



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 February 19, 2014, at the State House Annex, Committee Room 11, 125 West State Street, Trenton, New Jersey 08608.

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 March 19, 2014 at the State House Annex, Committee Room 11, 125 West State Street, Trenton, New Jersey 08608.

CONSENT

I. AUDITS

<u>Energy Agent, Private Aggregator and/or Energy Consultant Initial Registrations</u>		
EE14010021L	United Energy Consultants, LLC	I – EA
EE13121174L	Berkshire Energy Partners, LLC	I – EA
EE13121175L	Destination Energy, LLC	I – EA
EE13111103L	Entelrgy Limited Liability Company	I – EA
EE13030213L	National Energy Cost Services New Jersey Incorporated	I – EA
EE14010032L GE14010033L	Premiere Marketing, LLC d/b/a Premiere Energy Auctions	I – EA/PA/EC
EE14010035L GE14010036L	Mansfield Markets, LLC	I – EA/EC
<u>Energy Agent, Private Aggregator and/or Energy Consultant Renewal Registrations</u>		
EE13121144L	Tobelmann Energy Brokers, Incorporated	R – EA
EE13111099L	Amerex Brokers, LLC d/b/a Amerex Energy Services	R – EA
EE13121151L	Best Power, LLC	R – EA
EE13100982L	RTE Enterprises, LLC	R – EA
EE13100924L	Satori Enterprises, LLC d/b/a Satori Energy	R – EA
EE13111123L GE13111124L	Patriot Energy Group, Incorporated	R – EA/PA
EE13111120L GE13111121L	Choice Energy Services Retail, LP d/b/a Choice Energy Services	R – EA/PA/EC
EE13121149L GE13121150L	ENelectros, LLC	R – EA/EC
<u>Electric Power Supplier Initial Licenses</u>		
EE13100968L	Brick Standard, LLC	I – ESL
EE13111061L	SmartEnergy Holdings, LLC	I – ESL

Electric Power and/or Natural Gas Supplier Renewal Licenses

EE13111122L	Texas Retail Energy, LLC	R – ESL
EE13100976L	Hess Small Business Services, LLC	R – ESL
GE14010086L	Hess Small Business Services, LLC	R – GSL
EE13100917L	Champion Energy Services, LLC	R – ESL
EE14010038L GE14010039L	PPL EnergyPlus Retail, LLC	R – EGSL
GE13100915L	PPL EnergyPlus, LLC	R – GSL
EE13111100L GE13111101L	UGI Energy Services, LLC d/b/a UGI EnergyLink	R – EGSL
EE13121147L GE13121148L	Verde Energy USA, Incorporated	R – EGSL
EE13121146L GE14010042L	Spark Energy, LP/Spark Energy Gas, LP	R – EGSL
EE13111093L GE13111094L	Direct Energy Business, LLC	R – EGSL
EE13111105L GE13111106L	Gateway Energy Services Corporation	R – EGSL

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 for one year to:

- United Energy Consultants, LLC
- Berkshire Energy Partners, LLC
- Destination Energy, LLC
- Entelrgy Limited Liability Company
- National Energy Cost Services NJ LLC
- Premiere Marketing LLC d/b/a Premiere Energy Auctions
- Mansfield Markets, LLC

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

- Tobelmann Energy Brokers, Inc.
- Amerex Brokers LLC d/b/a Amerex Energy Services
- Best Power LLC
- RTE Enterprises LLC
- Satori Enterprises LLC d/b/a Satori Energy
- Patriot Energy Group, Inc.
- Choice Energy Services Retail, LP d/b/a Choice Energy Services
- ENelectros, LLC

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

- Brick Standard, LLC
- SmartEnergy Holdings, LLC

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

- Texas Retail Energy, LLC
- Hess Small Business Services, LLC – Electric
- Hess Small Business Services, LLC - Gas
- Champion Energy Services, LLC
- PPL EnergyPlus Retail, LLC
- PPL EnergyPlus, LLC
- UGI Energy Services, LLC d/b/a UGI EnergyLink
- Verde Energy USA, Inc.
- Spark Energy, LP/Spark Energy Gas, LP
- Direct Energy Business, LLC
- Gateway Energy Services Corporation

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

B. Docket No. TE13121185 – In the Matter of the Petition of Access One of New Jersey, Inc. for Approval to Provide Resold and Facilities Based Interexchange and Local Exchange Services.

BACKGROUND: By letter dated December 17, 2013, Access One of New Jersey, Inc. (Petitioner) filed a petition with the Board requesting authority to provide both resold and facilities-based 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 USOA and within New Jersey.

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

II. ENERGY

A. Docket No. ER13111135 – 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; Termination of the Smart Grid Surcharge; Establishment of a Storm Hardening Surcharge; and for Other Relief.

BACKGROUND: On November 27, 2013, Rockland Electric Company (Company) filed a petition with the Board seeking approval to revise the Company's tariff sheets containing increased rates for electric service and other revised terms and conditions. The Company sought to implement its proposed rates to become effective for service rendered on or after January 1, 2014, or at such later date as the Board might determine.

This matter was transmitted to the Office of Administrative Law on December 9, 2013 and assigned to Administrative Law Judge (ALJ) McGill. Since this matter is still pending before ALJ McGill, Staff recommended the Board issue an order suspending the proposed rate increase until July 3, 2014.

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

B. Docket No. GR13111137 – In the Matter of the Petition of South Jersey Gas Company for Approval of Increased Base Tariff Rates and Charges for Gas Service and Other Tariff Revisions.

BACKGROUND: On November 29, 2013, South Jersey Gas Company (Company) filed a petition with the Board seeking approval to revise the Company's tariff sheets containing increased rates for gas service and other revised terms and conditions. The Company sought to implement its proposed rates to become effective for service rendered on or after December 30, 2013, or at such later date as the Board might determine.

This matter was transmitted to the Office of Administrative Law on December 6, 2013 and assigned to Administrative Law Judge (ALJ) W. Todd Miller. Since this matter is still pending before ALJ Miller, Staff recommended the Board issue an order suspending the proposed rate increase until July 3, 2014.

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

III. CABLE TELEVISION

- A. Docket No. CE13090834 – In the Matter of the Petition of Comcast of Gloucester County, LLC for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the City of Woodbury, County of Gloucester, State of New Jersey.**

BACKGROUND: On April 23, 2013, the City of Woodbury (City) adopted an ordinance granting renewal municipal consent to Comcast of Gloucester County, LLC (Comcast). On June 11, 2013, Comcast formally accepted the terms and conditions of the ordinance, and on September 11, 2013, Comcast filed with the Board for a renewal of its Certificate of Approval for the City.

After review, Staff recommended approval of the proposed Renewal Certificate of Approval. This certificate shall expire on June 1, 2028.

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

- B. Docket No. CE13100987 – In the Matter of the Petition of Time Warner Cable New York City, LLC d/b/a Time Warner Cable for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Borough of Little Ferry, County of Bergen, State of New Jersey.**

BACKGROUND: On June 11, 2013, the Borough of Little Ferry (Borough) granted Time Warner Cable New York City, LLC d/b/a Time Warner Cable (Time Warner Cable) renewal municipal consent for a term of ten years. On September 25, 2013, Time Warner Cable accepted the ordinance, and on October 24, 2013, Time Warner Cable filed a petition with the Board for a Renewal Certificate of Approval for the Borough.

After review, Staff recommended approval of the proposed Renewal Certificate of Approval. This certificate shall expire on September 22, 2023.

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

- C. Docket No. CE13111057 – In the Matter of the Petition of Comcast of New Jersey II, LLC for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for Township of Bloomfield, County of Essex, State of New Jersey.**

BACKGROUND: On September 3, 2013, the Township of Bloomfield (Township) granted Comcast of New Jersey II, LLC (Comcast) renewal municipal consent for a term of 15 years. On September 19, 2013, Comcast accepted the ordinance, and on November 7, 2013, Comcast filed a petition with the Board for a Renewal Certificate of Approval for the Township.

After review, Staff recommended approval of the proposed Renewal Certificate of Approval. This Certificate shall expire on April 28, 2027.

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

D. Docket No. CE13100942 – 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 Borough of Stanhope, County of Sussex, State of New Jersey.

BACKGROUND: On May 14, 2013, the Borough of Stanhope (Borough) granted CSC TKR, LLC d/b/a Cablevision of Morris (Cablevision) renewal municipal consent for a term of 15 years from the date of issuance of the Renewal Certificate of Approval. On September 12, 2013, Cablevision accepted the ordinance, and on October 11, 2013, Cablevision filed a petition with the Board for a Renewal Certificate of Approval for the Borough.

After review, Staff recommended approval of the proposed Renewal Certificate of Approval. This Certificate shall expire on March 3, 2029.

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

E. Docket No. CE13111076 – 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 Township of Parsippany - Troy Hills, County of Morris, State of New Jersey.

BACKGROUND: On July 17, 2012, the Township of Parsippany-Troy Hills (Township) 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 of the Renewal Certificate of Approval. On July 16, 2013, the Township amended its municipal consent ordinance. On September 13, 2013, Cablevision accepted the ordinance as amended, and on November 12, 2013, Cablevision filed a petition with the Board for a Renewal Certificate of Approval for the Township. This certificate shall expire on March 3, 2024.

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

F. Docket No. CR13111039 – In the Matter of the Petition of Cablevision of Monmouth, LLC (Seaside) for Approval of the Filing of FCC Form 1240, an Annual Updating of the Maximum Permitted Rate for the Regulated Basic Cable Service Using the Optional Expedited Rate Procedures.

BACKGROUND: Cablevision of Monmouth, LLC (Seaside) (Petitioner) filed Federal Communications Commission (FCC) Form 1240 with the Board seeking approval of inflation, channel change, programming cost and copyright fee adjustments for a total decrease in the Maximum Permitted Rate (MPR) of .6% for the period of February 1, 2014 to January 31, 2015.

Cable operators that elect the annual rate adjustment method (FCC Form 1240) must file for approval of these rates as required by 47 C.F.R. § 76.922. Pursuant to the FCC's Thirteenth Order of Reconsideration, "Operators that elect annual rate adjustments may change their filings from year to year, but at least 12 months must pass before the operator can implement its next annual adjustment."

This filing resulted in a Stipulation of Final Rates reflecting a decrease in Petitioner's MPR for the basic service tier.

Staff recommended the Board adopt the Stipulation of Final Rates in its entirety, thereby approving the Petitioner's FCC Form 1240 adjusting Petitioner's MPR for the basic service tier from \$13.24 to \$13.16 per month. This rate is correctly calculated using the FCC's benchmark methodology and is for the period from February 1, 2014 to January 31, 2015.

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

G. Docket No. CR13111040 – In the Matter of the Petition of Cablevision of New Jersey, LLC (Bergen) for Approval of the Filing of FCC Form 1240, an Annual Updating of the Maximum Permitted Rate for the Regulated Basic Cable Service Using the Optional Expedited Rate Procedures.

BACKGROUND: Cablevision of New Jersey, LLC. (Bergen) (Petitioner) filed Federal Communications Commission (FCC) Form 1240 with the Board seeking approval of inflation, channel change, programming cost and copyright fee adjustments for a total increase in the Maximum Permitted Rate (MPR) of 1.9 % for the period of February 1, 2014 to January 31, 2015.

Cable operators that elect the annual rate adjustment method (FCC Form 1240) must file for approval of these rates as required by 47 C.F.R. § 76.922. Pursuant to the FCC's Thirteenth Order of Reconsideration, "Operators that elect annual rate adjustments may change their filings from year to year, but at least 12 months must pass before the operator can implement its next annual adjustment."

This filing resulted in a Stipulation of Final Rates reflecting an increase in Petitioner's MPR for the basic service tier.

Staff recommended the Board adopt the Stipulation of Final Rates in its entirety, thereby approving the Petitioner's FCC Form 1240 adjusting the MPR for the basic service tier from \$14.92 to \$15.21 per month. This rate is correctly calculated using the FCC's benchmark methodology and is for the period from February 1, 2014 to January 31, 2015.

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

H. Docket No. CR13111041 – In the Matter of Cablevision of Oakland, LLC for Approval of the Filing of FCC Form 1240, an Annual Updating of the Maximum Permitted Rate for the Regulated Basic Cable Service Using the Optional Expedited Rate Procedures.

BACKGROUND: Cablevision of Oakland, LLC (Petitioner) filed Federal Communications Commission (FCC) Form 1240 with the Board seeking approval of inflation, programming cost, channel change and copyright fee adjustments for a total increase in the Maximum Permitted Rate (MPR) of .8% for the period of February 1, 2014 to January 31, 2015.

Cable operators that elect the annual rate adjustment method (FCC Form 1240) must file for approval of these rates as required by 47 C.F.R. § 76.922. Pursuant to the FCC's Thirteenth Order of Reconsideration, "Operators that elect annual rate adjustments may change their filings from year to year, but at least 12 months must pass before the operator can implement its next annual adjustment."

This filing resulted in a Stipulation of Final Rates reflecting an increase in Petitioner's MPR for the basic service tier.

Staff recommended the Board adopt the Stipulation of Final Rates in its entirety, thereby approving the Petitioner's FCC Form 1240 adjusting Petitioner's MPR for the basic service tier from \$11.04 to \$11.13 per month. This rate is correctly calculated using the FCC's benchmark methodology and is for the period from February 1, 2014 to January 31, 2015.

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

I. Docket No. CR13111042 – In the Matter of CSC TKR, LLC d/b/a Cablevision of Morris for Approval of the Filing of FCC Form 1240, an Annual Updating of the Maximum Permitted Rate for the Regulated Basic Cable Service Using the Optional Expedited Rate Procedures.

BACKGROUND: CSC TKR, LLC d/b/a Cablevision of Morris (Petitioner) filed Federal Communications Commission (FCC) Form 1240 with the Board seeking approval of inflation, channel change, programming cost and copyright fee adjustments for a total increase in the Maximum Permitted Rate (MPR) of .9% for the period of February 1, 2014 to January 31, 2015.

Cable operators that elect the annual rate adjustment method (FCC Form 1240) must file for approval of these rates as required by 47 C.F.R. § 76.922. Pursuant to the FCC's Thirteenth Order of Reconsideration, "Operators that elect annual rate adjustments may change their filings from year to year, but at least 12 months must pass before the operator can implement its next annual adjustment."

This filing resulted in a Stipulation of Final Rates reflecting an increase in Petitioner's MPR for the basic service tier.

Staff recommended the Board adopt the Stipulation of Final Rates in its entirety, thereby approving the Petitioner's FCC Form 1240 adjusting the MPR for the basic service tier from \$10.77 to \$10.87 per month. This rate is correctly calculated using the FCC's benchmark methodology and is for the period from February 1, 2014 to January 31, 2015.

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

J. Docket No. CR13111043 – In the Matter of CSC TKR, LLC d/b/a Cablevision of Raritan Valley for Approval of the Filing of FCC Form 1240, an Annual Updating of the Maximum Permitted Rate for the Regulated Basic Cable Service Using the Optional Expedited Rate Procedures.

BACKGROUND: CSC TKR, LLC d/b/a Cablevision of Raritan Valley (Petitioner) filed Federal Communications Commission (FCC) Form 1240 with the Board seeking approval of inflation, channel change, programming cost and copyright fee adjustments for a total increase in the Maximum Permitted Rate (MPR) of .7% for the period of February 1, 2014 to January 31, 2015.

Cable operators that elect the annual rate adjustment method (FCC Form 1240) must file for approval of these rates as required by 47 C.F.R. § 76.922. Pursuant to the FCC's Thirteenth Order of Reconsideration, "Operators that elect annual rate adjustments may change their filings from year to year, but at least 12 months must pass before the operator can implement its next annual adjustment."

This filing resulted in a Stipulation of Final Rates reflecting an increase in Petitioner's MPR for the basic service tier.

Staff recommended the Board adopt the Stipulation of Final Rates in its entirety, thereby approving the Petitioner's FCC Form 1240 adjusting the MPR for the basic service tier from \$10.01 to \$10.08 per month. This rate is correctly calculated using the FCC's benchmark methodology and is for the period from February 1, 2014 to January 31, 2015.

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

K. Docket No. CR13111044 – In the Matter of Cablevision Systems Corporation for Approval of the Filing of FCC Form 1205 Determining Regulated Equipment and Installation Costs Using the Optional Expedited Rate Procedures.

BACKGROUND: Cablevision Systems Corporation (Petitioner) filed Federal Communications Commission (FCC) Form 1205 with the Board seeking approval of certain changes in its regulated equipment and installation rates for the period of February 1, 2014 to January 31, 2015.

Cable operators that elect the annual rate adjustment method (FCC Forms 1240 & 1205) must file for approval of these rates as required by 47 C.F.R. § 76.922. Pursuant to the FCC's Thirteenth Order of Reconsideration, "Operators that elect annual rate adjustments may change their filings from year to year, but at least 12 months must pass before the operator can implement its next annual adjustment."

This filing resulted in a Stipulation of Final Rates reflecting certain changes in the costs of regulated equipment and installation charges as shown on Schedule A of the Stipulation.

Staff recommended the Board adopt the Stipulation of Final Rates in its entirety, thereby approving the Petitioner's equipment and installation rates as reflected in the Stipulation. These rates are correctly calculated using the FCC's benchmark methodology and are for the period from February 1, 2014 to January 31, 2015.

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

IV. TELECOMMUNICATIONS

A. Docket No. TF14010001 – In the Matter of the Verified Petition of Fiber Technologies Networks, LLC for Approval to Expand Its Financing Arrangements.

BACKGROUND: On January 7, 2014, Fiber Technologies Networks LLC (Petitioner) submitted a Petition to the Board requesting approval to expand Fibertech's existing authority for financing arrangements by \$70 million to an aggregate amount of up to \$575 million.

The Petitioner expects that any long-term indebtedness incurred as part of the proposed expanded financing arrangements will mature up to seven years after issuance. Interest rate(s) will be set according to market conditions at issuance and will be fixed or floating, or a combination thereof, with floating rates consisting of a base rate plus an agreed upon margin. Some or all of the expanded financing arrangements will be secured with security interests in the assets of Fibertech and with a guaranty from Fibertech. The financing arrangements may be used for working capital to maintain and expand Petitioner's networks and services, a cash dividend, fees and expenses related to the transaction, and other corporate purposes of the company.

The Office of the Economist after review of the information submitted in this proceeding, found that the action requested is in accordance with the law and in the public interest and therefore recommended approval of this petition.

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

B. Docket No. TF13121229 – In the Matter of the Verified Petition of Level 3 Communications, LLC for Approval to Participate in a Financing Arrangement.

BACKGROUND: On December 31, 2013, Level 3 Communications, LLC (Level 3 LLC) filed a petition with the Board requesting approval to the extent necessary, to participate in a financing arrangement. Level 3 LLC is a publicly traded Delaware corporation with principal offices located in Broomfield, Colorado. Level 3 Financing Inc. (Financing), a wholly-owned subsidiary of Level 3, is a Delaware corporation and is the direct parent of Level 3 LLC.

Level 3 LLC requested Board approval to participate in a financing arrangement in connection with the issuance by Financing of \$640 million in 6.125% Senior Notes due 2021 in a private offering to qualified institutional buyers that is exempt from registration under U.S. Federal securities laws. Financing has lent the proceeds it received in the offering of the Senior Notes plus available cash to Level 3 LLC in return for an intercompany demand note. The proceeds along with cash on hand were ultimately used to redeem all of Financing's outstanding 10% senior notes due 2018 and to pay the expenses of the offering. Level 3 LLC requested approval from the Board to act as a guarantor of the \$640 million Senior Notes issued by Financing.

Level 3 LLC requested Board approval for the intercompany demand note issued to Financing, in connection with the proceeds of the \$640 million in Senior Notes, to remain unpaid for more than 12 months from the date of issuance.

Level 3 LLC also requested approval for another intercompany demand note issued to Financing to remain unpaid for more than 12 months from the date of issuance. The latter intercompany demand note was issued in connection with a recent financing arrangement whereby Financing issued \$300 million in Floating Rate Senior Notes due 2018 in a private offering to qualified institutional buyers.

After review, Staff found that the transaction will have no negative impact on competition, the rates of current customers or employees. Therefore, Staff recommended the Board approve the Level 3 LLC request.

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

C. Docket No. TO13121163 – In the Matter of the Joint Application of Verizon New Jersey, Inc. and Dishnet Wireline, LLC for Approval of an Interconnection Agreement Under Section 252 of the Telecommunications Act of 1996.

BACKGROUND: By separate letters, Verizon New Jersey, Inc. (Verizon NJ) and Dishnet Wireline LLC (collectively, Petitioners) filed an application with the Board for the approval of a negotiated interconnection agreement. The agreement set forth the terms, conditions and prices under which the Petitioners will offer and provide network interconnection, call transport and termination, and ancillary services to each other within each Local Access and Transport Area in which they operate in New Jersey.

The agreement addresses a number of complex issues, which provide for:

- (1) access to unbundled network elements;
- (2) reciprocal compensation for terminating local traffic depending on where traffic is terminated on the companies' respective networks;
- (3) the resale of Verizon NJ retail telecommunications services for a wholesale discount; and
- (4) the offering of 911 services to all customers.

After review, Staff recommended the Board approve the Petitioners' agreement.

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

D. Docket No. TM13121182 – In the Matter of the Joint Petition of Qwest Communications Company, LLC and Certain of Its Competitive Local Exchange Carrier and Inter-Exchange Carrier Affiliates for all Approvals Required for Internal Corporate Restructuring.

BACKGROUND: On December 18, 2013, Qwest Communications Company, LLC and the affiliates regulated and/or certified in New Jersey (collectively, Petitioners), filed a Petition with the Board requesting approval to effectuate a corporate restructuring of Petitioners' Competitive Local Exchange Carrier and Interexchange Carrier corporate entities. Following the reorganization, the Petitioners will continue to provide service to all of their customers at the same terms, rates and conditions on which they currently offer such services to customers in the state.

Staff recommended approval of the Petitioners' request.

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

V. WATER

A. Docket No. WR14010019 – In the Matter of the Petition of Aqua New Jersey Inc. for Approval of an Increase in Rates for Water Service and Other Tariff Changes.

BACKGROUND: On January 16, 2014, Aqua New Jersey, Inc. (Company or Petitioner), filed a petition with the Board seeking to increase its rates for water service amounting to approximately \$3,899,014 or 11.16% above the annual revenues. The increase in rates is proposed to become effective on February 21, 2014. The Petitioner does not seek interim rate relief pending final determination on the petition.

Staff recommended the Board issue an Order suspending the rates until June 21, 2014.

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 EC13080763U and OAL PUC 15641-13 – In the Matter of John K. Domici, Jr. / General Tool Specialties, Inc., Petitioner v. Public Service Electric and Gas Company, Respondent – Billing Dispute.

BACKGROUND: This matter involved a billing dispute between John K. Domici Jr. / General Tool Specialties Inc. (Mr. Domici) and Public Service Electric and Gas Company (PSE&G or Company). The petition was transmitted to the Office of Administrative Law on October 25, 2013, as a contested case. Administrative Law Judge (ALJ) Ronald W. Reba filed an Initial Decision in this matter with the Board on January 16, 2014, approving a Stipulation of Settlement (Settlement) of the parties.

Pursuant to the terms of Settlement, and in order to resolve this matter without further delay, PSE&G and Mr. Domici agreed that the amount in dispute is \$26,813.71. The Company agreed to credit Mr. Domici's account in the amount of \$13,406.85. Mr. Domici will pay \$744.82 per month for eighteen months, until the \$13,406.85 is paid in full.

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

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

B. Docket Nos. BPU EC13080723U and OAL PUC 15636-13 – In the Matter of Dr. Faizul and Angela Khan, Petitioners v. Public Service Electric and Gas Company, Respondent – Billing Dispute.

BACKGROUND: This matter involved a billing dispute between Dr. Faizul & Angela Khan (Dr. & Mrs. Khan) and Public Service Electric and Gas Company (PSE&G). The petition was transmitted to the Office of Administrative Law on October 25, 2013, as a contested case. Administrative Law Judge (ALJ) Kimberly A. Moss filed an Initial Decision in this matter with the Board on January 9, 2014, approving a Stipulation of Settlement (Settlement) of the parties.

Pursuant to the terms of the Settlement, and in order to fully resolve this matter, the parties have agreed that: (1) PSE&G will credit Dr. & Mrs. Khan's account in the amount of \$757.00 to be issued in the form of a check; and (2) PSE&G will continue to maintain Dr. & Mrs. Khan's EPP Plan.

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

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

C. Docket Nos. BPU GC13040347U and OAL PUC 11540-13 – In the Matter of Ivy Park Management, Petitioner v. Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas, Respondent – Billing Dispute.

BACKGROUND: This matter involved a billing dispute between Ivy Park Management (Ivy Park) and Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas (ETG). The petition was transmitted to the Office of Administrative Law on August 12, 2013, as a contested case. Administrative Law Judge (ALJ) Kimberly A. Moss filed an Initial Decision in this matter with the Board on January 29, 2014, approving a Stipulation of Settlement (Settlement) of the parties.

Pursuant to the terms of the Settlement, and in order to fully resolve this matter without the need for future litigation, the parties agreed that: (1) ETG will reduce the disputed amount by \$17,495.14 inclusive of interest and penalties associated with the non-payment of the disputed amount, resulting in an adjusted balance of \$22,000.00; (2) without agreeing with the merits of the allegations expressed in ETG's answer, Ivy Park will pay the adjusted balance in full within 45 days of the ALJ's Initial Decision approving the Settlement or within 10 days of a Board Order approving such Initial Decision, whichever is earlier; and (3) the Settlement does not relieve Ivy Park's obligation to pay for gas service that it receives from ETG.

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

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

VIII. CLEAN ENERGY

There were no items in this category.

IX. MISCELLANEOUS

A. Approval of the Minutes of December 18, 2013.

BACKGROUND: Staff presented the minutes of the December 18, 2013 Agenda Meeting and recommended they be accepted.

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

After appropriate motion, the consent agenda was approved.

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

AGENDA

1. AUDITS

There were no items in this category.

2. ENERGY

- A. Docket Nos. BPU GR13040302 and OAL PUC 08163-13 – In the Matter of the Petition of Public Service Electric and Gas Company to Modify Its Manufactured Gas Plant Remediation Component Within Its Electric Societal Benefits Charge and Its Gas Societal Benefits Charge; for a Board Order Finding that Its Manufactured Gas Plant Remediation Work Performed During the Remediation Adjustment Charge 20 Period, August 1, 2011 to July 31, 2012 was Prudent; that the Resulting RAC 20 Costs are Reasonable and Available for Recovery; and to Make Changes in the Tariff for Electric Service B.P.U.N.J. No. 15 and to Make Changes in the Tariff for Gas Service B.P.U.N.J. No. 15, Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21-1.**

Robert Schultheis, Acting Bureau Chief, Revenue Requirements, Division of Energy, presented this matter.

BACKGROUND AND DISCUSSION: On April 5, 2013, Public Service Electric and Gas Company (PSE&G, Company) filed a petition with the Board for an Order finding that PSE&G's Manufactured Gas Plant remediation work performed during the Remediation Adjustment Clause (RAC) period August 1, 2011 through July 31, 2012 (RAC 20) was prudent, and that the resulting RAC 20 costs are reasonable and appropriate for rate recovery. The Company's filing sought to establish rates to recover \$21.559 million of which (\$8.283) million represents the true up of RAC 19 costs; \$28.190 million represents 1/7 of each of the RAC 14 through RAC 20 expenditures and \$1.652 million of carrying costs.

On January 6, 2014, the Company, Board Staff, and Rate Counsel entered into a Settlement whereby the current electric and gas RAC rates, previously approved by the Board Order dated October 23, 2012, be maintained.

The rates to be maintained are a Gas RAC factor rate of \$0.009280 per therm (including SUT) and an Electric RAC factor rate for secondary service from \$0.000403 per kWh (including SUT).

As a result of this Settlement, the annual bill for a typical residential customer will remain unchanged.

On January 13, 2014, Administrative Law Judge (ALJ) Irene Jones issued an Initial Decision approving the Settlement finding that: 1) the Parties had voluntarily agreed to the Settlement as evidence by their signatures or the signatures of their representatives and 2) the Settlement fully disposes of all issued in controversy and is consistent with law.

After review of the Initial Decision and the Settlement of the Parties, Staff found them to be reasonable and in the public interest. Staff therefore recommended the Board adopt the Initial Decision and the Settlement in their entirety.

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. ER13070603 and GR13070604 – In the Matter of the Petition of Public Service Electric and Gas Company for Approval of Changes in Its Electric Green Programs Recovery Charges and Its Gas Green Programs Recovery Charges (2013 PSE&G Green Programs Cost Recovery Filing).

Alice A. Bator, Chief, Bureau of Rates and Tariffs, Division of Energy presented this matter.

BACKGROUND AND DISCUSSION: On July 1, 2013, Public Service Electric and Gas Company (PSE&G) filed a petition with the Board seeking approval to decrease the electric and gas components of the Green Programs Recovery Charge by approximately \$0.766 million (electric) and \$0.828 million (gas). The rates proposed were designed to recover approximately \$111.0 million (electric) and \$18.8 million (gas) in revenues on an annual basis.

PSE&G, Board Staff and the New Jersey Division of Rate Counsel (collectively, Parties) reached an agreement and executed a Stipulation of Settlement (Stipulation) resolving all issues.

Staff recommended the Board issue an order accepting the Stipulation of the Parties. Staff further recommended the Board order PSE&G to file revised tariff sheets conforming to the terms of the Stipulation by March 1, 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

C. Docket No. EX14010104 – In the Matter of the Board’s Review of N.J.A.C. 14:5-9 – Vegetation Management Rules.

Rosalie Serapiglia, Manager, Division of Energy, presented this matter.

BACKGROUND AND DISCUSSION: On January 23, 2013, the Board adopted the Energy Preparedness Partnerships report which had a number of recommendations to ensure better storm preparation and restoration efforts by New Jersey Electric Distribution

Companies. One of the areas identified for improvement in that report was vegetation management.

In light of recent storms and the role vegetation played in those events, Staff requested the Board to direct it to begin a stakeholder process that will focus on the current vegetation management rules and regulations in N.J.A.C. 14:5-9, and in particular review the standards on the electric distribution system in subchapter 9.

Staff will report back to the Board with recommendations to consider prior to the expiration of Chapter 5, which contains the Vegetation Management rules, expiring on February 14, 2015.

Staff shall conduct its first stakeholder meeting no later than April 7, 2014. The meeting shall be advertised on our official website and Staff shall notify stakeholders such as; the New Jersey Utilities Association, the New Jersey Department of Agriculture, the Electric Utility Companies, the Sierra Club, the League of Municipalities and other groups that have previously participated in the vegetation management rule process.

Staff recommended the Board direct it to commence its stakeholder rule review and issue a public announcement for the first meeting to discuss this matter. The initial stakeholder meeting will take place on April 1, 2014 at the Board's Main Office in Trenton, NJ.

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 No. EO11090543 – In the Matter of the Board's Review of the Utilities' Response to Hurricane Irene – Update.

Thomas Walker, Division of Energy, presented this matter.

BACKGROUND AND DISCUSSION: Division of Energy Staff provided the Board with an update on several of the tasks, requirements, and submissions by the four Electric Distribution Companies (EDCs) related to the January 23, 2013 order pertaining to the review of actions during Hurricane Irene (Irene Order). Under the Irene Order, there were eleven recommendations to the EDCs that fall under the purview of the Division of Energy.

Staff reported that all of the EDCs made the required submissions on time and most of the submissions had met the intentions of the recommendations; with a few instances in which follow up was required.

The status of the following Irene Order recommendations was discussed: BPU-56, BPU-PSE&G-12, BPU-57, BPU-58, BPU-59, BPU-60, BPU-61, BPU-62, BPU-JCP&L-19, BPU-63 and BPU-65.

Staff also reported that a consultant will be utilized to evaluate some of the responses coincidental with a detailed staff review; particularly on the smart grid and system hardening

aspects. Staff further informed the Board that the work group established under recommendation BPU-61 has developed a draft program and Staff will be presenting an Order to the Board at the March meeting for review and approval.

There was significant discussion regarding the responses to recommendation BPU-58 and substation mitigation filings. There was a question if the requirement was actually met by all companies and if a formal mitigation filing was required by each. Staff was tasked to provide an update at the next meeting to answer those questions.

E. Docket No. ER13121205 – In the Matter of the Provision of Basic Generation Service and Compliance Tariff Filing Reflecting Changes to Schedule 12 Charges in PJM Open Access Transmission Tariff – December 20, 2013 Filing and January 24, 2014 Update.

Alice A. Bator, Chief, Bureau of Rates and Tariffs, Division of Energy presented this matter.

BACKGROUND AND DISCUSSION: On December 20, 2013, Atlantic City Electric Company, Jersey Central Power & Light Company, Public Service Electric and Gas Company (PSE&G) and Rockland Electric Company (collectively, the EDCs) filed a joint petition with the Board requesting recovery of Federal Energy Regulatory Commission (FERC) approved changes in firm transmission service related charges.

The EDCs' proposed tariff changes reflect changes to the Basic Generation Service (BGS) Fixed Price (BGS-FP) and Commercial and Industrial Energy Pricing (BGS-CIEP) rates to customers resulting from changes to the PJM Open Access Transmission Tariff (OATT) made in response to: (i) the annual formula rate update filing made by Potomac-Appalachian Transmission Highline, LLC (PATH) in FERC Docket No. ER-08-386-000, (ii), the annual formula rate update filing made by Virginia Electric Power Company (VEPCo) in FERC Docket No. ER08-92-000 and (iii) the annual formula rate update filing made by PSE&G in FERC Docket No. ER09-1257-000 (updated FERC Dkt No. ER14-621-000. The EDCs requested that the changes become effective on January 1, 2014.

The EDCs also requested that the BGS Suppliers be compensated for the changes to the OATT resulting from the implementation of the PATH, PSE&G, and VEPCo project annual formula updates subject to the terms and conditions of the applicable Supplier Master Agreement(s) (SMAs). Any difference between the payments to BGS Suppliers and charges to customers would flow through each EDC's BGS Reconciliation Charge. No comments were received from Rate Counsel or any other party.

On January 24, 2014, the EDCs filed an amended initial petition with the Board reflecting updated and revised tariff sheets for Schedule 12 charges in their PJM Open Access Transmission tariffs. In this update, the EDCs requested that it be approved at the Board's February 19, 2014 open agenda meeting.

Staff recommended the Board issue an order approving the proposed tariff changes and approving implementation of changes to the EDCs' retail transmission rates to be consistent with OATT tariff changes as filed with and approved by FERC, effective for service as of the date of service of the Board Order. Staff further recommended approval of the EDCs' request that the affected BGS suppliers receive the appropriate compensation for the rate adjustment(s) subject to the terms and conditions of the appropriate BGS-FP and BGS-CIEP SMAs.

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. ER12020173 – In the Matter of the Petition of Atlantic City Electric Company to Reconcile and Update the Level of Its Non-Utility Generation Charge, Its Societal Benefits Charge, and Its System Control Charge – 2012 Filing; and

Docket No. ER13030186 – In the Matter of the Petition of Atlantic City Electric Company to Reconcile and Update the Level of Its Non-Utility Generation Charge, Its Societal Benefits Charge and Its System Control Charge – 2013 Filing.

Rosalie Serapiglia, Manager, Division of Energy, presented this matter.

BACKGROUND AND DISCUSSION: On February 27, 2012, Atlantic City Electric Company (ACE) filed a petition with the Board requesting approval for changes in its Non-Utility Generation Charge (NGC), its Societal Benefits Charge (SBC) and its System Control Charge (SCC). (February 2012) The net impact of adjusting the NGC, SBC, and the SCC rates as requested in the February 2012 (including Sales and Use Tax) is an overall annual rate increase of approximately \$54.472 million.

By Order dated June 18, 2012, the Board approved a Stipulation to implement modified NGC, SBC, and SCC rates, on a provisional basis, subject to refund with interest to provide parties additional time to complete the review of the proposed rates in the February 2012.

On March 5, 2013, ACE filed a petition with the Board requesting approval for changes in its NGC, SBC, SCC. (March 2013 Petition) The net impact of adjusting the NGC, SBC, and the SCC rates as requested in the March 2013 Petition (including Sales and Use Tax) is an overall annual rate increase of approximately \$46.267 million.

By Order dated May 29, 2013 (May 2013 Order), the Board approved a Stipulation to implement NGC, SBC, and SCC rates, on a provisional basis, subject to refund with interest to provide parties additional time to complete the review of the proposed rates in the March 2013 Petition. (May 2013 Order).

On February 7, 2014, ACE, the New Jersey Division of Rate Counsel, and Board Staff executed a Stipulation of Settlement (Stipulation) that recommended finalization of the rates that were implemented per the May 2013 Board Order.

Staff recommended the Board issue an Order accepting the Stipulation which seeks to finalize the rates that were provisionally implemented in both dockets. As a result, the rates implemented per the May 2013 Order will remain in effect until the Board approves rates in a subsequent filing.

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. Non-docketed Matter – In the Matter of the Telephone Relay Service Contract Extension.

Anthony Centrella, Director, Division of Telecommunications, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved a request for an extension of the current contract with Sprint for the provision of Telephone Relay Service (TRS). TRS is a form of operator assistance that provides translator service between speech and/or hearing impaired individuals with the general body of telephone users.

The Board issued its first Request for Proposal for the provision of Telecommunications Relay Services in 1990 and the Board chose AT&T to provide the service in New Jersey. AT&T continued to provide the service until early in 2006 when Sprint was selected as the new provider of traditional TRS and CapTel service.

Sprint's current contract began on April 1, 2010 and the initial three year period expired on March 31, 2013. On November 16, 2012, Sprint was granted an extension for an additional year under the same terms, conditions and pricing as the original contract.

The contract is scheduled to expire on March 31, 2014. Staff has informally negotiated a one-year extension of the contract under the same terms and conditions with Sprint and is requesting Board approval to extend the contract until March 31, 2015.

Staff has received many positive comments from the deaf community regarding Sprint's TRS service and Staff is satisfied that the quality of Sprint's TRS will remain high during the extension.

Staff recommended Board approval of the requested extension. Staff will immediately begin working with the Department of Treasury to develop a new Request for Proposal for the provision of the service to begin in 2015.

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 No. WE13111058 – In the Matter of the Petition of Aqua New Jersey, Inc. for Approval of a Restated Municipal Franchise to Serve the Township of Chesterfield, County of Burlington, State of New Jersey.

BACKGROUND AND DISCUSSION: On November 6, 2013, Aqua New Jersey (Aqua) petitioned the Board to approve a restatement of Aqua’s franchise to provide potable water, fire protection and related services to the Township of Chesterfield (Chesterfield) in Burlington County. The Petition necessitated the Board’s approval of Municipal Consent Ordinance No. 2013-10 adopted July 25, 2013, by Chesterfield, granting Aqua the franchise to continue to serve, the municipal consent and permission to construct, operate, and maintain water facilities in Chesterfield’s Rights-of-Way. The need for this petition was the result of a long standing payment issue. While the matter was before the Appellate Division, the two Parties (Aqua and Chesterfield) reached a settlement. As part of the Settlement it was determined that the boundaries of the franchise should be clarified. The franchise area refers to the municipal boundaries of Chesterfield as of the date of the Franchise Agreement, together with any enlargements or extensions to the area that were approved by Chesterfield and any other agency with jurisdiction over Aqua. The Settlement agreement clarifies Aqua’s right to serve the entire Township of Chesterfield, thereby resolving an ambiguity that currently exists due to changes that have occurred to certain municipal boundary lines since the franchise was awarded to Crosswicks, Aqua’s corporate predecessor in 1910.

The restated franchise that was approved in July 25, 2013 was for the provision of service in perpetuity. By letter dated February 6, 2014, the Division of Rate Counsel (Rate Counsel) submitted a letter stating that it did not oppose Board approval of this Petition. However, Rate Counsel recommended that the Municipal Consent be for a period of fifty years, not in perpetuity.

After review, Staff determined that approval of the Restated Municipal Consent is necessary and is in the public interest for the provision of safe, adequate and proper water utility service. Therefore, Staff recommended Board approval of the Restated Municipal Consent as it was approved by Chesterfield subject to the provisions contained in the Board 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. WX13020140 – In the Matter of the Proposed Readoption with Amendments of New Jersey Administrative Code N.J.A.C. 14:9, Water and Wastewater – Rule Adoption.

BACKGROUND AND DISCUSSION: This matter involved the readoption with amendments of N.J.A.C. 14:9 “Water and Wastewater” which was to expire on September 15, 2013. On August 21, 2013, the Board approved the proposed readoption for comment to the New Jersey Register before the expiration date of the existing rule. The rule was subsequently published for comment in the New Jersey Register on October 7, 2013.

There were no substantive changes made to the existing rule. The suggested amendments were to correct improper citations and typographical errors, and to update contact information.

The deadline for comment was December 6, 2013. The only comments received were from New Jersey American Water (NJAW).

The only comment received that is pertinent to this readoption regards the current periodic testing requirement for 5/8 inch meters. NJAW wants to extend the testing requirement from the current ten years to fifteen or twenty years.

Staff disagreed with this suggestion. The rules require that a 5/8 inch meter be tested every ten years or 750,000 gallons, whichever occurs first, to assure the integrity of the system, and therefore cost savings to the ratepayer. The rules seek to ensure that customers only pay for the water they use. Meter accuracy is the only way to ensure this happens. Therefore, Staff believed that the ten year testing requirement for 5/8 inch meters protects the customer as well as the utility from inaccurate meter registration.

Staff recommended the approval of the Summary of Public Comments and Agency Responses regarding the readoption with amendments of N.J.A.C. 14:9 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 Solomon	Aye
	Commissioner Fox	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye

C. Docket Nos. BPU WR13070686 and OAL PUC 12399-2013S – In the Matter of the Petition of Aqua New Jersey, Inc. for Approval of an Increase in Rates for Wastewater Service Provided by Systems Located in Woolwich and North Hanover Townships and Other Tariff Changes.

BACKGROUND AND DISCUSSION: In July 31, 2013, Aqua New Jersey (Aqua) filed a petition with the Board seeking to increase its rates for wastewater service provided to systems located in Woolwich and North Hanover Townships amounting to a 62.50% increase above annual revenues.

On August 27, 2013, this matter was transmitted to the Office of Administrative Law for hearings and was assigned to Administrative Law Judge (ALJ) Pelios.

In November 13, 2013, after proper notice, two public hearings were held in Woolwich and Wrightstown. No members of the public appeared at either hearing. The proceedings were transcribed and made a part of the record in this matter.

Subsequent to the public hearings and prior to the evidentiary hearings in this matter, the Parties, which were Aqua, Rate Counsel and Board Staff, engaged in settlement negotiations. As a result of those negotiations, a Settlement was reached which provided for an overall increase in revenues amounting to a 47.7% increase above current operating revenues. Under the terms of the Settlement, the Parties have agreed that the stipulated revenue increase be implemented in two phases to minimize the magnitude of the proposed increase on customers. The major drivers of the increase are increases in costs, since these wastewater entities have gone longer than ten years without an increase; and the increases passed through by the Logan Township Municipal Utilities Authority for the Woolwich customers. This part of the increase will be tempered since this case identifies baseline data required to implement a Purchased Sewerage Treatment Adjustment Clause.

The Phase One rate will be \$51.98 per month, which is an increase of \$10.40 per month over the current rate of \$41.58; and the Phase Two rate will be \$61.40 per month, which is an increase of \$9.42 per month. The Phase Two increase will be effective one year after the Phase One increase.

The Parties agreed that Aqua would not file a request to increase base sewer rates for Woolwich and North Hanover prior to that date which is two years after the Phase One rates are implemented.

ALJ Pelios issued his Initial Decision recommending adoption of the Settlement executed by the Parties. Staff recommended the Board adopt the ALJ's Initial Decision which adopts the Settlement.

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 Nos. GS13100939K et. al. – In the Matter of Alleged Violations of the Underground Facility Protection Act, N.J.S.A. 48:2-73 et seq.**

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

BACKGROUND AND DISCUSSION: This matter involved settlements of alleged violations of the Underground Facility Protection Act (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 were settled in accordance with a penalty strategy which escalates the penalty ranges in relationship to the aggravating factors such as injury, property damage, fire, evacuation, road closure, and other public safety concerns. Moreover, the strategy sought to establish appropriate disincentives for actions which violate the Underground Facility Protection Act (the Act).

The Settlements number 3 and total amount is \$30,000.

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, not to exceed \$25,000 for any related series of violations. N.J.S.A. 48:2-88(a). Violations relating to natural gas or hazardous liquid underground pipelines or distribution facilities shall subject the violator to civil penalties not to exceed \$100,000.00 per violation per day and not to exceed \$1,000,000.00 for any related series of violations. In addition, a violator may be assessed the cost of any Board investigation, inspection or monitoring survey which leads to the establishment of a violation and for the reasonable costs of preparing and litigating the matter. N.J.S.A. 48:2-86(b)(2).

Staff is employing a single Order to close multiple cases in order to create a more streamlined and effective enforcement process.

Staff recommended the Board approve all those cases in which offers of Settlement and payment have been received.

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 EC13040348U and OAL PUC 09396-13 – In the Matter of Vishindas Harjani, Petitioner v. Atlantic City Electric Company, Respondent – Billing Dispute.

BACKGROUND AND DISCUSSION: This matter involved a billing dispute between Vishindas Harjani (Mr. Harjani) and Atlantic City Electric Company (ACE or Company). The petition was transmitted to the Office of Administrative Law (OAL) on June 24, 2013, as a contested case. Administrative Law Judge (ALJ) Damon G. Tyner filed an Initial Decision in this matter with the Board on October 24, 2013, dismissing the petition of Mr. Harjani. At its November 22, 2013, Board meeting, Staff recommended and was granted a 45-day extension of time for review and issuing a final decision.

In his petition, Mr. Harjani alleged that Public Power Company (Public Power) switched his electric service without his consent or authorization in 2011. Mr. Harjani further alleged that in August and September 2011 he received bills from ACE for 1400 Kws and 2182 Kws respectively. Mr. Harjani contended that before the unauthorized switch to Public Power, his average usage per month was roughly 400 Kws. Mr. Harjani alleged that ACE and Public Power colluded to inflate his electric bills which caused distress and torment to his family.

ACE filed an answer on June 3, 2013, in which it denied the allegations in Mr. Harjani's petition. ACE stated that Public Power is a separate and independent company unaffiliated with ACE. ACE further stated that it had knowledge that Mr. Harjani was compensated by Public Power for some of the complaints alleged in his petition.

On October 24, 2013, ALJ Tyner issued his Initial Decision. ALJ Tyner granted ACE's motion to dismiss. ALJ Tyner found that Mr. Harjani failed to state a claim upon which he can recover damages against ACE. ALJ Tyner concluded that even if Mr. Harjani had a legitimate claim against ACE, he would be barred from seeking damages against ACE under the doctrine of accord and satisfaction and estoppel due to the fact that he entered into a settlement with Public Power for the same or similar damages. Lastly, ALJ Tyner stated that the Board has no jurisdiction over the third party supplier, Public Power.

On November 13, 2013, Mr. Harjani untimely filed Exceptions to the Initial Decision. In his Exceptions, Mr. Harjani alleged that: (1) the Board erred by failing to transmit this matter to the OAL against both ACE and Public Power; and (2) ACE and Public Power are colluding together to issue fraudulent bills. ACE did not file a response.

In the Initial Decision, ALJ Tyner stated that the Board does not maintain jurisdiction over the Third Party Supplier (TPS), Public Power. That portion of the Initial Decision is in error. Under N.J.A.C. 14:4-1.2, TPS are "electric power suppliers" or "gas suppliers" and thus must be licensed by the Board pursuant to N.J.A.C. 14:4-5.

Staff recommended the Board accept the Initial Decision in part and modify that decision in part to clarify the Board's jurisdiction over TPS, and order that the petition of Vishindas Harjani be dismissed.

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. WO13100884 – In the Matter of the Petition of United Water Toms River, Inc. Pursuant to N.J.A.C. 14:3-5.1(c) for Approval of the Relocation of Its Administrative Office from 15 Adafre Avenue, Toms River to 1451 Route 37 West, Toms River, New Jersey as a Result of the Destruction Caused by Superstorm Sandy.

BACKGROUND AND DISCUSSION: United Water Toms River (UWTR or Company) filed a petition with the Board requesting authorization to move its administrative offices/ Customer Service Center (CSC) as a result of Superstorm Sandy.

On October 1, 2013, UWTR filed a petition to relocate its CSC from 15 Adafre Avenue, Toms River to 1451 Route 37 West, Toms River. The Company has complied with N.J.A.C. 14:3-5.1(c) and (e) in their entirety, including mailing copies of the petition to the Clerk of the affected municipality, as well as to the Division of Rate Counsel (Rate Counsel).

UWTR also provided customers and other interested parties with notification of the relocation, by posting a Notice at the Adafre Avenue site. The Notice also informed customers that they could call United Water's Hackensack call center, toll free for information and/or billing inquiries. In addition, the Company published a copy of the Notice in the Asbury Park Press on September 12, 2013. All Company inquiry and collection telephone personnel were provided relocation information in order that they may direct customers to the new location upon its opening.

As a result of Superstorm Sandy, the UWTR CSC located at Adafre Avenue was unusable. The main floor and equipment of its office and operations center were destroyed. As a result of the storm the Company provided customers with a drop box at the Adafre Avenue location and the contents were picked up daily.

UWTR advised Staff that it was successful in obtaining a lease in a facility outside of the flood zone at 1451 Route 37 West, Toms River. The new location is easily accessible within the Company's service territory and offers more convenient and accessible parking facilities.

UWTR stated that the hours of operation at the Adafre Avenue CSC will continue at the new site. The Company also stated that the functions and personnel will remain the same as well.

Based on the justification for relocation provided in its petition, UWTR stated that the closure and relocation of its Adafre Avenue CSC site was necessary and needed to be done immediately. UWTR also stated that the new location will not unduly prejudice or inconvenience the public interest. The Company requested that the Board authorize the closure and relocation of its Adafre Avenue office.

The Division of the Rate Counsel advised Staff by letter dated November 20, 2013, that it did not oppose the relocation. The Board received no letters in opposition to the relocation from interested parties or customers. The relocation of UWTR's CSC will affect all customers located in the City of Toms River.

Staff recommended the Board grant UWTR's request and authorize the relocation of its CSC from 15 Adafre Avenue, Toms River to 1451 Route 37 West, Toms River, 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. EX13010006 – In the Matter of the Board of Public Utilities Renewable Energy and Energy Efficiency Proposed Amendments Pursuant to N.J.A.C. 14:8-2.8(a) and 14:8-2.10(h) – Rule Adoption.**

Rachel Boylan, Legal Specialist, Counsel's Office, presented this matter.

BACKGROUND AND DISCUSSION: At its January 23, 2013 meeting, the Board approved a rule proposal for two slight amendments to two different sections of the Clean Energy Solar Rules. It was published in the New Jersey Register on March 4, 2013. The two changes are part of the Board's ongoing work to bring Clean Energy rules into compliance with the Solar Act.

The amendments to N.J.A.C. 14:8-2.10 extend and lower the Solar Alternative Compliance Payments (SACP) schedule, which now runs to 2028 instead of to 2025, with the SACP levels significantly lowered. The amendments to N.J.A.C. 14:8-2.8 extend the life of Offshore Wind (OSW) Renewable Energy Certificates (ORECs) from two years to three years (somewhat of a hypothetical change at this point, since there is no OSW to generate ORECs) and extend the useful life of Solar RECs from three to five years.

Staff recommended the Board approve the adoption of these rules 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 Solomon	Aye
	Commissioner Fox	Aye
	Commissioner Fiordaliso	Aye
	Commissioner Holden	Aye

B. Docket No. EO13050376V – In the Matter of the Clean Energy Program – Programs and Budgets for Fiscal Year 2014; and

Docket No. QO13100973 – In the Matter of the Solicitation for Sustainable Biopower Incentives in the Renewable Energy Incentive Program.

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

BACKGROUND AND DISCUSSION: This matter is in regard to a \$2.5 million competitive solicitation aimed at encouraging the development of projects that produce electricity with sustainable biomass. The solicitation invites proposals through April 21, 2014, from both the private and public sectors. Through New Jersey’s Clean Energy Program (CEP), applicants will submit proposals for financial incentives which will be evaluated on the basis of economics, readiness, technology and resiliency.

The maximum incentive per project would be \$750,000, with a \$1.125 million cap per entity which is an end user of these technologies. They typically are installed in wastewater treatment plants and some private sector commercial operations. Staff recommended holding a webinar for interested parties on March 13, 2014 and written questions on the solicitation by March 7, 2014, with responses due back by April 21, 2014. Staff anticipated development of an evaluation committee that will involve CEP Market Managers and other State agency representatives such as the Department of Environmental Protection to evaluate responses, make recommendations based upon the scores, and come back to the Board at a subsequent Agenda.

Biopower is the generation of electricity – along with thermal energy when used in combined heat and power systems – from organic feedstocks, such as food waste, sewage sludge, certain types of wood waste and sustainably grown and harvested energy crops. Energy from waste is an attractive option due to the existing infrastructure to collect waste, the high cost of waste disposal, and the challenges of siting any new landfills in the state.

Additionally, Staff recommended conducting a Request for Information (RFI) survey to gauge potential participation in the Renewable Energy Incentive Program Biopower Competitive Solicitations for Fiscal Year (FY) 2014, 2015 and 2016 and to inform the decision-making process on biopower program funding levels for FY 2015, 2016 and 2017 as part of the Board’s Comprehensive Resource Analysis proceeding. The RFI survey is located at: <http://www.njcleanenergy.com/biosurvey>. The deadline for completing this survey is March 20, 2014.

Staff recommended the Board approve the immediate public release of the solicitation.

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

9. MISCELLANEOUS

There were no items in this category.

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



DATED: April 23, 2014

KRISTI IZZO
BOARD SECRETARY