



State of New Jersey
DIVISION OF RATE COUNSEL
140 EAST FRONT STREET, 4TH FL
P.O. BOX 003
TRENTON, NEW JERSEY 08625

PHIL MURPHY
Governor

SHEILA OLIVER
Lt. Governor

STEFANIE A. BRAND
Director

November 8, 2018

Via E-Mail and Regular Mail

All Persons on the Attached Service List

**RE: I/M/O Morris Area Energy Cooperative - Commercial Utility
Consultants and Concord Energy Services
BPU Dkt. No.: Pending**

Hon. Mayors and Borough and Township Council and Committee Members:

The State Division of Rate Counsel writes to provide our comments on the draft public opt-out notice for the second round of the Morris Area Energy Cooperative (“MAEC”) Program, an Option 2 government energy aggregation program pursuant to N.J.A.C. 14:4-6.1 et seq. The MAEC Program is organized by eleven municipalities: the Boroughs of Bay Head, Florham Park, Lincoln Park, Mendham, Mount Arlington, Riverdale, Rockaway, Union Beach and Wharton, and the Townships of Long Hill and Mine Hill (collectively “the Municipalities”). The draft public notice for the Municipalities was provided to this office by Commercial Utility Consultants, Inc. and Concord Energy Services (“Energy Agents” or “CUC”), the Energy Agent for the MAEC Program, on October 29, 2018.

As you may recall, by letter dated July 6, 2018 this office provided comments on the two draft bidding documents to the Municipalities, as members of the MAEC Program, filed by the Energy Agents on June 26, 2018 (“June 26 Filing”) with Rate Counsel and the Board of Public Utilities (“BPU” or “Board”). The June 26 Filing advised that the Borough of Wharton will serve as the Lead Agency for the MAEC Program. Rate Counsel recommended that the Municipalities have a municipal attorney review the June 26 Filing documents along with our comments. Rate Counsel reiterates that recommendation here. Since our July 6 comment letter speaks for itself, we limit our comments here to only the draft public opt-out notice.

The draft opt-out public notice must provide the information required by the Board rules. N.J.A.C. 14:4-6.6(r)(9). The Board requires filling out the Third-Party Supplier Contract Summary using “plain language.” N.J.A.C. 14:4-6.6(r)(9)(iv). The MAEC Contract Summary “statement regarding savings” indicates that “there is no

guarantee of savings.” However, the dated cover letter from the MAEC Program to individual ratepayers on the previous page (in its final paragraph) advises residents that they may opt out if they choose not to receive the “anticipated energy savings.” The dated letter from the Mayor to individual ratepayers also references “continuing” to save money and “experiencing” savings. Read together, these statements present a confusing, and potentially misleading, picture of whether participating residents will actually save money, i.e., pay less than those who decide to remain on Basic Generation Service. These documents should be reconciled to accurately convey whether or not savings are guaranteed.

The MAEC Third-Party Supplier Contract Summary is missing certain information. The “Right to Cancel/Rescind” field should state that participants may opt out at any time without penalty. While a similar statement is in the “Renewal Terms” field, Board rules require including it in the Right to Cancel/Rescind field.¹ The Renewal Terms field should also state what will occur upon the conclusion of the Program, i.e., whether participants will automatically be returned to Basic Generation Service. (This information is included on the “Frequently Asked Questions” page, in response to Question #16.)

The Contract Summary states that it takes one to two billing cycles from the submission of a cancellation request to change a customer opting out of the MAEC Program back to Basic Generation Service. However, the dated cover letter from the MAEC Program to the individual ratepayer on the previous page states (in footnote 3) that a change back to Basic Generation Service typically takes one full meter read cycle. These documents should be reconciled.

The Contract Summary also directs residents seeking more information to a web page for IDT Energy (www.IDTEnergy.com); however, it is unclear where that IDT page posts information on the MAEC program. Moreover, entering the Wharton, N.J. zip code into that web site provides pricing information that differs from the rate in the Contract Summary.

We note that, while BPU rules require the lead agency to provide a copy of the draft public notice to the Board and Rate Counsel for review before sending it to customers, N.J.A.C. 14:4-6.6(s), neither Rate Counsel nor the BPU “oversees” energy aggregation programs. We recommend modifying the dated cover letter from the Mayor to residents and the Frequently Asked Questions (#17) accordingly.

The Board’s Government Energy Aggregation program rules require that the notice to residential customers must include “a contact name, phone number, and e-mail address for customer inquiries.” N.J.A.C. 14:4-6.6(r)(7). Rate Counsel recommends

¹ As per the “GEA Program Summary Standardized Format” on the BPU web site. N.J.A.C. 14:4-6.6(r)(9).

adding to the draft opt-out public notice the name of a person at the selected third-party supplier (IDT) for prospective customers to contact with questions about the MAEC Program. Since the phone number on the draft opt-out Contract Summary is a general number for a recorded directory for all customer services provided by IDT, further direction on how to obtain information specific to the MAEC Program would seem helpful.²

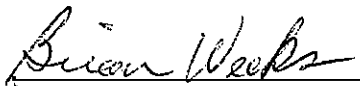
Rate Counsel recommends posting all public documents relating to the MAEC Program, including the current public opt-out notice and the final version of the June 26 Filing, on the Energy Agents' (and if possible each Municipality's) web site³ and also making them available in hard copy at a physical location (such as the municipal hall) where residents may review them. This can assist those without internet access.

Accordingly, Rate Counsel recommends revising the draft public opt-out notice documents to reflect the changes discussed above.

We again recommend having a municipal attorney for the Municipalities review the MAEC Program's June 26 Filing documents and Rate Counsel's comments on them, as well as the draft public opt-out notice and our comments on it. Of course, all documents relating to the MAEC Program, including public notices, must comply with all provisions of public utility, consumer protection and other applicable law.

Respectfully submitted,

STEFANIE A. BRAND
DIRECTOR, DIVISION OF RATE COUNSEL

By: 
Brian Weeks, Esq.
Deputy Rate Counsel

cc: Service List

² We also note that the draft public notice includes three different telephone numbers for residents to call to opt out or for more information: 866-688-5197, 855-823-9309 and 877-292-3904. It may be helpful to clarify whether the different numbers respond to different issues or whether one should be called over the others.

³ We suggest updating the information on the second round of the MAEC Program on the Energy Agents' web site. See <http://njaggregation.us/maec/>.

**I/M/O Morris Area Energy Cooperative
Program – Commercial Utility Consultants
and Concord Energy Services (MAEC)
BPU Dkt. No.:**

Caroline Vachier, DAG
Dept. of Law & Public Safety
Division of Law
124 Halsey St., P O Box 45029
Newark, New Jersey 07101

Emma Xiao, DAG
Dept. of Law & Public Safety
Division of Law
124 Halsey Street, P. O. Box 45029
Newark, NJ 07101

Stefanie Brand, Director
Division of Rate Counsel
140 E. Front St., 4th floor
P O Box 003
Trenton, NJ 08625

Brian O. Lipman, Esquire
Division of Rate Counsel
140 E. Front St., 4th floor
P O Box 003
Trenton, NJ 08625

Ami Morita, Esquire
Division of Rate Counsel
140 E. Front St., 4th floor
P O Box 003
Trenton, NJ 08625

Brian Weeks, Esquire
Division of Rate Counsel
140 E. Front St., 4th floor
P O Box 003
Trenton, NJ 08625

Celeste Clark
Division of Rate Counsel
140 E. Front St., 4th floor
P O Box 003
Trenton, NJ 08625

Aida Camacho Welch
NJ Bd. of Public Utility
44 So. Clinton Avenue, Ste. 314
P O Box 350
Trenton, NJ 08625

Jackie Galka
NJ Bd. of Public Utility
44 So. Clinton Avenue, Ste. 314
P O Box 350
Trenton, NJ 08625

Bart Kilar
NJ Bd. of Public Utility
44 So. Clinton Avenue, Ste. 314
P O Box 350
Trenton, NJ 08625

Jim Kane
NJ Bd. of Public Utility
44 So. Clinton Avenue, Ste. 314
P O Box 350
Trenton, NJ 08625

Tara Pasca, CEP
Concord Engineering
520 So. Burnt Mill Road
Voorhees, New Jersey 08043

Jon Rheinhardt, Business Administrator
Borough of Wharton
10 Robert Street
Wharton, NJ 07885

Mayor William J. Chegwiddden
Borough of Wharton
10 Robert Street
Wharton, NJ 07885

Mayor Bill Curtis
Borough of Bayhead
83 Bridge Avenue
Bayhead, NJ 08742

Patricia Applegate, Borough Clerk
Borough of Bayhead
83 Bridge Avenue
Bayhead, NJ 08742

Sheila Williams, Municipal Clerk
Borough of Florham Park
111 Ridgedale Avenue
Florham Park, NJ 07932

Mayor Mark Taylor
Borough of Florham Park
111 Ridgedale Avenue
Florham Park, NJ 07932

Mayor David Runfeldt
Borough of Lincoln Park
34 Chapel Hill Road
Lincoln Park, NJ 07035

Cynthia Sloane
Borough of Lincoln Park
34 Chapel Hill Road
Lincoln Park, NJ 07035

Mayor Guy Piserchia
Township of Long Hill
915 Valley Road
Long Hill, NJ 07933

Debbie Brooks, Clerk & Registrar
Township of Long Hill
915 Valley Road
Long Hill, NJ 07933

Mayor Neil Henry, Jr.
Borough of Mendham
2 West Main Street, Phoenix House
Mendham, NJ 07945

Mimi Marlora, Borough Clerk
Borough of Mendham
2 West Main Street, Phoenix House
Mendham, NJ 07945

Mayor Michael Stanzillis
Borough of Mount Arlington
419 Howard Boulevard
Mount Arlington, NJ 07856

Linda DeSantis, Borough Clerk
Borough of Mount Arlington
419 Howard Boulevard
Mount Arlington, NJ 07856

Mayor Paul Carelli
Borough of Riverdale
91 Newark-Pompton Turnpike
Riverdale, NJ 07457

Abubakar Jalloh, Municipal Clerk
Borough of Riverdale
91 Newark-Pompton Turnpike
Riverdale, NJ 07457

Mayor Russell Greuter
Borough of Rockaway
1 East Main Street
Rockaway, NJ 07866

Sheila Seifert, Borough Clerk
Borough of Rockaway
1 East Main Street
Rockaway, NJ 07866

Mayor Paul Smith Jr.
Borough of Union Beach
650 Poole Avenue
Union Beach, NJ 07735

Anne Marie Friscia, Municipal Clerk
Borough of Union Beach
650 Poole Avenue
Union Beach, NJ 07735

Amanda Macchia
Township of Mine Hill
10 Baker Street
Mine Hill, NJ 07803

Mayor Sam Morris
Township of Mine Hill
10 Baker Street
Mine Hill, NJ 07803