



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

A Regular Board meeting of the Board of Public Utilities was held on July 26, 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

\*Commissioner Chivukula did not participate or vote for the Consent Agenda, but joined the Board meeting at the start of item 1A presentation.

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

It was announced that the next regular Board Meeting would be held on August 23, 2017 at the State House Annex, Committee Room 11, 125 West State Street, Trenton, New Jersey 08625.

Opening Remarks:

President Mroz introduced Max Oberholtzer, who is an intern at the Board of Public Utilities this Summer, and Max lead us in the Pledge of Allegiance.

President Mroz stated that over the last few weeks he and his colleagues have had the opportunity to attend some educational and policy conferences. They had just returned last week from the National Association of Regulatory Commissioners. That meeting had some very compelling discussions on issues in all of the industries from electricity to natural gas. The committee that he chairs on critical infrastructure discussed issues likes cyber security and resiliency. In addition, Commissioner Holden chairs the water committee, Commissioner Chivukula is a member of the telecommunications committee, and Commissioner Fiordaliso is a member of the energy and natural resources committee. The President also noted that they returned three weeks ago from the regional conference, MACRUC. President Mroz recognized Commissioner Holden who had just finished her term as the president of the MACRUC region, and thanked her for her service and a good year of work by MACRUC.

Commissioner Holden said that one of the items on today's agenda was featured at MACRUC.

**CONSENT**

**I. AUDITS**

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

EE15121437L	Telco Pros, Incorporated d/b/a TPI Efficiency	I – EA
EE17030240L	ClearPath Energy	I – EA
EE17050492L	National Energy Cost Services, Inc.	I – EA
EE16090879L	XL Energy Corporation	I – EA
EE16121138L	Energy Advisory Service, LLC	I – EA
EE17020112L	Electricity Ratings, LLC	I – EA
EE17050493L	Broker Online Exchange, LLC	I – EA
EE17060599L	James R. Nelligan & Associates, LLC	I – EA/EC
GE17060600L		

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

EE16090883L	The O.E. Group d/b/a Optimal Energy	R – EA
EE17060658L	L5E, LLC	R – EA/PA
GE17060659L	d/b/a 5	
EE15091023L	Woodruff Energy	R – EA/PA/EC
GE15091024L		
EE15030363L	Alternative Utility Services	R – EA/PA/EC
GE15030364L		
EE17040352L	US Grid Energy, LLC	R – EA/PA/EC
GE17040353L		

**Natural Gas Supplier Initial License**

GE17050483L	NJR Retail Services Company	I – GSL
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**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.

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

- Telco Pros Inc. d/b/a TPI Efficiency
- ClearPath Energy
- National Energy Cost Services, Inc.
- XL Energy Corp.
- Energy Advisory Service, LLC
- Electricity Ratings, LLC
- Broker Online Exchange, LLC
- James R. Nelligan & Associates, LLC

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

- The O.E. Group d/b/a Optimal Energy
- L5E, LLC d/b/a 5
- Woodruff Energy
- Alternative Utility Services
- US Grid Energy, LLC

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

- NJR Retail Services Company

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

## II. ENERGY

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

**BACKGROUND:** The Initial Decision of the Administrative Law Judge was received by the Board on June 23, 2017; therefore, the 45-day statutory period for review and the issuing of a Final Decision will expire on August 7, 2017. Prior to that date, the Board requested an

additional 45-day extension of time for issuing the Final Decision.

Good cause having been shown, pursuant to N.J.S.A. 52:14B-10(c) and N.J.A.C. 1:1-18.8, Staff recommended that the time limit for the Board to render a Final Decision be extended until September 21, 2017.

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

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

**BACKGROUND:** The Initial Decision of the Administrative Law Judge was received by the Board on June 23, 2017; therefore, the 45-day statutory period for review and the issuing of a Final Decision will expire on August 7, 2017. Prior to that date, the Board requested an additional 45-day extension of time for issuing the Final Decision.

Good cause having been shown, pursuant to N.J.S.A. 52:14B-10(c) and N.J.A.C. 1:1-18.8, Staff recommended that the time limit for the Board to render a Final Decision be extended until September 21, 2017.

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

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

**BACKGROUND:** The Initial Decision of the Administrative Law Judge was received by the Board on June 23, 2017; therefore, the 45-day statutory period for review and the issuing of a Final Decision will expire on August 7, 2017. Prior to that date, the Board requested an additional 45-day extension of time for issuing the Final Decision.

Good cause having been shown, pursuant to N.J.S.A. 52:14B-10(c) and N.J.A.C. 1:1-18.8, Staff recommended that the time limit for the Board to render a Final Decision be extended until September 21, 2017.

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

**D. Docket No. ER17010003 – In the Matter of the Federal Energy Items for 2017 – FERC Docket No. ER17-1420: PJM Interconnection, LLC Tariff Filing Re: Artificial Island.**

**BACKGROUND:** This matter involved Staff, acting 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.

Artificial Island is a stability project proposed by PJM that includes the installation of an underwater transmission line carrying electricity from the Salem/Hope Creek nuclear plants to Delaware (more specifically the Delmarva Peninsula). The States of Delaware and Maryland have challenged the cost allocation of the project. PJM has revised and updated its cost allocation. FERC has granted an extension until August 11 for parties to comment.

Staff recommended that the Board ratify the intervention.

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

**E. Docket No. ER17010003 – In the Matter of the Federal Energy Items for 2017 – FERC Docket No. ER17-1879: NYISO Section 205 Filing of Rate Schedule 1 Revisions for Ramapo PARs Cost Recovery.**

**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.

New York Independent System Operator (NYISO) files the cost recovery revisions tentatively accepting responsibility to pay for the cost of repairs to a phase-angle-regulator along the seam between PJM and NYISO, the New York and New Jersey seam. Staff has been and continues to monitor New York and New Jersey seam issues as they develop they become greater cost concerns for ratepayers.

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. CE15070834 – In the Matter of the Petition of Comcast of Garden State, L.P. for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Borough of Audubon Park, County of Camden, State of New Jersey.**

**BACKGROUND:** On May 4, 2015, the Borough of Audubon Park (Borough) granted Comcast of Garden State, LP (Comcast) a renewal municipal consent for a term of 15 years. On May 12, 2015, Comcast accepted the terms and conditions of the ordinance, and on July 20, 2015, Comcast filed a petition with the Board for its Renewal of its Certificate of Approval.

After review, Staff recommended approval of the proposed Renewal Certificate of Approval for the Borough. This Certificate shall expire on March 21, 2030.

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

**B. Docket No. CE15080893 – In the Matter of the Petition of Comcast of Garden State, L.P. for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Township of Lumberton, County of Burlington, State of New Jersey.**

**BACKGROUND:** On December 2, 2014, the Township of Lumberton (Township) granted Comcast of Garden State, LP (Comcast) renewal municipal consent for a term of 15 years. On June 17, 2015, Comcast accepted the terms and conditions of the ordinance, and on August 6, 2015, Comcast filed a petition with the Board for its Renewal Certificate of Approval.

After review, Staff recommended approval of the proposed Renewal Certificate of Approval for the Township. This Certificate shall expire on April 20, 2028.

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

**IV. TELECOMMUNICATIONS**

**A. Docket No. TF17010002 – In the Matter of Verified Petition of Manhattan Telecommunications Corporation of New Jersey for Approval to Participate in Certain Financing Arrangements.**

**BACKGROUND:** On December 30, 2016, Manhattan Telecommunications Corporation of New Jersey (Manhattan Telecommunications or Petitioner) filed a petition with the Board requesting approval to the extent necessary, to participate in a financing transaction whereby the Petitioner would pledge its assets, including the Certificate of Public Convenience and Necessity currently held by Manhattan Telecommunications in the State of New Jersey, to guarantee and secure debt in an amount of up to approximately \$95 million. Manhattan Telecommunications is a wholly owned subsidiary of Manhattan Telecommunications Corporation and an indirect subsidiary of Metropolitan Telecommunications Holding Company (MetTel Holding), a privately held Delaware holding company.

The Petitioner requested approval to participate in financing arrangements involving MetTel Holding, and certain of its direct and indirect subsidiaries, including Manhattan Telecommunications, to enter into a Second Amended and Restated Credit Agreement and related Security Agreement (the Agreement) with JPMorgan Chase Bank, N.A. the administrative agent for a series of lenders. The Agreement refinances the facility provided for under the existing credit agreement.

Pursuant to the Agreement, MetTel Holding expects to receive a revolving credit facility and an additional term loan capacity. Specifically, MetTel Holding will receive a committed revolving credit facility of up to \$15,000,000.00 for a five-year period after closing and an additional term loan capacity of (a) up to \$50,000,000.00 under a Senior Secured Term Loan with (b) up to \$30,000,000.00 for an acquisition basket for one year on the facility, amortizing 70% of the borrowings quarterly over a term of 60 months with the balance due at maturity. The debt obligations of the revolving credit facility and the additional term loan capacity will be secured by an interest in all of the assets of MetTel Holding and certain of its subsidiaries, including Manhattan Telecommunications. The proceeds of the revolving credit facility will be used for general corporate purposes of MetTel Holdings, while the proceeds of the additional term loan capacity will be used for dividends and/or acquisitions.

As part of these financing arrangements, Manhattan Telecommunications will collateralize its assets, including the Certificate of Public Convenience and Necessity.

After review, the Office of the Economist 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. Docket Nos. TE17020113 through TE17020133 – In the Matter of the Petition of Verizon New Jersey, Inc. for Approval of Municipal Consents Pursuant to N.J.S.A. 48:2-14.**

**BACKGROUND:** On February 13, 2017, Verizon New Jersey Inc. (Verizon or Petitioner) filed a petition with the Board requesting approval of consent ordinances adopted by (1) the City of Absecon in Atlantic County; (2) the Borough of Alfa in Warren County; (3) the Township of Barnegat in Ocean County; (4) the Borough of Beach Haven in Ocean County; (5) the Township of Berlin in Camden County; (6) the Borough of Cape May Point in Cape May County; (7) the Township of East Amwell in Hunterdon County; (8) the Township of Elsinboro in Salem County; (9) the Borough of Harvey Cedars in Ocean County; (10) the Township of Jefferson in Morris County; (11) the Borough of Mendham in Morris County; (12) the Borough of Monmouth Beach in Monmouth County; (13) the Borough of Northvale in Bergen County; (14) Ocean County; (15) the City of Secaucus in Hudson County (16) the Township of Upper in Cape May County; (17) the Township of Vernon in Sussex County; (18) the Borough of West Long Beach in Monmouth County; (19) the Borough of Westwood in Bergen County; (20) the Borough of Woodbine in Cape May County; and (21) the Borough of Woodbury Heights in Gloucester County.

After appropriate notice, a Hearing in these matters was held on April 20, 2017, at the Board Offices in Trenton, New Jersey before William P. Agee, Esq., the Board's duly designated Hearing Examiner.

Verizon stated that it has entered into a Stipulation with the Division of Rate Counsel (Rate Counsel). The Parties agreed that all nine Consent Ordinances referred to in the Petition were properly and lawfully adopted by the Municipalities.

According to Verizon, the Ordinances are essentially similar in substance to the Ordinances adopted by other Municipalities and Counties throughout the State which have been accepted by the Petitioner and approved by the Board in prior proceedings similar to this in which Rate Counsel has participated.

After review of the petition, Staff recommended approval of the Verizon's request.

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

**V. WATER**

**A. Docket Nos. BPU WC16121143 and OAL PUC 02556-17 – In the Matter of Chany Halpern, Petitioner v. New Jersey American Water Company, Respondent – Request for Extension.**

**BACKGROUND:** The Initial Decision of the Administrative Law Judge was received by the Board on June 19, 2017; therefore, the 45-day statutory period for review and the issuing of

a Final Decision will expire on August 3, 2017. Prior to that date, the Board requested an additional 45-day extension of time for issuing the Final Decision in order to adequately review the record in this matter.

Good cause having been shown, pursuant to N.J.S.A. 52:14B-10(c) and N.J.A.C. 1:1-18.8, Staff recommended that the time limit for the Board to render a Final Decision be extended until September 18, 2017.

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

**B. Docket No. WR17070726 – In the Matter of the Petition of the Andover Utility Company, Inc. for Approval of an Increase in Rates for Wastewater Service.**

**BACKGROUND:** On July 7, 2017, Andover Utility Company, Inc. (Andover or Petitioner), filed a Petition with the Board for authority to increase its base tariff rates and charges for sewerage service amounting to approximately \$130,332.00 or 27.56%. The increase in rate is proposed to become effective on August 7, 2017.

Andover did not seek interim rate relief pending final determination on the petition. This matter will be transmitted to the Office of Administrative Law for hearing(s) and once assigned, hearings will proceed accordingly.

Because the case will not be completed by August 7, 2017, and that the proposed revisions will increase existing rates and change or alter existing classifications in Petitioner's tariff, Staff recommended to the Board the following:

- (1) The proposed revisions be suspended until December 7, 2017, unless the Board prior to that date, makes a determination disposing of the petition, or enters an Order further suspending the proposed revisions;
- (2) The Petitioner shall, at least ten days prior to the date set for hearing on the petition by the Office of Administrative Law, file with this Board and with the Office of Administrative Law, proof of compliance with the Notice provisions of N.J.S.A. 48:2-32.2 and N.J.A.C. 14:1-5.12(b) and (c), which Notice shall include a statement that any relief found by the Board to be just and reasonable may be allocated by the Board to any class or classes of customers on any rate or schedule as the Board may determine; and
- (3) The Petitioner shall serve copies of this Order upon the Office of Administrative Law, the Division of Rate Counsel, the clerk of the affected municipality, the clerk of the Board of Chosen Freeholders of the affected county and, if appropriate, the executive officer of the affected county within its service area. Service of this petition, notice of hearings and this Order may be made simultaneously. Proof of service of the Order shall be filed with the Board within 15 days of the date of this Order.

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

**VI. RELIABILITY & SECURITY**

There were no items in this category.



## VII. CUSTOMER ASSISTANCE

### A. Docket Nos. BPU EC16060553U and OAL PUC 12603-16 – In the Matter of Deborah Edwards, Petitioner v. Public Service Electric and Gas Company, Respondent – Billing Dispute.

**BACKGROUND:** This matter involved a billing dispute between Deborah Edwards (Petitioner) and Public Service Electric and Gas Company (PSE&G). The petition was transmitted to the Office of Administrative Law on August 16, 2016, for hearing as a contested case. Administrative Law Judge (ALJ) Leland S. McGee filed an Initial Decision in this matter with the Board on May 24, 2017, approving a Stipulation of Settlement (Settlement) of the parties.

Under the terms of the Settlement, and in order to fully resolve this matter, PSE&G agreed to credit \$15,538.00 to the Petitioners' account.

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

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

### B. Docket Nos. BPU GC16040279U and OAL PUC 08026-16 – In the Matter of Aaron T. Kanar, Petitioner v. South Jersey Gas Company, Respondent – Billing Dispute.

**BACKGROUND:** This matter involved a billing dispute between Aaron T. Kanar (Petitioner) and South Jersey Gas Company (SJG). The petition was transmitted to the Office of Administrative Law on May 26, 2016, for hearing as a contested case. Administrative Law Judge (ALJ) Mary Ann Bogan filed an Initial Decision in this matter with the Board on June 19, 2017.

Pursuant to the terms of the Settlement, and in order to fully resolve this matter, SJG agreed to adjust the Petitioner's gas account to reflect a zero balance as of May 1, 2017. SJG also agreed to issue two checks totaling \$7,075.00 to settle this matter. The Petitioner and SJG acknowledged that the Settlement was agreed upon as a final Settlement of the disputed claims, and that payment of the Settlement is not, and may not be construed as an admission of liability by either party.

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.

**VIII. CLEAN ENERGY**

There were no items in this category.

**IX. MISCELLANEOUS**

There were no items in this category.

**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>

## AGENDA

### 1. AUDITS

#### A. Electric Power Supplier Renewal License

**EE14050519L Starion Energy PA, Incorporated R-ESL-0119**

**Alice A. Bator, Director, Division of Audits**, presented this matter.

**BACKGROUND AND DISCUSSION:** This matter involved the application filed by Starion Energy PA, Inc. seeking a renewal of license to provide electric power supply service in the Atlantic City Electric, Jersey Central Power and Light, and Public Service Electric and Gas Companies' service territories to both commercial and residential customers.

In accordance with New Jersey Statutes and the Board's Regulations, the Board must license all third party electric power suppliers. An electric power supplier's 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. Annually thereafter, licensed electric power suppliers are required to renew timely their licenses in order to continue to do business in New Jersey.

Starion Energy PA, Inc. has responded promptly and effectively to all Staff requests during the review of its renewal application. Staff noted various investigations conducted by several public utility commissions against Starion Energy PA, Inc. One public authority conducted an investigation against its parent company, Starion Energy, Inc., and three public utility commissions had matters pending against Starion Energy PA, Inc. Four marketing complaints in the past year, 2016, have been filed with the Division of Customer Assistance of the Board against Starion Energy PA, Inc. and all are now closed. Fifteen billing complaints have been filed against Starion Energy PA, Inc. with the New Jersey Division of Consumer Affairs by New Jersey customers since its license was last renewed in 2014.

Staff reviewed the Starion Energy PA, Inc. application for renewal licensing and found it to be in compliance with the Board's regulations. Staff recommended that the Board approve the renewal license application and issue a renewal license to Starion Energy PA, Inc. under ESL-0119 its previous license number for one year from the period of July 26, 2017 through July 25, 2018.

President Mroz asked staff for confirmation that regardless of the other investigations and reviews that were undertaken in the other states regarding Starion, staff's conclusion is based on their own review of those matters and the findings of those matters is there is no reason not to grant the approval.

Commissioner Fiordaliso asked staff if they had any idea how the company solicits customers in the State of New Jersey. Further, Commissioner Fiordaliso stated that some of the solicitations, can be overbearing. Also, the Commissioner asked staff if they had received any complaints regarding company marketing efforts. Finally, Commissioner Fiordaliso said that if a complaint goes to the Division of Consumer Affairs that we should automatically be kept in the loop.

Commissioner Solomon stated that we do now have that Memorandum of Understanding with the Division of Consumer Affairs so a lot of times what will happen is complaints will go there first and we don't get notice of it. Further, Commissioner Solomon said that she had requested that we continue to stay in the loop so we can continue to monitor that activity.

Commissioner Chivukula posed a hypothetical question to staff. He said, the BPU has received four complaints and the Division of Consumer Affairs received 15 complaints. If the BPU closes the complaint, there should be 19 complaints.

**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. ER17050499 – In the Matter of the Provision of Basic Generation Service and Compliance Tariff Filing Reflecting Changes to Schedule 12 Charges in PJM Open Access Transmission Tariff – May 12, 2017 Filing.

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

**BACKGROUND AND DISCUSSION:** On May 12, 2017, Atlantic City Electric Company (ACE), Jersey Central Power & Light Company, Public Service Electric and Gas Company, (PSE&G) and Rockland Electric Company (collectively, the EDCs) filed a joint petition (May 2017 Petition) with the Board requesting recovery of Federal Energy Regulatory Commission (FERC) approved changes in transmission service related charges.

By Orders dated July 29, 2016 and August 24, 2016, the Board authorized the EDCs to modify their Basic Generation Service (BGS) Residential/Small Commercial Pricing (BGS-RSCP) and Commercial and Industrial Energy Pricing (BGS-CIEP) rates to reflect the changes in their transmission charges resulting from the FERC-approved changes to the Transmission Enhancement Charges (TECs) resulting from changes in the PJM Open Access Transmission Tariff (OATT) made in response to (i) the annual formula rate update filings made by PPL Electric Utilities Corporation in FERC Docket No. ER09-1148, by American Electric Power Service Corporation (AEP) in FERC Docket Nos. ER08-1329 and ER10-355, and by Tran-Allegheny Interstate Line Company in FERC Docket No. ER07-562, and (ii) the formula rate update filings made by the public utility affiliates of Pepco Holdings Inc. in FERC Docket No. ER08-1423 and the respective utility affiliate compliance filings for formula rate updates made by ACE in FERC Docket No. ER09-1156, Delmarva Power and Light in FERC Docket No. ER09-1158, and Potomac Electric Power Company in FERC Docket No. ER09-1159.

By Order dated January 25, 2017, the Board authorized the EDCs to modify their BGS-RSCP and BGS-CIEP rates to reflect the changes in their transmission charges resulting from the FERC-approved changes to the TECs resulting from changes to the PJM OATT made in response to (i) the annual formula rate update filing made by Potomac-

Appalachian Transmission Highline, LLC in FERC Docket No. ER-08-386-000, (ii) the annual formula rate update filing made by PSE&G in FERC Docket No. ER08-1233, and (iii) the annual formula rate update filing made by Virginia Electric Power Company in FERC Docket No. ER08-92-000.

On March 10, 2017, FERC issued an Order, (AEP Order), effective January 1, 2017 which authorized AEP's Formula Rate transition from "historic" to "forward looking". The AEP Order approved AEP's proposed tariff revisions subject to hearing and settlement procedures. On April 25, 2017, FERC issued an Order (ConEd Wheel Order), that modified the PJM OATT as a result of the termination of a long-term firm point-to-point transmission service agreement between PJM and Consolidated Edison Company of New York, Inc. (the ConEd Wheel). The PJM tariff revisions remove ConEd as a party responsible for cost allocation under Schedule 12 of the PJM OATT. This, in turn, required that PJM reallocate the ConEd portion to the remaining entities as these costs relate to the ConEd Wheel. The cost reallocation being implemented pursuant to the ConEd Wheel Order is subject to ongoing legal challenges and protests before FERC by various interested entities.

The May 2017 Petition was filed to update the initial filings approved by the Board in the 2016 Orders and the January 2017 Order to reflect FERC's ConEd Wheel Order and AEP Order.

In the May 2017 Petition, the EDCs reiterated the requests for approval set forth in the filings approved by the Board's 2016 Order and January 25, 2017 Order and request approval to implement the proposed tariff sheets effective July 14, 2017. The EDCs also requested a waiver of the 30-day filing requirement that would otherwise apply to this type of submission, because BGS suppliers began paying the revised transmission charges for service effective May 1, 2017 pursuant to the ConEd Wheel Order and the AEP FERC Order.

The EDCs stated that an initial FERC decision in the ConEd Wheel proceeding will be significantly delayed until FERC has a quorum of commissioners and prompt payment to suppliers of PJM initiated cost reallocations is important to the continued success of the BGS auction process which benefits customers. The EDCs further submitted that BGS suppliers have a reasonable expectation that they will be paid for increased charges imposed by PJM and that payment to suppliers related to the ConEd Wheel Order will help ensure that BGS suppliers, when establishing their bid prices, can rely upon the provision of the SMA that permit BGS suppliers to be made whole for increased PJM charges.

No comments were received from New Jersey Division of Rate Counsel or any other party.

Staff recommended that the Board issue an order approving the changes to the BGS-RSCP and BGS-CIEP rates requested by each EDC for its transmission charges resulting from the FERC-approved changes to the TECs effective as of September 1, 2017. However, with respect to the reallocations derived from the ConEd Wheel Order and the change to a "forward looking" rate approved in the AEP Order, Staff recommended that since neither the ConEd Wheel Order nor AEP Order are Final FERC Orders and are still being contested at FERC, the EDCs only be authorized to collect from BGS customers, costs associated with the reallocation per the ConEd Wheel Order and the change to a forward looking rate in the AEP Order, and track such collections until receipt of Final FERC Orders in the matters.

Staff further recommended that the Board waive the 30-day filing requirement as requested by the EDCs and direct the EDCs to file tariffs and rates consistent with the Board's findings within five business 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>

**B. Docket No. ER15030382 – In the Matter of the Verified Petition Jersey Central Power & Light Company Seeking (1) Review and Approval of Its Deferred Balances Relating to, an and Adjustment of, the Societal Benefits Charge Clause of Its Filed Tariff; and (2) Review and Approval of Its Deferred Balance Relating to the System Control Charge Clause of Its Filed Tariff (2012–2013–2014 SBC/SCC Filing); and**

**Docket No. ER16121189 – In the Matter of the Verified Petition of Jersey Central Power & Light Company Seeking (1) Review and Approval of Its Deferred Balances Relating to, an and Adjustment of, the Societal Benefits Charge Clause of Its Filed Tariff; and (2) Review and Approval of Its Deferred Balance Relating to the System Control Charge Clause of Its Filed Tariff (2015 SBC/SCC Filing).**

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

**BACKGROUND AND DISCUSSION:** On March 26, 2015, Jersey Central Power and Light Company (JCP&L or Company) filed a petition with the Board seeking (1) review and approval of its deferred balances relating to, and an adjustment of certain components of, the Societal Benefits Charge (SBC) clause of its filed tariff for the period January 1, 2012 through December 31, 2014; and (2) review and approval of its deferred balances relating to the System Control Charge (SCC) of its filed tariff for the period January 1, 2012 through December 31, 2014.

The 2012-2014 SBC/SCC Petition proposed an increase in the Company's Rider Demand Side Factor (DSF) rate to recover an additional \$17.24 million on an annual basis. The 2012-2014 SBC/SCC Petition also proposed a decrease in the Company's Rider Uncollectible Accounts Charge (UNC) rate of \$4.26 million on an annual basis. The 2012-2014 SBC/SCC Petition did not propose any change to the Company's Rider SCC rate or Rider Nuclear Decommissioning Costs (NDC) rate. As a result of all of the proposed changes, the Company proposed an overall net increase in rates of approximately \$12.98 million annually.

On December 27, 2016, JCP&L filed a petition with the Board seeking (1) review and approval of its deferred balances relating to, and an adjustment of certain components of, the SBC clause of its filed tariff for the period January 1, 2015 through December 31, 2015; and (2) review and approval of its deferred balances relating to the SCC of its filed tariff for the period January 1, 2015 to December 31, 2015.

With respect to the Societal Benefits Charge, the 2015 SBC/SCC Petition sought review and approval of the deferred balances accumulated with respect to the DSF, UNC and NDC components of the Company's SBC, in each case to the extent accumulated from January 1, 2015 through December 31, 2015. With respect to the SCC, the 2015 SBC/SCC Petition sought review and approval of the deferred balance accumulated with respect to the Company's SCC clause from January 1, 2015 through December 31, 2015. The 2015 SBC/SCC Petition did not propose any changes to any of the rate components of Rider SBC or Rider SCC (which had been set to zero effective September 1, 2016 pursuant to the Board's Order dated August 24, 2016).

Following a review of the petitions and discovery, JCP&L, Board Staff (Staff) and the New Jersey Division of Rate Counsel executed a Stipulation of Settlement (Settlement) resolving both matters.

Staff recommended that the Board issue an order accepting the Settlement. Staff further recommended that the Board order JCP&L to file revised tariff sheets conforming to the terms of the Settlement within five days of the effective date 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 No. GR16080786 – In the Matter of the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to (1) Revise Its Weather Normalization Clause Rate; (2) Maintain the Clean Energy Program Component of Its Societal Benefits Charge Rate; and (3) Revise Its On-system Margin Sharing Credit.**

**Thomas N. Walker, P.E., Director, Division of Energy and Stacy Peterson, Deputy Director, Division of Energy,** presented this matter.

**BACKGROUND AND DISCUSSION:** On August 10, 2016, Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas (Elizabethtown or Company) filed a petition with the Board seeking approval to modify its rates relating to the review and true up of its Weather Normalization Charge (WNC), the New Jersey Clean Energy Program (NJCEP) component of its Societal Benefits Charge, and its On-System Margin Sharing Credit (OSMC). The WNC, NJCEP and OSMC rates were last adjusted by Order dated December 16, 2015, in Docket No. GR15080866.

With respect to the WNC, the current recoverable margin deficiency of \$12.229 million reduced by the prior year excess recovery of \$4.698 million, will result in a \$7.530 million net revenue deficiency. The Company proposed to recover \$7.198 million over the 2016-2017 Winter Period, with the remaining deficiency of \$0.332 million to be recovered over the 2017-2018 Winter Period. After ceiling restrictions, the Company proposes a WNC rate of \$0.0229 per therm.

The NJCEP was created through the Electric Discount and Energy Competition Act in an effort to promote energy efficiency and renewable energy programs by offering financial incentives, programs, and services to New Jersey residents, business owners and local

governments. The Board annually sets each energy utility's share of the NJCEP costs to be collected from customers and transferred to the Board as funding for those programs. For Elizabethtown, projected NJCEP costs for the period ending June 30, 2017 total \$11.149 million. In addition, the petition indicated that the Company incurred \$2.527 million of NJCEP costs during the period July 1, 2015 through June 30, 2016. When combined with certain adjustments, inclusive of a \$6.9 million lump sum refund previously provided to customers, Elizabethtown's proposed NJCEP rate of \$0.0252 per therm would recover approximately \$11.476 million from customers.

The OSMC provides for 80% of the margins generated from certain on-system non-firm sales and transportation services to be flowed-back (credited) to firm customers. The petition proposed a decrease in the OSMC credit to customers from a credit of \$0.0175 per therm to a credit of \$0.0135 per therm. The Company's total OSMC customer credit was \$3.751 million.

Based on the Company's most recent forecast, the three rate adjustments proposed in the filing will increase the Company's revenues by \$14.923 million.

After a review of the petition and discovery responses, on June 29, 2017, Elizabethtown, the New Jersey Division of Rate Counsel, and Board Staff (collectively, the Parties) executed a Stipulation of Settlement (Settlement) on the proposed WNC, CEP and OSMC rates.

Staff recommended that the Board issue an Order approving the Settlement of the Parties. In addition, Staff also recommended that the Board direct Elizabethtown to file tariff sheets consistent with its Order by September 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>

**D. Docket No. ER17010003 – In the Matter of the Federal Energy Items for 2017 – FERC Docket No. AD17-11: Technical Conference Re: State Policies and Wholesale Markets.**

**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 Technical Conference Comments with the Federal Energy Regulatory Commission (FERC), in response to a request by FERC Staff in a docket established to study State Policies and the Wholesale Markets. The comments reinforce long-standing statements of the Board and the Legislative Findings in the Electric Discount and Energy Competition Act of 1999. The comments are also consistent with the Energy Master Plan and Energy Master Plan Update.

Staff recommended that the Board ratify the 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>

**E. Docket Nos. BPU EO16010043 and OAL PUC 01505-16 – In the Matter of the Petition of Atlantic City Electric Company for a Determination Pursuant to the Provisions of N.J.S.A. 40:55D-19 that the Use of Certain Lands within the Township of Upper Pittsgrove, the Township of Pittsgrove, City of Vineland, the Township of Franklin, the Borough of Buena Vista; the Township of Hamilton; the Township of Weymouth; the City of Estell Manor; and the Township of Egg Harbor; All in the Counties of Salem, Cumberland, Gloucester and Atlantic; All in the State of New Jersey, are Reasonably Necessary for the Service, Convenience or Welfare of the Public, and that the Zoning and Land Use Ordinances of those Municipalities and Counties Shall Have No Application Thereto.**

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

**BACKGROUND AND DISCUSSION:** On June 30, 2017, the Board approved a Petition filed by Atlantic City Electric Company (Company) for the construction of the proposed Orchard-Lewis Transmission Project (Project).

The Company filed the testimony of its witness, Frank Caroselli, with the petition which indicated that the total cost estimate for the Project was \$89.2 million. However, Mr. Caroselli later testified at the evidentiary hearing that the cost of the Project increased to \$100.8 million.

On July 5, 2017, the Company notified the Secretary's Office that the June 30, 2017 Order incorrectly stated that the cost estimate for the Project was \$89.2.

Staff recommended that the Board approve the Amended Order that reflects the updated cost estimate of the upgrades.

**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>

**F. Docket Nos. OAL PUC 08235-15 and BPU EO15030383 – In the Matter of the Petitioner of Jersey Central Power and Light Company Pursuant To N.J.S.A. 40:55d-19 for a Determination that the Montville-Whippany 230kv Transmission Project is Reasonably Necessary for the Service, Convenience or Welfare of the Public.**

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

**BACKGROUND AND DISCUSSION:** On March 27, 2015, Jersey Central Power & Light (JCP&L or Company) filed a petition with the Board seeking a determination that the Montville-Whippany 230 kV Transmission project (Project) is reasonably necessary for the service, convenience or welfare of the public, and therefore the Company is entitled to relief from complying with the zoning, site plan review and other municipal land use ordinances or rules passed by municipalities along the proposed Project route under authority of Title 40, the Municipal Land Use Law.

The Board received hundreds of letters in opposition from Montville residents prior to the petition being filed. The matter was transmitted to the Office of Administrative Law (OAL) for hearing as a contested matter, and subsequently assigned to the Honorable Leland McGee, Administrative Law Judge (ALJ).

After prehearing conferences, ALJ McGee established a procedural schedule on August 21, 2015. A Public Hearing was held on December 8, 2015. Evidentiary hearings were held on May 23, 24, 25 and 26, 2016, and Post hearing briefs were filed by all parties in June 2016, and the ALJ closed the record on June 27, 2016.

On July 10, 2017, Board Staff inquired the status of the Initial Decision with Chief Administrative Law Judge Laura Sanders. On July 18, 2017, the OAL filed eight orders with the Board requesting extensions of the time to file the initial decision starting from August 11, 2016 to August 9, 2017, citing the judge's caseload, and inadvertent oversight for the reason why the Administrative Law Judge had not previously requested the extensions to issue the initial decision.

Staff recommended that the Board approve the OAL Order of extensions seeking the time requested to issue the initial decision. Staff also recommended that the Board authorize the President Mroz to sign the OAL Extension Orders, and direct Case Management to return the Orders to the Court.

Commissioner Fiordaliso stated that we have over the course of a very short period of time, granted one extension after another extension. To grant extensions after two years, is ludicrous. Progress is being delayed unnecessarily.

President Mroz asked staff to do two things: One is to confirm to us how we are tracking the dates on these matters so that we are not letting this fall through the cracks on our end. Two is to ask the OAL how they can better communicate with our staff to ensure this kind of thing does not occur on an ongoing basis.

Commissioner Solomon stated that this is frustrating. While we need to speak with OAL about this, we also should look at our own internal procedures to make sure there is not something that we could be doing to follow-up on this matter.

Commissioner Chivukula asked staff if there was light at the end of the tunnel.

Commissioner Holden stated that part of the frustration is that there's actually eight pieces of paper that the President has to sign nunc pro tunc. It's their job to make sure all those little pieces of paper are in line. That is why we need to retain more of these here at the Board.

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

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

**3. CABLE TELEVISION**

There were no items in this category.

**4. TELECOMMUNICATIONS**

There were no items in this category.

**5. WATER**

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

**A. Docket No. WO17050494 – In the Matter of the Petition of SUEZ Water New Jersey, Inc. for Approval of an Affiliate Contract to Facilitate Electricity Efficiencies.**

**BACKGROUND AND DISCUSSION:** On May 10, 2017, SUEZ Water New Jersey Inc. (Petitioner) filed a petition with the Board for approval of an intercompany contract. The Petitioner stated that the proposed affiliate contract is in the public interest, and will facilitate the Petitioner's ability to provide safe, adequate and proper utility service at just and reasonable rates.

By letter dated July 13, 2017, the New Jersey Division of Rate Counsel filed its comments, stating that it has reviewed the filing and was not opposed to the contract's approval, with the condition that Board approval be limited to the affiliate contract and not include any specific cost in rates or any other ratemaking treatment.

Staff recommended that the Board approve the affiliate contract to facilitate electricity efficiencies.

Commissioner Holden thanked President Mroz for facilitating the participation of our staff in the water committee. Further, Commissioner Holden said that this issue was covered at a Mid-Atlantic Conference of Regulatory Utilities Commissioners (MACRUC) conference. At MACRUC when SUEZ presented their portion on innovation technology, after the meeting, people from other water companies were coming up and asking how they can take part in

this program. And SUEZ is not holding the technology back as proprietary. They are willing share to see the savings in energy. And just one of the things that they demonstrated was that for every dollar of operating that they save, they are able to invest \$7 in capital expenditures.

Commissioner Chivukula stated that, in the order, it said that an appropriate subsequent proceeding, the petitioner shall have the burden of demonstrating the costs. Commissioner Chivukula asked staff how that would to be done.

**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. WR17030185 – In the Matter of the Petition of SUEZ Water Toms River, Inc. for Approval to Establish a New Resale Tariff Rate.**

**BACKGROUND AND DISCUSSION:** On March 2, 2017, SUEZ Water Toms River Inc. (Company) filed a petition with the Board seeking approval to implement an initial resale tariff rate for sales to neighboring municipalities or regulated utilities. The Company currently does not have a Resale rate for sales to other neighboring municipalities or regulated utilities.

The proposed tariffs include a proposed rate of \$3.4249.00 per 1,000 gallons. The rate of \$3.4249.00 per 1,000 gallons is the same as the current resale rate for SUEZ Water New Jersey (SWNJ), a sister utility also under Board jurisdiction.

The New Jersey Division of Rate Counsel (Rate Counsel) did not object to the proposed initial Resale tariff. However, Rate Counsel stated, in its July 13, 2017 comments, that the new resale tariff be subject to review in the Company's next base rate case. Rate Counsel requested that the Company be directed to file a cost of service study in its next rate case.

Staff recommended that the Board approve the SUEZ Water Toms River, Inc.'s initial resale tariff.

**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 No. WF17030186 – In the Matter of the Petition of SUEZ Water Princeton Meadows, Inc. for Deferred Accounting Authority for the Financial Impact of Waste Removal from Sludge Lagoons.**

**BACKGROUND AND DISCUSSION:** On March 1 2017, SUEZ Water Princeton Meadows Inc. (SUEZ, Company or Petitioner) filed a petition with the Board seeking authorization for

deferred accounting treatment for the financial impact of waste removal from sludge lagoons. The rate making treatment associated with the Board's approval of a request for deferred accounting treatment are normally deferred until the utility's next base rate case.

By letter dated July 6, 2017, the New Jersey Division of Rate Counsel (Rate Counsel) stated, that it did not object to SUEZ's request for deferred accounting authority for expenses related to the partial removal of sludge from the polishing lagoon at its wastewater treatment plant. However, Rate Counsel recommended that the amortization period for the deferral be limited to 20 years; that the deferral be capped at the Company's current \$375,000.00 estimate; and that the Board explicitly state that there can be no return on the unamortized balance.

Staff recommended that the Board approve the Company's request for deferred accounting. Staff further recommended that the Board not establish or limit the parameters of the deferral in this proceeding as Rate Counsel suggested, but all interested parties to fully vet the matter in Petitioner's next base rate proceeding.

President Mroz noted that the recommendation or the position of Rate Counsel seems to be inconsistent with what is being asked because a deferral of accounting and those issues, as pointed out, should be taken up in the rate case. President Mroz asked staff for confirmation, that from a substantive and procedural standpoint, it has consistently been the position of the Board, that this kind of substantive determination that Rate Counsel otherwise asked the Board to do now, has been taken up during that kind of rate proceeding in the future.

Commissioner Chivukula asked staff for confirmation that the work of the Company will be completed by this year, 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>

## 6. RELIABILITY & SECURITY

### A. Non-docketed Matter – In the Matter of the Discussion of Natural Gas Tabletop Exercise ...“New Jersey Pilot Light 2017“ – For Discussion Only.

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

**BACKGROUND AND DISCUSSION:** On June 13, 2017, Staff, along with representatives from the natural gas industry and other government stakeholders, conducted a discussion-based tabletop exercise involving a hypothetical disruption of natural gas supply in parts of central New Jersey.

The exercise scenario, which was modeled after a recent event involving a disruption in supply to a major regional interstate pipeline, was designed to engage decision-makers in a discussion about the potential issues arising from a major disruption in natural gas industry

and government/public sector partners.

The purpose of the discussion was to highlight some of the key findings in the report.

President Mroz noted this was something that he thought very strongly should be undertaken. First, as part of the Board's efforts to undertake measures and activities that prepare the Board and other state agencies to anticipate challenges or disruptions to our infrastructure. Further, because the Board was concerned from incidents last year when there was a disruption of one of the interstate transmission gas pipelines into New Jersey, which led to the Board calling on the gas distribution companies to provide contingency plans. Also, President Mroz thought it was very important to undertake this tabletop in order to consider the vulnerabilities and how the pipeline infrastructure interconnects, and the consequences of various events that might impact that infrastructure. Finally, President Mroz said that when we undertake these kinds of exercises and events, particularly in collaboration with the industry and with our partners, such as the Department of Homeland Security, the police, and local emergency management officials, it is instructive at a number of levels and not the least of which is just to have a relationship so that we can manage an emergency management event, such as this. So that people are familiar with each other and they have some protocols in place and they can share information and move forward with response and recovery.

Commissioner Fiordaliso asked staff for confirmation that Board required the industry to conduct table top exercises on a periodic basis after Super Storm Sandy.

Commissioner Solomon stated that at the last NARUC meeting, she chaired a panel with the Critical Infrastructure Committee that was looking at how the gas distribution companies assessed risk, and this information will be informative and instructive to them moving forward. Further, Commissioner Solomon said that she would give this report out to the members of the gas committee so that they continue to look proactively at how they assess those risks and what's done here in New Jersey.

Commissioner Chivukula asked staff if they believed that we need to also conduct an intrastate tabletop exercise. Further, Commissioner Chivukula asked staff if they were going to distribute the report on the exercise for education purposes. Finally, Commissioner Chivukula asked staff if they believed that communication among the parties was adequate.

**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>

## 7. CUSTOMER ASSISTANCE

There were no items in this category.

8. **CLEAN ENERGY**

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

**Docket No. EO12090880V – In the Matter of the Implementation of L. 2012, c. 24, N.J.S.A. 48:3-87(Q)(R) and (S) – Proceedings to Establish the Processes for Designating Certain Grid-Supply Projects as Connected to the Distribution System; and**

**Docket No. QO16020130 – In the Matter of the Implementation of N.J.S.A. 48:3-8(R), Designating Grid-Supply Projects as Connected to the Distribution System – Order Implementing Certain Provisions of N.J.A.C. 14:8-2.4(G) for Energy Year 2018.**

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

**BACKGROUND AND DISCUSSION:** On February 22, 2017, the Board issued an Order (February Order) modifying the May 25 Order by approving an extended and amended administrative process to implement Subsection r until such time as the first application window opened. The February Order instructed all entities that were considering filing an application in the coming energy year to file an Expressions of Interest (EOI), using the EOI form to be posted on the New Jersey Clean energy Program (NJCEP) webpage, by April 1, 2017. Applicants who had submitted an EOI during the summer of 2016 pursuant to the May 25 Order were not required to resubmit an EOI unless the earlier EOI had been rejected; did not contain a PJM interconnection queue number; or was no longer accurate because of changes to the project. In addition, the Board ordered that a public stakeholder process be initiated as soon as practicable to request comments on the optimal number of megawatts that the Board should not exceed for grid supply projects in Energy Year (EY)18. Finally, the Board stated that it would approve a specific number of megawatts as the upper limit which it might approve for designation as "connected to the distribution system" in EY18.

On February 22, 2017, the Board also approved Adoption of the Rule Proposal. At that time, the Rules were anticipated to take effect in late March 2017 upon publication in the New Jersey Register. However, the publication did not actually occur until April 17, 2017, and the Rules only became effective on that date. The relative lateness of the effective date of the Rule adoption in relation to the annual cycle of milestones in the Subsection r application process motivated the Board to modify the February Order and to waive certain provisions of the Rules for EY18, as further described below.

Subsection r mandates that the Board evaluate all proposed projects for which applications are submitted on or after June 1, 2016 according to the four criteria quoted above. Since the Rules took effect without sufficient time to implement the necessary provisions prior to the opening of an application window, the Board's April 21 Order modified the administrative process to implement Subsection r approved in the February Order.

To allow adequate time to consider public stakeholder input on the maximum amount of capacity to make available pursuant to Subsection r for EY18 and to best achieve a fair and efficient process for addressing potential grid supply applicants that have submitted Expressions of Interest, the Board:

1. Deferred the opening of the first application window from June 1, 2017 to September 1, 2017;
2. Directed Staff to initiate a public process to accept comment on the capacity that the Board make available for designation as "connected to the distribution system" in EY18; and
3. Announced its intention to establish a capacity cap following the close of the comment submittal period, and no less than 30 days prior to opening the first application window for EY18 on September 1, 2017.

June 15, 2017, Staff issued a Request for Comments on Subsection r with a deadline for submission by close of business on June 29, 2017. The Request for Comments was distributed via the RE Stakeholder email distribution list and posted to the NJCleanenergy.com website. Staff sought public input on three questions: 1. the total maximum amount of aggregate capacity the Board should make available via Subsection r in EY18; 2. an individual system size limit, if the Board makes capacity available in EY18; and 3. other application or additional information requirements to address criteria such as land use impacts and EDC interconnection impacts.

Nine entities submitted comments in response to Staff's Request current state of the SREC market and potential for adverse impacts from an approval of any Subsection r capacity Six respondents addressed Staff's question on an individual system size cap even though the majority of respondents advised that no Subsection r capacity should be made available. Five entities opposed a limit on individual system size

The wide variation in recommendations from commenters demonstrates the lack of consensus among market participants on what additional capacity the market can tolerate. Five comments recommended 0 MWs of capacity; two comments recommended 100 MWs or more; and one commenter recommended no limit on the capacity available for designation. These positions cannot be easily reconciled.

Based on the comments received. Staff recommended that the Board:

1. Defer the opening of the first application window from September 1, 2017 to December 1, 2017.
2. Direct Staff to conduct analysis concerning the market potential for new solar capacity.
3. Announce a specific number of megawatts as the upper limit which the Board may approve for designation as "connected to the distribution system" in EY 18, after the market research has been completed and no less than 30 days prior to opening the first application window for EY18 on December 1, 2017.
4. Direct Staff not to accept applications prior to December 1, 2017. Following that date, Staff may accept applications according to the schedule set forth in the Rules. This process would supersede the procedure set forth in the April 21, 2017 Order.

Staff further recommended that the Board waive certain provisions of N.J.A.C. 14:8-2.4(g)(1)-(5) to implement this schedule. N.J.A.C. 14:8-2.4(g)(1) provides the application criteria and states that applications must be filed according to the periods specified in



N.J.A.C. 14:8-2.4(9)(4). Staff recommended modification to the filing period set forth in N.J.A.C. 2.4(g)(4).

President Mroz noted that the solar market is one that this Board has both the responsibility and ability, but the, obligation really, to manage, despite what people might otherwise say. Further, President Mroz said it is our responsibility to ensure the stability of the market, particularly the SREC pricing. It's a struggle that we have to undertake. And in order to meet that challenge and struggle, we need to have the right information. And part of it is we've been advised and have been provided information from staff and the consultants about the anticipated level of development in the marketplace, but we also need to particularly consider the financial analysis of the implications of solar deployment as it's coming on line, and we don't have that at our disposal at the moment. We need to have that to ensure an informed decision. The President said that his particular concern is that the large projects could otherwise, if it's not an informed decision, destabilize this marketplace.

Commissioner Fiordaliso stated that it's necessary to get all of the information that we possibly can get in order to make the right decisions. Further, Commissioner Fiordaliso said that New Jersey gave birth to an industry, and we have an obligation to ensure that this industry succeeds. It is vital that we ensure that the information we have is information that we can count on and will help us make an intelligent decision.

Commissioner Holden stated that she underscored what Commissioner Fiordaliso has said about establishing and maintaining the stability in this market. Further, Commissioner Holden said that a hasty decision could cause tremendous swings and that's not what we want.

**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. QO16080781 – In the Matter of the New Jersey Renewable Portfolio Standard (NJ RPS) – Request for Board Action Extending NJ RPS Compliance Deadline for Energy Year 2017.**

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

**BACKGROUND AND DISCUSSION:** On May 9, 2017, the Electric Distribution Companies (EDCs) on behalf of their Basic Generation Service providers (BGS providers), requested a one-month extension of the deadline for submitting annual compliance reports (Annual Reports) demonstrating compliance with New Jersey's Renewable Portfolio Standard (RPS). The EDCs based their request primarily on the difficulty they have facilitating compliance reporting on behalf of the BGS Providers, namely retiring Solar Renewable Energy Certificates and Renewable Energy Certificates (SRECs) at the end of the true-up period.

On June 2, 2017, the Retail Energy Supply Association (RESA) on behalf of the state's Third Party Electric Suppliers (TPSs) requested a one-month extension of the deadline providing similar rationale as the EDCs.

On June 16, 2017, Staff held an open public meeting attended by representatives of Generation Attribute Tracking System, RESA, and New Jersey Department of Environmental Protection Agenda to discuss improvements to the Energy Year (EY)17 compliance reporting process. Rockland Electric Company claimed to have not received the meeting announcement even though the notice was circulated by GATS and posted to the NJCEP website.

Staff recommended that the Board deny the petitions of the EDCs and RESA for an extension of the RPS Compliance Reporting deadline for EY17. Staff also recommended that the Board approve for the EY17 compliance process the retail sales adjustment procedure similar to that approved for EY16 as outlined below. Finally, Staff recommended that the Board direct Staff, the EDCs, and the TPS/BGS Providers, to continue to work together to refine the compliance reporting processes.

Commissioner Fiordaliso stated that certainty, or as much certainty that we can give only enhances and strengthens the market, and it's incumbent upon us to provide it, if it is possible. Further, Commissioner Fiordaliso said that extensions should not become a way of life, but should be made for extenuating circumstances, and then we should review those circumstances.

Commissioner Solomon said that we have this responsibility to properly and equitably manage this market, and if we continue to allow this extension, you may see many problems arise. The fact that we've taken the steps to work with the industry to come up with a procedure that works well for everyone is important and a failure to comply with these procedures will be looked at by the Board and have some consequence. Further, Commissioner Solomon urged the suppliers at this point to recognize that the Board is serious about its obligation to get that information so that we can do our duty with regard to the market. And with respect to whether it be the caps for the RPS, for those within the legislature to at least take a look at what we're doing here at the Board and recognize that there's a degree of expertise, and hopefully consult with us. Because any time there is a change to the SREC market or the RPS, there is a cascading effect.

Commissioner Chivukula asked staff what has changed from the last energy year to this year that prompted them to ask for the extension.

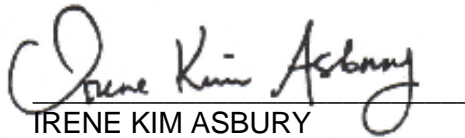
**DECISION:** The Board adopted the recommendation of Staff as set forth above.

<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**

There were no items in this category.

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

  
IRENE KIM ASBURY  
BOARD SECRETARY

DATE: August 23, 2017