



Agenda Date: 08/15/12

Agenda Item: 2G

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

DIVISION OF ENERGY AND
OFFICE OF CLEAN ENERGY

IN THE MATTER OF THE PETITION OF SOUTH JERSEY)
GAS COMPANY FOR APPROVAL OF AN ENERGY)
EFFICIENCY PROGRAM ("EEP") WITH AN ASSOCIATED)
ENERGY EFFICIENCY TRACKER ("EET") PURSUANT)
TO N.J.S.A. 48:3-98.1)

ORDER DESIGNATING
COMMISSIONER, APPROVING
SCHEDULE AND SETTING
MANNER OF SERVICE

DOCKET NO. GO12050363

(NOTIFICATION LIST ATTACHED)

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

BY THE BOARD:

BACKGROUND AND PROCEDURAL HISTORY

On January 13, 2008, L. 2007, c. 340 ("Act") was signed into law by former Governor Corzine based on the New Jersey Legislature's findings that energy efficiency and conservation measures must be essential elements of the State's energy future, and that greater reliance on energy efficiency and conservation will provide significant benefits to the citizens of New Jersey. The Legislature also found that public utility involvement and competition in the conservation and energy efficiency industries are essential to maximize efficiencies. N.J.S.A. 26:2C-45.

Pursuant to Section 13 of the Act, codified as N.J.S.A. 48:3-98.1 (a)(1), an electric or gas public utility may, among other things, provide and invest in energy efficiency and conservation programs in its service territory on a regulated basis. Such investment in energy efficiency and conservation programs may be eligible for rate treatment approved by the New Jersey Board of Public Utilities ("Board"), including a return on equity, or other incentives or rate mechanisms that decouple utility revenue from sales of electricity and gas. N.J.S.A. 48:3-98.1(b). Ratemaking treatment may include placing appropriate technology and program cost investments in the utility's rate base, or recovering the utility's technology and program costs through another ratemaking methodology approved by the Board. An electric or gas public utility seeking cost recovery for any energy efficiency and conservation programs pursuant to N.J.S.A. 48:3-98.1 must file a petition with the Board.

By Order dated July 24, 2009, the Board authorized South Jersey Gas Company ("SJG" or "Company") to implement five energy efficiency programs: 1) Enhanced Residential Heating, Ventilation, and Air Conditioning ("HVAC") Rebate; 2) Residential Home Performance Finance; 3) Combined Heat and Power ("CHP"); 4) Commercial Customer Direct Install Financing; and 5) Non-Residential Energy Efficiency Investment as part of former Governor Corzine's Economic Stimulus Plan announced in October 2008¹ ("Original Programs"). The programs were designed to complement or supplement existing New Jersey Clean Energy Program ("NJCEP") offerings. The SJG programs were to be available to eligible customers for approximately twenty-one (21) months.

By Order dated January 19, 2011, the Board authorized SJG to extend the Original Programs and carryover individual program under-spending of the Original Programs through December 31, 2011² ("January 2011 Order"). The January 2011 Order also allowed an extension of SJG's monthly program investment and operating and maintenance ("O&M") costs associated with the Original Programs to continue until April 30, 2012. In addition, the January 2011 Order also authorized the Company to reallocate money within the Original Programs.

May 2012 Filing

On May 3, 2012, SJG filed the instant petition with the Board. By letter dated June 1, 2012, Board Staff notified SJG that the filing was administratively incomplete. On July 18, 2012, SJG submitted a supplemental filing to address the deficiencies outlined in the June 1, 2012 letter from Staff. On July 23, 2012, Board Staff notified SJG that with the information submitted in the July 18, 2012 supplemental filing, the filing was administratively complete.³

In the filing, SJG requests approval of an Energy Efficiency Program ("EEP II") and to continue its Energy Efficiency Tracker ("EET") to recover all costs associated with the EEP II. SJG further requested that it be allowed to earn a return on and a return of investments associated with the EEP II. The proposed budget for the five programs included in the EEP is \$24,238,341 to be spent through December 2013. SJG proposes to recover the costs through a separate component of the Company's EET. Below is a summary of the requested sub-programs in the proposed EEP II and their associated budgets:

¹ I/M/O Energy Efficiency Programs and Associated Cost Recovery Mechanisms AND I/M/O the Petition of South Jersey Gas Company for Approval of an Energy Efficiency Program ("EEP") with an Associated Energy Tracker ("EET") Pursuant to N.J.S.A. 48:3-98.1; and to Modify Rate Schedule EGS-LV, BPU Docket Nos. EO09010056 and GO09010059, Order dated July 24, 2009.

² I/M/O the Petition of South Jersey Gas Company for Approval of an Energy Efficiency Program with an Associated Energy Efficiency Tracker Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GO10110861, Order dated January 19, 2011.

³ 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, Board 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 period. 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 July 18, 2012.

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| 1. Enhanced Residential HVAC Energy Efficiency Program | \$14,528,424 |
| 2. Natural Gas Vehicle Grant Program | \$ 3,220,000 |
| 3. Social Marketing and Education Program | \$ 1,039,000 |
| 4. Non-Residential Energy Efficiency Finance and Incentive Program | \$ 2,387,317 |
| 5. Combined Heat and Power and Distributed Generation Technology | \$ 3,063,600 |

DISCUSSION

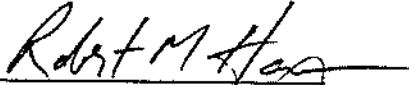
The Board has determined that the petition described above should be retained by the Board for hearing and, pursuant to N.J.S.A. 48:2-32, **HEREBY DESIGNATES** Commissioner Mary-Anna Holden as the presiding officer who is authorized to rule on all motions that arise during the pendency of these proceedings and modify any schedules that may be set as necessary to secure a just and expeditious determination of the issues.

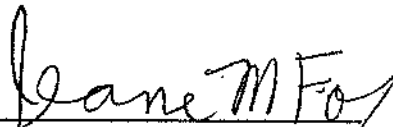
To expedite review of this matter while providing an opportunity for discovery and public comment, the Board **HEREBY ADOPTS** the schedule described on Attachment A which was developed after notice to the service list. This schedule is subject to modification by the Board or the designated presiding officer as necessary and appropriate in the interests of economy and justice.


Also in the interests of economy, all parties are **HEREBY DIRECTED** to serve all documents electronically, while still providing hard copies to the Board for those documents which must be filed with the Board, and also providing 2 hard copies to each party, unless otherwise requested by the parties. Finally, the Board **HEREBY DIRECTS** Staff to post this Order on the Board's website.

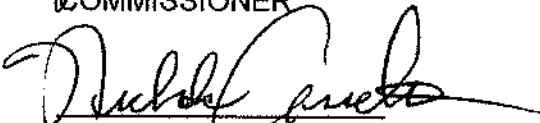
DATED: 8/15/12

BOARD OF PUBLIC UTILITIES
BY:


ROBERT M. HANNA
PRESIDENT


JEANNE M. FOX
COMMISSIONER

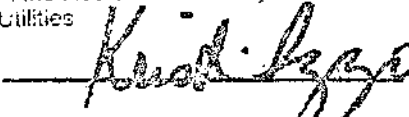

JOSEPH L. FIORDALISO
COMMISSIONER


NICHOLAS ASSELTA
COMMISSIONER


MARY-ANNA HOLDEN
COMMISSIONER

ATTEST:

KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities


In the Matter of the Petition of South Jersey Gas Company for Approval of an Energy Efficiency Program ("EEP") With an Associated Energy Efficiency Tracker ("EET"),
Pursuant to N.J.S.A. 48:3-98.1
DOCKET NO. GO12050363

NOTIFICATION LIST

BOARD OF PUBLIC UTILITIES		
Jerome May Board of Public Utilities 44 S. Clinton Avenue, 9 th Floor P.O. Box 350 Trenton, NJ 08625-0350	Alice Bator Board of Public Utilities 44 S. Clinton Avenue, 9 th Floor P.O. Box 350 Trenton, NJ 08625-0350	Michael Winka Board of Public Utilities 44 S. Clinton Avenue, 9 th Floor P.O. Box 350 Trenton, NJ 08625-0350
Mona Mosser Board of Public Utilities 44 S. Clinton Avenue, 9 th Floor P.O. Box 350 Trenton, NJ 08625-0350	Stacy Peterson Board of Public Utilities 44 S. Clinton Street, 9 th Floor P.O. Box 350 Trenton, NJ 08625	Andrea Reid Board of Public Utilities 44 S. Clinton Avenue, 9 th Floor P.O. Box 350 Trenton, NJ 08625-0350
Elizabeth Teng Board of Public Utilities 44 S. Clinton Avenue, 9 th Floor P.O. Box 350 Trenton, NJ 08625-0350	John Zarzycki Board of Public Utilities 44 S. Clinton Avenue, 9 th Floor P.O. Box 350 Trenton, NJ 08625-0350	Kristi Izzo, Secretary Board of Public Utilities 44 S. Clinton Avenue, 9 th Floor P.O. Box 350 Trenton, NJ 08625-0350
DIVISION OF RATE COUNSEL		
Stefanie A. Brand, Esq. Division of Rate Counsel 31 Clinton Street, 11 th Floor P.O. Box 46005 Newark, NJ 07101	Paul Flanagan, Esq. Division of Rate Counsel 31 Clinton Street, 11 th Floor P.O. Box 46005 Newark, NJ 07101	Felicia Thomas-Friel, Esq. Division of Rate Counsel 31 Clinton Street, 11 th Floor P.O. Box 46005 Newark, NJ 07101
Sarah H. Steindel, Esq. Division of Rate Counsel 31 Clinton Street, 11 th Floor P.O. Box 46005 Newark, NJ 07101	Christine Juarez, Esq. Division of Rate Counsel 31 Clinton Street, 11 th Floor P.O. Box 46005 Newark, NJ 07101	
DEPARTMENT OF LAW & PUBLIC SAFETY		
Caroline Vachier, DAG Division of Law 124 Halsey Street, P.O. Box 45029 Newark, NJ 07101	Babette Tenzer, DAG Division of Law 124 Halsey Street, P.O. Box 45029 Newark, NJ 07101	Alex Moreau, DAG Division of Law 124 Halsey Street, P.O. Box 45029 Newark, NJ 07101
Veronica Beke, DAG Division of Law 124 Halsey Street P.O. Box 45029 Newark, NJ 07101		

SJG

Ira G. Megdal, Esq.
Cozen O'Connor
457 Haddonfield Road
Suite 300
Cherry Hill, NJ 08002

Stephen Cocchi, Esq.
South Jersey Gas Company
One South Jersey Plaza
Route 54
Folsom, NJ 08037

Attachment A

Public Hearings	TBD
Board designates a Presiding Commissioner	August 15, 2012
Discovery Requests on Initial Testimony+	August 24, 2012
Motions to Intervene/Participate Due	August 30, 2012
Responses to Discovery on Initial Testimony	September 7, 2012
Opposition to Intervention/Participation Motions due	September 12, 2012
Discovery Conference	Week of September 17, 2012
Second Round of Discovery Due	September 28, 2012
Responses to Second Round of Discovery Due	October 12, 2012
Intervener/ Respondent Testimony Due	October 19, 2012
Discovery on Intervener/Respondent Testimony	October 26, 2012
Responses to Discovery on Intervener/Respondent Testimony	November 2, 2012
Rebuttal Testimony	November 9, 2012
Discovery on Rebuttal Testimony	November 16, 2012
Responses to Discovery on Rebuttal Testimony	November 21, 2012
Evidentiary Hearings (if necessary)*	Week of December 3, 2012
Position Papers Due	December 21, 2012
¹ Anticipated Board Action	January 2013 Agenda

+ - Petitioner agrees that discovery is ongoing and will endeavor to answer all discovery within seven business days of service.

* - Subject to Presiding Commissioner's availability. Interveners/respondents may present oral surrebuttal at evidentiary hearings.

¹ Settlement Conferences (as deemed appropriate by parties) Ongoing