



Agenda Date: 7/29/16  
Agenda Item: 8B

**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/](http://www.nj.gov/bpu/)

DIVISION OF ENERGY AND  
OFFICE OF CLEAN ENERGY

IN THE MATTER OF THE PETITION OF PIVOTAL )  
UTILITY HOLDINGS, INC. D/B/A )  
ELIZABETHTOWN GAS FOR AUTHORITY TO )  
EXTEND ENERGY EFFICIENCY PROGRAMS )  
WITH CERTAIN MODIFICATIONS AND )  
APPROVAL OF ASSOCIATED COST RECOVERY )  
MECHANISM ) DOCKET NO. GR16070618

**Parties of Record:**

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

**BACKGROUND AND PROCEDURAL HISTORY**

On January 13, 2008, 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 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 August 3, 2009, the Board authorized Elizabethtown Gas Company ("ETG" or "Company") to implement and administer six energy efficiency programs ("EE Programs") for a 17-month period.<sup>1</sup> As approved by that Order, the programs ETG originally offered ("Original Programs") included the following:

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
6. Gas Cooling Program

By Order January 19, 2011, the Board authorized ETG to extend its Original Programs for a one year period ending on December 31, 2011.<sup>2</sup> By Order dated November 30, 2011, the Board further extended ETG's Original programs through April 29, 2012.<sup>3</sup>

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 HVAC and Hot Water Heater Incentive Program
2. Small Commercial Customer Energy Efficiency Program
3. Large Commercial Customer Energy Efficiency Program

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<sup>1</sup> 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, Order dated August 3, 2009.

<sup>2</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 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., Order dated January 19, 2011.

<sup>3</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, Order dated November 30, 2011.

The Company's current programs were authorized by Order dated August 21, 2013.<sup>4</sup> The Board authorized ETG to extend the term of the following EE Programs for a period of 2 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

By Order dated December 16, 2015,<sup>5</sup> the Board authorized ETG to extend the programs approved in the August 2013 Order through December 2016.<sup>6</sup>

#### **July 1, 2016 Filing**

By petition dated July 1, 2016, ETG filed the instant petition with the Board. In the filing, the Company seeks approval to continue its Residential Gas HVAC and Gas Hot Water Heater Incentive Program over a four-year period commencing January 1, 2017. The petition also requests approval of the following programs through the same time period:

- 1) Residential Home Energy Assessment Program
- 2) Residential Home Energy Report (Opower) Program
- 3) Residential Home Weatherization for Income Qualified Customers Program
- 4) Residential Financing Program
- 5) Commercial Financing Program
- 6) Commercial Steam Trap Survey and Repair Program

Together, the extended HVAC/Gas Hot Water Heater program and the six new programs are designated as the "Proposed EE Programs."

ETG estimates a total program budget of approximately \$14.3 million over the four-year term. Of this amount, approximately \$6.6 million is related to operations and maintenance ("O&M") expenditures ETG expects to incur to operate the Proposed EE Programs. ETG proposes to recover the costs through an EEP Rider Surcharge rate that will be reconciled as needed in its next proceeding to true-up that rate.

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<sup>4</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. GO12100946, Order dated August 21, 2013. ("August 2013 Order")

<sup>5</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 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, Order dated December 16, 2015. ("December 2015 Order")

<sup>6</sup> 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.

**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 Solomon 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 entities seeking to intervene or participate in this matter file the appropriate application with the Board by August 23, 2016.

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 Solomon to render a decision on a stipulation pursuant to N.J.S.A. 48:2-21.3 extending the 180 day review period, if submitted, provided that the stipulation is executed by all parties to the proceeding. The authority so delegated is limited to a single extension of the 180 day period, with any further requests for extensions to be directed to the Board.

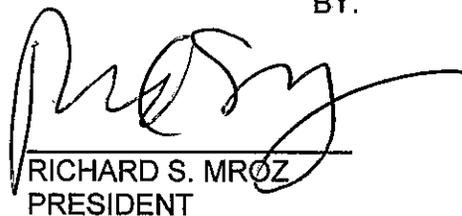
Also in the interests of economy, all parties are **HEREBY DIRECTED** to serve all documents electronically, while still providing hard copies to the Board for those documents which must be filed with the Board, and also providing 2 hard copies to each party, unless otherwise requested by the parties. Finally, the Board **HEREBY DIRECTS** Staff to post this Order on the Board's website.

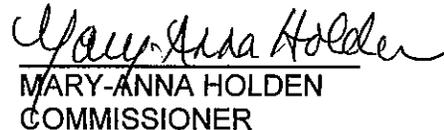
The effective date of this Order shall be August 8, 2016.

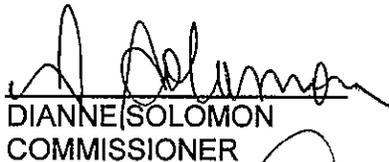
DATED: 7/29/16

BOARD OF PUBLIC UTILITIES  
BY:

  
JOSEPH L. FIORDALISO  
COMMISSIONER

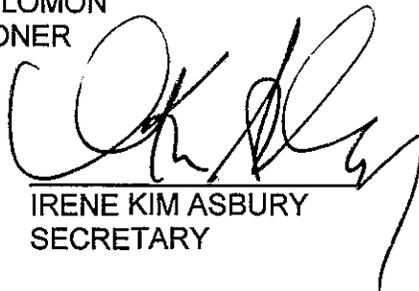
  
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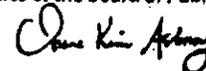
  
DIANNE SOLOMON  
COMMISSIONER

  
UPENDRA J. CHIVUKULA  
COMMISSIONER

ATTEST:

  
IRENE KIM ASBURY  
SECRETARY

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



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ELIZABETHTOWN GAS FOR AUTHORITY TO EXTEND ENERGY EFFICIENCY  
PROGRAMS WITH CERTAIN MODIFICATIONS AND APPROVAL OF ASSOCIATED  
COST RECOVERY MECHANISM  
DOCKET NO. GR16070618**

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