



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
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DIVISION OF ENERGY AND  
OFFICE OF CLEAN ENERGY

IN THE MATTER OF THE PETITION OF PIVOTAL	)	ORDER APPROVING
UTILITY HOLDINGS INC., D/B/A ELIZABETHTOWN	)	STIPULATION TO EXTEND
GAS FOR AUTHORITY TO EXTEND THE TERM OF	)	180 DAY PERIOD AND
ENERGY EFFICIENCY PROGRAMS WITH CERTAIN	)	ADDITIONAL FUNDING
MODIFICATIONS AND APPROVAL OF ASSOCIATED	)	
COST RECOVERY MECHANISM	)	
	)	
AND	)	DOCKET NO. GO15050504
	)	
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

**Parties of Record:**

**Mary Patricia Keefe, Esq.**, for Elizabethtown Gas Company  
**Stefanie A. Brand, Esq.**, Director, New Jersey Division of Rate Counsel

**BY THE BOARD:**

On July 2, 2018, Elizabethtown Gas Company ("ETG" or "Company"), filed a petition ("2018 EEP Extension Petition") with the New Jersey Board of Public Utilities ("Board" or "BPU") requesting approval of the extension of its energy efficiency programs ("EEPs") for a one year period commencing January 1, 2019. By this Order, the Board considers a stipulation of settlement executed by ETG, the New Jersey Division of Rate Counsel ("Rate Counsel") and Board Staff (collectively, "Parties") which agrees to extend the 180 day review period for the 2018 EEP Extension Petition and provide additional funding to ETG's current EEPs.

## **BACKGROUND AND PROCEDURAL HISTORY**

On January 13, 2008, the Global Warming Response Act, L. 2007, c. 340, was signed into law ("Act") based on the New Jersey Legislature's findings that energy efficiency and conservation measures are 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 are essential to maximizing energy efficiency. N.J.S.A. 26:2C-45.

Pursuant to Section 13 of the Act, codified as N.J.S.A. 48:3-98.1, an electric or gas public utility may, amongst 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. N.J.S.A. 48:3-98.1 further requires that the Board decide cost recovery issues within one hundred eighty (180) days ("Review Period"). If the petition is deemed complete, the Review Period begins to run from the date the petition is filed. If the petition is not deemed complete, the Review Period commences from the date the petition is deemed complete.

By Order dated August 3, 2009 ("August 3, 2009 Order"), the Board authorized the Company to implement six (6) energy efficiency programs ("Original EE Programs") designed to enhance or supplement New Jersey's Clean Energy Program ("NJCEP") commencing August 3, 2009 through December 31, 2010.<sup>1</sup> See August 3, 2009 Order at p. 4.

By Order dated January 19, 2011, the Board approved a January 12, 2011 stipulation among the Parties authorizing ETG to extend the Original EE Programs for a one-year period ending December 31, 2011.<sup>2</sup>

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<sup>1</sup> In re Energy Efficiency Programs and Associated Cost Recovery Mechanisms, BPU Docket No. EO09010056 and In re the Petition of Pivotal Holdings, Inc. d/b/a Elizabethtown Gas for Approval of Energy Efficiency Programs and a Regional Greenhouse Gas Initiative Cost Recovery Rider, BPU Docket No. GO09010060 (August 3, 2009).

<sup>2</sup> In re the Petition of Pivotal Holdings, Inc. d/b/a Elizabethtown Gas to Revise its Regional Greenhouse Gas Initiative Rider Rate, BPU Docket No. GO10070446 and In the Matter of The Petition of Pivotal 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 Deferral Accounting Treatment, BPU Docket No. GO10100735 (January 19, 2011).

By Order dated April 11, 2012, the Board authorized the Company to continue the EE Programs, subject to certain modifications.<sup>3</sup>

By Board Order dated August 21, 2013 ("August 2013 Order"),<sup>4</sup> the Board authorized ETG to offer the following EEPs: 1) Residential Gas Heating, Ventilation, and Air Conditioning ("HVAC") and Gas Hot Water Incentive Program; 2) Commercial Customer Energy Efficiency Program; and 3) Customer Education and Outreach/Dashboard Program. See August 21, 2013 Order at p. 4. These programs were to be in effect for a two (2) year period ending September 1, 2015. These programs were further extended by Board Orders dated August 27, 2015 and December 16, 2015,<sup>5</sup> through December 2016.

By Order dated April 21, 2017, in Docket Nos. GR16070618 and GO15050504, the Board authorized ETG to extend the term of the following EEPs for a period of eighteen months through December 31, 2018.<sup>6</sup>

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

In addition to the programs listed above, the April 2017 Order also authorized ETG to implement 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 2018 EEP Extension Petition, the Company seeks approval to continue the programs approved by the April 2017 Order ("Existing Programs") over a one-year period commencing January 1, 2019. The Company did 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.

<sup>3</sup> In re the Petition of Pivotal 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).

<sup>4</sup> In re the Petition of Pivotal 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).

<sup>5</sup> In re the Petition of Pivotal 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. GO15050504 (August 27, 2015) 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 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")

<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 Mechanism, BPU Docket Nos. GR16070618 and GO15050504 (April 21, 2017) ("April 2017 Order").

ETG estimates a total program budget of approximately \$3.0 million over the one-year extension through December 31, 2019. Of this amount, approximately \$599,798 is related to the Operations and Maintenance ("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.

By Order dated August 29, 2018, the Board retained this matter for review and hearing, and as authorized by N.J.S.A. 48:2-32, designated Commissioner Robert M. Gordon as the presiding Commissioner with authority to rule on all motions that arise during the proceeding, and establish and modify any schedule that may be set as necessary to secure a just and expeditious determination of the issues. The Board also delegated Commissioner Gordon the authority 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 was limited to extensions that do not collectively exceed 180 days, with any further requests for extensions to be directed to the Board.

On September 20, 2018 PSE&G filed a motion to participate which will be addressed by the Presiding Commissioner.

#### **STIPULATION**

On October 4, 2018, the Parties executed the Stipulation, which provides for the following.<sup>7</sup>

4. The Parties agree that additional time is needed to complete a comprehensive review of ETG's 2018 EEP Extension Petition. The Parties agree that ETG shall extend its existing Board approved EEPs through February 28, 2019 ("EE Program Extension Period"), consistent in all other respects with the Board's April 2017 Order, or until the date set in the instant proceeding by a Board Order authorizing the implementation of revised or new ETG EE programs. The individual existing programs that comprise ETG's EE Program as approved by the April 2017 Order that will be extended through February 28, 2019 include the: (i) Residential Gas Heating Ventilation and Air Conditioning and Gas Hot Water Heater Incentive Program, (ii) Residential Home Energy Assessment Program, (iii) Residential Home Energy Report (Opower) Program; (iv) Residential Home Weatherization for Income Qualified Customers Program, and (v) Commercial Steam Trap Survey and Repair Program.
5. Based on ETG's historical spending on the EE Programs during the period May 1, 2017 through August 31, 2018, combined with ETG's projection of expenditures through December 31, 2018 and the funding needed to continue offering the programs through February 28, 2019, ETG will need additional total of funding of approximately \$136,899 to fund program expenditures and O&M expenses associated with the EE Program during the EE Program Extension Period. To fund program expenditures and O&M expenses associated with the EE Program during the EE Program Extension Period, ETG will utilize: (1) the \$405,955 that is projected to remain in ETG's EE Program budget as of December 31, 2018; and (2) additional

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<sup>7</sup> Although described 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 conclusions contained in this Order.

funding of approximately \$136,899. Attached to the Stipulation as Attachment A is a schedule that reflects ETG's historical spending for the period May 1, 2017 through August 31, 2018, as well as projected spending through December 31, 2018 and the EE Program Extension Period, February 28, 2019.

6. There will be no change to the EE Program Rate by virtue of the Stipulation and all costs will be reviewed in the Company's next annual EE Program Rate reconciliation proceeding to be filed in July 2019.
7. The Parties agree to engage in settlement discussions in good faith in an effort to reach a timely resolution of this proceeding.
8. The Parties also agree to extend the 180-day RGGI review period applicable to the 2018 EEP Extension Petition to allow for a Board determination by February 28, 2019.

### **DISCUSSION AND FINDING**

The Board has carefully reviewed the record to date in this proceeding. The Board is satisfied and **HEREBY FINDS** that the Stipulation extending the existing EEPs to allow for a Board determination by February 28, 2019 on the same terms and conditions set forth in the April 2017 Order is reasonable and is in the public interest. The Board **FURTHER FINDS** that the stipulated funding is a reasonable amount based on historic and anticipated expenditures, subject to review and revision in future EEP Rider rate reconciliation proceedings.

ETG will extend its existing Board approved EEPs through February 28, 2019, consistent in all other respects with the Board's April 2017 Order. The Board further notes that there will be no change in the EE rate at the time of adopting the Stipulation.

The costs and expenditures of the extended EEPs are subject to the additional funding described in the Stipulation, and will be deferred and be the subject of a full review for reasonableness and prudence in future proceedings. The program extension will provide additional time for a thorough review of the 2018 EEP Extension Petition, and will allow sufficient time for the development of a full and complete record for review by the Board while permitting ETG to continue offering its EEPs.

The Board **HEREBY ADOPTS** the Stipulation, attached hereto, including all attachments and schedules, as its own, incorporating by reference the terms and conditions of the Stipulation, as if they were fully set forth at length herein. The Board **HEREBY EXTENDS** the review period to February 28, 2019.

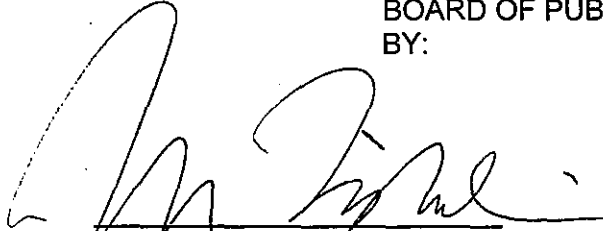
The Board will also address a procedural matter at this time. Effective immediately, the Board **WITHDRAWS** the delegation of authority to Commissioner Gordon to preside over this matter as memorialized in the August 29, 2018 Order. The Board **HEREBY APPOINTS** Commissioner Dianne Solomon as Presiding Commissioner and **HEREBY AUTHORIZES** Commissioner Solomon 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., pursuant to N.J.S.A. 48:2-21.3.

The Company's costs remain subject to audit by the Board. This Decision and Order shall not preclude or prohibit the Board from taking any such actions determined to be appropriate as a result of any such audit.

The Order shall be effective as of November 8, 2018.

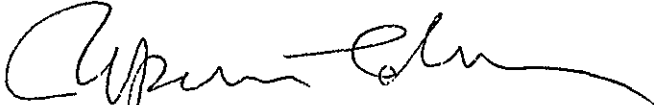
DATED: 10/29/18

BOARD OF PUBLIC UTILITIES  
BY:

  
JOSEPH L. FIORDALISO  
PRESIDENT

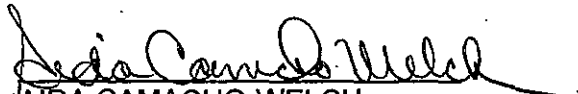
  
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ROBERT M. GORDON  
COMMISSIONER

ATTEST:

  
AIDA CAMACHO-WELCH  
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 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. GO15050504

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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