

New Jersey Register a notice describing the Board’s action on the petition in accordance with (h) below.

(h) In accordance with N.J.S.A. 52:14B-4(f) and N.J.A.C. 1:30-4.2(a), the Board shall take one of the following actions on the petition:

1. Deny the petition, in which case the notice of action shall explain the reasons for the denial;
2. Grant the petition and initiate rulemaking within 90 days of granting the petition; or
3. Refer the matter for further deliberations. The Board shall conclude its further deliberations within 90 days of the referral. Upon conclusion of such further deliberations, the Board shall either deny the petition and provide a written statement of its reasons or grant the petition and initiate rulemaking within 90 days of granting the petition. The results of these further deliberations shall be mailed to the petitioner and shall be submitted to the Office of Administrative Law for publication in the New Jersey Register.

(i) In accordance with N.J.A.C. 1:30-4.2(b), a specific period of more than 90 days for further deliberations under (h)3 above and/or to initiate a rulemaking proceeding under (h)2 or 3 above may be agreed upon, in writing, by the petitioner and the Board. An agreement to extend either period or both periods shall constitute an action on the petition for which notice shall be submitted to the Office of Administrative Law for publication in the New Jersey Register.

SUBCHAPTER 7. CONFERENCES AND SETTLEMENTS

14:1-7.5 Approval of settlements

A settlement includes any agreement between the parties that resolves disputed matters and may end all or part of the case. No settlement shall be deemed approved by the Board unless acted on in accordance with N.J.S.A. 48:2-40.

SUBCHAPTER 8. CONTESTED CASE HEARINGS

14:1-8.1 Contested case procedures

(a) Staff shall make the initial determination of whether a matter is a contested case. That determination is subject to review by the Board.

(b) The hearing in any matter which is determined by the Board to be a contested case shall be conducted pursuant to the procedures in the Administrative Procedure Act, N.J.S.A. 52:14B-1 and 52:14F-1, the Uniform Administrative Procedure Rules, N.J.A.C. 1:1-1, and the Board of Public Utilities Rules of Special Applicability, N.J.A.C. 1:14.

14:1-8.5 Motions to reopen

(a) After [issuance] the effective date of the final decision, a party may file for the reopening of the proceeding. Upon filing by any party of a motion for the reopening of a proceeding, appropriate notice thereof shall be given forthwith by the moving party to all other parties, or their attorneys of record, by service of a copy of the motion for reopening.

(b)-(c) (No change.)

14:1-8.6 Rehearing, reargument, or reconsideration

(a) A motion for rehearing, reargument, or reconsideration of a proceeding may be filed by any party within 15 days after the [issuance] effective date of any final decision or order by the Board.

1.-2. (No change.)

(b) (No change.)

SUBCHAPTER 9. UNCONTESTED CASE PROCEEDINGS

14:1-9.1 Uncontested case proceedings

This subchapter applies only to a matter [which the Board determines] that is determined to constitute an uncontested case. Where the Board determines to hold a hearing in an uncontested case, said hearing shall be conducted pursuant to this section and, in the absence of a specific provision herein, pursuant to the Uniform Administrative Procedure Rules, N.J.A.C. 1:1, and the Board of Public Utilities Rules of Special Applicability, N.J.A.C. 1:14.

SUBCHAPTER 10. COMPLIANCE WITH ORDERS, DECISIONS, AND RECOMMENDATIONS

14:1-10.1 Orders and decisions

Upon [issuance] the effective date of an order or decision of the Board, the party to whom the same is directed must notify the Board on or before the date specified in said order or decision, whether or not compliance has been made in conformity therewith.

14:1-10.4 Answers to communications

Unless otherwise specified, any letter or [telegram] notice from the Board directing investigation of any matter under its jurisdiction must be complied with by the utility and a report received by the Board within 15 days from the date of the letter or [telegram] notice. If circumstances prevent compliance with this [rule] section, the utility must advise the Board, in writing within the above prescribed period, of its inability to comply and the reasons therefor.

(a)

BOARD OF PUBLIC UTILITIES

Electric Service

Proposed Readoption with Amendments: N.J.A.C.

14:5

Proposed New Rules: N.J.A.C. 14:5-8.7, 9.5, and 9.8

Proposed Repeal: N.J.A.C. 14:5-9.2

Authorized By: Board of Public Utilities, Richard S. Mroz, President, Joseph L. Fiordaliso, Mary-Anna Holden, and Dianne Solomon, Commissioners.

Authority: N.J.S.A. 48:2-12, 48:2-13, 48:2-16, 48:2-25, and 48:3-96. Calendar Reference: See Summary below for explanation of exception to calendar requirement.

BPU Docket Number: EX15010033.

Proposal Number: PRN 2015-029.

Comments may be submitted through May 15, 2015, by e-mail in Microsoft Word format, or in a format that can be easily converted to Word, to: rule.comments@bpu.state.nj.us or on paper to:

Kenneth Sheehan, Secretary
 NJ Board of Public Utilities
 Attn: Docket No. EX15010033
 44 South Clinton Avenue, 9th Floor
 PO Box 350
 Trenton, NJ 08625-0350

The agency proposal follows:

Summary

The Board is proposing to readopt with amendments, new rules, and a repeal the provisions of N.J.A.C. 14:5, Electric Service, which are scheduled to expire on August 13, 2015, pursuant to N.J.S.A. 52:14B-5.1.c(2). The Electric Service rules delineate the requirements that electric distribution companies (EDCs) subject to the jurisdiction of the Board of Public Utilities (Board) must abide by in such areas as the construction, inspection, and maintenance of a utility plant, the testing and accuracy of electric meters, residential underground extensions, vegetation management and the maintenance and preservation of records and accounts. These rules are necessary in that they relate directly to the provision of safe, adequate, and proper service by regulated New Jersey electric distribution companies. As the Board has provided a 60-day comment period on this notice of proposal, this notice is excepted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5.

The substantive provisions of the chapter proposed for readoption with amendments, new rules, and a repeal by the Board are summarized as follows:

N.J.A.C. 14:5-1.1 delineates the scope and applicability of Chapter 5 and is proposed for readoption without amendment. Specifically, this section states that all EDCs are required to comply with the provisions

contained in Chapter 5 and the provisions of the Board's rules for all utilities contained in Chapter 3.

N.J.A.C. 14:5-1.2 includes a list of definitions for terms that are used throughout Chapter 5. The section is proposed for amendment to add the following newly defined terms: "ANSI," "danger tree," "electric overhead transmission corridor," "hazard tree," "lock out zone," and "mitigate." The following definitions are proposed for amendment: unscheduled interruption, Annual System Performance Report, major event, and minimum reliability level. The definition for "unscheduled interruption" is proposed to be changed to "interruption, unscheduled," without any substantive change, while the definitions for "Annual System Performance Report," "major event," and "minimum reliability level" are proposed for amendment to update cross-references, based on recodifications proposed in this rulemaking. The definition of "IEEE" is proposed for amendment to update the website and the definition of "benchmark" is proposed for deletion in its entirety. The definitions from N.J.A.C. 14:5-9.2 are proposed for relocation to N.J.A.C. 14:5-1.2. Definitions relocated with only technical/grammatical changes are: "arboricultural," "agricultural crop," "border zone," "energized conductor," "grass," "inactive transmission line corridor," "Integrated Vegetation Management," "vegetation manager," "NERC," "tree," "vegetation," "vegetation management," "vegetation manager," "wire zone," and "woody plant." Definitions relocated with substantive amendments include: "contractor," "distribution line," "electric utility arborist," "right of way," and "transmission line." The definition of "contractor" is proposed for amendment to fix a grammatical error. The definition for "distribution line" is proposed for amendment to add "operating at greater than 600 volts" after cable and delete "which delivers electricity from transformation points on the transmission system to points of connection at a customer's premises." The definition of "electric utility arborist" is proposed for amendment to remove the requirement that the person is certified as a Tree Expert by the New Jersey Department of Environmental Protection's Board of Tree Experts. Additional language was also added to clarify that the person must possess appropriate certifications, experience, education, and related training, and the competence to provide for or supervise, an EDC's integrated vegetation management program. The definition of "right of way" is proposed for amendment to add "or ROW" to the definition, so that the acronym may be used instead of the full term. The definition of "transmission line" is proposed for amendment to replace "electric distribution lines" with "electric substations or switching stations." The definition of "major event" was not relocated, as it is already defined in this section.

N.J.A.C. 14:5-2.1 pertains to the applicable standards for plant construction. This section is proposed for amendment to update the Code reference for the National Electrical Safety Code to the 2012 version, which was already effective and incorporated by reference pursuant to subsection (b). The 2012 National Electric Safety Code offers guidance to safeguard people when electrical supply and communication lines are designed, installed, operated and maintained.

N.J.A.C. 14:5-2.2 pertains to the separation and protection of communication and supply conductors or cables that are buried in the earth and is proposed for re adoption without amendment. Subsection (a) delineates the requirement that buried communication and supply conductors be separated by specified distances, depending on the type of material used to separate the buried cables. Subsection (b) provides four exceptions to the main requirement contained in subsection (a).

N.J.A.C. 14:5-2.3 pertains to the protection of buried supply conductors and cables at all crossings and is proposed for re adoption without amendment.

N.J.A.C. 14:5-2.4 pertains to the protection of communication and supply conductors or cables that are installed in the same trench generally parallel to each other and is proposed for re adoption without amendment.

N.J.A.C. 14:5-2.5 requires fault protection for cables where buried communication and power supply conductors of 550 volts or more between conductors are installed in the same trench without separation and is proposed for re adoption without amendment.

N.J.A.C. 14:5-2.6 requires each EDC to properly identify its underground cables and is proposed for re adoption without amendment.

N.J.A.C. 14:5-2.7 requires specific ground protection where communication and power supply conductors are buried in the same trench without separation and is proposed for re adoption without amendment.

N.J.A.C. 14:5-2.8 pertains to the required depths for communication and power supply cables of over 550 volts between conductors that are buried in the same trench without separation or mechanical protection and is proposed for re adoption without amendment. This section also specifies the depth that the cables should be buried.

N.J.A.C. 14:5-2.9 requires electric utilities to inspect and maintain street lighting lamps and accessories pursuant to established practice and to perform safety and service inspections before reinstalling equipment in its system and is proposed for re adoption without amendment.

N.J.A.C. 14:5-3.1 pertains to the supply of polyphase service and defines that term and is proposed for re adoption without amendment.

N.J.A.C. 14:5-3.2 pertains to the adequacy of service provided by EDCs. This section sets out the requirements for the standard average value of voltage for EDCs supplying electric energy on a constant potential system and requires EDCs supplying alternating current to adopt and maintain a suitable standard frequency. Amendments are proposed to indicate that the tolerance for voltage variability in the EDCs' supply of electric service per location, be increased to the national standard of plus or minus five percent consistent with ANSI C84.1, rather than four percent. Expansion of the tolerance limits on voltage variation are anticipated to benefit customers on distribution circuits by enabling the EDCs to more easily accommodate distributed generation and reduce wear and tear on distribution system protective equipment.

N.J.A.C. 14:5-3.3 sets out the conditions under which main service cabinets or cabinets enclosing main fuses or breakers may be sealed and is proposed for re adoption without amendment.

N.J.A.C. 14:5-3.4 requires the grounding of secondaries to be in accordance with the National Electrical Safety Code and is proposed for re adoption without amendment.

N.J.A.C. 14:5-3.5 sets out those instances in which an electric utility may refuse to connect with a customer's installation and is proposed for re adoption without amendment.

N.J.A.C. 14:5-3.6 requires EDCs to report accidents in accordance with the requirements of N.J.A.C. 14:3-6.4 and is proposed for re adoption without amendment.

N.J.A.C. 14:5-4.1 describes the equipment to be maintained by EDCs for the testing of electric meters and to the inspection of such equipment and is proposed for re adoption without amendment. Specifically, subsection (a) requires the EDC to have a testing lab and the equipment necessary to test the accuracy of the meters. Subsection (b) requires the EDCs to have portable meter testing devices. Subsection (c) requires the EDCs to have the proper equipment to test the accuracy of portable watt-hour meters, while subsection (d) requires watt-hour meters to be certified. Subsection (e) requires all portable meters to be checked against reference standards at least once a week, while subsection (f) allows the instruments and standards mentioned in this section to be certified by a standardizing laboratory that has been approved by the Board.

N.J.A.C. 14:5-4.2 requires the periodic testing of electric meters according to the schedule contained in subsection (a). Subsection (b) identifies how the kilowatt rating of a direct current meter may be determined. Subsection (c) states how all alternating current watt-hour meters installed on customers premises shall be tested. The section is proposed for re adoption without amendment.

N.J.A.C. 14:5-4.3 pertains to the accuracy of electric meters and is proposed for re adoption without amendment. Subsection (a) states the percentage of error registration that is acceptable in a meter. Subsection (b) prohibits a meter, which registers "no load" from being put into service. Subsection (c) stipulates how the accuracy of a meter shall be determined during periodic testing. Subsection (d) identifies what "light load" is. Finally, subsection (e) identifies how accuracy shall be determined for complaint testing.

N.J.A.C. 14:5-4.4 requires that all electric meters installed outdoors must be compensated for temperature variations and is proposed for re adoption without amendment.

N.J.A.C. 14:5-4.5 pertains to the adjustment of electric meters after testing and the testing for accuracy prior to installation and is proposed for readoption without amendment.

N.J.A.C. 14:5-5.1 pertains to the governance of extensions of electric service and is proposed for readoption without amendment. Specifically, they are governed by the provisions set forth in N.J.A.C. 14:3-8.

N.J.A.C. 14:5-6.1 adopts by reference the Uniform System of Accounts (USOA) for Class A and B Electric Utilities promulgated by the Federal Energy Regulatory Commission and is proposed for readoption without amendment. The purpose of the USOA is to require the affected electric utilities to adopt a uniform system of accounting by which to keep their books, records, and accounts in a manner that will afford an intelligent understanding of the conduct of their business. The USOA creates a series of accounts and a related numbering system by which to record various financial transactions pertaining to operating expense accounts, utility plant accounts, balance sheet accounts, income accounts, operating revenue accounts, and operation and maintenance expense accounts.

N.J.A.C. 14:5-6.2 adopts by reference regulations proposed for adoption by the states by the National Association of Regulatory Utility Commissioners governing the preservation of records by electric utilities and is proposed for readoption without amendment. These regulations place particular types of records into certain categories and establish period of times during which such records should be maintained. The categories established by the regulations include corporate records, automatic data processing records, general accounting records, insurance records, operation and maintenance records, personnel records, plant and depreciation records, purchase and store records, revenue accounting and collecting records, tax records, and treasury records.

N.J.A.C. 14:5-7.1 establishes guidelines to which EDCs must adhere in constructing overhead transmission lines. Subsection (b) is proposed for amendment to update the cross-reference from N.J.A.C. 14:5-8 to 14:5-9.

N.J.A.C. 14:5-8.1 sets forth the purpose and scope of Subchapter 8 as it pertains to measuring reliability and ensuring the quality of the electric service being delivered to New Jersey customers by electric distribution companies. The word "quarterly" is proposed to be added in subsection (b) after annual to state that reports will be required quarterly by proposed new N.J.A.C. 14:5-8.7 (as discussed below). Additionally, "these rules" is proposed to be replaced with "this subchapter."

N.J.A.C. 14:5-8.2 pertains to reliability performance levels and is proposed for readoption without amendment. Specifically, it requires the EDCs to perform better than the minimum reliability levels in N.J.A.C. 14:5-8.5 and that failure to maintain these levels may result in penalty.

N.J.A.C. 14:5-8.3 pertains to service reliability programs and procedures. This section requires EDCs to ensure that they maintain minimum reliability levels for their respective operating areas. The term "unduly" is proposed to be deleted from the first sentence of subsection (c).

N.J.A.C. 14:5-8.4 requires EDCs to consider power quality in the design and maintenance of their distribution power-delivery system components and to maintain power quality programs designed to promptly respond to customer reports of power quality problems and is proposed for readoption without amendment.

N.J.A.C. 14:5-8.5 pertains to individual circuit reliability performance. Subsection (a) requires EDCs to identify the reliability of their circuits on a predefined basis, while subsection (b) requires EDCs to improve the reliability of their poorest performing circuits. Subsection (c) requires EDCs to review their previous two reports in order to address the reliability performance for their operating areas. Subsection (d) requires EDCs to examine the equipment and circuits for operating areas that have values higher than the minimum performance level of CAIDI and SAIFI in two of the past three reports. Finally, the worst performing circuits and equipment serving those circuits shall be identified and corrected. The cross-reference to N.J.A.C. 14:5-8.7 in subsections (c) and (d) is proposed for amendment to N.J.A.C. 14:5-8.8 due to proposed new N.J.A.C. 14:5-8.7.

N.J.A.C. 14:5-8.6 requires each EDC to have inspection and maintenance programs for all their distribution facilities. Subsection (a) requires that a significant portion of the inspection programs should be

focused on mitigating the causes of service interruption. Subsection (b) details plans for inspections, maintenance, and recordkeeping. In addition, subsection (c) requires all EDCs to maintain records of inspection and maintenance activities. The reference in subsection (b) is proposed for amendment from N.J.A.C. 14:5-8.7(c)9 to 8.8(c)9 due to proposed new N.J.A.C. 14:5-8.7. Further, proposed new subsection (d) is added to require each EDC to track and report "hazard trees." This subsection will require each EDC to identify and record hazard trees, track hazard trees both within and outside of the existing easement or ROW that cannot be mitigated, and report this information in the Annual System Performance Report.

Proposed new N.J.A.C. 14:5-8.7 will require the EDCs to submit quarterly reports. Proposed subsection (a) will require the EDC's to track and report outage data, excluding IEEE 1366 momentary outages and major events, that includes: Outage type (primary, secondary or service line, specific equipment), circuit ID and type, source substation, number of customers on the circuit, municipality outage occurred, number of customers affected by this outage, start date/time of outage, total duration of outage in minutes, and the cause of outage (for example, vegetation, equipment failure, outside influence). It also specifies each EDC may use its own method for identifying the type of outage, that an explanatory summary of unique circumstances or potential problems identified and glossary of terms be provided, and that all outage data must be submitted in a Microsoft Office excel spreadsheet file with the explanatory summary in another Microsoft Office or Adobe Acrobat compatible format. Proposed subsection (b) requires the EDC's to submit an additional Microsoft Office Excel spreadsheet detailing outages at the substation level. This information will include the substation ID, number of outages experienced at each substation due to substation specific equipment, duration of outages, number of customers affected by each outage, and require an explanatory summary of any unique circumstances or potential problems identified. Proposed subsection (c) requires the quarterly reports be submitted in an electronic form, both in redacted and unredacted forms, in order to protect security sensitive information.

Due to proposed new N.J.A.C. 14:5-8.7, existing N.J.A.C. 14:5-8.7 through 8.12 are proposed for recodification as N.J.A.C. 14:5-8.8 through 8.13, respectively, and are discussed below based on that recodification.

Recodified N.J.A.C. 14:5-8.8 provides for the submission by EDCs of an Annual System Performance Report, by May 31st of each year and sets out the components of such report. In addition, subsection (b) requires EDCs to include their electric service reliability performance operating areas in relation to their SAIFI and CAIDI levels, with a summary value for each EDCs service territory as a whole in relation to their minimum service reliability levels for those metrics. In addition, the annual report must reflect for the previous calendar year and previous 10 years. Further, subsection (c) contains a list of the items that should be included in the EDCs annual report, including new requirements for information on each EDC's stray voltage program and planned vegetation management activities. Subsection (c) is proposed for amendment to include a new requirement, hazard tree information as required in N.J.A.C. 14:5-8.6(d)3. Furthermore, subsection (g) is proposed for amendment to require that eight percent of its worst-performing circuits are identified in each of its operating areas. Previously, only the greater of four percent or a quantity of five circuits were required. Further proposed amendments state that the EDCs are required to list the circuits that were addressed and the work completed to address them during the applicable performance year and identified at the end of the applicable performance year to be addressed in the next performance year and report this in the Annual System Performance Report. Additional proposed amendments state that the EDC must implement mitigation for these circuits no longer than one year from submission of the Annual System Performance Report and that, if the EDC contends the mitigation work cannot be completed within that timeframe, the EDC must provide a detailed explanation to the Board of the reasons.

Recodified N.J.A.C. 14:5-8.9 requires that electric utilities submit a report within 15 days of a "major event," and includes a list of the items that should be included in that report.

Recodified N.J.A.C. 14:5-8.10 sets forth the criteria for the establishment of service level values for each EDC's CAIDI and SAIFI levels; requires a review, analysis, and corrective action if the minimum

reliability level is not met; and states that the Board may adjust this minimum reliability level after considering various factors. Subsection (a) is proposed for amendment to remove the benchmark standard of a five-year average for the years 2002-2006, plus one and a half standard deviations, and to set forth each EDC's CAIDI and SAIFI levels.

Recodified N.J.A.C. 14:5-8.11 sets forth standards for the prompt restoration of service by EDCs. Subsection (a) requires EDCs to begin to restore service to an affected area within two hours of notification by two customers or more. Further, subsection (a) requires EDCs to begin the prompt restoration of service if they are made aware of an outage by their "operating management system." This is proposed to be amended to "outage management system" to correct the typographical error. Subsection (b) limits this section to disruptions of service that are not caused by a major event. Subsection (c) states that EDCs shall place the highest priority on responding to emergency situations. Finally, subsection (d) states that when the EDC is unable to respond within the two hours required by subsection (a), they shall respond as soon as possible.

Recodified N.J.A.C. 14:5-8.12 pertains to the outage management systems to be implemented by each electric utility.

Recodified N.J.A.C. 14:5-8.13, sets forth the penalties for violations of the reporting and plan and program submission requirements and for other violations of the subchapter. Subsection (a) is proposed to be amended to correct cross-references that changed based on proposed new N.J.A.C. 14:5-8.7.

N.J.A.C. 14:5-9.1 pertains to the purpose and scope of the vegetation management standards contained in Subchapter 9. This section is proposed for amendment to include "using integrated vegetation management and sound arboricultural practices" to the end of the sentence.

N.J.A.C. 14:5-9.2, Definitions, is proposed for repeal as the definitions are proposed for relocation to N.J.A.C. 14:5-1.2, as discussed above.

N.J.A.C. 14:5-9.3 pertains to the general requirements that EDCs must abide by in the performance of vegetation management activities. Subsection (d) is proposed for amendment to delete the reference to the definitions, as this type of reference is not appropriate in the Administrative Code. Subsection (f) is proposed to be replaced to state that the vegetation manager (VM) has sole discretion to perform additional vegetation management work requested to meet the aesthetic desires of a municipality, provided that the work will not (1) impair the EDC's ability to meet reliability and safety objectives of this subchapter; (2) negatively impact the EDC's schedule of vegetation management work; and (3) require incremental costs. Subsection (f) further states that the EDC may charge the requesting party for additional vegetation management work, other than the vegetation management work required under this subchapter, and that this shall not apply to transmission line vegetation management work required under N.J.A.C. 14:5-9.7. Paragraph (g)4 is proposed for amendment to replace "electric public utility" with "EDC" and to change "for these costs" to "for additional costs." Further, the phrase "to achieve full compliance by December 18, 2010" is proposed to be removed from subsection (i).

N.J.A.C. 14:5-9.4 pertains to the requirements placed upon EDCs for a vegetation management maintenance cycle. Subsection (c) is proposed for amendment to include the presence of hazard trees. Furthermore, cross-references are updated throughout the section.

Proposed new N.J.A.C. 14:5-9.5 pertains to hazard trees. Specifically, this section requires that the EDC must attempt to obtain permission to remove or mitigate identified hazard trees, that if permission is not necessary the EDC shall arrange to remove or mitigate the hazard tree as part of scheduled vegetation management work to be performed during the current year, unless the VM determines that the condition of the hazard tree poses an imminent risk of failure, in which case, the EDC shall remove or mitigate the hazard tree as soon as practicable and that the EDC is required to comply with recording and reporting requirements of N.J.A.C. 14:5-9.9(d)2.

Due to proposed new N.J.A.C. 14:5-9.5, existing N.J.A.C. 14:5-9.5 and 9.6 are recodified as N.J.A.C. 14:5-9.6 and 9.7, respectively, and are discussed below based on that recodification.

Recodified N.J.A.C. 14:5-9.6 pertains to the technical standards of vegetation management, which requires that the EDCs ensure that

vegetation management is conducted in accordance with the standards contained in the publications list contained at subsection (a). Subsection (a) is proposed for amendment to remove the reference to the Dr. Shigo publication in paragraph (a)1 and Environmental Stewardship Strategy for Electric Utility Rights of Way (2002) in paragraph (a)4. New references include Part 7 and Part 9 of ANSI A300, proposed for addition as new paragraphs (a)2 and 3, respectively. ANSI A300 Part 7 applies to the creation and implementation of an Integrated Vegetation Management plan as a system of managing plant communities in which managers set objectives; identify compatible and incompatible vegetation; consider action thresholds; and evaluate, select, and implement the most appropriate control method or methods to achieve those objectives. ANSI A300 Part 9 defines the Tree Risk Assessment process and addresses tree structure assessment practices. Further amendments include updating the references to the ANSI publications and updating where the publications can be found. Subsection (b) is proposed for amendment to state that the VM or his or her designee can select a standard "or method" based upon the specific circumstances encountered, when the standards or methods listed in subsection (a) conflict. Subsection (c) is proposed for amendment to replace "a utility" with "an EDC" and new paragraph (c)4 is proposed to state that the presence and condition hazard trees in the prioritization of vegetation management standards and guidelines. Subsection (e) is proposed for amendment to include procedures for handling the removal of hazard trees in the EDC's vegetation management standards and guidelines.

Recodified N.J.A.C. 14:5-9.7 pertains to the requirements on EDCs for transmission line vegetation management. Subsection (b) is proposed for amendment to update the reference of NERC FAC-003 to version three, as being applicable and incorporates it herein by reference, as amended and supplemented, available at www.nerc.com. Paragraph (e)2 is proposed for amendment to remove the phrase "not exceeding a height of 18 inches." Paragraph (f)3 is proposed for amendment to delete the phrase "and at mature height will allow a space of more than 150 percent of the clearance requirements for an electrical path to ground set forth in the National Electric Safety Code, § 232 to § 235," changing the condition to only require "trees located within an inactive transmission corridor."

Proposed new N.J.A.C. 14:5-9.8 pertains to distribution line vegetation management. This section requires all EDCs to inspect and trim in order to maintain the appropriate horizontal clearance on their distribution lines. Furthermore, beginning January 1, 2016, all EDCs will be mandated to remove any overhanging vegetation in the lock out zone (meaning from the substation to the first protective device) on the distribution lines. The EDC's vegetation managers will have flexibility in determining what the lock out zone is and mature trees are exempt from the overhang mandate.

Due to proposed new N.J.A.C. 14:5-9.8, existing N.J.A.C. 14:5-9.7, 9.8, 9.9, and 9.10 are recodified as N.J.A.C. 14:5-9.9, 9.10, 9.11, and 9.12, and are discussed below based on that recodification.

Recodified N.J.A.C. 14:5-9.9 pertains to the training, recordkeeping, and reporting requirements for EDCs. Proposed new paragraph (d)2 requires a listing of distribution circuits by municipality, indicating the number of hazard trees for which permission to remove was denied. Proposed new subsection (e) states the requirement that the EDCs track and report vegetation management progress in the Annual System Performance Report.

Recodified N.J.A.C. 14:5-9.10 pertains to the requirements for public notice that the EDCs are expected to abide by to provide their customers with sufficient notice of upcoming planned vegetation management activities. Subsection (f) is proposed for amendment to replace the term "town clerk" with "municipal clerk."

N.J.A.C. 14:5-9.11 pertains to the outreach programs that EDCs are required to conduct to let the public know about the importance of vegetation management activities and is proposed for readoption without amendment.

N.J.A.C. 14:5-9.12 pertains to the penalties that an EDC is subject to for failure to comply with the vegetation management rules. Subsection (b) is proposed for amendment to state that an EDC that violates this subchapter may be subject to monetary penalties, as determined by the

Board, up to the maximum penalty permitted by law, rather than \$100.00 per day of violation.

Social Impact

The rules proposed for readoption with amendments, new rules, and a repeal relate directly to the provision of safe, adequate, and proper service by New Jersey electric utilities. Said rules are necessary to ensure that electric plant is constructed and installed pursuant to acceptable standards and is maintained and inspected in a manner that will protect the safety and well-being of the public. The amendments and new rules will ensure that the State’s EDCs continue to provide safe and reliable service to their customers. Amendments that have been proposed to achieve this goal include: 1. a requirement for a quarterly outage and substation outage report; 2. enhanced vegetation management standards, training, recordkeeping, and reporting; and 3. enhanced minimum reliability levels for CAIDI and SAIFI.

Economic Impact

As a result of the rules proposed for readoption with amendments, new rules, and a repeal, EDCs, as they have in the past, will incur expenses for, among other things, inspecting and testing their plant and meters and maintaining required records, conducting vegetation management activities, and providing notice of proposed vegetation management activities. Since these items represent appropriate business activities, all reasonable levels of costs associated with them will be passed along to ratepayers through rates for service.

Federal Standards Statement

Executive Order No. 27 (1994) and N.J.S.A. 52:14B-1 et seq., require State agencies that adopt, readopt, or amend State rules that exceed any Federal standards or requirements to include in the rulemaking document a Federal standards analysis. The National Electric Reliability Corporation (NERC) standard FAC-003, Transmission Vegetation Management, applies only to transmission lines (69 kilovolts and above) that are classified as an element of an Interconnection Reliability Operating Limit (IROL). While New Jersey EDCs operate a number of transmission lines that are not so classified, the loss of any of these lines may cause wide spread outage to customers in New Jersey. Therefore, the Chapter 5 requires all transmission lines in New Jersey to meet the NERC Minimum Vegetation Clearance Distances, a spark over distance, and also require the EDCs to remove all vegetation within the relevant EDC’s rights of way, such that no vegetation will fall into the line (N.J.A.C. 14:5-9.7(e)1). The Board’s rules and proposed amendments also set forth vegetation management requirements for distribution lines that are not subject to the NERC FAC-003.

N.J.A.C. 14:5-6.1 contains the adoption by reference of the Uniform System of Accounts for Classes A and B Electric Utilities that have been promulgated by the Federal Energy Regulatory Commission (FERC), as well as any subsequent amendments, revisions, deletions and corrections, which FERC may make thereto. The remainder of the subject matter of the rules proposed for readoption with amendments is not the subject of any Federal law, rule, or regulation.

Jobs Impact

The Board does not anticipate that the rules proposed for readoption with amendments, new rules, and a repeal will either cause jobs to be generated or lost in any area of the State’s economy.

Agriculture Industry Impact

The Board does not anticipate that the rules proposed for readoption with amendments, new rules, and a repeal will have any impact on the agriculture industry of the State.

Regulatory Flexibility Statement

The rules proposed for readoption with amendments, new rules, and a repeal will not impose reporting, recordkeeping, or other compliance requirements on small businesses, as that term is defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., in that no regulated New Jersey electric distribution company has fewer than 100 full-time employees.

Housing Affordability Impact Analysis

The rules proposed for readoption with amendments, new rules, and a repeal will have no impact on affordable housing in New Jersey and will not evoke a change in the average costs associated with housing because the rules pertain to the regulation of electric utilities.

Smart Growth Development Impact Analysis

The rules proposed for readoption with amendments, a repeal, and new rules will have an insignificant impact on smart growth and there is an extreme unlikelihood that the rules would evoke a change in housing production in Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan in New Jersey because the rules pertain to the regulation of electric utilities.

Full text of the rules proposed for readoption may be found in the New Jersey Administrative Code at N.J.A.C. 14:5.

Full text of the rule proposed for repeal may be found in the New Jersey Administrative Code at N.J.A.C. 14:5-9.2

Full text of the proposed amendments and new rules follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

SUBCHAPTER 1. SCOPE AND APPLICABILITY

14:5-1.2 Definitions

For the purposes of this chapter, the following words and terms shall have the following meanings, unless the context clearly indicates otherwise. Additional definitions that apply to this chapter can be found at N.J.A.C. 14:3-1.1.

“Agricultural crop” means a plant that is grown in significant quantities to be harvested as food, livestock fodder, or for another economic purpose. This term includes, but is not limited to, landscape nursery stock and Christmas tree plantation stock.

“Annual System Performance Report” or “Annual Report” means an annual report containing the information requested in N.J.A.C. 14:5-[8.7]8.8. This report is to be submitted to the Board by May 31 of each year.

[“Benchmark” means the five-year average (2002-2006) of CAIDI and SAIFI or a value determined by the Board.]

“ANSI” means the American National Standards Institute. ANSI codes and documents may be obtained at www.ansi.org.

“Arboriculture” means the cultivation of trees, shrubs, and other woody plants.

“Border zone” means the space from the edge of the transmission line wire zone to the outer boundary of the right of way.

“Contractor” means a person or entity, other than the Board, with which a utility contracts to perform work, furnish information, or provide material. This term includes all subcontractors engaged by a contractor to perform any of the obligations required by a contract.

“Danger tree” is any tree on or off the right of way that could contact electric supply lines if it were to fall.

“Distribution line” means a primary electric voltage line, wire, or cable operating at greater than 600 volts, including supporting structures and appurtenant facilities that would not be considered a transmission line.

“Electric overhead transmission corridor” refers to the expanse of land over which electric transmission lines are located. The corridor may be comprised of multiple electric utility rights-of-way and/or circuits. The EDC may own the land in fee, own an easement, or have certain franchise, prescription, or license rights to construct and maintain the lines with respect to such land.

“Electric utility arborist” means a person engaged in the profession of electric utility vegetation management who, through appropriate certifications, experience, education, and related training, possesses the competence to provide for or supervise, an EDCs integrated vegetation management program. The person, at a

minimum, must be certified as a Utility Specialist by the International Society of Arboriculture and also as a Certified Arborist by the International Society of Arboriculture.

“Energized conductor” means an electric circuit or piece of equipment through which electricity is flowing or usually flows. This term includes both distribution and transmission circuits and equipment.

“Grass” means a type of plant with jointed stems, slender flat leaves, and spike-like flowers.

“Hazard tree” is a structurally unsound tree on or off the right of way that could strike electric supply lines when it fails. Structural unsoundness distinguishes a hazard tree from a danger tree, such that while all hazard trees are danger trees, not all danger trees are hazard trees.

“IEEE” means a professional association for the advancement of technology, which was originally named the Institute of Electrical and Electronic Engineers. The IEEE is located at 445 Hoes Lane, Piscataway, NJ 08854. Further information can be obtained on the IEEE website at <http://www.ieee.org/portal/site>.

“Inactive transmission line corridor” means that unused segment of the right of way that does not have transmission towers or transmission lines overhead.

“Integrated vegetation management” or “IVM” means a system of managing plant communities whereby vegetation managers set objectives, identify compatible and incompatible vegetation, consider action thresholds, and evaluate, select, and implement the most appropriate vegetation control method(s) to achieve those objectives, based on the methods’ environmental impact and anticipated effectiveness, along with site characteristics, security, economics, current land use, and other factors.

“**Interruption, unscheduled**” means any interruption of electric service that is not an “interruption, scheduled.”

“**Lock out zone**” refers to the portion of the EDC’s distribution circuit, which begins at the substation or switching station and continues to the first protective device.

“Major event” means any of the following:

1.-4. (No change.)

Interruptions occurring during a major event in one or more operating areas shall not be included in the EDC’s CAIDI and SAIFI calculations of those affected operating area(s). However, interruption data for major events shall be collected, according to the reporting requirements outlined in N.J.A.C. 14:5-[8.8 and] 8.9 and 8.10.

“Minimum reliability level” means the minimum acceptable reliability as measured by CAIDI and SAIFI data as specified in N.J.A.C. 14:5-[8.9]8.10. Performance equal to or better than the minimum reliability level is acceptable. Performance that is worse than the minimum reliability level is unacceptable and may be subject to penalty.

“**Mitigate**” means the process of diminishing risk associated with hazard trees through application of prudent IVM techniques, which include tree removal or pruning, and practical engineering solutions used in the judgment of the vegetation manager to make safe and eliminate or adequately reduce the risks of the hazard tree to the distribution system.

“NERC” means the North American Electric Reliability Corporation.

“**Right of way**” or “**ROW**” means less than fee interest in property, which gives a public utility a limited right to use land owned by another person or entity for the purpose of transmitting or distributing electricity. This right is typically memorialized in an easement. This term also includes the parcel of land for which a public utility holds a right of way or easement.

[“**Unscheduled interruption**” means any interruption of electric service that is not an “interruption, scheduled,” as defined in this section.]

“**Transmission line**” means an electrical line, wire, or cable, (including the supporting structures) and appurtenant facilities that transmits electricity from a generating plant to electric substations or

switching stations. An electric transmission line usually has a rating exceeding 69 kilovolts.

“**Tree**” means a tall perennial woody plant with a main trunk and branches forming a distinct elevated crown.

“**Vegetation**” means trees and other plants.

“**Vegetation management**” means the removal of vegetation or the prevention of vegetative growth, to maintain safe conditions around energized conductor(s) and ensure reliable electric service. Vegetation management consists of biological, chemical, cultural, manual, and mechanical methods to control vegetation in order to prevent hazards caused by the encroachment of vegetation on energized conductor(s), and to provide utility access to the conductor.

“**Vegetation manager**” or “**VM**” means an electric utility arborist, who is employed by an EDC to supervise and ensure the EDC’s compliance with this chapter.

“**Wire zone**” means the land located directly under the widest portion of a transmission line. For a horizontal transmission line, the wire zone is bounded on each side by a location on the ground that is directly under the outermost transmission wire or the transmission tower, whichever is wider. For a vertical transmission array, the width of the wire zone shall be determined using the minimum safe distance specified in the North American Electric Reliability Corporation (NERC) FAC-003, version three, which is incorporated herein by reference, as amended and supplemented, and available at www.nerc.com.

“**Woody plant**” means any vascular plant that has a perennial woody stem and supports continued vegetative growth above ground from year to year and includes trees.

SUBCHAPTER 2. PLANT

14:5-2.1 Plant construction

(a) The construction and installation of plant and facilities of EDCs must be in accordance with all of the following, as they applied at the time of construction:

1.-2. (No change.)

3. The [2007] 2012 National Electrical Safety Code, which is available at <http://standards.ieee.org/nesc/>.

(b) (No change.)

SUBCHAPTER 3. SERVICE

14:5-3.2 Adequacy of service

(a) EDCs supplying electrical energy on a constant potential system shall adopt and maintain a standard average value of voltage as measured at the point of attachment to the customer’s wiring; and the normal variations, as measured by a standardized voltmeter, shall not vary for periods exceeding five minutes for service supplied at 150 volts or less to ground more than [four] five percent above, nor more than [four] five percent below said standard average voltage for said location, which is in force at the time; provided, however, the variations in voltage caused by the operation of apparatus in the customer’s premises in violation of the utility’s rules, the action of the elements, or other causes beyond the EDC’s control shall not be considered a violation of this provision.

(b) (No change.)

SUBCHAPTER 7. ELECTRIC TRANSMISSION LINES

14:5-7.1 Requirements for electric transmission lines

(a) (No change.)

(b) An entity that conducts vegetation management under an overhead transmission line shall comply with the standards for vegetation management set forth in N.J.A.C. 14:5-[8]9.

SUBCHAPTER 8. ELECTRIC DISTRIBUTION SERVICE RELIABILITY AND QUALITY STANDARDS

14:5-8.1 Purpose and scope

(a) (No change.)

(b) [These rules] **This subchapter**, which include requirements for data maintenance, records retention, and service interruption information, establishes standards to measure the reliability of service on an annual,