



**STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350**

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

A Regular Board meeting of the Board of Public Utilities was held on June 18, 2014, at the State House Annex, Committee Room 11, 125 West State Street, Trenton, New Jersey 08625.

Public notice was given pursuant to N.J.S.A. 10:4-18 by posting notice of the meeting at the Board's Trenton Office, on the Board's website, filing notice of the meeting with the New Jersey Department of State and the following newspapers circulated in the State of New Jersey:

Asbury Park Press
Atlantic City Press
Burlington County Times
Courier Post (Camden)
Home News Tribune (New Brunswick)
North Jersey Herald and News (Passaic)
The Record (Hackensack)
The Star Ledger (Newark)
The Trenton Times

The following members of the Board of Public Utilities were present:

Dianne Solomon, President
Jeanne M. Fox, Commissioner
Joseph L. Fiordaliso, Commissioner
Mary-Anna Holden, Commissioner

President Solomon presided at the meeting and Kristi Izzo, Secretary of the Board, carried out the duties of Secretary.

It was announced that the next regular Board Meeting would be held on July 23, 2014 at the State House Annex, Committee Room 11, 125 West State Street, Trenton, New Jersey 08625.

The Board recognized and thanked Chief of Staff Marybeth Brenner and Director of Audits Dennis Moran, and by unanimous vote, adopted resolutions commending their years of service to the Board and the citizens of the State of New Jersey.

CONSENT AGENDA

I. AUDITS

<u>Energy Agent, Private Aggregator and/or Energy Consultant Initial Registrations</u>		
EE14050449L	Applied Energy Savings	I – EA
EE14020202L	CodeGreen Solutions, Incorporated d/b/a CodeGreen	I – EA
EE14040337L GE14040338L	On Site Marketing, Incorporated	I – EA/PA/EC
<u>Energy Agent, Private Aggregator and/or Energy Consultant Renewal Registrations</u>		
EE14020140L	Edge Insights, Incorporated f/k/a UtiliTech, Incorporated	R – EA
EE14020138L GE14020139L	Alternative Utility Services, Incorporated	R – EA/PA
EE14010027L GE14010028L	World Energy Solutions, Incorporated	R – EA/PA/EC
<u>Green Power Marketer Supplier License Renewal</u>		
EP14030219L	Community Energy, Incorporated	R – GPM

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

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

- Applied Energy Savings
- CodeGreen Solutions, Inc. d/b/a CodeGreen
- On Site Marketing, Inc.

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

- Edge Insights, Inc. d/b/a UtiliTech, Inc.
- Alternative Utilities Services, Inc.
- World Energy Solutions, Inc.

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

- Community Energy, Inc.

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

B. Docket No. TE14040384 – In the Matter of the Petition of Vodafone US, Inc. for Authority to Provide Facilities-Based Competitive Intrastate Local Exchange and Interexchange Telecommunications Services throughout the State of New Jersey.

BACKGROUND: By letter dated April 24, 2014, Vodafone US, Inc. (Petitioner or VUSI) filed a Petition with the Board requesting authority to provide facilities-based competitive intrastate local exchange and interexchange telecommunications services throughout the State of New Jersey.

After review, Staff recommended the Board approve the request for authority to provide local exchange and interexchange telecommunications services in the State of New Jersey. Staff also recommended the Board approve the request for waivers from its requirements that the Petitioner maintain its books and records in accordance with the Uniform System of Accounts and within New Jersey.

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

II. ENERGY

A. Docket No. GO14050440 – In the Matter of the Petition of TAQA Gen-X, LLC for Authorization and Approval of Construction of a Proposed Pipeline Pursuant to N.J.A.C. 14:7-1.4, et seq. – Motions for Admission Pro Hac Vice.

BACKGROUND: On May 15, 2014, TAQA Gen-X, LLC (TAQA) filed a petition with the Board requesting approval to construct approximately 4,225 feet of 16-inch natural gas high pressure transmission pipeline, a metering station and pigging receiving station in the Borough of Sayreville, Middlesex County, New Jersey. The proposed pipeline will be certified to a maximum allowable operating pressure of 722 psig.

The proposed pipeline will connect to the existing New Jersey Natural Gas system and transport the gas to the power plant owned by Red Oak Power, LLC. TAQA represented that it will engage a third-party contractor to operate and maintain the proposed pipeline.

On May 16, 2014, Steven S. Goldenberg, Esq. of Fox Rothschild, LLP, on behalf of TAQA, filed motions for the admission *pro hac vice* of Paul F. Forshay, Esq. and Meghan R. Gruebner, Esq.

After review, Staff recommended the Board issue an Order granting the motions for the admission *pro hac vice* of Paul F. Forshay, Esq. and Meghan R. Gruebner, Esq.

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

B. Docket No. ER14010002 – In the Matter of the Federal Energy Items for 2014 – Duke Energy Corporation, et al., v. PJM Interconnection, LLC - FERC Docket No. EL14-45-000 – Motion for Intervention.

BACKGROUND: Duke Energy filed a complaint with Federal Energy Regulatory Commission (FERC) seeking the recovery of \$9.8 million in fuel costs for natural gas that went unused at its Duke Lee generating station outside of Chicago. Staff recommended the Board seek ratification of the intervention motion filed at FERC.

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

C. Docket No. ER14010002 – In the Matter of the Federal Energy Items for 2014 – Public Service Electric and Gas Company’s Request for Incentive Rate Treatment for the Bergen-Linden Corridor Transmission Project – FERC Docket No. ER14-1608 – Motion for Intervention.

BACKGROUND: Public Service Electric and Gas Company filed a request for incentives on the Bergen-Linden Corridor Project. Staff recommended the Board seek ratification of the intervention motion filed at Federal Energy Regulatory Commission.

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

D. Docket No. ER14010002 – In the Matter of the Federal Energy Items for 2014 – PJM Interconnection, LLC – FERC Docket No. ER14-1461-000 – Motion for Intervention.

BACKGROUND: PJM has proposed a detailed set of Reliability Pricing Model rule changes to address what it perceives to be speculative behavior “corrosive” to the reliability objective and long-term viability of the market. Staff recommended the Board seek ratification of the intervention motion filed at Federal Energy Regulatory Commission.

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

E. Docket No. ER14010002 – In the Matter of the Federal Energy Items for 2014 – PJM Interconnection, LLC – FERC Docket No. EL14-48-000 – Motion for Intervention.

BACKGROUND: Federal Energy Regulatory Commission (FERC) has opened up a new docket as part of its decision rejecting PJM’s petition to revise Reliability Pricing Model rules to address alleged speculation occurring between the base residual auction and subsequent incremental auctions. FERC established a technical conference to examine the issues raised in the filing. Staff recommended the Board seek ratification of the intervention motion filed at FERC.

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

III. CABLE TELEVISION

- A. Docket No. CE14030261 – In the Matter of the Petition of Comcast of Monmouth County, LLC for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Township of Shrewsbury, County of Monmouth, State of New Jersey.**

BACKGROUND: On December 19, 2013, the Township of Shrewsbury (Township), after public hearing, adopted a municipal ordinance granting renewal consent to Comcast of Monmouth County, LLC (Comcast). On February 14, 2014, Comcast accepted the terms and conditions of the ordinance, and on March 19, 2014, Comcast filed a petition with the Board for its Renewal Certificate of Approval for the Township.

After review, Staff recommended approval of the proposed Renewal Certificate of Approval. This certificate shall expire on February 7, 2029.

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

- B. Docket No. CE14030268 – In the Matter of the Petition of CSC TKR, LLC d/b/a Cablevision of Morris for a Renewal Certificate of Approval to Continue to Operate and Maintain a Cable Television System in the Town of Boonton, County of Morris, State of New Jersey.**

BACKGROUND: On March 4, 2013, the Town of Boonton (Town) granted CSC TKR, LLC d/b/a Cablevision of Morris (Cablevision) renewal municipal consent for a term of ten years from the date of issuance. On November 1, 2013, Cablevision accepted the terms and conditions of the ordinance, and on March 24, 2014, Cablevision filed a petition with the Board for its Renewable Certificate of Approval for the Town.

After review, Staff recommended approval of the proposed Renewal Certificate of Approval. This certificate shall expire on June 30, 2024.

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

IV. TELECOMMUNICATIONS

- A. Docket No. TF14050401 – In the Matter of the Verified Petition of Zayo Group, LLC for Approval to Expand Its Financing Arrangements.**

BACKGROUND: On May 1, 2014, Zayo Group, LLC (Petitioner) submitted a Petition to the Board requesting to expand Zayo's existing Board approval for financing arrangements by \$550 Million to an aggregate amount of up to \$3.82 Billion.

After review of the information submitted in this proceeding, 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 the Petitioner's request.

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

B. Docket No. TF14040376 – In the Matter of the Verified Joint Petition of Birch Communications, Inc. and Cbeyond Communications, LLC for Approval of Financing Arrangements and Transfer of Control of Cbeyond Communications, LLC.

BACKGROUND: On April 22, 2014, Cbeyond Communications, LLC (Cbeyond) and Birch Communications, Inc. (BCI) (collectively, the Petitioners) filed a petition with the Board requesting approval of a transaction that will result in the transfer of control of Cbeyond to BCI, as well as approval to participate in a financing arrangement. Following the proposed transfer of control and financing arrangement, the Petitioners will continue to offer the same services in New Jersey at the same rates, terms, and conditions.

After review, Staff, did not find any reason to believe that there will be an adverse impact on rates, competition in New Jersey, the employees of the Petitioners, or on the provision of safe adequate and proper service to New Jersey consumers. Moreover, a positive benefit may be expected from the strengthening of the Petitioner's competitive posture in the telecommunications market. Therefore, Staff recommended the Petitioners be allowed to proceed with the proposed transfer and financing.

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

C. Docket No. TX14040385 – In the Matter of the Petition Seeking Rulemaking and Order Regulating Rates Charged by Global Tel*Link and Securus for Phone Calls from New Jersey Correctional Facilities - Motion for Admission Pro Hac Vice.

BACKGROUND: On April 30, 2014, Garden State Bar Association, Crystal Gibson, Sherin Makar, Lori Monteiro, the Prison Initiative Project of the Center for Action Research, the New Jersey Advocates for Immigrant Detainees, the New Jersey Institute for Social Justice, Pauline Ndzie, Jean Ross and Rhonda Williams Whetsone, (collectively, the Petitioners) filed a petition with the Board seeking regulation of telephone call rates from New Jersey Correctional facilities.

In addition, a motion was filed by B. John Pendleton, Jr. Esq. of DLA Piper LLP (US) on behalf of Alina Das, Esq., Washington Square Legal Services, Inc. pursuant to N.J.A.C. 1:1-5.2 and 1:21-2, to permit the appearance of Ms. Das *pro hac vice* a member in good standing of the bar of New York.

After review, Staff recommended the Board approve the petitions for admission pro hac vice of the above named attorney.

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

D. Docket No. TM14040343 – In the Matter of the Verified Joint Petition of Light Tower Fiber Long Island, LLC, Sidera Networks, LLC, Lexent Metro Connect, LLC, Neon Connect, Inc. and New Jersey DataNet, LLC for Approval of Certain Pro Forma Intra-Company Changes.

BACKGROUND: On April 10, 2014, Light Tower Fiber Long Island, LLC (f/k/a KeySpan Communications Corp.), Sidera Networks, LLC, Lexent Metro Connect, LLC, NEON Connect, Inc., and New Jersey DataNet, LLC (collectively, the Petitioners) filed a joint petition with the Board requesting approval for certain pro forma intra-company changes as

a result of streamlining efforts by their holding company. On May 14, 2014, the Petitioners filed an Amendment to the Petition to clarify an aspect of the relief sought in this matter.

After review, Staff, did not find any reason to believe there will be an adverse impact on rates, competition in New Jersey, the employees of the Petitioners, or on the provision of safe adequate and proper service to New Jersey consumers. Moreover, a positive benefit may be expected from the strengthening of the Petitioner's competitive posture in the telecommunications market. Therefore, Staff recommended the Petitioners be allowed to proceed with the Pro Forma Transactions.

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

V. WATER

A. Docket No. WR14050405 – In the Matter of the Petition of Fayson Lake Water Company for the Approval of an Increase in Rates and Other Appropriate Relief.

BACKGROUND: On May 6, 2014, Fayson Lake Water Company (Company), filed a petition with the Board seeking to increase its rates for water service amounting to approximately \$181,922 or 30.56% in additional annual revenues. The increase in rates is proposed to become effective on August 1, 2014.

On May 15, 2014, this matter was transmitted to the Office of Administrative Law. Since this proceeding will not be completed by August 1, 2014, Staff recommended the Board issue an Order suspending the proposed rates until December 1, 2014.

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

B. Docket No. WE13101001 – In the Matter of the Petition of Aqua New Jersey, Inc. for Approval of a Municipal Consent to Provide Water Service to a Portion of the Township of Hardyston and Other Required Approvals.

BACKGROUND: On October 30, 2013, Aqua New Jersey, Inc. (Aqua-NJ or Company) filed a petition with the Board seeking approval of a Municipal Consent granted by the Township of Hardyston (Township) in Sussex County and for the Summit Lake Water System (Summit Lake) to abandon service to the proposed franchise area.

Under the terms of Ordinance No. 2013-07, the Company is authorized to construct, maintain, manage and operate a water works in the Township for the purpose of providing water service to the proposed franchise area. The term granted to the Company by the Township for the franchise is in perpetuity and the use of right of way shall be fifty years.

After review, Staff determined that approval of the Municipal Consent is necessary and is in the public interest for the provision of safe, adequate and proper water utility service. Therefore, Staff recommended the Board approve the Aqua-NJ's request.

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

- C. **Docket No. WE13080716 – In the Matter of the Petition of United Water Arlington Hills Sewerage, Inc. for Approval of a Municipal Consent to Construct, Install, Operate and Maintain a Sewer System for Shadow Woods, 500 Valley Road and 600 Valley Road, Block 61, Lots 42.01, 42.02 and 42.03 in the Borough of Mount Arlington, Removal of Block 61, Lot 23.01 from the Sewer Franchise Area in the Borough of Mount Arlington and Approval of the Issuance of a Revised Tariff Sheet Setting Forth United Water Arlington Hills Sewerage Inc.’s Reduced Territory Pursuant to N.J.S.A. 48:13-16 and N.J.A.C. 14:1-5.11.**

BACKGROUND: On August 9, 2013, United Water Arlington Sewerage Inc. (Petitioner) filed a petition with the Board for approval of a municipal consent adopted on June 26, 2012, by the Borough of Mount Arlington (Borough) to allow the Petitioner to provide sewer service within portions of the Borough and allow the removal of Block 61, Lot 23.01 from the franchise area.

After review, Staff recommended the Board approve the Petitioner’s request.

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

- D. **Docket No. WE13080714 – In the Matter of the Petition of United Water New Jersey Inc. for Approval of a Municipal Consent to Construct, Install, Operate and Maintain a Water System for Block 61, Lot 42.03; Block 72, Lots 1.01 and 1.02; Block 72.01, Lot 3; Block 82, Lots 1.01, 1.02, 1.03 and 1.04; Block 82.01, Lot 1; Block 83, Lots 9, 15.01 and 5.02; Block 83.01, Lot 1; Block 84, Lot 3; Block 72, Lot 2; Block 72, Lot 3; Block 61, Lots 42.01 and 42.02 in the Borough of Mount Arlington and Approval of the Issuance of a Revised Tariff Sheet Setting Forth United Water New Jersey, Inc.’s Enlarged Territory Pursuant to N.J.A.C. 14:1-5.11.**

BACKGROUND: On August 9, 2013, United Water New Jersey (UWNJ or Company) filed a petition with the Board requesting approval of a municipal consent granted on June 26, 2012, by the Borough of Mount Arlington to allow the Company to construct, install, operate and maintain water system facilities necessary for the rendering of full water services to Block 61, Lots 42.01 and 42.02 as part of a proposed new development.

After review, Staff recommended the Board approve the UWNJ’s request.

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 EC13070620U and OAL PUC 12614-13 – In the Matter of William F. Schmincke, Petitioner v. Atlantic City Electric Company, Respondent – Billing Dispute.**

BACKGROUND: This matter involved a billing dispute between William F. Schmincke (Mr. Schmincke) and Atlantic City Electric Company. The petition was transmitted to the Office of Administrative Law on September 4, 2013, as a contested case. Administrative Law Judge (ALJ) Damon G. Tyner filed an Initial Decision in this matter with the Board on May 28, 2014, approving a Stipulation of Settlement of the parties.

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

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

B. Docket Nos. BPU EC13080787U and OAL PUC 15637-13 – In the Matter of Michele Chiles-Hickman, Petitioner v. Public Service Electric and Gas Company, Respondent – Billing Dispute.

BACKGROUND: This matter involved a billing dispute between Michele Chiles-Hickman (Ms. Chiles-Hickman) and Public Service Electric and Gas Company. The petition was transmitted to the Office of Administrative Law on October 25, 2013, as a contested case. Administrative Law Judge (ALJ) James A. Geraghty filed an Initial Decision in this matter with the Board on May 20, 2014, approving a Stipulation of Settlement of the parties.

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

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

VIII. CLEAN ENERGY

There were no items in this category.

IX. MISCELLANEOUS

A. Approval of the Minutes of the April 23, 2014 Agenda Meeting.

BACKGROUND: Staff presented the minutes of April 23, 2014 Board meeting minutes and recommended that 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 Solomon	Aye
	Commissioner Fox	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye

AGENDA

1. AUDITS

There were no items in this category.

2. ENERGY

A. **Non-docketed Matter – In the Matter of the Provision of Basic Generation Service (BGS) for the Period Beginning June 1, 2014 – Boston Pacific’s Final Report on the 2014 BGS Fixed Price and Commercial Industrial Energy Price Auctions.**

Frank Perrotti, FERC PJM Issues Manager, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved the second year of a three year contractual obligations of the Boston Pacific Company, Inc. (Boston Pacific) to the Board regarding the review and oversight of the New Jersey electric distribution companies’ Basic Generation Service (BGS) auction process for the supply period beginning June 1, 2014.

All contractual obligations regarding the procurement of BGS supply for the period beginning June 1, 2014 have been fulfilled satisfactorily by Boston Pacific, including the submission of a redacted and confidential version of its final report on the 2014 BGS procurement process.

Staff recommended that Boston Pacific’s annual final report on the 2014 BGS-fixed price and BGS-commercial, industrial, energy price auctions be accepted for filing by the Board, and that the redacted version be made available to the public via the Board’s website. Staff also recommended that the 20% contractual hold back of fees be released, and that the Board direct the Division of Treasury to provide final payment to Boston Pacific.

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

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

Jerome May, Director, Division of Energy, presented these matters.

B. **Docket No. ER14010120 – In the Matter of the Application of the Borough of Butler Electric Utility for Approval of a Levelized Energy Adjustment Clause from April 1, 2014 to March 31, 2015.**

BACKGROUND AND DISCUSSION: On January 31, 2014, Butler Electric Utility (Butler Electric) filed a petition with the Board for approval of a Levelized Energy Adjustment Clause (LEAC) for the period April 1, 2014 to March 31, 2015. Butler Electric requested approval to: (1) adjust the LEAC rate from \$0.119408 per kWh to \$0.101434 per kWh to be effective for services rendered on and after April 1, 2014; (2) continue the cap level of \$0.151718 per kWh on the quarterly LEAC adjustment that had been approved on September 17, 2010 by the State of New Jersey Department of Community Affairs, Division

of Local Government Services, Local Finance Board, and (3) continue to implement the LEAC quarterly adjustment rate mechanism as authorized by Board Order dated April 23, 1987, in Docket No. ER8604390, OAL Docket No. PUC 3596-86. On May 6, 2014, a public hearing was held at the Borough of Butler Municipal Building. No member of the public attended the hearing or provided comments on the filing.

Butler Electric, New Jersey Division of Rate Counsel, and Board Staff (collectively, the Parties) participated in this proceeding. After settlement negotiations, on June 6, 2014, the Parties executed a Stipulation of Settlement (Stipulation).

Staff recommended the Board adopt the Stipulation of the Parties.

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

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

C. Docket No. GR14030293 – In the Matter of the Rate Schedule CSG Transportation Service Agreement Between Public Service Electric and Gas Company and Eagle Point Power Generation, LLC.

BACKGROUND AND DISCUSSION: On March 27, 2014, Public Service Electric and Gas Company (PSE&G or Company) filed a petition with the Board requesting approval of the gas service agreement between PSE&G and Eagle Point Generation, LLC (Eagle Point). The Company's Board approved Contract Service Gas (CSG) tariff is designed to address the needs of customers seeking a discount rate from the PSE&G rate schedule for delivery service, whether firm or interruptible. These customer initiated discounts must be based on either (a) an economically viable bypass alternative or (b) other considerations. In this instance, Eagle Point, a wholesale power producer located in Westville NJ, requested a discount under the "Other Considerations" category. Eagle Point and the Company contended that this request complies with the language outlined in the "Other Considerations" section of the CSG tariff, which allows discounted rates that, if approved, avoid the loss of load that could otherwise be served at rates that exceed marginal costs.

PSE&G stated a minimum, the same level of payments will be maintained, based on recent volumes, with the potential to increase revenues more than under current applicable tariff rates in PSE&G's Rate Schedule Non-Firm Transportation Gas Service. The Company also stated there will be further assurance of receipt of revenues, and there will be appropriate incentives to potentially attract new load and new investment in New Jersey. PSE&G maintained that all of these anticipated outcomes provide benefits to ratepayers.

By letter dated June 10, 2014, James Maiz of Eagle Point on behalf of New Jersey Division of Rate Counsel stated that their office did not object to the Board approving this agreement.

Staff recommended the Board approve the gas service agreement between PSE&G and Eagle Point.

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

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

D. Docket Nos. ER13111108 and GR13111109 – In the Matter of the Petition of Public Service Electric and Gas Company for Approval of Electric and Gas Base Rate Adjustments Pursuant to the Capital Infrastructure Investment Program Extension.

BACKGROUND AND DISCUSSION: Public Service Electric and Gas Company (PSE&G or Company) filed petitions on November 23, 2010 and February 18, 2011, requesting the Board approve extensions of the initial Board-approved gas and electric Capital Infrastructure Program (CIP I) to enable the Company to continue those construction programs and enhance the reliability of its gas and electric distribution systems.

The extensions (CIP II) were approved in a Board Order dated July 14, 2011 in Docket Nos. GO10110862 and EO11020088 (July 2011 Order) to continue the support of economic development and job growth in New Jersey, while bolstering service reliability, system integrity, and safety.

In its CIP II Final Petition, the Company sought Board approval to recover the revenue requirements associated with the capitalized investment costs of CIP II for 2012-2013.

Following discovery and public hearings, the Company, Board Staff and New Jersey Division of Rate Counsel (collectively, the Parties), executed a Stipulation of Settlement.

Staff recommended the Board approve the Stipulation of Settlement of the Parties.

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

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

E. Docket No. GR14030267 – In the Matter of the Rate Schedule CSG Transportation Service Agreement Between Public Service Electric and Gas Company and Bayonne Plant Holding, LLC.

BACKGROUND AND DISCUSSION: On March 17, 2014, Public Service Electric and Gas Company (PSE&G or Petitioner), filed a petition with the Board seeking approval of the Rate Schedule Contract Service Gas (CSG) Transportation Service Agreement dated February 11, 2014 (the Service Agreement) between PSE&G and Bayonne Plant Holding, LLC (BPH). The filing was submitted pursuant to PSE&G's Rate Schedule CSG as set forth in its Tariff for Gas Service on file with and approved by the Board.

Prior to expiration of the discounted rate, in October 2013, BPH submitted an application to PSE&G seeking a new discounted natural gas transportation rate pursuant to the

Economically Viable Bypass provision of Rate Schedule CSG. BPH demonstrated that Texas Eastern constructed a natural gas pipeline in New Jersey (Line 38) as part of its NJ/NY Expansion Project through Bayonne, within 100 yards of their Facility. PSE&G evaluated BPH's application and determined that it was consistent with the terms of its tariff.

New Jersey Division of Rate Counsel propounded discovery upon PSE&G and BPH, and all such discovery had been answered. Staff recommended the Board approve the Service Agreement between the Company and BPH.

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

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

F. Docket No. GR14030264 – In the Matter of the Rate Schedule CSG Transportation Service Agreement Between Public Service Electric and Gas Company and Newark Bay Cogeneration Partnership, L.P.

BACKGROUND AND DISCUSSION: On March 17, 2014, Public Service Electric and Gas Company (PSE&G or Petitioner), filed a petition with the Board seeking approval of the Rate Schedule Contract Service Gas (CSG) Transportation Service Agreement dated March 10, 2014 (the Service Agreement) between PSE&G and Newark Bay Cogeneration Partnership, L.P. (NBCP). The filing was submitted pursuant to PSE&G's Rate Schedule CSG-Contract Service as set forth in its Tariff for Gas Service on file with and approved by the Board.

In September 2013, NBCP submitted an application to PSE&G seeking a new discounted natural gas transportation rate pursuant to the Economically Viable Bypass provision of Rate Schedule CSG. Transcontinental Gas Pipeline Corp. (Transco) and NBCP entered into an engineering agreement in March 2011 in which Transco reviewed multiple proposed lateral routes and interconnection station sites to serve NBCP. Based on the four alternative routes evaluated, Transco's proposed route included a lateral of approximately 0.64 miles in length with an interconnection site near Foundry Road.

PSE&G evaluated NBCP's application and determined that it was consistent with the terms of its CSG tariff. New Jersey Division of Rate Counsel did not object to the Board approval of the Service Agreement.

Staff recommended the Board approve the Service Agreement between the Petitioner and NBCP.

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

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

G. Docket No. GR14030265 – In the Matter of the Rate Schedule CSG Transportation Service Agreement Between Public Service Electric and Gas Company and Camden Plant Holding, LLC.

BACKGROUND AND DISCUSSION: On March 17, 2014, Public Service Electric and Gas Company (PSE&G or Petitioner), filed a petition with the Board seeking approval of the Rate Schedule Contract Service Gas (CSG) Transportation Service Agreement dated February 11, 2014 (the Service Agreement) between PSE&G and Camden Plant Holding, L.L.C. (CPH). The filing was submitted pursuant to PSE&G's Rate Schedule CSG-Contract Service as set forth in its Tariff for Gas Service on file with and approved by the Board – B.P.U. N.J. No. 15 Gas.

In October 2013, CPH submitted an application to PSE&G seeking a new discounted natural gas transportation rate pursuant to the Economically Viable Bypass provision of Rate Schedule CSG.

Natural gas is delivered to the Facility through a dedicated 16-inch, 9,000 linear feet gas pipeline, including all necessary fittings and appurtenances (the Lateral) off the Williams Energy-Transco (Transco) pipeline. PSE&G owns the Lateral and currently provides gas transportation service to CPH across the Lateral to the Facility. Transco owns and maintains the onsite meter pursuant to a separate agreement between Transco and PSE&G.

In lieu of exercising its option, CPH submitted an application to PSE&G in October 2013 seeking a new discounted natural gas transportation rate pursuant to PSE&G's Rate Schedule CSG on the basis of an economically viable bypass alternative supported by CPH's ability to bypass PSE&G by exercising its option to purchase the Lateral. PSE&G evaluated CPH's application and determined that it was consistent with the terms of its CSG tariff.

Staff recommended the Board approve the Service Agreement between the Petitioner and CPH.

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

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

3. CABLE TELEVISION

There were no items in this category.

4. TELECOMMUNICATIONS

A. Docket No. TX14040385 – In the Matter of the Petition Seeking Rulemaking and Order Regulating Rates Charged By Global Tel*Link and Securus for Phone Calls from New Jersey Correctional Facilities – Notice of Action.

Jake Gertsman, Legal Specialist, Office of Chief Counsel, presented this matter.

BACKGROUND AND DISCUSSION: On April 30, 2014, the Board received a petition from the Garden State Bar Association et al. (Petitioner) which was amended by the Petitioners on May 15, 2014 to clarify that the petition should be considered a rulemaking request.

The Petitioner requested the Board limit the rates, terms, and conditions imposed by intrastate Inmate Calling Service providers to 'just and reasonable rates', not to exceed \$0.05 per minute, for incarcerated people, detainees, and their families in both state and county prisons and jails. The Petitioners also requested the Board to hold regional public hearings to gather further public input.

The Notice of Receipt of the petition was published in the June 16, 2014, in the New Jersey Register.

Staff believed that the complexity of the issue requires further deliberation thus requiring additional time for review. On June 12, 2014, the Petitioner consented by letter to extend the period for Board deliberation on the petition for rulemaking until October 31, 2014.

Staff recommended the Board grant the 90 day extension for further deliberations on the petition and to extend the period for Board deliberation to October 31, 2014.

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

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

5. WATER

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

A. Docket Nos. BPU WR13111059 and OAL PUC 17943-13 – In the Matter of the Petition of Middlesex Water Company for Approval of an Increase in Its Rates for Water Service and Other Tariff Changes.

BACKGROUND AND DISCUSSION: On November 8, 2013, Middlesex Water Company (Middlesex or Company) filed a petition with the Board requesting a rate increase of approximately \$10.6M or 15.89% above the adjusted annual level of present rate revenues for the test year ending March 31, 2014.

Middlesex sought to increase rates, to make other tariff changes, to update the base consumption and base costs for its Purchased Water Adjustment Clause and authorization to establish a new Distribution System Improvement Charge (DSIC) which would include future planned DSIC-eligible projects.

The matter was transmitted to the Office of Administrative Law and assigned to Administrative Law Judge (ALJ) Mumtaz Bari-Brown.

The initial parties to this case were the Company, New Jersey Division of Rate Counsel and Board Staff. The ALJ granted intervention status to: the Township of Marlboro, the Old Bridge Municipal Utilities Authority and the Township of East Brunswick.

An agreement was reached among the Signatory Parties, which were the initial parties and East Brunswick. Marlboro and the Old Bridge Municipal Utilities Authority sent in no objection letters. The Stipulation calls for an overall revenue requirement increase of \$4,248,000 or approximately 6.34% over present rate revenues. The average bill for a residential customer with a 5/8-inch meter using 19,448 gallons of water per quarter, will increase from \$129.94 to \$140.33 per quarter or approximately 8%.

As part of the Agreement, the Company withdrew its request for a new DSIC and instead submitted a separate petition to the Board for approval of a new foundational filing which will be reviewed by the New Jersey Division of Rate Counsel and Board Staff. Hence, the DSIC was reset to zero in this proceeding and the proposed base rate increase incorporates the entirety of the Company's first DSIC recovery period of March 1, 2013 through August 31, 2013; and the second DSIC recovery period of September 1, 2013 through February 28, 2014; and any DSIC-eligible projects from March 1st through the 31st of 2014, which is the end of the test year.

ALJ Bari-Brown submitted an Initial Decision (ID) which recommended that the Board adopt the Agreement of the Signatory Parties.

Staff recommended the Board adopt the ID which adopts the Agreement of the Signatory Parties.

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

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

B. Docket Nos. BPU WR14020136 and OAL PUC 2283-14 – In the Matter of the Petition of Atlantic City Sewerage Company to Change the Level of Its Purchased Sewerage Treatment Adjustment Clause.

BACKGROUND AND DISCUSSION: On February 6, 2014, Atlantic City Sewerage Company (Company) filed a petition with the Board requesting to change the level of its Purchased Sewerage Treatment Adjustment Clause (PSTAC) from \$22.008 per million cubic feet (Mcf) to \$23.497 per Mcf. The initial filing was based on estimates, preliminary in nature, and was updated as the case progressed.

The parties to this proceeding were the Company, the New Jersey Division of Rate Counsel and Board Staff, there were no interveners in this matter. This matter was transmitted to the Office of Administrative Law and assigned to Administrative Law Judge (ALJ) Miller. A schedule was set by the ALJ in conjunction with the parties in terms of discovery, meetings and hearings. After appropriate notice, a public hearing was held in Atlantic City. No members of the public were in attendance at the public hearing. Subsequent to the public hearing, the parties reached a Stipulation of Settlement (Stipulation) resolving all issues in this matter.

The updated amount to be recovered through the 2014 PSTAC is \$9,285,145 and the level of the volumetric treatment would change from \$22.008 per Mcf to \$23.348 per Mcf. This represents an increase of \$1.34 per Mcf or 0.06088% over the present volumetric treatment charge. This reflects the 2014 charges from the Atlantic City Utilities Authority and charges relating to 2013 treatment volumes. The amount to be recovered through the PSTAC also includes an under-recovery for 2013 and projected regulatory costs. When this amount is divided by the projected 2014 flows, the resulting PSTAC rate, prior to compression, is \$23.348 per Mcf.

This PSTAC rate assumes an implementation date of January 1, 2014. If a Board Order is effective as of July 1, 2014, it means that the 2014 PSTAC will only be recovered over 184 days, rather than 365 days. As a result, the PSTAC charge for 2014 will be compressed to a charge of \$24.666 per Mcf from the current PSTAC charge of \$22.008 per Mcf. This represents an increase of \$2.658 per Mcf.

Beginning January 1, 2015, the uncompressed PSTAC charge of \$23.348 per Mcf shall become effective resulting in a decrease of \$1.318 per Mcf from the compressed charge. The Company shall make a compliance filing with the Board effective January 1, 2015, incorporating this rate change.

On June 2, 2014, ALJ Miller submitted an Initial Decision (ID) which recommended that the Board adopt the Stipulation of the Parties.

Staff recommended the Board to adopt ALJ's ID.

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

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

6. RELIABILITY & SECURITY

A. Docket No. GX13101010 – In the Matter of the Readoption with Amendments of N.J.A.C. 14:6 – Gas Service.

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

BACKGROUND AND DISCUSSION: This matter involved the final readoption with amendments of Chapter 6 of the New Jersey Administrative Code, N.J.A.C. 14:6 “Gas Service”. In accordance with N.J.S.A. 52:14B-5.1(c)(2), these rules will expire on July 18, 2014.

This chapter governs the operation and provision of service by natural gas utilities to their customers. The rules proposed for readoption with amendments will continue to enhance an existing regulatory framework that ensures that New Jersey citizens have access to safe, adequate and proper gas utility services.

On Staff's recommendation, the Board proposed limited changes to the rules at the Board Agenda on December 18, 2013, after which the proposed readoption with amendments was published in the New Jersey Register. As a result of the comments received on the notice of proposal, minor clarifications are included with this final readoption that do not change the meaning of the text.

Public comments were submitted to the Board by Tracey Thayer, Esq., New Jersey Natural Gas Company (NJNG), on behalf of Elizabethtown Gas Company, NJNG, Public Service Electric & Gas Company, and South Jersey Gas Company (jointly, the GDCs), for consideration and were subsequently reviewed.

A typographical error in N.J.A.C. § 14:6-3.3(d) was highlighted by the commenters which will be corrected upon adoption. Additionally, it was submitted by the commenters that the proposed language for N.J.A.C. § 14:6-3.5(d) should not include the word "snow" on the basis that natural gas distribution companies (GDCs) cannot predict the accumulation of snow which may compromise the proper ventilation of customer service regulators. However, the Board does not believe that the proposed language would impose any additional burden on the GDCs, and the commenters proposed change will not be made.

Proposed amendments to N.J.A.C. 14:6-7.9(b) would require the gas utilities to annually notify the Board's Bureau of Pipeline Safety by March 31 of the locations of any damaged high pressure gas meter sets or physical barriers that occurred in the previous calendar year. Further, the amendments would require gas public utilities to correct or remediate any damaged high pressure gas meter sets or physical barriers within 90 days of being reported or discovered. This amendment is not intended for damaged high pressure gas meter sets or physical barriers where safety is compromised, as the GDCs would continue to respond to emergency situations on an immediate basis. It is intended for follow-up work on high pressure gas meter sets or physical barriers where meter sets may need to be relocated or altered to enhance protection, or where physical barriers need to be replaced or additional barriers need to be installed.

The commenters requested that the proposed language in N.J.A.C. § 14:6-7.9(b)(5) be changed from a 90 day maximum remediation window to a 180 days maximum remediation window for damaged high pressure gas meter sets and their physical protection where no immediate safety concern exists.

Staff reviewed the gas utility operators' annual high pressure gas meter set damage reports and the determined that remediation of any deficiencies within 90 days of the deficiency being reported or discovered is reasonable and will not impose an undue burden on the GDCs. Therefore, Staff recommended the Board approve the proposed readoption with amendment of N.J.A.C. 14:6 "Gas Service".

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

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

7. CUSTOMER ASSISTANCE

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

A. Docket Nos. BPU WC13050422U and OAL PUC 14817-13 – In the Matter of Martha Z. Bell, Petitioner v. United Water of New Jersey, Inc., Respondent – Billing Dispute.

BACKGROUND AND DISCUSSION: This matter involved a billing dispute between Martha Z. Bell (Ms. Bell) and United Water New Jersey (UWNJ), which was transmitted to the Office of Administrative Law on October 11, 2013. Administrative Law Judge (ALJ) Kimberly A. Moss filed an Initial Decision (ID) in this matter with the Board on April 23, 2014. At its May 21, 2014, Board meeting Staff recommended and was granted a 45-day extension of time.

ALJ Moss, in her ID, concluded that Ms. Bell’s petition be denied because she failed to prove by a preponderance of the evidence that her UWNJ water bills were inaccurate.

Staff recommended the Board adopt the ID in its entirety without modification.

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

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

B. Docket No. EO14030272 – In the Matter of the Petition of Public Service Electric and Gas Company Pursuant to N.J.A.C. 14:3-5.1(e) for Approval of the Temporary Five Month Closure of Its Bayonne Customer Service Center at 606-608 Broadway, Bayonne, New Jersey to Perform Necessary Renovations.

BACKGROUND AND DISCUSSION: On March 21, 2014, Public Service Electric and Gas Company (PSE&G) filed a petition with the Board requesting authorization to temporarily close its Bayonne Customer Service Center (CSC) to perform necessary renovations. PSE&G has complied with N.J.A.C. 14:3-5.1(c) and (e) in their entirety, including mailing copies of the petition on March 20, 2014, to the Clerk of the affected municipality, as well as to the New Jersey Division of Rate Counsel (Rate Counsel).

In December 2013, PSE&G successfully acquired the property it had been renting for its existing Bayonne CSC located at 606-608 Broadway, Bayonne. PSE&G stated that the plumbing, electrical, heating ventilation and air conditioning, and interior structure are old and in need of renovation. PSE&G advised that the renovation is anticipated to commence in or about August 2014, and to take five months or less assuming all necessary permits and approvals have been acquired. PSE&G indicated that no employee reductions are anticipated from this temporary closing. PSE&G further stated that the renovated Bayonne CSC will be constructed to ensure compliance with the American With Disabilities Act requirements.

The Rate Counsel advised Staff by letter dated May 20, 2014, that it objected to the temporary closing without providing a nearby temporary CSC during the time of renovation.

On May 22, 2014, PSE&G responded to Rate Counsel's objection, and stated that it is a highly regulated public utility that has the personal information of millions of customers and provides a critical public service. In order to provide the required level of customer service, it cannot merely buy or lease any open storefront.

Staff agreed with the position of PSE&G and thereby disagreed with Rate Counsel's provision that a temporary CSC be opened during renovations. Staff believed the availability of other alternative payment centers will be sufficient for the 5-month closure.

Staff recommended the Board grant PSE&G's request and authorize the temporary closure of its Bayonne CSC, located at 606-608 Broadway, Bayonne, New Jersey.

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

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

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. EO12090862V – In the Matter of the Implementation of L. 2012, C. 24, N.J.S.A. 48:3-87(T) – A Proceeding to Establish a Program to Provide Solar Renewable Energy Certificates to Certified Brownfield, Historic Fill and Landfill Facilities; and

Docket No. QO14010014 – In the Matter of PVNavigator, LLC - Somerdale Road (Owens Corning) Landfill.

Scott Hunter, Renewable Energy Program Administrator, presented these matters.

BACKGROUND AND DISCUSSION: The Solar Act of 2012, L.2012, c. 24 (Act), enacted July 23, 2012, codified in part at N.J.S.A. 48:3-87 (t), provides for Board establishment of a certification program for approval of certain grid supply solar electric power generation facilities located on properly closed landfills, brownfields and areas of historic fill that seek eligibility for Solar Renewable Energy Certificates (SRECs). On January 23, 2013, after conducting a public proceeding which the Board commenced on October 4, 2012, the Board established a certification program and directed Staff to work with the New Jersey Department of Environmental Protection (NJDEP) to develop an application.

On April 10, 2013, Staff issued an application for developers seeking Board approval pursuant to subsection t. Staff received twelve applications to date which were forwarded to the NJDEP for an advisory recommendation on whether a site for a proposed facility is located on eligible land and the state of remediation on the site. Staff presented eleven

applications to the Board with recommendations from the NJDEP and the Board approved or conditionally approved eight applications and denied three. Staff recommended the Board approve one application that recently received favorable reviews by the NJDEP.

Staff received advisory recommendations from the NJDEP for the application and recommended the Board grant "conditional certification" to PVNavigator, LLC for its application to build a solar facility project on Somerdale Road Landfill located in Gloucester Township, New Jersey, subject to the developer satisfying all the permit conditions imposed by the NJDEP for construction of a solar facility on the site. Staff further recommended the Board direct the applicant to comply with the SREC Registration program requirements including the submission of SREC Registration materials within fourteen days of the effective date of the Order.

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

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

B. Docket No. QO13100908 – In the Matter of the Petition of Covanta Fairfax, Inc. and Virginia Electric Power Company for a Partial Waiver of N.J.A.C. 14:8-2.6(C)-(G).

BACKGROUND AND DISCUSSION: This matter involved a joint petition by Covanta Fairfax, Inc. (Covanta) and Virginia Electric and Power Company (Virginia Electric) (the Petitioners) for a "retroactive waiver" of N.J.A.C. 14:8-2.6.

The Covanta Facility sells its entire generation output to Virginia Electric pursuant to a long-term power purchase agreement. The Covanta Facility is located outside of New Jersey and, accordingly, the creation of Class II Renewable Energy Certificates (RECs) on the basis of its generation is subject to specific requirements set forth in N.J.A.C. 14:8-2.6 (c)-(g). To qualify for Class II RECs under the rule, a resource recovery facility located outside of New Jersey must be located in a state with retail competition as defined in N.J.A.C. 14:4-1.2, and must have received an environmental compliance determination from the New Jersey Department of Environmental Protection (NJDEP) that the facility meets or exceeds all New Jersey Clean Energy Program requirements that would apply if the facility were located in New Jersey.

Neither Covanta nor Virginia Electric was able to produce a copy of the NJDEP determination that was needed to provide the basis of the annual certification. Upon further investigation, no record was found that Covanta had ever requested an environmental compliance determination for this facility. Therefore, Covanta was unable to sign the annual affidavit required by N.J.A.C. 14:8-2.6(g)(iii) and, consequently, any Class II RECs based on Energy Year (EY) 2013 energy production were ineligible to satisfy the New Jersey Renewable Portfolio Standard (RPS). Virginia Electric cancelled some, but not all, outstanding EY 2013 Class II REC purchase and sale agreements that it had entered into with third parties.

On October 1, 2013, the Petitioners filed a petition with the Board for a "retroactive" waiver of N.J.A.C. 14:8-2.6(c)-(g) as these rules apply to RECs issued by Pennsylvania/New

Jersey/Maryland Environmental Information Services Generation Attributes Tracking System to the Covanta Facility, and an extension of time for the Covanta Facility to comply with the relevant rules. Covanta submitted a copy of its request for an environmental compliance determination on the same date to the Board's Office of Clean Energy and NJDEP's Office of Innovative Technology.

The NJDEP subsequently denied the request and determined that the Covanta Facility did not meet the NJDEP's standards. Staff determined that the Class II RECs based upon the energy generated at the Covanta Facility during EY 2013 were not eligible for demonstrating compliance with the New Jersey RPS. Therefore, Staff recommended the Board deny the Petitioners' request for a retroactive waiver of the requirements of N.J.A.C. 14:8-2.6 (c)-(g) for RECs based on energy generated by the Covanta Facility during EY 2013.

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

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

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

Carolyn McIntosh, Deputy Attorney General, Division of Law, presented this matter.

BACKGROUND AND DISCUSSION: At the April 23, 2014 Agenda meeting, the Board issued an Order to Show Cause as to why Mr. Manis should not receive a Level Four suspension for his participation from all New Jersey Clean Energy Programs (NJCEP) for one year, subject to reinstatement only upon Board approval, which could be reasonably withheld.

Staff found that Manis' admission of falsifying several State documents and a utility bill in order to effectuate payment of NJCEP incentives to him justifies the imposition of the most severe penalty available under the Contractor Remediation Procedures.

Therefore, Staff recommended the Board impose a Level Four Suspension against Manis, prohibiting his participation from NJCEP Programs for one year, effective June 28, 2014, and subject to reinstatement only upon Board approval, consistent with the penalty outlined in the Contractor Remediation Procedures for this type of action.

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

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

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

D. Docket No. EO11050324V – In the Matter of the Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for Fiscal Years 2014 through 2017.

BACKGROUND AND DISCUSSION: This matter involved fiscal year 2015 (FY15) funding level for New Jersey's Clean Energy Program (NJCEP). The 1999 Electric Discount and Energy Competition Act required the Office of Clean Energy (OCE) to initiate a fourth Comprehensive Resource Analysis (CRA) proceeding and hold public hearings on funding levels for energy efficiency (EE) and renewable energy (RE) programs for calendar years 2013-2016. By its November 2012 Order, the Board revised funding levels for fiscal years 2014-2017.

In June 2012, the Board issued Request for Proposal (RFP) 13-X-22546 for a single Program Administrator to deliver services currently provided by Honeywell, TRC and AEG. A critical component of the RFP was that the selected Program Administrator was required to prepare a Strategic Plan within 120 days of the contract award. The Strategic Plan was required to establish a long-term plan that included EE savings and RE goals, propose funding levels to achieve the goals, and provide recommendations on the process of reducing the program's reliance on Societal Benefits Charge funds by transitioning the EE programs to alternate means of financing.

In June 2013, when finalizing the CRA for FY14, Staff anticipated that the Program Administrator contract would soon be awarded. Therefore, the Board concurred with Staff's recommendation to set funding for FY14 only, and defer a decision to set multi-year funding levels until after the anticipated Strategic Plan was developed. Staff was directed to develop working groups to: improve coordination between NJCEP and utility-run programs; investigate alternative models for delivering EE programs; and to participate in alternative financing and the EE market.

The Board considered Staff's recommendations to establish a CRA funding level for FY15 only, and defer setting funding levels for FY16 and FY17. Staff circulated a "CRA-Staff Straw Proposal" to the EE and RE groups developing proposed funding levels based upon a market potential study, a benchmarking study, public policy objectives and other factors.

Pending work group recommendations and evaluation studies, and to provide a degree of market certainty and stability during this transition period, Staff recommended a continuation of the current portfolio of programs in FY15. The NJCEP has seen a steady increase in participation and spending over the past four years. The proposed FY15 funding level of \$344,665,000 is to fully fund the current portfolio of NJCEP Programs and to anticipate that this trend continues.

Commissioner Fox issued a separate concurrence with concerns on SBC program money and allocation of funding for DEP's Office of Sustainability and Green Energy. She also stated she disapproved of spending \$59M in NJCEP funds for NJ Transit and State utility costs as this money is not going toward EE or RE.

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

Roll Call Vote:	President Solomon	Aye
	Commissioner Fox	Concurrence
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye

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

BACKGROUND AND DISCUSSION: This matter involved the New Jersey Clean Energy Program (NJCEP) Program and Budgets for fiscal year 2015 (FY15). The Clean Energy budget is based on new funding of \$344.7 million, and estimated Fiscal Year 2014 carryover of \$202.7 million, which represents commitments made in previous years, as well as estimated, unexpended and uncommitted funds. From that subtotal must be deducted the lapses from the supplemental budget appropriation of \$49.1 million as identified in the Governor’s budget message in February 2014, as well as the \$30 million the Energy Resiliency Bank (ERB) and \$68 million to offset state expenses. This results in a FY15 budget of \$401 million.

Based on a budget that includes actual expense and commitments for the first eight months of FY14, plus estimates for the four remaining years of FY14, Staff allocated funds to the five primary sectors within the programs: Energy Efficiency (EE), Combined Heat and Power and Fuel Cell; Renewable Energy; the Economic Development Authority and Administration (primarily evaluations and marketing), and including the ERB. The budget fully funds the NJCEP’s current portfolio of programs.

As part of the proposed FY15 Programs and Budgets, Staff recommended six reallocations over the last four months which included increased funding for the Local Government Energy Audit, Home Performance with Energy Star, EE Products, Direct Install, the Commercial and Industrial New Construction and Retrofit Programs, well as the Comfort Partner Programs.

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

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

F. Docket No. EO09010048 – In the Matter of the Board Approval of the Contract and Memorandum of Agreement Between the New Jersey Board of Public Utilities Office of Clean Energy and the Rutgers Center for Energy, Economic and Environmental Policy – Recommendation for Year Two Approval – July 1, 2014 through June 30, 2015.

Anne Marie McShea, Marketing & Communications Administrator, Office of Clean Energy, presented this matter.

BACKGROUND AND DISCUSSION: This matter addresses the proposed contract and Memorandum of Agreement (MOA) between the Board Office of Clean and Energy (OCE) and the Rutgers Center for Energy, Economic and Environmental Policy (Rutgers CEEEP) in the implementation of the New Jersey Energy Master Plan (EMP), for the period from July 1, 2014 through June 30, 2015, contingent upon annual funding.

Since 2003, Rutgers CEEEP has been performing evaluations for the New Jersey Clean Energy (NJCEP) Programs and assisting the NJBPU in initiating the State EMP Process by providing extensive economic, environmental, and rate impact analysis. The MOA with Rutgers CEEEP will provide staffing, expertise and resources necessary to perform programmatic evaluations and need benefit analyses of NJCEP Programs to ensure effective design and resource allocations necessary to reach New Jersey’s Energy Master Plan goals.

The MOA also covers budget and resources related to Sandy Storm Response. Rutgers CEEEP will conduct a cost-benefit analysis of each of the three electric utilities’ proposals to upgrade and harden their systems in response to future severe weather events such as Hurricane Sandy and Irene. The Sandy Storm Response Study, while part of CEEEP’s contract, will be paid from the American Resource Recovery Act State Electricity Regulators Assistance grant. The MOA will also include a third area of evaluation to be conducted by Rutgers University’s, Institute of Marine and Coastal Sciences, which will assess offshore wind resource properties and wind power production potential.

Implementation of the Governor’s EMP requires that OCE conduct extensive economic, environmental and rate impact analysis in order to develop the management programs for EMP and to measure progress in meeting those goals. In Year Two, Rutgers CEEEP will be assisting with the three-year update to the EMP, as well as providing various program evaluations.

Staff recommended the Board approve the second year of the MOA between the Board and Rutgers CEEEP and a budget for Year 2 (July 1, 2014 through June 30, 2015) of the contract for funding of \$1,359,000.00 which covers Rutgers CEEEP and subcontractors to conduct specified evaluation studies as outlined above.

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

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

G. Docket Nos. EO07030203 and EO11100631V – In the Matter of the Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for the Years 2009 through 2012: Revised 2012 Programs Large Scale Combined Heat and Power/Fuel Cell Grant Program – Request for Awardee Approval.

Sherri Jones, Division of Economic Development and Energy Policy, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved the application of Solvay Specialty Polymers USA, LLC, (Solvay) seeking funding for the installation of a Combined Heat and Power (CHP) Project under the New Jersey Clean Energy Program’s (NJCEP) Large Scale Combined Heat and Power and Fuel Cells (LSCHP-FC) Program. Under this program, qualified participants are eligible to receive financial incentives to further enhance energy efficiency in their buildings through on-site power generation with recovery and productive use of waste heat to reduce existing and new demands to the electric power grid.

Solvay submitted a completed application on March 11, 2014, requesting a \$2,460,000 grant, proposing to construct a 4.6 MW CHP facility at 10 Leonard Lane in West Deptford, NJ, with an estimated annual efficiency of 80.4%. The facility will utilize a gas turbine to replace two steam boilers. The total cost of the project is \$18,079,863.

Solvay is a global chemical company in the consumer goods, automotive and energy markets. The site produces fluoropolymers and fluoroelastomers with continuous and batch chemical processes, operating 24 hours per day and typically seven days per week. On April 25, 2014, Staff determined that the project met all technical requirements of the LCHP-FC program.

Staff determined that Solvay’s application has satisfied the award eligibility criteria under the terms set forth in the LSCHP-FC program guidelines and recommended the Board approve the award to Solvay in the amount of \$2,460,000 based on the information presented in the application and Staff’s findings.

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

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

H. Docket No. QG14060546 – In the Matter of the New Jersey Clean Energy Program Authorization of Commercial and Industrial Program Energy Efficiency Incentives Exceeding \$500,000 – New Jersey Transit Corporation.

Docket No. QG14060547 – In the Matter of the New Jersey Clean Energy Program Authorization of Commercial and Industrial Program Energy Efficiency Incentives Exceeding \$500,000 – Phillips 66 Company.

Elizabeth Teng, Office of Clean Energy, presented this matter.

BACKGROUND AND DISCUSSION: In May 2014, the Clean Energy Program approved 398 projects, totaling approximately \$6.76 million in incentives. Staff has since received two applications for commercial and industrial (C&I) rebates in amounts over \$500,000.

New Jersey Transit Corporation (NJT) in Newark, NJ, applied for an incentive under the Large Energy Users Pilot Program, for approximately \$673,000. NJT is upgrading its lighting systems in its facilities at One Penn Plaza East in Newark and at 180 Boyden Avenue in Maplewood. Additionally, NJT will be replacing existing electric motors with new, more efficient units with variable frequency drives incorporated at only the Newark location. These measures are anticipated to achieve a 2.1 million kilowatt hours in electric savings and \$248,000 in annual energy cost savings. The project will cost the applicant approximately \$1.2 million, and with incentive, the payback for the project is 2.19 years.

The second applicant is Phillips 66 Company, which applied for an incentive under the Large Energy Users Program. The project takes place at 1400 Park Avenue in Linden. The applicant proposes to install furnace carbon monoxide monitoring, to upgrade their facility's steam control valves, upgrade their gas oil turbine, and to upgrade the lights. The incentive for this project is approximately \$1.7 million. The measures are anticipated to achieve 548,000 kilowatt hours in annual energy savings, as well as 1 million therms in reduced natural gas consumption. Through these savings, the applicant anticipates achieving \$631,000 in energy cost savings. This project will cost approximately \$2.3 million to implement, and with incentive, the applicant will achieve a payback of less than a year.

Staff determined that these applications have met the eligibility criteria for commercial and industrial program rebates and recommended the Board approve these applications and authorize the issuance of standard commitment letters to both of the applicants.

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

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

- I. **Docket No. EO09020122 – In the Matter of the Contract for Applied Energy Group, Inc. for 2013 Program Coordination Services for the New Jersey Clean Energy Program; Contract No. 68922 – Request for Extension.**

Docket No. EO05080667 – In the Matter of the Clean Energy Program Request for Proposal for Market Manager;

Docket No. EO09100835 – In the Matter of the Clean Energy Program Honeywell International, Inc., Market Manager; Contract No. A67052 – Request for Extension; and

Docket No. EO09100836 – In the Matter of the Clean Energy Program – TRC Energy Services, Market Manager; Contract No. A67053 – Request for Extension.

Docket No. EO08040273 – In the Matter of the Clean Energy Program – Municipal Audit Program; Contract No. 08 –X-39537 – Request for Extension.

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

BACKGROUND AND DISCUSSION: This matter involved a request for an additional extension of the New Jersey Clean Energy Program Administration (PA) contract issued in 2013, which is still under protest by those entities that failed to win the PA Contract. The new PA contract will condense the administrative services of both Market Managers and the current Program Coordinator into a public contract award for a five-year term to a single applicant.

In January 2013, NJ Department of the Treasury (Treasury) issued its Recommendation Report for the award of the PA contract to Applied Energy Group. At its February 20, 2013 agenda meeting, the Board concurred with Treasury's recommendation. In February 2013, Honeywell and TRC Energy Services (TRC) filed formal protests of the award with Treasury. Staff recommended Board approval of contract extensions from June 30, 2013 through October 31, 2013 and then an additional two months through December 31, 2013.

In November 2013, the Director of the Division of Purchase and Property (DPP) issued two final agency decisions in response to filed protests, remanding the Request for Proposal (RFP) back to the Procurement Bureau for a new independent assessment of all six responsive proposals. DPP then advised the bidders of the new independent assessment. In December 2013, DPP sent letters to Applied Energy Group, TRC and Honeywell extending their contracted terms through June 30, 2014. Staff met with DPP to lay out a process and 18-month timeline to draft and issue a new RFP, evaluate and award.

As the extensions are about to expire, Staff recommended the Board extend the contracts through December 31, 2015 or until a new contract is awarded and operational, whichever is first. Staff recommended the Board approve this request subject to Treasury's approval.

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

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

J. Docket No. QO14060552 - In the Matter of the Request for Proposals (RFP) for Expertise in Offshore Wind Economic Analysis and Assistance with Evaluation of Project Proposals.

Anne Marie McShea, Marketing & Communications Administrator, Office of Clean Energy, presented this matter.

BACKGROUND AND DISCUSSION: The Office of Clean Energy (OCE) sought Board approval to issue a Request for Proposals (RFP) in order to solicit proposals for expertise in Offshore Wind (OSW) economic analysis to assist the Board with the review and evaluation of offshore wind project proposals, consistent with the Offshore Wind Economic Development Act, and the Board rules at N.J.A.C. 14:8-6 which establish an application process and a framework under which the Board will consider application for qualified offshore wind facilities. Specifically, expertise is sought in evaluating the technical feasibility of offshore wind proposals, the energy producing capacity underlying project economic performance, energy pricing, cost/benefit analysis, job creation, project financing and the public subsidy requested.

These services were previously procured under a Request for Qualifications which resulted in a contract with Boston Pacific which is due to expire November 15, 2014. The prior Request for Waiver used to procure services from Boston Pacific has been amended and updated to reflect learnings and to improve contract administration and services. Treasury and the Office of Management and Budgets (OMB) have advised the Board that an RFP is the appropriate format to request services.

The estimated value of the contract is \$1,250,000, based on the evaluation of ten applications at a cost of \$125,000 per application. The cost for the evaluation will be paid by the applicant and may vary from application to application.

On June 28, 2010 New Jersey Legislature passed the "Offshore Wind Economic Development Act," signed into law on August 19, 2010, which amends and supplements the Electric Discount and Energy Competition Act (EDECA). There are three main components to the Offshore Wind Economic Development Act. First, it amends the EDECA for the development of an offshore wind renewable energy certificate (OREC) program to support at least 1,100 MW of generation from qualified OSW projects. Second, it provides specific criteria which OSW developers must include in their applications to the Board to be eligible to receive ORECs. Third, it includes specific criteria upon which the Board must base decisions to accept or reject proposals for OSW projects.

Staff recommended that the Board approve and release the RFP, pending OMB Approval.

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

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

K. BPU Docket No. EO11050314V and Appellate Docket No. A-3932-13T3 – In the Matter of the Petition of Fishermen's Atlantic City Windfarm, LLC for Approval of the State Waters Project and Authorizing Offshore Wind Renewable Energy Certificates – See Executive Session.

This matter was only discussed in executive session pursuant to attorney-client privilege and pending litigation to the Open Public Meeting Act. Please refer to the executive session minutes.

9. MISCELLANEOUS

A. Docket No. EO12121072 – In the Matter of the Board's Review of the Applicability and Calculation of a Consolidated Tax Adjustment – Generic Proceeding – Update.

Jake Gertsman, Legal Specialist, Office of Chief Counsel, presented this matter.

BACKGROUND AND DISCUSSION: Staff provided the Board with an update on the progress of the Consolidated Tax Adjustment (CTA) proceedings.

The Board ordered Staff to convene the interested parties to review issues related to the consolidated tax saving adjustment (CTA) to determine: 1) the continued use by the Board of the CTA policy; 2) how to calculate the amount of savings that result from filing a consolidated return; 3) how these savings should be equitably shared between the regulated company and the ratepayers; and 4) if a rulemaking proceeding should be undertaken to establish utility-wide or statewide standards with respect to the implementation of a CTA policy.

Staff reviewed the substantial amount of information submitted in response to its previous information requests to develop the proposal it is distributing to interested parties and the public today.

Staff proposed that the current CTA policy remain in effect except as amended by the following:

- The revised time period for the calculation of the savings would look back 5 years from the beginning of the test year;
- The savings allocation method would allow 75% of the calculated savings to be retained by the company and 25% of the calculated savings to be allocated to the ratepayers; and
- Transmission assets of the Electric Distribution Companies would not be included in the calculation of the CTA.

The deadline for comments on this proposal is August 18, 2014.

The proposal will be distributed to the service list, posted to the Board's website, and published in the New Jersey Register to ensure maximum notice to interested parties and the general public.

EXECUTIVE SESSION

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

8. CLEAN ENERGY

K. **BPU Docket No. EO11050314V and Appellate Docket No. A-3932-13T3 – In the Matter of the Petition of Fishermen's Atlantic City Windfarm, LLC for Approval of the State Waters Project and Authorizing Offshore Wind Renewable Energy Certificates.**

Discussion: Deputy Attorney General Alex Moreau indicated Fishermen's Atlantic City Windfarm, LLC (FAWC) filed a letter with the Board on May 22, 2014, offering to withdraw its notice of appeal if the Board reconsiders FAWC's application in light of the Phase II grant awarded by the U.S. Department of Energy.

As the matter is currently before the Appellate Division, the Board determined a letter should be sent by the Attorney General's Office indicating any further correspondence in this matter must be addressed to the Board's attorneys, and the Appellate Division is the appropriate venue.

After appropriate motion, the Board reconvened to Open Session.

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



KRISTI IZZO
BOARD SECRETARY

DATE: August 20, 2014