



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

ENERGY

IN THE MATTER OF THE PETITION OF NEW JERSEY)
NATURAL GAS COMPANY FOR APPROVAL OF THE)
COST RECOVERY ASSOCIATED WITH ENERGY)
EFFICIENCY PROGRAM)

ORDER

ADOPTING STIPULATION

BPU DOCKET NO. GR10060383

AND

IN THE MATTER OF THE PETITION OF NEW JERSEY)
NATURAL GAS COMPANY FOR APPROVAL OF THE)
COST RECOVERY ASSOCIATED WITH ENERGY)
EFFICIENCY AND PRELIMINARY GREENHOUSE)
GAS INITIATIVE PROGRAMS)

BPU DOCKET NO. GR11060333

(NOTIFICATION LIST ATTACHED)

Tracey Thayer, Esq., Attorney for Petitioner, New Jersey Natural Gas Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On January 19, 2009, New Jersey Natural Gas Company ("NJNG" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board") requesting approval to develop and implement a number of energy-efficiency programs ("EE Program"). As part of its petition, the Company also requested that the Board approve a new cost recovery mechanism through which the Company would recover all EE Program costs through a per therm charge applicable to all jurisdictional throughput on the NJNG system. The Company proposed to implement this per therm charge through a new Energy Efficiency Rider ("EER") within its Tariff for Gas Service.

By Order dated July 17, 2009 ("July Order")¹, the Board approved the initial NJNG EE Program and the recovery of costs incurred, adopting the terms of the stipulation entered into among

¹ I/M/O Energy Efficiency Programs and Associated Cost Recovery Mechanisms and In the Matter of the Petition of New Jersey Natural Gas Company For Approval of Energy Efficiency Programs with an

representatives of NJNG, the New Jersey Division of Rate Counsel ("Rate Counsel")² and the Staff of Board ("Staff") (collectively, "Parties").

NJNG was also authorized to defer and recover all reasonable and prudent EE Program costs including rebate costs, customer incentive payments, customer financing costs and associated reasonable and prudent incremental operation and maintenance ("O&M") expenses ("Program Costs"). Pursuant to the July Order, the initial after-tax EER rate was established at \$0.0127 per therm. Additionally, as part of the authorized cost recovery mechanism, the Company was permitted to amortize for recovery its EE Program investments in customer rebates, incentive payments and customer financing over a four year period on a straight line basis, with the return on the unamortized investments based upon the Company's overall weighted average cost of capital ("WACC"), inclusive of taxes.

NJNG also proposed to recover the associated costs through Rider F of its existing Board approved Tariff, originally approved as the Energy Efficiency Rider ("EER") in the NJNG SAVEGREEN Project. The Company further requested that the rider be renamed the Energy Efficiency and Renewable Energy Rider ("EERE"), and that this would be the mechanism for the recovery of future approved RGGI costs, as well as for recovery of the remaining costs associated with the NJNG SAVEGREEN Project³.

By Order dated September 24, 2010 ("September 2010 Order")⁴, the Board approved NJNG's request to continue the EE Programs with minor modifications and the recovery of related costs incurred. The Board also approved the deferral and recovery of all Preliminary RGGI Program costs and the Company's request to maintain the current after-tax EER rate in Rider F of \$0.0127 per therm. Furthermore, the Board authorized NJNG to make two annual filings for the recovery of the Preliminary RGGI Program costs in June 2011 and June 2012. Based upon the September 2010 Order, the Company is authorized to amortize for rate recovery purposes its Preliminary RGGI investments in customer rebates and incentive payments over a five (5) year period on a straight line basis, and the customer financing over a ten (10) year period (this amortization is the responsibility of the participating customer), with the return on the unamortized investments based upon the Company's adjusted overall WACC, inclusive of income taxes as authorized by the Board in NJNG's most recent base rate case, BPU Docket No. GR07110889 (11.40 percent pretax and 7.76 percent after-tax).

In both the July 2009 and the September 2010 Orders, the Board authorized the Company to submit annual EE and Preliminary RGGI Program cost recovery filings by June 1 to establish future Rider F rates, targeting an effective date of the immediately following October 1. Those filings are to include updates to the initial Board approved EE Program based upon actual investment levels, operating costs and rate recoveries reconciled to actual costs during the prior periods.

Associated Cost Recovery Mechanism. BPU Docket Nos. EO09010056 and EO09010057. Order dated July 17, 2009.

²At the time this matter was being addressed, Rate Counsel was part of the Department of the Public Advocate.

³NJNG proposed to continue the SAVEGREEN programs and implement two newly proposed programs under N.J.S.A. 48:3-98.1 ("Preliminary RGGI Programs").

⁴I/M/O the Petition of New Jersey Natural Gas Company for Approval of Regional Greenhouse Gas Initiative Programs and Associated Cost Recovery Mechanisms Pursuant to N.J.S.A.48:3-98.1 BPU Docket No. GO10030225. Order dated September 24, 2010.

On June 1, 2010, in Docket No. GR10060383, NJNG submitted its initial annual filing seeking the Board's approval to recover the costs associated with the EE Program and to continue the Company's current EE recovery rate of \$0.0127 per therm on an after-tax basis (\$0.0119 pre-tax) until the next annual EE Program rate recovery filing.

Pursuant to the September 2010 Order, NJNG submitted an annual recovery filing on June 1, 2011 in Docket No. GR11060333 ("June 2011 Filing") seeking approval to recover costs associated with both the EE Program and the Preliminary RGGI Program, and to reduce the current EE recovery rate of \$0.0127 per therm on an after-tax basis to \$0.0052 after-tax.

On July 15, 2011, NJNG amended the June 2011 Filing, seeking Board approval to instead maintain the current EE recovery rate of \$0.0127 per therm after-tax. The rate proposed for the EE Program for the period October 1, 2011 through September 2012, was designed to recover approximately \$7.403 million in revenue on an annual basis. The proposed rate would be applicable to all rate schedules and applied equally to customer bills on a per therm basis.

After publication of notice in newspapers in general circulation in its service territory, four public hearings were held on the amended June 2011 Filing for the EE Program and the Preliminary RGGI Program. Two hearings at 4:30 and 5:30 p.m. on August 23, 2011, were held in Rockaway Township, and hearings at 4:30 p.m. and 5:30 p.m. on August 24, 2011, were held in Freehold Township. No members of the public appeared at any of the public hearings.

STIPULATION

NJNG, Rate Counsel and Staff actively participated in discovery and settlement negotiations which ultimately resulted in the execution of a stipulation ("Stipulation") on August 2, 2012. The Parties have agreed to the following salient terms:

9. NJNG is authorized to recover the costs associated with the EE Program and the Preliminary RGGI Program for costs incurred through December 31, 2011. The current Board approved EE rate of \$0.0127 per therm on an after-tax basis (\$0.0119 pre-tax) pursuant to the terms of Rider F shall remain in effect, as of the effective date of the Board adopting this Stipulation and until changed by future Board Order. The costs incurred through December 2011, and recovered through this rate, include the amortization of rebate costs and customer incentives, associated reasonable and prudent incremental O&M expenses, and a return on the unamortized balances as noted above and authorized in the July 2009 and September 2010 Orders.

10. As authorized in the July 2009 and September 2010 Orders, any variance between costs and recoveries will accrue interest at a rate equal to the Company's monthly commercial rate. In the event that commercial paper was not utilized by the Company in the preceding month, the last calculated rate will be used. The interest rate shall not exceed the Company's rate of return as authorized by the Board in the Company's most recent base rate case, BPU Docket No. GR07110889, or until changed by Board Order. Interest on over/under recoveries will be calculated using simple interest, based on the average beginning and ending over/under recovery balances for the month, on a net-of-tax basis. The sum of the monthly interest to be collected from or credited to ratepayers will be included in the rate calculations for the next EE rate filing.

11. Beginning as of October 1, 2011, NJNG will recalculate the monthly net investment balances (upon which the monthly rate of return numbers are being determined), by subtracting from the month-end investment balances the corresponding month-end accumulated

amortization balances. The impact of these re-calculated monthly net investment balances shall be reflected in the over-or under-recovery balance. Attached hereto as Exhibit 1 is a schedule showing the Company's re-calculations of the monthly net investment balances through May 31, 2012. The Company shall utilize the net investment balance method described above in future filings related to the determination of the EE rate.


DISCUSSION AND FINDING

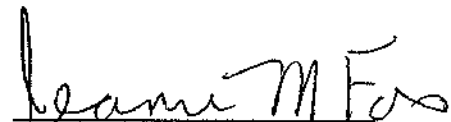
The Board has carefully reviewed the record to date in this matter including the petitions, responses and the Stipulation. Based on that review, the Board **HEREBY FINDS** the Stipulation to be reasonable, in the public interest and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Stipulation in its entirety, and **HEREBY INCORPORATES** its terms and conditions as though fully stated herein. The Board **HEREBY DIRECTS** the Parties to comply with the terms and conditions of the Stipulation and **HEREBY ORDERS** that the current EE rate remain in effect until changed by further Order. NJNG is **HEREBY ORDERED** to file final compliance tariffs within five (5) days of service of this Order.


The Board Order shall become effective upon the date that it is served.


DATED: 8/15/12

BOARD OF PUBLIC UTILITIES
BY:


ROBERT M. HANNA
PRESIDENT


JEANNE M. FOX
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER

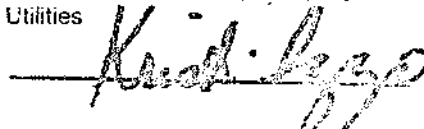

NICHOLAS ASSELTA
COMMISSIONER


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 NEW JERSEY NATURAL GAS COMPANY FOR APPROVAL
OF THE COST RECOVERY ASSOCIATED WITH ENERGY EFFICIENCY PROGRAMS AND IN THE
MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY FOR APPROVAL OF THE
COST RECOVERY ASSOCIATED WITH ENERGY EFFICIENCY AND PRELIMINARY GREENHOUSE
GAS INITIATIVE PROGRAMS

BPU Docket Nos. GR10060383 and GR11060333

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

**IN THE MATTER OF THE PETITION OF
NEW JERSEY NATURAL GAS COMPANY
FOR APPROVAL OF THE COST
RECOVERY ASSOCIATED WITH
ENERGY EFFICIENCY PROGRAMS**

BPU DOCKET NO. GR10060383

AND

**IN THE MATTER OF THE PETITION OF
NEW JERSEY NATURAL GAS COMPANY
FOR APPROVAL OF THE COST RECOVERY
ASSOCIATED WITH ENERGY EFFICIENCY
AND PRELIMINARY GREENHOUSE GAS
INITIATIVE PROGRAMS**

BPU DOCKET NO. GR11060333

STIPULATION

APPEARANCES:

Tracey Thayer, Esq., New Jersey Natural Gas Company for the Petitioner, New Jersey Natural Gas Company

Kurt Lewandowski, Sarah H. Steindel, and Christine Juarez Esq., Assistant Deputy Rate Counsels, New Jersey Division of Rate Counsel (**Stefanie A. Brand, Esq.**, Director)

Alex Moreau and Veronica Beke, Deputy Attorneys General, for the Staff of the New Jersey Board of Public Utilities (**Jeffrey S. Chiesa**, Attorney General of New Jersey)

TO: THE NEW JERSEY BOARD OF PUBLIC UTILITIES

BACKGROUND

1. On January 19, 2009, New Jersey Natural Gas Company ("NJNG" or the "Company") filed a petition (the "Petition") in Docket Nos. EO09010056 and GR09010057 requesting approval from the New Jersey Board of Public Utilities (the "Board" or "BPU") to

develop and implement a number of energy-efficiency programs (the "EE Program"). As part of its Petition, the Company also requested that the Board approve a new cost recovery mechanism through which the Company would recover all EE Program costs, including the costs of certain rebates, customer incentives, customer financing costs and associated incremental operations and maintenance ("O&M") expenses through a per therm charge applicable to all jurisdictional throughput on the NJNG system. The Company proposed to implement this per therm charge through a new Energy Efficiency Rider ("EE") within its Tariff for Gas Service.

2. Pursuant to an Order in the above EE Petition dated July 17, 2009 ("July 2009 Order"), the Board approved the initial NJNG EE Program (operated through NJNG's The SAVEGREEN™ Project) and the recovery of costs incurred, adopting the terms of the Stipulation entered into among representatives of NJNG, the New Jersey Division of Rate Counsel ("Rate Counsel")¹ and the Staff of the BPU ("BPU Staff"). Accordingly, NJNG is authorized to defer and recover all reasonable and prudent EE Program costs, including rebate costs, customer incentive payments, customer financing costs and associated reasonable and prudent incremental O&M expenses. Furthermore, the Company is authorized to amortize for rate recovery purposes its EE Program participant investments over a four-year period on a straight-line basis with the return on the unamortized investment balances based upon NJNG's overall weighted average cost of capital ("WACC") of 7.76 percent (11.44 percent inclusive of taxes), as authorized by the Board in the Company's most recent base rate case, Docket No. GR07110889. It was agreed that the rebate costs, customer incentive costs, customer financing costs and associated O&M expenses are subject to recovery pursuant to the terms of Rider F within NJNG's Tariff ("Rider

¹ At the time this matter was being addressed, Rate Counsel was part of the Department of the Public Advocate.

F”). Based on the agreed-upon terms adopted by the Board in the July 2009 Order, the initial after-tax EE rate in Rider F was established at \$0.0127 (\$0.0119 pre-tax) per therm.

3. Prior to the conclusion of the initially approved term of the EE Programs, NJNG submitted a filing with the BPU in Docket No. GO10030225, seeking approval of a number of energy-efficiency programs, including those encompassed within SAVEGREEN, and a renewable energy program (the “RGGI Programs), pursuant to N.J.S.A. 26:2C-45 and N.J.S.A. 48:3-98.1 (the “RGGI Filing”). The Board issued an Order dated September 24, 2010 (“September 2010 Order”) in that case, adopting the terms of a Stipulation entered into by NJNG, BPU Staff and Rate Counsel (the “Parties”) in which NJNG agreed to continue the SAVEGREEN programs with minor modifications and implement two of the newly proposed programs (“Preliminary RGGI Programs”). The Parties agreed that NJNG could reserve several other proposals for consideration should the Company decide to seek Board approval for those programs in the future.² In the September 2010 Order, the Board also approved the deferral and recovery of all Preliminary RGGI Program Costs as well as the Company’s request to maintain the current after-tax EE rate in Rider F of \$0.0127 per therm, pending the next annual rate filing to establish future EE rates. The Order also included approval of the Company’s request to dismiss the issues that had previously been reserved.

4. Based on the September 2010 Order, the Company is authorized to amortize for rate recovery purposes its Preliminary RGGI investments in customer rebates and incentive payments over a five (5) year period on a straight line basis, and the customer financing over a ten (10) year period (this amortization is the responsibility of the participating customer), with the return on the unamortized investments based upon the Company’s adjusted overall WACC,

² On January 7, 2011, NJNG submitted a letter officially withdrawing the Solar Energy Program, one of the reserved proposals, from future consideration.

inclusive of income taxes as authorized by the Board in NJNG's most recent base rate case, BPU Docket No. GR07110889 (11.40 percent³ pre-tax and 7.76 percent after-tax)⁴. NJNG computes the return component of its costs, in addition to the amortization of its investments, by deducting the applicable deferred income taxes related to the amortization of rebates, incentives and financing costs over a five-year and ten-year period for book purposes and over a one year period for tax purposes.

5. In both the July 2009 and the September 2010 Orders, the Board authorized the Company to submit annual EE and Preliminary RGGI Program cost recovery filings by June 1 to establish future Rider F rates, targeting an effective date of the immediately following October 1. Those filings are to be made coincident with but separate from NJNG's annual Basic Gas Supply Service filings and are to include updates to the EE Program and the Preliminary RGGI Program Based upon actual investment levels, operating costs, and rate recoveries reconciled to actual costs during the prior period(s).

6. Based on the July 2009 Order, NJNG submitted its first annual filing for EE Program recovery on June 1, 2010 in Docket No. GR10060383, seeking the Board's approval to recover the costs associated with the EE Program and to continue the Company's then- current EE recovery rate of \$0.0127 per therm on an after-tax basis (\$0.0119 pre-tax) until the next annual EE Program rate recovery filing. Discovery questions in that matter were propounded and the Company has responded thereto.

7. Pursuant to the September 2010 Order, NJNG submitted an annual recovery filing on June 1, 2011 in Docket No. GR11060333 ("June 2011 Filing"), seeking approval to recover

³ The originally approved 11.44 percent pre-tax rate was reduced to 11.40 percent pre-tax due to the elimination of state Corporate Business Sur-tax.

costs associated with both the EE Program and the Preliminary RGGI Program and to reduce the then-current EE recovery rate of \$0.0127 per therm on an after-tax basis to \$0.0052 after-tax. On July 14, 2011, to avoid a possible future rate increase associated with an NJNG filing to continue the SAVEGREEN programs through December 31, 2012 (Docket No. GR11070425 approved by the Board in an Order dated January 18, 2012), NJNG amended the June 2011 Filing, seeking Board approval to instead maintain the then-current EE recovery rate of \$0.0127 per therm after-tax.

8. Following the discovery process and discussions related to the two filings addressed herein (Docket Nos. GR10060383 and GR11060333) and among NJNG, Rate Counsel and BPU Staff, the only Parties to this proceeding, the Parties agree that the EE Program recovery rate of \$0.0127 per therm after-tax should remain as currently in effect.

Specifically, in consideration of the terms, covenants, conditions and agreements contained herein, it is hereby **STIPULATED AND AGREED** by representatives of NJNG, Rate Counsel and the BPU Staff (the "Signatory Parties") as follows:

STIPULATED MATTERS

9. The Signatory Parties agree that the Company is authorized to recover the costs associated with the EE Program and the Preliminary RGGI Program for costs incurred through December 31, 2011. Further, the current Board approved EE rate of \$0.0127 per therm on an after-tax basis (\$0.0119 pre-tax) pursuant to the terms of Rider F shall remain in effect, as of the effective date of the Board Order adopting this Stipulation and until changed by future Board Order. The costs incurred through December 31, 2011, and recovered through this rate, include

⁴ Pursuant to the September 2010 Order, the costs associated with the Combined Heat and Power program are amortized over five years but NJNG does not earn a return on those investments.

the amortization of rebate costs and customer incentives, associated reasonable and prudent incremental O&M expenses, and a return on the unamortized balances as noted above and authorized in the July 2009 and September 2010 Orders.

10. As agreed to by the Signatory Parties and authorized in the July 2009 and September 2010 Orders, any variance between costs and recoveries will accrue interest at a rate equal to the Company's monthly commercial paper rate. In the event that commercial paper was not utilized by the Company in the preceding month, the last calculated rate will be used. The interest rate shall not exceed the Company's rate of return as authorized by the BPU in the Company's most recent base rate case, BPU Docket No. GR07110889, or until changed by Board Order. Interest on over/under recoveries will be calculated using simple interest, based on the average beginning and ending over/under recovery balances for the month, on a net-of-tax basis. The sum of the monthly interest to be collected from or credited to ratepayers will be included in the rate calculations for the next annual EE rate filing.

11. In resolution of these proceedings, beginning as of October 1, 2011, NJNG will re-calculate the monthly net investment balances (upon which the monthly rate of return numbers are being determined) by subtracting from the month-end investment balances the corresponding month-end accumulated amortization balances. The impact of these re-calculated monthly net investment balances shall be reflected in the over- or under-recovery balance. Attached hereto as Exhibit 1 is a schedule showing the Company's re-calculations of the monthly net investment balances through May 31, 2012. The Company shall utilize the net investment balance method described above in future filings related to the determination of the EE rate.

12. 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 Signatory 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 Signatory 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.

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

14. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, NJNG, BPU Staff, and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein and, in total or by specific item, is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation.

WHEREFORE, the Parties hereto do respectfully submit this Stipulation and request that the Board issue a Decision and Order approving it in its entirety, in accordance with the terms hereof, as soon as reasonably possible.

**NEW JERSEY NATURAL GAS
PETITIONER**

By: 
TRACEY THAYER, ESQ.
Director, Regulatory Affairs Counsel

**NEW JERSEY DIVISION OF RATE COUNSEL
STEPHANIE A. BRAND, DIRECTOR**

By: 
SARAH H. STEINDEL
Assistant Deputy Rate Counsel

**STAFF OF THE NEW JERSEY BOARD OF PUBLIC UTILITIES
JEFFREY S. CHIESA
ATTORNEY GENERAL OF NEW JERSEY**

By: 
ALEX MOREAU
Deputy Attorney General

Date: August 2, 2012

New Jersey Natural Gas Company
Energy Efficiency

Program Approval	Balance to Complete Return		Current Method		Total Return		Under/(Over) Balance
	Jul-2009		Sep-2010		Jan-2012		
	Jul-2009	Sep-2010	Jul-2009	Sep-2010	Jan-2012	Total	
Aug 2009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sep 2009	\$ 1,200,000	\$ -	\$ 11,438	\$ -	\$ -	\$ 11,438	\$ 52,473 (25,795)
Oct 2009	\$ 1,257,883	\$ -	\$ 11,953	\$ -	\$ -	\$ 11,953	\$ (291,449)
Nov 2009	\$ 1,427,026	\$ -	\$ 13,560	\$ -	\$ -	\$ 13,560	\$ (670,794)
Dec 2009	\$ 1,635,091	\$ -	\$ 15,547	\$ -	\$ -	\$ 15,547	\$ (1,774,641)
Jan 2010	\$ 1,870,310	\$ -	\$ 17,772	\$ -	\$ -	\$ 17,772	\$ (3,024,367)
Feb 2010	\$ 2,092,404	\$ -	\$ 19,883	\$ -	\$ -	\$ 19,883	\$ (4,083,109)
Mar 2010	\$ 2,410,546	\$ -	\$ 22,906	\$ -	\$ -	\$ 22,906	\$ (4,716,075)
Apr 2010	\$ 2,630,835	\$ -	\$ 24,998	\$ -	\$ -	\$ 24,998	\$ (4,916,868)
May 2010	\$ 2,821,787	\$ -	\$ 26,814	\$ -	\$ -	\$ 26,814	\$ (5,018,266)
Jun 2010	\$ 5,075,739	\$ -	\$ 48,231	\$ -	\$ -	\$ 48,231	\$ (5,012,474)
Jul 2010	\$ 5,788,490	\$ -	\$ 55,004	\$ -	\$ -	\$ 55,004	\$ (5,053,658)
Aug 2010	\$ 8,100,142	\$ -	\$ 76,970	\$ -	\$ -	\$ 76,970	\$ (4,987,213)
Sep 2010	\$ 8,346,728	\$ -	\$ 79,313	\$ -	\$ -	\$ 79,313	\$ (4,883,930)
Oct 2010	\$ 8,430,620	\$ -	\$ 80,110	\$ -	\$ -	\$ 80,110	\$ (4,844,548)
Nov 2010	\$ 10,007,354	\$ -	\$ 95,093	\$ -	\$ -	\$ 95,093	\$ (4,840,149)
Dec 2010	\$ 10,976,537	\$ -	\$ 104,303	\$ -	\$ -	\$ 104,303	\$ (5,717,833)
Jan 2011	\$ 11,185,099	\$ -	\$ 106,094	\$ -	\$ -	\$ 106,094	\$ (6,610,221)
Feb 2011	\$ 11,256,357	\$ 120,007	\$ 106,961	\$ 1,140	\$ -	\$ 108,102	\$ (7,155,510)
Mar 2011	\$ 10,928,432	\$ 642,862	\$ 103,845	\$ 6,989	\$ -	\$ 110,844	\$ (7,476,731)
Apr 2011	\$ 10,375,279	\$ 1,342,122	\$ 98,589	\$ 14,749	\$ -	\$ 113,339	\$ (7,303,517)
May 2011	\$ 9,820,788	\$ 2,002,090	\$ 93,320	\$ 22,424	\$ -	\$ 115,745	\$ (5,825,678)
Jun 2011	\$ 9,001,410	\$ 2,877,854	\$ 85,534	\$ 30,119	\$ -	\$ 115,654	\$ (6,228,122)
Jul 2011	\$ 8,431,606	\$ 3,150,743	\$ 80,120	\$ 36,479	\$ -	\$ 116,599	\$ (5,698,804)
Aug 2011	\$ 7,926,005	\$ 3,730,493	\$ 75,315	\$ 43,372	\$ -	\$ 118,688	\$ (5,160,711)
Sep 2011	\$ 7,306,840	\$ 4,205,705	\$ 69,432	\$ 52,291	\$ -	\$ 121,723	\$ (4,577,372)
Oct 2011	\$ 6,879,418	\$ 4,601,128	\$ 65,370	\$ 59,139	\$ -	\$ 124,509	\$ (4,196,658)
Nov 2011	\$ 6,510,753	\$ 5,173,245	\$ 61,667	\$ 67,442	\$ -	\$ 129,310	\$ (4,055,997)
Dec 2011	\$ 6,196,836	\$ 5,696,078	\$ 58,903	\$ 76,513	\$ -	\$ 135,416	\$ (4,198,744)
Jan 2012	\$ 5,936,028	\$ 6,165,784	\$ 56,406	\$ 87,679	\$ -	\$ 144,085	\$ (4,635,475)
Feb 2012	\$ 5,709,187	\$ 6,900,579	\$ 54,251	\$ 99,636	\$ 78	\$ 153,965	\$ (4,820,234)
Mar 2012	\$ 5,505,560	\$ 6,870,260	\$ 52,318	\$ 104,583	\$ 9,178	\$ 166,077	\$ (4,370,580)
Apr 2012	\$ 5,312,168	\$ 6,462,987	\$ 50,478	\$ 100,713	\$ 19,251	\$ 170,442	\$ (3,966,254)
May 2012	\$ 5,128,815	\$ 6,117,108	\$ 48,736	\$ 97,427	\$ 32,742	\$ 178,904	\$ (3,265,510)

Total \$ 1,971,435 \$ 900,707 \$ 61,250 \$ 2,933,891

New Jersey Natural Gas Company
Energy Efficiency

Program Approval	Include Current Month Amortization										Under/(Over) Balance	
	Balance to Compute Return					Total Return						
	Jul-2009	Sep-2010	Jan-2012	Jul-2009	Sep-2010	Jan-2012	Jul-2009	Sep-2010	Jan-2012	Total		
Aug 2008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,473
Sep 2009	\$ 1,200,000	\$ -	\$ -	\$ 11,438	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (25,785)
Oct 2009	\$ 1,255,646	\$ -	\$ -	\$ 11,941	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (291,461)
Nov 2009	\$ 1,422,113	\$ -	\$ -	\$ 13,513	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (670,792)
Dec 2009	\$ 1,625,363	\$ -	\$ -	\$ 15,454	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,774,792)
Jan 2010	\$ 1,854,927	\$ -	\$ -	\$ 17,626	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,024,864)
Feb 2010	\$ 2,070,273	\$ -	\$ -	\$ 19,672	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,083,617)
Mar 2010	\$ 2,378,027	\$ -	\$ -	\$ 22,606	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,716,882)
Apr 2010	\$ 2,591,021	\$ -	\$ -	\$ 24,621	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,918,083)
May 2010	\$ 2,774,350	\$ -	\$ -	\$ 26,363	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,019,932)
Jun 2010	\$ 5,019,100	\$ -	\$ -	\$ 47,693	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,014,648)
Jul 2010	\$ 5,722,059	\$ -	\$ -	\$ 54,373	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,056,464)
Aug 2010	\$ 8,010,613	\$ -	\$ -	\$ 76,119	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,990,870)
Sep 2010	\$ 8,220,751	\$ -	\$ -	\$ 78,116	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,888,784)
Oct 2010	\$ 8,283,246	\$ -	\$ -	\$ 78,805	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,850,708)
Nov 2010	\$ 9,834,021	\$ -	\$ -	\$ 93,446	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,847,957)
Dec 2010	\$ 10,768,475	\$ -	\$ -	\$ 102,325	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,727,619)
Jan 2011	\$ 10,928,981	\$ -	\$ -	\$ 103,832	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,622,268)
Feb 2011	\$ 10,996,228	\$ 117,951	\$ -	\$ 104,490	\$ 1,121	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7,170,049)
Mar 2011	\$ 10,654,097	\$ 631,755	\$ -	\$ 101,239	\$ 6,883	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7,493,984)
Apr 2011	\$ 10,094,680	\$ 1,318,533	\$ -	\$ 95,923	\$ 14,525	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7,323,660)
May 2011	\$ 9,534,045	\$ 1,966,129	\$ -	\$ 90,586	\$ 22,063	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,848,889)
Jun 2011	\$ 8,708,491	\$ 2,628,662	\$ -	\$ 82,731	\$ 29,652	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,254,582)
Jul 2011	\$ 8,138,687	\$ 3,081,260	\$ -	\$ 77,336	\$ 35,914	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,728,613)
Aug 2011	\$ 7,633,086	\$ 3,658,393	\$ -	\$ 72,532	\$ 42,687	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,193,989)
Sep 2011	\$ 7,013,921	\$ 4,122,209	\$ -	\$ 66,649	\$ 51,488	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,614,228)
Oct 2011	\$ 5,586,499	\$ 4,507,089	\$ -	\$ 62,567	\$ 58,245	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,237,212)
Nov 2011	\$ 6,217,854	\$ 5,065,161	\$ -	\$ 59,084	\$ 66,415	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,100,362)
Dec 2011	\$ 5,905,917	\$ 5,574,157	\$ -	\$ 56,120	\$ 75,354	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,247,052)
Jan 2012	\$ 5,643,110	\$ 6,030,314	\$ -	\$ 53,623	\$ 86,392	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,687,854)
Feb 2012	\$ 5,416,268	\$ 6,746,477	\$ 8,605	\$ 51,467	\$ 98,171	\$ 77	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,876,862)
Mar 2012	\$ 5,212,641	\$ 6,710,112	\$ 1,004,275	\$ 49,532	\$ 103,061	\$ 9,021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,431,671)
Apr 2012	\$ 5,019,249	\$ 6,303,425	\$ 1,857,675	\$ 47,695	\$ 99,197	\$ 18,985	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,031,911)
May 2012	\$ 4,835,896	\$ 5,957,520	\$ 2,472,309	\$ 45,952	\$ 95,910	\$ 32,337	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,335,873)
Total				\$ 1,915,519	\$ 887,119	\$ 60,420	\$ 2,863,058					

New Jersey Natural Gas Company
Energy Efficiency

Program Approval	Balance to Compute Return		Differences (Include Current Month Amortization less Current Method)				Under/(Over) Balance
	Total Return		Total Return				
	Jul-2009	Sep-2010	Jul-2009	Sep-2010	Jan-2012	Total	
Aug 2009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sep 2009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Oct 2009	\$ (1,238)	\$ -	\$ (12)	\$ -	\$ -	\$ (12)	\$ (12)
Nov 2009	\$ (4,913)	\$ -	\$ (47)	\$ -	\$ -	\$ (47)	\$ (68)
Dec 2009	\$ (9,728)	\$ -	\$ (92)	\$ -	\$ -	\$ (92)	\$ (151)
Jan 2010	\$ (15,384)	\$ -	\$ (146)	\$ -	\$ -	\$ (146)	\$ (297)
Feb 2010	\$ (22,132)	\$ -	\$ (210)	\$ -	\$ -	\$ (210)	\$ (507)
Mar 2010	\$ (31,519)	\$ -	\$ (300)	\$ -	\$ -	\$ (300)	\$ (807)
Apr 2010	\$ (38,814)	\$ -	\$ (378)	\$ -	\$ -	\$ (378)	\$ (1,185)
May 2010	\$ (47,437)	\$ -	\$ (451)	\$ -	\$ -	\$ (451)	\$ (1,636)
Jun 2010	\$ (56,639)	\$ -	\$ (538)	\$ -	\$ -	\$ (538)	\$ (2,174)
Jul 2010	\$ (66,430)	\$ -	\$ (631)	\$ -	\$ -	\$ (631)	\$ (2,806)
Aug 2010	\$ (99,529)	\$ -	\$ (851)	\$ -	\$ -	\$ (851)	\$ (3,655)
Sep 2010	\$ (125,877)	\$ -	\$ (1,197)	\$ -	\$ -	\$ (1,197)	\$ (4,854)
Oct 2010	\$ (137,374)	\$ -	\$ (1,305)	\$ -	\$ -	\$ (1,305)	\$ (6,161)
Nov 2010	\$ (173,353)	\$ -	\$ (1,647)	\$ -	\$ -	\$ (1,647)	\$ (7,808)
Dec 2010	\$ (208,052)	\$ -	\$ (1,977)	\$ -	\$ -	\$ (1,977)	\$ (9,785)
Jan 2011	\$ (238,117)	\$ -	\$ (2,263)	\$ -	\$ -	\$ (2,263)	\$ (12,048)
Feb 2011	\$ (260,128)	\$ (2,056)	\$ (2,472)	\$ (20)	\$ -	\$ (2,491)	\$ (14,540)
Mar 2011	\$ (274,335)	\$ (11,107)	\$ (2,807)	\$ (106)	\$ -	\$ (2,912)	\$ (17,252)
Apr 2011	\$ (280,598)	\$ (23,589)	\$ (2,866)	\$ (224)	\$ -	\$ (3,066)	\$ (20,143)
May 2011	\$ (286,743)	\$ (35,951)	\$ (2,725)	\$ (342)	\$ -	\$ (3,066)	\$ (23,210)
Jun 2011	\$ (292,819)	\$ (49,162)	\$ (2,783)	\$ (467)	\$ -	\$ (3,251)	\$ (26,461)
Jul 2011	\$ (292,819)	\$ (59,483)	\$ (2,783)	\$ (565)	\$ -	\$ (3,349)	\$ (29,810)
Aug 2011	\$ (292,819)	\$ (72,100)	\$ (2,783)	\$ (685)	\$ -	\$ (3,469)	\$ (33,278)
Sep 2011	\$ (292,819)	\$ (83,496)	\$ (2,783)	\$ (793)	\$ -	\$ (3,577)	\$ (36,856)
Oct 2011	\$ (292,819)	\$ (94,039)	\$ (2,783)	\$ (894)	\$ -	\$ (3,677)	\$ (40,555)
Nov 2011	\$ (292,819)	\$ (108,085)	\$ (2,783)	\$ (1,027)	\$ -	\$ (3,810)	\$ (44,366)
Dec 2011	\$ (292,819)	\$ (121,920)	\$ (2,783)	\$ (1,159)	\$ -	\$ (3,942)	\$ (48,308)
Jan 2012	\$ (292,819)	\$ (135,470)	\$ (2,783)	\$ (1,287)	\$ -	\$ (4,071)	\$ (52,379)
Feb 2012	\$ (292,819)	\$ (154,101)	\$ (2,783)	\$ (1,464)	\$ (1)	\$ (4,249)	\$ (56,528)
Mar 2012	\$ (292,819)	\$ (160,146)	\$ (2,783)	\$ (1,522)	\$ (157)	\$ (4,462)	\$ (61,091)
Apr 2012	\$ (292,819)	\$ (159,572)	\$ (2,783)	\$ (1,516)	\$ (266)	\$ (4,566)	\$ (65,657)
May 2012	\$ (282,919)	\$ (159,588)	\$ (2,783)	\$ (1,516)	\$ (406)	\$ (4,705)	\$ (70,363)
Cumulative Difference through May 2012							\$ (70,363)
Less Sep 2011							\$ (36,856)
Total							\$ (33,507)
Cumulative Difference through May 2012							\$ (70,363)
Less Sep 2011							\$ (36,856)
Total							\$ (33,507)
Cumulative Difference through May 2012							\$ (70,363)
Less Sep 2011							\$ (36,856)
Total							\$ (33,507)

Total