



**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 January 31, 2018, 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:

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

President Fiordaliso presided at the meeting and Carmen D. Diaz, Assistant Secretary, carried out the duties of the Secretary.

It was announced that the next regular Board Meeting would be held on February 28, 2018 at the State House Annex, Committee Room 11, 125 West State Street, Trenton, New Jersey 08625.

## CONSENT AGENDA

### I. AUDITS

#### A. Energy Agent Initial Registration

EE17121272L                      Electric Choice, Inc.                      I – EA

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

EE17050529L                      On-Demand Energy, LP                      R – EA/PA

GE17050530L                      d/b/a OnDemand Energy

EE18010005L                      TFS Energy Solutions, LLC                      R – EA/PA/EC

GE18010006L                      d/b/a Tradition Energy

#### Electric Power Initial License

EE18010025L                      All American Power & Gas NJ, LLC                      I – ESL  
d/b/a AAP&G

#### Natural Gas Supplier Renewal License

GE16060580L                      Sprague Operating Resources, LLC                      R – GSL

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

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

- Electric Choice, Inc.

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

- On-Demand Energy, LP d/b/a OnDemand Energy
- TFS Energy Solutions, LLC d/b/a Tradition Energy

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

- All American Power and Gas NJ, LLC d/b/a AAP&G

Lastly, Staff recommended that the following applicant be issued renewal license as a natural gas supplier for one year:

- Sprague Operating Resources LLC

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

## II. ENERGY

### A. BPU Docket Nos. ER18010029 and GR18010030 – In the Matter of the Petition of Public Service Electric and Gas Company for Approval of an Increase in Electric and Gas Rates and for Changes in Tariffs for Electric and Gas Service, B.P.U.N.J. No. 16 Electric and B.P.U.N.J. No. 16 Gas, and for Changes in Depreciation Rates, Pursuant to N.J.S.A. 48:2-18, N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1, and for Other Appropriate Relief.

**BACKGROUND:** On January 12, 2018, Public Service Electric and Gas Company (Company or PSE&G), filed a petition with the Board for approval of an increase in its operating revenues of approximately \$95 million, or 1.2%. The Company requested an electric revenue increase of \$27 million or approximately 0.49% and a gas revenue increase of \$68 million or approximately 2.97%. The Company also sought Board approval to implement new depreciation rates that include cost of removal rates that the Company submits are more appropriate and will allow it to more fully recover its expected costs as it replaces aging infrastructure, as well as certain other tariff changes.

According to the petition, the primary reasons for the requested increase are: (1) the Company's current electric and gas rates do not reflect an adequate return on the Company's invested capital dedicated to the service of electric and gas customers; (2) the insufficiency of the Company's current depreciation rates; (3) flat sales since the filing of the Company's prior base rate case; (4) unrecovered incremental storm costs of approximately \$240 million; and (5) the Company's return to customers of approximately \$90 million of cost of removal in excess of the amount deemed to have been over-recovered in a prior rate case.

Since the proposed revisions will increase existing rates and change or alter existing classifications in PSE&G's tariff, Staff recommended that the Board issue an order suspending the proposed rate increase until June 23, 2018, pending further action on this matter.

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

### B. Docket No. ER18010004 – In the Matter of Federal Energy (FERC) Items for 2018 – FERC Docket Nos. ER18-459, ER18-460 – PJM Interconnection LLC re: OVEC Integration.

**BACKGROUND:** This matter involved Staff, on behalf of the Board, filing for intervention in this proceeding as an "interested state commission" under Federal Energy Regulatory Commission (FERC) rules of practice. The FERC e-filing rules allow for doc-less interventions, which is how this matter was filed. The purpose of this intervention is to establish the Board as a party to the proceeding. Staff intends to monitor the proceeding on behalf of the Board.

On December 15, 2017, PJM and Ohio Valley Electric Corporation (OVEC) jointly submitted a filing to FERC in connection with OVEC's proposed integration into PJM with an effective date of March 1, 2018.

OVEC and its wholly owned subsidiary, Indiana-Kentucky Electric Corporation were formed by electric utilities and electric cooperatives in Ohio and neighboring states in 1952 to provide electricity to the Piketon uranium enrichment facility then under construction by the Atomic Energy Commission near Portsmouth, Ohio.

The OVEC integration includes transfer of functional control of OVEC's transmission facilities to PJM, integration of the OVEC control area into the PJM interchange energy market and other PJM markets, and addition of OVEC as a PJM Transmission Owner.

To evaluate the integration of OVEC as a PJM zone, PJM performed a baseline Regional Transmission Expansion Plan integration report, a PJM Generator Deliverability test, a Winter Deliverability analysis, a Light Load Deliverability analysis, and a baseline thermal and voltage analysis (including N-1-1) for the OVEC system. The PJM integration studies identified the potential for a single deliverability violation, requiring OVEC to perform a further study and verify that the conservative limit set by OVEC on one of its lines can be increased slightly to eliminate this technical deliverability violation. All costs of this study and any remedial action required for compliance will be borne by OVEC. PJM did not find any other reliability or deliverability issues on the OVEC system at this time.

However, the OVEC system is aged and may be in need of significant upgrade in the future. Without any load, the cost allocation of those upgrades presents significant policy issues.

Staff recommended that the Board ratify this intervention.

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

**C. Docket No. ER18010004 – In the Matter of Federal Energy (FERC) Items for 2018 – FERC Docket No. CP18-26 – Texas Eastern Lambertville Pipeline Expansion.**

**BACKGROUND:** This matter involved Staff, on behalf of the Board, filing for intervention in this proceeding as an "interested state commission" under Federal Energy Regulatory Commission rules of practice. The purpose of this intervention is to establish the Board as a party to the proceeding. Staff intends to monitor the proceeding on behalf of the Board.

On December 7, 2017, Texas Eastern Transmission, LP (Texas Eastern) filed an application seeking authority to: (i) construct, own, operate, and maintain two new 8,600 horsepower Solar Taurus 70 natural-gas fired compressor units to replace two existing natural-gas fired compressor units, and related appurtenant facilities on existing Texas Eastern's Lambertville Compressor Station in Hunterdon County, New Jersey; (ii) charge initial incremental recourse rates and an incremental fuel percentage for firm service on the project facilities; and (iii) abandon the existing compressor units being replaced and related facilities; and (iv) any waivers, authority, and further relief as may be necessary to implement the proposal contained in its application.

Staff recommended that the Board ratify this intervention.

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

**D. Docket No. ER18010004 – In the Matter of Federal Energy (FERC) Items for 2018 – FERC Docket No. CP18-18 – Transco Gateway Expansion Project.**

**BACKGROUND:** This matter involved Staff, on behalf of the Board, filing for intervention in this proceeding as an “interested state commission” under Federal Energy Regulatory Commission rules of practice. The purpose of this intervention is to establish the Board as a party to the proceeding. At present, Staff is monitoring the proceeding on behalf of the Board.

On November 15, 2017, Transcontinental Gas Pipe Line Company, LLC (Transco) filed an application seeking a certificate of public convenience and necessity authorizing Transco’s Gateway Expansion project, which is an expansion of Transco’s existing interstate gas transmission system in New Jersey. Work is expected in Bergen, Essex, Mercer and Passaic Counties. The expansion will enable Transco to provide an additional 65,000 dekatherms per day of firm transportation service to PSEG Power and UGI Energy Services.

Staff recommended that the Board ratify this intervention.

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

**III. CABLE TELEVISION**

**A. Docket Nos. BPU CC12080796 and OAL PUC CTV 11542-13 – In the Matter of Camden County Council of Economic Opportunity, Petitioner v. Comcast, Inc. and Verizon Communications, Inc., Respondent.**

**BACKGROUND:** On August 31, 2012, Camden County Council On Economic Opportunity, Inc. (OEO) filed a petition with the Board requesting a formal hearing related to alleged property damages by Comcast, Inc. and Verizon Communications, Inc. to the Sheridan Apartments, located at 922 Jackson Street, Camden, NJ. OEO is a private, non-profit corporation that provides services for economically disadvantaged individuals and families in Camden County, New Jersey. In that capacity, OEO is the property owner of record.

The petition was transmitted to the Office of Administrative Law (OAL) on August 12, 2013, for hearing as a contested case and assigned to Administrative Law Judge (ALJ) Susan M. Scarola for initial hearing and disposition.

While this matter was pending at the OAL, the parties engaged in negotiations and executed a Stipulation of Dismissal (Stipulation). ALJ Scarola submitted the Initial Decision to the Board on January 9, 2018, finding that the parties voluntarily agreed to the Stipulation and that it fully disposed of all issues in controversy,

Staff noted that ALJ Scarola’s Initial decision did not include the full terms of the parties proposed settlement as required by N.J.A.C. 1:1-19.1.

After review, Staff recommended that the Board reject the Initial Decision, deem the matter closed and consider the petition withdrawn with prejudice,

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

**B. Docket No. CE17020093 – In the Matter of the Petition of Comcast of South Jersey, LLC for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Township of Lawrence County of Cumberland, State of New Jersey.**

**BACKGROUND:** On December 12, 2016, the Township of Lawrence (Township) adopted an ordinance granting renewal municipal consent to Comcast of South Jersey, LLC (Comcast). On January 3, 2017, Comcast formally accepted the terms and conditions of the ordinance, and on February 6, 2017, Comcast filed with the Board for a renewal of its Certificate of Approval for the Township. This Certificate shall expire July 8, 2026.

After review, Staff recommended that the Board approve the proposed Renewal Certificate of Approval.

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

**C. Docket No. CE15060654 – In the Matter of the Petition of Comcast Hopewell Valley, Inc. for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Borough of Hopewell, County of Mercer, State of New Jersey.**

**BACKGROUND:** On June 4, 2015, Comcast of Hopewell Valley, Inc. (Comcast) filed a petition for an Automatic Renewal Certificate of Approval for the Borough of Hopewell (Borough) based on the automatic renewal provision, for a term to expire on February 15, 2025.

The petition is based on the Borough's ordinance granting renewal municipal consent which was adopted on September 4, 2001. The Borough's ordinance granted a term of 15 years with an automatic renewal term of ten years. The initial term expired on February 15, 2015.

On April 25, 2012, the Borough was notified by the Office of Cable Television & Telecommunications (OCTV&T) of the start of the three-year federally permitted ascertainment process. On June 2, 2014, the OCTV&T notified the Borough that the Renewal Certificate of Approval contained the provision for automatic renewal. The notification letter outlined the steps necessary to not accept the automatic renewal Certificate of Approval. On December 23, 2014, the Borough was notified by Comcast of its intention to utilize the automatic renewal provision.

After review, Staff recommended that the Board approve the automatic Renewal Certificate of Approval.

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

#### IV. TELECOMMUNICATIONS

**A. Docket No. TF17111167 – In the Matter of the Verified Petition of BCHI Holdings, LLC, Birch Communications, Inc., Fusion Telecommunications International, Inc., and Network Billing Systems, LLC for Consent to a Transaction that will Result in a Material Change to the Ownership and Control of Network Billing Systems, LLC and for Approval to Participate in New Financing Arrangements.**

**BACKGROUND:** On November 15, 2017, BCHI Holdings, LLC (BCHI Holdings), Birch Communications, Inc. (BCI), Fusion Telecommunications International, Inc. (FTI), and Network Billing Systems, LLC d/b/a Solex and d/b/a Fusion (NBS) (collectively, Petitioners) filed a petition with the Board requesting approval to transfer a controlling interest in NBS to BCHI Holdings and requesting approval for NBS and BCI to participate in new financing arrangements to be entered into by FTI in connection with the closing on a merger transaction.

Following the closing, NBS will continue to offer the same services in New Jersey at the same rates, terms, and conditions.

The New Jersey Division of Rate Counsel (Rate Counsel) submitted comments by letter dated December 21, 2017, stating it did not oppose approval of the proposed acquisition provided conditions are imposed to ensure continued service quality in connection with potential future employment attrition in New Jersey. As a condition of approval, Rate Counsel urged that the Board require the Petitioners to notify the Board and Rate Counsel, providing an appropriate explanation in writing within a minimum of thirty days prior to effectuating a reduction in New Jersey jobs that is greater than 15%, throughout a three year period following approval.

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

Staff recommended that the Petitioners be allowed to proceed with the transaction and related financing. Staff also recommended that the Petitioners be ordered to notify the Secretary of the Board and the Office of Cable Television and Telecommunications within five days of the closing of the transaction.

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

**B. Docket No. TM17121281 – In the Matter of the Verified Joint Petition of Zayo Group, LLC and Spread Holdings, LLC and Northeastern ITS, LLC for Approval of the Transfer of Indirect Control of Northeastern ITS, LLC to Zayo Group, LLC.**

**BACKGROUND:** On December 11, 2017, Zayo Group, LLC (Zayo), Spread Holdings, LLC (Spread Holdings) and Northeastern ITS, LLC (Northeastern) (collectively, Petitioners) submitted a Petition with the Board requesting approval to transfer control of Northeastern from Spread Holdings to Zayo.

Following completion of the transaction, the same services will continue to be offered in New Jersey at the same rates, terms, and conditions.

The New Jersey Division of Rate Counsel (Rate Counsel) submitted comments by letter dated December 21, 2017, stating it did not oppose approval of the proposed acquisition provided conditions are imposed to ensure continued service quality in connection with potential future employment attrition in New Jersey. Specifically, as a condition of approval, Rate Counsel urged that the Board require the Petitioners to notify the Board and Rate Counsel, providing an appropriate explanation in writing within a minimum of thirty days prior to effectuating a reduction in New Jersey jobs that is greater than fifteen 15%, throughout a three year period following approval.

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

Staff recommended that the Petitioners be allowed to proceed with the transaction finding that there will be no adverse effect to customers in New Jersey. The Petitioners should also be ordered to notify the Secretary of the Board and the Office of Cable Television and Telecommunications within five days of the closing of the transaction.

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

**C. Docket No. TF171121282 – in the Matter of the Verified Joint Petition of Zayo Group, LLC and Northeastern ITS, LLC for Approval for Northeastern ITS, LLC to Participate in Certain Financing Arrangements.**

**BACKGROUND:** On December 11, 2017, Zayo Group, LLC (Zayo) and Northeastern ITS, LLC (Northeastern) (together with Zayo, the Petitioners) filed a petition with the Board requesting authority for Northeastern to participate in certain financing arrangements following completion of the transfer of indirect control of Northeastern to Zayo.

The Petitioners sought approval for Northeastern to participate in certain financing arrangements up to an aggregate amount of \$7.5 billion. The Petitioners expect that any long-term indebtedness incurred as part of the financing will mature up to ten years after issuance. Interest rate(s) will be set according to market conditions at issuance and may 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 financing arrangements may be secured facilities, which may include a grant of a security interest in the assets of Zayo and its current and future subsidiaries, including Northeastern. Additionally, Zayo's current and future subsidiaries, including Northeastern, may provide a guaranty as security for the full aggregate amount of the financing arrangements. The financing arrangements may be used for acquisitions, including the merger transactions, refinancing existing debt, and providing for working capital requirements and other types of general corporate purposes. In order to maintain adequate flexibility, the Petitioners sought authority for Northeastern to incur debt, as borrower, co-borrower or guarantor and pledge its assets as security for financing arrangements up to an aggregate amount of \$7.5 billion consistent with these parameters.

According to the petition, the financing arrangements will serve the public interest by promoting competition among telecommunications carriers by providing access to greater financial resources that will allow Zayo and its subsidiaries, including Northeastern, to become more effective competitors to larger telecommunications providers. The financing arrangements may be used to fund some or all of the purchase price for the merger and future acquisitions, to support strategic growth initiatives, and to provide for ongoing working capital and other corporate purposes.

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.

**D. Docket No. TF17111187 – In the Matter of the Verified Petition of Level 3 Communications, LLC, Broadwing Communications, LLC, Global Crossing Telecommunications, Inc., Global Crossing Local Services, Inc., Level 3 Telecom of New Jersey, LP, TelCove Operations, LLC and WiTel Communications, LLC for Approval to Participate in Certain Financing Arrangements.**

**BACKGROUND:** On November 20, 2017, Level 3 Communications, LLC, Broadwing Communications, LLC, Global Crossing Telecommunications, Inc., Global Crossing Local Services, Inc., Level 3 Telecom of New Jersey, LP, TelCove Operations, LLC, and WiTel Communications, LLC (collectively, Petitioners) filed a petition with the Board requesting approval to the extent necessary, to participate in financing arrangements completed by Level 3 Parent, LLC and Level 3 Financing, Inc.

The Petitioners requested Board approval to participate in debt refinancing transactions on outstanding credit facilities to refinance three existing tranches of term loans in an aggregate principal amount of \$4,610,500,000.00 for which the Petitioners will pledge assets and act as guarantors. The proceeds from the new term loan will prepay in full: (1) \$815 million aggregate principal amount of the tranche B-III 2019 term loan of an existing term loan maturing in 2019; (2) \$1,795,500,000.00 aggregate principal amount of the tranche B 2020 term loan of an existing term loan maturing in 2020; and (3) \$2,000,000,000.00 aggregate principal amount of the tranche B-II 2022 term loan of an existing term loan maturing in 2022. The new term loan has a lower interest rate, reducing interest expense by approximately \$35 million per year. Level 3 Financing, Inc. has lent the proceeds of the term loan to Level 3 LLC in return for an intercompany demand note. The Petitioners requested Board approval to pledge their assets and act as guarantors in support of the \$4,610,500,000.00 term loan. Level 3 LLC also requested approval for the intercompany demand note issued to Level 3 Financing, Inc. to remain unpaid for more than 12 months from the date of issuance.

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.

## V. WATER

### A. Docket No. WR17090985 – In the Matter of New Jersey-American Water Company, Inc. for Approval of Increase Tariff Rates and Charges for Water and Wastewater Service, Change in Depreciation Rates and Other Tariff Modifications.

**BACKGROUND:** On September 14, 2017, New Jersey-American Water Company (Company or NJAW) filed a Petition with the Board seeking to increase rates for water and wastewater service. The combined proposed rates would increase the Company's annual revenues by \$129.3 million or approximately 17.54% over pro-forma present rate revenues. NJAW serves approximately 631,000 water and fire service customers and approximately 41,000 sewer service customers. The increase in rates was proposed to become effective on October 15, 2017.

On September 22, 2017, the Company filed a letter with the Board via electronic mail stating that it will not implement rates on an interim basis prior to the effective date of the Board's Suspension Order resulting from the Board's October 20, 2017 Agenda Meeting. On October 20, 2017, the Board issued an Order suspending the Company's proposed rate increase until February 15, 2018.

Staff recommended that the Board issue an Order further suspending the rates until June 15, 2018.

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

## VI. RELIABILITY & SECURITY

### A. Docket Nos. GS17101117K, 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 Underground Facility Protection 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 86 with a total penalty of \$255,000.00.

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.

**B. Docket No. GS15101184K – In the Matter of Alleged Violations of the Underground Facility Protection Act, N.J.S.A. 48:2-73 et seq. – by Keith Christopher, Keith Christopher Plumbing and Heating.**

**BACKGROUND:** This matter involved a settlement of alleged violation of the Underground Facility Protection Act (the Act) by both excavators and operators of underground facilities. This matter does not contain settlements involving catastrophic situations, death or major property damage. The infraction is for failure to provide proper notice. The case has 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 sought 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 provision 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 of hazardous liquid underground pipeline or distribution facility are subject to civil penalties not to exceed \$1,000,000.00 for each violation for each day with a \$1,000,000.00 maximum for any related series of violations.

The settlement in this matter is for one case totaling \$4,000.00.

Staff recommended that the Board approve the settlements for which payment have been received.

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

**VII. CUSTOMER ASSISTANCE**

**A. Docket Nos. BPU TC16100968U and OAL PUC 03983-17 – In the Matter of Jarrdd, Inc., Petitioner v. X-Tel Communications, Respondent – Billing Dispute.**

**BACKGROUND:** This matter involved a billing dispute between Jarrdd, Inc. (Petitioner) and X-Tel Communications, Inc. (X-Tel or Company). The petition was transmitted to the Office of Administrative Law on March 22, 2017, for hearing as a contested case. Administrative Law Judge (ALJ) Jeffrey N. Rabin filed an Initial Decision in this matter with the Board on January 8, 2018.

The parties subsequently voluntarily agreed to resolve the matter and entered into a signed Stipulation of Settlement (Stipulation) that was submitted to the ALJ on December 18, 2017. Pursuant to the terms of the Stipulation, the Petitioner agreed to resolve the matter and Respondent agreed to make a payment to the Petitioner of \$6,000.00 within 30 days after approval of the Stipulation. The agreement contained in the Stipulation is in full settlement of the issues filed by the Petitioner in this matter.

By Initial Decision issued on January 5, 2018, and submitted to the Board on January 8, 2018, ALJ Rabin found that the Stipulation was voluntary, that its terms fully disposed of all issues in controversy.

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

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

**VIII. CLEAN ENERGY**

There were no items in this category.

**IX. MISCELLANEOUS**

**A. Approval of the Minutes for the November 21, 2017 Agenda Meeting.**

**BACKGROUND:** Staff presented the minutes of the Regular Board Agenda meeting of November 21, 2017 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.**

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

## AGENDA

### 1. AUDITS

#### A. Docket Nos. EE16050429L and GE16050430L – In the Matter of the J. Andrew Associates, Inc. d/b/a Seven – Utility Management Consultants, LLC.

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

**BACKGROUND AND DISCUSSION:** This matter involved an application filed by J. Andrew Associates, Inc. d/b/a Seven Utility Management Consultants, LLC (SUMC) seeking an initial registration to be an energy agent, a private aggregator, and/or an energy consultant in New Jersey.

SUMC misrepresented to Board Staff that it was never investigated and never had an application denied or revoked. The Pennsylvania Public Utility Commission denied SUMC's application and conducted a full investigation that was also litigated before an administrative law judge. The investigation was conducted because SUMC was acting as a broker/consultant without a valid license and it failed to provide litigation information on the application.

After review, Staff recommended that Board issues an Order finalizing the Board's decisions and findings set forth in its Initial Order dated November 21, 2017.

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

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

#### B. Docket No. AX18010001 – In the Matter of the Board's Consideration of the 2017 Tax Cuts and Jobs Act.

Paul Flanagan, Executive Director, presented this matter.

**BACKGROUND AND DISCUSSION:** On December 22, 2017, the Tax Cuts and Jobs Act was signed into law by President Trump (the 2017 Act). The effective date of the 2017 Act is January 1, 2018.

The 2017 Act sets forth changes to the Federal Internal Revenue Tax Code (Tax Code). One significant change is the reduction in the maximum corporate tax rate from 35% to 21% taking effect on January 1, 2018. Based upon the Board review of the 2017 Act, it appears that these changes to the Tax Code will provide savings to New Jersey public utilities and will result in an over-collection of tax revenue by the public utilities that will not be paid in federal income taxes. To ensure that ratepayers receive the appropriate benefit from the reduction in taxes collected in rates that will no longer be paid, it is necessary for rates to be adjusted so that utility rates reflect the effective federal corporate tax rate.

The new tax rate will have a direct impact on the grossing up of the revenue requirement established and approved by the Board in setting rates. In addition, the change in the tax rate may have an impact on other rate factors, including the accumulated deferred income tax.

Staff recommended to the Board the following:

Direct the utilities to defer with interest the effects of the 2017 Act on the books and records effective January 1, 2018, which is consistent with the effective date of the 2017 Act. The interest shall be calculated using the Companies' short term debt on the deferral related to the revenue requirement adjustment from the tax rate of 35% to the tax rate of 21%. Interest on the deferral related to the accumulated deferred income tax adjustment and other rate factors shall be at the Companies' overall allowed weighted average cost of capital. This will preserve the effect and ultimately pass the reduction in the revenue requirement to ratepayers for expenses relating to taxes reflected in rates but no longer owed. The deferral shall be the difference between a tax rate of 35% and 21% and its impact on both expense and on the flowback of excess accumulated deferred taxes. This will allow the Board to fully examine the full effect of the 2017 Act.

Commence a proceeding to examine the impact resulting from the 2017 Act on the utilities and the current rates under the Board's jurisdiction to determine the appropriate level and mechanism by which rates must be adjusted to reflect the benefits resulting from the 2017 Act as well as the interest rate calculation on the deferred account.

Direct each affected utility to submit to the Board no later than March 2, 2018 a Petition with a detailed calculation of the impact resulting from the 2017 Act on the revenue requirement by comparing the latest Board approved test year data and supporting data for settlements under the old and new tax laws and on the revenue requirements collected through annual/periodic clauses comparing the annual data under the old and new tax laws.

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

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

## 2. ENERGY

Thomas Walker, Director, Division of Energy, presented these matters.

**A. Docket No. GM17121309 – In the Matter of the Acquisition of Elizabethtown Gas, a Division of Pivotal Utility Holdings, Inc. by ETG Acquisition Corp., a Subsidiary of South Jersey Industries, Inc. and Related Transactions.**

**BACKGROUND AND DISCUSSION:** On or about December 21, 2017, South Jersey Industries, Inc., ETG Acquisition Corp. and South Jersey Resources Group, LLC, together with Pivotal Utility Holdings, Inc. filed a petition with the Board seeking approval of the acquisition of control by ETG Acquisition Corp. of Pivotal's New Jersey utility

operating division, Elizabethtown Gas, including the sale of substantially of all of Elizabethtown's assets.

Staff determined that the Acquisition Petition described above should be retained by the Board for hearing and designated President Joseph L. Fiordaliso as the presiding officer with authority to rule on all motions that arise during the pendency of these proceedings and modify any schedules that may be set as necessary to secure a just and expeditious determination of the issues. Staff further recommended that any entities seeking to intervene or participate in this matter file the appropriate application with the Board by February 23, 2018. Any party wishing to file a motion for admission of counsel, pro-hac vice, should do so concurrently with any motion to intervene or participate. President Fiordaliso, as the presiding officer, will render a decision with regard to any pending motions following the expiration of the February 23, 2018 deadline.

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

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

**B. Docket No. GR17070801 – In the Matter of the Petition of South Jersey Gas Company to Change the Level of its Societal Benefits Clause and its Transportation Initiation Clause.**

**BACKGROUND AND DISCUSSION:** On July 31, 2017, South Jersey Gas Company (SJG or Company) filed a petition Board requesting approval to change the rates pertaining to its Transportation Initiation Clause (TIC), and two elements of the Company's Societal Benefits Charge (SBC): the Remediation Adjustment Clause (RAC) and the Clean Energy Program (CLEP).

SJG sought approval to increase the revenues recovered through the RAC, CLEP and TIC by approximately \$8.5 million. The increase in the SBC charge was the result of a \$3.1 million increase in the level of its RAC related to expenditures for the remediation year August 1, 2016 to July 31, 2017 and a \$4.6 million increase to the revenue recovered through its CLEP for the period November 1, 2017 through October 31, 2018. Additionally, SJG sought authorization to increase its TIC revenues by approximately \$0.8 million.

In response to discovery requests, the Company updated its petitioned recovery amounts and rates based upon actual data for November 2016 through September 2017, and projected information for the period October 2017 through October 2018. Based on the updates, the total recovery sought increased from \$8.5 million to \$9.6 million.

On January 11, 2018, following review of the petition and discovery responses, SJG, the New Jersey Division of Rate Counsel and Board Staff (collectively, the Parties) executed a Stipulation of Settlement (Settlement).

Staff recommended that the Board issue an Order approving the Settlement of the Parties. In addition, Staff recommended that the Board direct SJG to file tariff sheets consistent with the terms and conditions of the Order by February 10, 2018.

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

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

**C. Docket No. ET17111229 – In the Matter of Rockland Electric Company Tariff Leaf No. 9 – Meter Equipment Installation and Ownership.**

**BACKGROUND AND DISCUSSION:** On November 30, 2017, Rockland Electric Company (RECO or Company) filed a petition with the Board seeking approval to modify Section No. 5 of the General Information Section of its filed tariff.

The proposed modification to the tariff would allow the Company to select the type and make of meters and associated equipment to be installed on a customer's premises. The filing also provides that the installation and connection of meters would be in accordance with N.J.A.C. 14:3 and that the Company may change or alter such meters and associated equipment from time to time. As noted by the Company, the tariffs of the other three major New Jersey electric distribution companies contain similar provisions.

By letter dated December 6, 2017, the New Jersey Division of Rate Counsel (Rate Counsel) submitted comments on RECO's Letter Petition. In their comments, Rate Counsel stated that it did not object to the inclusion of the proposed language in RECO's tariff. However, Rate Counsel stated that the additional language should be more precise in order to allow regulators as well as ratepayers to know which subsection the amendment addresses.

By letter dated December 13, 2017 (December Letter), RECO agreed to clarify its filing by specifying that the Company will install meters in accordance with the provisions of N.J.A.C. 14:3-4.2.

Staff recommended that the Board approve the tariff modification requested by RECO, as modified in the December Letter. Staff further recommended that the Board Order RECO to file the revised tariff sheet within five days of service of the Board's Order.

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

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

**D. Docket No. ER17040429 – In the Matter of the Recovery of Rockland Electric Company Solar Renewable Energy Program Costs.**

**BACKGROUND AND DISCUSSION:** On April 26, 2017, Rockland Electric Company (RECO or Company) filed a petition with the Board regarding the costs related to the Company's Solar Renewable Energy Certificate (SREC) Financing Program (SREC Financing Program). In the filing, RECO sought Board authorization to recover costs associated with its SREC Financing Program accumulated from 2009 through December 31, 2016. RECO proposed to recover approximately \$4.3 million amortized over a three-year period.

The Company, Board Staff and the New Jersey Division of Rate Counsel (collectively the Parties) conducted discovery in this matter and ultimately executed of a Stipulation of Settlement (Settlement) of all factual and legal issues pertaining to this docket. According to the Stipulation, RECO will implement a SREC Program component of its Regional Greenhouse Gas Initiative Surcharge of 0.0964 cents per kWh, including SUT. The revenue requirement in the Stipulation, amortized over a three year period, excludes all interest incurred prior to January 1, 2017.

Staff recommended that the Board issue an order adopting the Settlement of the Parties as it is just and reasonable and in the public interest. In addition, Staff recommended that RECO be directed to file revised tariff sheets in compliance with the terms and conditions of the Stipulation prior to February 10, 2018.

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

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

**E. Docket No. ER16121152 – In the Matter of the Provision of Basic Generation Service and the Compliance Tariff Filing Reflecting Changes to Schedule 12 in PJM Open Access Transmission Tariff – December 12, 2016 Joint Filing, and;**

**Docket No. ER17121284 – In the Matter of the Provision of Basic Generation Service and the Compliance Tariff Filing Reflecting Changes to Schedule 12 Charges in PJM Open Access Transmission Tariff – December 14, 2017 Joint Filing.**

**BACKGROUND AND DISCUSSION:** On December 12, 2016, Atlantic City Electric Company, Jersey Central Power & Light Company (JCP&L), Public Service Electric and Gas Company and Rockland Electric Company (collectively, the EDCs) filed a joint petition (December 2016 Petition) with Board requesting recovery of Federal Energy Regulatory Commission (FERC) approved changes in transmission service related charges.

The EDCs' proposed tariff changes to the Basic Generation Service (BGS), Residential and Small Commercial Pricing and Commercial and Industrial Energy Pricing rates to customers resulting in changes in the PJM Interconnection LLC's (PJM) Open Access Transmission Tariff (OATT) made in response to the JCP&L formula rate filing in FERC

Docket No. ER17-217-000. The EDCs requested that the changes become effective on January 1, 2017.

The EDCs also requested that BGS suppliers be compensated for the changes to the OATT resulting from the implementation of the JCP&L project annual formula updates effective on January 1, 2017, subject to the terms and conditions of the applicable Supplier Master Agreement(s) (SMAs).

Subsequently, on December 14, 2017, the EDCs filed a joint petition (December 2017 Petition) related to the annual formula rate update filed by JCP&L for 2018. In the December 2017 Petition, the EDCs requested an effective date of January 1, 2018.

On January 9, 2018, the EDCs updated the December 2017 Petition to reflect the settlement agreement among the parties in the FERC proceeding. (January 2018 Update) The January 2018 Update supplemented the December 2016 Petition and superseded the December 2017 Petition.

In the December 2017 Petition, the EDCs also requested a waiver of the 30-day filing requirement that would otherwise apply to this type of submission, because BGS suppliers will begin paying the revised transmission charges for service in January 2018.

Pursuant to Section 15.9 of the SMAs, between each BGS Supplier and an EDC, if a filing is made with FERC to approve a change in Firm Transmission Service rates, upon the date the EDCs begins collecting the retail rates from its customers after approval by the Board, the EDCs will track the portion of such increase and retain such tracked amounts for the benefit of the BGS suppliers. When a Final FERC Order is issued approving the increase in Firm Transmission Service rates, the EDCs will pay each BGS Supplier the amounts tracked and retained for the benefit of such BGS Supplier as outlined in Section 15.9 of the SMA. Any differences between payments to BGS suppliers and charges to customers would flow through the BGS Reconciliation Charges.

Staff recommended that the Board issue an order approving the changes to the BGS-Residential and Small Commercial Pricing and Commercial and Industrial Pricing rates requested in the January 2018 Update by each EDC for its transmission charges resulting from the FERC-approved changes effective as of February 10, 2018. Staff also recommended that the Board authorize the EDCs to collect from BGS customers, effective February 10, 2018; the costs associated with the January 2018 Update and track such collections until receipt of a Final FERC Order in the matter. Staff further recommended that the Board direct the EDCs to file tariffs and rates consistent with the Board's findings prior to February 10, 2018.

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

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

**F. Docket No. ER17101086 – In the Matter of the Provision of Basic Generation Service and the Compliance Tariff Filing Reflecting Changes to Schedule 12 Charges in PJM Open Access Transmission Tariff – October 24, 2017 MAIT Filing, and;**

**Docket No. ER17121279 – In the Matter of the Provision of Basic Generation Service and the Compliance Tariff Filing Reflecting Changes to Schedule 12 Charges in PJM Open Access Transmission Tariff – December 8, 2017 MAIT Filing.**

**BACKGROUND AND DISCUSSION:** On October 24, 2017, Public Service Electric and Gas Company, Jersey Central Power & Light Company, Rockland Electric Company, and Atlantic City Electric Company (collectively, the EDCs) filed a petition with the Board requesting recovery of Federal Energy Regulatory Commission (FERC) approved changes in transmission service related charges related to the formula rate filing made by Mid-Atlantic Interstate Transmission, LLC (MAIT).

The EDCs' proposed tariff changes to the Basic Generation Service (BGS), Residential and Small Commercial Pricing and Commercial and Industrial Energy Pricing rates to customers resulting in changes in the PJM Interconnection LLC's Open Access Transmission Tariff (OATT) made in response to the formula rate filing made by MAIT in FERC Docket No. ER17-217-000. The EDCs requested that the changes become effective on December 1, 2017.

The EDCs also requested that BGS suppliers be compensated for the changes to the OATT resulting from the implementation of the MAIT project annual formula updates effective on July 1, 2017, subject to the terms and conditions of the applicable Supplier Master Agreement(s) (SMAs).

Subsequently, on December 8, 2017, the EDCs filed a joint petition (December 2017 MAIT Petition) related to the annual formula rate update filed by MAIT for 2018. In the December 2017 MAIT Petition, the EDCs requested an effective date of January 1, 2018.

In the December 2017 MAIT Petition, the EDCs also requested a waiver of the 30-day filing requirement that would otherwise apply to this type of submission, because BGS suppliers will begin paying the revised transmission charges for service in January 2018.

Pursuant to Section 15.9 of the SMAs, between each BGS Supplier and an EDC, if a filing is made with FERC to approve a change in Firm Transmission Service rates, upon the date the EDCs begins collecting the retail rates from its customers after approval by the Board, the EDCs will track the portion of such increase and retain such tracked amounts for the benefit of the BGS suppliers. When a Final FERC Order is issued approving the increase in Firm Transmission Service rates, the EDCs will pay each BGS Supplier the amounts tracked and retained for the benefit of such BGS Supplier as outlined in Section 15.9 of the SMA. Any differences between payments to BGS suppliers and charges to customers would flow through the BGS Reconciliation Charges.

Staff recommended that the Board issue an order approving the changes to the BGS-Residential and Small Commercial Pricing and Commercial and Industrial Pricing rates

requested in the December 2017 MAIT Petition by each EDC for its transmission charges resulting from the FERC-approved changes effective as of February 10, 2018. Staff also recommended that the Board authorize the EDCs to collect from BGS customers, effective February 10, 2018; the costs associated with the December 2017 MAIT Petition and track such collections until receipt of a Final FERC Order in the matter. Staff further recommended that the Board direct the EDCs to file tariffs and rates consistent with the Board's findings prior to February 10, 2018.

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

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

**G. Docket No. ER17040335 – In the Matter of the Provision of Basic Generation Service for the Period Beginning June 1, 2018 – Rockland Electric Company's Request for Proposal – RFP Results – See executive Session.**

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

**BACKGROUND AND DISCUSSION:** This matter was initially discussed in executive session pursuant to attorney-client privilege exception to the Open Public Meetings Act. By order dated November 21, 2017, the Board approved a proposal by Rockland Electric Company (Rockland, Company) to conduct a procurement process where Rockland would enter into a bilateral agreement or agreements to hedge the cost of energy purchases through the New York Independent System Operator to satisfy the basic generation service energy needs for residential and small commercial customers in the Company's central and western divisions. These are the portions of the territory that lie outside of PJM. In addition, in the November 2017 order, the Board also approved Rockland's proposal to address the capacity needs of these customers through purchasing it in the New York Independent System Operators monthly capacity market.

On January 30, 2018, Rockland conducted the procurement process to acquire the energy transaction to satisfy the supply portions for these customers.

The independent analysis by the Board's consultant, Bates White, indicated that the Request for Proposal (RFP) proceeded without meaningful interruption in accordance with the Board-approved rules for the RFP in an acceptably fair and transparent manner.

Therefore, Bates White and Board Staff recommended that the Board certify the results.

**H. Docket No. ER17121278 – In the Matter of Basic Generation Service and the Compliance Tariff Filing Reflecting Changes to Schedule 12 Charges in PJM Open Access Transmission Tariff – December 8, 2017 Joint Filing.**

**Thomas Walker, Director, Division of Energy,** presented these matters.

**BACKGROUND AND DISCUSSION:** On December 8, 2017, 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 (December 2017 Petition) with the Board requesting recovery of Federal Energy Regulatory Commission (FERC) approved changes in firm transmission service related charges.

The EDCs' proposed tariff revisions reflect changes to the Basic Generation Service (BGS) Residential/Small Commercial Pricing (BGS-RSCP) 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 PSE&G in FERC Docket No. ER09-1257-000; (iii) the annual formula rate update filing made by Virginia Electric Power Company (VEPCo) in FERC Docket No. ER08-92-000; and (iv) American Electric Power East Operating Companies and American Electric Power Transmission Companies (AEP) in FERC Docket No. ER17-405-000. The EDCs requested that the revisions become effective on January 1, 2018.

On January 12, 2018 The EDC's updated the December 2017 Petition (January 2018 Update) in order to incorporate PSE&G's 2018 Formula Rate Annual Update filing with FERC (filed on January 9, 2018), which reflected the reduction in the federal corporate income tax rate pursuant the Tax Cuts and Jobs Act of 2017.

The EDCs also requested authorization to compensate BGS suppliers for the changes to the OATT resulting from the implementation of the PATH, PSE&G, VEPCo, and AEP 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.

In the December 2017 Petition, the EDCs also requested a waiver of the 30-day filing requirement that would otherwise apply to this type of submission, because BGS suppliers will begin paying the revised transmission charges for service in January 2018.

On March 10, 2017, in Docket No. ER17-405-000 (AEP Order), FERC issued an Order, effective January 1, 2017 which authorized AEP's Formula Rate transition from "historic" to "forward looking." On April 25, 2017, in Docket Nos. ER17-950-000 and ER17-940-001 (ConEd Wheel Order), FERC issued an Order that modified the PJM OATT as a result of the termination of a long-term firm point-to-point transmission service agreement between PJM and Consolidated Edison Company of New York, Inc. (the ConEd Wheel). The Board approved recovery of the AEP and ConEd Wheel transmission charges in an Order dated July 26, 2017 with the provision that the EDCs collect and track these charges but not issue payment to the BGS Suppliers until a final FERC order is issued.

After review of the verifications and supporting documentation, Staff found that the December 2017 Petition, as modified by the January 2018 Update satisfies the EDCs' obligations under Paragraph 15.9(a)(i) and (ii) of the relevant SMAs, and approve the changes to the BGS-RSCP and BGS-CIEP rates requested by each EDC for its transmission charges resulting from the FERC-approved changes to the Transmission Enhancement Charges (TECs) effective as of February 10, 2018. However, with respect to the reallocations derived from the ConEd Wheel Order and the AEP Order, as noted in the Board's July 2017 Order, these Orders are not Final FERC Orders, and are still being contested at FERC.

Accordingly, with respect to the allocations resulting from the ConEd Wheel Order and AEP Order, Staff recommended the Board authorized the EDCs to collect from BGS customers, the costs associated with the reallocation per the ConEd Wheel Order and AEP Order and to track such collections until receipt of Final FERC Orders are issued in the matter. For the remaining TEC changes, the EDCs are ordered to compensate the BGS suppliers for this transmission rate change subject to the terms and conditions of the SMAs.

Staff also recommended the Board waive the 30-day filing requirement as requested by the EDCs in the December 2017 Petition.

Staff further recommended that the Board direct the EDCs to file tariffs and rates consistent with the Board's findings prior to February 10, 2018.

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

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

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

**I. Docket No. ER18010004 – In the Matter of Federal Energy (FERC) Items for 2018 – FERC Docket No. EL17-84 – PJM Interconnection LLC re: Order to Show Cause.**

**BACKGROUND AND DISCUSSION:** This matter involved Staff, on behalf of the Board, filing a Motion for Rehearing of a Federal Energy Regulatory Commission (FERC) decision issued December 15, 2017. In its Order, FERC failed to address salient points raised by the Board in its comments. Specifically, the Board challenged that the justness and reasonableness of allocating zero costs to Hudson Transmission Partners (HTP) upon amendment of its interconnection service agreement. Despite the record containing evidence that New York benefits from these lines, the parties have repeatedly argued that they should not have be allocated certain transmission system upgrade costs. The parties have also acknowledged that, if successful, those costs will be allocated to New Jersey ratepayers and New York will continue to receive its benefits. Because FERC failed to address these issues, Staff and the Department of Law challenge that FERC committed reversible error such that rehearing is appropriate. The timing of Motions for Rehearing is dictated by federal statute, such that Staff was required to file between Board meetings.

On July 10, 2017, PJM submitted for filing an unexecuted Interconnection Service Agreement entered into among PJM, Hudson Transmission Partners, LLC (Hudson or Interconnection Customer), and Public Service Electric and Gas Company (PSE&G or Interconnected Transmission Owner) (HTP Interconnection Service Agreement (ISA)), which modifies Service Agreement No. 2536 filed with and accepted by the Commission in Docket No. ER10-1740-000. Hudson sought to modify its ISA, but PSE&G refused.

PJM's filing states, as further clarified, that it was submitted by PJM at the request of HTP.

On July 26, 2017, the New York Power Authority (NYPA) filed a Motion to Intervene and Supportive Comments claiming, among other things, that the filing "will appropriately unburden NYPA from its election to receive firm rights that are no longer needed and have grown increasingly perilous to own." Almost immediately, NYPA's comments identify cost allocation, in particular allocation of the Bergen-Linden Corridor Project (BLC Project) as a "\$645 million liability that threatens the continued viability of the Hudson Transmission Project merchant transmission facility." NYPA later dedicates an additional three pages to discussing their cost allocation disputes, from which NYPA and other merchant transmission facility owners they "have been unable to obtain the necessary and timely recourse."

On July 31, 2017, the Hudson Transmission Partners, LLC submitted Comments in Support of PJM Filing, with substantially similar arguments to those advanced by NYPA. In response to the suggestion that HTP terminate its ISA and, effectively, cut its losses, HTP claimed doing so would "waste valuable transmission infrastructure, and hurt system reliability."

Staff recommended that the Board ratify the filing.

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

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

**J. Docket No. ER18010004 – In the Matter of Federal Energy (FERC) Items for 2018 - FERC Docket No. ER18-507 – PJM Interconnection LLC re: HTP Amended Interconnection Service Agreement.**

**BACKGROUND AND DISCUSSION:** This matter involved Staff, on behalf of the Board, intervening in this docket and protested PJM's Compliance Filing, that Compliance Filing amends an interconnection service agreement so that Hudson Transmission Partners (HTP) may terminate its Firm Transmission Withdraw Rights. The Board has consistently opposed these actions by HTP and others as an unlawful attempt to shirk cost allocation responsibility. Unfortunately, Federal Energy Regulatory Commission (FERC) has consistently failed to address the Board's cost allocation concerns. Here, PJM submits its Compliance Filing under section 205 of the Federal Power Act, which authorizes FERC to reject rates that are unjust and unreasonable in effect. Board Staff protests the filing, because it will result in unjust and unreasonable rates. FERC published the deadline for comments, interventions, and protests between Board meetings.

On July 10, 2017, PJM submitted for filing an unexecuted Interconnection Service Agreement entered into among PJM, Hudson Transmission Partners, LLC (Hudson or Interconnection Customer), and Public Service Electric and Gas Company (PSE&G or Interconnected Transmission Owner) (HTP ISA), which modifies Service Agreement No. 2536 filed with and accepted by the Commission in Docket No. ER10-1740-000. Hudson

sought to modify its ISA, but PSE&G refused. PJM's filing states, as further clarified, that it was submitted by PJM at the request of HTP.

On July 26, 2017, the NYPA filed a Motion to Intervene and Supportive Comments claiming, among other things, that the filing "will appropriately unburden NYPA from its election to receive firm rights that are no longer needed and have grown increasingly perilous to own." Almost immediately, NYPA's comments identify cost allocation, in particular allocation of the Bergen-Linden Corridor Project as a "\$645 million liability that threatens the continued viability of the Hudson Transmission Project merchant transmission facility." NYPA later dedicates an additional three pages to discussing its cost allocation disputes, from which NYPA and other merchant transmission facility owners they "have been unable to obtain the necessary and timely recourse."

On July 31, 2017, the Hudson Transmission Partners, LLC submitted Comments in Support of PJM Filing, with substantially similar arguments to those advanced by NYPA. In response to the suggestion that HTP terminate its ISA and, effectively, cut its losses, HTP claimed doing so would "waste valuable transmission infrastructure, and hurt system reliability."

Staff recommended that the Board ratify the intervention and protest.

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

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

**K. Docket No. ER18010004 – In the Matter of Federal Energy (FERC) Items for 2018 - FERC Docket No. EL17-90 – Linden VFT v. PSE&G and PJM Interconnection LLC.**

**BACKGROUND AND DISCUSSION:** This matter involved Staff, on behalf of the Board, filing a Motion for Rehearing of a Federal Energy Regulatory Commission (FERC) decision issued December 15, 2017. In its Order, FERC failed to address salient points raised by the Board in its comments. Specifically, the Board challenged that the justness and reasonableness of allocating zero costs to Linden upon amendment of its interconnection service agreement. This matter was initiated as a 206 Complaint by Linden VFT, which has brought several related and redundant challenges before FERC in an effort to eliminate its cost allocation for PJM Regional Transmission Expansion Plan (RTEP) projects. Because FERC failed to address these issues, Staff and the DOL challenge that FERC committed reversible error such that rehearing is appropriate. The timing of Motions for Rehearing is dictated by federal statute, such that Staff was required to file between Board meetings.

There are several years' worth of history of all related proceedings wherein Linden VFT (Linden), Hudson Transmission Partners (HTP), and Consolidated Edison have challenged their RTEP cost allocation obligations in diminish or eliminate their allocation. To date they have been unsuccessful. PJM made the 205 filing on July 10, 2017 as requested by HTP. HTP asked PJM to submit an unexecuted Interconnection Service

Agreement (Amended ISA) among PJM, HTP and Public Service Electric and Gas Company, which amends the previously-accepted Interconnection Service Agreement among the Parties (Original ISA or Contract) to transfer Firm Transmission Withdraw Rights (FTWRs) to Non-Firm. The goal is to avoid paying for RTEP projects that were allocated to HTP due to their FTWRs.

On August 9, 2017, Linden VFT similarly requested that PJM submit an unexecuted, amended ISA, reducing its FTWRs to Non-Firm. NJBPU protested Linden VFT's substantially similar request on the same grounds as the Board's opposition to the HTP matter, because Linden makes a substantially similar claim.

Staff recommended that the Board ratify the filing.

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

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

**L. Docket No. ER18010004 – In the Matter of the Federal Energy (FERC) Items for 2018 – FERC Docket No. ER18-608 – PJM Interconnection LLC re: Linden Amended Interconnection Service Agreement.**

**BACKGROUND AND DISCUSSION:** This matter involved Staff, on behalf of the Board, intervening in this docket and protested PJM's Compliance Filing, that Compliance Filing amends an interconnection service agreement so that Linden VFT may terminate its Firm Transmission Withdraw Rights. The Board has consistently opposed these actions by Linden VFT and others as an unlawful attempt to shirk cost allocation responsibility. Unfortunately, Federal Energy Regulatory Commission (FERC) has consistently failed to address the Board's cost allocation concerns. Here, PJM submits its Compliance Filing under section 205 of the Federal Power Act, which authorizes FERC to reject rates that are unjust and unreasonable in effect. Board Staff protests the filing, because it will result in unjust and unreasonable rates. FERC published the deadline for comments, interventions, and protests between Board meetings.

There are several years' worth of history of all related proceedings wherein Linden VFT, Hudson Transmission Partners (HTP), and Consolidated Edison have challenged their Regional Transmission Expansion Plan (RTEP) cost allocation obligations in diminish or eliminate their allocation. To date they have been unsuccessful.

PJM made the 205 filing on July 10, 2017 as requested by HTP. HTP asked PJM to submit an unexecuted Interconnection Service Agreement (Amended ISA) among PJM, HTP and Public Service Electric and Gas Company (PSE&G), which amends the previously-accepted Interconnection Service Agreement among the Parties (Original ISA or Contract) to transfer Firm Transmission Withdraw Rights (FTWRs) to Non-Firm. The goal is to avoid paying for RTEP projects that were allocated to HTP due to their FTWRs.

On August 9, 2017, Linden VFT similarly requested that PJM submit an unexecuted, amended ISA, reducing its FTWRs to Non-Firm. NJBPU protested Linden VFT's substantially similar request on the same grounds as the Board's opposition to the HTP matter, because Linden makes a substantially similar claim.

Staff recommended that the Board ratify the intervention and protest.

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

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

### 3. CABLE TELEVISION

There were no items in this category.

### 4. TELECOMMUNICATIONS

**Lawanda R. Gilbert, Esq., Director, Office of Cable Television & the Office of Telecommunications,** presented these matters.

#### **A. Docket No. TE17080927 – In the Matter of Mobiltie, LLC for Approval of Municipal Consents Pursuant to N.J.S.A. 48:2-14.**

**BACKGROUND AND DISCUSSION:** On August 22, 2017, Mobiltie LLC (Mobiltie or Petitioner) requested that the Board approve a Master License Agreement adopted by the Borough of Paramus (Borough) in Bergen County, New Jersey by Resolution dated December 20, 2016. This agreement grants Mobiltie the right to install, maintain and operate its facilities in local rights-of-way in order to provide customers within the Borough with telecommunications services.

According to the Petitioner, the Petitioner designs, builds and operates networks and infrastructure to deliver optimal wireless coverage. The Petitioner maintains that its complete wireless infrastructure solutions include funding, designing, building, operating, and maintaining neutral host outdoor and indoor distributed antenna systems, small cells, Wi-Fi and communication towers. As described in the petition, the service anticipated involves the provision of wireless service and Petitioner has negotiated access with the town.

On December 20, 2016, the Borough adopted Resolution 16-12-884 (Resolution) granting municipal consent to Mobiltie to occupy the public rights-of-way within the Borough and authorizing the Borough to enter into a Master License Agreement (MLA) with Mobiltie for the use of public rights-of-way.

While the Telecommunications Act of 1996, P.L.104-104, requires that a common carrier comport with the provisions of Title 47, there are distinctions within the law regarding wireline and wireless service. These distinctions dictate that separate applications and approvals are needed when offering service. Specifically, carriers must obtain the

necessary approvals based upon the service rendered. Because the services described in the MLA outline the terms for the provisioning of wireless service and for the funding, infrastructure and building of wireless facilities in the State of New Jersey, the Agreement does not fall within the purview of the Board. Accordingly, N.J.S.A. 48:2-14 does not apply.

Staff recommended that the Board dismiss the petition since the services described in the Master License Agreement outline the terms for the provisioning of wireless services, funding, and infrastructure building, of those wireless facilities in the State of New Jersey, the Agreement does not fall within the purview of the Board.

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

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

**B. Non-docketed Matter – In the Matter of Request for a Proposal for the Provision of Telecommunications Telephone Relay Services.**

**BACKGROUND AND DISCUSSION:** This matter involved a request for proposal (RFP). On February 1, 2006, as a result of a competitive procurement process, a three year contract was awarded to Sprint for both traditional Telephone Relay Service (TRS) and CapTel service. The contract's initial period was to end January 31, 2009 and was extended for one year by the Board.

Sprint was awarded a second contract on April 1, 2010, after a competitive procurement process. The initial period was to end on March 31, 2013, but was extended for two one year periods. The contract expired March 31, 2015.

The current contract, which began April 1, 2015, was awarded to Sprint after a new RFP was issued followed by a bidding process. The contract is for a three year term with possibility for two one year extension. The contract will expire March 31, 2018.

On September 20, 2017, Sprint submitted a letter to the Board giving notice of its decision to discontinue providing TRS service once the present contract expires. Sprint indicated that it could no longer provide TRS service at the contracted rate and sought modification of the terms of the existing contract to effectuate an increase in the per minute rate. Sprint claimed the existing contract rates do not support the cost to provide the service, and are not in keeping with the evolving telecommunications market.

On September 25, 2017, Board Staff submitted Sprint's letter to the Treasury Department's Division of Purchasing and Property for their evaluation and recommendation. By letter dated November 21, 2017, Treasury's Staff determined that Sprint's request for modification falls outside the terms and conditions of the existing TRS contract. Therefore the request was denied and a new RFP was developed.

This RFP requested bids from respondents who currently provide CapTel and Traditional TRS services. CapTel is based on the use of specially trained operators who revoice (i.e

repeat) the other parties' words into a computer by using voice recognition technology that delivers a caption to the hard of hearing caller. In addition to the caption, CapTel provides the callers' voice. The service is generally used by people with less than total hearing loss; it allows them to have "almost real time" captions, as well as being able to hear the voice of the person they are talking to. Traditional TRS requires an operator to translate from voice to typed conversation and vice versa, thereby requiring each party to pause after each statement.

Staff recommended that the Board approve the proposed RFP to be released by the Department of Treasury upon completion of their review.

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

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

## 5. WATER

**A. Docket No. WR17070726 – In the Matter of the Petition of Andover Utility Company, Inc. for Approval of an Increase in Rates for Wastewater Service Pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:1-5.12.**

**Maria L. Moran, Director, Division of Water,** presented this matter.

**BACKGROUND AND DISCUSSION:** On July 7, 2017, Andover Utility Company, Inc. (Andover or Company) filed a petition with the Board requesting to increase rates for wastewater service and to make other tariff changes. The total amount originally requested was an overall increase of 27.56% above the annual level of revenues.

Andover services three wastewater customers, an assisted living facility, a nursing home and a condominium Association in Andover Township located in Sussex County, New Jersey.

This matter was transmitted to the Office of Administrative Law and assigned to Administrative Law Judge (ALJ) Tricia Caliguire. A telephonic prehearing conference was held with ALJ Caliguire outlining a procedural schedule including a public hearing. After proper notice, a public hearing was held in Andover Township on October 25, 2017. No members of the public attended and no written comments have been submitted.

As a result of settlement discussions, the Company, the New Jersey Division of Rate Counsel (Rate Counsel) and Board Staff (collectively, the Parties) agreed to a total overall stipulated increase of \$70,000.00 or 14.80% above total Company revenues. The last rate increase for Andover was about eight years ago.

The Parties entered into and fully executed a Stipulation of Settlement (Settlement) which ALJ Caliguire adopted that calls for the following:

- The average flat rate wastewater bill for Rolling Hills Condominium Association will increase by \$1,724.00 per month from \$11,646.00 to \$13,370.00 or an increase of approximately 14.80%.
- The average flat rate wastewater bill for Andover Intermediate Care Center - Two will increase by \$3,404.00 per month from \$23,003.00 to \$26,407.00 or an increase of approximately 14.80%.
- The average flat rate wastewater bill for Andover Nursing Home - One will increase by \$725.00 per month from \$4,759.00 to \$5,464.00 or an increase of approximately 14.80%.

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

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

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

**B. Docket No. WR17101049 – In the Matter of Middlesex Water Company for Approval of an Increase in its Rates for Water Service and Other Tariff Changes, and for an Order Authorizing Special Accounting Treatment of Income Tax Refund Proceeds and Future Income Tax Deductions.**

**Paul Flanagan, Executive Director**, presented this matter.

**BACKGROUND AND DISCUSSION:** On October 10, 2017, Middlesex Water Company (Middlesex or Company) filed a petition with the Board seeking to increase its rates for water service. On October 30, 2017 the matter was transmitted to the Office of Administrative Law, ALJ Caliguire was assigned. On December 13, 2017, New Jersey-American Water Company (NJAWC) filed a motion to intervene as a party to the above captioned rate case stating it was entitled to intervene because its customers will be substantially affected by the results of this rate case.

On December 26, 2017, Middlesex filed a response to the motion to intervene, stating that NJAWC is not a customer of the Company but a customer of a customer, the Township of Marlboro (Marlboro), and therefore pursuant to the rules for intervention it is not entitled to intervene.

Staff recommended that the Board grant Middlesex's motion for emergent Interlocutory appeal. Staff also recommended the Board rescind NJAWC's intervenor status and remand the matter back to ALJ Caliguire to consider, if necessary, whether any participation by NJAWC is warranted in light of the new information regarding Marlboro's intervention request.

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

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

**6. RELIABILITY & SECURITY**

There were no items in this category.

**7. CUSTOMER ASSISTANCE**

There were no items in this category.

**8. CLEAN ENERGY**

**Sherri Jones, Assistant Director, Division of Economic Development & Emerging Issues,** presented these matters.

**A. Docket No. QG18010009 – In the Matter of the Clean Energy Program Authorization of Commercial And Industrial Program Energy Efficiency Incentives Exceeding \$500,000.00 – Merck Sharpe and Dohme Corporation.**

**BACKGROUND AND DISCUSSION:** President Fiordaliso was recused from this matter. Merck Sharpe and Dohme Corporation (Company), a subsidiary of Merck & Co, Inc., submitted an application under the Fiscal Year 2017 Large Energy Users Program pursuant to the New Jersey Clean Energy Program Energy Efficiency and Renewable Energy Program Plan Filing for Fiscal Year 2017. The Company requested Board approval of a financial incentive of \$820,857.02 for a campus compressed air system upgrade project at its Rahway campus at 126 E. Lincoln Avenue, Rahway, Union County that has a total cost of \$1,732,841.00.

The project scope includes replacing three existing water-cooled air compressors with three new high efficiency air-cooled air compressors. Installing these measures will result in annual electric savings by an estimated 3,500,085 kWh and an annual estimated electric peak demand reduction of 1046 kW. There are no natural gas savings associated with this project. The proposed project will have an estimated annual energy cost savings of \$294,007.00 and an operations and maintenance savings of \$50,000.00. The payback period without the incentive is five years. With the incentive, the payback period is reduced to 1.5 years.

Based on the certifications and the information provided by the Program Manager and Program Administrator, Staff recommended approval of the application for the total estimated incentive amount of \$820,858.02 and issuance of a standard commitment letter to the applicant, setting forth the terms and conditions of this commitment.

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

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

**B. Docket No. QO17050465 – In the Matter of the Clean Energy Programs and Budget for Fiscal Year 2018 – New Pilot Components of Home Performance with Energy Star and Updated Standards to Conform to New Uniform Energy Factor Standards.**

**BACKGROUND AND DISCUSSION:** This matter involved Staff requesting the Board's consideration for approval of the submitted revised Fiscal Year 18 (FY18) Compliance Filing which incorporates (i) the adoption of two new pilot components of New Jersey's Clean Energy Program's (NJCEP's), Home Performance with ENERGY STAR<sup>®</sup> Program, and (ii) the adoption of updated standards for NJCEP's Commercial and Industrial programs to conform to new Uniform Energy Factor (UEF) standards.

The FY18 Compliance Filing anticipated implementing two pilots to test concepts relevant to potential new program designs. The proposed pilots are intended to generate and collect information that will guide the Board, its Staff, and TRC in designing new programs currently planned for FY19. The pilots would be assessed based on, among other things, a review of pilot program participation levels and energy savings, as well as on the results of focus groups and homeowner surveys conducted by TRC and/or its Program Managers. The proposed pilots would also provide information that could potentially lead to program changes that could increase savings at a lower overall cost per unit of savings, a prime objective of NJCEP.

Through the FY18 Compliance Filing the NJCEP Residential Programs standards were updated to comply with the United States Department of Energy (USDOE), December 2016, final ruling requiring the use of a new UEF denomination for certain water heaters. 81 FR 96204 (December 29, 2016)(the UEF Rule). The Commercial and Industrial programs were not updated within the Compliance Filing, due to the UEF Ruling allowing manufacturers, raters and other stakeholders to use a mathematical formula to convert Energy Factor/Thermal Efficiency to UEF. However, after December 29, 2017, stakeholders are required to begin to use a new testing procedure to determine the actual UEF. Staff is seeking approval to update the Commercial and Industrial Program standards to comply with the UEF Standards.

Staff recommended the Board approve the Proposals. The Program Administrator has submitted a revised FY18 Compliance Filing, dated January 26, 2018 (Revised FY18 Compliance Filing) incorporating the Proposals. Staff also recommended the Board approve the revised FY18 Compliance Filing.

Staff further recommended the Board approve updating the NJCEP Commercial and Industrial Standards to comply with the USDOE's, December 2016, ruling requiring the use of a new Uniform Energy Factor (UEF) denomination for certain water heaters. 81 FR 96204 (December 29, 2016)(the UEF Rule).

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

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

## 9. MISCELLANEOUS

There were no items in this category.

### LATE STARTER A

#### ENERGY

**Docket Nos. BPU EO16080750 and OAL PUC 12098-16 – In the Matter of the Petition of Jersey Central Power and Light Company Pursuant to N.J.S.A. 40:55D-19 for a Determination that the Monmouth County Reliability Project is Reasonably Necessary for the Service, Convenience or Welfare of the Public – OAL Request for Extension.**

**Paul Flanagan, Executive Director**, presented this matter.

**BACKGROUND AND DISCUSSION:** The record in this matter closed on December 15, 2017; therefore, the forty-five day period to issue the Initial Decision expired on January 29, 2018. Administrative Law Judge Gail M. Cookson requested additional time to complete the Initial Decision due to the voluminous record.

Good cause having been shown, pursuant to N.J.S.A. 52:14B-(c) and N.J.A.C. 1:1-18.8. Staff recommended that the time limit for filing the initial decision be extended until March 15, 2018.

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

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

## EXECUTIVE SESSION

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

### 2. ENERGY

#### **G. Docket No. ER17040335 – In the Matter of the Provision of Basic Generation Service for the Period Beginning June 1, 2018 – Rockland Electric Company’s Request for Proposal – RFP Results.**

The substance of this discussion shall remain confidential except to the extent that making the discussion public is not inconsistent with law.

After appropriate motion, the Board reconvened to Open Session.

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



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AIDA CAMACHO-WELCH  
SECRETARY OF THE BOARD

DATE: May 22, 2018