



Agenda Date: 8/29/18
Agenda Item: 8E

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

DIVISION OF ENERGY AND
OFFICE OF CLEAN ENERGY

IN THE MATTER OF THE PETITION OF)
ELIZABETHTOWN GAS COMPANY FOR)
AUTHORITY TO EXTEND THE TERM OF)
ENERGY EFFICIENCY PROGRAMS AND)
APPROVAL OF ASSOCIATED COST RECOVERY)
MECHANISM)
ORDER
DOCKET NO. GO18070682

Parties of Record:

Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel
Deborah Franco, Esq., Cullen and Dykman, for Elizabethtown Gas Company

BY THE BOARD:¹

BACKGROUND AND PROCEDURAL HISTORY

On January 13, 2008, the Global Warming Response Act L. 2007, c. 340 ("Act") was signed into law 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 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.

¹ Commissioner Robert M. Gordon did not participate.

By Order² dated August 3, 2009 in Docket Nos. EO09010056 and GO09010060 the Board approved a stipulation authorizing Elizabethtown Gas ("ETG") to administer six energy efficiency programs ("EE Programs") for a 17-month period ending on December 31, 2010. The total EE Programs expenditures, including operating and maintenance ("O&M") expenses were estimated to be \$14,673,100. The August 2009 Order also authorized ETG to recover costs associated with its EE Programs through a rider ("EEP Rider") in ETG's tariff.

By Order³ dated January 19, 2011 in Docket Nos. GO10070446 and GO10100735, the Board approved a stipulation authorizing ETG to extend its EE Programs for an additional one-year period ending on December 31, 2011. By Order dated November 30, 2011 in Docket No. GO11070399, the Board authorized ETG to continue the Company's EE Programs through April 29, 2012.⁴

By Order dated April 11, 2012 in Docket No. GO11070399, the Board authorized ETG to continue three of its EE Programs:

1. Residential Expanded Gas Heating Ventilation and Air Conditioning ("HVAC") and Gas Hot Water Heater Incentive Program
2. Small Commercial Customer Energy Efficiency Program
3. Large Commercial Customer Energy Efficiency Program

In addition to the range of rebates and related offers, the EE Programs also included various customer education and outreach initiatives, including the continuation of the online customer Dashboard and provision of the Whole House Cost Cutter Kit.

By Order dated August 21, 2013,⁵ the Board authorized ETG to extend the term of the following EE Programs for an additional two years through September 1, 2015:

1. Residential Expanded HVAC and Gas Hot Water Heater Incentive Program
2. Commercial Customer Energy Efficiency Program
3. Customer Education and Outreach/Dashboard Program

² In re the Matter of Energy Efficiency Programs and Associated Cost Recovery Mechanisms AND In re the Petition of Pivotal Holdings, Inc. d/b/a Elizabethtown Gas Company for Approval of Energy Efficiency Programs and a Regional Greenhouse Gas Initiative Cost Recovery Rider, BPU Docket Nos. EO09010056 and GO09010060 (August 3, 2009). ("August 2009 Order")

³ 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 Matter of 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 and Deferral Accounting Treatment, BPU Docket Nos. GO10070446 and GO10100735 (January 19, 2011).

⁴ 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).

⁵ 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. GO12100946 (August 21, 2013).

By Order dated December 16, 2015,⁶ in Docket Nos. GO150150504 and GO12100946, the Board approved a stipulation authorizing ETG to extend the programs through December 31, 2016.⁷

By Order dated April 21, 2017, in Docket Nos. GR16070618 and GO15050504, the Board authorized ETG to extend the term of the following EE Programs for a period of eighteen months through December 31, 2018:⁸

1. Residential Gas HVAC and Gas Hot Water Heater Incentive Program;
2. Residential Home Energy Assessment Program;
3. Residential Home Energy Report (Opower) Program;
4. Residential Home Weatherization for Income Qualified Customers Program;

In addition to the range of rebates and related offers, the EE Programs also included a Commercial Steam Trap Survey and Repair Program.

July 2, 2018 Filing

On July 2, 2018, ETG filed the instant petition with the Board. In the filing, the Company seeks approval to continue the programs listed above ("Existing Programs") over a one-year period commencing January 1, 2019. The Company does not seek an increase in its currently effective EEP Rider rate, stating that it will recover the costs of the Existing Programs in future EEP Rider rate reconciliation proceedings.

ETG estimates a total program budget of approximately \$3.0 million over the 1-year extension, through December 31, 2019. Of this amount, approximately \$599,798 is related to the O&M expenditures ETG expects to incur to operate the Existing Programs. ETG proposes to recover the costs associated with the Existing Programs through its current cost recovery mechanism, Rider G.

DISCUSSION

The Board has determined that the petition described above should be retained by the Board for hearing and, pursuant to N.J.S.A. 48:2-32, **HEREBY DESIGNATES** Commissioner Gordon 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. Further, the Board **HEREBY DIRECTS** that any

⁶ 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 AND 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 Nos. GO12100946 and GO15050504 (December 16, 2015). ("December 2015 Order")

⁷ The December 2015 Order authorized ETG to continue the following programs: 1) Residential Expanded HVAC and Gas Hot Water Heater Incentive Program; 2) Commercial Customer Energy Efficiency Program; and 3) Dashboard Program.

⁸ In the Matter of 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 Nos. GR16070618 and GO15050504 (April 21, 2017).

entities seeking to intervene or participate in this matter file the appropriate application with the Board by September 21, 2018. Any party wishing to file a motion for admission of counsel, pro hac vice, should do so concurrently with any motion to intervene or participate.

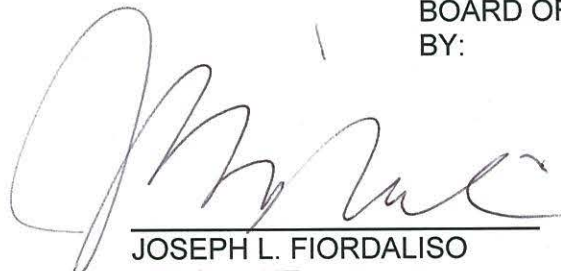
To further enable the Board to effectively and efficiently carry out its mandate under N.J.S.A. 48:3-98.1 and to allow development of a complete record, the Board **HEREBY AUTHORIZES** Commissioner Gordon to render a decision on stipulations, pursuant to N.J.S.A. 48:2-21.3, extending the 180 day review period, if submitted, provided that the stipulation extending the time period is executed by all parties to the proceeding. The authority so delegated is limited to extensions that do not collectively exceed 180 days, with any further requests for extensions to be directed to the Board.

Also in the interests of economy, all parties are **HEREBY DIRECTED** to serve all documents electronically, while still providing hard copies to the Board for those documents which must be filed with the Board, and also providing two hard copies to each party, unless otherwise requested by the parties. Finally, the Board **HEREBY DIRECTS** Staff to post this Order on the Board's website.

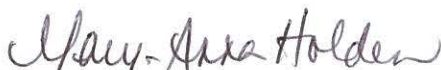
The effective date of this Order is September 8, 2018.

DATED: 8/29/18

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH
SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the
in the files of the Board of Public Utilities.

**IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY FOR
AUTHORITY TO EXTEND THE TERM OF ENERGY EFFICIENCY PROGRAMS AND
APPROVAL OF ASSOCIATED COST RECOVERY MECHANISM
DOCKET NO. GO18070682**

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