



STATE OF NEW JERSEY
Board of Public Utilities
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**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF PUBLIC UTILITIES**

A Regular Board meeting of the Board of Public Utilities was held on March 18, 2015, 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 Kenneth J. Sheehan, Secretary of the Board, carried out the duties of the Secretary.

It was announced that the next regular Board Meeting would be held on April 15, 2015 at the State House Annex, Committee Room 16, 125 West State Street, Trenton, New Jersey 08625.

CONSENT AGENDA

I. AUDITS

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

EE14101238L	Office Management Services, Incorporated	I – EA
EE14091031L	TI Construction Limited Liability Company d/b/a PowerGreen Energy	I – EA
EE14080877L	Axiom Retail Energy, LLC d/b/a SearchForEnergy	I – EA
EE14101085L GE14101086L	Amerigreen Energy, Incorporated d/b/a Amerigreen Energy Brokers	I – EA/PA/EC

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

EE14080901L	Sprague Operating Resources, LLC	R – EA
EE14101187L	Clear Energy Solutions	R – EA
EE14091029L	John Orr d/b/a Energy Management Svcs.	R – EA
EE14101222L GE14101223L	TFS Energy Solutions, LLC d/b/a Tradition Energy	R – EA/PA/EC
EE14101089L GE14101090L	Gabel Associates, Incorporated	R – EA/PA/EC

Electric Power and/or Natural Gas Supplier Initial Licenses

EE14101188L	First Point Power, LLC	I – ESL
EE14121385L GE14121386L	American Power & Gas of New Jersey, LLC	I – EGSL
EE14101192L GE14101191L	Talen Energy Marketing, LLC	I – EGSL

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

- Office Management Services, Inc.
- TI Construction Limited Liability Company d/b/a PowerGreen Energy
- Axiom Retail Energy, LLC d/b/a SearchForEnergy
- Amerigreen Energy, Inc. d/b/a Amerigreen Energy Brokers

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
- Clear Energy Solutions
- John Orr d/b/a Energy Management Services
- TFS Energy Solutions, LLC d/b/a Tradition Energy
- Gabel Associates, Inc.

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

- First Point Power, LLC
- American Power & Gas of NJ, LLC
- Talen Energy Marketing, LLC

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

II. ENERGY

A. Docket No. ER15010003 – In the Matter of the Federal Energy Items for 2015 – FERC Docket No. EL05-121-009 – PJM Interconnection, L.L.C. – Motion for Intervention – Out-of-time.

BACKGROUND: On April 19, 2007, the Federal Energy Regulatory Commissions (FERC) issued Opinion No. 494, concerning PJM's transmission rates for the allocation of costs for existing transmission facilities contained in PJM's then-current Open Access Transmission Tariff. This matter involved a challenge to PJM's cost allocation method for certain transmission facilities that operate at 500kV and above in the PJM region. The Court of Appeals for the Seventh Circuit recently reviewed and remanded for a second time the FERC approval of the cost allocation methodology employed by PJM. On December 18, 2014, FERC issued an order establishing hearing and settlement proceeding. Staff recommended the Board seek ratification of the intervention out-of-time motion filed at FERC to ensure participation in settlement discussions.

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

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

B. Docket No. ER15010003 – In the Matter of the Federal Energy Items for 2015 – FERC Docket No. ER15-852-000 – PJM Interconnection, L.L.C. – Motion to Intervene.

BACKGROUND: On January 14, 2015, PJM filed revisions to the PJM Open Access Transmission Tariff which would modify PJM's rules addressing participation by Demand Response (DR) in PJM's capacity market. These proposed changes are intended to allow PJM and the marketplace to have a fully adjudicated method to allow DR to participate in the May 2015 Base Residual Auction should the Supreme Court deny review of *EPSA v. Federal Energy Regulatory Commission (FERC)*, which strikes down Order 745, finding that DR is a retail product, and therefore, subject to state jurisdiction. Staff recommended the Board seek ratification of the intervention motion filed at FERC.

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

III. CABLE TELEVISION

A. Docket No. CE15010138 – In the Matter of the Petition of Cablevision of Paterson, LLC for the Conversion to a System-wide Cable Television Franchise in the City of Paterson.

BACKGROUND: Commissioner Chivukula recused himself from this matter. On January 29, 2015, Cablevision of Paterson, LLC (Cablevision of Paterson), filed notice with the City of Paterson (City) that it would convert its cable television system serving the City to a system-wide cable television franchise. That notice was received by the Board on January 30, 2015.

State law and Board rules require a cable television company operating under a municipal consent-based franchise converting to a system-wide cable television franchise to abide by the provisions of N.J.S.A. 48:5A-28(h) through (n), but without regard to any other provision applicable to applications for a system-wide cable television franchise by a company that has not previously obtained a cable television municipal consent in a municipality.

Staff recommended the Board issue the Order acknowledging Cablevision of Paterson's conversion to a system-wide cable television franchise for the City for a term of seven years, subject to the conditions outlined in the Order and subject to all applicable state and federal laws, and the rules and regulations of the Office of Cable Television.

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

B. Docket No. CE10050327 – In the Matter of the Petition of Cablevision of Newark for the Conversion to a System-wide Cable Television Franchise in the City of Newark.

BACKGROUND: Commissioner Chivukula recused himself from this matter. On January 29, 2015, Cablevision of Newark filed notice with the City of Newark that it would convert its municipal consent-based franchises in the municipalities to its System-wide Cable Television Franchise. That notice was received by the Board on January 30, 2015. Cablevision of Newark’s System-wide Cable Television Franchise will expire on May 11, 2017.

Staff recommended approval of the Order of Amendment acknowledging the conversion of the City of Newark into Cablevision of Newark’s System-wide Cable Television Franchise.

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

C. Docket No. CE10050328 – In the Matter of the Petition of Cablevision of Hudson County, LLC for the Conversion to a System-wide Cable Television Franchise in the City of Union City.

BACKGROUND: Commissioner Chivukula recused himself from this matter. On January 29, 2015, Cablevision of Hudson County filed notice with the City of Union that it would convert its municipal consent-based franchises in the municipalities to its System-wide Cable Television Franchise. That notice was received by the Board on January 30, 2015. Cablevision of Hudson County’s system-wide Cable Television Franchise will expire on May 11, 2017.

Staff recommended approval of the Third Order of Amendment acknowledging the conversion of the City of Union into Cablevision of Hudson County’s System-wide Cable Television Franchise.

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

D. Docket No. CE14030238 – In the Matter of the Petition of Comcast of Wildwood, LLC for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Borough of West Cape May, County of Cape May, State of New Jersey.

BACKGROUND: Commissioner Chivukula recused himself from this matter. On May 22, 2013, the Borough of West Cape May (Borough), after public hearing, adopted an ordinance granting renewal municipal consent to Comcast of Wildwood, LLC (Comcast). On January 23, 2014, Comcast accepted the terms and conditions of the ordinance, and on March 10, 2014, Comcast filed a petition with the Board for its Renewal Certificate of Approval for the Borough.

After review, Staff recommended approval of the proposed Renewal Certificate of Approval. This certificate shall expire on July 23, 2026.

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

IV. TELECOMMUNICATIONS

A. Docket No. TF15010136 – In the Matter of the Verified Petition of Zayo Group, LLC for Approval to Expand Its Financing Arrangements.

BACKGROUND: On January 30, 2015, Zayo Group, LLC, (Petitioner) filed a petition with the Board requesting to expand Zayo’s existing Board approval for financing arrangements by \$700 Million to an aggregate amount of up to \$4.52 Billion.

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

By letter dated March 3, 2015, the New Jersey Division of Rate Counsel stated that it did not object to Board approval of the Petition.

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

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

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

V. WATER

A. Docket No. WR14101263 – In the Matter of the Petition of the Atlantic City Sewerage Company for Authorization to Increase Tariff Rates and Charges for Sewerage Service.

BACKGROUND: On October 31, 2014, the Atlantic City Sewerage Company (Company or Petitioner) filed a petition with the Board seeking to increase its tariff rates and charges for sewerage service, amounting to approximately \$2,756,051 or 13.99% above the annual revenues.

The proposed rate increase was to become effective on December 2, 2014. On November 12, 2014, 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 December 17, 2014 agenda meeting.

On November 12, 2014, the Board transmitted this matter to the Office of Administrative Law for hearings, and on December 17, 2014, the Board issued an Order suspending the proposed rates until April 2, 2015.

Because this matter will not be completed by April 2, 2015 and that the proposed revisions will increase existing sewerage rates and charges in the Petitioner's tariff, Staff recommended to the Board the following:

1. The Petitioner, at least ten days prior to the date set for hearing on the petition by the Office of Administrative Law, file with this Board and with the Office of Administrative Law (33 Washington Street, Newark, N.J. 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 class or classes of customers on any rate or schedule as the Board may determine; and
2. The Petitioner serve copies of this Order upon the Office of Administrative Law, the Division of Rate Counsel (104 East Front Street, 4th Floor, PO Box 003, Trenton, NJ 08625), the clerk of the affected municipality, the clerk to the Board of Chosen Freeholders of the affected county, and if appropriate, the executive officer of the affected county within its service area. Service of the petition, notice of hearings and this Order may be made simultaneously. Proof of service of this Order shall be filed with the Board within 15 days of the date of this Order.

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

VI. RELIABILITY & SECURITY

A. Docket Nos. GS15010019K, et al. – In the Matter of Alleged Violations of the Underground Facility Protection Act, N.J.S.A. 48:2-73 et seq.

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

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

Staff recommended the Board approve all those cases in which offers of settlement and payment have been received.

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

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

B. Docket Nos. TS15010017K, et al. – In the Matter of Alleged Violations of the Underground Facility Protection Act, N.J.S.A. 48:2-73 et seq.

BACKGROUND: President Mroz and Commissioner Chivukula recused themselves from this matter. Pursuant to the Underground Facility Protection Act (Act), the Board, through the Bureau of One-Call, supervises and enforces the One-Call Underground Damage Prevention System. The Act subjects violators of its provisions to civil penalties of not less than \$1,000 and not more than \$2,500 per violation per day, with a \$25,000 maximum for a related series of violations. Violations involving a natural gas or hazardous liquid underground pipeline or distribution facility are subject to civil penalties not to exceed \$100,000 for each violation for each day with a \$1,000,000 maximum for any related series of violations.

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

Staff recommended the Board approve all those cases in which offers of settlement and payment have been received.

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

Roll Call Vote:	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye

VII. CUSTOMER ASSISTANCE

A. Docket Nos. BPU EC14010101U and OAL PUC 08000-14 – In the Matter of Frank Companies, LLC, Petitioner v. Atlantic City Electric Company, Respondent – Billing Dispute.

BACKGROUND: This matter involved a billing dispute between Frank Companies, LLC and Atlantic City Electric Company. The petition was transmitted to the Office of Administrative Law on June 25, 2014, as a contested case. Administrative Law Judge (ALJ) W. Todd Miller filed an Initial Decision in this matter with the Board on February 4, 2015, approving a Stipulation of Settlement of the parties.

After review, Staff recommended the Board adopt the Initial Decision of ALJ Miller.

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

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

B. Docket Nos. BPU EC14040380U and OAL PUC 08002-14 – In the Matter of Claudette A. Johnson, Petitioner v. Public Service Electric and Gas Company, Respondent – Billing Dispute.

BACKGROUND: Commissioner Chivukula recused himself from this matter. This matter involved a billing dispute between Claudette Johnson (Ms. Johnson) and Public Service Electric and Gas Company. The petition was transmitted to the Office of Administrative Law on June 25, 2014 as a contested case. Administrative Law Judge (ALJ) Elia A. Pelios filed an Initial Decision in this matter with the Board on February 9, 2015, approving a Stipulation of Settlement of the parties.

After review, Staff recommended the Board adopt the Initial Decision of ALJ Pelios.

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

C. Docket Nos. BPU GC13070636U and OAL PUC 13471-13 – In the Matter of Dianne Argila, Petitioner v. New Jersey Natural Gas Company, Respondent – OAL Request for Extension.

BACKGROUND: The record in this matter closed on August 27, 2014. By previous order of extension, the due date for issuing an initial decision was extended until February 26, 2015. Administrative Law Judge Elia A. Pelios requested additional time to complete the initial decision due to voluminous caseload.

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 for filing the initial decision be extended until April 13, 2015.

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

Roll Call Vote:

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

D. Docket Nos. BPU EC14030277U, BPU EC14070791U and OAL PUC 08001-14 – In the Matter of John McLaughlin, Petitioner v. Atlantic City Electric Company, Respondent – Billing Dispute.

BACKGROUND: This matter involved a billing dispute between John McLaughlin and Atlantic City Electric Company. The petition was transmitted to the Office of Administrative Law on June 25, 2014, as a contested case. Administrative Law Judge (ALJ) W. Todd Miller filed an Initial Decision in this matter with the Board on February 19, 2015, approving a Stipulation of Settlement of the parties.

Staff recommended the Board adopt the Initial Decision of ALJ Miller.

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

VIII. CLEAN ENERGY

There were no items in this category.

IX. MISCELLANEOUS

A. Approval of the Minutes of the February 11, 2015 Agenda.

BACKGROUND: Staff presented the minutes of Board meeting of February 11, 2015 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

Approval of the Executive Session Minutes of the September 30, 2014 Agenda – Items 2D and LSA.

Approval of the Executive Session Minutes of the August 20, 2014 Agenda – Item LSB.

Approval of the Executive Session Minutes of the July 19, 2013 Agenda – Item 8J.

BACKGROUND: Staff presented the executive session minutes of September 30, 2014 – 2D and LSA; August 20, 2014 – LSB; and July 19, 2013 – 8J agenda meetings and recommended that they be accepted.

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

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

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. Docket No. GO15020262 – In the Matter of the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas for Authority to Extend the Term of Energy Efficiency Programs with Certain Modifications and Approval of Associated Cost Recovery Mechanism.

BACKGROUND AND DISCUSSION: Commissioner Chivukula recused himself from this matter. On February 24, 2015, Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas (ETG or Company) filed a petition with the Board, seeking approval to continue, with modifications, the current energy-efficiency programs over a four-year period commencing September 1, 2015.

The total proposed gross investment for these programs is \$1.8 million, annually. ETG proposed to recover the costs through the proposed Energy Efficiency Program Rider Surcharge rate that will reconciled as needed in its next proceeding to true-up that rate.

In its petition, ETG asserted that since the inception of its energy efficiency programs, the Company has met on several occasions with representatives from Board Staff and the New Jersey Rate Counsel to discuss the Company's energy efficiency programs. ETG further asserted that these prior meetings satisfy the required 30 day pre-filing meeting requirement. To that extent, ETG has requested a waiver of this requirement.

Staff contacted ETG and requested a meeting to discuss the filing. That meeting was held on March 4, 2015.

Staff recommended the Board officially deny ETG's requested waiver of the 30 day pre-filing meeting. These meetings have, in the past, proven to be valuable in Staff's review of the energy efficiency petitions. Staff further recommended the Board take notice of the meeting held on March 4, 2015 and direct the Company to re-file its petition no earlier than April 3, 2015.

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

B. Docket No. GR14060536 – In the Matter of the Letter Petition of New Jersey Natural Gas Company for Approval of the Cost Recovery Associated with the Energy Efficiency Program.

BACKGROUND AND DISCUSSION: On July 17, 2009, the Board authorized New Jersey Natural Gas Company (NJNG) to implement three energy efficiency programs: 1) Home Performance with Energy Star (HPwES) Enhancements; 2) Enhanced Warm Advantage Rebate Program; and 3) Commercial Customer Direct Install Program as part of former Governor Corzine's Economic Stimulus Plan announced in October 2008 (Original Programs). The Original Programs were designed to complement or supplement existing New Jersey Clean Energy Program (NJCEP) offerings including the ongoing WarmAdvantage, COOLAdvantage, HPwES, Commercial Direct Install and Smart Start Building programs. The NJNG programs were to be available to eligible customers for approximately twelve months. In the event there was still program funding available after that period, NJNG could continue to offer the approved programs through December 31, 2010. NJNG was authorized to establish a rate through which it would recover or return to customers all deferred program costs, including rebate costs, customer incentive payments, customer financing costs, and associated reasonable and prudent incremental operation and maintenance expenses. (EE Rate) These costs were to be recovered to the Company's Rider F. The Company was required to submit an annual cost recovery filing to establish future EE Rates. The annual filing includes updates to the investment levels, operating costs, and reconciled rates recovered to actual cost results.

By Order dated September 24, 2010, the Board authorized NJNG to extend and expand the Original Programs through December 31, 2011 (September 2010 Order). In addition to authorizing modifications to the Original Programs, the September 2010 Order also authorized the Company to implement an OPOWER pilot through which customers obtained information about their specific energy use in comparison to comparable households, an incremental incentive for Combined Heat and Power (CHP) projects undertaken in conjunction with NJCEP, and a program that offered eligible commercial customers an opportunity for customized provisions, Fostering Environmental and Economic Development (collectively, NJNG SAVEGREEN Project).

By Order dated January 18, 2012, the Board authorized NJNG to continue its existing SAVEGREEN Project and implement certain proposed SAVEGREEN program changes through December 31, 2012, or twelve months from the date the Order approving the SAVEGREEN extension was served, whichever was later. By Order dated June 21, 2013, the Board authorized NJNG to continue to offer the energy-efficiency programs offered through the SAVEGREEN Project through June 30, 2015.

On June 2, 2014, NJNG filed a Letter Petition with the Board in lieu of a more formal cost recovery filing, proposing to maintain the after-tax EE Rate of \$0.0327 per therm, for recovery of the costs associated with the Original Programs as well as the SAVEGREEN Project. According to the Letter Petition, based upon the current and anticipated levels of activity and the projected under-recovered balance of \$2.56 million as of September 30, 2015, NJNG believes that it is beneficial to maintain the current EE Rate. Additionally, as specified in the June 2013 Order, the Company will submit a filing in December 2014 regard the SAVEGREEN programs and, if necessary, could seek to alter the EE Rate at that time.

NJNG, Staff and the New Jersey Division of Rate Counsel (collectively, Parties), agreed that the current EE Rate should be maintained at this time. In addition, any costs incurred after October 1, 2014 will be reviewed for reasonableness and prudence in future cost recovery proceedings. Accordingly, on February 13, 2015 the Parties entered into a Stipulation of Settlement (Stipulation).

Staff recommended the Board issue an Order accepting the Stipulation. Staff further recommended the Board order NJNG to file revised tariff sheets conforming to the terms of the Stipulation within five days of service of the Board Order.

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

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

C. Docket No. ER15010003 – In the Matter of the Federal Energy Items for 2015 – FERC Docket No. EL15-31 – PJM Interconnection, L.L.C. – Request for Rehearing.

BACKGROUND AND DISCUSSION: On January 16, 2015, the Federal Energy Regulatory Commission (FERC) issued an order approving PJM's filed request to increase offer caps for its day-ahead and realtime energy markets. On February 18, 2015, the Board joined with the PJM load group, which includes similarly interested parties, to file a request for rehearing based on errors in the FERC's order. Accordingly, Staff recommended the Board ratify the request for a rehearing filing.

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

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

D. Docket No. GM13111080 – In the Matter of the Petition of Public Service Electric and Gas Company for a Second Amendment of Lease to Kinder Morgan Liquid Terminals, LLC with Waiver.

BACKGROUND AND DISCUSSION: Commissioner Chivukula recused himself from this matter. By Petition filed November 13, 2013 Public Service Electric and Gas Company (PSE&G or Company) sought approval of a second amendment to its lease agreement with Kinder Morgan Corporation (Kinder) to operate and transport light oils through a PSE&G twelve-inch steel pipe (Pipe) and associated Rights-of-Way in the Township of Carteret and the City of Linden. The rental price under the proposed amendment is \$331,500 annually with a 2% increase in the rental in each year of the four one-year options. Kinder notified PSE&G that it would like to extend the Agreement

beyond the current end date for two additional years through December 31, 2016.

The Pipe was acquired by PSE&G in 1975 and was operated by the Company until it was retired in 1989 and subsequently leased to Kinder under an agreement approved by the Board in July 1994. The Agreement was amended in December 2010 and approved by Board Order dated November 30, 2011. According to PSE&G, the rental amount exceeds the fair market rental value as set forth in the appraisal dated September 24, 2013. The Company asserted that the proposed Amendment will not compromise its ability to provide safe, adequate and reliable service as the Pipe as not been used and useful to PSE&G since 1989.

The Company requested the Board grant a waiver of the requirement to advertise the property pursuant to N.J.A.C. 14:1-5.6(i) because the waiver will not adversely affect the public interest since the Company is only seeking to amend a currently existing lease, the Pipe is no longer used and useful for utility purposes, there is no other prospective use for the Pipe, the rental price exceeds fair market value, there is no relationship between the Company and Kinder, and advertising and bidding would likely not result in a higher rental price.

In its comments Rate Counsel explained it did not object to waiving the advertising requirements and does not object to the Amendment as the rental appears to reflect the fair market value of the property. Rate Counsel recommended that any order approving the Amendment contain conditions similar to those included in the Board's October 30, 2011 Order. Rate Counsel also recommended the Company be required to submit an analysis of whether the Pipe should be sold for the benefit of ratepayers at the end of the term of the agreement.

Staff recommended the Board approve the PSE&G's petition.

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

E. Docket Nos. BPU ER12111052 and OAL PUC 16310-12 – In the Matter of the Verified Petition of Jersey Central Power & Light Company for Review and Approval of Increases in and Other Adjustments to Its Rates and Charges for Electric Service, and for Approval of Other Proposed Tariff Revisions in Connection Therewith; and for Approval of an Accelerated Reliability Enhancement Program (2012 Base Rate Filing).

BACKGROUND AND DISCUSSION: Commissioner Chivukula recused himself from this matter. On September 7, 2011, Rate Counsel sought an Order directing Jersey Central Power and Light (JCP&L) to file a base rate case. By Order dated July 31, 2012, the Board issued an order directing JCP&L to file a base rate case using a historical 2011 test year. On November 30, 2012, JCP&L filed a petition for approval of an increase in its rates of \$31.47 million annually. The Company also sought to implement an Accelerated Reliability Enhancement Program for projects that had yet to be

developed, and to recover associated costs through a non-by-passable surcharge on its distribution rate rider to its tariff. The Board transmitted the Petition to the Office of Administrative Law (OAL) on December 10, 2012. By Order dated March 20, 2013, the Board directed JCP&L to file a new depreciation study to be used in this proceeding.

On February 22, 2013, the Company filed an update to its base rate filing that included a request for recovery of its costs for preparation response and recovery related to Superstorm Sandy and the subsequent Nor'easter snowfall (2012 Major Storm Events). On March 20, 2013, the Board issued an Order establishing a generic proceeding to evaluate and review the prudence of all submissions for Major Storm Event reimbursement. The Board determined that the review of JCP&L storm costs, including the 2011 and 2012 Major Storm Events, be conducted within the generic proceeding. By Order dated May 31, 2013 the Board reaffirmed its March order and with respect to JCP&L it ordered that "the Major Storm Event costs incurred by JCP&L in 2011 and 2012 will be reviewed for prudence within the Generic Storm Costs Proceeding. Those costs incurred in 2011, during the base rate case test year, will be reviewed and then returned to the base rate case for consideration there. The recovery of prudent costs incurred in connection with the 2012 Major Storm Events will be considered through a Phase II in the existing rate case, or through another method found to be appropriate by the Board.

Motions for intervention and participation were filed and subsequently grant by the Administrative Law Judge (ALJ). The parties granted intervention or participation status included; American Association of Retired Persons, Gerdau, Con Ed, Townships of West Milford, Wayne, Tewksbury, Marlboro, Robbinsville, New Jersey Natural Gas Company, PSE&G, Wal-Mart, New Jersey Large Energy Users Coalition and the County of Morris. Evidentiary hearings were held in September, October and November of 2013. Briefs and Reply briefs were filed by the parties. By Order dated March 19, 2014, the Board approved a stipulation that settled the JCP&L Storm Cost Proceeding. That Order provided that the 2011 Major Storm Costs would be returned to the OAL to determine how such costs would be recovered, The Board determined that the 2012 Storm Costs would be addressed separately. The Company and Rate Counsel each submitted revenue required schedules representing its respective position with the inclusion of the 2011 Storm Costs before the close of the record. The Company's revenue requirement position resulted in an increase of \$9.1 million. Rate Counsel's updated schedules reflected a rate decrease of \$190.2 million. Staff's updated schedules reflected a final proposed revenue reduction of \$169.8 million. The ALJ issued the Initial Decision on January 8, 2015.

The Initial Decision found that the Company should reduce its rates to reflect an annual reduction in revenues of \$107.5 million. The Decision further found that a fair rate of return is 8.01 percent including a return on equity of 9.75 percent. The Initial Decision deferred to the Board as to the appropriate adjustment to be used in its calculation of the Consolidated Tax Adjustment.

Staff recommended that the Board adopt, in large part, the findings in the Initial Decision. Staff recommended the Board modify and/or clarify the Initial Decision in certain areas. Staff recommended the Board calculate a Consolidated Tax Adjustment consistent with the Board's December Order that amended its then existing Consolidated Tax Adjustment (CTA) policy. The impact of the new method would

reduce the CTA credit from \$57 million to \$5.4 million. Since the ALJ included no adjustment, this recommendation would further decrease the recommended revenue by \$5.4 million. Staff also recommended the Board modify the ALJ's decision with respect to the return allowed on the unamortized portion of the 2011 Major Storm Costs. Staff recommended the use of the interest rate reflected by the rate on seven-year Treasury Securities plus 60 basis points be used instead of the weighted average cost of capital. This would further reduce the annual revenue by \$2.1 million. Finally, Staff recommended that if JCP&L's vegetation management expenses exceed 105% of what is allowed in this case, JCP&L should use deferred cost accounting and seek recovery in its next base rate case.

The Initial Decision also addresses concerns regarding the reliability of the system, including issues related to vegetation management. Staff recommended that the Board clarify that Board action has been taken on the issues raised in the Initial Decision, including issues related to measurement of System Average Interruption Frequency Index and Customer Average Interruption Index minimums and benchmarks, hazard trees, customers experiencing multiple interruptions and the need for further tree trimming on the system. Those issues were dealt with in the Board's proposed amendments to Chapter 5.

Staff recommended the Board generally adopt the Initial Decision's cost of service study and Rate Design findings except with respect to the allocation of costs and rate design for Gerdau and similarly situated Service Classification GT, General Service Transmission customers. In those cases Staff recommended the Board adopt Staff's proposals.

Staff recommended the Board order Staff to initiate an investigation into whether the Company capital expenditure levels are appropriate, whether it is operating its system in a safe and efficient manner, and whether it is properly using proactive maintenance procedures in the operation of its system. Staff also recommended the Board direct Staff to develop a scope of work with respect to these issues and to follow up.

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

F. Docket No. AX13030196 – In the Matter of the Board’s Establishment of a Generic Proceeding to Review the Prudence of Costs Incurred by New Jersey Utility Companies in Response to Major Storm Events in 2011 and 2012; and

Docket No. EO13050391 – In the Matter of the Board’s Review of the Prudence of the Costs Incurred by Jersey Central Power & Light Company in Response to Major Storm Events in 2011 and 2012.

Jerome May, Director, Division of Energy, Babette Tenzer, Deputy Attorney General, Division of Law and Mark C. Beyer, Chief Economist, presented this matter.

BACKGROUND AND DISCUSSION: Commissioner Chivukula recused himself from this matter. Jersey Central Power & Light Company (JCP&L or Company) filed a petition to recover its expenses incurred in response and recovery due to the 2011 and 2012 major storm events including Hurricane Irene and Superstorm Sandy. JCP&L filed for these costs within its 2012 Base Rate case, Docket No. ER12111052, which was transmitted to the Office of Administrative Law (OAL) for review and hearing. Because the Board opened a generic storm costs proceeding for an expedited review of all 2011 and 2012 storm costs, the Board removed the storm costs requests from the base rate case at the OAL, and determined that the matter should be heard at the Board within a separate docket in the generic storm costs proceeding. The Board designated Commissioner Mary Anna Holden as presiding commissioner. After discovery and negotiations among the company, Board Staff, and the Division of Rate Counsel, the parties entered into a stipulation agreeing that the storm costs for 2011 and 2012 were reasonable and prudent, and that the 2011 storm costs should be returned to the rate case for a determination on recovery there. The parties did not agree on how the 2012 storm costs should be recovered. As part of its approval of the stipulation the Board determined that the amount of \$580 million was reasonable and prudent for operations and maintenance (O&M) and capital costs attributable to the 2012 major storms (Storm Costs Order).

The Storm Costs Order did not determine how and when the 2012 storm costs would be recovered, but allowed the parties to brief that issue. Rate Counsel recommended that the company be required to file another rate case before it could recover these costs. The company requested that it be allowed to recover the costs within the ongoing rate case. The Board reserved decision on when and how the company would be permitted to recover the agreed upon 2012 storm costs, and that is what is before the Board at this meeting.

The total cost include, Capital cost of \$333 million, and the incremental O&M costs of \$247 million.

Staff recommended that the capital costs be rolled into the rate base by reopening the rate case for that purpose, and that O&M costs be recovered through a separate clause. The following reasons were offered for this recommendation: (1) given the size of these costs incurred in the fourth quarter of 2012 running into the first quarter of 2013, delaying recovery could have an adverse effect on JCP&L’s credit rating; the costs were already found to be prudent and reasonable; and (2) Staff’s concern over a roller-coaster effect that would occur if rates were lowered substantially and then raised again in a short

period of time.

Staff recommended to the Board a significant rate decrease in the rate case that does not consider the major 2012 storm costs.

The revenue requirements associated with the 2012 major storm costs are quite significant and so there would indeed have a roller-coaster effect if they were addressed at a time other than in conjunction with the rate case.

Staff is additionally concerned about the possible impact of further delay on the company's credit ratings. According to Mr. Beyer, the Board's econimost, the Company's credit rating is not as enviable as one would like and is worse than the other utilities. The concern is without a clear-cut path to recover these prudently incurred costs, there is a risk that there would be a downgrade of the company's credit rating. The effect of downgrading the credit rating, particularly if it goes below investment grade, is that it affects both the cost of borrowing money and the access to the capital markets themselves, aside from the cost.

Staff was concerned with JCP&L's operations and reliability of the system, and its need to spend additional money with respect to vegetation management and the physical plant. Downgrading the company's credit would directly affect full access to the credit market in order to procure the funds necessary to make sure that the system will be providing safe and reliable service.

Staff recommended to the Board that the capital costs of \$333 million go into rate base and be collected through base rates with an allowed return at the weighted average cost of capital, and the incremental O&M costs be collected through a separate clause on a per-kilowatt-hour basis amortized over six years with the unamortized portion earning a return at the seven-year constant maturity Treasury rate plus 60 basis.

Staff also recommended that the Company be required to come back for another base rate case on or before April 1, 2017.

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

3. CABLE TELEVISION

A. Docket No. CO11090534 – In the Matter of Verizon New Jersey, Inc. for Relief of a Requirement to Extend Its FiOS TV Service to Certain Multiple Dwelling Unit Properties Located in Municipalities where Extension of FiOS TV Service is Required Under the Terms of Its System-wide Franchise.

This matter was deferred.

4. TELECOMMUNICATIONS

A. Docket No. TO14101098 – In the Matter of the Request for Proposal for the Provision of a Telecommunications Relay Service Provider.

Paul Flanagan, Esq., Executive Director, presented this matter.

BACKGROUND AND DISCUSSION: Commissioner Chivukula recused himself from this matter. This matter involved the selection of provider for Telecommunications Relay Service (TRS) for three years with potential for an additional two, one-year extensions. TRS is a form of operator assistance that provides translator services between speech and/or hearing impaired individuals with text telephone (TTY) and a general body of telephone users.

The system permits hearing impaired individuals to communicate with non-hearing impaired individuals over the telephone network using communications assistants. The Request For Proposal (RFP) was issued by the Procurement Bureau, Division of Purchase and Property, Department of the Treasury on behalf of the Board. The purpose of the RFP was to solicit proposals to engage a provider to make available a TRS system to assist the hearing and speech-impaired community within New Jersey.

The Board had previously issued RFPs in this matter. The first one was on October 15, 1990. AT&T was selected from the group of four bidders. AT&T was again selected on the next two consecutive RFPs after a bidding process. The current contract, which began on April 1, 2010, was awarded to Sprint with an end date of March 31, 2013, but was extended for two, one-year periods. It expired March 31, 2015.

The name of the contract awardee is not to be disclosed until Treasury awards the contract. Treasury requested the Board's concurrence regarding the selection and disclosure of the awardee.

Staff recommended the Board concur with Treasury's recommendation for the contract awardee for the RFP.

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

5. WATER

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

A. Docket Nos. BPU WR14080905 and OAL PUC 11398-14 – In the Matter of the Petition of Shorelands Water Company for an Increase in Base Rates for Water Service and Other Tariff Modifications.

BACKGROUND AND DISCUSSION: On August 13, 2014, Shorelands Water (Shorelands or Company) filed a petition with the Board seeking approval to increase its rates for water service. Shorelands requested an increase of \$1,017,052 or 9.86%

above the adjusted annual level of present rate revenues for the test year ending December 31, 2014.

The Company serves approximately 11,000 water customers in its service territory which includes the Township of Hazlet and part of the Township of Holmdel; and connection service for bulk sales to the Borough of Keyport, the Township of Aberdeen, and New Jersey American Water Company, all of which are situated in Monmouth County.

This matter was transmitted to the Office of Administrative Law and assigned to Administrative Law Judge Irene Jones.

After proper notice, a public hearing was held at the Hazlet Township Municipal Building in Hazlet on January 13, 2015. No members of the public appeared at the public hearing.

Subsequent to the public hearing, the parties to the proceeding, Shorelands, the New Jersey Division of Rate Counsel and Board Staff, engaged in numerous settlement negotiations, and as a result, reached a settlement on all issues and executed a Stipulation.

ALJ Jones issued her Initial Decision in this matter recommending the Board to adopt the executed Stipulation, finding that the parties had voluntarily agreed to the Stipulation and that the Stipulation fully disposes of all issues and is consistent with the law.

The Stipulation calls for an overall revenue requirement increase of \$650,000 or approximately 6.33% over present rate revenues. The return on equity is agreed to be set at 9.75%. The agreed to overall rate of return of 7.00% is derived from an overall capital structure that does not include short-term debt.

As a result of this settlement, the average monthly bill for a general metered residential customer with a 5/8" meter using 6,000 gallons of water a month will increase by \$3.59 per month, from \$39.05 to \$42.64 per month.

Staff recommended the Board adopt the Initial Decision which adopts the Stipulation of the Parties.

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

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

B. Docket Nos. BPU WR14111278 and OAL PUC 14774-14 – In the Matter of the Petition of New Jersey American Water Company, Inc. for Authorization to Change the Levels of Its Purchased Water Adjustment Clause and Purchased Wastewater (Sewerage) Treatment Adjustment Clause.

BACKGROUND AND DISCUSSION: President Mroz and Commissioner Chivukula recused themselves from this matter. On November 7, 2014, New Jersey American Water filed a petition with the Board for approval to change the levels of its existing Purchased Water Adjustment Clause charge and Purchased Sewerage Treatment Adjustment Clause charges. As a result of settlement discussions, the Signatory Parties agreed to a total overall stipulated decrease of (0.18%) above total Company revenues.

New Jersey American Water purchases water on a routine basis from 12 separate entities, and purchases wastewater treatment services from 3 separate entities, each of which adjusts its rates for service, and, in the case of wastewater treatment service providers, issues sewerage deficit/credit adjustments, at different times throughout the year.

Water customers will see a decrease of approximately (\$0.11) to (\$0.12) per month in their average bill; while sewer customers in Lakewood will see an average increase of \$0.11 per month; in Ocean City an average increase of \$1.48 per month; and in Adelphia an average decrease of (\$2.48) per month for the average bill.

This matter was transmitted to the Office of Administrative Law and assigned to Administrative Law Judge Pelios. Middlesex Water Company filed a motion to intervene with Administrative Law Judge Pelios. This motion was granted.

After proper notice, 4 public hearings were held in New Jersey American Water's service territory. Ocean City and Westampton on February 10th, and Maplewood and Howell Township on February 12th. The Howell Township public hearing had five members of the public in attendance with only one member of the public entering testimony on the record. Her formal comments centered solely around the financial hardships placed upon senior citizens of this State.

Subsequent to the public hearings and prior to evidentiary hearings, a Stipulation of Settlement was entered into by the Company, Rate Counsel and Staff which comprise the Signatory Parties. Middlesex Water Company, an intervener, did not sign the Stipulation, but, instead, submitted a no objection letter to the Judge.

Administrative Law Judge Pelios submitted an Initial Decision which recommended the Board adopt the Stipulation of Settlement of the Signatory Parties.

Staff recommended the Board adopt the Initial Decision which adopts the Settlement of the Signatory Parties for rates to become effective on April 1, 2015.

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

Roll Call Vote: **Commissioner Fiordaliso Aye**
 Commissioner Holden Aye
 Commissioner Solomon Aye

C. Docket No. WF14121444 – In the Matter of the Application of Fayson Lake Water Company for the Nunc Pro Tunc Approval of Entry into a Loan Agreement, Issuance of a Note, Grant of Security and Other Appropriate Relief.

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

BACKGROUND AND DISCUSSION: President Mroz recused himself from this matter. On December 28, 2014, Fayson Lake Water Company (Petitioner) filed a petition seeking nunc pro tunc approval of a Loan Agreement including the issuance of a long term note; the grant of a mortgage, security and other related actions.

On April 30, 2014, the Petitioner entered into a Loan Agreement with Highlands State Bank, Vernon, N.J. for loan or loans totaling \$1,550,000.00. The initial loan was intended to be a short term note (less than 365 days) for which no Board approval would have been necessary. However, through a scrivener's error the term of the initial loan exceeded the approval free short term by two days. It was dated April 30, 2014 and due May 1, 2015.

The Petitioner sought approval to convert the intended short term loan into a fifteen year term and to issue security to the lender in the form of a mortgage on its real property and the grant of security in its personal property. The interest rate for the debt will be 300 basis points above the Federal Home Loan Bank of New York fixed rate advanced for five year maturities. This rate will be adjusted on the five year anniversary date of the permanent loan.

The Petitioner used the proceeds to pay off the balance of an existing loan (for which Board approval had been obtained), construction improvements of utility facilities, and compliance with Department of Environmental Protection requirements.

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

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

Roll Call Vote: **Commissioner Fiordaliso Aye**
 Commissioner Holden Aye
 Commissioner Solomon Aye
 Commissioner Chivukula Aye

6. RELIABILITY & SECURITY

James P. Giuliano, Director, Division of Reliability and Security, presented the following matter.

A. Docket No. GS15020141K – In the Matter of Allegations of Violations of the Underground Facility Protection Act by Henkels & McCoy, Inc. with Respect to a Gas Pipeline Incident in Ewing, New Jersey on March 4, 2014.

BACKGROUND AND DISCUSSION: Commissioner Chivukula recused himself from this matter. This matter involved an investigation by the Board's Bureaus of Pipeline Safety and One Call (BOC) (collectively, Board Staff) of a natural gas incident that occurred on March 4, 2014 at the South Fork townhouse development in Ewing, New Jersey. Board Staff conducted an investigation which included a review of the circumstances surrounding the incident as well as Henkels & McCoy, Inc.'s (H&M) and Public Service Electric and Gas Company's (PSE&G) procedures and actions. Based upon this investigation, it was determined that a build-up of natural gas accumulated in at least one of the townhouse units located at 24, 26, and 28 Crockett Lane, and ignited. The subsequent explosion and fire destroyed the three townhouse units and damaged approximately 52 additional units. The source of the ignition could not be determined. The explosion and fire caused one fatality of a townhouse resident, injured seven employees of the operator, PSE&G, and three employees of the excavator, H&M.

The cause of the gas leak was damage to a mismarked underground natural gas main that was hit by the excavator while performing a horizontal directional drilling (HDD) operation. The excavator, a subcontractor for PSE&G, was working to replace an underground electric service line to 28 Crockett Lane when the head of the HDD drill pipe struck the mismarked natural gas main which fed 28 Crockett Lane and neighboring townhouse units.

During the course of the investigation, the BOC found that there were several elements of the Underground Facility Protection Act which Henkles & McCoy may have violated. These elements include, but not limited to, the following:

- Calling emergency mark-outs when no emergency existed.
- Failure to call 911, activating emergency response.
- Failure to hand-dig and locate all underground facilities, before the use of mechanized equipment.

Board staff concluded that this was a preventable event due to the alleged actions, and inactions of Henkles & McCoy and PSE&G. After conducting the investigation, a settlement was reached with Henkles & McCoy, based on the findings of that investigation.

It was noted that the Company's obligation to call 911 is indisputable. The of emergency response could have influenced the outcome of this incident. Additionally, Henkles & McCoy's alleged use of emergency mark-out procedures for routine work was highlighted.

While Henkels & McCoy has contested some of these allegations, Henkels & McCoy has

entered into a stipulation settlement agreement with board staff. The settlement requires Henkels & McCoy to make a one-time payment in the amount of \$600,000. In addition to the one time settlement Henkels & McCoy has also agreed to:

- Retrain employees in the proper and lawful use of the emergency mark-out provisions of the law. adequate response to a gas emergency involving gas detected near a building;
- Cease the use of emergency mark-outs to conduct routine work.
- Training and drills to ensure that the companies employees are properly trained and understand the requirement and importance of taking appropriate actions when facilities are damaged, including the requirement to call 911.
- Submitting documentation of the training for Board staff to review.

Staff recommended the Board approve the Settlement.

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

B. Docket No. GS15020140K – In the Matter of Allegations of Violations of Pipeline Safety Regulations and the Underground Facility Protection Act by Public Service Electric and Gas Company with Respect to a Gas Pipeline Incident in Ewing, New Jersey on March 4, 2014.

BACKGROUND AND DISCUSSION: Commissioner Chivukula recused himself from this matter. This matter involved the Board’s Bureau of Pipeline Safety (BPS) investigation of a natural gas incident that occurred on March 4, 2014 at the South Fork townhouse development in Ewing, New Jersey. During the course of the investigation, the BPS identified several opportunities for Public Service Electric and Gas (PSE&G) personnel to take action prior to the incident. As a result of the investigation, the BPS notified PSE&G that it had found several probable violations of pipeline safety regulations, including issues relating to:

- compliance with PSE&G’s procedures for emergency response and leak investigation in response to a damaged, leaking gas facility;
- adequate response to a gas emergency involving gas detected near a building;
- protecting persons first and then property;
- seeking assistance from appropriate fire and police officials regarding the escaping gas emergency;
- expeditiously terminating the flow of gas during the course of the gas emergency.

In addition, Board Staff advised PSE&G that it was in probable violation of the New Jersey Administrative Code requirements pursuant to the Underground Facility Protection Act, N.J.S.A. 48:2-73 et seq. regarding both its failure to call 911 and the mismarking of its underground facilities.

PSE&G contested certain facts and conclusions relating to Board Staff's determinations that probable violations of law existed. PSE&G and Board Staff subsequently engaged in settlement discussions pertaining to the identified probable violations. On February 17, 2015, PSE&G and Board Staff entered into a Stipulation and Settlement Agreement (Stipulation) which, among other things, provides for a one-time payment to the Treasurer of the State of New Jersey in the amount of Seven Hundred Twenty-Five Thousand Dollars (\$725,000). As part of the Stipulation, PSE&G did not admit any wrongdoing or violation of any law or regulation.

PSE&G also agreed to take, or has already implemented certain safety measures, and to amend PSE&G procedures to ensure compliance with all laws and its ongoing safe operation in New Jersey.

In addition, the Settlement Agreement requires PSE&G to take various safety measures addressing call center and dispatch operation; incident command, leak investigation and emergency response; operations and emergency procedures manuals; training and emergency drills; first responder tracking; and mark-out practices and standards.

Staff recommended the Board approve the Settlement.

DECISION: After comments and 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

C. Docket No. GS15020142K – In the Matter of Allegations of Violations of the Underground Facility Protection Act Regarding Public Service Electric and Gas Company's Compliance with Certain Underground Facility Protection Act Regulations and Prior One Call Board Orders.

BACKGROUND AND DISCUSSION: Commissioner Chivukula recused himself from this matter. This matter involved the investigation by the Board's Bureau of Pipeline Safety of natural gas incident that occurred on March 4, 2014 at the South Fork townhouse development in Ewing New Jersey.

During the course of the investigation, it was determined that there was evidence of clear patterns of violations related to Public Service Electric and Gas's (PSE&G) compliance with certain aspects of the Underground Facilities Protection Act. These matters were considered non-causal, as they did not relate to the incidents which occurred in Ewing. But at the same time these were uncovered as a result of the investigation.

An alleged pattern of blurred distinction between emergency and non-emergency mark-outs by PSE&G was identified by Staff. If true, this practice clearly violated the Underground Facilities Protection Act. While PSE&G contested certain facts and conclusions, the utility still enter into a stipulation settlement agreement. This agreement provides for a one-time payment of \$275,000. In addition to the payment, PSE&G

agreed to:

- Amend all of its procedures where alleged violations were identified
- Agree to the policy that the emergency mark-out process should not be used for work that can be used on a non-emergency basis.

Staff recommended the Board approve the Settlement.

DECISION: After comments and 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

7. CUSTOMER ASSISTANCE

Julie Ford-Williams, Division of Customer Assistance, presented these matters.

A. Docket Nos. BPU EC14020189U and OAL PUC 07820-14 – In the Matter of Carlos Fernandes, Petitioner v. Public Service Electric and Gas Company, Respondent – Billing Dispute.

BACKGROUND AND DISCUSSION: Commissioner Chivukula recused himself from this matter. This matter involved a billing dispute between Carlos Fernandes (Petitioner) and Public Service Electric and Gas Company. The petition was filed on January 13, 2014, and transmitted to the Office of Administrative Law on June 14, 2014, and assigned to Administrative Law Judge (ALJ) Leland McGee. The Petitioner failed to appear at the scheduled February 15, 2015, hearing. His attorney appeared and informed the Court that he had been fired by Petitioner that day. The Petitioner did not provide an explanation for his nonappearance, nor did he contact the Court. ALJ McGee dismissed the petition for failure to appear. Staff attempted to contact the Petitioner with no success. Staff also contacted his attorney whom he fired and he advised Staff that he sent a copy of the initial decision to the Petitioner, as well as a letter explaining the ALJ's decision. And to this date, the Petitioner has not contacted the Board to further pursue the case. Therefore, Staff recommended the Board adopt the initial decision of ALJ McGee, dismissing the petition in this matter.

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

B. Docket Nos. BPU EC14060553U and OAL PUC 13396-14 – In the Matter of Karni Baghdikian, Petitioner v. Orange and Rockland Electric Company, Respondent – Billing Dispute.

BACKGROUND AND DISCUSSION: This matter involved a billing dispute between Karni Baghdikian (Petitioner) and Orange and Rockland utilities. The petition was filed on June 11, 2014, and transmitted to the Office of Administrative Law (OAL) on October 16, 2014, and assigned Administrative Law Judge (ALJ) Kimberly A. Moss. During the pendency of this matter at the OAL, the parties continued to negotiate and reached a settlement. As requested by letter from the Petitioner, ALJ Moss dismissed the petition and considered the matter withdrawn. Staff recommended the Board adopt the initial decision of ALJ Moss dismissing the matter.

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

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

8. CLEAN ENERGY

A. Docket No. QS14040316 – In the Matter of Michael Manis and Manis Lighting, LLC – New Jersey Clean Energy Program Renewable Energy Incentive Program – Motion for Reconsideration.

Marisa Slaten, Esq., Assistant Director, Division of Economic Development and Energy Policy, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved a request by Mr. Michael Manis and Manis Lighting (Petitioner) for the Board to reexamine its December 17, 2014 Order which it denied a Clean Energy Program incentives to the Brownstone House under the Commercial and Industrial Program. Staff recommended an extension of time to consider the merits of the Petitioner’s motion for reconsideration, and authorization to issue a secretary’s letter to the Petitioner regarding the same.

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

Elizabeth Ackerman, RA+LEED AP, Acting Director, Division of Economic Development & Energy Policy, presented these matters.

B. Docket No. QX14070798 – In the Matter of the N.J.A.C. 14:8-7, Aggregated Net Metering Rules – Readoption of Special Adoption of the N.J.A.C. 14:8-7.

BACKGROUND AND DISCUSSION: Commissioner Chivukula recused himself from this matter. Pursuant to the Solar Act of 2012 and N.J.S.A. 43:3-87(e)(4), the Board approved these rules in March 2013. In August 2014, the Board readopted without amendment the rules published in the New Jersey Register. Aggregated net metering rules allow public entities to size a new solar photovoltaic (PV) installation not to exceed the aggregated annual metered use of the customer’s qualifying facilities provided the facilities are within the customer class and within the same electric distribution company territory. Only usage at the site on which the solar PV system is installed may receive retail credit for the system’s generation. All other qualified facilities are billed at full retail rate with the public entity customer receiving compensation at the wholesale rate for all generation in excess of the usage at the host location. Staff recommended the Board readopt without amendment these aggregated net metering rules.

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

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

Docket No. QG15020148 – Troys Hills Village
Docket No. QG15020258 – Nicholas Markets, Inc.

BACKGROUND AND DISCUSSION: This matter involved two Commercial and Industrial Energy Efficiency Program incentives in excess of \$500,000. The applications were made by Troy Hills village to the Pay for Performance (P4P) – Existing Buildings Program, and by Nicholas Markets to the Combined Heat and Power (CHP) and Fuel Cells Program.

Troy Hills Village in Parsippany, New Jersey is a garden-style apartment complex built in the 1960s. It includes 752 dwelling units and 41 buildings with two and three-story structures and a pool. The energy conservation measure in this project are based on heating, ventilation and air conditioning and lighting upgrades, as well as remote building controls and insulation of water piping. The total project cost is almost \$1.5 million, with a total incentive of \$683,000. With an estimated annual energy savings of 31.5 percent and estimated energy cost savings of \$208,478, this project has an anticipated simple payback of less than four years.

Nicholas Markets in North Haledon, NJ is a strip mall with a Foodtown supermarket and four ancillary shops. This project is a proposed 350 kilowatt (kW) natural gas engine to power the CHP system. The majority of the electricity generated and all of the waste

heat recovered will be used for process cooling the form of refrigerant sub-cooling, as well as some space and water heating. The system has an overall efficiency of 83.2% and is designed to black start and island in the event of a power outage. The total project cost is \$1.85 million, with a total incentive of \$700,000. It is estimated to produce almost 2.7 million kW hours a year and recover over 17,000 million British Thermal Units of waste heat annually. This translates into an annual energy savings of almost \$250,000. The application would have a payback of 6.59 years prior to granting this incentive, and will be reduced to 4.1 years with incentive.

Based upon the certifications of Applied Energy Group and TRC Solutions, the Program Coordinator and Market Manager, Staff determined that these applications meet the eligibility criteria and recommended the Board approve the applications.

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

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

D. Docket No. QO14050489 – In the Matter of the Clean Energy Programs and Budget for Fiscal Year 2015; and

Docket No. QO14090952 – In the Matter of the Solicitation for Sustainable Biopower Incentives in the Renewable Energy Incentive Program.

BACKGROUND AND DISCUSSION: This matter involved the New Jersey Clean Energy Program Renewable Energy Incentive Program (REIP) Fiscal Year 2015 Sustainable Biopower Solicitation, opened on October 23, 2014 and closed on December 22, 2014. The REIP provides incentives for energy storage and biomass facilities, as well as services related to Renewable Energy Certificates. Under this Solicitation, the Board offers financial incentives to qualified applicants to develop biopower projects that convert acceptable biomass energy crops or waste into biogas or fuel that may be used by commercially available prime movers to generate electricity.

The Board received two applications for incentive awards submitted by the Gloucester County Utilities Authority (GCUA) for \$900,000 and the Village of Ridgewood (Ridgewood) from \$22,500. The GCUA project was to build a 1,266 kilowatt (kW) Combined Heat and Power (CHP) plant at its water pollution control facility in West Deptford. The proposed Ridgewood project would have tied the town's adjacent public water well to the existing CHP plant at its wastewater treatment facility, providing a degree of resiliency in the event of a power outage.

The proposals were reviewed by an Evaluation Committee (Committee), consisting of representatives with the Office of Clean Energy, the Renewable Energy Market Manager, the NJ Department of Environmental Protection, and the Rutgers Center for Energy, Economic and Environmental Policy. The Committee's evaluation determined that GCUA did not meet the Solicitation's eligibility requirements because, among other application deficiencies, it proposed a fuel source that included natural gas which is not

a renewable resource. The Ridgewood project also contained deficiencies that were inconsistent with the requirements of the Solicitation and raised concerns that about how much additional Fats, Oils & Grease would be trucked in to supply the additional fuel needed to increase the capacity of the CHP system. Therefore, Staff recommended that the Board deny incentive awards to these applicants.

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

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

E. Docket No. QO14050489 – In the Matter of the Clean Energy Programs and Budget for Fiscal Year 2015; and

Docket No. QO14090952 – In the Matter of the Solicitation for Sustainable Biopower Incentives in the Renewable Energy Incentive Program – Second Solicitation.

BACKGROUND AND DISCUSSION: This matter involved issuance of a second \$3 million Fiscal Year 2015 (FY15) Sustainable Biopower Incentives Competitive Solicitation in the Renewable Energy Incentive Program aimed at encouraging the development of projects that produce electricity with sustainable biomass. Through New Jersey’s Clean Energy Program, applicants will submit proposals for financial incentives which will be evaluated on the basis of economics, readiness, technology and resiliency.

Staff noted that biopower is the generation of electricity – along with thermal energy when used in combined heat and power systems – from organic feedstock, such as food waste, sewage sludge, certain types of wood waste and sustainably grown and harvested energy crops. Energy from waste is an attractive option due to the existing infrastructure to collect waste, the high cost of waste disposal, and the challenges of siting any new landfills in the state. Biomass projects can reduce pollution, lessen dependency on fossil fuels and support local jobs and the State’s economy.

Staff recommended issuance of a second Sustainable Biopower Incentives Competitive Solicitation, inviting proposals through April 18, 2015 from both the private and public sectors.

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

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

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

F. Docket No. QO14050489 – In the Matter of the Clean Energy Programs and Budget for Fiscal Year 2015; and

Docket No. QO14090953 – In the Matter of the Solicitation for Energy Storage Incentives Renewable Energy Incentive Program:

Docket No. QO15020215 – Lawrenceville School

Docket No. QO15020216 – Monmouth County Bayshore Outfall Authority

Docket No. QO15020217 – Franklin Township Board of Education

Docket No. QO15020218 – Paramus High School

Docket No. QO15020220 – Jersey City Municipal Services Complex

Docket No. QO15020221 – Toms River Municipal Authority

Docket No. QO15020223 – Rice Elementary School

Docket No. QO15020225 – Demasi Middle School

Docket No. QO15020226 – Marlton Middle School

Docket No. QO15020227 – East Amwell School Board of Education

Docket No. QO15020233 – Borough of Buena Municipal Utilities Authority

Docket No. QO15020234 – Cumberland County Utilities Authority

Docket No. QO15020235 – Atlantic City Utility Authority

BACKGROUND AND DISCUSSION: In this matter, the Board considered financial incentive awards under the Fiscal Year 2015 (FY15) Renewable Electric Storage Incentive Solicitation within the New Jersey Clean Energy Program. On June 18, 2014, the Board approved a FY15 funding level of \$9.6 million for Renewable Energy (RE) programs. With respect to the FY15 Energy Storage program, the Board approved “\$3 million to fund one or more energy storage project solicitation(s)”.

The Solicitation focused on energy storage systems integrated with behind-the-meter electric generation that is “ready to build” by establishing maximum incentive amounts to allow limited funds to be committed to a broader number of projects, and by prioritizing “public and critical” facilities to keep critical systems operating during power outages. The Board received twenty-two applications for a variety of projects on public facilities, comprising water and wastewater treatment plants, schools, and municipal complexes, as well as privately-owned facilities such as a real estate management firm, an exposition center, a private school and a toll manufacturing company.

Proposals were reviewed by an Evaluation Committee consisting of representatives with the RE Market Manager, State Energy Office, New Jersey Energy Resilience Bank, and Rutgers Center for Energy, Economy and the Environment. Upon review of the Committee evaluations, Staff recommended approval of the thirteen highest-ranked applications as listed above. The awards total \$2,908,804 of the \$3,000,000 in available funds.

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

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

G. Docket No. QO14050489 – In the Matter of the Clean Energy Programs and Budget for Fiscal Year 2015; and

Docket No. QO14090953 – In the Matter of the Solicitation for Energy Storage Incentives Renewable Energy Incentive Program:

Docket No. QO15020219 – Liberty Landing Marina

Docket No. QO15020222 – Summit Associates

Docket No. QO15020224 – Robert B. Jagard Elementary School

Docket No. QO15020228 – Allamuchy Township Board of Education

Docket No. QO15020229 – Warren County Technical School

Docket No. QO15020230 – Vernon Board of Education

Docket No. QO15020231 – Rutgers Community Christian Church

Docket No. QO15020232 – AH Realty Associates, LLC

Docket No. QO15020236 – General Tool Specialties, Inc.

BACKGROUND AND DISCUSSION: In this matter, the Board considered financial incentive awards under the Fiscal Year 2015 (FY15) Renewable Electric Storage Incentive Solicitation within the New Jersey Clean Energy Program (NJCEP). On June 18, 2014, the Board approved a FY15 funding level of \$9.6 million for Renewable Energy (RE) programs. With respect to the FY15 Energy Storage program, the Board approved “\$3 million to fund one or more energy storage project solicitation(s)”.

The Solicitation focused on energy storage systems integrated with behind-the-meter electric generation that is “ready to build” by establishing maximum incentive amounts to allow limited funds to be committed to a broader number of projects, and by prioritizing “public and critical” facilities to keep critical systems operating during power outages. The Board received twenty-two applications for a variety of projects on public facilities, comprising water and wastewater treatment plants, schools, and municipal complexes, as well as privately-owned facilities such as a real estate management firm, an exposition center, a private school and a toll manufacturing company.

Proposals were reviewed by an Evaluation Committee consisting of representatives with the RE Market Manager, State Energy Office, New Jersey Energy Resilience Bank, and Rutgers Center for Energy, Economy and the Environment. The Committee ranked the proposals and made award recommendations until the available funds were exhausted, recommending awards to the thirteen highest-ranked applicants. Those thirteen projects consumed the available funds. Considering the lack of available program funds, Staff recommended the denial of incentive awards to the remaining nine applicants as listed above.

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

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

H. Docket No. EO08070471 – In the Matter of the Memorandum of Understanding Between the Board of Public Utilities and the New Jersey Commission on Science and Technology; and

Docket EO10010030 – In the Matter of the Edison Innovation Commission on Science and Technology Clean Energy Fund – Amelio Solar, Inc.

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

BACKGROUND AND DISCUSSION: In this matter, the Board considered the Office of Clean Energy's (Staff) recommendation to terminate the Commission of Science and Technology (CST) - Edison Innovation Clean Energy Fund (Edison Innovation Fund) awarded to Amelio Solar, Inc. (Amelio Solar).

On March 16, 2009, the CST posted a public competitive solicitation for the Edison Innovation Fund. The Solicitation offered financial assistance to New Jersey technology companies in the form of grants to support the developmental and ancillary activities necessary to commercialize identified renewable energy technologies and innovative technologies that significantly increase energy efficiency. The products developed as a result of this program were expected to benefit New Jersey ratepayers by providing long-term energy needs in an environmentally sound manner, and by facilitating a competitive and diverse electricity supply for New Jersey.

On March 17, 2010, the Board approved a \$500,000 grant to Amelio Solar for the development of a low cost, high-performance, thin-film solar cell that would improve efficiency and lower the cost of the cell. A Grant Agreement was signed between the Board and Amelio Solar under which Amelio Solar received an initial grant disbursement of \$125,000, and subsequent payments were made on a reimbursement basis upon submission of a signed data sheet and payment voucher (Grant Agreement).

In this matter, Zoltan Kiss, as principal and CEO of Amelio Solar, admitted that he knowingly submitted false invoices to the Board for salary expenses that were not incurred. Zoltan Kiss and Amelio Solar were criminally charged and pled guilty to theft by deception of grant funds. Based upon these facts, Staff found that Amelio Solar violated the express terms of the Grant Agreement by submitting knowingly false information to the Board, and by failing to comply with State laws.

Staff recommended the Board terminate the grant award to Amelio Solar and reallocate the remaining grant funds to other New Jersey Clean Energy Programs.

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

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

I. Docket No. EO14080897 – In the Matter of the Petition of Public Service Electric and Gas Company to Continue Its Energy Efficiency Economic Extension Program on a Regulated Basis (EEE Extension II).

Heather Azoulay, Esq., Office of the Chief Counsel, presented this matter.

BACKGROUND AND DISCUSSION: Commissioner Chivukula recused himself from this matter. On August 8, 2014, Public Service Electric and Gas (PSE&G) filed a Petition with the Board in the above-captioned matter seeking a second extension of three sub-programs from its previously approved energy efficiency program. Specifically, PSE&G requested that the Board approve an extension of its Hospital, Direct Install, and Residential Multi-family sub-programs.

On September 30, 2014, the Board designated Commissioner Mary-Anna Holden as the Presiding Officer with the authority to rule on all motions that arose during the pendency of the case, and modify procedural schedules, as necessary. Evidentiary hearings were conducted on December 4 and 5, 2014. During the hearings, the Parties introduced their respective pre-filed testimony and exhibits, and witnesses were cross-examined.

To provide the Board with additional time to complete the processing of the Petition and issue a final determination, the Parties agreed to request of extensions of the 180-day period, first to February 23, 2015 and then to March 28, 2015. Concurrently, the parties initiated a new round of settlement efforts.

Based upon on-going settlement efforts, the current Board Agenda Meeting schedule, and the approved procedural schedule, the Parties agreed that a further extension of the 180 day review period would be appropriate. The Parties subsequently entered into a Stipulation to further extend the 180 day review period to April 27, 2015.

Staff recommended the Board issue an order approving the extension of the review period to April 27, 2015.

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

9. MISCELLANEOUS

There were no items in this category.

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



KENNETH J. SHEEHAN
BOARD SECRETARY

DATE: April 15, 2015