



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

A Regular Board meeting of the Board of Public Utilities was held on September 23, 2016, at the State House Annex, Committee Room 11, 125 West State Street, Trenton, New Jersey 08625.

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

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

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

Richard S. Mroz, President
Joseph L. Fiordaliso, Commissioner
Mary-Anna Holden, Commissioner
Dianne Solomon, Commissioner
Upendra J. Chivukula, Commissioner

President Mroz presided at the meeting and Kenneth Sheehan, Acting 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 31, 2016 at the State House Annex, Committee Room 11, 125 West State Street, Trenton, New Jersey 08625.

The Board recognized and thanked Energy Director, Jerry May and by unanimous vote, adopted a Resolution commending him for his years of service to the Board and to the citizens of the State of New Jersey.

CONSENT AGENDA

I. AUDITS

A. Energy Agent, Private Aggregator and/or Energy Consultant Initial Registrations

EE16060593L	Arthur J. Miranda d/b/a PowerNRG1, LLC	I – EA
EE15121449L	AvidXchange, Inc.	I – EA
EE16020156L	Applied Energy Partners, LLC	I – EA/EC
GE16090835L		
EE16080748L	Jersey Energy Group, LLC	I – EA/PA/EC
GE16080749L		

Energy Agent Renewal Registration

EE16060560L	Destination Energy, LLC	R – EA
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Electric Power Supplier Initial Licenses

EE16070681L	Tenaska Power Management, LLC	I – ESL
EE16040276L	MidAmerican Energy Services, LLC	I – ESL

Electric Power and/or Natural Gas Supplier Renewal Licenses

EE16070701L	American PowerNet Management, LP	R – ESL
GE14070761L	Compass Energy Gas Services, LLC	R – GSL
GE14070760L	Compass Energy Services, Inc.	R – GSL
EE14080921L	Stream Energy New Jersey, LLC	R – EGSL
GE14080922L	d/b/a Stream Energy	

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

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

- Arthur J. Miranda d/b/a PowerNRG1 LLC
- AvidXchange, Inc.
- Applied Energy Partners, LLC
- Jersey Energy Group, LLC

In addition, Staff recommended that the following applicant be issued a renewal registration as an energy agent for one year:

- Destination Energy, LLC

Staff also recommended that the following applicants be issued initial licenses as an electric power supplier for one year:

- Tenaska Power Management, LLC
- MidAmerican Energy Services, LLC

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

- American PowerNet Management, LP
- Compass Energy Gas Services, LLC
- Compass Energy Services, LLC
- Stream Energy New Jersey, LLC d/b/a Stream Energy

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

II. ENERGY

A. Docket No. GR16090826 – In the Matter of the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas for Approval of Increased Base Tariff Rates and Charges for Gas Service and Other Tariff Revisions.

BACKGROUND: On September 1, 2016, Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas (ETG or Company), filed a petition with the Board seeking approval to: (1) increase base delivery rates for gas service designed to produce an increase in revenues of approximately \$19 million or 6.6%; (2) modify its depreciation rates; (3) roll in and recover certain costs and finalize certain rates associated with the Accelerated Infrastructure Replacement Program approved by the Board in Docket No. GO12070693 and the Elizabethtown Natural Gas Distribution Utility Reinforcement Program approved by the Board in Docket Nos. GO13090826 and GR15060656; (4) establish certain regulatory assets; (5) establish a new Societal Benefits Charge component rate, the Customer Benefit Charge of \$0.0097 per therm; and (6) implement other tariff revisions.

ETG stated that the requested increase is necessary to permit the Company to meet the cost of operating facilities used and useful in the service of the public while earning a just and reasonable return on the investment in such facilities and maintain its financial integrity. ETG also stated that the additional revenue is needed to compensate investors for risks assumed by the Company, continue to provide safe and adequate service to the public, as well as maintain its facilities in a condition sufficient to enable ETG to discharge its public duty.

The proposed revisions, will increase existing rates and change or alter existing classifications in ETG's tariff. Staff recommended that the Board issue an Order that:

- (1) The proposed revisions are suspended until February 1, 2017, unless prior to that date the Board makes a determination disposing of the petition or enters an Order further suspending the proposed revisions;
- (2) ETG shall, at least ten days prior to the date set for hearing on the petition by the Office of Administrative Law, file with this Board and the Office of Administrative Law proof of compliance with the notice provisions of N.J.S.A. 48:2-32.2 and N.J.A.C. 14:1-5.12(b) and (c); and

- (3) ETG shall, at the same time it files with the Board, also file proof of service of copies of this Order upon the New Jersey Division of Rate Counsel, the clerks of each affected municipality, the clerks of the Boards of Chosen Freeholders of each affected County, and where appropriate, the executive officer of each affected County within its service area.

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

B. Docket Nos. BPU ER16050428 and OAL PUC 12099-16 – In the Matter of the Verified Petition of Rockland Electric Company for Approval of Changes in Electric Rates, Its Tariff for Electric Service, and Its Depreciation Rates; and Other Relief (2016 Base Rate Filing).

BACKGROUND: On May 13, 2016, Rockland Electric Company (RECO or Company) filed a petition with the Board seeking approval (1) to increase its base tariff rates and change its electric and general plant depreciation rates (2016 Base Rate Filing); and (2) to deploy advanced metering infrastructure and smart meters throughout its service territory. The Board bifurcated these two issues at the June 29, 2016 Board meeting, assigning each its own docket number and amending the captions.

The 2016 Base Rate Filing sought an increase in revenue for electric service of approximately \$9.644 million, including Sales and Use Tax, to be effective for electric service provided on or after June 12, 2016. The Company also requested a return on equity of 10.2%.

Since the 2016 Base Rate Filing is still pending at the Office of Administrative Law, Staff recommended that the Board issue an order further suspending the proposed rate increase pending further action.

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

C. Docket No. ER16010003 – In the Matter of the Federal Energy Items for 2016 FERC Docket No. EL16-71 – Proceeding to Determine PJM Transmission Owner Compliance with Order No. 890 Obligations.

BACKGROUND: Staff, on behalf of the Board, filed for intervention in this proceeding as an “interested state commission” under Federal Energy Regulatory Commission (FERC) rules of practice. The purpose of this intervention was to establish the Board as a party to the proceeding. This proceeding was initiated by FERC and orders the Transmission Owners, including all four in the State of New Jersey, to show their compliance with Order No. 890 (regarding transmission planning) or, in the alternative, propose tariff revisions to achieve compliance.

On August 26, 2016, FERC initiated this proceeding by Order to Show cause. FERC references concerned that Transmission Owners within PJM Interconnection LLC were not complying with the requirements of Order No. 890, which concerned transmission planning. FERC appeared particularly concerned about “Supplemental Projects” which have been the subject of a recent task force at PJM.

Staff is actively monitoring this proceeding and anticipated that it would ultimately be participating in the proceeding.

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

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

III. CABLE TELEVISION

There were no items in this category.

IV. TELECOMMUNICATIONS

There were no items in this category.

V. WATER

A. Docket Nos. BPU WR16050390 and OAL PUC 07416-16 – In the Matter of the Petition of Mount Olive Villages Water Company, Inc. for Approval of an Increase in Rates for Service.

BACKGROUND: On May 4, 2016, Mount Olive Villages Water Company Inc. (Company), filed a petition with the Board seeking to increase and revise its water rates in the amount of \$158,650.00 or 112.3%. The Company's rates have remained unchanged since its inception in 1986.

The Company sought the increase (1) to make necessary improvements and repairs to its thirty year old water system; (2) to maintain a satisfactory credit position; (3) to permit proper maintenance and improvement of the utility plant required to furnish safe, adequate and proper service to its customers; (4) to encourage good effective management and provide incentives for efficiency; (5) to prevent confiscation or diminution of its property; and (6) to earn a reasonable rate of return of the fair value of its property used and useful in the public service.

On May 11, 2016, the Board transmitted this matter to the Office of Administrative Law for hearings and on June 29, 2016, the Board issued an Order suspending the proposed rate increase until October 5, 2016.

Since the proposed revisions will increase existing water rates and change or alter existing classifications, in the Petitioners tariffs, Staff recommended that the Board issue an Order that suspends the proposed water rates until February 5, 2017, unless the Board prior to that date makes a determination disposing of the petition or enters an Order further suspending the proposed revisions.

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

B. Docket Nos. BPU WR16050391 and OAL PUC 07413-16 – In the Matter of the Petition of Mount Olive Villages Sewer Company, Inc. for Approval of an Increase in Rates for Service.

BACKGROUND: On May 4, 2016, Mount Olive Villages Sewer Company, Inc. (Company) filed a petition with the Board seeking to increase and revise its water rates in the amount of approximately \$817,110.00 or an overall increase of 295.5%. The Company's rates have remained unchanged since its inception in 1986.

The Company sought the increase (1) to make necessary improvements and repairs to its thirty year old water system; (2) to maintain a satisfactory credit position; (3) to permit proper maintenance and improvement of the utility plant required to furnish safe, adequate

and proper service to its customers; (4) to encourage good effective management and provide incentives for efficiency; (5) to prevent confiscation or diminution of its property; and (6) to earn a reasonable rate of return of the fair value of its property used and useful in the public service.

On May 11, 2016, the Board transmitted this matter to the Office of Administrative Law for hearings and on June 29, 2016, the Board issued an Order suspending the proposed rate increase until October 5, 2016.

Since the proposed revisions will increase exiting water rates and change or alter existing classifications, in the Petitioners tariffs, Staff recommended that the Board issue an Order that suspends the proposed water rates until February 5, 2017, unless the Board prior to that date makes a determination disposing of the petition or enters an Order further suspending the proposed revisions.

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

VI. RELIABILITY & SECURITY

A. Docket Nos. GS16080770K, et al. – In the Matter of Alleged Violations of the Underground Facility Protection Act, N.J.S.A. 48:2-73 et seq.

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

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

The number of settlements are 40 with a total penalty of \$113,000.00.

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

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

VII. CUSTOMER ASSISTANCE

A. Docket Nos. BPU EC15111293U and OAL PUC 02088-16 – In the Matter of Mankapo R. Davis, Petitioner v. Public Service Electric and Gas Company, Respondent – Request for Extension.

BACKGROUND: The Initial Decision of the Administrative Law Judge was received by the Board on August 25, 2016; therefore, the 45-day statutory period for review and the issuing of a Final Decision will expire on October 9, 2016. Prior to that date, the Board requested an additional 45-day extension of time for issuing the Final Decision in order to adequately review the record in this matter.

Good cause having been shown, pursuant to N.J.S.A. 52:14B-10(c) and N.J.A.C. 1:1-18.8, Staff recommended that the time limit for the Board to render a Final Decision be extended until November 23, 2016.

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 August 24, 2016 Agenda Meeting.

BACKGROUND: Staff presented the minutes of the Board meeting of August 24, 2016 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 Mroz	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye
	Commissioner Solomon	Aye
	Commissioner Chivukula	Aye

AGENDA

1. AUDITS

A. Docket No. EO16090855 – In the Matter of United Metro Energy Corp. d/b/a United Metro Energy Services Corp.

Cynthia Covie, Chief Counsel, Counsel's Office, presented this matter.

BACKGROUND AND DISCUSSION: On July 1, 2016, Public Service Energy and Gas Company (PSE&G or Company) informed Board Staff (Staff) that it was concerned that a third party supplier called Metro Energy Group LLC (Metro) failed to maintain its Electronic Data Interchange. Because PSE&G was unable to contact Metro, the Company contacted Staff to determine the licensing status of Metro. Upon review of Board records, Staff determined that Metro's Gas Supplier License No. GSL-0041 expired on February 9, 2012 and its surety bond expired on March 17, 2012.

Upon an investigation, Staff learned that an entity called United Metro Energy Services Corp. (United) had acquired Metro, and Staff determined that United does not possess a gas supplier license.

On July 1, 2016, Staff contacted United to confirm whether it was actively serving customers and the number of customers it serves. United's counsel confirmed that United was currently serving three customers in New Jersey. United's counsel further indicated that United had acquired the assets of Metro through bankruptcy. Metro had filed for Chapter 11 Bankruptcy in the United States Bankruptcy Court, Eastern District of New York on September 27, 2012. The Bankruptcy Court approved the sale of Metro's assets to United on February 15, 2013.

To date, United has not filed an application to become a gas supplier in New Jersey; has not provided a surety bond to the Board; and has not established its eligibility to be a gas supplier. It appears that United has served and is currently serving two residential customers and one commercial customer who were previously served by Metro. Based upon further investigation, United's New Jersey business charter has been voided and United has not applied for reinstatement.

Staff recommended that the Board issue an Order requiring United to respond in writing to show cause why a Final Order should not be issued which requires United to cease all enrollment of new customers, cease all marketing practices in New Jersey, and return all customers to the gas distribution companies. United should also be required to respond in writing to show cause why it should not be monetarily sanctioned civil penalties for violation of the above cited statutes and regulations, or otherwise be subject to any other restraints deemed necessary by the Board.

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

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

2. ENERGY

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

- A. **Docket Nos. BPU GR15111304 and OAL PUC 00738-16 – In the Matter of the Petition of New Jersey Natural Gas Company for Approval of an Increase in Gas Base Rates and for Changes in Its Tariff for Gas Service; Approval of SAFE Program Extension; and Approval of SAFE Extension and NJ RISE Rate Recovery Mechanisms Pursuant to N.J.S.A. 48:2-21, 48:2-21.1 and for Changes to Depreciation Rates for Gas Property Pursuant to N.J.S.A. 48:2-18.**

BACKGROUND AND DISCUSSION: On November 13, 2015, New Jersey Natural Gas Company (Company or NJNG) filed a petition with the Board for authority to (1) increase its base tariff rates and charges for gas service by \$147.6 million to be effective for gas service provided on or after December 17, 2015; (2) extend its Safety Acceleration and Facility Enhancement (SAFE) Program; (3) implement its New Jersey Reinvestment in System Enhancements and SAFE extension rate recovery mechanisms; and (4) implement certain other rates and tariff revisions.

NJNG proposed a test-year ending June 30, 2016. The petition as originally filed was based upon three months of actual and nine months of estimated data. As the case progressed, the estimated data was replaced by actual data, and on July 20, 2016, the Company filed its update consisting of twelve months of actual data (12+0 filing). The revenue increase as shown in the Company's 12+0 filing was \$112.853 million.

On January 12, 2016, this matter was transmitted to the Office of Administrative Law for hearings as a contested case, and was assigned to Administrative Law Judge (ALJ) Gail M. Cookson.

Following discovery and settlement negotiations, on August 12, 2016, the Company, New Jersey Division of Rate Counsel, TAQA GEN-X, LLC, American Association of Retired Persons, New Jersey Utility Shareholders Association and Board Staff (the Parties) executed a Stipulation of Settlement (Stipulation) resolving all of the issues in this proceeding, and providing for an overall increase in distribution revenues of \$45 million, exclusive of Sales and Use Tax. Public Service Electric and Gas Company submitted a letter indicating it had no objection to the Stipulation. Intervenor, the Borough of Belmar took no position on the Stipulation and did not execute it.

On August 17, 2016, ALJ Cookson issued an Initial Decision approving the Stipulation, finding that the settlement was voluntary, consistent with the law, and fully disposes of all issues in controversy.

Staff recommended that the Board adopt the Initial Decision and approve the Stipulation of the Parties. In addition, Staff recommended that the Board order NJNG to file tariff sheets consistent with the Stipulation and the Order by October 1, 2016.

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

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

B. Docket No. GR16060482 – In the Matter of the Petition of New Jersey Natural Gas Company for the Annual Review and Revision of Its Basic Gas Supply Service and Conservation Incentive Program Rates for Fiscal Year 2017 – Provisional Rates.

BACKGROUND AND DISCUSSION: On June 1, 2016, New Jersey Natural Gas Company (Company) filed a petition with the Board seeking to decrease its per therm Basic Gas Supply Service (BGSS) rate applicable to residential and small commercial customers from \$0.4804 to \$0.4280.

In addition, based on actual and estimated data through September 30, 2017, the Company sought to revise the level of its Conservation Incentive Program (CIP) recovery rates resulting in a net increase in revenues of \$43.793 million.

The Company also proposed to decrease its balancing charge rate by \$0.0040 per therm, from \$0.0679 to \$0.0639. There is no balancing charge impact on sales customers' bills as the balancing charge is deducted from the BGSS price and added to the delivery price.

The Company, Board Staff and the New Jersey Division of Rate Counsel (collectively, the Parties) stipulated and agreed to implement provisional BGSS and CIP rates to allow the Parties to conduct a full review of the petition.

After review, Staff recommended the Board approve the Stipulation of the Parties in its entirety.

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

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

C. Docket Nos. ER16070613 and GR16070614 – In the Matter of the Petition of Public Service Electric and Gas Company for Approval of Changes in Its Electric Green Programs Recovery Charge and Its Gas Green Programs Recovery Charge (2016 PSE&G Green Programs Cost Recovery Filing) – Provisional Rates.

BACKGROUND AND DISCUSSION: On July 1, 2016, Public Service Electric and Gas Company (PSE&G or Company) filed a petition with the Board seeking approval to modify the electric and gas components of the Green Programs Recovery Charge (GPRC). The rates proposed were designed to recover approximately \$43.7 million (electric) and \$13.4 million (gas) in revenues on an annual basis. As filed, the resultant net annual revenue impact on the Company's electric and gas customers is a decrease of \$13.3 million and an increase of \$3.3 million, respectively.

PSE&G, Board Staff and the New Jersey Division of Rate Counsel (collectively, the Parties) executed a Stipulation of Settlement (Stipulation) requesting that the Board approve the proposed cumulative decrease in the electric GPRC and a cumulative increase to gas GPRC on a provisional basis, subject to refund with interest, to allow the Parties sufficient time to complete their review of the petition and the proposed rates and costs.

Staff recommended that the Board issue an Order accepting the Stipulation of the Parties, which seeks to implement the proposed electric and gas GPRC rates on a provisional basis subject to refund to be effective as of October 1, 2016. Staff further recommended that the Board order the Company to file tariffs consistent with the Order by October 1, 2016.

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

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

D. Docket No. ER16070616 – In the Matter of the Petition of Public Service Electric and Gas Company for Approval of Changes in Its Electric Solar Pilot Recovery Charge for Its Solar Loan 1 Program – Provisional Rates.

BACKGROUND AND DISCUSSION: On July 1, 2016, Public Service Electric and Gas Company (PSE&G or the Company) filed a petition with the Board seeking approval of changes in its electric Solar Pilot Recovery Charge (SPRC). The petition requested an increase in the SPRC revenues of approximately \$1.2 million for the period October 1, 2016 through September 30, 2017. The rates proposed for the SPRC were designed to recover approximately \$2.8 million in revenue on an annual basis.

On September 1, 2016, PSE&G, Board Staff and the New Jersey Division of Rate Counsel (collectively, the Parties) executed a Stipulation of Settlement (Stipulation) requesting that the Board approve the proposed increase in the SPRC on a provisional basis, subject to refund with interest, to allow the Parties sufficient time to complete their review of the petition and the proposed rates and costs.

Staff recommended that the Board issue an Order accepting the Stipulation of the Parties which seeks to implement the proposed SPRC rate on a provisional basis subject to refund to be effective as of October 1, 2016. Staff further recommended that the Board order the Company to file tariffs consistent with the Order by October 1, 2016.

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

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

E. Docket No. ER16080785 – In the Matter of the Petition of Public Service Electric and Gas Company for Approval of a Change in Its Electric Non-Utility Generation Charge Rate – Provisional Rates.

BACKGROUND AND DISCUSSION: On August 10, 2016, Public Service Electric and Gas Company (Company) filed a petition relating to its Non-Utility Generation Charge, in order to credit ratepayers for an over collection of \$3.6 million. The Company is proposing a decrease in rates to a credit of \$0.000086 per kilowatt hour. This is for services to be

rendered on or after October 1, 2016.

Subsequent to discovery and substantive discussions of the issues, on September 1, 2016, the Company, Board Staff and the New Jersey Division of Rate Counsel executed a provisional Stipulation of Settlement (Stipulation) concurring with the above rates.

Staff recommended the Board approve the Provisional Stipulation.

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

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

F. Docket No. GR16060486 – In the Matter of Public Service Electric and Gas Company’s 2016/2017 Annual BGSS Commodity Charge Filing for Its Residential Gas Customers Under Its Periodic Pricing Mechanism and for Changes in Its Balancing Charge – Provisional Rates.

BACKGROUND AND DISCUSSION: On June 1, 2016, the Public Service Electric and Gas Company (PSE&G or Company) filed a petition with the Board to reduce the Company’s Basic Gas Supply Service (BGSS)-Residential Service Gas (RSG) commodity charge rate from \$0.401235 per therm to \$0.339858 per therm.

In addition, the Company requested a decrease in its November through March Balancing Charge rate from \$0.093827 to \$0.090369 per therm.

The Company, the New Jersey Division of Rate Counsel and Board Staff stipulated that, while additional time was needed to complete a review of the Company’s Petition, at this time it is reasonable and in the public interest for the proposed rate reductions to be provisionally approved. Approval of the request will result in a decrease in annual revenues of approximately \$81.0 million.

Staff recommended that the Board approve the Stipulation for Provisional PSE&G’s BGSS-RSG rates subject to refund with interest on any over recovered BGSS balance for service rendered on and after October 1, 2016.

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

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

G. Docket No. GR16060484 – In the Matter of Public Service Electric and Gas Company’s 2016 Annual Margin Adjustment Charge – Provisional Rates.

BACKGROUND AND DISCUSSION: On June 1, 2016, Public Service Electric and Gas Company (PSE&G or Company) filed a petition with the Board requesting a change in its Margin Adjustment Charge (MAC) per therm credit rate from \$0.007758 to \$0.006782, to be implemented for service rendered on and after October 1, 2016.

While PSE&G, Board Staff and the New Jersey Division of Rate Counsel (collectively, the Parties) need additional time to complete the review of the Company’s proposed MAC rate, they agreed to a provisional change to a credit rate of \$0.006782.

On September 1, 2016, the Parties executed a Stipulation of Agreement that provides for the Company’s proposed MAC rate to be provisionally changed to a credit of \$0.006782 subject to refund with interest on any net over-recovered MAC balance.

Staff recommended that the Board approve the provisional per therm MAC credit rate of \$0.006782 effective October 1, 2016.

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

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

H. Docket No. GR16070617 – In the Matter of the Petition of Public Service Electric and Gas Company to Revise Its Weather Normalization Charge for the 2016/2017 Annual Period – Provisional Rates.

BACKGROUND AND DISCUSSION: On July 1, 2016, Public Service Electric and Gas Company (Company) filed a petition with the Board relating to Weather Normalization Charge, in order to recover under collection. The Company proposed an increase of 0.024391 per Balancing Therm, over the 2016-2017 Winter Period. This is for service to be rendered on or after October 1, 2016.

Subsequent to discovery and substantive discussions of the issues, on September 1, 2016 the Company, Board Staff and the New Jersey Division of Rate Counsel (collectively, the Parties) executed a Provisional Stipulation concurring with the above rates.

Staff recommended that the Board approve the Provisional Stipulation of the Parties.

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

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

I. Docket No. EO16080788 – In the Matter of the Petition of Public Service Electric and Gas Company for Approval of the Construction of the Mason Substation Damaged During Superstorm Sandy – Designation of Commissioner.

BACKGROUND AND DISCUSSION: On August 15, 2016, Public Service Electric and Gas Company (PSE&G) filed a petition with the Board seeking approval for a proposed re-construction and resiliency enhancement of two adjacent substations, the Mason and Building 9 substations (Existing Substation) located in Kearny, New Jersey currently owned by New Jersey Transit Corporation (NJ Transit).

The Existing Substation serves as a flow-through transmission facility throughout Northern New Jersey, and is the source of traction power for the NJ Transit train Morris and Essex Lines between Maplewood & Hoboken. The Existing Substation was damaged during Superstorm Sandy and requires replacement. The newly constructed substation (New Substation) would be owned by PSE&G and operated by PSE&G and NJ Transit. The New Substation will improve reliability and resilience of PSE&G's service to a larger region across PSE&G's service territory; and provide power to NJ Transit's tracks and maintenance facilities.

Staff recommended that the Board retain this matter for hearing at the Board, and designated Commissioner Joseph Fiordaliso as the Presiding Officer for proceedings on this matter to establish and modify schedules, decide all motions, and otherwise control the conduct of this case, without the need for full Board approval, subject to subsequent Board ratification. Staff further recommended that the Board direct any entities seeking to intervene or participate in this matter to file the appropriate application with the Board by October 17, 2016.

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

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

J. Docket No. GR16060485 – In the Matter of the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to Review Its Periodic Basic Gas Supply Service Rate – Provisional Rates.

BACKGROUND AND DISCUSSION: On May 31, 2016, Elizabethtown Gas Company (Elizabethtown or Company) filed a petition with the Board relating to the Company's Periodic Basic Gas Supply Service (BGSS-P) Rate for approval to decrease its current BGSS-P rate from \$0.4203 to \$0.3954 per therm (including SUT) to become effective October 1, 2016.

Subsequent to discovery and substantive discussions of the issues, on September 1, 2016, Elizabethtown, the New Jersey Division of Rate Counsel, and Board Staff (collectively, the Parties) agreed and stipulated (Stipulation) to implement \$0.3761 per therm instead of the \$0.3954, to reflect actual data through July 31, 2016, and become effective on October 1, 2016.

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

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

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

K. Docket No. GR16020119 – In the Matter of the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to Revise Its Energy Efficiency Program Rider Rate.

BACKGROUND AND DISCUSSION: On February 11, 2016, Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas (Elizabethtown or Company) filed a petition with the Board requesting to decrease its Energy Efficiency Program (EEP) rate of \$0.0054 per therm (including Sales and Use Tax (SUT)) to \$0.0031 per therm (including SUT) effective May 1, 2016.

The Company sought to reconcile EEP costs and cost recoveries for the period commencing July 1, 2014 through June 30, 2015, and to recover forecast revenues for the period July 1, 2015 through June 30, 2016. During the discovery process, Elizabethtown updated its schedules and associated revenue requirement to reflect actual data through June 30, 2016.

Elizabethtown, Board Staff, and the New Jersey Division of Rate Counsel (collectively, the Parties) engaged in discovery and discussed matters at issue, and executed a Stipulation of Settlement (Stipulation) that recommended a reduction of the EEP rate to a credit of \$0.0007 per therm, including taxes, which reflects the updated revenue requirements through June 2016.

Staff recommended that the Board issue an order adopting the Stipulation of the Parties. Staff further recommended that the Board order Elizabethtown to file revised tariff sheets conforming to the terms of the Stipulation by October 1, 2016.

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

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

L. Docket No. GR16060483 – In the Matter of the Petition of South Jersey Gas Company to Revise the Level of Its Basic Gas Supply Service Charge and to Revise the Level of Its Conservation Incentive Program Charges for the Year Ending September 30, 2017 – Provisional Rates.

BACKGROUND AND DISCUSSION: On June 1, 2016, South Jersey Gas Company (SJG or Company) filed its combined 2016-2017 Basic Gas Supply Service (BGSS) and Conservation Incentive Program (CIP) petition with the Board to change rates applicable to the BGSS/CIP year beginning October 1, 2016.

BGSS rates are designed to recover SJG's cost of gas applicable to customers who purchase gas from South Jersey. The CIP is an incentive-based program that requires SJG to reduce gas supply related costs and limits recovery of non-weather related revenue loss to the level of gas supply costs savings achieved.

On September 1, 2016, SJG, the New Jersey Division of Rate Counsel, and Board Staff (collectively, the Parties) executed a Stipulation of Settlement (Stipulation) for provisional rates.

The monthly combined bill impact of BGSS and CIP rate adjustments results is a decrease of \$4.25 or 3.54% for a customer using 100 therms.

Staff recommended the Board approve the Stipulation of the Parties for provisional rates to become effective for service rendered on and after October 1, 2016.

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

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

M. Docket No. GR16040387 – 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 – Provisional Rates.

BACKGROUND AND DISCUSSION: On April 30, 2015, the South Jersey Gas Company (Company) made its first Annual Filing with the Board in Docket No. GR15040496, seeking recovery of the revenue requirements associated with Storm Hardening and Reliability Program (SHARP) projects placed into service from July 1, 2014 through June 30, 2015.

On April 29, 2016, the Company made its second Annual Filing (Second Annual Filing) seeking recovery of the revenue requirements associated with SHARP projects placed into service from July 1, 2015 through June 30, 2016.

On July 15, 2016, the Company filed an update to its Second Annual Filing, providing a full year of actual SHARP investment data through June 30, 2016. This filing provided updated schedules supporting a revenue requirement of approximately \$4.3 million (including SUT) associated with approximately \$33.7 million of SHARP investments, including Allowance for Funds Used During Construction, and also provided an updated proposed base rate adjustment. The impact of the rates proposed in the update to the typical residential heating customer using 100 therms of natural gas during a winter month would be an increase of \$1.18, or 1.0%.

On September 6, 2016, the Company, the New Jersey Division of Rate Counsel and Board Staff (collectively, the Parties) executed a Stipulation of Settlement (Stipulation).

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

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

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

N. Docket No. ER16060536 – In the Matter of the 2016/2017 Annual Compliance Filings for the Universal Service Fund Program Factor within the Societal Benefits Charge Rate.

Peter Hilerio, Esq., USF Team, presented this matter.

BACKGROUND AND DISCUSSION: On June 23, 2016, Public Service Electric and Gas Company, on behalf of itself and the other Gas and Electric Distribution Companies (collectively, Utilities), made a filing with the Board for the 2016/2017 Universal Service Fund (USF) and Lifeline program year, (June 2016 Filing). The June 2016 Filing included actual cost data from October 2015 to April 2016 and estimated data for May 2016 through September 2016, and proposed a USF program budget of \$167.1 million and a Lifeline program budget of \$74.6 million.

During the discovery process, the Utilities provided Board Staff and the New Jersey Division of Rate Counsel with updated cost data to include actual costs through June 2016. As a result, the request was updated to support a \$167.4 million USF program budget and a \$74.6 million Lifeline program budget.

Staff recommended that the Board approve USF and Lifeline rates, which would support a \$167.4 million USF budget, and a \$74.6 million Lifeline budget. These rates would become effective October 1, 2016 on an interim basis, and allow the Utilities requested recovery of their deferred administrative expenses. Staff also recommended that the Board direct the Utilities to file appropriate tariff sheets consistent with the Board's order prior to October 1, 2016.

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

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

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

O. Docket No. ER16010003 – In the Matter of the Federal Energy Items for 2016 – FERC Docket Nos. ER16-372 and EL15-73 – PJM Interconnection LLC, Tariff Filing and Proposed Revisions to the Operating Agreement to Effectuate Hourly Offers.

BACKGROUND AND DISCUSSION: This matter involved Board Staff’s initial protest and subsequent answers challenging the various deficiencies in PJM’s filing, urging the Federal Energy Regulatory Commission (FERC) to address the potential for aggregate and local market power abuse, and supporting the Market Monitor’s alternative that were approved by the Board in January.

Upon review of all of these filings, FERC issued a Deficiency Notice to which PJM responded. Staff timely filed its comments on that update, but ultimately FERC issued an Order approving the revised PJM proposal – requiring PJM to submit a compliance filing in accord with that Order. PJM filed its Compliance Filing on August 16, 2016, and Staff filed the Protest on September 16, 2016, having received a two week extension from FERC.

Staff recommended that the Board ratify the Protest.

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

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

P. Docket No. ER16010003 – In the Matter of the Federal Energy Items for 2016 – FERC Docket No. RM16-17 – Notice of Proposed Rulemaking Concerning Data Collection for Analytics and Surveillance and Market-Based Rate Purposes.

BACKGROUND AND DISCUSSION: Staff, acting on behalf of the Board, filed comments on a Notice of Proposed Rulemaking (NOPR), regarding the collection of information identifying Connected Entities participating in the electric markets. Federal Energy Regulatory Commission (FERC) had previously indicated a strong desire to hear from State commissions on this issue.

FERC issued the subject NOPR to amend its regulations to require each regional transmission organization and independent system operator to electronically deliver to the Commission, on an ongoing basis, data required from its market participants that would: (i) identify the market participants by means of a common alpha-numeric identifier; (ii) list their “Connected Entities,” which includes entities that have certain ownership, employment, debt, or contractual relationships to the market participants, as specified in the NOPR; and (iii) describe in brief the nature of the relationship of each Connected Entity.

The NOPR stated the information is being sought to assist the Commission in its screening and investigative efforts to detect market manipulation, an enforcement priority of the FERC.

FERC has indicated that the instant NOPR is an effort to eliminate duplication, ease compliance burdens, modernize data collections, and render information collected through its programs usable and accessible for the Commission and its staff.

Staff were joined by the Maryland Public Service Commission in their comments. Staff recommended that the Board ratify the comments.

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

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

3. CABLE TELEVISION

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

A. Docket No. CX16080807 – In the Matter of Rules for Practice and Procedure of the Office of Cable Television – Proposal for Notice and Publication of Proposed Readoption with Amendments: N.J.A.C. 14:17 and Proposed New Rule: N.J.A.C. 14:17-8.5.

BACKGROUND AND DISCUSSION: The Board’s rules of practice and procedure for cable television providers in New Jersey codified in the New Jersey Administrative Code are due to expire on October 13, 2016. The proposal sought approval for initiation of the rule readoption process.

With Board authorization, the rule proposal will be published in the New Jersey Register on November 7, 2016, and will be subject to both public hearing, (date to be determined) and a 60-day comment period ending on January 20, 2017. Readoption of the rules and adoption of the new rules is anticipated to be completed in the spring of 2017.

Staff recommended approval of the readoption proposal with proposed amendments and proposed new rule for publication in the New Jersey Register.

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

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

4. TELECOMMUNICATIONS

There were no items in this category.

5. WATER

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

A. Docket No. WO16070678 – In the Matter of Draft Services Agreement for the Operation, Management, Maintenance and Repair of the City of Rahway’s Water Supply System with SUEZ Water Environmental Services.

BACKGROUND AND DISCUSSION: On July 19, 2016, the City of Rahway (Rahway) filed a Petition with the Board for approval of a contract with SUEZ Water Environmental Services Inc. (SUEZ) for the operation, management, maintenance and repair of the Rahway water supply system.

Rahway made this application, per statute, to the Board, the New Jersey Department of Community Affairs (DCA), Division of Local Government Services, Local Finance Board and the New Jersey Department of Environmental Protection (DEP).

The New Jersey Water Supply Public Private Contracting Act (Act) authorizes public entities such as Rahway to enter into contracts with private firms for the provision of water services. The Act further stated that once the Board approves a proposed contract, the jurisdiction of the Board terminates until or unless the contract is amended to change the formula or other basis of determining charges.

A public hearing was conducted on June 13, 2016 at 6:30 pm in the library at City Hall Plaza in Rahway. A verbatim record of the hearing was produced as required pursuant to statute. No members of the public requested to speak at the public hearing. Also, it is noted that Rahway allowed the public to submit written comments for a period of two weeks following the date of the public hearing and no written comments or statements were received.

On July 18, 2016, Rahway submitted a Hearing Report to the DEP, which, pursuant to statute, must complete its review and submit its comments to the Board and DCA within 60 days of its receipt thereof.

By letter dated September 2, 2016, the New Jersey Division of Rate Counsel filed comments and advised the Board that it did not object to the Public-Private contract and was not opposed to the Board’s approval of the Petition.

Therefore, Staff recommended that the Board approve the Public-Private contract between the City of Rahway and SUEZ.

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

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

B. Docket Nos. BPU WR16040306 and OAL PUC 06627-16 – In the Matter of the Petition of Middlesex Water Company for Approval of a Purchased Water Adjustment Clause Pursuant to N.J.A.C. 14:9-7.1 et seq.

BACKGROUND AND DISCUSSION: On April 19, 2016, Middlesex Water Company (Middlesex, Company) filed a petition seeking Board approval of a Purchased Water Adjustment Clause (PWAC) to recover increased purchased water costs together with deferred costs and associated expenses. The total overall requested increase in revenues was proposed to be \$51,133.00 or 0.07%.

This matter was transmitted to the Office of Administrative Law and was assigned to Administrative Law Judge (ALJ) Irene Jones.

After proper notice, a public hearing was held in the Company's service territory on the evening of July 18, 2016, at the Fords Branch of the Woodbridge Public Library. ALJ Michael Antoniewicz presided over the public hearing. No members of the public appeared to provide comments on the proposed PWAC rate filing.

The Parties to this matter are Middlesex Water Company, the New Jersey Division of Division of Rate Counsel and Board Staff (collectively, the Parties). Subsequent to the public hearing, the Parties engaged in settlement negotiations. As a result of these discussions, the Parties reached a settlement on all issues and entered into a Stipulation, agreeing to an overall increase in PWAC revenues in the amount of \$48,645.00 or 0.0646%. As a result of this Stipulation, a residential customer with a 5/8" meter using 17,204 gallons of water per quarter would see their water bill increase from \$141.24 per quarter to \$141.35 per quarter (an increase of \$0.11 per quarter).

Because of the absence of ALJ Jones, ALJ Richard McGill was assigned to review the Stipulation for the issuance of an Initial Decision. ALJ McGill issued an Initial Decision on September 7, 2016 recommending adoption of the Stipulation executed by the Parties, finding that they had voluntarily agreed to the Stipulation and that the Stipulation fully disposes of all issues and is consistent with the law. No exceptions were received by the Board.

Staff recommended that the Board adopt the Initial Decision which adopts the Stipulation of Settlement of the Parties.

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

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

6. RELIABILITY & SECURITY

There were no items in this category.

7. CUSTOMER ASSISTANCE

There were no items in this category.

8. CLEAN ENERGY

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

A. Docket No. EO16050412 – In the Matter of the Petition of Public Service Electric and Gas Company for Approval of a Second Extension of a Solar Generation Investment Program and Associated Cost Recovery Mechanism and for Changes in the Tariff for Electric Service B.P.U.N.J. No. 15 Electric Pursuant to N.J.S.A. 48:2.21, 48:2.21.1, and 48:3-98.1 – Request for Extension of the 180-Day Review Period and Approval of a Modified Procedural Schedule.

BACKGROUND AND DISCUSSION: On May 11, 2016, Public Service Electric and Gas Company (PSE&G) filed a petition with the Board seeking approval of a second extension of one of the segments of Solar 4 All Program Extension Program, which would consist of installing 100 MWdc upon landfills and brownfields over a five year period with a total proposed capital investment of approximately \$276 million (\$240 million for investment and \$36 million for contingency and unforeseen site conditions). PSE&G proposed to recover costs associated with the program through a new Solar Generation Investment Extension II Program component of the Company's electric tariff.

By Order dated June 29, 2016 (June 29, 2016 Order), the Board determined that this matter should be retained by the Board for review and hearing, and designated Commissioner Joseph L. Fiordaliso as the presiding officer who was authorized to rule on all motions that arise during the proceeding, and modify any schedule that may be set as necessary to secure just and expeditious determination of the issues. The June 29, 2016 Order also authorized Commissioner Fiordaliso to grant an extension of the 180 day review period.

On August 31, 2016, the parties of record (*listed below) entered into a stipulation (Second Stipulation) extending the 180 day review period to December 15, 2016 and agreeing to a modified procedural schedule. Prior to Board action upon the Second Stipulation, the parties held further discussions and entered into the Amended Second Stipulation agreeing to a further extension of the 180 day review period to January 31, 2017.

Board Staff reviewed the record in this matter and was satisfied that the Amended Second Stipulation is reasonable and is in the public interest as it provides additional time for settlement discussions and a thorough review of the proposed second extension of the Solar 4 All Program, and allows for the development of a full and complete record for review by the Board. As part of the Amended Second Stipulation, the parties submitted an amended procedural schedule for the Board's consideration.

Staff reviewed the proposal for an amended schedule, to which all parties have consented and recommended that the Board issue the amended procedural schedule direct all parties, as well as participants, to comply with its terms.

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

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

*Parties of Record: Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel, Matthew M. Weisman, Esq., Public Service Electric and Gas Company, Steven S. Goldenberg, Esq., New Jersey Large Energy Users Coalition, R. William Potter, Esq., Mid-Atlantic Solar Energy Industries, Philip J. Passanante, Esq., Atlantic City Electric Company, Michael Rato, Esq., McElroy, Deutsch, Mulvaney & Carpenter, LLP, on behalf of Vanguard Energy Partners, LLC, William Harla, Esq., Decotiis, Fitzpatrick & Cole, LLP, on behalf of the Solar Energy Industries Association, Richard D. McLaughlin, Esq., on behalf of J. Fletcher Creamer & Son, Inc., Roger M. Schwarz, Esq., on behalf of IBEW Local Union 94, Bradley M. Parsons, Esq., Kroll Heineman Carton, on behalf of New Jersey Laborers-Employers Cooperation and Education Trust

B. Docket No. EO09010048 – In the Matter of the Board Approval of Year Four of a Memorandum of Agreement Between Rutgers’ Bloustein School – Center for Energy, Economic and Environmental Policy and the New Jersey Clean Energy Program.

BACKGROUND AND DISCUSSION: This matter involved the proposed contract and Memorandum of Agreement (MOA) between the Board’s Office of Clean and Energy and the Rutgers Center for Economics, Energy and Environmental Policy (CEEEP) in the implementation of the New Jersey Energy Master Plan (EMP), for the period from November 1, 2016 – October 31, 2017, contingent upon annual funding. The proposed budget for Year 4 funding is \$1,298,000.00 which covers Rutgers CEEEP and subcontractors to conduct specified evaluation studies.

Since 2003, Rutgers CEEEP has been performing evaluations for the New Jersey Clean Energy Program (NJCEP Programs) and assisting the Board 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 the NJCEP Programs to ensure effective design and resource allocations necessary to reach New Jersey’s EMP goals. The MOA will also include wind resource evaluations to be conducted by Rutgers University’s, Department of Marine and Coastal Sciences, which will assess offshore wind resource properties and wind power production potential.

In accordance with Treasury Circulars, there is an express preference to employ state universities whenever feasible but requires Office of Management and Budgets approval of professional services contracts which exceed \$250,000.00. The referenced MOA between the Board and Rutgers University for Year 4 (November 1, 2016 – October 31, 2017) exceeds \$250,000.00. Staff recommended that the Board approve to extend the MOA for Year 4 in accordance with the established requirements.

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

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

C. Docket No. EO12090799 – In the Matter of the Verified Petition of Atlantic City Electric Company Concerning a Proposal for an Extended Solar Renewable Energy Certificate (SREC)-Based Financing Program Under N.J.S.A. 48:3-98.1 (SREC II);

Docket No. EO12080750 – In the Matter of the Verified Petition of Jersey Central Power & Light Company Concerning a Proposal for a SREC-Based Financing Program Under N.J.S.A. 48:3-98.1 (SREC II); and

Docket No. EO13020118 – In the Matter of the Verified Petition of Rockland Electric Company for Approval to Implement an Extended SREC-Based Financing Program Under N.J.S.A. 48:3-98.1 (SREC II).

BACKGROUND AND DISCUSSION: This matter involved the results of the fourth solicitation held under the Solar Renewable Energy Certificate (SREC) II Programs (Round Four). According to the schedule issued by Navigant, Inc., the Solicitation Manager (SM), the Request for Proposals for Round Four was issued on May 3, 2016, and bid applications were due on July 8, 2016. The SM received nineteen proposals by the end of the due date. All nineteen bids qualified. The results of the Fourth Solicitation, therefore, are as follows:

Segment 1. Residential & Small Commercial (50 kW and below):

- 12 bids were received, totaling 207.10 kW
- 1 award was made, totaling 44.0 kW
- 11 bids were rejected because pricing was found not to be competitive
- The average price per SREC in Segment 1 was \$224.66.00.

Segment 2. Residential & Small Commercial (Greater than 50 kW to 2 MW):

- Seven bids were received, totaling 4,913.80 kW
- Two awards were made, totaling 3,330.0 kW
- Five bids were rejected because pricing was found not to be competitive
- The average accepted price per SREC in Segment 2 was \$220.21.00 per SREC.

Segment 3. Subsection t. Landfills, Brownfields, or Areas of Historic Fill (Up to 5.2 MW): No bids were received

Staff reviewed the recommendations of the SM and found that the overall solicitation process was effectively competitive in this instance. Staff recommended that the Board adopt the recommendations of the SM regarding the results of the Fourth Solicitation in the SREC II Programs and authorize the Electric Distribution Companies to execute Purchase Sale Agreements for 3 projects with Solar Renewable Energy Certificate prices deemed competitive.

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

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

D. Docket No. QO16040353 – In the Matter of the Clean Energy Programs and Budget for Fiscal Year 2017 – Bloom Energy Corporation – Motion for Reconsideration.

BACKGROUND AND DISCUSSION: This matter involved a Motion for Reconsideration (Motion) by Bloom Energy Corporation (Bloom) requesting that the Board reconsider the portion of the Board's June 29, 2016 Order (2017 Budget Order) suspending incentives for Fuel Cells without Heat Recovery (All-Electric or Electric Only Fuel Cells) pending further analysis by the Board and its Office of Clean Energy Staff.

Staff's review found that Bloom failed to meet the burden for reconsideration and failed to provide a proper basis to challenge the Board's finding that the Fiscal Year 2017 (FY17) compliance filings will benefit the customer and are consistent with New Jersey's Energy Master Plan goal of reducing energy usage and associated emissions.

Based on its review of the record, Staff determined that Bloom did not demonstrate that the Board acted in an arbitrary, capricious, or unreasonable manner and that nothing in Bloom's Motion causes or requires the Board to reconsider its FY17 Budget Order suspending All-Electric Fuel Cells, pending further analysis and recommendation.

Accordingly, Staff recommended that the Board deny Bloom's Motion.

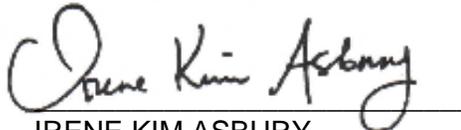
DECISION: After discussion, the Board adopted the recommendation of Staff as set forth above.

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

9. MISCELLANEOUS

There were no items in this category.

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


IRENE KIM ASBURY
BOARD SECRETARY

DATE: October 31, 2016