



Agenda Date: 9/28/22  
Agenda Item: 2B

**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 NEW JERSEY )  
NATURAL GAS COMPANY FOR APPROVAL OF THE )  
COST RECOVERY ASSOCIATED WITH ENERGY )  
EFFICIENCY PROGRAMS ) ORDER  
DOCKET NO. GR22060371

**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 1, 2022, New Jersey Natural Gas Company (“NJNG” or “Company”) filed a petition with the New Jersey Board of Utilities (“Board” or “BPU”) seeking approval of an overall increase to the Company’s existing Energy Efficiency (“EE”) rate for programs established in 2010 through 2018 (“EE Rate”) and decrease to the EE rate for programs established since 2021 (“June 2022 Petition”). 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 2022 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 (“HPES”) Enhancements; 2) Enhanced WarmAdvantage Rebate Program; and 3) Commercial Customer Direct Install Program (“Original Programs”).<sup>1</sup> 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.

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

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<sup>1</sup> In re the Petition of 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 EO09010057, Order dated July 17, 2009.

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 Tariff. 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.<sup>2</sup> 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").

By Order dated January 18, 2012, the Board authorized NJNG to continue its existing SAVEGREEN Project and implement certain proposed SAVEGREEN Project program changes through the later of December 31, 2012, or 12 months from the date the Order approving the SAVEGREEN extension.<sup>3</sup> Through a series of Orders, the Board authorized NJNG to further extend the SAVEGREEN Project, with modifications, through December 31, 2021.

By Order dated March 3, 2021, the Board authorized NJNG to implement the SAVEGREEN 2020 Program, commencing July 1, 2021 and concluding June 30, 2024, offering a variety of residential, commercial, and industrial EE solutions throughout NJNG's service territory.<sup>4</sup> 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.

As part of the current cost recovery mechanism, NJNG is authorized to amortize the SAVEGREEN 2020 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 2020 investments approved in the previous orders. NJNG computes the rate of return for 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.

### **June 2022 Petition**

In the June 2022 Petition, NJNG sought to reconcile the costs associated with the SAVEGREEN programs established from 2010 through 2018 ("2010-2018 Programs") and the SAVEGREEN

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<sup>2</sup> 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.

<sup>3</sup> 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 18, 2012.

<sup>4</sup> In re 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.

2021 Program (“2021 Program”) and establish a rate to recover those costs as well as the projected EE Rate revenue requirements for the period of October 1, 2021 through September 30, 2023. NJNG requested a per therm increase in the EE Rate from \$0.0204 to \$0.0242, including New Jersey Sales and Use Tax (“SUT”) for the 2010-2018 Programs and a per therm decrease in the the 2021 Program rate from \$0.0213 to \$0.0182 including SUT. The composite per therm EE rate proposed in the June 2022 Petition was \$0.0424.

On August 2, 2022, through discovery, NJNG provided an update with actual information through July 31, 2022 (“August 2022 Update”). Based upon the August 2022 Update, the Company adjusted its request for the EE programs. The August 2022 Update provided an increase in the proposed per therm rate for the 2010-2018 Programs from \$0.0204 to \$0.0243 and a decrease in the per therm rate for the 2021 program from \$0.0213 to \$0.0123, including SUT.

After publication of notice in newspapers of general circulation in the Company’s service territory, virtual public hearings were held at 4:30 p.m. and 5:30 p.m. on August 15, 2022.<sup>5</sup> No members of the public attended or filed comments related to the Company’s filing.

### **STIPULATION**

Following a review of the June 2022 Petition, the August 2022 Update and discovery, the Parties executed the Stipulation, which provides for the following:<sup>6</sup>

11. The Company is authorized to recover only those costs associated with the SAVEGREEN Programs previously approved in the 2010 through 2021 Orders.
12. The Company’s updated revenue requirement, as of July 31, 2022, of \$24.4 million, comprised of \$16.2 million for programs established in 2010 through 2018, resulting in a per therm rate of \$0.0243 including SUT (\$0.0228 excluding SUT) and \$8.2 million for programs established 2021 to present, resulting in a per therm rate of \$0.0123 including SUT (\$0.0115 excluding SUT).
13. Since the public notice for this matter included a rate of \$0.0242 per therm including SUT, for the programs established in 2010 through 2018, the Parties agree that NJNG will only increase its existing rate of \$0.0204 per therm (\$0.0191 excluding SUT) to the public notice rate of \$0.0242 (\$0.0227 excluding SUT) for EE programs established 2010 through 2018 pursuant to the terms of Rider F of the Company’s gas tariff, as set forth in Attachment A of the Stipulation. The Parties also agree that the existing rate of \$0.0213 including SUT (\$0.0200 excluding SUT) for EE programs established from 2021 to the present be decreased to \$0.0123 (\$0.0115 excluding SUT). The total EE per therm rate will be \$0.0365 including SUT (\$0.0342 excluding SUT).
14. The overall bill of the residential heating customer using 100 therms per month will decrease by \$0.52, from \$136.21 to \$135.69, or 0.4 percent (0.4%) on a monthly basis, based upon rates in effect as of July 1, 2022. These rates shall be effective

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<sup>5</sup> Public hearings were held virtually due to the COVID-19 pandemic.

<sup>6</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.

upon Board approval and shall remain in effect until changed by a future Board Order.

15. The Parties agree that actual costs incurred through July 31, 2022, as shown in Attachment B of the Stipulation, have been reviewed and deemed prudent and reasonable by the Parties. Actual costs incurred by NJNG starting on August 1, 2022 are subject to review for reasonableness and prudence in future EE rate filings.
16. The Parties agree that the Company's next annual EE rate filing will be made on or before June 1, 2023.
17. As agreed to by the Parties and authorized in the September 2018 Order and the March 2021 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**

Having carefully reviewed the recording in this matter, including the June 2022 Petition, the August 2022 Update and the Stipulation, the Board **HEREBY FINDS** that the Stipulation represents a fair and reasonable resolution of the issues; demonstrates that the costs through July 2022 have been reviewed and determined to be both reasonable and prudent; and is therefore in the public interest. Therefore, the Board **HEREBY ADOPTS** the Stipulation in its entirety and **HEREBY INCORPORATES** by reference its terms and conditions as if fully set forth herein.

Accordingly, the Board **HEREBY APPROVES** the overall EE Rate of \$0.0365 per therm, including SUT, that are reflected in the Stipulation effective for service rendered on and after October 1, 2022. As a result of the Stipulation, a typical residential heating customer using 100 therms per month will experience a decrease of \$0.52 or 0.4 percent in their 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 September 30, 2022, for service rendered on and after October 1, 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.

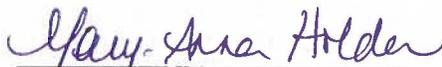
This Board Order shall be effective on September 28, 2022.

DATED: September 28, 2022

BOARD OF PUBLIC UTILITIES  
BY:



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JOSEPH L. FIORDALISO  
PRESIDENT



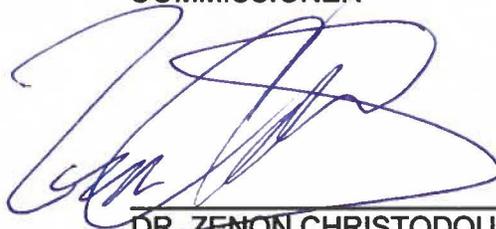
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DIANNE SOLOMON  
COMMISSIONER



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ROBERT M. GORDON  
COMMISSIONER



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DR. ZENON CHRISTODOULOU  
COMMISSIONER

ATTEST:



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ROBERT M. GORDON  
COMMISSIONER



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 THE COST RECOVERY ASSOCIATED WITH ENERGY EFFICIENCY PROGRAMS  
DOCKET NO. GR22060371

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September 12, 2022

*VIA ELECTRONIC TRANSMISSION*

Acting Secretary Carmen Diaz  
New Jersey Board of Public Utilities  
44 South Clinton Avenue, 1<sup>st</sup> Floor  
P.O. Box 350  
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. GR22060371

**REQUEST FOR EXPEDITED TREATMENT**

Dear Acting Secretary Diaz:

Enclosed please find, on behalf of New Jersey Natural Gas Company (“Company”), a fully executed Stipulation of Settlement in the above captioned matter.

The Company respectfully requests expedited treatment of the Board of Public Utilities (“Board”) Order in the above captioned matter. In order for the Company to implement the rates and charges, anticipated to be approved by the Board at its September 28, 2022 Agenda meeting, by no later than October 1, 2022, therefore, expedited treatment of the Board’s Final Order is respectfully requested.

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.

Should you have any questions, please do not hesitate to contact me.

Respectfully submitted,

A handwritten signature in blue ink that reads 'Andrew K Dembia'.

Andrew K Dembia, Esq.  
Regulatory Affairs Counsel

AKD/sf  
Encl.  
C: Service List

**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. GR22060371**

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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. GR22060371**

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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. GR22060371  
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., Managing Attorney and **Megan Lupo**, Esq., Assistant 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 (**Matthew J. Platkin**, Acting Attorney General of New Jersey)

**BACKGROUND**

1. On June 1, 2022, New Jersey Natural Gas Company (“NJNG” or “Company”) filed a petition in Docket No. GR222060371 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 \$0.0204 per therm for programs established in 2010 through 2018 to \$0.0242 per therm [including Sales and Use Tax (“SUT”)] and decrease the EE rate of \$0.0213 to \$0.0182 for programs established from 2021 to present (“Petition”). The Company submitted the Petition pursuant to the terms of earlier Board Orders that adopted stipulations entered into among the

Company, Board Staff (“Staff”), and the New Jersey Division of Rate Counsel (“Rate Counsel”) (collectively “Parties”).<sup>1</sup>

2. NJNG’s participation in EE 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 2021 Orders.

3. As provided in the Petition, the SAVEGREEN EE and Conservation Programs are designed to encourage higher levels of customer participation in NJNG’s service territory. NJNG maintains that the SAVEGREEN and Conservation Programs do not duplicate nor eliminate any

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<sup>1</sup> 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”).

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”).

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”).

In re the Petition of New Jersey Natural Gas Company for Approval of Energy-Efficiency Programs 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 (“March 2021 Order” and together with the September 2010 Order, January 2012 Order, June 2013 Order, July 2015 Order, June 2016 Order, September 2018 Order, and March 2021 Order “the 2010 through 2021 Orders”).

of the New Jersey Clean Energy Program (“NJCEP”), 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 2021 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. The 2010 through 2021 Orders also provide that NJNG must submit an annual SAVEGREEN cost recovery filing by June 1<sup>st</sup> 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. Through the course of the proceeding, NJNG updated the information in its Petition to include actual information through June 30, 2022. In addition, the Company provided a further update through July 31, 2022 in its response to discovery request RCR-A-0020. Based upon the actual activity through July 31, 2022 and anticipated levels of activity of the SAVEGREEN Program through September 30, 2023, the current after-tax per therm rate of \$0.0204 would increase by \$0.0039, to \$0.0243 per therm for recovery of the SAVEGREEN Program costs approved for programs established in 2010 through 2018, and the after-tax per therm rate of

\$0.0213 would decrease by \$0.0090, to \$0.0123 per therm for recovery of the SAVEGREEN Program costs for approved programs established in 2021 to present. The overall EE per therm rate would decrease by \$0.0051, with the after-tax per therm rate decreasing from \$0.0417 to \$0.0366. Based upon the Company's request, the overall bill of a residential heating customer using 100 therms per month would decrease by \$0.51 or 0.4 percent (0.4%).

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

9. After publication of notice in newspapers of general circulation in NJNG's service territory, public hearings were scheduled and conducted virtually on August 15, 2022 at 4:30 p.m. and 5:30 p.m. No members of the public participated in the hearings, nor were any written comments received by the BPU, NJNG or Rate Counsel.

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

**STIPULATED MATTERS**

11. The Company is authorized to recover only those costs associated with the SAVEGREEN Programs previously approved in the 2010 through 2021 Orders.

12. The Company's updated revenue requirement, as of July 31, 2022, of \$24.4 million, comprised of \$16.2 million for programs established in 2010 through 2018, resulting in a per therm rate of \$0.0243 including SUT (\$0.0228 excluding SUT) and \$8.2 million for programs established 2021 to present, resulting in a per therm rate of \$0.0123 including SUT (\$0.0115 excluding SUT).

13. Since the Public Notice for this matter included a rate of \$0.0242 per therm including SUT, for the programs established in 2010 through 2018, the Parties agree that NJNG

will only increase its existing rate of \$0.0204 per therm (\$0.0191 excluding SUT) to the Public Notice rate of \$0.0242 (\$0.0227 excluding SUT) for EE programs established 2010 through 2018 pursuant to the terms of Rider F of the Company's gas tariff, as set forth in Attachment A. The Parties also agree that the existing rate of \$0.0213 including SUT (\$0.0200 excluding SUT) for EE programs established from 2021 to the present be decreased to \$0.0123 (\$0.0115 excluding SUT). The total EE per therm rate will be \$0.0365 including SUT (\$0.0342 excluding SUT).

14. The overall bill of the residential heating customer using 100 therms per month will decrease by \$0.52, from \$136.21 to \$135.69, or 0.4 percent (0.4%) on a monthly basis, based upon rates in effect as of July 1, 2022. These rates 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 July 31, 2022, as shown in Attachment B, have been reviewed and deemed prudent and reasonable by the Parties. Actual costs incurred by NJNG starting on August 1, 2022 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, 2023.

15. As agreed to by the Parties and authorized in the September 2018 Order and the March 2021 Order<sup>2</sup>, 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.

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<sup>2</sup> September 2018 Order at 7 and March 2021 Order at 9.

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:

\_\_\_\_\_  
ANDREW K. DEMBIA, ESQ.  
Regulatory Affairs Counsel

**NEW JERSEY DIVISION OF RATE COUNSEL  
BRIAN O. LIPMAN, DIRECTOR**



By:

\_\_\_\_\_  
MEGAN LUPO, ESQ.  
Assistant Deputy Rate Counsel

**MATTHEW J. PLATKIN  
ACTING ATTORNEY GENERAL OF NEW JERSEY  
Attorney for Staff of the New Jersey Board of Public Utilities**



By:

\_\_\_\_\_  
TEREL KLEIN, ESQ.  
Deputy Attorney General

9/9/22

Date: September 7, 2022

New Jersey Natural Gas Company  
 Net impact of Proposed Rate Changes  
 BPU Docket No. GR22060371  
 F/Y 2023

Component of		(\$/therm)					
		7/1/2022 Rates		10/1/2022 Proposed Rates		Change	
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax
EE-2020-2018 programs	Delivery Price	\$0.0191	\$0.0204	\$0.0227	\$0.0242	\$0.0036	\$0.0038
EE 2021 program	Delivery Price	0.0200	0.0213	0.0115	0.0123	(0.0085)	(0.0090)
<b>Total EE Rate</b>		<u>\$0.0391</u>	<u>\$0.0417</u>	<u>\$0.0342</u>	<u>\$0.0365</u>	<u>(\$0.0049)</u>	<u>(\$0.0052)</u>

<u>Impact on Residential Non-Heating Customers</u>			
25 therm bill			
<b>7/1/22 Rates</b>			
	Customer Charge	\$11.00	\$11.00
	Delivery	\$0.7547	\$18.87
	BGSS	\$0.3974	\$9.94
	<b>Total</b>	<u>\$1.1521</u>	<u>\$39.81</u>
<b>Proposed Rates</b>			
	Customer Charge	\$11.00	\$11.00
	Delivery	\$0.7495	\$18.74
	BGSS	\$0.3974	\$9.94
	<b>Total</b>	<u>\$1.1469</u>	<u>\$39.68</u>
	<b>Decrease</b>		(\$0.13)
	<b>Decrease as a percent</b>		(0.3%)

<u>Impact on Residential Heating Customers</u>			
		100 therm bill	1000 therm annual bill
<b>7/1/22 Rates</b>			
	Customer Charge	\$11.00	\$11.00
	Delivery	\$0.8547	\$854.70
	BGSS	\$0.3974	\$397.40
	<b>Total</b>	<u>\$1.2521</u>	<u>\$1,384.10</u>
<b>Proposed Rates</b>			
	Customer Charge	\$11.00	\$11.00
	Delivery	\$0.8495	\$849.50
	BGSS	\$0.3974	\$397.40
	<b>Total</b>	<u>\$1.2469</u>	<u>\$1,378.90</u>
	<b>Decrease</b>		(\$0.52)
	<b>Decrease as a percent</b>		(0.4%)

<u>Impact on Commercial GSS Customers</u>			
100 therm bill			
<b>7/1/22 Rates</b>			
	Customer Charge	\$42.00	\$42.00
	Delivery	\$0.7737	\$77.37
	BGSS	\$0.3974	\$39.74
	<b>Total</b>	<u>\$1.1711</u>	<u>\$159.11</u>
<b>Proposed Rates</b>			
	Customer Charge	\$42.00	\$42.00
	Delivery	\$0.7685	\$76.85
	BGSS	\$0.3974	\$39.74
	<b>Total</b>	<u>\$1.1659</u>	<u>\$158.59</u>
	<b>Decrease</b>		(\$0.52)
	<b>Decrease as a percent</b>		(0.33%)

<u>Impact on Commercial GSL Customers</u>			
1200 therm bill			
<b>7/1/22 Rates</b>			
	Customer Charge	\$104.00	\$104.00
	Demand Charge	\$3.41	\$327.36
	Delivery	\$0.5880	\$705.60
	BGSS (July 2022)	\$0.8179	\$981.48
	<b>Total</b>	<u>\$1.4059</u>	<u>\$2,118.44</u>
<b>Proposed Rates</b>			
	Customer Charge	\$104.00	\$104.00
	Demand Charge	\$3.41	\$327.36
	Delivery	\$0.5828	\$699.36
	BGSS (July 2022)	\$0.8179	\$981.48
	<b>Total</b>	<u>\$1.4007</u>	<u>\$2,112.20</u>
	<b>Decrease</b>		(\$6.24)
	<b>Decrease as a percent</b>		(0.29%)

**Projected Annual Revenue**

Projected EE annual therms 712,643 (000s)

**Projected Annual Revenue \$ million**

	Current Rates	Proposed Rates	Change
<b>Pre-tax</b>	\$27.86	\$24.37	(\$3.5)
<b>Post-tax</b>	\$29.72	\$26.01	(\$3.7)

**New Jersey Natural Gas  
Energy Efficiency Recovery Rates**

**(\$000)**

Actual Under/(Over) recovery at July 30, 2022	\$	(941)
Estimated Revenue Requirements (Aug 1, 2022 to September 30, 2022)		
RGGI		-
EE Extension		4
July 2013 Programs		89
August 2015 Programs		177
SAVEGREEN 2018		2,146
Estimated Recovery		(765)
Estimated Interest	\$	(0)
Estimated Under/(Over) recovery at September 30, 2022	\$	709
Estimated Revenue Requirements (Oct 2022 through Sept 2023):		
RGGI	\$	-
EE Extension	\$	3
July 2013 Programs	\$	372
August 2015 Programs	\$	739
SAVEGREEN 2018	\$	14,395
Total Amount to be Recovered	\$	<b>16,219</b>
<b><u>Per Therm Recovery</u></b>		
Firm Throughput (000 therms)		<b>712,643</b>
Proposed Pre-tax EE Recovery Rate \$ per Therm	\$	0.0227
<b>Proposed After-tax EE Recovery Rate \$ per Therm</b>	<b>\$</b>	<b>0.0242</b>
Current Pre-tax EE Recovery Rate \$ per Therm	\$	0.0191
<b>Current After-tax EE Recovery Rate \$ per Therm</b>	<b>\$</b>	<b>0.0204</b>
Pre-tax EE Recovery Rate \$ per Therm Increase/ (Decrease)	\$	0.0036
<b>After-tax EE Recovery Rate \$ per Therm Increase/ (Decrease)</b>	<b>\$</b>	<b>0.0038</b>

New Jersey Natural Gas  
SAVEGREEN 2020

(\$000)

Under/(over) as of June 30, 2022 \$ (9,288)

**Estimated Revenue Requirements from Aug 1, 2022 to September 30, 2022**

Rebates	\$ 383
On-Bill Repayment Program	241
Operation & Maintenance Expenses	<u>1,282</u>

**Total Estimated Revenue Requirements from Aug 1, 2022 to September 30, 2022 \$ 1,905**

Estimated Recovery from Aug 1, 2022 to September 30, 2022 \$ (753)

Estimated Interest from Aug 1, 2022 to September 30, 2022 \$ (24)

**Under/(Over) as of September 30, 2022 \$ (8,161)**

**Estimated Revenue Requirements for October 1, 2022 to September 30, 2023**

Rebates	\$ 5,828
On-Bill Repayment Program	2,767
Operation & Maintenance Expenses	<u>7,731</u>

**Total Estimated Revenue Requirements for October 1, 2022 to September 30, 2023 \$ 16,325.78**

**Total Amount to be recovered \$ 8,165.14**

Per Therm Recovery  
Throughput (000 therms) **712,643**

Proposed Pre-tax EE Recovery Rate \$ per Therm \$ 0.0115

**Proposed After-tax EE Recovery Rate \$ per Therm \$ 0.0123**

**Current Pre-tax EE Recovery Rate \$ per therm \$ 0.0200**

**Current After-tax EE Recovery Rate \$ per therm \$ 0.0213**

Pre-tax EE Recovery Rate \$ per Therm Increase/ (Decrease) \$ (0.0085)

**After-tax EE Recovery Rate \$ per Therm Increase/ (Decrease) \$ (0.0090)**

**Typical Annual Bill Impacts**

Residential Non-Heat  
Typical Annual Bill Impact \$ 200  
% Impact (1.80)  
-0.5%

Residential Heat  
Typical Annual Bill Impact \$ 1,000  
% Impact (9.00)  
-0.7%

General Service Small  
Typical Annual Bill Impact \$ 1,200  
% Impact (10.80)  
-0.6%

General Service Large  
Typical Annual Bill Impact \$ 15,000  
% Impact (135.00)  
-0.6%