



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
**44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314**  
**Post Office Box 350**  
**Trenton, New Jersey 08625-0350**  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

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

A Regular Board meeting of the Board of Public Utilities was held on May 31, 2017, at the State House Annex, Committee Room 4, 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 Cynthia Covie, Chief of Staff, carried out the duties of the Secretary.

It was announced that the next regular Board Meeting would be held on June 30, 2017 at the State House Annex, Committee Room 4, 125 West State Street, Trenton, New Jersey 08625.

## OPENING COMMENTS

President Mroz stated that there are two matters on the agenda which we will not take up today, and will defer them to a later agenda. They are Items 9A and 9B. They have potential guidance or potential for rules. The Commissioners have been reviewing comments which were filed by interested parties. And the staff is reviewing those materials, and at a later point and later agenda we will take up those matters. Further, he noted that we did not have a meeting before Memorial Day, it's always good to recognize those who have served our country and ultimately paid the sacrifice for our country.

Commissioner Chivukula stated that he wanted to echo the comments of President Mroz, and also noted that Memorial Day is not just for shopping. It's to remember the soldiers and men and women who have given their lives abroad to protect the values of freedom and the lifestyle of democracy around the world.

Commissioner Fiordaliso stated that he read a startling statistic that 22 veterans die of suicide every single day. So for some, the anguish continues beyond the battlefield. We have to remember those people as well because they did experience something that most of us have never experienced, and hopefully will never experience. So we have to look at it in totality and think of those people and think of their families and so on because we are one nation that should move together forward together.

Commissioner Holden stated that in Madison alone, from World War II there were 42 people who died in service, and their average age was a startling 19 years of age.

## CONSENT AGENDA

### I. AUDITS

#### A. Energy Agent, Private Aggregator and/or Energy Consultant Initial Registrations<sup>1</sup>

EE17040396L	Premier Power Solutions, LLC	I – EA
EE17030316L	Capacity Markets Partners, LLC	I – EA
EE17020148L	Energy Alliance, LLC	I – EA
EE16111049L	WECSG Inc.	I – EA
EE17030233L	Power Brokers, LLC	I – EA
EE16111102L	EnerPros, LLC	I – EA/PA
GE16111103L		
EE17020143L	LakePoint Energy, LLC	I – EA/PA
GE17020144L	d/b/a LakePoint Energy	
GE16111090L		
EE17050457L	Prudential Energy Services Corp.	I – EA/EC
GE17050458L		
EE16060564L	Regional Resources Energy Group, LLC	I – EA/PA/EC
GE16060565L		

---

<sup>1</sup> Windstreet Energy, Inc. had inadvertently been listed on the May 31, 2017 Consent Agenda. However it was neither voted on nor approved at the May 31, 2017 Board Agenda meeting. Therefore, the name Windstreet Energy Inc. has been removed from the May 31, 2017 agenda.

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

EE16090909L	Broadway Energy Group Corp.	R – EA
EE16111104L	Hospital Energy, LLC	R – EA
EE16050411L	National Utility Services, Inc. d/b/a NUS Consulting Group	R – EA
EE17050455L	Diversegy, LLC	R – EA/PA/EC
GE17050456L		

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

EE16111050L	Standard Gas & Electric, LLC	I – ESL
EE16040359L	Aspirity Energy, LLC	I – ESL
EE17020105L	EDF Energy Services, LLC	I – EGSL
GE17020106L		

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

EE15121440L	Gerdau Ameristeel Energy, Inc.	R – ESL
GE17050498L	Standard Gas & Electric, LLC	R – GSL

**Green Power Marketer Renewal License**

EP15050611L	Community Energy, Inc.	R – GPM
-------------	------------------------	---------

**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.

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

- Premier Power Solutions, LLC
- Capacity Markets Partners, LLC
- Energy Alliance, LLC
- WECSG Inc.
- Power Brokers LLC
- EnerPros, LLC
- LakePoint Energy LLC d/b/a LakePoint Energy
- Prudential Energy Services Corp.
- Regional Resources Energy Group, LLC

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

- Broadway Energy Group Corp.
- Hospital Energy, LLC
- National Utility Service, Inc. d/b/a NUS Consulting Group
- Diversegy, LLC

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

- Standard Gas & Electric, LLC
- Aspiry Energy, LLC
- EDF Energy Services, LLC

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

- Gerdau Ameristeel Energy, Inc.
- Standard Gas & Electric, LLC

Finally, Staff recommended that the following applicant be issued a renewal license as a green power marketer for one year:

- Community Energy, Inc.

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

**B. Non-docketed Matter – In the Matter of Trenton Water Works – Request for Extension of Time to File Its 2016 Annual Report with the Board.**

**BACKGROUND:** On April 18, 2017, the City of Trenton submitted a petition on behalf of Trenton Water Works requesting a three-month extension to file its annual report. It alleged that it has an extreme shortage of personnel. This letter was submitted after the March 31, 2017 deadline. With this extension, the annual report will be due on or before June 30, 2017.

After reviewing the request and due to the extenuating circumstances presented by the City of Trenton regarding Trenton Water Works, Staff recommended that the Board waive the provision in N.J.A.C. 14:3-6.3, which requires that each 30-day extension be a separate submission. While the extension request was submitted after the March 31, 2017 deadline, Staff recommended that the Board extend the deadline three months until June 30, 2017.

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

**C. Non-docketed Matter – In the Matter of Pivotal Holdings, Inc. d/b/a Elizabethtown Gas Company – Request for Extension of Time to File Its 2016 Annual Report with the Board.**

**BACKGROUND:** On February 20, 2017, Staff received a letter from Pivotal Utilities Holdings, Inc. d/b/a Elizabethtown Gas Company (Company) requesting an extension of time for filing the 2016 Annual Report. Based on that letter, administratively a 45-day

extension was granted. While N.J.A.C. 14:3-6.3 only provided for a 30-day extension, Staff extended the deadline for filing to May 15, 2017.

On May 8, 2017, Staff received a second letter from the Company requesting an additional 30-day extension of time for filing the 2016 Annual Report with the Board. The Company indicated in the letter that due to turnover experienced at the corporate office that resulted in a shift in responsibilities, the Company is behind in compiling the 2016 Annual Report and is requesting an additional 30-day extension. With this extension, the Annual Report will be due on or before June 15, 2017.

After reviewing the request and due to the extenuating circumstances presented by the Company, Staff recommended that the Board waive the provision in N.J.A.C. 14:3-6.3, which requires that each 30-day extension be a separate submission. In addition, as the initial extension gave the company an additional 45 days to file on May 15, 2017, this 30-day extension request extends the filing date to June 15, 2017.

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

## II. ENERGY

### A. Docket No. GR17010071 – 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:** 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 Pelios. A prehearing conference was conducted on April 19, 2017. The Company proposed to conduct public hearings the week of June 19, 2017.

Staff recommended that the Board issue an order further suspending the proposed rate increase until October 28, 2017 pending further action on this matter.

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

**B. Docket No. ER17010003 – In the Matter of the Federal Energy Items for 2017 – FERC Docket No. EL17-73 – Milltown et al. v. Public Service Electric and Gas Company.**

**BACKGROUND:** This matter involved Staff, on behalf of the Board, filing for intervention in this proceeding as an “interested state commission” under Federal Energy Regulatory Commission (FERC) rules of practice. The FERC e-filing rules allow for doc-less interventions within a specified time period. Staff intervened to establish the Board as a party in this proceeding.

On May 9, 2017, the Boroughs of Milltown, Park Ridge, and South River (collectively the Boroughs) initiated litigation at FERC against Public Service Electric & Gas (PSE&G). The Boroughs claimed that, with the support of the pre-filed testimony of their expert witness, they have established a prima facie case against PSE&G; claiming that PSE&G’s return on equity (ROE) is unjust and unreasonable.

- Currently, PSE&G earns an 11.18% base ROE (a total ROE of 11.68%).
- The Boroughs calculate the appropriate base ROE at 8.3%.

Board Staff calculated in a prior memorandum to the Board, dated June 13, 2016, that a reduction in PSE&G’s base ROE to 9.25% (a total ROE of 9.75%) would allow ratepayers to realize a \$104.4 million annual saving. The Boroughs are seeking a more significant reduction to the ROE, which would realize a greater savings for ratepayers.

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

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

**III. CABLE TELEVISION**

**A. Docket No. CE17020165 – In the Matter of the Petition of Service Electric Cable T.V. of Hunterdon, Inc. for a Renewal Certificate of Approval for the Continued Construction, Operation and Maintenance of a Cable Television System in the Borough of Bloomsbury, County of Hunterdon, State of New Jersey.**

**BACKGROUND:** On December 27, 2016, the Borough of Bloomsbury (Borough) granted Service Electric Cable TV of Hunterdon, Inc. (Service Electric) renewal municipal consent. On February 13, 2017, Service Electric accepted the terms and conditions of the ordinance, and on February 28, 2017, Service Electric filed a petition with the Board for its Renewal Certificate of Approval.

After review, Staff recommended approval of the proposed Renewal Certificate of Approval for the Borough. This Certificate shall expire on May 5, 2032.

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

**B. Docket No. CE17010011 – In the Matter of the Petition of Service Electric Cable T.V. of New Jersey, Inc. for a Renewal Certificate of Approval to Own, Operate, Extend, and Maintain a Cable Television System in the Township of Blirstown, County of Warren, State of New Jersey.**

**BACKGROUND:** On August 10, 2016, the Township of Blirstown (Township) granted Service Electric Cable T.V. of New Jersey, Inc. (Service Electric) renewal municipal

consent. On December 14, 2016, the Township amended its ordinance. On December 20, 2016, Service Electric accepted the terms and conditions of the ordinance, as amended, and on January 6, 2017, Service Electric filed a petition with the Board.

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

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

**C. Docket No. CE11100759 – 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 Swedesboro, County of Gloucester, State of New Jersey.**

**BACKGROUND:** On October 31, 2011, Comcast of South Jersey, LLC filed a petition for an Automatic Renewal Certificate of Approval for the Borough of Swedesboro (Borough) based on the automatic renewal provision, for a term to expire on October 14, 2021. The petition is based on the Borough's ordinance granting renewal municipal consent which was adopted on May 6, 1996, and was subsequently amended on July 1, 1996. The Borough's ordinance granted a term of 15 years with an automatic renewal term of ten years. The initial term expired on October 14, 2011.

After review, Staff recommended approval of the proposed Automatic Renewal Certificate of Approval. This Certificate shall expire August 24, 2019.

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

**D. Docket No. CE11100758 – 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 Township of Logan, County of Gloucester, State of New Jersey.**

**BACKGROUND:** On October 28, 2011, Comcast of South Jersey, LLC filed a petition for an Automatic Renewal Certificate of Approval for the Township of Logan (Township) based on the automatic renewal provision, for a term to expire on October 14, 2021. The petition is based on the Township's ordinance granting renewal municipal consent which was adopted on October 1, 1996. The Township's ordinance granted a term of 15 years with an automatic renewal term of ten years. The initial term expired on October 14, 2011.

After review, Staff recommended approval of the proposed Automatic Renewal Certificate of Approval. This Certificate shall expire October 14, 2021.

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

**E. Docket No. CE15091033 – In the Matter of the Petition of Cablevision of Monmouth, LLC for a Renewal Certificate of Approval to Continue to Operate and Maintain a Cable Television System in the Borough of Seaside Heights, County of Ocean, State of New Jersey.**

**BACKGROUND:** On December 18, 2013, after public hearing, the Borough of Seaside Heights (Borough) adopted an ordinance granting renewal municipal consent to Cablevision of Monmouth, LLC (Cablevision). Thereafter, on April 1, 2015, the Borough adopted a resolution correcting a clerical error in the ordinance. On July 7, 2015, Cablevision formally

accepted the terms and conditions of the ordinance and the resolution correcting said ordinance, and on September 11, 2015, Cablevision filed with the Board for a renewal of its Certificate of Approval for the Borough.

After review, Staff recommended approval of the proposed Renewal Certificate of Approval. This Certificate shall expire June 10, 2032.

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

#### **IV. TELECOMMUNICATIONS**

There were no items in this category.

#### **V. WATER**

There were no items in this category.

#### **VI. RELIABILITY & SECURITY**

##### **A. Docket Nos. GS17030264K, et al. – In the Matter of Alleged Violations of the Underground Facility Protection Act, N.J.S.A. 48:2-73 et seq.**

**BACKGROUND:** This matter involved settlements of alleged violations of the Underground Facility Protection Act (the Act) by both excavators and operators of underground facilities. The categories of infraction include failure to provide proper notice, failure to use reasonable care and mismarking of facilities. The cases have been settled in accordance with a penalty strategy which escalates the penalty ranges in relationship to the aggravating factors such as injury, property damage, fire, evacuation, road closure, and other public safety concerns. Moreover, the strategy sought 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 70 with a total penalty of \$210,000.00.

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

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



## VII. CUSTOMER ASSISTANCE

### A. Docket Nos. BPU EC16101044U and OAL PUC 01177-17 – In the Matter of Ernestine Jordan, Petitioner v. Public Service Electric and Gas Company, Respondent – Billing Dispute.

**BACKGROUND:** This matter involved a billing dispute between Ernestine Jordan (Petitioner) and Public Service Electric & Gas Company (PSE&G). The petition was transmitted to the Office of Administrative Law on January 23, 2017, as a contested case. Administrative Law Judge (ALJ) Mary Ann Bogan filed an Initial Decision in this matter with the Board on April 18, 2017, approving a Stipulation of Settlement (Settlement) of the parties.

Pursuant to the terms of the Settlement, and in order to fully resolve this matter, the parties agreed that \$3,563.00 is due and owing on the Petitioner's account as of April 11, 2017. The Petitioner agreed to enter into an 18-month deferred payment arrangement (DPA) with PSE&G to pay off the balance. The Petitioner will make 17 consecutive monthly payments of \$198.00, due on company records by the 24<sup>th</sup> of each month. For the 18th consecutive monthly payment, the Petitioner shall pay \$197.00 to fulfill the DPA. If the DPA is broken, PSE&G can proceed with regular collection activity.

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

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

### B. Docket Nos. BPU EC16070715U and OAL PUC 14263-16 – In the Matter of Howard Yancey, Petitioner v. Public Service Electric and Gas Company, Respondent – Billing Dispute.

**BACKGROUND:** This matter involved a billing dispute between Howard Yancey (Petitioner) and Public Service Electric and Gas Company (PSE&G 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) John P. Scollo filed an Initial Decision in this matter with the Board on May 10, 2017, approving the Stipulation of Settlement (Settlement) of the parties.

Pursuant to the terms of the Settlement, and in order to fully resolve this matter, PSE&G agreed to credit \$4,087.16 to the Petitioner's electric and gas accounts. Once the credit is applied, the Petitioner will have a balance due of \$750.00, to be paid no later than May 19, 2017.

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

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

### C. Docket Nos. BPU EC16080784U and OAL PUC 14874-16 – In the Matter of Crystal Jennings-Rogers, Petitioner v. Public Service Electric and Gas Company, Respondent – Billing Dispute.

**BACKGROUND:** This matter involved a billing dispute between Crystal Jennings-Rogers (Petitioner) and Public Service Electric and Gas Company (PSE&G or Company). The

petition was transmitted to the Office of Administrative Law on September 28, 2016, for hearing as a contested case. Administrative Law Judge (ALJ) Danielle Pasquale filed an Initial Decision in this matter with the Board on May 12, 2017, approving the Stipulation of Settlement (Settlement) of the parties.

Pursuant to the terms of the Settlement, and in order to fully resolve this matter, PSE&G agreed to credit \$4,000.00 to the Petitioner' account. Once the credit is applied, the Petitioner will have a balance due of \$8,783.57. The Petitioner agreed to enter into a 48-month deferred payment arrangement (DPA) with PSE&G to pay off the balance. The Petitioner will make 48 consecutive monthly payments of \$183.00, due on company records by the 24<sup>th</sup> of each month. If the DPA is broken, PSE&G can proceed with regular collection activity.

The Board, at its discretion, has the option of accepting, modifying or rejecting the Initial Decision of ALJ Pasquale. 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 April 21, 2017 Agenda Meeting.**

#### **Approval of the Executive Session Minutes of April 27, 2016, Agenda Items 7A and 8A.**

**BACKGROUND:** Staff presented the minutes of the Regular Board Agenda meetings of April 21, 2017 and the executive session minutes of April 27, 2016 Items 7A and 8A, 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 Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

## AGENDA

### 1. AUDITS

Alice A. Bator, Director, Division of Audits, presented these matters.

**A. Docket No. WA16121156 – In the Matter of an Audit of the Affiliated Transactions between Aqua New Jersey Water Company and Aqua America and Affiliates and a Comprehensive Management Audit of Aqua New Jersey Water Company Pursuant to N.J.A.C. 14:3-12.1-14:3-12.4 – See Executive Session.**

**BACKGROUND AND DISCUSSION:** This matter was initially discussed in Executive Session pursuant to the attorney/client privilege and contract negotiation exceptions to the Open Public Meetings Act. On January 25, 2017, the Board initiated an audit and authorized Board Staff to mail a Request for Proposal to seven pre-approved management consulting firms for their bid submission for an audit of affiliated transactions between Aqua New Jersey Water Company and Aqua, America and Affiliates and a Comprehensive Management Audit of Aqua New Jersey Water Company (Company).

By March 10, 2017, five bid proposals were received by the Board's Division of Audits (Audits). The bids received were from Silver Point Consulting, Sage Management Consultants (Sage), Overland Consulting, Schumaker and Company and Saleeby Consulting. The Voting Committee (Voting Committee), which was comprised of representatives from Audits, the Division of Water, and Counsel's Office, reviewed the bid proposals and recommended Sage.

Staff recommended that the Board approve the Voting Committee's recommendation that Sage be awarded this consulting engagement. Sage's not-to-exceed bid is \$399,700.00. Staff further recommended that the Board authorize President Mroz to execute a consulting agreement with Sage consistent with the consulting agreement.

Commissioner Holden stated that she was fully briefed on this matter and was comfortable with the terms for conduct, the subcontracts and conflicts of interest, compliance, compensation, reporting provisions, and general conditions as has been moved.

**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. EA17010004 – In the Matter of the Request for Proposal for a Financial Audit of the New Jersey Electric Distribution Companies' Basic Generation Service Administrative Expense and Other Related Expenses – See Executive Session.**

**BACKGROUND AND DISCUSSION:** This matter was initially discussed in Executive Session pursuant to the attorney/client privilege and contract negotiation exceptions to the Open Public Meetings Act. On January 25, 2017, the Board initiated an audit and authorized Board Staff to mail a Request for Proposal to seven pre-approved (pre-

qualified), pursuant to the New Jersey Department of Treasury, Division of Purchase and Property Waiver #AJ0-50, consulting firms for their bid submission for a Financial Audit of the four New Jersey Electric Distribution Companies' Basic Generation Service administrative expense and other related Expenses.

By March 17, 2017, two bid proposals were received by the Board's Division of Audits (Audits). The bids received were from the Liberty Consulting Group (Liberty) and Overland Consulting (Overland). No other bids were received by the remaining pre-qualified consultants. The Evaluation/Voting Committee, which was comprised of representatives from the Division of Audits, the Division of Energy, and Board's Counsel's Office, reviewed the bid proposals and recommended Liberty.

Staff recommended that the Board approve the committee's recommendation that Liberty be awarded this consulting engagement. Liberty Consulting Group's not-to-exceed bid is \$266,480.00. Staff further recommended that the Board authorize President Mroz to execute a consulting agreement with Liberty Consulting Group consistent with the consulting agreement.

Commissioner Holden stated that she has reviewed the matter and is in agreement with the evaluation, terms, the methodology, the scoring, and the analysis.

**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>

## 2. ENERGY

**A. Docket No. GF17010072 – In the Matter of the Petition of New Jersey Natural Gas Company for Authorization through May 31, 2020; (1) To Issue and Sell Pursuant to N.J.S.A. 48:3-9 Medium Term Notes; (2) To Enter into Interest Rate Risk Management Transactions Related to Certain Outstanding Long-Term Debt Securities and any New Issuances Approved Hereunder; (3) Redeem, Refinance or Defease any of the Company's Outstanding Long-Term Debt Securities; (4) To Increase the Number of Meters that New Jersey Natural Gas Company may Include Annually as Part of the Lease Financing Program Previously Approved by the Board; and (5) Pursuant to N.J.S.A. 48:3-9, to Enter into a Credit Facility Allowing the Issuance of Bank Note Obligations.**

**Mark C. Beyer, Director, Office of the Chief Economist,** presented this matter.

**BACKGROUND AND DISCUSSION:** On January 27, 2017, New Jersey Natural Gas Company (NJNG, Petitioner, Company) filed a petition with the Board requesting authorization through May 31, 2020 to:

- (a) (i) issue and sell Medium-Term Notes (MTN) with a maturity of not more than forty years in an aggregate principal amount of not more than \$400,000,000; (ii) make, execute and deliver a trust indenture, trust indentures or supplements thereto or a note purchase

agreement or note purchase agreements providing for the issuance of the MTNs; (iii) make, execute and deliver additional supplemental indentures providing for the issuance of MTNs in the form of a first mortgage bond or bonds with a maturity or maturities of not more than forty years and in aggregate principal amount of not more than \$400,000,000 or to secure MTNs issued as described in (i) above; and (iv) make execute and deliver other supplemental indentures, and issue first mortgage bonds as shall be necessary to complete the transactions contemplated in this petition;

(b) enter into one or more interest rate risk management transactions, including interest rate swaps and interest caps, floors and collars or other derivative agreements or arrangements (collectively, Interest Rate Swaps) (i) with a duration of up to three years to have the effect of synthetically fixing the rate on no more than \$150,000,000 of the certain outstanding variable rate bonds previously issued by the N.J. Economic Development Authority and identified as "EDA Bonds". The proceeds of which were loaned to the Company for the purposes of financing or refinancing a portion of the cost of constructing and equipping by the Company of certain natural gas distribution pipelines and auxiliary equipment throughout the franchise portion of the County of Morris, New Jersey; and/or (ii) in connection with the issuance and sale of the MTNs in amount up to \$400,000,000;

(c) redeem, refinance, or defease any of the Company's outstanding long-term debt securities, as long as the redemption, refinancing or defeasance is economically advantageous for the Company;

(d) increase the number of gas meters available for NJNG's sale-leaseback program, on a permanent basis, as previously approved by the Board (Docket No. GF14010067) from the currently authorized amount of 25,000 meters per year to 35,000 meters per year to expand the program in connection with NJNG's customer growth;

(e) enter into a revolving credit facility for up to five years and an option for up to two additional one-year extensions beyond the original five-year duration, providing, among other things, for the issuance of promissory notes in an aggregate principal amount not to exceed \$400,000,000 at any one time outstanding; and

(f) make, execute and deliver purchase agreements and related agreements and instruments including procuring credit enhancement instruments with financial institutions and take such other actions the Company determines may be necessary to complete the transactions contemplated in this Petition without further order of the Board.

The net proceeds of these transactions or series of transactions will be utilized to:

1. retire short-term debt through the issuance of long-term debt;
2. to fund capital expenditure requirements, including but not limited to, those related to the Company's Board-approved Safety And Facility Enhancement Program II (SAFE II), New Jersey Reinvestment in System Enhancements program, the Southern Reliability Link, energy efficiency expenditures such as the SAVEGREEN Project, environmental remediation expenditures and other system reliability infrastructure programs;
3. to fund pension and other post-employment benefit programs; and

4. and to redeem, refinance or defease any of Petitioner's indebtedness or debt securities as long as the redemption, refinancing or defeasance would be economically advantageous for the Company. The Petitioner's construction program has been financed, and it is expected that it will be financed, in part, by short-term debt, and periodically Petitioner will retire that 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.

**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>

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

**B. Docket No. GR16080728 – In the Matter of the Petition of South Jersey Gas Company to Change the Levels of Its Societal Benefits Clause and Its Transportation Initiation Clause.**

**BACKGROUND AND DISCUSSION:** On July 31, 2016, South Jersey Gas Company (SJG or Company) filed a petition (Petition) in Docket No. GR16080728 with the Board requesting Board approval to change the rates pertaining to its Transportation Initiation Clause (TIC), and two elements of the Company's Societal Benefits Charge (SBC): the Remediation Adjustment Clause (RAC) and the Clean Energy Program (CLEP).

The SBC was created as a result of the Electric Discount and Energy Competition Act, and is comprised of a number of components: the RAC, the CLEP, the Universal Service Fund (USF) and the Lifeline Program charges. The RAC allows the Company to adjust its rates to recover reasonably incurred environmental remediation costs associated with the clean-up of its former manufactured gas plant sites, on a deferred basis over a rolling seven year period with carrying charges tied to seven year treasuries plus sixty basis points. The CLEP promotes both energy efficiency and renewable energy programs related to the New Jersey Clean Energy Program. The USF and Lifeline Programs were established to help provide affordable electric and natural gas service to eligible New Jersey residential customers. The USF and Lifeline components of the SBC are addressed in a different docket.

The TIC was designed to recover all reasonable and prudent development and operating costs relating to Electronic Data Interchange (EDI). The Board, by Order in Docket No. GX99030121 directed that EDI be implemented to allow information to be exchanged electronically between gas distribution utilities and sellers of gas to customers.

In the instant petition, SJG sought approval to recover approximately \$16 million related to the CLEP, RAC and TIC. The increase in the SBC charge was the result of a \$11.5 million increase to its RAC expenditures for the remediation year August 1, 2015 to July 31, 2016, and \$4.2 million increase to its CLEP charges for the period November 1, 2016 through October 31, 2017. There was also an increase of \$0.3 million in the annual level of its non-

SBC related TIC. Accordingly, this would result in an increase of approximately \$4.25 million in revenues from what is currently being recovered from customers.

In response to discovery requests, the Company updated its petitioned recovery amounts and rates based upon actual data for November 2015 through October 2016, and projected information for the period December 2016 through October 2017. Based on the updates, the Company reduced the requested increase from \$4.25 million to \$3.46 million.

On May 3, 2017, following review of the petition and discovery responses, SJG, the New Jersey Division of Rate Counsel, and Board Staff (collectively, the Parties) executed a stipulation of settlement.

Staff recommended that the Board issue an Order approving the Stipulation. Staff also recommended that the Board direct SJG to file tariff sheets consistent with its Order within five days of service of the Order.

**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>

**C. Docket Nos. BPU ER16080785 and OAL PUC 17606-16 – In the Matter of the Petition of Public Service Electric and Gas Company for Approval of a Change in Its Electric Non-Utility Generation Charge Rate.**

**BACKGROUND AND DISCUSSION:** On August 10, 2016, Public Service Electric and Gas Company (PSE&G or Company) filed a petition with the Board seeking approval to reduce its electric Non-Utility Generation Charge (NGC) rates. (August 2016 NGC Petition) The Company's NGC rates are intended to recover difference between the contract-set prices at which the Company purchases generation from Non-Utility Generators (NUGs), and the market price that the energy is sold through the PJM Interchange.

The rate changes proposed in the August 2016 NGC Petition were designed to decrease revenues by \$75.7 million on an annual basis. The proposed decrease reflected the fact that the last significant NUG contract payment was made in April 2016.

By Order dated September 23, 2016, the Board approved a stipulation for provisional rates executed by PSE&G, Board Staff (Staff), and the New Jersey Division of Rate Counsel (collectively, Parties) that authorized PSE&G to provisionally implement a per kWh NGC credit of \$0.000086 (exclusive of losses and taxes), effective October 1, 2016, subject to refund. This translated to an annual bill decrease of \$14.28 or approximately 1.11% for a typical residential customer using 7,200 kWh per year and 750 kWh in a summer month. Subsequently, PSE&G updated the revenue requirement to include actual results through September 30, 2016.

On November 8, 2016, the matter was transmitted to the Office of Administrative Law and assigned to Administrative Law Judge (ALJ) Irene Jones.

On May 2, 2017, the Parties executed a Stipulation of Settlement (Settlement) agreeing that the electric NGC rates as approved provisionally effective October 1, 2016 had been reviewed and deemed prudent and reasonable by the Parties, and were to remain unchanged.

On May 4, 2017, ALJ Jones issued an Initial Decision, finding that the Parties voluntarily agreed to the Stipulation, and that the Settlement fully disposed of all issues in controversy and was consistent with the law.

Staff recommended that the Board issue an Order approving the Initial Decision and Settlement. In addition, Staff recommended that the Board direct PSE&G to file tariffs consistent with the Board's Order within five days of service of the Order.

**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>

**Stacy Peterson, Deputy Director, Division of Energy**, presented these matters.

**D. Docket Nos. BPU ER16101046 OAL PUC 17750-16 – In the Matter of the Verified Petition of Jersey Central Power & Light Company Constituting Its Annual Filing with Respect to the Non-Utility Generation Charge Clause of Its Filed Tariff (2015 NGC Filing).**

**BACKGROUND AND DISCUSSION:** On October 31, 2016, Jersey Central Power and Light Company (JCP&L or the Company) filed a petition with the Board seeking review and approval of the amounts included in the Company's Non-Utility Generation Charge (NGC) deferred balance for the period January 1, 2015 through December 31, 2015. (October 2016 Petition) In the October 2016 Petition, the Company projected that, at present rates, the net NGC deferred balance at December 31, 2016 would be an under-recovery of \$7,113,016.00, after the application of carrying costs of \$12,877,086.00.

The matter was transmitted to the Office of Administrative Law on November 21, 2016 and subsequently assigned to the Administrative Law Judge (ALJ) Richard McGill. ALJ McGill presided over a prehearing conference on January 12, 2017.

Subsequently, JCP&L updated the revenue requirement to include actual data through December 31, 2016.

On April 25, 2017, JCP&L, Board Staff (Staff), and the New Jersey Division of Rate Counsel executed a stipulation of settlement (Stipulation) to resolve this matter. As a result of the Stipulation, customers will experience no change to their current monthly bill. On May 2, 2017, ALJ McGill issued his Initial Decision in this matter.

Staff recommended that the Board adopt the Initial Decision and Stipulation. Staff further recommended that the Board direct JCP&L to file tariffs consistent with the Board's Order within five days of the effective date of the Board's Order.



**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>

**E. Docket No. ER17030306 – In the Matter of the Verified Petition of Jersey Central Power & Light Company Constituting Its Annual Filing with Respect to the Non-Utility Generation Charge Clause of Its Filed Tariff (2016 NGC Filing).**

**BACKGROUND AND DISCUSSION:** On March 28, 2017, Jersey Central Power and Light Company (JCP&L or the Company) filed a petition with the Board seeking review and approval of the amounts included in the Company's Non-Utility Generation Charge (NGC) deferred balance to the extent accumulated from January 1, 2016 through December 31, 2016. (March 2017 Petition) In the March 2017 Petition, the Company projected that, at present rates, the net NGC deferred balance at December 2017 would be an over-recovery of \$30,836,421, after the application of over-recovered carrying costs of \$272,110.00. The rates proposed would result in a decrease of \$69.41 million per year.

On May 11, 2017, JCP&L, Board Staff (Staff) and the New Jersey Division of Rate Counsel (collectively the Parties) executed a stipulation for provisional rates (Stipulation) requesting that the Board approve the proposed decrease on a provisional basis, subject to refund with interest, to allow the Parties sufficient time to complete their review of the petition and the proposed rates and costs.

As a result of the Stipulation, JCP&L's average residential customers using 768 kWh per month, will experience a decrease of \$2.90 or approximately 2.5% in their current monthly bill.

Staff recommended that the Board issue an order adopting the Stipulation. Staff further recommended that the Board order JCP&L to file tariffs consistent with the Board's Order by June 10, 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 Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

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

**F. Docket No. ER17020091 – In the Matter of the Petition of Atlantic City Electric Company to Reconcile and Update the Level of Its Non-Utility Generation Charge and Its Societal Benefits Charge (2017).**

**BACKGROUND AND DISCUSSION:** On February 1, 2017, Atlantic City Electric Company (ACE or Company) filed a petition with the Board requesting approval for changes in its Non-Utility Generation Charge (NGC) and its Societal Benefits Charge (SBC). Based on

the petition, the net impact of adjusting the NGC and the SBC [(including Sales and Use Tax (SUT))] was an overall annual rate decrease of approximately \$28.857 million.

Through the course of the proceeding, the Company updated the petition with actual information through March 31, 2017. Based on the updated filing, the net impact of adjusting the NGC and SBC rates (including SUT) is an overall annual rate decrease of approximately \$31.728 million.

On May 10, 2017, ACE, Board Staff (Staff) and the New Jersey Division of Rate Counsel (collectively, Parties) executed a Stipulation of Settlement (Stipulation) requesting that the Board approve changes in the NGC and SBC on a provisional basis, subject to refund with interest, to allow the Parties sufficient time to complete their review of the petition and the proposed rates and costs.

Staff recommended that the Board issue an Order accepting the Stipulation which seeks to implement provisional changes in the Company's Clean Energy Program component and Uncollectible Accounts component components of the SBC and the NGC subject to refund to be effective as of June 1, 2017. Staff further recommended that the Board order ACE to file tariffs consistent with the Order by June 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 Solomon</b>	<b>Aye</b>
	<b>Commissioner Chivukula</b>	<b>Aye</b>

**G. Docket No. ER17010007 – In the Matter of the Application of Atlantic City Electric Company to Amend Its Pilot Redevelopment Program Service Tariff Rider RP and Its Pilot Small Commercial Development Tariff Rider SCD to Revise and Expand the Eligibility Criteria for Customer Participation Therein.**

**BACKGROUND AND DISCUSSION:** On December 19, 2016, Atlantic City Electric Company (ACE or Company) filed a Letter of Petition with the Board requesting approval to amend its Redevelopment Program Service Rider RP and its Small Commercial Development Service Rider SCD (collectively, Programs) to revise and expand the eligibility criteria for customer participation.

ACE proposed to modify and clarify to the Programs' rider language to expand the eligibility criteria for the commercial and industrial customers they were designed to reach. The Company also asserted that clarification of the criteria for new and existing customers was required to improve customer participation. By doing so, ACE believes the economy of south Jersey will benefit consistent with the original intent of the Programs.

On May 10, 2017, ACE, Staff, and the New Jersey Division of Rate Counsel (the Parties) executed a Stipulation of Settlement (Settlement) requesting that the Board approve the proposed modifications to the eligibility criteria for the participation in the Programs.

Staff recommended that the Board approve the Settlement of the Parties. Staff further recommended that the Board direct ACE to file tariff sheets compliant with the Board's

findings within five days of service of the Board Order.

President Mroz stated that a tariff has been in place for some time. Even though the service territory which Atlantic Electric provides its services is one of the more challenged regions economically in this State, this tariff hadn't really borne out the kind of results the Company and others in that area may have hoped. So this is just one pool that might be available should there be the ability to attract businesses to that region and help the economy grow there. So it's just worth noting that to the extent that we can view a matter like this as helping in our efforts to grow the economy here in New Jersey, and particularly in that area that is otherwise challenged, is a very positive development. And, hopefully, the provisions, if we approve them, would be helpful to the companies that might want to locate down there.

**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>

**H. Docket No. ER16030252 – In the Matter of the Petition of Atlantic City Electric Company for Approval of Amendments to Its Tariff to Provide for an Increase in Rates and Charges for Electric Service Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1, for Approval of a Grid Resiliency Initiative and Cost Recovery Related Thereto; and for Other Appropriate Relief (2016 – Phase II).**

**BACKGROUND AND DISCUSSION:** By petition dated March 22, 2016, Atlantic City Electric Company (ACE or Company) filed a petition (2016 Base Rate Case) with the Board for approval of an increase in base rates for electric service and the authority to implement a five-year capital investment/grid resiliency program (PowerAhead Program) with an proposed investment level of \$176 million. The Company also requested approval of an associated cost recovery mechanism, which would allow the Company to recover the revenue requirement associated with the PowerAhead Program based upon actual plant in-service for six month periods.

On August 19, 2016, the Company, Board Staff (Staff), and the New Jersey Division of Rate Counsel (Rate Counsel), and Unimin Corporation (Unimin) reached a settlement (2016 Base Rate Case Stipulation) on the Company's revenue requirement and associated base rate case issues. The 2016 Base Rate Case Stipulation contained a proposal that the PowerAhead Program, and related cost recovery mechanism, be reviewed in a Phase II of the proceeding. By Order dated August 24, 2016 (August 2016 Order), the Board adopted the 2016 Base Rate Case Stipulation and directed that the issues related to the PowerAhead Program be considered in a Phase II review and be retained by the Board. The August 2016 Order designated Commissioner Upendra Chivukula as the presiding officer to rule on all motions and establish and modify all schedules.

On October 5, 2016, Commissioner Chivukula issued an Order granting the pending motion to intervene filed by the Environmental Defense Fund (EDF). Commissioner Chivukula issued a Prehearing Order dated October 18, 2016 setting forth a schedule for pre-filing of witness testimony, discovery, evidentiary hearings, and other matters.

On May 10, 2017, ACE, Staff, Rate Counsel, EDF (collectively, Signatory Parties) reached a Stipulation of Settlement (Stipulation) recommending approval of a \$79 million investment in capital projects of incremental electric distribution infrastructure and related facilities (PowerAhead Program) and an associated cost recovery mechanism.

Staff recommended the Board approve the Stipulation of the Signatory Parties, which recommended approval of a \$79 million PowerAhead Program and associated cost recovery mechanism.

Commissioner Fiordaliso stated that these are the kinds of programs that are so important and so positive, because it's a win-win situation. The Company has an ability to improve its infrastructure, which benefits the Company, and the consumer has the benefit of better service so it benefits the ratepayer. And that's something that we constantly fight with in our own minds here at the Board of Public Utilities, balancing that. We want the Company to succeed. We want them to have a strong infrastructure. We also want to see the benefits to the ratepayer. And if we can find that balance, and I think this helps to demonstrate that, it's a win-win situation.

President Mroz concurred with Commissioner Fiordaliso's comments.

**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>

**I. Docket No. ER17010003 – In the Matter of the Federal Energy Items for 2017 – FERC Docket No. ER17-905 – New York Independent System Operator, Inc. and PJM Interconnection, L.L.C. Re: JOA Revisions.**

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

**BACKGROUND AND DISCUSSION:** This matter involved Staff on behalf of the Board, filing this Request for Rehearing challenging the Letter Order of Federal Energy Regulatory Commission (FERC) Staff. The Board, Public Service Electric and Gas (PSE&G), and NRG Protested the Joint Operating Agreement (JOA) filing as providing a benefit to New York at no cost. In response to those protests, ConEd, NYISO, New York Public Service Commission, and the New York Transmission Owners challenged that the revisions are exclusively for the benefit of northern New Jersey, not New York. In the Letter Order, FERC Staff identifies that the matter may be unjust and unreasonable, but ultimately accepts the rate, subject to refund and further order of the Commission (once quorum is restored). Staff, acting on behalf of the Board, joined with PSE&G – the load serving entity most acutely impacted by this JOA filing – challenge that the refund mechanism is not sufficient to protect New Jersey ratepayers.

This filing concerned the ConEd Wheel, which originally arose from two contracts dating back to the years 1975 and 1978. The contracts concern the wheeling of 1,000 MW of electricity to New York from New Jersey and back into New Jersey from New York.

The ConEd Wheel has been the subject of significant litigation at FERC, beginning in November 2001 when ConEd filed a complaint, FERC Docket No. EL02-23, and continuing through the related FERC Docket Nos. ER08-858 and ER08-867.

Staff recommended that the Board ratify the filing of this Request for Rehearing.

**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>

**Thomas N. Walker, P.E., Director, Division of Energy, presented this matter.**

**J. Docket No. EW17030256 – In the Matter of the Petition of Gerdau Ameristeel Sayreville, Inc. for Waiver of Requirements Concerning the Societal Benefits Charge.**

**BACKGROUND AND DISCUSSION:** On March 13, 2017, Gerdau Ameristeel Sayreville, Inc. (Gerdau) filed a petition with the Board seeking determinations that (i) it qualifies for a limited waiver of certain Societal Benefits Charge (SBC) credit program requirements; and that (ii) Gerdau's past SBC credit program-related energy efficiency and conservation investments qualify for a fifty percent reduction in its SBC obligations for electric and natural gas service going forward.

On March 20, 2017, Gerdau filed a motion for the pro hac vice admission of Robert A. Weishaar, Jr. On April 19, 2017, Jersey Central Power & Light Company (JCP&L) filed a motion to intervene in this proceeding. On May 22, 2017, Public Service Electric & Gas Company filed a motion to intervene in this proceeding.

Staff recommended that the Board retain this matter for hearing at the Board, and designated Commissioner Dianne Solomon as the presiding Officer for proceedings on this matter to establish and modify schedules, decide all motions, and otherwise control the conduct of this case.

President Mroz thanked Commissioner Solomon for her willingness to serve as the hearing officer. Further, he stated that we have a recommendation and we would have an order that reflects those three matters: The intervention of JCP&L, the granting of that; the granting of pro hac vice application of Mr. Washauer; and as well as, Commissioner Solomon as the presiding officer, and then setting down the dates for additional intervention.

**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>

**3. CABLE TELEVISION**

There were no items in this category.

**4. TELECOMMUNICATIONS**

**A. Docket No. TO15121325 – In the Matter of Verizon New Jersey’s Discontinuance of Land Line Telecommunications Maintenance, Facilities, and Infrastructure.**

**Lawanda R. Gilbert, Esq., Director, Office of Cable Television & the Office of Telecommunications,** presented this matter.

**BACKGROUND AND DISCUSSION:** On November 24, 2015, the County of Cumberland (Petitioner) filed a Petition with the Board on behalf of 17 rural communities in southern New Jersey seeking an order from the Board to investigate and rectify Verizon New Jersey’s (Verizon) discontinuance of maintenance of copper landline facilities and infrastructure instrumental to the continued provision of adequate landline telephone and data services to New Jersey customers who are without fiber optic service. The Petition asserts that Verizon has failed to comply with its obligations to maintain and repair its service to ensure that safe and adequate landline telephone and data transmission are provided throughout New Jersey.

Accordingly, the Petitioner requested an investigation and a Board Order directing Verizon to maintain landline facilities. In addition, the Petitioner contended that there is a lack of measurable performance standards in place to monitor service. Furthermore, they sought reclassification of Verizon’s basic telephone service due to a lack of meaningful competition in the Petitioner’s communities. Lastly, the Petitioner argued that Verizon, by its failure to maintain its landline service, has violated N.J.S.A. 48:2-21.18(c) by misdirecting funds from its rate regulated business to subsidize its competitive services.

Following the submission of the Petition, Verizon filed a reply on January 19, 2016 refuting the claims alleged in the petition. Petitioner filed its reply to Verizon’s filing on February 3, 2016, and added supplemental documentation on February 26, 2016.

Letters in support of the Petition were filed by the NJ League of Municipalities and AARP. In addition, on February 15, 2016 NJ State Senator Jeff Van Drew filed a letter in support of the filing and sought hearings.

After reviewing the Petition and subsequent filings, the Board announced on February 24, 2016 that it would hold public hearings to gather information from the public regarding the allegations in the Petition.

On March 11, 2016 Verizon responded to the Petitioner’s previous replies and supplemental documentation. Thereafter, on March 15, 2016 the Petitioner replied to the assertions made in Verizon’s response to the supplemented petition. In addition, on April 14, 2016 the County of Cumberland submitted a letter to the Board requesting that Washington Township be added to the Petition.

Two public hearings were held on August 4, 2016 in the City of Estell Manor, where approximately 200 people spoke and 151 written comments were received thereafter. Rate Counsel commented during the proceedings and filed written comments on August 8, 2016. Resolutions in support of the Petition were also filed by the City of Atlantic City and the Borough of Elmer.

The commentors generally assailed Verizon's lack of maintenance on the copper network and facilities, lack of internet availability and slow upload and download speeds in areas where it was available and safety concerns related to unreliable 911 service due to inoperable facilities. In addition, commentors requested that the Board require Verizon to replace the copper infrastructure with fiber optics. Lastly, several commentors voiced concerns regarding inadequate wireless coverage.

On August 31, 2016, the Petitioner filed a letter requesting that the Board conduct evidentiary hearings. On September 7, 2016, Rate Counsel filed comments requesting that the Board conduct a full investigation and hold evidentiary hearings.

On September 19, 2016, Verizon filed its response to the claims of the Petitioner and Rate Counsel, and detailed the steps it has taken to remedy the service quality issues outlined in the petition and comments and pledged to continue its efforts by upgrading the facilities in Lower Alloways Creek to fiber optics and by relieving DSL congestion throughout Estell Manor, Weymouth, Maurice River and other communities where the lack of capacity was at issue. In addition, Verizon's remediation plan calls for continued copper infrastructure maintenance and improvements.

On September 30, 2016 Rate Counsel replied to the Verizon submission seeking a procedural schedule for the proposed work outlined in the Verizon Plan. The Petitioner also responded on October 3, 2016, to the proposal filed by Verizon and argued the plan is insufficient to address the needs of the area and renewed their request for a hearing to explore and resolve the matter.

Negotiations commenced among the parties who expressed an interest in exploring a settlement to eliminate the need for protracted litigation. The parties met on October 26, 2016, November 10, 2016, January 11, 2017, February 6, 2017, February 16, 2017 and concluding on March 9, 2017 and engaged in numerous telephone discussions aimed at producing an acceptable Stipulation of Settlement (Settlement).

Staff reviewed the Settlement and recommended Board approval.

President Mroz noted that this matter has been with us off and on for some time now and this has to deal with service quality issues which have been raised and concerns and complaints by residents, municipal officials and county officials in a number of municipalities in the southern counties of New Jersey, particularly regarding the service quality provided by Verizon. And this docket is a standing docket regarding Verizon's maintenance of facilities and infrastructure. There is a relatively long history here over a series of months, but there is positive news that Verizon and the residents and the towns and in the County of Cumberland have come to a stipulation of settlement regarding these complaints.

President Mroz also asked staff to provide to the Commissioners, at least on a quarterly basis, some overview of the information we're receiving under the reporting required under the stipulation. He also said that he was pleased that the parties were able to come to a conclusion on this matter, though it has taken quite a while longer than he would have liked. Further, he said it's just very difficult when you have service as these people seemed to have that they rely on that just simply was not there or they had ongoing problems with it. So he was pleased, finally, that this matter can be resolved and the company can take proactive steps to monitor these problems and hopefully avoid that.

Commissioner Fiordaliso commended staff and all the parties involved in coming to this stipulation and bringing it before us. He noted that it's important to be able to negotiate and come to a suitable agreement. Furthermore he said it is not acceptable that Verizon took so long and had to be coerced in many instances to provide the service that they're supposed to provide. That's unconscionable. When Verizon can go out and spend billions of dollars to acquire other companies, his advice to them is take care of what you have first and ensure the fact that what you have first is running like a gem. We have had these problems, similar ones here, but problems like this throughout the years and we have seen our regulatory oversight be stripped away piece by piece by piece. Regulatory oversight is in place to help ensure that people are receiving what they pay for. Finally, he said, as the stipulation indicates, there has to be consistent oversight because that's basically all we have left as far as oversight with them is concerned, customer service, and that is something we have to continue to monitor and monitor in aggressively.

Commissioner Chivukula noted that in terms of the DSL congestion, they said they're going to conduct monthly monitoring, and after three years, they do not have to report to us. We need to look into the future, and think about that. During those three years, we need to think about what can happen, unless you have a migration from DSL. And DSL is going to be obsolete.

**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>

**5. WATER**

There were no items in this category.

**6. RELIABILITY & SECURITY**

There were no items in this category.



**7. CUSTOMER ASSISTANCE**

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

**A. Docket Nos. BPU EC15091076U and OAL PUC 11836-16 – In the Matter of Ian Strassler, Petitioner v. Public Service Electric and Gas Company, Respondent – Billing Dispute.**

**BACKGROUND AND DISCUSSION:** This matter involved a billing dispute between Ian Strassler (Petitioner) and Public Service Electric & Gas Company (PSE&G or Company). The petition was transmitted to the Office of Administrative Law on August 5, 2016, for hearing as a contested case. Administrative Law Judge (ALJ) Joseph A. Ascione filed an Initial Decision in this matter with the Board on April 10, 2017. At the April 21, 2017, Board meeting staff recommended and was granted a 45-day extension of time for issuing a final decision.

The Petitioner stated that he was incorrectly billed by PSE&G for the past four years. He claimed that there was definitely a problem with the amount he was being billed because the property in question was just a single family home.

PSE&G, in its answer dated October 19, 2015, denied the allegations that the Petitioner was incorrectly billed. The Company contended that services were supplied and billed in accordance with terms and conditions and rate schedules set forth in its Board approved Tariff. PSE&G requested that the relief sought be denied on the basis that Petitioner failed to set forth a claim upon which relief may be granted.

The Board, at its discretion, has the option of accepting, modifying or rejecting the Initial Decision of ALJ Ascione. On November 21, 2016, the Petitioner's counsel represented that Stephen Strassler, not Ian Strassler (Petitioner), had passed away. Specifically, it was noted on the record that Stephen Strassler was the property owner, while Ian Strassler was the stepson, account holder, and resident of the property. To avoid any confusion, the Board modified the Initial Decision to find that Ian Strassler is, in fact, the customer of record in this matter.

Staff recommended that the Board adopt the Initial Decision as modified.

**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 Nos. BPU WC16030255U and OAL PUC 07455-16 – In the Matter of Howard M. Stein, Petitioner v. New Jersey American Water Company, Respondent – Billing Dispute.**

**BACKGROUND AND DISCUSSION:** This matter involved a billing dispute between Howard M. Stein (Petitioner) and New Jersey American Water (NJAW or Company). The petition was transmitted to the Office of Administrative Law on May 17, 2016, for hearing as a contested case. Administrative Law Judge (ALJ) Susan M. Scarola filed an Initial

Decision in this matter with the Board on March 3, 2017. At its March 24, 2017, Board meeting Staff recommended and was granted a 45-day extension of time for issuing a final decision. On March 14, 2017, the Petitioner filed exceptions to the Initial Decision with the Board.

The Petitioner stated that he received a high water bill from October 21, 2014 through October 16, 2015. The Petitioner claimed that on September 23, 2015, a NJAW field technician inspected the meter. The inspection revealed that there was a water leak between the curb and his house. He further stated that in October 2015, the water leak was repaired. The Petitioner requested a fair and reasonable accommodation of the balance in question.

NJAW, in its April 21, 2016 answer, denied the allegations that the Petitioner was incorrectly billed. The Company stated that field personnel conducted a leak inspection at the Petitioner's premises and said inspection revealed that there was a leak on the Petitioner's side of the water service line. The Company contended that services were supplied and billed in accordance with terms and conditions and rate schedules set forth in its Board approved Tariff. NJAW requested that the relief sought be denied on the basis that the Petitioner failed to set forth a claim upon which relief may be granted.

On March 14, 2017, the Petitioner filed exceptions. The Petitioner reiterated his claim that NJAW improperly billed him for past water usage. He stated that from July 18, 2015 to October 16, 2015, his water usage was 267,200 gallons, while during comparable period from July 19, 2014 to October 20, 2014, his water usage was 71,200 gallons. On March 20, 2017, NJAW submitted a reply to the exception, in which it supported ALJ Scarola's decision.

ALJ Scarola, in her Initial Decision, concluded that Petitioner did not prove by a preponderance of the evidence that his NJAW water bills were incorrect or inaccurate for the time period from June through October 2015. Accordingly, the outstanding bill of \$1,761.15 remains the responsibility of the Petitioner. Additionally, the ALJ ordered that the petition be dismissed with prejudice.

The Board, at its discretion, has the option of accepting, modifying or rejecting the Initial Decision of ALJ Scarola. Although NJAW testified that the Board tested the meter, the record indicates that Board Staff supervised and witnessed the meter test. Board Staff advised the Petitioner that the meter was found to be within the prescribed limits of accuracy. The Board also modifies ALJ Scarola determined that the outstanding bill of \$1,761.15 remains the responsibility of the Petitioner. The initial balance in dispute was \$1,761.15. However, the testimony and the exhibits indicate that Petitioner paid \$200.00 of this balance in October 2015 which reduces the disputed amount to \$1,561.15. The Board modified the ALJ's determination that the Board tested the meter and concluded that it was accurate. Staff recommended that the Board adopt the Initial Decision as modified.

**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>

**C. Docket Nos. BPU EC15080973U and OAL PUC 18309-15 – In the Matter of Jose Vega, Petitioner v. Atlantic City Electric Company, Respondent – Billing Dispute.**

**BACKGROUND AND DISCUSSION:** This matter involved a billing dispute between Jose Vega (Petitioner) and Atlantic City Electric Company (ACE or Company). The petition was transmitted to the Office of Administrative Law on November 9, 2015, for hearing as a contested case. Administrative Law Judge (ALJ) Jeffrey R. Wilson filed an Initial Decision in this matter with the Board on March 7, 2017. At the March 24, 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.

The Petitioner stated that he was incorrectly billed by ACE in April 2015, in the amount of \$1,748.23. He claimed that the bill was much higher than any others previously received. The Petitioner also claimed that ACE was very unresponsive to his assertions that this bill was inaccurate.

ACE, in its answer dated October 5, 2015, denied the allegations that the Petitioner was incorrectly billed. The Company contended that services were supplied and billed in accordance with terms and conditions and rate schedules set forth in its Board approved Tariff. ACE requested that the relief sought be denied on the basis that the Petitioner failed to set forth a claim upon which relief may be granted.

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 Solomon</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. QG17040440 – In the Matter of the Clean Energy Program Authorization of Commercial and Industrial Program Energy Efficiency Incentives Exceeding \$500,000.00 – Bristol-Myers Squibb.**

**BACKGROUND AND DISCUSSION:** The Board administers the New Jersey Clean Energy Program (NJCEP). The Large Energy Users Program (LEUP) of the NJCEP fosters self-investment in energy efficiency and combined heat and power projects, while providing necessary financial support to large commercial and industrial utility customers in the State of New Jersey. To qualify for LEUP, eligible entities must have contributed a minimum of \$300,000.00 into New Jersey's Clean Energy Program fund in the fiscal year prior to the application date (aggregate of all buildings/sites).

Bristol-Myers Squibb  
Docket No. QG17040440

Bristol-Myers Squibb submitted an application for a financial incentive in the amount of \$929,061.69 under the 2016 LEUP Program. The Bristol-Myers Squibb 2016 LEUP project summary is as follows:

- This project is located at facilities on 311 Pennington Rocky Hill Road in Pennington; 3551 Lawrenceville Road in Princeton; and 1 Squibb Drive in New Brunswick;
- The applicant is seeking an incentive in the amount of \$929,061.69;
- At the Hopewell Campus in Pennington, which spans 433 acres and offers one million square feet of laboratories, office space, and computing facilities, with opportunities to expand in the future, the scope of the project includes switching out room controllers, which will allow the room exhaust system to achieve lower air flow, which will reduce energy consumption. After the controllers are upgraded, the air changes per hour rate will be reduced while maintaining a safe workspace as measured by the facility's monitoring system;
- At the Lawrenceville Campus in Princeton, which spans 1.67 million square feet of building space situated on a 280-acre site and features research and development laboratories, offices and support services, the scope of the project involves installing new programmable logic controllers for the existing chilled water plant. Savings will be achieved by chilled water supply temperature resets, more efficient staging, and additional efficiencies that will result from the automated controls. The Lawrenceville Campus will also be switching out room controllers to achieve lower air flow, which will reduce energy consumption. After the controllers are upgraded, the air changes per hour rate will be reduced while maintaining a safe workspace as measured by the facility's monitoring system. Lastly, the Lawrenceville Campus will have its current fluorescent lamps replaced with LEDs;
- At the New Brunswick facility, which started out as a manufacturing facility and has changed over the years to a research and development facility sprawling across 105 acres, the scope involves replacing fluorescent lamps with LED replacements throughout 16 buildings located on the campus.
- Installing these measures will enable the following energy and cost savings:
  - Estimated annual electric savings of 2,094,293 kWh
  - Estimated annual electric peak demand reduction of 236 kW
  - Estimated annual natural gas savings of 63,452 therms
  - Estimated annual energy cost savings of \$294,710.00;
- The project is estimated to cost the applicant \$4,881,786.00;
- The project is anticipated to have an 11.08 year payback with incentive.

Staff determined that this application meets the eligibility criteria for the LEUP Program, and recommended that the Board approve this project.

**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. In the Matter of the Clean Energy Program Authorization of Commercial and Industrial Program Energy Efficiency Incentives Exceeding \$500,000.00:**

**Docket No. QG17040334 – PQ Corporation**

**Docket No. QG17040434 – US Treasury (Picatinny Arsenal).**

**BACKGROUND AND DISCUSSION:** The Board administers the New Jersey Clean Energy Program. The Combined Heat and Power & Fuel Cell Program (CHP/FC) is open to all C&I customers contributing to the Societal Benefits Fund. PQ Corporation submitted an application for a project located at 2 Paddock Street, Avenel, NJ, to the CHP/FC Program for an incentive of \$629,736.52. The US Treasury also submitted an application for a project located at the Picatinny Arsenal, Building 505 on Whittemore Drive, in Dover, NJ, for an incentive of \$2,050,000.00.

The CHP/FC Program is open to all New Jersey commercial and industrial utility customers paying into the Societal Benefits Fund. Systems must be new, commercially available, and permanently installed. A minimum efficiency of 65% is required for a project to be eligible for incentives. Incentives are based on a dollar-per-watt rate depending on installed rated capacity and are generally capped at 30% of total cost.

PQ Corporation  
Docket No. QG17040334

The PQ Corporation's 2017 CHP/FC project summary follows:

- PQ Corporation is a leading worldwide producer of specialty inorganic performance chemicals and catalysts. PQ Corporation traces its beginnings to a family soap and candle business started in Philadelphia in 1831. The company began producing and selling sodium silicate in 1861 to replace rosin in soap formulations. Today, PQ Corporation is the world's largest producer of soluble silicates.
- The role of the proposed 440 kW CHP system is to produce energy for the facility and to recover waste heat for processes in manufacturing. The system's efficiency will be at 73.1% and the system will have blackstart capability.
- This project will have the following annual estimated energy and cost savings (through production and heat recovery):
  - annual estimated electric production of 3,665,555.3 kWh;
  - annual estimated waste heat recovery of 16,191.4 MMBtus of natural gas;
  - an estimated average annual energy cost savings of \$286,090.84.
- The CHP/FC rebate is for a total of \$629,736.52, of which:
  - An estimated \$188,920.96 will be paid upon proof of purchase of equipment;
  - An estimated \$314,868.26 will be paid upon project completion, review and acceptance of documentation, and successful inspection; and
  - An estimated \$125,947.30 will be paid one year after project inspection and acceptance, upon confirmation that the project is achieving its minimum efficiency threshold.
- The application has an estimated project cost of \$2,099,121.72.
- The project has a 7.34 year payback without incentive, which is reduced to 5.14 years with incentive.

US Treasury (Picatinny Arsenal)  
Docket No. QG17040434

The US Treasury's 2017 CHP/FC project summary follows:

- Picatinny Arsenal is the Joint Center of Excellence for Guns and Ammunition, providing products and services to all branches of the U.S. military. Located about 35 miles west of New York City, Picatinny Arsenal has more than 1,010 permanent structures, including 64 laboratories, situated on the installation's nearly 6,500 acres.
- The role of the proposed 2 MW CHP system is to produce energy and to recover waste heat for the facility. The system's efficiency will be at 72.1% and the system will not have blackstart capability.
- This project will have the following annual estimated energy and cost savings (through production and heat recovery):
  - annual estimated electric production of 15,768,000 kWh;
  - annual estimated waste heat recovery of 42,658.4 MMBtus of natural gas;
  - an estimated average annual energy cost savings of \$927,890.72.
- The CHP/FC rebate is for a total of \$2,050,000.00, of which:
  - An estimated \$615,000.00 will be paid upon proof of purchase of equipment;
  - An estimated \$1,025,000.00 will be paid upon project completion, review and acceptance of documentation, and successful inspection; and
  - An estimated \$410,000.00 will be paid one year after project inspection and acceptance, upon confirmation that the project is achieving its minimum efficiency threshold.
- The application has an estimated project cost of \$10,426,392.00.
- The project has an 11.24 year payback without incentive, which is reduced to 9.03 years with incentive.

Based upon the certifications of the Program Administrator and Program Manager, Staff determined that the applications meet the eligibility criteria for the CHP/FC Program, and recommended the Board approve the applications.

**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>

**C. In the Matter of the Clean Energy Program Authorization of Commercial and Industrial Program Energy Efficiency Incentives Exceeding \$500,000.00:**

- Docket No. QG17040435 – SDK Village Green, LLC**
- Docket No. QG17040436 – 680 Broadway Condominium Association, Inc.**
- Docket No. QG17040437 – Somerset Holmdel, LLC**
- Docket No. QG17040438 – Public Storage**
- Docket No. QG17040439 – 609 Holdco, 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. This Board Order addresses two P4P – Existing Building applications. SDK Village Green, LLC submitted an application for a project located at the Village Green Apartments, 100 Route 46, Mount Olive, NJ, which is a multifamily complex. The incentive amount is \$840,965.20. Additionally, 680 Broadway Condominium Association, Inc., submitted an application for a project located at the Barnert Medical Arts Complex at 680 Broadway, Paterson, NJ, for an incentive of \$607,479.56.

Similarly, the P4P – New Construction Program promotes high performance buildings that achieve 15% or more energy cost savings than buildings built to the current energy code at the time of application. This Board Order addresses three P4P – New Construction applications. Somerset Holmdel LLC submitted an application for a project located at Bell Works, 101 Crawfords Corner Road, Holmdel, NJ, which is an approximately 2 million square foot mixed use building situated at the former Bell Labs research facility. The incentive is \$2,000,000.00. Additionally, Public Storage submitted an application for a project located at 124-142 1<sup>st</sup> Street, Jersey City, NJ, for an incentive of \$558,025.82. Lastly, 609 HoldCo LLC submitted an application for an incentive of \$797,814.50 for a project located at the former Hahne & Company department store at 609 Broad Street through 633 Broad Street, Newark, NJ.

SDK Village Green, LLC  
Docket No. QG17040435

The SDK Village Green, LLC, Hackensack, NJ, 2016 P4P – Existing Buildings project summary follows:

- This project is located at the Village Green Apartments, 100 Route 46, Mount Olive, Morris County. The Village Green Apartments consist of garden-style, market-rate multifamily units that are spread throughout 73 two-story buildings spanning a total of 1.2 million square feet built throughout the 1970's.
- This project will have an estimated 20.2% total energy savings, and will have the following annual estimated electric, natural gas, and cost savings:
  - annual estimated electric savings of 141,125 kWh,
  - annual estimated peak electric demand reduction of 215 kW,
  - annual estimated natural gas savings of 330,399 therms, and
  - annual estimated energy cost savings of \$232,960.79;
- The P4P rebate is for a total of \$840,965.20, of which:
  - An estimated \$50,000.00 is for the proposed ERP;
  - An estimated \$395,482.60 is for the installation of attic insulation, air sealing, boiler replacement, domestic hot water heater replacement, pipe insulation, low flow water fixtures, and energy efficient LED lighting both inside and outside of the structures; and
  - An estimated \$395,482.60 is for the submittal of a post-construction benchmarking report.
- The project has an estimated project cost of \$2,708,445.91.
- The project has an estimated eight year simple payback after factoring in the incentive.

680 Broadway Condominium Association, Inc.  
Docket No. QG17040436

The 680 Broadway Condominium Association, Inc., Bloomfield, NJ, 2015 P4P – Existing Buildings project summary follows:

- This project is located at the Barnert Medical Arts Complex, 680 Broadway, Paterson, Passaic County. Barnert Hospital, on the Medical Arts Complex, is a 247,971 square foot medical office building and outpatient facility.
- This project will have an estimated 29.1% total energy savings, and will have the following annual estimated electric, natural gas, and cost savings:
  - annual estimated electric savings of 1,468,433 kWh,
  - annual estimated peak electric demand reduction of 284 kW,
  - annual estimated natural gas savings of 103,850 therms, and
  - annual estimated energy cost savings of \$234,257.81;
- The P4P rebate is for a total of \$607,479.56, of which:
  - An estimated \$24,797.10 is for the proposed ERP;
  - An estimated \$291,341.23 is for the installation of energy efficient LED lighting both inside and outside of the facility and updates to the whole-building controls system, as detailed in the project's certification; and
  - An estimated \$291,341.23 is for the submittal of a post-construction benchmarking report.
- The project has an estimated project cost of \$1,396,797.00.
- The project has an estimated 3.4 year simple payback after factoring in the incentive.

Somerset Holmdel, LLC  
Docket No. QG17040437

The Somerset Holmdel, Holmdel, NJ, 2015 P4P - New Construction project summary follows:

- This project is located at Bell Works, 101 Crawfords Corner Road, in Holmdel, Monmouth County. Bell Works is an approximately 2 million square foot mixed use building that was designed by legendary architect Eero Saarinen that was home to the Bell Labs research and development group. It was originally constructed in 1962 and went through several modifications in the 1980's. The building has been vacant since 2007 and is undergoing a major renovation to develop a mixed-use space for offices, retail, dining, and more.
- This project will have an estimated 15.9% total energy savings, and will have the following annual estimated electric, natural gas, and cost savings:
  - annual estimated electric savings of 3,196,569 kWh,
  - annual estimated electric demand savings of 1,955 kW,
  - annual estimated natural gas savings of 164,328 therms, and
  - annual estimated energy cost savings of \$480,307.83;
- The P4P rebate is for a total of \$2,000,000.00, of which:
  - An estimated \$50,000.00 is for the proposed ERP;
  - An estimated \$1,462,500.00 is for the installation of exterior LED lighting illuminating driveways, parking lots, and sidewalks; and various HVAC upgrades, as detailed in the project's certification; and
  - An estimated \$487,500.00 is for the commissioning report.
- The project has an estimated incremental cost of \$3,938,251.00.



- The project has an estimated four year simple payback after factoring in the incentive.

Public Storage  
Docket No. QG17040438

The Public Storage, Glendale, CA, 2015 P4P - New Construction project summary follows:

- This project is located at 124-142 1<sup>st</sup> Street, Jersey City, Hudson County. The proposed project is located at an unoccupied facility in the warehouse district of Jersey City that has not been in use since Superstorm Sandy. The facility spans 329,020 square feet of conditioned space.
- This project will have an estimated 57.8% total energy savings, and will have the following annual estimated electric, natural gas, and cost savings:
  - annual estimated electric savings of 1,416,429 kWh,
  - annual estimated electric demand savings of 159 kW, and
  - annual estimated energy cost savings of \$196,742.00;
- The P4P rebate is for a total of \$558,025.82, of which:
  - An estimated \$32,902.07 is for the proposed ERP;
  - An estimated \$329,020.70 is for the installation of high efficiency variable refrigerant volume heat pumps with heat recovery, efficient fluorescent light fixtures, remote mounted occupancy sensors, and installation of faux windows in place of existing windows; and
  - An estimated \$196,103.05 is for the commissioning report.
- The project has an estimated incremental cost of \$700,165.00.
- The project has an estimated one year simple payback after factoring in the incentive.

609 HoldCo LLC  
Docket No. QG17040439

The 609 HoldCo LLC, New York, NY, 2015 P4P - New Construction project summary follows:

- This project is located at the old Hahne & Company department store building spanning from 609 Broad Street to 633 Broad Street, Newark, NJ. This building has been vacant since 1987. The project will create a 566,090 square foot mixed-use luxury multifamily residential building, including approximately 100,196 square feet of basement space and 170,183 square feet of retail space. The project consists of adaptive reuse of an existing building with an addition of a new building.
- This project will have an estimated 32% total energy savings, and will have the following annual estimated electric, natural gas, and cost savings:
  - annual estimated electric savings of 1,161,607 kWh,
  - annual estimated electric demand savings of 96 kW,
  - annual estimated natural gas savings of 245,860 therms, and
  - annual estimated energy cost savings of \$456,458.00;
- The P4P rebate is for a total of \$797,814.50, of which:
  - An estimated \$45,589.40 is for the proposed ERP;
  - An estimated \$455,894.00 is for the installation of improved wall, ceiling, and floor insulation; improved windows in apartments and storefront; high-efficiency condensing boilers; high-efficiency water-source heat pumps and

packaged terminal air conditioning systems for apartments and common areas; high-efficiency hot water heaters; low-flow fixtures for faucets and showerheads; ENERGY STAR-certified refrigerators, dishwashers, and clothes washers; efficient lighting for both interior and exterior; and occupancy sensors in corridors; and

- An estimated \$296,331.10 is for the commissioning report.
- The project has an estimated incremental cost of \$2,702,266.00.
- The project has an estimated four year simple payback after factoring in the incentive.

Based upon the certifications of Applied Energy Group and TRC Solutions, the Program Administrator and Program Manager, respectively, Staff determined that the applications meet the eligibility criteria for the Pay for Performance – Existing Buildings and Pay for Performance – New Construction Programs, and recommended that the Board approve the applications.

Commissioner Holden stated that she loves these kinds of projects, and the Somerset Holmdel project, in particular, is a National Historic Landmark building. At this building, the transistor was developed, the cell phone. This is really significant national property. If we were to calculate the embodied energy and add that on top of not sending those buildings to landfill, how much more of a savings to energy we might have. It's a great project, as well as the Hahne's department store.

Commissioner Chivukula noted that he worked in that building, and the telescope that looked in space and discovered the Big Bang Theory was at that building also.

Commissioner Fiordaliso noted that he worked as a stock boy in the former Hahne's Department store building.

President Mroz noted that it's nice to be able to support in part the preservation of these sites.

**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>

**D. Docket No. QO17050463 – In the Matter of the Petition of Go Solar Electric, LLC for Extensions of the Solar Renewable Energy Certificate Purchase and Sale Agreement Regarding Cumberland County Community Church (SRP-51027 and 51029) between All Solar, LLC and Atlantic City Electric Company.**

**B. Scott Hunter, Renewable Energy Program Administrator,** presented this matter.

**BACKGROUND AND DISCUSSION:** On May 5, 2017, Go Solar Electric LLC (Go Solar) submitted a Petition to the Board requesting a six-month extension for two Solar Renewable Energy Certificate Purchase and Sale Agreements (SREC Agreements) between system owner, All Solar LLC. (All Solar), and Atlantic City Electric Company

(ACE). Go Solar has developed two solar electric generation projects (Projects) which serve Cumberland County Community Church on behalf of All Solar. Go Solar submitted bids for SREC agreements under Segment 1 of Electric Distribution Companies' SREC II program to the program solicitation manager in February 2016 which were approved by the Board in April 2016. The SREC Agreements were signed by ACE and All Solar in June 2016.

The terms of the SREC Agreements require project completion within six months of the effective date of the agreement and provide for one three-month extension provided that the seller (All Solar) certifies to the purchaser (ACE) that all local permits have been filed. Go Solar completed construction on the projects in November 2016 with additional interconnection steps required at the time and received three-month extensions of the SREC Agreements from ACE in December 2016. The extensions expired on March 17, 2017. The ACE Green Power Connection team provided the projects with permission to operate on March 21, 2017, which was after the March 17, 2017 deadline.

Since ACE was unable to provide the projects an authorization to energize prior to the expiration of the first extensions on the SREC Agreements, second extensions for the SREC Agreements were requested by Go Solar. The terms and conditions of the SREC agreement require that Go Solar petition the Board for an additional extension of time for project completion beyond the March 17, 2017 project completion deadline provided in the first extension granted by ACE. Staff recommended that the Board grant the Petitioner's request for second extensions for each project's SREC Agreement between All Solar and ACE.

Staff recommended the Board grant 3-month extensions instead of 6-month extensions of the deadline for interconnection completion of Petitioner's two Projects at Cumberland County Community Church given the completeness of the Projects.

**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>

**E. Docket Nos. EO07030203 and EO11100631V – In the Matter of Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for the Years 2013 – 2017: Revised 2012 Programs Large Scale Combined Heat and Power/Fuel Cell Grant Program – Modified Award Approval.**

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

**BACKGROUND AND DISCUSSION:** Verizon Sourcing LLC (Verizon) installed a 2MW CHP Fuel Cell system at their Operational Headquarters in Basking Ridge, NJ Campus with a stated performance goal of 65% efficiency system wide. The Combined Heat and Power/Fuel Cell (CHP-FC) system provides approximately 50% of the Verizon Basking Ridge campus' annual energy needs. In December 2013 the Board approved a grant for \$3M based in part on the stated performance goal of 65% system wide. However actual

performance has been somewhat variable ranging from an initial system efficiency of 56.8% efficiency in the first months of operation (February 2014) to an average monthly high of 66.1% achieved in April 2016. Since the installation of the CHP-FC system, Verizon acted in conjunction with Doosan the CHP-FC manufacturer and the Verizon facility management team, to implement a number of system modifications and operational adjustments to achieve optimal performance.

Verizon submitted eighteen months of operational data to the Board for review which shows a marked improvement in performance but also highlights the technical challenges in achieving a 65% system wide goal. Verizon expects the CHP-FC system to operate at its highest potential during the cooler months of the year, (September through April,) and slightly less efficiently during warmer months when the heat load is the lowest. Additionally, Verizon noted that overall the 2MW system operates better during weekdays when the 1.3M sf Basking Ridge building is fully occupied with 4000+ employees and guests utilizing the CHP, resulting in higher efficiencies. During weekends they typically see a drop in performance as less heat and hot water are used.

Based on the operational reports provided, the Board Staff considers that all reasonable measures have been taken and the CHP-FC system is performing as expected at a total average efficiency rate of 60.9%. Staff recommended the Board approve the Grant at a reduced amount based on the modifications and overall system performance achieved to date. Staff recommended that the Grant be reduced by 20% or to \$2,400,000.00.

Commissioner Holden stated that when this matter initially came to the Board and it had the same sort of problem, it didn't meet the criteria so she didn't vote for it. A target is a target. We're making so many exceptions to this one. The purchase of the equipment; relying on the invoice date; they didn't size the system correctly so they couldn't reach target. Now, they spent more money so they can upgrade it, they're still not meeting their target. Further, she noted that she was having a really difficult time coming up with a yes vote for this one. Performance is performance. And we already had one Verizon discussion about performance. She would vote for the project as the applicant is continuing to seek improved performance.

Commissioner Fiordaliso stated that if the criteria says one thing and they're not meeting that criteria, then there has to be at least penalties. And if the Director had come here and said we recommend that we give Verizon 94.6 percent that they're looking for, he would have voted no without question. Because, number one, that's not right, but he appreciates the 20 percent decrease and so on.

**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>

9. MISCELLANEOUS

- A. Docket No. AX17050469 – In the Matter of the Proposed Rule Making for Infrastructure Investment Programs – N.J.A.C. 14:3-2A.1, et seq.

This matter was deferred.

- B. Docket No. AX17050468 – In the Matter of the Proposed Amendments to N.J.A.C. 14:1-5.12, et seq. – Tariff Filings or Petitions which Propose Increases in Charges to Customers.

This matter was deferred.

**Executive Session**

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

1. AUDITS

- A. Docket No. WA16121156 – In the Matter of an Audit of the Affiliated Transactions between Aqua New Jersey Water Company and Aqua America and Affiliates and a Comprehensive Management Audit of Aqua New Jersey Water Company Pursuant to N.J.A.C. 14:3-12.1-14:3-12.4.

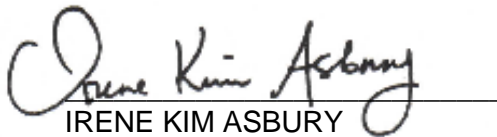
The substance of this discussion shall remain confidential except to the extent that making the discussion public is not inconsistent with law.

- B. Docket No. EA17010004 – In the Matter of the Request for Proposal for a Financial Audit of the New Jersey Electric Distribution Companies' Basic Generation Service Administrative Expense and Other Related Expenses.

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: June 30, 2017