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CASE MANAGEMENT

MAY 29 2018

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

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May 25, 2018

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VIA FEDERAL EXPRESS
BOARD OF PUBLIC UTILITIES
TRENTON, NJ

Honorable Aida Camacho-Welch, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 3rd Floor
Suite 314
P.O.Box 350
Trenton, NJ 08625-0350

Re: IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS
COMPANY FOR APPROVAL OF THE COST RECOVERY ASSOCIATED
WITH ENERGY EFFICIENCY PROGRAMS
BPU DOCKET NO. GR18050585

Dear Secretary Camacho-Welch:

Enclosed herewith for filing please find an original and ten (10) copies of the Petition of New Jersey Natural Gas Company (NJNG) for approval of the cost recovery associated with Energy Efficiency Programs.

Copies of the petition, including the supporting Exhibits, are also being served upon the New Jersey Division of Rate Counsel and the Division of Law.

Kindly acknowledge receipt of this filing by date stamping the enclosed copy of this letter and returning same in the self-addressed, stamped envelope.

Cms
LEGAL
DIAG
RPA
S. Peterson
ENERGY (5) TOC
A. Reid

Respectfully submitted,

Andrew K. Dembia
Regulatory Affairs Counsel

Enclosures

C: Service List

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BOARD OF PUBLIC UTILITIES
TRENTON, NJ

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION)
OF NEW JERSEY NATURAL GAS) PETITION
COMPANY FOR APPROVAL OF THE)
COST RECOVERY ASSOCIATED WITH) BPU DOCKET NO. GR1805 ____
ENERGY EFFICIENCY PROGRAMS)
)
)

**TO: THE HONORABLE COMMISSIONERS OF
THE NEW JERSEY BOARD OF PUBLIC UTILITIES**

New Jersey Natural Gas Company (“NJNG” or the “Company”) respectfully petitions the New Jersey Board of Public Utilities (the “Board” or “BPU”) pursuant to Board Orders issued on July 17, 2009, in Docket Nos. EO09010056 and EO09010057 (“July 2009 Order”), on September 24, 2010, in Docket No. GO10030225 (“September 2010 Order”), on January 18, 2012, in Docket No. GR11070425 (“January 2012 Order”), on June 21, 2013, in Docket No. GO12070640 (“June 2013 Order”), and on July 22, 2015 and June 29, 2016, in Docket No. GO14121412 (“July 2015/June 2016 Orders”) and the currently pending matter in Docket No. GO18030355, as well as N.J.S.A. 48:3-98.1, stating as follows:

1. NJNG is a corporation duly organized under the laws of the State of New Jersey and is a public utility engaged in the sale, distribution and transportation of natural gas subject to the jurisdiction of the Board. The Company’s principal business office is located at 1415 Wyckoff Road, Wall Township, New Jersey 07719.

administrative structures and spur additional economic activity within the State while contributing to the reduction of energy consumption in New Jersey.

5. In the July 2009 Order, the Board approved the initial EE Programs for NJNG to be operated through SAVEGREEN and also approved the recovery of costs incurred by adopting the terms of the Stipulation entered into among NJNG, BPU Staff and the New Jersey Division of Rate Counsel (“Rate Counsel”)¹(hereinafter referred to as the “Parties”). Accordingly, NJNG was authorized to establish a cost recovery rate through which it can recover or return to customers all deferred SAVEGREEN costs, including rebate costs, customer incentive payments, customer financing costs and associated reasonable and prudent incremental operation and maintenance (“O&M”) expenses (“Program Costs”). It was agreed by the Parties that such Program Costs are subject to recovery pursuant to the terms of NJNG’s Tariff Sheet Rider F (“Rider F”). Pursuant to the July 2009 Order, the initial after-tax EE rate in Rider F was established as \$0.0127 (\$0.0119 pre-tax).

6. As part of the then authorized cost recovery mechanism, the Company was authorized to amortize for recovery its initial SAVEGREEN investments in customer rebates, incentive payments and customer financing over a four (4) year period on a straight line basis, with the return on the unamortized investments based upon the Company’s adjusted overall weighted average cost of capital (“WACC”), inclusive of income taxes as authorized by the BPU in NJNG’s then most recent base rate case in 2007-2008, BPU Docket No. GR07110889. NJNG computes the return component of its costs, in addition to the amortization of its investments, by deducting the applicable deferred income taxes related to the amortization of rebates, incentives and financing costs over a four-year period for book purposes and over a one-year period for tax purposes.

¹ Rate Counsel was formerly designated as New Jersey Department of the Public Advocate, Division of Rate Counsel.

filings and includes updates to the SAVEGREEN investment levels, operating costs, and reconciled rate recoveries to actual cost results.

9. On March 28, 2018, the Company filed a petition seeking approval of the continuation of the existing SAVEGREEN programs, with modifications and approval of new and innovative programs over the next six (6) years. NJNG has proposed that this current EE rate filing become effective on the date of the Order in that pending matter, anticipated to be in the fourth quarter of 2018, and therefore requests that this cost recovery filing become effective on January 1, 2019 and include the current pending SAVEGREEN Program matter.

10. Attached hereto and made a part of this Petition are the following Schedules providing the information listed in the Minimum Filing Requirements approved in the July 2009 Order and updated in the July 2015 Order with information provided for the SAVEGREEN Program.

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|------------------|--|
| Schedule NJNG-1 | Information on NJNG's direct FTE employment impacts. |
| Schedule NJNG-2 | Rate Change and Monthly revenue requirement calculation. |
| Schedule NJNG-3 | Actual clause revenues, by month and by rate class. |
| Schedule NJNG-4 | Monthly beginning and ending clause deferred balances and the average deferred balance, net of tax, for the reconciliation period. |
| Schedule NJNG-5 | Interest rate used for over/under deferred balance recoveries. |
| Schedule NJNG-6 | Interest expense to be charged or credited each month. |
| Schedule NJNG-7 | Budgeted versus actual SAVEGREEN Program Costs. |
| Schedule NJNG-8 | Monthly journal entries for regulatory asset and deferred O&M expenses for the SAVEGREEN Program for the reconciliation period. |
| Schedule NJNG-9 | Supporting details for all administrative costs related to the SAVEGREEN Program included in the revenue requirement. |
| Schedule NJNG-10 | Carrying cost used for the unamortized costs of the SAVEGREEN Program. |
| Schedule NJNG-11 | Number of participants in each SAVEGREEN program. |
| Schedule NJNG-12 | Estimated demand and energy savings for each SAVEGREEN program. |

3. Approving NJNG's request that the EE rate for Rider F be reduced from \$0.0265 after-tax to \$0.0161 per therm after-tax effective January 1, 2019;
4. Granting such other relief as the Board deems just, reasonable and necessary.

Respectfully submitted,

NEW JERSEY NATURAL GAS COMPANY

By: 
Andrew K. Dembia, Esq.
Regulatory Affairs Counsel

Dated May 25, 2018

STATE OF NEW JERSEY)
:
COUNTY OF MONMOUTH)

VERIFICATION

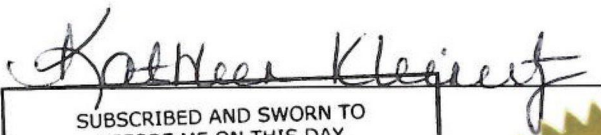
MARK G. KAHRER of full age, being duly sworn according to law, on his oath deposes and says:

1. I am Vice President, Regulatory Affairs for New Jersey Natural Gas Company, the Petitioner in the foregoing Petition.
2. I have read the annexed Petition, along with the Exhibits attached thereto, and the matters and things contained therein are true to the best of my knowledge, information and belief.



Mark G. Kahrer

Sworn and subscribed to
before me this 25 day
of May, 2018



SUBSCRIBED AND SWORN TO
BEFORE ME ON THIS DAY

MAY 25 2018

KATHLEEN KLEINERTZ
NOTARY PUBLIC, STATE OF NEW JERSEY
MY COMMISSION EXPIRES 08/30/2021

