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OCT 09 2018

BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

October 5, 2018

**VIA FEDERAL EXPRESS and  
ELECTRONIC MAIL**

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RECEIVED  
CASE MANAGEMENT

OCT 09 2018

BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

**RE: In the Matter of the Implementation of L. 2018, c. 16 Regarding the Establishment of a Zero Emission Certificate Program for Eligible Nuclear Power Plants  
BPU Docket No. EO18080899**

**In the Matter of the Application of Butler Electric Utility for Approval to Implement a Zero Emission Certificate ("ZEC") Charge and Tariff Page(s) Related Thereto in Support of the ZEC Program Authorized by N.J.S.A. 48:3-87.3 et seq. and a Board Order Initiating the ZEC Program, Dated August 29, 2018  
BPU Docket No. EO18091018**

Dear Secretary Camacho-Welch:

The undersigned is Borough Attorney and counsel to Butler Electric Utility ("Utility") in connection with the above docketed matters. Please accept this letter filing in lieu of a more formally styled Petition in connection with the above referenced matter(s).

By Order dated August 29, 2018, the Utility was directed by the New Jersey Board of Public Utilities (the "Board" or "BPU") to file a tariff with the Board, seeking BPU's approval to recover from the Utility's retail distribution customers outside of the Borough of Butler a ZEC charge in the amount of \$0.004 per kilowatt-hour<sup>1</sup> in accordance with legislation that was signed into law by Governor Philip D. Murphy on May 23, 2018. The legislation, L. 2018, c. 16 (C. 48:3-87.3 to 48:3-87.7) (herein, the "Act"), established a ZEC Program to provide ratepayer-funded subsidies for New Jersey's nuclear energy supply, in order to preserve the fuel diversity, air quality, and other environmental attributes of nuclear energy. An eligible nuclear energy generator seeking to participate in the ZEC Program must submit an application to the Board demonstrating that it meets certain qualifications. If the Board

<sup>1</sup> The ZEC charge in the amount of \$0.004 per kilowatt hour does not include the application of New Jersey Sales and Use Tax.

CMS  
List copied

approves the application and the nuclear energy generator is selected to participate in the ZEC Program, then each New Jersey electric distribution Utility is mandated to purchase ZECs and, as referenced above, must recover its procurement of ZECs through a non-bypassable ZEC charge in the amount of \$0.004 per kilowatt-hour.

Consistent with the Board's August 29, 2018 Order Initiating the Zero Emission Certificate Program, Designating Commissioner, and Setting Forth Manner of Service and Bar Date (the "ZEC Order"), and pursuant to the requirements of the Act, the Utility is enclosing an original and 11 copies of this cover letter and supporting exhibits in support of its request to establish a ZEC Recovery Charge on all customers outside of the Borough of Butler, as outlined above. The attachments include a proposed Tariff Sheet (**Exhibit A**) and a Notice of Filing and Public Hearings announcing two (2) local public comment hearings to be held in the Utility's service territory on Tuesday, October 30, 2018 (**Exhibit B**).

The Act provides that the Board shall approve the tariff sheet(s) after notice, an opportunity for comment, and public hearings within 60 days after the tariff filing is made. N.J.S.A. 48:3-87.5(j). Based upon the terms of the ZEC Order, it is anticipated that the Board will act upon this filing at the open public meeting currently scheduled for Monday, November 19, 2018.

Communications and correspondence regarding this matter should be sent to the undersigned counsel at the following address:

Robert H. Oostdyk, Jr., Esq.  
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51 Route 23 South  
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Phone: (973) 835-0100 Fax: (973) 835-1732  
[roostdyk@murphymckeonlaw.com](mailto:roostdyk@murphymckeonlaw.com)

with copies to the following representative of the Utility:

James Lampmann, Borough Administrator  
Borough of Butler  
One Ace Road  
Butler, New Jersey 07405  
Phone: (973) 838-7200  
[jlampmann@butlerborough.com](mailto:jlampmann@butlerborough.com)

In light of the requirements of the Act and the directives embodied in the ZEC Order, the Utility respectfully requests that the Board issue an Order as follows:

- A. finding that the Utility is authorized to implement the Zero Emission Certificate Recovery Charge at the level set forth in this filing, in the Act, and as approved by the Board in its August 29, 2018 ZEC Order; and
- B. for such other or further relief as the Board may deem just and reasonable.

Kindly return one date stamped and "filed" copy of this correspondence and its exhibits to the undersigned in the self-addressed, postage-prepaid envelope provided.

Thank you for your cooperation and courtesies. Feel free to contact me with any questions.

Respectfully submitted,

MURPHY McKEON, P.C.

*Robert H. Oostdyk, Jr.*  
Robert H. Oostdyk, Jr.

RHO/dmd

cc: Honorable Joseph L. Fiordaliso, President, BPU

# Proposed Tariff Sheet

BOROUGH OF BUTLER  
BPU No. 1 - ELECTRICITY

Revised Sheet No. 1

TABLE OF CONTENTS

Territory Served

Sheet No. 2

Standard Terms and Conditions

Sheets Nos. 3-7 inclusive

Rate Schedules as Listed Below:

Applicable in Entire Territory  
Served for

Rate  
Schedule

Sheet  
No.

Residential Service

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All-Electric Home Service

2

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General Service

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Issued: October 22, 2018

Effective for Service rendered on or after

Issued by James P. Lampmann  
Borough Administrator  
Butler, New Jersey

Revised Sheet No. 23

**Borough of Butler Electric Utility  
BPU No. 1 Electricity  
Rate Schedule No. 7  
Sales and Use Tax  
Zero Emission Certificate Charge**

In accordance with P.L. 1997, c. 162, all charges for electricity supplied are subject to the New Jersey Sales and Use Tax ("SUT") as computed by multiplying the charges that would apply before application of the SUT by **0.06625**

The New Jersey Board of Public Utilities issued a Zero Emission Certificate (ZEC) Charge Order in connection with BPU Docket No. EO18080899 authorizing implementation of a non-bypassable, irrevocable charge of .004 dollars per KWH. The ZEC charge reflects the emission avoidance benefits of the continued operation of selected nuclear plants.

The ZEC Charge shall be applied to the KWH usage on the bills of all customers outside of the Borough of Butler served under this schedule.

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Issued:	Effective for service rendered on or after -----
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Issued by James P. Lampmann  
Borough Administrator  
Butler, New Jersey

Filed pursuant to Order of the Board of Public Utilities  
Dated August 29, 2018 in Docket No. EO18080899

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**Borough of Butler Electric Utility**  
**Impact On A 500 and 1,000 KWH Residential User for ZEC Charge**  
**Outside of the Borough of Butler**

**500KWH User**

	<u>Rates</u>	<u>Without ZEC</u>	<u>With ZEC</u>	<u>Increase</u>	
				<u>Amount</u>	<u>Percentage</u>
Base charge:					
0-15 KWH	\$3.98	\$ 3.98	\$ 3.98		
16-500 KWH	\$0.039919	19.36	19.36		
LEAC	\$0.088557	44.28	44.28		
ZEC	\$0.004000		2.00		
		67.62	69.62		
Sales tax	6.625%	4.48	4.61		
		<u>\$ 72.10</u>	<u>\$ 74.23</u>	<u>\$ 2.13</u>	<u>2.96%</u>

**1,000 KWH User**

	<u>Rates</u>	<u>Without ZEC</u>	<u>With ZEC</u>	<u>Increase</u>	
				<u>Amount</u>	<u>Percentage</u>
Base charge:					
0-15 KWH	\$3.98	\$ 3.98	\$ 3.98		
16-600 KWH	\$0.039919	23.35	23.35		
600-1,000 KWH	\$0.031831	12.73	12.73		
LEAC	\$0.088557	88.56	88.56		
ZEC	\$0.004000		4.00		
		128.62	132.62		
Sales tax	6.625%	8.52	8.79		
		<u>\$ 137.14</u>	<u>\$ 141.41</u>	<u>\$ 4.26</u>	<u>3.11%</u>

# Proposed Public Notice



## NOTICE TO BUTLER ELECTRIC UTILITY CUSTOMERS

### IN THE MATTER OF THE IMPLEMENTATION OF L. 2018, c. 16 REGARDING THE ESTABLISHMENT OF A ZERO EMISSION CERTIFICATE PROGRAM FOR ELIGIBLE NUCLEAR POWER PLANTS

#### Notice of a Filing and Notice of Public Hearings BPU Docket No. EO18091018

**TAKE NOTICE** that Butler Electric Utility filed a Tariff with the New Jersey Board of Public Utilities (the "Board") seeking the Board's approval to recover from its outside of Borough of Butler distribution customers a Zero Emission Certificate ("ZEC") charge in the amount of \$0.004 per kilowatt-hour, before the application of Sales and Use Tax ("SUT") in accordance with legislation that was recently passed creating a ZEC program. On May 23, 2018, Bill S-2313 was signed into law, which established a ZEC program to maintain New Jersey's nuclear energy supply. An eligible nuclear plant seeking to participate in the ZEC Program must submit an application to the Board demonstrating that it meets certain qualifications. If the Board approves the application and a nuclear plant is selected to participate in the ZEC Program, then each New Jersey electric distribution company is mandated by the State to purchase ZECs and must recover its procurement of ZECs through a non-bypassable charge (ZEC charge) in the amount of \$0.004 per kilowatt-hour.

The illustrative chart below shows the estimated bill impact of the proposed increases in charges for each rate class, although the actual effect on specific customers will vary according to the applicable rate schedule and level of the individual customer's usage.

Residential Electric Service				
Typical Average Monthly Bill (Includes Sales and Use Tax) Outside of Borough of Butler				
	Increase			
	Present Charges	Proposed Charges	Amount	Percent
500 kWh average monthly use	\$72.10	\$74.23	\$2.13	2.96%
1,000 kWh average monthly use	137.14	141.41	4.26	3.11

Copies of the Tariffs are available for inspection at the Borough of Butler Municipal Building at One Ace Road, Butler, New Jersey 07405, and at the Board of Public Utilities, 44 South Clinton Avenue, 7th Floor, Box 350, Trenton, New Jersey 08625 during normal business hours 9:00 a.m.- 4:30 p.m. Monday through Friday. Comments can be submitted to [zec.tariff@bpu.nj.gov](mailto:zec.tariff@bpu.nj.gov). A copy of the filing is also available on the Borough's website at: <http://www.butlerborough.com/cit-e-access/webpage.cfm?TID=19&TPID=15542>.

PLEASE TAKE NOTICE that public hearings on this matter have been scheduled at the following dates, times and places:

Date: October 30, 2018  
Times: 4:00 p.m. and 6:00 p.m.  
Location: Borough of Butler  
Meeting Room  
One Ace Road  
Butler, NJ 07405

Members of the public are invited to attend and present their views. Information provided at the public hearings will become part of the record of the case and will be considered by the Board in making its decision. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations for disabled citizens to the Office of the Secretary of the Board at (609) 777-3300 at least 48 hours prior to the scheduled hearing so that appropriate arrangements can be made.

Customers may file written comments with the Secretary of the Board of Public Utilities at 44 South Clinton Avenue, 3rd Floor, Suite 314, PO Box 350, Trenton, New Jersey 08625-0350, ATTN: Aida Camacho-Welch, regardless of whether they attend the public hearings.

**BUTLER ELECTRIC COMPANY**

In the Matter of the Implementation of L. 2018, c. 16 Regarding the Establishment of a Zero Emission Certificate Program  
for Eligible Nuclear Power Plants Order Initiating the Zero Emission Certificate Program, Designating Commissioner,  
Setting Manager of Service  
BPU Docket No. EO18080899

In the Matter of the Application of Butler Electric Utility for Approval to Implement a Zero  
Emission Certificate ("ZEC") Charge and Tariff Page(s) Related Thereto in Support of the ZEC  
Program Authorized by N.J.S.A. 48:3-87.3 et seq. and a Board Order Initiating the ZEC Program, Dated August 29, 2018  
BPU Docket No. EO18091018

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