LLC to Financing in the aggregate amount of \$775 million. The net effect of the generation of these proceeds, along with cash on hand, will be the redemption of all of Financing's outstanding \$775 million aggregate principal amount of its 7% Senior Notes due 2020 and to pay the expenses of the offering. Level 3 LLC requested approval from the Board to act as a guarantor of the Senior Notes issued by Financing.

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 the Level 3, LLC's request.

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

B. Docket No. TF16040385 – In the Matter of the Verified Joint Petition of Onvoy, LLC, and ANPI, LLC for Approval for ANPI, LLC to Participate in Certain Financing Arrangements.

BACKGROUND: Onvoy, LLC and ANPI, LLC (together, Petitioners) sought Board approval for ANPI, LLC, upon completion of the ANPI Transaction, to participate in existing, new and amended financing arrangements up to an aggregate amount of \$150 million (the Financing Arrangements). The Petitioners expect that any long-term indebtedness incurred as part of the financing will mature up to ten years after issuance, depending on the type of debt instrument. Interest rate(s) will be set according to market conditions at issuance and may be fixed or floating, or a combination thereof, depending on the type of debt. Some or all of the Financing Arrangements may be secured facilities, which may include a grant of a security interest in the assets of Onvoy and its current and future subsidiaries, including ANPI, LLC.

A portion of the Financing Arrangements may be unsecured facilities. For the secured facilities, the equity of Onvoy and its current and future subsidiaries may be pledged as additional security. Additionally, Onvoy's current and future subsidiaries, including ANPI, may provide a guaranty as security for the full \$150 million in Financing Arrangements. The Financing Arrangements may be used for acquisitions, including the purchase price

for the ANPI, LLC, Transaction and refinancing Onvoy's outstanding indebtedness, refinancing of current balance, working capital requirements and other general corporate purposes of the company.

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 the Petitioner's request.

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

C. Docket No. TM16040386 – In the Matter of the Verified Joint Petition of Onvoy, LLC Transferee, ANPI, LLC, and Common Point, LLC Licensees, and ANPI Holding, Inc., and Zone USA, Inc., Transferors for Approval (1) for the Transfer of Indirect Control of ANPI, LLC to Onvoy, LLC; and (2) for the Transfer of De Facto Indirect Control of Common Point, LLC to Onvoy, LLC.

BACKGROUND: On April 29, 2016, Onvoy, LLC (Onvoy or Transferee); ANPI, LLC; Common Point LLC (Common Point and together with ANPI, LLC, the Licensees); ANPI Holding, Inc.; and Zone USA, Inc. (together with ANPI Holding, the Transferors) (collectively, Petitioners) filed a joint Petition with the Board requesting authorization to complete the transfer of indirect control of ANPI, LLC to Transferee and the transfer of indirect control of ANPI, LLC's interest in Common Point to Transferee (the ANPI Transaction).

Following the proposed transaction, Licensees will continue to offer the same services in New Jersey at the same rates, terms, and conditions.

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. Staff recommended that the Petitioners be allowed to proceed with the transaction.

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

D. Docket No. TM16050417 – In the Matter of Sprint Communications Company L.P.'s Notification of Intra-Company Change at Holding Company Level.

BACKGROUND: On April 18, 2016, Sprint Communications Company L.P. (Sprint, Petitioner) submitted a verified letter (Notification) to the Board detailing a proposed intra-company change, at the holding company level only, that will result in the insertion of a wholly owned subsidiary into the vertical ownership chain between SoftBank Group Corp., Sprint's ultimate parent company, and the holding companies in which its Sprint Corporation shares are currently held (the Transaction).

The Petitioner stated that the Transaction will not result in any change in control of Sprint, that there will be no transfer of certificates, assets or customers as a result of the Transaction, and that the Transaction will be transparent to Sprint customers.

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. Staff recommended that the Petitioner be allowed to proceed with the Transaction.

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

V. WATER

A. Docket Nos. BPU WR16010089 and OAL PUC 02353-16 – In the Matter of the Petition of Aqua New Jersey, Inc. for Approval of an Increase in Rates for Water Service and Other Tariff Changes.

BACKGROUND: On January 29, 2016, Aqua New Jersey, Inc. (Aqua or Company) filed a petition with the Board with rates to become effective for service on or after March 4, 2016. Aqua requested approval of a rate increase for water service in the amount of \$2,535,564 or approximately 6.69%. This matter was transmitted to the Office of Administrative Law for hearings. On February 24, 2016, the Board issued an Order initially suspending the proposed rate increase until July 4, 2016.

The petition was assigned to Administrative Law Judge (ALJ) Elia A. Pelios. After proper notice, ALJ Pelios presided over a public hearing on April 26, 2016, in the Hamilton Township Public Library, Hamilton, New Jersey. No member of the public attended.

In view of the fact that this proceeding will not be completed by July 4, 2016, an Order further suspending Aqua's proposed rate increase until November 4, 2016, is warranted in order to provide the time necessary for possible hearing and determination of this matter, unless the Board, prior to that date, makes a determination disposing of the petition.

Staff recommended that the Board issue an Order Further Suspending Aqua's proposed rate increase until November 4, 2016.

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

B. Docket Nos. BPU WR16050390 and OAL PUC 07416-16 – In the Matter of the Petition of Mount Olive Villages Water Company, Inc. for Approval of an Increase in Rates for Service.

BACKGROUND: On May 4, 2016, Mount Olive Villages Water Company, Inc. (Petitioner or Company) filed a petition with the Board seeking to increase and revise its water rates in the amount of \$158,650.00 or 112.3%. The Company's rates have remained unchanged since its inception in 1986.

The Company sought the increase to (1) make necessary improvements and repairs to its thirty year old water system; (2) to maintain a satisfactory credit position; (3) permit proper maintenance and improvement of the utility plant required to furnish safe, adequate and proper service to its customers; (4) Encourage good effective

management and provide incentives for efficiency; (5) prevent confiscation or diminution of its property; and (6) to earn a reasonable rate of return of the fair value of its property used and useful in the public service.

The Company's Petition was filed with the Board on May 4, 2016, with water rates proposed to become effective thirty days after the filing of the Petition, thus the proposed effective date was June 5, 2016. By letter dated May 18, 2016, the Petitioner notified the Board that it will not implement the proposed rates on an interim basis prior to the effective date of the Board's Suspension Order resulting from the Board's June 29, 2016 meeting.

Since the proposed revisions will increase existing water rates and change or alter existing classifications, in the Petitioners tariffs, Staff recommended that the Board issue an Order that:

1. Suspends the proposed water rates until October 5, 2016, unless the Board prior to that date makes a determination disposing of the petition or enters an Order further suspending the proposed revisions.
2. The Petitioner shall, at least ten days prior to the date set for the hearing on the petition by the Office of the Administrative Law judge, file with this Board and with the Office of Administrative Law. (33 Washington Street, Newark, NJ 07102) proof of compliance with the notice provisions of N.J.S.A., 48:2-32.2 and N.J.A.C. 14:1-5.12 (b) and (c), which notice shall include a statement that any relief found by the Board to be just and reasonable may be allocated by the Board to any classes of customers on any rate or schedules the Board may determine; and
3. The Petitioner shall serve copies of this Order upon the Office of Administrative Law, The New Jersey Division of Rate Counsel (140 East Front Street, 4th Floor, Post Office Box 003, Trenton, NJ, 08625-0003), the clerk of the affected municipality, the clerk of the Board of Chosen Freeholders of the affected County and where appropriate, the executive officer of the affected county within in its service area. Service of the Petitioner, notice of hearings and this Order may be made simultaneously. Proof of service of this Order shall be filed with the Board within fifteen days of the date of this order

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

C. Docket No. WR16050391 – In the Matter of the Petition of Mount Olive Villages Sewer Company, Inc. for Approval of an Increase in Rates for Service.

BACKGROUND: On May 4, 2016, Mount Olive Villages Sewer Company, Inc. (Petitioner or Company) filed a petition with the Board seeking to increase and revise its sewer rates in the amount of \$817,110.00 or 295.5%. The Company's rates have remained unchanged since its inception in 1986.

The Company sought the increase to (1) make necessary improvements and repairs to its sewer system such as a retaining wall, construction of two; (2) lagoons and concrete holding tank; (2) to maintain a satisfactory credit position; (3) permit proper maintenance

and improvement of the utility plant required to furnish safe, adequate and proper service to its customers; (4) Encourage good effective management and provide incentives for efficiency; and (5) prevent confiscation or diminution of its property and (6) to earn a reasonable rate of return of the fair value of its property used and useful in the public service.

The Petition was filed on May 4, 2016, with wastewater rates proposed to become effective thirty days after the filing of the Petition. Thus the proposed effective date was June 5, 2016. By letter dated May 18, 2016, the Petitioner notified the Board that it will not implement the proposed rates on an interim basis prior to the effective date of the Board's Suspension Order resulting from the Board's June 29, 2016 meeting.

Since the proposed revisions will increase exiting sewer rates and change or alter existing classifications, in the Petitioners tariffs, Staff recommended that the Board issue an Order that:

1. Suspends the proposed wastewater rates until October 15, 2016, unless the Board prior to that date makes a determination disposing of the petition or enters an Order further suspending the proposed revisions;
2. The Petitioner shall, at least ten days prior to the date set for the hearing on the petition by the Office of the Administrative Law judge, file with this Board and with the Office of Administrative Law. (33 Washington Street, Newark, NJ 07102) proof of compliance with the notice provisions of N.J.S.A., 48:2-32.2 and N.J.A.C. 14:1-5.12 (b) and (c), which notice shall include a statement that any relief found by the Board to be just and reasonable may be allocated by the Board to any classes of customers on any rate or schedules the Board may determine; and
3. The Petitioner shall serve copies of this Order upon the Office of Administrative Law, The New Jersey Division of Rate Counsel (140 East Front Street, 4th Floor, Post Office Box 003, Trenton, NJ, 08625-0003), the clerk of the affected municipality, the clerk of the Board of Chosen Freeholders of the affected County and where appropriate, the executive officer of the affected county within in its service area. Service of the Petitioner, notice of hearings and this Order may be made simultaneously. Proof of service of this Order shall be filed with the Board within fifteen days of the date of this order.

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

VI. RELIABILITY & SECURITY

A. Docket Nos. GS16050446K, 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 \$82,000.00.

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.

B. Docket No. GS16050409K – In the Matter of Alleged Violations of the Underground Facility Protection Act, N.J.S.A. 48:2-73 et seq. by Frank Huber, Huber Hard Scaping.

BACKGROUND: This matter involved a Final Orders of Penalty Assessment (FOPA), resulting from alleged violations of the Underground Facility Protection Act (Act).

Following reports of the failure to obtain a valid mark-out prior to commencing excavation or demolition activities, or the failure to hand dig and locate facilities, or the failure to use reasonable care, or reports of a failure to mark out underground facilities or properly mark them, Board Staff contacted the entities involved, investigated the incident, and informed the entities of the date and location of the alleged violations.

In an attempt to resolve this matter, the alleged violator had been sent a Notice of Probable Violation, an Offer of Settlement, and an Answering Certification deadline from the Board. These were sent by regular and certified mail in accordance with the Administrative Procedure Rules. The alleged violator failed to submit the Answering Certification. The certified mail was returned to the Board as Accepted, and the regular mail was not returned to the Board as undeliverable.

In an attempt to resolve this matter the alleged violator had been sent a Notice of Probable Violation, an Offer of Settlement, and an Answering Certification deadline from the Board. These were sent by regular and certified mail in accordance with the Uniform Administrative Procedure Rules set forth in N.J.A.C. 1:1-7.1 and -7.2. The alleged violator failed to submit the Answering Certification as required by N.J.A.C. 14:2-6.6(a). The certified mail was returned to the Board as “unclaimed”, and the regular mail was not returned to the Board as undeliverable.

By non-acceptance of the various Offers of Settlement and the timely payment thereof, the excavator or operator had waived any rights to a hearing.

Staff requested the Board issue an order evoking the Board's rights to bring an action for civil penalties as permitted by the Act in connection with the above-referenced alleged violations of 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.

This Final Orders of Penalty Assessments is for the amount of \$6,000.00.

Staff employed a single order to issue the FOPA in order to create a more streamlined and effective enforcement process.

Staff recommended that the Board approve this Final Order of Penalty Assessment.

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

C. Docket No. GS16050404K – In the Matter of Alleged Violations of the Underground Facility Protection Act, N.J.S.A. 48:2-73 et seq. by Rock Solid Contractors, LLC.

BACKGROUND: This matter involved a Final Orders of Penalty Assessment (FOPA), resulting from alleged violations of the Underground Facility Protection Act (Act).

Following reports of the failure to obtain a valid mark-out prior to commencing excavation or demolition activities, or the failure to hand dig and locate facilities, or the failure to use reasonable care, or reports of a failure to mark out underground facilities or properly mark them, Board Staff contacted the entities involved, investigated the incident, and informed the entities of the date and location of the alleged violations.

In an attempt to resolve this matter, the alleged violator had been sent a Notice of Probable Violation, an Offer of Settlement, and an Answering Certification deadline from the Board. These were sent by regular and certified mail in accordance with the Administrative Procedure Rules. The alleged violator failed to submit the Answering Certification. The certified mail was returned to the Board as Accepted, and the regular mail was not returned to the Board as undeliverable.

In an attempt to resolve this matter the alleged violator had been sent a Notice of Probable Violation, an Offer of Settlement, and an Answering Certification deadline from the Board. These were sent by regular and certified mail in accordance with the Uniform Administrative Procedure Rules set forth in N.J.A.C. 1:1-7.1 and -7.2. The alleged violator failed to submit the Answering Certification as required by N.J.A.C. 14:2-6.6(a). The certified mail was returned to the Board as "unclaimed", and the regular mail was not returned to the Board as undeliverable.

By non-acceptance of the various Offers of Settlement and the timely payment thereof, the excavator or operator had waived any rights to a hearing.

Staff requested the Board issue an order evoking the Board's rights to bring an action for civil penalties as permitted by the Act in connection with the above-referenced alleged violations of 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.

This Final Orders of Penalty Assessments is for the amount of \$6,000.00.

Staff employed a single order to issue the FOPA in order to create a more streamlined and effective enforcement process.

Staff recommended that the Board approve this Final Order of Penalty Assessment.

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

D. Docket No. GS16050405K – In the Matter of Alleged Violations of the Underground Facility Protection Act, N.J.S.A. 48:2-73 et seq. by Michael Moore, J&M Landscaping.

BACKGROUND: This matter involved a Final Orders of Penalty Assessment (FOPA), resulting from alleged violations of the Underground Facility Protection Act (Act).

Following reports of the failure to obtain a valid mark-out prior to commencing excavation or demolition activities, or the failure to hand dig and locate facilities, or the failure to use reasonable care, or reports of a failure to mark out underground facilities or properly mark them, Board Staff contacted the entities involved, investigated the incident, and informed the entities of the date and location of the alleged violations.

In an attempt to resolve this matter, the alleged violator had been sent a Notice of Probable Violation, an Offer of Settlement, and an Answering Certification deadline from the Board. These were sent by regular and certified mail in accordance with the Administrative Procedure Rules. The alleged violator failed to submit the Answering Certification. The certified mail was returned to the Board as Accepted, and the regular mail was not returned to the Board as undeliverable.

In an attempt to resolve this matter the alleged violator had been sent a Notice of Probable Violation, an Offer of Settlement, and an Answering Certification deadline from the Board. These were sent by regular and certified mail in accordance with the Uniform Administrative Procedure Rules set forth in N.J.A.C. 1:1-7.1 and -7.2. The alleged violator failed to submit the Answering Certification as required by N.J.A.C. 14:2-6.6(a). The certified mail was returned to the Board as "unclaimed", and the regular mail was not returned to the Board as undeliverable.

By non-acceptance of the various Offers of Settlement and the timely payment thereof, the excavator or operator had waived any rights to a hearing.

Staff requested the Board issue an order evoking the Board's rights to bring an action for civil penalties as permitted by the Act in connection with the above-referenced alleged violations of 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.

This Final Orders of Penalty Assessments is for the amount of \$6,000.00.

Staff employed a single order to issue the FOPA in order to create a more streamlined and effective enforcement process.

Staff recommended that the Board approve this Final Order of Penalty Assessment.

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

VII. CUSTOMER ASSISTANCE

A. Docket Nos. BPU WC16020171U and OAL PUC 05555-16 – In the Matter of Nicholas Lamicella, Petitioner v. Middlesex Water Company, Respondent – Request for Extension.

BACKGROUND: The Initial Decision of the Administrative Law Judge was received by the Board on June 3, 2016; therefore, the 45-day statutory period for review and the issuing of a Final Decision will expire on July 18, 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 September 1, 2016.

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

B. Docket Nos. BPU WC15020202U and OAL PUC 06058-15 – In the Matter of Magdi Mosaid, Petitioner v. SUEZ Water New Jersey, Inc., Respondent – Billing Dispute.

BACKGROUND: This matter involved a billing dispute between Magdi Mosaid (Petitioner) and SUEZ Water New Jersey, Inc. (SUEZ). The petition was transmitted to the Office of Administrative Law on April 29, 2015, as a contested case. Administrative Law Judge (ALJ) Irene Jones filed an Initial Decision in this matter with the Board on May 25, 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, SUEZ

agreed to credit the Petitioner's account \$1,190.91. The Petitioner agreed to pay the remaining balance of \$1,190.92 at the SUEZ Hackensack Office, on or before January 13, 2016. On June 15, 2016, Staff was advised that the Settlement has been adhered to.

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

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

VIII. CLEAN ENERGY

There were no items in this category.

IX. MISCELLANEOUS

A. Approval of the Minutes of the February 11, 2016 Special Meeting and the May 25, 2016 Agenda Meeting.

BACKGROUND: Staff presented the Special Meeting minutes of February 11, 2016 and the May 25, 2016 Board Agenda meeting minutes 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

There were no items in this category.

2. ENERGY

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

A. Non-docketed Matter – In the Matter of the Provision of Basic Generation Service (BGS) for the Period Beginning June 1, 2016 (ER15040482) – Boston Pacific’s Final Report on the 2016 BGS Residential Small Commercial Pricing and Commercial Industrial Energy Price Auctions.

BACKGROUND AND DISCUSSION: Boston Pacific was hired by the Board in September 2012 to oversee and monitor the process proposed by the four electric distribution companies’ (EDCs) in New Jersey to procure supplies for basic generation service (BGS) for three years, starting with the supply period beginning June 1, 2013, and extending through the supply period beginning June 1, 2015. Among the many related tasks, Boston Pacific was responsible for the following regarding any Board approved BGS procurement process: providing advice on any proposed procurement process, design, and associated rules; reviewing the EDCs’ marketing efforts to attract potential bidders; reviewing the data and information exchanged with potential bidders; monitoring efforts to educate potential bidders on the auction process and rules; monitoring the administration and implementation of the procurement process; advising on the procurement process final results, including the development of a range of potential final prices or “price benchmarks” based on market conditions existing at that time that would be compared with the final results; and providing a final report on the results with recommendations to improve future BGS procurement processes.

At its agenda meeting on September 30, 2014, the Board determined that Staff should pursue an additional one year contract extension with Boston Pacific for the 2016 BGS Auction. By memo dated October 17, 2014, the Department of Treasury approved the one year contract extension.

By Order dated November 16, 2015, the Board approved with modifications the EDCs’ Joint Proposal for BGS for the period beginning on June 1, 2016. The EDCs proposed two simultaneous, multi-round, descending clock auctions (Auctions) for the procurement of supply to meet the full electricity requirements (i.e. energy, capacity, ancillary services, transmission, etc.) of retail customers that remain on BGS commencing June 1, 2016. One Auction, called the BGS- Commercial Industrial Price (BGS-CIEP) Auction, would procure hourly-priced supply for the larger commercial and industrial customers with a peak usage of 500 kW or greater for a one-year period. The second, called the BGS - Residential Small Commercial Pricing (BGS-RSCP Auction, would procure one-third of the supply requirements for all other customers with a peak usage of 500 kW and under for a three-year period.

Boston Pacific determined that the implementation of the BGS-RSCP and BGS-CIEP auction processes for the supply year beginning June 1, 2016 sufficiently met the

Board's approved Auction Rules, including additional criteria used by Boston Pacific to evaluate the auction process. Further, Boston Pacific determined that the BGS-RSCP Auction and the BGS-CIEP Auction procurement processes and the Rockland procurement process were (a) fair and transparent, and (b) sufficiently competitive. Additionally, Boston Pacific determined that the winning prices as a result of each Auction were consistent with market conditions.

The total contracted amount for the 2016 BGS Auction and Rockland procurement process was \$306,550.00. Boston Pacific's actual total project costs for the 2016 BGS Auction were \$220,846.25. With the submittal of the Final Report by Boston Pacific, Staff is recommending the release of the remaining amount due to Boston Pacific, in the amount of \$79,345.00.

Staff determined that all contractual obligations regarding the BGS-RSCP and BGS-CIEP Auctions for the BGS supply period beginning June 1, 2016 have been fulfilled satisfactorily by Boston Pacific. Staff recommended that Boston Pacific's "Annual Final Report on the 2016 BGS RSCP and CIEP Auctions" be accepted for filing by the Board, and that the redacted version be made available to the public via the Board's website. Staff also recommended that the Board direct the Division of Treasury to provide final payment to Boston Pacific.

DECISION: After discussion, 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 No. EO14090972 – In the Matter of the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – 2014 Annual True-Up;

Docket No. ER15090996 – In the Matter of the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – 2015 Annual True-Up; and

Docket No. ER15040424 – In the Matter of the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – Low Income Audit II Program 2015 Annual True-Up.

BACKGROUND AND DISCUSSION: By petition dated August 28, 2014, Rockland Electric Company (RECO or Company) filed a petition to true up its costs and revenues associated with the Company's Energy Efficiency Stimulus Program (EES Program) which was approved by the Board in 2009. (2014 True Up Petition) The 2014 True Up Petition proposed an increase in the EES Program rate to 0.0465 cents per kWh, including Sales and Use Tax (SUT) (0.0435 cents per kWh, excluding SUT).

By petition dated September 1, 2015, the Company filed its 2015 true up petition for the EES Program which proposed a decrease in the EES Program rate to 0.0184 cents per kWh, including SUT (0.0172 cents per kWh, excluding SUT). In response to discovery, on October 19, 2015, the Company updated its actual expenses and revenues for the EES Program through September 30, 2015, and its projected expenses and revenues for the remainder of 2015. As a result of the update, the proposed EES Program rate decreased from its current rate of 0.0307 cents per kWh, including SUT, to 0.0179 cents per kWh, including SUT (0.0168 cents per kWh, excluding SUT).

By petition dated January 30, 2015, the Company filed a petition to true up its Low Income Audit II Program which was approved by the Board in 2014. (2015 Low Income Audit II True Up Petition). The 2015 Low Income Audit II True Up Petition, which proposed a decrease in the Low Income Audit II Program component rate of the RGGI surcharge to 0.0015 cents per kWh, including SUT (0.0014 cents per kWh, excluding SUT). On April 21, 2015, the Company updated its actual expenses and revenues through February 28, 2015, and its projected expenses and revenues for the remainder of 2015. As a result of the updates, the proposed Low Income Audit II Program component of the RGGI Surcharge rate decreased from the current rate of 0.0083 cents per kWh to 0.0013 cents per kWh, including SUT (0.0012 cents per kWh, excluding SUT).

As a result of the updates to the EES Program and the Low Income Audit II Program, the Company's current composite Regional Greenhouse Gas Initiative (RGGI) Surcharge of 0.0390 cents per kWh, including SUT (0.0365 cents per kWh, excluding SUT), would decrease to a composite rate 0.0192 cents per kWh, including SUT (0.0180 cents per kWh, excluding SUT).

Following discovery, RECO, the New Jersey Division of Rate Counsel and Board Staff (the Parties) executed a Stipulation of Settlement (Stipulation) on May 18, 2016. The Stipulation allows for RECO to implement a RGGI Surcharge of 0.0192 cents per kWh, including SUT (0.0180, excluding SUT), to be effective the first day of the month following service of the Board Order approving the Stipulation.

As a result of the Stipulation, a typical residential customer using 808 kWh per summer month, and 7,800 kWh on an annual basis will see a decrease in their monthly bill of \$0.13 or 0.11%, from \$115.41 to \$115.28.

Staff recommended that the Board adopt the Stipulation of the Parties.

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

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

C. Docket No. GR15121433 – In the Matter of the Petition of New Jersey Natural Gas Company for the Annual Review and Revision of Societal Benefits Charge Factors for Remediation Year 2015.

BACKGROUND AND DISCUSSION: On December 24, 2015, New Jersey Natural Gas Company (Company) filed a petition with the Board to change rates for two components of the Company's Societal Benefits Charge (SBC): the Remediation Adjustment (RA) rate and the New Jersey Clean Energy Program (NJCEP) rate. The Petition sought recovery of remediation expenditures incurred by the Company from July 1, 2014 through June 30, 2015 (Remediation Year 2015), an increase to the Company's current per therm RA rate from \$0.0134 to \$0.0146, and a decrease in the NJCEP rate from \$0.0257 to \$0.0167.

The NJCEP rate is designed to recover costs incurred for the Company's share of statewide energy efficiency and renewable energy expenditures. The Company's proposal to decrease its existing after-tax NJCEP rate of \$0.0257 per therm to \$0.0167 per therm reflects the Company's share of the statewide NJCEP contribution levels, as approved by the Board on June 25, 2015.

After publication of notice in newspapers in general circulation in the Company's service territory, public hearings in this matter were conducted on May 31 and June 1, 2016 in Rockaway Township and Freehold Township, respectively. No members of the public appeared at any of the public hearings, and no written comments were received by the Board, the Company or the New Jersey Division of Rate Counsel (Rate Counsel).

On June 8, 2016, the Company, Rate Counsel and Board Staff (collectively, the Parties) executed a stipulation of settlement (Stipulation) that provides for the following:

Based on the RA and NJCEP changes referenced above, the Company's updated all-inclusive SBC billing factor shall be \$0.0421 per therm, effective upon Board approval, which is a decrease of \$0.0078 per therm from the current SBC rate of \$0.0499 per therm. The updated SBC billing rate shall continue to remain in effect until changed by further Order of the Board. The annual bill impact of the proposed decrease in the SBC rate for a residential heating customer using 1,000 therms is approximately \$7.80, or 0.80%.

The Company represented that the Petition does not include the recovery of any costs associated with Natural Resource Damage (NRD) claims currently being investigated by the New Jersey Department of Environmental Protection. The Company further represented that no NRD costs occurred during the 2015 Remediation Year. The Parties agree that the Board should make no determination in this proceeding as to the reasonableness or the recoverability under the Company's RA clause of NRD damages or related costs.

The Parties agreed that the Company's after-tax NJCEP rate of \$0.0167 per therm shall be deemed final and remain in effect until changed by further Board Order.

Staff found that, subject to the terms and conditions set forth, the Stipulation is reasonable, in the public interest, and in accordance with the law. Accordingly, Staff

recommended the Board adopt the Stipulation of the Parties in its entirety.

DECISION: After discussion, 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. GR15101210 – In the Matter of the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to Revise the Remediation Adjustment Clause Component of Its Societal Benefits Charge Rate.

BACKGROUND AND DISCUSSION: On October 23, 2015, the Pivotal Utility Holdings, Inc., d/b/a Elizabethtown Gas (Company) filed a petition (2015 Filing) with the Board to revise the Remediation Adjustment Clause (RAC) component of its Societal Benefits Charge rate.

In accordance with the Company's tariff, the RAC's rate is determined by calculating the sum of one-seventh of the Company's net deferred remediation costs incurred over the twelve months ended June 30, 2009 through 2015, less deferred tax benefits, and divided by projected normalized therm sales for the RAC year October 1, 2015 through September 30, 2016. Leading up to 2015 Filing, in August 2014, the Company received an insurance recovery of \$42.75 million. Accordingly, one-seventh of this amount, \$6.1 million, will be credited to each of the remediation years 2015 through 2021.

The 2015 Filing proposed a decrease in the Company's per therm RAC rate to a credit of \$0.0016 from the then current rate of \$0.0000, designed to refund \$0.7 million in RAC-related costs.

The Company, New Jersey Division of Rate Counsel (Rate Counsel), and Board Staff (collectively, the Parties) engaged in extensive discovery, and on June 8, 2016 executed a stipulation of settlement (Stipulation) intended to resolve all issues associated with this proceeding.

Staff found that the Stipulation is reasonable and in accordance with the law, and recommended that the Board adopt the Stipulation of the Parties. Staff also recommended that the Board direct the Company to file tariff sheets within five days of the effective date of this Order.

DECISION: After discussion, 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

Paul Flanagan, Executive Director, presented these matters.

E. Docket No. GM15101196 – In the Matter of the Merger of the Southern Company and AGL Resources, Inc.

BACKGROUND AND DISCUSSION: On or about October 16, 2015, Southern Company (Southern Company), AGL Resources Inc. (AGL Resources), AMS Corp. and Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas (Elizabethtown) (collectively, the Joint Petitioners), filed a Joint Petition for approval by the Board for a change of control of Elizabethtown to be effectuated by the merger of AGL Resources with AMS Corp., a wholly-owned subsidiary of Southern Company (the Merger). Headquartered in Union County, NJ, Elizabethtown provides service to approximately 282,000 customers and owns approximately 3,200 miles of distribution pipeline and 22 miles of transmission pipeline.

The Merger will result in Southern Company becoming the parent of Elizabethtown and ten other regulated utilities serving over nine million customers in nine states, including New Jersey, Alabama, Florida, Georgia, Illinois, Maryland, Mississippi, Tennessee, and Virginia. The Joint Petition asserts that the Merger will support a strong credit profile, and continue to provide Elizabethtown with the ability to invest in necessary capital and infrastructure to ensure the provision of safe, adequate and proper service to its New Jersey customers at just and reasonable rates. The Joint Petitioners argued that Elizabethtown's customers, and the State of New Jersey, will realize substantial tangible benefits from the Merger as a result of the Joint Petitioners' commitments to modify Elizabethtown's current Asset Management Agreement with Sequent Energy Management L.P. to provide an additional \$6 million of credits to customers and to more than double Elizabethtown's current level of community support to \$500,000.00 annually. The Joint Petitioners also stated that they are making a number of significant commitments to employees and the State of New Jersey.

After proper public notice, two public hearings were held in Flemington, New Jersey on February 22, 2016 at 4:30 P.M. and 5:30 P.M. and on February 24, 2016 in Union, New Jersey at 4:30 P.M. and 5:30 P.M. Commissioner Solomon presided over both public hearings. One member of the public appeared at the public hearing in Flemington. No members of the public appeared at the hearing in Union.

Extensive discovery was conducted and a number of settlement discussions were held. Joint Petitioners, Board Staff, the New Jersey Division of Rate Counsel, and New Jersey Large Energy Users Coalition (collectively, the Signatory Parties) executed an agreement on May 5, 2016, concerning all of the factual and legal issues arising in this matter. By letter dated May 5, 2016, Public Service Electric and Gas Company informed the Board that it had no objection to the Agreement of the Signatory Parties.

Having reviewed the Petition, the Agreement and the entire record, Staff found that the proposed acquisition by Southern Company satisfies N.J.S.A. 48:2-51.1 and N.J.A.C. 14:1-5.14(c), and provides a net benefit to Elizabethtown customers and to New Jersey.

Therefore, Staff recommended that the Board approve the proposed acquisition of AGL Resources and Elizabethtown by Southern Company.

DECISION: After discussion, 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. GW16040290 – In the Matter of the Petition of SJP Residential Properties, LLC for a Waiver of B.P.U.N.J. No. 15 Gas, Original Sheet No. 22 Standard Terms and Conditions No. 8.3.1.

BACKGROUND AND DISCUSSION: On April 12, 2016, the Board received a petition for waiver of Public Service Electric and Gas Company’s (PSE&G) tariff, which requires individual meters for gas in residential buildings, with some exceptions that do not apply here. SJP Residential Properties, LLC (the Petitioner) is a developer and investor in Fort Lee Phase II Urban Renewal Associates, LLC, which is funding a project known as The Modern Phase II. The Modern Phase II is a 450-unit apartment building in a single tower currently under construction in Fort Lee, NJ. The Petitioner intends to pay for all residential gas consumption for The Modern Phase II, which will only be used for cooktops.

The Petitioner asserted that requiring individual metering at The Modern Phase II would cause significant hardship without any countervailing benefit. The Petitioner asserts that the use of gas in the Modern Phase II is de minimis because it is only needed for cooktop gas service; conservation would not be adversely affected by granting the Petitioner’s waiver; and there is significant cost to the Petitioner to individually meter the building. Specifically, the cost to meter each individual apartment would be approximately \$2,000.00 per meter while gas usage per apartment is expected to be approximately \$1.10 per month.

On April 21, 2016, PSE&G submitted a letter to the Board stating that if the Board determines that the best course of action is to grant the Petitioner’s waiver request, PSE&G would be guided by such determination. Its letter did not assert any objection to the Petition.

On May 11, 2016, New Jersey Division of Rate Counsel (Rate Counsel) submitted a letter to the Board stating its position that a waiver of the tariff provision appears appropriate. Rate Counsel cited that individual gas meters would appear to be impractical and costly for both the developer and the tenants of the building. In addition to the cost to the developer of installing meters, individual metering would subject each tenant to PSE&G’s fixed customer charge, currently \$5.84 per month. The cost of providing cooktop gas to the building is expected to be about \$1.10 per unit per month. Under these specific circumstances, Rate Counsel posits that a single master meter would be the more practical approach. Additionally, in view of the minimal natural gas usage required to operate cooktops, Rate Counsel asserts it appears unlikely that individual metering for gas would result in any substantial energy savings.

Having reviewed this matter, Staff found that the waiver of the above referenced Tariff is

appropriate under the present circumstances. Therefore, Staff recommended the Board approve SJP Residential Property's request for waiver with certain conditions.

DECISION: After discussion, 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. ER16050428 – 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; Approval of an Advanced Metering Program; and for Other Relief.

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

BACKGROUND AND DISCUSSION: On May 13, 2016, Rockland Electric Company (RECO or Company) filed a petition with the Board for approval of an increase in its current base rates for electric service of approximately \$9.644 million, including Sales and Use Tax, to be effective for electric service provided on or after June 12, 2016. The Company also requested a return on equity of 10.2%. According to the petition, the primary reason for the requested increase is that Company's current base rates are not adequate to recover the operating, capital and other costs of the company, do not provide an adequate return on investment and are not just and reasonable.

The Company also sought approval to change its electric and general plant depreciation rates, to rely on a Company-sponsored Cost of Service Study (COSS), and to be relieved of the obligation to file an alternative COSS Peak and Average Coincident Peak method as required by the Board in the Order issued in connection with Docket No. ER1311135. Additionally, the Company sought to deploy Advance Metering Infrastructure and smart meters (AMI and smart meter program) throughout RECO's service territory from 2017 through 2019.

After review, Staff determined that the petition contains two issues: a request to increase base rates with additional requested relief; and a request for approval to deploy an AMI and smart meter program throughout RECO's service territory with the costs of this program to be reviewed in its next base rate case. Staff believed these issues should be considered separately, and therefore will bifurcate the petition issues, thereby separating the base rate case issues from the AMI and smart meter program deployment request.

Staff recommended that the Board retain this matter for hearing at the Board, and designate Commissioner Upendra Chivukula as the Presiding Officer for proceedings on the AMI/Smart Meter Matter, and the Company's request for Approval of an Advanced Metering Program and other relief. Staff further recommended the Board authorize Commissioner Chivukula to establish and modify schedules, decide all motions, and

otherwise control the conduct of this case, without the need for full Board approval, subject to subsequent Board ratification.

Staff further recommended that the Board direct all entities seeking to intervene or participate in the AMI/Smart Meter Matter, Docket No. EO16060524 to file the appropriate application with the Board by Friday, August 5, 2016.

In light of the bifurcation of the issues in this matter, Staff recommended that the Board amend the May 25, 2016 Order to recognize the Board's bifurcation of the petition issues to state: "RECO shall serve the petition, notice of hearings, the May 25, 2016 Order and this Order simultaneously within fifteen days of publishing the scheduling of the Notice of Public Hearings for the 2016 Base Rate Filing or AMI/Smart Meter Matter, whichever matter is noticed first."

DECISION: After discussion, 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

A. Docket No. TM15070772 – In the Matter of the Verified Petition of Charter Communications, Inc. and Time Warner Cable Inc. for Approval of the Transfer of Control of Time Warner Cable Information Services (New Jersey), LLC and Approval of Transaction Financing; and

Docket No. CM15070770 – In the Matter of the Petition of Time Warner Cable Inc., Charter Communications, Inc. and Time Warner Cable New York City, LLC for Approval of the Transfer of Control of Time Warner Cable New York City, LLC and Approval of Transaction Financing.

Lawanda R. Gilbert, Esq., Director, Office of Cable Television & the Office of Telecommunications and Alex Moreau, Deputy Attorney General, Division of Law, presented these matter.

BACKGROUND AND DISCUSSION: By a petition dated July 2, 2015, and filed on July 7, 2015, Charter Communications, Inc. (Charter), Time Warner Cable, Inc. (TWC) and Time Warner Cable New York City, LLC (TWCNYC) (Collectively, Petitioners) initiated a proceeding before the Board, seeking approval for Charter to acquire control of TWCNYC. By separate verified petition also dated July 2, 2015 and filed on July 7, 2015, Charter, TWC, and Time Warner Cable Information Services (New Jersey), LLC (TWCIS) initiated a related proceeding requesting approval of the proposed transfer of control of TWCIS, an indirect subsidiary of TWC, to CCHI, LLC (New Charter), a subsidiary of Charter. In both matters Charter, TWC, TWCNYC, and TWCIS also requested from the Board approval of financing arrangements related to the proposed transfers of control (Merger).

In the March 31, 2016 Order, which became effective April 1, 2016, the Board accepted the Parties' stipulation, finding that the Merger is in the public interest. The Board also found that the Merger would not adversely affect competition, rates, employees, or the provision of safe, adequate, and proper service at just and reasonable rates.

The Movants were not parties to the underlying Board proceeding, which was duly noticed to the public. The Movants alleged that Charter engages in discriminatory conduct by refusing to carry channels owned by 100% African American owned media corporations, specifically, Entertainment Studios, Inc., and that allowing Charter to expand its footprint through the Merger, these practices will become more widespread. The Movants asserted that they will be able to establish that the Merger will be detrimental to 100% African American owned media companies and they are therefore likely to succeed on the merits to a challenge of the Merger.

On May 12, 2016, the Petitioners filed a brief in opposition to the Movants' application, arguing among other things, that the Movants lack standing to seek a stay; fail to satisfy the requirements necessary for injunctive relief; failed to timely participate in the underlying Board proceeding; and failed to legally intervene. The Petitioners also contend that the Movants are unlikely to succeed on the merits because their claims are baseless and lack nexus to the Merger; Charter's decisions concerning which channels to carry are constitutionally protected under the First Amendment; and the Board lacks jurisdiction to regulate which channels Charter carries.

After review, the Division of Law recommended that the Board deny the Movants' request for a stay of the Board's March 31, 2016 Order.

DECISION: After discussion, 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

4. TELECOMMUNICATIONS

There were no items in this category.

5. WATER

Michael Kammer, Bureau Chief, Division of Water, presented these matters.

A. Docket Nos. BPU WR16010086 and OAL PUC 01725-16 – In the Matter of the Petition of the Atlantic City Sewerage Company to Change the Level of Its Purchased Sewerage Treatment Adjustment Clause.

BACKGROUND AND DISCUSSION: On January 27, 2016, the Atlantic City Sewerage Company (Petitioner or Company), filed a petition with the Board requesting to change

the level of its Purchased Wastewater (sewerage) Treatment Adjustment Clause (PSTAC) from \$25.251.00 per Mcf of metered water to a rate of \$25.713 per Mcf. The Company's initial filing was based on preliminary estimates and was updated as the case progressed. The amount estimated in the petition to be recovered in the 2016 PSTAC is \$9,396,642.00

The actual amount to be recovered through the 2016 PSTAC is \$9,395,642.00 and the level of the PSTAC charge is changed from \$25.251 per Mcf to \$26.822 per Mcf. This represents an annual increase of \$14.61 or 2.75% on the average residential customer's annual sewerage bill above the current PSTAC charge.

The Company, the New Jersey Division of Rate Counsel (Rate Counsel) and Board Staff (collectively, the Parties), agreed to an overall recovery of the 2016 PSTAC totaling \$9,395,642.00. The amount of Atlantic County Utility Authority treatment costs to be recovered through the 2016 PSTAC is \$8,795,171.00. This amount has been further adjusted by the projected regulatory costs, \$16,000.00 shared 50/50, of \$8,000.00, as well as a (\$592,471) 2015 under collection to reflect a total amount to be recovered in 2016 of \$9,395,642.00.

This matter was transmitted to the Office of Administrative Law on February 1, 2016, as a contested case and was assigned to Administrative Law Judge (ALJ) W. Todd Miller. A telephonic prehearing conference was held on April 7, 2016, with ALJ Miller during which, among other things, the ALJ directed that a public hearing be held on this matter. After proper notice, a public hearing was held in Atlantic City, NJ on May 3, 2016 at 5:30 p.m. No members of the public were in attendance. Subsequent to the public hearing and prior to evidentiary hearings, a Stipulation of Settlement (Stipulation) was entered into by the Parties resolving all issues. ALJ Miller issued his Initial Decision recommending adoption of the Settlement of the Parties.

Staff recommended that the Board adopt the Initial Decision which adopts the Stipulation of the Parties in this matter to become effective on July 1, 2016.

DECISION: After discussion, 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 No. WO16040310 – In the Matter of the Verified Petition of the Township of South Orange Village Seeking Approval to Enter into a Negotiated Contract for Operation and Maintenance of the South Orange Water System with American Water Operations and Maintenance, Inc. Pursuant to the New Jersey Water Supply Public-Private Contracting Act, N.J.S.A. 58:26-19 et seq.

BACKGROUND AND DISCUSSION: On April 20, 2016, pursuant to the New Jersey Water Supply Public-Private Contracting Act, (Water Act), the Township of South Orange Village (South Orange) filed a Petition for approval of a contract with American

Water Operations and Maintenance, Inc. for the operation and maintenance of the South Orange water system.

The Water Act authorizes public entities to enter into contracts with private firms for the provision of water supply services. Water supply services, as defined by the Water Act, mean the financing, designing, construction, improvement, operation, maintenance, administration or any combination thereof, of a water supply facility (i.e., water system). Public-Private Contracts for water supply services must be submitted to the Board for review and approval.

The Water Act further states that once the Board approves a proposed contract, the jurisdiction of the Board terminates until or unless the contract is amended to change the formula or other basis of determining charges.

Staff recommended that the Board approve the Public-Private Contract between the Township of South Orange Village and American Water Operations and Maintenance, Inc.

DECISION: After discussion, 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 No. WE15111247 – In the Matter of the Petition of SUEZ Water New Jersey, Inc. for Approval of Municipal Consent to Own and Operate a Water System for Block 263, Lots 1, 1.02, 1.03 and 1.04 in the Township of Vernon and Approval of the Issuance of Revised Tariff Sheets Setting forth SUEZ New Jersey, Inc.’s Expanded Service Area Related to the Transfer of Assets from D&M Borstad Water Company, LLC to SUEZ Water New Jersey, Inc.

BACKGROUND AND DISCUSSION: On November 2, 2015, SUEZ Water New Jersey, Inc. (f/k/a United Water New Jersey, Inc.), (SUEZ, Company or Petitioner) filed a petition with the Board seeking approval of: (1) Municipal Consent Ordinance No. 15-24 adopted on October 15, 2015, by the Township of Vernon (Township) to allow Petitioner to provide water service to the property located in the Township (proposed franchise area); (2) the expansion of SUEZ’s service territory to include the Viking Village customers; (3) transfer of the assets now owned by D&M Borstad Water Company (D&M Borstad); and (4) to file a revised tariff sheet.

D&M Borstad is a privately-owned company that is not subject to the jurisdiction of the Board and currently operates a water system in the Township that serves approximately 20 customers.

The Company 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.

On July 15, 2015, the Company and D&M Borstad entered into an Agreement of Sale regarding the sale of D&M Borstad's water system assets to SUEZ. The purchase price for the Viking Village water system is \$45,000.00 subject to certain adjustments at closing. According to the Petition, SUEZ intends to operate the acquired company under the SUEZ name.

Staff recommended that the Board approve the following: (1) the Municipal Consent, Ordinance No. 15-24 dated October 15, 2015, granted to SUEZ by the Township; (2) an initial tariff for the Viking Village System customers to be incorporated into SUEZ Water New Jersey's Tariff; (3) continuation of the current charge of \$19.95 per bathroom per month; and (4) the proposed acquisition of D&M Borstad by SUEZ.

DECISION: After discussion, 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. WF16040284 – In the Matter of the Petition of Aqua New Jersey, Inc. for Authority to Enter into Long-Term Debt in an Amount up to \$22,000,000.00.

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

BACKGROUND AND DISCUSSION: On April 12, 2016, Aqua New Jersey, Inc. (Company or Petitioner), filed a petition with the Board requesting authority to:

1. Make, execute and deliver to Aqua America, Inc. a note (Note) for long-term debt in a principal amount up to \$22,000,000.00; and
2. To take such actions as are necessary to effectuate the transaction described in the Petition.

The Petitioner stated that its parent, Aqua America, Inc., has issued debt and intends to downstream a portion of the proceeds of that debt issuance to the Petitioner. In exchange for a portion of the proceeds of the debt issuance, the Petitioner sought authority to execute a Note to Aqua America, Inc. for long-term debt in a principal amount up to \$22,000,000.00. The Petitioner stated that the proceeds of the downstreamed debt will be used to refinance existing debt and to balance the Company's capital structure. The Company proposes to execute a note with its parent for all or a portion of the \$22 million unsecured debt with a 14 year term at a 3.65% coupon rate.

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 the Petitioner's request.

DECISION: After discussion, 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 Nos. BPU WC15091000U and OAL PUC 18216-15 – In the Matter of Diane Roefaro, Petitioner v. SUEZ Water New Jersey, Inc., Respondent – Billing Dispute.

Eric Hartsfield, Director, Division of Customer Assistance, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved a billing dispute between Diane Roefaro (Petitioner) and Suez Water New Jersey (Suez or Company), the petition was transmitted to the Office of Administrative Law on November 9, 2015, for hearing as a contested case. Administrative Law Judge (ALJ) Kimberly A. Moss filed an Initial Decision in this matter with the Board on April 8, 2016.

At April 27, 2016 Board meeting, Staff recommended and was granted a 45-day extension of time for issuing a final decision. On May 6, 2016, the Petitioner filed exceptions to the Initial Decision with the Board. Staff completed review and recommended adopting the Initial Decision. Staff noted that the Initial Decision incorrectly reflects the spelling of the Petitioner’s first name as Diana. However, as shown on the petition, the correct spelling is Diane.

The Board, at its discretion, has the option of accepting, modifying or rejecting the Initial Decision of ALJ Moss. Staff after review of the exceptions filed by the Petitioner, recommended that the Board adopt the Initial Decision of ALJ Moss.

DECISION: After discussion, 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 Nos. EG10020126 and QG14101150 – In the Matter of the Clean Energy Manufacturing Fund (CEMF) Solicitation – Award Recommendation – ENER-G Rudox, Inc.

Anne Marie McShea, Marketing & Communications Administrator, Office of Clean Energy and Marisa Slaten, Assistant Director, Division of Economic Development and Energy Policy, presented this matter.

BACKGROUND AND DISCUSSION: On October 22, 2014, the Board approved ENER-G Rudox, Inc's (EGR's) application for a Grant of \$300,000.00 and a term loan of \$3,000,000.00 under the Clean Energy Manufacturing Fund (CEMF) program for the purchase and formation of an advanced Combined Heat and Power (CHP) manufacturing facility in East Rutherford, NJ. The company planned to purchase a 28,885 square foot facility and create an advanced manufacturing facility for cogeneration and energy efficient systems, as well as a state-of-the-art network operations center for managing all North American systems. Renovations, equipment and development costs made up the remainder of the project with a total cost of \$6.9 million. The CEMF loan, as approved by the Board in October 2014, included a first lien position against all EGR business assets.

Since that time, ERG's business strategy for customer financing and corporate ownership changed, as well as proposed collateral for the CEMF loan, thus necessitating reconsideration of the CEMF Award. The project's total costs increased to \$9.98 million, to be funded with credit facilities from the parent company and proposed \$3.3 million of CEMF funding. The New Jersey Economic Development Authority (EDA), as administrator of the CEMF, proposed approval of a new collateral structure in which the BPU has a first lien mortgage on EGR's new facility and first lien all business assets not already pledged either to the financier of any Energy Service Agreement (ESA) or to Mitsubishi Engine North America, Inc. who provides the CHP equipment. This allows EGR's ESAs for the CHP projects to go forward unencumbered by the CEMF loan.

Board Staff reviewed the underwriting analysis and EDA's approval recommendations. Based on that analysis, Staff recommended that the Board approve the CEMF funding award to ENER-G Redux for \$3,300,000.00 for manufacture of CHP systems in East Rutherford, provided significant manufacturing and job expansion milestones are met.

DECISION: After discussion, 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.

B. Docket No. QG16060504 – In the Matter of the Clean Energy Program Authorization of Commercial and Industrial Program Energy Efficiency Incentives Exceeding \$500,000.00 – Readington Farms, Inc.

BACKGROUND AND DISCUSSION: The Board administers the New Jersey Clean Energy Program. The Combined Heat & Power/Fuel Cell (CHP/FC) Program is open to all Commercial & Industrial customers paying into the Societal Benefits Charge who install CHP or Fuel Cell systems to enhance energy efficiency in their buildings through on-site power generation with recovery and productive use of waste heat, thereby reducing existing and new demands to the electric power grid. Readington Farms, Inc. submitted an application for a CHP project at 12 Mill Road in Whitehouse, Hunterdon County.

The Readington Farms 2016 CHP/FC project's proposed 1.2 MW CHP system, to be installed at 12 Mill Road, in Whitehouse, Hunterdon County, will have the following annual estimated energy and cost savings (through production and heat recovery):

- annual estimated electric production of 9,408,428.3 kWh;
- annual estimated waste heat recovery of 18,464 MMBtus of natural gas;
- an estimated average annual energy cost savings of \$378,753.91.

The CHP/FC rebate is for a total of \$1,448,450.70, of which:

- An estimated \$434,535.21 will be paid upon proof of purchase of equipment;
- An estimated \$869,070.42 will be paid upon project completion, review and acceptance of documentation, and successful inspection; and
- An estimated \$144,845.07 will be paid one year after project inspection and acceptance, upon confirmation that the project is achieving its minimum efficiency threshold.

The application has an estimated project cost of \$4,828,169.00 with a 9.24 year payback without incentives, which is reduced to 6.47 years with incentive.

Based on the certifications of Applied Energy Group and ICF International, the Program Coordinator and Program Manager, respectively, Staff determined that this application meets the eligibility criteria for the CHP/Fuel Cells Program and recommended that the Board approve the application.

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

Docket No. QG16060501 – Kellogg Company

Docket No. QG16060502 – Macerich Deptford, LLC

Docket No. QG16060503 – Freemall Associates, LLC

BACKGROUND AND DISCUSSION: This matter also pertains to the Combined Heat & Power/Fuel Cell (CHP/FC) Program.

The Kellogg Company project is a 750 kW fuel cell system at 322 South Egg Harbor Road in Hammonton, Atlantic County, for an annual estimated electric production of 6,241,500 kWh and annual energy cost savings of \$338,480.89. The CHP/FC rebate is for \$2,000,000.00 of which \$600,000.00 will be paid upon proof of purchase of equipment; \$1,200,000 will be paid upon project completion/inspection; and \$200,000.00 will be paid one year after project inspection, upon confirmation that it is achieving its minimum efficiency threshold. The application has an estimated project cost of \$9,397,287.00 with a 17.86 year payback without incentives, reduced to 14.06 years with incentive.

The Macerich Deptford LLC 2016 CHP/FC project is an 800 kW fuel cell system, to be installed at 1750 Deptford Center Road, in Deptford, Gloucester County, that will have an annual estimated electric production of 6,660,403 kWh and annual energy cost savings of \$397,491.15. The CHP/FC rebate is for a total of \$2,000,000.00 of which \$600,000.00 will be paid upon proof of purchase of equipment; \$1,200,000.00 will be paid upon project completion/inspection; and \$200,000.00 will be paid one year after inspection and acceptance, upon confirmation that it is achieving its minimum efficiency threshold. The application has an estimated project cost of \$10,897,237.82 with a 21.41 year payback without incentives, which is reduced to 17.48 years with incentive.

The Freemall Associates 2016 CHP/FC project is for a 1 MW fuel cell system, to be installed at 3710 Route 9, in Freehold, Monmouth County, that will have an annual estimated electric production of 8,325,504 kWh and annual energy cost savings of \$443,756.50. The CHP/FC rebate is for a total of \$2,000,000.00 of which \$600,000.00 will be paid upon proof of purchase of equipment; \$1,200,000.00 will be paid upon project completion/inspection; and \$200,000.00 will be paid one year after inspection/acceptance, upon confirmation that it is achieving its minimum efficiency threshold. The application has an estimated project cost of \$13,471,546.91 with a 19.99 year payback without incentives, which is reduced to 17.02 years with incentive.

Based on the certifications of Applied Energy Group and ICF International, the Program Coordinator and Program Manager, respectively, Staff determined that these applications meet the eligibility criteria for the CHP/Fuel Cells Program and recommended that the Board approve the applications.

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

Roll Call Vote:	President Mroz	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	No
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye

D. Docket No. EO16050412 – In the Matter of the Petition of Public Service Electric and Gas Company for Approval of a Second Extension of a Solar Generation Investment Program and Associated Cost Recovery Mechanism and for Changes in the Tariff for Electric Service, B.P.U.N.J. No 15 Electric Pursuant to N.J.S.A. 48:2-21, N.J.S.A. 48:2-21.1 and N.J.S.A. 48:3-98.1.

BACKGROUND AND DISCUSSION: On May 11, 2016, Public Service Electric and Gas Company (PSE&G or Company) filed a petition with the Board seeking an extension of one segment of its Solar 4 All Extension program, the landfill segment. PSE&G asked the Board to approve PSE&G’s installation of 100 megawatt (MW) of solar electric generation as four 15 megawatt MW facilities and four 10 MW facilities on landfills in its service territory. In addition, the Company seeks approval, over a five-year period, of a total proposed capital investment of approximately \$276 million (\$240 million for investment and \$36 million for contingency and unforeseen site circumstances). The Company asks the Board to approve, as the cost recovery mechanism, a new component of its Green Programs Recovery Charge.

Staff recommended that the Board retain this matter at the Board rather than transmitting it to the Office of Administrative Law and designate Commissioner Fiordaliso to preside over the proceedings. Staff also recommended that the Board direct PSE&G to serve copies of the petition on the parties to its 2013 Solar 4 All Extension filing. Staff further recommended that the Board direct any party seeking intervenor status to file a motion by July 25, 2016.

DECISION: After discussion, 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. GO14121412 – In the Matter of the Petition of New Jersey Natural Gas Company for Approval of the Extension of Energy-Efficiency Programs and the Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1.

BACKGROUND AND DISCUSSION: On April 15, 2016, New Jersey Natural Gas Company (NJNG, or Company) filed a petition with the Board requesting approval of an extension to the Company’s existing energy-efficiency programs offered through the SAVEGREEN Program and its associated cost recovery mechanisms. NJNG sought an

extension of the current programs through December 31, 2018. This request was made due to the desire of NJNG to align the SAVEGREEN Program with the Strategic Plan of the New Jersey Clean Energy Program, which is currently being developed by the Board's Office of Clean Energy. The Strategic Plan is anticipated to be completed and approved by mid-2017.

Staff recommended that the Board issue an Order adopting the Stipulation executed by the Company, Board Staff and the New Jersey Division of Rate Counsel, extending the term of the current SAVEGREEN Program to December 31, 2018. Staff also recommended that the Company's rates remain subject to audit by the Board and that the Decision and Order not preclude the Board from taking any actions deemed to be appropriate as a result of any Board audit.

DECISION: After discussion, 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. 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)

Docket Nos. EO12121108V, EO12121112V and EO12121120V – EffiSolar Development, LLC

Docket No. EO12121138V – Quakertown Farms

Docket No. EO12121095V – RenewTricity

Docket No. EO12121124V – EAI Investments, LLC

Marisa Slaten, Assistant Director, Division of Economic Development and Energy Policy and Cynthia Covie, Chief Counsel, Counsel's Office, presented these matters.

BACKGROUND AND DISCUSSION: The Solar Act of 2012, was signed into law on July 23, 2012, and took effect immediately. N.J.S.A. 48:3-87(s) (Subsection (s)) applies to land actively devoted to agricultural or horticultural use that is valued, assessed, and taxed pursuant to the Farmland Assessment Act of 1964, N.J.S.A. 54:4-23.1 to -23.24, at any time within the ten-year period prior to the Solar Act's effective date (Farmland).

Subsection (s)(2) provides that the Board can approve a proposed facility on Farmland if "PJM issued a System Impact Study for the facility before June 30, 2011," the facility filed a notice of intent to qualify under Subsection (s)(2) with the Board within sixty days

of the effective date of the Act, (i.e., by September 21, 2012), and the Board approved the facility as “connected to the distribution system.”

By Order dated May 10, 2013, the Board denied or deferred final decision upon fifty-four applications filed pursuant to Subsection (s). Thereafter, several appeals were filed. The Court dismissed the appeal of those matters on which the Board had deferred its decision as not ripe for appeal; in addition, a number of projects whose denial or deferral had been appealed were subsequently approved under a separate provision of the Solar Act.

Subsequently, four developers, whose appeals were still pending, the Division of Law on behalf of Staff entered into negotiations with them. On June 6, 2016, Effisolar Development, LLC, Quakertown Farms, Renewtricity, and EAI Investments, LLC, executed a Settlement Agreement with Staff (Settlement).

Under the terms of the Settlement, the above four projects are given the right to decide within 24 months if they wish to proceed with the project at a reduced size of no more than 10MW. If no election is filed within that time, the project will forfeit its approval under the settlement. In addition, if an election is filed but the project has not been fully constructed within 12 months, with one 6-month extension possible, the project will also forfeit its approval.

Staff recommended that the Board approve the terms of the Settlement Agreement negotiated by Counsel as reflected in the stipulation. Within ten days of the effective date of a Board Order approving the settlement, the appellants will file a Stipulation of dismissal in the Appellate Division, concluding all pending litigation under Subsection s.

DECISION: After discussion, 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.

G. Docket No. QO15040477 – In the Matter of the Clean Energy Programs and Budget for Fiscal Year 2016 – FY16 Fourth Revised Budget.

BACKGROUND AND DISCUSSION: On May 31, 2016, Office of Clean Energy (OCE) Staff provided the public with notice of and the opportunity to comment on the proposed revisions to the Fiscal Year 2016 (FY16) New Jersey Clean Energy Program (NJCEP) Budget. The proposed revisions were also circulated to the Energy Efficiency (EE) and Renewable Energy (RE) Committee listserv and posted on the NJCEP website. Comments were due by June 15, 2016. Finally, the proposed revisions were also discussed at the June 14, 2016 meetings of the EE Committee and RE Committee.

After the adoption of the original FY16 NJCEP Budget, the administration of NJCEP has been transitioned to a new Program Administrator, thereby requiring the realignment of the budgets to reflect the new pricing structures related to that transition. Staff also proposed the transfer of \$7,500,000.00 to a new initiative, The State Facilities Initiative to fund energy efficiency and energy savings projects for State-owned and operated buildings and grounds. During FY16, the Heating Ventilation Air Conditioning (HVAC) Program has experienced higher than anticipated participation levels. To ensure sufficient funding for the program to remain open through the remainder of FY16, OCE Staff has proposed the transfer of \$1,500,000.00 to the HVAC Program's "Rebate, Grants, and Other Direct Incentives" Cost Category. Additionally, other programs have been identified as requiring either greater or lesser amounts of funding than originally anticipated. Accordingly, Staff proposed revisions to the FY16 NJCEP Budget, the combined effect of which is to leave the total amount of the overall FY16 NJCEP Budget unchanged and to increase the amount of the overall FY16 "Rebate" budget category by \$1,400,000.00 as compared to the Current Budget.

Written comments were submitted by the New Jersey Division of Rate Counsel (Rate Counsel) only. Rate Counsel commented that it did not oppose the Proposed Budget Revisions.

Staff considered public stakeholder input as well as the comments of the Market Managers and Program Coordinator and believes the revised programs and budgets will deliver significant benefits to the State. Therefore, Staff recommended approval of the FY16 revised budget.

DECISION: After discussion, 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. QO16040352 – In the Matter of the Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for the Fiscal Year 2017 Clean Energy Program.

BACKGROUND AND DISCUSSION: Board-approved funding levels set the level of New Jersey Clean Energy Program funding to be collected by the utilities from ratepayers each year. The new funding levels are then allocated to program budgets and added to carry-over from the previous year. The Board approves specific programs and detailed budgets on an annual basis. In this matter, Staff proposed a funding level for Fiscal Year 2017 (FY17) only.

Staff considered public stakeholder input as well as the comments of the Market Managers and Program Administrator and believes the proposed funding level will deliver significant benefits to the State and will satisfy the objectives of the Electric Discount and Energy Competition Act.

Staff recommended that the Board set a new Societal Benefits Charge funding level of \$344,665,000.00, which amounts to the same funding level approved by the Board for FY15 and FY16. When combined with other sources of funds, it results in total FY17 funding of \$360,758,752.00.

Staff anticipates the Proposed FY17 Funding Levels will be sufficient to maintain a full portfolio of programs. Therefore, Staff recommended approval of the FY17 Comprehensive Resource Analysis.

DECISION: After discussion, 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 Nos. QO16040353 and QO16060525 – In the Matter of the Clean Energy Programs and Budget for Fiscal Year 2017 (FY17) and In the Matter of the Revisions to New Jersey's Clean Energy Program FY17 Protocols to Measure Resource Savings.

BACKGROUND AND DISCUSSION: In this matter, the Board considered the proposed Fiscal Year 2017 (FY17) programs and budgets for New Jersey's Clean Energy Program (NJCEP) and FY17 Protocols to Measure Resource Savings. It is necessary to revise Protocols to reflect up-to-date energy savings baselines reflective of upgrades in energy codes or appliance efficiency standards, additions and changes to Clean Energy programs or measures, program assessments and evaluations, and other changes in the assumptions used to measure resource savings. Staff also coordinated with the Program Administrator regarding the programs and budgets set out in the compliance filings.

In order to estimate FY16 carryover, estimated total FY16 expenses were deducted from the final Board approved FY16 budget. The estimated FY16 carryover of approximately \$152 million equals the level of rebate commitments that are estimated to exist as of June 30, 2016, for projects to be completed in FY17 or FY18. The Board established the level of new funding available for the NJCEP in FY17 in the comprehensive resource analysis (CRA) Order.

Staff consulted with the Program Administrator in developing the proposed programs and budgets, and held monthly public meetings with the Energy Efficiency (EE) and Renewable Energy (RE) committees to receive comments and input into the development of the FY17 programs and budgets. In addition, a public hearing was held on June 10, 2016 to solicit additional input on the proposed program plans, budgets and protocols and written comments were accepted from the public through June 17, 2016.

The Board established the level of new funding available for the NJCEP in FY17 in the CRA Order. The following table shows the proposed approximate FY17 funding level allocated to the various Funding Categories and used to develop draft FY17 budgets:

Proposed FY17 Funding Level	
EE (Energy Efficiency)	\$288,856,000
DER (Distributed Energy Resources)	\$ 58,628,000
RE (Renewable Energy)	\$ 2,450,000
EDA (Economic Development Authority)	\$ 10,295,000
Program Administration	\$ 14,621,000
Total NJCEP Programs	\$374,850,000

Staff considered input of public stakeholder and the Program Administrator and believes the revised programs, budgets and protocols set forth will deliver significant benefits to the State and will satisfy the objectives of Electric Discount and Energy Competition Act. Therefore, Staff recommended approval of the revised FY17 program, budget filings and protocols.

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

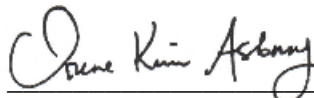
Roll Call Vote:

President Mroz	Aye
Commissioner Fiordaliso	Aye
Commissioner Holden	Aye
Commissioner Solomon	Aye
Commissioner Chivukula	Aye

9. MISCELLANEOUS

There were no items in this category.

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



IRENE KIM ASBURY
BOARD SECRETARY

DATE: July 29, 2016