



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
**44 South Clinton Avenue, 1<sup>st</sup> Floor**  
**Post Office Box 350**  
**Trenton, New Jersey 08625-0350**  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

ENERGY

IN THE MATTER OF THE PETITION OF )  
ELIZABETHTOWN GAS COMPANY TO REVISE ITS )  
ENERGY EFFICIENCY PROGRAM RIDER RATE )  
 )  
 ) DOCKET NO. GR21071017

**Parties of Record:**

**Deborah M. Franco, Esq.**, for Elizabethtown Gas Company  
**Brian O. Lipman, Esq., Director**, New Jersey Division of Rate Counsel

BY THE BOARD:

On July 30, 2021, Elizabethtown Gas Company (“ETG” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) seeking approval for authorization to decrease its Energy Efficiency (“EE”) Program (“EEP”) Rider rate component associated with its four-year amortization EEPs (“July 2021 Petition”).<sup>1</sup> By this Decision and Order, the Board considers a stipulation of settlement (“Stipulation”) executed by ETG, 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 July 2021 Petition.

**BACKGROUND AND PROCEDURAL HISTORY**

By Order dated August 3, 2009, the Board authorized ETG to administer the following six (6) EEPs for a 17-month period ending on December 31, 2010: 1) Whole House Energy Efficiency Program; 2) Residential Expanded Gas Heating Ventilation and Air Conditioning (“HVAC”) and Gas Hot Water Heater Incentive Program; 3) Small Commercial Customer Energy Efficiency Program; 4) Large Commercial Customer Energy Efficiency Program; 5) Combined Heat and

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<sup>1</sup> The EEP Rider (Also known as Rider “E” – Tariff Sheet No. 124), as of July 1, 2021, is comprised of two rate components, one associated with the EEP that ended on June 30, 2021, with a four-year amortization of costs and one associated with a ten-year amortization of costs - effective July 1, 2021, authorized by the Board’s Order dated April 7, 2021, in BPU Docket Nos. QO19010040 and GO20090619.

Power Program; and 6) Gas Cooling Program (collectively, "Original EEPs").<sup>2</sup> The total projected expenditures, including operating and maintenance ("O&M") expenses, was \$14,673,100. The August 2009 Order also authorized the Company to implement a Regional Greenhouse Gas Initiative ("RGGI") Rider Rate to recover the costs associated with the Original EEPs. Pursuant to the August 2009 Order, the Company was required to submit an annual petition to adjust its RGGI Rider Rate on a calendar basis. The annual filings were to include certain information, including investment levels, operating costs, and employment. In the August 2009 Order, the initial RGGI Rider Rate was established as \$0.0082 per therm.<sup>3</sup>

On July 1, 2010, ETG filed a petition in Docket No. GO10070446 to reconcile the program costs and recoveries associated with its Original EEPs ("2010 RGGI Rider Rate Petition"). On October 4, 2010, the Company filed a petition in Docket No. GO10100735, requesting approval to extend the term of the Company's Original EEPs for an additional three (3) year period. By Order dated January 19, 2011, the Board authorized ETG to extend its Original EEPs for a one (1) year period ending on December 31, 2011.<sup>4</sup> The January 2011 Order also approved a provisional RGGI Rider Rate of \$0.0000, but left open the 2010 RGGI Rider Rate Petition docket to allow for further review of the Company's Original EEPs and finalization of the provisional RGGI Rider Rate.

On June 30, 2011, ETG filed a petition in Docket No. GR11070398 to reconcile the program costs and recoveries associated with its Original EEPs ("2011 RGGI Rider Rate Petition"). The 2011 RGGI Rider Rate Petition sought a decrease of the RGGI Rider Rate from \$0.0000 to a credit of \$0.0015 per therm. The 2011 RGGI Rider Rate Petition also requested approval to implement a name change from the RGGI Rider Rate to the EEP Rate.

By Order dated November 30, 2011, the Board authorized ETG to continue the Company's Original EEPs through April 29, 2012.<sup>5</sup> The November 2011 Order also approved the continuation of a RGGI Rider Rate of \$0.0000 per therm until changed by order of the Board. By Order dated April 11, 2012, the Board authorized the Company to continue certain EEPs until April 19, 2013.<sup>6</sup>

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<sup>2</sup> In re Energy Efficiency Programs and Associated Cost Recovery Mechanisms and In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas for Approval of Energy Efficiency Programs and a Regional Greenhouse Gas Initiative Cost Recovery Rider, BPU Docket Nos. EO09010056 and GO09010060, Order dated August 3, 2009 ("August 2009 Order").

<sup>3</sup> All rates quoted herein include Sales and Use Tax, and any applicable assessments.

<sup>4</sup> In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to Revise its Regional Greenhouse Gas Initiative Rider Rate and In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown 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 ("January 2011 Order").

<sup>5</sup> In re 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, BPU Docket No. GO11070399, Order dated November 30, 2011 ("November 2011 Order").

<sup>6</sup> In re 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, BPU Docket No. GO11070399, Order dated April 11, 2012 ("April 2012 Order").

On August 1, 2012, ETG filed a petition in Docket No. GR12080729 to reconcile the program costs and recoveries associated with its EEPs through June 30, 2012 (“2012 EEP Rate Petition”). The 2012 EEP Rate Petition sought approval of an EEP rate of \$0.0046 per therm. By Order dated December 18, 2013, the Board authorized an EEP Rate of \$0.0042 per therm and renamed the RGGI Rider Rate to the EEP Rate; resolving the 2010 RGGI Rider Rate Petition, the 2011 RGGI Rider Rate Petition and the 2012 EEP Rate Petition.<sup>7</sup>

By Order dated August 21, 2013, the Board authorized the Company to extend the term of the Original EEPs through September 1, 2015.<sup>8</sup> By Order dated December 16, 2015, the Board authorized ETG to continue to offer its Original EEPs through December 31, 2016 within the remaining budget approved in the August 2013 Order.<sup>9</sup>

By Order dated August 19, 2015, the Board approved an EEP rate of \$0.0054 per therm.<sup>10</sup> By Order dated September 23, 2016, the Board approved an EEP credit rate of \$0.0007 per therm.<sup>11</sup>

By Order dated April 21, 2017, the Board authorized the Company to extend the term of the existing program and several additional proposed programs through December 31, 2018.<sup>12</sup> The April 2017 Order authorized ETG to offer the following EEPs: 1) Residential Gas HVAC and Gas Hot Water Heater Incentive Program; 2) Residential Home Energy Assessment Program; 3) Residential Home Energy Report (Opower) Program; 4) Residential Home Weatherization for Income Qualified Customers Program; and 5) Commercial Steam Trap Survey and Repair Program.

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<sup>7</sup> In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to Revise its Regional Greenhouse Gas Initiative Rider Rate AND In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to Revise its Regional Greenhouse Gas Initiative Rider Rate and Rename the Rate to the Energy Efficiency Program Rider Rate AND In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to Revise its Energy Efficiency Program Rider Rate, BPU Docket Nos. GO10070446, GR11070398, and GR12080729, Order dated December 18, 2013.

<sup>8</sup> In re 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, BPU Docket No. GO12100946, Order dated August 21, 2013.

<sup>9</sup> In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to Extend the Term of Energy Efficiency Programs with Certain Modifications and Approval of Associated Cost Recovery Mechanism AND In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to Extend the Term of Energy Efficiency Programs with Certain Modifications and Approval of Associated Cost Recovery Mechanism, BPU Docket Nos. GO12100946 and GO15050504, Order dated December 16, 2015.

<sup>10</sup> In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to Revise its Energy Efficiency Program Rider Rate, BPU Docket No. GR14091073, Order dated August 19, 2015.

<sup>11</sup> In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to Revise its Energy Efficiency Program Rider Rate, BPU Docket No. GR16020119, Order dated September 23, 2016.

<sup>12</sup> In re the Petition of Pivotal Utility Holdings, Inc. for Authority to Extend the Term of Energy Efficiency Programs with Certain Modifications and Approval of Associated Cost Recovery Mechanism, BPU Docket Nos. GO15050504 and GR16070618, Order dated April 21, 2017 (“April 2017 Order”).

By Order dated August 29, 2018, the Board approved an EEP rate of \$0.0020 per therm.<sup>13</sup>

By Order dated February 27, 2019, the Board authorized the Company to extend its current EEPs through February 29, 2020.<sup>14</sup> By Order dated April 18, 2019, the Board approved an EEP rate of \$0.0051 per therm.<sup>15</sup>

By Order dated February 19, 2020, the Board authorized the Company to extend its current EEPs through December 31, 2021, subject to implementation of a new EE Program with an earlier effective date.<sup>16</sup>

By Order dated March 9, 2020, the Board approved an EEP rate of \$0.0073 per therm.<sup>17</sup>

By Order dated April 7, 2021, the Board authorized ETG to implement a new EE Program that began on July 1, 2021.<sup>18</sup> Accordingly ETG's previous EEPs offerings terminated on June 30, 2021.

By Order dated June 9, 2021, the Board approved an EEP rate of \$0.0062 per therm, associated with its four-year amortization EEPs, resulting in a total EEP Rate, inclusive of the ten-year amortization EEP rate component, of \$0.0125 per therm.<sup>19</sup>

### **JULY 2021 PETITION**

On July 30, 2021, ETG filed the July 2021 Petition requesting authorization to decrease its four-year amortization EEP rate component.

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<sup>13</sup> In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to Revise Its Energy Efficiency Rider Rate, BPU Docket No. GR17111146, Order dated August 29, 2018.

<sup>14</sup> In re 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, BPU Docket No. GO18070682, Order dated February 27, 2019.

<sup>15</sup> In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to Revise Its Energy Efficiency Rider Rate, BPU Docket No. GR18080860, Order dated April 18, 2019.

<sup>16</sup> In re 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, BPU Docket No. GO18070682, Order dated February 19, 2020.

<sup>17</sup> In re the Petition of Elizabethtown Gas Company to Revise Its Energy Efficiency Program Rider Rate, BPU Docket No. GR19070872, Order dated March 9, 2020.

<sup>18</sup> In re the Implementation of L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs and In re the Petition of Elizabethtown Gas Company for Approval of New Energy Efficiency Programs and Associated Cost Recovery Pursuant to the Clean Energy Act and the Establishment of a Conservation Incentive Program, BPU Docket Nos. QO19010040 and GO20090619, Order dated April 7, 2021.

<sup>19</sup> In re the Petition of Elizabethtown Gas Company to Revise Its Energy Efficiency Program Rider Rate. BPU Docket No. GR20070503, Order dated June 9, 2021.

In the July 2021 Petition, ETG sought to reconcile the EEP costs and cost recoveries for the period of July 1, 2020, to June 30, 2021, and to recover the projected costs and revenues for July 1, 2021, to June 30, 2022. ETG sought an annual revenue requirement of \$1,206,689, which resulted in a decrease in its four-year amortization EEP Rider rate component from \$0.0062 to \$0.0027 per therm, including taxes.

As the Company requested a rate decrease in the July 2021 Petition, public hearings were not required.

### **STIPULATION**

Following a review of the July 2021 Petition and conducting discovery, the Parties executed the Stipulation, which provides for the following:<sup>20</sup>

- A. The Parties acknowledge that the EEP rate change will become effective as of the effective date of a Board Order approving the Stipulation in accordance with N.J.S.A. 48:2-40, or upon such date thereafter as the Board may specify ("Effective Date").
- B. As of the Effective Date, the Company will implement an EEP rate of \$0.0027 per therm, inclusive of all applicable taxes, and that rate shall remain in effect until changed by Order of the Board. The calculation of this rate is set forth in Appendix A attached to the Stipulation.
- C. The Company shall accrue interest on under- and over-recovery balances at a rate equal to the weighted average of the Company's monthly commercial paper rate or interest rate on its bank credit lines. Until such time when ETG has a commercial paper program, the Company will adjust its short-term debt rate to reflect the commercial paper rate proxy reduction of 1.64%. In the event that commercial paper or bank credit lines were not utilized by the Company in the preceding month, the last calculated rate shall be used. The interest on monthly EEP Rider rate under and over recoveries shall be determined by applying the interest rate based upon the Company's weighted interest rate for the corresponding month obtained on its commercial paper and bank credit lines, but shall not exceed the Company's after tax weighted average cost of capital utilized to set rates in its most recent base rate case.
- D. The Company agrees that it will include with its EEP filings responses to the minimum filing requirements as set forth in Appendix B attached to the Stipulation.
- E. Should the Board approve the EEP rate reflected in the Stipulation, the Company will file a revised tariff sheet with the Board to reflect the four-year amortization rate of \$0.0027 per therm, inclusive of taxes. A draft tariff sheet is attached to the Stipulation as Appendix C, which includes actual changes to the tariff.

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<sup>20</sup> 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.

- F. The rate impact of the EEP rate change from \$0.0062 per therm, inclusive of taxes, to \$0.0027 per therm, inclusive of taxes, will decrease the monthly bill of a typical residential heating customer using 100 therms by \$0.35 or 0.3% as compared to the Company's January 1, 2022 rates.
- G. Upon the Board's approval of the Stipulation, all issues related to ETG's EEP recoverable costs for the period July 1, 2020 through June 30, 2021 are deemed resolved for purposes of this proceeding but remain subject to audit by the Board.

**DISCUSSION AND FINDING**

The Board carefully reviewed the record in this proceeding, including the July 2021 Petition, discovery, and the attached Stipulation in its entirety. Accordingly, the Board **HEREBY FINDS** that the Stipulation represents a fair and reasonable resolution of the issues, demonstrates that the costs through June 2021 were reviewed and determined to be both reasonable and prudent, and 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 ETG revise its four-year amortization EEP Rider rate component to \$0.0027, resulting in a total EEP Rate, inclusive of the ten-year amortization EEP rate component, of \$0.0090 per therm, effective for service rendered on March 1, 2022. As a result of the Board's approval of the Stipulation, a typical residential heating customer using 100 therms per month will experience a decrease of \$0.35 or 0.3 percent in their current monthly bill.

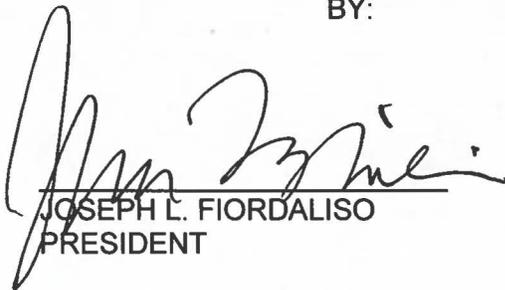
The Board **HEREBY ORDERS** the Company to file the appropriate revised tariff sheets consistent with the terms of this Order no later than February 28, 2022.

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 Board Order shall be effective on February 28, 2022.

DATED: February 23, 2022

BOARD OF PUBLIC UTILITIES  
BY:

  
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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 ELIZABETHTOWN GAS COMPANY TO REVISE ITS  
ENERGY EFFICIENCY PROGRAM RIDER RATE

BPU DOCKET NO. GR21071017

SERVICE LIST

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**STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES**

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**In the Matter of the Petition of** :  
**Elizabethtown Gas Company to** : **BPU Docket No. GR21071017**  
**Revise its Energy Efficiency Program** :  
**Rider Rate** : **FINAL STIPULATION**  
-----:

**APPEARANCES:**

**Deborah M. Franco, Esq.**, Vice President, Rates, Regulatory and Sustainability, SJI Utilities, Inc. for Petitioner, Elizabethtown Gas Company

**Maura Caroselli, Esq.**, Managing Attorney, Gas and Clean Energy, **Kurt S. Lewandowski, Esq.**, Assistant Deputy Rate Counsel, Division of Rate Counsel (**Brian O. Lipman, Esq.**, Director).

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

**TO THE HONORABLE COMMISSIONERS OF THE BOARD OF PUBLIC UTILITIES:**

**I. BACKGROUND**

1. On July 30, 2021, Elizabethtown Gas Company (“Elizabethtown” or “Company”), filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) in BPU Docket No. GR21071017 to revise its Energy Efficiency (“EE”) Program (“EEP”) rider rate (“2021 EEP Petition”).

2. The 2021 EEP Petition requests authority to change the four-year amortization rate component of the EEP Rider from \$0.0062 to \$0.0027 per therm, inclusive of taxes, effective October 1, 2021.<sup>1</sup>

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<sup>1</sup> The EEP Rider (Also known as Rider “E” – Tariff Sheet No. 124), as of July 1, 2021, is comprised of two rate components, one associated with the EEP that ended on June 30, 2021 with a four-year amortization of costs and one associated with a ten-year amortization of costs - effective July 1, 2021 authorized by the Board’s Order dated April 7, 2021 in BPU Docket Nos. QO19010040 and GO20090619.

3. The 2021 EEP Petition sought to reconcile the costs and cost recoveries for the period commencing July 1, 2020 through June 30, 2021 (“2021 Recovery Period”), and establishes a rate sufficient to recover those costs as well as the projected EEP rate revenue requirements for the period July 1, 2021 through June 30, 2022 (“2022 Recovery Period”).

4. The EEP rate enables Elizabethtown to recover the costs associated with Elizabethtown’s EEPs approved by the Board. The Company’s EEP consisted of a range of rebates and related offers, such as customer education and outreach initiatives, designed to encourage customers to conserve energy and to provide information on how to lower their gas bills.

5. In accordance with a Board Order dated February 19, 2020 in BPU Docket No. GO18070682, Elizabethtown was authorized to offer its EEP through December 31, 2021, subject to an implementation of a new Elizabethtown EEP with an earlier effective date. On April 7, 2021, in BPU Docket Nos. QO19010040 and GO20090619, the Board issued an Order authorizing Elizabethtown to implement a new EEP to begin on July 1, 2021. Accordingly, Elizabethtown’s previous EEP terminated on June 30, 2021, although the Company expects some costs related to rebates approved through the end of the program to continue for a few months as discussed in the 2021 EEP Petition.

6. Here, Petitioner sought to decrease its four-year amortization rate component of the EEP Rider from \$0.0062 per therm, inclusive of taxes, to \$0.0027 per therm, inclusive of taxes, effective October 1, 2021, to recover a balance of \$1,206,689. The proposed rate will be assessed to all customers except those served under special contracts as filed and approved by the Board and those customers exempt from this charge pursuant to the Long-Term Capacity Agreement Pilot Program (“LCAPP”), P.L. 2011, c.9. 12.

7. The proposed EEP Rider rate of \$0.0027 per therm, inclusive of taxes, was calculated by taking the prior year balance plus current year activity, totaling (\$461,199), plus projected recoverable amounts for the 2022 Recovery Year of \$1,667,888 and dividing the total net amount of \$1,206,689 by the projected volumes for the 2022 Recovery Year for the service classifications and customers subject to the EEP Rider.

8. As the Company requested a rate decrease in the 2021 EEP Petition, public hearings were not required.

9. Elizabethtown, Board Staff, and the New Jersey Division of Rate Counsel (“Rate Counsel”) (collectively, “Parties”) engaged in discovery and resolved all issues in this proceeding in accordance with the stipulation of settlement (“Stipulation”) set forth below.

## **II. STIPULATED MATTERS**

Based upon and subject to the terms and conditions set forth herein, the Parties stipulate and agree as follows:

### **Effective Date**

A. The Parties acknowledge that the EEP rate change will become effective as of the effective date of a Board Order approving this Stipulation in accordance with N.J.S.A. 48:2-40, or upon such date thereafter as the Board may specify. (“Effective Date”)

### **Effective Rate**

B. As of the Effective Date, the Company will implement an EEP rate of \$0.0027 per therm, inclusive of all applicable taxes, and that rate shall remain in effect until changed by Order of the Board. The calculation of this rate is set forth in Appendix A which is attached hereto.

C. The Company shall accrue interest on under- and over-recovery balances at a rate equal to the weighted average of the Company’s monthly commercial paper rate or interest rate

on its bank credit lines. Until such time when ETG has a commercial paper program, the Company will adjust its short-term debt rate to reflect the commercial paper rate proxy reduction of 1.64%. In the event that commercial paper or bank credit lines were not utilized by the Company in the preceding month, the last calculated rate shall be used. The interest on monthly EEP Rider rate under and over recoveries shall be determined by applying the interest rate based upon the Company's weighted interest rate for the corresponding month obtained on its commercial paper and bank credit lines, but shall not exceed the Company's after tax weighted average cost of capital utilized to set rates in its most recent base rate case.

D The Company agrees that it will include with its EEP filings responses to the minimum filing requirements as set forth in Appendix B to this Stipulation.

E. Should the Board approve the EEP rate reflected herein, the Company will file a revised tariff sheet with the Board to reflect the four-year amortization rate of \$0.0027 per therm, inclusive of taxes. A draft tariff sheet is attached hereto as Appendix C, which includes actual changes to the tariff.

### **Rate Impact**

F. The rate impact of the EEP rate change from \$0.0062 per therm, inclusive of taxes, to \$0.0027 per therm, inclusive of taxes, will decrease the monthly bill of a typical residential heating customer using 100 therms by \$0.35 or 0.3% as compared to the Company's January 1, 2022 rates.

### **All Issues Resolved**

G. Upon the Board's approval of this Stipulation, all issues related to Elizabethtown's EEP recoverable costs for the period July 1, 2020 through June 30, 2021 are deemed resolved for purposes of this proceeding but remain subject to audit by the Board.

**Entirety of Stipulation**

H. This Stipulation represents a mutual balancing of interests and, therefore, is intended to be accepted and approved in its entirety. In the event that the Board does not adopt this Stipulation in its entirety in an Order, then any Party hereto is free to pursue its then-available legal remedies with respect to all issues in this Stipulation as though this Stipulation had not been signed.

**Binding Effect**

I. It is the intent of the Parties that the provisions hereof be approved by the Board, as appropriate, as being in the public interest. The Parties further agree that they consider the Stipulation to be binding on them for all purposes herein.

**General Reservation**

J. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of this proceeding. Except as expressly provided herein, Elizabethtown, Board Staff, or 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. All rates remain subject to audit by the Board.

WHEREFORE, the Parties hereto do respectfully submit this Stipulation to the Board and request the Board to issue a Decision and Order approving this Stipulation in its entirety in accordance with the terms hereof.

**ELIZABETHTOWN GAS COMPANY**

**BRIAN O. LIPMAN, ESQ  
DIRECTOR, DIVISION OF  
RATE COUNSEL**

By:   
**Deborah M. Franco  
Vice President, Rates, Regulatory  
and Sustainability**

By:   
**Maura Caroselli, Esq.  
Deputy Rate Counsel**

**ANDREW J. BRUCK,  
ACTING ATTORNEY GENERAL OF NEW JERSEY  
Attorney for the Staff of the New Jersey Board of Public Utilities**

By:  2/10/22  
**Terel Klein  
Deputy Attorney General**

**Dated: February 8, 2022**

**GR21071017 – ETG 2021 EEP**

ELIZABETHTOWN GAS COMPANY  
ENERGY EFFICIENCY PROGRAM ("EEP")

CALCULATION OF THE EEP RATE  
through September 30, 2022  
October 1, 2021 RECOVERY YEAR - 2022

1	Prior Year Balance - (Sch. TK-2)	June 30, 2020		\$756,519
	<u>Actual Amounts Through:</u>	June 30, 2021		
2	Current Year O&M Costs (Sch. TK-2)			\$281,345
3	Current Year Revenue Requirements (Sch. TK-2)			\$1,567,012
4	Current Year Recovery Credits (Sch. TK-2)			(\$3,066,953)
5	Current Year Carrying Costs (Sch. TK-2)			<u>\$878</u>
6	Current Year TK-2 Ending Balance (Sum L1-L5)			(\$461,199)
7	<u>Projected Recoverables :</u>	June 30, 2022		
	- Revenue Requirements (Sch. TK-3)		\$1,667,888	
	- O&M Costs (Sch. TK-4)		<u>\$0</u>	<u>\$1,667,888</u>
8	Total Proposed Recoveries (L6+L7)			\$1,206,689
9	<u>12 Month Projected Normalized Sales and Services:</u>			
	- Residential and GLS		244,816,292	
	- Commercial		137,438,809	
	- Industrial		98,885,721	
	- NGV		47,552	
	- Cogeneration		0	481,188,374 therms
10	EEP Rate, before taxes (L8/L9)			\$0.0025 /therm
11	Sales & Use Tax @	6.625%		<u>\$0.0002</u>
12	EEP Rate (L10+L11)			<u><u>\$0.0027</u></u> /therm

**ELIZABETHTOWN GAS COMPANY  
ENERGY EFFICIENCY PROGRAM (EEP) RATE FILING  
MINIMUM FILING REQUIREMENTS (MFR) INDEX**

<b>Minimum Filing Requirements</b>	<b>Schedule</b>
1. Direct FTE employment impacts as defined in Paragraph 28 of the Stipulation, including a breakdown by sub-program	BJB-5
2. A monthly revenue requirement calculation based on program expenditures, showing the actual monthly revenue requirement for each of the past twelve months or clause-review period, as well as supporting calculations, including the information related to the tax rate and revenue multiplier used in the revenue requirement calculation	TK-3
3. For the review period, actual revenues, by month and by rate class recorded under the programs	TK-5
4. Monthly beginning and ending clause balances, as well as the average balance net of tax for the 12-month period	TK-2
5. The interest rate used each month for over/under recoveries, and all supporting documentation and calculations for the interest rate	TK-6
6. The interest expense to be charged or credited to ratepayers each month	TK-2, TK-6
7. A schedule showing budgeted versus actual program costs by the following categories: administrative (all utility costs), marketing/sales, training, rebates/incentives, including inspections and quality control, program implementation (all contract costs), evaluation, and any other costs	FV-1
8. The monthly journal entries relating to regulatory asset and O&M expenses for the 12 month review period	FV-1 (is a summary of the expenses as recorded in the Company's books; copies of the actual journal entries can be made available)
9. Supporting details for all administrative costs included in the revenue requirement	FV-1
10. Information supporting the carrying cost used for the unamortized costs	TK-6
11. Number of program participants, including a breakdown by sub-program	BJB-1
12. Estimated demand and energy savings, including a breakdown by sub-program	BJB-3
13. Emissions reductions from the Program, including a breakdown by sub-program	BJB-4
14. Estimated free ridership and spillover	Exhibit P-3 - Baatz testimony, pages 20-21
15. Participant costs (net of utility incentives), including a breakdown by sub-program	Exhibit P-3 - Baatz testimony, page 19
16. Results of program evaluations, including a breakdown by sub-program	BJB-6
17. Separate cost and recovery information for each approved program and extension.	TK-7

## RIDER "E"

ENERGY EFFICIENCY PROGRAM ("EEP")

Applicable to all Customers except those Customers under special contracts as filed and approved by the BPU and those customers exempted pursuant to the Long-Term Capacity Agreement Pilot Program ("LCAPP"), P.L. 2011 c.9, codified as N.J.S.A. 48:3-60.1. See the LCAPP Exemption Procedures at the end of the SBC, Rider "D."

The EEP shall be collected on a per therm basis and shall remain in effect until changed by order of the BPU. The applicable EEP rate is as follows:

Docket No. <del>GR19070872</del> <u>GR21071017</u> , per a four-year amortization	\$ <del>0.00620027</del> per therm
Docket No. GO20090619, per a ten-year amortization	\$0.0063 per therm
TOTAL	\$ <del>0.01250090</del> per therm

The rate applicable under this Rider includes provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein.

In the "Global Warming Act," N.J.S.A.26-2C-45. or "RGGI Legislation" the State Legislature determined that global warming is a pervasive and dangerous threat that should be addressed through the establishment of a statewide greenhouse gas emissions reduction program. On May 8, 2008, the Board issued an Order (the "RGGI Order") pursuant to N.J.S.A. 48:3-98.1(c). The RGGI Order allowed electric and gas public utilities to offer energy efficiency and conservation programs on a regulated basis. The Company's energy efficiency programs were first authorized pursuant to Board orders issued in Docket Nos. EO09010056 and GO09010060. They were subsequently extended pursuant to Board orders issued in GO10070446, GO11070399, GO12100946, GO15050504, GR16070618 and GO18070682. The Company's current energy efficiency programs are effective through June 30, 2024. On May 23, 2018, the Clean Energy Act of 2018 ("CEA" or the "Act") was signed into law. The BPU directed utilities to file changes pursuant to Board orders issued in Docket Nos. QO1901040, QO19060748 and QO17091004 Dated June 10, 2020, ("the 2020 Orders"). The EEP enables the Company to recover all costs associated with energy efficiency programs approved by the Board.

Date of Issue: ~~July 1, 2021~~

Effective: Service Rendered  
on and after ~~July 1, 2021~~

Issued by: Christie McMullen, President  
520 Green Lane  
Union, New Jersey 07083

Filed Pursuant to Orders of the Board of Public Utilities  
Dated ~~April 7, 2021~~ in Docket Nos. ~~QO19010040 and GO20090619~~

**CLEAN**

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Docket No. GR21071017, per a four-year amortization	\$0.0027 per therm
Docket No. GO20090619, per a ten-year amortization	\$0.0063 per therm
TOTAL	\$0.0090 per therm

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