



Agenda Date: 03/12/12
Agenda Item: LSB

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

DIVISION OF ENERGY &
OFFICE OF CLEAN ENERGY

IN THE MATTER OF THE VERIFIED PETITION)
OF ROCKLAND ELECTRIC COMPANY FOR)
APPROVAL OF AN ENERGY EFFICIENCY)
PROGRAM AND ASSOCIATED RATE)
RECOVERY – EXTENSION REQUEST) DOCKET NO. EO12020115

Parties of Record:

Margaret Comes, Esq., Attorney for the Petitioner, Rockland Electric Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

By Order dated November 23, 2009 in Docket Nos. EO09010056 and EO09010061 ("November 23 Order"), the New Jersey Board of Public Utilities ("Board") approved a stipulation establishing an Energy Efficiency Stimulus Program ("EES Program") with three energy efficiency components ("Sub-Programs") for the Rockland Electric Company ("RECO" or "Company") to be implemented for a one-year period ending December 31, 2010. The total budget for EES Program expenditures approved by the Board was \$990,250, consisting of program investments of \$859,250 and operating and maintenance ("O&M") expenses of \$131,000. The costs of the Sub-Programs are recovered through a non-bypassable surcharge on all distribution customers ("RGGI Surcharge"), which was initially set at \$0.000167 per kWh, including SUT. The following constitute the current Sub-Programs and the budgeted funding:

1. Low Income Audit and Install Sub-Program	\$770,000
2. Residential Enhanced Rebate Sub-Program	\$130,250
3. On-Line Energy Audit Sub-Program	<u>\$ 90,000</u>
Total EE Program Budget	\$990,250

On September 10, 2010, the Board received the Company's 2010 RGGI Surcharge petition dated August 31, 2010 ("2010 Annual True-Up") in Docket No. ET10090677, reconciling the costs and recoveries under the EES Program for calendar year 2010. On June 15, 2011, the Board authorized the Company to implement a RGGI Surcharge credit of \$0.000047 per kWh, including Sales and Use Tax ("SUT"), to be effective for electric delivery service rendered by the Company on or after July 1, 2011. In addition to the EES program costs, the Company included in the 2010 Annual True-up the under-collection balance, including interest, of \$1,640 for the Demand Response Working Group ("DRWG Program"), as directed by the Board in its Order dated February 17, 2010, in Docket No. EO08050326.

By letter petition dated December 9, 2010, the Company requested an extension of the EES Sub-programs through December 2011, or until all budgeted funds have been expended, whichever comes first. On March 10, 2011, RECO, the New Jersey Division of Rate Counsel ("Rate Counsel") and Board Staff executed a stipulation agreeing to the extension of the EES Sub-Programs through December 31, 2011 with a close-out period to end on March 31, 2012. The Board approved the stipulation in its Decision and Order Approving Stipulation dated March 30, 2011 in Docket No. EO10120987.

On September 1, 2011, RECO filed with the Board its 2011 RGGI Surcharge Annual True-Up ("2011 Annual True-Up") in Docket No. ER11090516, requesting an increase in the credit from \$.000047 to \$.000053 per kWh.

Because of a continuing customer interest in the Low Income Audit and Install Sub-Program, on February 1, 2012, the Company filed a letter ("2012 Extension Request") with the Board in Docket No. EO12020115, requesting an extension through December 2012, or until all budgeted funds have been expended, whichever comes first, of the Low-Income Audit and Install Sub-Program. According to the 2012 Extension Request, the Company exceeded the original customer volume target of 100 customers in the Low-Income Audit and Install Sub-Program in 2010, and again exceeded the second year goal of an additional 100 customers for 2011. Through December 2011, the Company stated that it has enrolled 213 customers, completed 183 customers, and thirty more customers are in progress and will be completed prior to the end of the close-out period by March 31, 2012. The Company reports that actual spending for the Low-Income Audit and Install Sub-Program through December 31, 2011 was \$322,006.

The 2012 Extension Request did not propose to increase the Company's existing RGGI Surcharge or to modify the rate as proposed in the 2011 Annual True-up.

The Company, Rate Counsel, and Board Staff, (collectively, the "Parties"), have participated in settlement negotiations and executed a stipulation ("Stipulation") on March 6, 2012.

Stipulation

A summary of the key provisions of the Stipulation follows:¹

1. The Company will continue to implement the Low-Income Audit and Install Sub-Program through calendar year 2012 or until the remaining budgeted funds for the Low-Income

¹ Although described at some length in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusion in this Order.

Audit and Install Sub-Program have been expended, whichever occurs first. The Company will complete any close-out activities by March 31, 2013.

2. The Company will discontinue its Residential Enhanced Rebate Sub-Program with scheduled close-out by March 31, 2012 and continue the functionality of the Company website with respect to the On-Line Energy Audit Sub-Program, but will not seek a further extension of the On-Line Energy Audit Sub-Program. The Company will refund to ratepayers any unspent funds collected from customers through the RGGI Surcharge relating to the Residential Enhanced Rebate Sub-Program and the On-Line Energy Audit Sub-Program.
3. RECO is authorized to continue to recover, subject to review, reconciliation and refund, all reasonable and prudent EES Program costs under the same terms and conditions as approved in the November 23, 2009 Order.
4. The EES Program component of the RGGI Surcharge shall remain at the current credit of \$0.000047 per kWh (including SUT), the rate set by the Board in the Decision and Order Approving Stipulation in Docket No. ET10090677 dated June 15, 2011. However, this rate is subject to change based on the Board's decision regarding the Company's 2011 Annual True-up filed in Docket No. ER11090516.
5. The Parties recognize the possibility of a Board proceeding to address the New Jersey Clean Energy Program ("NJCEP") transition process where the Board may issue an order to take some other action directing a termination of RECO's EES Program. This recognition does not affect the legal rights of the Signatory Parties to pursue their then available legal remedies in any such proceeding or process and to take any position they deem appropriate at that time.

DISCUSSION AND FINDINGS

The Board has reviewed the 2012 Extension Request and stipulation in this matter. The Low-Income Audit and Install Sub-Program was previously approved by the November 23, 2009 Order. The proposed continuation of this Sub-Program will not increase the existing RGGI Surcharge or modify the rate proposed in the 2011 Annual True-up. The Company reports expenditures for this Sub-Program which support its claim that the sub-program has expended far less than its budgeted funds to date. In addition, the Company reports that there appears to be a continuing customer interest in the Low-Income Audit and Install Sub-Program which warrants continuation of this subprogram, subject to the budget limitation. Therefore, the Board **FINDS** that an extension of the Low-Income Audit and Install Sub-Program until December 31, 2012 or until the budgeted funding for a Sub-Program has been expended is justified on consent of the Parties.

Therefore, the Board, having carefully reviewed the 2012 Extension Request and the Stipulation, **HEREBY FINDS** the Stipulation to be reasonable, in the public interest, and in accordance with law, and **HEREBY APPROVES** the attached Stipulation in its entirety, incorporating its terms and conditions as though fully stated herein.

The Board **HEREBY DIRECTS** that any request for further extension of the EES Program shall conform to the requirements of the Board's May 12, 2008 Order In the Matter of 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 in Docket No. EO08030164 unless otherwise ordered by the Board.

DATED: 3/12/2012

BOARD OF PUBLIC UTILITIES
BY:


ROBERT M. HANNA
PRESIDENT


JEANNE M. FOX
COMMISSIONER

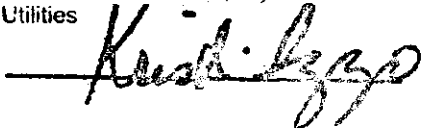

JOSEPH L. FIORDALISO
COMMISSIONER


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 VERIFIED PETITION OF ROCKLAND ELECTRIC COMPANY FOR
APPROVAL OF AN ENERGY EFFICIENCY PROGRAM AND ASSOCIATED RATE
RECOVERY – EXTENSION REQUEST

BPU DOCKET NO. EO12020115

SERVICE LIST

BPU

Kristi Izzo, Secretary
Board of Public Utilities
44 S. Clinton Ave. 9th Floor
PO Box 350
Trenton, NJ 08625

Jerome May, Director
Division of Energy
Board of Public Utilities
44 S. Clinton Ave. 9th Floor
PO Box 350
Trenton, NJ 08625

Alice Bator
Division of Energy
Board of Public Utilities
44 S. Clinton Ave. 9th Floor
PO Box 350
Trenton, NJ 08625

Eloisa Flores
Division of Energy
Board of Public Utilities
44 S. Clinton Ave. 9th Floor
PO Box 350
Trenton, NJ 08625

Andrea Reid
Division of Energy
Board of Public Utilities
44 S. Clinton Ave. 9th Floor
PO Box 350
Trenton, NJ 08625

Rate Counsel

Stefanie A. Brand, Director
Division of Rate Counsel
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, NJ 07101

Paul Flanagan, Esq.
Division of Rate Counsel
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, NJ 07101

Felicia Thomas-Friel, Esq.
Division of Rate Counsel
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, NJ 07101

Kurt Lewandowski, Esq.
Division of Rate Counsel
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, NJ 07101

BPU

Michael Winka
Office of Clean Energy
Board of Public Utilities
44 S. Clinton Ave. 9th Floor
PO Box 350
Trenton, NJ 08625

Mona Mosser
Office of Clean Energy
Board of Public Utilities
44 S. Clinton Ave. 9th Floor
PO Box 350
Trenton, NJ 08625

Elizabeth Teng
Office of Clean Energy
44 S. Clinton Ave. 9th Floor
PO Box 350
Trenton, NJ 08625

DAG

Babette Tenzer, Esq.
Dept. of Law & Public Safety
Division of Law
124 Halsey Street, 5th Floor
P.O. Box 45029
Newark, NJ 07101

Alex Moreau, Esq.
Dept. of Law & Public Safety
Division of Law
124 Halsey Street, 5th Floor
P.O. Box 45029
Newark, NJ 07101

Carolyn McIntosh, Esq.
Dept. of Law & Public Safety
Division of Law
124 Halsey Street, 5th Floor
P.O. Box 45029
Newark, NJ 07101

Rockland Electric Company

Margaret Comes, Esq.
Senior Attorney
Consolidated Edison Company of New
York, Inc.
4 Irving Place - Room 1815-S
New York, New York 10003

John L. Carley, Esq.
Assistant General Counsel
Consolidated Edison Company of New
York, Inc.
4 Irving Place - Room 1815-S
New York, New York 10003

Jane Quin
Rockland Electric Company
4 Irving Place
New York, NY 10003-0987

Scott Markwood
Rockland Electric Company
4 Irving Place
New York, NY 10003-0987

Cheryl M. Ruggiero
Rockland Electric Company
4 Irving Place
New York, NY 10003-0987

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

**I/M/O THE VERIFIED PETITION OF
ROCKLAND ELECTRIC COMPANY FOR
APPROVAL OF AN ENERGY
EFFICIENCY STIMULUS PROGRAM AND
ASSOCIATED RATE RECOVERY**

**BPU DOCKET NO.
EO12020115
EXTENSION OF TERM

STIPULATION**

APPEARANCES:

Margaret Comes, Attorney for the Petitioner, Rockland Electric Company

Paul Flanagan, Litigation Manager, Felicia Thomas-Friel, Deputy Rate Counsel and Kurt S. Lewandowski, Assistant Deputy Rate Counsel, Division of Rate Counsel (Stefanie A. Brand, Director)

Carolyn McIntosh and Alex Moreau, Deputy Attorneys General, for Staff of the New Jersey Board of Public Utilities (Jeffrey S. Chiesa, Attorney General of New Jersey)

TO THE HONORABLE NEW JERSEY BOARD OF PUBLIC UTILITIES

It is hereby AGREED, as of the 8th day of March, 2012, by and among Rockland Electric Company ("RECO" or the "Company"), the Staff of the New Jersey Board of Public Utilities ("Staff"), and the Division of Rate Counsel ("Rate Counsel") (referred to collectively as the "Signatory Parties") to execute this Stipulation of Settlement ("Stipulation") for RECO's Energy Efficiency Stimulus Program ("EES Program").

The Signatory Parties do hereby join in recommending that the New Jersey Board of Public Utilities (the "Board") issue an Order approving this Stipulation, including the attachments.

BACKGROUND

1. On February 20, 2009, RECO filed a Petition (the "Petition") pursuant to the statutory requirements of the Regional Greenhouse Gas Initiative Act (the "RGGI Act"), as codified in N.J.S.A. 48:3-98.1. RECO's Petition sought Board approval to implement a three-year EES Program and recover program costs and revenue requirements through the Company's RGGI Surcharge.

2. After extensive discovery, discussions, and negotiations, RECO, Rate Counsel and Staff executed a Stipulation on November 19, 2009 ("November 2009 Stipulation") setting forth the components of the one-year EES Program and associated cost recovery mechanism that RECO would implement. Specifically, RECO's three EES Program components ("Sub-Programs") and associated one-year budgets are as follows:

	<u>Budget</u>
Low Income Audit and Install Sub-Program	\$770,000
Residential Enhanced Rebate Sub-Program	130,250
On-Line Energy Audit Sub-Program	<u>90,000</u>
Total EES Program Expenditures	\$990,250

3. Detailed descriptions of the three Sub-Programs were set forth in Attachment 2 to the November 2009 Stipulation.

4. By Decision and Order Approving Stipulation dated November 23, 2009 ("November 2009 Order") in Docket Nos. EO09010056 and EO09010061, the Board approved the November 2009 Stipulation.

5. On August 31, 2010, RECO filed with the Board its 2010 RGGI surcharge petition ("2010 Annual True-Up"), in Docket No. ET10090677 in order to reconcile costs and recoveries for calendar year 2010. As directed by the Board in its Order dated February 17, 2010, in Docket No. EO08050326, the Company included in the 2010 Annual True-up the final reconciliation of the Demand Response Working Group ("DRWG Program") component of the RGGI Surcharge.

6. By letter petition dated December 9, 2010, the Company requested an extension ("Extension Request") of the EES Sub-programs through December 2011, or until all budgeted funds have been expended, whichever comes first. Subsequently, on March 10, 2011, RECO, Rate Counsel and Staff executed a Stipulation ("March 2011 Stipulation") agreeing to the extension of the EES Sub-Programs through December 31, 2011 with a close-out period to end on March 31, 2012. The Board approved the Stipulation in its Decision and Order Approving Stipulation dated March 30, 2011 in Docket No. EO10120987.

7. After discovery, review, and discussion of the Company's 2010 Annual True-Up and updates provided by the Company, on June 1, 2011, the Parties executed a Stipulation ("June 2011 Stipulation") implementing a RGGI Surcharge credit of \$0.000047 per kWh, including SUT, to be effective on or after July 1, 2011 ("June 2011 Stipulation"). The June 2011 Stipulation and RGGI Surcharge credit of \$0.000047, including SUT, was approved by the Board in its Decision and Order Approving Stipulation dated June 15, 2011 in Docket No. ET10090677.

8. On September 1, 2011, RECO filed with the Board its 2011 RGGI Surcharge Annual True-Up ("2011 Annual True-Up") in Docket No. ER11090516 requesting an increase in the credit from \$.000047 to \$.000053 per kWh.

9. While RECO has implemented each of the three EES Sub-Programs, the spending to date has been under-budget. Specifically, for the Low-Income Audit and Install Sub-Program, the Company exceeded the original customer volume target of 100 customers in 2010, and again will exceed the second year goal of an additional 100 customers for 2011. Through December 2011, the Company has enrolled 213 customers, completed 183 customers, and thirty more customers are in progress and will be completed prior to the end of the close-out period by March 31, 2012. Actual spending for the Low-Income Audit and Install Sub-Program through December 31, 2011 was \$322,006. Because of continued customer interest in the Low Income Audit and Install Sub-Program, on February 1, 2012, the Company filed a letter petition (2012 Extension Request”) with the Board in Docket No. EO12020115, requesting an extension through December 2012, or until all budgeted funds have been expended, whichever came first, of the Low-Income Audit and Install Sub-Program.

10. As to the Residential Enhanced Rebate Sub-Program, the target volume was 101 rebates, and as noted above, the filed budget was \$130,250. Through the end of December 2011, RECO has paid 64 rebates, four rebates are in process, and actual spending totals are \$ 91,433 through December 31, 2011. Based on the low participant uptake, RECO proposes to close this program with a scheduled close-out by March 31, 2012.

11. As to the On-Line Energy Audit Sub-Program, the filed budget was \$90,000. Apogee Interactive, the vendor selected by the Company, has established the on-line program, and response from customer users, to date, has been positive. Actual spending by the Company through December 31, 2011 totals \$35,494. The Company will continue the functionality on the Company website, and is not seeking a further extension of the sub-program.

12. The 2012 Extension Request does not discuss changes to the Company's RGGI Surcharge or modifications to the rate proposed in the 2011 Annual True-Up. Such issues will be the subject of the 2011 Annual True-Up petition, which, along with the 2012 Extension Request, was scheduled for a public hearing on March 7, 2012.

13. The Signatory Parties agreed to submit this Stipulation to the Board for its review and approval, the terms of which are set forth herein. Specifically, the Signatory Parties hereby **STIPULATE AND AGREE** as follows:

STIPULATED MATTERS

A. Energy Efficiency Stimulus Program

14. The Company will discontinue its Residential Enhanced Rebate Sub-Program with a scheduled close-out by March 31, 2012. The Company will refund to ratepayers any unspent funds collected from customers through the RGGI Surcharge relating to the Residential Enhanced Rebate Sub-Program.

15. As to the On-Line Energy Audit Sub-Program, the Company will continue the functionality on the Company website, but will not seek a further extension of the sub-program. The Company will refund to ratepayers any unspent funds collected from customers through the RGGI Surcharge relating to the On-Line Energy Audit Sub-Program.

16. With regard to the Low-Income Audit and Install Sub-Program, the Company will continue this sub-program through calendar year 2012, or until the remaining budgeted funds for the Low-Income Audit and Install Sub-Program in the amount of \$447, 994 as of December 31, 2011, have been expended, whichever occurs first. The Company will complete any close-out activities by March 31, 2013.

B. Cost Recovery Mechanism

17. RECO is authorized to continue to recover, subject to review, reconciliation and refund, all reasonable and prudent EES Program costs in accordance with the same terms and conditions as approved in the November 2009 Order.

C. RGGI Rider Rate

18. The EES Program component of the RGGI Surcharge shall remain at a credit of \$0.000047 per kWh (including SUT), the rate set by the Board in the Decision and Order Approving Stipulation in Docket No. ET10090677 dated June 15, 2011, but this rate is subject to change based on the Board's decision regarding the Company's 2011 Annual True-up filed in Docket No. ER11090516.

19. The Parties recognize the possibility of a Board proceeding to address the New Jersey Clean Energy Program ("NJCEP") transition process where the Board may issue an order to take some other action directing a termination of RECO's EES Program. This recognition does not affect the legal rights of the Signatory Parties to pursue available legal remedies in any such proceeding or process, and to take any position they deem appropriate at that time.

D. November 2009 Stipulation

20. The Signatory Parties agree that, except to the extent modified by this Stipulation, the terms and conditions of the November 2009 Stipulation, as approved by the Board's November 2009 Order, remain in effect.

E. RGGI Filing Waiver

21. The Board-approved March 2011 Stipulation provided that any further extension of RECO's EES program beyond December 31, 2011 requires that RECO file a new petition pursuant to N.J.S.A. 48:3-98.1(c) and the RGGI filing requirements established by Board's May 12, 2008 Order. Rate Counsel does not oppose RECO's request for a waiver for

the instant extension filing only. Board Staff supports the Company's request for a waiver for the following reasons: (i) the Company is not proposing a new program, or even an extension of the original EES Program, but merely an extension of the Low-Income Audit and Install Sub-Program component of the EES Program; (ii) based on the information provided by the Company and reviewed by Staff and Rate Counsel, and, based on discussions among the parties, an extension of this component of the EES Program seems to be in the interest of the public; (iii) ratepayers will not incur additional incremental costs; and (iv) under these circumstances, it would be impractical to require the Company to abide by the RGGI filing requirements established by the Board's May 12, 2008 Order. The Signatory Parties agree that any subsequent requests for further extensions of or substantive modifications to RECO's EES programs must conform to the RGGI filing requirements established by the Board's May 12, 2008 Order pursuant to N.J.S.A. 48:3-98.1(c).

CONCLUSION

22. This Stipulation represents a mutual balancing of interests, contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event any particular aspect of this Stipulation is not accepted and approved in its entirety by the Board, any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion. More particularly, in the event this Stipulation is not adopted in its entirety by the Board, in any applicable Order(s), then any Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed.

23. It is the intent of the Signatory Parties that the provisions hereof be approved by the Board as being in the public interest. The Signatory Parties further agree that they consider the Stipulation to be binding on them for all purposes herein.

24. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, the Company, Board Staff, and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein and, in total or by specific item. The Signatory Parties further agree that this Stipulation is in no way binding upon them and shall not be asserted in any other proceeding, except to enforce the terms of this Stipulation.

WHEREFORE, the Signatory Parties hereto do respectfully submit this Stipulation and request that the Board issue an Order approving it in its entirety, in accordance with the terms hereof.

ROCKLAND ELECTRIC COMPANY
Petitioner

By:


Margaret Combes
Senior Attorney
4 Irving Place - Room 1815-S
New York, New York 10003

STEFANIE A. BRAND, DIRECTOR
DIVISION OF RATE COUNSEL

By:


Kurt S. Lewandowski
Asst. Deputy Rate Counsel

**STAFF OF THE NEW JERSEY BOARD OF PUBLIC UTILITIES
JEFFREY S. CHIESA
ATTORNEY GENERAL OF NEW JERSEY**

By:

Alex Moreau
Deputy Attorney General