



Agenda Date: 01/23/13  
Agenda Item: 2D

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

**DIVISION OF ENERGY AND  
OFFICE OF CLEAN ENERGY**

IN THE MATTER OF THE PETITION OF PIVOTAL	)	ORDER DESIGNATING
UTILITY HOLDINGS, INC. D/B/A ELIZABETHTOWN	)	COMMISSIONER
GAS FOR AUTHORITY TO EXTEND THE TERM OF	)	
ENERGY EFFICIENCY PROGRAMS WITH CERTAIN	)	
MODIFICATIONS AND APPROVAL OF ASSOCIATED	)	
COST RECOVERY MECHANISM	)	DOCKET NO. GO12100946

**Parties of Record:**

**Deborah Franco, Esq.**, Attorney for Petitioner, Elizabethtown Gas Company  
**Stefanie A. Brand, Esq.**, Director, New Jersey 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.

By Order dated August 3, 2009, the Board authorized Elizabethtown Gas Company ("ETG" or "Company") to implement the energy efficiency ("EE") programs and recover the costs associated

with its EE Programs<sup>1</sup>. The EE Programs were designed to enhance or supplement New Jersey's Clean Energy Program ("NJCEP") over the 17-month period commencing August 3, 2009 through December 31, 2010. By Order dated January 29, 2011, the Board authorized the Company to extend the term of its EE Programs for a one-year period ending on December 31, 2011<sup>2</sup>. By Order dated April 11, 2012<sup>3</sup> ("April 11 Order"), the Company was authorized to continue its existing EE Programs. The existing EE Programs approved by the April 11 Order are: 1) Residential Gas Heating Ventilation and Air Conditioning ("HVAC") and Gas Hot Water Heater Incentive Program; 2) Small Commercial Customer Energy Efficiency Program; and 3) Large Commercial Customer Energy Efficiency Program.

### **October 2012 Filing**

On October 22, 2012, ETG filed a petition with the Board. On November 9, 2012, ETG submitted a supplemental filing. On December 10, 2012, Board Staff notified ETG that with the information submitted in the November 9 supplemental filing, the filing was administratively complete<sup>4</sup>. Accordingly, the 180-day review period for a Board determination on cost recovery commenced on November 9, 2012.

In the filing, the Company requested approval to extend the term of the Company's current EE Programs with certain modifications for a four-year period effective April 20, 2013. According to the Company, the proposed annual amount budgeted for the EE Programs for the April 2013 through December 31, 2017 period is approximately \$12 million, with \$3 million budgeted for programs on an annual basis. The Petition also requested that the costs of the Energy Efficiency Programs continue to be recovered through the Company's existing Energy Efficiency Program surcharge entitled the Energy Efficiency Program ("EEP") Rider. The Company did not request a change to its EEP Rider rate but will seek any necessary rate adjustments in its next filing to reconcile that rate which the Company expects to be submitted in July 2013. Below is a summary of the requested programs and their associated annual budgets:

1. Gas Hot Water Heater Incentive Program	\$1,402,417
2. Oil Tank Removal Grant Program	\$1,100,764
3. Small Commercial Customer Energy Efficiency Program	\$ 138,721
4. Large Commercial Customer Energy Efficiency Program	\$ 126,869
5. Elementary School Energy Efficiency Education Program	\$ 110,000

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<sup>1</sup> I/M/O Energy Efficiency Programs and Associated Cost Recovery Mechanisms AND I/M/O the Petition of Pivotal Holdings, Inc. d/b/a Elizabethtown Gas for Approval of Energy Efficiency Programs and a Regional Greenhouse Initiative Cost Recovery Rider, BPU Docket Nos. EO09010056 and GO09010060, Order dated August 3, 2009.

<sup>2</sup> I/M/O the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to Revise Its Regional Greenhouse Gas Initiative Rider Rate AND I/M/O 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 Deferral Accounting Treatment, BPU Docket Nos. GO10070446 and GO10100735, Order dated January 19, 2011.

<sup>3</sup> I/M/O the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas Company 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.

<sup>4</sup> 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. In re 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 period for a Board determination commenced on November 9, 2012.

## 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 Jeanne Fox 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 further enable the Board to effectively and efficiently carry out its mandate under N.J.S.A. 48:3-98.1 and to allow development of complete record, the Board **HEREBY AUTHORIZES** Commissioner Fox to render a decision on a stipulation pursuant to N.J.S.A. 48:2-21.3 extending the 180 day review period, if submitted, provided that the stipulation is executed by all parties to the proceeding. The authority so delegated is limited to a single extension of the 180 period, with any further requests for extensions to be directed to the Board.

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.

DATED: 1/23/13

BOARD OF PUBLIC UTILITIES  
BY:

  
ROBERT M. HANNA  
PRESIDENT

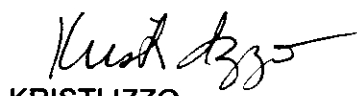
  
JEANNE M. FOX  
COMMISSIONER

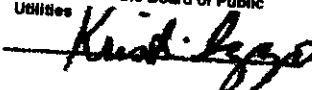
  
JOSEPH L. FIORDALISO  
COMMISSIONER

  
NICHOLAS ASSELTA  
COMMISSIONER

  
MARY-ANNA HOLDEN  
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 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  
DOCKET NO. GO12100946

NOTIFICATION LIST

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