



Agenda Date: 12/21/22
Agenda Item: 2D

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF)
ELIZABETHTOWN GAS COMPANY TO REVISE ITS)
ENERGY EFFICIENCY PROGRAM RIDER RATE)
) ORDER APPROVING
STIPULATION

) DOCKET NO. GR22070464

Parties of Record:

Deborah M. Franco, Esq., for Elizabethtown Gas Company
Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On July 29, 2022, Elizabethtown Gas Company (“ETG” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) seeking approval to modify its Energy Efficiency (“EE”) Program (“EEP”) Rider rate (“Petition”).¹ By this Decision and Order, the Board considers a stipulation of settlement (“Stipulation”) executed by ETG, the New Jersey Division of Rate Counsel (“Rate Counsel”), and Board Staff (“Staff”) (collectively, “Parties”), intended to resolve the Company’s requests related to the Petition.

BACKGROUND AND PROCEDURAL HISTORY

By Order dated August 3, 2009, the Board authorized ETG to administer six (6) EEPs for a 17-month period ending December 31, 2010: 1) the Whole House Energy Efficiency Program; 2) the Residential Expanded Gas Heating Ventilation and Air Conditioning (“HVAC”) and Gas Hot Water Heater Incentive Program; 3) the Small Commercial Customer Energy Efficiency Program; 4) the Large Commercial Customer Energy Efficiency Program; 5) the Combined Heat and Power Program; and 6) the Gas Cooling Program (collectively, “Original EEPs”).² The total projected expenditures, including operating and maintenance expenses, was \$14,673,100. The August 2009 Order also authorized the Company to implement a Regional Greenhouse Gas Initiative

¹ The EEP Rider (also known as Rider “E” – Tariff Sheet No. 124), as of July 1, 2021, is comprised of two (2) rate components, one associated with the EEP that ended on June 30, 2021, with a four (4)-year amortization of costs and the other associated with a 10-year amortization of costs – effective July 1, 2021, authorized by the Board’s Order dated April 7, 2021, in BPU Docket Nos. QO19010040 and GO20090619.

² In re the Energy Efficiency Programs and Associated Cost Recovery Mechanisms and In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas 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 (“August 2009 Order”).

("RGGI") Rider Rate to recover the costs associated with the Original EEPs. Pursuant to the August 2009 Order, the Company is required to submit an annual petition to adjust its RGGI Rider Rate on a calendar basis. The annual filings included information regarding investment levels, operating costs, and employment. In the August 2009 Order, the initial RGGI Rate was established at \$0.0082 per therm.³

On July 1, 2010, ETG filed a petition to reconcile program costs and recoveries associated with its Original EEPs ("2010 RGGI Rider Rate Petition"). On October 4, 2010, the Company filed a petition requesting approval to extend the term of the Company's Original EEPs for an additional three (3) year period. By Order dated January 19, 2011, the Board authorized ETG to extend its Original EEPs for a one (1) year period ending on December 31, 2011.⁴ The January 2011 Order also approved a provisional RGGI Rider Rate of \$0.0000, but left open the 2010 RGGI Rider Rate Petition docket to allow for further review of the Company's Original EEPs and finalization of a provisional RGGI Rider Rate.

On June 30, 2011, ETG filed a petition to reconcile program costs and recoveries associated with its Original EEPs ("2011 RGGI Rider Rate Petition"). The 2011 RGGI Rider Rate Petition sought to decrease the RGGI Rider Rate from \$0.0000 to a credit of \$0.0015 per therm. The 2011 RGGI Rider Rate Petition also requested approval to implement a name change from the RGGI Rider Rate to the EEP Rate.

By Order dated November 30, 2011, the Board authorized ETG to continue the Company's Original EEPs through April 29, 2012.⁵ The November 2011 Order also approved the continuation of a RGGI Rider Rate of \$0.0000 per therm until changed by order of the Board. By Order dated April 11, 2012, the Board authorized the Company to continue certain EEPs until April 19, 2013.⁶

³ All rates quoted herein include Sales and Use Tax ("SUT") and any applicable assessments.

⁴ 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 Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown 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 ("January 2011 Order").

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, BPU Docket No. GO11070399, Order dated November 30, 2011 ("November 2011 Order").

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, BPU Docket No. GO11070399, Order dated April 11, 2012 ("April 2012 Order").

On August 1, 2012, ETG filed a petition to reconcile program costs and recoveries associated with its EEPs through June 30, 2012 (“2012 EEP Rate Petition”). The 2012 EEP Rate Petition sought approval of an EEP rate of \$0.0046 per therm. By Order dated December 18, 2013, the Board authorized an EEP Rate of \$0.0042 per therm and renamed the RGGI Rider Rate to the EEP Rate; resolving the 2010 RGGI Rider Rate Petition, the 2011 RGGI Rider Rate Petition and the 2012 EEP Rate Petition.⁷

By Order dated August 21, 2013, the Board authorized the Company to extend the term of the Original EEPs through September 1, 2015.⁸ By Order dated December 16, 2015, the Board authorized ETG to continue offering its Original EEPs through December 31, 2016 within the remaining budget approved in the August 2013 Order.⁹

By Order dated April 21, 2017, the Board authorized the Company to extend the term of the existing program and several additional proposed programs through December 31, 2018.¹⁰ The April 2017 Order authorized ETG to offer the following EEPs: 1) the Residential Gas HVAC and Gas Hot Water Heater Incentive Program; 2) the Residential Home Energy Assessment Program; 3) the Residential Home Energy Report (“Opower”) Program; 4) the Residential Home Weatherization for Income Qualified Customers Program; and 5) the Commercial Steam Trap Survey and Repair Program.

By Order dated February 27, 2019, the Board authorized the Company to extend its current EEPs through February 29, 2020.¹¹ By Order dated February 19, 2020, the Board authorized the Company to extend its current EEPs through December 31, 2021, subject to implementation of a new EE Program with an earlier effective date.¹² By Order dated April 7, 2021, the Board

⁷ 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 Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to Revise its Regional Greenhouse Gas Initiative Rider Rate and Rename the Rate to the Energy Efficiency Program Rider Rate AND In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to Revise its Energy Efficiency Program Rider Rate, BPU Docket Nos. GO10070446, GR11070398, and GR12080729, Order dated December 18, 2013.

⁸ 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.

⁹ 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.

¹⁰ 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. GO15050504 and GR16070618, Order dated April 21, 2017 (“April 2017 Order”).

¹¹ 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. GO18070682, Order dated February 27, 2019.

¹² 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. GO18070682, Order dated February 19, 2020.

authorized ETG to implement a new EE Program that began on July 1, 2021.¹³ Accordingly, ETG's previous EEP offerings terminated on June 30, 2021.

PETITION

In the Petition, ETG sought to reconcile the EEP costs and cost recoveries for the period commencing July 1, 2021 through June 30, 2022, and establish a rate sufficient to recover those costs and the projected EEP rate revenue requirements for the period of July 1, 2022 through June 30, 2023.

ETG requested to decrease its current four (4)-year amortization component of the EEP rider rate from \$0.0027 per therm to \$0.0003 per therm to recover a balance of \$164,320.¹⁴ ETG also requested to increase its current 10-year amortization component of the EEP Rider rate from \$0.0063 per therm to \$0.0083 per therm to recover a balance of \$3,807,476. As a result of the requested changes, the combined EEP Rider rate would decrease from \$0.0090 per therm to \$0.0086 per therm.

The Petition requested a decrease to rates; therefore, public hearings were not held in this matter. In addition, the Board received no written comments from the public.

STIPULATION

Following further review and discussion, the Parties executed the Stipulation, which provides the following:¹⁵

Effective Date

10. The Parties acknowledge that the EEP Rider rate change will become effective as of the date of a Board Order approving the Stipulation in accordance with N.J.S.A. 48:2-40, or upon such date thereafter as the Board may specify ("Effective Date").

Effective Rate

11. As of the Effective Date, the Company will implement an EEP Rider rate of \$0.0086 per therm, and that rate shall remain in effect until changed by Order of the Board. The calculation of this rate is set forth in Appendix A, which is attached to the Stipulation.
12. The Company shall accrue interest on under- and over-recovery balances at a rate equal to the weighted average of the Company's monthly commercial paper rate or interest rate on its bank credit lines. Until such time when ETG has a commercial paper program, the Company will adjust its short-term debt rate to reflect the commercial paper rate

¹³ In re the Implementation of L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs and In re the Petition of Elizabethtown Gas Company for Approval of New Energy Efficiency Programs and Associated Cost Recovery Pursuant to the Clean Energy Act and the Establishment of a Conservation Incentive Program, BPU Docket Nos. QO19010040 and GO20090619, Order dated April 7, 2021.

¹⁴ All rates include sales and use tax ("SUT") unless otherwise stated.

¹⁵ Although summarized in this Order, the detailed terms of the Stipulation are controlling, subject to the findings and conclusions of this Order. Paragraphs are numbered to coincide with the Stipulation.

proxy reduction of 1.64%. In the event that commercial paper or bank credit lines were not utilized by the Company in the preceding month, the last calculated rate shall be used. The interest on monthly EEP Rider rate under and over recoveries shall be determined by applying the interest rate based upon the Company's weighted interest rate for the corresponding month obtained on its commercial paper and bank credit lines, but shall not exceed the Company's after tax weighted average cost of capital utilized to set rates in its most recent base rate case.

13. The Company agrees that it will include with its EEP filings responses to the minimum filing requirements as set forth in Appendix to the Stipulation.
14. Should the Board approve the EEP Rider rate reflected in the Stipulation, the Company will file a revised tariff sheet with the Board to present the rate components that result in the total EEP rate. A draft tariff sheet is attached as Appendix C of the Stipulation, which includes actual changes to the tariff.

Rate Impact

15. The rate impact of the EEP Rider rate change from \$0.0090 per therm, will decrease the monthly bill of a typical residential heating customer using 100 therms by \$0.04 or 0.0% compared to the Company's December 1, 2022 rates.

All Issues Resolved

16. Upon the Board's approval of the Stipulation, all issues related to ETG's EEP recoverable costs for the period July 1, 2021 through June 30, 2022 are deemed resolved for purposes of this proceeding but remain subject to audit by the Board.

DISCUSSION AND FINDINGS

The Board carefully reviewed the record in this proceeding, including the Petition, discovery, and the attached Stipulation in its entirety. Accordingly, the Board **HEREBY FINDS** that the Stipulation represents a fair and reasonable resolution of the issues, demonstrates the costs through June 2022 to be both reasonable and prudent, and therefore, in the public interest. As such, the Board **HEREBY ADOPTS** the attached Stipulation as its own, incorporating by reference its terms and conditions as if fully set forth herein.

The Board **HEREBY ORDERS** ETG to revise its four (4)-year amortization EEP Rider rate component to \$0.0003 per therm and revise its 10-year amortization EEP Rider rate component to \$0.0083 per therm, effective for service rendered on or after January 1, 2023.

As a result of the Board's approval of the Stipulation, a typical residential heating customer using 100 therms per month will experience a decrease of \$0.04 in their current monthly bill.

The Board **HEREBY ORDERS** the Company to file the appropriate revised tariff sheets consistent with the terms of this Order no later than December 30, 2022.

The Company's costs, including those related to the programs described above, remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

This Board Order shall be effective on December 28, 2022.

DATED: December 21, 2022

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER

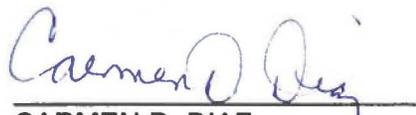


ROBERT M. GORDON
COMMISSIONER



DR. ZENON CHRISTODOULOU
COMMISSIONER

ATTEST:



CARMEN D. DIAZ
ACTING 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 ELIZABETHTOWN GAS COMPANY TO REVISE ITS
ENERGY EFFICIENCY PROGRAM RIDER RATE

BPU DOCKET NO. GR22070464

SERVICE LIST

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December 7, 2022

Electronic Filing

Carmen D. Diaz, Acting Board Secretary
and Acting Custodian
New Jersey Board of Public Utilities
44 South Clinton Avenue
P. O. Box 350
Trenton, NJ 08625-0350

**Re: In the Matter of the Petition of Elizabethtown Gas Company To Revise Its Energy Efficiency
Program Rider Rate
BPU Docket No. GR22070464**

Dear Acting Board Secretary and Acting Custodian Diaz:

Enclosed for filing in the above-referenced proceeding is a Stipulation executed by representatives of Elizabethtown Gas Company, the Staff of the Board of Public Utilities and the Division of Rate Counsel. It is respectfully requested that the Board consider the Stipulation at its December 21, 2022 agenda meeting.

Should you have any questions, please do not hesitate to contact me.

Respectfully submitted,

A handwritten signature in cursive script that reads "Sheree L. Kelly".

Sheree L. Kelly, Esq.

SLK:jlh
Enclosures
cc: Service List (electronically)

**IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY
TO REVISE ITS ENERGY EFFICIENCY PROGRAM RIDER RATE
BPU DOCKET NO. GR22070464**

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**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

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In the Matter of the Petition of :
Elizabethtown Gas Company to : **BPU Docket No. GR22070464**
Revise its Energy Efficiency Program :
Rider Rate : **FINAL STIPULATION**
-----:

APPEARANCES:

Deborah M. Franco, Esq., Vice President, Rates, Regulatory and Sustainability, SJI Utilities, Inc. for Petitioner, Elizabethtown Gas Company

Maura Caroselli, Esq., Managing Attorney, Gas and Clean Energy, and **Megan Lupo, Esq.**, Assistant Deputy Rate Counsel, for the New Jersey Division of Rate Counsel (**Brian O. Lipman, Esq.**, Director).

Terel Klein, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Matthew J. Platkin**, Attorney General of the State of New Jersey).

TO THE HONORABLE COMMISSIONERS OF THE BOARD OF PUBLIC UTILITIES:

I. PROCEDURAL HISTORY

1. On July 29, 2022, Elizabethtown Gas Company (“Elizabethtown” or “Company”), filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) requesting authority to revise its Energy Efficiency (“EE”) Program (“EEP”) Rider rate (“2022 EEP Petition”).

2. In the 2022 EEP Petition, the Company sought to reconcile the costs and cost recoveries for the period commencing July 1, 2021 through June 30, 2022 (“2022 Recovery Period”) and to establish a rate sufficient to recover those costs as well as the projected EEP Rider rate revenue requirements for the period of July 1, 2022 through June 30, 2023 (“2023 Recovery Period”).

3. The EEP Rider rate enables Elizabethtown to recover the costs associated with Elizabethtown’s EEPs approved by the Board. The Company’s EEP consisted of a range of

rebates and related offers, such as customer education and outreach initiatives, designed to encourage customers to conserve energy and to provide information on how to lower their gas bills.

4. In accordance with a Board Order dated February 19, 2020, Elizabethtown was authorized to offer its four (4)-year amortization EEP through December 31, 2021, subject to the implementation of a new Elizabethtown EEP with an earlier effective date.¹ On April 7, 2021, the Board issued an Order authorizing Elizabethtown to implement a new EEP with a ten-year amortization to begin on July 1, 2021. Accordingly, Elizabethtown's previous EEP was terminated on June 30, 2021.²

5. The 2022 EEP Petition sought to decrease the four (4)-year amortization rate component of the EEP Rider from \$0.0027 to \$0.0003 per therm, both inclusive of taxes, to recover a balance of \$164,320 and to increase the ten-year amortization rate component of the EEP Rider from \$0.0063 to \$0.0083 per therm, both inclusive of taxes, to recover a balance of \$3,807,476, effective October 1, 2022. The sum of these components results in the total proposed EEP Rider rate decrease from \$0.0090 to \$0.0086 per therm, inclusive of taxes. The proposed EEP Rider rate will be assessed to all customers except those served under special contracts as filed and approved by the Board and those customers exempt from this charge pursuant to the Long-Term Capacity Agreement Pilot Program ("LCAPP"), P.L. 2011, c.9. 12.

6. The proposed rate components of the EEP Rider rate of \$0.0086 per therm, inclusive of taxes, was calculated by taking the prior year balance plus current year activity, plus

¹ 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. GO18070682, Order dated February 19, 2020.

² In re the Implementation of L. 2018, C. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs, BPU Docket No. QO19010040 and In re the Petition of Elizabethtown Gas Company for Approval of New Energy Efficiency Programs and Associated cost Recovery Pursuant to the Clean Energy Act and the Establishment of a Conservation Incentive Program, BPU Docket No. GO20090619, Order dated April 7, 2021.

projected recoverable amounts for the 2023 Recovery Year, and dividing the total amount by the projected volumes for the 2023 Recovery Year for the service classifications and customers subject to the EEP Rider.

7. As stated in the 2022 EEP Petition, the impact of the proposed reduction to the EEP rate would decrease the monthly bill of a residential customer using 100 therms by \$0.04, from \$110.59 to \$110.55, or a decrease of 0.0%, as compared to the rates in effect as of July 1, 2022.

8. Because the Company requested a rate decrease in the 2022 EEP Petition, public hearings were not required pursuant to N.J.S.A. 48:2-32.4 and N.J.S.A. 48:2-32.6.

9. Elizabethtown, Board Staff, and the New Jersey Division of Rate Counsel (“Rate Counsel”) (collectively, “Parties”) engaged in discovery and resolved all issues in this proceeding in accordance with the stipulation of settlement (“Stipulation”) set forth below.

II. STIPULATED TERMS

Based upon and subject to the terms and conditions set forth herein, the Parties stipulate and agree as follows:

Effective Date

10. The Parties acknowledge that the EEP Rider rate change will become effective as of the date of a Board Order approving this Stipulation in accordance with N.J.S.A. 48:2-40, or upon such date thereafter as the Board may specify (“Effective Date”).

Effective Rate

11. As of the Effective Date, the Company will implement an EEP Rider rate of \$0.0086 per therm, inclusive of all applicable taxes, and that rate shall remain in effect until changed by Order of the Board. The calculation of this rate is set forth in Appendix A, which is attached hereto.

12. The Company shall accrue interest on under- and over-recovery balances at a rate equal to the weighted average of the Company's monthly commercial paper rate or interest rate on its bank credit lines. Until such time when ETG has a commercial paper program, the Company will adjust its short-term debt rate to reflect the commercial paper rate proxy reduction of 1.64%. In the event that commercial paper or bank credit lines were not utilized by the Company in the preceding month, the last calculated rate shall be used. The interest on monthly EEP Rider rate under and over recoveries shall be determined by applying the interest rate based upon the Company's weighted interest rate for the corresponding month obtained on its commercial paper and bank credit lines, but shall not exceed the Company's after tax weighted average cost of capital utilized to set rates in its most recent base rate case.

13. The Company agrees that it will include with its EEP filings responses to the minimum filing requirements as set forth in Appendix B to this Stipulation.

14. Should the Board approve the EEP Rider rate reflected herein, the Company will file a revised tariff sheet with the Board to present the rate components that result in the total EEP rate. A draft tariff sheet is attached hereto as Appendix C, which includes actual changes to the tariff.

Rate Impact

15. The rate impact of the EEP Rider rate change from \$0.0090 per therm, inclusive of taxes, to \$0.0086 per therm, inclusive of taxes, will decrease the monthly bill of a typical residential heating customer using 100 therms by \$0.04 or 0.0% compared to the Company's December 1, 2022 rates.

All Issues Resolved

16. Upon the Board's approval of this Stipulation, all issues related to Elizabethtown's EEP recoverable costs for the period July 1, 2021 through June 30, 2022 are deemed resolved for purposes of this proceeding but remain subject to audit by the Board.

Entirety of Stipulation

17. This Stipulation represents a mutual balancing of interests and, therefore, is intended to be accepted and approved in its entirety. In the event that the Board does not adopt this Stipulation in its entirety in an Order, then any Party hereto is free to pursue its then-available legal remedies with respect to all issues in this Stipulation as though this Stipulation had not been signed.

Binding Effect

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

General Reservation

19. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of this proceeding. Except as expressly provided herein, Elizabethtown, Board Staff, or 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. All rates remain subject to audit by the Board.

WHEREFORE, the Parties hereto do respectfully submit this Stipulation to the Board and request the Board to issue a Decision and Order approving this Stipulation in its entirety in accordance with the terms hereof.

ELIZABETHTOWN GAS COMPANY

**BRIAN O. LIPMAN, ESQ.
DIRECTOR, DIVISION OF
RATE COUNSEL**

By: 
Deborah M. Franco
VP, Rates, Regulatory & Sustainability

By: 
Megan Lupo, Esq.
Assistant Deputy Rate Counsel

MATTHEW J. PLATKIN
ATTORNEY GENERAL OF THE STATE OF NEW JERSEY
Attorney for the Staff of the New Jersey Board of Public Utilities

By:  12/6/22
Terel Kléin
Deputy Attorney General

Dated: December 6, 2022

GR22070464 – ETG 2022 EEP

EEP Schedule TK-1

**ELIZABETHTOWN GAS COMPANY
ENERGY EFFICIENCY PROGRAM ("EEP")
Annual Revenue Requirement (Program Year)**

October 2022 - Sept 2023
July 22 - Jun 23
Year 2

DIRECT PROGRAM INVESTMENT PROJECTION

Annual Investment	\$ 14,982,701
Cumulative Investment	<u>\$ 21,639,995</u>
Less Accumulated Amortization	\$ (1,657,443)
Less Accumulated Deferred Tax	\$ (5,617,095)
Net Investment	<u>\$ 14,365,457</u>
Rate of Return (Pre Tax)	9.06%
Required Net Operating Income	\$ 908,702
Incremental O&M Pre Tax	\$ 910,602
Pre Tax Amortization	\$ 1,361,000
Operating Income	<u>\$ 3,180,304</u>
Revenue Factor	1.01122
Revenue Requirement Excluding SUT	<u>\$ 3,215,995</u>

LOAN PROGRAM INVESTMENT PROJECTION

Annual Investment	\$ 4,723,442
Less Loan Repayments	\$ (1,391,055)
Net Investment	<u>\$ 3,332,387</u>
Cumulative Investment	\$ 8,552,387
Rate of Return (Pre Tax)	9.06%
Required Net Operating Income	\$ 642,125
Incremental O&M Pre Tax	\$ 1,176,322
Operating Income	<u>\$ 1,818,448</u>
Revenue Factor	1.01122
Revenue Requirement Excluding SUT	<u><u>\$ 1,838,856</u></u>

RATE CALCULATION

	Proposed Rate October 1, 2022
Projected Revenue Requirement For Direct Investments Excluding SUT	\$ 3,215,995
Projected Revenue Requirement For Loans Programs Excluding SUT	\$ 1,838,856
Prior Year (Over)/Under Recovered Deferred Balance Including Carrying Costs [TK-4]	<u>\$ (1,247,374)</u>
Total Revenue Requirements	\$ 3,807,476
Therms	486,489,683
Rate Per Therm, Excluding SUT	<u>\$ 0.0078</u>
SUT	<u>\$ 0.0005</u>
Rate Per Therm, Including SUT	\$ 0.0083
Legacy Program Rate Per Therm, Including SUT (EEP Schedule TK-1 Legacy)	<u>\$ 0.0003</u>
Total EEP Rate Per Therm, Including SUT	<u><u>\$ 0.0086</u></u>

**ELIZABETHTOWN GAS COMPANY
ENERGY EFFICIENCY PROGRAM (EEP) RATE FILING
MINIMUM FILING REQUIREMENTS (MFR) INDEX
FOR FOUR YEAR AMORTIZATION RATE**

Minimum Filing Requirements	Schedule
1. Direct FTE employment impacts as defined in Paragraph 28 of the Stipulation, including a breakdown by sub-program	FV-5 Legacy
2. A monthly revenue requirement calculation based on program expenditures, showing the actual monthly revenue requirement for each of the past twelve months or clause-review period, as well as supporting calculations, including the information related to the tax rate and revenue multiplier used in the revenue requirement calculation	TK-3 Legacy
3. For the review period, actual revenues, by month and by rate class recorded under the programs	TK-5 Legacy
4. Monthly beginning and ending clause balances, as well as the average balance net of tax for the 12-month period	TK-2 Legacy
5. The interest rate used each month for over/under recoveries, and all supporting documentation and calculations for the interest rate	TK-6 Legacy
6. The interest expense to be charged or credited to ratepayers each month	TK-2 Legacy, TK-6 Legacy
7. A schedule showing budgeted versus actual program costs by the following categories: administrative (all utility costs), marketing/sales, training, rebates/incentives, including inspections and quality control, program implementation (all contract costs), evaluation, and any other costs	FV-1 Legacy
8. The monthly journal entries relating to regulatory asset and O&M expenses for the 12 month review period	FV-1 Legacy (is a summary of the expenses as recorded in the Company's books; copies of the actual journal entries can be made available)
9. Supporting details for all administrative costs included in the revenue requirement	FV-1 Legacy
10. Information supporting the carrying cost used for the unamortized costs	TK-6 Legacy
11. Number of program participants, including a breakdown by sub-program	FV-2 Legacy
12. Estimated demand and energy savings, including a breakdown by sub-program	FV-3 Legacy
13. Emissions reductions from the Program, including a breakdown by sub-program	FV-4 Legacy
14. Estimated free ridership and spillover	Exhibit P-2 - Vetri testimony, page 8
15. Participant costs (net of utility incentives), including a breakdown by sub-program	FV-7 Legacy
16. Results of program evaluations, including a breakdown by sub-program	FV-6 Legacy
17. Separate cost and recovery information for each approved program and extension.	TK-7 Legacy

**ELIZABETHTOWN GAS COMPANY
ENERGY EFFICIENCY PROGRAM (EEP) RATE FILING
MINIMUM FILING REQUIREMENTS (MFR) INDEX
FOR TEN YEAR AMORTIZATION RATE**

Minimum Filing Requirements	Schedule
1. Information on direct FTE employment impacts, including a breakdown by each of the Board approved ETG EE programs. The Company will not be responsible for addressing the level of employment activity for HVAC and/or HPES contractors that are hired by customers unless those contractors are hired by ETG.	FV-3
2. A monthly revenue requirement calculation based on EE Program expenditures, including the investment and cost components showing the actual monthly revenue requirement for each of the past 12 months or clause-review period, as well as supporting calculations, including the information related to the tax rate and revenue multiplier used in the revenue requirement calculation. The utility shall provide electronic copies of such supporting information, with all inputs and formulae intact, where applicable.	TK-1, TK-2, TK-3
3. For the review period, actual clause revenues, by month and by rate class recorded under the EE Program.	TK-5
4. Monthly beginning and ending clause deferred balances related to the EE Program, as well as the average deferred balance, net of tax, for the actual 12-month period and forecast period.	TK-4
5. The interest rate used each month for over/under deferred balance recoveries related to the EE Program, and all supporting documentation and calculations for the interest rate.	TK-6
6. The interest expense to be charged or credited to ratepayers each month.	TK-4
7. A schedule showing budgeted versus actual EE Program costs by the following categories: administrative (all utility costs); marketing/sales; training; rebates/incentives, including inspections and quality control; program implementation (all contract costs); evaluation; and any other costs. To the extent that the Board directs New Jersey's Clean Energy Program to report additional categories, the utility shall provide additional categories, as applicable.	FV-1
8. A schedule showing budgeted versus actual EE Program revenues.	TK-5
9. The monthly journal entries utilized (including the accounts and account numbers) relating to regulatory asset and deferred O&M expenses related to the EE Program for the actual 12-month review period.	TK-7
10. Supporting details for all administrative costs related to the EE Program included in the revenue requirement.	FV-1
11. Information supporting the carrying cost used for the unamortized costs of the EE program.	TK-4
12. Number of program participants for each of the Board approved ETG EE programs, including a breakdown by sub-program, if applicable.	FV-2
13. Estimated demand and energy savings for each of the Board approved ETG EE programs, including a breakdown by sub-program, if applicable.	FV-4
14. Estimated emissions reductions for each of the Board approved ETG EE programs, including a breakdown by sub-program, if applicable.	FV-4

**ELIZABETHTOWN GAS COMPANY
ENERGY EFFICIENCY PROGRAM (EEP) RATE FILING
MINIMUM FILING REQUIREMENTS (MFR) INDEX
FOR TEN YEAR AMORTIZATION RATE**

Minimum Filing Requirements	Schedule
15. Testimony supporting the annual true-up petition.	Exhibits P-1, P2, P-3
16. If the Company is filing for an increase in rates, the Company shall include a draft public notice with the annual true-up petition and proposed publication dates.	N/A
17. For programs that provide incentives for conversion of energy utilization to natural gas from other energy sources (e.g., converting from electric to gas furnaces), the Company shall identify: <ul style="list-style-type: none"> i. the number of such projects; ii. an estimate of the increase in annual gas demand and energy associated with these projects; and iii. the avoided use of electricity and/or other fuels. 	FV-5
18. In areas where gas and electric service territories overlap, the Company shall provide: <ul style="list-style-type: none"> i. The number of projects in progress and completed. <ul style="list-style-type: none"> a. For each project, identify which utility is the lead utility providing the program services and the partner utility with whom the services were coordinated. 	FV-6
19. Tariff pages in clean and redline versions.	Tariff Schedule TK-1
20. Net impact of the proposed rate changes.	Case Summary

RIDER "E"

ENERGY EFFICIENCY PROGRAM ("EEP")

Applicable to all Customers except those Customers under special contracts as filed and approved by the BPU and those customers exempted pursuant to the Long-Term Capacity Agreement Pilot Program ("LCAPP"), P.L. 2011 c.9, codified as N.J.S.A. 48:3-60.1. See the LCAPP Exemption Procedures at the end of the SBC, Rider "D."

The EEP shall be collected on a per therm basis and shall remain in effect until changed by order of the BPU. The applicable EEP rate is as follows:

Docket No. GR19070872 <u>GR22070464</u> , per a four-year amortization	\$0.00270.0003 per therm
Docket No. GO20090619 <u>GR22070464</u> , per a ten-year amortization	\$0.00630.0083 per therm
TOTAL	\$0.00900.0086 per therm

The rate applicable under this Rider includes provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein.

In the "Global Warming Act," *N.J.S.A.26-2C-45*. or "RGGI Legislation" the State Legislature determined that global warming is a pervasive and dangerous threat that should be addressed through the establishment of a statewide greenhouse gas emissions reduction program. On May 8, 2008, the Board issued an Order (the "RGGI Order") pursuant to *N.J.S.A. 48:3-98.1(c)*. The RGGI Order allowed electric and gas public utilities to offer energy efficiency and conservation programs on a regulated basis. The Company's energy efficiency programs were first authorized pursuant to Board orders issued in Docket Nos. EO09010056 and GO09010060. They were subsequently extended pursuant to Board orders issued in GO10070446, GO11070399, GO12100946, GO15050504, GR16070618 and GO18070682. The Company's current energy efficiency programs are effective through June 30, 2024. On May 23, 2018, the Clean Energy Act of 2018 ("CEA" or the "Act") was signed into law. The BPU directed utilities to file changes pursuant to Board orders issued in Docket Nos. QO1901040, QO19060748 and QO17091004 Dated June 10, 2020, ("the 2020 Orders"). The EEP enables the Company to recover all costs associated with energy efficiency programs approved by the Board.

Date of Issue: ~~August 22, 2022~~

Effective: Service Rendered
on and after ~~September 1, 2022~~

Issued by: Christie McMullen, President
520 Green Lane
Union, New Jersey 07083

Filed Pursuant to Orders of the Board of Public Utilities

Dated ~~August 17, 2022~~ _____ in Docket No. GR~~21121254~~22070464

CLEAN

RIDER "E"

ENERGY EFFICIENCY PROGRAM ("EEP")

Applicable to all Customers except those Customers under special contracts as filed and approved by the BPU and those customers exempted pursuant to the Long-Term Capacity Agreement Pilot Program ("LCAPP"), P.L. 2011 c.9, codified as N.J.S.A. 48:3-60.1. See the LCAPP Exemption Procedures at the end of the SBC, Rider "D."

The EEP shall be collected on a per therm basis and shall remain in effect until changed by order of the BPU. The applicable EEP rate is as follows:

Docket No. GR22070464, per a four-year amortization	\$0.0003 per therm
Docket No. GR22070464, per a ten-year amortization	\$0.0083 per therm
TOTAL	\$0.0086 per therm

The rate applicable under this Rider includes provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein.

In the "Global Warming Act," *N.J.S.A.26-2C-45*. or "RGGI Legislation" the State Legislature determined that global warming is a pervasive and dangerous threat that should be addressed through the establishment of a statewide greenhouse gas emissions reduction program. On May 8, 2008, the Board issued an Order (the "RGGI Order") pursuant to *N.J.S.A. 48:3-98.1(c)*. The RGGI Order allowed electric and gas public utilities to offer energy efficiency and conservation programs on a regulated basis. The Company's energy efficiency programs were first authorized pursuant to Board orders issued in Docket Nos. EO09010056 and GO09010060. They were subsequently extended pursuant to Board orders issued in GO10070446, GO11070399, GO12100946, GO15050504, GR16070618 and GO18070682. The Company's current energy efficiency programs are effective through June 30, 2024. On May 23, 2018, the Clean Energy Act of 2018 ("CEA" or the "Act") was signed into law. The BPU directed utilities to file changes pursuant to Board orders issued in Docket Nos. QO1901040, QO19060748 and QO17091004 Dated June 10, 2020, ("the 2020 Orders"). The EEP enables the Company to recover all costs associated with energy efficiency programs approved by the Board.

Date of Issue:

Effective: Service Rendered
on and after

Issued by: Christie McMullen, President
520 Green Lane
Union, New Jersey 07083

Filed Pursuant to Orders of the Board of Public Utilities
Dated in Docket No. GR22070464