



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

DIVISION OF ENERGY AND
OFFICE OF CLEAN ENERGY

IN THE MATTER OF THE PETITION OF SOUTH)	ORDER EXTENDING 180
JERSEY GAS COMPANY FOR APPROVAL OF AN)	DAY REVIEW PERIOD
ENERGY EFFICIENCY PROGRAM (EEP) WITH AN)	
ASSOCIATED ENERGY EFFICIENCY TRACKER (EET))	
PURSUANT TO <u>N.J.S.A.</u> 48:3-98.1)	DOCKET NO. GO12050363

(NOTIFICATION LIST ATTACHED)

Parties of Record:

Ira G. Megdal, Esq., Attorney for the Petitioner, South Jersey Gas Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

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.

By Order dated July 24, 2009, the Board authorized South Jersey Gas Company ("SJG" or "Company") to implement five energy efficiency programs: 1) Enhanced Residential Heating, Ventilation, and Air Conditioning ("HVAC") Rebate; 2) Residential Home Performance Finance; 3) Combined Heat and Power ("CHP"); 4) Commercial Customer Direct Install Financing; and 5) Non-Residential Energy Efficiency Investment as part of former Governor Corzine's Economic Stimulus Plan announced in October 2008¹ ("Original Programs"). The programs were designed to complement or supplement existing New Jersey Clean Energy Program ("NJCEP") offerings. The SJG programs were to be available to eligible customers for approximately twenty-one (21) months.

By Order dated January 19, 2011, the Board authorized SJG to extend the Original Programs and carryover individual program under-spending of the Original Programs through December 31, 2011² ("January 2011 Order"). The January 2011 Order also allowed an extension of SJG's monthly program investment and operating and maintenance ("O&M") costs associated with the Original Programs to continue until April 30, 2012. In addition, the January 2011 Order also authorized the Company to reallocate money within the Original Programs.

May 2012 Filing

On May 3, 2012, SJG filed the instant petition with the Board. By letter dated June 1, 2012, Board Staff notified SJG that the filing was administratively incomplete. On July 18, 2012, SJG submitted a supplemental filing to address the deficiencies outlined in the June 1 letter from Staff. On July 23, 2012, Board Staff notified SJG that with the information submitted in the July 18 supplemental filing, the filing was administratively complete.³

In the filing, SJG requests approval of an Energy Efficiency Program ("EEP II") and approval to continue its Energy Efficiency Tracker ("EET") to recover costs associated with EEP II. SJG further requested that it be allowed to earn a return on and a return of investments associated with EEP II. The proposed budget for the five programs included in EEP II is \$24,238,341, to be spent from the effective date through December 2013. SJG proposes to recover the costs

¹ In re Energy Efficiency Programs and Associated Cost Recovery Mechanisms AND In re the Petition of South Jersey Gas Company for Approval of an Energy Efficiency Program ("EEP") with an Associated Energy Tracker ("EET") Pursuant to N.J.S.A. 48:3-98.1; and to Modify Rate Schedule EGS-LV, BPU Docket Nos. EO09010056 and GO09010059, Order dated July 24, 2009.

² In re the Petition of South Jersey Gas Company for Approval of an Energy Efficiency Program with an Associated Energy Efficiency Tracker Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GO10110861, Order dated January 19, 2011.

³ N.J.S.A. 48: 3-98.1 requires the Board to decide cost recovery issues within 180 days. Pursuant to the Board Order issued in response to a further statutory directive within that section, Board Staff must review a petition for completeness within 30 days and, when a petition is determined to be complete, set the beginning of the 180-day period. In re Electric Public Utilities and Gas Public Utilities Offering Energy Efficiency and Conservation Programs, Investing in Class I Renewable Energy Resources, and Offering Class I Renewable Energy Programs in their Respective Service Territories on a Regulated Basis Pursuant to N.J.S.A. 48:3-98.1, Dkt. No. EO08030164 (May 8, 2008). Accordingly, the 180-day period for a Board determination commenced on July 18, 2012.

through a separate component of the Company's EET. Below is a summary of the requested sub-programs in the proposed EEP II and their associated budgets:

1. Enhanced Residential HVAC Energy Efficiency Program	\$14,528,424
2. Natural Gas Vehicle Grant Program	\$3,220,000
3. Social Marketing and Education Program	\$1,039,000
4. Non-Residential Energy Efficiency Finance and Incentive Program	\$2,387,317
5. Combined Heat and Power and Distributed Generation Technology	\$3,063,600

By Order dated August 15, 2012, the Board retained this matter for review and hearing as authorized by N.J.S.A. 48:2-32 and designated Commissioner Mary-Anna Holden as the presiding officer in this proceeding. Additionally, the Board adopted a procedural schedule agreed to by the Company, Board Staff, and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, the "Parties"). By letter dated October 19, 2012, SJG notified Commissioner Holden that the Parties were working on a modification of the procedural schedule approved by the August 15, 2012 Board Order. On December 5, 2012, SJG submitted a modified procedural schedule to Commissioner Holden. Subsequently, Commissioner Holden approved the proposed modified procedural schedule which is attached to this Order, dependent on Board approval of this waiver of the 180 deadline.

STIPULATION

As a result of the request by the parties to modify the procedural schedule, the time for reviewing and processing the petition will extend beyond the 180 day review period afforded by N.J.S.A. 48:3-98.1. Therefore, the Parties entered into the attached Stipulation whereby the Parties agreed to an extension of the 180 day period

The Parties have agreed to the following salient terms:

4. The Parties to this matter have discussed modifying the schedule and have agreed to a modified schedule, as attached to the Stipulation.
5. In so doing, SJG has agreed to extend, pursuant to N.J.S.A. 48:2-21.3, the 180-day time frame for Board action on South Jersey's Petition, required under N.J.S.A. 48:3-98.1, by forty-five (45) days to accommodate the deadlines in the amended schedule attached hereto. Thus, the new deadline for Board action on the Petition is March 1, 2013.

DISCUSSION AND FINDING

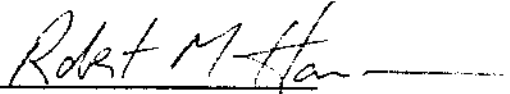
The Board has carefully reviewed the record to date in this matter. The Board is satisfied and **HEREBY FINDS** that the Stipulation represents a fair and reasonable interim resolution of the issues and is in public interest as it will provide additional time for a thorough review of the proposed EEP II, and allow 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. The Board **HEREBY DIRECTS** the Parties to comply with the terms and conditions of the Stipulation.

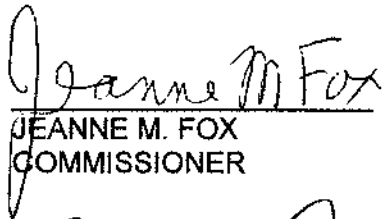
DATED:

12/19/12

BOARD OF PUBLIC UTILITIES
BY:



ROBERT M. HANNA
PRESIDENT



JEANNE M. FOX
COMMISSIONER



JOSEPH L. FIORDALISO
COMMISSIONER



NICHOLAS ASSELTA
COMMISSIONER



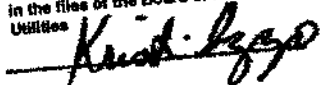
MARY-ANNA HOLDEN
COMMISSIONER

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 South Jersey Gas Company for Approval of an Energy Efficiency Program ("EEP") With an Associated Energy Efficiency Tracker ("EET"),
Pursuant to N.J.S.A. 48:3-98.1
DOCKET NO. GO12050363

NOTIFICATION LIST

BOARD OF PUBLIC UTILITIES		
Jerome May Board of Public Utilities 44 S. Clinton Avenue, 9 th Floor P.O. Box 350 Trenton, NJ 08625-0350	Alice Bator Board of Public Utilities 44 S. Clinton Avenue, 9 th Floor P.O. Box 350 Trenton, NJ 08625-0350	Michael Winka Board of Public Utilities 44 S. Clinton Avenue, 9 th Floor P.O. Box 350 Trenton, NJ 08625-0350
Mona Mosser Board of Public Utilities 44 S. Clinton Avenue, 9 th Floor P.O. Box 350 Trenton, NJ 08625-0350	Stacy Peterson Board of Public Utilities 44 S. Clinton Street, 9 th Floor P.O. Box 350 Trenton, NJ 08625-0350	Andrea Reid Board of Public Utilities 44 S. Clinton Avenue, 9 th Floor P.O. Box 350 Trenton, NJ 08625-0350
Elizabeth Teng Board of Public Utilities 44 S. Clinton Avenue, 9 th Floor P.O. Box 350 Trenton, NJ 08625-0350	John Zarzycki Board of Public Utilities 44 S. Clinton Avenue, 9 th Floor P.O. Box 350 Trenton, NJ 08625-0350	Kristi Izzo, Secretary Board of Public Utilities 44 S. Clinton Avenue, 9 th Floor P.O. Box 350 Trenton, NJ 08625-0350
DIVISION OF RATE COUNSEL		
Stefanie A. Brand, Esq. Division of Rate Counsel 31 Clinton Street, 11 th Floor P.O. Box 46005 Newark, NJ 07101	Paul Flanagan, Esq. Division of Rate Counsel 31 Clinton Street, 11 th Floor P.O. Box 46005 Newark, NJ 07101	Felicia Thomas-Friel, Esq. Division of Rate Counsel 31 Clinton Street, 11 th Floor P.O. Box 46005 Newark, NJ 07101
Sarah H. Steindel, Esq. Division of Rate Counsel 31 Clinton Street, 11 th Floor P.O. Box 46005 Newark, NJ 07101	Christine Juarez, Esq. Division of Rate Counsel 31 Clinton Street, 11 th Floor P.O. Box 46005 Newark, NJ 07101	
DEPARTMENT OF LAW & PUBLIC SAFETY		
Caroline Vachier, DAG Division of Law 124 Halsey Street, P.O. Box 45029 Newark, NJ 07101	Babette Tenzer, DAG Division of Law 124 Halsey Street, P.O. Box 45029 Newark, NJ 07101	Alex Moreau, DAG Division of Law 124 Halsey Street, P.O. Box 45029 Newark, NJ 07101

Veronica Beke, DAG Division of Law 124 Halsey Street P.O. Box 45029 Newark, NJ 07101		
SJG		
Ira G. Megdal, Esq. Cozen O'Connor 457 Haddonfield Road Suite 300 Cherry Hill, NJ 08002	Stephen Cocchi, Esq. South Jersey Gas Company One South Jersey Plaza Route 54 Folsom, NJ 08037	

In the Matter of the Petition of South Jersey Gas Company for Approval of an Energy Efficiency Program ("EEP") With an Associated Energy Efficiency Tracker ("EET"),
Pursuant to N.J.S.A. 48:3-98.1
DOCKET NO. GO12050363

Modified Procedural Schedule

Second Round of Discovery Due	October 19, 2012
Intervenor/Respondent Testimony Due	November 9, 2012
Discovery on Intervenor/Respondent Testimony	November 16, 2012
Responses to Discovery on Intervenor/Respondent Testimony	November 30, 2012
Public Hearings	December 3, 2012
Rebuttal Testimony	December 7, 2012
Discovery on Rebuttal Testimony	December 14, 2012
Responses to Discovery on Rebuttal Testimony	December 21, 2012
Settlement Conferences	Week of January 7, 2013
Evidentiary Hearings	Week of January 14, 2013
Position Papers	January 28, 2013
Anticipated Board Action	February 2013 Agenda
<ul style="list-style-type: none">• Petitioner agrees that discovery is ongoing and will endeavor to answer all discovery within seven business days of service.• Oral-Surrebuttal at evidentiary hearings, if needed	

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF : BPU DOCKET NO. GO12050363
SOUTH JERSEY GAS COMPANY FOR : :
APPROVAL OF AN ENERGY : STIPULATION EXTENDING 180-
EFFICIENCY PROGRAM WITH AN : DAY DEADLINE
ASSOCIATED ENERGY EFFICIENCY : :
TRACKER : :
: :
: :
: :

APPEARANCES:

Ira G. Megdal, Esquire and Daniel J. Bitonti, Esquire (Cozen O'Connor, attorneys) for South Jersey Gas Company ("Petitioner")

Felicia Thomas-Friel, Esquire, Deputy Rate Counsel, Kurt Lewandowski and James W. Glassen, Esquire, Assistant Deputy Rate Counsel on behalf of the New Jersey Division of Rate Counsel ("Rate Counsel") (Stefanie A. Brand, Director)

Alex Moreau and Veronica Beke, Deputy Attorneys General, on behalf of the Staff of the Board of Public Utilities ("Staff")(Jeffrey S. Chiesa, Attorney General of New Jersey)

TO: THE HONORABLE BOARD OF PUBLIC UTILITIES:

1. On May 3, 2012, South Jersey Gas Company ("South Jersey" or the "Company") filed the above-captioned petition with the Board of Public Utilities ("Board").
2. On July 23, 2012, Board Staff notified South Jersey that the filing was deemed administratively complete as of July 18, 2012.
3. By Order dated August 15, 2012, the Board designated Commissioner Mary-Anna Holden as the presiding officer who is authorized to rule on all motions that arise during the pendency of these proceedings and modify any schedules that may be set as necessary to secure a just and expeditious determination of the issues. The Board also adopted a schedule described in Attachment A to the Order.

4. The Parties to this matter, South Jersey, the Division of Rate Counsel and Board Staff (the "Parties"), have discussed modifying the schedule and have agreed to a modified schedule, as attached to this Stipulation.
5. In so doing, South Jersey has agreed to extend, pursuant to N.J.S.A. 48:2-21.3, the 180-day time frame for Board action on South Jersey's Petition, required under N.J.S.A. 48:3-98.1, by forty-five (45) days to accommodate the deadlines in the amended schedule attached hereto. Thus, the new deadline for Board action on the Petition is March 1, 2013.

WHEREFORE, the Parties hereto do respectfully submit this Stipulation and request that the Board issue, as soon as reasonably possible, an Order approving an extension until March 1, 2013.

SOUTH JERSEY GAS COMPANY

By: 

Ira G. Megdal, Esq.
Cozen O'Connor

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

By: _____

Alex Moreau
Veronica Beke
Deputy Attorney General

STEFANIE A. BRAND
DIRECTOR, DIVISION OF RATE COUNSEL

By: _____

Kurt Lewandowski, Esq.
Assistant Deputy Rate Counsel

Dated: November 30, 2012

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Ira G. Megdal, Esq.
Cozen O'Connor

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

By: _____
Alex Morganti, Deputy Attorney General
Veronica Beke, Deputy Attorney General

STEFANIE A. BRAND
DIRECTOR, DIVISION OF RATE COUNSEL

By: _____
Felicía Thomas - Friel, Esq.
Deputy Rate Counsel

Dated: November __, 2012

Amended Schedule

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Anticipated Board Action Agenda	February 2013

- Petitioner agrees that discovery is ongoing and will endeavor to answer all discovery within seven business days of service.
- Oral-Surrebuttal at evidentiary hearings, if needed