Agenda Date: 07/29/09
Agenda Item: 2N

STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.nj.gov/bpu/

DIVISION OF ENERGY AND OFFICE OF CLEAN ENERGY

IN THE MATTER OF ENERGY EFFICIENCY PROGRAMS AND ASSOCIATED COST RECOVERY MECHANISMS

IN THE MATTER OF THE PETITION OF PIVOTAL HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS FOR APPROVAL OF ENERGY EFFICIENCY PROGRAMS AND A REGIONAL GREENHOUSE GAS INITIATIVE COST RECOVERY RIDER

DECISION AND ORDER APPROVING STIPULATION

DOCKET NO. EO09010056

DOCKET NO. GO09010060

(SERVICE LIST AND STIPULATION ATTACHED)

BY THE BOARD:

Background:

In response to the worldwide economic downturn, in October 2008, Governor Jon Corzine announced a plan to help New Jersey weather the turbulence and lay a foundation for a long-term economic recovery. The plan was intended to directly support employment and economic activity in the short term, and to enhance the State's business climate and economic prospects in the long term.

As part of the plan, the Governor called upon New Jersey's electric and gas utilities to invest $500 million in utility energy efficiency programs for residential and business customers through 2009. Less than a week later, the New Jersey Energy Master Plan ("EMP") was released.[1] The EMP set a goal of reducing energy consumption by 20 percent by 2020, and determined that one of the methods to achieve that goal is a transition of energy efficiency programs to the utilities. Board Staff ("Staff") then held a series of meetings with representatives of the seven electric and gas utilities, the New Jersey Utilities Association ("NJUA"), and the Department of the Public Advocate, Division of Rate Counsel ("Rate Counsel") to explore the design of short-

[1] The Energy Master Plan is available at http://www.nj.gov/emp/docs/pdf/081022_emp.pdf.

term large-scale investments by the utilities to improve energy efficiency. The discussions focused on designing investments that would: use the EMP's "whole building" approach to identify all cost-effective energy measures in a comprehensive audit of a building, and then implement as many of them as possible; support the future transition of the New Jersey Clean Energy Program ("NJCEP") to the utilities; avoid overlap between customers targeted by the utilities' programs and customers targeted by the NJCEP; and foster job creation.

In the course of these meetings, the participants recognized that the amount of money that utilities could invest in energy efficiency in one year depended in part on matters outside the control of the utilities and the New Jersey Board of Public Utilities ("Board"), such as the desire of energy customers to participate in programs to improve the efficiency of their buildings and equipment. The energy efficiency petitions ultimately filed by the seven utilities sought approval for programs with investments totaling approximately $305 million, with the programs in some cases extending into a second year. These investments are in addition to the $956 million in accelerated capital improvements and investments that the Board approved for five of New Jersey's major energy utilities in April 2009. Evidence presented to the Board indicated that the overall accelerated infrastructure programs would create about 1,300 direct jobs in the private sector – without the use of additional government funding. As discussed below, the Board is reviewing the energy efficiency proposals not only to ensure that, if properly executed, they further the EMP's energy efficiency goals, but that they also create jobs to strengthen the local economy.

ETG ENERGY EFFICIENCY ECONOMIC STIMULUS PETITION

On February 6, 2009, pursuant to N.J.S.A. 48:3-98.1, Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas Company ("ETG" or "Company") filed a petition with the Board. On February 18, 2009, Staff notified ETG that the filing was determined to be administratively complete.[2]

In the filing, ETG requested approval to implement six (6) initial energy efficiency programs ("EE Programs") with a total investment of approximately $10.506 million over a two year period. Two (2) of these programs were also proposed as base EE Programs, costing $4.168 million, that could be implemented on a longer-term basis. According to the petition, these programs are designed to complement or supplement the existing NJCEP offers, increase customer awareness, enhance participation, and support utilization of the NJCEP programs, while creating additional jobs in the energy efficiency market. The Company also asserted that these projects will support the State's economic stimulus and energy conservation goals, consistent with the RGGI legislation, the Governor's economic stimulus plan, and the EMP.

The Petition proposed the following EE Programs:

1. Whole House EE Program (being offered both as initial and base program)
2. Residential Expanded Gas Heating Ventilation and Air Conditioning ("HVAC") and Gas Hot Water Heater Incentive Program (being offered both as initial and base program)
3. Small Commercial Customer Energy Efficiency Program
4. Large Commercial Customer Energy Efficiency Program
5. Combined Heat and Power Program
6. Gas Cooling Program

[2] N.J.S.A. 48:3-98.1 requires the Board to decide cost recovery issues within 180 days. Pursuant to the Board Order issued in response to a further statutory directive within that section, Staff must review a petition for completeness within 30 days and, when a petition is determined to be complete, set the beginning of the 180-day. I/M/O Electric Public Utilities and Gas Public Utilities Offering Energy Efficiency and Conservation Programs, Investing in Class I Renewable Energy Resources, and Offering Class I Renewable Energy Programs in their Respective Service Territories on a Regulated Basis Pursuant to N.J.S.A. 48:3-98.1, Dkt. No. EO08030164 (May 8, 2008). Accordingly, the 180-day period for a Board determination commenced on February 6, 2009.

With regard to cost recovery, ETG proposed recovery of all program costs associated with the initial and base EE Programs through the implementation of two different per-therm charges, to be implemented through a new Regional Greenhouse Gas Initiative ("RGGI') Rider surcharge. Under the proposed RGGI Rider, the Company would assess $0.0036 per therm to all of the Company's residential customers and $0.0010 per therm to all firm commercial and industrial customers. ETG proposed to amortize the regulatory assets from the EE Programs over five years, utilizing the after tax return on capital, grossed up for the revenue expansion factor, most recently established by the Board.

In its petition, the Company stated that it expected to hire some internal personnel, such as a project manager. The Company anticipated that this program would generate additional jobs for auditors, contractors, and contractor employees. The Company stated that more detailed information would be provided when available and finally estimated that five (5) in-house jobs and forty-four (44) jobs in the contracting industry would be created. The Company employed a definition of a full-time equivalent job to be 1,820 hours of work annually.

By Order dated February 19, 2009, the Board retained this matter for review and hearing and, as authorized by N.J.S.A. 48:2-32, designated President Jeanne M. Fox as the presiding officer who was authorized to rule on all motions that arise during the proceeding and modify any schedule(s) that may be set as necessary to secure just and expeditious determinations in this matter. Subsequently, on February 25, 2009, President Fox issued an Order setting the procedural schedule in this matter.

After notice in newspapers in general circulation within the service territory, two public hearings were held on March 3, 2009 in Flemington, New Jersey, and two public hearings were held on March 11, 2009 in Rahway, New Jersey. One member of the public appeared at a March 11, 2009 hearing and made a statement.

Motions to intervene were filed by the New Jersey Large Energy Users' Coalition ("NJLEUC") on February 18, 2009 and by the Natural Resources Defense Council ("NRDC") on March 27, 2009. By Orders dated March 27, 2009 and April 28, 2009, President Fox granted intervention to NJLEUC and NRDC, respectively.

Discovery requests in this matter were propounded by Staff and Rate Counsel, which were responded to by the Company.

THE PROPOSED STIPULATION

ETG, Rate Counsel, and Staff actively participated in settlement negotiations. NJLEUC and NRDC did not actively participate in the settlement negotiations. SJG, Rate Counsel, and Staff (collectively, the "Signatory Parties") agreed to certain modifications of the proposed programs and cost recovery mechanism, and executed a stipulation ("Stipulation"). NRDC and NJLEUC were also provided with copies of the Stipulation prior to execution by the Signatory Parties, but neither signed nor submitted comments.

A summary of some of the key provisions of the Stipulation follows:[3]

[3] Although described at some length 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.

The EE Programs

The Company shall administer six EE Programs identified in Appendix A and made a part of this Stipulation. The Company shall also implement related customer education and outreach and introduce the customer Dashboard. The EE Programs comprise the following:

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 Power Program

6. Gas Cooling Program

The six Enhanced programs will be implemented for a 17-month period. The total Program expenditures, including operating and maintenance ("O&M") expenses, for which approval is sought is $14,673,100. ETG will take all reasonable steps to commence implementation of the EE Programs upon receipt of a final Board Order in this proceeding.

Participation levels for each EE Program are limited by the amount of the projected budget associated with each individual EE Program as reflected in Appendix A. Only customers in good standing and subject to the RGGI surcharge are eligible to participate in and receive the incentives associated with the EE Programs. The interest-free financing component of the Company's EE Programs is available to eligible residential customers who meet the specific program requirements. ETG will not be required to provide funding for interest-free financing associated with the installation of electric equipment measures. This financing option will be provided in conjunction with a third-party and will only be available to eligible customers with a credit rating above a pre-determined level as determined by the third-party lender. It is the understanding of the Stipulating Parties that the current proposal New Jersey has filed under the American Recovery and Reinvestment Act of 2009 ("ARRA") (Pub. L. No. 111-5) will provide financing options for customers with a credit score below the specified minimum. The Company financing option will be coordinated with NJCEP and the final elements of any ARRA program.

The EE Programs appear to be consistent with the conservation goals of the RGGI Legislation and Governor Corzine's Economic Stimulus Plan for New Jersey to encourage energy efficiency, job creation and economic growth in New Jersey. The EE Programs also appear to be cost effective and beneficial as reflected in the cost-benefit analysis performed by Rutgers Center for Energy, Economic and Environmental Policy ("CEEEP").

Program and Budget Modifications

Based on market response, spending on the aggregate EE Program or any of the individual programs may be accelerated and completed sooner than the proposed period. To provide flexibility in responding to market conditions and customer demand during the term of the EE Program, the Stipulating Parties agree that there should be a process to address proposals for any individual program under-spending; however, no such under-spending may be carried over beyond December 31, 2010 without the approval of the Board. In addition, based upon market conditions and the level of market response to each of the individual programs, the Company may transfer funding between individual programs in order to address customer and market demand, subject to the following procedures. The Company will submit to the Signatory Parties a written description of the proposed transfers, the rationale for the proposed transfers, and a narrative and schedules showing the effect of the proposed transfers on the aggregate costs and benefit analysis reviewed within this proceeding. If any Signatory Party objects in writing to one or more proposed transfers within forty-five (45) days after the Company has submitted the required information to the Signatory Parties, any such transfer that is a subject of the objection will not take effect until after the Board has approved the transfer. Staff shall advise the Board of all proposed transfers of Program funding among individual programs. Board approval will be required when proposed transfers in the aggregate: (i) increase or decrease of any program's budget by more than 20 percent; or (ii) involve more than 10 percent of the overall EE Program's budget. For any proposed transfer that does not require Board approval under the parameters described in the preceding sentence, if there has been no objection to the proposed transfer and no notification from Staff indicating that a Commissioner wants the Board to review the proposed transfer, then a Secretary's letter will be issued permitting the Company to make the requested change. The Company will also report on this acceleration in its Annual Filing and in the monthly reports described below.

Based on market response, the Company may propose EE Program modifications during the term of the EE Program. No material modifications, such as a change in a rebate level or the elimination of any single EE Program, will take effect without approval by the Board. To propose a modification which requires Board approval under this paragraph, the Company shall submit to the Signatory Parties, in writing, a description of its proposed modifications, the rationale for its proposed modifications, and a narrative and schedules showing the effect of its proposed modifications on the costs and benefits of the affected programs. The Company will present the proposed modifications to the Board for expedited approval if no objections to the proposed modifications are received within forty-five (45) days after that filing. The Company will also report on these modifications in its Annual Filing and the monthly reporting described below.

Cost Recovery Mechanism

The Parties have agreed that cost recovery for the six EE Programs shall be through the implementation of the RGGI Rider rate of $0.0081 per therm, to be assessed to all of the Company's service classification customers.

The revenue requirement recovered through the RGGI Rider will be calculated to include a return on the unamortized portion of the EE Program investments utilizing the after tax weighted average cost of capital ("WACC") established in the Company's most recent base rate proceeding[4], which is 6.78%, grossed up for the revenue expansion factor of 1.71702; amortization expense calculated using a four-year amortization period; prudent and reasonable incremental O&M expenses, including customer education and outreach costs and costs associated with the development of a customer dashboard; and carrying costs on over and under-recovery balances. The WACC will be modified to reflect the Board-approved WACC used to set rates in subsequent ETG base rate cases. The Parties have agreed that any change in the WACC authorized by the Board in a subsequent base rate case will be reflected in the subsequent monthly revenue requirement calculations. The Parties have further agreed that any change in the revenue requirement resulting from the change in the WACC will not be

[4] I/M/O the Petition of NUI Utilities, Inc. d/b/a Elizabethtown Gas Company for Approval of Increased Base Tariff Rates and Charges for Gas Service & Other Tariff Revisions, Dkt. No. GR02040245 (November 22, 2002)

included in the monthly interest calculation for over- and under-recoveries until the date of the next scheduled annual true up, but in any event, no later than October 1 of the subsequent year.

The Parties have also agreed that the initial revenue requirement of $3,329,965 and resulting RGGI Rider rate of $0.0081 per therm, including Sales and Use Tax ("SUT"), have been calculated utilizing projected program expenditures and incremental O&M expenses, as divided by applicable projected therm sales for the 14-month period commencing after the Board issues its Order, subject to annual adjustments. The monthly over and under recovery calculation will be based upon actual revenues billed under the RGGI Rider mechanism applied against the monthly revenue requirement for the EE Programs. A monthly interest will be calculated on net over and under recoveries based on the Company's monthly weighted interest rate obtained on its commercial paper and/or bank credit lines. If both commercial paper and bank credit lines have been utilized, the weighted average of both sources of capital shall be used. The interest rate shall not exceed the Board-approved WACC in the Company's most recent base rate case as identified above. The interest amount charged or credited to the RGGI Rider shall be calculated based on the net-of-tax average monthly balance.

The Parties have stipulated that the Company will file an annual petition ("Annual Filing") to adjust its RGGI Rider rate on a calendar basis, with copies provided to the Parties, in June with a proposed implementation of the revised EET rate in October. Each Annual Filing will contain projected EE Program costs and recoveries and actual revenue requirements for the prior period, a forecast of revenue requirements for the upcoming 12-month period, any fund transfers between the energy efficiency projects and modifications to same, as well as the items set forth in the minimum filing requirements ("MFR") set forth in Appendix D of the Stipulation. The Annual Filing shall be made available to other parties to the Stipulation, as well as any other interested members of the public, through the prompt posting of all non-confidential portions of those filings on the Company's web site.

The EE Programs and associated investment costs and expenses included in the Annual Filing will be subject to review by Board Staff, Rate Counsel, and Intervenors with opportunity for discovery and filed comments, prior to the issuance of a Board Order establishing a new annual RGGI Rider rate adjustment. The issuance of the Board Order will be preceded by public notice and hearing to the extent required by law.

Monthly Reporting

The Company will provide monthly reports ("Monthly Activity Reports") to Board Staff and Rate Counsel on EE Program activity and estimated impacts for each calendar month for the month following the date of the Board's approval of the EE Program through December 2010, or such later date as the Board approves for the end of the EE Program. Initially, the Company will include the data requested in the Program Manager Data Tracking Sheets currently utilized in connection with the NJCEP Comfort Partners program. Further, the Company commits to work with the OCE toward the development of more detailed customer project level reporting as identified in the Program Participation Data Report that is being sought by the OCE for the EE Program. The Company and OCE will use best efforts to complete the development of such plan within 90 days of the date of the Board Order in this proceeding. The Company will submit each Monthly Activity Report within thirty (30) days of the end of the calendar month covered by the report. The Company will provide BPU Staff and Rate Counsel with a cost estimate of any information technology ["IT"] modifications needed to report the data in the required format if the Company considers such expenses to be incremental costs that require recovery through the RGGI Rider. If Board Staff and/or Rate Counsel inform the Company to proceed with the necessary IT modifications, then all reasonable and prudent costs to provide such electronic data transfer are in the best interest of customers and shall be fully recoverable by the Company.

The Company will also include in the monthly report any energy efficiency program modifications and fund transfers between energy efficiency programs, and the job creation data, which include the number of full-time equivalents that the Company hires to perform work associated with the EE Programs, and the number of FTE employees that entities under contract with the Company to perform work associated with the Company's EE program have hired to perform such work. The Parties have agreed that the reporting of job creation in the monthly report will be in the format contained in the Job Creation Questionnaire, attached to the Stipulation as Appendix G. For the purpose of reporting jobs associated with the Company's EE Program, FTE employees means one or more individuals collectively working a total of 1,820 hours annually.

Minimum Filing Requirements

The Company will provide the information set forth in the MFR attached hereto as Appendix D and made a part of this Stipulation, in its Annual Filing.

Rate Design

The Parties have agreed that rate recovery through the RGGI Rider rate will be non-bypassable volumetric surcharges on all customer service classes, except customers served under special contracts previously filed with and approved by the Board. Any new or existing large volume customers in any service class who participate in any EE Program will be subject to the RGGI Rider rate.

Rate Impact

The impact of the proposed surcharge on the typical monthly bill of a residential heating customer using 100 therms is $0.81 per month and the impact on typical non-heating customers using 15 therms is $0.12 per month. The rate impact of the implementation of the proposed RGGI Rider rate for each customer class is set forth in Appendix E hereto and made a part of this Stipulation.

Job Creation

As previously stated, the Company anticipates that the work associated with the EE Programs will generate approximately 44 incremental jobs for contractors in its service territory. The number of jobs is based on agreement by the Stipulating Parties that 1,820 hours is equal to one full time equivalent ("FTE") employee. The Company anticipates the addition of five in-house positions related to implementation and administration of the EE Programs. The Company will endeavor to employ contractors and engineering firms located in New Jersey.

The Company also agrees to conduct the following program activities to support and promote the Green Job Training Partnership Program ("GJTP") of the New Jersey Department of Labor and Workforce Development ("LWD"):

a) Promote awareness and enhanced participation of the GJTP, by providing information from LWD about the GJTP to all contractors located within the Company's service territory who are listed in the NJCEP Home Performance with Energy Star program and are certified by the Building Performance Institute ("BPI").

b) Coordinate and conduct at least two outreach meetings each year, inviting all contractors listed in the NJCEP Home Performance with Energy Star program that are BPI certified, and are at a minimum located within the Company's service territory. The outreach meetings will include a presentation regarding the GJTP, in which LWD will participate along with local GJTP grantees for the territory.

c) Serve on at least one GJTP Employer Council.

d) Advise all contractors listed in the NJCEP Home Performance with Energy Star program that are BPI certified and are at a minimum located within the Company's service territory of the benefits of participating on the appropriate GJTP Employer Council.

e) Post information on the Company's website regarding the GJTP and a link to LWD's website. Information on the GJTP can be found at: http://lwd.dol.state.nj.us/labor/employer/training/Apprenticeship.html

f) Post all vacancies for New Jersey-based jobs through the local One-Stop Career Center. A listing of the local One-Stop Career Centers is located at: http://lwd.dol.state.nj.us/labor/wnjpin/findjob/onestop/services.html

g) Inform, in writing, all GJTP grantees of all New Jersey-based entry-level job vacancies within the Company, including positions relating to energy efficiency occupations.

Program Evaluation

Based on the Company's data and analyses performed by Rutgers Center for Energy, Economic and Environmental Policy ("CEEEP") on July 6, 2009, the proposed EEP appear to be cost effective and consistent with the Governor's Economic Stimulus Plan. The Parties have agreed that subsequent evaluation of all energy efficiency programs will include Cost/Benefit analysis, including a Participant Cost Test ("PCT"), Program Administration Cost Test ("PAC"), Ratepayer Impact Measure ("RIM"), Total Resource Cost ("TRC"), and Societal Cost Test ("SCT"). The Board will retain CEEEP to perform the evaluation using a methodology consistent with the methodology used and provided to the NJCEP by CEEEP. A sub-contractor may be retained by CEEEP in performing the Impact Evaluation. CEEEP will follow its internal procurement process in retaining such subcontractor in accordance with the terms of the contract between CEEEP and the Board.

Government Funding

On February 17, 2009, the Federal American Recovery and Reinvestment Act of 2009 ("ARRA") (Pub. L. No. 111-5) was signed into law by President Barack Obama. Subject to any restrictions set forth in the ARRA and other applicable law, if the Company gets federal funds or credits directly related to any of the EE Programs through the ARRA, the Company agrees to utilize that money to offset the respective EE Programs' costs. If funding or credits from the ARRA or any subsequent state or federal action becomes available to the Company through the State of New Jersey, a County or Municipality for project reimbursement, the Company agrees that any such funds or credits directly applicable to work related to any of the EE Programs will be used to benefit customers by offsetting the costs for which recovery will be sought to the extent permitted by law. The Parties have agreed that in no case shall there be a knowing provision of the combination of the federal ARRA funding, the NJCEP incentive funding, and the incentives provided as part of this approved program to fund 100% of a project's costs through a rebate or other direct incentive. If it is determined that such a project would be funded through 100% rebates or initiatives, the Parties agree that, subject to any restrictions in the ARRA and other applicable law, incentive funding approved as part of this program shall be reduced to bring the total rebates and incentives under 100% of the program costs.

NJLEUC Proposals

With respect to cost recovery granted by the Board for energy efficiency and conservation programs pursuant to N.J.S.A. 48:3-98.1, NJLEUC has proposed three alternative provisions for large commercial and industrial ("C&I") customers: an opt-out provision, to allow a large C&I customer to opt out of a utility-sponsored energy efficiency program based on the customer's investments or plans to invest in energy efficiency measures of its owns; a surcharge phase-out provision, to establish usage-based tiers with the surcharge amount decreasing as consumption increases; and a hard cap provision, to place an annual cap on charges payable by large C&I customers for the utility-sponsored energy efficiency programs. In the Board's July 16, 2009 Order in BPU Docket Nos. EO09010056 and EO09010058 ("July 16 Order"), the Board did not direct at this time that such a proceeding be convened. In the July 16 Order, the Board found that it could be valuable to review the options that NJLEUC has suggested for large C&I customers, and possibly additional options as well. The Board further observed that should NJLEUC file a petition with the Board to initiate such a proceeding, both Rate Counsel and Staff support a review of NJLEUC's proposals. Aside from this statement of support, Rate Counsel and Staff reserve all of their rights in any subsequent proceeding to take any position they deem appropriate, to make any arguments they deem appropriate, to offer any alternative proposals, or to seek to expand the scope of any proceeding. The Company takes no position regarding these issues and also reserves its right in any subsequent proceeding to take any position it deems appropriate, to make any arguments it deems appropriate or to offer any alternative proposals.

DISCUSSION AND FINDINGS

ETG filed its petition under N.J.S.A. 48:3-98.1, which provides that an electric or gas public utility may provide and invest in energy efficiency and conservation programs in its service territory on a regulated basis and that such investment may be eligible for rate treatment approved by the Board.

The Board has previously acknowledged that investments in energy efficiency can help lower energy costs over the long term and produce significant benefits to customers. Customers who install energy efficiency measures reduce their usage of electricity and natural gas, thus lowering their energy costs. As investments in cost-effective energy efficiency measures increase, they lower electricity and natural gas costs for the customers by reducing usage of electricity from the grid at times of peak demand when wholesale electricity prices are highest, and by mitigating the need for additional generation, transmission, and distribution infrastructure to serve peak demand. Similarly, wider implementation of energy efficiency can lower natural demand for natural gas and can therefore reduce the infrastructure needed to provide reliable supply for the peak. Increasing energy efficiency improves the competitiveness of New Jersey businesses through reduced energy costs and reduced vulnerability to substantial increases in the prices of fossil fuels and of the electricity generated using those fuels. Finally, energy efficiency is often the most cost-effective means of reducing power plant emissions of air pollutants that cause global warming and endanger the health of our residents.[5]

The Legislature shares this understanding of the benefits of energy efficiency. In enacting the statutory changes which included N.J.S.A. 48:3-98.1, the Legislature found that "energy efficiency and conservation measures and increased use of renewable energy resources must be essential elements of the State's energy future..." N.J.S.A. 26:2C-45.

The EMP recognizes that New Jersey must dramatically increase energy efficiency and energy conservation measures in the 3.7 million existing buildings in the State. Cost-effective improvements to energy efficiency in all of those existing buildings could save more than 15,000 GWh of electricity by 2020, as well as nearly 75 trillion BTUs of heating fuels. The Board recognizes the scale of this effort. To improve efficiency in those existing buildings by 2020, more than 300,000 buildings each year will need to be upgraded. In contrast, in the six years from 2001 to 2007, the New Jersey Clean Energy Program reached approximately 500,000 buildings.[6]

Improving energy efficiency in almost all of the existing buildings will depend on education and outreach to the owners and lessees of those buildings, a means of identifying the energy efficiency opportunities in each building, and a means of delivering the improvements in a way that is advantageous to the owners and lessees. Moreover, past efforts have targeted specific types of energy efficiency improvements, rather than comprehensively improving energy efficiency throughout the whole building. The Board and the EMP have both recognized the need for more thorough "whole building" solutions that identify and implement all cost-effective efficiency measures, potentially addressing the building envelope (such as windows, walls, and doors), heating and cooling systems, lighting, appliances and electronics; a whole building approach could also identify opportunities to offset power requirements through combined heat and power, photovoltaic systems, fuel cells and other on-site clean energy generation.

In enacting the statutory changes which included N.J.S.A. 48:3-98.1, the Legislature recognized the need to involve utilities in delivering these energy efficiency measures, stating that "utility involvement and competition in the renewable energy, conservation and energy efficiency industries are essential to maximize efficiencies . . ." N.J.S.A. 26:2C-45. The EMP reached the same conclusion, calling for the electric and gas utilities to develop individual master plans, addressing the goals and objectives of the EMP[7]. A purpose of these plans is to identify the structure of the programs that the utilities will propose to successfully and efficiently transition the State's energy efficiency programs to the utilities and effectively put the State on track to meet its 2020 energy consumption targets. The Board issued an Order in accordance with this directive in January 2009. I/M/O the Development of Individual Utility Master Plans Pursuant to the Requirements of the New Jersey Energy Master Plan, Dkt. No. EO08121065 (January 28, 2009). The Board believes that the principles developed out of the collaboration of Staff, Rate Counsel, and the energy utilities which led to the development of the proposed energy efficiency programs and eventually to the execution of the stipulations can be valuable in furthering the transition of those programs to the utilities.

One such principle is the need to avoid overlap between the customers targeted by the utilities and those targeted by the NJCEP. In their effort to avoid that overlap, the utilities used their

[5] See, National Action Plan for Energy Efficiency at www.epa.gov/cleanenergy/energy-programs; see also, In the Matter of Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for the 2009-2012 Clean Energy Program, Docket No. EO07030203, Order Establishing 2009-2012 Funding Level, September 30, 2008.
[6] EMP at 55-56.
[7] EMP at 76.

understanding of their customers to identify and focus on those who were more likely to participate in whole-building energy efficiency programs. That focus, especially when supported by the utilities' relationships with their customers and with contractors in their service territories, offers the prospect of higher rates of participation than what the NJCEP has been able to achieve thus far. It also enables utility marketing efforts that will be complementary and supplementary to the marketing performed by the market managers for the NJCEP.

The Board has previously acknowledged the extent of the worldwide economic crisis and the need to take action to support employment in New Jersey, as has Governor Corzine since announcing his economic stimulus plan in October 2009. For example, in April 2009, the Board approved efforts by five electric and gas utilities, including the Company, to accelerate $956 million in planned infrastructure investments. In Re Petition of NUI d/b/a Elizabethtown Gas Company for Approval of a Capital Economic Stimulus Infrastructure Investment Program and an Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:2-21 and 48:21.1, Docket No. GO09010052, Decision and Order Approving Stipulation (April 28, 2009). Since then, economic signals have been mixed; however, the nationwide employment situation continues to deteriorate. The national unemployment rate rose from 6.9 percent in the fourth quarter of 2008, to 8.5 percent in March 2009, 8.9 percent in April, and 9.4 percent in May. In May 2009, there were nearly 3,000 mass layoff events[8] involving a total of 312,880 workers – the highest on record.[9]

The continuing severity of the worldwide economic crisis strongly supports the need for action by the Board now to create jobs and enhance New Jersey's economic competitiveness. At the same time, the Board has taken special care in its review of the costs and benefits of the utilities' energy efficiency programs because the crisis has put such strain on many household budgets. Furthermore, energy efficiency is especially important to household budgets and to economic competitiveness at a time when Congress is currently considering legislation that would limit emissions of carbon dioxide from electric generators, thus increasing the cost of generating fossil-fueled electricity.[10]

In summary, the proposed energy efficiency investments, if properly implemented, will serve the need to create jobs in the short term, the State's environmental needs, and the need to enhance the State's competitiveness, business climate, and economic prospects in the long term. Furthermore, the State has determined that the electric and gas utilities are well positioned to build on their relationships with customers to help those customers improve the energy efficiency of existing buildings.[11]

The Board therefore **FINDS** that a substantial investment by electric and gas utilities in energy efficiency will assist in creating jobs, will continue to build a foundation for a more energy-efficient economy in New Jersey that will support long-term economic growth, and will take a step toward transition of the administration of energy efficiency programs from the New Jersey Clean Energy Program to the electric and gas utilities.

Turning to the Stipulation under consideration, the Board **FINDS** that the EE Programs, if successfully executed, will not only further the EMP's energy efficiency goals, but will also create jobs to strengthen the local economy.

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[8] A "mass layoff event" involves at least 50 persons from a single employer

9 Bureau of Labor Statistics, "The Employment Situation: May 2009," http://www.bls.gov/news.release/empsit.nr0.htm, accessed June 30, 2009; Bureau of Labor Statistics, "Mass Layoffs in May 2009," June 23, 2009, http://www.bls.gov/news.release/pdf/mmls.pdf (accessed June 30, 2009).

[10] See, e.g., American Clean Energy and Security Act, H.R. 2454.

[11] EMP at 56.

Specifically, the projects associated with the EE Programs, as modified by the Stipulation, are expected to create a need for 44 incremental jobs over the next two years. The Stipulation requires ETG to report data monthly on actual hiring. Accordingly, the Board **FINDS** that the EE Programs will have a significant and real benefit on employment in the State.

The estimate of jobs attributable to the EE Programs includes only the direct impact of the proposed projects on employment – the employees working on the utility projects themselves. It does not include the indirect impacts with respect to jobs created in other sectors of New Jersey's economy for labor, materials, and services needed for the EE Programs. Neither does it include what is known as the "induced" impacts resulting from spending by the added employees for local goods and services. These "ripple" effects are difficult to quantify, but they clearly exist. The Board therefore **FINDS** that the estimate of the jobs to be created is conservative, because indirect and induced job creation will add significantly to the job totals.

In reviewing the Program, the Board considered a series of cost-benefit analyses conducted by the Center for Energy, Economic, and Environmental Policy at the Bloustein School at Rutgers University ("CEEEP"), including the following:

1. The "Participant" test, which provides an indication of the desirability of the EE Program to a typical customer who participates in it. The test includes the quantifiable benefits and costs to the customer who participates in the EE Program. Examples of benefits considered in this test include the reduction in the customer's electric and gas bills resulting from energy savings, and the amount of incentives provided by the utility and/or the NJCEP. The costs considered in the test are the customer's out-of-pocket costs;

2. The "Ratepayer Impact Measure" test, which measures the overall effect of the EE Program on customers who are not participating in it. Examples of benefits considered in this test include savings from avoided supply costs, such as the costs of electric transmission, distribution, generation, and capacity. Costs include the costs that the Company and the NJCEP incur to implement the program, such as incentive costs and administrative costs. The Ratepayer Impact Measure test is informative; however, it is not well suited to serve as a "litmus test" for energy efficiency programs, especially for short-term programs, because such programs will involve costs for non-participants while the benefits for those non-participants will accrue with sustained investments in energy efficiency that continue over a longer term.

3. The "Total Resource Cost" test, which represents the total effect of the Program on customers who participate as well as customers who do not participate. It can be seen as a summation of the benefits and costs in the Participant test and the Ratepayer Impact Measure test, with the benefit of incentives paid to participants offset by the cost of those incentives borne by all ratepayers, treating incentive costs paid by the ratepayers as transfer payments.

4. The "Societal Impact" test, which is similar to the Total Resource Cost test, but also includes externalities such as reductions in air pollution as a result of the EE Program.

5. The "Program Administrator Cost" test, which measures the net costs of the program based on the costs incurred by the program administrator (such as incentive costs and administrative costs), excludes the costs borne by the participant, and includes avoided supply costs as in the Ratepayer Impact Measure test.

No single test of cost-effectiveness can be determinative. As discussed above, each of the tests provides a different perspective on cost-effectiveness, which provides a fuller picture of the trade-offs involved in policy decisions made in the design of the EE Programs. For example, increasing an incentive that an EE Program provides to an individual customer who implements an energy efficiency measure will result in a higher ratio of benefits to costs under the Participant test, since that individual customer will spend less on the energy efficiency measure while receiving the same benefit. Conversely, the same increased incentive will lower the ratio of benefits to cost under the Ratepayer Impact Measure, because the ratepayers collectively will pay more to support the increased incentive, while any aggregate increase in benefits will be difficult to estimate. Accordingly, the Board has carefully considered the results of all of the cost-benefit tests to understand the EE Programs from a variety of perspectives.

The Board notes that the only benefits considered by these tests are energy-related benefits. None of these tests consider the economic benefits associated with the jobs impacts from the EE Programs which were discussed earlier in this Order. Accordingly, the Board evaluated the cost-effectiveness of the EE Programs without regard to the economic benefits of jobs attributable to its creation, a very conservative approach which provides greater assurance that the EE Programs, if properly implemented, should indeed be cost-effective.

Staff and Rate Counsel thoroughly reviewed and analyzed with ETG and CEEEP all of the cost-benefit analyses prepared by CEEEP for ETG's proposed EE Programs. Based on that review and analysis, and on other information provided by ETG, Staff and Rate Counsel stated in the Stipulation that the proposed EE Programs appeared to be cost-effective. The Board **HEREBY FINDS** this conclusion to be reasonable, especially considering the Board's previous findings that investments in energy efficiency can help lower energy costs over the long term and produce significant benefits to customers overall.[12]

As discussed above, the Company will invest an estimated $14.6 million in the EE Programs over the next 17 months creating a need for an estimated 44 incremental jobs over that period. As part of the mandatory reporting requirements agreed to by the Signatory Parties, the Company will report monthly on actual hiring.

Beyond the direct employment estimate of 44 jobs, it is expected that the stipulated EE Programs will generate an additional multiple of indirect jobs as a result of related orders for goods and services provided by local establishments and by the additional spending power of the newly hired workers. The Board is persuaded that these are incremental jobs which will be attributable to the EE Programs.

The initial revenue requirement for the EE Programs is set to recover costs incurred for the first fourteen (14) months of the program and is estimated to be $3,329,965. The Board has considered the financial impacts of the Program on customers. A residential gas customer using an average of 100 therms a month would initially see an estimated monthly increase of $0.81, or approximately 0.5%.

With respect to NJLEUC's concern regarding the allocation of charges on a per kWh or therm basis, the Board notes that the benefits of the EE Programs are not specific to one rate class. Energy efficiency programs, even though there is initial cost, are projected to decrease customers' bills as much as 9% over the next ten years, save all customers the construction

[12] See, In the Matter of Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for the 2009-2012 Clean Energy Program, Docket No. EO07030203, Order Establishing 2009-2012 Funding Level, September 30, 2008.

costs for new infrastructure which would otherwise be needed to serve avoidable demand, and put downward pressure on market rates by reducing demand.[13] The Board also notes that two of the six energy efficiency projects are for non-residential customers. The Board is mindful of Staff and Rate Counsel's statement of support for a separate generic Board proceeding to consider the various cost recovery proposals suggested for large C&I customers. Although the Board is not directing at this time that such a proceeding be convened, the Board believes that it could be valuable to review the options that NJLEUC has suggested for large C&I customers and possibly additional options as well.

Therefore, the Board, having carefully reviewed the record in this matter, including the petition and the Stipulation as well as the comments of the parties, **HEREBY FINDS** the Stipulation to be reasonable, in the public interest, and in accordance with law, **HEREBY APPROVES** the attached Stipulation in its entirety, and **HEREBY INCORPORATES** its terms and conditions as though fully stated herein.

The Board **HEREBY RATIFIES** all provisional rulings by President Fox for the reasons stated in her Orders.

The Board **HEREBY SETS** the effective date of the rates established in Rider RGGI as the date of this Order. The Company is **HEREBY DIRECTED** to file tariff sheets consistent with the Order within five (5) business days from the date of this Order.

The Company's rates will remain subject to audit by the Board. This Decision and Order shall not preclude the Board from taking any actions deemed to be appropriate as a result of any Board audit.

DATED: 8/3/09

BOARD OF PUBLIC UTILITIES
BY:

Jeanne M. Fox
JEANNE M. FOX
PRESIDENT

Frederick F. Butler
FREDERICK F. BUTLER
COMMISSIONER

JOSEPH L. FIORDALISO
COMMISSIONER

Nicholas Asselta
NICHOLAS ASSELTA
COMMISSIONER

[13] See, National Action Plan for Energy Efficiency at www.epa.gov/cleanenergy/energy-programs.

DISSENT OF COMMISSIONER ELIZABETH RANDALL

This petition, along with the three petitions previously approved by the Board[14], establishes a utility-run "Energy Efficiency Programs" and was filed by Elizabethtown Gas in response to Governor Corzine's October 16, 2008 proposal to help revive the State's economy.[15]

Cost to Ratepayers

All costs of creating these Energy Efficiency Programs will be borne by customers of the utilities who will administer the programs. Rate increases take effect on August 1, 2009, or as soon as the Orders of the Board are signed.

Pertinent information about the programs is as follows:

Company	Duration of Program	Total Ratepayer Cost	Average Residential Customer Increase	Jobs Projected
PSE&G (approved July 1, 2009)	Through December 31, 2010	$217.4 million	$ 3.88/year (gas customers) for 5 years; $ 2.98/year (electric customers) for 5 years	668
NJNG (approved July 1, 2009)	12 Months (to be extended to December 31, 2010, if program funding is available)	$21.1 million	$8.31/year for 4 years	114
SJG (approved July 1, 2009)	Two Years	$19.2 million	$2.88/year	163 for 4 years
ETG	17 months	$14.6 million	$9.49/year for 4 years	44

[14]On July 1, 2009, the Board approved by a 4-1 vote (with Commissioner Randall dissenting), each of the three (3) petitions filed by PSE&G, NJNG and SJG to implement Energy Efficiency Programs.
[15]The Administration made a similar request with regard to capital improvements the utilities wish to make to their infrastructure. On April 27, 2009, the Board approved five (5) utility company requests for accelerated capital spending at a total ratepayer cost of $955.8 million.

Voluntary participation in programs promoting energy efficiency and conservation is an important part of New Jersey's Energy Master Plan (EMP). However, in light of today's current cost of gas and electricity, I question whether consumers should be required to fund these programs during a recession. It has been well-documented that a growing number of New Jerseyans are falling behind on their electric and gas bills. For example, PSE&G has seen a 10 percent increase in families that have fallen behind on their payments compared to last year. *See* "Recession Leads to Uptick in Utility Shut-offs in New Jersey," by Kelly Heyboer, *The Star-Ledger*, May 24, 2009.

While some jobs will be created through these filings, part of every customer's bill already includes a charge to support existing energy efficiency programs through the Office of Clean Energy (OCE). As part of their monthly bills, all gas and electric customers provide the funding for the BPU's Office of Clean Energy. $462 million dollars has been set aside to fund the OCE for the next eighteen (18) months.[16] These proposals will require another $272.32 million from customers served by PSE&G, SJG, NJNG and ETG.

While the details of the programs are laudable, they break very little new ground. In essence, the companies will promote and enrich certain energy efficiency programs now offered by the BPU's Office of Clean Energy.

In general terms, all ratepayers of PSE&G, NJG, SJG and ETG will be eligible for the programs offered by their respective utilities. The notable exception is the residential component of PSE&G's program. To receive the benefits of PSE&G's targeted marketing efforts for residential programs, a customer must live in one of the following Urban Enterprise Zone (UEZ) cities: Bayonne, Camden, Carteret, East Orange, Elizabeth, Gloucester City, Guttenberg, Hillside, Irvington, Jersey City, Kearney, Mount Holly, Newark, New Brunswick, North Bergen, Orange, Passaic, Paterson, Pemberton, Perth Amboy, Plainfield, Roselle, Trenton, Union City and West New York.

Orderly Transition

It is clear that the Legislature has given the utility companies the ability to provide and invest in energy efficiency and conservation programs in their service territories on a regulated basis through the RGGI legislation enacted in 2008. *See* N.J.S.A. 48:3-98.1 (a)(1). Moreover, the EMP has called upon the utility companies to "successfully and efficiently transition the State's energy efficiency programs to the utilities." *See* NJEMP at 75-76.

The BPU has expressed its support of this strategy by approving utility-run programs, such as PSE&G's Carbon Abatement Program and Solar Loan Program.

This migration of programs from the State of New Jersey Office of Clean Energy to the utilities ought to be achieved in a cost-effective and well-orchestrated manner so as to not erode

[16]Funding for the Office of Clean Energy is part of the "Societal Benefits Charge" (SBC) which appears on every customer's monthly bill. The largest components of the SBC are funding for the OCE (averaging $33/year) and The Lifeline and Universal Service Fund (averaging $54/year) which provide subsidies to low-income electric and gas customers who qualify for the benefits. Overall, the average customer pays over $100 a year though the SBC through their electric and gas bills.

the substantial accomplishments of the OCE and so as to avoid duplication of effort by the utilities and the OCE.

The transfer of energy efficiency and conservation programs to the companies should be done systematically, much like we achieved the original shift of programs away from the utilities and to the OCE in 2003 (renewable energy programs) and 2007 (energy efficiency programs).

By order of the BPU dated January 28, 2009, all utilities were ordered to file individual utility master plans with the Board by December 31, 2009 (Docket No. EO0812165). Among other things, these plans will provide a blueprint for the successful and efficient transition of the OCE programs to the utilities. The Order calls for migration to be completed by 2010. The plans should include milestones, a clear end date and transition reports to the Board. The BPU should ensure that our strategic plan for transition of the programs reduces that portion of the Societal Benefits Charge which funds the OCE.[17]

While we must be guided by the Legislature's desire to see the utilities play a direct role in energy efficiency programs, I believe we should have a strategic plan in place first. It is difficult to imagine a systematic transition without having resolved these issues of lost revenue recovery (*See* Footnote 3) and the impact on large energy users.

Waxman-Markey Legislation & Federal Stimulus

Finally, the policy and cost implications of the legislation which passed the House of Representatives on June 26, 2009, are enormous. The bill requires the United States to reduce carbon dioxide and other greenhouse gas emissions by 17 percent from 2005 levels by 2020 and by 83 percent by mid-century.

While no one knows what the final legislation will look like, all parties agree that it will cost customers more money. Electricity, gasoline, natural gas and home heating oil prices will rise. By all accounts, the largest increase will be in the price of electricity.

Utilities will come to us for rate increases as they are required to pay for these investments in cleaner, more expensive technologies called for in the legislation.

The rate increase asked for in these stipulations should be deferred until early 2010 when we can assess the impact of both the federal legislation, as well as review the utility master energy plans called for in the Board's Order of January 28, 2009.

Job creation and energy efficiency efforts are already benefiting from federal stimulus funds earmarked for New Jersey, pursuant to the Federal American Recovery and Reinvestment Act of 2009 (ARRA) signed into law by President Obama on February 17, 2009. New Jersey's State Energy Program will receive $73,643,000 for clean energy efforts in the State. New Jersey will also receive $ 75,468,200 from the Energy Efficiency and Community Development Block Grants.

[17]In the orderly transition of clean energy programs to the utilities, an important policy decision exists with regard to utility recovery of "lost distribution margin revenues." If the companies are successful in promoting efficiency and conservation measures, they will sell less energy. The question has been raised as to whether companies should be compensated for this loss of revenue. The stipulations being recommended to the Board defer this question for another day. It is difficult to imagine an orderly transition of responsibilities to the utilities without resolving this issue.

The Board should consider the positive effect of these federal grants on New Jersey's economy before approving rate hikes such as the one before us today.

Elizabeth Randall

ELIZABETH RANDALL
COMMISSIONER

ATTEST:

Kristi Izzo

KRISTI IZZO
SECRETARY

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF	**)**	
PIVOTAL UTILITY HOLDINGS, INC.	**)**	
d/b/a ELIZABETHTOWN GAS FOR	**)**	**STIPULATION**
APPROVAL OF ENERGY EFFCIENCY	**)**	
PROGRAMS AND A REGIONAL	**)**	
GREENHOUSE GAS INITIATIVE	**)**	**BPU Docket No. GO09010060**
COST RECOVERY RIDER	**)**	

APPEARANCES:

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Mary Patricia Keefe, Vice President for Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas

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Caroline Vachier, Anne Shatto, Alex Moreau, Jessica L. Campbell, Kerri Kirschbaum, Deputy Attorneys General, for the Staff of the New Jersey Board of Public Utilities (**Anne Milgram**, Attorney General of New Jersey)

Steven Goldenberg (Fox Rothschild, LLP) and **Paul F. Forshay** (Sutherland Asbill & Brennan, LLP), for the New Jersey Large Energy Users Coalition

Richard Webster, Attorney for Natural Resources Defense Council

TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

BACKGROUND

1. Pursuant to N.J.S.A. 48:3-98.1, 48:2-21.1 and 48:2.21, on February 6, 2009, Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas ("ETG" or "Company") filed a Petition ("February 6 Petition") in Docket No. GO09010060, requesting that the New Jersey Board of Public Utilities ("BPU" or "Board") approve Energy Efficiency Programs ("EE Programs") and a "Regional Greenhouse Gas Initiative Rider" ("RGGI Rider") to recover associated costs and to establish volumetric RGGI Rider surcharge rates of (1) $0.0036 per therm to be assessed to all of

the Company's residential service classification customers and (2) $0.0010 per therm to be assessed to the Company's firm commercial and industrial service classification customers.

2. ETG proposed to undertake a set of EE Programs that the Company projected would result in expenditures of approximately $14.6 million. In general, these EE Programs were designed to supplement the offers contained in the New Jersey Clean Energy Program ("NJCEP") and to provide enhanced customer education and outreach to raise awareness about energy conservation, including the introduction of a customer Dashboard, an on-line tool that provides in-depth information about customers' natural gas bills on a recurring basis to help them better understand their usage patterns. At the request of the Board Staff from the Office of Clean Energy ("OCE"), on May 21, 2009, the Company proposed to modify the EE Programs to include a financing component to provide customers with the opportunity to obtain interest-free financing to fund energy efficiency projects.

3. In the February 6 Petition, ETG sought a waiver of certain procedures and Minimum Filing Requirements and on February 18, 2009, ETG received a Notice from Board Staff finding the Petition administratively complete and indicating that the Board's 180-day review period commenced on February 6, 2009.

4. A procedural schedule was established by the Board and President Fox was designated as the presiding officer.[1] See, Order Designating Commissioner dated February 19, 2009, BPU Docket No. EO0910056.

5. On February 27, 2009, the New Jersey Large Energy Users Coalition ("NJLEUC") filed a Motion to Intervene in this proceeding, which was granted by the Board on March 27, 2009. On

1 In anticipation of the filings by the utilities, the Board assigned a generic docket number, EO0910056, to facilitate the issuance of procedural orders.

March 30, 2009, Natural Resources Defense Council ("NRDC") filed a Motion to Intervene in this proceeding, which was granted by the Board on April 28, 2009.

6. Discovery questions in this matter were propounded by Board Staff and Rate Counsel and the Company responded thereto.

7. Public Notice was provided and four public hearings concerning the Company's EE Programs and RGGI filing were held on the following dates at two locations in the ETG service territory: two hearings on March 3, 2009, in Flemington, New Jersey and two hearings on March 11, 2009, in Rahway, New Jersey.

8. On March 10, 2009, ETG filed a request to increase its base tariff rates and make other tariff changes pursuant to N.J.S.A. 48:2-21 ("2009 Base Rate Case"). ETG proposed that its revised base rates would take effect January 1, 2010. ETG filed its "6+6" update to the 2009 Base Rate Case on June 19, 2009. The February 6 Petition requested a separate process to allow the proposals contained therein to become effective outside the context of the 2009 Base Rate Case on the basis that they are consistent with N.J.S.A. 48:3-98.1 of the "RGGI Legislation," which contemplates a rate mechanism to recover RGGI-related costs outside base rates. To the extent necessary, the February 6 Petition proposed that the Board's order in the 2009 Base Rate Case incorporate final approval of the Company's proposals in this proceeding, creating a full legal nexus between this proceeding and the 2009 Base Rate Case.

9. Subsequent to the completion and review of discovery and the four public hearings, notice of settlement discussions were provided to all parties and representatives of ETG, Board Staff, Rate Counsel and NJLEUC met to discuss the issues in this case. ETG, Board Staff and Rate Counsel ("Stipulating Parties") agree that the EE Programs, RGGI Rider and associated rates appear to be reasonable and in the public interest.

STIPULATED MATTERS

Specifically, the Stipulating Parties hereby STIPULATE AND AGREE as follows:

A. Energy Efficiency Programs

10. The Company shall administer the six EE Programs identified in Appendix A and made a part of this Stipulation. The Company shall also implement related customer education and outreach and introduce the customer Dashboard. The EE Programs comprise the following six EE Programs:

1. Whole House Energy Efficiency Program
2. Residential 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 Power Program
6. Gas Cooling Program

11. The EE Programs appear to be consistent with the conservation goals of the RGGI Legislation and Governor Corzine's Economic Stimulus Plan for New Jersey to encourage energy efficiency, job creation and economic growth in New Jersey. The EE Programs also appear to be cost effective and beneficial as reflected in the cost-benefit analysis performed by Rutgers Center for Energy, Economic and Environmental Policy ("CEEEP").

12. The six EE Programs will be implemented for a 17-month period. ETG will take all reasonable steps to commence implementation of the EE Programs upon receipt of a Final Board Order in this proceeding.

13. Participation levels for each EE Program are limited by the amount of the projected

budget associated with each individual EE Program as reflected in Appendix A. Only customers in good standing and subject to the RGGI surcharge are eligible to participate in and receive the incentives associated with the EE Programs. The customer education and outreach activities to be undertaken by the Company to promote the EE Programs are as set forth in the individual EE Program descriptions set forth in Appendix A.

14. The interest-free financing component of the Company's EE Program is available to eligible residential customers who meet the specific program requirements. ETG will not be required to provide funding for interest-free financing associated with the installation of electric equipment measures. This financing option will be provided in conjunction with a third-party and will only be available to eligible customers with a credit rating above a pre-determined level as determined by the third-party lender. It is the understanding of the Stipulating Parties that the current proposal New Jersey has filed under the American Recovery and Reinvestment Act of 2009 ("ARRA") (Pub. L. No. 111-5) will provide financing options for customer with a credit score below the specified minimum. The Company financing option will be coordinated with NJCEP and the final elements of any ARRA program.

B. Program and Budget Flexibility

15. Based on market response, spending on the aggregate EE Program or any of the individual programs may be accelerated and completed sooner than the proposed period. To provide flexibility in responding to market conditions and customer demand during the term of the EE Program, the Stipulating Parties agree that there should be a process to address proposals for any individual program under-spending; however, no such under-spending may be carried over beyond December 31, 2010 without the approval of the Board. In addition, based upon market conditions and the level of market response to each of the individual programs, the

Company may transfer funding between individual programs in order to address customer and market demand, subject to the following procedures. The Company will submit to the Signatory Parties a written description of the proposed transfers, the rationale for the proposed transfers, and a narrative and schedules showing the effect of the proposed transfers on the aggregate costs and benefit analysis reviewed within this proceeding[2]. If any Signatory Party objects in writing to one or more proposed transfers within forty-five (45) days after the Company has submitted the required information to the Signatory Parties, then no transfer that is a subject of the objection will take effect until after the Board has approved the transfer. Board Staff shall advise the Board of all proposed transfers of Program funding among individual programs. Board approval will be required when proposed transfers in the aggregate: (i) increase or decrease of any program's budget by more than 20 percent; or (ii) involve more than 10 percent of the overall EE Program's budget. For any proposed transfer that does not require Board approval under the parameters described in the preceding sentence, if there has been no objection to the proposed transfer and no notification from Board Staff indicating that a Commissioner wants the Board to review the proposed transfer, then a Secretary's letter will be issued permitting the Company to make the requested change. The Company will also report on this acceleration in its Annual Filing and in the monthly reports described below.

16. Based on market response, the Company may propose EE Program modifications during the term of the EE Program. No material modifications, such as a change in a rebate level or the elimination of any single EE Program, will take effect without approval by the Board. To

2 This schedule will present a modified cost benefit analysis ("CBA") summary sheet showing the new funding levels for each program and addressing how the weighting of these values would have impacted the combined CBA reviewed in this case. The underlying original CBA to support this calculation will be the final CEEEP analysis performed by the Rutgers Center for Energy, Economic and Environmental Policy for the Company.

propose a modification which requires Board approval under this paragraph, the Company shall submit to the Signatory Parties, in writing, a description of its proposed modifications, the rationale for its proposed modifications, and a narrative and schedules showing the effect of its proposed modifications on the costs and benefits of the affected programs. The Company will present the proposed modifications to the Board for expedited approval if no objections to the proposed modifications are received within forty-five (45) days after that filing. The Company will also report on these modifications in its Annual Filing and the monthly reporting described below.

C. <u>Reporting</u>

17. The Company will provide monthly reports ("Monthly Activity Reports") to Board Staff and Rate Counsel on EE Program activity and estimated impacts for each calendar month for the month following the date of the Board's approval of the EE Program through December 2010, or such later date as the Board approves for the end of the EE Program. Initially, the Company will include the data requested in the Program Manager Data Tracking Sheets currently utilized in connection with the NJCEP Comfort Partners program. Further, the Company commits to work with the OCE toward the development of more detailed customer project level reporting as identified in the Program Participation Data Report that is being sought by the OCE for the EE Program. The Company and OCE will use best efforts to complete the development of such plan within 90 days of the date of the Board Order in this proceeding. The Company will submit each Monthly Activity Report within thirty (30) days of the end of the calendar month covered by the report. The Company will provide Board Staff and Rate Counsel with a cost estimate of any information technology ["IT"] modifications needed to report the data in the required format if the Company considers such expenses to be incremental costs that

require recovery through the RGGI Rider. If Board Staff and/or Rate Counsel inform the Company to proceed with the necessary IT modifications, then all reasonable and prudent costs to provide such electronic data transfer are in the best interest of customers and shall be fully recoverable by the Company.

D. <u>Cost Recovery</u>

18. The Signatory Parties request that the Board approve, subject to reconciliation and refund, cost recovery for the six EE Programs listed in Appendix A through the implementation of the RGGI Rider rate of $0.0081 per therm to be assessed to all of the Company's service classification customers in accordance with Section F. of this Stipulation.

19. The revenue requirement recovered through the RGGI Rider will be calculated to include a return on program investments and a return of the Company's investments through amortization of the program costs, as well as associated carrying costs. The revenue requirement recovered through the RGGI Rider will be calculated to include the following components:

- Return on the unamortized portion of the EE Program investments utilizing the after tax weighted average cost of capital ("WACC") established in the Company's most recent base rate proceeding, grossed up for the revenue expansion factor most recently established by the Board for the Company. The unamortized portion of the EE Program investments are net of accumulated amortization and accumulated deferred income taxes associated with the EE Program investments;
- Amortization expense calculated using a four-year amortization period;
- Prudent and reasonable incremental Operation and Maintenance expense (O&M), including customer education and outreach costs and costs associated with

development of a customer dashboard; internal labor costs will not be included in the RGGI Rider, except for internal labor costs associated with the development and implementation of the Dashboard system; and

- Carrying costs on over and under-recovery balances calculated as set forth in Paragraph 23 below.

The return on investment calculation shall use the after tax WACC and revenue expansion factor established in the Company's last base rate case in BPU Docket No. GR02040245 and shall be modified to reflect the WACC and revenue expansion factor set in subsequent ETG base rate cases. The Company's current after tax return on capital is 6.87% and the current revenue expansion factor is 1.71702. Any change in the WACC authorized by the Board in a subsequent base rate case will be reflected in the subsequent monthly revenue requirement calculations. Any change in the revenue requirement resulting from the change in the WACC will not be included in the monthly interest calculation for over and under recoveries until the date of the next scheduled annual true-up but in any event, no later than October 1 of the subsequent year. During the term of the RGGI Rider, the Company will recover approximately $1,320,000 for costs associated with the customer education and outreach and the purchase and implementation related to the customer Dashboard. The initial revenue requirement of $3.3 million as reflected in Appendix C, TK-1 and resulting RGGI Rider rate of $0.0081 per therm as reflected in Appendix C, TK-1, are calculated utilizing projected incremental cost data subject to annual adjustments. Draft tariff sheets necessary to implement the RGGI Rider are set forth in Appendix B hereto. The calculation of the revenue requirement for purposes of setting the initial RGGI Rider rate is set forth in Appendix C attached hereto and made a part of this Stipulation.

20. The Company is authorized to implement the RGGI Rider rates upon the issuance of

a Board order approving this Stipulation or as otherwise provided by such Board order.

21. The initial revenue requirement calculation for the EE Programs will commence during the month in which the RGGI Rider rate is implemented and will be based upon projected expenditures for the EE Programs. The monthly over and under recovery calculation will be based on actual revenues billed under the RGGI Rider and the revenue requirement for EE Programs in each month. A sample calculation, as well as a template for illustration purposes, are set forth in Appendix C, TK-2.

22. The Company will file an annual petition ("Annual Filing") to adjust its RGGI Rider rate on a calendar year basis, with copies provided to Board Staff and Rate Counsel in June with a proposed implementation of the revised RGGI Rider rate in October of each year. Each Annual Filing will contain a reconciliation of the projected RGGI Rider costs and recoveries and actual revenue requirements, as well as the items set forth in the minimum filing requirements ("MFR") set forth in Appendix D attached hereto and made a part of this Stipulation.

23. In calculating the monthly interest on net over and under recoveries, the interest rate shall be based upon the Company's interest rate obtained on its commercial paper and/or bank credit lines. If both commercial paper and bank credit lines have been utilized, the weighted average of both sources of capital shall be used. The Company shall accrue simple interest with an annual roll-in at the end of each 12-month period. The interest rate shall not exceed the Company's WACC as authorized by the Board as identified in paragraph 19 above. Interest shall be calculated based on the net-of-tax average monthly balance. The true-up calculation for over and under recoveries will be included in the Company's Annual Filing. The interest calculation in this paragraph is subject to the condition set forth in paragraph 19.

24. The EE Programs and associated investment costs and expenses included in the

Annual Filing as well as the level of the proposed RGGI Rider rate, will be subject to review by Board Staff, Rate Counsel, and Intervenors with opportunity for discovery and filed comments, prior to the issuance of a Board Order establishing a new annual RGGI Rider rate adjustment. The issuance of the Board Order will be preceded by public notice and hearing to the extent required by law.

E. Minimum Filing Requirements

25. The Company will provide the information set forth in the MFRs attached hereto as Appendix D and made a part of this Stipulation, in its Annual Filing.

F. Rate Design

26. Rate recovery through the RGGI Rider rate will be effectuated through the assessment of a non-bypassable volumetric surcharge on all customer service classes, except customers served under special contracts previously filed with and approved by the Board. Any new or existing large volume customer who participates in any EE Program will be subject to the RGGI Rider rate.

G. Rate Impact

27. The impact of the proposed surcharge on the typical monthly bill of a residential heating customer using 100 therms is $0.81 per month and the impact on typical non-heating customers using 15 therms is $0.12 per month. The rate impact of the implementation of the proposed RGGI Rider rate for each customer class is set forth in Appendix E hereto and made a part of this Stipulation.

H. Job Creation

28. The Company projects that the work associated with the EE Programs will generate approximately 44 incremental jobs for contractors in its service territory. The number of jobs is based on agreement by the Stipulating Parties that 1,820 hours is equal to one full time equivalent ("FTE") employee. The Company anticipates the addition of five in-house positions related to implementation and administration of the EE Programs. The Company will endeavor to employ contractors and engineering firms located in New Jersey. The allocation of incremental jobs in relation to the individual EE Programs is set forth in the individual EE Program descriptions and summarized in Appendix F.

29. Job creation is an integral aspect of the EE Programs. Therefore, the Company will report, in the monthly report provided pursuant to Paragraph 17 herein, (i) the number of FTEs that the Company hires to perform work associated with the EE Programs, and (ii) the number of FTEs that entities under contract with the Company to perform work associated with the Company's EE Programs have hired to perform such work. Reporting of job creation in the monthly report will be in the format contained in the Job Creation Questionnaire, attached hereto as Appendix G.

30. The New Jersey Department of Labor and Workforce Development ("LWD") oversees the Green Job Training Partnership program ("GJTP"), which is intended to help meet the employment needs of the Company and local contractors by providing graduates of the training program to be considered for employment in occupations needed for implementation of the Program. The Company will conduct the following program activities to support and promote the GJTP:

a) Promote awareness and enhanced participation of the GJTP, by providing information from LWD about the GJTP to all contractors located within the Company's service territory who are listed in the NJCEP Home Performance with Energy Star program and are certified by the Building Performance Institute ("BPI").

b) Coordinate and conduct at least two outreach meetings each year, inviting all contractors listed in the NJCEP Home Performance with Energy Star program that are BPI certified, and are at a minimum located within the Company's service territory. The outreach meetings will include a presentation regarding the GJTP, in which LWD will participate along with local GJTP grantees for the territory.

c) Serve on at least one GJTP Employer Council.

d) Advise all contractors listed in the NJCEP Home Performance with Energy Star program that are BPI certified and are at a minimum located within the Company's service territory of the benefits of participating on the appropriate GJTP Employer Council.

e) Post information on the Company's website regarding the GJTP and a link to LWD's website. Information on the GJTP can be found at: http://lwd.dol.state.nj.us/labor/employer/training/Apprenticeship.html

f) Post all vacancies for New Jersey-based jobs through the local One-Stop Career Center. A listing of the local One-Stop Career Centers is located at: http://lwd.dol.state.nj.us/labor/wnjpin/findjob/onestop/services.html

g) Inform, in writing, all GJTP grantees of all New Jersey-based entry-level job vacancies within the Company, including positions relating to energy efficiency occupations.

I. Program Evaluation

31. Future EE Program evaluation will include evaluation of all EE Programs, and the scope of the program evaluation will include:

1. Cost/Benefit analysis, including a Participant Cost Test ("PCT"), Program Administration Cost Test ("PAC"), Ratepayer Impact Measure ("RIM"), Total Resource Cost ("TRC"), and Societal Cost Test ("SCT"), to be

performed by CEEEP to be retained by the Board; using a methodology consistent with the methodology used by the CEEEP and provided to the NJ Clean Energy Program by CEEEP; and

2. Impact evaluation, to be performed by CEEEP or a subcontractor to be retained by CEEEP.

32. CEEEP will follow its internal procurement process in retaining such subcontractor in accordance with the terms of the contract between CEEEP and the Board. If the Board is unable to retain CEEEP to perform the evaluation services identified above, then such evaluations shall be performed by a third party vendor to be retained by the Board in accordance with State procurement laws.

J. <u>Government Funding</u>

33. On February 17, 2009, the Federal American Recovery and Reinvestment Act of 2009 (ARRA) (Pub. L. No. 111-5) was signed into law by President Barack Obama. Subject to any restrictions set forth in the ARRA and other applicable law, if the Company gets federal funds or credits directly related to any of the EE Programs through the ARRA, the Company agrees to utilize that money to offset the respective EE Programs' costs. If funding or credits from the ARRA or any subsequent state or federal action becomes available to the Company through the State of New Jersey, a County or Municipality for project reimbursement, the Company agrees that any such funds or credits directly applicable to work related to the any of the EE Programs will be used to benefit customers by offsetting the costs for which recovery will be sought to the extent permitted by law.

34. However, in no case shall there be a knowing provision of a combination of 1) federal ARRA funding, 2) NJCEP incentive funding and 3) incentives provided as part of this

approved program (excluding program incentive financing) fund 100% of a project's costs through rebates or other direct incentives. If it is determined that a project would be funded through 100% rebates or incentives the parties agree that, subject to any restrictions set forth in the ARRA and other applicable law, incentive funding approved as part of this program shall be reduced to bring the total rebates and incentives under 100% of the program costs.

K <u>NJLEUC Proposals</u>

35. With respect to cost recovery granted by the Board for energy efficiency and conservation programs pursuant to N.J.S.A. 48:3-98.1, NJLEUC has proposed three alternative provisions for large commercial and industrial ("C&I") customers: an opt-out provision, to allow a large C&I customer to opt out of a utility-sponsored energy efficiency program based on the customer's investments or plans to invest in energy efficiency measures of its owns; a surcharge phase-out provision, to establish usage-based tiers with the surcharge amount decreasing as consumption increases; and a hard cap provision, to place an annual cap on charges payable by large C&I customers for the utility-sponsored energy efficiency programs. In the Board's July 16, 2009 Order in BPU Docket Nos. EO09010056 and EO09010058 ("July 16 Order"), the Board did not direct at this time that such a proceeding be convened. In the July 16 Order, the Board found that it could be valuable to review the options that NJLEUC has suggested for large C&I customers, and possibly additional options as well. The Board further observed that should NJLEUC file a petition with the Board to initiate such a proceeding, both Rate Counsel and Staff support a review of NJLEUC's proposals. Aside from this statement of support, Rate Counsel and Staff reserve all of their rights in any subsequent proceeding to take any position they deem appropriate, to make any arguments they deem appropriate, to offer any alternative proposals, or

to seek to expand the scope of a proceeding. The Company takes no position regarding these issues and also reserves its right in any subsequent proceeding to take any position it deems appropriate, to make any arguments it deems appropriate or to offer any alternative proposals.

L. Further Provisions

36. 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 Stipulating 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(s), then any Stipulating 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.

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

38. 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, ETG, the Board, its Staff, the Intervenors, 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. The Signatory Parties further agree that this Stipulation is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation.

ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the New Jersey
Board of Public Utilities

By: ______________________________
Caroline Vachier
Deputy Attorney General

PIVOTAL UTILITY HOLDINGS, INC.
d/b/a ELIZABETHTOWN GAS

By: ______________________________
Mary Patricia Keefe
Vice President and Assistant
Corporate Secretary

DEPARTMENT OF THE PUBLIC ADVOCATE
RONALD K. CHEN, PUBLIC ADVOCATE
DIVISION OF RATE COUNSEL
STEFANIE A. BRAND, DIRECTOR

By: ______________________________
Stephanie A. Brand, Director

APPENDIX A

Elizabethtown "Whole House" Energy Efficiency Program

Description Of Program	This program is intended to complement the NJCEP Home Performance with Energy Star ("HPES") program which promotes a "whole house" energy conservation approach to residential customers by encouraging them to implement a combination of energy efficiency improvements (*i.e.*, air sealing and duct leaks, insulation and high-efficient equipment) rather than just a single improvement. To qualify for this program, the participant must be a residential customer who is eligible for the NJCEP Home Performance with Energy Star ("HPES") program which requires the installation of eligible measures achieving >25% savings. A key component of this program is enhanced customer education and outreach, including the development of a customer Dashboard. These initiatives will raise awareness of the importance of energy conservation among customers and the specific programs available to help them conserve natural gas and lower their energy bills on a long-term basis This program will complement and/or supplement the NJCEP HPES program as follows: **Tier I –** Elizabethtown will provide (1) an Energy Cost Cutter Kit and (2) a programmable thermostat to those customers who have an audit performed. **Tier II/III –** Elizabethtown will not fund any Tier II/III rebates; all rebates will be paid by NJCEP **Zero-Percent Financing –** Elizabethtown will offer 0% financing through the buy-down of a third party lender interest rate for loans up to $10,000. Elizabethtown will not offer on-bill financing. To the extent possible, this program may coordinate with NJHMFA program which is expected to use Federal Stimulus funds to offer no-cost loans to a very broad range of income levels. Only those customers who are in good standing and subject to the RGGI surcharge are eligible to participate in this program. This program will be offered for a 17-month period. New customers who participate in an audit in the prior six

	months of becoming a customer are eligible for the incentives offered under this program.
Market Segment/ Efficiency Targeted	All residential customers who receive natural gas service from Elizabethtown or the potential to receive gas service. Elizabethtown will not offer a separate Income Eligible program. Income Eligible customers will go through NJCEP. Income Eligible means household income between 225% and 400% of the New Jersey statewide poverty level. This program will target the installation of high efficiency gas HVAC and gas hot water heater equipment and energy conservation measures (*i.e.* building weatherization improvements)
Delivery Method	Financing to be provided by a third party lender
Estimated Annual Program Participants	Tier I – 3400 participants (Cost Cutter Kit) 2040 participants (Programmable Thermostat) Financing – 300 participants
Estimated Annual Savings	Tier I – 421,260 therms Tier III – 135,930 therms
Link To Existing Programs	This program will encourage participation in the NJCEP HPES program by offering zero-percent financing to motivate customers to install energy efficient measures in their homes.
Existing NJCEP Incentives For 2009	Tier I – Audit provided for a fee of approximately $125 Tier II – Up to $1,000 in air/duct sealing Tier III – Up to 50% incentive with a cap of $5,000 NJCEP Comfort Partners (Low Income Program) provides the audit and installs energy efficiency measures at no cost to qualifying customers
Proposed Elizabethtown	Tier I – Cost Cutter Kit and Programmable Thermostat

Elizabethtown "Whole House" Energy Efficiency Program

Incentives	Tier II/III –Elizabethtown will not fund any Tier II/III rebates; all rebates will be paid by NJCEP Zero-Percent Financing – Elizabethtown will offer 0% financing through the buy-down of a third party lender interest rate for loans up to \$10,000. Elizabethtown will not offer on-bill financing.
Estimated Annual Avoided Air Emissions	Tier I – CO2(tons) 48,484.1, NOx(tons) 30.6, SO2(tons) 60.9 Tier III – CO2(tons) 27,076.9, NOx(tons) 13.3, SO2(tons) 26.5
Anticipated Job Creation	1 Program Administrator (for all Elizabethtown EE Programs) 4.9 Auditors (4 internal jobs; 0.9 external jobs; also applicable to Elizabethtown Residential HVAC/Water Heater EE Program) 0.3 Jobs associated with Cost Cutter Kit (also applicable to Elizabethtown Residential HVAC/Water Heater EE Program) 0.2 Jobs associated with Thermostat (also applicable to Elizabethtown Residential HVAC/Water Heater EE Program) 4.0 Contractors (Whole House measures) 1.0 Contractors (Water Heater measures)
Budget Information	\$84,800 (Cost Cutter Kit/Thermostat) \$1,802,000 (Zero-Percent Financing)
Customer Education and Outreach	Elizabethtown's existing sales staff will promote this program and utilize direct mail offers and traditional channels such as the utility website and customer newsletter or bill insert. Elizabethtown will also develop and introduce a customer Dashboard, an on-line tool that provides in-depth information

	about customers’ natural gas bills on a recurring basis to help them better understand their usage patterns. Elizabethtown will also work with local service agencies, local government and various nonprofit community entities to promote the offers to their constituents. Additionally, details about this program will be made available to existing non-heat customers and non-natural gas users. In addition, the company will work closely with local HVAC contractors to ensure their understanding and promotion of this program. Printed materials will be provided as and when developed.

Elizabethtown Residential Gas HVAC and Gas Hot Water Heater Incentive Program

Description Of Program	This program is designed to enhance the existing NJCEP HVAC incentive program by supplementing the incentive offered through NJCEP. A key component of this program is enhanced customer education and outreach, including the development of a customer Dashboard. These initiatives will raise awareness of the importance of energy conservation among customers and the specific programs available to help them conserve natural gas and lower their energy bills on a long-term basis. This program be available to all residential customers as follows: The customer must participate in a Tier I Audit, which will include a visit to assess the energy efficiency of the customer's home, and a report which will identify and recommend energy efficiency measures to improve energy conservation. Elizabethtown will provide an Energy Cost Cutter Kit and a programmable thermostat to those customers who have an audit performed. Elizabethtown will supplement the NJCEP incentive in an amount up to $900 for the installation of a complete energy efficient gas heating system depending on the efficiency standard of the equipment. Elizabethtown will supplement the NJCEP incentive in an amount up to $200 for the installation of an energy efficient gas tankless hot water heater. Elizabethtown will supplement the NJCEP incentive in an amount up to $75 for the installation of an energy efficient gas hot water heater. New customers who participate in an audit in the prior six months of becoming a customer are eligible for the incentives offered under this program. Only those customers who are in good standing and subject to the RGGI surcharge are eligible to participate in and receive the incentives associated with this program.

Elizabethtown Residential Gas HVAC and Gas Hot Water Heater Incentive Program

	Elizabethtown will offer this program for a 17-month period.
Market Segment/ Efficiency Targeted	All residential customers who receive natural gas service from Elizabethtown or the potential to receive gas service. The program will target the installation of high efficiency gas HVAC and gas hot water heater equipment.
Delivery Method	Audits will be performed by certified BPI home energy auditors, including those performing work for the NJCEP HVAC installation and/or quality control work will be performed by trained heating, home improvement and energy service providers, including contractors providing such services for the NJCEP
Estimated Annual Program Participants	2900 participants (HVAC) 1000 participants (Hot Water Heater) 250 participants (Tankless Hot Water Heater)
Estimated Annual Savings	321,700 therms
Link To Existing Programs	Directly linked to NJCEP
Existing NJCEP Incentives For 2009	The current NJCEP program offers a rebate of approximately \$300-\$400 for high efficiency gas heating equipment. The current NJCEP program offers a rebate of approximately \$25-\$300 for high efficiency gas water heater equipment.
Proposed Elizabethtown Incentives	Elizabethtown will supplement the NJCEP incentive by providing the customer with an incentive of up to \$900 towards the installation of a complete energy efficient gas heating system, depending on the efficiency standard of the equipment. Elizabethtown will supplement the NJCEP incentive by providing

Elizabethtown Residential Gas HVAC and
Gas Hot Water Heater Incentive Program

	the customer with an incentive of up to $200 towards the installation of a complete energy efficient tankless gas hot water heater. Elizabethtown will supplement the NJCEP incentive by providing the customer with an incentive of up to $75 towards the installation of a complete energy efficient gas hot water heater.
Estimated Annual Avoided Air Emissions	CO_2(tons) 49,882.5_; NO_x(tons) 31.5, SO_2(tons) 62.6
Anticipated Job Creation	1 Program Administrator (for all Elizabethtown EE Programs) 4.9 Auditors (4 internal jobs; 0.9 external jobs; also applicable to Elizabethtown Whole House EE Program) 0.3 Jobs associated with Cost Cutter Kit (also applicable to Elizabethtown EE Whole House EE Program) 0.2 Jobs associated with Thermostat (also applicable to Elizabethtown Whole House EE Program) 19.2 Contractors (HVAC measures) 4.1 Contractors (Water Heater measures)
Budget Information	$2,735,000
Customer Education and Outreach	Elizabethtown's existing sales staff will promote this program and utilize direct mail offers and traditional channels such as the utility website and customer newsletter or bill insert. Elizabethtown will also develop and introduce a customer

	Dashboard, an on-line tool that provides in-depth information about customers' natural gas bills on a recurring basis to help them better understand their usage patterns. Elizabethtown will also work with local service agencies, local government and various nonprofit community entities to promote the offers to their constituents. Additionally, details about this program will be made available to existing non-heat customers and non-natural gas users. In addition, the company will work closely with local HVAC contractors to ensure their understanding and promotion of this program**.** Printed materials will be provided as and when developed.

Elizabethtown Enhanced Small Commercial Customer Energy Efficiency Program

Description Of Program	This program is designed to enhance the existing NJCEP SmartStart incentive program by supplementing the incentive offered through NJCEP. Under this program, Elizabethtown will provide a 100% match of the NJCEP incentive for the installation of high efficiency gas equipment such as gas-fired boilers, gas-fired furnaces, gas-fired water heaters and gas-fired booster water heaters in an amount up to $15,000 (HVAC) and $100 (hot water heater) for commercial customers with a peak demand of 200 KW or less. A key component of this program is enhanced customer education and outreach, including the development of a customer Dashboard. These initiatives will raise awareness of the importance of energy conservation among customers and the specific programs available to help them conserve natural gas and lower their energy bills on a long-term basis. Only those customers who are in good standing and subject to the RGGI surcharge are eligible to participate in and receive the incentives associated with this program. Elizabethtown will offer this program for a 17-month period.
Market Segment/ Efficiency Targeted	All commercial customers with a peak demand of 200KW or less.
Delivery Method	Installation and/or quality control work will be performed by trained HVAC contractors and service providers, including those currently performing such services for the NJCEP.
Estimated Annual Program Participants	30 participants (HVAC) 30 participants (Hot Water Heater)
Estimated Annual Savings	302,845 therms
Link To Existing Programs	Directly linked to NJCEP SmartStart Program

Elizabethtown Enhanced Small Commercial Customer Energy Efficiency Program

Existing NCEP Incentives For 2009	Gas-fired boiler ≤ 300 MBH - $300 per unit Gas-fired boiler > 300 -1500 MBH ($1.75 per MBH) Gas-fired boiler > 1500 MBH - ≤ 4000 MBH ($1.00 per MBH) Gas-fired boiler > 4000 MBH (Calculated through Custom Measure Path) Gas-fired furnace- $300-$400 per unit Gas-fired water heater ≤ 50 gallons- $50 per unit Gas-fired water heater > 50 gallons- $50 per unit Gas-fired booster water heater - $17 - $35 per MBH
Proposed Elizabethtown Incentives	Elizabethtown will provide a 100% match of the NJCEP incentives in an amount up to $15,000 (HVAC) and $100 (Hot Water Heater)
Estimated Annual Avoided Air Emissions	CO_2(tons) 5952.6; NO_x(tons) 3.8, SO_2(tons) 7.5
Anticipated Job Creation	1 Program Administrator (for all Elizabethtown EE Programs) 0.9 Contractors (HVAC measures) 0.2 Contractors (Water Heaters; also applicable to Large Commercial Customer EE Program)
Budget Information	$453,000
Customer Education and Outreach	To promote these offers, Elizabethtown's existing sales staff will market this program and will work with TRC, the current NJCEP commercial program administrator, contractors serving commercial businesses and local and regional business organizations and Chambers of Commerce to promote this and the NJCEP program. Elizabethtown will also send a direct mail piece to all commercial customers. Elizabethtown will also develop and introduce a customer Dashboard, an on-line tool that provides in-depth information about customers' natural gas bills on a recurring basis to help them better understand their usage

	patterns. Written material will be provided as and when available.

Elizabethtown Enhanced Large Commercial Customer Energy Efficiency Program

Description Of Program	This program is designed to enhance the existing NJCEP SmartStart incentive program by supplementing the incentive offered through NJCEP. Under this program, Elizabethtown will provide a 100% match of the NJCEP incentive for the installation of high efficiency gas equipment such as gas-fired boilers, gas-fired furnaces, gas-fired water heaters and gas-fired booster water heaters in an amount up to $25,000 (HVAC) and $100 (hot water heater) for commercial customers with a peak demand greater than 200 KW. A key component of this program is enhanced customer education and outreach, including the development of a customer Dashboard. These initiatives will raise awareness of the importance of energy conservation among customers and the specific programs available to help them conserve natural gas and lower their energy bills on a long-term basis. Only those customers who are in good standing and subject to the RGGI surcharge are eligible to participate in and receive the incentives associated with this program. Elizabethtown will offer this program for a 17-month period.
Market Segment/ Efficiency Targeted	All commercial customers with a peak demand greater than 200KW.
Delivery Method	Installation and/or quality control work will be performed by trained HVAC contractors and service providers, including those providing services for the NJCEP.
Estimated Annual Program Participants	25 (HVAC) 25 (Hot Water Heater)
Estimated Annual Savings	757,425 therms
Link To Existing Programs	Directly linked to NJCEP SmartStart Program

Elizabethtown Enhanced Large Commercial Customer Energy Efficiency Program

Existing NJCEP Incentives For 2009	Gas-fired boiler ≤ 300 MBH - $300 per unit Gas-fired boiler > 300 -1500 MBH ($1.75 per MBH) Gas-fired boiler > 1500 MBH - ≤ 4000 MBH ($1.00 per MBH) Gas-fired boiler > 4000 MBH (Calculated through Custom Measure Path) Gas-fired furnace- $300-$400 per unit Gas-fired water heater ≤ 50 gallons- $50 per unit Gas-fired water heater > 50 gallons- $50 per unit Gas-fired booster water heater - $17 - $35 per MBH
Proposed Elizabethtown Incentives	Elizabethtown will provide a 100% match of the NJCEP incentives in an amount up to $25,000. (HVAC) and $100 (Hot Water Heater)
Estimated Annual Avoided Air Emissions	CO_2(tons) 14,887.1; NOx(tons) 9.4 SO_2(tons) 18.7
Anticipated Job Creation	1 Program Administrator (for all Elizabethtown EE Programs) 1.5 Contractors (HVAC measures) 0.2 Contractors (Water Heaters; also applicable to Small Commercial Customer EE Program)
Budget Information	$627,500
Customer Education and Outreach	To promote these offers, Elizabethtown's existing sales staff will market this program and will work with TRC, the current NJCEP commercial program administrator, contractors serving commercial businesses and local and regional business organizations and Chambers of Commerce to promote this and the NJCEP program. Elizabethtown will also send a direct mail piece to all commercial customers. Elizabethtown will also develop and introduce a customer Dashboard, an on-line tool that provides in-depth information about customers' natural gas bills on a recurring basis to help them better understand their usage

	patterns. Written material will be provided as and when available.

Elizabethtown Enhanced Combined Heat & Power Program

Description Of Program	This program is designed to reduce energy consumption and carbon emissions by lowering dependence upon the electric grid system. It will enhance the existing NJCEP Combined Heat & Power ("CHP") program by supplementing the incentives offered by NJCEP. Elizabethtown will offer eligible customers an incentive of 50% of the NJCEP rebate but no more than $500,000. The incentive will be available to large commercial and industrial customers installing CHP systems, including natural gas-fired combined cycle combustion turbine or natural gas engines to produce both steam and electricity from a single fuel source located on-site. Elizabethtown will offer eligible customers an incentive of up 50% of the NJCEP incentive, but no more than $500,000. A key component of this program is enhanced customer education and outreach, including the development of a customer Dashboard. These initiatives will raise awareness of the importance of energy conservation among customers and the specific programs available to help them conserve natural gas and lower their energy bills on a long-term basis. Only those customers who are in good standing and subject to the RGGI surcharge are eligible to participate in and receive the incentives associated with this program. The customer must meet all applicable NJCEP criteria to be eligible for the program. Elizabethtown will offer this program for a 17-month period.
Market Segment/ Efficiency Targeted	Large commercial and industrial customers installing CHP systems.
Delivery Method	Installation and/or quality control work will be performed by trained HVAC contractors and service providers, including those performing services for the NJCEP.
Estimated Annual Program Participants	3 participants
Estimated Annual Savings	This will reduce power consumption on the electric grid between

Elizabethtown Enhanced Combined Heat & Power Program

	4-5 megawatts of power by the end of 2010.

Existing NJCEP Incentives for 2009	$1,000,000
Proposed Elizabethtown Incentives	50% of the NJCEP incentive, but not more than $500,000.
Estimated Annual Avoided Air Emissions	CO_2(tons) 12,537.0; NO_x(tons) 103.6, SO_2(tons) 199.0
Anticipated Job Creation	1 Program Administrator (for all Elizabethtown EE Programs) 9.6 Contractors
Budget Information	$1,500,000
Customer Education and Outreach	To promote these offers, Elizabethtown's existing sales staff will market this program and will work with TRC, the current NJCEP commercial program administrator, contractors serving commercial businesses and local and regional business organizations and Chambers of Commerce to promote this and the NJCEP program. Elizabethtown will also send a direct mail piece to all commercial customers. Elizabethtown will also develop and introduce a customer Dashboard, an on-line tool that provides in-depth information about customers' natural gas bills on a recurring basis to help them better understand their usage patterns. Written material will be provided as and when available.

Elizabethtown Enhanced Gas Cooling Program

Description Of Program	This program will enhance the existing NJCEP incentives for the installation of gas cooling equipment. All commercial and industrial customers installing gas cooling equipment which includes direct and indirect fired absorbers with a minimum COP efficiency of 1.2, natural gas desiccant systems and gas engine drives, will be eligible for a 100% percent match of the NJCEP incentive in an amount up to $150,000: Gas absorption chillers ($185-$450 per ton) Gas engine-driven chillers (calculated through custom measure path) Desiccant Systems ($1.00 per cfm-gas) A key component of this program is enhanced customer education and outreach, including the development of a customer Dashboard. These initiatives will raise awareness of the importance of energy conservation among customers and the specific programs available to help them conserve natural gas and lower their energy bills on a long-term basis. Only those customers who are in good standing and subject to the RGGI surcharge are eligible to participate in and receive the incentives associated with this program. Elizabethtown will provide this program for a 17-month period.
Market Segment/ Efficiency Targeted	All commercial and industrial customers installing gas cooling equipment which includes direct and indirect fired absorbers with a minimum COP efficiency of 1.2, natural gas desiccant systems and gas engine drives
Delivery Method	Installation and/or quality control work will be performed by trained HVAC contractors and service providers, including those providing services for the NJCEP.
Estimated Annual Program Participants	3 participants

Elizabethtown Enhanced Gas Cooling Program

Estimated Annual Savings	This will reduce power consumption on the electric grid between 2-3 megawatts of power by the end of 2010.
Link To Existing Programs	Directly linked to NJCEP SmartStart gas cooling program.
Existing NCEP Incentives For 2009	Gas absorption chillers ($185-$450 per ton) Gas engine-driven chillers (calculated through custom measure path) Desiccant Systems ($1.00 per cfm-gas_
Proposed Elizabethtown Incentives	Elizabethtown will provide a 100% match of the existing NJCEP incentives in an amount up to $150,000
Estimated Annual Avoided Air Emissions	CO2(tons) 2,325.9; NOx(tons) 24.8, SO2(tons) 47.6
Anticipated Job Creation	1 Program Administrator (for all Elizabethtown EE Programs) 1.6 Contractors
Budget Information	$450,000
Customer Education and Outreach	To promote these offers, Elizabethtown's existing sales staff will market this program and will work with TRC, the current NJCEP commercial program administrator, contractors serving commercial businesses and local and regional business organizations and Chambers of Commerce to promote this and the NJCEP program. Elizabethtown will also send a direct mail piece to all commercial customers. Elizabethtown will also develop and introduce a customer Dashboard, an on-line tool that provides in-depth information about customers' natural gas bills on a recurring basis to help them better understand their usage patterns. Written material will be provided as and when available.

ELIZABETHTOWN GAS
B. P. U. NO. # # – GAS

SECTION II
ORIGINAL SHEET NO.

RIDER "G"

REGIONAL GREENHOUSE GAS INITIATIVE (“RGGI”)

Applicable to all customers except those Customers under special contracts as filed and approved by the NJBPU..

The RGGI shall be collected on a per therm basis and shall remain in effect until changed by order of the NJBPU. The applicable RGGI unit charges are as follows:

$0.0081 per therm

In accordance with P.L. 1997, c. 162, the charges applicable under this Rider include 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 Response 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 allows electric and gas public utilities to offer energy efficiency and conservation programs on a regulated basis.

The RGGI program will enhance or supplement existing Clean Energy Program (“CEP”) incentives with programs such as:

1. whole-house energy efficiency programs which encourage all residential customers to implement a combination of energy efficiency improvements (*i.e.*, air sealing and duct leaks, insulation and high-efficient equipment) rather than just a single improvement.
2. expanded gas HVAC and hot water heater incentive programs for residential customers.
3. large and small commercial customer energy efficiency programs which enhance CEP SmartStart incentives.
4. a Combined Heat & Power which supplements existing CEP incentives.
5. a gas cooling program which supplements existing CEP incentives; and
6. enhanced customer education and outreach initiatives designed to encourage customers to conserve energy and lower their gas bills.

The RGGI will recover all costs associated with the program, including, but not limited to customer outreach and system implementations to implement and manage the programs.

Determination of the RGGI

In June of each year, the Company shall file with the Board a RGGI rate filing based on the costs and recoveries incurred during the previous RGGI year ending June 30th. The filing will reflect as much actual information as is available through June 30th as well as estimates through the upcoming calendar year to develop the RGGI rate to be effective October 1st as follows:

The RGGI monthly recoverable expenditure amounts shall be derived from taking the average of the cumulative beginning and end of month expenditures associated with the RGGI program investments less accumulated amortization and accumulated deferred income tax credits times the Company's after tax weighted average cost of capital grossed up for the Company's revenue factor, as those rates and factors have been approved in the Company's most recent base rate case, plus monthly amortization using a four year amortization period.

The RGGI rate shall be calculated by summing the (i) prior year's RGGI over or under recovery balance, plus (ii) current year monthly recoverable expenditure amounts, less (iii) current year recoveries, plus (iv) current year carrying costs based on the monthly average over or under recovered balances, at a rate equal to the rate obtained on the Company's weighted average of its commercial paper and bank credit lines, if both sources have been utilized, not to exceed the weighted average cost of capital after tax from the most recent rate case, plus (v) an estimated amount to recover the upcoming year's recoverable expenditures amount and dividing the resulting sum by the annual forecasted per therm quantities for the applicable customers set forth above. The resulting rate shall be adjusted for all applicable taxes. The RGGI rate shall be self implementing on a refundable basis as directed by the NJBPU.

Date of Issue: xx1 | Effective: Service Rendered on and after xx2

Issued by: Jodi Gidley
Sr. Vice President, Mid-Atlantic Operations
300 Connell Drive, Suite 3000
Berkeley Heights, New Jersey 07922

Filed Pursuant to Order of the Board of Public Utilities
Dated xx3 in Docket No. xx4

PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS
REGIONAL GREENHOUSE GAS INITIATIVE ("RGGI")

CALCULATION OF THE RGGI RATE

			14 month rate August 1, 2009	October 1, 2010	October 1, 2011	
1	Prior Year (Over)/ Under Balance (Sch. TK-2)			($1,931)	($3,396)	
2	Monthly Revenue Requirement (Sch. TK-2)		$2,204,083	$3,944,659	$3,800,207	
3	O&M Expenditures (Sch. TK-6)		$1,125,882	$194,118	$0	
4	Total Proposed Recoveries (Sum L1+L2+L3)		$3,329,965	$4,136,845	$3,796,811	
5	Projected Firm Sales (1) (Sch. TK-4)		438,650,777	411,604,370	411,604,370	therms
6	Rate, before taxes (L4/L5)		$0.0076	$0.0101	$0.0092	
7	Sales & Use Tax @	7.00%	0.0005	0.0007	0.0006	
8	Rate (L6+L7)		**$0.0081**	**$0.0108**	**$0.0098**	/therm

(1) All therms excluding NJBPU approved special contracts.

PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS
REGIONAL GREENHOUSE GAS INITIATIVE ("RGGI")

Carrying Costs

a	Beginning Balance b	Monthly Revenue Requirement TK-3 c	O&M TK-6 d	Recoveries TK-4 e	Ending Balance f=b+c+d-e	Average Balance g=(b+f)2	Interest Rate TK-5 h	Carrying Cost i=g*h/12	Ending Balance)lus Cumulative (O) / U Carryiung Cost j=f+ cum of i
Beginning Balance									
Aug-09	$0	$22,932	$101,373	$107,926	$16,378	$8,189	0.49%	$3	$16,382
Sep-09	$16,378	$55,411	$101,373	$97,393	$75,769	$46,074	0.49%	$19	$75,791
Oct-09	$75,769	$74,461	$101,373	$115,775	$135,827	$105,798	0.49%	$43	$135,891
Nov-09	$135,827	$93,423	$101,373	$244,663	$85,959	$110,893	0.49%	$45	$86,069
Dec-09	$85,959	$112,297	$101,373	$385,254	($85,625)	$167	0.49%	$0	($85,515)
Jan-10	($85,625)	$131,084	$101,373	$503,320	($356,489)	($221,057)	0.49%	($89)	($356,469)
Feb-10	($356,489)	$149,783	$64,706	$531,349	($673,349)	($514,919)	0.49%	($208)	($673,537)
Mar-10	($673,349)	$168,394	$64,706	$443,002	($883,252)	($778,300)	0.49%	($315)	($883,754)
Apr-10	($883,252)	$186,918	$64,706	$280,649	($912,277)	($897,764)	0.49%	($363)	($913,142)
May-10	($912,277)	$205,354	$64,706	$170,573	($812,789)	($862,533)	0.49%	($349)	($814,003)
Jun-10	($812,789)	$223,703	$64,706	$135,950	($660,330)	($736,560)	0.49%	($298)	($661,842)
Jul-10	($660,330)	$241,964	$64,706	$108,791	($462,451)	($561,391)	0.49%	($227)	($464,190)
Aug-10	($462,451)	$260,137	$64,706	$107,926	($245,535)	($353,993)	0.49%	($143)	($247,417)
Sep-10	($245,535)	$278,222	$64,706	$97,393	($0)	($122,768)	0.49%	($50)	($1,931)
Total 14 Mos		$2,204,083	$1,125,882	$3,329,965				($1,931)	
Oct-10	($1,931)	$296,220	$64,706	$153,351	$205,644	$101,856	0.49%	$41	$205,685
Nov-10	$205,644	$314,131	$64,706	$324,070	$260,410	$233,027	0.49%	$94	$260,545
Dec-10	$260,410	$331,953	$64,706	$510,291	$146,778	$203,594	0.49%	$82	$146,995
Jan-11	$146,778	$340,037	$0	$666,677	($179,862)	($16,542)	0.49%	($7)	($179,651)
Feb-11	($179,862)	$338,427	$0	$703,803	($545,239)	($362,551)	0.49%	($147)	($545,174)
Mar-11	($545,239)	$336,816	$0	$586,783	($795,205)	($670,222)	0.49%	($271)	($795,412)
Apr-11	($795,205)	$335,206	$0	$371,737	($831,737)	($813,471)	0.49%	($329)	($832,272)
May-11	($831,737)	$333,595	$0	$225,933	($724,075)	($777,906)	0.49%	($314)	($724,925)
Jun-11	($724,075)	$331,984	$0	$180,073	($572,164)	($648,119)	0.49%	($262)	($573,275)
Jul-11	($572,164)	$330,374	$0	$144,100	($385,889)	($479,027)	0.49%	($194)	($387,195)
Aug-11	($385,889)	$328,763	$0	$142,955	($200,081)	($292,985)	0.49%	($118)	($201,505)
Sep-11	($200,081)	$327,153	$0	$129,003	($1,931)	($101,006)	0.49%	($41)	($3,396)
Total		$3,944,659	$194,118	$4,138,777				($1,465)	
Oct-11	($3,396)	$325,542	$0	$140,806	$181,340	$88,972	0.49%	$36	$181,376
Nov-11	$181,340	$323,932	$0	$297,560	$207,712	$194,526	0.49%	$79	$207,826
Dec-11	$207,712	$322,321	$0	$468,547	$61,485	$134,598	0.49%	$54	$61,654
Jan-12	$61,485	$320,710	$0	$612,140	($229,945)	($84,230)	0.82%	($58)	($229,833)
Feb-12	($229,945)	$319,100	$0	$646,229	($557,074)	($393,509)	0.82%	($269)	($557,232)
Mar-12	($557,074)	$317,489	$0	$538,781	($778,366)	($667,720)	0.82%	($456)	($778,980)
Apr-12	($778,366)	$315,879	$0	$341,327	($803,815)	($791,090)	0.82%	($541)	($804,969)
May-12	($803,815)	$314,268	$0	$207,451	($696,998)	($750,406)	0.82%	($513)	($698,665)
Jun-12	($696,998)	$312,657	$0	$165,342	($549,683)	($623,340)	0.82%	($426)	($551,776)
Jul-12	($549,683)	$311,047	$0	$132,312	($370,947)	($460,315)	0.82%	($315)	($373,355)
Aug-12	($370,947)	$309,436	$0	$131,260	($192,771)	($281,859)	0.82%	($193)	($195,372)
Sep-12	($192,771)	$307,826	$0	$118,450	($3,396)	($98,084)	0.82%	($67)	($6,063)
Total		$3,800,207	$0	$3,800,207				($2,667)	

PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS
REGIONAL GREENHOUSE GAS INITIATIVE ("RGGI")

Monthly Recoverable Investment

a	TK-6 Four Year Amortizable Expenditures b	Cumulative Expenditures c	Average Expenditures d	Avg. Book Amort. % Rate e	Monthly Amortization f=d*e/12	Accum. Amort. g	Accum. Deferred Income Tax h	Earnings / Rate Base i=c-g-h	Average Rate Base j	Wtd. Avg. Cost of Capital (1) After-tax k	Revenue Factor l	Monthly Return on Rate Base m= (j) *k*l/12	Monthly Revenue Requirement n=m+f
Begin Balance		$0				$0		$0					
Aug-09	$1,726,653	$1,726,653	$863,326	25.00%	$17,986	$17,986	$701,920	$1,006,747	$503,373	6.87%	1.71702	$4,946	$22,932
Sep-09	$726,653	$2,453,306	$2,089,979	25.00%	$43,541	$61,527	$982,543	$1,409,236	$1,207,991	6.87%	1.71702	$11,870	$55,411
Oct-09	$726,653	$3,179,959	$2,816,632	25.00%	$58,680	$120,207	$1,256,946	$1,802,806	$1,606,021	6.87%	1.71702	$15,781	$74,461
Nov-09	$726,653	$3,906,612	$3,543,285	25.00%	$73,818	$194,025	$1,525,130	$2,187,456	$1,995,131	6.87%	1.71702	$19,604	$93,423
Dec-09	$726,653	$4,633,265	$4,269,938	25.00%	$88,957	$282,983	$1,787,096	$2,563,186	$2,375,321	6.87%	1.71702	$23,340	$112,297
Jan-10	$726,653	$5,359,918	$4,996,591	25.00%	$104,096	$387,078	$2,042,842	$2,929,997	$2,746,592	6.87%	1.71702	$26,988	$131,084
Feb-10	$726,653	$6,086,571	$5,723,244	25.00%	$119,234	$506,312	$2,292,370	$3,287,888	$3,108,943	6.87%	1.71702	$30,549	$149,783
Mar-10	$726,653	$6,813,224	$6,449,897	25.00%	$134,373	$640,685	$2,535,679	$3,636,860	$3,462,374	6.87%	1.71702	$34,021	$168,394
Apr-10	$726,653	$7,539,876	$7,176,550	25.00%	$149,511	$790,197	$2,772,768	$3,976,911	$3,806,885	6.87%	1.71702	$37,407	$186,918
May-10	$726,653	$8,266,529	$7,903,203	25.00%	$164,650	$954,847	$3,003,639	$4,308,043	$4,142,477	6.87%	1.71702	$40,704	$205,354
Jun-10	$726,653	$8,993,182	$8,629,856	25.00%	$179,789	$1,134,635	$3,228,291	$4,630,256	$4,469,150	6.87%	1.71702	$43,914	$223,703
Jul-10	$726,653	$9,719,835	$9,356,509	25.00%	$194,927	$1,329,563	$3,446,724	$4,943,549	$4,786,902	6.87%	1.71702	$47,036	$241,964
Aug-10	$726,653	$10,446,488	$10,083,162	25.00%	$210,066	$1,539,629	$3,658,938	$5,247,922	$5,095,735	6.87%	1.71702	$50,071	$260,137
Sep-10	$726,653	$11,173,141	$10,809,815	25.00%	$225,204	$1,764,833	$3,864,933	$5,543,375	$5,395,648	6.87%	1.71702	$53,018	$278,222
Oct-10	$726,653	$11,899,794	$11,536,468	25.00%	$240,343	$2,005,176	$4,064,709	$5,829,909	$5,686,642	6.87%	1.71702	$55,877	$296,220
Nov-10	$726,653	$12,626,447	$12,263,121	25.00%	$255,482	$2,260,658	$4,258,266	$6,107,523	$5,968,716	6.87%	1.71702	$58,649	$314,131
Dec-10	$726,653	$13,353,100	$12,989,774	25.00%	$270,620	$2,531,278	$4,445,604	$6,376,217	$6,241,870	6.87%	1.71702	$61,333	$331,953
Jan-11	$0	$13,353,100	$13,353,100	25.00%	$278,190	$2,809,468	$4,331,324	$6,212,308	$6,294,263	6.87%	1.71702	$61,848	$340,037
Feb-11	$0	$13,353,100	$13,353,100	25.00%	$278,190	$3,087,657	$4,217,044	$6,048,399	$6,130,353	6.87%	1.71702	$60,237	$338,427
Mar-11	$0	$13,353,100	$13,353,100	25.00%	$278,190	$3,365,847	$4,102,764	$5,884,490	$5,966,444	6.87%	1.71702	$58,627	$336,816
Apr-11	$0	$13,353,100	$13,353,100	25.00%	$278,190	$3,644,036	$3,988,483	$5,720,580	$5,802,535	6.87%	1.71702	$57,016	$335,206
May-11	$0	$13,353,100	$13,353,100	25.00%	$278,190	$3,922,226	$3,874,203	$5,556,671	$5,638,626	6.87%	1.71702	$55,405	$333,595
Jun-11	$0	$13,353,100	$13,353,100	25.00%	$278,190	$4,200,416	$3,759,923	$5,392,762	$5,474,716	6.87%	1.71702	$53,795	$331,984
Jul-11	$0	$13,353,100	$13,353,100	25.00%	$278,190	$4,478,605	$3,645,642	$5,228,852	$5,310,807	6.87%	1.71702	$52,184	$330,374
Aug-11	$0	$13,353,100	$13,353,100	25.00%	$278,190	$4,756,795	$3,531,362	$5,064,943	$5,146,898	6.87%	1.71702	$50,574	$328,763
Sep-11	$0	$13,353,100	$13,353,100	25.00%	$278,190	$5,034,984	$3,417,082	$4,901,034	$4,982,988	6.87%	1.71702	$48,963	$327,153
Oct-11	$0	$13,353,100	$13,353,100	25.00%	$278,190	$5,313,174	$3,302,802	$4,737,124	$4,819,079	6.87%	1.71702	$47,353	$325,542
Nov-11	$0	$13,353,100	$13,353,100	25.00%	$278,190	$5,591,364	$3,188,521	$4,573,215	$4,655,170	6.87%	1.71702	$45,742	$323,932
Dec-11	$0	$13,353,100	$13,353,100	25.00%	$278,190	$5,869,553	$3,074,241	$4,409,306	$4,491,260	6.87%	1.71702	$44,131	$322,321
Jan-12	$0	$13,353,100	$13,353,100	25.00%	$278,190	$6,147,743	$2,959,961	$4,245,397	$4,327,351	6.87%	1.71702	$42,521	$320,710
Feb-12	$0	$13,353,100	$13,353,100	25.00%	$278,190	$6,425,932	$2,845,680	$4,081,487	$4,163,442	6.87%	1.71702	$40,910	$319,100
Mar-12	$0	$13,353,100	$13,353,100	25.00%	$278,190	$6,704,122	$2,731,400	$3,917,578	$3,999,533	6.87%	1.71702	$39,300	$317,489
Apr-12	$0	$13,353,100	$13,353,100	25.00%	$278,190	$6,982,311	$2,617,120	$3,753,669	$3,835,623	6.87%	1.71702	$37,689	$315,879
May-12	$0	$13,353,100	$13,353,100	25.00%	$278,190	$7,260,501	$2,502,840	$3,589,759	$3,671,714	6.87%	1.71702	$36,078	$314,268
Jun-12	$0	$13,353,100	$13,353,100	25.00%	$278,190	$7,538,691	$2,388,559	$3,425,850	$3,507,805	6.87%	1.71702	$34,468	$312,657
Jul-12	$0	$13,353,100	$13,353,100	25.00%	$278,190	$7,816,880	$2,274,279	$3,261,941	$3,343,895	6.87%	1.71702	$32,857	$311,047
Aug-12	$0	$13,353,100	$13,353,100	25.00%	$ 278,190	$8,095,070	$2,159,999	$3,098,031	$3,179,986	6.87%	1.71702	$31,247	$309,436
Sep-12	$0	$13,353,100	$13,353,100	25.00%	$ 278,190	$8,373,259	$2,045,719	$2,934,122	$3,016,077	6.87%	1.71702	$29,636	$307,826

PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS
REGIONAL GREENHOUSE GAS INITIATIVE ("RGGI")

Cost Recoveries

	Therms	Rate w/o tax	Recovery
Aug-09	14,216,957	$0.0076	$107,926
Sep-09	12,829,450	$0.0076	$97,393
Oct-09	15,250,897	$0.0076	$115,775
Nov-09	32,229,008	$0.0076	$244,663
Dec-09	50,748,838	$0.0076	$385,254
Jan-10	66,301,556	$0.0076	$503,320
Feb-10	69,993,755	$0.0076	$531,349
Mar-10	58,355,970	$0.0076	$443,002
Apr-10	36,969,487	$0.0076	$280,649
May-10	22,469,244	$0.0076	$170,573
Jun-10	17,908,407	$0.0076	$135,950
Jul-10	14,330,801	$0.0076	$108,791
Aug-10	14,216,957	$0.0076	$107,926
Sep-10	12,829,450	$0.0076	$97,393
14 Mos	438,650,777		$3,329,965
Oct-10	15,250,897	$0.0101	$153,351
Nov-10	32,229,008	$0.0101	$324,070
Dec-10	50,748,838	$0.0101	$510,291
Jan-11	66,301,556	$0.0101	$666,677
Feb-11	69,993,755	$0.0101	$703,803
Mar-11	58,355,970	$0.0101	$586,783
Apr-11	36,969,487	$0.0101	$371,737
May-11	22,469,244	$0.0101	$225,933
Jun-11	17,908,407	$0.0101	$180,073
Jul-11	14,330,801	$0.0101	$144,100
Aug-11	14,216,957	$0.0101	$142,955
Sep-11	12,829,450	$0.0101	$129,003
12 Mos	411,604,370		$4,138,777
Oct-11	15,250,897	$0.0092	$140,806
Nov-11	32,229,008	$0.0092	$297,560
Dec-11	50,748,838	$0.0092	$468,547
Jan-12	66,301,556	$0.0092	$612,140
Feb-12	69,993,755	$0.0092	$646,229
Mar-12	58,355,970	$0.0092	$538,781
Apr-12	36,969,487	$0.0092	$341,327
May-12	22,469,244	$0.0092	$207,451
Jun-12	17,908,407	$0.0092	$165,342
Jul-12	14,330,801	$0.0092	$132,312
Aug-12	14,216,957	$0.0092	$131,260
Sep-12	12,829,450	$0.0092	$118,450
12 Mos	411,604,370		$3,800,207

PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS
REGIONAL GREENHOUSE GAS INITIATIVE ("RGGI")

Over / Under Recovered Carrying Cost Rate
Weighted Average Cost of Borrowing
12 Months Ended

	Rates: Commercial Paper	Bank Credit Lines	Ratio: Commercial Paper	Bank Credit Lines	After Tax Wtd. Avg. Cost of Borrowing. (1)
a	b	c	d	e	f=(b*d+c*e)*(1-.4085)
Aug-09	0.82%	0.00%	100.00%	0.00%	0.49%
Sep-09	0.82%	0.00%	100.00%	0.00%	0.49%
Oct-09	0.82%	0.00%	100.00%	0.00%	0.49%
Nov-09	0.82%	0.00%	100.00%	0.00%	0.49%
Dec-09	0.82%	0.00%	100.00%	0.00%	0.49%
Jan-10	0.82%	0.00%	100.00%	0.00%	0.49%
Feb-10	0.82%	0.00%	100.00%	0.00%	0.49%
Mar-10	0.82%	0.00%	100.00%	0.00%	0.49%
Apr-10	0.82%	0.00%	100.00%	0.00%	0.49%
May-10	0.82%	0.00%	100.00%	0.00%	0.49%
Jun-10	0.82%	0.00%	100.00%	0.00%	0.49%
Jul-10	0.82%	0.00%	100.00%	0.00%	0.49%
Aug-10	0.82%	0.00%	100.00%	0.00%	0.49%
Sep-10	0.82%	0.00%	100.00%	0.00%	0.49%
Oct-10	0.82%	0.00%	100.00%	0.00%	0.49%
Nov-10	0.82%	0.00%	100.00%	0.00%	0.49%
Dec-10	0.82%	0.00%	100.00%	0.00%	0.49%
Jan-11	0.82%	0.00%	100.00%	0.00%	0.49%
Feb-11	0.82%	0.00%	100.00%	0.00%	0.49%
Mar-11	0.82%	0.00%	100.00%	0.00%	0.49%
Apr-11	0.82%	0.00%	100.00%	0.00%	0.49%
May-11	0.82%	0.00%	100.00%	0.00%	0.49%
Jun-11	0.82%	0.00%	100.00%	0.00%	0.49%
Jul-11	0.82%	0.00%	100.00%	0.00%	0.49%
Aug-11	0.82%	0.00%	100.00%	0.00%	0.49%
Sep-11	0.82%	0.00%	100.00%	0.00%	0.49%
Oct-11	0.82%	0.00%	100.00%	0.00%	0.49%
Nov-11	0.82%	0.00%	100.00%	0.00%	0.49%
Dec-11	0.82%	0.00%	100.00%	0.00%	0.49%
Jan-12	0.82%	0.00%	100.00%	0.00%	0.82%
Feb-12	0.82%	0.00%	100.00%	0.00%	0.82%
Mar-12	0.82%	0.00%	100.00%	0.00%	0.82%
Apr-12	0.82%	0.00%	100.00%	0.00%	0.82%
May-12	0.82%	0.00%	100.00%	0.00%	0.82%
Jun-12	0.82%	0.00%	100.00%	0.00%	0.82%
Jul-12	0.82%	0.00%	100.00%	0.00%	0.82%
Aug-12	0.82%	0.00%	100.00%	0.00%	0.82%
Sep-12	0.82%	0.00%	100.00%	0.00%	0.82%

(1) The Company's weighted average interest rate obtained on its commercial paper and bank credit lines, when utilized.

PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS
REGIONAL GREENHOUSE GAS INITIATIVE ("RGGI")

Schedule of Spending

17 Months

	O&M Recoverable In Period Expended			Program Expenditures (1)			
	Customer Education	Dashboard IT	Total O&M	Customer Financing	Program Expenditures (1)	Program Total	Total
Aug-09	$64,706	$36,667	$101,373	$1,000,000	$726,653	$1,726,653	$1,828,025
Sep-09	$64,706	$36,667	$101,373	$0	$726,653	$726,653	$828,025
Oct-09	$64,706	$36,667	$101,373	$0	$726,653	$726,653	$828,025
Nov-09	$64,706	$36,667	$101,373	$0	$726,653	$726,653	$828,025
Dec-09	$64,706	$36,667	$101,373	$0	$726,653	$726,653	$828,025
Jan-10	$64,706	$36,667	$101,373	$0	$726,653	$726,653	$828,025
Feb-10	$64,706	$0	$64,706	$0	$726,653	$726,653	$791,359
Mar-10	$64,706	$0	$64,706	$0	$726,653	$726,653	$791,359
Apr-10	$64,706	$0	$64,706	$0	$726,653	$726,653	$791,359
May-10	$64,706	$0	$64,706	$0	$726,653	$726,653	$791,359
Jun-10	$64,706	$0	$64,706	$0	$726,653	$726,653	$791,359
Jul-10	$64,706	$0	$64,706	$0	$726,653	$726,653	$791,359
Aug-10	$64,706	$0	$64,706	$0	$726,653	$726,653	$791,359
Sep-10	$64,706	$0	$64,706	$0	$726,653	$726,653	$791,359
Oct-10	$64,706	$0	$64,706	$0	$726,653	$726,653	$791,359
Nov-10	$64,706	$0	$64,706	$0	$726,653	$726,653	$791,359
Dec-10	$64,706	$0	$64,706	$0	$726,653	$726,653	$791,359
	$1,100,000	$220,000	$1,320,000	$1,000,000	$12,353,100	$13,353,100	$14,673,100

(1) Amortized over four years on TK-3.

APPENDIX D

Minimum Filing Requirements

1. Direct FTE employment impacts as defined in Paragraph 28 of the Stipulation, including a breakdown by sub-program.
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.
3. For the review period, actual revenues, by month and by rate class recorded under the programs.
4. Monthly beginning and ending clause balances, as well as the average balance net of tax for the 12-month period.
5. The interest rate used each month for over/under recoveries, and all supporting documentation and calculations for the interest rate.
6. The interest expense to be charged or credited to ratepayers each month.
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.
8. The monthly journal entries relating to regulatory asset and O&M expenses for the 12 month review period.
9. Supporting details for all administrative costs included in the revenue requirement.
10. Information supporting the carrying cost used for the unamortized costs.
11. Number of program participants, including a breakdown by sub-program.
12. Estimated demand and energy savings, including a breakdown by sub-program.
13. Emissions reductions from the Program, including a breakdown by sub-program.
14. Estimated free ridership and spillover.
15. Participant costs (net of utility incentives), including a breakdown by sub-program.
16. Results of program evaluations, including a breakdown by sub-program.

PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS

REGIONAL GREENHOUSE GAS INITIATIVE ("RGGI")

Residential Bill Comparisons

		Rate Change August 1, 2009 $0.0081				Year 3 - Estimated Max $0.0098			
	Usage Therms	Present Rates / Bill	New Rates / Bill	Increase / (Decrease)	Percent Change	Present Rates / Bill	New Rates / Bill	Increase / (Decrease)	Percent Change
Residential Distribution Service (RDS)									
Service Charge		$7.55	$7.55			$7.55	$7.55		
Distribution Charge, per Therm									
First 35 Therms		$0.3679	$0.3679			$0.3679	$0.3679		
Over 35 Therms		$0.2675	$0.2675			$0.2675	$0.2675		
Riders, per Therm *		$1.3392	$1.3473	$0.0081		$1.3392	$1.3490	$0.0098	
	10	$24.62	$24.70	$0.08	0.3%	$24.62	$24.72	$0.10	0.4%
	15	$33.16	$33.28	$0.12	0.4%	$33.16	$33.30	$0.14	0.4%
	25	$50.23	$50.43	$0.20	0.4%	$50.23	$50.47	$0.24	0.5%
	50	$91.40	$91.80	$0.40	0.4%	$91.40	$91.89	$0.49	0.5%
	100	$171.73	$172.54	$0.81	0.5%	$171.73	$172.71	$0.98	0.6%
	150	$252.07	$253.28	$1.21	0.5%	$252.07	$253.54	$1.47	0.6%
	250	$412.74	$414.76	$2.02	0.5%	$412.74	$415.19	$2.45	0.6%

PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS

REGIONAL GREENHOUSE GAS INITIATIVE ("RGGI")

Commercial Bill Comparisons

			Rate Change August 1, 2009 $0.0081				Year 3 - Estimated Max $0.0098			
		Usage Therms	Present Rates / Bill	New Rates / Bill	Increase / (Decrease)	Percent Change	Present Rates / Bill	New Rates / Bill	Increase / (Decrease)	Percent Change
Small General Service (SGS)										
Service Charge			**$16.15**	**$16.15**			**$16.15**	**$16.15**		
Distribution Charge, per Therm			**$0.2978**	**$0.2978**			**$0.2978**	**$0.2978**		
Riders, per Therm			**$1.3399**	**$1.3480**	**$0.0081**		**$1.3399**	**$1.3497**	**$0.0098**	
		10	$32.53	$32.61	$0.08	0.2%	$32.53	$32.63	$0.10	0.3%
		15	$40.72	$40.84	$0.12	0.3%	$40.72	$40.86	$0.15	0.4%
		25	$57.09	$57.30	$0.21	0.4%	$57.09	$57.34	$0.25	0.4%
		50	$98.04	$98.44	$0.40	0.4%	$98.04	$98.53	$0.49	0.5%
		100	$179.92	$180.73	$0.81	0.5%	$179.92	$180.90	$0.98	0.5%
		150	$261.81	$263.02	$1.21	0.5%	$261.81	$263.28	$1.47	0.6%
		200	$343.69	$345.31	$1.62	0.5%	$343.69	$345.65	$1.96	0.6%
General Delivery General Service (GDS)										
Service Charge			**$16.15**	**$16.15**			**$16.15**	**$16.15**		
Demand Charge per Therm			**$0.810**	**$0.810**			**$0.810**	**$0.810**		
Distribution Charge, per Therm			**$0.1954**	**$0.1954**			**$0.1954**	**$0.1954**		
Riders, per Therm			**$0.6788**	**$0.6869**	**$0.0081**		**$0.6788**	**$0.6886**	**$0.0098**	
	DCQ	Therms								
	15	300	$290.56	$292.99	$2.43	0.8%	$290.56	$293.50	$2.94	1.0%
	20	400	$382.03	$385.27	$3.24	0.8%	$382.03	$385.95	$3.92	1.0%
	25	500	$473.50	$477.55	$4.05	0.9%	$473.50	$478.40	$4.90	1.0%
	50	1,000	$930.85	$938.95	$8.10	0.9%	$930.85	$940.65	$9.80	1.1%
	149	3,000	$2,759.44	$2,783.74	$24.30	0.9%	$2,759.44	$2,788.84	$29.40	1.1%
	249	5,000	$4,588.84	$4,629.34	$40.50	0.9%	$4,588.84	$4,637.84	$49.00	1.1%
	498	10,000	$9,161.53	$9,242.53	$81.00	0.9%	$9,161.53	$9,259.53	$98.00	1.1%

Demand Charge at
66.0% Load Profile

APPENDIX F

RGGI	Program Admin	Residential Audits Tier 1	Energy cost cutter kit	Thermostats	Residential (HVAC only)	Residential (AWH & TWH)	Residential Tier 3 (Whole house)	Residential Tier 3 (AWH & TWH)	Commercial incentive and repayment under 200KW	Commercial incentive and repayment over 200KW	Commercial (AWH)	CHP	Gas Cooling
Participants	N/A	3400	3400	2040	2900	1250	300	300	30	25	55	3	3
Man-Days Per job	N/A	0.33	0.02	0.02	1.50	0.75	3.00	0.75	7.00	14.00	0.75	730.00	120.00
Work days needed	227	1122	71	41	4350	937.5	900	225	210	350	41.25	2190	360
Available works days per year	227.00	227.00	227.00	227.00	227.00	227.00	227.00	227.00	227.00	227.00	227.00	227.00	227.00
Total Estimated jobs created	1.0	4.9	0.3	0.2	19.2	4.1	4.0	1.0	0.9	1.5	0.2	9.6	1.6
ETG Positions	1.0	4.0	-	-	-	-	-	-	-	-	-	-	-
Contractor Positions	-	0.9	0.3	0.2	19.2	4.1	4.0	1.0	0.9	1.5	0.2	9.6	1.6

Total estimated contractor jobs created	44
Total estimated ETG jobs created	5
Total	49

RGGI	Residential Audits Tier 1	Energy cost cutter kit	Thermostats	Residential Tier 2 (air duct sealing)	Residential (HVAC only)	Residential (AWH & TWH)	Residential Tier 3 (Whole house)	Residential Tier 3 (AWH & TWH)	Commercial incentive and repayment under 200KW	Commercial incentive and repayment over 200KW	Commercial (AWH)	CHP	Gas Cooling
Participants	3400	3400	2040	250	2900	1250	500	500	30	25	55	3	3
Man-Days Per job	0.33	0.02	0.02	1.00	1.50	0.75	3.00	0.75	7.00	14.00	0.75	730.00	120.00
Work days needed	1122	71	41	250	4350	937.5	1500	375	210	350	41.25	2190	360
Available works days per year	227.00	227.00	227.00	227.00	227.00	227.00	227.00	227.00	227.00	227.00	227.00	227.00	227.00
Estimated contractor jobs created	4.9	0.3	0.2	1.1	19.2	4.1	6.6	1.7	0.9	1.5	0.2	9.6	1.6

Total estimated contractor jobs created	52
ETG Additions	1
Total	53

PUBLIC UTILITY STIMULUS FILINGS
JOB CREATION SURVEY INSTRUCTIONS

IN THE MATTER OF ______________________________________.

DOCKET NO. ______________

PART A: Program information

Please provide the following information related to each program contained in the Company's Energy Efficiency filing:

(1) **Budget**
(2) **Total time**
(3) **Type of building**
(4) **Number of projects**

PART B: Typical project

In order to provide a better understanding of the Company's estimates, the following questions ask about a typical project under this filing:

(1) **What is the size of a typical or average project in this program? Indicate the estimate in square feet.**
(2) **How much will the typical project described above cost to complete?**
(3) **How long (in days) will it take to complete the typical project described above?**
(4) **What is the total number of workers (FTE) needed to complete this project?**

PART C: Jobs

The Company's filing indicated the total number of jobs that will be necessary to complete this project. This section asks more detailed questions about those.

(1) ***Total number of jobs from filing:*** **Please identify the total number of jobs created listed in the Company's filing. Please update if this figure has changed.**

(2) ***Source of formula for jobs estimate:*** **What is the source or formula the Company used to create the job projects? Please include supporting documentation.**

(3) ***Occupation title:*** **What is the title of the occupation?**

(4) ***Total jobs:*** **Please provide the average number of people in this position the Company estimates will be needed for the program. Also provide the Company's minimum and maximum estimates, based on demand for this program.**

(5) ***New jobs:*** **Please provide the average number of new people in this position the Company estimates will be needed for the program. Also provide the Company's minimum and maximum estimates, based on demand for this program.**

PUBLIC UTILITY STIMULUS FILINGS
JOB CREATION SURVEY INSTRUCTIONS

(6) *Requirements:*

(a) *Minimum education:* What is the minimum education level needed for people in this occupation?

(b) *Certifications:* What types of certifications are necessary for people in this occupation, if any?

(c) *Skills:* What specific skills are necessary for people in this occupation?

(7) *Entry level:* Is this occupation one that can be filled by entry-level workers without training or experience? Check "Y" for YES or "N" for NO.

PART D: Contracts

Some of the work identified in the Company's filing will be contracted out. This section asks specific questions about these proposed contracts.

(1) *Type of contract:* What type of business services will this contract target?

(2) *Number of this type:* How many contracts of this type do you expect to make?

(3) *Number of projects:* How many projects will be served by this type of contract?

(4) *Estimated number of workers:* How many workers will be employed by this contract?

(5) *Estimated number of new workers:* How many new workers will be hired to fulfill this contract?

(6) *Occupation titles of workers:* What are the specific occupation titles of workers who will be help fulfill this contract?

PART E: Comments

Please provide any additional information that will be helpful in evaluating the job creation portion of your filing.

[redacted]

PART A: Program information

Program:

Budget:
Total time:
Type of building:
Number of projects:

PART B: Typical project

(1) Size of a typical building project for this program: ________ sq ft.
(2) Cost of a typical project, as described in (1), above: $________
(3) Time (in days) to complete this typical project: ________ days
(4) Number of workers needed for typical project: ________ workers

PART C: Jobs

(1) Total number of jobs from filing: <from filing>

(2) Source of formula for jobs estimate (please attach documentation): ____________________

(3) Occupation title	(4) total jobs: min	mean	max	(5) new jobs: min	mean	max	(6) Requirements: (a) Minimum education	(b) Certifications	(c) Skills	(7) Entry level: Y	N
										Y	N
										Y	N
										Y	N
										Y	N
										Y	N
										Y	N
										Y	N
										Y	N
										Y	N
										Y	N
										Y	N
										Y	N
										Y	N
										Y	N
										Y	N

PART D: Contracts

(1) Type of contract	(2) Number of this type	(3) Number of workers	(4) Estimated number of workers	(5) Estimated number of new workers	(6) Occupation titles of workers

PART E: Comments