

Agenda Date: 1/23/13
Agenda Item: 2A

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

DIVISION OF ENERGY AND
OFFICE OF CLEAN ENERGY

IN THE MATTER OF THE PETITION OF PUBLIC)
SERVICE ELECTRIC AND GAS COMPANY FOR) ORDER EXTENDING 180
APPROVAL OF A SOLAR LOAN III PROGRAM AND) DAY REVIEW PERIOD
WITH AN ASSOCIATED COST RECOVERY)
MECHANISM AND FOR CHANGES IN THE TARRIFF)
FOR ELECTRIC SERVICE, B.P.U.N.J. NO. 15)
ELECTRIC PURSUANT TO N.J.S.A. 48:-2-21 AND)
N.J.S.A. 48:2-21.1) DOCKET NO. EO12080726

Parties of Record:

Matthew M. Weissman, Esq., General Regulatory Counsel-Rates and Sheree L. Kelly,
Assistant General Regulatory Counsel, for the Petitioner, Public Service Electric and Gas
Company
James E. McGuire, Esq., on behalf of KDC Solar LLC
Gary Weisman, on behalf of the New Jersey Solar Energy Coalition
Michael A. Gruin, Esq., on behalf of the Solar Energy Industries Association
William Potter, Esq., on behalf of the Mid-Atlantic Solar Energy Industries Association
Stefanie A. Brand, Esq., Director, Division of Rate Counsel

BY THE BOARD:

By this order the Board is considering a stipulation to extend the 180 day review period.

BACKGROUND AND PROCEDURAL HISTORY

On January 13, 2008, L. 2007, c. 340 ("Act") was signed into law by former Governor Corzine based on the New Jersey Legislature's findings that energy efficiency and conservation measures must be essential elements of the State's energy future, and that greater reliance on energy efficiency and conservation will provide significant benefits to the citizens of New Jersey. The Legislature also found that public utility involvement and competition in the conservation and energy efficiency industries are essential to maximize efficiencies. N.J.S.A. 26:2C-45.

Pursuant to Section 13 of the Act, codified as N.J.S.A. 48:3-98.1 (a)(1), an electric or gas public utility may, among other things, provide and invest in energy efficiency and conservation programs in its service territory on a regulated basis. Such investment in energy efficiency and conservation programs may be eligible for rate treatment approved by the New Jersey Board of Public Utilities ("Board"), including a return on equity, or other incentives or rate mechanisms that decouple utility revenue from sales of electricity and gas. N.J.S.A. 48:3-98.1(b). Ratemaking treatment may include placing appropriate technology and program cost investments in the utility's rate base, or recovering the utility's technology and program costs through another ratemaking methodology approved by the Board. An electric or gas public utility seeking cost recovery for any energy efficiency and conservation programs pursuant to N.J.S.A. 48:3-98.1 must file a petition with the Board, and the Board must make a decision on the requested cost recovery within 180 days of receipt of a complete petition. N.J.S.A. 48:3-98.1(b).

By Order dated May 23, 2012 ("May 2012 Order") the Board accepted the recommendations of the Office of Clean Energy ("OCE") which had reviewed, at the Board's direction, the programs of the electric distribution companies ("EDCs") which provide financial incentives for the development of solar energy in the State. In the May 2012 Order, the Board adopted the OCE recommendation to extend the EDCs' solar financing programs by 180 MW over a three year period. The share of the 180 MW allocated to Public Service Electric and Gas Company ("PSE&G" or "Company") is 97.5 MW based on a three year program.

August 2012 Filing

On August 1, 2012, PSE&G filed its petition with the Board, requesting approval of a three year solar financing program, the Solar Loan III Program, pursuant to N.J.S.A. 48:3-98.1. In addition, the Company proposes to recover all program costs through a new component of its electric Regional Greenhouse Gas Initiative Recovery Charge using a weighted average cost of capital to calculate a return on its investment. PSE&G proposes to invest up to \$193 million over a three-year period by providing loans to parties to develop the Company's allocated share of 97.5 MW of dc solar systems as delineated in the May 2012 Order.

On August 31, 2012, the Staff of the Board ("Board Staff") advised PSE&G that for this petition, Board Staff was amending the minimum filing requirements in Appendix A of the May 12, 2008 Board Order in Docket No. EO08030164 to waive any deficiencies that may be present in the Company's filing without precluding subsequent request for any information, and the petition was thus deemed administratively complete. Therefore, the Board's 180-day review period under N.J.S.A. 48:2-98.1(b) commenced on August 1, 2012 and will expire on January 28, 2013 (the "Review Date").

By an Order dated September 13, 2012, the Board determined to retain this matter for review, designated Commissioner Joseph L. Fiordaliso as the presiding commissioner, and adopted a procedural schedule. The current parties have engaged in discovery and participated in settlement and discovery conferences. As of December 19, 2012, they have not been able to resolve all outstanding issues.

In light of the fact that the parties' discussions may not be completed and a resolution may not be ready for submission to the Board by the Review Date, Rate Counsel, Staff and the Company executed a stipulation on December 11, 2012 whereby Board Staff, Rate Counsel and the Company agreed to request an extension pursuant to N.J.S.A. 48:2-21.3 to April 1,

2013, to provide the Board with additional time to complete the processing of the petition and issue a final determination in this matter.

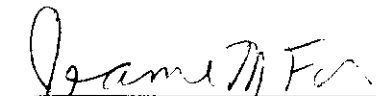
DISCUSSION AND FINDING

The Board has carefully reviewed the record to date in this matter. The Board is satisfied and **HEREBY FINDS** that the stipulation is reasonable and is in public interest as it will provide additional time for a thorough review of the proposed Solar Loan III Program, and allows for the development of a full and complete record for review by the Board. Accordingly, the Board **HEREBY ADOPTS** the attached Stipulation as its own, incorporating by reference its terms and conditions as if fully set forth herein.


DATED: 1/23/13

BOARD OF PUBLIC UTILITIES
BY:



ROBERT M. HANNA
PRESIDENT

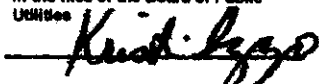

JEANNE M. FOX
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER


NICHOLAS ASSELTA
COMMISSIONER


MARY-ANNA HOLDEN
COMMISSIONER

ATTEST:

KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities


In the Matter of the Petition of Public Service Electric and Gas Company for Approval of a Solar Loan III Program and Associated Cost Recovery Mechanism and for Changes in the Tariff for Electric Service, Pursuant to N.J.S.A. 48:3-98.1
Docket EO12080726

SERVICE LIST

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STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF)
PUBLIC SERVICE ELECTRIC AND GAS) **STIPULATION**
COMPANY FOR APPROVAL OF A SOLAR)
LOAN III PROGRAM AND AN ASSOCIATED) BPU Docket No. EO12080726
COST RECOVERY MECHANISM AND FOR)
CHANGES IN THE TARIFF FOR)
ELECTRIC SERVICE.)
B.P.U.N.J. NO. 15 ELECTRIC PURSUANT TO)
N.J.S.A. 48:2-21 AND N.J.S.A. 48:2-21.1)

APPEARANCES:

Matthew M. Weismann, General Regulatory Counsel-Rates and **Sheree L. Kelly**, Assistant General Regulatory Counsel, for the Petitioner, Public Service Electric and Gas Company

James Glassen, Esq., Assistant Deputy Rate Counsel and **Sarah H. Steindel, Esq.**, Assistant Deputy Rate Counsel (**Stefanie A. Brand, Esq.**, Director, New Jersey Division of Rate Counsel)

Alex Moreau and **T. David Wand**, Deputy Attorneys General, for the Staff of the New Jersey Board of Public Utilities (Jeffrey S. Chiesa, Attorney General of New Jersey).

TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

1. On August 1, 2012, Public Service Electric and Gas Company ("PSE&G") filed its Petition ("Petition") with the Board of Public Utilities ("Board" or "BPU"), requesting approval of the Solar Loan III Program ("Program") and an associated rate recovery mechanism pursuant to N.J.S.A. 48:3-98.1 et seq. ("the RGGI Act"). More specifically, PSE&G proposed to provide loans to borrowers to develop 97.5 MW of solar photovoltaic systems.

2. On August 31, 2012, the Staff of the Board ("Board Staff") advised PSE&G that for this Petition, Board Staff was amending the minimum filing requirements in Appendix A of the May 12, 2008 Board Order in Docket No. E008030164 to waive any filing deficiencies that may be present in the Company's Petition without precluding subsequent request for any information, and the Petition was thus deemed administratively complete. Therefore, the Board's 180-day review period under the RGGI Act commenced on August 1, 2012 and will expire on January 27, 2013 (the "RGGI date").

3. By an Order dated September 13, 2012 the Board determined to retain this matter for review, designated Commissioner Joseph L. Fiordaliso as the presiding hearing officer and adopted a procedural schedule. Following the filing of the Petition, the undersigned parties have engaged in extensive discovery and participated in settlement and discovery conferences. While the undersigned parties continue to discuss settlement, they have not been able to reach a settlement of all outstanding issues.

4. In light of the fact that the undersigned parties' discussions may not be completed and a settlement may not be ready for submission to the Board by the RGGI date, they have agreed to request an extension to April 1, 2013 in order to provide the Board with additional time to complete the processing of the Petition and issue a final determination in this matter.

Accordingly, the undersigned parties hereby **STIPULATE AND AGREE** as follows:

5. The undersigned parties, pursuant to N.J.S.A. 48:2-21.3, have agreed to extend the 180-day RGGI Period for Board action on PSE&G's Petition, required under

N.J.S.A. 48:3-98.1, to accommodate the deadlines in the amended schedule attached hereto. The new deadline for Board action on the Petition is April 1, 2013.

6. This Stipulation represents a mutual balancing of interests, contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event any particular aspect of this Stipulation is not accepted and approved in its entirety by the Board, any of the undersigned parties aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion. More particularly, in the event this Stipulation is not adopted in its entirety by the Board, in any applicable Order(s), then any of the undersigned parties hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed.

WHEREFORE, the undersigned parties hereto do respectfully submit this Stipulation and request that the Board issue a Decision and Order approving an extension until April 1, 2013.

JEFFREY S. CHIESA
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the New Jersey
Board of Public Utilities

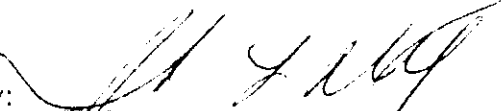
PUBLIC SERVICE ELECTRIC AND
GAS COMPANY

By:



Alex Moreau
Deputy Attorney General

By:

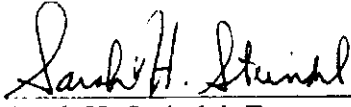


Sheree L. Kelly
Assistant General Litigation
Counsel

Dated: December 10, 2012

Dated: December 10, 2012

DIVISION OF RATE COUNSEL
STEFANIE A. BRAND, DIRECTOR

By: 
Sarah H. Steindel, Esq.
Assistant Deputy Rate Counsel

Dated: December 11, 2012