



Agenda Date: 12/18/24
Agenda Item: 2F

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF NEW JERSEY)
NATURAL GAS COMPANY FOR APPROVAL OF THE)
COST RECOVERY ASSOCIATED WITH ENERGY)
EFFICIENCY PROGRAMS) DECISION AND ORDER
APPROVING STIPULATION
DOCKET NO. GR24060380

Parties of Record:

Andrew Dembia, Esq., for New Jersey Natural Gas Company
Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On May 31, 2024, New Jersey Natural Gas Company (“NJNG” or “Company”) filed a petition with the New Jersey Board of Utilities (“Board” or “BPU”) requesting an increase of the Company’s existing Energy Efficiency (“EE”) rate for programs established between 2013 and 2021 (“EE Rate”) (“Petition”). By this Decision and Order, the Board considers a stipulation of settlement (“Stipulation”) executed by NJNG, 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 July 17, 2009, the Board authorized NJNG to implement three (3) energy efficiency programs: 1) the Home Performance with Energy Star (“HPES”) Enhancements; 2) the Enhanced WarmAdvantage Rebate Program; and 3) the Commercial Customer Direct Install Program (“Original Programs”).¹ The Original Programs were designed to complement or supplement existing New Jersey Clean Energy Program (“NJCEP”) offerings, including the ongoing WarmAdvantage, COOLAdvantage, HPES, Commercial Direct Install, and Smart Start Building programs.

The Original Programs were available to eligible customers for approximately twelve (12) months. In the event there was still program funding available after that period, NJNG could

¹ In re the Petition of Energy Efficiency Programs and Associated Cost Recovery Mechanisms and In re 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 EO09010057, Order dated July 17, 2009 (“July 2009 Order”).

continue to offer the programs through December 31, 2010. By the July 2009 Order, the Board further authorized NJNG to establish the EE Rate through which it would recover or return to customers all deferred program costs, including rebate costs, customer incentive payments, customer financing costs, and associated reasonable and prudent operations and maintenance expenses. These costs were to be recovered through the Company's "Rider F" Tariff. The Board required the Company to submit an annual cost recovery filing to establish future Rider F rates. The annual filing includes updates to the investment levels, operating costs, and reconciled rate recovered to actual cost results.

By Order dated September 24, 2010, the Board authorized NJNG to extend and expand the Original Programs through December 31, 2011.² Additionally, by the September 2010 Order, the Board authorized the Company to implement an OPOWER pilot program, an incremental incentive for Combined Heat and Power projects undertaken in conjunction with the NJCEP, and the Fostering Environmental and Economic Development program (collectively, "SAVEGREEN Project" or "SAVEGREEN").

By Order dated January 18, 2012, the Board authorized NJNG to continue its SAVEGREEN Project and implement certain proposed SAVEGREEN Project program changes through the later of December 31, 2012, or twelve (12) months from the date the Order approving the SAVEGREEN extension.³ Through a series of Orders, the Board authorized NJNG to further extend the SAVEGREEN Project, with modifications, through December 31, 2021.⁴

² 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").

³ 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 18, 2012.

⁴ 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; 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; 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; and 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").

By Order dated March 3, 2021, the Board authorized NJNG to implement a program, commencing July 1, 2021 and concluding June 30, 2024, which offered a variety of residential, commercial, and industrial EE solutions throughout NJNG's service territory ("SAVEGREEN 2020 Program" or "Triennium 1").⁵ By the March 2021 Order, the Board authorized the implementation of the following programs contained within the SAVEGREEN 2020 Program:

- Behavioral
- Energy Efficiency Products
- Existing Homes
 - Quick Home Energy Check Up
 - Moderate Income Weatherization
 - Home Performance with Energy Star
- Multi-family
 - Prescriptive and Custom
 - Home Performance with Energy Star
 - Engineered Solutions
- Direct Install
- Energy Solutions for Business
 - Prescriptive and Custom Measures
 - Energy Management
 - Engineered Solutions

The Board further authorized NJNG to recover costs associated with the SAVEGREEN 2020 Program through a separate rate component of the Company's Rider F Tariff.

By Order dated April 30, 2024, the Board approved a stipulation of settlement to extend the term of the SAVEGREEN 2020 Program through December 31, 2024.⁶

⁵ In re the Petition of New Jersey Natural Gas Company for Approval of Energy Efficiency Program 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").

⁶ 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, BPU Docket No. GO20090622, Order dated April 30, 2024.

By Order dated October 30, 2024, the Board authorized NJNG to implement its “Triennium 2 Program,” commencing January 1, 2025, thereby continuing to offer residential, commercial, and industrial EE programs throughout its service territory.⁷ As a result of the October 2024 Order, NJNG was authorized to implement a Triennium 2 rate of \$0.0255 per therm, effective January 1, 2025. By the October 2024 Order, the Board authorized the implementation of the following Programs for the Company’s Triennium 2 Program:

- Residential Behavioral
- Energy Efficiency Products
- Income Qualified
- Whole House
- Multi-family
- Prescriptive / Custom
- Energy Solutions for Business
- Direct Install
- Building Decarbonization Start-Up
- Workforce Development
- Community Based Organization Outreach

Petition

By the Petition, NJNG sought to reconcile the costs associated with the SAVEGREEN programs established from 2013 through 2018 (“2013-2018 Programs”) and the SAVEGREEN 2020 Program and establish a rate to recover those costs as well as the projected EE Rate revenue requirements through September 30, 2024. By the Petition, NJNG requested a per-therm increase in the EE Rate from \$0.0247 to \$0.0258, including New Jersey Sales and Use Tax (“SUT”), for the 2013-2018 Programs and a per-therm increase in the EE rate from \$0.0247 to \$0.0319 for the Company’s Triennium 1 programs, effective October 1, 2024.

Through discovery, NJNG provided an update with actual information through August 31, 2024 (“Update”). Based upon the Update, the Company adjusted its request for the EE programs with a decrease in the proposed per-therm rate for the 2013-2018 Programs from \$0.0247 to \$0.0221 and an increase in the current after-tax per-therm Triennium 1 Programs rate of \$0.0247 to \$0.0318. The cumulative EE after-tax per-therm rate would increase by \$0.045 from \$0.0494 to \$0.0539 for the 2013-2018 Programs and Triennium 1 programs rates.

Following adequate notice, virtual public hearings were held at 4:30 p.m. and 5:30 p.m. on September 17, 2024. No members of the public attended or filed comments related to the Petition.

⁷ In re the Petition of New Jersey Natural Gas Company for Approval of New Energy Efficiency, Building Decarbonization Start-Up, and Demand Response 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. Second Triennium, BPU Docket No. QO23120868, Order dated October 30, 2024 (“October 2024 Order”).

STIPULATION

Following a review of the Petition, the Update and discovery, the Parties executed the Stipulation, which provides for the following:⁸

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 to the Stipulation, 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 to the Stipulation.
13. The actual costs incurred through August 31, 2024 as shown in Attachment A to the Stipulation, 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.⁹ 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.

DISCUSSION AND FINDING

Having carefully reviewed the record in this matter, including the Petition, the Update and the Stipulation, the Board **HEREBY FINDS** that the Stipulation represents a fair and reasonable resolution of the issues; demonstrates that the costs through August 2024 have been reviewed

⁸ Although summarized in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the finding and conclusion in this Order. Paragraphs are lettered and/or numbered to coincide with the Stipulation.

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

and determined to be both reasonable and prudent; and is therefore in the public interest and in accordance with the law. Therefore, the Board **HEREBY ADOPTS** the Stipulation in its entirety and **HEREBY INCORPORATES** by reference its terms and conditions as if fully set forth herein.

Accordingly, the Board **HEREBY APPROVES** a cumulative EE Rate of \$0.0539 per therm for the 2013-2018 Programs and Triennium 1 programs for service rendered on and after January 1, 2025. When combined with the rate approved by the October 2024 Order, the overall per-therm EE Rate effective January 1, 2025 will be \$0.0794. As a result of the Stipulation, a typical residential heating customer using 100 therms per winter month will experience an increase of \$0.45 in their monthly winter 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 29, 2024, for service rendered on and after January 1, 2025.

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.

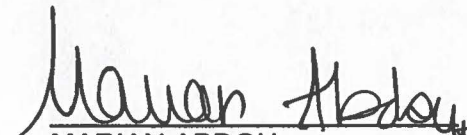
This Order shall be effective on December 26, 2024.

DATED: December 18, 2024

BOARD OF PUBLIC UTILITIES
BY:


CHRISTINE GUHL-SADOVY
PRESIDENT


DR. ZENON CHRISTODOULOU
COMMISSIONER


MARIAN ABDOU
COMMISSIONER


MICHAEL BANGE
COMMISSIONER

ATTEST: 
SHERRIL L. GOLDEN
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 NEW JERSEY NATURAL GAS COMPANY FOR APPROVAL OF THE
COST RECOVERY ASSOCIATED WITH ENERGY EFFICIENCY PROGRAMS

DOCKET NO. GR24060380

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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**

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**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**

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**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:

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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

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

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