



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
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Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

ENERGY

IN THE MATTER OF THE PETITION OF PIVOTAL )  
UTILITY HOLDINGS, INC. D/B/A ELIZABETHTOWN )  
GAS TO REVISE ITS ENERGY EFFICIENCY )  
PROGRAM RIDER RATE ) ORDER ADOPTING  
STIPULATION  
DOCKET NO. GR17111146

**Parties of Record:**

**Deborah M. Franco, Esq.**, Cullen and Dykman, LLP, on behalf of Elizabethtown Gas Company  
**Stefanie A. Brand, Esq.**, Director, New Jersey Division of Rate Counsel

BY THE BOARD:<sup>1</sup>

On November 6, 2017 Elizabethtown Gas Company<sup>2</sup> (“Elizabethtown” or “Company”) filed a petition (“November 2017 Petition”) with the New Jersey Board of Public Utilities (“Board” or “BPU”) requesting to increase its Energy Efficiency Program Rider Rate (“EEP Rate”) from the current credit rate of \$0.0007 per therm including all applicable taxes to \$0.0020 per therm, including all applicable taxes. By this Order, the Board considers a stipulation of settlement (“Stipulation”) executed by Elizabethtown, Board Staff (“Staff”), and the New Jersey Division of Rate Counsel (“Rate Counsel”) (collectively, “Parties”) intended to resolve the Company’s request to revise its EEP Rate.

**BACKGROUND AND PROCEDURAL HISTORY**

By Order dated August 3, 2009 in Docket Nos. EO09010056 and GO09010060 (“August 2009 Order”) the Board approved a stipulation authorizing Elizabethtown to administer six (6) energy efficiency programs<sup>3</sup> (“EEPs”) for a 17-month period ending on December 31, 2010.<sup>4</sup> The total

<sup>1</sup> Commissioner Robert M. Gordon did not participate.

<sup>2</sup> The November 2017 Petition was filed by Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas. By a June 22, 2018 Order issued by the Board in Docket No. GM17121309, the Board approved the acquisition of Elizabethtown Gas by ETG Acquisition Corp, a wholly owned subsidiary of South Jersey Industries, Inc. Following the closing of the acquisition, Elizabethtown Gas was renamed Elizabethtown Gas Company.

<sup>3</sup> Elizabethtown was authorized to offer the following EEPs: 1) Whole House Energy Efficiency Program; 2) Residential Expanded Gas Heating Ventilation and Air Conditioning (“HVAC”) and Gas Hot Water Heater Incentive Program; 3) Small Commercial Customer Energy Efficiency Program; 4) Large Commercial Customer Energy Efficiency Program; 5) Combined Heat and Power Program; and 6) Gas Cooling Program.

<sup>4</sup> In re Energy Efficiency Programs and Associated Cost Recover Mechanisms AND In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas for Approval of Energy Efficiency Programs and a

projected expenditures, including operating and maintenance ("O&M") expenses were \$14,673,100. The August 2009 Order also authorized the Company to implement a RGGI Rider Rate to recover the costs associated with the EEPs. Pursuant to the August 2009 Order, the Company was required to submit an annual petition to adjust its RGGI Rider Rate on a calendar basis. The annual filings were to include certain information, including investment levels, operating costs, and employment. Pursuant to the August 2009 Order, the initial RGGI Rider Rate was established as \$0.0082 per therm, including SUT.

On July 1, 2010, Elizabethtown filed a petition, Docket No. GO10070446, to reconcile the program costs and recoveries associated with its EEPs. ("2010 RGGI Rider Rate Petition") On October 4, 2010, the Company filed a petition, Docket No. GO10100735, requesting approval to extend the term of the Company's EEPs for an additional three year period. By Order dated January 19, 2011 in Docket Nos. GO10070446 and GO10100735, the Board approved a stipulation authorizing Elizabethtown to extend its EEPs for a one-year period ending on December 31, 2011.<sup>5</sup> ("January 2011 Order") The January 2011 Order also approved a provisional RGGI Rider Rate of \$0.0000, but left open the 2010 RGGI Rider Rate Petition docket to allow for further review of the Company's EEPs and finalizing the provisional RGGI Rider Rate.

On June 30, 2011, Elizabethtown filed a petition, Docket No. GR11070398, to reconcile the program costs and recoveries associated with its EEPs. ("2011 RGGI Rider Rate Petition") The 2011 RGGI Rider Rate Petition requested to decrease the RGGI Rider Rate from \$0.0000 to a credit of \$0.0015 per therm, including SUT. The 2011 RGGI Rider Rate Petition also requested approval to implement a name change from the RGGI Rider Rate to the EEP Rider Rate.

By Order dated November 30, 2011 in Docket No. GO11070399, the Board authorized Elizabethtown to continue the Company's EEPs through April 29, 2012.<sup>6</sup> ("November 2011 Order") The November 2011 Order also approved the continuation of a RGGI Rider Rate of \$0.0000 per therm, including SUT, until changed by order of the Board. By Order dated April 11, 2012, the Board in Docket No. GO11070399 authorized the Company to continue certain EEPs until April 19, 2013.<sup>7</sup> ("April 2012 Order") The April 2012 Order authorized Elizabethtown to offer the following EEPs: 1) Residential Expanded Gas HVAC and Gas Hot Water Heater Incentive Program; 2) Small Commercial Customer Energy Efficiency Program; and 3) Large Commercial Customer Energy Efficiency Program (collectively, "2011 EEPs"). In addition, the April 2012 Order authorized a name change of the RGGI Rider to the EEP Rider, as well as authorized the continuation of the current rate of \$0.0000 per therm, including SUT.

On August 1, 2012, Elizabethtown filed a petition, Docket No. GR12080729, to reconcile the program costs and recoveries associated with its EEPs through June 30, 2012. ("2012 EEP

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Regional Greenhouse Gas Initiative Cost Recovery Rider, BPU Docket Nos. EO09010056 and GO09010060 (August 3, 2009).

<sup>5</sup> In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to Revise its Regional Greenhouse Gas Initiative Rider Rate AND In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown for Authority to Extend the Term of Energy Efficiency Programs with Certain Modifications and Approval of Associated Cost Recovery Mechanism and Deferral Accounting Treatment, BPU Docket Nos. GO10070446 and GO10100735 (January 19, 2011).

<sup>6</sup> In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas for Authority to Extend the Term of Energy Efficiency Programs with Certain Modifications and Approval of Associated Cost Recovery, BPU Docket No. GO11070399 (November 30, 2011).

<sup>7</sup> In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas for Authority to Extend the Term of Energy Efficiency Programs with Certain Modifications and Approval of Associated Cost Recovery, BPU Docket No. GO11070399 (April 11, 2012).

Rate Petition") The 2012 EEP Rate Petition sought approval of an EEP Rate of \$0.00046 per therm, including SUT. By Order dated December 18, 2013, the Board authorized an EEP Rate of \$0.0042 per therm, including SUT to resolve the 2010 RGGI Rider Rate Petition, the 2011 RGGI Rider Rate Petition and the 2012 EEP Rate Petition.<sup>8</sup>

By Order dated August 21, 2013 in Docket No. GO12100946, the Board authorized the Company to extend the term of the 2011 EEPs through September 1, 2015.<sup>9</sup> By Order dated December 16, 2015, the Board authorized Elizabethtown to continue to offer its 2011 EEPs through December 31, 2016 within the remaining budget approved in the August 2013 Order.<sup>10</sup>

By Order dated August 19, 2015 in Docket No. GR14091073, the Board approved an EEP Rate of \$0.0054 per therm, including SUT.<sup>11</sup>

By Order dated September 23, 2016 in Docket No. GR16020119, the Board approved an EEP credit rate of \$0.0007 per therm, inclusive of taxes and then-applicable assessments.

By Order dated April 21, 2017, Docket No. GR16070618, the Board authorized the Company to extend the term of an existing program and several additional proposed programs through December 31, 2018.<sup>12</sup>

### **NOVEMBER 2017 PETITION**

On November 3, 2017, Elizabethtown filed the instant petition with the Board, assigned BPU Docket No. GR17111146, requesting to increase its current EEP credit rate of \$0.0007 per therm to \$0.0020 per therm inclusive of SUT, effective January 1, 2018.

The November 2017 Petition sought to reconcile EEP costs and cost recoveries for the period commencing July 1, 2016 through June 30, 2017 ("2017 Recovery Period") and to recover forecast revenues for the July 1, 2017 through June 30, 2018 ("2018 Recovery Period"). Information for the 2017 Recovery Period included twelve months of actual data through June 30, 2017. Information for the 2018 Recovery Period reflected projected data through June 30, 2018. As reflected in the November 2017 Petition, the proposed EEP Rate of \$0.0020 per therm was designed to recover actual and projected allowable recoverable EEP costs of \$869,451 through June 30, 2018. As part of discovery, Elizabethtown updated its revenue

<sup>8</sup> In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to Revise its Regional Greenhouse Gas Initiative Rider Rate AND In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to Revise its Regional Greenhouse Gas Initiative Rider Rate and Rename the Rate to the Energy Efficiency Program Rider Rate AND In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to Revise its Energy Efficiency Program Rider Rate, BPU Docket Nos. GO10070446, GR11070398, and GR12080729 (December 18, 2013).

<sup>9</sup> In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas for Authority to Extend the Term of Energy Efficiency Programs with Certain Modifications and Approval of Associated Cost Recovery Mechanism, BPU Docket No. EGO12100946 (August 21, 2013). ("August 2013 Order")

<sup>10</sup> In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to Extend the Term of Energy Efficiency Programs with Certain Modifications and Approval of Associated Cost Recovery Mechanism AND In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to Extend the Term of Energy Efficiency Programs with Certain Modifications and Approval of Associated Cost Recovery Mechanism BPU Docket Nos. GO12100946 and GO15050504 (December 16, 2015).

<sup>11</sup> In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to Revise its Energy Efficiency Program Rider Rate, BPU Docket No. GR14091073 (August 19, 2015).

<sup>12</sup> I/M/O Petition of Pivotal Utility Holdings, Inc. for Authority to Extend the Term of Energy Efficiency Programs with Certain Modifications and Approval of Associated Cost Recovery Mechanism, BPU Docket Nos. GO15050504 and GR16070618 (April 21, 2017).

requirement to include actual data through May 2018 and projected data through December 2018.

Public hearings on the November 2017 Petition were held on March 13, 2018 and March 18, 2018 in ETG's service territory. No members of the public attended and no written comments were received by the Board.

### **STIPULATION**

The Parties have engaged in discovery and discussed matters at issue in this docket. As a result of those discussions, the Parties executed the Stipulation in this matter which was filed with the Board on July 16, 2018. The Stipulation provides for the following:<sup>13</sup>

1. **Effective Date.** The Board order adopting the Stipulation will become effective upon the service of said Board order, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.
2. **Effective Rate.** As of the Effective Date, the Company shall implement an EEP rate of \$0.0020 per therm, inclusive of all applicable taxes, and that rate shall remain in effect until changed by order of the Board. Schedules supporting the EEP rate of \$0.0020 per therm as agreed to in the Stipulation are contained in Appendix A of the Stipulation. Upon approval by the Board of the EEP rate reflected in the Stipulation, the Company will file with the Board revised tariff sheets, consistent with the date established by the Board, to reflect the EEP rate of \$0.0020 per therm in the form attached as Appendix B of the Stipulation.
3. **Issues Resolved.** The Stipulation provides for a final EEP rate of \$0.0020 per therm in this proceeding. All issues related to Elizabethtown's EEP recoverable costs for the period July 1, 2016 through June 30, 2017 are resolved.
4. **Rate Impact.** The annual bill impact of the stipulated EEP rate on a typical residential heating customer using 1,000 therms is an annual increase of \$2.70 from \$933.46 from \$936.16 to \$2.70 or 0.3% as compared to the Company's currently effective rates. The proposed rates will increase Elizabethtown's annual revenues by approximately \$1.2 million based on the Company's most recent therm forecast.
5. **Future Annual EEP Petitions.** Elizabethtown agrees that in order to satisfy the rate impact minimum filing requirements associated with EEP reconciliation filings, with any such future filings made by Elizabethtown, it will continue to provide the information contained in Appendix C of the Stipulation.

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<sup>13</sup> Although summarized 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.

**DISCUSSION AND FINDING**

The Board has carefully reviewed the record in this proceeding, including the November 2017 Petition and the attached Stipulation. The Board **HEREBY FINDS** that the Stipulation is reasonable, in the public interest, and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Stipulation as its own, as if fully set forth herein.

The Board **HEREBY APPROVES** an increase of the current EEP credit rate of \$0.0007 per therm, including SUT to \$0.0020 per therm, including SUT effective for service on or after September 1, 2018. Accordingly, a typical residential heating customer using 1,000 therms on an annual basis would experience an increase in their annual bill of \$2.70, or approximately 0.3%.

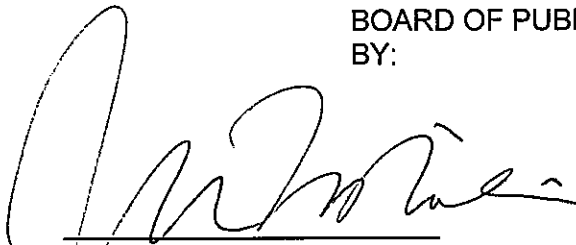
The Board **HEREBY ORDERS** the Company to file revised tariff sheets conforming to the terms of the Stipulation by September 1, 2018.

The Company's costs will remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

The effective date of this Order is August 31, 2018.

DATED: 8/29/18

BOARD OF PUBLIC UTILITIES  
BY:




JOSEPH L. FIORDALISO  
PRESIDENT



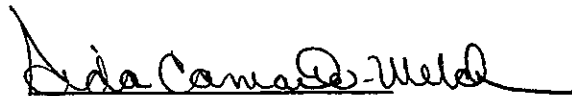
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COMMISSIONER



DIANNE SOLOMON  
COMMISSIONER



UPENDRA J. CHIVUKULA  
COMMISSIONER

ATTEST:   
AIDA CAMACHO-WELCH  
SECRETARY

IN THE MATTER OF THE PETITION OF PIVOTAL UTILITY HOLDINGS, INC. D/B/A  
ELIZABETHTOWN GAS TO REVISE ITS ENERGY EFFICIENCY PROGRAM RIDER RATE  
BPU DOCKET NO. GR17111146

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July 19, 2018

*Via Electronic Mail and Federal Express*

Aida Camacho-Welch, Secretary  
State of New Jersey  
Board of Public Utilities  
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P.O. Box 350  
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**Re: I/M/O The Petition Of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas  
To Revise Its Energy Efficiency Program Rider Rate  
BPU Docket No. GR17111146**

Dear Secretary Camacho-Welch:

Enclosed for filing with the New Jersey Board of Public Utilities ("Board") in the above proceeding are an original and ten copies of a Stipulation executed by representatives of Elizabethtown Gas Company, Board Staff and the Division of Rate Counsel. It is respectfully requested that the Board approve the Stipulation in accordance with the terms therein.

Please contact the undersigned if you have questions or require further information. Thank you.

Respectfully submitted,

/s/ Deborah M. Franco  
Deborah M. Franco

Of Counsel to Elizabethtown Gas Company

cc: Service List



**IN THE MATTER OF THE PETITION OF  
PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS  
TO REVISE ITS ENERGY EFFICIENCY PROGRAM RIDER RATE  
BPU DOCKET NO. GR17111146**

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**IN THE MATTER OF THE PETITION OF  
PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS  
TO REVISE ITS ENERGY EFFICIENCY PROGRAM RIDER RATE  
BPU DOCKET NO. GR17111146**

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

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**In the Matter of the Petition of Pivotal Utility** : **BPU Docket No. GR17111146**  
**Holdings, Inc. d/b/a Elizabethtown Gas to** :  
**Revise Its Energy Efficiency Program** :  
**Rider Rate** : **FINAL STIPULATION**  
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**Mary Patricia Keefe**, Vice President for Elizabethtown Gas Company, successor to Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas

**Felicia Thomas-Friel, Managing Attorney Gas**, Division of Rate Counsel, **Maura Caroselli, Esq. Assistant Deputy Rate Counsel**, and **Henry M. Ogden, Esq. Assistant Deputy Rate Counsel** Division of Rate Counsel (Stefanie A. Brand, Director, Division of Rate Counsel)

**Alex Moreau and Timothy Oberleiton**, Deputy Attorneys General, for the Staff of the New Jersey Board of Public Utilities (Gurbir S. Grewal, Attorney General of New Jersey)

**BACKGROUND**

On November 6, 2017, Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas (“Elizabethtown Gas”), the predecessor to Elizabethtown Gas Company filed a Petition (“2017 Petition”) with the New Jersey Board of Public Utilities (“Board”), which was assigned Docket No. GR17111146, requesting to increase its currently effective Energy Efficiency Program (“EEP”) rider rate from a credit of \$0.0007 per therm to \$0.0020 per therm, inclusive of all applicable taxes effective January 1, 2018. By a June 22, 2018 “Decision and Order Approving Stipulation” issued in BPU Docket No. GM17121309, the Board approved, *inter alia*, the acquisition of Elizabethtown Gas, then a utility operating division of Pivotal Utility Holdings, Inc., by ETG Acquisition Corp., a wholly owned subsidiary of South Jersey Industries, Inc. The

acquisition was consummated on July 1, 2018 and ETG Acquisition Corp. was renamed "Elizabethtown Gas Company" (hereinafter "Elizabethtown," "Petitioner," or "Company").

The 2017 Petition sought to reconcile EEP costs and cost recoveries for the period commencing July 1, 2016 through June 30, 2017 and to recover actual and forecast revenues for the period July 1, 2017 through June 30, 2018. The EEP rate enables Elizabethtown to recover the cost associated with Elizabethtown's EEP approved by the Board. The Company's EEP consists of a range of rebates and related offers -- including, for example, various customer education and outreach initiatives, as well as an on-line customer Dashboard -- that are designed to encourage customers to conserve energy and to provide them with information on how to lower their gas bills.

In accordance with a Board order issued April 21, 2017 in BPU Docket Nos. GR16070618 and GO15050504 ("April 21 Order"), Elizabethtown is authorized to offer its current EEP through December 31, 2018. By Petition dated June 29, 2018, Elizabethtown submitted a Petition to the Board in BPU Docket No. GO18070682 seeking approval to extend the term of its existing EEP for a one-year term effective January 1, 2019 through December 31, 2019 ("Extension Petition"). Consideration of the Extension Petition is presently pending before the Board.

Public hearings were held in this proceeding on March 13, 2018 in Union, New Jersey and on March 15, 2018 in Flemington, New Jersey. No members of the public attended the public hearings.

Elizabethtown, Board Staff, and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, "the Parties") have engaged in discovery and discussed certain matters at issue in this docket. As a result of those discussions, the Parties have resolved all remaining issues in this proceeding in accordance with the Stipulation set forth below.

## STIPULATION

Based upon and subject to the terms and conditions set forth herein, the Parties stipulate and agree as follows:

1. **Effective Date.** The Board order adopting this Stipulation will become effective upon the service of said Board order, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.

2. **Effective Rate.** As of the Effective Date, the Company shall implement an EEP rate of \$0.0020 per therm, inclusive of all applicable taxes, and that rate shall remain in effect until changed by order of the Board. Schedules supporting the EEP rate of \$0.0020 per therm as agreed to in this Stipulation are contained in Appendix A. Upon approval by the Board of the EEP rate reflected in this Stipulation, the Company will file with the Board revised tariff sheets, consistent with the date established by the Board, to reflect the EEP rate of \$0.0020 per therm in the form attached as Appendix B hereto.

3. **Issues Resolved.** This Stipulation provides for a final EEP rate of \$0.0020 per therm in this proceeding. All issues related to Elizabethtown's EEP recoverable costs for the period July 1, 2016 through June 30, 2017 are resolved.

4. **Rate Impact.** The annual bill impact of the stipulated EEP rate on a typical residential heating customer using 1,000 therms is an annual increase of \$2.70 from \$936.16 to \$933.46 or 0.3% as compared to the Company's currently effective rates. The proposed rates will increase Elizabethtown's annual revenues by approximately \$1.2 million based on the Company's most recent therm forecast.

5. **Future Annual EEP Petitions.** Elizabethtown agrees that in order to satisfy the rate impact minimum filing requirements associated with EEP reconciliation filings, with any such

future filings made by Elizabethtown, it will continue to provide the information contained in Appendix C.

6. **Entirety Of Stipulation.** This Stipulation represents a mutual balancing of interests and, therefore, is intended to be accepted and approved in its entirety. In the event that the Board does not adopt this Stipulation in its entirety in an Order, then any Party hereto is free to pursue its then-available legal remedies with respect to all issues in this Stipulation as though this Stipulation had not been signed.

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

8. **General Reservation.** It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of this proceeding. Except as expressly provided herein, Elizabethtown, Board Staff, or 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. This Stipulation shall not be cited as precedent except for the purpose of enforcing its terms. All rates remain subject to audit by the Board.

WHEREFORE, the Parties hereto do respectfully submit this Stipulation to the Board of Public Utilities and request the Board to issue a Decision and Order approving this Stipulation in its entirety in accordance with the terms hereof.

PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A ELIZABETHTOWN GAS

By: Mary Patricia Keefe / KB  
Mary Patricia Keefe  
Vice President, External Affairs  
and Business Support

STEFANIE A. BRAND  
DIRECTOR, DIVISION OF  
RATE COUNSEL

By: Felicia Thomas-Friel  
~~Henry M. Ogden, Esq.~~ Felicia Thomas-Friel  
Assistant Deputy Rate Counsel

GURBIR S. GREWAL  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for the Staff of the New Jersey Board of Public Utilities

By: [Signature]  
~~Alex Moreau~~ Timothy R. Oberkitten  
Deputy Attorney General

Dated: July 16, 2018

ELIZABETHTOWN GAS COMPANY  
 ENERGY EFFICIENCY PROGRAM ("EEP")

CALCULATION OF THE EEP RATE \*  
 October 1, 2017 through September 30, 2018  
 RECOVERY YEAR - 2018

1	Prior Year Balance - (Sch. TK-2)	June 30, 2016		(\$937,833)
	<u>Actual Amounts Through:</u>	June 30, 2017		
2	Current Year O&M Costs (Sch. TK-2)			\$177,035
3	Current Year Revenue Requirements (Sch. TK-2)			\$437,843
4	Current Year (Recoveries) / Credits (Sch. TK-2)			\$12,305
5	Current Year Carrying Cost Charge / (Credit) (Sch. TK-2)			<u>(\$4,114)</u>
6	Proforma Current Year TK-2 Ending Balance (Sum L1-L5)			(\$314,764)
7	<u>Projected Recoverables :</u>	June 30, 2018		
	- Revenue Requirements (Sch. TK-3)		\$708,091	
	- O&M Costs (Sch. TK-4)		<u>\$476,124</u>	<u>\$1,184,215</u>
8	Total Proposed Recoveries (L6+L7)			\$869,451
9	<u>12 Month Projected Normalized Sales and Services:</u>			
	- Residential and GLS		223,883,700	
	- Commercial		145,809,414	
	- Industrial		76,739,800	
	- NGV		154,800	
	- Cogeneration		0	446,587,714 therms
10	EEP Rate, before taxes (L8/L9)			\$0.0019 /therm
11	Sales & Use Tax @	6.625%		<u>\$0.0001</u>
12	EEP Rate (L10+L11)			<u><u>\$0.0020</u></u> /therm

\* Rate based on 12 month projected volumes, proposed to be effective January 1, 2018.



ELIZABETHTOWN GAS COMPANY  
B. P. U. NO. 16 – GAS

REVISED ORIGINAL SHEET NO. 126

RIDER "E"

ENERGY EFFICIENCY PROGRAM ("EEP")

Applicable to all customers except those customers under special contracts as filed and approved by the BPU and those customers exempted pursuant to the Long-Term Capacity Agreement Pilot Program ("LCAPP"), P.L. 2011 c.9, codified as N.J.S.A. 48:3-60.1. See the LCAPP Exemption Procedures at the end of the Societal Benefits Charge ("SBC") Rider "D."

The EEP shall be collected on a per therm basis and shall remain in effect until changed by order of the BPU. The applicable EEP ~~unit charges are~~ rate is as follows:

\$0.0020~~(\$0.0007)~~ per therm

The ~~charges rate~~ rate applicable under this Rider includes provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein.

In the "Global Warming Act," N.J.S.A.26-2C-45. or "RGGI Legislation" the State Legislature determined that global warming is a pervasive and dangerous threat that should be addressed through the establishment of a statewide greenhouse gas emissions reduction program. On May 8, 2008, the Board issued an Order (the "RGGI Order") pursuant to N.J.S.A. 48:3-98.1(c). The RGGI Order allowed electric and gas public utilities to offer energy efficiency and conservation programs on a regulated basis. The Company's energy efficiency programs were first authorized pursuant to Board orders issued in Docket Nos. EO09010056 and GO09010060. They were subsequently extended pursuant to Board orders issued in GO10070446, GO11070399, GO12100946, GO15050504 and GR16070618. The Company's current energy efficiency programs are effective through December 31, 2018 and described below.

~~By Order dated April 11, 2012 in Docket No. GO11070399, the Board approved a Stipulation that extended the program for one year, changed the name to EEP, and streamlined the program offerings. By Order dated April 29, 2013 in Docket No. GO12100946, the Board approved a Stipulation that extended the program to September 1, 2013. By Order dated August 21, 2013 in Docket No. GO12100946, the Board approved a Stipulation that extended the program through August, 2015.~~

~~The EEP will enhance or supplement existing Clean Energy Program ("CEP") incentives with programs such as~~ enables the Company to recover all costs associated with the following energy efficiency programs approved by the Board order dated April 21, 2017 in BPU Docket Nos. GR16070618 and GO15050504:

- ~~1. Expanded Residential gas HVAC and hot water heater incentive programs for residential customers;~~
- ~~2. Residential home energy assessment program;~~
- ~~3. Residential home weatherization for income qualified customers program;~~
- ~~4. Commercial customer energy efficiency programs which enhance CEP SmartStart and Pay for Performance incentives steam trap survey and repair program; and~~

35. Enhanced customer education and outreach initiatives designed to encourage customers to conserve energy and lower their gas bills.

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Date of Issue: ~~July 10, 2018~~

Effective: Service Rendered  
on and after ~~July 1, 2018~~

Issued by: Brian MacLean, President  
520 Green Lane  
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities  
Dated ~~June 22, 2018~~ in Docket No. ~~GM17121309~~

ELIZABETHTOWN GAS COMPANY

B. P. U. NO. 15 – GAS

REVISED ORIGINAL SHEET NO. 127

## RIDER "E"

ENERGY EFFICIENCY PROGRAM ("EEP")

(continued)

~~The EEP will recover all costs associated with the program, including, but not limited to customer outreach and system implementations to implement and manage the programs.~~

Determination of the EEP

On or about July 31 of each year, the Company shall file with the Board an EEP rate filing based on the costs and recoveries incurred during the previous EEP year ending June 30th as well as estimates, if applicable, through the upcoming calendar year to develop the EEP rate to be effective October 1st as follows:

The EEP monthly recoverable expenditure amounts shall be derived from taking the average of the cumulative beginning and end of month expenditures associated with the EEP investments less accumulated amortization and accumulated deferred income tax credits times the after tax weighted average cost of capital grossed up for the Company's revenue factor, as directed in the Board's August 21, 2013 Order in Docket No. GO12100946, plus monthly amortization using a four year amortization period.

The EEP rate shall be calculated by summing the (i) prior year's EEP over or under recovery balance, plus (ii) current year monthly recoverable expenditure amounts, less (iii) current year recoveries, plus (iv) current year carrying costs based on the monthly average over or under recovered balances, at a rate equal to the rate obtained on the Company's weighted average of its commercial paper and bank credit lines, if both sources have been utilized, not to exceed the weighted average cost of capital after tax as described above, plus (v) an estimated amount to recover the upcoming year's recoverable expenditures amount and dividing the resulting sum by the annual forecasted per therm quantities for the applicable customers set forth above. The resulting rate shall be adjusted for all applicable taxes. The EEP rate shall be self-implementing on a refundable basis as directed by the BPU.

Date of Issue: ~~July 10, 2018~~Effective: Service Rendered  
on and after ~~July 1, 2018~~Issued by: Brian MacLean, President  
520 Green Lane  
Union, New Jersey 07083Filed Pursuant to Order of the Board of Public Utilities  
Dated ~~June 22, 2018~~ in Docket No. ~~GM17121309~~

CLEAN

ELIZABETHTOWN GAS COMPANY

B. P. U. NO. 16 – GAS

REVISED SHEET NO. 126

## RIDER "E"

ENERGY EFFICIENCY PROGRAM ("EEP")

Applicable to all customers except those customers under special contracts as filed and approved by the BPU and those customers exempted pursuant to the Long-Term Capacity Agreement Pilot Program ("LCAPP"), P.L. 2011 c.9, codified as N.J.S.A. 48:3-60.1. See the LCAPP Exemption Procedures at the end of the Societal Benefits Charge ("SBC") Rider "D."

The EEP shall be collected on a per therm basis and shall remain in effect until changed by order of the BPU. The applicable EEP rate is as follows:

\$.0020 per therm

The rate applicable under this Rider includes provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein.

The EEP enables the Company to recover all costs associated with the following energy efficiency programs approved by the Board order dated April 21, 2017 in BPU Docket Nos. GR16070618 and GO15050504:

1. Residential gas HVAC and hot water heater incentive programs;
2. Residential home energy assessment program;
3. Residential home weatherization for income qualified customers program;
4. Commercial steam trap survey and repair program; and
5. Enhanced customer education and outreach initiatives designed to encourage customers to conserve energy and lower their gas bills.

Date of Issue:

Effective: Service Rendered  
on and after

Issued by: Brian MacLean, President  
520 Green Lane  
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities  
Dated in Docket No.

ELIZABETHTOWN GAS COMPANY  
B. P. U. NO. 16 – GAS

REVISED SHEET NO. 127

## RIDER "E"

ENERGY EFFICIENCY PROGRAM ("EEP")  
(continued)Determination of the EEP

On or about July 31 of each year, the Company shall file with the Board an EEP rate filing based on the costs and recoveries incurred during the previous EEP year ending June 30th as well as estimates, if applicable, through the upcoming calendar year to develop the EEP rate to be effective October 1st as follows:

The EEP monthly recoverable expenditure amounts shall be derived from taking the average of the cumulative beginning and end of month expenditures associated with the EEP investments less accumulated amortization and accumulated deferred income tax credits times the after tax weighted average cost of capital grossed up for the Company's revenue factor, as directed in the Board's August 21, 2013 Order in Docket No. GO12100946, plus monthly amortization using a four year amortization period.

The EEP rate shall be calculated by summing the (i) prior year's EEP over or under recovery balance, plus (ii) current year monthly recoverable expenditure amounts, less (iii) current year recoveries, plus (iv) current year carrying costs based on the monthly average over or under recovered balances, at a rate equal to the rate obtained on the Company's weighted average of its commercial paper and bank credit lines, if both sources have been utilized, not to exceed the weighted average cost of capital after tax as described above, plus (v) an estimated amount to recover the upcoming year's recoverable expenditures amount and dividing the resulting sum by the annual forecasted per therm quantities for the applicable customers set forth above. The resulting rate shall be adjusted for all applicable taxes. The EEP rate shall be self-implementing on a refundable basis as directed by the BPU.

Date of Issue:

Effective: Service Rendered  
on and after

Issued by: Brian MacLean, President  
520 Green Lane  
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities  
Dated in Docket No.

**ELIZABETHTOWN GAS COMPANY  
ENERGY EFFICIENCY PROGRAM (EEP) RATE FILING  
MINIMUM FILING REQUIREMENTS (MFR) INDEX**

Minimum Filing Requirements	Schedule
1. Direct FTE employment impacts as defined in Paragraph 28 of the Stipulation, including a breakdown by sub-program	JH-5
2. A monthly revenue requirement calculation based on program expenditures, showing the actual monthly revenue requirement for each of the past twelve months or clause-review period, as well as supporting calculations, including the information related to the tax rate and revenue multiplier used in the revenue requirement calculation	TK-3
3. For the review period, actual revenues, by month and by rate class recorded under the programs	TK-5
4. Monthly beginning and ending clause balances, as well as the average balance net of tax for the 12-month period	TK-2
5. The interest rate used each month for over/under recoveries, and all supporting documentation and calculations for the interest rate	TK-6
6. The interest expense to be charged or credited to ratepayers each month	TK-2, TK-6
7. A schedule showing budgeted versus actual program costs by the following categories: administrative (all utility costs), marketing/sales, training, rebates/incentives, including inspections and quality control, program implementation (all contract costs), evaluation, and any other costs	SB-1
8. The monthly journal entries relating to regulatory asset and O&M expenses for the 12 month review period	SB-1 (is a summary of the expenses as recorded in the Company's books; copies of the actual journal entries can be made available)
9. Supporting details for all administrative costs included in the revenue requirement	SB-1
10. Information supporting the carrying cost used for the unamortized costs	TK-6
11. Number of program participants, including a breakdown by sub-program	JH-1
12. Estimated demand and energy savings, including a breakdown by sub-program	JH-2
13. Emissions reductions from the Program, including a breakdown by sub-program	JH-3
14. Estimated free ridership and spillover	JH-4
15. Participant costs (net of utility incentives), including a breakdown by sub-program	JH-1; JH-4
16. Results of program evaluations, including a breakdown by sub-program	JH-1 - JH-6
17. Separate cost and recovery information for each approved program and extension.	TK-7