



**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 June 22, 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  
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 July 25, 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**

EE17060660L	AOBA Alliance, Inc.	I – EA
EE18040450L	Wholesale Gas and Electric, LLC	I – EA
EE17030292L	Charity Plus Power, Inc.	I – EA/PA
GE17030293L		
EE17050459L	Rock Promotions, LLC	I – EA/EC
GE17050460L	d/b/a Rock Energy Consultants	

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

EE18020115L	Clear Energy Solutions	R – EA
EE16090882L	RTE Enterprises, LLC	R – EA
EE17121260L	Aurora Energy Advisors, LLC	R – EA
EE17121244L	Power Management Co., LLC	R – EA
	d/b/a PMC Lightsavers Limited Liability Company	
EE18040453L	EnerPros, LLC	R – EA/PA
GE18040454L		
EE17121300L	Early Bird Power, LLC	R – EA/PA
GE17121301L	d/b/a Early Bird Power, LLC	
EE17121267L	Greencrown Energy, LLC	R – EA/PA/EC
GE17121268L		
EE17080811L	Ultimate Energy Advisors, LLC	R – EA/PA/EC
GE17080812L		
EE17030289L	Precision Group, LLC	R – EA/PA/EC
GE17030290L	d/b/a Precision Group	

**Electric Power and/or Natural Gas Supplier Initial Licenses**

EE18030229L	PBF Power Marketing, LLC	I – ESL
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**Electric Power and/or Natural Gas Supplier Renewal Licenses**

EE18020118L	Texas Retail Energy, LLC	R – ESL
EE18040395L	Star Energy Partners	R – ESL
EE18050516L	National Gas & Electric, LLC	R – EGSL
GE18050515L		
EE18020173L	Median Energy Corp.	R – EGSL
GE18020172L		
EE18040474L	Standard Gas & Electric, LLC	R – EGSL
GE18040473L		
EE17060712L	BBPC, LLC	R – EGSL
GE17060711L	d/b/a Great Eastern Energy	
EE17121266L	MPower Energy NJ, LLC	R – EGSL
GE17121265L		
EE17080918L	Stream Energy New Jersey, LLC	R – EGSL
GE17080917L	d/b/a Stream	
GE18020174L	Park Power, 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:

- AOBA Alliance, Inc.
- Wholesale Gas and Electric, LLC
- Charity Plus Power, Inc.
- Rock Promotions, LLC d/b/a Rock Energy Consultants

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

- Clear Energy Solutions
- RTE Enterprises, LLC
- Aurora Energy Advisors, LLC
- Power Management Co., LLC d/b/a PMC Lightsavers Limited Liability Company
- EnerPros, LLC
- Early Bird Power, LLC
- Greencrown Energy, LLC
- Ultimate Energy Advisors, LLC
- Precision Group, LLC d/b/a Precision Group

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

- PBF Power Marketing LLC

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

- Texas Retail Energy, LLC
- Star Energy Partners
- National Gas & Electric, LLC
- Median Energy Corp.
- Standard Gas & Electric, LLC
- BBPC, LLC d/b/a Great Eastern Energy
- MPower Energy NJ, LLC
- Stream Energy New Jersey, LLC d/b/a Stream
- Park Power, LLC

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

## II. ENERGY

### A. Docket No. ER18010004 – In the Matter of Federal Energy (FERC) Items for 2018 - FERC Docket No. PL18-1 – Notice of Inquiry re: Certification of New Interstate Natural Gas Facilities.

**BACKGROUND:** Staff, on behalf of the Board, filed an intervention in this proceeding as an “interested state commission” under the Federal Energy Regulatory Commission (FERC or Commission) Rules of Practice and Procedure. 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.

On April 19, 2018, the FERC issued a Notice of Inquiry seeking information and stakeholder perspectives to help the Commission explore whether, and if so how, it should revise its approach under its currently effective policy statement on the certification of new natural gas transportation facilities to determine whether a proposed natural gas project is or will be required by the present or future public convenience and necessity, as that standard is established in section 7 of the Natural Gas Act.

Specifically, the Commission sought input on whether, and if so how, the Commission should adjust:

- 1) Its methodology for determining whether there is a need for a proposed project, including the Commission’s consideration of precedent agreements and contracts for service as evidence of such need;
- 2) Its consideration of the potential exercise of eminent domain and of landowner interests related to a proposed project; and
- 3) Its evaluation of the environmental impact of a proposed project.

In addition, the Commission sought input on whether there are specific changes the Commission could consider implementing to improve the efficiency and effectiveness of its certificate processes including pre-filing, post-filing, and post-order issuance.

Staff recommended that the Board ratify this intervention.

**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. EL18-143 – Public Service Electric and Gas Company v. Consolidated Edison Company of New York, Inc.

**BACKGROUND:** Commissioner Gordon recused himself from voting on this matter. This matter involved Staff, on behalf of the Board, filing an intervention in this proceeding as an “interested state commission” under the Federal Energy Regulatory Commission (FERC or Commission) Rules of Practice and Procedure. 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.

On May 3, 2018, Public Service Electric and Gas Company (PSE&G) filed a complaint against Consolidated Edison Company of New York, Inc. (Con Edison) requesting that the Commission order Con Edison to cooperate with PSE&G in removing the fluid from co-owned facilities in order to ensure that the damaged jurisdictional facilities do not leak

more dielectric fluid into the river.

The damaged electric transmission facilities, known as the B and C lines, were under-water portions of transmission lines that interconnect northern New Jersey and New York City. The lines were constructed as a part of the "PSEG-ConEd Wheel" which effectuated two long-term contracts that provided for a combined 1,000 MW wheeling service. The wheeling service remained in effect for about 35 years until Con Edison elected to terminate the wheeling service, effective April 30, 2017.

The damage to lines B and C resulted from a concrete pier collapse in 2008 and 2009, leading to its recent discovery. Over the last year and a half, Con Edison and PSE&G cooperated in repairing that leak as part of an emergency response. But the damage, caused by the collapsed concrete pier, goes beyond the area where the leak was discovered, and there is a high risk of additional leaks in the facilities as a result of corrosion. Unless PSE&G and Con Edison drain the dielectric fluid out of the facilities, they cannot assure against future leaks.

PSE&G claimed that it did not rely on the lines in order to provide reliable service to its customers and therefore it is not in the best interest of PSE&G's customers to continue incurring costs associated with the lines. Moreover, Con Edison has been outspoken about its ability to maintain system reliability without connection to New Jersey. Yet, PSE&G emphasizes, with a supporting affidavit, that the flow along the B and C lines still largely travels from PJM to New York, without providing substantial benefits to New Jersey customers.

After PSE&G informed Con Edison that it intended to remove the dielectric fluid, Con Edison refused, stating that it wants to replace the dielectric fluid in the area in which the pier collapse occurred and, following additional tests, to reenergize the lines. Con Edison's refusal to agree prevents PSE&G from removing the dielectric fluid from likely damaged FERC-jurisdictional facilities.

On May 10, 2018, the Staff, on behalf of the Board, intervened in the FERC Docket EL18-143.

In compliance with the June 6, 2018 comment deadline, Staff filed comments in support of the complaint and urged the Commission to grant PSE&G's request for the removal of the damaged and deteriorating lines.

Staff recommended that the Board ratify this intervention.

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

**C. Docket No. ER16060524 – In the Matter of the Petition of Rockland Electric Company for Approval of an Advanced Metering Program.**

**BACKGROUND:** By Order dated August 23, 2017, the Board authorized Rockland Electric Company (RECO) to implement an Advanced Metering Infrastructure (AMI) Program. As part of the August 23, 2017 Order, the Board approved a one-time \$45.00 opt out fee and a \$15.00 monthly meter reading fee for customers who do not wish to have an AMI meter installed.

On May 18, 2018, RECO filed tariff sheets reflecting the changes approved by the Board with a proposed effective date of June 18, 2018. Staff reviewed the tariffs filed by RECO and found them consistent with the Board's August 23, 2017 Order.

Staff recommended that the Board approve RECO's tariff filing, effective July 1, 2018 and notify RECO and the New Jersey Division of Rate Counsel by a Secretary's letter. Staff further recommended that the Board order RECO to file final tariffs by July 1, 2018.

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

**D. Docket No. ER18060638 – In the Matter of the Petition of Atlantic City Electric Company for Approval of Amendments to its Tariff to Provide for an Increase in Rates and Charges for Electric Service Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:4-21.1, and for Other Appropriate Relief (2018).**

**BACKGROUND:** On June 15, 2018, Atlantic City Electric Company (ACE or Company) filed a petition with the Board for approval of an increase in its current base rates for electric service of approximately \$106.3 million, including Sales and Use Tax, to be effective for electric service provided on or after July 15, 2018. The Company also requested a return on equity of 10.10%. According to the petition, the primary reason for the requested increase is that the Company's current base rates do not: (i) provide sufficient operating revenues to reflect increased investment in the Company's rate base, meet operating expenses, taxes, and fixed charges, and maintain its financial viability; and (ii) provide an opportunity to earn a reasonable rate of return on the fair value of the Company's property.

ACE sought authority from the Board to: (i) increase rates and charges for electric service that would result from the proposed amendments to the Company's tariff; (ii) create a regulatory asset to record the costs to achieve merger synergy savings and to amortize those costs over a five year period; (iii) incorporate the results of its Cost of Service Study and consider the unitized rate of return for each customer rate class in the allocation of overall revenue requirements among rate classes; and (iv) modify certain charges, including monthly customer charges, and update its tariff for certain tariff modifications.

Additionally, the Company requested that the Board (i) to relieve it of the obligation to file an alternative rate design using Peak and Average Coincident Peak method as required by the Board in the Order issued in connection with in Docket No. ER03020110; (ii) to approve ACE's proposed revenue decoupling mechanism; and (iii) to approve the use of its depreciation rates based on the Company's depreciation study.

Since the proposed revisions, if approved, will increase existing rates and change or alter existing classifications in the Company's tariff. Staff recommended that:

- 1) The proposed revisions be suspended until November 15, 2018, unless prior to that date the Board makes a determination disposing of the petition or enters an Order further suspending the proposed revisions;
- 2) ACE shall, at least 10 days prior to the date set for hearing on the petition by the Office of Administrative Law (OAL), file with the Board and with the OAL, proof of compliance with the notice provisions of N.J.S.A. 48:2-32.2 and N.J.A.C. 14:1-5.12(b) and (c), which notice shall include a statement that any relief found by the

Board to be just and reasonable may be allocated by the Board to any class or classes of customers on any rate or schedule as the Board may determine; and

- 3) ACE shall serve copies of this Order upon the OAL, the New Jersey Division of Rate Counsel the clerk of each affected municipality, the clerk of the Boards of Chosen Freeholders of the affected county, and where appropriate, the executive officer of the affected county within its service area. Service of the petition, notice of hearings and this Order may be made simultaneously.

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

### III. CABLE TELEVISION

**A. Docket No. CE18020146 – In the Matter of the Petition of Comcast of New Jersey II, LLC for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the City of Linden, County of Union, State of New Jersey.**

**BACKGROUND:** Commissioner Gordon recused himself from voting on this matter. On December 19, 2017, the City of Linden (City), after public hearing, adopted a municipal ordinance granting renewal consent to Comcast of New Jersey II, LLC (Comcast). On January 3, 2018, Comcast accepted the terms and conditions of the ordinance, and on February 8, 2018, filed with the Board for a renewal of its Certificate of Approval with the City.

Staff recommended that the Board approve of the proposed Renewal Certificate of Approval. This Certificate shall expire on November 3, 2027.

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

**B. Docket No. CE18020159 – In the Matter of the Petition of Comcast of New Jersey II, LLC for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Borough of Roselle, County of Union, State of New Jersey.**

**BACKGROUND:** Commissioner Gordon recused himself from voting on this matter. On December 13, 2017, the Borough of Roselle (Borough), after public hearing, adopted a municipal ordinance granting renewal consent to Comcast of New Jersey II, LLC (Comcast). On January 2, 2018, Comcast accepted the accepted the terms and conditions of the ordinance, and on February 14, 2018, Comcast filed with the Board for a renewal of its Certificate of Approval with the Borough.

Staff recommended that the Board approve the proposed Renewal Certificate of Approval. This Certificate shall expire on November 2, 2027.

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

**C. Docket No. CE18030347 – In the Matter of the Petition of Comcast of Garden State, LP, for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Township of Medford, County of Burlington, State of New Jersey.**

**BACKGROUND:** Commissioner Gordon recused himself from voting on this matter. On November 21, 2017, the Township of Medford (Township) adopted an ordinance granting renewal municipal consent to Comcast of Garden State, LP (Comcast). On February 14, 2018, Comcast accepted the terms and conditions of the ordinance, and on March 28, 2018, Comcast filed with the Board for a renewal of its Certificate of Approval for the Township.

Staff recommended that the Board approve the proposed Renewal Certificate of Approval. This Certificate shall expire January 9, 2032.

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

**D. Docket No. CE16121202 – 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 City of Brigantine, County of Atlantic, State of New Jersey.**

**BACKGROUND:** Commissioner Gordon recused himself from voting on this matter. On December 30, 2016, Comcast of South Jersey, LLC (Comcast) filed a petition with the Board for an Automatic Renewal Certificate of Approval for the City of Brigantine (City) based on the automatic renewal provision, for a term to expire on November 20, 2022.

The petition was based on the City's ordinance granting renewal municipal consent which was adopted on October 4, 2000. The City's ordinance granted a term of 15 years with an automatic renewal term of six years. The initial term expired on November 20, 2016.

Staff recommended approval of the proposed Automatic Renewal Certificate of Approval. This Certificate shall expire November 20, 2022.

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

**E. Docket No. CE16121201 – 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 Fairfield, County of Cumberland, State of New Jersey.**

**BACKGROUND:** Commissioner Gordon recused himself from voting on this matter. On December 30, 2016, Comcast filed a petition with the Board for an Automatic Renewal Certificate of Approval for the Township of Fairfield (Township) based on the automatic renewal provision, for a term to expire on July 8, 2026.

The petition was based on the Township's ordinance granting renewal municipal consent which was adopted on July 17, 2001. The Township's ordinance granted a term of 15 years with an automatic renewal term of ten years. The initial term expired on July 8, 2016.



Staff recommended approval of the proposed Automatic Renewal Certificate of Approval. This Certificate shall expire July 8, 2026.

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

#### IV. TELECOMMUNICATIONS

##### **A. Docket No. TF18030361 – In the Matter of the Verified Petition of Access Point, Inc. for Approval of Financing Transaction.**

**BACKGROUND:** On March 15, 2018, Access Point, Inc. (API or Petitioner) submitted a Petition to the Board requesting approval to participate in new financing arrangements in an amount of up to \$1.65 million.

The Petitioner had entered into a senior secured credit facility (Facility) with East West Bank (Bank or Issuer). The Facility provides for the renewal of an existing revolving line of credit, which adds an additional 18 months to the original 3-year term of the facility and adds an additional term loan amount of \$1.65 million that will be amortized over 36 months upon receipt of all required regulatory approvals.

The proceeds of the Facility shall be used: (i) to refinance certain existing indebtedness of Borrower; (ii) for working capital and other corporate purposes, including capital expenditures and redemption of preferred equity interests of the Borrower; and (iii) to pay transaction fees, costs and expenses related to the Facility.

The Facility will be secured by perfected first priority liens and security interests encumbering: (i) all tangible and intangible assets of petitioner and guarantors (including, without limitation, deposit accounts, securities accounts, investments, accounts receivable, inventory, equipment, investment property, cash, leases, contract rights, intellectual property and licenses); and (ii) a pledge of all equity interests of petitioner, Telecom Expense Management Company, LLC and Access Point of Virginia, Inc.

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

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

##### **B. Docket No. TF18030349 – In the Matter of the Verified Joint Petition of GC Pivotal, LLC d/b/a Global Capacity and Transbeam, Inc. for Approval for GC Pivotal, LLC and Transbeam, Inc. to Participate in Certain Financing Arrangements.**

**BACKGROUND:** On March 27, 2018, GC Pivotal, LLC d/b/a Global Capacity (Global Capacity) and Transbeam, Inc. (Transbeam) (together, Petitioners) submitted a Petition to the Board requesting approval to enter into or participate in financing arrangements up to an aggregate amount of \$4 billion.

The Petitioners sought Board approval to enter into or participate in new, amended and restated financing arrangements up to an aggregate amount of \$4 billion (the Financing Arrangements), which amount includes the \$2 billion that the Board previously

authorized Global Capacity to participate in. GTT expects that any long-term indebtedness incurred as part of the financing will mature up to ten years after issuance, depending on the type of debt instrument. Interest rate(s) will be set according to market conditions at issuance and may be fixed or floating, or a combination thereof, depending on the type of debt. Some or all of the Financing Arrangements may be secured facilities, which may include a grant of a security interest in the assets of GTT Parent and its current and future subsidiaries, including Global Capacity and Transbeam. A portion of the Financing Arrangements may be unsecured facilities. For the secured facilities, the equity of GTT Parent and its current and future subsidiaries, including Global Capacity and Transbeam, may be pledged as additional security.

Additionally, GTT Parent and its current and future subsidiaries, including Global Capacity and Transbeam, may provide a guaranty as security for some or all of the Financing Arrangements. The Financing Arrangements may be used for acquisitions, refinancing or repaying the existing debt of GTT and its acquisitions, working capital requirements and general corporate purposes of the company.

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

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

**C. Docket No. TM18040398 – In the Matter of Alteva of Warwick, LLC Momentum Telecom, Inc., and MBS Holdings, Inc., for Approval of a Transfer of Control and Security Transaction.**

**BACKGROUND:** On April 17, 2018, Alteva of Warwick, LLC (Alteva of Warwick), Momentum Telecom, Inc. (Momentum), MBS Holdings, Inc. (MBS Holdings) and Castle Intermediate Holdings, Inc. (Castle Intermediate Holdings) (collectively, Joint Petitioners), submitted a Petition to the Board requesting approval, or other authority as may be required, to consummate a transaction whereby Castle Intermediate Holdings, by and through its wholly-owned subsidiary, Castle Merger Sub, Inc. (Merger Sub), will acquire ultimate control of MBS Holdings (corporate parent of Alteva of Warwick and Momentum) (the Transaction).

Also in connection with the Transaction, MBS Holdings sought approval of a financing transaction under which, inter alia, the current debt of MBS Holdings will be replaced with new debt and for which certain MBS Holdings assets, including Momentum Telecom, will serve as guarantors (the Financing).

The New Jersey Division of Rate Counsel (Rate Counsel) reviewed this matter and by letter dated May 15, 2018, stated that it did not oppose the Board's grant of Joint Petitioners' requests in this filing.

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

Therefore, Staff recommended that Board requires companies to report headcount reductions in New Jersey greater than 15% for a 3-year period after the date of closing and that the Joint Petitioners must notify the Board, providing a written explanation if there is a net loss of New Jersey employees of the Joint Petitioners that is greater than (15%) of its total employee headcount for a three year period after the date of closing.

Staff also recommended that the Joint Petitioners be allowed to proceed with the transaction and financing, finding that there will be no adverse effect to customers in New Jersey.

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

**D. Docket No. TM18040470 – In the Matter of Verified Petition of PEG Bandwidth NJ, LLC for Approval of a Pro Forma Change in Intermediate Ownership and Control.**

**BACKGROUND:** On April 27, 2018, PEG Bandwidth NJ, LLC (PEG NJ or Petitioner) submitted a Petition to the Board requesting approval for PEG NJ to complete a pro forma change in indirect ownership that will result in a change in its intermediate ownership and control structure with no change to its ultimate owner (the Pro Forma Change or Transaction).

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

The New Jersey Division of Rate Counsel reviewed this matter and, by letter dated May 16, 2018, advised that it did not oppose Board 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 Petitioner, or on the provision of safe, adequate and proper service to New Jersey consumers. Moreover, a positive benefit may be expected from the strengthening of the Petitioner's competitive posture in the telecommunications market. Therefore, Staff recommended approval of the petition.

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

**V. WATER**

**A. Docket No. WR18050593 – In the Matter of the Joint Petition for Approval of an Increase in Rates for Water and Wastewater Service and Other Tariff Changes for Suez Water New Jersey, Inc., Suez Water Toms River, Inc., Suez Water Arlington Hills, Inc., Suez Water West Milford, Inc., Suez Water Princeton Meadows, Inc., and Suez Water Matchaponix, Inc.**

**BACKGROUND:** Commissioner Gordon recused himself from voting on this matter. On May 31, 2018, SUEZ Water New Jersey Inc., SUEZ Water Toms River Inc., SUEZ Water Arlington Hills Inc., SUEZ Water West Milford Inc., SUEZ Water Princeton Meadows Inc. and SUEZ Water Matchaponix Inc. (collectively, Joint Petitioners), filed a Petition with the Board seeking approval to:

- Increase rates to produce additional revenues of approximately \$32,104,860.00 or approximately 12.05% above the annual level of present rate revenues for the test year period ending September 30, 2018, utilizing a return on equity of 10.25%;
- Implement a unified tariff reflecting the consolidation of the Joint Petitioners into SWNJ and a consolidated rate structure;
- Implement the depreciation rates, and resulting depreciation expense, identified in a depreciation study prepared by the Joint Petitioners;
- Utilize the results of a comprehensive cost of service study as a basis when setting rates in this matter; and
- To the extent required, to reflect in rates the impact of the Tax Cuts and Job Act.

The Joint Petitioners sought approval to increase rates for water service beginning on and after July 1, 2018, which is at least 30 days after the filing of this Petition. The Joint Petitioners intend to implement the proposed rates on an interim basis, subject to refund, on March 1, 2019 if the Board has not suspended the effective date of the new rates pursuant to N.J.S.A. 48:2-12, without having finally determined a just and reasonable tariff schedule prior to that date.

Staff recommended that the Board issue an Order suspending the rates until November 1, 2018.

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

## VI. RELIABILITY & SECURITY

### A. Docket Nos. TS18050531K, 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 were settled in accordance with a penalty strategy which escalates the penalty ranges in relationship to the aggravating factors such as injury, property damage, fire, evacuation, road closure, and other public safety concerns. Moreover, the strategy 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 41 with a total penalty of \$116,000.00.

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 EC16100995U and OAL PUC 18763-2016 – In the Matter of Joseph A. Canning, Petitioner v. Atlantic City Electric Company, Respondent – OAL Request for Extension.

**BACKGROUND:** The record in this matter closed on April 23, 2018; therefore, the forty-five day period to issue the Initial Decision expired on June 7, 2018. Administrative Law Judge Elia A. Pelios requested additional time to complete the Initial Decision due to a voluminous caseload.

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 for filing the initial decision be extended until July 23, 2018.

**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 March 26, 2018 Agenda Meeting.

**BACKGROUND:** Commissioner Gordon abstained on this matter. Staff presented the minutes of the Regular Board Agenda meeting of March 26, 2018, 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 Gordon</b>	<b>Aye (excluding noted recusals)</b>

## AGENDA

### 1. AUDITS

#### **A. Docket No. AN18060006 – In the Matter of the Alleged Failure of Direct Energy and Gateway Energy Services Corporation, a subsidiary, to Comply with certain Third Party Supplier Requirements – See Executive Session.**

This matter was discussed in executive session pursuant to attorney-client privilege and pending litigation exception to the Open Public Meetings Act. The Board will make the contents of its discussion of the above matter public at the earliest appropriate time.

### 2. ENERGY

**Cynthia L. M. Holland, Esq., Director, Federal and Regional Policy Division,** presented these matters.

#### **A. Docket No. ER18010004 – In the Matter of Federal Energy (FERC) Items for 2018 – FERC Docket No. EL18-143 – Public Service Electric and Gas Company v. Consolidated Edison Company of New York, Inc.**

**BACKGROUND AND DISCUSSION:** Commissioner Gordon recused himself from voting on this matter. This matter involved Staff, on behalf of the Board, filing comments in support of Public Service Electric and Gas Company's (PSE&G) complaint with the Federal Energy Regulatory Commission (FERC or Commission). PSE&G requested that the FERC order Consolidated Edison Company of New York, Inc. (Con Edison) to cooperate in removing dielectric fluid from the B and C lines in order to ensure no more leaks occur and that its customers do not have to continue bearing the risks and costs associated with lines that do not provide any meaningful benefit to them. Both PSE&G and Con Edison claimed that they do not rely on the facilities in order to ensure system reliability or to provide service to their customers. Yet, PSE&G emphasizes that the flow along the B and C lines still largely travels from PJM to New York and the associated costs are borne only by its New Jersey ratepayers.

On May 3, 2018, PSE&G filed the complaint against Con Edison requesting that the Commission order Con Edison to cooperate with PSE&G in removing the fluid from co-owned facilities in order to ensure that the damaged jurisdictional facilities do not leak more dielectric fluid into the river.

The damaged electric transmission facilities, known as the B and C lines, are underwater portions of transmission lines that interconnect northern New Jersey and New York City. The lines were constructed as a part of the "PSEG-ConEd Wheel" which effectuated two long-term contracts that provided for a combined 1,000 MW wheeling service. The wheeling service remained in effect for about 35 years until Con Edison elected to terminate the wheeling service, effective April 30, 2017.

On May 10, 2018, Staff, on behalf of the Board, intervened in the FERC Docket EL18-143.

In compliance with the June 6, 2018 comment deadline, Staff filed comments in support of the complaint and urged the Commission to grant PSE&G's request for the removal of the damaged and deteriorating lines.

Staff recommended that the Board ratify the comments filed.

**DECISION:** After discussion, 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 Gordon</b>	<b>recused</b>

**B. Docket No. ER18010004 – In the Matter of Federal Energy (FERC) Items for 2018 – FERC Docket No. ER18-614 – PJM Interconnection LLC re: RTEP Projects Approved December 2017.**

**BACKGROUND AND DISCUSSION:** This matter involved Staff, on behalf of the Board, filing limited comments in response to PJM Interconnection, LLC’s (PJM’s) Answer to the deficiency letter issued by the Federal Energy Regulatory Commission (Commission or FERC) on April 3, 2018. Staff’s comments continue to support the protests filed in response to PJM’s reallocation of Regional Transmission Expansion Plan (RTEP) costs as part of its annual update filing. Staff identified and voiced concern that PJM failed to address the Commission Staff’s inquiry in the deficiency letter. PJM simply provided statements, without any supporting material, claiming that the projects are still necessary notwithstanding the downgrade in service as a result of reallocation of cost of certain RTEP projects.

On January 5, 2018, PJM submitted the PJM Board approved changes to the RTEP, which included approximately \$350.45 million in additional baseline transmission enhancements and expansions.

Among the projects approved by the PJM Board were certain “immediate need” projects in the PSE&G Zone that may no longer be necessary given the change in withdraw rights approved for Linden and Hudson Transmission Partners (HTP). Therefore, Public Power Association of New Jersey has protested the PJM filing and sought new modeling from PJM to determine the need for those projects.

PJM’s filing also eliminates any cost allocation for HTP and Linden, consistent with other PJM filings. The PJM Transmission Owners protest the filing, because PJM has failed to allocate any costs for Targeted Market Efficiency Projects (TMEPs) to HTP and Linden, despite their continued benefit from the congestion reductions achieved by those TMEPs.

Staff, on behalf of the Board, filed a limited Answer in February 2018 to support the protests, which raised issues quite similar to those of the Board in its Complaint.

Staff recommended that the Board ratify the limited comments filed.

**DECISION:** After discussion, 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 Gordon</b>	<b>Aye</b>

**C. 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 Alternative MOPR-Ex Proposal.**

**BACKGROUND AND DISCUSSION:** This matter involved Staff on behalf of the Board, filing with the Federal Energy Regulatory Commission (FERC or the Commission) a Motion of Leave to Answer the May 25, 2018 Answer of PJM Interconnection, LLC (PJM). PJM filed an Answer to the multiple comments and protests submitted concerning its filing (PJM’s Answer), including a Protest filed by the Board on May 7, 2018.

On April 9, 2018, PJM Interconnection, LLC (PJM) submitted revisions to the Reliability Pricing Model (RPM) 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 Board intervened in the FERC Docket ER18-1314.

In compliance with the May 7, 2018 comment deadline, the Board 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.

On May 25, 2018, PJM filed an Answer to the multiple comments and protests submitted concerning its filing. In its Answer, PJM continues to outline the same arguments as its initial filing.

Staff filed an Answer to PJM’s Answer on June 7, 2018. In the Answer, Staff reiterated to the Commission its concerns and recommended action that:

- PJM’s filing is inappropriately submitted under Section 205;
- State policies are not contracts for differences;
- Despite restructuring, New Jersey has retained its right to regulate generation portfolio; and
- Where PJM cannot show any actual evidence to support its claims of urgency or otherwise seeks to create the urgency through mischaracterizations of law and policy, the appropriate course of action is for the Commission to reject the filing and maintain status quo until a more complete market revision can be reviewed and analyzed.

Staff recommended that the Board ratify this Answer.



**DECISION:** After discussion, 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 Gordon</b>	<b>Aye</b>

**D. Docket No. ER18010004 – In the Matter of Federal Energy Items for 2018 – FERC Docket No. EL18-54 NJBPU v. PJM Interconnection et al. – See Executive Session.**

**Timothy Oberleiton, Esq., Deputy Attorney General, Division of Law,** presented this matter.

**BACKGROUND AND DISCUSSION:** This matter was first discussed in executive session. Staff requested that the Board ratify the recommendations made by the Division of Law consistent with what was discussed during executive session.

**DECISION:** After discussion, 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 Gordon</b>	<b>Aye</b>

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

**E. Docket No. ER17111191 – In the Matter of the Verified Petition of Jersey Central Power and Light Company for the Review and Approval of Costs Incurred for Environmental Remediation of Manufactured Gas Plant Sites Pursuant to the Remediation Adjustment Clause of its Filed Tariff (2016 RAC Filing).**

**BACKGROUND AND DISCUSSION:** On November 28, 2017, Jersey Central Power & Light Company (JCP&L or Company) filed a petition (2016 RAC Petition) with the Board seeking review and approval of the actual costs and expenditures incurred by JCP&L relating to the environmental remediation of its former manufactured gas plant (MGP) sites for the period January 1, 2016 through December 31, 2016 (2016 RAC Period) and an adjustment to the Remediation Adjustment Clause (Rider RAC) component of the Company's Societal Benefits Charge (SBC).

In the 2016 RAC Petition, the Company requested an increase in its Rider RAC charge to allow the recovery of an additional \$2.031 million (excluding Sales and Use Tax) on an annual basis. The 2016 RAC Period costs totaled \$14.572 million as calculated below:

\$ = \$000	Amount
Remediation Costs	\$12,691.00
+ Accrued Interest	\$1,016.00
= Net MGP costs	\$13,707.00
- NRD expenses	(\$52.00)
- Incentive comp	(\$14.00)
= 2016 MGP expenses	\$13,642.00
+ Deferred RAC balances	\$930.00
= Total recoverable	\$14,572.00

In accordance with previous Board Orders, the Company's proposed Rider RAC charge of \$0.000658 per kWh was determined by calculating the sum of: (1) one seventh of the Board approved deferred RAC under recovered balance at December 31, 2015 of \$73,052,760.00, exclusive of Natural Resource Damages related and incentive compensation costs; and (2) one seventh of the 2016 RAC related costs (including an under recovered balance of \$929,827.00) of \$14,571,829.00. The sum of these amounts total \$12,571,799.00, which was divided by the projected retail sales volumes to yield the proposed Rider RAC charge of \$0.000658.

Following a review of discovery and subsequent discussions, on June 4, 2018, JCP&L, Board Staff and the New Jersey Division of Rate Counsel (collectively, Parties) executed a stipulation of settlement (Stipulation) intended to resolve the 2016 RAC Petition. The Company will implement an SBC-RAC rate of \$0.000657 per kwh.

The monthly bill impact of the stipulated RAC rate on a residential customer using 500 kWh per month is an increase of \$0.06, from \$67.89 to \$67.95, or 0.09% (\$0.72 annually).

Staff recommended that the Board issue an Order adopting the Stipulation of the Parties. Staff further recommended that the Board direct JCP&L to file tariffs consistent with the Board's Order by July 1, 2018.

**DECISION:** After discussion, 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 Gordon</b>	<b>Aye</b>

**F. Docket No. GT18040413 – In the Matter of Third Party Supplier Switching Times in Accordance with N.J.A.C. 14:4-2.6 and Tariff Filing which does not Propose Increases in Charges to Customers Pursuant to N.J.A.C. 14:1-5.11.**

**BACKGROUND AND DISCUSSION:** Commissioner Gordon recused himself from voting on this matter. The Board recently adopted changes to its energy competition regulations. Specifically, N.J.A.C. 14:4-2.6 now caps the amount of time that a utility may take to switch a customer's supplier.

On April 18, 2018, Public Service Electric and Gas Company (PSE&G, Company) filed a letter petition (Letter Petition) seeking approval of modified electric and gas tariffs to comply with the modified switching times. Approval of PSE&G's tariffs will bring its tariffs into alignment with these new switching time requirements/procedures. Specifically, the proposed tariffs modify the switching time for electric customers from twenty to 13 days. In addition, the proposed tariffs provide that the Company will switch a gas customer on the first scheduled meter reading date of the current month if the Company is notified on or before the tenth calendar day of the prior month instead of by the first calendar day of the prior month. These new switching times are consistent with N.J.A.C. 14:4-2.6 and do not propose changes to rates.

Staff recommended that the Board issue an Order approving the tariff modifications proposed by PSE&G in the Letter Petition. In addition, Staff recommended that the Board direct PSE&G to file tariffs consistent with its Order by July 7, 2018.

**DECISION:** After discussion, 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 Gordon</b>	<b>recused</b>

**G. Docket No. ET18040459 – In the Matter of the Petition of Rockland Electric Company Regarding Switching Requirements per N.J.A.C. 14:4-2.6.**

**BACKGROUND AND DISCUSSION:** The Board recently adopted changes to its energy competition regulations. Specifically, N.J.A.C. 14:4-2.6 now caps the amount of time that a utility may take to switch a customer's supplier.

On April 26, 2018, Rockland Electric Company (RECO or Company) filed a letter petition (Letter Petition) seeking approval of modified tariffs to comply with the modified switching times and the current rescind period. Approval of RECO's tariffs will bring its tariffs into alignment with these new switching time requirements/procedures. Specifically, the proposed tariffs modify the switching time for electric customers from twenty to thirteen days and they provide for a seven-day rescind period. These new switching times and the rescind period are consistent with N.J.A.C. 14:4-2.6 and do not propose changes to rates.

Board Staff recommended that the Board issue an Order approving the tariff modifications proposed by RECO in the Letter Petition. In addition, Staff recommended that the Board direct the Company to file tariffs consistent with its Order by July 7, 2018.

**DECISION:** After discussion, 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 Gordon</b>	<b>Aye</b>

**H. Docket No. GT18040472 – In the Matter of the Petition of New Jersey Natural Gas Company for Changes to its Tariff to Conform to N.J.A.C. 14:4-2.6, Board of Public Utilities Rule Adoption, Docket No. EX14111343.**

**BACKGROUND AND DISCUSSION:** The Board recently adopted changes to its energy competition regulations. Specifically, N.J.A.C. 14:4-2.6 now caps the amount of time that a utility may take to switch a customer’s supplier.

On April 27, 2018, New Jersey Natural Gas Company (NJNG or Company) filed a letter petition (Letter Petition) with the Board seeking to modify its tariffs in response to the new switching time provisions of N.J.A.C. 14:4-2.6. On May 17, 2018, NJNG filed an amended letter petition (Amended Letter Petition) with the Board. Approval of NJNG’s tariffs will bring its tariffs into alignment with these new switching time requirements/procedures. Specifically, NJNG’s proposed tariffs provide that the Company will switch a gas customer in accordance with N.J.A.C. 14:4-2.6(f), as may be amended or superseded. These switching times are consistent with N.J.A.C. 14:4-2.6 and do not propose changes to rates.

Staff recommended that the Board issue an Order approving the tariff modifications proposed by NJNG in the Amended Letter Petition. In addition, Staff recommended that the Board direct NJNG to file tariffs consistent with its Order by July 7, 2018.

**DECISION:** After discussion, 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 Gordon</b>	<b>Aye</b>

**I. Docket No. GT18050518 – In the Matter of the Proposed Amendments to N.J.A.C. 14:4 et seq. Government Energy Aggregation Programs, Energy Anti-Slamming and Third Party Suppliers, Docket No. EX14111343.**

**BACKGROUND AND DISCUSSION:** The Board recently adopted changes to its energy competition regulations. Specifically, N.J.A.C. 14:4-2.6 now caps the amount of time that a utility may take to switch a customer’s supplier.

On May 11, 2018, Pivotal Utility Holding, Inc. d/b/a Elizabethtown Gas (Elizabethtown or Company) filed a letter petition (Letter Petition) seeking approval of modified tariffs to comply with the modified switching times and the current rescind period. Approval of

Elizabethtown's tariffs will bring its tariffs into alignment with these new switching time requirements/procedures. Specifically, the proposed tariffs provide that the Company will switch a gas customer on the first scheduled meter reading date of the current month if the Company is notified on or before the tenth calendar day of the prior month and they provide for a seven-day rescind period. These switching times and the rescind period are consistent with N.J.A.C. 14:4-2.6 and do not propose changes to rates.

Staff recommended that the Board issue an Order approving the tariff modifications proposed by Elizabethtown in the Letter Petition. In addition, Staff recommended that the Board direct Elizabethtown to file tariffs consistent with its Order by July 7, 2018.

**DECISION:** After discussion, 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 Gordon</b>	<b>Aye</b>

**J. Docket No. ER17040335 – In the Matter of the Provision of Basic Generation Service for the Period Beginning June 1, 2018 – Bates White's Final Report on the 2018 BGS Residential Small Commercial Pricing and Commercial Industrial Price.**

**BACKGROUND AND DISCUSSION:** Commissioner Gordon recused himself from voting on this matter. This matter involved Staff determining that with the submittal of its final report, the contractual obligations of Bates White, LLC (Bates White) to the Board regarding the review and oversight of the New Jersey electric distribution companies' Basic Generation Service (BGS) auction process for the supply period beginning June 1, 2018 (2018 BGS Auction), have been fulfilled. In accordance with the contract, Bates White has submitted a redacted and a confidential version of its final report on the 2018 BGS Auction. The report has been reviewed by the Energy Division and has been found to be complete.

Staff recommended that Bates White's Annual Final Report on the 2018 BGS Residential Small Commercial Pricing and Commercial and Industrial Energy Pricing Auctions be accepted for filing by the Board, and that the redacted version be made available to the public via the Board's website. Staff also recommends that the Board direct the Division of Treasury to provide final payment to Bates White for its work on the 2018 BGS Auction as described below.

**DECISION:** After discussion, 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 Gordon</b>	<b>recused</b>

**K. 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. ER18030236 – In the Matter of Petition of Rockland Electric for Approval of Revised Rates (Effective on an Interim Basis April 1, 2018) to Reflect the Reduction Under the Tax Cuts and Jobs Act of 2017.**

**BACKGROUND AND DISCUSSION:** By Order (Generic TCJA) 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 (Generic TCJA) signed into law on December 22, 2017. The Generic TCJA Order specifically mandated that the utilities file amended tariff sheets 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 2, 2018, Rockland Electric Company (RECO or Company) filed its petition pursuant to the Generic TCJA Order, including proposed tariffs as well as a proposed plan. Specifically, RECO’s petition stated that the 2017 TCJA would result in an annual revenue requirement reduction for the Company of approximately \$2.868 million, as of April 1, 2018. The Company further proposed to return to ratepayers the amounts deferred pursuant to the Generic TCJA Order for the period of January 1, 2018 until the effective date of the Company’s new rates, by means of a sur-credit. The Company proposed to employ a short-term borrowing rate to accrue interest on the deferred amounts until the Company’s returns such amount to ratepayers. The Company would return this total deferral amount over twelve consecutive calendar months, commencing with the month immediately following when the Board issues an order approving the Company’s new rate. The sur-credit would be applied to all service classifications on an equal per kWh basis for the twelve month period. According to the petition, the Company’s final effective rates reflect the proposed refund of the full amount of the excess accumulated deferred federal income tax liability to ratepayers.

By Order dated March 26, 2018, 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 customer using 925 kWh received a reduction of \$2.10 or 1.2% on their monthly bill. This represented an annual decrease of \$26.84.

Following a review of discovery and discussions among the parties, RECO, Board Staff and the New Jersey Division of Rate Counsel (collectively, Parties) executed a Stipulation of Settlement (Stipulation), which resolved in this matter.

Staff recommended that the Board issue an Order accepting the Stipulation of the Parties, which sought to finalize the changes in the Company’s interim tax rates to be effective as of June 22, 2018. Staff further recommended that the Board order RECO to file tariffs consistent with the Board’s Order within five days of service of the Order.

**DECISION:** After discussion, 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 Gordon</b>	<b>Aye</b>

**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. ER18030241 – In the Matter of the Petition of Atlantic City Electric Company for Approval of the Treatment of Tax Impacts Associated with Implementation of Tax Cuts and Jobs Act of 2017 and to Determine the Appropriate Level and Mechanism by which Rates must be Adjusted to Reflect the Benefits of the Act – See Executive Session.**

**BACKGROUND AND DISCUSSION:** This matter was first discussed in executive session. Pursuant to the Board’s January 2018 order, Atlantic City Electric (ACE or the Company) made their filing and proposed interim rate reduction on April 1, 2018, as well as a proposed plan to effectuate the remaining parts of the Board’s January 2018 order. By Board order dated March 26, 2018, the Board authorized the Company to reduce their rates effective April 1, 2018 on an interim basis pending a complete review. By letter dated June 19, 2018, ACE sought an extension of the procedural schedule in this matter. The Company stated that the parties were engaged in settlement discussions and were seeking additional time to explore a possible resolution. The Company requested that the Board extend the procedural schedule through August 31, 2018.

Staff recommended that the Board approve the extension and direct the parties to submit all necessary information to the Board to allow the Board to consider final rates no later than the Board’s August 29, 2018 public agenda meeting, or as soon thereafter as the Board may deem appropriate.

**DECISION:** After discussion, 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 Gordon</b>	<b>Aye</b>

**M. Docket No. EO16080750 – 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.**

**Thomas Walker, Director, State Energy Services Division,** presented this matter.

**BACKGROUND AND DISCUSSION:** On August 9, 2016, Jersey Central Power & Light Company (JCP&L or Company) filed a petition with the Board seeking a determination that a proposed 230 kilovolt (kV) transmission line between New Jersey Transit’s Aberdeen substation in Aberdeen, New Jersey, and JCP&L’s Red Bank substation in Red Bank, New Jersey, as well as associated upgrades to JCP&L’s Taylor Lane substation in Middletown, New Jersey (collectively, Project) is reasonably necessary for the service, convenience or welfare of the public. Therefore, the Company is entitled to relief from complying with the zoning, site plan review, and other municipal land use ordinances or rules passed by municipalities along the proposed Project route under authority of Title 40, the New Jersey Municipal Land Use Law.

The project was developed to address a North American Electric Reliability Corporation (NERC) Category 7 violation, in the north-east region of Monmouth County, identified by PJM, Inc. in the 2011 RTEP. Approximately 700 MW of load (customer demand) in the area is subject to loss under PJM forecast peak conditions that can occur from the outage of the Atlantic-Red Bank (S1033) 230 kV line and the No. 2, 230-34.5 kV transformer, with the loss of the Atlantic-Red Bank (T2020) 230 kV line and the No. 8, 230-34.5 kV transformer due to failure of a common structure containing both circuits. JCP&L indicates that there are approximately 213,938 customers served by the affected substations based on active connected customer meters as of June, 2015.

The Project is opposed by multiple organizations that were given intervenor status in the preceding, including Residents Against Giant Electric (RAGE), the Joint Municipal Group and the New Jersey Division of Rate Counsel (Rate Counsel). The major opposition to the Monmouth County Reliability Project (MCRP) cited poor routing analysis, unsafe conditions, impact to community, and EMF concerns.

Rate Counsel's basic stance was questioning the continued need for the project as load demand has diminished since the violation was identified in 2011, that the New Jersey Transit access has not been secured, that the alternatives analysis summarily dismissed route options without a detailed review. Additionally, their consultant stated that there are potential non-transmission solutions available that were not considered by JCP&L.

The petition was transmitted to the Office of Administrative Law on August 10, 2016 and assigned to Administrative Law Judge (ALJ) Cookson. Discovery was submitted and addressed, initial briefs and reply briefs were filed by parties, and a site visit, attended by all interested parties, was conducted. Public hearing and evidentiary hearings were held in front of ALJ Cookson throughout 2017.

ALJ Cookson issued an initial decision on March 8, 2018 denying the MCRP, indicating that JCP&L had not "supported its application by the preponderance of the relevant and admissible evidence." Along with the denial, ALJ Cookson recommended that JCP&L perform an independent routing study, upgrade certain 34.5kV infrastructure in the area identified by the RAGE expert witness and create a plan to mitigate the potential NERC Category 7 violation.

Staff recommended that the Board accept in part and reject in part the ALJ Initial decision. Staff also recommended that the Board deny the current application and direct JCP&L to resubmit the project under a new petition with a more robust alternatives route analysis. This evaluation shall include development of a matrix providing a minimum of three alternative routes, comparing the alternate routes for all relevant factors of construction and operations.

Additionally, Staff recommended that the Board direct JCP&L to develop an updated system load forecast and peak demand analysis in conjunction with PJM of the Red Bank/Aberdeen MCRP area to determine if the existing NERC criteria violation is still expected over the next five and 10 years. The analysis should be done using standard PJM protocols and accounting for historical demand, historical peak loads in the region, expected projects to be in-service at study defining dates, and any expected generation assets that affect the study region.



Lastly, Staff recommended that the ALJ recommendation to upgrade certain 34.5 kV network lines be rejected as other potential temporary and/or permanent solutions should be designed by qualified Company personnel.

**DECISION:** After discussion, 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 Gordon</b>	<b>Aye</b>

### 3. CABLE TELEVISION

There were no items in this category.

### 4. TELECOMMUNICATIONS

#### A. Docket No. TC17091015 – In the Matter of the Business Automation Technologies d/b/a Data Network Solutions vs. Verizon New Jersey, Inc.

Patricia A. Krogman, Esq., Deputy Attorney General, Division of Law, presented this matter.

**BACKGROUND AND DISCUSSION:** On May 21, 2018, Verizon New Jersey, Inc. (Verizon) filed a motion with the Board for interlocutory review of a May 15, 2018 Order issued by Office of Administrative Law (OAL) Judge Tricia Caliguire. In that order, Administrative Law Judge (ALJ) Caliguire lifted the embargo placed by Verizon on all service applications of Data Network Solutions (DNS); dispensed with the manual ordering process instituted by Verizon; and permitted DNS to resume the use of Verizon's Operations Support System (OSS).

On September 26, 2017, DNS filed a petition with the Board disputing bills rendered by Verizon for charges incurred pursuant to multiple billing disputes arising out of several agreements between the parties. Through the filing, DNS sought an immediate order requiring Verizon to lift a service hold, or embargo, that prevented DNS from placing and modifying new and existing service orders and to cease all collection activity pending the outcome of the proceeding. The Board issued an Order dated December 19, 2017 directing Verizon to lift the embargo that was imposed upon DNS, as it constituted a discontinuance of service during an ongoing bill dispute. The Board also ordered the transmittal of the matter to the OAL for hearing and initial disposition as a contested case. The matter was transmitted to OAL on January 26, 2018 and assigned to ALJ Caliguire.

During the pendency of the matter at the OAL, on April 5, 2018, DNS sent a letter to the OAL indicating that Verizon had reinstated the embargo in violation of the Board's December Order. DNS's letter was treated as a Motion for Enforcement of the Board's Order. ALJ Caliguire established a briefing schedule, and on April 16, 2018, Verizon opposed the motion by letter brief, and DNS submitted a reply brief on April 24, 2018. On May 15, 2018, ALJ Caliguire rendered a decision in favor of DNS, granting the request that Verizon lift the embargo on all new service orders and ordering Verizon to

discontinue the manual ordering process for DNS orders and resume the use of the Operations Support System established under the parties' ICA.

After reviewing Verizon's motion for interlocutory review, and DNS's response, Staff found that Verizon had not met the burden of establishing good cause to exercise a review of the ALJ's decision.

Staff recommended that the Board deny Verizon's motion for interlocutory review of the ALJ's May 15, 2018, Order.

**DECISION:** After discussion, 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 Gordon</b>	<b>Aye</b>

## 5. WATER

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

**A. 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. WR18030238 – In the Matter of the New Jersey Board of Public Utilities' Consideration of the Tax Cuts and Jobs Act of 2017 Filing on Behalf of Suez Water New Jersey, Inc. – Order of Extension.**

**BACKGROUND AND DISCUSSION:** Commissioner Gordon recused himself from voting on this matter. Based on the Board's January 31, 2018, Generic Tax Order, there were a series of requirements that qualifying water and wastewater utilities needed to comply with in terms of the Tax Cut and Jobs Act of 2017. The first part of the compliance took place on April 1, 2018, with a rate decrease to customers. Since then, the water and wastewater utilities have engaged outside accounting firms to ensure compliance with the Tax Cut and Jobs Act of 2017. Each of these entities requested an extension of time to complete its review and meet with Board Staff and the New Jersey Division of Rate Counsel (Rate Counsel) to hammer out an agreement to complete the proceeding.

SUEZ Water NJ will complete the process by the September Board meeting. The Rate Counsel did not object to this request. Therefore, Staff recommended that the Board extend the time frame for compliance to the September 2018 public agenda meeting or as soon thereafter as the Board may deem appropriate.

**DECISION:** After discussion, 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 Gordon</b>	<b>recused</b>

**B. 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. WR18030239 – In the Matter of the New Jersey Board of Public Utilities’ Consideration of the Tax Cuts and Jobs Act of 2017 Filing on Behalf of Suez Water Toms River, Inc. – Order of Extension.**

**BACKGROUND AND DISCUSSION:** Commissioner Gordon recused himself from voting on this matter. Based on the Board’s January 31, 2018, Generic Tax Order, there were a series of requirements that qualifying water and wastewater utilities needed to comply with in terms of the Tax Cut and Jobs Act of 2017. The first part of the compliance took place on April 1, 2018, with a rate decrease to customers. Since then, the water and wastewater utilities have engaged outside accounting firms to ensure compliance with the Tax Cut and Jobs Act of 2017. Each of these entities requested an extension of time to complete its review and meet with Board Staff and the New Jersey Division of Rate Counsel (Rate Counsel) to finalize an agreement to complete the proceeding.

SUEZ Water Toms River will complete the process by the September Board meeting. Rate Counsel did not object to this request. Therefore, Staff recommended that the Board extend the time frame for compliance to the September public agenda meeting or as soon thereafter as the Board may deem appropriate.

**DECISION:** After discussion, 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 Gordon</b>	<b>recused</b>

**C. 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. WR18030240 – In the Matter of the New Jersey Board of Public Utilities’ Consideration of the Tax Cuts and Jobs Act of 2017 Filing on Behalf of Suez Water Arlington Hills – Order of Extension.**

**BACKGROUND AND DISCUSSION:** Commissioner Gordon recused himself from voting on this matter. Based on the Board’s January 31, 2018, Generic Tax Order, there were a series of requirements that qualifying water and wastewater utilities needed to comply with in terms of the Tax Cut and Jobs Act of 2017. The first part of the compliance took place on April 1, 2018, with a rate decrease to customers. Since then, the water and wastewater utilities have engaged outside accounting firms to ensure compliance with the Tax Cut and Jobs Act of 2017. Each of these entities requested an extension of time to complete its review and meet with Board Staff and New Jersey Division of Rate Counsel (Rate Counsel) to finalize an agreement to complete the proceeding.

SUEZ Water Arlington Hills will complete the process by the September Board meeting. The Rate Counsel did not object to this request. Therefore, Staff recommended that the Board extend the time frame for compliance to the September public agenda meeting or

as soon thereafter as the Board may deem appropriate.

**DECISION:** After discussion, 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 Gordon</b>	<b>recused</b>

**D. 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. WR18030243 – In the Matter of the New Jersey Board of Public Utilities’ Consideration of the Tax Cuts and Jobs Act of 2017 Filing on Behalf of Gordon’s Corner Water Company – Order of Extension.**

**BACKGROUND AND DISCUSSION:** Based on the Board’s January 31, 2018, Generic Tax Order, there were a series of requirements that qualifying water and wastewater utilities needed to comply with in terms of the Tax Cut and Jobs Act of 2017. The first part of the compliance took place on April 1, 2018, with a rate decrease to customers. Since then, the water and wastewater utilities have engaged outside accounting firms to ensure compliance with the Tax Cut and Jobs Act of 2017. Each of these entities has requested an extension of time to complete its review and meet with Board Staff and New Jersey Division of Rate Counsel (Rate Counsel) to finalize an agreement to complete the proceeding.

Gordon’s Corner Water Company will complete the process by the September Board meeting. The Rate Counsel did not object to this request. Therefore, Staff recommended that the Board extend the time frame for compliance to the September public agenda meeting or as soon thereafter as the Board may deem appropriate.

**DECISION:** After discussion, 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 Gordon</b>	<b>Aye</b>

**E. 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. WR18030234 – In the Matter of Atlantic City Sewerage Company’s Petition with Calculation of Rates under the Tax Cuts and Jobs Act 2017 – Order of Extension.**

**BACKGROUND AND DISCUSSION:** Based on the Board’s January 31, 2018, Generic Tax Order, there were a series of requirements that qualifying water and wastewater utilities needed to comply with in terms of the Tax Cut and Jobs Act of 2017. The first part of the compliance took place on April 1, 2018, with a rate decrease to customers.

Since then, the water and wastewater utilities have engaged outside accounting firms to ensure compliance with the Tax Cut and Jobs Act of 2017. Each of these entities requested an extension of time to complete its review and meet with Board Staff and New Jersey Division of Rate Counsel (Rate Counsel) to finalize an agreement to complete the proceeding.

Atlantic City Sewerage Company will complete the process by the November Board meeting. The Rate Counsel did not object to this request. Therefore, Staff recommended that the Board extend the time frame for compliance to the November public agenda meeting or as soon thereafter as the Board may deem appropriate.

**DECISION:** After discussion, 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 Gordon</b>	<b>Aye</b>

**Paul Flanagan, Executive Director**, presented these matters.

**F. 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. WR18030233 – In the Matter of New Jersey American Water Company, Inc. with Calculation of Rates under the Tax Cuts and Jobs Act 2017 – See Executive Session.**

**BACKGROUND AND DISCUSSION:** This matter was first discussed in executive session. Staff recommended that New Jersey American Water Company (NJAW or Company) provide a statement as to the specifics of its request for a deferral. The Company provided the Board with a letter that was open-ended and did not ask any specific time, and also did not put forth the basis of their asking for the extension. Staff also recommended that the Board direct NJAW to put that in writing within two weeks and it will be reviewed and brought back to the Board as necessary.

**DECISION:** After discussion, 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 Gordon</b>	<b>Aye</b>

**G. 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. WR18030235 – In the Matter of the New Jersey Board of Public Utilities’ Consideration of the Tax Cuts and Jobs Act of 2017 Filing on Behalf of Environmental Disposal Corporation – See Executive Session.**

**BACKGROUND AND DISCUSSION:** This matter was first discussed in executive

session. Staff recommended that Environmental Disposal Corporation (Company) provide a statement as to the specifics of its request for a deferral. The Company provided the Board with a letter that was open-ended and did not ask any specific time, and also did not put forth the basis of their asking for the extension. Staff also recommended that the Board direct the Company to put that in writing within two weeks and it will be reviewed and brought back to the Board as necessary.

**DECISION:** After discussion, 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 Gordon</b>	<b>Aye</b>

**H. Docket No. WR17090985 – In the Matter of the Petition of New Jersey-American Water Company, Inc. for Approval of Increased Tariff Rates and Charges for Water and Sewer Service, Change in Depreciation Rates and Other Tariff Modifications.**

**BACKGROUND AND DISCUSSION:** On September 14, 2017, New Jersey-American Water Company (Company or Petitioner) filed a base rate 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.

On September 27, 2017, this matter was transmitted to the Office of Administrative Law and on October 20, 2017, the Board issued an Order suspending the Company's proposed rate increase until February 15, 2018. The matter was assigned to Administrative Law Judge (ALJ) Jacob S. Gerstman. On December 18, 2017, ALJ Gertsman issued a Prehearing Order which scheduled evidentiary hearings on June 11, 13, 14, 18 and 21, 2018. On January 31, 2018, the Board entered an Order further suspending the Company's proposed rate increase until June 15, 2018.

On May 15, 2018, the Company filed its Rate and Refund Plan for Provisional Rates and proposed tariff with the Board. The Rate and Refund Plan for Provisional Rates (refund plan) described the tariff and rate design, which provide for an implementation a provisional rate increase, subject to refund, of approximately \$75 million or 12.3%, effective June 15, 2018.

On May 18, 2018, the New Jersey Division of Rate Counsel (Rate Counsel) filed a motion requesting the Board to issue an Order rejecting the Company's proposed provisional rates. Rate Counsel maintained that allowing the Company to implement any provisional rate in this case would be unjust and unreasonable. Rate Counsel requested that the Board exercise its authority and discretion to reject the Company's proposed provisional rates.

The Company opposed the motion, arguing that it is permitted to implement the provisional rates pursuant to the Board's regulations and New Jersey case law. On May 29, 2018, the Company filed a letter brief in opposition to Rate Counsel's motion.

Staff recommended that the Board issue an Order denying Rate Counsel's motion, as the Company is permitted to exercise its right to implement the provisional rates and Staff has no objection to the refund plan.

Staff recommended that the Board deny Rate Counsel's motion to issue an Order rejecting the implementation of the Company's proposed provisional rates. The new rate has not yet been determined as "just and reasonable" and this burden rests with the Company. The provisional rates are in effect until a final rate has been determined, at which time the Company may be required to refund any excess income.

**DECISION:** After discussion, 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 Gordon</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**

**B. Scott Hunter, Renewable Energy Program Administrator, Office of Clean Energy,** presented these matters.

**A. Docket No. QO18030297 – In the Matter of Marina Energy, LLC – Seeking a Declaratory Judgement Pursuant to N.J.S.A. 58:14B-1 et. seq.**

**BACKGROUND AND DISCUSSION:** On March 22, 2018, Marina Energy, LLC (Petitioner) filed a petition with the Board for a declaratory ruling concerning the Board's net metering rules. The Petitioner sought a declaratory ruling that its solar generation facility, intended to serve the Crystal Springs Resort Development, LLC in Jersey Central Power & Light's (JCP&L) service territory, will meet the Board's requirements to be net metered.

By letter dated April 12, 2018, JCP&L filed a motion to intervene in the above-captioned proceeding. JCP&L stated that the Board's decision in this matter will have a specific and direct impact upon its operations and customers in several respects including impacts on revenues, as well as potentially complex interconnection issues.

Staff recommended that the Board grant JCP&L's motion to intervene as it has a substantial interest in the outcome of the proceeding that could not adequately be represented by any other party.

**DECISION:** After discussion, 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 Gordon</b>	<b>Aye</b>

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

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

**Docket No. QO17121311 – Public Service Electric and Gas Cinnaminson Landfill.**

**BACKGROUND AND DISCUSSION:** Commissioner Gordon recused himself from voting on this matter. On December 21, 2017, Public Service Electric & Gas (PSE&G or Applicant) submitted an application to the Board to have its project certified as being located on a properly closed sanitary landfill facility pursuant to N.J.S.A. 48:3-87(t) (Subsection (t)) of the Solar Act. PSE&G's thirteen) MWdc project is proposed to be constructed on the Sanitary Landfill, Inc. property, which is owned by SC Holdings, Inc. and located in Cinnaminson Township, NJ.

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), 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 that the Board commenced on October 4, 2012, the Board established a certification program and directed staff to work with New Jersey Department of Environmental Protection (NJDEP) to develop an application.

Staff issued an application for developers seeking Board approval pursuant to Subsection (t) on April 10, 2013. Staff received 49 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. An additional three applications were recently received and are undergoing a completeness review by Staff. Of the applications sent to NJDEP, the Board has certified or conditionally certified 20 applications and denied eight. Six applications have been withdrawn by the applicant, and nine applications are pending review at NJDEP.

Staff received advisory recommendations from NJDEP for the application described below and recommends that the Board grant conditional certification to PSE&G for its proposal to build a thirteen) MWdc solar facility project proposed to be located at Sanitary Landfill, Inc. located in Cinnaminson, New Jersey.

On the basis of NJDEP's determination, information contained in the application, and other relevant factors, Staff recommended that the Board conditionally certify the



Applicant's project as a "properly closed sanitary landfill" pursuant to Subsection (t). NJDEP determined that the 24.76 acre area on which the solar electric power generation facility will be located constitutes a "properly closed sanitary landfill" pursuant to the Solar Act. Staff also recommended that the Board direct the Applicant to file its SREC registration within 14 days of the date of the Order and explicitly grant conditional certification.

**DECISION:** After discussion, 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 Gordon</b>	<b>recused</b>

**Kenneth J. Sheehan, Director, Office of Clean Energy**, presented these matters.

**C. Docket No. QG18050494 – In the Matter of the Clean Energy Program Authorization of Commercial and Industrial Program Energy Efficiency Incentives Exceeding \$500,000.00 – Atlantic Health System.**

**BACKGROUND AND DISCUSSION:** Commissioner Gordon recused himself from voting on this matter. Atlantic Health System (Company) submitted an application under the Fiscal Year 2017 Combined Heat and Power & Fuel Cell (CHP/FC) 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 \$3,000,000.00 for installation of a combustion turbine generator at Morristown Medical Center that has a total cost of \$21,076,811.00.

The CHP unit is a 4.6 MW Solar Turbines Mercury 50 combustion turbine generator with a system efficiency of 68.7% which will be equipped with controls that match the frequency and voltage of the CHP to the frequency and voltage of the electric grid. There are anti-islanding controls as required by Institute of Electrical & Electronics Engineers (IEEE) 1543 to reduce power or open breakers to prevent reverse power situations. Furthermore, it will serve as a critical facility and have blackstart capability. The hot water created by the CHP unit will help make steam which is used in the building for space heating and domestic hot water.

The project is anticipated to generate 35,320,414.5 kWh of electricity annually and is estimated to recover 100,531.5 MMBtus in waste heat annually. The proposed project will have an estimated annual energy cost savings of \$2,084,491.14. The payback period without incentives is 10.11 years; when factoring in the incentives, the payback period is reduced to 8.67 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 \$3,000,000.00 and issuance of a standard commitment letter to the applicant, setting forth the terms and conditions of this commitment.

**DECISION:** After discussion, 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 Gordon</b>	<b>recused</b>

**D. Docket No. QG18050495 – In the Matter of the Clean Energy Program Authorization of Commercial and Industrial Program Energy Efficiency Incentives Exceeding \$500,000.00 – JD CP Investors, LLC.**

**BACKGROUND AND DISCUSSION:** JD CP Investors, LLC (Company) submitted an application under the Fiscal Year 2017 Pay for Performance Existing Buildings Program (P4P E) pursuant to the New Jersey Clean Energy Program FY17, Energy Efficiency and Renewable Energy Program Plan Filing dated June 28, 2016. The Company requested Board approval of a financial incentive of \$593,012.69 for an ensemble of measures at Continental Plaza, Buildings 401 and 411, at 401–411 Hackensack Avenue, Hackensack, NJ that has a total cost of \$3,549,400.00.

The project is sited in two office buildings consisting of approximately 360,000 square feet and connected by a common basement that contains amenity areas and operating offices for the building management group. The site also contains a covered parking garage and open air parking garage. The proposed energy efficiency measures include installation of a comprehensive building automation system; replacement of existing heat pumps with energy efficient units and associated waterside economizers in building 401; installation of variable frequency drives on all hot and chilled water pumps in both buildings; and replacement of interior and parking lot light fixtures with LED for both buildings.

Installing these measures will result in annual electric savings by an estimated 1,579,759 kWh, an annual estimated electric peak demand reduction of 303 kW, and an annual estimated natural gas savings of 83,104 therms. The proposed project will have an estimated annual energy cost savings of \$250,290.00. The payback period without incentives is 14.2 years; when factoring in the incentives, the payback period is reduced to 11.8 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 \$593,012.69 and issuance of a standard commitment letter to the applicant, setting forth the terms and conditions of this commitment.

**DECISION:** After discussion, 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 Gordon</b>	<b>Aye</b>

**E. Docket No. QG18050496 – In the Matter of the Clean Energy Program Authorization of Commercial and Industrial Program Energy Efficiency Incentives Exceeding \$500,000.00 – NJ Transit.**

**BACKGROUND AND DISCUSSION:** NJ Transit (Company) submitted an application under the Fiscal Year 2016 Large Energy Users Program (LEUP) pursuant to the New Jersey Clean Energy Program, Energy Efficiency and Renewable Energy Program Plan Filing for Fiscal Year 2016. The Company requested Board approval of a financial incentive of \$726,564.96 for a lighting retrofit project at the Newark Bus Complex Facility that has a total cost of \$1,864,909.00.

The project scope involves replacing 1,184 metal halide light fixtures with new LED fixtures through three major areas of the facility. The new LED fixtures will be equipped with sensors that dim or turn off fixtures based on occupancy levels. The existing fixtures use 458 watts each; the replacement LED fixtures will use either 221 or 209.87 watts.

Installing these measures will result in annual electric savings by an estimated 2,201,712 kWh and an annual estimated electric peak demand reduction of 369 kW. There are no natural gas savings associated with this project. The proposed project will have an estimated annual energy cost savings of \$257,608.00 and an operations and maintenance savings of \$35,520.00. The payback period without incentives is 6.36 years; when factoring in the incentives, the payback period is reduced to 1.82 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 \$726,564.96 and issuance of a standard commitment letter to the applicant, setting forth the terms and conditions of this commitment.

**DECISION:** After discussion, 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 Gordon</b>	<b>Aye</b>

**F. Docket No. QG18050566 – In the Matter of the Clean Energy Program Authorization of Commercial and Industrial Program Energy Efficiency Incentives Exceeding \$500,000.00 – HHFT Holdings, LLC.**

**BACKGROUND AND DISCUSSION:** HHFT Holdings, LLC (Company) submitted an application under Fiscal Year 2018 Pay for Performance - New Construction (P4P NC) pursuant to the New Jersey Clean Energy Program FY18, Energy Efficiency and Renewable Energy Program Plan Filing. The Company requested Board approval of a financial incentive of \$545,974.77 for an ensemble of measures at Kennedy International Warehouse, 1800 Old Water Works Road, Old Bridge that has a total cost of \$1,443,386.00.

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 \$545,974.77 and issuance of a standard commitment

letter to the applicant, setting forth the terms and conditions of this commitment.

**DECISION:** After discussion, 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 Gordon</b>	<b>Aye</b>

**G. Docket No. QG18050588 – In the Matter of the Clean Energy Program Authorization of Commercial and Industrial Program Energy Efficiency Incentives Exceeding \$500,000.00 – Paulsboro Refining Company, LLC.**

**BACKGROUND AND DISCUSSION:** Paulsboro Refining Company, LLC (Company) submitted an application under the Fiscal Year 2016 Large Energy Users Program pursuant to the New Jersey Clean Energy Program, Energy Efficiency and Renewable Energy Program Plan Filing for Fiscal Year 2016. The Company requested Board approval of a financial incentive of \$1,044,525.00 for a wet gas compressor steam turbine driver upgrade at Coker Gas Plant located at 800 Billingsport Road, Paulsboro, NJ that has a total cost of \$1,392,700.00.

The project scope involved replacing of a turbine that is used in the refinery process to drive a centrifugal compressor that compresses light gases resulting from the coking process for further use in the refinery's fuel gas head. The existing vintage turbine will be replaced with a new modern high efficiency turbine.

Installing these measures will result in an annual estimated energy savings of 472,023 therms and an estimated annual energy cost savings of \$158,400.00. The payback period without incentives is 8.79 years; when factoring in the incentives, the payback period is reduced to 0.57 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 \$1,044,525.00 and issuance of a standard commitment letter to the applicant, setting forth the terms and conditions of this commitment.

**DECISION:** After discussion, 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 Gordon</b>	<b>Aye</b>

**Sherri Jones, Assistant Director, Office of Clean Energy**, presented these matters.

**H. Docket No. QO18040392 – In the Matter of the Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for the Years 2019-2022.**

**BACKGROUND AND DISCUSSION:** On February 9, 1999, the Electric Discount and Energy Competition Act (the Act) was signed into law, creating the societal benefits charge (SBC) to fund programs for the advancement of energy efficiency (EE) and renewable energy (RE) in New Jersey. The Act also provided for the Board to initiate proceedings and undertake a comprehensive resource analysis (CRA) of EE and RE programs in New Jersey every four years. The CRA would then be used to determine the appropriate level of funding over the next four years for the EE and Class I RE programs, which are part of what is now known as New Jersey Clean Energy Program (NJCEP). Accordingly, in 1999, the Board initiated its first CRA proceeding and, in 2001, it issued an order setting funding levels, the programs to be funded, and the budgets for each those programs, all for the years 2001 through 2003. Since then, the Board has issued numerous Orders setting the funding levels, related programs, and program budgets for the years 2004- Fiscal Year 2018 (FY18).

On April 23, 2018, the Board provided public notice of a May 15, 2018 public hearing regarding a to-be-released draft FY19-22 CRA and related programs and budgets for FY19. On May 3, 2018, a notice regarding the posting to the NJCEP website of a FY19-22 CRA Straw Proposal, dated April 24, 2018 (Straw Proposal), was distributed to the EE, RE, and other NJCEP listservs. The distributions and postings requested comments on the Straw Proposal, with a due date of May 31, 2018. The Straw Proposal was discussed at the May 15 public hearing and at the EE and the RE Stakeholder Group meetings held on May 18, 2018. In addition, the New Jersey Department of Environmental Protection (NJDEP), by email dated June 21, 2018, confirmed: (a) the Board had consulted with NJDEP regarding the Straw Proposal including, without limit, the Proposed FY19 Funding Level set forth therein (as defined below); and (b) NJDEP agreed with the Proposed FY19 Funding Level, stating they were "acceptable and consistent with the overall goals."

The Straw Proposal's funding levels include two key components: (i) the level of funding estimated to be required to achieve the goals set out in the Strategic Plan over the four years covered by the Plan; and (ii) the level of funding designated for State Energy Initiatives. While the Straw Proposal included a proposed four-year Funding Level, Board Staff, for reasons described elsewhere in this Order, is now recommending that the Board approve only the Proposed FY19 Funding Level in the present Order and defer any decision regarding Funding Levels for FY20 and beyond.

For FY2019, Staff recommended that the Board set a new Societal Benefits Charge funding level of \$344.665,000.00, which is the same funding level approved by the Board since FY15. When combined with other sources of funds, it results in total FY19 funding of \$363.735,000.00 (collectively, the Proposed FY19 Funding Level). Board Staff estimates that the Proposed FY19 Funding Level will be sufficient to maintain a full portfolio of programs. The following table details the Proposed FY19 Funding Level:

**Proposed FY19 Funding Levels**

<b>Budget Category</b>	<b>New SBC Funding</b>	<b>Total FY19 Funding</b>
<i>Energy Efficiency:</i>		
Residential	\$ 57,000,000	\$ 57,000,000
Low Income	30,000,000	30,000,000
Commercial & Industrial	73,445,000	73,445,000
Multi-family EE	6,000,000	6,000,000
State Facilities	5,000,000	5,000,000
Energy Efficiency	<u>\$ 171,445,000</u>	<u>\$ 171,445,000</u>
Distributed Energy Resources	16,000,000	16,000,000
Renewable Energy	2,550,000	2,550,000
EDA Programs	-	109,000
NJCEP Administration	<u>15,370,000</u>	<u>15,370,000</u>
<b>NJCEP Total</b>	<b>\$ 205,365,000</b>	<b>\$ 205,474,000</b>
<b>State Energy Initiatives</b>	<b><u>139,300,000</u></b>	<b><u>158,261,000</u></b>
<b>Grand Total</b>	<b>\$ 344,665,000</b>	<b>\$ 363,735,000</b>

The Straw Proposal sets out in detail the rationale utilized by Board Staff in developing the Proposed FY19-22 Funding Levels. However, in light of the change in law affected by the RE Laws, and recognizing the RE Laws are likely to affect the Strategic Plan and the Funding levels for FY20 and beyond, Board Staff was now recommending the Board defer any decision regarding: (i) Funding Levels for FY20 and beyond; and (ii) the Strategic Plan. That said, having reviewed and considered the comments regarding the Proposed FY19 Funding Level, Board Staff recommended the Board set, adopt, and approve the Proposed FY19 Funding Level and Proposed FY19 Utility Payments.

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

**Roll Call Vote:**

<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 Gordon</b>	<b>Aye</b>

**I. Docket No. QO18040393 – In the Matter of the Clean Energy Programs and Budgets for Fiscal Year 2019.**

**BACKGROUND AND DISCUSSION:** On February 9, 1999, the Electric Discount and Energy Competition Act (EDECA) was signed into law, creating the societal benefits charge (SBC) to fund programs for the advancement of energy efficiency (EE) and renewable energy (RE) in New Jersey. EDECA also provided for the Board to initiate proceedings and undertake a comprehensive resource analysis (CRA) of EE and RE programs. The CRA would then be used to determine the appropriate level of funding over the next four years for the EE and Class I RE programs, which are part of what is now known as New Jersey Clean Energy Program (NJCEP). Accordingly, in 1999, the

Board initiated its first CRA proceeding and, in 2001, it issued an order setting funding levels, the programs to be funded, and the budgets for each of those programs, for years 2001-2003. Since then, the Board has issued numerous Orders setting the funding levels, related programs, and program budgets for the years 2004 – Fiscal Year 2018 (FY18).

On April 23, 2018, the Board provided public notice of a May 15, 2018 public hearing regarding a to-be-released draft FY19-22 CRA and related programs and budgets for FY19. On May 3, 2018, a notice regarding the posting to the NJCEP website of a FY19-22 CRA Straw Proposal, dated April 24, 2018 (Straw Proposal), was distributed to the EE, RE, and other NJCEP listservs. The distributions and postings requested comments on the Straw Proposal, with a due date of May 31, 2018. The Straw Proposal was discussed at the May 15 public hearing and at the EE and the RE Stakeholder Group meetings held on May 18, 2018.

Following the release of the Straw Proposal, Governor Murphy signed the Renewable Energy Law, A-3723, into law and also signed the related E.O. 28. Among other things, the law and E.O. 28 direct state agencies to, by June 1, 2019, develop an updated Energy Master Plan that provides a path to 100 percent clean energy by 2050 and substantially revises the state's approach to RE and EE. While the Straw Proposal included a proposed four-year Funding Level, Board Staff is now recommending that the Board approve only the Proposed FY19 Funding Level and defer any decision regarding Funding Levels for FY20 and beyond.

For FY19, Board Staff recommended the Board set a new SBC funding level of \$344,665,000.00, which is the same funding level approved by the Board since FY15. When combined with other sources of funds, it results in total FY19 funding of \$363,375,000.00 (collectively, the Proposed FY19 Funding Level). Board Staff estimates the Proposed FY19 Funding Level will be sufficient to maintain a full portfolio of programs.

Staff also recommended the Board find the processes utilized in developing the FY19 Programs and Budgets were appropriate and provided stakeholders and interested members of the public adequate notice and opportunity to comment. Staff further recommended the Board adopt and approve the proposed FY19 Programs and Budgets.

**DECISION:** After discussion, 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 Gordon</b>	<b>Aye</b>

**J. Docket No. QO16060525 – In the Matter of New Jersey's Clean Energy Program – Fiscal Year 2019 Protocols to Measure Resource Savings.**

**B. Scott Hunter, Renewable Energy Program Administrator, Office of Clean Energy,** presented this matter.

**BACKGROUND AND DISCUSSION:** The Board approves “Protocols to Measure Resource Savings” (Protocols) in New Jersey’s Clean Energy Program (NJCEP) to guide program managers, evaluators and stakeholders in estimating energy savings from electricity and natural gas conservation measures and renewable energy generation from electric generating facilities provided NJCEP incentives. The last update to the Protocols was approved by Board Order in June 2016.

This matter involved recommendation for an update to the Protocols follows an independent evaluation procured by Staff and Rutgers Center for Energy, Economic and Environmental Policy (CEEPP) and performed by the consulting firm Energy and Resource Solutions Inc. (ERS). Staff reviewed the findings of the evaluation with stakeholders and have drafted the proposed revised updates to the “Protocols.” Staff recommended the Board approve the Protocols for use in estimating savings from NJCEP program measures.

In June 2017, ERS, a consulting firm, was engaged by the Board through CEEPP to evaluate and recommend updates to the FY17 Protocols. On October 25, 2017, ERS’s findings and recommendations, including an ERS memo, updated as of October 18, 2017 (October ERS Memo), and an updated Protocols, dated October 18, 2017 (October Draft Protocols), were released and distributed for stakeholder and public comment, with comments due on November 9, 2017. Comments were submitted, several of which were to the effect that Board Staff should allow more time and opportunity for input.

On November 28, 2017, the October Draft Protocols and the comments regarding them were discussed at a Utility Working Group Meeting. On February 1, 2018, further revised Protocols, dated January 12, 2018 (January Draft Protocols), were distributed to the Utility Working Group. On March 15, 2018, the January Draft Protocols were discussed at a Utility Working Group Meeting and a follow-up conference call was held with that Group on April 3, 2018. On April 10, 2018, the Division of Rate Counsel submitted written comments regarding the January Draft Protocols.

On May 10, 2018, a notice was distributed to the EE, RE, and other NJCEP listservs about the posting to the NJCEP website of further revised Protocols with a Release Date of May 4, 2018 (Current Proposed Updated Protocols). In the notice, Board Staff stated that, as to each comment received, it had determined to propose to the Board that it either (a) accept and incorporate the substance of the comment received into the Current Proposed Updated Protocols, or (b) maintain the status quo pending further analysis, consideration, and public input. The distributions and postings requested comments on the Current Proposed Updated Protocols, with a due date of May 31, 2018.

Staff recommended that a set of updates regarding the Calculation of Clean Air Impacts section, as suggested by the New Jersey Department of Environmental Protection after the May 10, 2018 Request for Comments was released, be incorporated into that section of the Protocols. Staff also recommended that a set of updates regarding room air



conditioners and dehumidifiers inadvertently omitted from the Appliance Recycling Program section of the Current Proposed Updated Protocols be reinserted into that section of the Protocols.

**DECISION:** After discussion, 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 Gordon</b>	<b>Aye</b>

**K. Docket No. QO18060647 – In the Matter of Rulemaking to implement certain sections of P.L. 2018, Chapter 17, regarding closing the SREC Program to new registrations following the attainment of 5.1 percent of total kilowatt-hours sold in the State from solar electric power generators connected to the State’s electric distribution system.**

**James Boyd, Jr., Legal Specialist, Office of Chief Counsel,** presented this matter.

**BACKGROUND AND DISCUSSION:** This matter involved Staff proposing that the Board approve the Rule Proposal for submittal to the Office of Administrative Law to be published in the N.J. Register and to open the required 60-day public comment period.

The Rule Proposal contains amendments to N.J.A.C. 14:8-2.4, to conform portions of the current rules to certain provisions of P.L. 2018, c. 27 (Clean Energy Act). There are several provisions in the Clean Energy Act that require rulemaking proceedings, the particular amendments proposed in this Rule Proposal concern the Solar Renewable Energy Credit (SREC) Registration Program.

The Clean Energy Act requires the Board to, “adopt rules and regulations to close the SREC program to new applications upon the attainment of 5.1 percent of the kilowatt-hours sold in the State by each electric power supplier and each basic generation supplier from solar electric power generators connected to the distribution system.” The Clean Energy Act further requires, “...the closing of the existing SREC program on a date certain but no later than June 1, 2021.” Finally, as relates to this rulemaking in particular, the Clean Energy Act requires that a full rulemaking procedure concerning the particular requirements identified above shall be completed no later than 180 days after May 23, 2018, the date on which the Clean Energy Act was enacted.

Staff recommended that the Board approve this rule proposal for submittal to the Office of Administrative Law to be published in the N.J. Register.

**DECISION:** After discussion, 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 Gordon</b>	<b>Aye</b>

9. **MISCELLANEOUS**

**A. Docket No. EG18020148 – In the Matter of Energy Assistance Grant as Authorized Under N.J.S.A. 48:2-29.39 and N.J.S.A. 46:30B-74(b) – Payment Assistance for Gas and Electric Program.**

Maureen Clerc, USF Team, presented this matter.

**BACKGROUND AND DISCUSSION:** This matter involved a recommendation to award grant funding to the Affordable Housing Alliance (AHA) for a three-year period, as authorized under N.J.S.A. 48:2-29.39 and N.J.S.A. 46:30B-74.

N.J.S.A. 48:2-29.39 authorizes the Board to designate an established statewide non-profit energy assistance organization to receive supplemental funding from unclaimed property held by the State's electric and gas utilities pursuant to N.J.S.A. 46:30B-74. The non-profit entity designated by the Board to receive the funds must use them to help electric or natural gas customers pay their electric or natural gas bills to avoid shut off of service or restore service.

This grant funding became known as the Payment Assistance for Gas and Electric (PAGE) program, and is currently administered by the AHA. The Board's current contract with the AHA expires on July 31, 2018.

At its February 28, 2018 agenda meeting, the Board authorized the issuance of a Notice of Grant Availability (Notice) to solicit bids to reprocur an administrator for the PAGE program. The Notice was published in the New Jersey Register on April 2, 2018, as well as on the Board's website. The Notice was also emailed out to various listservs related to the Universal Service Fund, Low Income Home Energy Assistance Program and New Jersey Clean Energy Program.

The deadline by which applicants had to submit their proposals to the Board was 5:00 pm on May 2, 2018.

In accordance with the requirements contained in the Notice, the Board received a total of three proposals from:

1. AHA;
2. NJ SHARES; and
3. OCEAN, Inc.

An Evaluation Committee (Committee), consisting of four representatives from Board Staff, reviewed the proposals. The Committee was comprised of representatives from the Office of the Secretary, the Audits Division, Counsel's Office and the Office of Budget and Finance. Technical scores were calculated based on the result of an independent reading and analysis of each proposal by the evaluators.

The Committee recommended AHA, as the highest scoring bidder, to continue as Program Administrator of the PAGE program. Therefore, the Evaluation Committee recommended the Board award the grant to AHA for a three-year period.

**DECISION:** After discussion, 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 Gordon</b>	<b>Aye</b>

## LATE STARTER A

### ENERGY

**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.**

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

**BACKGROUND AND DISCUSSION:** On December 21, 2017, South Jersey Industries, Inc. (SJI), ETG Acquisition Corp. and South Jersey Resources Group, LLC, together with Pivotal Utility Holdings, Inc. (Pivotal) (collectively, Joint Petitioners) filed a joint petition (Acquisition 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 (Elizabethtown), including the sale of substantially all of Elizabethtown's assets (Acquisition). The post-Acquisition Elizabethtown entity (Elizabethtown Gas Company) will be owned by SJI Utilities, Inc., a wholly owned subsidiary of SJI. Elizabethtown Gas Company would continue to provide service to customers pursuant to the current Elizabethtown tariff at current rates and terms and conditions of service.

By Order dated January 31, 2018, the Board issued an Order retaining the Acquisition Petition and designated President Joseph L. Fiordaliso 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.

Following discovery and several conferences, the Company, Board Staff and the New Jersey Division of Rate Counsel (collectively, Signatory Parties) executed a Stipulation of Settlement (Stipulation) resolving this matter on June 21, 2018.

Staff recommended that the Board issue an Order approving the Stipulation of the Signatory Parties, finding that the proposed transaction could be accomplished without adverse impact on competition, rates, and that, on balance, positive benefits will accrue to Elizabethtown and the State of New Jersey.

**DECISION:** After discussion, 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 Gordon</b>	<b>Aye</b>

## **LATE STARTER B**

### **ENERGY**

**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. GR18030232 – In the Matter of the Compliance Filing of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas.**

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

**BACKGROUND AND DISCUSSION:** By Order (Generic 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 2, 2018, Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas (ETG or Company) filed its petition pursuant to the Generic TCJA Order, including proposed tariffs as well as a proposed plan. Specifically, ETG requested an annual reduction in firm distribution revenues of \$10,938,818.00, effective April 1, 2018, which represents a 6.6% decrease. The Company also requested authorization to refund to customers for the difference between the effective April 1, 2018 rate and charges for January 1, 2018 through March 31, 2018, which was estimated to be \$5.6 million, which the Company proposed to refund in a billing cycle during or before September 2018. Alternatively, the Company proposed to provide the refunds in May 2018 by filing a true-up after final rate approval by the Board.

ETG’s calculations included an adjustment to eliminate all Investment tax credits for the revenue requirements. The Company’s revenue factor will be reduced to 1.40828098. Additionally, the Company will use the Average Rate Assumption Method to amortize the protected excess deferred tax liability and proposed to amortize the unprotected portions of the excess over five years. ETG’s rate base includes an offset for deferred taxes, a portion of which will be used to provide customers an ongoing carrying cost benefit to the pre-tax weighted average cost of capital. To accomplish the rate reduction, the Company proposed to only reduce the distribution charges of its firm service classification and leave the monthly service charges untouched. The Weather Normalization Clause Margin Revenue Factor would be adjusted, effective January 1, 2018, to realize the full benefit of the 2017 Tax Act.

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 \$33.70, or 3.4%. The March 26, 2018 Order also granted the New Jersey Large Energy Users Coalition (NJLEUC) intervener status and granted the pro hac vice motion of Mr. Paul Forshay.

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

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

**DECISION:** After discussion, 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 Gordon</b>	<b>Aye</b>

## LATE STARTER C

### ENERGY

**Docket No. GF18050512 – In the Matter of the Petition of Elizabethtown Gas Company for Authorization through June 30, 2021; (i) to Make, Execute and Issue a Term Loan Agreement to Provide Initial Financing for Elizabethtown Gas Company; (ii) to Make, Execute and Issue a First Mortgage Indenture an any Appropriate Supplemental Mortgage Indentures; and (iii) to Make, Execute and Issue First Mortgage Bonds or Other Evidences of Indebtedness.**

**Benjamin Witherell, Chief Economist, Office of the Economist,** presented this matter.

**BACKGROUND AND DISCUSSION:** On May 30, 2018, Elizabethtown Gas Company (Petitioner) filed an Amended Petition for authorization through June 30, 2021 seeking authorization to:

- (i) make, execute and deliver pursuant to N.J.S.A. 48:3-7 a First Mortgage Indenture and any appropriate supplemental mortgage indentures providing for the issuance of a mortgage bond or mortgage bonds;
- (ii) issue such first mortgage bond or first mortgage bonds with a maturity or maturities of not more than 40 years from the respective dates of issuance;
- (iii) issue other evidences of indebtedness, such as loan agreements, term loan

agreements, and other evidences of indebtedness or similar documents payable more than 12 months from the date or dates thereof; and

(iv) provide that all such bonds, loan agreements, term loan agreements and other evidences of indebtedness payable in more than 12 months for the date or dates thereof will not exceed the amount of \$800,000,000.00.

On May 8, 2018, the Petitioner filed an initial petition in this docket seeking authorization to enter into a term loan agreement in the amount of approximately \$530,000,000.00 payable in more than 12 months from the date or dates thereof to provide initial financing for Elizabethtown Gas Company. The Petitioner indicated that it will enter into a term loan agreement which will be payable within 364 days of issuance (the Short-Term Term Loan). The Petitioner also indicated that it will issue first mortgage bonds within six months of the closing, and will pay off the Short-Term Term Loan at that time. On May 30, 2018, Petitioner filed an amended petition no longer seeking approval to enter into the Short Term Loan agreement, since the term loan will be a short-term loan. However, Petitioner reiterated that it continues to seek approval to issue a mortgage indenture, and to issue, among other things, the first mortgage bonds referenced above.

Elizabethtown Gas Company additionally sought authorization by the petitions to engage in a transaction or series of transactions commencing three to six months following the closing, which will include the issuance of First Mortgage Bonds discussed above, in the approximate amount of \$530,000,000.00.

Elizabethtown Gas Company also sought authorization to make, issue and execute a First Mortgage Indenture under and pursuant to which Elizabethtown Gas Company will issue the first mortgage bonds discussed above.

Once Elizabethtown Gas Company makes, executes and delivers the above stated first mortgage bonds, there will remain approximately \$270,000,000.00 of additional allowed debt, pursuant to this Order.

Over a three year period, the Petitioner proposed that it be authorized to make, execute and issue a supplemental mortgage indenture, or supplemental mortgage indentures; term loan agreements or other evidences of indebtedness; all of which will be used for various purposes, including paying down other short term debt balances which will be incurred by Elizabethtown Gas Company in the ordinary operation of its business.

According to the Petitioner, the First Mortgage Indenture will create a first lien upon substantially all of its real and personal property, except certain items such as cash, investments, inventories, accounts receivable and transportation equipment. The Petitioner requested that the bonds and other evidences of indebtedness may be used, *inter alia*, to take out the initial Short-Term Term Loan, to provide additional working capital or retire short term debt if it would be economically advantageous to do so.

The Petitioner also requested authority, as appropriate market opportunities arise, to issue bonds under the First Mortgage Indenture as part of one series, or as part of several series. It seeks authorization such that the bonds may be issued with various terms and specified conditions, such as redemption provisions that vary from series to series and may bear interest at different rates. The terms of the proposed bonds cannot be determined at this time, as they will be dependent upon market and other conditions

at the time of issuance and sale. The Petitioners stated that the bonds will be sold at 100% of principal amount, at a discount or at a premium.

It is anticipated that the interest rates to be borne by the bonds will not exceed 10%; provided, however, that if market conditions require an interest rate greater than 10%, Petitioner indicated it will notify the Office of the Economist of the Board at least 14 days before the issuance of any bonds.

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.

<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 Gordon</b>	<b>Aye</b>

## EXECUTIVE SESSION

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

### 1. AUDITS

**A. Docket No. AN18060006 – In the Matter of the Alleged Failure of Direct Energy and Gateway Energy Services Corporation, a subsidiary, to Comply with certain Third Party Supplier Requirements.**

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

### 2. ENERGY

**D. Docket No. ER18010004 – In the Matter of Federal Energy Items for 2018 – FERC Docket No. EL18-54 NJBPU v. PJM Interconnection et al.**

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

**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. ER18030241 – In the Matter of the Petition of Atlantic City Electric Company for Approval of the Treatment of Tax Impacts Associated with Implementation of Tax Cuts and Jobs Act of 2017 and to Determine the Appropriate Level and Mechanism by which Rates must be Adjusted to Reflect the Benefits of the Act.**

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

### 5. WATER

**F. 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. WR18030233 – In the Matter of New Jersey American Water Company, Inc. with Calculation of Rates under the Tax Cuts and Jobs Act 2017.**

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



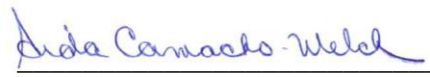
**G. Docket No. AX18010001 – In the Matter of the New Jersey Board of Public Utilities’ Consideration of the Tax Cuts and Jobs Act of 2017; and**

**Docket No. WR18030235 – In the Matter of the New Jersey Board of Public Utilities’ Consideration of the Tax Cuts and Jobs Act of 2017 Filing on Behalf of Environmental Disposal Corporation.**

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: August 29, 2018