



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 May 22, 2018, at the State House Annex, Committee Room 6, 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
Robert M. Gordon, Commissioner

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

It was announced that the next regular Board Meeting would be held on June 22, 2018 at the State House Annex, Committee Room 11, 125 West State Street, Trenton, New Jersey 08625.

CONSENT AGENDA

I. AUDITS

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

| | | |
|-------------|-----------------------------------------------------------------|--------------|
| EE17101075L | Interactive Energy Group, LLC d/b/a Interactive Energy Group | I – EA |
| EE17030236L | Nextility, Inc. | I – EA/PA |
| GE17030237L | | |
| EE18040376L | HomeADE, LLC | I – EA/PA/EC |
| GE18040377L | d/b/a Zentility | |
| EE16111125L | Incite Energy, LLC | I – EA/EC |
| GE16111126L | | |

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

| | | |
|-------------|-----------------------------------------------------------------------------------|--------------|
| EE18020104L | Avatar Management, Inc. d/b/a Avatar Telecom & Energy Solutions | R – EA |
| EE17050534L | ESG Energy, LLC f/k/a Energy Solutions Group, LLC | R – EA |
| EE18030254L | National Auditing Services & Consulting, LLC d/b/a National Energy Discounters | R – EA |
| EE17060609L | Premier Energy Group, LLC | R – EA |
| EE16111088L | U.S. Power Trade, LLC | R – EA |
| EE16040367L | Hovey Energy, LLC | R – EA |
| EE17050545L | KWH Savings, LLC | R – EA |
| EE17060661L | Gulf Stream Energy Consultants, LLC | R – EA |
| EE17060663L | Kevin J. Cobb & Associates, Inc. d/b/a Quest Energy Solutions | R – EA |
| EE17080807L | Legend Energy Advisors | R – EA |
| EE18020165L | Achieve Energy Solutions, LLC | R – EA/PA |
| GE18020166L | | |
| EE17060605L | Good Energy, LP | R – EA/PA/EC |
| GE17060606L | d/b/a Good Energy Consulting Group, LP | |
| EE17050535L | NORESCO, LLC | R – EA/PA/EC |
| GE17050536L | | |
| EE18010047L | Mondre Energy, Inc. | R – EA/PA/EC |
| GE18010048L | | |
| EE18040378L | EMEX, LLC | R – EA/PA/EC |
| GE18040379L | d/b/a EMEX Power, LLC | |
| EE17080913L | T&M Associates | R – EA/PA/EC |
| GE17080914L | | |
| EE17060601L | Prospect Resources, Inc. | R – EA/EC |
| GE17060602L | | |

Electric Power and/or Natural Gas Supplier Initial Licenses

| | | |
|-------------|-----------------------------------|----------|
| EE17121303L | Pay Less Energy, LLC | I – EGSL |
| GE17121302L | | |
| EE17020160L | Frontier Utilities Northeast, LLC | I – EGSL |
| GE17020161L | | |

Electric Power and/or Natural Gas Supplier Renewal Licenses

| | | |
|-------------|-----------------------------------------|----------|
| EE17040351L | Kuehne Chemical Company, Inc. | R – ESL |
| EE18030274L | Talen Energy Marketing, LLC | R – ESL |
| EE17080930L | Energy Plus Holdings, LLC | R – ESL |
| EE16121161L | NextEra Energy Services New Jersey, LLC | R – EGSL |
| GE18030228L | | |
| EE18020176L | Aggressive Energy, LLC | R – EGSL |
| GE18020177L | | |
| GE16060587L | Shell Energy North America (US), LP | R – GSL |
| GE16010074L | Energy Plus Natural Gas, 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 applicants be issued initial registrations as an energy agent, private aggregator and/or energy consultant for one year:

- Interactive Energy Group LLC d/b/a Interactive Energy Group
- Nextility, Inc.
- HomeADE, LLC d/b/a Zentility
- Incite Energy, LLC d/b/a Incite Energy

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

- Avatar Management Inc. d/b/a Avatar Telecom & Energy Solutions
- ESG Energy, LLC f/k/a Energy Solutions Group LLC
- National Auditing Services & Consulting, LLC d/b/a National Energy Discounters
- Premier Energy Group, LLC
- U.S. Power Trade, LLC
- Hovey Energy, LLC
- KWH Savings, LLC
- Gulf Stream Energy Consultants, LLC
- Kevin J. Cobb & Associates, Inc. d/b/a Quest Energy Solutions
- Legend Energy Advisors
- Achieve Energy Solutions, LLC
- Good Energy, LP d/b/a Good Energy Consulting Group, LP
- NORESO, LLC
- Mondre Energy, Inc.
- EMEX, LLC d/b/a EMEX Power, LLC
- T&M Associates
- Prospect Resources, Inc.

In addition, Staff recommended that the following applicant be issued initial licenses as an electric power and/or natural gas supplier for one year:

- Pay Less Energy, LLC
- Frontier Utilities Northeast, LLC

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

- Kuehne Chemical Company, Inc.
- Talen Energy Marketing, LLC
- Energy Plus Holdings, LLC
- NextEra Energy Services New Jersey, LLC
- Aggressive Energy, LLC
- Shell Energy North America (US), LP
- Energy Plus Natural Gas, LLC

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

B. Docket No. TE17121242 – In the Matter of the Verified Petition of Birch Communications of Northeast, Inc. for Authority to Provide Local Exchange and Intrastate Interexchange Telecommunications Services within the State of NJ.

BACKGROUND: By letter dated November 27, 2017, Birch Communications of the Northeast, LLC (Petitioner or Company or Birch) filed a petition with the Board requesting authority to provide facilities-based and resold local exchange and intrastate interexchange telecommunications services to residential and single-line business customers throughout the State of New Jersey. The Company will rely on resale, unbundled network elements (UNE), incumbent local exchange carrier (ILEC) UNE replacement services and other ILEC Local Service elements to provide telecommunication services in New Jersey. Birch currently has interconnection and commercial agreement in place with Verizon to provide telecommunication services in New Jersey.

The Petitioner submitted its financial information under seal and filed an affidavit with substantiation for confidential treatment in accordance with the Board's rules for determining confidentiality.

Birch requested a waiver of N.J.S.A. 48:3-7.8 and N.J.A.C. 14:1-4.3 which require that books and records be kept within the State of New Jersey and be maintained in accordance with the Uniform System of Accounts (USOA), respectively. The Petitioner also stated, upon written notice from the Board and/or Board Staff, it will provide its financial books and records at such time and place within New Jersey as the Board may designate and will pay any reasonable expenses for examination of the records.

By letter dated December 21, 2017, the New Jersey Division of Rate Counsel (Rate Counsel) submitted comments to the Board. The Rate Counsel stated that it was satisfied that the Petition meets the regulatory requirements and is consistent with the public interest, convenience, and necessity, and did neither object to a grant of the waiver requested in connection with record-keeping by the Petitioner, nor did the Rate

Counsel oppose the Petitioner's request to treat its financial information as confidential and place under seal.

After review, Staff recommended that the Board authorize the Petitioner to provide local exchange and intrastate interexchange telecommunications services in the State of New Jersey. Staff also recommended that the Board approve the request for waivers from its requirements that Petitioner maintain its financial 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 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: Commissioner Gordon recused himself from voting on this matter. On January 12, 2018, Public Service Electric and Gas Company (Company), 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.

The Company sought to implement its proposed rates for service rendered on or after February 23, 2018.

On January 31, 2018, the Board suspended the Company's proposed rates until June 23, 2018.

Staff recommended that Board issue an order further suspending the proposed rate increase until October 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 No. ER18-1314 – PJM Interconnection LLC re: Capacity Repricing or in the Alternative MOPR-Ex Proposal.

BACKGROUND: On April 9, 2018, PJM Interconnection, LLC (PJM) submitted revisions to the Reliability Pricing Model rules in the PJM Open Access Transmission Tariff (Tariff) to establish, in PJM's view, "the appropriate" response to address supply-side state "subsidies" and their supposed impact on the determination of prices in the PJM capacity market.

On April 24, 2018, Staff, on behalf of the Board, intervened in the Federal Energy Regulatory Commission (FERC or Commission regarding PJM's above filing).

In compliance with the May 7, 2018 comment deadline, Staff filed a Protest to PJM's tariff filing, requesting the FERC to reject PJM's filing upon the determination that PJM's alternative proposals (PJM's Proposals) are neither just nor reasonable tariff revisions. While rejecting the filing, Staff asked the Commission to maintain status quo and to direct PJM to work with the several states within the PJM region to ensure that any future capacity market revisions are complementary to the policies of, and attributes sought by, the several states; not unjustly and unreasonably contrary to those policies.

The Organization of PJM States, Inc. along with other State Commissions within the PJM territory (notably the Maryland Public Service Commission, the Pennsylvania Public Utility Commission, the Public Utilities Commission of Ohio, and the Illinois Commerce Commission) filed complementary comments.

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 No. CE15091010 – In the Matter of the Petition of Comcast of Central New Jersey II, LLC, for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Township of Bethlehem, County of Hunterdon, State of New Jersey.

BACKGROUND: Commissioner Gordon recused himself from voting on this matter. On June 4, 2015, the Township of Bethlehem (Township) adopted an ordinance granting renewal municipal consent to Comcast of Central New Jersey II, LLC (Comcast). On June 24, 2015, Comcast formally accepted the terms and conditions of the ordinance, and on September 8, 2015, Comcast filed with the Board for a renewal of its Certificate of Approval for the Township.

After review, Staff recommended that the Board approve the proposed Renewal Certificate of Approval. This Certificate shall expire December 7, 2029.

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

IV. TELECOMMUNICATIONS

There were no items in this category.

V. WATER

There were no items in this category.

VI. RELIABILITY & SECURITY

A. Docket Nos. GS18040366K, et al. – In the Matter of Alleged Violations of the Underground Facility Protection Act, N.J.S.A. 48:2-73 et seq.

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

Pursuant to the Act, the Board through the Bureau of One-Call supervises and enforces the One-Call Underground Damage Prevention System. The Act subjects violators of its provisions to civil penalties of not less than \$1,000.00 and not more than \$2,500.00 per violation per day, with a \$25,000.00 maximum for a related series of violations. N.J.S.A. 48:2-88. 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. N.J.S.A. 48:2-86(c).

The number of settlements are 47 with a total penalty of \$141,000.00.

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

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

VII. CUSTOMER ASSISTANCE

A. Docket Nos. BPU WC17020092U and OAL PUC 12931-17 – In the Matter of Julio Guerrero, Petitioner v. New Jersey American Water, Respondent – Billing Dispute.

BACKGROUND: This matter involved a billing dispute between Julio Guerrero (Petitioner) and New Jersey American Water (NJAW or Company). The petition was transmitted to the Office of Administrative Law for hearing as a contested case. Administrative Law Judge (ALJ) Elaine B. Frick filed an Initial Decision in this matter with the Board on May 7, 2018.

The Petitioner alleged that NJAW incorrectly billed his account, and requested that the Board provide assistance in resolving this matter with the Company.

The parties settled the matter and filed a Stipulation on May 2, 2018. Pursuant to the terms of the Stipulation, and in order to fully resolve this matter, NJAW agreed to credit \$382.00 to the Petitioner's account leaving an overdue balance of \$239.83. The Petitioner will pay the remaining \$239.83 balance within 30 days of this executed agreement.

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

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

B. Docket Nos. BPU EC17020134U and OAL PUC 13299-17 – In the Matter of Luisa Hernandez and Maritza Montanez, Petitioner v. Public Service Electric and Gas Company, Respondent – Billing Dispute.

BACKGROUND: Commissioner Gordon recused himself from voting on this matter. This matter involved a billing dispute between Luisa Hernandez and Maritza Montanez (Petitioners) and Public Service Electric and Gas Company (PSE&G or Company). The petition was transmitted to the Office of Administrative Law for hearing as a contested case. Administrative Law Judge (ALJ) Elissa Mizzone Testa filed an Initial Decision in this matter with the Board on April 9, 2018, approving the Stipulation of Settlement (Stipulation) of the parties.

The Petitioners alleged that PSE&G incorrectly billed their account, and requested that the Board provide assistance in resolving this matter with the Company.

Pursuant to the terms of the Stipulation, and in order to fully resolve this matter, PSE&G agreed to rebill the Petitioner's account ending in 3105 from 6/16/15 to 2/6/18, resulting in a bill of \$2,562.57. The Petitioners agreed to pay this balance in 18 monthly payments of \$136.00 plus current bill beginning April 2018. The Petitioner's also agreed to have a licensed electrician and the landlord trace the electric lines to identify all electrical appliances supplied by this meter.

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

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

VIII. CLEAN ENERGY

A. Docket No. EO12090832 – In the Matter of Implementation of L. 2012, C.24, the Solar Act of 2012;

Docket No. EO12090862V – In the Matter of the Implementation of L. 2012, C. 24, N.J.S.A. 48:3-87(T) – A Proceeding to Establish a Program to Provide SRECS to Certified Brownfield, Historic Fill and Landfill Facilities; and

Docket No. QO17080893 – In the Matter of KDC Solar Black Rock, LLC – Schalks Crossing Road.

BACKGROUND: On or about August 17, 2017, KDC Solar Blackrock, LLC (KDC or Applicant) submitted its application to the Board to have its project certified as being located on a brownfield. KDC's 15 MWdc project is proposed to be constructed on the Black Rock Gun Club in Plainsboro, New Jersey, which is owned by Turkey Island Corporation.

Following review of the application and the advisory memorandum provided by the New Jersey Department of Environmental Protection (NJDEP), Staff recommended that the Board deny certification because NJDEP advised that the project proposed by KDC is not located on property defined as a "brownfield."

The Board denied certification by order dated March 26, 2018 (March Order). KDC filed a motion for reconsideration of the March Order on April 18, 2018, along with a motion for the admission pro hac vice of Kimberly Frank, Esq.

Due to additional time needed to review the motion, Staff recommended that the Board approve the issuance of a Secretary's letter to KDC, informing it the Board is continuing its review of the petition, and will act on it beyond the 60-day time limit set forth in N.J.A.C. 14:1-8.7(c).

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

IX. MISCELLANEOUS

A. Approval of the Minutes for the January 31, 2018 Agenda Meeting;

Approval of the Minutes for the February 28, 2018 Agenda Meeting;

**Approval of the Executive Session Minutes of May 19, 2015, Agenda Item 8D;
and**

Approval of the Executive Session Minutes of February 24, 2016, Agenda Item 2A.

BACKGROUND: Commissioner Gordon abstained from these matters. Staff presented the minutes of the Regular Board Agenda meeting of January 31, 2018 and the February 28, 2018, and the executive session minutes of May 19, 2015 item 8D and February 24, 2016 item 2A, 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.

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

AGENDA

1. AUDITS

There were no items in this category.

2. ENERGY

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

A. 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 – Request for Extension.

BACKGROUND AND DISCUSSION: The Initial Decision in the above-captioned matter was received by the Board on March 8, 2018. The initial 45-day period in which the Board was to consider the matters and render final decisions was April 23, 2018. An Order of Extension was entered on March 26, 2018, which extended the time for the Board to render a final decision to June 6, 2018.

Because additional time is required for Staff and the Attorney General's Office to review the 170 page decision, the exceptions and reply exceptions, and perform a full review of the record, Staff requested that the Board approve the request for a 45-day extension of the time in which the Board issues an order rendering a final decision, until July 21, 2018.

Good cause having been shown, pursuant to N.J.S.A. 52:14B-10(c) and N.J.A.C. 1:1-18.8, Staff recommended that the time limit for the Board to render a Final Decision be extended until July 21, 2018.

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

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

B. Docket No. ER18020120 – In the Matter of the Atlantic City Electric Company to Reconcile and Update the Level of its Non-Utility Generation Charge its Society Benefits Charge (2018).

BACKGROUND AND DISCUSSION: On February 1, 2018, Atlantic City Electric Company (ACE or Company) filed a petition (February 2018 Petition) with the Board requesting approval for changes in its Non-Utility Generation Charge (NGC) and its Societal Benefits Charge (SBC). Based on the February 2018 Petition, the net impact of adjusting the NGC and the SBC [(including Sales and Use Tax (SUT))] was an overall annual rate decrease of approximately \$18.952 million.

Through the course of the proceeding, the Company had updated their petition with

actual information through March 31, 2018. Based on the updated filing, the net impact of adjusting the NGC and SBC rates (including SUT) for an overall annual rate decrease of approximately \$33.054 million.

On May 18, 2018, ACE, Board Staff and the New Jersey Division of Rate Counsel (collectively, Parties) executed a Stipulation of Settlement (Settlement) requesting that the Board approve changes in the NGC and SBC on a provisional basis, subject to refund with interest, to allow the Parties sufficient time to complete their review of the February 2018 Petition and the proposed rates and costs.

Staff recommended that the Board issue an Order accepting the Settlement which sought to implement provisional changes in the Company's Clean Energy Program and Uncollectible Accounts components of the SBC and the NGC subject to refund to be effective as of June 1, 2018. Staff further recommended that the Board order ACE to file tariffs consistent with the Order by June 1, 2018.

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

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

C. Docket No. GT17070774 – In the Matter of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas for Approval to Modify its Current Tariff Pursuant to N.J.A.C. 14:1-5.11.

BACKGROUND AND DISCUSSION: The Federal Pipeline and Hazardous Materials Safety Administration recently published a final rule amending Title 49 of the Code of Federal Regulations, Part 192 requiring natural gas distribution companies to install Excess Flow Valves (EFVs) on new or replaced gas service lines servicing single-family residences, multi-family residences and small commercial entities. An EFV is a safety device designed to shut off the flow of natural gas automatically if the service line should break. The new regulations also include the obligation to provide written or electronic notification to all customers of their right to request the installation of an EFV on their existing service line. The notification must include, inter alia, a description of the EFV installation and replacement costs.

By letter dated July 25, 2017, Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas (ETG or Company) filed a petition (Letter Petition) with the Board seeking approval to modify Section 4.02 of its Standard Terms and Conditions in response to the new Federal EFV mandate, allowing customers to request installation of an EFV on an existing service line.

According to the Company, the proposed tariff language provides that if a customer requests an EFV be installed prior to a Company-scheduled installation of a new or replacement service line, then the cost of the EFV and its installation would be paid for by the Customer. In addition, the proposed language states that if a customer does not qualify for an EFV, the Company will instead offer to install a manual shut off device where the service line connects to the main, known as a curb stop, which would be in addition to the meter shut off valve, under the same cost related terms and conditions.

By letter dated August 25, 2017, the New Jersey Division of Rate Counsel (Rate Counsel) stated that it had reviewed the amended federal regulation at 49 CFR 192.383, the proposed tariff language modification, as well as the customer bill insert notice and the Company's webpage information about EFVs. The Rate Counsel, although it is satisfied with the language of the proposed tariff change, had a concern about the notification on the customer bill insert regarding EFVs. Specifically, the Rate Counsel requested that the customer notification be placed directly on ETG's customer bill, as other utilities have done and list a phone number for customers who would prefer to contact the Company by phone or cannot utilize the internet. The Rate Counsel provided suggested language and requested that the Board require that the notification be placed more prominently at the top of the bill insert.

By letter dated May 1, 2018, ETG filed a letter accepting the Rate Counsel's proposals regarding notification language and placement on utility bill inserts.

Staff recommended that the Board approve the tariff modification requested by ETG. Staff further recommended that the Board Order ETG modify to the bill inserts related to information regarding EFVs as requested in the Rate Counsel's comments. Finally, Staff recommended that the Board direct ETG to file the revised tariff sheet by June 6, 2018.

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

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

D. Docket No. GR17080874 – In the Matter of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to (1) Revise its Weather Normalization Clause Rate; (2) Revise the Clean Energy Program Component of its Societal Benefits Charge Rate; and (3) Revise its On-System Margin Sharing Credit.

BACKGROUND AND DISCUSSION: On August 11, 2017, Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas (Elizabethtown or Company) filed a petition (August 2017 Petition) with the Board seeking approval to modify its rates relating to the review and true up of its Weather Normalization Clause (WNC), the New Jersey Clean Energy Program (CEP) component of its Societal Benefits Charge, and its On-System Margin Sharing Credit (OSMC).

With respect to the WNC, the current recoverable margin deficiency of \$6.846 million increased by the prior year excess deficiency of \$8.013 million will result in a \$14.859 million net revenue deficiency. The Company proposed to recover \$7.303 million over the 2017-2018 Winter Period, with the remaining deficiency of \$7.556 million to be recovered over the 2018-2019 Winter Period. After ceiling restrictions, the Company proposes a WNC rate of \$0.0232 per therm.

The CEP was created through the Electric Discount and Energy Competition Act in an effort to promote energy efficiency and renewable energy programs by offering financial incentives, programs, and services to New Jersey residents, business owners and local governments. The Board annually sets each energy utility's share of the CEP costs to be

collected from customers and transferred to the Board as funding for those programs. For Elizabethtown, projected CEP costs for the period ending June 30, 2018 total \$10.637 million. In addition, the petition indicated that the Company incurred \$2.135 million of CEP costs during the period July 1, 2016 through June 30, 2017. When combined with certain other adjustments, Elizabethtown's proposed CEP rate of \$0.0251 per therm would recover approximately \$11.376 million from customers.

The OSMC provides for 80% of the margins generated from certain on-system non-firm sales and transportation services to be flowed-back (credited) to firm customers. The petition proposed a decrease in the OSMC credit to customers from a credit of \$0.0135 per therm to a credit of \$0.0047 per therm. The Company's total OSMC customer credit was \$1.300 million.

The three rate adjustments proposed in the filing, if approved, would increase the Company's revenues by \$17.378 million. The monthly bill impact of the rate changes proposed in the August 2017 Petition for a customer using 100 therms was an increase of \$0.90 or 1.0%.

On September 22, 2017, the Board issued an Order (September 2017 Provisional Order) in this docket approving a stipulation executed by Elizabethtown, the New Jersey Division of Rate Counsel and Board Staff (collectively, the Parties). The September 2017 Provisional Order authorized Elizabethtown to implement the rates proposed in the August 2017 petition on a provisional basis, subject to refund, effective October 1, 2017.

Following a review of the August 2017 Petition and discovery responses, on May 8, 2018, the Parties executed a Stipulation of Settlement (Settlement) which sought to finalize the rates approved provisionally in the September 2017 Provisional Order.

Staff recommended that the Board issue an Order approving the Settlement. In addition, Staff recommended that the Board direct Elizabethtown to file tariff sheets consistent with its Order by June 6, 2018.

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

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

E. Docket No. GR17060590 – In the Matter of Pivotal Utility Holdings, Inc., d/b/a Elizabethtown Gas to Review its Periodic Basic Gas Supply Service Rate.

BACKGROUND AND DISCUSSION: On May 31, 2017, Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas (Elizabethtown or the Company) filed a petition (2017 BGSS Petition) with the Board seeking to increase its then current per therm Basic Gas Supply Service (BGSS-P) from \$0.3757 per therm to \$0.4592, to be effective October 1, 2017 through September 30, 2018 (BGSS Period). As stated in its Petition, the Company projected that it would have an estimated under recovery balance as of September 30, 2017 of approximately \$2.8 million including interest. The 2017 BGSS Petition also

indicated that the proposed BGSS-P rate of \$0.4592 per therm was designed to bring the BGSS balance to approximately zero as of September 30, 2018. The 2017 BGSS Petition further indicated that the projected impact of the BGSS-P rate of \$0.4592 per therm was an increase in gas cost recoveries of approximately \$19 million before taxes in the year ending September 30, 2018 as compared to the amount that would otherwise be recovered by the Company under the current BGSS-P rate of \$0.3757 per therm. The Petition also indicated that the Company's current volume forecast, under the BGSS-P rate of \$0.3757 per therm, would collect approximately \$85.5 million before taxes. In contrast, under the proposed BGSS-P rate of \$0.4592 per therm would collect approximately \$104.6 million before taxes.

The Company updated its information to reflect actual data through July 31, 2017. On September 22, 2017, the Board issued an Order (September 2017 Provisional Order) in this proceeding approving a stipulation for provisional rates executed by Elizabethtown, the New Jersey Division of Rate Counsel and Board Staff (collectively, Parties). The September 2017 Provisional Order authorized the Company to implement a BGSS-P rate of \$0.4551 per therm, on a provisional basis, subject to refund, effective October 1, 2017. Based on this rate approved in the September 2017 Provisional Order, the monthly bill of a residential heating customer using 100 therms increased by \$7.94 from \$90.24 to \$98.18, an increase of 8.8%.

On September 26, 2017, the Secretary of the Board issued a letter under Docket No. ER17090984, to all New Jersey electric and gas utilities, pursuant to P.L. 2016, c 57, stating that the Sales and Use Tax (SUT) to be charged to customers for utility service has been changed from 6.875% to 6.625% effective January 1, 2018. As a result, the 0.4551 per therm BGSS-P rate with SUT was changed to \$0.4540 per therm, effective January 1, 2018.

The 2017 BGSS Petition was subsequently transmitted to the Office of Administrative Law. The matter was subsequently assigned to Administrative Law Judge (ALJ) Jacob S. Gertsman.

On May 8, 2018, the Parties executed a Stipulation for Final Rates (Stipulation) in which the Parties agreed that the adjusted provisionally approved rates should be made final. On May 14, 2018, ALJ Gertsman issued his Initial Decision recommending Board approval of the Stipulation finding that the Parties voluntarily agreed to the Stipulation, which fully disposed of any issues in controversy and was consistent with the law.

Staff recommended that the Board issue an Order adopting the Initial Decision and Stipulation. Staff further recommended that the Board direct Elizabethtown to file tariffs consistent with its Order within five days of service of the Order.

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

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

F. Docket No. ER17070724 and GR17070725 – In the Matter of Public Service Electric and Gas Company for Approval of Changes in its Electric Green Programs Recovery Charge and its Gas Green Programs Recovery Charge (2017 PSE&G Green Programs Cost Recovery Filing).

BACKGROUND AND DISCUSSION: Commissioner Gordon recused himself from this matter. On July 5, 2017, Public Service Electric and Gas (PSE&G or the Company) filed a petition (2017 GPRC Petition) with the Board seeking approval to modify the electric and gas components of the Green Programs Recovery Charge (GPRC). The proposed rates for the combined components of the electric and gas GPRCs for the period October 1, 2017 through September 30, 2018 are designed to recover approximately \$57.9 million (electric) and \$12.5 million (gas) in revenues on an annual basis. As filed, the resulting net combined annual revenue impacts on the Company's electric customers are an increase of \$9.2 million and a decrease of \$1.2 million for the Company's gas customers.

In the 2017 GPRC Petition, the Company also requested Board approval to end the Demand Response (DR) Program after the summer of 2017, in light of changes to PJM's rules regarding the electric capacity market. The Company proposed in its filing to recover the regulatory asset over the remaining life of the DR equipment.

Following discovery, on May 7, 2018, PSE&G, the New Jersey Division of Rate Counsel, and Board Staff (collectively, the Parties), executed a Stipulation of Settlement (Settlement) for discontinuance of PSE&G's DR Program. The Parties agreed that the Company will no longer operate the DR program after the 2017/2018 energy year. PSE&G will notify program participants following execution of the Settlement.

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

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

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

G. Docket No. ER17070723 – In the Matter of Public Service Electric and Gas Company for Approval of Changes in its Electric Solar Pilot Recovery Charge for its Solar Loan I Program.

BACKGROUND AND DISCUSSION: Commissioner Gordon recused himself from this matter. On July 30, 2017, Public Service Electric & Gas Company (PSE&G or the Company) filed a petition with the Board seeking approval of changes in its electric Solar Pilot Recovery Charge (SPRC). The petition sought an increase in the SPRC revenues of approximately \$3.5 million for the period October 1, 2017 through September 30, 2018. The rates proposed for the SPRC were designed to recover approximately \$6.3 million in revenue on an annual basis.

Subsequently, PSE&G updated the revenue requirement to include actual data through September 30, 2017. Based on the update, the total revenue to be recovered from ratepayers was approximately \$5.6 million.

On April 12, 2018, PSE&G, Board Staff, and the New Jersey Division of Rate Counsel (collectively, the Parties) executed a Stipulation of Settlement (Settlement) requesting that the Board approve the proposed increase to the SPRC to \$0.000145 per kWh, including Sales and Use Tax (SUT).

Staff recommended that the Board issue an Order accepting the Settlement of the Parties, which sought to implement an SPRC rate of \$0.00145 per kWh, including SUT. Staff further recommended that the Board order PSE&G to file tariffs consistent with the Board's Order by June 1, 2018.

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

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

H. Docket No. GR17070776 – In the Matter of Public Service Electric and Gas Company for Approval of the Next Phase of the Gas System Modernization Program and Associated Cost Recovery Mechanism.

BACKGROUND AND DISCUSSION: Commissioner Gordon recused himself from this matter. On July 27, 2017, Public Service Electric and Gas Company (PSE&G) filed a petition (July 2017 Petition) with the Board requesting approval to implement and administer the next phase of its Gas System Modernization Program (GSMP II or Program) and an associated cost recovery mechanism. The Program is an extension of PSE&G's current Gas System Modernization Program (GSMP I), which was approved by the Board in accordance with an Order dated November 16, 2015. In support of and as part of its July 2017 Petition, PSE&G filed the direct testimonies of Wade E. Miller and Stephen Swetz.

In the July 2017 Petition, PSE&G sought Board approval to replace cast iron and unprotected steel mains and associated services, address the abandonment of district regulators associated with cast iron and unprotected steel mains, rehabilitate large diameter elevated pressure cast iron, upgrade utilization pressure portions of the system to elevated pressure, replace limited amounts of protected steel and plastic mains, and relocate inside meter sets to outside locations. The Program, as proposed, would result in the replacement of approximately 250 miles of main per year, with estimated investment of approximately \$2.68 billion over a five year period from 2019 through 2023. The July 2017 Petition proposed that the costs of these investments be recovered by the Company through semi-annual roll-ins, assuming a minimum level of 10 percent of the total program investment has been expended.

On September 22, 2017, the Board issued an Order retaining this matter and designating Commissioner Joseph L. Fiordaliso, now the Board President, as the presiding officer in the matter to rule on all motions that arise during the pendency of the proceeding, establish and modify any schedules that may be set as necessary, and to conduct public and evidentiary hearings.

By Order dated November 9, 2017, President Fiordaliso issued a procedural schedule, and ruled on motions to intervene or participate in the proceeding. Intervention status was granted to the New Jersey Large Energy Users Coalition and the Environmental Defense Fund (EDF). Participant status was accorded to the Local Union 94 of the International Brotherhood of Electrical Workers and Local 855 of the United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry (PSE&G Unions), Association of American Retired Persons Inc., Creamer-Sanzari Joint Venture (CSJV), the New Jersey Laborers-Employers Cooperation and Education Trust (NJLECET), the Engineers Labor-Employment Cooperative (ELEC), and Ferreira Construction Company, Inc. (Ferreira Construction).

After publication of notice in newspapers of general circulation in the Company's service territory, public hearings were held at 4:00 p.m. and 5:30 p.m. in New Brunswick, New Jersey on January 17, 2018; in Mt. Holly, New Jersey on January 18, 2018; and in Hackensack, New Jersey on January 25, 2018. At each hearing a variety of comments were received, as reflected in the transcripts of those hearings.

On January 19, 2018, the New Jersey Division of Rate Counsel (Rate Counsel) filed the direct testimonies of Andrea C. Crane (amended on February 15, 2018), David E. Dismukes, Ph.D., Edward A. McGee, and Kevin W. O'Donnell, CFA. On January 19, 2018, Intervenor, EDF filed the testimony of Virginia Palacios. PSE&G filed the rebuttal testimonies of Ann E. Bulkley, Stephen Swetz and Wade E. Miller on February 16, 2018.

On February 28, 2018, the Board reassigned this matter to Commissioner Upendra J. Chivukula and amended the procedural schedule providing for an additional settlement conference on March 9, 2018 and evidentiary hearings from April 4-6, 2018 at the Office of Administrative Law in Newark, New Jersey.

Over the course of this proceeding, discovery was issued and responded to pursuant to a procedural schedule issued and modified thereafter by the presiding Commissioner. The parties to the proceeding met on several occasions to discuss settlement of this matter. A final settlement conference was held on March 23, 2018, at which time the Signatory Parties reached an agreement in this matter.

Following discovery and testimony, on April 18, 2018, by PSE&G, the Rate Counsel, Board Staff, the EDF, PSE&G Unions, CSJV, the NJLECET, the ELEC, and Ferreira Construction Company, Inc. (collectively, the Signatory Parties) executed a Stipulation and Agreement (2018 Stipulation).

Staff recommended that the Board issue an order accepting the 2018 Stipulation.

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

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

I. Docket No. GM18010026 – In the Matter of South Jersey Gas Company for the Approval of the Sale and Conveyance of Real Property with a Municipal Tax Map Designation of Lot 3, Block 502 in the Borough of Folsom, Atlantic County.

BACKGROUND AND DISCUSSION: On January 10, 2018, South Jersey Gas Company (SJG or Company) filed a petition with the Board seeking approval of the Contract and the waiver of the requirement to advertise a property in the Borough of Folsom, Atlantic County, referred to as Lot 3, Block 502 on the official municipal tax map (Property). The Property was purchased by SJG for Natural Resource Damage claims arising out of SJG’s legacy Manufacturing Gas Plant operations. In the January 16, 2018 petition, SJG sought approval of the Agreement of Sale and Conveyance of Real Estate (Contract) to Joseph Shelli Properties LLC (Purchaser) for a purchase price of \$580,000.00. Additionally, SJG sought a waiver of the requirement to advertise the Property.

According to the petition, the Property is farm land surrounding SJG’s headquarters. In March 2008 New Jersey Department of Environmental Protection (NJDEP) entered into a settlement agreement (NJDEP Settlement) with SJG. As part of the NJDEP Settlement, the Property (including the three adjacent lots) was included in SJG’s Remediation Adjustment Clause (RAC) in settlement of NJDEP’s claims against SJG for NRD arising out of SJG’s legacy MGP operations. The NJDEP Settlement states that the land is restricted to farming or other activity which preserved the conversation value of the land. No building or development is permitted on the Property. Additionally, as part of the NJDEP Settlement, NJDEP maintained a right of first refusal on the Property. By email dated September 1, 2017, NJDEP confirmed that it chose not to exercise its right and that the conservation restrictions shall remain in effect after the proposed sale. The Property does not generate any rental income, is not now or prospectively required or useful for utility purposes, and all proceeds from the sale will be applied as a credit to the RAC.

In 2017, the Company received an appraisal of the Property performed by Renwick & Associates. According to the Appraisal Report, the Property’s assessed market value is \$476,000.00. On August 16, 2017, SJG’s Board of Directors unanimously authorized the sale of the Property. The only relationship between SJG and Joseph Shelli Properties LLC is that of transferor/transferee, and lessor/lessee. The purchaser has farmed the Property for over 20 years and is likely the only bona fide purchaser for the Property.

Staff recommended Board approval of the Contract and of the waiver to advertise the Property.

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

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

J. Docket No. GR17060586 – In the Matter of South Jersey Gas Company to Revise the Level of its Basic Gas Supply Service Charge; and to Revise the Level of its Conservation Incentive Program Charge for the Year Ending September 30, 2018.

BACKGROUND AND DISCUSSION: On June 1, 2017, South Jersey Gas Company (SJG or Company) filed a petition (2017 BGSS/CIP Petition) with the Board seeking authority to: 1) decrease its Periodic Basic Gas Supply Service (BGSS) rates; and 2) revise its Conservation Incentive Program (CIP) rates. With respect to the BGSS request, the proposed change would decrease the monthly bill of a residential heating customer using 100 therms by \$1.35, or 1.1%. With respect to the CIP rates request, the same residential heating customer would see an increase in the monthly bill of \$0.55 or 0.5%. On a net basis, the 2017 BGSS/CIP Petition would result in a decrease of approximately \$8.05 (0.7%) for a residential heating customer using 1,000 therms annually.

On September 22, 2017, the Board issued an Order (September 2017 Provisional Order) approving a Stipulation of Settlement executed between the Company, the New Jersey Division of Rate Counsel, and Board Staff, (collectively, the Parties). The September 2017 Provisional Order authorized SJG to implement the 2017 BGSS/CIP Petition rates on a provisional basis, subject to refund with interest, effective for services rendered on or after October 1, 2017.

On November 3, 2017, the Petition was transmitted to the Office of Administrative Law and assigned to Administrative Law Judge (ALJ) Jacob Gertsman for hearing as a contested case.

On April 26, 2018, the Parties executed a Stipulation of Settlement (Stipulation) for Final Rates and agreed to approve as final, the provisional BGSS and CIP rates subject to the January 1, 2018, Sales and Use Tax change. On May 4, 2018, ALJ Gertsman issued an Initial Decision adopting the Stipulation, finding that the Parties voluntarily agreed to the Stipulation, which fully disposed of all issues in controversy and was consistent with the law.

Staff recommended that the Board issue an Order approving the Initial Decision and Stipulation of the Parties. In addition, Staff recommended that the Board direct SJG to file tariffs consistent with its Order by June 6, 2018.

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

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

K. Docket No. GO17111130 – In the Matter of South Jersey Gas Company Approval to Continue its Storm Hardening and Reliability Program (SHARP II) and Associated Recovery Mechanism.

BACKGROUND AND DISCUSSION: On November 2, 2017, South Jersey Gas Company (SJG or Company) filed a petition (SHARP II Petition) with the Board seeking approval to continue its previously approved Storm Hardening and Reliability Program (SHARP) and associated rate recovery mechanism. According to the SHARP II Petition, the three year program (SHARP II or Program) will mitigate future storm damage through various system enhancement projects, including: (1) Excess Flow Valve installation; (2) the Absecon Island Loop Project; (3) the Ocean City Loop Project; and (4) the Brigantine Bridge Project. SJG proposed a total SHARP II investment of approximately \$110.25 million.

By Order dated December 19, 2017, the Board issued an Order retaining the SHARP II Petition and designated Commissioner Dianne Solomon as the presiding officer authorized to rule on all motions that arise during the pendency of the proceedings and modify any schedules that may be set as necessary to secure a just and expeditious determination of the issues. On February 21, 2018, Commissioner Solomon issued a Prehearing Order in this matter, which approved a procedural schedule.

Following discovery and several telephonic conferences, the Company, Board Staff and the New Jersey Division of Rate Counsel (collectively, Parties) executed a Stipulation of Settlement (Settlement) resolving this matter.

Staff recommended that the Board issue an Order approving the Settlement of the Parties.

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

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

L. Docket No. AX18010001 – In the Matter of the New Jersey Board of Public Utilities’ Consideration of the Tax Cuts and Jobs Act of 2017; and

Docket No. GR18030224 – In the Matter of the Petition of New Jersey Natural Gas Company for the Adjustment of Base Rates and Refunds Associated with the Tax Cuts and Jobs Act of 2017.

BACKGROUND AND DISCUSSION: By Order (Generic Tax, Cuts and Job Acts (TCJA) Order) dated January 31, 2018, the Board directed all affected utilities to file petitions proposing new rates reflecting the impacts from the Federal Tax Cuts and Jobs Act (the 2017 Act) signed into law on December 22, 2017. The Generic TCJA Order specifically mandated that the utilities file amended tariffs reflecting a reduction in rates resulting from the reduction in the corporate tax rate effective April 1, 2018, as well as a plan to address other rate factors and to refund any over collection in rates.

On March 1, 2018, New Jersey Natural Gas Company (NJNG or Company) filed its petition pursuant to the Generic TCJA Order, including proposed tariffs as well as a proposed plan. Specifically, NJNG requested the following: (1) a reduction in base rates of \$19.70 million effective April 1, 2018; (2) a refund to customers for the difference in the proposed rate and rates between January 1, 2018 and March 31, 2018; and (3) a refund of \$20.10 million (without sales and use tax in the unprotected Accumulated Deferred Income Taxes).

NJNG indicated that it would address any changes to rider and rider deferred balances in upcoming annual filings as appropriate. Additionally, NJNG requested that a true-up to the deferred income tax balances be addressed in its next base rate case, which will be filed no later than November 2019.

By Order dated March 26, 2018 (March 26, 2018 Order), the Board directed the Company to implement its proposed base rate reduction on an interim basis, effective April 1, 2018. As a result of the March 26, 2018 Order, an average residential heating customer using 1,000 (therms) per year would see an annual decrease of \$31.30 or three percent (3.0%).

Following a review of discovery and discussions, The Company, New Jersey Division of Rate Counsel and Staff (the Parties) executed a Stipulation of Settlement (Settlement) which resolves all issues in the matter.

Staff recommended that the Board issue an Order accepting the Settlement of the Parties, which sought to resolve all issues related to this filing. Staff further recommended that the Board direct NJNG to file tariffs consistent with the Board's Order by June 1, 2018.

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

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

M. Docket No. ER18010004 – In the Matter of Federal Energy (FERC) Item for 2018 – FERC Docket No. ER18-1314-PJM Interconnection LLC re: Capacity Repricing or in the Alternative MOPR-Ex Proposal.

Cynthia L. M. Holland, Esq., Legal Specialist, Office of the Chief Counsel, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved Staff, on behalf of the Board, filing a Protest in the above captioned proceeding. The proposed Tariff filing of PJM Interconnection, LLC (PJM) targets New Jersey's Renewable Portfolio Standard, Offshore Wind program and the pending Zero Emissions Credits legislation. PJM's Tariff filing will substantially increase prices for ratepayers. Staff protested based on their significant concerns regarding the implications of the filing and asked the Federal Energy

Regulatory Commission (FERC) to reject PJM's filing as neither just nor reasonable. Staff asked FERC to maintain status quo and to direct PJM to work with the several states within the PJM region to ensure that any future capacity market revisions are complementary to the policies of, and attributes sought by, the several states.

On April 9, 2018, PJM Interconnection, LLC (PJM), submitted revisions to the Reliability Pricing Model rules in the PJM Open Access Transmission Tariff (Tariff) to establish, in PJM's view, "the appropriate" response to address supply-side state "subsidies" and their supposed impact on the determination of prices in the PJM capacity market.

On April 24, 2018, the Staff, on behalf of the Board, intervened in the FERC Docket ER18-1314.

In compliance with the May 7, 2018 comment deadline, Staff filed a Protest requesting FERC to reject PJM's filing upon the determination that PJM's alternative proposals (PJM's Proposals) are neither just nor reasonable tariff revisions and to maintain status quo.

The Organization of PJM States, Inc. along with other State Commissions within the PJM territory (notably: the Maryland Public Service Commission, the Pennsylvania Public Utility Commission, the Public Utilities Commission of Ohio, and the Illinois Commerce Commission) have filed complementary comments.

Staff recommended that the Board ratify this protest.

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

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

N. Docket No. EO17080870 – In the Matter of the Request for Investigation into Compliance with the Board Order in Docket Number EM00110870 by FirstEnergy Corp. and Jersey Central Power and Light.

Paul Flanagan, Executive Director, presented this matter.

BACKGROUND AND DISCUSSION: On August 8, 2000, FirstEnergy Corp. (FE) and GPU, Inc. (GPU) the then-parent company of Jersey Central Power and Light Company (JCP&L or the Company) entered into an agreement and plan of merger.

On October 9, 2001, the Board issued an Order approving the Merger and the Merger Stipulation. Among other things, the Merger Order requires that JCP&L to honor all JCP&L pre-merger contracts and agreements in existence at the time of the Merger, including those with current or former JCP&L employees.

Effective December 31, 2104, FE, as plan administrator, stopped paying health subsidies to certain GPU retirees.

On August 7, 2017, two retired GPU employees, Graham and Roche (Petitioners), filed a petition (Petition) with the Board alleging that all former JCP&L employees who were employees of GPU at the time of the Merger are entitled to receive the same benefits as JCP&L employees. Graham and Roche further allege that FE improperly terminated subsidies for healthcare costs on some retirees of JCP&L, thus violating the Merger Stipulation and Merger Order. The Petition requested that the Board investigate this alleged violation and direct FE to comply with the Merger Order, specifically with respect to FE's post-employment medical benefits (referred to as "Other Post-Employment Benefits" or OPEBs") for non-bargaining unit retirees.

On August 28, 2017, JCP&L filed an Answer to the Petition (Answer) denying the Petition allegations, denying it failed to comply with the OPEBs and raising affirmative defenses.

On the same day it filed its Answer with the Board, FE and JCP&L (Plaintiffs) filed a Complaint in the United States District Court for the District of New Jersey (Federal Petition) seeking declaratory judgment against the Board, the Board's Commissioners and its Secretary in their official capacities, as well as Graham and Roche.

Following settlement discussion and meetings, the Parties determined to resolve the matter through a settlement. On April 6, 2018, the Parties entered into a Settlement Agreement and recommended that the Board issue an Order approving it.

Staff recommended that the Board find the Settlement Agreement, as modified in this Order, reasonable, in the public interest, and in accordance with the law and approve the Settlement agreement as modified. Staff further recommended that the Board order JCP&L to file a letter acknowledging the implementation of the Additional Deemed Eligible JCP&L Retirees as required by the Settlement Agreement is implemented no later than August 31, 2018.

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

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

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. TX11090570 – In the Matter of the Board Investigation Regarding the Reclassification of Incumbent Local Exchange Carrier Services as Competitive – Phase II.

BACKGROUND AND DISCUSSION: Since the enactment of the Telecommunications Act of 1992 (the 1992 Act), 1, 1991, Q. 428, codified at N.J.S.A. 48:2-21.16 to -21.21, the Board has reviewed petitions for alternative forms of regulation for Incumbent Local Exchange Carriers and considered the reclassification of certain telecommunications services as competitive. On August 19, 2003, the Board approved for Verizon a revised Plan for an Alternative Form of Regulation (PAR-2), replacing its Plan for an Alternative Form of Regulation (PAR-1) earlier approved by the Board on May 6, 1993. The Board required Verizon, by the PAR-2 order, to abide by updated service quality metrics and performance standards with procedures for Board monitoring and review for carrier provisioning of quality New Jersey telecommunications services.

On May 19, 2015 the Board approved a Stipulation of Settlement (Stipulation) between Staff and Verizon (The Parties) reclassifying Verizon's four remaining rate regulated service as competitive.

The Stipulation was the culmination of a negotiated agreement that represented a compromise between Parties with opposing views and resulted in safeguards that established a five year transition period capping rates and limiting rate increases for a period of five years. In addition, it provided that the existing Service Quality Standards (Metrics) would remain in effect for at least three years. At the conclusion of the three year period, the Board reserved the right to determine whether the Service Quality Standards should apply for the remaining two year period, sunset or be modified. In addition, the Company was affirmatively directed to abide by all previous Board Orders, Decisions, Statutory Requirements and administrative regulations.

Also, as part of this review, staff identified two metrics Verizon unilaterally in June of 2016 ceased providing data on. Metric number 5 and 7 stating there were no regulated customers and the services have been deemed competitive. Verizon was not relieved of this reporting requirement and Verizon should continue to report data to Staff on these two metrics.

Staff recommended that the current standards and reporting requirements outlined in Verizon's PAR and N.J.A.C. remain in full effect and that Verizon continue to report on all metrics including numbers 5 and 7.

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

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

B. Non-docketed Matter – In the Matter of the Request for Quotation for the Provision of Telecommunications Relay Service – Request for Extension.

BACKGROUND AND DISCUSSION: Commissioner Gordon recused himself from this matter. This matter involved Staff requesting the Board approval of the Treasury authorization for a second extension of the existing contract with Sprint for the provisioning of Telecommunications Relay Services (TRS) in New Jersey. TRS is a telephone service that allows people with hearing, vision or speech disabilities to place and receive telephone calls from standard telephone users via a key board or assisted device.

The existing contract held by Sprint expired on March 31, 2018. Pursuant to the contract terms, Sprint is required to continue to provide service for a 90 day transition period, which ends on June 29, 2018. Since a new contract had not been awarded, Staff requested an extension of the existing contract for a period of 90 days at the Board Agenda meeting on April 25, 2018. The extension was granted.

An additional extension is necessary in order to implement a new contract prior to the end of the last extension to prevent a gap in service. Staff requested approval from Treasury of the subsequent extension and is awaiting a final determination. While pending, Staff requests Board approval of the new 90 day contract extension which will expire on September 29, 2018, subject to Treasury authorization.

Staff recommended Board approval of the second extension for a period of 90 days to expire September 29, 2018.

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

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

5. WATER

A. Docket No. WR17121313 – In the Matter of the Atlantic City Sewerage Company to Change the Level of its Purchased Sewerage Treatment Adjustment Clause.

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

BACKGROUND AND DISCUSSION: On December 28, 2017, the Atlantic City Sewerage Company (Petitioner or Company) filed a petition with the Board requesting to change the level of its Purchased Wastewater (sewerage) Treatment Adjustment Clause (PSTAC) from \$26.103 per Mcf of metered water to a rate of \$27.150 per Mcf. The Company's initial filing was based on preliminary estimates and was updated as the case progressed. The amount originally estimated in the petition to be recovered in the 2018 PSTAC was \$9,166,227.00.

This matter was transmitted to the Office of Administrative Law on January 10, 2018, and was assigned to ALJ Gertsman. ALJ Gertsman held a telephonic prehearing conference on February 13, 2018.

On March 27, 2018, the Company amended its petition to reflect the amount to be recovered in the 2018 PSTAC of \$9,121,773.00. This represented a negligible increase of \$0.028 or 0.001% on the average residential customer's annual sewerage bill above the current PSTAC. Given the de minimus size of the increase, the Petitioner's amended petition requested that its 2017 PSTAC be maintained at its current level of \$26.103 per Mcf for calendar year 2018.

Because the Petitioner's initial filing requested an increase in its PSTAC, ALJ Gertsman had scheduled a public hearing for March 19, 2018. Since the Company's amended petition requests no change in the current PSTAC rate per Mcf, it was deemed that no public hearing was required.

Representatives of the Petitioner, Rate Counsel and Staff (collectively, the Parties) entered into a Stipulation of Settlement (Settlement) that the Petitioner's 2017 PSTAC rate be maintained at its current level of \$26.103 per Mcf for calendar year 2018. The amount to be recovered through the 2018 PSTAC is \$9,121,773.00.

ALJ Gertsman issued his Initial Decision recommending adoption of the Settlement of the Parties.

Staff recommended that the Board adopt the Initial Decision which adopts the Settlement of the Parties in this matter to become effective on June 1, 2018.

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

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

B. Docket No. WF18030342 – In the Matter of Aqua NJ, Inc. for Authority to Enter into Long-term Debt in an Amount up to \$17,500,000.00.

Christine Lin, Office of Chief Economist, presented this matter.

BACKGROUND AND DISCUSSION: On March 23, 2018, Aqua New Jersey, Inc. (Company), filed a petition with the Board requesting authority to:

1. Make, execute and deliver to Aqua America, Inc. a note (Note) for long-term debt in a principal amount up to \$17,500,000.00; and
2. To take such actions as are necessary to effectuate the transaction described in the petition.

The Petitioner stated that its parent, Aqua America, Inc., has issued debt and intends to downstream a portion of the proceeds of that debt issuance to the Petitioner. In exchange for a portion of the proceeds of the debt issuance, the Petitioner sought the authority to execute the Note to Aqua America, Inc. for long-term debt in a principal amount up to \$17,500,000.00. The Petitioner stated that the proceeds of the downstreamed debt will be used to rebalance the Company's capital structure. The Company proposed to execute a note with its parent for all or a portion of the \$17.5 million unsecured debt with a nine year term at a 3.57% coupon rate.

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

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

6. RELIABILITY & SECURITY

There were no items in this category.

7. CUSTOMER ASSISTANCE

A. Docket No. EO17080888U – In the Matter of IDT Energy, Inc.

Caroline Vachier, Deputy Attorney General, Division of Law, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved the joint investigation conducted by the Division of Consumer Affairs (the Division) and the Board (collectively, the State) for alleged violations by IDT Energy, Inc. (IDT) of the Energy Discount and Energy Competition Act, the Consumer Fraud Act, and the regulations promulgated thereunder. IDT, while not admitting any violations, agreed to make a settlement payment of \$1,364,497.94, which comprises of:

- \$1,225,722.21 in restitution for Polar Vortex customers (January 1–March 31, 2014);
- \$100,000.00 in civil penalties; and
- \$38,775.00 in reimbursement of Attorneys' Fees and Costs.

In addition, IDT agreed to pay up to \$125,000.00 to Rust Consulting, the Settlement Administrator. IDT also agreed to certain business practices to ensure compliance with the Board and the Division's rules. For example, IDT will update its website and marketing materials to reflect clear language about pricing, provide training for its customer service representatives, regulatory affairs representatives, and sales representatives, and conduct random audits of door-to-door solicitations for one year.

The Division of Law (DOL) and Board Staff recommended adoption of a settlement, which was executed by IDT, the Division of Consumer Affairs, and the DOL.

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

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

8. CLEAN ENERGY

A. Docket No. EO12090832V – In the Matter of the Implementation of L. 2012, C. 24, The Solar Act of 2012;

Docket No. EO12090862V – In the Matter of the Implementation of L. 2012, C. 24, N.J.S.A. 48:3-87T) – A Proceeding to Establish a Program to Provide SRECs to Certified Brownfield, Historic Fill and Landfill Facilities; and

**Docket No. QO17111188 – KDC Solar Carlstadt, LLC
Scientific Chemical Processing, Inc.**

B. Scott Hunter, Renewable Energy Program Administrator and Kenneth J. Sheehan, Director of the Division of Economic Development & Emerging Issues, presented this matter.

BACKGROUND AND DISCUSSION: On November 13, 2017, KDC Solar Carlstadt, LLC (KDC or Applicant) submitted an application to the Board requesting its project certified as being located on a Brownfield. KDC's two (2) MWdc project is proposed to be constructed on the former Scientific Chemical Processing Plant site in Carlstadt, New Jersey, which is owned by the Borough of Carlstadt.

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

Staff issued an application for developers seeking Board approval pursuant to subsection (t) on April 10, 2013. Staff received 43 unique applications to date which have been forwarded to NJDEP for an advisory recommendation on whether a site for a proposed facility is located on eligible land and the state of remediation on the site. Of those applications, the Board has certified or conditionally certified 19 applications and denied eight. Six applications were withdrawn, and 10 applications are pending review and approval.

Staff received an advisory recommendation from NJDEP recommending the Board grant conditional certification to KDC for its proposal to build a two MWdc solar facility project proposed to be located at the Scientific Chemical Processing, Inc. site located in the Borough of Carlstadt, New Jersey.

The Applicant seeking certification submitted the required documentation to enable NJDEP to determine whether the proposed site was a “brownfield” as defined by the Solar Act. NJDEP reviewed the application and supplied an advisory memorandum to Staff on the land use classification and the remediation status of the proposed site. NJDEP determined that the 5.53 acre area on which the solar electric power generation facility will be located constitutes a “Brownfield” pursuant to the Solar Act. On the basis of NJDEP’s determination, information contained in the application, and other relevant factors, Staff recommended that the Board grant conditional certification.

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

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

B. Docket No. QO18050502 – In the Matter of the NJBPU Regional Greenhouse Gas Initiative – Seeking Approval for Performance of an Economic Analysis – See executive session.

Michael Winka, Director, Senior Policy Advisor, presented this matter.

BACKGROUND AND DISCUSSION: This matter was initially discussed in the executive session. This matter involved the process of reentering Regional Greenhouse Gas Initiative (RGGI), which presents many complex and interrelated economic issues which may affect the impacts resulting from this action. As the New Jersey Department of Environmental Protection (NJDEP) and the Board implement the Governor’s directive to effect this reentry, they will need an economic assessment of these issues in order to adopt rules and make policy choices that will effectively protect the interests of New Jersey ratepayers.

Staff prepared a Scope of Work designed to attract and select a well-qualified consultant to perform these analyses and model potential resulting impacts for the Board.

The Economic Analysis is intended to ensure that:

- The NJDEP’s rulemaking process is informed by an understanding of the various potential economic impacts to the ratepayers of New Jersey; and
- To assist the NJDEP Commissioner and BPU President in their discussions with the RGGI member states and RGGI Inc.

After review, Staff recommended that the Board approve the issuance of the Scope of Work to solicit responses from professional firms under the Board Waiver AJ-050 to perform an economic assessment of the ramifications of New Jersey rejoining the Regional Greenhouse Gas Initiative.

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

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

C. Docket No. QW18030284 – In the Matter of Request for Response for Expertise in Offshore Wind Economic Analysis – See executive session.

Kenneth J. Sheehan, Director of the Division of Economic Development & Emerging Issues, presented this matter.

BACKGROUND AND DISCUSSION: This matter was initially discussed in the executive session. On January 31, 2018, Governor Phil Murphy signed Executive Order No. 8 (EO8) directing the New Jersey Board of Public Utilities to fully implement Offshore Wind Economic Development Act (OWEDA) and begin the process of moving the State toward a goal of 3,500 megawatts of offshore wind energy generation by the year 2030 and a solicitation of 1100 megawatts as a first step in meeting that goal. The Board addressed the issues and direction of EO8 in its Order Docket No. QO18020151 dated February 23, 2018. (February 28 Board Order).

In furtherance of the February 28 Board Order, the Division of Policy & Planning, with the assistance from the Division of Economic Development and Emerging Issues and 2 Division of Budget and Finance, prepared responses which includes a Scope of Work and detailed list of tasks necessary to evaluate OREC Applications consistent with OWEDA and the Board regulations. The Scope of Work is also consistent with the scope of work used under the prior contract for services used to evaluate the Fishermen's Energy application.

The purpose of the Request is to solicit bid proposals from consulting firms engaged under Waiver #AJ-050 who are qualified to provide expertise on offshore wind (OSW) economic analysis and who can assist in developing a guidance document and application form for evaluating the economic, financing, and engineering feasibility of OSW projects. The expertise sought will assist the Board in reviewing and evaluating OSW project proposals, consistent with the Offshore Wind Economic Development Act, (P.L. 2007, c.340, amending P.L. 1999, c.23), including the technical feasibility of proposals, the energy producing capacity underlying proposed economic performance, energy pricing, cost/benefit analysis, job creation, project financing, and subsidy requirements. The Scope of work also includes any assistance the Board staff requires in the design and implementation of OSW regulations.

The Board will gain considerable time and a minimum of six months by procuring these services under Waiver #AJ-050. The difference of six months is critical in terms of being

able to open an application window in time for applicants to qualify for the federal investment tax credits which expire December 2019.

Staff recommended the Board approve the distribution of the Request for Responses to the list of pre-qualified consultants under Waiver #AJ-050.

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

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

D. Docket No. QO17050465 – In the Matter of the Clean Energy Programs and Budget for Fiscal Year 2018 – 4th Budget Revision.

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

BACKGROUND AND DISCUSSION: This matter involved Staff requesting the Board adopt and approve the proposed 4th FY18 Budget Revisions as originally proposed and summarized below.

The Board originally established FY18 programs and program budgets through a Board Order entered in the present matter dated June 30, 2017, and it revised them through a Board Order entered in the present matter dated October 20, 2017 and February 28, 2018.

On April 26, 2018, the Board Staff posted on the NJ Clean Energy Program website a Request for Comments regarding the proposed 4th FY18 budget revisions described below. Request for Comments were accepted through May 10, 2018. Written comments were received by 3rd Rock Systems & Technologies, Nexant, New Jersey Natural Gas, and Utility Advantage, LLC.

Since the FY18 Budget was adopted certain commitments related to Edison Innovation Clean Manufacturing Fund managed by the New Jersey Economic Development Authority (EDA) expired and were canceled resulting in a \$1,010,804.35 becoming available for other programs. Consistent with the Board's Order implanting Governor Murphy's Executive Order 8's Offshore Wind (OSW) Initiative, the \$1,010,804.35 will be allocated to the Offshore Wind Program's "Evaluation and Related Research" Cost Category to fund the engagement of a consultant to support the development of an OSW program and related studies.

Staff proposed that \$40,000.00 in funding be reallocated from the Interim Marketing budget to the Sponsorships budget for annual membership in the Clean Energy State's Alliance (CESA), a national, non-profit coalition of public agencies and organizations working together to advance clean energy. Membership to CESA will assist Board Staff in the development of offshore wind and other renewable energy policy proposals.

Staff also authorized TRC to become a member of both the Consortium for Energy Efficiency and the Design Lights Consortium, both of which will assist in the design and development of cutting edge energy efficiency programs.

The following Table shows the current FY18 Budget, the proposed 4th FY18 Budget Revisions, and the resulting proposed 4th Revised F19 Budget:

| 4th Revised FY18 Budget Modifications | | | |
|----------------------------------------------|-------------------------|-------------------------|--------------------------------------|
| <i>Program/Budget Line</i> | <i>Current Budget*</i> | <i>Proposed Changes</i> | <i>4th Revised NJCEP FY18 Budget</i> |
| Total NJCEP | \$322,718,495.97 | \$0.00 | \$322,718,495.97 |
| EE Programs | \$275,899,507.45 | \$0.00 | \$275,899,507.45 |
| Res EE Programs | \$65,842,472.41 | \$0.00 | \$65,842,472.41 |
| HVAC | \$8,500,000.00 | | \$8,500,000.00 |
| RNC | \$24,267,472.41 | | \$24,267,472.41 |
| EE Products | \$9,000,000.00 | | \$9,000,000.00 |
| HPWES | \$24,075,000.00 | | \$24,075,000.00 |
| Res Low Income | \$30,000,000.00 | \$0.00 | \$30,000,000.00 |
| Comfort Partners | \$30,000,000.00 | | \$30,000,000.00 |
| C&I EE Programs | \$169,457,035.04 | \$0.00 | \$169,457,035.04 |
| C&I NC | \$2,961,932.04 | | \$2,961,932.04 |
| C&I EB | \$49,840,263.13 | | \$49,840,263.13 |
| P4P NC | \$19,112,655.81 | | \$19,112,655.81 |
| P4P EB | \$33,966,790.48 | | \$33,966,790.48 |
| LGEA | \$5,483,000.00 | | \$5,483,000.00 |
| DI | \$43,645,462.36 | | \$43,645,462.36 |
| LEUP | \$13,300,931.22 | | \$13,300,931.22 |
| Customer Tailored EE Pilot | \$1,146,000.00 | | \$1,146,000.00 |
| State Facilities Initiative | \$10,600,000.00 | \$0.00 | \$10,600,000.00 |
| State Facilities Initiative | \$10,600,000.00 | | \$10,600,000.00 |
| Distributed Energy Resources | \$34,053,844.00 | \$0.00 | \$34,053,844.00 |
| CHP/Fuel Cell | \$29,872,721.32 | | \$29,872,721.32 |
| RE Storage | \$2,128,642.68 | | \$2,128,642.68 |
| Microgrids | \$2,052,480.00 | | \$2,052,480.00 |
| RE Programs | \$2,300,000.00 | \$1,010,804.35 | \$3,310,804.35 |
| Offshore Wind | \$100,000.00 | \$1,010,804.35 | \$1,110,804.35 |
| SREC Registration | \$2,200,000.00 | | \$2,200,000.00 |
| EDA Programs | \$1,195,166.34 | (\$1,010,804.35) | \$184,361.99 |
| CEMF | \$1,098,625.36 | (\$1,010,804.35) | \$87,821.01 |
| GGF | \$96,540.98 | | \$96,540.98 |
| LSCHP Solicitation | \$0.00 | | \$0.00 |
| Planning and Administration | \$9,269,978.18 | \$0.00 | \$9,269,978.18 |
| BPU Program Administration | \$3,239,499.37 | \$0.00 | \$3,239,499.37 |
| BPU Program Administration | \$2,566,652.15 | | \$2,566,652.15 |
| Program Transition | \$672,847.22 | | \$672,847.22 |
| Marketing (w/CEP website) | \$900,000.00 | (\$40,000.00) | \$860,000.00 |
| Interim Marketing | \$900,000.00 | (\$40,000.00) | \$860,000.00 |
| Program Evaluation/Analysis | \$2,042,921.81 | \$0.00 | \$2,042,921.81 |
| Program Evaluation | \$1,150,000.00 | | \$1,150,000.00 |
| CEEEP | \$654,027.77 | | \$654,027.77 |
| Rutgers LESS | \$238,894.04 | | \$238,894.04 |
| Outreach and Education | \$3,077,557.00 | \$0.00 | \$3,077,557.00 |
| Sustainable Jersey | \$675,225.00 | | \$675,225.00 |
| NJIT Learning Center | \$364,288.00 | | \$364,288.00 |
| NJCERN | \$38,044.00 | | \$38,044.00 |
| PA Outreach - Sponsorships | \$2,000,000.00 | | \$2,000,000.00 |
| Sponsorships | \$10,000.00 | \$40,000.00 | \$50,000.00 |
| Sponsorships | \$10,000.00 | \$40,000.00 | \$50,000.00 |

* 3rd revised FY18 budget approved by the Board at its 2/28/18 agenda meeting

Staff recommended the Board finds the processes utilized in developing the 4th FY18 Budget Revisions were appropriate and provided stakeholders and interested members of the public adequate notice and opportunity to comment on them. Staff also recommended the Board adopt and approve the proposed 4th FY18 Budget Revisions as originally proposed and summarized above.

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

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

9. MISCELLANEOUS

There were no items in this category.

EXECUTIVE SESSION

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

8. CLEAN ENERGY

B. Docket No. QO18050502 – In the Matter of the NJBPU Regional Greenhouse Gas Initiative – Seeking Approval for Performance of an Economic Analysis.


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

C. Docket No. QW18030284 – In the Matter of Request for Response for Expertise in Offshore Wind Economic Analysis.

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.


AIDA CAMACHO-WELCH
SECRETARY OF THE BOARD

Date: July 25, 2018