



STATE OF NEW JERSEY
Board of Public Utilities
44 S. Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350
www.nj.gov/bpu/

DIVISION OF ENERGY AND
OFFICE OF CLEAN ENERGY

IN THE MATTER OF THE PETITION OF NEW JERSEY) ORDER DESIGNATING
NATURAL GAS COMPANY FOR APPROVAL OF) COMMISSIONER, APPROVING
AN EXTENSION OF ENERGY-EFFICIENCY PROGRAMS) SCHEDULE AND SETTING
AND THE ASSOCIATED COST RECOVERY) MANNER OF SERVICE
MECHANISMS PURSUANT TO N.J.S.A. 48:3-98.1)
) DOCKET NO. GR11070425

(NOTIFICATION LIST ATTACHED)

Tracey Thayer, Attorney for the Petitioner, New Jersey Natural Gas Company
Stefanie A. Brand, Esq., Director, Division of Rate Counsel

BY THE BOARD:

BACKGROUND AND PROCEDURAL HISTORY

On January 13, 2008, L. 2007, c. 340 ("Act") was signed into law by former Governor Corzine based on the New Jersey Legislature's findings that energy efficiency and conservation measures must be essential elements of the State's energy future, and that greater reliance on energy efficiency and conservation will provide significant benefits to the citizens of New Jersey. The Legislature also found that public utility involvement and competition in the conservation and energy efficiency industries are essential to maximize efficiencies. N.J.S.A. 26:2C-45.

Pursuant to Section 13 of the Act, codified as N.J.S.A. 48:3-98.1 (a)(1), an electric or gas public utility may, among other things, provide and invest in energy efficiency and conservation programs in its service territory on a regulated basis. Such investment in energy efficiency and conservation programs may be eligible for rate treatment approved by the New Jersey Board of Public Utilities ("Board"), including a return on equity, or other incentives or rate mechanisms that decouple utility revenue from sales of electricity and gas. N.J.S.A. 48:3-98.1(b). Ratemaking treatment may include placing appropriate technology and program cost investments in the utility's rate base, or recovering the utility's technology and program costs through another ratemaking methodology approved by the Board. An electric or gas public utility seeking cost recovery for any energy efficiency and conservation programs pursuant to N.J.S.A. 48:3-98.1 must file a petition with the Board.

On July 17, 2009, the Board authorized New Jersey Natural Gas Company (“NJNG” or “Company”) to implement three energy efficiency programs: 1) Home Performance with Energy Star (“HPES”) Enhancements; 2) Enhanced Warm Advantage Rebate Program; and 3) Commercial Customer Direct Install Program as part of former Governor Corzine’s Economic Stimulus Plan announced in October 2008¹ (“Original Programs”). The 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 NJNG programs were to be available to eligible customers for approximately twelve months. In the event there was still program funding available after that period, NJNG could continue to offer the approved programs through December 31, 2010.

By Order dated September 24, 2010, the Board authorized NJNG to extend and expand the Original Programs through December 31, 2011² (“September 2010 Order”). In addition to authorizing modifications to the Original Programs, the September 2010 Order also authorized the Company to implement an OPOWER pilot through which customers obtain information about their specific energy use in comparison to comparable households, an incremental incentive for Combined Heat and Power (“CHP”) projects undertaken in conjunction with NJCEP, and a program with that offers eligible customers an opportunity for customized provisions, Fostering Environmental and Economic Development (“FEED”) (collectively, “NJNG SAVEGREEN Project”).

July 2011 Filing

On July 15, 2011, NJNG filed the instant petition with the Board. On August 11, 2011, Board Staff notified NJNG that the filing was administratively complete.³

In the filing, the Company seeks approval to continue, with modifications, the current energy-efficiency programs and the no-interest on-bill-repayment-program offered in the NJNG SAVEGREEN Project over a twelve-month period beginning in January 2012. The Company also proposed the implementation of a pilot program offering higher efficiency heating equipment through conversions to natural gas for electric heat customers receiving benefits from the Universal Service Program. The petition also seeks approval for a continuation of the Board-approved mechanism for cost recovery.

¹ I/M/O 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.

² I/M/O 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.

³ N.J.S.A. 48: 3-98.1 requires the Board to decide cost recovery issues within 180 days. Pursuant to the Board Order issued in response to a further statutory directive within that section, Board Staff must review a petition for completeness within 30 days and, when a petition is determined to be complete, set the beginning of the 180-day period. I/M/O Electric Public Utilities and Gas Public Utilities Offering Energy Efficiency and Conservation Programs, Investing in Class I Renewable Energy Resources, and Offering Class I Renewable Energy Programs in their Respective Service Territories on a Regulated Basis Pursuant to N.J.S.A. 48:3-98.1, Dkt. No. EO08030164 (May 8, 2008). Accordingly, the 180-day for a Board determination commenced on July 15, 2011.

The total proposed gross investment for these programs is \$11.45 million. NJNG proposes to recover the costs through the current Rider F in NJNG's tariff.

DISCUSSION

The Board has determined that the petition described above should be retained by the Board for hearing and, pursuant to N.J.S.A. 48:2-32, **HEREBY DESIGNATES** Commissioner Joseph L. Fiordaliso as the presiding officer who is authorized to rule on all motions that arise during the pendency of these proceedings and modify any schedules that may be set as necessary to secure a just and expeditious determination of the issues.

To expedite review of this matter while providing an opportunity for discovery and public comment, the Board **HEREBY ADOPTS** the schedule described on Attachment A which was developed after notice to the service list. This schedule is subject to modification by the Board or the designated presiding officer as necessary and appropriate in the interests of economy and justice.

Also in the interests of economy, all parties are **HEREBY DIRECTED** to serve all documents electronically, while still providing hard copies to the Board for those documents which must be filed with the Board, and also providing 2 hard copies to each party, unless otherwise requested by the parties. Finally, the Board **HEREBY DIRECTS** Staff to post this Order on the Board's website.

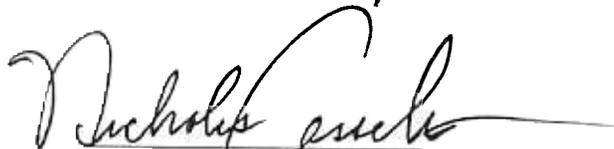
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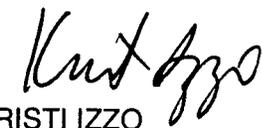
BOARD OF PUBLIC UTILITIES
BY:


LEE A. SOLOMON
PRESIDENT

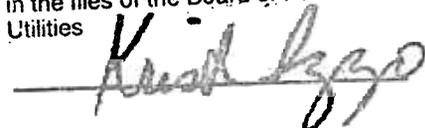

JEANNE M. FOX
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER


NICHOLAS ASSELTA
COMMISSIONER

ATTEST: 
KRISTI IZZO
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 an
Extension of Energy-Efficiency Programs and the Associated Cost Recovery Mechanism,
Pursuant to N.J.S.A. 48:3-98.1
DOCKET NO. GR11070425

NOTIFICATION LIST

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NJNG			
<p>Mark R. Sperduto, Vice President Regulatory & External Affairs New Jersey Natural Gas Company 1415 Wyckoff Road P.O. Box 1464 Wall, NJ 07719</p>	<p>Tracey Thayer, Esq. Director, Regulatory Affairs Counsel New Jersey Natural Gas Company 1415 Wyckoff Road P.O. Box 1464 Wall, NJ 07719</p>		

Public Hearings	August 23, 2011 (Rockaway, NJ) August 24, 2011 (Freehold, NJ)
Discovery Requests on Initial Testimony	September 8, 2011
Responses to Discovery on Initial Testimony	September 19, 2011
Board designated a Presiding Commissioner for EE Filings	September 21, 2011
Motions to Intervene/Participate Due	October 5, 2011
Discovery Conference	Week of October 11, 2011
Opposition to Intervention/Participation Motions due	October 12, 2011
Second Round of Discovery Due	October 17, 2011
Responses to Second Round of Discovery Due	October 21, 2011 ⁴
Discovery Conference	Week of October 24, 2011
Intervener/ Respondent Testimony Due	November 2, 2011
Discovery on Intervener/Respondent Testimony	November 7, 2011
Responses to Discovery on Intervener/Respondent Testimony	November 14, 2011
Rebuttal Testimony	November 21, 2011
Discovery on Rebuttal Testimony	November 28, 2011
Responses to Discovery on Rebuttal Testimony	December 2, 2011
Evidentiary Hearings (if necessary) ⁵	Week of December 5, 2011
Position Papers Due	December 21, 2011
Anticipated Board Action	January 2012 Agenda

⁴ Responses due the earlier of 15 days from service or October 21, 2011.

⁵ Subject to Presiding Commissioner's availability. Intervenors/respondents may present oral surrebuttal at evidentiary hearing.