



November 26, 2024

VIA EMAIL

Honorable Sherri L. Golden, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 1st Floor
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. GR24060380

Dear Secretary Golden:

Enclosed for filing please find a fully executed Stipulation of Settlement in the above captioned matter.

In accordance with the Order issued by the Board in connection with I/M/O the New Jersey Board of Public Utilities' Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations, BPU Docket No. EO20030254, Order dated March 19, 2020, this document is being electronically filed. No paper copies will follow.

Copies of this Stipulation are also being served electronically upon the New Jersey Division of Rate Counsel and the Division of Law.

Kindly acknowledge receipt of this filing via return email acknowledgement.

Respectfully submitted,

A handwritten signature in blue ink that reads 'Andrew K. Dembia'. The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Andrew K. Dembia
Regulatory Affairs Counsel

AKD:ss
Enclosures

C: Service List

**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. GR24060380**

SERVICE LIST

NJNG

Mark G. Kahrer
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

Andrew K. Dembia
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

Tina Trebino
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

Judy DeSalvatore
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

James M. Corcoran
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

Marianne Harrell
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

Christopher Micak
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

Ryan Moran
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

Susan Sette
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

Mary Lou Pardey
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

NJ BOARD OF PUBLIC UTILITIES

Stacy Peterson
N.J. Board of Public Utilities
44 South Clinton Avenue, 9th Fl.
P.O. Box 350
Trenton, NJ 08625-0350

Heather Weisband
N.J. Board of Public Utilities
44 South Clinton Avenue, 9th Fl.
P.O. Box 350
Trenton, NJ 08625-0350

Justin Cederberg
N.J. Board of Public Utilities
44 South Clinton Avenue, 9th Fl.
P.O. Box 350
Trenton, NJ 08625-0350

**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. GR24060380**

SERVICE LIST

DIVISION OF RATE COUNSEL

Brian O. Lipman, Esq.
Director, Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625

Maura Caroselli, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625

Mamie Purnell, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625

Andrew Gold, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625

Terrence Coleman, Paralegal
Division of Rate Counsel
140 E. Front Street, 4th Flr.
P.O. Box 003
Trenton, NJ 08625

Robert J. Henkes
Henkes Consulting
7 Sunset Road
Old Greenwich, CT 06870

DEPT. OF LAW & PUBLIC SAFETY –
DIVISION OF LAW

Terel Klein, DAG
Public Utilities Section,
R.J. Hughes Justice Complex
25 Market Street
P.O. Box 112
Trenton, N.J. 08625

Steven Chaplar, DAG
Public Utilities Section,
R.J. Hughes Justice Complex
25 Market Street
P.O. Box 112
Trenton, N.J. 08625

Matko Ilic, DAG
Public Utilities Section,
R.J. Hughes Justice Complex
25 Market Street
P.O. Box 112
Trenton, N.J. 08625

Pamela Owen, ASC
Public Utilities Section,
R.J. Hughes Justice Complex
25 Market Street
P.O. Box 112
Trenton, N.J. 08625

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

**IN THE MATTER OF THE PETITION) STIPULATION OF
OF NEW JERSEY NATURAL GAS) SETTLEMENT
COMPANY FOR APPROVAL OF THE)
COST RECOVERY ASSOCIATED WITH) BPU DOCKET NO. GR24060380
ENERGY EFFICIENCY PROGRAMS)**

TO: THE NEW JERSEY BOARD OF PUBLIC UTILITIES

APPEARANCES:

Andrew K. Dembia, Esq., New Jersey Natural Gas Company for the Petitioner, New Jersey Natural Gas Company

Maura Caroselli, Esq., Managing Attorney – Gas, **Mamie W. Purnell**, Esq., Assistant Deputy Rate Counsel and **Andrew Gold**, Esq., Assistant Deputy Rate Counsel for the New Jersey Division of Rate Counsel (**Brian O. Lipman**, Esq., Director)

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

1. BACKGROUND

1. On May 31, 2024, New Jersey Natural Gas Company (“NJNG” or “Company”) filed a petition in Docket No. GR24060380 with the New Jersey Board of Public Utilities (“Board” or “BPU”) requesting that the Board increase the Company’s existing Energy Efficiency (“EE”) rate of \$0.0247 per therm for programs established in 2013 through 2018 to \$0.0258 per therm including Sales and Use Tax (“SUT”) and increase the EE rate of \$0.0247 to \$0.0319 for the Triennium 1 programs effective October 1, 2024 (“Petition”). The Company submitted the Petition pursuant to the terms of earlier Board Orders that adopted stipulations

entered among the Company, Board Staff (“Staff”), and the New Jersey Division of Rate Counsel (“Rate Counsel”) (collectively, “Parties”).¹

2. NJNG’s participation in EE Programs, the costs of which are collected through Rider F of the Company’s gas tariff (Sheet Nos. 172-173), was originally approved by the Board in the July 2009 Order, and subsequently approved to continue, with modifications, in the 2010 through 2021 Orders.

3. As provided in the Petition, the SAVEGREEN Programs are designed to encourage higher levels of customer participation in NJNG’s service territory. NJNG maintains that the SAVEGREEN Programs do not duplicate, nor eliminate, any of the New Jersey Clean

¹ In re Energy Efficiency Programs and Associated Cost Recovery Mechanisms and I/M/O the Petition of New Jersey Natural Gas Company for Approval of Energy Efficiency Programs with an Associated Cost Recovery Mechanism, BPU Docket Nos. EO09010056 and GO09010057, Order dated July 17, 2009 (“July 2009 Order”).

In re the Petition of New Jersey Natural Gas for Approval of Regional Greenhouse Gas Initiative Programs and Associated Cost Recovery Mechanisms Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GO10030225, Order dated September 24, 2010 (“September 2010 Order”).

In re the Petition of New Jersey Natural Gas for Approval of Regional Greenhouse Gas Initiative Programs and Associated Cost Recovery Mechanisms Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GR11070425, Order dated January 19, 2012 (“January 2012 Order”).

In re the Petition of New Jersey Natural Gas Company for Approval of the Extension of Energy Efficiency Programs and the Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1; and In re the Petition of New Jersey Natural Gas Company for Approval of the Cost Recovery Associated with Energy Efficiency Program, BPU Docket Nos. GO12070640 and GR12070641, Order dated June 21, 2013 (“June 2013 Order”).

In re the Petition of New Jersey Natural Gas Company for Approval of the Extension of Energy Efficiency Programs and the Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GO14121412, Order dated July 23, 2015 (“July 2015 Order”).

In re the Petition of New Jersey Natural Gas Company for Approval of the Extension of Energy-Efficiency Programs and the Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GO14121412, Order dated June 29, 2016 (“June 2016 Order”).

In re the Petition of New Jersey Natural Gas Company for Approval of Existing and New Energy Efficiency Programs and a Class I Renewable Energy Program and the Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GO18030355, Order dated September 17, 2018 (“September 2018 Order”).

In re the Petition of New Jersey Natural Gas Company for Approval of Energy-Efficiency Programs and the Associated Cost Recovery Mechanism Pursuant to the Clean Energy Act, N.J.S.A. 48:3-87.8 Et Seq. and 48:3-98.1 et seq., BPU Docket Nos. QO19010040 and GO20090622, Order dated March 3, 2021 (“March 2021 Order”).

Collectively, the September 2010 Order, January 2012 Order, June 2013 Order, July 2015 Order, June 2016 Order, September 2018 Order, and March 2021 Order are the “2010 through 2021 Orders.”

Energy Programs (“NJCEP”), but work to increase customer awareness, enhance participation, and support utilization of NJCEP efforts throughout the State.

4. As set forth in the 2010 through 2021 Orders, NJNG was authorized to establish a rate through which it could recover from customers SAVEGREEN costs including rebates, customer incentive payments, customer financing, and associated reasonable and prudent incremental operation and maintenance expenses (“Program Costs”). It was agreed that such Program Costs are subject to recovery pursuant to the terms of Rider F.

5. The 2010 through 2021 Orders also provided that NJNG must submit an annual SAVEGREEN cost recovery filing by June 1st to establish future Rider F rates. The filing has usually been made coincident with, but separate from, NJNG’s annual Basic Gas Supply Service filing, and includes updates to the SAVEGREEN investment levels, operating costs, and reconciles rate recoveries to actual cost results.

PROCEDURAL HISTORY

6. NJNG received and responded to all discovery propounded in this proceeding by Staff and Rate Counsel.

7. In response to discovery, on September 24, 2024, NJNG provided updated schedules with actual data through August 31, 2024 (“August 2024 Update”). Based upon the actual activity through August 31, 2024 and anticipated levels of activity of the SAVEGREEN Program through September 30, 2025, the current after-tax per therm rate of \$0.0247 would decrease by \$0.0026 to \$0.0221 per therm for recovery of the SAVEGREEN Program costs approved for programs established in 2013 through 2018, and the current after-tax per therm rate of \$0.0247 would increase by \$0.0071 to \$0.0318 per therm for recovery of the Triennium 1 Program costs. The overall EE after-tax per therm rate would increase by \$0.045 from \$0.0494

to \$0.0539. Based upon the Company's request, the overall bill of a residential heating customer using 100 therms per month would increase by \$0.45 or 0.3 percent (0.3%).

8. The Parties reviewed the Petition and discovery responses submitted by NJNG. Based upon that review, the Parties entered this Stipulation of Settlement ("Stipulation"), resolving all issues raised in, or relating to, the Company's Petition.

9. After publication of notice in newspapers of general circulation in NJNG's service territory, public hearings were scheduled and conducted virtually on September 17, 2024, at 4:30 p.m. and 5:30 p.m. No members of the public participated in the hearings, nor were any written comments received by the BPU, NJNG or Rate Counsel.

10. Based upon and subject to the terms and conditions set forth herein, the Parties STIPULATE AND AGREE as follows:

STIPULATED MATTERS

11. The Company is authorized to recover only those costs associated with the SAVEGREEN Programs previously approved in the 2010 through 2021 Orders.

12. The Company's updated revenue requirement, as of August 31, 2024, of \$37.08 million, as set forth in Attachment A, is comprised of \$15.237 million for programs established in 2013 through 2018, and results in a per therm rate of \$0.0221 including SUT (\$0.0208 excluding SUT), and \$21.852 million for Triennium 1 programs and results in a per therm rate of \$0.0318 including SUT (\$0.0298 excluding SUT). As of January 1, 2025 the Triennium 2 program per therm rate of \$0.0255 including SUT (\$0.0239 excluding SUT) will be included in the EE Rider rate bringing the total EE rate to \$0.0794 including SUT (\$0.0745 excluding SUT). The impact of the overall increased rate, including sales and use tax at the current rate, on a typical residential heating customer using 100 therms per month is \$0.45, or 0.3% on a monthly bill,

based upon rates in effect as of December 1, 2024 . These rates shall be effective upon Board approval and shall remain in effect until changed by a future Board Order. The stipulated rates and resulting impacts to customers are detailed in Attachment B.

13. The actual costs incurred through August 31, 2024 as shown in Attachment A, were reviewed and deemed prudent and reasonable by the Parties. Actual costs incurred by NJNG starting on September 1, 2024, are subject to review for reasonableness and prudence in future EE rate filings.

14. The Company's next annual EE rate filing will be made on or before June 1, 2025.

15. As authorized by the September 2018 Order and the March 2021 Order, any variance between costs and recoveries will accrue interest at a rate equal to the Company's monthly commercial paper rate.² If commercial paper was not utilized by the Company in the preceding month, the last calculated rate will be used. The interest rate shall not exceed the Company's rate of return as authorized by the BPU in the Company's most recent base rate case, BPU Docket No. GR21030679, or until changed by Board Order. Interest on over/under recoveries will be calculated using simple interest, based upon the average beginning, and ending over/under recovery balances of the month, on a net-of-tax basis. The sum of the monthly interest to be collected from or credited to ratepayers will be included in the rate calculated for the next annual EE rate filing.

16. 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 aspect of this Stipulation is not accepted and approved in its entirety by the

² September 2018 Order at 7; March 2021 Order at 9.

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, 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.

17. 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.

18. 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, NJNG, 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, 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.

**NEW JERSEY NATURAL GAS COMPANY
PETITIONER**



By:

ANDREW K. DEMBIA, ESQ.
Regulatory Affairs Counsel

**NEW JERSEY DIVISION OF RATE COUNSEL
BRIAN O. LIPMAN, DIRECTOR**



By:

MAMIE W. PURNELL, ESQ.
Assistant Deputy Rate Counsel

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



By:

STEVEN CHAPLAR, ESQ.
Deputy Attorney General

Date: November 25, 2024

**New Jersey Natural Gas
Energy Efficiency Recovery Rates**

(\$000)

Actual Under/(Over) recovery at August 31, 2024	\$	(565)
Estimated Revenue Requirements (Sept 1, 2024 to Sept 30, 2024)		
RGGI		-
EE Extension		-
July 2013 Programs		6
August 2015 Programs		24
SAVEGREEN 2018		1,264
Estimated Recovery		(450)
Estimated Interest	\$	(0.3)
Estimated Under/(Over) recovery at September 30, 2024	\$	279
Estimated Revenue Requirements (Oct 2024 through Sept 2025):		
RGGI	\$	-
EE Extension	\$	-
July 2013 Programs	\$	16
August 2015 Programs	\$	195
SAVEGREEN 2018	\$	14,747
Total Amount to be Recovered	\$	15,237
<u>Per Therm Recovery</u>		
Firm Throughput (000 therms)		733,662
Proposed Pre-tax EE Recovery Rate \$ per Therm	\$	0.0208
Proposed After-tax EE Recovery Rate \$ per Therm	\$	0.0221
Current Pre-tax EE Recovery Rate \$ per Therm	\$	0.0232
Current After-tax EE Recovery Rate \$ per Therm	\$	0.0247
Pre-tax EE Recovery Rate \$ per Therm Increase/ (Decrease)	\$	(0.0024)
After-tax EE Recovery Rate \$ per Therm Increase/ (Decrease)	\$	(0.0026)

New Jersey Natural Gas
SAVEGREEN 2020

(\$000)

Under/(over) as of Aug 31, 2024

\$ (2,482)

Estimated Revenue Requirements from Sept 1, 2024 to Sept 30, 2024

Rebates	\$	882
On-Bill Repayment Program		400
Operation & Maintenance Expenses		1,089
		<hr/>

Total Estimated Revenue Requirements from Sept 1, 2023 to Sept 30, 2024

\$ 2,371

Estimated Recovery from Sept 1, 2024 to Sept 30, 2024

\$ (450)

Estimated Interest from Sept 1, 2024 to Sept 30, 2024

\$ (4)

Under/(Over) as of September 30, 2024**\$ (565)****Estimated Revenue Requirements for October 1, 2024 to September 30, 2025**

Rebates	\$	13,460
On-Bill Repayment Program		5,689
Operation & Maintenance Expenses		3,267
		<hr/>

Total Estimated Revenue Requirements for October 1, 2024to September 30, 2025**22,416****Total Amount to be recovered****21,851**

Per Therm Recovery

Throughput (000 therms)

733,662

Proposed Pre-tax EE Recovery Rate \$ per Therm

\$ 0.0298

Proposed After-tax EE Recovery Rate \$ per Therm**\$ 0.0318****Current Pre-tax EE Recovery Rate \$ per therm**

\$ 0.0232

Current After-tax EE Recovery Rate \$ per therm**\$ 0.0247**

Pre-tax EE Recovery Rate \$ per Therm Increase/ (Decrease)

\$ 0.0066

After-tax EE Recovery Rate \$ per Therm Increase/ (Decrease)**\$ 0.0071**

Component of programs	11/21/2024 Rates	(\$/therm)		Change			
		Pre-tax	Post-tax	Pre-tax	Post-tax		
		Proposed Rates					
EE-2018-2020 programs	Delivery Price	\$0.0232	\$0.0247	\$0.0208	\$0.0221	(\$0.0024)	(\$0.0026)
EE 2021 program	Delivery Price	0.0232	\$0.0247	0.0298	\$0.0318	0.0066	0.0071
Total EE Rate		\$0.0464	\$0.0494	\$0.0506	\$0.0539	\$0.0042	\$0.0045

<u>Impact on Residential Non-Heating Customers</u>			
			25 therm bill
12/1/2024	Customer Charge		\$12.00
	Delivery		\$30.48
	BGSS		\$9.18
	Total		\$51.66
Proposed Rates	Customer Charge		\$12.00
	Delivery		\$30.59
	BGSS		\$9.18
	Total		\$51.77
Increase			\$0.11
Increase as a percent			0.2%

<u>Impact on Residential Heating Customers</u>				
			100 therm bill	1000 therm annual bill
12/1/2024	Customer Charge		\$12.00	\$144.00
	Delivery		\$126.84	\$1,268.40
	BGSS		\$36.72	\$367.20
	Total		\$175.56	\$1,779.60
Proposed Rates	Customer Charge		\$12.00	\$144.00
	Delivery		\$127.29	\$1,272.90
	BGSS		\$36.72	\$367.20
	Total		\$176.01	\$1,784.10
Increase			\$0.45	\$4.50
Increase as a percent			0.3%	0.3%

<u>Impact on Commercial GSS Customers</u>			
			100 therm bill
12/1/2024	Customer Charge		\$55.00
	Delivery		\$109.97
	BGSS		\$36.72
	Total		\$201.69
Proposed Rates	Customer Charge		\$55.00
	Delivery		\$110.42
	BGSS		\$36.72
	Total		\$202.14
Increase			\$0.45
Increase as a percent			0.22%

<u>Impact on Commercial GSL Customers</u>			
			1200 therm bill
12/1/2024	Customer Charge		\$137.50
	Demand Charge		\$432.00
	Delivery		\$983.88
	BGSS (Nov 2024)		\$537.84
	Total		\$2,091.22
Proposed Rates	Customer Charge		\$137.50
	Demand Charge		\$432.00
	Delivery		\$989.28
	BGSS (Nov 2024)		\$537.84
	Total		\$2,096.62
Increase			\$5.40
Increase as a percent			0.26%

Projected Annual Revenue

Projected EE annual therms		733,662 (000s)
Projected Annual Revenue \$ million		
	Current Rates	Proposed Rates
Pre-tax	\$34.04	\$37.12
Post-tax	\$36.24	\$39.54
		Change
		\$3.1
		\$3.3