



**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 October 20, 2017, 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

\*Commissioner Dianne Solomon was not present at this meeting.

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

It was announced that the next regular Board Meeting would be held on November 21, 2017 at the State House Annex, Committee Room 11, 125 West State Street, Trenton, New Jersey 08625.

## CONSENT AGENDA

### I. AUDITS

#### A. Energy Agent and/or Energy Consultant Initial Registrations

EE17090973L	Open Market Energy, LLC	I – EA
EE16101001L	Yardi Systems, Inc.	I – EA
EE17050443L	Statistical Energy, LLC	I – EA
EE17030287L	Utiliz, LLC	I – EA/EC
GE17030288L		

#### Energy Agent Renewal Registrations

EE17080865L	Destination Energy, LLC	R – EA
EE17090981L	Lighthouse Business Consulting Development & Services, LLC	R – EA

#### Natural Gas Supplier Initial Licenses

GE17030232L	World Fuel Services, Inc.	I – GSL
GE17040392L	Reliant Energy Northeast, LLC d/b/a NRG Home, NRG Retail Solutions, NRG Business Solutions	I – GSL

#### Electric Power and/or Natural Gas Supplier Renewal Licenses

EE16121164L	Direct Energy Business Marketing, LLC	R – EGSL
GE16121165L		
GE16101000L	Tiger Natural Gas, Inc.	R – GSL
GE17050454L	Woodruff Energy US, LLC	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, private aggregators and energy consultants, are required to renew timely their licenses in order to continue to do business in New Jersey.

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

- Open Market Energy LLC
- Yardi Systems, Inc.
- Statistical Energy LLC
- Utiliz LLC

Staff also recommended that the following applicants be issued a renewal registration as an energy agent for one year:

- Destination Energy, LLC
- Lighthouse Business Consulting Development & Services LLC

Staff recommended that the following applicants be issued an initial license as a natural gas supplier for one year:

- World Fuel Services, Inc.
- Reliant Energy Northeast LLC d/b/a NRG Home, NRG Retail Solutions, NRG Business Solutions

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

- Direct Energy Business Marketing, LLC
- Tiger Natural Gas, Inc.
- Woodruff Energy US LLC

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

## II. ENERGY

### A. Docket No. GE17060680 – In the Matter of the Petition of New Jersey Natural Gas Company for Approval of a Municipal Franchise in the Borough of Lincoln Park, Morris County, New Jersey.

**BACKGROUND:** This matter involved the approval of a municipal consent granted to New Jersey Natural Gas Company (NJNG) by the Borough of Lincoln Park (Borough). This consent is a renewal of a prior consent that had expired. NJNG filed a petition with the Board requesting approval of the consents for the use of the streets for the furnishing of gas service for a period of twenty years.

The ordinances enacted by the Borough grant NJNG the right to provide service and to lay and construct its facilities within the public rights-of-way as a means to provide that service.

Staff recommended that the Board approve the municipal consent, subject to the conditions set forth in the Board Order.

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

## III. CABLE TELEVISION

### A. Docket No. CE16020124 – In the Matter of the Petition of Comcast of Garden State, LP for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Borough of Gibbsboro, County of Camden, State of New Jersey.

**BACKGROUND:** On December 10, 2014, the Borough of Gibbsboro (Borough) adopted

an ordinance granting renewal municipal consent to Comcast of Garden State, LP (Comcast). On January 13, 2016, Comcast formally accepted the terms and conditions of the ordinance, and on February 18, 2016, Comcast filed with the Board for a renewal of its Certificate of Approval.

After review, Staff recommended approval of the proposed Renewal Certificate of Approval for the Borough. This Certificate shall expire March 7, 2029.

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

**B. Docket No. CE12080764 – In the Matter of the Petition of Comcast of South Jersey, LLC, for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Borough of Newfield, County of Gloucester, State of New Jersey.**

**BACKGROUND:** On August 20, 2012, Comcast of South Jersey, LLC filed a petition for an Automatic Renewal Certificate of Approval for the Borough of Newfield (Borough) based on the automatic renewal provision, for a term to expire on August 6, 2022.

The petition is based on the Borough's ordinance granting renewal municipal consent which was adopted on May 13, 1997. The Borough's ordinance granted a term of 15 years with an automatic renewal term of ten years. The initial term expired on August 6, 2012.

Staff recommended approval of the proposed Automatic Renewal Certificate of Approval. This Certificate shall expire August 6, 2022.

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

**IV. TELECOMMUNICATIONS**

**A. Docket No. TM17080830 – In the Matter of the Verified Joint Petition of Crown Castle International Corp., Transferee, LTS Group Holdings, LLC, Transferor, and Fiber Technologies Networks, LLC, Lightower Fiber Networks I, LLC and Lightower Fiber Networks II, LLC, Licensees for Approval to Transfer Indirect Control of Licensees to Crown Castle International Corp.**

**BACKGROUND:** On August 1, 2017, Crown Castle International Corp. (Transferee), LTS Group Holdings LLC (Transferor), Fiber Technologies Networks LLC (Fibertech), Lightower Fiber Networks I, LLC (LFN), and Lightower Fiber Networks II, LLC (LFN II and together with Fibertech and LFN I, the Licensees)(collectively, the Petitioners) filed a petition with the Board requesting approval of a transfer of indirect control of Licensees to Transferee. Following the closing of the transaction, Licensees will continue to offer the same services in New Jersey at the same rates, terms, and conditions.

The New Jersey Division of Rate Counsel (Rate Counsel) submitted comments by letter dated September 27, 2017, stating it did not oppose approval of the proposed acquisition provided conditions are imposed to ensure continued service quality in connection with potential future employment attrition in New Jersey. The Rate Counsel urged the that Board require the Petitioners to notify the Board and Rate Counsel,

providing an appropriate explanation in writing within a minimum of thirty days prior to effectuating a reduction in New Jersey jobs that is greater than 15%, throughout a three year period following approval.

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

Staff recommended that the Petitioners be allowed to proceed with the transaction finding that there will be no adverse effect to customers in New Jersey. The Petitioners should also be ordered to notify the Secretary of the Board and the Office of Cable Television and Telecommunications within 5 days of the closing of the transaction.

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

**B. Docket No. TM17080928 – In the Matter of the Verified Joint Petition of Plant Holdings, Inc. and Airbus DS Communications, Inc. and Motorola Solutions, Inc. for Approval to Transfer Indirect Control of Airbus DS Communications, Inc.**

**BACKGROUND:** On August 24, 2017, Plant Holdings, Inc. (Plant Holdings) and its wholly-owned subsidiary, Airbus DS Communications, Inc. (Airbus DS Communications), and Motorola Solutions, Inc. (Motorola Solutions)(collectively, Petitioners), submitted a Joint Petition to the Board requesting approval to transfer control of Airbus DS Communications to Motorola Solutions.

Airbus DS Communications has no employees in New Jersey, therefore there will be no adverse impact on employment and there are no pension issues for review or consideration. Following the proposed Transaction, Airbus DS Communications will continue to offer the same services in New Jersey at the same rates, terms, and conditions.

After review, Staff recommended that the Petitioners be allowed to proceed with the transaction. Staff also recommended that the Petitioners should also be ordered to notify the Secretary of the Board and the Office of Cable Television and Telecommunications within five days of the closing of the transaction.

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

**C. Docket Nos. BPU TC14070725 and OAL PUC 12838-15 – In the Matter of Beverly A. Williams, Petitioner v. Verizon New Jersey, Inc., Respondent – Failure to Provide Adequate Customer Service – Request for Extension.**

**BACKGROUND:** The Initial Decision of the Administrative Law Judge was received by the Board on September 20, 2017. By previous Order of Extension, the period for issuing of a Final Decision was extended to November 4, 2017. Prior to that date, the Board requested an additional 45-day extension of time for issuing the Final Decision in order to adequately review the record in this matter.

Good cause having been shown, pursuant to N.J.S.A. 52:14B-10(c) and N.J.A.C. 1:1-18.8, Staff recommended that the time limit for the Board to render a Final Decision be extended until December 19, 2017.

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

**D. Docket Nos. BPU TC14050490 and OAL PUC 13695-14 – In the Matter of Larry S. Loigman, Petitioner v. Verizon New Jersey, Inc., Respondent – Request for Extension.**

**BACKGROUND:** The Initial Decision of the Administrative Law Judge was received by the Board on September 18, 2017. By previous Order of Extension, the period for issuing of a Final Decision was extended to November 2, 2017. Prior to that date, the Board requested an additional 45-day extension of time for issuing the Final Decision in order to adequately review the record in this matter.

Good cause having been shown, pursuant to N.J.S.A. 52:14B-10(c) and N.J.A.C. 1:1-18.8, Staff recommended that the time limit for the Board to render a Final Decision be extended until December 17, 2017.

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

**V. WATER**

**A. Docket No. WR17090985 – In the Matter of the Petition of New Jersey-American Water Company, Inc. for Approval of Increased Tariff Rates and Charges for Water and Wastewater Service, Change in Depreciation Rates and Other Tariff Modifications.**

**BACKGROUND:** On September 14, 2017, New Jersey-American Water Company (Company or Petitioner), filed a Petition with the Board seeking to increase rates for water and wastewater service. The combined proposed rates would increase the Company's annual revenues by \$129.3 million or approximately 17.54% over pro-forma present rate revenues.

The increase in rates was proposed to become effective on October 15, 2017. The Petitioner proposed an amortization period of five years for these investments. The Petitioner serves approximately 631,000 water and fire service customers and approximately 41,000 sewer service customers

According to the Petition, the rate increase is required: (a) to establish an income level that will permit the Company to finance essential and continuing plant investment; (b) to permit the Company to earn a fair and adequate rate of return on its net investment in used and useful property; (c) to establish rates which will be sufficient to enable the Company, under efficient and economical operation, to maintain and support its financial integrity and to raise such funds as may be necessary for the proper discharge of its public duties; (d) to provide earnings sufficient to attract investors and provide sufficient cash flow to fund the Company's operations; and (e) to enable the Company to continue to provide safe, adequate and proper service to its customers.

The proposed revisions will increase existing rates and change or alter existing classifications in the Petitioner's tariff, therefore, Staff recommended that:

- (1) The proposed revisions be, and are suspended until February 15, 2018, unless the Board prior to that date, makes a determination disposing of the petition or enters an Order further suspending the proposed revisions;
- (2) The Petitioner shall, at least ten days prior to the date set for hearing on the petition by the Office of Administrative Law, file with this Board and with the Office of Administrative Law 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); and
- (3) The Petitioner shall serve copies of this Order upon the Office of Administrative Law, Division of Rate Counsel, the clerk of each affected municipality, the clerk of the Boards of Chosen Freeholders of each affected county, and where appropriate, the executive officer of each 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 fifteen days of the date of this Order.

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

## VI. RELIABILITY & SECURITY

### A. Docket Nos. GS17060690K et al. – In the Matter of Routine One Call Settlements Pursuant to N.J.S.A. 48:2-73 et seq.

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

Pursuant to the Act, the Board through the Bureau of One-Call supervises and enforces the One-Call Underground Damage Prevention System. The Act subjects violators of its provisions to civil penalties of not less than \$1,000.00 and not more than \$2,500.00 per violation per day, with a \$25,000.00 maximum for a related series of violations. Violations involving a natural gas or hazardous liquid underground pipeline or distribution facility are subject to civil penalties not to exceed \$100,000.00 for each violation for each day with a \$1,000,000.00 maximum for any related series of violations.

The number of settlements are 77, with a total of \$224,000.00 in penalties.

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

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

**VII. CUSTOMER ASSISTANCE**

**A. Docket Nos. BPU GC16111105U and OAL PUC 01809-17 – In the Matter of Helene Jackson, Petitioner v. Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas, Respondent – Billing Dispute.**

**BACKGROUND:** This matter involved a billing dispute between Helene Jackson (Petitioner) and Elizabethtown Gas Company (Elizabethtown). The petition was transmitted to the Office of Administrative Law on February 3, 2017, for hearing as a contested case. Administrative Law Judge (ALJ) Irene Jones filed an Initial Decision in this matter with the Board on September 8, 2017, approving the Stipulation of Settlement of the parties (Stipulation).

Pursuant to the terms of the Stipulation, and in order to fully resolve this matter, E-town agreed to reduce the disputed amount of \$1,116.17 to \$200.00. Without admitting fault or liability, the Petitioner agreed to pay the settlement amount in accordance with the terms reflected herein. The settlement amount shall be paid by the Petitioner to Elizabethtown in equal monthly installment over a six month period. The first installment payment of the settlement amount will be due within forty-five days of ALJ's Initial Decision approving the settlement agreement, or within 10 days of the Board Order approving the Initial Decision.

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

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

**VIII. CLEAN ENERGY**

There were no items in this category.

**IX. MISCELLANEOUS**

**A. Approval of the Minutes for the September 22, 2017 Agenda Meeting.**

**BACKGROUND:** Staff presented the minutes of the Regular Board Agenda meeting of September 22, 2017 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 Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

## AGENDA

### 1. AUDITS

There were no items in this category.

### 2. ENERGY

**Cynthia Covie, Esq., Chief of Staff, Office of Chief of Staff,** Presented these matters.

**A. Docket Nos. BPU EC15091094 and OAL PUC 01588-16 – In the Matter of Roudi, et al., Petitioners v. Jersey Central Power & Light Company; First Energy Corporation; New Jersey Natural Gas Company; New Jersey Resources Corporation and ABC Companies Nos. 1-10, Respondents.**

**BACKGROUND AND DISCUSSION:** This matter involved Roudi, et al. (Plaintiff) filing a complaint against Jersey Central Power and Light (JCP&L); First Energy Corporation; New Jersey Natural Gas Company (NJNG); New Jersey Resources Corporation and ABC Companies Nos. 1-10.

This matter arose from a complaint filed in the Law Division at the Ocean County Superior Court for the recovery of damages to property sustained during Superstorm Sandy.

The Plaintiff alleged that NJNG and JCP&L were responsible for this damage because the Companies failed to terminate service prior to or during the storm, which resulted in the outbreak of fires to the plaintiffs' properties located in the Camp Osborn section of Brick Township. The Plaintiff claimed that this failure to suspend service violated the utilities' duty to provide safe, adequate and proper service.

The Initial Decisions in the above-captioned matters were received by the Board on June 23, 2017. In her Initial Decision, Administrative Law Judge Jones found that the Board did not have primary jurisdiction, dismissed the matters, and requested that they be returned to Superior Court. She did not make a determination as to whether the utilities failed to provide safe, adequate and proper service.

Staff recommended that the Board adopt the Initial Decision in part, and modify it in part. Specifically, Staff recommended that the Board find that it has jurisdiction to determine whether or not the utilities failed to provide safe, adequate and proper service pursuant to the Board's regulations, and consequently determine that the utilities' failure to suspend service do not constitute a failure to provide safe adequate and proper service. Staff further recommended that the Board transfer the matters to Superior Court for a determination as to whether the utilities were negligent.

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

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

**B. Docket Nos. BPU EC15060657 and OAL PUC 01594-16 – In the Matter of Minutella, et al., Petitioners v. Jersey Central Power & Light Company; First Energy Corporation; New Jersey Natural Gas Company; New Jersey Resources Corporation and ABC Companies Nos. 1-10, Respondents.**

**BACKGROUND AND DISCUSSION:** Minutella, et. al (Plaintiff) filing a complaint against Jersey Central Power and Light (JCP&L); First Energy Corporation; New Jersey Natural Gas Company; New Jersey Resources Corporation and ABC Companies Nos. 1-10.

This matter arose from a complaint filed in the Law Division at the Ocean County Superior Court for the recovery of damages to property sustained during Superstorm Sandy.

The Plaintiff alleged that NJNG and JCP&L were responsible for this damage because the Companies failed to terminate service prior to or during the storm, which resulted in the outbreak of fires to the plaintiffs' properties located in the Camp Osborn section of Brick Township. The Plaintiff claimed that this failure to suspend service violated the utilities' duty to provide safe, adequate and proper service.

The Initial Decisions in the above-captioned matters were received by the Board on June 23, 2017. In her Initial Decision, Administrative Law Judge Jones found that the Board did not have primary jurisdiction, dismissed the matters, and requested that they be returned to Superior Court. She did not make a determination as to whether the utilities failed to provide safe, adequate and proper service.

Staff recommended that the Board adopt the Initial Decision in part, and modify it in part. Specifically, Staff recommended that the Board find that it has jurisdiction to determine whether or not the utilities failed to provide safe, adequate and proper service pursuant to the Board's regulations, and consequently determine that the utilities' failure to suspend service do not constitute a failure to provide safe adequate and proper service. Staff further recommended that the Board transfer the matters to Superior Court for a determination as to whether the utilities were negligent.

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

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

**C. Docket Nos. BPU EC15060658 and OAL PUC 01589-16 – In the Matter of Harvey, et al., Petitioners v. Jersey Central Power & Light Company; First Energy Corporation; New Jersey Natural Gas Company; New Jersey Resources Corporation and ABC Companies Nos. 1-10, Respondents.**

**BACKGROUND AND DISCUSSION:** Harvey, et al. (Plaintiff) filing a complaint against Jersey Central Power and Light (JCP&L); First Energy Corporation; New Jersey Natural Gas Company (NJNG); New Jersey Resources Corporation and ABC Companies Nos. 1-10.

This matter arises from a complaint filed in the Law Division at the Ocean County Superior Court for the recovery of damages to property sustained during Superstorm Sandy.

The Plaintiff alleged that NJNG and JCP&L were responsible for this damage because the Companies failed to terminate service prior to or during the storm, which resulted in the outbreak of fires to the plaintiffs' properties located in the Camp Osborn section of Brick Township. The Plaintiff claimed that this failure to suspend service violated the utilities' duty to provide safe, adequate and proper service.

The Initial Decisions in the above-captioned matters were received by the Board on June 23, 2017. In her Initial Decision, Administrative Law Judge Jones found that the Board did not have primary jurisdiction, dismissed the matters, and requested that they be returned to Superior Court. She did not make a determination as to whether the utilities failed to provide safe, adequate and proper service.

Staff recommended that the Board adopt the Initial Decision in part, and modify it in part. Specifically, Staff recommended that the Board find that it has jurisdiction to determine whether or not the utilities failed to provide safe, adequate and proper service pursuant to the Board's regulations, and consequently determine that the utilities' failure to suspend service do not constitute a failure to provide safe adequate and proper service. Staff further recommended that the Board transfer the matters to Superior Court for a determination as to whether the utilities were negligent.

President Mroz asked staff to clarify whether the recommendation applied to items 2A, 2B, and 2C.

Commissioner Fiordaliso stated that he agreed with staff's recommendation because there could have been a catastrophe.

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

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

**Thomas Walker, Director, Division of Energy,** presented these matters.

**D. Docket No. GR17060587 – In the Matter of the Petition of New Jersey Natural Gas Company for Approval of the Cost Recovery Associated with Energy Efficiency Programs.**

**BACKGROUND AND DISCUSSION:** On May 31, 2017, New Jersey Natural Gas Company (NJNG or Company) filed a petition with the Board, wherein the Company proposed to decrease the Energy Efficiency (EE) Rate of \$0.0327 per therm (including Sales and Use Tax (SUT)) to \$0.0283 per therm (including SUT), for recovery of the costs associated with the SAVEGREEN Project (2017 Petition). According to the 2017 Petition, based on actual information through April 30, 2017 and estimated information through September 30, 2017, NJNG anticipated being under recovered at September 30, 2017 by approximately \$766,000.00. Based on the current and anticipated levels of

activity in SAVEGREEN, NJNG estimated the revenue requirement for the period October 2017 through September 2018 to be approximately \$18.313 million. Accordingly, the resultant revenue requirement through September 2018 for the 2017 Petition was \$19.079 million.

Since the 2017 Petition requested a rate reduction, public hearings on the 2017 Petition were not required. The New Jersey Division of Rate Counsel (Rate Counsel) and Board Staff (Staff) propounded discovery on NJNG, which was responded to by the Company. As part of discovery, NJNG updated its revenue requirement to include actual information through July 31, 2017 to reflect an over recovery of \$2.080 million. The Company's updated information indicates an anticipated over recovery at September 30, 2017 of approximately \$231,000.00 and a revenue requirement for the period October 2017 through September 2018 to be approximately \$17.171 million.

Following discovery, NJNG, Rate Counsel and Staff executed a Stipulation of Settlement (Stipulation) on September 29, 2017. The Stipulation allows for NJNG to decrease the current EE Rate of \$0.0327 per therm (including SUT) to \$0.0266 per therm (including SUT).

As a result of the Stipulation, the monthly bill impact for a typical residential customer using 100 therms per month will be a decrease \$0.61 or 0.6 percent, resulting in an average monthly bill from \$104.51 to \$103.90.

Staff recommended that the Board adopt the Stipulation.

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

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

**E. Docket Nos. BPU GR17010071 and OAL PUC 03261-17 – 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.**

**BACKGROUND AND DISCUSSION:** On January 27, 2017, South Jersey Gas Company (Company or SJG) filed a petition with the Board for approval of an increase in its operating revenues of approximately \$74.9 million or 15.3% to be effective for gas service provided on or after February 28, 2017, as well as for certain other tariff changes and proposals. The Company also sought Board approval to maintain its existing composite depreciation rate. In addition, the Company sought authorization to defer, until the Company's next base rate case, certain incremental expenses related to pension and post-retirement healthcare expenses.

According to the petition, the primary reasons for the requested increase is the need to earn a fair return on capital investments and projects made since the filing of the Company's last base rate case in 2013 in order to ensure that the Company can continue to attract capital at reasonable rates and invest in the infrastructure necessary to provide safe and reliable service.

The Company sought to implement its proposed rates to become effective for service rendered on or after February 28, 2017. On February 22, 2017, the Board issued an Order suspending the proposed rates until June 29, 2017, and the matter was transmitted to the Office of Administrative Law and was assigned to Administrative Law Judge (ALJ) Elia A. Pelios. By Order dated May 31, 2017, the Board further suspended the proposed rates until October 28, 2017.

As the case progressed, the estimated data was replaced by actual data, and on September 15, 2017, the Company filed its update consisting of twelve months of actual data. The net revenue increase demonstrated by this twelve month update became approximately \$86.66 million.

Following discussions, the Company, Board Staff, and the New Jersey Division of Rate Counsel (collectively, Parties) executed a Stipulation of Settlement (Stipulation) resolving this matter. On October 3, 2017, ALJ Pelios issued his Initial Decision in this matter approving the Stipulation, finding that the settlement is voluntary, consistent with the law and fully disposes of all issues in controversy.

Staff recommended that the Board adopt the Initial Decision and approve the Stipulation of the parties for service rendered on or after November 1, 2017. Staff further recommended that the Board direct SJG to file tariffs consistent with its order prior to November 1, 2017.

President Mroz asked staff to provide their opinion of the return on equity that is in the Stipulation. Further, President Mroz stated that the Board has a responsibility to consider its position in any application that comes before it. Finally, he asked staff to be mindful of how it considers this issue when future rate cases are filed.

Commissioner Fiordaliso asked staff if the return on equity of 9.6% was at the low end for PJM States. Further, Commissioner Fiordaliso stated that the Board may want to separate certain issues in future rate cases.

Commissioner Chivukula asked staff if the utilities are having a difficult time attracting financial investment, and whether they have seen this Board turn down any rate increases. In addition, the Commissioner asked staff about compressed natural gas stations.

Commissioner Holden stated that if the parties can come to an agreement on a revenue requirement, then perhaps the return on equity issue should be stripped out and be handled separately in cases, especially larger cases.

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

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

**Thomas Walker, Director, Division of Energy, Mark C. Beyer, Chief Economist, and Paul Flanagan, Executive Director, presented these matters.**

**F. Docket No. ER16090921 – In the Matter of the Verified Petition of Jersey Central Power & Light Company Seeking Review and Approval of Its Deferred Balances Relating to, and an Adjustment of, the Rider RRC - RGGI Recovery Charge of Its Filed Tariff (2015 Rider RRC Filing).**

**BACKGROUND AND DISCUSSION:** On September 30, 2016, Jersey Central Power and Light Company (JCP&L or Company) filed a petition (September 2016 Petition) with the Board requesting review and approval of the deferred balances accumulated with respect to amounts the Company incurred under Board-approved demand response and renewable energy programs, to the extent accumulated from January 1, 2015 through December 31, 2015. In addition, the September 2016 Petition requested approval to decrease JCP&L's overall RGGI Recovery Charge (Rider RRC) rate from \$0.001189 per kilowatt-hour (kWh) (\$0.001165 per kWh including Sales and Use Tax (SUT)) to \$0.000862 per kWh (\$0.00922 per kWh with SUT).

On May 24, 2017, JCP&L filed an update (May 2017 Update) to the September 2016 Petition to include actuals through December 2016 and to correct an error it had discovered. Based on the May 2017 Update, the Company revised its request to reflect a decrease of approximately \$2.849 million annually. According to the May 2017 Update, the actual deferred Integrated Distribution Energy Resource Program costs including interest was \$11,804,147.00 and the actual deferred Solar Renewable Energy Certificates I Program costs including interest was \$30,953,548.00. Accordingly, based on the May 2017 Update, JCP&L proposed a total Rider RRC rate \$0.001013 per kWh (including SUT).

The Company, Board Staff, and the New Jersey Division of Rate Counsel (collectively, Parties) engaged in discovery and discussed matters at issue and executed a stipulation of settlement (Stipulation) that recommended a reduction of the Rider RRC rate to \$0.001013 per kWh, including taxes, which reflects the updated revenue requirement supplied through discovery.

Staff recommended that the Board issue an order accepting the Stipulation of the Parties. Staff further recommended that the Board order JCP&L to file revised tariff sheets conforming to the terms of the Stipulation by November 1, 2017.

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

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

**G. Docket Nos. BPU EO15030383 and OAL PUC 08235-15 – In the Matter of the Petition of Jersey Central Power & Light Company Pursuant to N.J.S.A. 40:55D-19 for a Determination that the Montville-Whippany 230 kV Transmission Project is Reasonably Necessary for the Service, Convenience or Welfare of the Public – Request for Extension.**

**Stacy Peterson, Deputy Director, Division of Energy, presented this matter.**

**BACKGROUND AND DISCUSSION:** The Initial Decision of the Administrative Law Judge was received by the Board on August 10, 2017. By previous Order of Extension, the period for issuing a Final Decision was extended to November 9, 2017. Prior to that date, and having received the consent of all parties, the Board requested an additional 45-day extension of time for issuing the Final Decision in order to adequately review the record in this matter.

Good cause having been shown, pursuant to N.J.S.A. 52:14B-10(c) and N.J.A.C. 1:1-18.8, Staff recommended that the time limit for the Board to render a Final Decision be extended until December 24, 2017.

President Mroz stated that it is appropriate to grant the extension to ensure the issues raised in exceptions were fully vetted. This provides our staff time to fully analyze the matter and come back with a recommendation.

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

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

**H. Docket No. EF17050550 – In the Matter of the Petition of Public Service Electric and Gas Company Pursuant to N.J.S.A. 48:3-7 and 48:3-9 for Authority, from January 1, 2018 through December 31, 2019, to Sell and/or Encumber Property and Purchase, Issue and Sell Debt.**

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

**BACKGROUND AND DISCUSSION:** On May 23, 2017, Public Service Electric and Gas Company (Petitioner), filed a petition with the Board requesting authority from January 1, 2018 through December 31, 2019 to issue and sell, New Long-Term Debt in aggregate principal amount of not more than \$2,500,000,000.00 secured and unsecured, with maturities up to 40 years.

The Petitioner also requested authority to execute and deliver one or more indentures or supplemental indentures and/or one or more pledges, Uniform Commercial Code financing statements and related agreements and instruments, creating one or more encumbrances and/or liens on the property and/or assets of the Petitioner and providing for pledges, transfers or sales of assets and/or issuance of its First and Refunding Mortgage Bonds and/or Medium-Term Notes and/or debenture bonds and/or promissory notes and/or other debt instruments and/or evidences of indebtedness, secured or unsecured, having maturities of from 1 to 40 years; and to purchase through tender offer, open market or negotiated transactions, redeem at a premium or defease any or all of its currently outstanding debt payable more than 12 months after the date of original issuance at or above par to achieve cost savings or more efficient management of its capital structure.

The New Long-Term Debt will be used to provide funds for the financing of the Petitioner's physical plant and facilities, construction and/or other general

corporate purposes, acquisition opportunities and/or to reimburse its treasury for funds expended. The funds will also be used to refinance \$1.250 million of maturing debt.

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.

President Mroz asked staff for their opinion about going into the debt market at this point in time as it relates to the prevailing rate environment for securing debt.

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

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

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

**I. Docket No. ER17010003 – In the Matter of the Federal Energy Items for 2017 – FERC Docket Nos. ER15-2563-000, ER15-2563-001, and EL15-95-000 – In the Matter of Non-Consolidated Protests and Litigation Re: The Application of the Solution-Based DFAX Cost Allocation Methodology to Artificial Island Project.**

**BACKGROUND AND DISCUSSION:** This matter involved Staff, on behalf of the Board, joining New Jersey Division of Rate Counsel (Rate Counsel) in opposing a Motion to Reopen the Record and Lodge a study of a few, not all, possible alternative cost allocation methodologies for the Artificial Island Project. PJM has not submitted the document itself. PJM has stated that the document is not an exhaustive analysis of cost allocation methodologies. PJM has openly acknowledged that it will not take a position in this proceeding.

Staff and the Rate Counsel thus oppose the Motion to Reopen the Record and Lodge because (1) no extraordinary circumstances warrant re-opening of the record on rehearing; (2) the motion fails on procedural and evidentiary grounds; (3) granting the motion would violate procedural due process; and (4) certain relief requested is improperly presented in the Motion.

On August 28, 2015 the Delaware and Maryland Public Service Commissions filed a complaint against PJM requesting that the Federal Energy Regulatory Commission find that PJM's use of a "solution-based DFAX" to allocate the costs of the "Artificial Island" Regional Transmission Expansion Plan Project (Artificial Island Project) is unjust, unreasonable, and unduly discriminatory and preferential.

On September 10, 2015, Staff, acting on behalf of the Board, intervened in this matter as an "interested state commission." Intervention is not the same as commenting or otherwise taking a position.

Staff recommended that the Board ratify the Answer in Opposition to the Motion.

President Mroz stated that we continue to confront those issues where we believe it is Appropriate, and these are a couple of those matters where we are again filing and advocating for the people of New Jersey at the FERC.

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

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

**J. Docket No. ER17010003 – In the Matter of the Federal Energy Items for 2017 – FERC Docket Nos. ER15-2562, EL15-18, and EL15-67 – In the Matter of Non-Consolidated Protests and Litigation Re: The Application of the Solution-Based DFAX Cost Allocation Methodology to the Bergen-Linden Corridor.**

**BACKGROUND AND DISCUSSION:** This matter involved Staff, on behalf of the Board, joining the New Jersey Division of Rate Counsel (Rate Counsel) in opposing a Motion to Reopen the Record and Lodge a study of a few, not all, possible alternative cost allocation methodologies for the Artificial Island Project in this wholly unrelated docket. PJM has not submitted the document itself. PJM has stated that the document is not an exhaustive analysis of cost allocation methodologies. ConEd has argued that any statements from PJM expressing even the slightest doubt about the appearance of results stemming from Solution-based distribution factor (DFAX) render the allocation unjust and unreasonable. PJM has responded that ConEd's view takes liberties with the PJM analysis of an unrelated project. If ConEd is successful, cost allocation for projects built in New Jersey due, in part, to the flow of power to New York will be borne exclusively by New Jersey ratepayers, not New York ratepayers.

Staff and the Rate Counsel thus oppose the Motion to Reopen the Record and Lodge because (1) no extraordinary circumstances warrant re-opening of the record on rehearing; (2) the motion fails on procedural and evidentiary grounds; and (3) granting the motion would violate procedural due process. Staff seeks ratification of the opposition at this time.

On November 7, 2014, Consolidated Edison Company of New York, Inc. (ConEd) filed a complaint under section 206 of the Federal Power Act (FPA) regarding the assignment of cost allocation for two transmission projects that were approved through the PJM Interconnection, LLC (PJM) Regional Transmission Expansion Planning (RTEP) process, and which were proposed in two underlying cost allocation proceedings submitted by PJM pursuant to the regional cost allocation method accepted by the Commission to comply with Order No. 1000. The RTEP projects at issue are the Bergen-Linden Corridor Project and the Sewaren Project, and are collectively referred to as the New Jersey Projects.

On May 22, 2015 (as amended on July 10, 2015) Linden filed a complaint regarding application of the PJM solution-based DFAX cost allocation method to the projects included in the ConEd Complaint (Linden Complaint).

On December 4, 2015, the Commission issued a Notice of Technical Conference establishing the conference date of January 12, 2016 and allowing for the submission of pre-technical conference comments on January 6, 2016.

Therefore, Staff on behalf of the Board and Rate Counsel filed comments (1) contending that all projects affecting the grid are flow related in one way or another and (2) urging the Commission to not carve out exemptions to benefit a vocal minority to the detriment of New Jersey ratepayers.

Staff recommended that the Board ratify the Answer in Opposition to the Motion.

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

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

**K. Docket No. ER17010003 – In the Matter of the Federal Energy Items for 2017 – FERC Docket Nos. ER17-2073 and EL17-84 – PJM Interconnection L.L.C. Re: Amendment to Service Agreement No. 2536, Queue Nos. O66/V1-034 to Convert TWR.**

**BACKGROUND AND DISCUSSION:** This matter involved Staff, on behalf of the Board, filing Comments in this docket, which was opened by Federal Energy Regulatory Commission (FERC) in a September 8, 2017 Order denying tariff revisions but requiring Public Service Electric and Gas Company and PJM to Show Cause.

Staff believed that FERC's decision rightly denied the tariff revision, but incorrectly claimed that the dispute at issue is separate and distinct from the cost allocation complaints repeatedly made by the parties, Hudson Transmission Partners, LLC (HTP), Linden, and New York Power Authority (NYPA). Despite the record containing evidence that New York benefits from these lines, the parties have repeatedly argued that they should not have be allocated certain transmission system upgrade costs. The parties acknowledge that, if successful, those costs will be allocated to New Jersey ratepayers and New York will continue to receive its benefits.

Consistent with prior filings in the tariff docket, Staff filed these comments objected to the Amended Service Agreement as further attempt by NYPA and HTP to circumvent prior decisions and obtain a preferential rate for load in New York to the detriment New Jersey ratepayers.

Staff recommended that the Board ratify the filing.

President Mroz said that this matter is simple and he supports the Board's continued engagement on this matter. The basic issue is that it appears New York wants the people of New Jersey to subsidize this infrastructure in transmission, and New York should be paying for that benefit.

Commissioner Chivukula asked staff what they had in mind when they suggested that

the Board may wish to consider addressing these issues proactively.

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

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Chivukula</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.**

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

**BACKGROUND AND DISCUSSION:** On May 21, 2014, the Board issued an Order (May Order) approving a Stipulation of Settlement entered in the Public Service Electric and Gas Company (PSE&G or Company) Energy Strong Program in Docket Nos. EO13020155 and GO13020156. The May Order provided PSE&G with approval to invest up to \$1.0 billion (\$0.6 billion electric and \$0.4 billion gas) to harden its infrastructure to make it less susceptible to damage from wind, flying debris and water damage in anticipation of future major storm events and to strengthen the resiliency of the Company's delivery system, with costs to be recovered through periodic base rate adjustments. A specific tenet of the Stipulation and the Order required PSE&G to file its next base rate case no later than November 1, 2017.

On September 27, 2017, a base rate case pre-filing meeting was held with PSE&G, the New Jersey Division of Rate Counsel (Rate Counsel) and Board staff in attendance wherein PSE&G discussed its impending petition which was to be filed with 2 months actual data and 10 months of projected and several scheduled data updates to be filed in 2018. Thereafter, PSE&G filed a letter request on October 10, 2017 requesting a 1 month extension to file its base rate petition so as to allow it to file with 3 months actual data and 9 months projected data.

On October 12, 2017, the Rate Counsel filed a letter with the Board stating that it consented to PSE&G's request to file its base rate petition 1 month late to allow for the inclusion of 3 months of actual data and 9 months projected data. Rate Counsel also reiterated its objection to base rate cases being filed with less than 5 months actual data and 7 months projected data as required by the Board in the Elizabethtown Water Case.

Staff recommended that the Board grant the request of PSE&G to file a base rate case by no later than December 1, 2017.

President Mroz said that it seems reasonable to grant the Company's request for an extension, given the circumstances around ensuring that there is accurate data in the case.

Commissioner Fiordaliso asked staff to identify the party that requested the delay.

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

**Roll Call Vote:**

<b>President Mroz</b>	<b>Aye</b>
<b>Commissioner Fiordaliso</b>	<b>Aye</b>
<b>Commissioner Holden</b>	<b>Aye</b>
<b>Commissioner Chivukula</b>	<b>Aye</b>

**3. CABLE TELEVISION**

There were no items in this category.

**4. TELECOMMUNICATIONS**

There were no items in this category.

**5. WATER**

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

**A. Docket No. WM17070746 – In the Matter of the Petition of New Jersey-American Water Company, Inc. for Approval to Sell Real Property Located at 100 James Street in the Township of Lakewood, County of Ocean.**

**BACKGROUND AND DISCUSSION:** On July 13, 2017, New Jersey-American Water, Inc. (NJAW or Company), filed a petition with the Board seeking approval to sell property owned by the Company.

NJAW provides water service to approximately 631,000 water and fire service customers and 41,000 sewer service customers in Atlantic, Bergen, Burlington, Camden, Cape May, Essex, Gloucester, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Ocean, Passaic, Salem, Somerset, Union and Warren counties.

The property being sold is known and designated as 100 James Street, Lot 10 in Block 345 (Property), in the Township of Lakewood, County of Ocean, New Jersey. The Company acquired the Property, totaling approximately 6.996 acres, for \$70,000.00 in 1983. The Company has used the Property as a district operations center and statewide meter shop since 1983. The Company determined that the operations center and meter shop are no longer used for utility purposes and should be moved to a more convenient and accessible location. The Company is actively looking for a new site in the surrounding area for its new operations center. The Property is being sold to Enchante Realty Associates (Enchante or Purchaser) for \$5,800,000.00.

Staff recommended that the Board approve the sale of the property from NJAW to Enchante Realty Associates, LLC.

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

**Roll Call Vote:**

<b>President Mroz</b>	<b>Aye</b>
<b>Commissioner Fiordaliso</b>	<b>Aye</b>
<b>Commissioner Holden</b>	<b>Aye</b>
<b>Commissioner Chivukula</b>	<b>Aye</b>

**B. Docket No. WM17070747 – In the Matter of the Petition of New Jersey-American Water Company, Inc. for Approval to Sell Real Property Located at 116 Del Monte Road in the Township of Toms River, County of Ocean.**

**BACKGROUND AND DISCUSSION:** This matter involved an Order approving the sale of one parcel of New Jersey-American Water (NJAW or Company) property, totaling approximately .18 acres, situated in the Township of Toms River (Township), Ocean County. The property being sold is known and designated as 116 Del Monte Road, Lot 19 in Block 944.02, as shown on the Tax Map of the Township. On June 15, 2017, the Company entered into an Agreement of Sale to sell the property to Three M Development, LLC. The total purchase price is \$655,555.00.

This matter was filed on July 13, 2017. NJAW provides water service to approximately 631,000 water and fire service customers and 41,000 sewer service customers in portions of the following counties: Atlantic, Bergen, Burlington, Camden, Cape May, Essex, Gloucester, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Ocean, Passaic, Salem, Somerset, Union and Warren.

By letter dated September 20, 2017, the New Jersey Division of Rate Counsel submitted comments stating that it did not object to Board approval of the sale of the property and the associated proposed book and ratemaking treatment.

Staff recommended that the Board approve the sale of the property from NJAW to Three M Development, LLC.

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

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

**C. Docket Nos. BPU WR17050524 and OAL PUC 08428-17 – In the Matter of the Petition of Middlesex Water Company for Approval to Change the Levels of Its Purchased Water Adjustment Clause Pursuant to N.J.A.C. 14:9-7.1, et seq.**

**BACKGROUND AND DISCUSSION:** On May 18, 2017, Middlesex Water Company (Company, Middlesex) filed a petition seeking Board approval of a Purchased Water Adjustment Clause (PWAC) to recover increased purchased water costs together with deferred costs and associated expenses. The Company originally requested an increase in annual revenue of \$1,240,630.00 over pro forma present rate revenues of \$75,325,633.00, which represents an overall increase of approximately 1.65%.

Middlesex services approximately 61,000 retail water customers in the Townships of Edison and Woodbridge, the Boroughs of South Plainfield, Metuchen, and Carteret, and the City of South Amboy in Middlesex County; the Township of Clark in Union County; and the Township of Downe in Cumberland County (collectively, General Water Service Customers or GWS Customers).

On June 6, 2017, this matter was transmitted to the Office of Administrative Law and

was assigned to Administrative Law Judge (ALJ) Jacob S. Gertsman. A pre-hearing conference (via telephone) was convened by ALJ Gertsman on July 12, 2017 and a Pre-hearing Order was issued on July 28, 2017.

After proper notice, a public hearing was held in the Company's service territory on the evening of August 21, 2017, at the Fords Branch of the Woodbridge Public Library, located at 211 Ford Avenue, Fords, New Jersey. ALJ Gertsman presided over the public hearing. No members of the public appeared to provide comments on the proposed PWAC rate filing.

Subsequent to the public hearing, the Parties, consisting of the Company, New Jersey Division of Rate Counsel and Board Staff, engaged in settlement negotiations. As a result of these discussions and extensive discovery, the Parties reached a settlement on all issues and entered into a Stipulation of Settlement (Stipulation).

On October 5, 2017, ALJ Gertsman issued an Initial Decision in this matter, recommending adoption of the Stipulation executed by the Parties, finding that they had voluntarily agreed to the Stipulation and that the Stipulation fully disposes of all issues and is consistent with the law. No exceptions were received by the Board.

Staff recommended that 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.

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

**D. Docket Nos. BPU WR16060510 and OAL PUC 09261-16 – In the Matter of the Petition of SUEZ Water Arlington Hills Inc. for Approval of an Increase in Rates for Wastewater Service and Other Tariff Changes – See Executive Session.**

**Cynthia Covie, Esq., Chief Counsel, Counsel's Office and Michael Kammer, Bureau Chief, Division of Water,** presented this matter.

**BACKGROUND AND DISCUSSION:** This matter was first discussed in executive session. On August 4, 2016, Arlington Hills, Inc. (Petitioner) filed a motion with the Board requesting oral-argument, in person, before the Board on all or some of the issues before the Board for decision in this matter:

On August 14, 2017, New Jersey Division of Rate Counsel (Rate Counsel) filed a Cross Motion to Strike Petitioner's Motion for Oral Argument. The Rate Counsel argued that the Company's brief did not discuss at all the reasons why its unusual request for oral argument should be granted.

The Petitioner filed its response to Rate Counsel's Cross Motion to Strike on August 15, 2017.

By letter dated September 19, 2017, Rate Counsel filed a motion requesting that the

Board re-open the evidentiary record for the limited purpose of taking additional evidence on the appropriate consolidated tax adjustment (CTA) for Petitioner in light of the Appellate Division decision. Among other things, Rate Counsel argued that the CTA mythology set forth by the Board in the CTA Order can no longer be used unless it is adopted as a rule.

The Petitioner filed its response to Rate Counsel's motion by letter dated September 20, 2017.

President Mroz said that staff's recommendation is well-founded. There is a well-reasoned record which has been returned to us and there is no reason otherwise to take up these matters through oral argument. Further, the President said that even though he is recused from the substance of dealing with the application of the CTA, he can and will vote on this matter because he believes, as staff recommended, that it's a matter of process and procedure, and it is appropriate to deal with this motion. In addition, President Mroz noted that Rate Counsel has taken a different position, and he asked staff to explain that position.

President Mroz also said that the Board's position, going back to the 1990's, focuses on the application of incentive compensation relative to financial performance. Further, the President said there are other methodologies in the industry, and more broadly across all industries to consider incentive compensation based on performance. So it would make sense on a going-forward basis for the Board and staff to begin some analysis to inform us of what methods and frameworks are out in the industry to consider incentive compensation, particularly around performance. Finally, President Mroz recused himself from the part of the discussion concerning consolidated taxes and asked Commissioner Fiordaliso to lead that part of the discussion.

Commissioner Holden said that she wanted to underscore the fact that we retain the right to have oral argument requested at any time or hear it, and she assumed that the Board will discuss some of the items which were addressed by the Judge in her initial decision. Further, the Commissioner noted that we are one of two states in the entire country that still calculate the consolidated tax adjustment.

Commissioner Fiordaliso said that he concurred with what Commissioner Holden said. Further, the Commissioner asked staff if they were going to address the rate phase-in separately.

Commissioner Chivukula asked staff to confirm the largest phase-in amount. In addition, the Commissioner asked staff how they determined a 75/25 split for consolidated taxes. Further, the Commissioner asked staff if it was appropriate to have some kind of stakeholder process regarding the consolidated tax issue so that we could have a framework that would provide consistency to the Board's deliberations on this issue.

On the motion to approve Staff recommendation to deny the Petitioner's motion for oral argument.

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

**Roll Call Vote:**

<b>President Mroz</b>	<b>Aye</b>
<b>Commissioner Fiordaliso</b>	<b>Aye</b>
<b>Commissioner Holden</b>	<b>Aye</b>
<b>Commissioner Chivukula</b>	<b>Aye</b>

On the motion to approve Staff recommendation to deny the Rate Counsel's motion to reopen the matter.

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

**Roll Call Vote:**

<b>President Mroz</b>	<b>Aye</b>
<b>Commissioner Fiordaliso</b>	<b>Aye</b>
<b>Commissioner Holden</b>	<b>Aye</b>
<b>Commissioner Chivukula</b>	<b>Aye</b>

On the motion to approve Staff recommendation that the Board adopt the ALJ's recommendation to continue sharing rate case expenses 50/50 between shareholder and ratepayers.

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

**Roll Call Vote:**

<b>President Mroz</b>	<b>Aye</b>
<b>Commissioner Fiordaliso</b>	<b>Aye</b>
<b>Commissioner Holden</b>	<b>Aye</b>
<b>Commissioner Chivukula</b>	<b>Aye</b>

On the motion to approve Staff recommendation to sharing rate case expense 75/25 between shareholders and ratepayers.

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

**Roll Call Vote:**

<b>Commissioner Fiordaliso</b>	<b>Aye</b>
<b>Commissioner Holden</b>	<b>Aye</b>
<b>Commissioner Chivukula</b>	<b>Aye</b>

## 6. RELIABILITY & SECURITY

**A. Docket No. AX14070647 – In the Matter of the Readoption of the New Jersey Administrative Code 14:2 – Protection of Underground Facilities – One Call Damage Prevention System – See Executive Session.**

**Phillip Galka, Division of Reliability and Security,** presented this matter.

This matter was initially discussed in executive session and it involved the Appellate Division decision related to the readoption of N.J.A.C. 14:2. The Appellate Division decision did not set aside the Board rules, but provided two remedies for issues that were raised by the complainants. One remedy was to resubmit response to comments that better address the complainant's issues. The other remedy was to proceed with a

new rulemaking process and revisit the rulemaking that we did.

Staff recommended that the Board direct staff to revisit the rulemaking which would include a stakeholder process, where we would have an opportunity to discuss with all the stakeholders the issues raised within the Appellate Division's decision, as well as other issues that any of the stakeholders wish to bring up.

President Mroz said that there is a consensus amongst the commissioners that staff proceed with a rulemaking process.

Commissioner Holden said that she thought that the President's suggestion that other stakeholders be considered in the process now, would be the best approach.

## 7. CUSTOMER ASSISTANCE

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

### **A. Docket Nos. BPU EC16101045U and OAL PUC 18764-16 – In the Matter of Jazmen Camarota, Petitioner v. Atlantic City Electric Company, Respondent – Billing Dispute.**

**BACKGROUND AND DISCUSSION:** This matter involved a billing dispute between Jazmen Camarota (Petitioner) and Atlantic City Electric Company (ACE or Company). The petition was transmitted to the Office of Administrative Law on December 9, 2016, for hearing as a contested case. Administrative Law Judge (ALJ) Jeffrey R. Wilson filed an Initial Decision in this matter with the Board on July 27, 2017. At the August 23, 2017, Board meeting staff recommended and was granted a 45-day extension of time for issuing a final decision. No exceptions to the Initial Decision have been received by the Board.

ALJ Wilson, in his Initial Decision concluded that the Petitioner was diligent and truthful in responding to ACE's requests for documents related to the account in dispute. The Petitioner addressed each of ACE's concerns thoroughly and in a timely fashion. The Petitioner successfully and effectively discredited the document that ACE purported to be a valid warrant by furnishing contradicting information through the New Jersey Superior Court's Automated Case Management System. ALJ Wilson further concluded that the Petitioner met her burden of proof by a preponderance of the evidence and concluded that the Petitioner is not responsible to ACE for the outstanding balance of \$2,456.00. Therefore, ALJ Wilson ordered that the relief sought by the Petitioner be granted, and that ACE shall immediately issue a credit to the Petitioner's account ending in 9994 in the amount of \$2,456.98.

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

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

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

**B. Docket Nos. BPU EC16080759U and OAL PUC 14260-16 – In the Matter of Jennifer Woolf, Petitioner v. Jersey Central Power & Light Company, Respondent – Billing Dispute.**

**BACKGROUND AND DISCUSSION:** This matter involved a billing dispute between Jennifer Woolf (Petitioner) and Jersey Central Power & Light Company (JCP&L or Company). The petition was transmitted to the Office of Administrative Law on September 19, 2016, for hearing as a contested case. Administrative Law Judge (ALJ) Kelly J. Kirk filed an Initial Decision in this matter with the Board on August 7, 2017. At the Board’s August 23, 2017 Agenda meeting, Staff recommended, and was granted, a 45-day extension of time for issuing a final decision.

ALJ Kirk, in her Initial Decision concluded that a review of the Petitioner’s bill revealed that she was never improperly charged by JCP&L. ALJ Kirk determined that the Petitioner had not proven by a preponderance of the evidence that she was improperly billed. ALJ Kirk ruled that the Petitioner’s petition be dismissed.

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

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

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

**8. CLEAN ENERGY**

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

**A. Docket No. QG17091012 – In the Matter of the Clean Energy Program Authorization of Commercial and Industrial Program Energy Efficiency Incentives Exceeding \$500,000.00 – ML Plaza Owners, LLC.**

**BACKGROUND AND DISCUSSION:** The Board administers the New Jersey Clean Energy Program. The Pay for Performance (P4P) – Existing Buildings Program takes a comprehensive, whole building approach to energy efficiency in existing commercial and industrial buildings. Similar to performance contracting programs offered in other states, this Program links incentives directly to energy savings and includes a measurement and verification component to ensure that the estimated savings levels are achieved. ML Plaza Owners LLC submitted an application for a financial incentive in the amount of \$656,961.82.

This project summary is as follow:

This project is located at the Hilton Meadowlands, 2 Meadowlands Plaza, East Rutherford, Bergen County. The Hilton Meadowlands is a 21-story hotel and conference center. It is a single structure and approximately 30 years old. The building consists of

427 guest rooms and a two-story pedestal, where the conference center, ballrooms, restaurants, and some office space resides. The parking lot has a solar photovoltaic system installed which serves to provide electricity for the building.

This project will have an estimated 38.4% total energy savings and will have the following annual estimated electric and cost savings:

- Annual estimated electric savings of 2,854,266 kWh;
- Annual estimated peak electric demand reduction of 282 kW; and
- Annual estimated energy cost savings of \$396,405.61.

The P4P rebate is for a total of \$656,961.82, of which:

- An estimated \$30,328.30 is for the proposed energy reduction plan;
- An estimated \$313,316.76 is to upgrade common area lighting to LEDs, replace kitchen make-up air units that will tie into the building's new automation system, retrofit air handling unit boxes to convert from constant air volume to variable air volume, implement a building automation system that will respond to occupancy of various spaces, and optimize the chiller plant with variable frequency drives; and
- An estimated \$313,316.76 is for the submittal of a post-construction benchmarking report.

The project has an estimated project cost of \$2,004,021.12, and an estimated 3.4 year simple payback after factoring in the incentive.

Based upon the certifications of TRC Solutions, the Program Administrator and Program Manager, Staff determined that the application meets the eligibility criteria for the P4P – Existing Buildings Program and recommended that the Board approve the application.

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

<b>Roll Call Vote:</b>	<b>President Mroz</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>Commissioner Chivukula</b>	<b>Aye</b>

**B. Docket No. QO17091011 – In the Matter of the Approval of a Contract between Rutgers University, Department of Marine and Coastal Sciences and the New Jersey Board of Public Utilities, Office of Clean Energy.**

**BACKGROUND AND DISCUSSION:** In accordance with Treasury Circular Letter No 14-07-DPP/OMB/OIT, under Section II.B there is an express preference to employ state universities whenever feasible. Office of Management and Budget approval is required for professional services contracts exceeding \$250,000.00. The contract between the Board and Rutgers University for Year 1 (November 1, 2017 – October 31, 2018) exceeds \$250,000.00. Staff requested Board approval to enter into a one year contract for research and evaluation services in accordance with the established requirements and per the State's Standard Terms & Conditions.

This memorandum addresses the proposed contract between the Board's Office of

Clean Energy and the Rutgers University Department of Marine and Coastal Sciences (DMCS) in the implementation of the New Jersey Energy Master Plan for the period from November 1, 2017 – October 31, 2018, contingent upon annual funding. The proposed budget for Year 1 funding is \$419,465.00, which covers Rutgers DMCS and subcontractors to conduct specified evaluation studies. The total requested funds of \$419,465.00 includes \$269,465.00 in new Fiscal Year 2018 (FY18) funds and \$150,000.00 carried over from the Fiscal Year 2017 (FY17) contract for a National Renewable Energy Laboratory independent validation study.

Since 2010, Rutgers DMCS has been conducting atmospheric research for the New Jersey Clean Energy Program and assisting the Board in evaluating offshore wind resources by developing an advanced multi-spatial model capable of estimating and forecasting wind speeds and other parameters in New Jersey coastal waters and throughout an offshore wind lease area encompassing more than 344,000 acres. Over the past several years this Rutgers University Weather Research and Forecasting (RU-WRF) model has been developed, validated, and proven to be one of the most cost-effective methods for analyzing and predicting the coastal weather patterns, extreme storm events, and coastal/offshore wind resources for the State of New Jersey. The RU-WRF model is designed specifically for the unique meteorological conditions associated with the Mid-Atlantic coast and is run in a daily real-time configuration.

The Rutgers University Center of Ocean Observing Leadership (RU-COOL) Team operates an advanced ocean observing network in the Mid- Atlantic coastal region, which includes high-frequency radar, meteorological towers, light detection and ranging, sonic detection and ranging, and a fleet of ocean gliders to observe the region. Additionally, RU-COOL generates sea surface temperatures using NASA satellite observations. These observational data are then ingested by a real-time version of the RU-WRF model, with the end goal of modeling and refining wind predictions for the New Jersey coastal region. The combination of an advanced ocean observing network and in-house modeling capability make RU-COOL an ideal research team for evaluating offshore wind resources in New Jersey and throughout the Mid-Atlantic.

The new contract with DMCS will provide staffing, expertise, and resources necessary to operate, maintain, and validate the RU-WRF model, which will help evaluate offshore wind resources necessary to reach New Jersey's Energy Master Plan goals.

Staff requested that the Board authorize President Mroz to execute on behalf of the Board a one year Contract for the operation and maintenance of RU-WRF Modeling & Validation Studies between the Board and DMCS.

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

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

**C. Docket No. QO16040353 – In the Matter of the Clean Energy Programs and Budget for Fiscal Year 2017 – Report on Staff-Approved Budget Revisions; and  
Docket No. QO17050465 – In the Matter of the Clean Energy Programs and Budget for Fiscal Year 2018 – Trued-Up and Revised Budget.**

**BACKGROUND AND DISCUSSION:** In its Order dated February 4, 2014 (Delegation Order), the Board delegated limited authority to Staff to modify New Jersey Clean Energy Program (NJCEP) budgets. In relevant part, the Delegation Order authorized Board Staff to revise NJCEP budgets within a given Funding Category (such as energy efficiency or renewable energy) so long as such revision would not reduce a program's budget by more than 10% and so long as the Commissioners and the public were provided with at least 7 days' notice and an opportunity to comment.

The Board originally established Fiscal Year (FY) 17 programs and budgets through a Board Order dated June 29, 2016 and revised them in an Order entered in that matter on February 22, 2017. The Board established FY18 programs and program budgets through a Board Order entered in the present matter and dated June 30, 2017.

In the third proposed revision to FY17 NJCEP budgets (FY17 Revisions), Board Staff (Staff) recommended that \$35,717.49 be transferred from the FY17 Program Transition budget line to the BPU Program Administration budget line, due to an unanticipated shortfall in the latter as a result of a new Procurement Efficiency Assessment fee against NJCEP and other state entities by the Department of Treasury. This amount is less than 10% of the Program Transition budget line.

Staff also recommended that \$47,092.79 be transferred from the Edison Innovation Green Growth Fund (GGF) Rebates, Grants, and Other Direct Incentives Cost Category to the GGF Administration Cost Category, which would result in the GGF Administration Cost Category being sufficiently funded to cover its actual expenses and a reduction of less than 10% in the GGF Rebates Cost Category.

On September 21, 2017, Staff posted on the NJCEP website a Request for Comments regarding these proposed FY17 Budget Revisions, in accordance with the Delegation Order. Staff also distributed the proposed budget revisions on the EE Committee and RE Committee listservs. Staff received no comments prior to the close of the comment period on September 28, 2017. Thereafter, on September 29, 2017, Staff approved the FY17 Budget Revisions.

#### Proposed FY18 Budget Revisions

At the outset of a new fiscal year, the Board establishes annual budgets based in part on an estimate of expenses expected to be incurred during the previous fiscal year. By Order dated June 30, 2017, the Board established NJCEP FY18 programs and budgets.

Once actual expenses become known, the Board annually issues a revised budget Order to "true up" the differences between estimated and actual expenses and commitments from the previous fiscal year. Consistent with that practice and now that all expenses actually incurred during FY17 are final and known, Board Staff proposes an FY18 Budget True Up that would result in an additional \$10,624,210.00 being available for NJCEP.

The revised FY18 budget (Proposed FY18 Budget Revisions) includes:

1. The FY18 Budget True Up;
2. Reallocations among and within programs necessary to maintain essentially normal program operations through the end of FY18, including a revised TRC compliance filing to implement approval of four Distributed Energy Resources applications received in late FY17;
3. Detailed budgets to allocate proposed budget revisions among the appropriate cost categories for each program affected by reallocations; and
4. Clarification to the Societal Benefits Charge collection schedule.

On September 21, 2017, Board Staff posted on the NJCEP website a Request for Comments regarding the Proposed FY18 Budget Revisions and requested comments by October 5, 2017. Staff also distributed the Proposed FY18 Budget Revisions on the EE Committee and RE Committee listservs.

ReVireo submitted written comments expressing its support for the additional \$2,000,000.00 proposed to be allocated to the RNC Program because it believes that if the program were ever to suspend its receipt of applications, participants would lose faith in the program and cease participating in it.

Staff recommended that the Board find that Staff made the FY17 Budget Revisions consistent with the authority and limitations set forth in the Delegation Order and approve the Proposed FY18 Budget Revisions.

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

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

**D. Docket No. QO17091004 – In the Matter of Electric Public Utilities and Gas Public Utilities Offering Energy Efficiency and Conservation Programs, Investing in Class 1 Renewable Energy Resources Pursuant to N.J.S.A. 48:3-98.1 – Minimum Filing Requirements.**

**BACKGROUND AND DISCUSSION:** This matter involved Staff working with the Utility Working Group to revise the minimum filing requirements for the energy efficiency programs. The Board first established the (Minimum Filing Requirements (MFRs) via Board order in 2008.

In February 2017, Staff convened a meeting of the Utility Working Group (UWG) – comprising the electric and gas utilities, New Jersey Division of Rate Counsel, and Board Staff, to discuss issues of mutual concern. Since then, the UWG has met on a monthly basis to discuss the MFRs, the potential for a joint utility filing, standardized reporting processes, and other topics.

Concerning the MFRs, Staff undertook a process with the UWG to refine and strengthen the requirements. The UWG has reached consensus on the revised MFRs. In general,

Staff proposed amendments to improve clarity and organization and to remove duplicative requirements.

The utilities are required to comply with each provision of the MFRs. If compliance with any part of MFRs is not feasible, the utility may indicate "Not Applicable" or request an exemption. Requests for exemptions must be made with supporting justification to demonstrate why such exemption should be granted.

Based on the consensus of the Utility Work Group, Staff recommended approval of the revised MFRs.

President Mroz thanked the staff and participating utilities. He said that this is a significant building block in the agency's development of cost-effective energy efficiency programs for the people of New Jersey.

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

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

## 9. MISCELLANEOUS

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

### **A. Docket No. QO17091023 – In the Matter of the Approval of Contract between Rutgers' Laboratory for Energy Smart Systems and the New Jersey Board of Public Utilities, Office of Policy and Planning.**

**BACKGROUND AND DISCUSSION:** This matter involved memorandum addressing the proposed Year 3 contract between the Board's Office of Policy and Planning and the Rutgers University Laboratory for Energy Smart Systems (LESS) for the period from November 1, 2017 – October 31, 2018, contingent upon annual funding. The proposed budget for Year 3 funding is \$150,000.00. The contract with LESS will provide staffing, expertise, and resources necessary to implement the scope of work, which involves:

1. Analysis of program Fuel Cell and Combined Heat and Power (CHP) data from various fuel cell, CHP, and renewable generation/energy storage projects around the state, and evaluation of their cost effectiveness.
2. Analysis of facility and network level impacts of Distributed Energy Resources (DER).
3. Analysis of state level readiness for transportation electrification.

Technical reports with findings and interpretation will be prepared for each task. The project will leverage the engineering studies LESS conducted in the first two contract years.

According to completed form BPU-076, approved by the Board President Mroz on June 21, 2017:

The original encumbrance number was #201460000117 for SFY 2017 (Year 2).

- The work period was extended from June 30, 2017 to October 31, 2017.
- The Year 2 Budget was also \$150,000.00.

The scope of the Year 2 contract was to develop analytical methodologies to support and evaluate the Board energy policy decisions.

Staff recommended that the Board approve the Year 3 Contract between the Board and LESS, and authorize President Mroz to execute the contract on behalf of the Board.

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

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

**B. Docket No. QO17101024 – In the Matter of the New Jersey Board of Public Utilities – Natural Gas Vehicle Incremental Cost Grant Program.**

**BACKGROUND AND DISCUSSION:** The Board has allocated \$200,000.00 of State Energy Program funds in order to provide grants to subsidize a portion of the incremental capital cost of a Natural Gas Vehicle (NGV) program. The funds will be made available to grant applicants on a first come, first serve basis until funds are exhausted.

This program has been adapted from Pennsylvania’s Alternative Fuel Incentive Grant Program, except that this program is non-competitive. Eligible applicants include municipal authorities, political subdivisions, incorporated nonprofit entities, corporations, and limited liability companies or partnerships registered to do business in New Jersey. The eligible alternative fuel is limited to compressed natural gas only. Funding would cover 50% of the incremental cost differential between an NGV and a comparable diesel-fueled vehicle.

NGVs are significantly more expensive than comparable diesel vehicles. There will be award caps of \$20,000.00 per vehicle and \$40,000.00 per applicant. Accordingly, a total of 10 awards of \$20,000.00 for five to ten applicants are expected. Awards shall be in the form of a reimbursement, premised on proof of purchase of a new NGV. Retrofits of used existing vehicles are excluded. The primary goal of the program is to improve New Jersey’s air quality and reduce reliance of and consumption of foreign oil through the use of domestic natural gas as a transportation fuel.

Given the relatively small funding amount and focus on air quality, eligible vehicles will be limited to those vehicles registered in the seven counties in which the Air Quality Index was unhealthy for sensitive groups or worse due to ozone for ten days or greater for the period 2015–2016. Vehicles must remain registered in New Jersey for no less than two years after award date or will be subject to award forfeiture. Vehicles must be primarily operated and fueled in New Jersey. Vehicle Classes 5 through 8 are eligible. Requisite State matching funds of \$40,000.00 will be provided. The Board will issue

standard reports documenting the number of NGVs acquired, the beneficiaries of the funding, and effects on air quality and energy efficiency.

The Board is engaged in implementing the New Jersey Energy Master Plan policy of accelerating the adoption of Alternative Fuel Vehicles (AFVs), including electric vehicles and NGVs. The Board has established a workgroup among state agencies, encouraged Treasury to put AFVs on the state purchasing contracts, engaged with utilities about AFV infrastructure, and influenced multiple stakeholders to also engage in accelerating AFV adoption. In SFY 2017, Board allocated approximately \$200,000.00 to supplement the New Jersey Department of Environmental Protection's electric vehicle Workplace Charging Program. For balance among AFV types, in SFY 2018, Board staff recommended funding a NGV program.

Staff recommended that the Board approve this Natural Gas Vehicle Incremental Cost Grant Program, specifically authorizing Staff to publish the application for grant awards and description of the grant approval process.

President Mroz said that it has been the work of this agency to explore the development of alternative fuel vehicles, electric vehicles, and compressed natural gas vehicles. This Board has supported efforts like this in the past. We've had a lot of attention focused on electric vehicles over the last couple of years, programs we've done in conjunction with DEP, and engagement with the industry.

Further, the President said that he was pleased that we could find a way to try and continue to explore the support for and continued development of compressed natural gas vehicles as well.

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

<b>Roll Call Vote:</b>	<b>President Mroz</b>	<b>Aye</b>
	<b>Commissioner Fiordaliso</b>	<b>Aye</b>
	<b>Commissioner Holden</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

## EXECUTIVE SESSION

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

### 5. WATER

#### **D. Docket Nos. BPU WR16060510 and OAL PUC 09261-16 – In the Matter of the Petition of SUEZ Water Arlington Hills Inc. for Approval of an Increase in Rates for Wastewater Service and Other Tariff Changes.**

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

### 6. RELIABILITY & SECURITY

#### **A. Docket No. AX14070647 – In the Matter of the Readoption of the New Jersey Administrative Code 14:2 – Protection of Underground Facilities – One Call Damage Prevention System.**

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

After appropriate motion, the Board reconvened to Open Session.

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



IRENE KIM ASBURY  
BOARD SECRETARY

Date: December 19, 2017