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*Save
10/10/18*

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October 4, 2018

Via Email and FedEx

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

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CASE MANAGEMENT

OCT 05 2018

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

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BOARD OF PUBLIC UTILITIES
TRENTON, NJ

**Re: 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 and Approval of Associated Cost Recovery Mechanism
BPU Docket No. GO18070682**

**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 and Approval of Associated Cost Recovery Mechanism
BPU Docket No. GR16070618**

Dear Secretary Camacho-Welch:

Enclosed for filing in the above proceeding are an original and ten copies of a Stipulation to Extend 180-Day Review Period and Energy Efficiency Programs executed by representatives of Elizabethtown Gas Company ("Elizabethtown"), the Staff of the Board of Public Utilities and the Division of Rate Counsel. Elizabethtown respectfully requests that Commissioner Gordon consider and approve this Stipulation as expeditiously as possible.

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

Respectfully submitted,

/s/ Deborah M. Franco *KB*

Deborah M. Franco

Case mgmt

Of Counsel to
Elizabethtown Gas Company

cc: Service List ✓
Robert Gordon, Commissioner

**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 AND APPROVAL OF ASSOCIATED COST RECOVERY MECHANISM
BPU DOCKET NO. GO18070682**

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**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 AND APPROVAL OF ASSOCIATED COST RECOVERY MECHANISM
BPU DOCKET NO. GO18070682**

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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 and Approval of Associated Cost Recovery Mechanism

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 and Approval of Associated Cost Recovery Mechanism

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BPU Docket No.
GO18070682

**BPU Docket No.
GR16070618**

STIPULATION TO EXTEND 180-DAY REVIEW PERIOD AND ENERGY EFFICIENCY PROGRAMS

APPEARANCES:

Kenneth T. Maloney and Deborah M. Franco (Cullen and Dykman LLP), Attorneys for the Petitioner, Elizabethtown Gas Company (formerly Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas)¹

Mary Patricia Keefe, Vice President for Elizabethtown Gas Company

Felicia Thomas-Friel, Esq., Managing Attorney – Gas, Division of Rate Counsel, **Brian Lipman**, Litigation Manager, **Sarah H. Steindel, Esq.**, **Kurt S. Lewandowski, Esq.**, Assistant Deputy Rate Counsels, 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)

TO THE NEW JERSEY BOARD OF PUBLIC UTILITIES:

1. Pursuant to the New Jersey Regional Greenhouse Gas Initiative (“RGGI”) legislation, an electric or natural gas utility can offer and invest in regulated energy efficiency and

¹ In an order June 22, 2018 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.”

conservation programs within its service territory. *N.J.S.A.* 48:3-98.1. Furthermore, utilities are authorized to seek approval from the New Jersey Board of Public Utilities (“Board”) for recovery of costs related to such programs. *Id.*

2. Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas, now Elizabethtown Gas Company (“Elizabethtown” or “Company”) filed a petition dated June 29, 2018 (“Petition”) in BPU Docket No. GO18070682 to extend the term of the energy-efficiency program (“EE Program”) made available to Elizabethtown’s customers pursuant to *N.J.S.A.* 48:3-98.1 for a one-year period effective January 1, 2019. The individual programs that comprise Elizabethtown’s existing EE Program, described more fully below, were first authorized by an August 3, 2009 Board Order (“August 3 Order”) in Docket Nos. EO09010056 and GO09010060 *et al.*, which approved a Stipulation of Settlement (“Stipulation”) among Elizabethtown, Board Staff and the New Jersey Division of Rate Counsel (“Rate Counsel”). In that Stipulation, the parties agreed to the implementation of the EE Program and the establishment of a surcharge to enable the Company to recover the costs associated with its EE Program. The Board subsequently authorized a number of extensions of Elizabethtown’s EE Program in BPU Docket Nos. GO10070446, GO11070399, GO12100946, GO15050504 and GR16070618. The currently effective EE Program, which was authorized in GO15050504 and GR16070618 by BPU Order dated April 21, 2017 (“April 21 Order”), are effective through December 31, 2018. The individual programs, which comprise the existing EE Program are described below. Recovery of the costs necessary to deliver these programs, including grants, incentives, incremental operations and maintenance (“O&M”) expenses and carrying costs is provided through Rider G to the Company’s Tariff (“EE Program Rate”).

3. By Order dated August 29, 2018 (“August 29 Order”), the Board designated Commissioner Robert M. Gordon as the presiding officer who is authorized to rule on all motions and modify schedules. The August 29 Order further authorized Commissioner Gordon to render a decision on a stipulation to extend the 180-day review period applicable to these proceedings to the extent the stipulation is signed by all parties and it is limited to a single extension of the 180-day review period, with any further extension to be directed by the Board. The August 29 Order also directed that all motions to intervene, participate and appear *pro hac vice* be filed with the Board by September 21, 2018. The parties to this proceeding are the Company, Board Staff and Rate Counsel (collectively “Parties”). Discovery is ongoing in this proceeding and public hearings are scheduled to be held on October 22, 2018 in Flemington, New Jersey and October 24, 2018 in Union, New Jersey.

STIPULATION

4. The Parties agree that additional time is needed to complete a comprehensive review of Elizabethtown’s Petition. Through this Stipulation, the Parties agree that Elizabethtown shall extend its existing Board approved EE Programs through February 28, 2019 (“EE Program Extension Period”), consistent in all other respects with the Board’s April 21 Order, or until the date set in the instant proceeding by a Board Order authorizing the implementation of revised or new Elizabethtown EE programs. The individual existing programs that comprise Elizabethtown’s EE Program as approved by the April 21 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 Elizabethtown's historical spending on the EE Program during the period May 1, 2017 through August 31, 2018, combined with Elizabethtown's projection of expenditures through December 31, 2018 and the funding needed to continue offering the programs through February 28, 2019, Elizabethtown will need additional total of funding of approximately \$136,899 for program expenditures and O&M expenses associated with the EE Program during the EE Program Extension Period. To finance the program expenditures and O&M expenses associated with the EE Program during the EE Program Extension Period, Elizabethtown will utilize (1) the \$405,955 that is projected to remain in Elizabethtown's EE Program budget as of December 31, 2018 and (2) additional funding of approximately \$136,899. Attached as Attachment A is a schedule that reflects Elizabethtown'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 this Stipulation.

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 Petition to allow for a Board determination by February 28, 2019.

9. This Stipulation represents a mutual balancing of interests, contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event any particular aspect of this Stipulation is not accepted and approved in its entirety by the Board, any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion. More particularly, in the event this Stipulation is not adopted in its entirety by the Board, in any applicable Order(s), then any Party

hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed.

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

11. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, Elizabethtown, Board Staff and 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 and, in total or by specific item. This Stipulation is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation.

WHEREFORE, the Parties hereto do respectfully submit this Stipulation and request that the Board issue a Decision and Order approving it in its entirety, in accordance with the terms hereof, as soon as reasonably possible.

ELIZABETHTOWN GAS COMPANY
D/B/A ELIZABETHTOWN GAS

STEFANIE A. BRAND,
DIRECTOR, DIVISION OF
RATE COUNSEL

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Vice President, Regulatory
Affairs and Business Support

By: Kurt S. Lewandowski
Kurt S. Lewandowski, Esq.
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: Alex Moreau
Alex Moreau
Deputy Attorney General

Dated: October 3, 2018

ELIZABETHTOWN GAS COMPANY
ENERGY EFFICIENCY PROGRAM ("EEP")

Schedule of Actual and Projected Expenditures

	O&M Recoverable in Period Expended				Program Expenditures - Amortized Over Four Years				
	Labor	Customer Education	Dashboard	Prog Eval/ Consultant	Total O&M	Cust Fin & Opower	Program Expenditures	Program Total	Total
May-17	\$12,093	\$1,494	\$0	\$0	\$13,587	\$0	\$12,094	\$12,094	\$25,681
Jun-17	\$11,353	\$886	\$0	\$0	\$12,239	\$0	\$9,676	\$9,676	\$21,915
Jul-17	\$10,738	(\$218)	\$0	\$0	\$10,520	\$0	\$11,721	\$11,721	\$22,241
Aug-17	\$18,161	\$7,585	\$0	\$0	\$25,746	\$0	\$10,292	\$10,292	\$36,038
Sep-17	\$23,772	\$248	\$0	\$0	\$24,020	\$298,040	\$2,816	\$300,856	\$324,876
Oct-17	\$18,389	\$2,651	\$0	\$0	\$21,040	\$80,242	\$1,991	\$82,233	\$103,473
Nov-17	\$22,512	\$16,447	\$0	\$0	\$38,959	\$177,979	\$61,413	\$239,392	\$278,351
Dec-17	\$19,092	\$41,717	\$0	\$0	\$60,809	(\$37,615)	\$148,175	\$110,560	\$171,369
Jan-18	\$18,912	\$0	\$0	\$0	\$18,912	\$0	\$181,033	\$181,033	\$199,945
Feb-18	\$19,163	\$9,020	\$0	\$0	\$28,183	\$177,868	\$100,607	\$278,475	\$306,658
Mar-18	\$20,683	\$22,218	\$0	\$0	\$42,901	\$0	\$77,229	\$77,229	\$120,130
Apr-18	\$20,001	\$25,446	\$0	\$0	\$45,447	\$0	\$145,737	\$145,737	\$191,184
May-18	\$20,989	\$6,175	\$0	\$0	\$27,164	\$177,868	\$110,529	\$288,397	\$315,561
Jun-18	\$21,450	(\$87)	\$0	\$0	\$21,363	\$0	\$46,997	\$46,997	\$68,360
Jul-18	\$14,359	\$8	\$0	\$0	\$14,367	\$0	\$0	\$0	\$14,367
Aug-18	\$36,700	\$1,299	\$0	\$0	\$37,999	\$0	\$102,223	\$102,223	\$140,222
Sep-18	* \$21,427	\$11,275	\$0	\$0	\$32,702	\$177,868	\$256,692	\$434,559	\$467,261
Oct-18	* \$21,427	\$12,900	\$0	\$30,000	\$64,327	\$0	\$107,900	\$107,900	\$172,227
Nov-18	* \$21,427	\$21,500	\$0	\$0	\$42,927	\$185,251	\$101,305	\$296,556	\$339,483
Dec-18	* \$21,427	\$12,100	\$0	\$0	\$33,527	\$0	\$92,800	\$92,800	\$126,327
Jan-19	* \$21,427	\$17,200	\$0	\$0	\$38,627	\$0	\$130,400	\$130,400	\$169,027
Feb-19	* \$21,427	\$17,000	\$0	\$0	\$38,427	\$180,000	\$155,400	\$335,400	\$373,827
Total May 17 - Aug 18	\$308,367	\$135,089	\$0	\$0	\$443,456	\$874,382	\$1,022,533	\$1,896,915	\$2,340,371
Total Sep 18 - Dec 18	\$85,708	\$57,775	\$0	\$30,000	\$173,483	\$373,119	\$558,896	\$931,815	\$1,105,298
Total Jan 19 - Feb 19	\$42,854	\$34,200	\$0	\$0	\$77,054	\$180,000	\$285,800	\$465,800	\$542,854

* Projected

Actual spending May 17 - Aug 18	\$2,340,371
Projected spending Sep 18 - Dec 18	\$1,105,298
Total	\$3,445,669
Budget approved through Dec 18	\$3,851,624
Remaining	\$405,955
Projected spending Jan 19 - Feb 19	\$542,854
Additional Requested	\$136,899