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State of New Jersey

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January 28, 2022

To the Service List:

Re: Docket No. GR21060908 – In the Matter of the Petition of New Jersey Natural Gas Company for Approval of the Cost Recovery Associated with Energy Efficiency Programs

Agenda Date: January 26, 2022 – Agenda Item: 2B

Please be advised that the New Jersey Board of Public Utilities (“Board”) is re-issuing the Order for the above-referenced agenda item that was approved by the Board at the January 26, 2022 Board agenda meeting to include the rate effective date. On page five, the third paragraph states “...no later than January 31, 2022” should be corrected to “...no later than January 31, 2022 for rates effective February 1, 2022”.

This is the only change to the Order, which will be re-distributed to the parties of record and the attached Service List.

Sincerely,

A handwritten signature in blue ink that reads "Aida Camacho-Welch".

Aida Camacho-Welch
Secretary of the Board

/ac



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
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ENERGY

IN THE MATTER OF THE PETITION OF NEW JERSEY)
NATURAL GAS COMPANY FOR APPROVAL OF THE)
COST RECOVERY ASSOCIATED WITH ENERGY)
EFFICIENCY PROGRAMS) ORDER APPROVING
STIPULATION
DOCKET NO. GR21060908

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 June 11, 2021, New Jersey Natural Gas Company (“NJNG” or “Company”) filed a petition with the New Jersey Board of Utilities (“Board” or “BPU”) seeking approval to increase the Company’s existing Energy Efficiency (“EE”) rate of \$0.0171 per therm to \$0.0204 per therm for programs established in 2010 through 2018 (“EE Rate”) (“June 2021 Petition”).¹ 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 June 2021 Petition.

BACKGROUND AND PROCEDURAL HISTORY

On July 17, 2009, the Board authorized NJNG to implement three (3) energy efficiency programs: 1) Home Performance with Energy Star (“HPwES”) Enhancements; 2) Enhanced Warm Advantage Rebate Program; and 3) Commercial Customer Direct Install Program (“Original Programs”).² 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.

¹ All rates quoted herein include Sales and Use Tax.

² In re 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 GO09010057, Order dated July 17, 2009.

The Original Programs were available to eligible customers for approximately 12 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. NJNG was authorized 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.³ The Company was required to submit an annual cost recovery filing to establish future EE 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, 2011.⁴ In addition to authorizing modifications to the Original Programs, the September 2010 Order 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 ("FEED") program (collectively, "SAVEGREEN Project" or "SAVEGREEN").⁵

By Order dated January 19, 2012, the Board authorized NJNG to continue its existing SAVEGREEN Project and implement certain proposed SAVEGREEN Project program changes through December 31, 2012, or 12 months from the date the Order approving the SAVEGREEN extension was served, whichever was later.⁶ Through a series of Orders, the Board authorized NJNG to further extend the SAVEGREEN Project, with modifications, through December 31, 2021.⁷

³ As of the date of this Order, the Company's Rider F Tariff Sheet Numbers are 172-173.

⁴ 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").

⁵ The OPOWER pilot allowed customers to obtain information about their specific energy use in comparison to comparable households. The FEED program offered eligible commercial customers an opportunity for customized provisions.

⁶ 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.

⁷ 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.

By Order dated March 3, 2021, the Board authorized NJNG to implement the SAVEGREEN 2020 Program, commencing July 1, 2021, with a conclusion date of June 30, 2024 offering a variety of residential, commercial, and industrial EE solutions throughout NJNG territory. The Board also authorized NJNG to recover costs associated with the SAVEGREEN 2020 Program through a separate rate component of the Company's Rider F Tariff.⁸

As part of the current cost recovery mechanism, NJNG is authorized to amortize for recovery of the SAVEGREEN investments in customer rebates, incentive payments and customer financing over a two (2), three (3), five (5) and 10-year period on a straight-line basis, with the rate of return on the unamortized SAVEGREEN investments approved in the previous orders. NJNG computes the rate of return component of its costs, in addition to deducting the accumulated amortization of its investments, by deducting the applicable deferred income taxes related to the amortization of rebates, incentives and financing costs over a two (2), three (3), five (5), and 10-year period for book purposes and over a one (1) year period for tax purposes.

By Order dated October 25, 2019, NJNG's current EE Rate of \$0.0171 was approved by the Board.⁹

By Order dated October 28, 2020, the Board approved NJNG's request to maintain its existing EE Rate of \$0.0171 per therm.¹⁰ NJNG was required to submit its annual cost recovery filing by June 1, 2021 to establish future Rider F rates.

June 2021 Petition

In the June 2021 Petition, NJNG sought review and approval of the costs associated with the EE programs established from 2010 through 2018. According to the June 2021 Petition, based upon actual information through April 30, 2021 and estimated information for the period May 1, 2021 through September 30, 2021, NJNG anticipated an over recovery of approximately \$0.136 million by September 30, 2021. Based upon the current and anticipated levels of activity in SAVEGREEN, NJNG estimated the revenue requirement for the period October 2021 through September 2022 to be approximately \$13.464 million. Therefore, the Company proposed an increase to its current EE Rate of \$0.0171 to \$0.0204, or an increase of \$0.0033 per therm.

Rate Counsel and Staff propounded discovery on NJNG, which the Company responded to. The Company provided an update ("November 2021 Update") to their revenue requirement with actual information through September 30, 2021 and estimated information from October 1, 2021 through September 30, 2022. The November 2021 Update indicated an anticipated over recovery on December 31, 2021 of approximately \$0.618 million and a revenue requirement for the period of October 2021 through September 2022 of approximately \$9.572 million, resulting in a calculated

⁸ In re Implementing of L. 2018, C. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs and In re the Matter of 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.

⁹ In re the Petition of New Jersey Natural Gas Company for Approval of the Cost Recovery Associated with Energy Efficiency Program, BPU Docket No. GR19050676, Order dated October 25, 2019.

¹⁰ In re the Petition of New Jersey Natural Gas Company for Approval of the Cost Recovery Associated with Energy Efficiency Program, BPU Docket No. GR20060377, Order dated October 28, 2020.

EE Rate of \$0.0206 per therm. Below is a breakdown of the revenue requirement included in the November 2021 Update.

Estimated Under/(Over) recovery at Dec 31, 2021 (\$000)	\$(618)
<u>Estimated Revenue Requirements (Jan 2022 through Sept 2022):</u>	
RGGI	\$ 0
EE Extension	24
July 2013 Programs	422
August 2015 Programs	935
SAVEGREEN 2018	8,809
<u>Total Amount to be Recovered</u>	<u>\$9,572</u>

After notice in newspapers and general circulation within the Company's service territory, telephonic public hearings were held on August 23, 2021 at 4:30 p.m. and 5:30 p.m.¹¹ No members of the public attended the hearing. Additionally, no written comments were received by the Board.

STIPULATION

Upon review of the June 2021 Petition, the November 2021 Update and subsequent to conducting and reviewing responses to discovery, the Parties executed the Stipulation, which provides for following:¹²

10. The Company is authorized to recover only those costs associated with the SAVEGREEN Programs previously approved in the 2010 through 2018 Orders.
11. The Company's updated revenue requirement of \$9.6 million as of December 31, 2021 results in a per therm rate of \$0.0206 including SUT (\$0.0193 excluding SUT).
12. Due to the Public Notice for this matter proposing a rate of \$0.0204 per therm including SUT, the Parties agree that NJNG will only increase its rate to that proposed in the Public Notice, or \$0.0204 per therm (\$0.0191 excluding SUT), for energy efficiency programs established from 2010 through 2018 pursuant to the terms of Rider F of the Company's gas tariff, as set forth in Attachment A to the Stipulation. The overall bill of the residential heating customer using 100 therms per month will increase by \$0.33, from \$136.21 to \$136.54, on a monthly basis, based on rates in effect as of December 1, 2021. This rate shall be effective upon Board approval, and shall remain in effect until changed by a future Board order.

¹¹ Due to the COVID-19 Pandemic, the public hearings were held telephonically.

¹² 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 findings and conclusion in this Order. Each paragraph is numbered to coincide with the Stipulation.

13. The Parties agree that actual costs incurred through September 30, 2021, as shown in Attachment B to the Stipulation, have been reviewed and deemed prudent and reasonable by the Parties. Actual costs incurred by NJNG starting on October 1, 2021 are subject to review for reasonableness and prudence in future EE Rate filings.
14. The Parties agree that the Company's next annual EE Rate filing will be made on or before June 1, 2022.
15. As agreed to by the Parties and authorized in the September 2018 Order, any variance between costs and recoveries will accrue interest at a rate equal to the Company's monthly commercial paper rate. In the event that 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

The Board carefully reviewed the record, including the June 2021 Petition, the November 2021 Update, as well as the Stipulation. Accordingly, the Board is satisfied and **HEREBY FINDS** that the Stipulation represents a fair and reasonable resolution of the issues, demonstrates that the costs through September 2021 have been reviewed and determined to be both reasonable and prudent, and is therefore in the public interest. The Board **HEREBY ADOPTS** the attached Stipulation as its own, incorporating by reference its terms and conditions as if fully set forth herein.

Accordingly, the Board **HEREBY ORDERS** that NJNG revise its EE Rate to \$0.0204. As a result of the Board's approval of the Stipulation, a typical residential heating customer will experience an increase of \$0.33 or 0.2 percent in their current monthly bill.

The Board **HEREBY ORDERS** the Company to file the appropriate revised tariff sheets consistent with the terms of this Order no later than January 31, 2022 for rates effective February 1, 2022.¹³

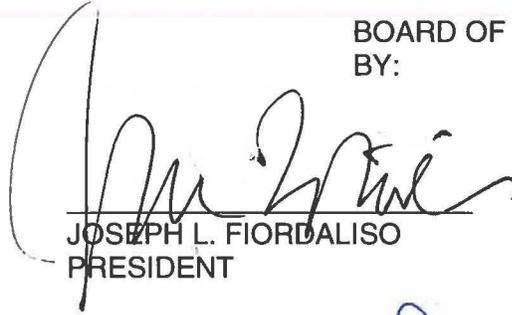
The Company's costs, including those related to the programs described above, remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

¹³ Corrected to establish the rate effective date of February 1, 2022.

This Board Order shall be effective on January 26, 2022.

DATED: January 26, 2022

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST: 

AIDA CAMACHO-WELCH
SECRETARY

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. GR21060908

SERVICE LIST

<p><u>Board of Public Utilities</u> 44 South Clinton Avenue, 1st Floor Post Office Box 350 Trenton, NJ 08625-0350</p> <p>Aida Camacho-Welch, Secretary board.secretary@bpu.nj.gov</p> <p>Stacy Peterson, Deputy Executive Director stacy.peterson@bpu.nj.gov</p> <p><u>Division of Energy</u></p> <p>Paul Lupo, Acting Director paul.lupo@bpu.nj.gov</p> <p>Bart Kilar bart.kilar@bpu.nj.gov</p> <p>William Barkasy william.barkasy@bpu.nj.gov</p> <p><u>Counsel's Office</u></p> <p>David Schmitt, Esq. david.schmitt@bpu.nj.gov</p> <p><u>Division of Rate Counsel</u> 140 East Front Street, 4th Floor Post Office Box 003 Trenton, NJ 08625-0003</p> <p>Brian O. Lipman, Esq., Director blipman@rpa.nj.gov</p> <p>Maura Caroselli, Esq. mcaroselli@rpa.nj.gov</p>	<p><u>Division of Law</u> 25 Market Street Post Office Box 112 Trenton, NJ 08625-0112</p> <p>Pamela Owen, DAG pamela.owen@law.njoag.gov</p> <p>Darren Eppley, DAG darren.eppley@law.njoag.gov</p> <p>Michael Beck, DAG michael.beck@law.njoag.gov</p> <p>Terel Klein, DAG terel.klein@law.njoag.gov</p> <p><u>NJNG</u> New Jersey Natural Gas Company 1415 Wyckoff Road Post Office Box 1464 Wall, NJ 07719</p> <p>James Corcoran jcorcoran@njng.com</p> <p>Andrew Dembia, Esq. adembia@njng.com</p> <p>Judy DeSalvatore jdesalvatore@njng.com</p> <p>Mark G. Kahrer mkahrer@njng.com</p> <p>Tina Trebino ttrebino@njng.com</p>
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January 3, 2022

VIA ELECTRONIC MAIL

Honorable Aida Camacho-Welch, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 1st Floor
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. GR21060908

Dear Secretary Camacho-Welch:

Enclosed with this letter is a fully executed Stipulation of Settlement (“Stipulation”) 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.

Please do not hesitate to contact me at adembia@njng.com if you need any additional information.

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:sf

**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. GR21060908**

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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. GR21060908**

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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. GR21060908
ENERGY EFFICIENCY PROGRAMS)**

TO: THE NEW JERSEY BOARD OF PUBLIC UTILITIES

APPEARANCES:

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

Maura Caroselli, Esq., Deputy Rate Counsel (**Brian O. Lipman, Esq.**, Director New Jersey Division of Rate Counsel)

Terel Klein, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Andrew Bruck**, Acting Attorney General of New Jersey)

1. On June 11, 2021, New Jersey Natural Gas Company (“NJNG” or “Company”) filed a petition in Docket No. GR21060908 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 \$0.0171 per therm for programs established in 2010 through 2018 to \$0.0204 per therm [including Sales and Use Tax (“SUT”)] which was established by Board Order dated October 28, 2020 in Docket No. GR20060377 (“Petition”). The Company submitted the Petition pursuant to the terms of earlier Board Orders¹ that adopted stipulations

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”);

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

Through the course of the proceeding, NJNG updated the information in its Petition to include actuals through September 30, 2021. Based upon the actual and anticipated levels of activity in SAVEGREEN and the projected balance as of December 31, 2021, the current after-tax per therm rate of \$0.0171 will be increased by \$0.0033, to \$0.0204 per therm for recovery of the SAVEGREEN program costs approved in the 2010 through 2018 Orders. Based upon the Company’s request, the overall bill of a residential heating customer using 100 therms per month would increase by \$ 0.33 or 0.2 percent.

BACKGROUND

2. NJNG’s participation in energy-efficiency 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 2018 Orders.

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”); 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” and together with the September 2010 Order, January 2012 Order, June 2013 Order, July 2015 Order, June 2016 Order, and September 2018 Order, “the 2010 through 2018 Orders”).

3. As provided in the Petition, the SAVEGREEN energy-efficiency and conservation programs are designed to encourage higher levels of customer participation in NJNG's service territory. NJNG maintains that the programs do not duplicate nor eliminate any of the New Jersey Clean Energy Program ("NJCEP") programs, 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 2018 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 ("O&M") expenses ("Program Costs"). It was agreed that such Program Costs are subject to recovery pursuant to the terms of Rider F.

5. 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. The Parties reviewed the Petition and discovery responses submitted by NJNG. Based upon that review, the Parties entered into this Stipulation, resolving all issues raised in, or relating to, the Company's Petition.

8. After publication of notice in newspapers of general circulation in NJNG's service territory, public hearings were scheduled and conducted telephonically on August 23,

2021. No members of the public participated at the hearing, nor were any written comments received by the BPU, NJNG or Rate Counsel.

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

STIPULATED MATTERS

10. The Company is authorized to recover only those costs associated with the SAVEGREEN Programs previously approved in the 2010 through 2018 Orders.

11. The Company's updated revenue requirement of \$9.6 million as of December 31, 2021 results in a per therm rate of \$0.0206 including SUT (\$0.0193 excluding SUT).

12. Due to the Public Notice for this matter proposing a rate of \$0.0204 per therm including SUT, the Parties agree that NJNG will only increase its rate to that proposed in the Public Notice, or \$0.0204 per therm (\$0.0191 excluding SUT), for energy efficiency programs established from 2010 through 2018 pursuant to the terms of Rider F of the Company's gas tariff, as set forth in Attachment A. The overall bill of the residential heating customer using 100 therms per month will increase by \$0.33, from \$136.21 to \$136.54, on a monthly basis, based on rates in effect as of December 1, 2021. This rate shall be effective upon Board approval, and shall remain in effect until changed by a future Board order.

13. The Parties agree that actual costs incurred through September 30, 2021, as shown in Attachment B, have been reviewed and deemed prudent and reasonable by the Parties. Actual costs incurred by NJNG starting on October 1, 2021 are subject to review for reasonableness and prudence in future EE Rate filings.

14. The Parties agree that the Company's next annual EE Rate filing will be made on or before June 1, 2022.

15. As agreed to by the Parties and authorized in the September 2018 Order, any variance between costs and recoveries will accrue interest at a rate equal to the Company's monthly commercial paper rate. In the event that 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 particular aspect of this Stipulation is not accepted and approved in its entirety by the 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:

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Attorney for Staff of the New Jersey Board of Public Utilities**



By:

TEREL KLEIN, ESQ.
Deputy Attorney General

Date: January 3, 2022