



**STATE OF NEW JERSEY  
Board of Public Utilities  
44 South Clinton Ave., P.O. Box 350  
Trenton, NJ 08625-0350**

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

A Regular Board meeting of the Board of Public Utilities was held on September 18, 2013, at the State House Annex, Committee Room 11, 125 West State Street, Trenton, New Jersey 08608.

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

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

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

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

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

It was announced that the next regular Board Meeting would be held on October 16, 2013 at the State House Annex, Committee Room 11, 125 West State Street, Trenton, New Jersey 08608.

**CONSENT AGENDA**

**I. AUDITS**

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

EE13080736L	Rae of Sunshine, LLC	I – EA
EE13070645L	Capital Energy, Incorporated	I – EA
EE13080726L	United Power Consultants, Incorporated	I – EA
EE13080748L	AEC Energy Choice, LLC	I – EA
EE13080729L	New Jersey Green Energy Consulting, LLC	I – EA/PA
GE13080730L		
EE13030214L	J. Andrew Associates, Incorporated d/b/a	I – EA/EC
GE13030215L	Seven– Utility Management Consultants, LLC	
EE13080718L	Emissions Consult	I – EA/EC
GE13080719L		
EE13080746L	Crosslink Advisors, LLC	I – EA/EC
GE13080747L	d/b/a Crosslink Energy Advisors	

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

EE13080699L	Sprague Operating Resources, LLC	R – EA
EE13080728L	Live Energy, Incorporated	R – EA
EE13080727L	Energy Edge Consulting, LLC	R – EA
EE13070646L	I.C. Thomasson Associates, Inc.	R – EA/PA
GE13070647L		
EE13070648L	On-Demand Energy, LP	R – EA/PA
GE13070649L		
EE13060465L	Intelligen Resources, LP	R – EA/PA/EC
GE13060466L		

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

EE13030209L	MP2 Energy New Jersey, LLC	I – ESL
GE13050409L	SouthStar Energy Services, LLC d/b/a New Jersey Energy	I – GSL

**Electric Power and/or Natural Gas Supplier License Renewals**

EE13080701L	American PowerNet Management, LP	R – ESL
EE13070656L	Public Power and Utility of NJ, LLC	R – EGSL
GE13070657L		
EE13080700L	Stream Energy New Jersey, LLC	R – EGSL
GE13070621L		
EE13070643L	Clearview Electric, Incorporated	R – EGSL
GE13070644L	d/b/a Clearview Energy	
EE13080767L	Consolidated Edison Solutions, Inc.	R – EGSL
GE13080768L	d/b/a Con Edison Solutions	
GE13070640L	Consolidated Edison Energy, Inc. d/b/a Con Edison Energy	R – GSL

**BACKGROUND:** The Board must register all energy agents and consultants, and the Board must license all third party electric power suppliers and gas suppliers. An electric power supplier, gas supplier, or clean power marketer license shall be valid for one year

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

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

- Rae of Sunshine LLC
- Capital Energy, Inc.
- United Power Consultants, Inc.
- AEC Energy Choice LLC
- NJ Green Energy Consulting LLC
- J. Andrew Associates, Inc. d/b/a Seven – Utility Management Consultants, LLC
- Emissions Consult
- Crosslink Advisors LLC d/b/a Crosslink Energy Advisors

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

- Sprague Operating Resources LLC
- Live Energy Inc.
- Energy Edge Consulting, LLC
- I.C. Thomasson Associates, Inc.
- On-Demand Energy, LP
- Intelligen Resources LP

In addition, Staff recommended the following applicants be issued initial licenses as an electric power or natural gas supplier for one year:

- MP2 Energy NJ, LLC.
- SouthStar Energy Services LLC d/b/a New Jersey Energy

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

- American PowerNet Management, LP
- Public Power & Utility of New Jersey, LLC
- Stream Energy New Jersey, LLC
- Clearview Electric, Inc. d/b/a Clearview Energy
- Consolidated Edison Solutions, Inc. d/b/a Con Edison Solutions
- Consolidated Edison Energy, Inc. d/b/a Con Edison Energy

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

## II. ENERGY

### A. Docket Nos. BPU EC12090876 and OAL PUC 559-13 – In the Matter of the Shamong Township, Petitioner v. Public Service Electric and Gas Company, Respondent – Dispute Removal of All Trees – Request for Extension.

**BACKGROUND:** The Initial Decision of the Administrative Law Judge was received by the Board on July 17, 2013, requiring the issuing of a Final Decision by September 2, 2013. Thereafter, the Board sought a 45-day extension of time for issuing the Final Decision, or until October 17, 2013, to allow sufficient time to review the Initial Decision and the entire record in this matter.

The issuance and service of a Final Decision in time for the October 16, 2013 Board Agenda meeting date, would not allow sufficient time for service of the Final Decision prior to the October 17, 2013 expiration of the 45-day extension. Therefore, the Board sought an additional 45-day extension for review of the Initial Decision in order to render a Final Decision based on a full and complete review of the record within the allowable statutory time frame.

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 December 2, 2013.

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

## III. CABLE TELEVISION

### A. Docket No. CE13060582 – In the Matter of the Petition of Comcast of New Jersey II, LLC for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Town of Westfield, County of Union, State of New Jersey.

**BACKGROUND:** On April 9, 2013, the Town of Westfield granted Comcast of New Jersey II, LLC (Comcast) renewal municipal consent for a term of 15 years. On April 30, 2013, Comcast accepted the ordinance, and on June 28, 2013, Comcast filed a petition with the Board for its Renewal Certificate of Approval.

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

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

## IV. TELECOMMUNICATIONS

There were no items in this category.

## V. WATER

### A. **Docket No. WR13070686 – In the Matter of the Petition of Aqua New Jersey, Inc. for Approval of an Increase in Rates for Wastewater Service Provided by Systems Located in Woolwich and North Hanover Townships and Other Tariff Changes – Initial Suspension Order.**

**BACKGROUND:** On July 31, 2013, Aqua New Jersey, Inc. (Company or Petitioner), filed a petition with the Board seeking to increase its rates for wastewater service provided by systems located in Woolwich and North Hanover Townships amounting to approximately \$751,547 or 62.50% above the annual revenues. The increase in rates was proposed to become effective on September 1, 2013.

On August 10, 2013, the Company filed a letter with the Board stating that it would not implement rates on an interim basis prior to the effective date of the Board's Suspension Order resulting from the September 18, 2013, agenda meeting. The Petitioner did not seek interim rate relief pending final determination on the petition.

On August 27, 2013, this matter was transmitted to the Office of Administrative Law for hearing(s) and once assigned, hearings will proceed accordingly.

In view of the fact that this proceeding will not be completed by September 1, 2013, Staff recommended the Board issue an Order suspending the rates until January 1, 2014.

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

### B. **Docket No. WR13080715 – In the Matter of the Petition of Shore Water Company for Approval of an Increase in Rates for Service – Initial Suspension Order.**

**BACKGROUND:** On August 9, 2013, Shore Water Company (Company or Petitioner), filed a petition with the Board seeking to increase its rate for water service amounting to approximately \$162,597 or 31.15% above the annual revenues.

The increase in rates was proposed "... to become effective 30 days after the filing of this Petition with the Board." The Company filed a letter with the Board stating that it will not implement rates on an interim basis prior to the effective date of the Board's Suspension Order resulting from the September 18, 2013, agenda meeting. The Petitioner did not seek interim rate relief pending final determination on the petition.

This matter was transmitted to the Office of Administrative Law for hearing(s) and once assigned, hearings will proceed accordingly.

In view of the fact that this proceeding will not be completed by September 9, 2013, Staff recommended the Board issue an Order suspending the rates until January 9, 2014.

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

**VI. RELIABILITY & SECURITY**

There were no items in this category.

**VII. CUSTOMER ASSISTANCE**

**A. Docket Nos. BPU EC12110993U and OAL PUC 01333-13 – In the Matter of IT Tress, Inc., Petitioner v. Public Service Electric and Gas Company, Respondent – Billing Dispute.**

**BACKGROUND:** This matter involved a billing dispute between IT Tress Inc. (ITT) and Public Service Electric and Gas Company (PSE&G). The petition was transmitted to the Office of Administrative Law on February 1, 2013, as a contested case. Administrative Law Judge (ALJ) Richard McGill filed an Initial Decision in this matter with the Board on August 9, 2013, approving a Stipulation of Settlement (Settlement) of the parties.

Pursuant to the terms of the Settlement, and in order to resolve this matter regarding electric service to the premises located at 65 Railroad Avenue, Unit #7, Ridgefield, New Jersey, the parties agreed that PSE&G would credit ITT's account ending with 500 01 in the amount of \$17,000.00 and will subsequently issue a check to ITT in that amount.

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

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

**VIII. CLEAN ENERGY**

There were no items in this category.

**IX. MISCELLANEOUS**

**A. Approval of the Executive Session Minutes of April 29, 2013 – Item 2K.**

**BACKGROUND:** Staff presented the Executive Session minutes from the April 29, 2013, Agenda Meeting - Item 2K and recommended they be accepted.

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

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

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

## AGENDA

### 1. AUDITS

There were no items in this category.

### 2. ENERGY

#### A. Docket No. ER13010012 – In the Matter of the Federal Energy Items for 2013 - Communication of Operational Information Between Natural Gas Pipelines and Electric Transmission Operators – FERC Docket No. RM13-17.

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

**BACKGROUND AND DISCUSSION:** On August 20, 2013, the Federal Energy Regulatory Commission (FERC) published a Notice of Proposed Rule Making (NOPR) seeking comments on the Communication of Operational Information Between Natural Gas Pipelines and Electric Transmission Operators under Docket No. RM13-17-000.

In the NOPR, the Commission proposes “to revise [its] regulations to provide explicit authority to interstate natural gas pipelines and public utilities that own, operate, or control facilities used for the transmission of electric energy in interstate commerce to share non-public, operational information with each other for the purpose of promoting reliable service or operational planning on either the public utility’s or pipeline’s system.”

Comments were filed on behalf of the Board on August 23, 2012, echoing concerns by other commentator that there could be a potential harm to industry participants and a potential for improper use of non-public, operational material. Further, the Board’s comments indicated it does not support the disclosure of market sensitive information unless the Commission provides (1) clear and explicit limits as to what information should be kept confidential and what information may be disclosed, and (2) strong deterrents against and punishments for market abuses.

Staff recommended that the Board ratify the Comments filed with FERC on or about August 23, 2013.

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

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

**B. Docket No. ER13070666 – In the Matter of the Petition of Atlantic City Electric Company (ACE) for Approval to Implement Federal Energy Regulatory Commission Approved Changes to ACE’s Retail Transmission (Formula) Rate Pursuant to Paragraphs 15.9 of Basic Generation Service-Fixed Price and Basic Generation Service-Commercial and Industrial Energy Pricing Supplier Master Agreements and Tariff Filing Reflecting Changes to Schedule 12 Charges in PJM Open Access Transmission Tariff (2013).**

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

**BACKGROUND AND DISCUSSION:** By letter dated July 19, 2013, Atlantic City Electric Company (ACE or Company) filed a petition with the Board requesting approval to recover approved changes in retail transmission (formula) rates, by the Federal Energy Regulatory Commission (FERC). Specifically, the Company requested approval to implement new FERC-approved Transmission Rates and Transmission Enhancement Charges (TECs) and the consequent changes in the Basic Generation Service – Fixed Price (BGS-FP) and BGS-Commercial and Industrial Energy Price (CIEP) charges to its customers effective September 15, 2013. ACE further requested that the effected BGS suppliers receive the appropriate compensation for the related rate adjustment(s), subject to the terms and conditions of the appropriate BGS-FP and/or BGS-CIEP Supplier Master Agreements (SMA).

ACE stated that as part of a settlement approved by FERC on August 9, 2004, certain transmission owners in PJM Interconnection, LLC (PJM), including ACE, agreed to reexamine their existing rates and propose a method (such as a formula rate) to harmonize new and existing transmission investments by January 31, 2005. It was anticipated that such new rates, if any would go into effect on or by June 1, 2005. On January 31, 2005, ACE, among others, filed a formula rate for determining the wholesale transmission revenue requirements applicable in its PJM rate zone pursuant to the PJM tariff, to be effective on or about June 1, 2005. The formula rate tracks increases and decreases in costs such that no under-recovery and no over-recovery of actual costs will occur.

ACE filed an update to the formula rate at FERC on or about May 15, 2013, to be effective June 1, 2013. The formula rate update also incorporated a number of transmission enhancement projects that are included in Schedule 12 of the PJM Open Access Transmission Tariff (PJM OATT). According to ACE, the PJM OATT details TECs, which were implemented to compensate transmission owners for the annual transmission revenue requirements for “Required Transmission Enhancements” that are requested by PJM for reliability or economic purposes. TECs are recovered by PJM through an additional transmission charge in the transmission zones assigned cost responsibility for Required Transmission Enhancement projects. In accordance with an Order approved by the Board dated January 23, 2013, in BPU Docket No. ER12121086, ACE was authorized to recover the FERC-approved TECs found in Schedule 12 of the OATT for the Potomac Appalachian Transmission Highline, L.L.P. project, and for certain projects of the Virginia Electric and Power Company.

On or about May 15, 2013, formula rate update filings were made by PPL Electric Utilities Corporation in FERC Docket No. ER09-1148, American Electric Power Service Corporation in FERC Docket No. ER08-1329, Trans-Allegheny Interstate Line Company in FERC Docket No. ER07-562, Delmarva Power and Light (Delmarva) in Docket No. ER09-1158, and Potomac Electric Power Company in Docket No. ER09-1159, to be effective June 1,

2013. Each of these formula rate update filings include TECs that are applicable to customers in the ACE service territory. In its Order dated October 22, 2003 in BPU Docket No. EO03050394, the Board authorized the Electric Distributions Companies to recover FERC-approved changes in firm transmission service-related charges. The Board has also authorized recovery of FERC-approved changes in firm transmission service-related charges in subsequent orders approving the BGS supply procurement process and the associated SMAs. Pursuant to these Board Orders, the Company has recovered the TECs as part of its BGS-FP and BGS-CIEP. The Transmission Rates have been modified in accordance with the Board-approved methodology contained in the Company-Specific Addenda provided pursuant to the BGS dockets referenced above.

An adjustment to BGS supplier accounts for the period June 1, 2013 through May 31, 2014 will be made upon the Board's approval of this request. For the period beginning June 1, 2013, the Petitioner will track amounts associated with the rate change to BGS suppliers in accordance with ¶¶ 15.9(a)(iii) and (iv) of the BGS-FP and BGS-CIEP SMAs until receipt of final FERC action on the 2013 informational filing.

If approved, the monthly bill for an ACE residential customer using 700 kWh per month will change by approximately 30 cents (including Sales and Use Tax or .26%).

No comments were received from Rate Counsel or any other party.

Staff recommended the Board issue an order accepting the proposed tariff changes and approving implementation of changes to ACE's' retail transmission rates as filed with FERC, effective for service on or after October 1, 2013. Staff further recommended approval of ACE's request that the affected BGS suppliers receive the appropriate compensation for the rate adjustment(s) subject to the terms and conditions of the appropriate BGS-FP and BGS-CIEP Supplier Master Agreement(s).

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

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

**C. Docket No. ER13060534 – In the Matter of the 2013/2014 Annual Compliance Filings for the Universal Service Fund Program Factor within the Societal Benefits Charge Rate – Interim Universal Service Fund Rates and Lifeline Rates.**

**Peter Hilerio, USF Team,** presented this matter.

**BACKGROUND AND DISCUSSION:** On June 21, 2013, PSE&G, on behalf of itself and the other Utilities, made a filing for the 2013/2014 program year with actual cost data from October 2012 to April 2013 and five months of estimated data. The parties in this filing included the Utilities, Staff of the Board and the New Jersey Division of the Rate Counsel (Rate Counsel). No other parties intervened in this rate proceeding.

In the June 21, 2013 filing, the Utilities proposed that the statewide Universal Service Fund (USF) rates be set to recover approximately \$177.7 million and a Lifeline budget of \$87.9 million, representing an increase from the existing \$65.7 million being recovered under the current rates. Further, these proposed rates supported an estimated Department of Community Affairs (DCA) administrative budget of \$8,504,680.

On August 15, 2013, the Utilities provided Staff and Rate Counsel with actual cost data, and supporting documentation through July 31, 2013. This new information reflected a higher USF budget of approximately \$186.4 million.

These USF rates, including Sales and Use Tax, would result in an overall budget decrease of approximately \$44 million to the USF program from the current budget. Further, the combined USF/Lifeline rates represent a \$0.58 decrease for an average residential gas customer utilizing 100 therms per month and an increase of \$0.07 per month for an average residential electric customer utilizing 650 kWh per month. The combined USF/Lifeline annual bill would be \$39.83 per year for an average residential customer who uses both gas and electricity, a decrease of approximately 13.5% or \$6.16 from the current level of \$45.99 per year.

Rate Counsel (1) recommended that the Board direct the Utilities to re-file their Compliance filing to reflect (a) the DCA budget that the Board approved on August 21, 2013 and (b) replace the forecasted amounts in the June Compliance Filing with the actual amounts that were provided in Discovery; (2) did not object to the Utilities request for recovery of their actual administrative costs through July 2013; and (3) took no position on the reasonableness of the DCA administrative budget.

Staff recommended the Board approve the updated USF and Lifeline rates to become effective October 1, 2013 on an interim basis, subject to Board Staff's acceptance of the tariff compliance filings reflecting the Board Order and allow the Utilities' requested recovery of their deferred administrative expenses.

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

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

**D. Docket No. EX01110754 – In the Matter of the Provision of Basic Generation Service Pursuant to the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49 et seq.; and**

**Docket No. EO13080721 – In the Matter of the Provision of Basic Generation Service Pursuant to the Electric Discount and Energy Competition Act – Determination on Credit Worthiness Requirements for Jersey Central Power & Light Company.**

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

**BACKGROUND AND DISCUSSION:** On August 5, 2013, Jersey Central Power & Light

Company (JCP&L) notified the Board of a credit rating downgrade by Fitch Ratings of parent company FirstEnergy's and utility JCP&L's senior unsecured debt to below investment grade and offered a mitigation plan for the Board's consideration. The downgrade triggered a requirement set forth in an earlier Basic Generation Service (BGS) Order that the affected utility notify the Board of such downgrade and supply a mitigation plan within five business days of the downgrade. Fitch Ratings had lowered both its Issuer Default Rating (IDR) and senior unsecured debt credit rating on JCP&L's parent company FirstEnergy from BBB- to BB+. Fitch also lowered its IDR on the utility JCP&L from BBB to BBB-, and lowered JCP&L's senior unsecured debt credit rating from BBB+ to BBB while revising JCP&L's Rating Outlook to Stable from Negative. Two similar prior rating actions raised regulatory concerns with the ability of JCP&L to pay BGS suppliers in a timely manner and potential for an increased cost of capital which could result if JCP&L were forced to raise debt capital to finance additional construction or to refinance existing debt.

Fitch cited several key drivers for the July 2013 rating change including:

- The effect on parent operating profits due to the extended downturn in U.S. power prices;
- Increasing capex and operating costs to comply with environmental standards;
- Linkage between First Energy (FE) and its regulated and unregulated subsidiaries using Fitch ratings criteria; and
- Weakening credit metrics at JCP&L.

The Board published a public notice on the Board's website on August 12, 2013, requesting comments on the matter be submitted to the Board Secretary by August 19, 2013. The posting included copies of the FitchRatings Report and JCP&L's Mitigation Plan. The documents were also distributed electronically to a BGS service list supplied by JCP&L. The notice advised that the Board would review comments and then determine whether a public hearing or other action would be appropriate.

Only Rate Counsel submitted comments and observed that despite the adverse FitchRatings Report, JCP&L's corporate and senior unsecured credit ratings from all three credit rating agencies remain investment grade and also acknowledged that JCP&L "has access to adequate levels and sources of liquidity, such that payment for basic generation service supply for its customers is not an immediate issue." However, Rate Counsel expressed concerns that JCP&L's credit ratings are subpar compared with other major New Jersey utilities and argued that at least part of the problem is JCP&L's affiliation with FE. Rate Counsel then referred to its efforts in the pending JCP&L rate case to urge that JCP&L promptly conduct and submit "ring fencing" feasibility study to the Board to determine the costs and benefits of potential ring fencing measures that could protect its credit rating and concluded that this should be the first step in an appropriate mitigation plan for JCP&L. Rate Counsel also asserted that the utility is undercapitalized.

When the BGS process was first established, BGS suppliers expressed concerns with respect to utility creditworthiness and the Board established an expedited process to provide assurances to BGS suppliers that their payments from the electric distribution companies (EDCs) would continue in a prompt and timely manner. In the 2002 Order, the Board specifically included a rating downgrade of an EDC's parent holding company as a trigger for the expedited review process because it recognized that the EDC's credit status is inevitably linked to that of its parent. While that Order recognized that the downgrade of an EDC's parent company could have a negative effect on the EDC's financial stability, it

left the final determination as to the consequences of that downgrade to the Board. The process of requiring a Mitigation Plan and soliciting comments continues to have validity now just as it did in when crafted in 2002 and when triggered in 2004 and 2010. Most significantly, the terms of the BGS agreements continue to provide for twice-per-month payments in the event JCP&L's debt were to be downgraded below investment grade which addresses the BGS Suppliers' original concerns that were the genesis for the credit review process implemented in 2002. Staff believed there are no immediate concerns with JCP&L's liquidity position, the primary subject of this proceeding.

Staff found no immediate concerns with JCP&L's liquidity position, the primary subject of this proceeding. In the event that JCP&L's bonds were to be downgraded below investment grade, FE could infuse additional equity into JCP&L or reduce or eliminate JCP&L's payment of dividends to the parent.

In response to Rate Counsel's comments, Staff also found that the study of potential ring-fencing measures is a reasonable proposal that would be best pursued in the context of the Company's pending base rate case or other relevant proceeding. With regard to Rate Counsel's assertions about goodwill and capitalization of JCP&L, Staff found that these issues also appropriately belong in the Company's base rate case.

In addition, Staff found that there is no need to develop a separate payment mechanism to provide assurance to these suppliers in the event that JCP&L's credit rating falls below the "Required Rating" as defined in section 9.1(c) of the Supplier Master Agreements. Staff further found that there is no need for JCP&L to modify its payment schedules, post security or take any other remedial actions at this time. Therefore, Staff recommended the Board direct JCP&L to continue to provide timely notice to the Board of any further changes to its or FirstEnergy's credit ratings as required under the 2002 Order and the Board's rules at N.J.A.C. 14:4-4A.6. Staff also recommended the Board order that going forward, when a triggering credit downgrade occurs, JCP&L will submit a Mitigation Plan and the Board will solicit comments; however, the Board may hold a public hearing and/or issue an Order as the Board deems necessary.

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

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

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

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

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

**BACKGROUND AND DISCUSSION:** On September 4, 2013, Atlantic City Electric

Company (ACE), Jersey Central Power & Light Company (JCP&L), Board Staff, the Division of Rate Counsel, Mid-Atlantic Solar Energy Industries Association, and Solar Energy Industries Association executed a Stipulation (Stipulation) agreeing to extend Atlantic City Electric's and JCP&L's respective 180-day statutory review periods under N.J.S.A. 48:3-98.1 b to October 31, 2013 to allow additional time for the review and processing of the petitions.

On August 15, 2012, JCP&L filed a petition with the Board requesting approval of its "SREC II" solar financing program (JCP&L Program), pursuant to the Board's May 23 Order and pursuant to N.J.S.A. 48:3-98.1. As proposed, the JCP&L Program is a 52 megawatt (MW) program modeled closely on JCP&L's and ACE's first SREC financing program (Original SREC Programs) approved by Board Orders dated March 29, 2009 and September 16, 2009 under Dockets EO08100875 and EO08090840.

On September 6, 2012, ACE filed a petition with the Board requesting approval of its solar financing program (ACE Program), also pursuant to the May 23 Order and N.J.S.A. 48:3-98.1. According to the petition, ACE's Program is a 23 MW program modeled closely on the Original SREC Programs as well.

Staff recommended the Board adopt the Stipulation and extend JCP&L's and ACE's 180-day deadlines to October 31, 2013, to provide additional time for development of the record and possible settlement.

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

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

**F. Docket No. ER13070627 – In the Matter of Atlantic City Electric Company's Verified Petition, Requesting Authorization to Implement Changes to Its Residential Controllable Smart Thermostat Program Component of Its Regional Greenhouse Gas Initiative (RGGI) Recovery Charge for 2012 – 2013.**

**BACKGROUND AND DISCUSSION:** This matter involved a stipulation (September 2013 Stipulation) entered into by Atlantic City Electric Company (ACE or the Company), the Division of Rate Counsel (Rate Counsel) and Board Staff (Parties) that settles all factual and legal issues pertaining to ACE's Petition and Fourth Residential Controllable Smart Thermostat Program (RCSTP) Program Update (Petition). The Company's RCSTP is known to customers as the "EnergyWise Rewards Program". The September 2013 Stipulation does not replace the Stipulation entered into by the Parties on July 26, 2009, which set forth the RCSTP implementation parameters, or the April 2013 Stipulation, which to the extent not specifically modified in this Stipulation, remain in full force and effect.

The RCSTP is a demand response (DR) program in which residential customers with central air conditioner units or heat pumps voluntarily allow ACE to cycle such systems during periods of peak electricity demand, thereby helping to increase reliability of the electric distribution system. On July 5, 2013, ACE filed its Petition requesting approval for

the Company to implement recovery of revised cost estimates associated with the RCSTP at an increased level through its Regional Greenhouse Gas Initiative (RGGI) Recovery Charge. ACE provided a reconciliation of actual program costs and revenues from PJM DR programs for the period ending May 31, 2013, as well as new projected program costs and revenues through May 31, 2014.

The RCSTP RGGI Recovery Charge component of the Company's current tariff of \$0.000190 per kilowatt hours (kWh) will rise to \$0.000493 kWh, resulting in an annual revenue increase of \$2.892 million (including Sales and Use Tax), to be recovered on all customers' bills between October 1, 2013 and May 31, 2014. A typical residential customer using 1000 kWh per month would experience an increase of \$0.30 in the customer's monthly bill, which is an increase of 0.18 percent.

Staff recommended the Board issue an order approving the Stipulation of the Parties.

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

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

**G. Docket No. GR13060447 – In the Matter of the Petition of Public Service Electric and Gas Company's 2013/2014 Annual Basic Gas Supply Service Commodity Charge Filing for Its Residential Gas Customers Under Its Periodic Pricing Mechanism and for Changes in the Tariff for Gas Service.**

**BACKGROUND AND DISCUSSION:** On May 31, 2013, Public Service Electric and Gas Company (PSE&G or the Company) filed a petition with the Board, requesting to maintain its Annual Basic Gas Supply Service default Commodity Charge for Residential Service (BGSS-RSG).

The Company, Board Staff, and Rate Counsel (collectively, the Parties) determined that additional time was needed to complete the review of the Company's filing. The Parties have therefore executed a Stipulation that provides for PSE&G's current BGSS-RSG rate to remain in effect on a provisional basis subject to refund with interest on any net over-recovered balance.

Staff recommended the Board approve the Stipulation of the Parties for Provisional PSE&G's BGSS-RSG rates subject to refund with interest on any over recovered BGSS balance for service rendered on and after October 1, 2013. Staff also recommended the Board order that this matter be transmitted to the Office of Administrative Law for full review and an Initial Decision, and then returned to the Board for a Final Decision.

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

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

**H. Docket No. EO12070650 – In the Matter of the Board’s Initiative to Revise Reporting Requirements and Improve Reliability Programs by the Electric Distribution Companies Operating in New Jersey – Clarification of Confidentiality – See Executive Session.**

**Jerry May, Director, Division of Energy and Geoffrey R. Gersten, Deputy Attorney General, Division of Law,** presented this matter.

**BACKGROUND AND DISCUSSION:** As part of the Board’s continuing efforts to ensure safe, reliable and adequate electric service to New Jersey customers, and on the heels of the recent investigation into the response and restoration efforts of Electric Distribution Companies (EDCs) during Tropical Storm Irene and the October 2011 Snow Storm, in its Order dated February 20, 2013, (February 20, 2013 Order) in this docket, the Board adopted new EDC reporting requirements related to outages and reliability improvement measures. These new requirements include four initiatives: 1) quarterly reporting requirements; 2) the inclusion of an additional annual report; 3) the modification of the rules and reporting requirements regarding the poorest performing circuits; and 4) a new tracking objective related to “Hazard Trees.”

The Board has ordered the submission of this information to enhance the ability to track potential and/or realized problem areas within the electric distribution systems, and to have the EDCs address these areas and improve system-wide reliability. The additional information will aid in system evaluation and identification of high outage areas or equipment, help identify outage and fault catalysts, and allow Board Staff to better understand the current state of the electric systems and infrastructure, as well as identify issues that the EDCs and the Board should address.

The Board has the authority to determine whether information provided as part of a proceeding under the Board’s jurisdiction should be kept confidential. N.J.A.C. 14:1-12.1(e) authorizes the Board “to make a confidentiality determination within the context of a hearing or other proceeding or with regard to any other matter the Board may deem appropriate. Any confidentiality determination by the Board shall bind the custodian when reviewing confidentiality claims pursuant to this subchapter.”

In the February 20, 2013 Order, the Board exercised its authority, pursuant to N.J.A.C. 14:1-12.1(e), and Staff recommended it confirm that all information filed by the EDCs in response to the February 20, 2013 Order is to be declared as confidential. The information is more comprehensive than that required by the Board in the past, and contains details not otherwise disclosed by the utilities. The Board will be using this information as part of its ongoing investigative process that will help the Board define new reporting requirements and may also lead to directives for corrective action.

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

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

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

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

**BACKGROUND AND DISCUSSION:** On July 1, 2013, Public Service Electric and Gas Company (PSE&G or Company) petitioned the Board for approval to recover \$26.277 million through its Weather Normalization Clause (WNC) to be recovered over the 2013-2014 Winter Period.

The Company proposed a WNC after-tax rate of \$0.019983 per balancing therm applicable to Residential Service Gas, General Service Gas and Large Volume Gas customers

The Company, Board Staff and Rate Counsel (the Parties) determined that additional time was needed to complete a comprehensive review of PSE&G's proposed WNC rate and other aspects of the Company's filing, and have agreed that the stipulated provisional after-tax WNC rate of \$0.019983 per balancing therm, to be made effective October 1, 2013, subject to refund with interest, is reasonable and in the public interest.

Staff recommended the Board approve the Stipulation of the Parties for Provisional WNC rates.

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

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

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

**BACKGROUND AND DISCUSSION:** On May 31, 2013, South Jersey Gas Company (Company) filed a petition with the Board requesting the annual review and approval of its Basic Gas Supply Service (BGSS) Rate. The Company also filed to revise its Conservation Incentive Program (CIP) rates. The Company proposed that the new rates become effective October 1, 2013 through September 30, 2014. Approval of the BGSS/CIP filing would result in an approximate \$18.51 million decrease in annual revenue to the Company. The impact

of the Company's request on the monthly bill for the average residential heating customer utilizing 100 therms per month would be a decrease of \$6.32 per month or 4.8%.

Following discovery and discussions, the Company, Rate Counsel and Board Staff (the Parties) agreed that additional time was needed to review the filing. The Parties executed a Stipulation that provides for provisional BGSS/CIP rates that would produce the provisional decrease in annual revenue of \$18.51 million for South Jersey Gas Company.

Staff recommended the Board to approve the Parties' Stipulation for Provisional BGSS and CIP rates subject to refund with interest on any net over-recovered BGSS balance.

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

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

**K. Docket No. GO13010059 – In the Matter of the Petition of New Jersey Natural Gas Company for (1) Approval of a Gas Service Agreement Between TAQA GEN-X, LLC and New Jersey Natural Gas Company (2) a Protective Order and Exemption from Public Disclosure of Confidential Information.**

**BACKGROUND AND DISCUSSION:** On January 25, 2013, New Jersey Natural Gas (NJNG or the Company), filed a petition requesting that the Board pursuant to N.J.S.A. 48:2-13, 48:2-21, 48:2-23 approve (1) a Gas Service Agreement (GSA) between NJNG and TAQA GEN-X, LLC (TAQA) and (2) a Protective Order and exemption from disclosure of confidential information pursuant to N.J.S.A. 47:1A et seq. Should the GSA be approved, the Company will provide gas distribution service to Red Oak Power, LLC (Red Oak), located in the Borough of Sayreville, Middlesex County, New Jersey. Red Oak currently receives natural gas distribution service from Public Service Electric and Gas Company (PSE&G). That contract will expire by September 30, 2013. The petition maintains that based upon its inability to negotiate an acceptable extension of both its current gas supply contract with PSEG, Energy Resources & Trade (PSE&G ER&T), and its current gas transportation service with PSE&G, TAQA decided to explore a potential by-pass of PSE&G's natural gas distribution system, as well as termination of the natural gas supply contract with PSEG ER&T, in order to obtain gas supply and transportation on more economically favorable terms. The Board should rule on the motions to intervene filed by TAQA and PSE&G before considering the merits of the GSA terms.

Staff recommended the Board approve the Motion to Intervene submitted by TAQA. As for PSE&G's request for intervention, Staff recommended that it be denied.

Furthermore, Staff also recommended the Board designate Commissioner Mary-Anna Holden as Presiding Officer to set a procedural schedule and address any procedural issues that may arise.

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

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

**L. Docket Nos. EO13020155 and GO13020156 – In the Matter of the Petition of Public Service Electric and Gas Company for Approval of the Energy Strong Program – Motion for Interlocutory Review.**

**Bethany Rocque-Romaine Smart Growth Policy Advisor, Office of the Chief Counsel,** presented this matter.

**BACKGROUND AND DISCUSSION:** On February 20, 2013, Public Service Electric and Gas Company (PSE&G) filed a petition with the Board for a \$3.9 billion program to improve its gas and electric infrastructure to make them less susceptible to storm damage in anticipation of future Major Storm events through “Energy Strong.” PSE&G also requested contemporaneous recovery of its costs. The matter was assigned to Commissioner Joseph Fiordaliso in June. Motions were filed in June by the American Association of Retired Persons (AARP) and the New Jersey Large Energy Users Coalition (NJLEUC) to intervene and by certain PSE&G Unions to participate. In an Order dated July 2, 2013, Commissioner Fiordaliso granted the motions of AARP and NJLEUC to intervene and granted the motion of the PSE&G Unions to participate in Energy Strong.

In July, a motion was filed by the Sierra Club and the New Jersey Environmental Federation (Environmental Groups) to intervene in the matter. In an Order dated August 2, 2013, Commissioner Fiordaliso denied the motion to intervene but granted the Environmental Groups participant status with the right to file briefs and statements. On August 12, 2013 the Environmental Groups filed this request for interlocutory review asking the Board to review and overturn the August 2 Order denying them intervenor status and granting them participant status. The Environmental Groups seek status as full intervenors.

The Environmental Groups maintained that since their status within the proceeding was affected by Commissioner Fiordaliso’s August 2, 2013 Order, review of their role in the case at the end of the proceeding will come too late. The Environmental Groups argue that they have a number of ratepayer members residing in PSE&G territory who will be directly affected by the outcome of Energy Strong. Additionally, they asserted that their ratepayer members’ electric rates will be negatively affected by the outcome of Energy Strong if the program does not incorporate energy efficiency, demand response and renewable energy initiatives into the proposed infrastructure program. PSE&G countered that the focus of Energy Strong is primarily electric and gas infrastructure hardening and increased resiliency to improve performance during Major Storm events, and that the addition of these issues will delay the proceedings and add confusion.

Staff recommended the Board accept the request for interlocutory review because the August 2, 2013 Order affected the status of the Environmental Groups, one of the factors under the case law. Staff also recommended that the Board act on the merits of the matter and confirm the August 2, 2013 decision denying the Environmental Groups intervenor

status but modify the rights granted to include the right to argue orally in addition to the right to file briefs and statements already granted.

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

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

### 3. CABLE TELEVISION

- A. **Docket No. CO13030259 – In the Matter of the Petition of Verizon for Permission to Relocate a Local Business Office in Denville Township, County of Morris, State of New Jersey, to a New Office also located in Denville Township, in the Same Shopping Mall, Pursuant to N.J.A.C. 14:18-5.1(c).**

**Lawanda R. Gilbert, Acting Director, Office of Cable Television,** presented this matter.

**BACKGROUND AND DISCUSSION:** This matter involved a petition by Verizon of New Jersey Inc., (Petitioner) received on April 5, 2013, requesting authority from the Board to (i) relocate a local customer service office presently located at 3130 State Route 10W, Denville, New Jersey 07834, Morris County, New Jersey 07834, and (ii) redirect its reported average of 25 daily customers currently using that office to another store in the same shopping mall at the same address. The Petitioner asserted that the new office location, where its customers will be redirected, offers identical service, longer hours, the sufficient parking and the ability to receive wireless Verizon service as well as wire-line service.

Customer Service Representatives (contracted agents for Verizon) at the present office currently assist walk-in customers with equipment exchanges, taking payments, processing applications for service and handling of complaints. The Petitioner represented that all services presently available at the existing Denville office will also be available at the proposed location. Business office hours in the proposed office location while beginning one hour later will be more extensive than those of the present office. The proposed new office will be open an additional 15 hours per week, offering Sunday hours as well as staying open until 8:00 pm Monday-Thursday and until 9:00 pm on Friday and Saturday, to accommodate more subscribers.

No objections were filed in this matter.

After the review of the petition and supporting documentation, Staff found that the proposed relocation and redirection of customers to the proposed Denville office located in the same mall, will not adversely affect the subscribers in the system. Therefore, Staff recommended the Board grant the Petitioner's request for permission to relocate its Denville Office to another store in the same mall.

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

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

**4. TELECOMMUNICATIONS**

There were no items in this category.

**5. WATER**

There were no items in this category.

**6. RELIABILITY & SECURITY**

**A. Docket No. EX13020141 – In the Matter of the Proposed Readoption of Amendments of the Energy Emergency Rules, N.J.A.C. 14:29 – Rule Adoption.**

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

**BACKGROUND AND DISCUSSION:** This matter involved the readoption with technical amendments of N.J.A.C. 14:29 (chapter 29), rules which authorize the Board to prepare for and manage energy emergencies in accordance with N.J.S.A. 52:27F-16 through 18, and 21 and 24.

The energy emergency rules, in conjunction with the development of the State’s Energy Assurance Plan and internal protocols, create a strategy for the Board to set restoration priorities and manage the recovery from the effects of any energy supply disruption in the State. These rules fit in with the Board’s overall mission to provide safe, adequate and proper service and the Board’s role as the lead agency for energy emergencies defined in the State’s Emergency Operations Plan.

Following Hurricane Sandy, a disruption to the fuel supply caused the Governor to declare a partial energy emergency in which odd/even gasoline rationing portions of the rule were implemented. The recent use of the rule and a comprehensive review of its provisions in light of Hurricane Sandy did not generate a need for further revisions. Other fuel related initiatives, such as backup power for gas stations, is in development, and will be achieved outside the scope of this rule.

At the April 29, 2013 agenda meeting, the Board proposed the readoption of Chapter 29 with technical amendments. The rules would have expired on May 12, 2013, if not proposed for readoption.

The proposed readoption was published in the New Jersey Register on June 3, 2013 with an August 2, 2013 deadline for the submission of comments. No comments were received and Staff recommended adoption of the proposal without change.

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

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

## 7. CUSTOMER ASSISTANCE

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

**A. Docket Nos. BPU EC12040303U and OAL PUC 07198-12 – In the Matter of Alva Muhammad, Petitioner v. Public Service Electric and Gas Company, Respondent – Billing Dispute.**

**BACKGROUND AND DISCUSSION:** This matter involved a billing dispute between Alva Muhammad (Ms. Muhammad) and Public Service Electric and Gas Company (PSE&G or Company). The petition was transmitted to the Office of Administrative Law on May 17, 2012, as a contested case. Administrative Law Judge Kimberly A. Moss filed an Initial Decision in this matter with the Board on April 12, 2013, dismissing the petition of Ms. Muhammad. At its March 20, 2013, June 21, 2013, and August 21, 2013 Board meetings, Staff recommended and was granted 45-day extensions of time for review and issuing a final decision. On July 3, 2013, Ms. Muhammad filed exceptions to the Initial Decision.

Staff recommended the Board approve the request for an extension of time for reviewing and issuing a final decision. Because additional time was required for Staff to perform a full review of the record, Staff requested that the Board seek an additional 45-day extension of the time in which the Board may render a final decision from the Office of Administrative Law, until November 25, 2013.

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

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

**B. Docket No. EO13080786U – In the Matter of the Petition of Hess Corporation Seeking a Waiver of N.J.A.C. 14:4-2.3(c) Pursuant to the Waiver Rule, N.J.A.C. 14:1-1.2.**

**BACKGROUND AND DISCUSSION:** On August 28, 2013, Hess Corporation (Hess) filed a petition with the Board requesting for a waiver of the N.J.A.C. 14:4-2.3 (c) which requires a Third Party Supplier (TPS) to include within the customer verification the identification of the TPS to which the customer is being switched whenever the TPS submits an Electronic Data Interchange change order to a Local Distribution Company (the TPS Identification Rule). Hess is seeking expedited consideration of this petition due to the timing of the proposed

transaction. Hess notified the Board that Direct Energy Business, LLC (Direct Energy) has agreed to acquire Hess' Energy Marketing Business (the Acquisition), effective on or after October 1, 2013. Prior to the Acquisition, Hess is seeking to transfer and assign its rights and obligations under its existing energy supply contracts to a new wholly owned subsidiary, Hess Energy Marketing, LLC, (HEM), which is already a licensed TPS in New Jersey. The petition states that upon consummation of the Acquisition, HEM will become a wholly owned subsidiary of Direct Energy.

Hess stated that upon transfer of supply service from Hess to HEM, HEM will assume all rights and obligations under existing supply contracts, and will continue to supply service under the same terms and conditions, including price. Hess has already obtained customer consent to assign its contractual rights and obligations to a new entity through an assignment clause in its existing supply contracts and has provided notice to each customer of the impending Acquisition and the proposed assignment of contracts to HEM.

Hess contended that the requirement that it provide customers with a positive identification of the TPS to which they are switching, in this case HEM, as required under N.J.A.C. 14:2.3(c) 2(v) and 3(v), is not only unnecessary, but is likely to result in confusion and harm to these existing Hess customers. Hess claims that a waiver pursuant to N.J.A.C. 14:1-1.2 (b)(1) is appropriate because compliance with the TPS Identification Rule would adversely affect Hess' customers, each of whom contracted for certain products and services at a certain price for a certain period of time.

Additionally, Hess claimed that were these customers not to affirmatively identify the TPS to which they are switching, in this case HEM, for any reason, they would be dropped as TPS customers under the TPS Identification Rule and would lose the benefit of the contracts they entered into with Hess. Finally, Hess notes that all of the contracts at issue involve commercial and industrial customers, who voluntarily agreed to contract assignment as part of the deal.

In considering Hess's request to waive N.J.A.C. 14:4-2.3 (c), the Board applies the two-pronged test set forth at N.J.A.C. 14:1-1.2(b)(1): first, whether the request is in accord with the general purposes and intent of the rules; and second, whether full compliance with the rules would adversely affect ratepayers, the utility, or the public interest.

To determine the general purpose and intent of its rules, the Board looks to the policy underlying the rule in question. The goal of the rule is to ensure that a customer is not switched to another supplier without that customer's consent. As noted above, Hess has provided information demonstrating the enforcement of N.J.A.C. 14:2.3(c) 2(v) and 3(v) in this instance would be unnecessary because these commercial and industrial customers have agreed to have their contracts assigned as part of the original arrangement with Hess. Because the Board is persuaded that these larger sophisticated customers have knowingly agreed to have their services provided by another licensed TPS, even though that TPS was not named in the original contract, staff asserts that the request to waive the TPS Identification Rule accords with the general purposes and intent of the rule.

The Board also considered whether full compliance with the rule would adversely affect the interest of the public. Hess has provided ample demonstration that the enforcement of N.J.A.C. 14:2.3(c) 2(v) and 3(v) could result in these customers being dropped to Basic Generation Service thereby losing the benefit of the service negotiated with Hess, and

therefore, given the nature of these commercial and industrial customers, Staff maintains that the rigid application of its rules would be contrary to the public interest under the facts presented to the Board in this matter. Therefore, Staff contended that waiver of the TPS Identification Rule under the circumstances described will further the public interest.

Therefore, Staff recommended waiving the requirement of N.J.A.C. 14:2.3(c) 2(v) and 3(v) requiring that Hess obtain specific authorization to switch its current commercial and industrial customers to HEM where the current contracts contain an assignment clause and HEM has committed to respecting all of the terms and conditions of those contracts.

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

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

## 8. CLEAN ENERGY

Elizabeth Teng, Office of Clean Energy, presented these matters.

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

#### 1 - Docket No. EO13080752V – Bayer Healthcare Pharmaceuticals

**BACKGROUND AND DISCUSSION:** President Hanna recused himself from this matter. The Bayer Healthcare Pharmaceuticals project in Wayne New Jersey is for a Clean Energy Program commercial and industrial (C&I) application that was approved in August for a rebate amount over \$500,000. Bayer is consolidating their East Coast offices in Montville and Wayne, to a location in Whippany, NJ. This project is a substantial renovation of the existing office buildings at the site. The total incremental cost of the project is approximately \$2.9 million, for which Bayer will receive a little over \$1.1 million. The project is anticipated to achieve a 24% total energy savings through an estimated annual electric savings of 3.6 million kilowatt hours and an estimated annual electric demand reduction of 1,400 kilowatts. This project will also save over \$444,000 in annual energy costs.

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

Staff recommended the Board adopt the recommendation of Staff as set forth above.

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

**2 - Docket No. EO13080753V – Paul Goldman Associates**

**BACKGROUND AND DISCUSSION:** Paul Goldman Associates, in Fords, NJ which is an unincorporated community within Woodbridge also submitted a Clean Energy Program commercial and industrial (C&I) application that was approved in August for a rebate amount over \$500,000. The project takes place at a multifamily complex called Kensington Apartments in Fords. The applicant has proposed measures to improve the energy efficiency of the facilities. The total installation cost of the project is close to \$1.8 million, for which Paul Goldman Associates will receive approximately \$623,000. The measures are anticipated to achieve almost 30% total energy savings through an annual estimated electric savings of 37,000 kilowatt hours and an annual estimated natural gas savings of 226,000 therms. The project will also save over \$266,000 in annual energy costs.

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

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

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

**B. Scott Hunter, Renewable Energy Program Administrator,** presented these matters.

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

**Docket No. EO12090862V – In the Matter of the Implementation of L. 2012, C. 24, N.J.S.A. 48:3-87(T) – A Proceeding to Establish a Program to Provide Solar Renewable Energy Certificates to Certified Brownfield, Historic Fill and Landfill Facilities;**

**Docket No. EO13060499V – Solar Wind Energy, LLC Industrial Land Reclaiming Landfill; and**

**Docket No. EO13070626V – Zongyi Solar America Company, Ltd. Tinton Falls Solar Farm.**

**BACKGROUND AND DISCUSSION:** This is in the matter of implementation of the Solar Act of 2012, Subsection T and two applications received by the Board to provide solar renewable energy certificates (SRECs) to certified brownfields, historic fill, and landfill facilities. Subsection T of the Solar Act provides that the Board shall, within 180 days of the effective date of the legislation, establish a certification process for projects to be approved as connected to the distribution system to create SRECs. In an Order dated January 23, 2013 the Board approved the process for certifying solar generation projects that incorporated the expertise of the New Jersey Department of Environmental Protection

(DEP) to confirm potential projects, land classification for eligibility, and account for the state of remediation of the project site. In April of 2013, Staff distributed the application for Subsection T projects and received seven applications. The first application was submitted by Solar Wind Energy on behalf of the Industrial Land Reclaiming (ILR) Landfill and the second project was submitted on behalf of Zongyi Solar America, Limited, on behalf of Tinton Falls Solar Farm.

In June 2013, Solar Wind Energy submitted the ILR Landfill application for a 12.8 megawatt DC project proposed to be located in Edison Township on a sanitary landfill which began accepting waste in 1964 and ceased operation in 1985. Staff forwarded the application to the DEP, who found that the land use classification is correct in that it is a properly closed landfill. The application contained blocks and lots for areas that were not within the confines of the landfill itself, but also included the solar site plan that correctly identified where the solar facility would be located as within the landfill area. Based on the information provided in the application and the DEP's indication that additional protective measures are necessary should the solar facility be constructed on the site, Staff recommended additional certification for the ILR Landfill project; and that the Board require the applicant to resubmit the application correctly identifying the block and lot numbers where the solar facility will be located; and that the applicant comply with the requirements and the time limits established in the SREC registration rules for submission of the SREC registration package. The rules require an application on an SREC registration package to be submitted within ten days of having the contract to install the system.

In July 2013, Zongyi Solar America submitted an application for its Tinton Falls Solar Farm, a 19.9 megawatt DC project constructed in the Borough of Tinton Falls. Staff received the application and forwarded it to DEP, who found that the site is not a brownfield, but is on an area of historic fill, a former sand and gravel mining operation, with contamination from fill activities. While the system was being constructed, they found the contamination and DEP was involved in ensuring that all site remediation was properly conducted. Therefore, Staff recommended full certification for this solar facility pursuant to Subsection T of the Solar Act.

One issue that Staff uncovered with this application is that the project originally started construction and was registered in the SREC registration program prior to the Solar Act, and they then completed after the Solar Act was signed in July of 2012. This project has produced approximately 20,000 megawatt hours since it was authorized energized by JCP&L in November of 2012. The reason for the SREC registration program was to make transparent the construction plans of projects to inform the solar market about SREC amounts coming online and joining the market, with related impacts on price which then influence development and investment decisions. Staff recommended that the Tinton Falls Solar Farm be treated similar to the New Jersey Clean Energy Ventures project that the Board approved in April 2013 so that the authorization or notification to energize begin SREC creation. For future projects, Staff recommended that the qualification life begin on a later date of the authorization or notification to energize or the date that the applicant submits a request for approval to be connected to the distribution system serving New Jersey. Staff recommended that language be posted in the Clean Energy Program website in the section dealing with the Solar Act and to add this item to Staff's list of items in the rulemaking process designed to amend the renewable portfolio standard to account for the Solar Act.

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

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

**C. Docket No. EO13020078V – In the Matter of Nautilus Sussex-Wantage Board of Education Requesting an Extension for Its Solar Renewable Energy Certificate Purchase Sale Agreement with Jersey Central Power & Light Company.**

**BACKGROUND AND DISCUSSION:** This matter involved the Nautilus Company's request for extension of the Purchase and Sale Agreement (PSA) with Jersey Central Power and Light (JCP&L) in the solar renewable energy certificates (SRECs) based financing program.

Nautilus is the provider, the proposed owner of the system and the Sussex-Wantage Board of Education (BOE) is the customer in a power purchase agreement. The original PSA was awarded around December 30, 2011, for a 255 kilowatt solar project at the Sussex-Wantage BOE site. Nautilus submitted a petition on February 4, 2013, requesting a six-month extension of the PSA; difficulties were encountered with the roof of the project, necessitating a redesign, which ultimately led to permitting issues.

With extension requests, Staff looks at the state of the progress towards completion of the project and whether delays were unavoidable and unforeseeable. While roof issues have not been considered a cause that was unavoidable and unforeseeable, permitting issues have traditionally been viewed as unavoidable and unforeseeable.

The PSA contains a commencement date for the beginning of the long-term contract; normally when the system is authorized to be energized. With this extension request, Staff recommended that the commencement date begin on the last day of the original term of the PSA, which is December 31, 2012, because the SREC contract was awarded in late 2011. The SREC market has changed since then and both the cost of solar panels and SREC prices have fallen considerably.

Therefore, Staff recommended that the commencement date of the PSA be deemed as December 31, 2012, to remove adverse impacts to ratepayers of having a contract term that would have been so out of date. Staff also recommended that the requested six month extension of time to complete the project be granted.

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

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

**D. Docket No. EO12010066V – In the Matter of Green Lake Capital (GLC) New Jersey NACR2, LLC Requesting an Extension for Its Solar Renewable Energy Certificate Purchase Sale Agreement with Jersey Central Power & Light Company.**

**BACKGROUND AND DISCUSSION:** This matter involved GLC/NACR Limited Partnership's request for an extension of the Purchase and Sale Agreement (PSA) with Jersey Central Power & Light. This is the second extension request, again for unavoidable and unforeseeable permitting delays. The first extension was granted by the Board for the 230 kilowatt solar system at the Gate of Heaven Cemetery by the Archdiocese of Newark. The petition for a second extension was submitted in April 2013, just prior to the operational date. The system is now operational as of July 20, 2012. Staff recommended that the extension be granted as within time which maintains GLC's eligibility under PSA and deem the commencement date to remain July 20, 2012.

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

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

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

**Docket No. EO12090862V – In the Matter of the Implementation of L. 2012, C. 24, N.J.S.A. 48:3-87(T) – A Proceeding to Establish a Program to Provide Solar Renewable Energy Certificates to Certified Brownfield, Historic Fill and Landfill Facilities;**

**Docket No. EO13050387V - In the Matter of Pennoni Associates, Inc. (1845 Delsea Drive) - Motion for Reconsideration; and**

**Docket No. EO13050429V – In the Matter of Millennium Land Development, LLC (Love Lane) – Motion for Reconsideration.**

**BACKGROUND AND DISCUSSION:** This matter involved two motions for reconsideration submitted regarding the Board's decisions made on July 19, 2013 about two Subsection T applications; one for Pennoni on behalf of the 1845 Delsea Drive project and the other from Millennium on behalf of the Love Lane project. The Board determined to deny these applications pursuant to Subsection T because they weren't on a brownfield as the Department of Environmental Protection (DEP) defines a brownfield.

The Board's rules require that it act within 60 days of the filing of the petition or it deemed denied. Staff recommended the Board extend the period allotted for treatment of the Motions for Reconsideration on the denial of certification to these two projects and authorize a Secretary's letter be issued informing the Movants of this action.

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

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

## 9. MISCELLANEOUS

**Michael Winka, Director, Senior Policy Advisor for Smart Grid,** presented these matters.

**A. Docket No. EO13080765V – Memorandum of Understanding Between and Among the United States Department of Energy, New Jersey Transit Corporation and the New Jersey Board of Public Utilities.**

and

**B. Docket No. EO13080766V – Memorandum of Understanding Between and Among the United States Department of Energy, the New Jersey Board of Public Utilities, the City of Hoboken and Public Service Electric and Gas.**

**BACKGROUND AND DISCUSSION:** On October 29, 2012, Superstorm Sandy made landfall on New Jersey’s coast near Atlantic City. Sandy’s 90 mile per hour winds also coincided with a full moon and high tides. 71% of New Jersey electric distribution systems were impacted by Sandy with over 2.8 electric customers without power. As a result of the storm there were 9,441 down utility poles, and 116,671 fallen trees took out power lines. While most customers were restored within a week or less, thousands were without power for two weeks. One hundred transmission lines were out of services and over 4,000 transformers were damaged or flooded and had to be replaced. This damage and destruction was Statewide from the coast in the southern portion of the State up through the mountains in the northwestern counties and across the urban centers in the northeastern counties.

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

- East Coast Derecho - July 2011
- Hurricane Irene - August 2011
- October snow storm - October 30, 2011
- Super Storm Sandy - October 29, 2012
- Northeaster - November 7, 2012
- East Coast Derecho - June 2013.

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

The Board has entered into two Memorandums of Understanding (MOUs) with the U.S. Department of Energy (USDOE) and New Jersey Transit; and City of Hoboken and Public Service Electric and Gas Company (PSE&G).

The MOUs will evaluate the potential to develop a microgrid 1) within the northeast portion of the NJ Transit system and 2) within the PSE&G service area in the City of Hoboken. The USDOE has provided funding directly to Sandia National Lab to use a model developed by Sandia called the Energy Surety Design Methodology (ESDM). ESDM is a risk-based assessment approach to help communities evaluate regional and critical energy needs and identify solutions that include distributive generation. The modeling by Sandia to date using ESDM has been on energy systems on military bases to improve their resiliency in times of emergencies. The evaluation for Hoboken and NJ Transit will include smart design approaches to enable the energy systems to operate grid-connected or island as a microgrid. The key focus of the evaluation is to improve the resiliency of the PSE&G service area in Hoboken and of the NJ Transit energy system in times of emergencies when the grid is down.

The Board is to provide technical assistance to DOE, Sandia, Hoboken and NJ Transit. There is no Board or State financial obligation in these projects aside from in-kind technical support. The MOUs are strictly for management of the projects. The MOUs do not limit or restrict the parties from participating in similar activities in other areas with other parties. The Hoboken MOU remains in effect for 1 year and the NJ Transit MOU remains in effect for 2 years. The MOUs may be modified by the parties. Any party may withdraw from the MOUs upon written notice. Because of the time constraints on actually issuing the MOUs between and among the various parties, the MOUs are being presented so that the Board may ratify execution of the MOUs at this time.

Staff recommended the Board ratify President Hanna's execution of the MOU among USDOE, NJ Transit and the Board.

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

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

Staff recommended the Board ratify President Hanna' execution of MOU among USDOE, the Board, City of Hoboken and PSE&G.

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

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

**LATE STARTER A**

**ENERGY**

**Docket Nos. GR12100890 – In the Matter of the Annual Filing of South Jersey Gas Company to Adjust Rates as a Result of Its Capital Investment Recovery Tracker and to Eliminate the CIRT;**

**Docket No. GO11100632 – In the Matter of the Petition of South Jersey Gas Company to Modify and Extend Its Existing Capital Investment Recovery Tracker (CIRTII) Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1;**

**Docket No. GR11060334 – In the Matter of the Annual Filing of South Jersey Gas Company to Adjust Its Capital Investment Recovery Tracker (CIRT);**

**Docket No. GR09110907 – In the Matter of the Annual Filing of South Jersey Gas Company to Adjust Capital Investment Recovery Tracker (CIRT) and for Approval of an Extension of the CIRT Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1;**

**Docket No. GO09010051 – In the Matter of the Petition of South Jersey Gas Company for approval of Increased Base Tariff Rates and Charges for Gas Service and Other Tariff Revisions; and**

**Docket No. GR10100765 - In The Matter of the Annual Filing of South Jersey Gas Company to Adjust its Capital Investment Recovery Tracker (CIRT) and for Approval of an Extension of the CIRT Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1.**

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

**BACKGROUND AND DISCUSSION:** On September 6, 2013, South Jersey Gas Company (SJG), Board Staff and the Division of Rate Counsel (collectively, the Parties) entered into two stipulations (one with docket numbers GO09010051 and GR09110907, that addresses matters that had been transmitted to Office of Administrative Law) and a second stipulation under docket numbers GR12100890, GO11100632 and GR11060334.

The Parties stipulated that the Board should approve the Company's request to roll into base rates, effective October 1, 2013, Capital Investment Recovery Tracker (CIRT) II and CIRT III investments of \$60.2 million and \$34.8 million, respectively, and to resolve all outstanding issues from the pending First CIRT Rate Adjustment Petition.

The Parties stipulated to the following rate and billing impacts for all firm rate classes:

	CIRT I
Capital Spending	\$22.5
Revenue Requirement	\$3.0
Rate Including Tax	\$0.0060
Rate Excluding Tax	\$0.0056
<u>Bill Impact (100 Therm)</u>	
Dollar Increase	\$0.16
Percentage Increase	0.12%

The Parties further agreed that the Company's base rates will increase by \$0.0312 per therm, including taxes, and the Company's CIRT rate of \$0.0044 per therm, including taxes, will be eliminated.

Staff recommended the Board approve the base rate change and the elimination of the CIRT rate.

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

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

## **LATE STARTER B**

### **CUSTOMER ASSISTANCE**

**Docket Nos. BPU WC12060563U and OAL PUC 12139-12N – In the Matter of Elaine Dubelman, Petitioner v. United Water New Jersey, Inc, Respondent – Motion for Interlocutory Review.**

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

**BACKGROUND AND DISCUSSION:** United Water New Jersey, Inc., (Respondent) filed a request for interlocutory review which was received by the Board on September 3, 2013. Pursuant to N.J.A.C. 1:14-14.4(a), the Board has to determine whether to accept Respondent's request and conduct an interlocutory review of Administrative Law Judge Moss's August 26, 2013 Order. The timeframes in the regulation require that the Board make a determination as to whether to accept the request and conduct an interlocutory review by the later of: 1) ten days after receiving the request for interlocutory review; or 2) the Board's next regularly scheduled open meeting after expiration of the 10-day period from receipt of the request for interlocutory review.

Accordingly, the Board has until September 18, 2013 to make a determination as to whether to accept the request and conduct an interlocutory review. The papers were not received sufficiently in advance of the time items were due for the September agenda for adequate review prior to the meeting. As the procedural rules may be relaxed to prevent unfairness and injustice pursuant to N.J.A.C. 1:1-1.3(b) and 1:1-14.10(g), Staff requested an extension of time to October 30, 2013, to determine whether to accept this request in order to fully review the record in this matter.

Staff recommended the Board approve the request for an extension.

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

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

### EXECUTIVE SESSION

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

#### 2. ENERGY

**H. Docket No. EO12070650 – In the Matter of the Board’s Initiative to Revise Reporting Requirements and Improve Reliability Programs by the Electric Distribution Companies Operating in New Jersey – Clarification of Confidentiality.**

**Discussion:** DAG Gersten advised the Board regarding its ability to declare information confidential. The Board noted information it sought in its February 20, 2013 Order is intended to be used as a diagnostic tool and assist in its investigation of system reliability and be used to understand how improvements can be made. As a result of this and security related concerns about certain portions of the information, the Board agreed it should be deemed confidential. However, the Board indicated it wants Staff to report its findings at an agenda meeting when sufficient data has been submitted for purposes of analysis. Further, once Staff has had the opportunity to understand the data and how it can be used, a rulemaking, to include a stakeholder process, will follow.

After appropriate motion, the Board reconvened to Open Session.

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



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KRISTI IZZO  
BOARD SECRETARY

November 22, 2013