



Agenda Date: 2/11/15
Agenda Item: 2G

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

ENERGY

IN THE MATTER OF THE PETITION OF SOUTH)
JERSEY GAS COMPANY FOR APPROVAL TO)
CONTINUE ITS ENERGY EFFICIENCY PROGRAMS)
AND ENERGY EFFICIENCY TRACKER PURSUANT TO)
N.J.S.A. 48:3-98.1)
)
) **ORDER DESIGNATING**
COMMISSIONER AND
SETTING MANNER OF
SERVICE AND BAR DATE
)
) **DOCKET NO. GR15010090**

Parties of Record:

Ira G. Megdal, Esq., South Jersey Gas Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD¹:

BACKGROUND AND PROCEDURAL HISTORY

On January 13, 2008, L. 2007, c. 340 ("Act") was signed into law 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.

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.

¹ Commissioner Upendra J. Chivukula recused himself due to a potential conflict of interest and as such took no part in the discussion or deliberation of this matter.

By Order dated July 24, 2009, the Board authorized South Jersey Gas Company ("SJG" or "Company") to implement five energy efficiency programs ("EEPs"): 1) Enhanced Residential Heating, Ventilation, and Air Conditioning ("HVAC") Rebate; 2) Residential Home Performance Finance; 3) Combined Heat and Power; 4) Commercial Customer Direct Install Financing; and 5) Non-Residential Energy Efficiency Investment as part of the Economic Stimulus Plan announced in October 2008² ("Original Programs"). The programs were designed to complement or supplement existing New Jersey Clean Energy Program offerings. The SJG programs were to be available to eligible customers for approximately twenty-one (21) months.

By Order dated January 19, 2011, the Board authorized SJG to extend the Original Programs and carryover individual program under-spending of the Original Programs through December 31, 2011³ ("January 2011 Order"). The January 2011 Order also allowed an extension of SJG's monthly program investment and operating and maintenance ("O&M") costs associated with the Original Programs to continue until April 30, 2012. In addition, the January 2011 Order also authorized the Company to reallocate money within the Original Programs.

By Order dated June 21, 2013 ("June 2013 Order"), the Board authorized SJG to continue offer four EEPs through June 30, 2015: the Residential Home Performance and Finance Energy Efficiency Program, the Non-Residential Energy Efficiency Investment Program, the Enhanced Residential HVAC Rebate Program, and the Commercial Customer Direct Install Financing Program.⁴ The June 2013 Order also authorized SJG to continue its Energy Efficiency Tracker ("EET") to recover all prudently incurred costs associated with the EEPs.

January 2015 Filing

On January 20, 2015, SJG filed the instant petition with the Board. In the filing, the Company seeks approval to continue the EEPs for a three year period commencing July 1, 2015 with a total budget of approximately \$56 million. The petition also seeks approval to continue the four (4) existing EEPs as they currently exist, with one modification to the repayment term for the Commercial Customer Direct Install Program. In addition, the petition requests approval to implement a new Social Marketing and Education Program. SJG proposes to recover costs associated with the EEPs through the EET set forth in Rider N of the Company'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 Dianne Solomon 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. Further, the Board **HEREBY**

² In re Energy Efficiency Programs and Associated Cost Recovery Mechanisms AND In re the Petition of South Jersey Gas Company for Approval of an Energy Efficiency Program ("EEP") with an Associated Energy Tracker ("EET") Pursuant to N.J.S.A. 48:3-98.1, and to Modify Rate Schedule EGS-LV, BPU Docket Nos. EO09010056 and GO09010059, Order dated July 24, 2009.

³ In re the Petition of South Jersey Gas Company for Approval of an Energy Efficiency Program with an Associated Energy Efficiency Tracker Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GO10110861, Order dated January 19, 2011.

⁴ In re the Petition of South Jersey Gas Company for Approval of an Energy Efficiency Program with an Associated Energy Efficiency Tracker Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GO12050363, Order dated June 21, 2013.

DIRECTS that any entities seeking to intervene or participate in this matter file the appropriate application with the Board by February 27, 2015.

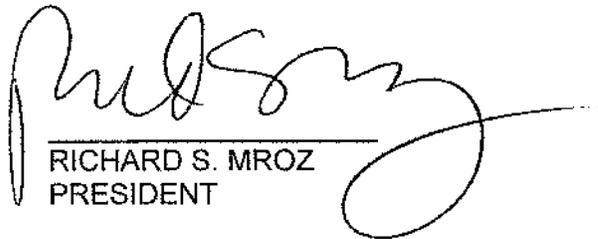
To further enable the Board to effectively and efficiently carry out its mandate under N.J.S.A. 48:3-98.1 and to allow development of a complete record, the Board **HEREBY AUTHORIZES** Commissioner Dianne Solomon to render a decision on a stipulation pursuant to N.J.S.A. 48:2-21.3 extending the 180 day review period, if submitted, provided that the stipulation is executed by all parties to the proceeding.

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.

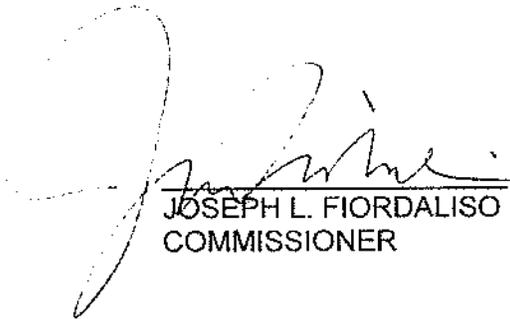
The effective date of this Order is February 23, 2015.

DATED: 2/11/15

BOARD OF PUBLIC UTILITIES
BY:



RICHARD S. MROZ
PRESIDENT



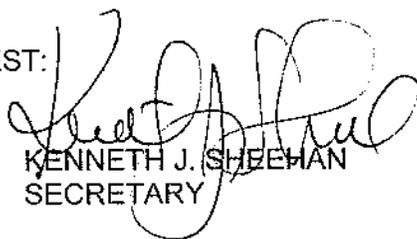
JOSEPH L. FIORDALISO
COMMISSIONER



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER

ATTEST: 
KENNETH J. SHEEHAN
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 SOUTH JERSEY GAS COMPANY FOR APPROVAL
TO CONTINUE ITS ENERGY EFFICIENCY PROGRAMS AND ENERGY EFFICIENCY
TRACKER PURSUANT TO N.J.S.A. 48:3-98.1
BPU DOCKET NO. GR15010090

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