

# STATE OF NEW JERSEY Board of Public Utilities 44 South Clinton Avenue, 9<sup>th</sup> Floor Post Office Box 350 Trenton, New Jersey 08625-0350 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 September 23, 2020, via Teleconference: 646 558 8656 Webinar ID: 997 0543 8424 or watch online @ <a href="https://youtu.be/GYx511aEN8g">https://youtu.be/GYx511aEN8g</a>

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:

Joseph L. Fiordaliso, President Mary-Anna Holden, Commissioner Dianne Solomon, Commissioner Upendra J. Chivukula, Commissioner Robert M. Gordon, Commissioner

President Fiordaliso presided at the meeting and Aida Camacho-Welch, Secretary of the Board, carried out the duties of the Secretary.

It was announced that the next regular Board Meeting would be held on October 14, 2020 at 10:00 a.m. via teleconference. In addition, it was also announced that there will be a Board Meeting on October 2, 2020.

### **CONSENT AGENDA**

# I. AUDITS

# A. Energy Agent Initial Registration

EE20070499L Tenaska Power Management, LLC I – EA

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

EE20010075L AUI Associates, Inc. R - EA/PA

GE20010076L

**Electric Power Supplier Initial License** 

EE19101420L Mega Energy of New Jersey, LLC I – ESL

**BACKGROUND:** The Board must register all energy agents, private aggregators, and consultants, and the Board must license all third party electric power suppliers and natural gas suppliers. On May 10, 2019, P.L. 2019, c. 100-101 was signed into law providing that third party electric power and natural gas supplier licenses issued by the Board may be renewed without expiring if certain conditions are met. An electric power supplier and/or natural gas supplier license shall not expire so long as the licensee pays to the Board a license renewal fee accompanied by an annual information update on a form prescribed by the Board. The renewal fee and annual information update form must be submitted within 30 days prior to the anniversary date of the last approved licensing application. P.L. 2019, c. 100-101 became operative 60 days following the date of enactment. As such, any third party suppliers with a license expiring prior to July 9, 2019 were still required to submit the previous renewal application form. Any third party supplier renewal application that was filed prior to July 9, 2019 has been, and will continue to, be processed by Board Staff for approval or denial in accordance with N.J.A.C. 14:4-5.7.

The anniversary date for companies with a pending application will be the date that the renewal application receives Board approval. 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 and natural gas suppliers, as well as energy agents, private aggregators, and energy consultants, are required to renew timely their licenses and registrations in order to continue to do business in New Jersey.

Staff recommended that the following applicant be issued initial registration as an energy agent for one year:

o Tenaska Power Management, LLC

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

o AUI Associates, Inc.

Staff recommended that the following applicant be issued initial license as an electric power supplier for one year:

o Mega Energy of New Jersey, LLC

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

B. Docket No. TE20070483 – In the Matter of the Verified Petition of NGA 911, LLC for Authorization to Provide Local Exchange and Interexchange Telecommunications Services in the State of New Jersey.

**BACKGROUND:** By letter dated July 8, 2020, NGA 911, LLC (Petitioner or NGA 911) filed a petition with the Board requesting authority to provide local exchange and interexchange telecommunications services throughout the State of New Jersey. NGA 911 is a privately held Limited Liability Company organized under the laws of the State of California. The Petitioner is majority owned by NGA 911, Inc. a California Corporation.

The Petitioner sought statewide authority to provide facilities-based and resold local exchange and interexchange telecommunications services in order to provide emergency call routing, transport, and related functionalities to state and municipal governmental agencies to support Public Service Answering Point (PSAP) operations in New Jersey. The Petitioner sought to comply with the State of New Jersey's regulatory requirements so its advanced technology can be applied and offered to modernize the state's 9- 1-1 system with the anticipated impact of improving the operations, function and downtime of 9- 1-1 in the State at a manageable cost.

The Petitioner does not have facilities in New Jersey or any current or specific plans for the construction of facilities within New Jersey. However, Petitioner sought authority to construct facilities and intends to deploy telecommunications equipment that it will own in New Jersey in the event doing so becomes necessary to fulfill NGA 911's public safety obligations to its customers.

The Petitioner requested a waiver of N.J.S.A. 48:3-7.8, which requires that books and records be kept within the State of New Jersey. For administrative efficiencies, the Petitioner requests permission to keep all financial books, records, documents and other writings incident to the conduct of the Petitioner's business in the State of New Jersey at the Petitioner's corporate offices located in Beverly Hills, California.

By letter dated September 2, 2020, the New Jersey Division of Rate Counsel (Rate Counsel) submitted comments to the Board stating that, based on its review, the Rate Counsel was satisfied that the petition meets the regulatory requirements and is consistent with the public interest, convenience, and necessity. The Rate Counsel did not object to granting the waiver requests in connection with record-keeping by the Petitioner, nor does Rate Counsel oppose the Petitioner's request to treat its financial statement and competitive exchange carrier questionnaire as confidential and placed under seal.

After review, Staff recommended that the Board authorize the Petitioner to provide local exchange and interexchange telecommunications services throughout the State of New Jersey. Staff's recommendation does not pertain to Non- competitive local exchange carrier Services. Staff also recommended that the Board approve the request for waiver

from its requirements that the Petitioner maintain its financial books and records within New Jersey. Staff also recommended that NGA 911 provide notice to the Board of its website link or file tariffs which contain information regarding the rates and general terms and conditions of its services within five days from the effective date of the Board Order.

To ensure service quality, Staff further recommended that the Petitioner notify the Board within 10 days from the date it begins service to New Jersey customers. If in the future, NGA 911 plans to provide switched voice or dial tone local exchange and interexchange telecommunications services and E-9-1-1 services to residential and business customers, Staff recommended that the Board order NGA 911 to provide the Board notice of its website link or file initial tariffs which contain the rates and general terms and conditions prior to commencing these services to end-users.

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

C. Docket No. TE20070481 – In the Matter of the Petition of 11:11 Systems, Inc. for an Order of Approval to Provide Competitive Local Exchange and Intrastate Interexchange Telecommunications Services throughout the State of New Jersey.

**BACKGROUND:** By letter dated July 10, 2020, 11:11 Systems, Inc. filed a petition with the Board requesting authority to provide competitive facilities-based and non-facilities based local exchange and intrastate interexchange telecommunications services to commercial subscribers throughout the State of New Jersey, as well as waiver of requirements that Petitioner maintain its financial books and records in accordance with the Uniform System of Accounts (USOA).

The Petitioner's services will be available to subscribers 24 hours per day, 7 days per week, at rates, terms and conditions established pursuant to contract on an individual case basis. The Petitioner's service guide of providing its services will be posted on its website at www.1111systems.com upon approval of its petition. The Petitioner maintains a toll-free number for customer service inquiries.

The Petitioner sought authority to provide facilities-based and non-facilities-based competitive local exchange, and intrastate inter Local Access Transport Area (LATA) and intra-LATA interexchange telecommunications services offered to commercial subscribers in conjunction with interstate services within the State of New Jersey. Though the Petitioner initially plans to provide service solely on a resale (non-facilities based) basis, the Petitioner also sought authority to provide facilities-based services in the event it later seeks to own or construct its own facilities. The Petitioner's planned service offerings will include fiber-based ring and point-to-point dedicated private line transport services and alternative broadband solutions. All services will be offered only to commercial subscribers such as wholesale carriers and enterprise customers who require high speed, large capacity and secure broadband telecommunication services. The Petitioner plans to have a fully operational fiber optic network system deployed between various colocation and enterprise facilities by 4th quarter of calendar year 2020.

The Petitioner requested a waiver of N.J.A.C. 14:1-4.3, which requires that books and records be maintained in accordance with the USOA. For administrative efficiencies, the Petitioner requested permission to maintain its books and records in accordance with Generally Accepted Accounting Principles.

By letter dated August 19, 2020, the New Jersey Division of Rate Counsel (Rate Counsel) submitted comments to the Board stating that, based on its review, the Rate Counsel was satisfied that the verified petition meets the regulatory requirements and is consistent with the public interest, convenience, and necessity. Rate Counsel did not object to granting the waiver requests in connection with maintaining financial books and records in accordance with USOA, nor does the Rate Counsel oppose the Petitioner's request to treat its financial statement as confidential and placed under seal.

After review, Staff recommended that the Board grant the Petitioner authority to provide competitive local exchange and intrastate interexchange telecommunications services throughout the State of New Jersey. Staff's recommendation does not pertain to NonCLEC Services. Staff also recommended that the Board approve the request for waivers from its requirements that the Petitioner maintain its financial books and records in accordance with the USOA.

In addition, Staff recommended that 11:11 Systems provide notice to the Board of its website link or file tariffs which contain information regarding the rates and general terms and conditions of its services within five days from the effective date of the Board Order. To ensure service quality, Staff recommended that the Petitioner notify the Board within 10 days from the date it begins service to New Jersey customers. If in the future, 11:11 Systems plans to provide switched voice or dial tone local exchange and interexchange telecommunications services and E-9-1-1 services to residential and business customers, Staff recommended that the Board order the Petitioner to provide the Board notice of its website link or file its publicly available service guide which contains the rates and general terms and conditions prior to commencing these services to end-users.

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

# II. ENERGY

There were no items in this category.

### III. CABLE TELEVISION

There were no items in this category.

# IV. TELECOMMUNICATIONS

There were no items in this category.

#### V. WATER

There were no items in this category.

# VI. RELIABILITY AND SECURITY

There were no items in this category.

# VII. CUSTOMER ASSISTANCE

There were no items in this category.

# VIII. CLEAN ENERGY

There were no items in this category.

# IX. MISCELLANEOUS

# A. Approval of Minutes for the July 29, 2020 Agenda Meeting.

**BACKGROUND:** Staff presented the minutes of the Regular Board Agenda meeting of July 29, 2020 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.

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

# **AGENDA**

# 1. AUDITS

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

A. Docket No. EO20090567 – In the Matter of the Alleged Failure of Acclaim Energy, LTD. to Comply with Certain Provisions of N.J.S.A. 48:3-49 et seq., and the New Jersey Administrative Code, N.J.A.C. 14:4-1.1 et seq.

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

EE19091214L Acclaim Energy, LTD. EA/PA/EC GE19091215L

**BACKGROUND AND DISCUSSION:** This matter involved potential violations under the Electric Discount and Energy Competition Act, and N.J.A.C. 14:4-1.1 et seq. (the Regulations) by Acclaim Energy, Ltd. (Acclaim Energy), which has been operating as an energy agent, private aggregator and energy consultant to provide services to commercial and industrial customers in New Jersey.

As a result of correspondence and telephone conversations between Staff and Acclaim Energy, Acclaim Energy submitted an Offer of Settlement (Offer) regarding its alleged violations. In the Offer of Settlement, Acclaim Energy made a monetary offer in the amount of \$1,150.00 in order to resolve all issues concerning the violations alleged by Staff.

Staff recommended that the Board accept the Petitioner's Offer as it represents a reasonable settlement of potential violations.

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

Roll Call Vote: President Fiordaliso Aye

Commissioner Holden Aye
Commissioner Solomon Aye
Commissioner Chivukula Aye
Commissioner Gordon Aye

Staff also recommended that the Board approve the initial application filed by Acclaim Energy.

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

Roll Call Vote: President Fiordaliso Aye

Commissioner Holden Aye
Commissioner Solomon Aye
Commissioner Chivukula Aye
Commissioner Gordon Aye

B. Docket No. EO20090566 – In the Matter of the Alleged Failure of Inertia Energy Advisors, LLC to Comply with Certain Provisions of N.J.S.A. 48:3-49 et seq., and the New Jersey Administrative Code, N.J.A.C. 14:4-1.1 et seq.

# **Energy Agent Initial Registration**

EE19101402L Inertia Energy Advisors, LLC EA

**BACKGROUND AND DISCUSSION:** This matter involved potential violations under the Electric Discount and Energy Competition Act, and N.J.A.C. 14:4-1.1 et seq. (the Regulations) by Inertia Energy Advisors, LLC (IEA), which has been operating as an energy agent and energy consultant to provide services to commercial and industrial customers in New Jersey.

As a result of correspondence and telephone conversations between Staff and IEA, IEA submitted an Offer of Settlement (Offer) regarding its alleged violations. In the Offer of Settlement, IEA made a monetary offer in the amount of \$1,750.00 in order to resolve all issues concerning the violations.

Staff recommended that the Board accept the Petitioner's Offer as it represents a reasonable settlement of potential violations.

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

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

Staff also recommended that the Board approve the initial application filed by Inertia Energy Advisors, LLC.

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

C. Docket No. EA20090568 – In the Matter of an Audit of the Affiliated Transactions between Public Service Electric and Gas Company, Public Service Enterprise Group and its Affiliates and a Comprehensive Management Audit of Public Service Electric and Gas Company Pursuant to N.J.S.A. 48:2-16.4, 48:3-49, 48:3-55, 48:3-56, 48:3-58 and N.J.A.C. 14:3-12.1–12.4, 14:4-3.7(e) and (f).

**BACKGROUND AND DISCUSSION:** This matter involved Staff requesting the Board authorization to initiate an audit of affiliated transactions between Public Service Electric and Gas Company (PSE&G or Company), a wholly owned subsidiary of Public Service Enterprise Group (PSEG). Staff drafted a Request for Proposal (RFP) which includes a phase I and II of the audit.

The phase I will examine affiliate transactions between PSE&G and its affiliates, as well as the cost allocations between PSE&G, PSEG, and the affiliates to ensure that gas and electric distribution company is not being allocated an unfair share of the costs.

In addition, this part of the audit will also consider PSE&G's compliance with our rules regarding affiliate and fair competition. Phase I will also include impacts on PSE&G's ratepayers from affiliate positions in the energy, transmission, and capacity markets and planning decisions with respect to the distribution, delivery, and transmission systems. Phase I will review and evaluate the arrangement over the past ten years between ER&T, PSE&G, and its impact on PSE&G. It will also examine the impacts on PSE&G and its service in New Jersey with regard to resource allocations to Long Island operations.

Phase II will be a comprehensive management audit, which does a very thorough review of the management and operations of the Company. It will examine all the major functional areas of PSE&G's operations, including such things as executive management, corporate governance, organizational structure, human resource department and functions, strategic planning, systems operations, customer service, external relations, and cyber security, just to name a few major areas that will be looked at.

Phase II will also examine compliance with Linda's Law and customer service procedures, response times and performance with matters involving the safety and welfare of its customers. This is all outlined in the RFP with specificity in the scope of work.

Staff recommended that the Board authorize Audit Staff to release the RFP to the pool of seven already-qualified management consultants to solicit bids to perform the scope of work and to commence this audit.

Roll Call Vote:	President Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye
	Commissioner Gordon	Ave

D. Docket No. AX19091003 – In the Matter of the Board's Review of the Energy Competition Licensing and Registration Rules At N.J.A.C. 14:4-5 et seq.

This matter was deferred.

#### 2. ENERGY

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

A. Docket No. ER20050336 – In the Matter of the Petition of Atlantic City Electric Company for Approval of Electric Base Rate Adjustments Pursuant to its Infrastructure Investment Program (5/2020).

**BACKGROUND AND DISCUSSION:** This matter involved the Board considering Atlantic City Electric Company's (ACE or Company) Infrastructure Investment Program rate roll in.

On May 1, 2020, ACE filed a petition with the Board seeking approval of cost recovery associated with the Company's Infrastructure Investment Program (Program) through June 30, 2020 (May 2020 Petition).

The Company sought approval to recover a revenue requirement of \$3.4 million related to IIP through June 30, 2020. The May 2020 Petition was based upon actual costs through March 31, 2020 of \$17,859,558.00, and projected program expenditures from April 1, 2020 to June 30, 2020 of \$7,788,000.00.

On July 21, 2020, the Company updated the May 2020 Petition to include actual Program expenditures through June 30, 2020. The update reflected an increase in the proposed revenue requirement to \$3.7 million.

Following a review of the May 2020 Petition, the Update of July 21, 2020, and discovery responses, ACE, the New Jersey Division of Rate Counsel, and Board Staff (the Parties) executed a Stipulation of Settlement (Stipulation) that would allow the Company to recover an electric revenue requirement of \$3.7 million.

Staff recommended that the Board issue an Order adopting the Stipulation of the Parties. In addition, Staff recommended that the Board direct ACE to file tariff sheets consistent with its Order by October 1, 2020.

Roll Call Vote:	President Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye
	Commissioner Gordon	Ave

B. Docket No. ER20050337 – In the Matter of the Petition of Atlantic City Electric Company for Approval of Electric Base Rate Adjustments Pursuant to the PowerAhead Program (5/2020).

**BACKGROUND AND DISCUSSION:** This matter involved the Board considering Atlantic City Electric Company's (ACE or Company) PowerAhead rate roll in.

On May 1, 2020, ACE filed a petition with the Board seeking review and approval of the capital investments related to the Company's PowerAhead Program (PowerAhead) that were placed in service from January 1, 2020 through June 30, 2020 (May 2020 Petition). In the May 2020 Petition, ACE sought to recover a revenue requirement of \$1,129,638.00 associated with \$8,929,974.00 of plant-in service investments. The May 2020 Petition included actual data through March 31, 2020, and projected information for the period April 1, 2020 through June 30, 2020.

On July 16, 2020, ACE updated its filing with actual data through June 30, 2020 (July 2020 Update). In the July 2020 Update, the Company updated its revenue requirement to \$1,046,473.00 which would recover \$8,782,857.00 of plant-in service investments incurred from January 1, 2020 through June 30, 2020.

The Company, Board Staff and the New Jersey Division of Rate Counsel (collectively, Parties) executed a Stipulation of Settlement (Stipulation) that would allow the Company to recover a revenue requirement of \$1,046,473.00 related to the PowerAhead Program as of October 1, 2020.

Staff recommended that the Board issue an Order approving the Stipulation of the Parties. Staff further recommended that the Board direct ACE to file tariffs consistent with the Board's Order by October 1, 2020.

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

Roll Call Vote:	President Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye
	Commissioner Gordon	Ave

C. Docket No. GR20070501 – In the Matter of the Petition of Elizabethtown Gas Company to (1) Revise its Weather Normalization Clause Rate; (2) Revise the Clean Energy Program Component of its Societal Benefits Charge Rate; and (3) Revise its On-System Margin Sharing Credit.

**BACKGROUND AND DISCUSSION:** This matter involved the Board considering Elizabethtown Gas Company's (Elizabethtown or Company) Weather Normalization Clause; Clean Energy Program and its On-System Margin Sharing Credit rate adjustments.

On July 31, 2020, Elizabethtown filed a petition with the Board seeking approval to modify its rates relating to the review and true up of its: (1) Weather Normalization Charge (WNC),

(2) the New Jersey Clean Energy Program (NJCEP) component of its Societal Benefits Charge, and (3) its On-System Margin Sharing Credit (OSMC) (July 2020 Petition).

With respect to the WNC, the Company proposed to increase its current rate from \$0.0000 per therm (or \$0.0051 per therm that was effective April 1, 2020 through May 31, 2020) to a rate of \$0.0171 per therm inclusive of all applicable taxes effective October 1, 2020. The current period margin revenue deficiency of \$5,739,573.00 netted against the prior year excess balance of \$204,994.00, results in \$5,534,579.00 being recovered from customers.

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. The Company proposed to modify its current NJCEP rate from \$0.0213 per therm to \$0.0280 per therm. The rate was designed to recover prior period costs, net costs incurred to provide Board-approved NJCEP programs for the period ending June 30, 2020 and projected costs for the period ending June 30, 2021, which total \$13,247,917.00. The Company's allocated funding for the Fiscal Year 2020 NJCEP level is \$11,533,947.00.

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 Company proposed to increase the OSMC credit rate of \$0.0015 per therm to a credit rate of \$0.0020 per therm effective October 1, 2020. The Company's total OSMC balance is \$603,923.00 which will be credited to customers.

After an initial review of the July 2020 Petition, Elizabethtown, the New Jersey Division of Rate Counsel, and Board Staff (collectively, the Parties) executed a Stipulation of Settlement (Stipulation) Regarding Provisional WNC, NJCEP and OSMC Rates.

Staff recommended that the Board issue an Order approving the Stipulation of the Parties. Staff also recommended that the Board direct Elizabethtown to file revised tariff sheets by October 1, 2020.

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

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

D. Docket No. GR20050327 – In the Matter of the Petition of Elizabethtown Gas Company for Approval of a Rate Adjustment Pursuant to the Infrastructure Investment Program.

**BACKGROUND AND DISCUSSION:** This matter involved the Board considering Elizabethtown Gas Company's (Elizabethtown or Company) Infrastructure Investment Program rate adjustment.

On April 30, 2020, Elizabethtown filed a petition with Board seeking approval for a rate adjustment related to the Company's Infrastructure Investment Program (IIP) (April 2020 Petition). In the April 2020 Petition, the Company sought authorization to recover \$6.48 million in revenue requirements associated with IIP investments made during the period July 1, 2019 through June 30, 2020, but not yet placed in rates. The IIP investments included projects approximately \$60 million in projects anticipated to be placed in service, excluding Allowance for Funds Used During Construction and costs related to the independent monitor and methane survey leak. The April 2020 Petition included actual data through March 31, 2020 and projected data through June 30, 2020.

On July 15, 2020, Elizabethtown updated the April 2020 Petition to include actual IIP expenditures through June 30, 2020. The update reflected an increase in the proposed revenue requirement from \$6.48 million to \$6.83 million and actual investments of \$62.84 million.

The Company, Board Staff, and the New Jersey Division of Rate Counsel (collectively, the Parties) executed a Stipulation of Settlement (Stipulation) that would allow the Company to recover revenue requirements of \$6.83 million related to IIP expenditures as of June 30, 2020.

Staff recommended that the Board issue an Order approving the Stipulation of the Parties. Staff also recommended that the Board direct Elizabethtown to file tariffs consistent with the Board's Order by October 1, 2020.

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

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

E. Docket No. GR20010073 – In the Matter of the Petition of Public Service Electric and Gas Company to Modify its Manufactured Gas Plant Remediation Component Within its Electric Societal Benefits Charge and its Gas SBC; During the Remediation Adjustment Charge 27 Period, August 1, 2018, to July 31, 2019.

**BACKGROUND AND DISCUSSION:** This matter involved Board considering Public Service Electric and Gas Company's (PSE&G or Company) Remediation Adjustment Clause Rates.

On January 24, 2020, PSE&G filed a Petition with the Board seeking review and approval of the Company's Manufactured Gas Plant Remediation Adjustment Clause (RAC) activities and net Manufactured Gas Plant (MGP) costs incurred between August 1, 2018 and July 31, 2019 (RAC 27 Period).

In the petition, PSE&G requested approval of net RAC 27 Period expenditures of \$53,094,590.00. As a result of the allocation of MGP cost between electric and gas customers, the expenditures totaled \$21,231,163.00 for electric customers and

\$31,846,744 million for gas customers for the RAC 27 Period. The expenditures also include a deferred Natural Resource Damage expense of \$16,683.00.

Based on the information in the petition, the annual revenues collected from electric customers would be increased by \$2.934 million and the annual revenue collected from gas customers would be decreased by \$2.357 million.

Subsequently, in response to discovery, PSE&G provided updated schedules to correct a calculation error. As a result of the update, PSE&G requested approval of net RAC 27 Period expenditures of \$53,061,223.00.

The Company, the New Jersey Division of Rate Counsel and Board Staff executed a Stipulation of Settlement (Stipulation) that would allow PSE&G to implement its proposed RAC rates.

Staff recommended that the Board issue an Order approving the Stipulation of the Parties. Staff also recommended that the Board direct PSE&G to file revised tariff sheets consistent with the Board's Order by October 1, 2020.

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

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

F. Docket No. GR20060379 – In the Matter of Public Service Electric and Gas Company's 2020/2021 Annual BGSS Commodity Charge Filing for its Residential Gas Customers Under its Periodic Pricing Mechanism and for Changes in its Balancing Charge.

**BACKGROUND AND DISCUSSION:** This matter involved Board considering Public Service Electric and Gas Company's (PSE&G or Company) 2020 Basic Gas Supply Service and Balancing Charge rates.

On June 1, 2020, PSE&G filed a petition with the Board requesting authority to maintain the Company's Basic Gas Supply Service (BGSS) Residential Gas Service (BGSS-RSG) rate of \$0.320127 per therm effective October 1, 2020 (2020 BGSS Petition). In the 2020 BGSS Petition the Company also sought authority to decrease its Balancing Charge from \$0.098620 per therm to \$0.085723 per therm. As a result of the requests in the 2020 BGSS Petition, the Company's BGSS revenues would remain the same.

Subsequent to the 2020 BGSS Petition, on July 15, 2020 the Company made a compliance filing in response to the Board's Order in Docket No. GR19120002 (In the Matter of the Petition of Public Service Electric and Gas Company for Approval the Next Phase of the Gas System Modernization Program and Associated Cost Recovery). Accordingly, in the 2020 BGSS Petition, the BGSS-RSG Commodity Charge was decreased from \$0.320127 per them to \$0.320069 per therm effective July 16, 2020.

The Company, the New Jersey Division of Rate Counsel, and Board Staff (collectively, Parties) determined that, while additional time is needed to complete a review of the Company's 2020 BGSS Petition, it is reasonable and in the public interest for the proposed rate reduction be provisionally approved. Subsequently, the Parties executed a Stipulation of Settlement (Stipulation) which would allow PSE&G to implement its proposed BGSS-RSG Commodity Charge and Balancing Charge, on a provisional basis, subject to refund.

Staff recommended that the Board issue an Order accepting the Stipulation of the Parites, which sought to implement provisional changes in the Company's BGSS-RSG and Balancing Charge rates subject to refund to be effective as of October 1, 2020. In addition, Staff also recommended that the Board order PSE&G to file tariffs consistent with the Order by October 1, 2020. Staff also recommended that the Board direct that this matter be transmitted to the Office of Administrative Law for hearing.

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

Roll Call Vote:	President Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye
	Commissioner Gordon	Ave

G. Docket No. GR20060470 – In the Matter of the Petition of Public Service Electric and Gas Company to Revise its Weather Normalization Charge for the 2020-2021 Annual Period.

**BACKGROUND AND DISCUSSION:** On June 29, 2020, Public Service Electric and Gas Company's (PSE&G or Company) filed a petition with the Board seeking approval to adjust its Weather Normalization Charge (WNC) rate.

In the 2020 WNC Petition, PSE&G sought approval to recover \$33,742,007.00 from customers over the 2020-2021 Winter Period through its WNC. The base level of normal degree days is defined in PSE&G's WNC Tariff for each month in the 2020-2021 Winter Period. Any excess or deficiency is to be credited or recovered in the following year during the Winter Period through the WNC.

According to the 2020 WNC Petition, the Heating Degrees Days for the 2019-2020 Winter Period were 246.10 days less than the normal heating degree days resulting in a margin deficiency of \$33,939,806.00. Based on customer usage in the 2019-2020 Winter Period, PSE&G refunded \$8,004,196.00. As a result, the remaining \$197,799.00 was applied to offset some of the margin deficiency in this year's filing.

In accordance with the WNC Tariff, the Company represented that it trued-up the Degree Day Consumption Factors utilized in the determination of the proposed WNC at the end of the Winter Period, and that the revised tariff sheets reflect updated Degree Day Consumption Factors for the 2020-2021 Winter Period.

The Company proposed a WNC rate of \$0.020587 per balancing therm that would be applicable to Residential Service Gas, General Service Gas, and Large Volume Gas customers.

After an initial review of the 2020 WNC Petition, the Company, the New Jersey Division of Rate Counsel, and Board Staff (collectively, the Parties) determined that, while additional time is needed to complete a comprehensive review, it is reasonable and in the public interest to implement a revised WNC rate. Subsequently, the Parties executed Stipulation of Settlement (Stipulation) which would allow PSE&G to implement a revised WNC rate, on a provisional basis, subject to refund.

Staff recommended that the Board issue an Order approving the Stipulation of the Parties, which sought to implement provisional changes to the Company's WNC rates, subject to refund, to be effective as of October 1, 2020. In addition, Staff also recommended that the Board direct PSE&G to file tariffs consistent with the Order by October 1, 2020.

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

Roll Call Vote:	President Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye
	Commissioner Gordon	Ave

H. Docket No. GR20050325 – In the Matter of the Petition of South Jersey Gas Company for Approval of Base Rate Adjustments Pursuant to the Storm Hardening and Reliability Program.

BACKGROUND AND DISCUSSION: This matter involved South Jersey Gas Company (SJG or Company) filing a petition on April 30, 2020, with the Board seeking authority to establish rates to recover annualized increase in the revenue requirements associated with the extension of its Storm Hardening and Reliability Program (SHARP II) (April 2020 Petition). The April 2020 Petition sought to recover the revenue requirements related to SHARP II expenditures placed in service from July 1, 2019 through June 30, 2020 and included actual costs from July 1, 2019 through March 31, 2020, and projected data for the period April 1, 2020 through June 30, 2020.

The Company sought authority to recover SHARP II revenue requirements of approximately \$3.8 million [including Sales and Use Tax (SUT)] associated with actual and projected SHARP II investments of approximately \$34.5 million, including Allowance for Funds Used During Construction. On July 15, 2020, SJG provided an update with actual SHARP II expenditures through June 30, 2020. As reflected in the update, the revenue requirement sought by SJG was modified to approximately \$3.7 million related to \$33.5 million of SHARP II investments, including AFUDC.

The Company, Board Staff and the New Jersey Division of Rate Counsel executed a Stipulation of Settlement (Stipulation) that would allow the Company to recover the proposed updated revenue of approximately \$3.7 million (including SUT) related to the SHARP II expenditures as of June 30, 2020.

Staff recommended that the Board issue an Order approving the Stipulation of the Parties. Staff also recommended that the Board direct SJG to file tariffs consistent with the Board's Order by October 1, 2020.

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

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

I. Docket No. GR20050326 – In the Matter of the Petition of South Jersey Gas Company for Approval of Base Rate Adjustments Pursuant to the Accelerated Infrastructure Replacement Program.

BACKGROUND AND DISCUSSION: This matter involved South Jersey Gas Company (SJG or Company) filing a petition on April 30, 2020, with the Board seeking authority to establish rates to recover annualized increase in the revenue requirements associated with the extension of its Accelerated Infrastructure Replacement Program (AIRP II) to replace unprotected bare steel and cast iron mains and services. The April 2020 Petition sought to recover \$6,501,753 million, including Sales and Use Tax (SUT) related to AIRP II expenditures based upon actual costs from July 1, 2019 through March 31, 2020, and projected program expenditures from April 1, 2019 through June 30, 2020.

On July 15, 2020, SJG updated the April 2020 Petition to include actual AIRP II expenditures through June 30, 2020. As reflected in the update, the revenue requirement sought by SJG was modified from \$6,501,753.00 to \$6,402,074.00.

Subsequently, the Company, Board Staff and the New Jersey Division of Rate Counsel (collectively, the Parties) executed a stipulation of settlement (Stipulation) that allowed the Company to recover the proposed updated revenue requirement of approximately \$6.4 million (including SUT) related to the AIRP II expenditures as of June 30, 2020.

Staff recommended that the Board issue an Order approving the Stipulation of the Parties. Staff also recommended that the Board direct SJG to file tariffs consistent with the Board's Order by October 1, 2020.

Roll Call Vote:	President Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye
	Commissioner Gordon	Ave

J. Docket No. GR20060382 – In the Matter of the Petition of South Jersey Gas Company for Approval to Revise the Rider "H" Rate Associated with the Tax Cuts and Jobs Act of 2017.

**BACKGROUND AND DISCUSSION:** This matter involved South Jersey Gas Company (SJG or Company) filing a petition on June 1, 2020, with the Board seeking approval to modify its Rider H rate (June 2020 Petition). In the June 2020 Petition, SJG proposed to implement a Rider H credit rate of \$0.029906 per therm for the period October 1, 2020 through September 30, 2021. The proposed credit rate results in an increase in the Company's current credit rate (larger credit). The June 2020 Petition was based upon actual information through April 30, 2020, and projected information through September 30, 2021.

Following an initial review of June 2020 Petition and discovery, SJG, Board Staff, and the New Jersey Division of Rate Counsel (collectively, Parties) determined that additional time was needed to do a comprehensive review of the June 2020 Petition. Subsequently, the Parties executed a stipulation of settlement (Stipulation) which would allow SJG to implement its proposed Rider H credit on a provisional basis, subject to refund with interest.

Staff recommended that the Board issue an Order adopting the Stipulation of the Parties. Staff also recommended that the Board direct SJG to file tariffs consistent with the Board's Order by October 1, 2020.

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

Roll Call Vote:	President Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye
	Commissioner Gordon	Ave

K. Docket Nos. BPU GR20030243 and OAL PUC 04830-20 – In the Matter of the Petition of South Jersey Gas Company for Approval of Increased Base Tariff Rates and Charges for Gas Service, Changes to Depreciation Rates and Other Tariff Revisions.

**BACKGROUND AND DISCUSSION:** This matter involved South Jersey Gas Company (SJG or Company) filing a petition on March 13, 2020, seeking Board approval of an increase in its operating revenues of approximately \$75.3 million, or 12.2%, to be effective for gas service provided on or after April 13, 2020. The Company also sought approval to implement new depreciation rates and to make revisions to certain terms and conditions of its existing tariff. The Company requested a 10.4% return on equity.

According to the petition, the primary reason for the requested increase was the Company's need to earn an adequate return on their capital investments and projects made since the filing of the Company's prior base rate case in 2017. SJG asserted the proposed increase is essential in order to ensure that the Company can continue to attract capital at reasonable rates and invest in the infrastructure necessary to provide ongoing safe and reliable service to its customers.

The Company also sought authority to establish regulatory assets related to the following:

1) incremental costs associated with a pipeline integrity management program incurred in between rate cases;

2) increased costs for the Company's Transmission Integrity Management Program;

3) costs incurred in connection with the development of a cancelled pipeline project; and 4) the Company's Early Retirement Incentive Program offered to employees in 2018-2019.

By Order dated April 6, 2020, the Board suspended the proposed rate increase until August 13, 2020, and on July 15, 2020, the Board further suspended the implementation or rates until December 13, 2020. On April 8, 2020, this matter was transmitted to the Office of Administrative Law as a contested case and assigned to Administrative Law Judge Tricia M. Caliguire (ALJ) for consideration and hearing. Telephonic pre-hearing conferences were held by ALJ on June 10, 2020 and July 9, 2020. On August 3, 2020, a Pre-Hearing Order and Procedural Schedule were issued.

On May 15, 2020, SJG updated its petition to include nine months of actual data and three months of estimated data. As a result, the requested rate increase was modified to approximately \$75.7 million. On August 13, 2020, SJG further updated the petition, including revised schedules demonstrating the Company's actual results for the 12 month test year, reflecting a revenue requirement of approximately \$73.3 million.

Throughout the course of the proceeding, the Company, Board Staff, the New Jersey Division of Rate Counsel (Rate Counsel) as well as other parties held numerous discovery and settlement conferences. Following discussions among the parties, the Company, Board Staff, Rate Counsel, and the Calpine Corporation (Calpine) (collectively, Signatory Parties) executed a stipulation of settlement (Stipulation) resolving this matter. Public Service Electric and Gas Company submitted a letter of non-objection. Subsequently, ALJ Caliguire issued her Initial Decision in this matter approving the Stipulation.

Staff recommended that the Board adopt the Initial Decision of ALJ, and approve the Stipulation for service rendered on or after October 1, 2020. Staff also recommended that the Board direct SJG to file tariffs consistent with its order by October 1, 2020.

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

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

L. Docket No. EO20080541 – In the Matter of the Petition of Atlantic City Electric Company for Approval of the Smart Energy Network Program and Cost Recovery Mechanism and Other Related Relief.

**BACKGROUND AND DISCUSSION:** This matter involved the Board designating a presiding commissioner for Atlantic City Electric Company's (ACE or Company) petition seeking approval of an Advanced Metering Infrastructure (AMI) program.

On February 19, 2020, the Board ordered three of New Jersey's electric distribution utilities to file, or update a previously filed, petition for an AMI program by August 27, 2020. In compliance with the AMI Order, on August 26, 2020, ACE filed a petition seeking approval of an AMI program, the Smart Energy Network (SEN), including an associated cost recovery mechanism. The SEN is an integrated system of smart meters, communications facilities, and data management systems that enables two-way communication between ACE and its customer.

The Company proposed to implement the SEN throughout its service territory over a 39-month period, and install approximately 565,000 advanced meters and related infrastructure commencing January 2021 through early 2024. According to ACE, infrastructure deployment, including communications, information technology (IT) systems, and customer installations would take approximately three years to complete, with the initial meter and communications procurement phase taking place over the first 18 months. The Company also proposed not to offer an opt-out option to customers.

The Company estimated that the capital investment component of SEN would be approximately \$177.0 million, and proposed that approximately \$159.2 million be recovered through Rider IIP-SEN. ACE would also defer, as a regulatory asset, \$30.2 million of estimated incremental operations and maintenance (O&M) costs (net of O&M savings), and \$46 million in estimated net stranded costs. ACE proposed to recover the regulatory asset over a five-year period in a future base rate case, and to record a carrying charge on the unrecovered balance of the regulatory asset equal to ACE's currently authorized rate of return of 7.08%. As proposed, Rider IIP-SEN would recover costs through a separate customer charge applicable to the following customer classes: Residential, Monthly General Service Secondary and Primary, Annual General Secondary and Primary, and Transmission.

The Company further proposed to include the following categories of costs it believes are necessary to deliver the SEN to ACE customers in its capital cost recovery mechanism: smart meter and communications network equipment and infrastructure, IT infrastructure and equipment, and capitalized deployment costs.

The proposed return on net investment would be the weighted average cost of capital approved in the Company's most recent rate case. ACE proposed to begin to recover the revenue requirement associated with the AMI program in an initial filing in May 1, 2022, 21 months following commencement of the AMI program and semi-annual thereafter.

Staff recommended that the Board retain this matter for hearing at the Board, and designated Commissioner Upendra J. Chivukula as the presiding officer with authority to rule on all motions that arise during the pendency of these proceedings and modify any schedules that may be set as necessary to secure a just and expeditious determination of the issues.

Staff also recommended that any entities seeking to intervene or participate in this matter file the appropriate application with the Board by October 14, 2020. Any party wishing to file a motion for admission of counsel, pro hac vice, should do so concurrently with any motion to intervene or participate.

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

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

M. Docket No. EO20080545 – In the Matter of the Verified Petition of Jersey Central Power and Light Company for Approval of an Advanced Metering Infrastructure Program.

**BACKGROUND AND DISCUSSION:** This matter involved the Board designating a presiding commissioner for Jersey Central Power and Light Company's (JCP&L or Company) seeking approval of an Advanced Metering Infrastructure (AMI) program.

By Order dated February 19, 2020, the Board ordered three of New Jersey's electric distribution utilities to file or update a previously filed petition for an AMI program by August 27, 2020. In compliance with the AMI Order, on August 27, 2020, JCP&L filed a petition seeking approval of an AMI Program, including an associated cost recovery mechanism.

The Company proposed to install advanced meters and other AMI throughout its service territory over a three-year period commencing on January 1, 2023 and ending December 2025 (Deployment Phase). Prior to the start of the Deployment Phase, the Company proposed to commence a one-year Pre-Deployment Phase on January 1, 2022 consisting of two successive six-month periods. The first six-month period would consist of JCP&L confirming its project team, assessing market conditions and pricing, contract with key vendors, make arrangements for procurement of equipment and resources, and develop construction and deployment schedules. The second six-month period would be for the build out of necessary Information Technology infrastructure. The Deployment Phase would be followed by a two-year post-deployment period, known as the Final Engineering Phase where AMI meters will be installed for approximately 1% of customers that constitute complex metering, difficult to access locations, and communication challenged locations.

JCP&L proposed to install approximately 1.15 million advanced meters and related infrastructure throughout the Deployment Phase. During the Deployment Phase, the Company intends to integrate the AMI system with an advanced distribution management system.

JCP&L estimated that, through the first 20 years, AMI Program costs will be approximately \$733 million, with approximately \$506 million in capital investment and approximately \$227 million in operations and maintenance (O&M) costs. During the Deployment Phase, the Pre-Deployment Phase and the Final Engineering Phase, JCP&L estimates expenditures of approximately \$458 million, consisting of capital investment of approximately \$360 million and O&M costs of approximately \$98 million.

The Company proposed to recover program costs through a new rider, Rider AMI. As proposed, Rider AMI would employ a separate customer charge for residential and small

commercial customers in rate classes Residential Service, Residential Time-of-Day Service/Residential Geothermal and Heat Pump Service and General Service and for larger commercial and industrial customers in rate classes General Service Secondary Time-of-Day and General Service Primary. JCP&L also proposed that the costs recovered in Rider AMI would include return on net investment, plus depreciation expense, O&M, amortization of stranded meter costs and cost of removal. The proposed return on net investment would be the weighted average cost of capital approved in the Company's most recent rate case. JCP&L also proposed to recover the revenue requirement associated with the Program through annual recovery filings.

JCP&L also sought approval to defer the stranded costs associated with the removed legacy non-AMI meters, which will be retired on a real-time basis as a regulatory asset. The average remaining net book value of all non-AMI meters removed would be added to a regulatory asset and amortized over a rolling five-year period from the month they are retired.

Staff recommended that the Board retain this matter for hearing at the Board, and designated Commissioner Robert M. Gordon as the presiding officer with authority to rule on all motions that arise during the pendency of these proceedings and modify any schedules that may be set as necessary to secure a just and expeditious determination of the issues.

Staff also recommended that any entities seeking to intervene or participate in this matter file the appropriate application with the Board by October 14, 2020. Any party wishing to file a motion for admission of counsel, pro hac vice, should do so concurrently with any motion to intervene or participate.

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

Roll Call Vote:	President Fiordaliso	Ave
	Commissioner Holden	Ave
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye
	Commissioner Gordon	Ave

Cynthia L. M. Holland, Esq., Director, Office of Federal and Regional Policy, presented this matter.

N. Docket No. ER20010003 – In the Matter of Federal Energy Items for 2020 – FERC Docket No. ER20-2686 PJM Interconnection, LLC re: Compliance Filing on Immediate Need.

**BACKGROUND AND DISCUSSION:** This matter involved Staff, on behalf of the Board, filing an intervention and Limited Protest on September 8, 2020. This case resulted from a Section 206 proceeding where Federal Energy Regulatory Commission (FERC) requested PJM Interconnection, LLC (PJM), ISO New England Inc., and Southwest Power Pool, Inc. to show cause on how their application of the exemption for "immediate need" reliability projects comported with the narrow criteria established in Order No. 1000. The Board commented in that docket on January 27, 2020, arguing that PJM's implementation of the exemption was unjust and unreasonable.

On June 18, 2020, FERC issued an Order finding that PJM's implementation was unjust and unreasonable and ordering a compliance filing by PJM. In many ways, this Order supports various arguments made by the Board in its prior comments. PJM submitted its compliance filing on August 17, 2020. The limited protest filed on September 8<sup>th</sup> explains that PJM's compliance filing falls short, in one area, because it does not discuss alternative solutions to immediate need projects. Staff recommended ratification of intervention and limited protest.

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

Roll Call Vote:	President Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye
	Commissioner Gordon	Ave

Maureen Clerc, USF Team, presented this matter.

O. Docket No. ER20060392 – In the Matter of the 2020/2021 Annual Compliance Filings for the Universal Service Fund Program Factor within the Societal Benefits Charge Rate.

**BACKGROUND AND DISCUSSION:** This matter involved the Board considering a filing made by the electric and gas distribution companies requesting adjustments to its statewide electric and gas USF Program and Lifeline Program rates within the Societal Benefits Charge.

Having reviewed the Universal Service Fund (USF) program and Lifeline Utility Assistance Program (Lifeline) compliance filing from the Gas and Electric Distribution Companies (collectively, Utilities), and the various submissions with reference thereto, Staff recommended the Board implement the proposed electric and gas rates based upon the most recent data provided by the Utilities, on August 20, 2020. The data contained actual program costs for ten months from October 1, 2019 through July 2020 and two months of estimated costs for August and September 2020. The proposed rates would support:

- A Lifeline budget of \$74.6 million;
- A USF budget of approximately \$123.7 million;
- A gas under-recovery balance of \$1.7 million; and
- An electric over-recovery balance of approximately \$214,000.00.

The rates in effect during October 1, 2019-September 2020 were as follows:

	Electric	Gas
USF	\$0.001332/kWh	\$0.0066/therm
Lifeline	\$0.000755/kWh	\$0.0055/therm
Combined USF/Lifeline	\$0.002087/kWh	\$0.0121/therm

The rates implemented by the Board at this proceeding were as follows and were stated to be effective from October 1, 2020 through September 30, 2021:

	Electric	Gas
USF	\$0.001493/kWh	\$0.0059/therm
Lifeline	\$0.000759/kWh	\$0.0057/therm
Combined USF/Lifeline	\$0.002252/kWh	\$0.0116/therm

The new combined USF/Lifeline rates are represented as follow:

- 1. Annual decrease of \$0.60 for an average residential gas customer utilizing 1,200 therms per year;
- 2. Annual increase of \$1.29 for an average residential electric customer utilizing 7,800 kWh per year; and
- 3. Annual bill of \$31.49 per year for an average residential customer who uses both gas and electricity, (an increase of approximately 2.24% or \$0.69 from the current level of \$30.80 per year).

Staff also recommended that the Board:

- 1. Directed the Utilities to file appropriate tariff sheets consistent with the Board's order prior to October 1, 2020 when the rates are effective;
- 2. Determined the rates effective from October 1, 2018 through September 30, 2019 be considered final rates as they have been reviewed and trued up; and
- 3. Directed Staff to reimburse the utilities for USF administrative costs incurred from July 1, 2019 through June 30, 2020, in the amount of \$2,223.00.

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

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

# 3. CABLE TELEVISION

There were no items in this category.

# 4. TELECOMMUNICATIONS

There were no items in this category.

## 5. WATER

There were no items in this category.

# 6. RELIABILITY AND SECURITY

There were no items in this category.

### 7. CUSTOMER ASSISTANCE

There were no items in this category.

# 8. CLEAN ENERGY

Stacy Richardson, Esq., Legal Specialist, Counsel's Office, presented these matters.

A. Docket No. QO19010040 – In the Matter of the Implementation of P.L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs.

BACKGROUND AND DISCUSSION: By Order dated June 10, 2020, the Board approved an energy efficiency (EE) transition framework for EE programs implemented pursuant to the Clean Energy Act, L. 2018, c. 17, including requirements for the utilities to establish programs that reduce the use of electricity and natural gas within their territories. New Jersey electric and gas utilities required to file a petition are Atlantic City Electric Company (ACE), Elizabethtown Gas Company (ETG), Jersey Central Power and Light Company (JCP&L), New Jersey Natural Gas Company (NJNG), Public Service Electric and Gas Company (PSE&G), Rockland Electric Company (RECO), and South Jersey Gas Company (SJG).

At the time of the issuance of the June Order, PSE&G already had a pending EE filing before the Board. The Board directed the state's other electric and gas companies to file three-year program petitions by September 25, 2020, for approval by the Board by May 1, 2021 and implementation beginning July 1, 2021.

Staff recommended that the matter be retained by the Board for hearing and designated President Joseph L. Fiordaliso as the presiding commissioner or his designee as the presiding commissioner for the ACE, JCP&L, and RECO filings, who is authorized to rule on all motions that arise during the proceedings and modify any schedules that may be set as necessary to secure just and expeditious determination of the issues. Staff also recommended that the Board designate Commissioner Upendra J. Chivukula as the presiding commissioner for the ETG, NJNG, and SJG filings, who is authorized to rule on all motions that arise during the proceedings and modify any schedules that may be set as necessary to secure just and expeditious determination of the issues.

Staff recommended that any entity seeking to intervene or participate in any of the utilities' filings file the appropriate application with the Board by October 2, 2020. Any party wishing

to file a motion for admission of counsel, pro hac vice, should do so concurrently with any motion to intervene or participate. Any response to motions should be filed no later than October 9, 2020. Finally, Staff recommended that in compliance with the Board's Order in Docket No. EO20030254, all parties to serve all documents electronically. No hard copies shall be filed until the Board lifts the restrictions imposed in that Order.

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

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

B. Docket Nos. GO18101112 and EO18101113 – In the Matter of the Petition of Public Service Electric and Gas Company for Approval of its Clean Energy Future – Energy Efficiency Program on a Regulated Basis.

**BACKGROUND AND DISCUSSION:** This matter involved the Board considering approval of a stipulation of settlement (Stipulation) in the matter of Public Service Electric and Gas Company's (PSE&G or Company) Clean Energy Future - Energy Efficiency (CEF-EE) Program proposal. Board approval would authorize PSE&G to implement ten sub-programs, including four residential, five commercial and industrial, and one multifamily, at a total EE investment budget of \$970 million over three years, according to the terms and conditions in the stipulation, beginning on October 1, 2020.

On October 11, 2018, PSE&G filed a petition with the Board seeking approval to implement its CEF-EE Program (CEF-EE Petition). The CEF-EE Petition proposed 22 sub-programs, including seven residential sub-programs, seven commercial and industrial sub-programs, and eight pilot sub-programs. The proposed investment for the CEF-EE Petition was approximately \$2.8 billion, including administrative costs. Among other things, the Company requested Board approval of a decoupling mechanism for recovering lost revenues and an agreement that, following a one-year transition period, PSE&G would become the exclusive provider of Board regulated energy efficiency programs within its service territory.

Following extensive discovery, several settlement conferences, evidentiary hearings, and the submission of initial and reply briefs, PSE&G filed a petition with the Board requesting approval of its CEF-EE Program. By this Order, the Board adopts a Stipulation executed by PSE&G, Board Staff, the New Jersey Division of Rate Counsel, the Eastern Environmental Law Center; the Energy Efficiency Alliance of New Jersey; and the New Jersey Large Energy Users Coalition (collectively, Signatory Parties) that addresses several issues in this matter. Direct Energy Business LLC, Direct Energy Business Marketing LLC, Direct Energy Services LLC, Gateway Energy Services Corporation, NJR Retail Services Company, NRG Energy Inc., Just Energy Group Inc., and Centrica Business Solutions filed a letter of non-opposition.

Staff recommended that the Board approve the Stipulation of the Signatory Parties. Staff also recommended that the Board order PSE&G to file tariff sheets consistent with the terms and conditions of the Order by October 1, 2020.

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

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

Kelly Mooij, Director, Office of Clean Energy, presented these matters.

C. Docket No. QO20080538 – In the Matter of the Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for Fiscal Year 2021 Clean Energy Program.

**BACKGROUND AND DISCUSSION:** This matter involved Staff presenting recommendations to the Board regarding the Comprehensive Energy Efficiency (EE) and Renewable Energy (RE) Resource Analysis for Fiscal Year 2021.

On February 9, 1999, the Electric Discount and Energy Competition Act (the Act), N.J.S.A. 48:3-49 et seq., was signed into law, creating the societal benefits charge (SBC) to fund programs for the advancement of EE and renewable energy RE in New Jersey. The Act also provided for the Board to initiate proceedings and undertake a comprehensive resource analysis (collectively, the CRA Straw Proposal) of EE and RE programs in New Jersey every four years. The CRA would then be used to determine the appropriate level of funding over the next four years for the EE and Class I RE programs, which are part of what is now known as New Jersey Clean Energy Program (NJCEP).

On April 14, 2020, New Jersey Governor Phil Murphy signed into law a bill that extended the State's Fiscal Year (FY) 2020 budget to September 30, 2020. In order to align with the State's fiscal year, the Board extended the NJCEP FY20 budget. Therefore, the New Jersey Clean Energy Program's fiscal year 2021 budget reflects nine months of funding.

The CRA Straw Proposal's funding levels include the funding estimated to meet the needs of the NJCEP while Board Staff (Staff) advances the initiatives required by the Clean Energy Act. For FY21, Staff recommended that the Board set a new SBC funding level of \$344,665,000.00, which is the same funding level approved by the Board since FY15. When combined with other sources of funds, it results in total FY21 funding of \$509,029,779.00 (collectively, Proposed FY21 Funding Level). Staff estimated that the Proposed FY21 Funding Level will be sufficient to maintain a full portfolio of programs.

On September 9, 2020, the Board provided public notice of a September 17, 2020 public hearing and released the draft FY21 CRA and related programs and budget for FY21. The notice, which was distributed to the BPU listserv and posted on the NJCEP website, solicited written comments from the public on the CRA Straw Proposal, with a due date of September 18, 2020.

The Proposed FY21 Funding Level represents a continuation of the current funding level, and its approval will therefore have no incremental impact on rates.

The CRA Straw Proposal sets out in detail the rationale utilized by Staff in developing the Proposed FY21 Funding Level. Having reviewed and considered the comments regarding the Proposed FY21 Funding Level, Staff recommended that the Board set, adopt, and approve the Proposed FY21 Funding Level and Proposed FY21 Utility Payments.

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

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

D. Docket No. QO20080539 – In the Matter of the Clean Energy Programs and Budget for Fiscal Year 2021.

**BACKGROUND AND DISCUSSION:** This matter involved Staff presenting recommendations to the Board regarding the Clean Energy Programs and Budgets for Fiscal Year 2021.

On February 9, 1999, the Electric Discount and Energy Competition Act (the Act), N.J.S.A. 48:3-49 et seq., was signed into law, creating the societal benefits charge (SBC) to fund programs for the advancement of energy efficiency (EE) and renewable energy (RE) in New Jersey. The Act also provided for the Board to initiate proceedings and undertake a comprehensive resource analysis (CRA) of EE and RE programs in New Jersey every four years. The CRA would then be used to determine the appropriate level of funding over the next four years for the EE and Class I RE programs, which are part of what is now known as New Jersey's Clean Energy Program (NJCEP).

In 1999, the Board initiated its first CRA proceeding, and, in 2001, it issued an order setting funding levels, the programs to be funded, and the budgets for each those programs, all for the years 2001 through 2003. Since then, the Board has issued numerous Orders setting the funding levels, related programs, and program budgets for the years 2004 – Fiscal Year 2020 (FY20).

On September 9, 2020, the Board provided via the BPU listserv and NJCEP public notice of a September 17, 2020 public hearing and released the draft FY21 CRA and related programs and budget for FY21. The distributions and postings requested comments by September 18, 2020 on the proposed FY21 programs and budget, including the following proposed documents posted to the NJCEP website: the draft FY21 CRA, the Board's Division of Clean Energy Compliance Filing, TRC Program Descriptions and Budgets, the Utilities' Compliance Filing, the Charge Up NJ Compliance Filing (collectively, Proposed FY21 Compliance Filings or Compliance Filings), the proposed FY21 budget (Proposed FY21 Budget), and the Summary of Proposed Program Changes for FY21. Oral comments were heard on the CRA Straw Proposal and the Proposed FY21 Compliance Filings and Budget at the September 17, 2020 public hearing.

In addition, the New Jersey Department of Environmental Protection (NJDEP), by email dated September 15, 2020, confirmed that: (a) the Board had consulted with the NJDEP regarding the CRA Straw Proposal, including, without limit, the Proposed FY21 Funding Level set forth therein; and (b) the NJDEP agreed with the Proposed FY21 Funding Level.

Based on the goals set forth in the CRA Straw Proposal, the policy objectives of the NJCEP, and historic spend rates, Staff, in close coordination with the TRC Team, developed proposed programs and budgets.

The following summarizes some key programs and funding levels:

- \$1.5 million is allocated to support a new Acoustical Testing pilot program to facilitate water utilities purchasing or renting monitoring equipment that allow them to more efficiently and effectively locate water leaks. This program primarily seeks to address water and energy losses, especially in overburdened communities.
- The FY21 budget allocated more than \$180 million in new funding to Energy Efficiency, including over \$34 million over a nine-month period for low-income residents via Comfort Partners and \$16 million for distributed energy resources.
- It also includes \$4.1 million in new funding for renewable energy, which includes the Solar Renewable Energy Credits / Transition Renewable Energy Certificates Registration program and Offshore Wind.
- The FY21 budget also covers the cost for administration, including staff's salaries, the services of our program administrator, and partnerships with NJIT and Sustainable Jersey.
- Additionally, several key BPU initiatives continue to receive program funding: \$7 million for Energy Storage, \$500,000.00 for Community Energy Grants, and \$2 million for Workforce Development. There are ongoing transitions of both the NJ Wind and Research and Development Energy Tech Hub programs, as we have discussed previously.
- The FY21 budget allocates approximately \$20 million for electric vehicle (EV) incentives and over \$3.4 million for administration of the Charge Up New Jersey program. This will provide funding to promote the continued growth of EVs and the decarbonization of the transportation sector in the state.

Staff reviewed and considered the comments received and recommended that the Board approve the detailed FY21 program budgets contained in the Order.

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

E. Docket No. QO19010068 – In the Matter of a New Jersey Solar Transition Pursuant to P.L. 2018, c.17 – Order Addressing Solar Transition Projects Constructed Prior to Program Establishment; and

Docket No. QX20030253 – In the Matter of a Rulemaking Proceeding to Amend the Renewable Portfolio Standard Rules and Create New Rules Establishing a Transition Incentive Program Pursuant to P.L. 2018, c. 17 (Rule Proposal).

This matter was deferred.

Cathleen Lewis, Outreach Coordinator, Office of Clean Energy, presented this matter.

F. Docket No. QO20050357 – In the Matter of Straw Proposal on Electric Vehicle Infrastructure Build Out.

**BACKGROUND AND DISCUSSION:** This matter pertained to the development of electric vehicle infrastructure within the state and addresses the roles of the private and public sectors in developing light duty, publicly accessible charging sites. To advance the Board's implementation of the Electric Vehicle (EV) Act of 2020 and the adoption of EVs in New Jersey, Staff presented recommendations for minimum filing requirements for utility filings pertaining to EV offerings.

Staff's recommendations were based on the Straw Proposal and Stakeholder process begun on May 18, 2020 regarding the EV Infrastructure Eco System. Staff recommended that the following requirements for light duty and publicly accessible EV charging:

- Define publicly accessible charging as accessible to the general public 24 hours a day, 7 days a week. Sites may be on public land, community locations, or travel corridors. Public chargers must also clearly display the cost to users.
- Ensure that Chargers and Make Ready sites funded through this program are accessible to all EV users.
- Establish a "shared responsibility" model for EV infrastructure that promotes appropriate roles for both the electric distribution companies (EDCs) and private investors.
- EDCs would be responsible for the wiring and backbone infrastructure necessary
  to enable a robust number of Charger Ready locations. Non-utility entities,
  including site owners, property management companies, and EVSE Infrastructure
  Companies would be primarily responsible for installing, owning and/or operating,
  and marketing EVSE using private capital.
- Permit EDCs to own and operate charging stations in areas of Last Resort upon approval by the Board. The criteria and process for Last Resort application is outlined in the requirements.
- Require EDCs to address the obstacle that tariff demand chargers currently
  present to private investment and outline the considerations that EDCs must make
  in addressing the issue.
- Require EDCs to execute and provide up-to-date maps that illustrate areas in which grid capacity currently exists to accommodate EV charging and where upgrades will be necessary.
- Provide guidance on residential charging incentives, outreach, equity, and oversight, as well as providing a summary and response to the EV Straw Proposal.

Staff recommended that the Board adopt these filing requirements for future electric vehicle filings by the state's electric public utilities. Staff also recommended that the Board direct electric public utilities in the state that have not already filed EV proposals to do so by February 28, 2021. Finally, Staff recommended that the Board direct staff to initiate a rulemaking process to adopt these requirements in administrative rules to ensure equity and consistency throughout the state.

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

Roll Call Vote:	President Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye
	Commissioner Gordon	Δνρ

### 9. MISCELLANEOUS

There were no items in this category

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

AIDA CAMACHO-WELCH SECRETARY OF THE BOARD

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Date: December 2, 2020