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COUNSELLORS-AT-LAW

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January 31, 2018

**VIA OVERNIGHT MAIL**

Aida Camacho-Welch, Executive Assistant  
Office of the Secretary  
Board of Public Utilities  
44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314  
Post Office Box 350  
Trenton, New Jersey 08625-0350

RECEIVED  
CASE MANAGEMENT

FEB 01 2018

BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

RECEIVED  
MAIL ROOM

FEB 01 2018

BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

**Re: In the Matter of the Application of the Borough of Butler  
for an Order Approving a Levelized Energy Adjustment Clause  
(L.E.A.C.) for April 1, 2018 to June 30, 2018**

Dear Ms. Camacho-Welch:

ER18020090

Enclosed please find an original and ten (10) copies of a Petition for L.E.A.C. Adjustment on behalf of the Borough of Butler Electric Utility along with an original and ten (10) copies of a proposed Notice of Public Hearing for processing. I have forwarded copies to all the necessary departments as per the attached service list.

CMS  
LEGAL  
DAG  
RPA  
S. Peterson  
T. Walker  
ENERGY (4) JOC  
ECONOMIST (1)  
RHO/dmd  
Enclosures

Very truly yours,

MURPHY McKEON P.C.

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

cc: Attached Service List

FEB 01 2018

BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

STATE OF NEW JERSEY

BOARD OF PUBLIC UTILITIES

RECEIVED  
MAIL ROOM

FEB 01 2018

BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

In the Matter of the Application	)	PETITION
of the BOROUGH OF BUTLER for an	)	Docket Nos.
Order Approving a Levelized Energy	)	BPU:
Adjustment Clause (L.E.A.C.) for	)	OAL:
April 1, 2018 to June 30, 2018	)	PETITION

TO: THE HONORABLE BOARD OF  
PUBLIC UTILITY COMMISSIONERS  
OF THE STATE OF NEW JERSEY

Your Petitioner, the Borough of Butler (hereinafter referred to as "Butler Electric"), respectfully says that:

1. Petitioner is a Municipal Corporation of the County of Morris and State of New Jersey with offices located at the Municipal Building, One Ace Road, Butler, New Jersey, 07405.

2. By Order, Docket No. ER 16010092 dated May 25, 2016, it was provided that the Petitioner would continue to implement a L.E.A.C. rate as follows:

(A) Butler Electric will file a petition once every two years for its periodic L.E.A.C. by the Board. Butler Electric filed this Petition on February 1, 2018; therefore the next filing will be due on February 1, 2020.

(B) The Parties agree that the L.E.A.C. cap is \$0.151718 per kilowatt hour.

(C) In addition to the Required Filing Contents outlined in Schedule A of the Company's annual filings, any future L.E.A.C. Petition must contain the following additional information ("Minimum Filing Requirements"):

- (1) Total annual cost per kwh.
- (2) Total fixed cost per kwh, with reference to contract price.
- (3) Total pass-through costs per kwh, with reference to contract terms.
- (4) Total kwhs purchased.
- (5) The underlying reasoning and assumptions behind the growth factor with schedules demonstrating the derivation of such projections.
- (6) A chart listing the actual total kwh sold, the percentage of kwh sold outside of Butler for each month to the total kwh sold for the last two years.
- (7) A comparison of the projected growth factor to the actual growth factor for sales outside the Borough of Butler for the last two years, with schedules demonstrating the calculations of actual growth factors.
- (8) A detailed calculation of the projected line loss percentage, as well as historic line losses for the past five years. In addition, identify the line loss projected in the Borough's last filing with the Board.
- (9) All supporting calculations with respect to the over/under collections during the last two years and the interest calculation based upon the NJ Cash Management Fund interest pursuant to Docket No. ER01010076.



(10) The supporting calculations and/or explanations for any changes in the L.E.A.C. methodology since the method used to determine rates in the last filing.

(D) In order to expedite the processing of the Borough's filings, the Parties agree to follow the 3 month schedule for future L.E.A.C. Petitions:

(1) Butler to file a complete L.E.A.C. Petition with all documents as required by statute. In addition, Butler will file the following documents as set forth in the Required Filing Content and Minimum Filing Requirement by February 1 every two years. A hard copy of the Petition will be filed along with an electronic copy to be sent on February 1. The L.E.A.C. Petition will include a draft public notice. Before publishing the public notice, Butler agrees to circulate to all parties the final public notice for discussion among the parties.

(2) Any discovery by Staff or Rate Counsel shall be submitted by no later than March 1.

(3) Responses to discovery shall be supplied by Butler no later than March 15.

(4) Butler shall circulate a draft Stipulation by no later than April 1.

(5) Staff will prepare an agenda package prior to the Board's May agenda as long as we have resolution of the issues and a signed Stipulation one week prior to the May agenda deadline for paperwork.

(E) If the schedule is not kept by any Party, or if the Required Filing Contents or Minimum Filing

Requirements are incomplete or are not pre-filed with the Petition and provided to the Parties, the Parties recommend that the Board send the matter to the Office of Administrative Law for expeditious resolution of the matter in the ordinary course.

- (1) A public hearing will be held to correspond to these bi-annual filings.
- (2) The parties will execute a Confidentiality Agreement if requested by Butler.
- (3) Butler must make its revised tariff available for public inspection on its website in accordance with N.J.A.C. 14:3-1.3(h).
- (4) Purchase Power Agreement - When the Company's existing Power Purchase Agreement expires, it will file, along with a copy of the executed agreement, the following information with the Board within one month of execution of new Power Purchase Agreement:
  - (a) A full description of the procurement process;
  - (b) Copies of all Requests for Proposals issued for supply;
  - (c) Copies of all responses to Requests for Proposals;
  - (d) All analyses of bids received;
  - (e) An analyses of the term(s) proposed;
  - (f) An explanation as to how and why the winning bidder was selected, including information on both price and term; and

- (g) An estimate of power supply costs in each year during the term of the contract.

3. Since the last filing, Petitioner has filed for adjustments of the L.E.A.C. rate which are as follows:

Service Rendered:

- (A) July 1, 2016 - September 30, 2016 - L.E.A.C. rate \$.076699 per KWH.
- (B) October 1, 2016 - December 31, 2016 - L.E.A.C. rate \$.077767 per KWH.
- (C) January 1, 2017 - May 31, 2017 - L.E.A.C. rate \$.077664 per KWH.
- (D) June 1, 2017 - June 30, 2017 - L.E.A.C. rate \$.074634 per KWH.
- (E) July 1, 2017 - September 30, 2017 - L.E.A.C. rate \$.074202 per KWH.
- (F) October 1, 2017 - December 31, 2017 - L.E.A.C. rate \$.071636 per KWH.
- (G) January 1, 2018 - March 31, 2018 - L.E.A.C. rate \$.071616 per KWH.

6. Pursuant to the Order, Docket No. ER03010063, OAL Docket No. PUC 3783-03N, all purchased power costs will be recovered through the L.E.A.C. rate.



7. The Petitioner's auditor has prepared numerous exhibits in support of its request for a new L.E.A.C. rate. Annexed hereto and made a part hereof are the following exhibits:

Schedule A	Summary of Required Filing Contents
Schedule B	Projection of Kilowatt Hours Purchased for the Period April 1, 2018 through March 31, 2019
Schedule C-1	Purchased Power Projection for the Period January 1, 2018 through March 31, 2019
Schedule C-2	Managed Contracts Cost Worksheet
Schedule C-3	P.A.S.N.Y. Purchased Power Projection for the Period April 1, 2018 through March 31, 2019
Schedule D	Estimated Purchases, Billed Sales and Loss Factor for the Period April 1, 2018 through March 31, 2019
Schedule D-1	Schedule of Historical Line Losses
Schedule D-2	Monthly Billing Analysis for the Year Ended December 31, 2017
Schedule D-3	Monthly Billing Analysis for the Year Ended December 31, 2016
Schedule E	Summary of Projected Purchased Power Costs and Recoveries for the Period January 1, 2018 through March 31, 2019
Schedule E-1	Schedule of Interest on Over Recoveries for the Year Ended December 31, 2017 and December 31, 2016
Schedule F	Calculation of the Required L.E.A.C. Rate for the Period April 1, 2018 through June 30, 2018
Schedule G	Summary of Purchased Power Costs and Recoveries for the Year Ended December 31, 2017 and 2016
Schedule H	Butler Electric Utility Tariff to be Effective April 1, 2018

Schedule I      Summary of bids received and contracts awarded of the following dates:

02/29/2016  
05/16/2016  
08/03/2016  
12/15/2016  
1/11/2017  
1/17/2017

Schedule J      Purchased Power Costs for the Year Ended December 31, 2017

Schedule K      Gross Operating Billings for the Year Ended December 31, 2017. Estimated Gross Operating Billings for the Year Ended December 31, 2018 and Percentage Change from Previous Year

Schedule L      Impact on 1,000 KWH Residential User Outside of the Borough of Butler

Schedule L-1    Customer Information

Schedule M      2017 Paid Power Bills:

PPL (Talen) Energy  
Nextera Energy  
PJM  
PASNY

Schedule N-1    Information Pertaining to Managed Contracts

**NOW, THEREFORE,** the Petitioner respectfully requests:

(1) That the Board of Public Utilities approve a new L.E.A.C. for the Borough of Butler in the amount of \$0.074179 per KWH for services rendered after April 1, 2018;

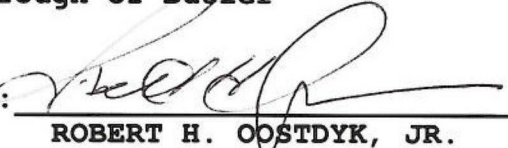
(2) That the Board approve of the continuance of the implementation of the L.E.A.C. rate as authorized by the Order of the Board of Public Utilities, Docket No. 16010092 dated May 25, 2016.

(3) That an Order be entered accordingly.



MURPHY McKEON P.C.  
Attorneys for Petitioner,  
Borough of Butler

By:

  
ROBERT H. OOSTDYK, JR.

Dated: *January 2*, 2018

Person to Whom Communications  
Should be Addressed:

ROBERT H. OOSTDYK, JR., ESQ.  
Murphy McKeon P.C.  
51 Route 23 South  
P.O. Box 70  
Riverdale, NJ 07457  
(973) 835-0100

STATE OF NEW JERSEY       )  
                                      : SS  
COUNTY OF MORRIS        )

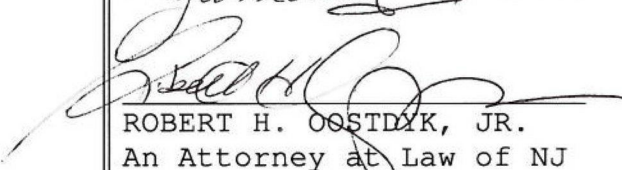
**JAMES LAMPMANN**, of full age, being duly sworn according to law upon his oath, deposes and says:

1. I am the Borough Administrator of the Borough of Butler, the Petitioner herein, and am authorized to make this Affidavit on its behalf.

2. The facts in the foregoing Petition are true and I believe the opinions expressed are correct.

  
\_\_\_\_\_  
JAMES LAMPMANN

Sworn and Subscribed to  
before me this 30<sup>th</sup> day  
of January, 2018.

  
\_\_\_\_\_  
ROBERT H. OOSTDYK, JR.  
An Attorney at Law of NJ