



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 December 19, 2017, at the State House Annex, Committee Room 11, 125 West State Street, Trenton, New Jersey 08625.

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

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

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

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

*Commissioner Upendra J. Chivukula participated by phone during the opening remarks only.

President Mroz presided at the meeting and Irene Kim Asbury, Secretary of the Board, carried out the duties of the Secretary.

It was announced that the next regular Board Meeting would be held on January 31, 2017 at the State House Annex, Committee Room 11, 125 West State Street, Trenton, New Jersey 08625.

CONSENT AGENDA

I. AUDITS

A. Docket No. TE17101115 – In the Matter of the Verified Petition of Triton Networks, LLC for Authority to Provide Competitive Facilities-Based Local Exchange Services and Exchange Access Services Throughout the State of New Jersey.

BACKGROUND: On October 30, 2017, Triton Networks LLC (Petitioner or Triton Networks) filed a petition with the Board requesting authority to provide competitive facilities-based local exchange and exchange access services to small to medium size business customers throughout the State of New Jersey.

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

By letter dated November 28, 2017, the New Jersey Division of Rate Counsel (Rate Counsel) submitted comments to the Board stating that, based on its review, the Rate Counsel was satisfied that the Petition meets the regulatory requirements and is consistent with the public interest, convenience, and necessity. The Rate Counsel did not object to a grant of the waiver requested in connection with record-keeping by the Petitioner. The Rate Counsel also did not oppose the Petitioner's request to treat its financial information as confidential and place under seal.

After review, Staff recommended that the Board approve the Petitioner to provide competitive facilities-based local exchange and exchange access telecommunications services in the State of New Jersey. Staff's recommendation does not pertain to Non-competitive local exchange carrier Services. Staff also recommended that the Board approve the request for waivers from its requirements that the Petitioner maintain its financial books and records in accordance with the USOA and within New Jersey.

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

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

EE17101079L Jersey Energy Group, LLC I – EA/PA/EC

GE17101080L

EE17090975L Util Solutions Group LLC I – EA/EC

GE17090976L d/b/a USG

Energy Agent Renewal Registration

EE17040343L Consumer Energy Solutions, Inc. R – EA

Electric Power Initial License

EE17080862L Pure Energy USA NJ, LLC I – ESL
d/b/a Pure Energy

Electric Power and/or Natural Gas Supplier Renewal Licenses

EE17080858L

BlueRock Energy, Inc.

R – EGSL

GE17080857L

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.

Having reviewed the submitted applications in accordance with N.J.A.C. 14:4-5.4, -5.8 and -5.11, Staff recommended that the following applicants be issued initial registrations as an energy agent, private aggregator and/or energy consultant for one year:

- Jersey Energy Group, LLC
- Util Solutions Group LLC d/b/a USG

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

- Consumer Energy Solutions, Inc.

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

- Pure Energy USA NJ, LLC d/b/a Pure Energy

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

- BlueRock Energy, Inc.

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

II. ENERGY

There were no items in this category.

III. CABLE TELEVISION

A. Docket No. CE16121145 – In the Matter of the Petition of Comcast of Monmouth County, LLC for a Renewal Certificate of Approval to Continue to Construct, Operate and Maintain a Cable Television System in and for the Borough of Tinton Falls, County of Monmouth, State of New Jersey.

BACKGROUND: On September 6, 2016, the Borough of Tinton Falls (Borough) adopted an ordinance granting renewal municipal consent to Comcast of Monmouth County, LLC (Comcast). On October 3, 2016, Comcast accepted the terms and conditions of the ordinance, and on December 5, 2016, Comcast filed a petition with the

Board for a renewal of its Certificate of Approval for the Borough.

After review, Staff recommended approval of the proposed Renewal Certificate of Approval. This Certificate shall expire on March 7, 2031.

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

B. Docket No. CE15111317 – In the Matter of the Application of Cablevision of Oakland, LLC for the Renewal of a System-wide Cable Television Franchise.

BACKGROUND: On October 5, 2017, Cablevision of Oakland, LLC filed notice with the Township of Cedar Grove (Township) and the Board that it would convert its municipal consent-based franchise in the Township to a system-wide franchise. The Board commemorated Cablevision of Oakland's conversion of the Township of Cedar Grove by Order dated July 1, 2009. Through subsequent filings, Cablevision of Oakland converted an additional 37 municipalities. Orders of Amendment were issued on: March 17, 2010; June 10, 2010; September 16, 2010; November 10, 2010; January 19, 2011; May 16, 2011; and February 24, 2016.

Pursuant to statute, upon conversion, Cablevision of Oakland certified that it will comply with N.J.S.A. 48:5A-28(h) through (n) which includes commitments as to line extensions, public, educational and governmental (PEG) access channels, interconnection with other cable television companies, free cable and Internet service to public schools and municipal buildings, training and equipment for access users, PEG access return feeds, and compliance with customer protection regulations. These provisions and a discussion of them were incorporated in the original order and Cablevision of Oakland must comply with the requirements in the Township of Teaneck.

Staff recommended that the Board issue the Order of Amendment acknowledging the conversion of the Township of Teaneck into Cablevision of Oakland's renewal system-wide cable television franchise.

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

C. Docket No. CE16090920 – In the Matter of the Application of CSC TKR, LLC for the Renewal of a System-wide Cable Television Franchise.

BACKGROUND: On January 11, 2010, CSC TKR, LLC filed notice with the Board and the Borough of Allentown (Borough) that it would convert its cable television system serving the Borough of Allentown to a system-wide cable television franchise.

The Board commemorated CSC TKR, LLC's conversion of the Borough of Allentown by Order dated February 11, 2010.

Through subsequent filings, CSC TKR, LLC has converted an additional 33 municipalities. Orders of Amendment were issued on: August 4, 2010; September 16, 2010; December 6, 2010; February 10, 2011; September 21, 2011; December 28, 2013; and February 24, 2016.

On February 22, 2017, the Board issued a Renewal System-wide Cable Television Franchise to CSC TKR, LLC for the 34 municipalities. CSC TKR, LLC's system-wide cable television franchise will expire on February 11, 2024.

After review, the Office of Cable Television & Telecommunications recommended approval of the Order of Amendment acknowledging the conversion of the City of Elizabeth, the Borough of Milltown and the City of New Brunswick into CSC TKR, LLC's system-wide cable television franchise.

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

D. Docket No. CE15091091 – 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 Mannington, County of Salem, State of New Jersey.

BACKGROUND: On September 23, 2015, Comcast of South Jersey, LLC (Comcast) filed a petition with the Board for an Automatic Renewal Certificate of Approval for the Township of Mannington (Township) based on the automatic renewal provision for a term to expire on August 6, 2025.

The petition is based on the Township's ordinance granting renewal municipal consent which was adopted on April 5, 2001. The Townships' ordinance granted a term of 15 years with an automatic renewal term of ten years. The initial term expired on August 6, 2015.

Staff recommended approval of the proposed Automatic Renewal Certificate of Approval. This Certificate shall expire August 6, 2025.

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

IV. TELECOMMUNICATIONS

There were no items in this category.

V. WATER

There were no items in this category.

VI. RELIABILITY & SECURITY

There were no items in this category.

VII. CUSTOMER ASSISTANCE

A. Docket Nos. BPU EC16090876U and OAL PUC 17128-16 – In the Matter of George Eikens, Petitioner v. Jersey Central Power and Light Company, Respondent – Request for Extension.

BACKGROUND: The Initial Decision of the Administrative Law Judge was received by the Board on December 4, 2017; therefore, the 45-day statutory period for review and the issuing of a Final Decision will expire on January 18, 2018. Prior to that date, the Board requested an additional 45-day extension of time for issuing the Final Decision in order to adequately review the record in this matter.

Good cause having been shown, pursuant to N.J.S.A. 52:14B-10(c) and N.J.A.C. 1:1-18.8, Staff recommended that the time limit for the Board to render a Final Decision be extended until March 4, 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 October 20, 2017 Agenda Meeting.

BACKGROUND: Staff presented the minutes of the Regular Board Agenda meeting of October 20, 2017 and recommended they be accepted.

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

After appropriate motion, the consent agenda was approved.

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

AGENDA

1. AUDITS

There were no items in this category.

2. ENERGY

Mark C. Beyer, Chief Economist, presented these matters.

A. Docket No. EF17080924 – In the Matter of the Petition of Atlantic City Electric Company for Authority to Issue Up to \$350 Million of Long-Term Debt Securities Pursuant to N.J.S.A. 48:3-9 (2018-2019).

BACKGROUND AND DISCUSSION: On August 24, 2017, Atlantic City Electric Company (Petitioner), filed a petition with the Board requesting authority to: (i) not later than December 31, 2019, at its option, issue and sell in one or more series up to \$350 million in aggregate of Debt Securities to, among other purposes, repay secured first mortgage bonds that are scheduled to mature during November 2018 and finance a portion of the Company's 2017–2019 construction program and (ii) take any other action which may be necessary or desirable in connection therewith. The Order requested herein continues the long-term debt authority issued by the Board on December 16, 2015 in Docket No. EF15091078.

According to the petition, the proceeds of the financing will be used, in part, to repay maturing secured first mortgage bonds in the amount of \$250 million. In addition, the Petitioner stated that it is engaged in a construction program for the years 2017-2019 with estimated expenditures of \$1 billion, designed to improve and extend its facilities so as to enable it to better serve the public. The Company sought the flexibility to issue long-term debt to permanently finance up to \$100 million of short-term debt anticipated to be incurred for outlays associated with its 2017–2019 construction program.

By letter dated November 29, 2017, the New Jersey Division of Rate Counsel (Rate Counsel) stated that it reviewed the petition and supporting documents and did not oppose the Petitioner's request to issue \$350 million in new debt to fund its projected capital spending and the \$250 million November 2018 scheduled debt security. However, the Rate Counsel requested Board approval of the petition with certain conditions and customer protections.

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.

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

B. Docket No. EF17080925 – In the Matter of the Petition of Atlantic City Electric Company Pursuant to N.J.S.A. 48:2-13 and N.J.S.A. 48:3-9 for Authority to Issue up to \$350 Million of Short-Term Indebtedness Prior to January 1, 2020.

BACKGROUND AND DISCUSSION: On August 23, 2017, Atlantic City Electric Company (Petitioner), filed a petition with the Board requesting authority to continue to issue, renew or extend unsecured short-term indebtedness (Short-Term Debt) from time to time prior to January 1, 2020, in an aggregate principal amount outstanding at any one time not in excess of \$350 million. The Board, in an Order issued in connection with BPU Docket No. EF15091045, dated December 16, 2015, authorized the Petitioner to issue similar Short-Term Debt prior to January 1, 2018.

According to the petition, cash requirements associated with the Petitioner's construction program will be provided by means of internally generated funds, and, to the extent necessary, through external financing. However, the Petitioner anticipated that short-term external financing will also be needed to provide for temporary financing of construction program expenditures and other general corporate transactions. The Petitioner has requested that the Board extend to January 1, 2020, the authorization previously granted by the Board in the December 16, 2015 Order, and to continue the limit of that authorization of \$350 million with regard to the aggregate amount of Short-Term Debt that may be outstanding at any one time.

The New Jersey Division of Rate Counsel (Rate Counsel) reviewed this matter and, by letter dated November 29, 2017, stated that it is not opposed to the Petitioner's request for short-term debt authority, including maintaining the current ceiling of \$350 million. However, Rate Counsel requested that the Board approve the request with certain conditions that were contained in the December 16, 2015 Order that approved the current \$350 million ceiling level of short-term debt.

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.

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

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

C. Docket No. GR17070775 – In the Matter of the Petition of Public Service Electric and Gas Company for Approval of Gas Base Rate Adjustment Pursuant to its Gas System Modernization Program (July 2017 GSMP Rate Filing).

BACKGROUND AND DISCUSSION: On July 26, 2017, Public Service Electric Gas and Company (PSE&G or Company) filed a petition (July 2017 Petition) with the Board seeking approval for gas base rate changes to provide for cost recovery associated with certain capitalized gas investment costs of the Company's Gas System Modernization Program (GSMP) through September 30, 2017. The Company sought approval to

recover a revenue requirement of \$27.853 million associated with actual and estimated GSMP investments through September 30, 2017.

On October 16, 2017, the Company provided an updated schedule, which replaces the estimated data in the original schedules with actual data through September 30, 2017, resulting in a revenue requirement of \$24.820 million calculated as follows:

Gas System Modernization Program Revenue Requirement [\$000]-Roll-In Effective January 1, 2018 Docket No. GR17070775	
Rate Effective Date	1/1/2018
Plant In Service as of Date	9/30/2017
Rate Base Balance as of Date	12/31/2017
Gross Plant	\$239,154.00
Accumulated Depreciation	<u>\$ 2,305.00</u>
New Plant	\$ 241,459.00
Accumulated Deferred Taxes	<u>\$ 45,963.00</u>
Rate Base	\$195,496.00
Rate of Return – After Tax	6.25%
Return Requirement (After Tax)	\$12,220.00
Depreciation Exp. Net	\$ 2,278.00
Tax Adjustment	\$0
Revenue Factor	<u>1.7121.00</u>
Roll-in-Revenue Requirement	<u>\$24,820.00</u>

PSE&G, Board Staff, the New Jersey Division of Rate Counsel (collectively, the Parties) have agreed to a Stipulation and Agreement (Stipulation) that allows the Company to recover gas revenue requirements of \$24.820 million.

Staff recommended that the Board issue an Order approving the Stipulation of the Parties. Staff further recommended that the Board direct PSE&G to file revised tariff prior to January 1, 2018.

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

Roll Call Vote:

President Mroz	Aye
Commissioner Fiordaliso	Aye
Commissioner Holden	Aye
Commissioner Solomon	Aye

D. Docket No. ER17010039 – In the Matter of the Verified Petition of Jersey Central Power and Light Company Constituting its Annual Filing with Respect to the Storm Recovery Charge Rider of its Filed Tariff (2016-17 SRC Filing).

BACKGROUND AND DISCUSSION: On January 17, 2017, Jersey Central Power and Light Company (JCP&L or Company) filed a petition with the Board requesting review and approval of the amounts included in the Company’s Storm Recovery Charge (SRC) deferred balance relating to the recovery of Board-approved 2012 Major Storm deferred operations and maintenance costs, to the extent accumulated from April 1, 2016 through March 31, 2017.

The Company projected that, at present rates, the unamortized SRC deferred balance (including interest) at March 31, 2017 would be \$164,396,598.00. This represented a

projected under-recovery of \$117,539.00, after the application of carrying costs of \$2,976,358.00. According to JCP&L, the result of the data presented would support an increase in the annual revenues collected through the SRC by approximately \$518,848.00. However, due to the comparatively small magnitude of such an increase, JCP&L proposed to leave the current SRC rate of \$0.003084 (excluding SUT) in effect for the period April 1, 2017 through March 31, 2018.

In response to discovery requests, JCP&L updated its deferred SRC balance to include actual data through March 31, 2017. Based on the updated data, the unamortized SRC deferred balance (including interest) at March 31, 2017 was \$165,146,218.00. This represents a projected under-recovery of \$857,843.00, after the application of carrying costs of \$2,977,663.00.

JCP&L, Board Staff and the New Jersey Division of Rate Counsel (collectively, the Parties) executed a Stipulation of Settlement (Stipulation) that recommended approval of the Company's request.

Staff recommended that the Board issue an order approving the Stipulation of the Parties. Staff further recommended that the Board order JCP&L to file revised tariff sheets conforming to the terms of the Stipulation prior to January 1, 2018.

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

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

E. Docket No. ER17030323 – In the Matter of Rockland Electric Company's Annual Societal Benefits Charge Filing (2017).

BACKGROUND AND DISCUSSION: On March 1, 2017, Rockland Electric Company (RECO, Company) filed a petition (2017 Filing) with the Board, which constituted its annual cost recovery filing of over-recovered or under-recovered cost balances collected through its Societal Benefits Charge (SBC) for the reconciliation period from August 1, 2016 through July 31, 2017 and of projected spending during the projected period through July 31, 2017. In addition, RECO sought authorization to collect from customers sufficient funds to provide for current program cost recovery. Accordingly, as described below, the Company filed revisions to the Demand Side Management (DSM) and Clean Energy Program (CEP) components (SBC DSM/CEP Component Programs) of the SBC rate.

RECO proposed a decrease in the rate for the SBC DSM/CEP Component Programs to 0.4142 cents per kilowatt hour (¢/kWh), including Sales and Use Tax (SUT), which reflected a decrease over the previously existing rate of 0.4253 ¢/kWh, including SUT, for all classes of customers effective August 1, 2017. When combined with the Universal Service Fund (USF) and Lifeline components of the SBC, the proposed August 1, 2017 SBC rate was 0.6909 ¢/kWh, including SUT.

Subsequently, the Company updated the 2017 Filing to provide actual data for the August 1, 2016 through September 30, 2017 period for the DSM/CEP Component Programs of the SBC. As a result of the update, the Company's resultant proposed total

rate for the SBC is 0.6613 ¢/kWh, including SUT. For the SBC Component Programs, the updated data results in an increase in the existing rate to 0.4349 ¢/kWh, including SUT.

Following discovery, RECO, the New Jersey Division of Rate Counsel and Board Staff (Staff) engaged in discussions and subsequently executed a Stipulation of Settlement (Stipulation). The Stipulation allows for RECO to implement a SBC rate of 0.6613 ¢/kWh, including SUT.

Staff recommended that the Board approve the Stipulation. Staff further recommended that the Board direct RECO to file revised tariffs consistent with the Stipulation prior to January 1, 2018.

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

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

F. Docket No. ER17080938 – In the Matter of Rockland Electric Transmission Rate Filing, Revision to its Schedule for Electric Service, NJ BPU No. 3 Electricity Leaf No 83.

BACKGROUND AND DISCUSSION: On August 31, 2017, Rockland Electric Company (RECO or Company) filed a petition with the Board requesting recovery of Federal Energy Regulatory Commission (FERC) approved changes in firm transmission service related charges.

On October 4, 2017, RECO updated the August 2017 Petition to reflect the settlement agreement among the parties in the FERC proceeding. (October 2017 Update)

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

Since FERC has allowed the change in the transmission rates to become effective April 3, 2017, subject to refund, the Company proposed a means of collecting the revenues from its retail customers that resulted from the change in the revenue requirement and the PJM, Interconnection LLC's Open Access Transmission Tariff Schedule 1A scheduling, system control, and dispatch rate from April 3 to the date that the retail rates will become effective. In the August 2017 Petition, the Company proposed a Temporary Transmission Charge to collect these revenues. However, in the October 2017 Update,

the Company modified its proposal to use the Reconciliation Charge as the means of collecting these revenues from customers. The Company has added language to the BGS Reconciliation Charge section of the electric tariff to state that these costs will be collected via the BGS reconciliation mechanism.

Staff recommended that the Board issue an order accepting the proposed tariff changes and approving implementation of changes to RECO's retail transmission rates as approved by FERC. Staff further recommended approval of the Company's request that the affected BGS Suppliers receive the appropriate compensation for the rate adjustment(s) subject to the terms and conditions of the appropriate BGS SMAs. Additionally, Staff recommended that the Board direct RECO to file tariffs and rates consistent with the Board's findings by January 1, 2018.

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

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

G. Docket No. ER17020083 – In the Matter of the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery – 2016 Annual True-Up.

BACKGROUND AND DISCUSSION: On February 1, 2017, Rockland Electric Company (RECO, or Company) filed a petition with the Board for its Combined Filing annual true-up (2016 True-Up Petition) for the Energy Efficiency Stimulus (EES) Program and Low Income Audit II Program component rates of the Regional Greenhouse Gas Initiative (RGGI) Surcharge. The 2016 True-Up Petition proposed a decrease in the RGGI Surcharge to a credit of 0.0104 cents per kWh, including Sales and Use Tax (SUT), which included a decrease in the EES Program rate to a credit of 0.0034 cents per kWh, including SUT, and a decrease in the Low Income Audit II Program rate to a credit of 0.0070 cents per kWh, including SUT.

On November 9, 2017, the Company updated its actual expenses and revenues through September 30, 2017 and its projected expenses for the remainder of 2017. As a result of the updates, the proposed EES Program component of the RGGI Surcharge rate decreased from the current surcharge of 0.0179 cents per kWh to a credit of 0.0034 cents per kWh, including SUT (0.0031 cents per kWh, excluding SUT). The proposed Low Income Audit II Program component of the RGGI Surcharge rate decreased from the current credit of 0.0017 cents per kWh to a credit of 0.0072 cents per kWh, including SUT (0.0067 cents per kWh, excluding SUT). As a result of the updates to the EES Program and the Low Income Audit II Program, the Company's current RGGI Surcharge of 0.0162 cents per kWh, including SUT (0.0152 cents per kWh, excluding SUT), would decrease to a credit of 0.0106 cents per kWh, including SUT (0.0098 cents per kWh, excluding SUT).

Following discovery, RECO, the New Jersey Division of Rate Counsel and Board Staff (Staff) executed a Stipulation of Settlement (Stipulation) on November 20, 2017. The Stipulation allows for RECO to implement a RGGI credit of 0.0106 cents per kWh, including SUT.

As a result of the Stipulation, a typical residential customer using 808 kWh per summer month, and 7,800 kWh on an annual basis will experience a decrease in the current monthly average bill from \$112.99 to \$112.81, \$0.18 or 0.16%.

Staff recommended that the Board approve the Stipulation. Staff further recommended that the Board direct RECO to file revised tariffs consistent with the Stipulation prior to January 1, 2018.

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

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

H. Docket No. ER17111150 – In the Matter of the Provision of Basic Generation Service Tariff Sheets Reflecting Proposed Revisions to Reliability Must Run Charge – November 17 Yorktown Filing

BACKGROUND AND DISCUSSION: On January 5, 2017, Dominion Energy Services, Inc., formerly Dominion Resources Services, Inc. (Dominion) filed for a Deactivation Avoidable Cost (DAC) Rate with the Federal Energy Regulatory Commission (FERC) for two generating units, Yorktown 1 and 2, (collectively, Yorktown Units) located in Yorktown, Virginia, in FERC Docket No. ER17-750-000. (Dominion FERC Filing) On March 2, 2017, FERC accepted Dominion’s filing for DAC rates, effective January 6, 2017.

On June 14, 2017, the U.S. Department of Energy (DOE) issued an emergency order (June DOE Emergency Order) in which it determined that the continued operation of the Yorktown Units is necessary to maintain grid reliability in the North Hampton Roads area east of Richmond, Virginia. As a result of the June DOE Emergency Order, and based on discussions with PJM in light of that Order, Dominion submitted a filing to FERC stating that Dominion and the Market Monitor for PJM agreed to initial rates while negotiations on the DAC Rates continued. In July 2017, PJM issued a statement that the June billing would reflect Deactivation charges/credits for the extension of the Yorktown Units, effective January 5, 2017.

On November 7, 2017, Atlantic City Electric Company, Jersey Central Power & Light Company, Public Service Electric and Gas Company and Rockland Electric Company (collectively, the Electric Distribution Companies (EDCs)) filed a joint petition (November 2017 Yorktown Reliability Must Run (RMR) Petition) with the Board requesting recovery of FERC approved changes in transmission service related charges. The EDCs requested that the changes in rates, if approved, be effective for service rendered on or after December 1, 2017.

The EDCs’ proposed tariff changes reflect changes to the Basic Generation Service (BGS) Residential and Small Commercial Pricing (BGS-RSCP) and Commercial and Industrial Energy Pricing (BGS-CIEP) rates to customers resulting from changes in the PJM OATT relating to costs the suppliers will be assessed by PJM pursuant to the RMR charges related to the Dominion FERC Filing.

The EDCs also requested that the BGS suppliers be compensated for this increase that was effective January 5, 2017, with any differences between payments to BGS-RSCP and BGS-CIEP suppliers and charges to customers will flow through BGS Reconciliation Charges. Because BGS suppliers began paying these increased transmission charge in June 2017, the EDCs requested a waiver of the 30-day filing requirement.

No comments were received from Rate Counsel or any other party.

Staff recommended that the Board issue an order approving the changes to the BGS-RSCP and BGS-CIEP rates requested by each EDC for the RMR Charges resulting from the Dominion FERC Filing, effective January 1, 2018. Staff also recommended that the Board authorize the EDCs to collect from BGS customers, the costs associated with the Dominion FERC Filing and track such collections until receipt of a Final FERC Order in the matter. Staff further recommended that the Board direct the EDCs to file tariffs and rates consistent with the Board's findings by January 1, 2018.

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

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

I. Docket No. GO17111130 – In the Matter of the Petition of South Jersey Gas Company for Approval to Continue its Storm Hardening and Reliability Program and Associated Recovery Mechanism.

BACKGROUND AND DISCUSSION: On November 2, 2017, South Jersey Gas Company (SJG or Company) filed a petition with the Board for approval to continue its Storm Hardening and Reliability Program (SHARP II) and associated cost recovery mechanism.

Staff recommended that the Board retain this matter for hearing at the Board, and designate Commissioner Dianne Solomon as the presiding Officer who is authorized to rule on all motions that arise during the pendency of these proceedings and modify any schedules that may be set as necessary to secure a just and expeditious determination of the issues. Staff also recommended that the Board direct any entities seeking to intervene or participate in this matter file the appropriate application with the Board by January 12, 2018.

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

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

- J. Docket No. ER17010003 – In the Matter of the Federal Energy Items for 2017 – FERC Docket No. ER17-217 – Jersey Central Power and Light submitted revisions to OATT Re: Attachment H Formula Rate/Protocol – See Executive Session.**

Carolyn McIntosh, Deputy Attorney General, Division of Law, presented this matter.

BACKGROUND AND DISCUSSION: This matter was discussed in executive session pursuant to attorney-client privilege exception to the Open Public Meetings Act. Staff requested taking actions consistent with the discussion in executive session.

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

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

- K. Docket No. AN17120012 – FirstEnergy Service Company, et al. v. New Jersey Board of Public Utilities, et. al. – See Executive Session.**

Geoffrey R. Gersten, Deputy Attorney General, Division of Law, presented this matter.

BACKGROUND AND DISCUSSION: This matter was initially discussed in executive session pursuant to attorney-client privilege exception to the Open Public Meetings Act. Staff requested to taking actions consistent with the discussion in executive session.

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

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

3. CABLE TELEVISION

There were no items in this category.

4. TELECOMMUNICATIONS

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

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

BACKGROUND AND DISCUSSION: On September 26, 2017, Business Automation Technologies d/b/a Data Network Solutions (DNS) filed a petition requesting that the Board adjudicate on a billing dispute with regard to an interconnection agreement (ICA), a wholesale advantage contract and a forbearance contract between the parties. DNS

claimed that Verizon New Jersey, Inc. (Verizon) has breached the ICA by rendering improper bills, refusing to correct them, refuse to provide service to new customers, process DNS service orders and cease collection activity until the formal petition filed by DNS is resolved. DNS requested that the Board order Verizon to lift the embargo which prevents DNS from obtaining new customers, order services and process DNS service orders that was placed on DNS on July 24, 2017.

Staff recommended the transmittal of all ICA related issues in dispute to the Office of Administrative Law for hearing and initial disposition as a contested case pursuant to N.J.S.A. 52:14B-1 et seq. and N.J.S.A. 52:14F-1 et seq.

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

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

B. Docket No. TM17111152 – In the Matter of the Application of Verizon New Jersey, Inc. for Approval of the Sale and Conveyance of Real Property Located in the Borough of Beach Haven, Ocean County New Jersey to Tri Bee, LLC.

BACKGROUND AND DISCUSSION: On November 9, 2017, Verizon New Jersey Inc. (VNJ or Petitioner) filed a petition with the Board seeking approval of the sale and conveyance of real property located in the Borough of Beach Haven, Ocean County, New Jersey (Property), to Tri Bee, LLC. (Buyer) for the consideration of \$851,500.00. VNJ maintained that the Property would not be required for any present or prospective utility purposes.

The Petitioner stated that the Property had been advertised for sale on August, 24, 28, and September 4, 2017, in the Asbury Park Press. This time, 75 prospective buyers received bid document packages. On September 14, 2017, 4 bids were received and opened. The Petitioner accepted the high offer for the Property from the Buyer in the amount of \$851,500.00 and entered into Purchase agreement. The Petitioner believed that the Buyer's bid of \$851,500.00 was the best price attainable for the Property and represents the fair market value of the Property.

Staff recommended that the Board approve the Petitioner's request as the sale of the Property will not affect the ability of the company to provide safe, adequate or proper service.

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

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

5. WATER

A. Docket No. WM17050462 – In the Matter of the Petition of Suez Water New Jersey, Inc. for Approval of the Sale and Conveyance of Approximately 1.69+/- Acres of Land in the Township of North Bergen, County of Hudson and the Granting and Transfer of Certain Easements in Connection Thereto, Pursuant to N.J.S.A. 48:3-7 and N.J.A.C. 14:1-5.6.

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

BACKGROUND AND DISCUSSION: On May 5, 2017, SUEZ Water New Jersey, Inc. (SUEZ, Petitioner, or Company), filed a petition with the Board seeking approval to sell real property owned by the Company, transfer the necessary easements to be located on the property, and receive a waiver of the otherwise applicable advertising and bidding requirements.

SUEZ provides water service to approximately 200,000 water customers in portions of Bergen, Hudson, Passaic, Morris, Hunterdon and Sussex Counties. SUEZ also supplies water service to municipalities, including the Township of Saddle Brook, the Borough of Fairlawn, the Borough of Saddle River, the Borough of Allendale, the Borough of Mahwah, the Village of Ridgewood and the Borough of Ramsey.

The Property being sold is known and designated as 5900 Tonnelles Avenue in the Township of North Bergen (North Bergen), County of Hudson, New Jersey. The Property is comprised of approximately 8.94 acres of land. The Company sought approval to sell an approximate 1.69+/- acre subdivided portion of Block 185, Lot 3 to the Township of North Bergen. The improvements on the Property include equipment and facilities for an active pump station. The pump station equipment and facilities will remain on the Property and will be retained by SUEZ and will not be part of the 1.69+/- acre land sale. The sale price is \$1,600,000.00.

The Petitioner requested that 100% of the net proceeds resulting from the sale of the Property be credited to retained earnings.

The New Jersey Division of Rate Counsel (Rate Counsel) submitted comments stating that it did not object to Board approval of the sale of the Property and the Company's request for a waiver of the advertising and bidding requirements. However, Rate Counsel objected to the Company's proposed accounting treatment for the gain on the sale. Rate Counsel stated that the net gain on the sale should be shared equally (50%/50%) between customers and shareholders.

Staff recommended that the Board waive the advertising requirements regarding the sale of utility property and approve the sale of the North Bergen property. Staff further recommended that the ratemaking treatment of the gain resulting from the sale of the Property be deferred until the Company's next base rate case.

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

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

B. Docket No. WF17091022 – In the Matter of the Petition of Suez Water New Jersey, Inc. for Authority to Redeem \$130 Million Principal Amount EDA Bonds.

Mark C. Beyer, Chief Economist, presented this matter.

BACKGROUND AND DISCUSSION: On September 28, 2017, Suez Water New Jersey, Inc. (Company, or Petitioner) filed a petition with the Board seeking approval to redeem \$130 million principal amount EDA bonds (Redemption). The requested Redemption of the Economic Development Authority (EDA) Bonds will result in a premium of 102% or a cost of approximately \$2.6 Million. In its petition, the Company also requested authority to amortize: (i) any of the unamortized costs associated with the EDA Bonds, and (ii) the premium to be paid on the EDA Bonds, over the life of the new debt.

In connection with the Redemption, the Petitioner's parent company, SUEZ Water Resources Inc., plans to launch a private placement of approximately \$275 million to, among other things, refinance the Petitioner's EDA Bonds related debt at the parent company level (Refinance). The lower interest rates will result in an approximate total savings of \$7 Million of the EDA Bonds over the remaining life of the current bonds (or 8 years for the Company). This will result in a reduction in the overall cost of debt for SUEZ Water Resources from 5.15% at August 31, 2017 to approximately 4.75% based upon the projected debt rate.

The Redemption and Refinance will allow the Company to lower its overall cost of capital while providing quality service to the public at the lowest possible cost. The issuance and sale of the new bonds in connection with the Refinance, under current market conditions, would bear an interest rate significantly lower than the existing interest rate of the EDA Bonds and would therefore enable the Petitioner to optimize interest savings. The proposed Redemption would therefore be of financial benefit to the Petitioner and its customers.

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.

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

6. RELIABILITY & SECURITY

There were no items in this category.

7. CUSTOMER ASSISTANCE

A. Docket Nos. BPU WC16121151U and OAL PUC 08455-17 – In the Matter of Super 8 Motel, Petitioner v. SUEZ Water Company, Inc., Respondent – Billing Dispute.

Eric Hartsfield, Director, Division of Customer Assistance, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved a billing dispute between Super 8 Motel and Suez Water NJ (Suez or Company). The petition was transmitted to the Office of Administrative Law on June 2, 2017, for hearing as a contested case. Administrative Law Judge (ALJ) Irene Jones filed an Initial Decision in this matter with the Board on October 13, 2017. On November 17, 2017, Super 8 Motel filed exceptions to the Initial Decision with the Board.

ALJ Jones, in her Initial Decision concluded that at a September 7, 2017 hearing, Suez and Super 8 Motel agreed to settle this matter with Super 8 Motel receiving a discount on its outstanding bill. Pursuant to the terms of the agreement, Super 8 Motel was to pay \$5,065.55 by September 30, 2017. ALJ Jones determined that Super 8 Motel had failed to abide by the terms of the agreement or more specifically, to pay the agreed upon amount. ALJ Jones ruled that Super 8 Motel shall pay \$8,345.73 for water service.

On November 17, 2017, Super 8 Motel filed exceptions. Super 8 Motel stated that the Company was not adhering to the Settlement and was threatening to shut the water off. On November 25, 2017, Suez submitted a reply to the exception, in which it stated that Super 8 Motel did not execute the Settlement Agreement in a timely manner. The Company stated that although delayed, the Settlement has been executed properly by both parties and Super 8 Motel's account was in good standing.

On November 21, 2017, Staff was advised by Suez that the Settlement was adhered to, and there was no collection activity pending on Super 8 Motel's account. Therefore, Staff recommended that the Board reject the Initial Decision and adopt the fully-executed Settlement Agreement.

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

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

8. CLEAN ENERGY

A. Docket No. QO17121232 – In the Matter of the Clean Energy Programs and Budget for Fiscal Year 2017, Energy Efficient Product Program – Payments – See Executive Session.

Andrew Kuntz, Deputy Attorney General, Division of Law, presented this matter.

BACKGROUND AND DISCUSSION: This matter was initially discussed in Executive Session pursuant to the attorney/client privilege to the Open Public Meetings Act, and it involved clean energy programs and budgets for fiscal year 2017 and the energy

efficient products programs. Staff recommendation was consistent with the recommendations in executive session, that the Board authorized President Mroz to execute the settlement agreement in accordance with the terms set forth.

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

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

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

Docket No. EO12090880V – In the Matter of the Implementation of L. 2012, C. 24, N.J.S.A. 48:3-87(Q)(R) and (S) – Proceedings to Establish the Processes for Designating Certain Grid-Supply Projects as Connected to the Distribution System; and

Docket No. QO13101020 – Brickyard, LLC

Renee Greenberg, Deputy Attorney General, Division of Law, presented this matter.

BACKGROUND AND DISCUSSION: On August 21, 2013, Brickyard, LLC (Brickyard) received approval of a 2 MWdc solar system (Phase I) under Subsection q of the Solar Act. Brickyard then applied for approval of a 0.362 MWdc system (Phase II), to be constructed as a second phase of the first system. The Board denied this for Energy Year 2015 had already been allocated to other applicants in the first-in-time process approved by the Board.

Brickyard subsequently filed an appeal, but Staff and Brickyard reached a settlement agreement on April 6, 2015, which the Board approved on April 15, 2015. The settlement agreement repeatedly referenced Brickyard's obligation to comply with the terms of Subsection q and with prior Board orders issued pursuant to Subsection q, including the requirement that a Subsection q project must achieve commercial operation within two years of its date of designation by the Board or its designation becomes null and void. Should this occur, the project "shall not be considered connected to the distribution system thereafter," the project would forfeit its escrow, and is not, therefore, eligible to create solar renewable energy certificates.

In April 2016, Brickyard filed a motion, seeking an extension of time to complete construction past its May 31, 2016, deadline as its contractor required more time. The Board denied Brickyard's motion. Subsequently, Brickyard filed an appeal of the Board's denial, alleging that the Board acted arbitrarily and capriciously by denying its request for an extension when a few months earlier the Board had granted a similar request from a petitioner which, according to Brickyard, was similarly situated.

On October 20, 2017, the Appellate Division remanded the matter to the Board for further consideration. In remanding, the Appellate Division agreed with the Board that the Settlement Agreement was unambiguous regarding Brickyard's completion deadline and Brickyard, as an EY 2015 project, had until May 31, 2016, to commence commercial operation.

Staff recommended that the Board deny Brickyard's extension request.

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

Roll Call Vote:

President Mroz	Aye
Commissioner Fiordaliso	Aye
Commissioner Holden	Aye
Commissioner Solomon	Aye

C. Docket No. QO17111214 – In the Matter of Approval of a Memorandum of Understanding between The New Jersey Board of Public Utilities and the New Jersey Department of Community Affairs – The Comfort Partners Program.

Sherri Jones, Assistant Director, Renewable Energy Program Administrator, Office of Clean Energy, presented this matter.

BACKGROUND AND DISCUSSION: This matter involved a Memorandum of Understanding (MOU) between the Board and the New Jersey Department of Community Affairs (DCA) for the continuing operation of the New Jersey Comfort Partners Program (Comfort Partners).

The Comfort Partners Program is a nationally recognized and award-winning program that helps reduce the energy burden for those citizens most in need. Since its inception in 2001, *The New Jersey Clean Energy Program™* and New Jersey investor-owned electric and natural gas utility companies have joined together in Comfort Partners to help income-qualifying families and individuals save energy and money by making their homes more energy efficient through direct installation of cost-effective energy efficiency measures, comprehensive and personalized customer energy education and counseling, and installation of health and safety measures as appropriate. It also offers long-term savings opportunities by reducing burdens on the Universal Service Fund program. As of September 30, 2017, Comfort Partners has helped nearly 108,000 families since it was launched in 2001.

Board Staff and the utilities that administer Comfort Partners have found that coordination of services between the federally funded Weatherization Assistance Program (WAP), administered by the DCA and Comfort Partners is beneficial and an effective way to extend the reach of the program. Both Comfort Partners and WAP serve a similar subset of the New Jersey population and share a common goal of reducing the energy burden for low-income customers who spend a disproportionate amount of their income on energy costs. The programs have a similar approach in the way they educate, assess, and install measures for New Jersey low-income residents. These common program goals and methodologies provide a unique opportunity to leverage resources, funding, and capabilities for the purposes of more comprehensively and efficiently serving customers.

Staff recommended that the Board approve the Memorandum of Understanding between the Board and DCA and authorize President Mroz to execute the MOU on behalf of the Board. The MOU will be finalized pending sign-off by the Commissioner of DCA, which is expected within a week.

Commissioner Solomon stated that it's a wonderful program and it's great that we are now consulting with other agencies to make sure that the dollars that are available for

programs such as this, whether it be the NJBPU, the DCA, or other agencies are coordinated as part of the programs.

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

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

9. MISCELLANEOUS

A. Docket No. QO17101024 – In the Matter of the New Jersey Board of Public Utilities – Natural Gas Vehicle Incremental Cost Grant Program Modifications.

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

BACKGROUND AND DISCUSSION: On October 20, 2017, the Board approved the Natural Gas Vehicle Incremental Cost Grant Program and authorized Staff to publish the application for grant awards and a description of the grant approval process. Staff posted the application form and description of the grant approval process on the Office of Clean Energy (OCE) website and sent an announcement to OCE email lists.

Staff began accepting applications at 12:00 p.m. on November 20, 2017. The application window was set to close at 12:00 p.m. on December 20, 2017. As of December 18, BPU had received no applications. Staff therefore recommended a second application round in which applications will be accepted from 12:00 p.m. on January 2, 2018 to 12:00 p.m. on April 2, 2018. Staff also recommended expanding the application eligibility criteria from seven counties at present to include all 21 counties in New Jersey and increasing the award caps from \$20,000.00 to \$25,000.00 per vehicle and from \$40,000.00 to \$50,000.00 per applicant as detailed in the Natural Gas Vehicle Incremental Cost Grant Application. Staff would conduct outreach to increase public awareness of the availability of these grant awards. As in the first application round, funds will be awarded on a first-come, first serve basis.

Staff recommended that the Board approve the revised grant program, authorize Staff to publish the revised application for grant awards, and authorize the President to approve disbursement of the grand awards on a first-in-time basis and execute the requisite grant agreements.

President Mroz stated that although it's a modest program, he was a little disappointed that we didn't get applications. He added that hopefully with the expansions, we will get some applications.

Commissioner Holden said that some of the lack of interest may have been due to the fact that there is being more interest in electric vehicles. While the Commissioner felt that natural gas vehicles are becoming the flip phones of vehicles, she added that there was still a lot of opportunity in larger fleet vehicles such as garbage trucks and buses.

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

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

James A. Boyd, Jr., Esq., Legal Specialist, Office of the Chief Counsel, presented these matters.

B. Docket No. AX17050469 – In the Matter of the Proposed Rule Making for Infrastructure Investment Programs: N.J.A.C. 14:3-2A.1, et seq.

BACKGROUND AND DISCUSSION: This matter involved Staff recommending that the Board releases for publication the proposal for a new Subchapter regarding the implementation of an Infrastructure Investment Program (IIP) that will allow a utility to construct, install, or remediate utility plant and facilities related to reliability, resiliency, and/or safety to provide safe and adequate service. The IIP is a regulatory initiative intended to create a financial incentive for utilities to accelerate the level of investment needed to promote the timely rehabilitation and replacement of certain non-revenue producing components that enhance reliability, resiliency, and/or safety.

The rule proposal was approved by the Board at the June 30, 2017 Agenda Meeting and was subsequently published in the August 7, 2017 N.J. Register. A 60-day public comment period followed and expired on October 6, 2017.

Staff received, catalogued, and summarized public comments for review and responses. Public comments were significant and could be categorized broadly into three main groups:

- One group is opposed the rule in its entirety due to a perception that the rule is unnecessary and will unfairly and unnecessarily, increase rates significantly. Commenters included in this group are Rate Counsel, AARP, NJ Large Energy Users Coalition, and others.
- The next group supports the rule in its entirety due to its potential to create jobs through utility spending. This group includes labor and trade unions.
- The final group supports the rule substantially but seeks amendments to provide more opportunity for infrastructure investments. This group includes the utilities and the NJUA in general.

Staff recommended that the Board approve the proposed new subchapter to be filed with the Office of Administrative Law for adoption in the New Jersey Register.

President Mroz stated that 9B regards a set of rules that were proposed through a process undertaken over a number of months. He added that this was a process begun last year with stakeholders around infrastructure investments and the hope was to provide a foundational filing construct for the companies who are doing infrastructure filings because the BPU has otherwise been doing those filings essentially on an ad hoc basis. President Mroz stated that he thinks this is an example where the rule went through a process, but in the end believes that this is a rule that is, not only a workable rule, but a very valuable rule.

Commissioner Solomon stated that we've spent quite a good deal of time in evaluating this proposal, getting input, and, getting to a product that we could all agree upon.

Commissioner Fiordaliso stated that these rules that James presented were controversial, and we were able to compromise, and negotiate changes that everybody was able to live with. He added that's how government is supposed to work, but it hasn't been that way, unfortunately, in Trenton or in Washington. The Commissioner said that's why it seems like we're standing still in many cases, because people aren't willing to sit down and compromise. The Commissioner said he wants to say thank you to colleagues for that because it was a give-and-take proposition.

Commissioner Holden said that part of those days were always exhausting, but you went home exhilarated because you felt that you accomplished something. It was really a great process.

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

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

C. Docket No. AX17050468 – In the Matter of the Proposed Amendments to N.J.A.C. 14:1-5.12, et seq. – Tariff Filings for Petitions Which Propose Increases in Charges to Customers.

BACKGROUND AND DISCUSSION: This matter involved Staff proposing an amendment to N.J.A.C. 14:1-5.12 to allow a utility to implement provisional rates after the suspension periods have elapsed pursuant to N.J.S.A. 48:2-21(d), but prior to the Board's final decision in a base rate case. Under the proposed rule, a utility may implement a provisional rate increase equal to the full amount requested in the base rate case, or a lesser amount, following the expiration of the suspension periods, subject to refund with interest.

The rule proposal was approved by the Board at the June 30, 2017 Agenda Meeting and was subsequently published in the August 7, 2017 N.J. Register. A 60-day public comment period followed and expired on October 6, 2017.

Staff received, catalogued, and summarized public comments for review and responses. Public comments were significant and could be categorized broadly into two main groups:

- One group opposed the rule in its entirety due to a perception that the rule will unfairly, and unnecessarily, increase rates significantly. Commenters included in this group are Rate Counsel, AARP, NJ Large Energy Users Coalition, Legal services of New Jersey, and others.
- The other group supported the rule in its entirety due to its potential to create jobs through utility spending and for utilities to implement provisional rates whenever a case is litigated or otherwise takes longer than duration of Board ordered suspension periods. This group includes NJ Utilities Association, Individual utilities, and labor/trade unions.

Board Staff recommended that the Board approves the proposed amendments to be filed with the Office of Administrative Law for adoption in the New Jersey register.

President Mroz stated that this rule had a robust process in and around it. He added that to the extent that there really were no parameters on the implementation of these kinds of rates in this setting, it was incumbent upon the Board to adopt those parameters in a rule. President Mroz thanked everyone that worked on it in the industry, all commentators, Mr. Boyd, and staff for bringing this rule to the Board.

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

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

D. Docket Number AX17111144 – In the Matter of Consolidated Tax Adjustment Rulemaking.

BACKGROUND AND DISCUSSION: President Mroz recused himself from this matter. This matter involved Staff proposing a new paragraph to N.J.A.C. 14:1-5.12 that will require a utility that submits a Tariff Filing or Petition which proposes increases in charges to customers pursuant to this rule to include a Consolidated Tax Adjustment (CTA) analysis with supporting information and documents as part of the filing requirements in a base rate case.

The new paragraph adjusts the scope of a CTA analysis by:

1. Shall be for five consecutive tax years including the complete tax year within the utility's proposed test year;
2. The calculated CTA shall be allocated so that the rate base adjustment may be reduced by up to 25% of the full CTA; and
3. The transmission portion of an Electric Distribution Company's income shall not be included in the calculation of CTA.

By Order dated January 23, 2013, the Board directed Board staff to convene all interested parties to participate in a proceeding to review issues related to the CTA. Staff solicited and received information from interested parties through multiple notices to comment on issues related to CTA policy and non-confidential comments received were posted publicly on the Board's website.

Based on the comments received, staff recommended to the Board that the current CTA policy should remain in effect except as amended in three ways:

1. Limit the time period for a CTA calculation to the petitioner's five consecutive tax years from the beginning of the test year;
2. Establish a savings allocation that would allow 75% of the calculated tax savings to be retained by the company and 25% of the calculated savings to be allocated to the ratepayers; and
3. Establish that transmission assets of Electric Distribution Companies shall not be included in CTA calculations. Staff notified the Board of its intention to distribute the proposed recommendations to all interested parties.

The notice containing Staff's proposal was published in the New Jersey Register on July 7, 2014 at 46 N.J.R. 1657(a). Additionally, the proposal was distributed to all interested parties and posted on the Board's website with a request that written comments on the proposed modification of the CTA policy be submitted on or before Monday, August 18, 2014.

After receiving written comments in response to the proposal, the Board determined that, based on the complete record, there is a sound policy argument for continuing the CTA and the Board concurred with staff's proposed modifications. On December 17, 2014, the Board entered an Order modifying the Board's current CTA policy to include staff's recommended changes, which was subsequently overturned by the New Jersey Appellate Court. This proposed rule is in furtherance of implementing the Board's CTA modifications in accordance with formal rulemaking as required by the Appellate Court in its decision. The purpose of a CTA is to ensure that the ratepayers who pay a utility's federal income tax expense share in the tax benefits that members of the consolidated tax filing receive.

Staff recommended that the Board approve the proposed new paragraph to be filed with the Office of Administrative Law for adoption in the New Jersey Register.

Commissioner Holden stated that as always with these rules, there is contention. She added that But a lot of work went into this one and she thinks it's nice and tight the way it's done. She said it's a long time coming and we should have done this originally obviously. She said at least we have something as a method that people can understand a rate base method.

President Mroz thanked staff, particularly Mr. Boyd, for all their work and also thanked everyone who participated in this process on all of these matters. President Mroz stated that he thought all these matters coming before the Board provide us with the opportunity to say and be quite proud of the fact that we continue to take our position seriously about providing regulatory certainty, while protecting the ratepayers.

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

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

EXECUTIVE SESSION

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

2. ENERGY

J. Docket No. ER17010003 – In the Matter of the Federal Energy Items for 2017 – FERC Docket No. ER17-217 – Jersey Central Power and Light submitted revisions to OATT Re: Attachment H Formula Rate/Protocol.

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

K. Docket No. AN17120012 – FirstEnergy Service Company, et al. v. New Jersey Board of Public Utilities, et. al.

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

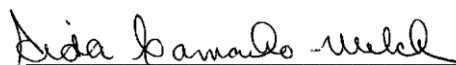
8. CLEAN ENERGY

A. Docket No. QO17121232 – In the Matter of the Clean Energy Programs and Budget for Fiscal Year 2017, Energy Efficient Product Program – Payments.

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

DATE: April 25, 2018