



Agenda Date: 9/27/23
Agenda Item: 2C

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 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 PROGRAMS) DECISION AND ORDER
APPROVING STIPULATION
DOCKET NO. GO23060340

Parties of Record:

Andrew Dembia, Esq., for New Jersey Natural Gas Company
Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On June 1, 2023, New Jersey Natural Gas Company (“NJNG” or “Company”) filed a petition with the New Jersey Board of Utilities (“Board” or “BPU”) requesting an increase of the Company’s existing Energy Efficiency (“EE”) rate for programs established in 2010 through 2018 and an increase to the EE rate for programs established since 2021 (collectively, “EE Rate”) (“Petition”). By this Decision and Order, the Board considers a stipulation of settlement (“Stipulation”) executed by NJNG, the New Jersey Division of Rate Counsel (“Rate Counsel”) and Board Staff (“Staff”) (collectively, “Parties”), intended to resolve the Company’s requests related to the Petition.

BACKGROUND AND PROCEDURAL HISTORY

On July 17, 2009, the Board authorized NJNG to implement three (3) energy efficiency programs: 1) Home Performance with Energy Star (“HPES”) Enhancements; 2) Enhanced WarmAdvantage Rebate Program; and 3) Commercial Customer Direct Install Program (“Original Programs”).¹ The Original Programs were designed to complement or supplement existing New Jersey Clean Energy Program (“NJCEP”) offerings, including the ongoing WarmAdvantage, COOLAdvantage, HPES, Commercial Direct Install, and Smart Start Building programs.

The Original Programs were available to eligible customers for approximately 12 months. In the event there was still program funding available after that period, NJNG could continue to offer the

¹ In re the Petition of Energy Efficiency Programs and Associated Cost Recovery Mechanisms AND In re the Petition of New Jersey Natural Gas Company for Approval of Energy Efficiency Programs with an Associated Cost Recovery Mechanism, BPU Docket Nos. EO09010056 and EO09010057, Order dated July 17, 2009.

programs through December 31, 2010. NJNG was authorized to establish the EE Rate through which it would recover or return to customers all deferred program costs, including rebate costs, customer incentive payments, customer financing costs, and associated reasonable and prudent operations and maintenance expenses. These costs were to be recovered through the Company's Rider F Tariff. The Company was required to submit an annual cost recovery filing to establish future Rider F rates. The annual filing includes updates to the investment levels, operating costs, and reconciled rate recovered to actual cost results.

By Order dated September 24, 2010, the Board authorized NJNG to extend and expand the Original Programs through December 31, 2011.² Additionally, the September 2010 Order authorized the Company to implement an OPOWER pilot program, an incremental incentive for Combined Heat and Power projects undertaken in conjunction with the NJCEP, and the Fostering Environmental and Economic Development ("FEED") program (collectively, "SAVEGREEN Project" or "SAVEGREEN").

By Order dated January 18, 2012, the Board authorized NJNG to continue its SAVEGREEN Project and implement certain proposed SAVEGREEN Project program changes through the later of December 31, 2012, or 12 months from the date the Order approving the SAVEGREEN extension.³ Through a series of Orders, the Board authorized NJNG to further extend the SAVEGREEN Project, with modifications, through December 31, 2021, and directed the Company to report on a Quarterly basis, detailed information and metrics regarding the approved energy efficiency programs.⁴

By Order dated March 3, 2021, the Board authorized NJNG to implement the SAVEGREEN 2020 Program, commencing July 1, 2021 and concluding June 30, 2024, offering a variety of residential, commercial, and industrial EE solutions throughout NJNG's service territory ("March 2021 Order").⁵ In the March 2021 Order, the Board authorized the implementation of the following programs contained within the SAVEGREEN 2020 Program:

² In re the Petition of New Jersey Natural Gas for Approval of Regional Greenhouse Gas Initiative Programs and Associated Cost Recovery Mechanisms Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GO10030225, Order dated September 24, 2010.

³ In re the Petition of New Jersey Natural Gas for Approval of Regional Greenhouse Gas Initiative Programs and Associated Cost Recovery Mechanisms Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GR11070425, Order dated January 18, 2012.

⁴ In re the Petition of New Jersey Natural Gas Company for Approval of the Extension of Energy Efficiency Programs and the Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1 and In re the Petition of New Jersey Natural Gas Company for Approval of the Cost Recovery Associated with Energy Efficiency Program, BPU Docket Nos. GO12070640 and GR12070641, Order dated June 21, 2013; In re the Petition of New Jersey Natural Gas Company for Approval of the Extension of Energy Efficiency Programs and the Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GO14121412, Order dated July 23, 2015; In re the Petition of New Jersey Natural Gas Company for Approval of the Extension of Energy-Efficiency Programs and the Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GO14121412, Order dated June 29, 2016; In re the Petition of New Jersey Natural Gas Company for Approval of Existing and New Energy Efficiency Programs and a Class I Renewable Energy Program and the Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GO18030355, Order dated September 17, 2018 ("September 2018 Order").

⁵ In re the Petition of New Jersey Natural Gas Company for Approval of Energy Efficiency Program and the Associated Cost Recovery Mechanism Pursuant to the Clean Energy Act, N.J.S.A. 48:3-87.8 et seq. and 48:3-98.1 et seq., BPU Docket Nos. QO19010040 and GO20090622, Order dated March 3, 2021 ("March 2021 Order").

- Behavioral
- Energy Efficiency Products
- Existing Homes
 - Quick Home Energy Check Up
 - Moderate Income Weatherization
 - Home Performance with Energy Star
- Multi-family
 - Prescriptive and Custom
 - Home Performance with Energy Star
 - Engineered Solutions
- Direct Install
- Energy Solutions for Business
 - Prescriptive and Custom Measures
 - Energy Management
 - Engineered Solutions

The Board further authorized NJNG to recover costs associated with the SAVEGREEN 2020 Program through a separate rate component of the Company's Rider F Tariff.

As part of the current cost recovery mechanism, NJNG is authorized to amortize the SAVEGREEN 2020 investments in customer rebates, incentive payments, and customer financing over a two (2), three (3), five (5) and 10-year period on a straight-line basis, with the rate of return on the unamortized SAVEGREEN 2020 investments approved in the previous orders. NJNG computes the rate of return for its costs, in addition to deducting the accumulated amortization of its investments, by deducting the applicable deferred income taxes related to the amortization of rebates, incentives and financing costs over a two (2), three (3), five (5), and 10-year period for book purposes and over a one (1) year period for tax purposes.

Petition

In the Petition, NJNG sought to reconcile the costs associated with the SAVEGREEN programs established from 2010 through 2018 ("2010-2018 Programs") and the SAVEGREEN 2021 Program ("2021 Program") and establish a rate to recover those costs as well as the projected EE Rate revenue requirements for the period of October 1, 2022 through September 30, 2023. NJNG requested a per therm increase in the EE Rate from \$0.0242 to \$0.0248, including New Jersey Sales and Use Tax ("SUT") for the 2010-2018 Programs and a per therm increase in the EE rate from \$0.0123 to \$0.0271 for programs established from 2021 to present effective October 1, 2023.

NJNG provided an update with actual information through June 30, 2023 through discovery ("Update"). Based upon the Update, the Company adjusted its request for the EE programs. The Update provided an increase in the proposed per therm rate for the 2010-2018 Programs from \$0.0242 to \$0.0247 and an increase in the per therm rate for the 2021 Program from \$0.0123 to \$0.0247, including SUT.

After publication of notice in newspapers of general circulation in the Company's service territory, virtual public hearings were held at 4:30 p.m. and 5:30 p.m. on August 23, 2023.⁶ No members

⁶ Public hearings were held virtually due to the COVID-19 pandemic.

of the public attended or filed comments related to the Company's filing.

STIPULATION

Following a review of the Petition, the Update and discovery, the Parties executed the Stipulation, which provides for the following:⁷

11. The Company is authorized to recover only those costs associated with the SAVEGREEN Programs previously approved in the 2010 through 2021 Orders.
12. The Company's updated revenue requirement, as of June 30, 2023, of \$34.333 million, as set forth in Attachment A of the Stipulation, is comprised of \$17.154 million for programs established in 2010 through 2018, and results in a per therm rate of \$0.0247 including SUT (\$0.0232 excluding SUT), and \$17.179 million for programs established 2021 to present, and results in a per therm rate of \$0.0247 including SUT (\$0.0232 excluding SUT).
13. The overall bill of the residential heating customer using 100 therms per month will increase by \$1.29, from \$151.18 to \$152.47, or 0.9 percent (0.9%) monthly, based upon rates in effect as of July 1, 2023. These rates shall be effective upon Board approval and shall remain in effect until changed by a future Board Order. The stipulated rates and resulting impacts to customers are detailed in Attachment B of the Stipulation.
14. The Parties agree that actual costs incurred through June 30, 2023, as shown in Attachment A of the Stipulation, have been reviewed and deemed prudent and reasonable by the Parties. Actual costs incurred by NJNG starting on July 1, 2023, are subject to review for reasonableness and prudence in future EE rate filings.
15. The Parties agree that the Company's next annual EE rate filing will be made on or before June 1, 2024.
16. As agreed to by the Parties and authorized in the September 2018 Order and the March 2021 Order, any variance between costs and recoveries will accrue interest at a rate equal to the Company's monthly commercial paper rate. If commercial paper was not utilized by the Company in the preceding month, the last calculated rate will be used. The interest rate shall not exceed the Company's rate of return as authorized by the BPU in the Company's most recent base rate case, BPU Docket No. GR21030679, or until changed by Board Order. Interest on over/under recoveries will be calculated using simple interest, based upon the average beginning, and ending over/under recovery balances of the month, on a net-of-tax basis. The sum of the monthly interest to be collected from or credited to ratepayers will be included in the rate calculated for the next annual EE rate filing.

⁷ Although summarized in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the finding and conclusion in this Order. Paragraphs are lettered and/or numbered to coincide with the Stipulation.

DISCUSSION AND FINDING

Having carefully reviewed the record in this matter, including the Petition, the Update and the Stipulation, the Board **HEREBY FINDS** that the Stipulation represents a fair and reasonable resolution of the issues; demonstrates that the costs through June 2023 have been reviewed and determined to be both reasonable and prudent; and is therefore in the public interest. Therefore, the Board **HEREBY ADOPTS** the Stipulation in its entirety and **HEREBY INCORPORATES** by reference its terms and conditions as if fully set forth herein.

Accordingly, the Board **HEREBY APPROVES** an overall EE Rate of \$0.0494 per therm, including SUT, that are reflected in the Stipulation effective for service rendered on and after October 1, 2023. As a result of the Stipulation, a typical residential heating customer using 100 therms per month will experience an increase of \$1.29 or 0.9 percent in their monthly bill.


The Board **HEREBY ORDERS** the Company to file the appropriate revised tariff sheets consistent with the terms of this Order no later than September 30, 2023, for service rendered on and after October 1, 2023.

The Company's costs, including those related to the programs described above, remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

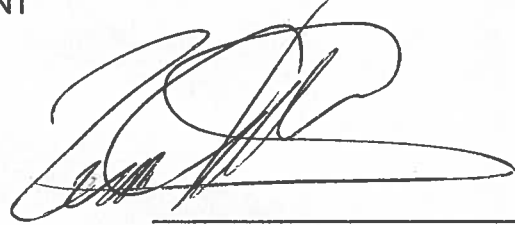
This Board Order shall be effective on September 27, 2023.

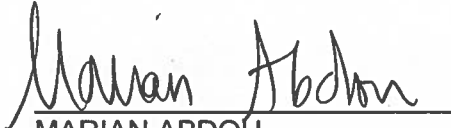
DATED: September 27, 2023

BOARD OF PUBLIC UTILITIES
BY:


CHRISTINE GUHL-SADOVY
PRESIDENT


MARY-ANNA HOLDEN
COMMISSIONER


DR. ZENON CHRISTODOULOU
COMMISSIONER


MARIAN ABDOU
COMMISSIONER

ATTEST:


SHERRI L. GOLDEN
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

DOCKET NO. GO23060340

SERVICE LIST

Board of Public Utilities

44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, NJ 08625-0350

Sherri L. Golden, Board Secretary
board.secretary@bpu.nj.gov

Stacy Peterson, Deputy Executive Director
stacy.peterson@bpu.nj.gov

Office of the General Counsel

Michael Beck, General Counsel
michael.beck@bpu.nj.gov

Carol Artale, Deputy General Counsel
carol.artale@bpu.nj.gov

Heather Weisband, Senior Counsel
heather.weisband@bpu.nj.gov

Division of Water and Energy

Mike Kammer, Director
mike.kammer@bpu.nj.gov

Malike Cummings, Deputy Director
malike.cummings@bpu.nj.gov

William Barkasy
william.barkasy@bpu.nj.gov

New Jersey Division of Law

25 Market Street
Post Office Box 112
Trenton, NJ 08625

Pamela Owen, DAG
pamela.owen@law.njoag.gov

Daren Eppley, DAG
daren.eppley@law.njoag.gov

Matko Ilic, DAG
matko.ilic@law.njoag.gov

Terel Klein, DAG
terel.klein@law.njoag.gov

New Jersey Natural Gas Company

1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

James Corcoran
jcorcoran@njng.com

Andrew Dembia, Esq.
adembia@njng.com

Judy DeSalvatore
jdesalvatore@njng.com

Marianne Harrell
mharrell@njng.com

Mark Kahrer
mkahrer@njng.com

Tina Trebino
ttrebino@njng.com

Susan Fastuca
sfastuca@njng.com

New Jersey Division of Rate Counsel

140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625

Brian O. Lipman, Esq., Director
blipman@rpa.nj.gov

Maura Caroselli, Esq., Managing Attorney - Gas
mcaroselli@rpa.nj.gov

Sarah Steindel, Esq.
ssteinde@rpa.nj.gov

Megan Lupo, Esq.
mlupo@rpa.nj.gov

Carlana Morrison
cmorrison@rpa.nj.gov



September 15, 2023

VIA ELECTRONIC TRANSMISSION

Honorable Sherri Golden, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 1st Floor
P.O. Box 350
Trenton, NJ 08625-0350

Re: In the Matter of the Petition of New Jersey Natural Gas Company
for Approval of the Cost Recovery Associated With Energy
Efficiency Programs
BPU Docket No. GR23060340

REQUEST FOR EXPEDITED TREATMENT

Dear Secretary Golden:

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

The Company respectfully requests expedited treatment of the Board of Public Utilities (“Board”) Order in the above captioned matter. In order for the Company to implement the rates and charges, anticipated to be approved by the Board at its September 27, 2023 Agenda meeting, by no later than October 1, 2023, therefore, expedited treatment of the Board’s Final Order is respectfully requested.

In accordance with the Order issued by the Board in connection with I/M/O the New Jersey Board of Public Utilities’ Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations, BPU Docket No. EO20030254, Order dated March 19, 2020, this document is being electronically filed. No paper copies will follow.

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

Respectfully submitted,

A handwritten signature in blue ink that reads 'Andrew K Dembia'. The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Andrew K Dembia, Esq.
Regulatory Affairs Counsel

AKD/sf
Encl.
C: Service List

**IN THE MATTER OF THE PETITION OF NEW JERSEY NATURAL GAS COMPANY
FOR APPROVAL OF THE COST RECOVERY ASSOCIATED WITH
ENERGY EFFICIENCY PROGRAMS
BPU DOCKET NO. GO23060340**

SERVICE LIST

NJNG

Mark G. Kahrer
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

Andrew K. Dembia
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

Tina Trebino
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

Judy DeSalvatore
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

James M. Corcoran
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

Susan Fastuca
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

Mary Lou Pardey
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

NJ BOARD OF PUBLIC UTILITIES

Stacy Peterson
N.J. Board of Public Utilities
44 South Clinton Avenue, 9th Fl.
P.O. Box 350
Trenton, NJ 08625-0350

Heather Weisband
N.J. Board of Public Utilities
44 South Clinton Avenue, 9th Fl.
P.O. Box 350
Trenton, NJ 08625-0350

Malike Cummings
N.J. Board of Public Utilities
44 South Clinton Avenue, 9th Fl.
P.O. Box 350
Trenton, NJ 08625-0350

Michael Kammer
N.J. Board of Public Utilities
44 South Clinton Avenue, 9th Fl.
P.O. Box 350
Trenton, NJ 08625-0350

William Barkasy
N.J. Board of Public Utilities
44 South Clinton Avenue, 9th Fl.
P.O. Box 350
Trenton, NJ 08625-0350

**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. GO23060340**

SERVICE LIST

DIVISION OF RATE COUNSEL

Brian O. Lipman, Esq., Director
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625

Maura Caroselli, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625

Megan Lupo, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625

Carlena Morrison, Paralegal
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625

Mr. Robert J. Henkes
Henkes Consulting
7 Sunset Road
Old Greenwich, CT 06870

DEPT. OF LAW & PUBLIC SAFETY –
DIVISION OF LAW

Terel Klein, DAG
Public Utilities Section,
R.J. Hughes Justice Complex
25 Market Street
P.O. Box 112
Trenton, N.J. 08625

Pamela Owen, ASC
Public Utilities Section,
R.J. Hughes Justice Complex
25 Market Street
P.O. Box 112
Trenton, N.J. 08625

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

**IN THE MATTER OF THE PETITION) STIPULATION OF
OF NEW JERSEY NATURAL GAS) SETTLEMENT
COMPANY FOR APPROVAL OF THE)
COST RECOVERY ASSOCIATED WITH) BPU DOCKET NO. GO23060340
ENERGY EFFICIENCY PROGRAMS)**

TO: THE NEW JERSEY BOARD OF PUBLIC UTILITIES

APPEARANCES:

Andrew K. Dembia, Esq., New Jersey Natural Gas Company for the Petitioner, New Jersey Natural Gas Company

Maura Caroselli, Esq., Managing Attorney, **Megan Lupo**, Esq., Assistant Deputy Rate Counsel and **Mamie W. Purnell** Esq., (**Brian O. Lipman**, Esq., Director New Jersey Division of Rate Counsel)

Terel Klein, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Matthew J. Platkin**, Attorney General of New Jersey)

BACKGROUND

1. On June 1, 2023, New Jersey Natural Gas Company (“NJNG” or “Company”) filed a petition in Docket No. GO23060340 with the New Jersey Board of Public Utilities (“Board” or “BPU”) requesting that the Board increase the Company’s existing Energy Efficiency (“EE”) rate of \$0.0242 per therm for programs established in 2010 through 2018 to \$0.0248 per therm [including Sales and Use Tax (“SUT”)] and increase the EE rate of \$0.0123 to \$0.0271 for programs established from 2021 to present (“Petition”) effective October 1, 2023.

The Company submitted the Petition pursuant to the terms of earlier Board Orders that adopted stipulations entered among the Company, Board Staff (“Staff”), and the New Jersey Division of Rate Counsel (“Rate Counsel”) (collectively “Parties”).¹

2. NJNG’s participation in EE Programs, the costs of which are collected through Rider F of the Company’s gas tariff (Sheet Nos. 172-173), was originally approved by the Board in the July 2009 Order, and subsequently approved to continue, with modifications, in the 2010 through 2021 Orders.

3. As provided in the Petition, the SAVEGREEN Programs are designed to encourage higher levels of customer participation in NJNG’s service territory. NJNG maintains that the

¹ In re Energy Efficiency Programs and Associated Cost Recovery Mechanisms and I/M/O the Petition of New Jersey Natural Gas Company for Approval of Energy Efficiency Programs with an Associated Cost Recovery Mechanism, BPU Docket Nos. EO09010056 and GO09010057, Order dated July 17, 2009 (“July 2009 Order”).

In re the Petition of New Jersey Natural Gas for Approval of Regional Greenhouse Gas Initiative Programs and Associated Cost Recovery Mechanisms Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GO10030225, Order dated September 24, 2010 (“September 2010 Order”).

In re the Petition of New Jersey Natural Gas for Approval of Regional Greenhouse Gas Initiative Programs and Associated Cost Recovery Mechanisms Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GR11070425, Order dated January 19, 2012 (“January 2012 Order”).

In re the Petition of New Jersey Natural Gas Company for Approval of the Extension of Energy Efficiency Programs and the Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1 and In re the Petition of New Jersey Natural Gas Company for Approval of the Cost Recovery Associated with Energy Efficiency Program, BPU Docket Nos. GO12070640 and GR12070641, Order dated June 21, 2013 (“June 2013 Order”).

In re the Petition of New Jersey Natural Gas Company for Approval of the Extension of Energy Efficiency Programs and the Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GO14121412, Order dated July 23, 2015 (“July 2015 Order”).

In re the Petition of New Jersey Natural Gas Company for Approval of the Extension of Energy-Efficiency Programs and the Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GO14121412, Order dated June 29, 2016 (“June 2016 Order”).

In re the Petition of New Jersey Natural Gas Company for Approval of Existing and New Energy Efficiency Programs and a Class I Renewable Energy Program and the Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GO18030355, Order dated September 17, 2018 (“September 2018 Order”).

In re the Petition of New Jersey Natural Gas Company for Approval of Energy-Efficiency Programs and the Associated Cost Recovery Mechanism Pursuant to the Clean Energy Act, N.J.S.A. 48:3-87.8 Et Seq. and 48:3-98.1 Et Seq., BPU Docket Nos. QO19010040 and GO20090622, Order dated March 3, 2021 (“March 2021 Order” and together with the September 2010 Order, January 2012 Order, June 2013 Order, July 2015 Order, June 2016 Order, September 2018 Order, and March 2021 Order “the 2010 through 2021 Orders”).

SAVEGREEN Programs do not duplicate nor eliminate any of the New Jersey Clean Energy Programs (“NJCEP”), but work to increase customer awareness, enhance participation, and support utilization of NJCEP efforts throughout the State.

4. As set forth in the 2010 through 2021 Orders, NJNG was authorized to establish a rate through which it could recover from customers SAVEGREEN costs including rebates, customer incentive payments, customer financing, and associated reasonable and prudent incremental operation and maintenance expenses (“Program Costs”). It was agreed that such Program Costs are subject to recovery pursuant to the terms of Rider F.

5. The 2010 through 2021 Orders also provide that NJNG must submit an annual SAVEGREEN cost recovery filing by June 1st to establish future Rider F rates. The filing has usually been made coincident with, but separate from, NJNG’s annual Basic Gas Supply Service filing, and includes updates to the SAVEGREEN investment levels, operating costs, and reconciles rate recoveries to actual cost results.

PROCEDURAL HISTORY

6. NJNG received and responded to all discovery propounded in this proceeding by Staff and Rate Counsel.

7. Through the course of the proceeding, NJNG updated the information in its Petition to include actual information through June 30, 2023. Based upon the actual activity through June 30, 2023 and anticipated levels of activity of the SAVEGREEN Program through September 30, 2024, the current after-tax per therm rate of \$0.0242 would increase by \$0.0005 to \$0.0247 per therm for recovery of the SAVEGREEN Program costs approved for programs established in 2010 through 2018, and the current after-tax per therm rate of \$0.0123 would increase by \$0.0124 to \$0.0247 per therm for recovery of the SAVEGREEN Program costs for approved programs

established in 2021 to present. The overall EE per therm rate would increase by \$0.0129, and the after-tax per therm rate would increase from \$0.0365 to \$0.0494. Based upon the Company's request, the overall bill of a residential heating customer using 100 therms per month would increase by \$1.29 or 0.9 percent (0.9%).

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

9. After publication of notice in newspapers of general circulation in NJNG's service territory, public hearings were scheduled and conducted virtually on August 23, 2023 at 4:30 p.m. and 5:30 p.m. No members of the public participated in the hearings, nor were any written comments received by the BPU, NJNG or Rate Counsel.

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

STIPULATED MATTERS

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

12. The Company's updated revenue requirement, as of June 30, 2023, of \$34.333 million, as set forth in Attachment A, is comprised of \$17.154 million for programs established in 2010 through 2018, and results in a per therm rate of \$0.0247 including SUT (\$0.0232 excluding SUT), and \$17.179 million for programs established 2021 to present, and results in a per therm rate of \$0.0247 including SUT (\$0.0232 excluding SUT).

13. The overall bill of the residential heating customer using 100 therms per month will increase by \$1.29, from \$151.18 to \$152.47, or 0.9 percent (0.9%) monthly, based upon rates in

effect as of July 1, 2023. These rates shall be effective upon Board approval and shall remain in effect until changed by a future Board Order. The stipulated rates and resulting impacts to customers are detailed in Attachment B.

14. The Parties agree that actual costs incurred through June 30, 2023, as shown in Attachment A, have been reviewed and deemed prudent and reasonable by the Parties. Actual costs incurred by NJNG starting on July 1, 2023, are subject to review for reasonableness and prudence in future EE rate filings.

15. The Parties agree that the Company's next annual EE rate filing will be made on or before June 1, 2024.

16. As agreed to by the Parties and authorized in the September 2018 Order and the March 2021 Order², any variance between costs and recoveries will accrue interest at a rate equal to the Company's monthly commercial paper rate. If commercial paper was not utilized by the Company in the preceding month, the last calculated rate will be used. The interest rate shall not exceed the Company's rate of return as authorized by the BPU in the Company's most recent base rate case, BPU Docket No. GR21030679, or until changed by Board Order. Interest on over/under recoveries will be calculated using simple interest, based upon the average beginning, and ending over/under recovery balances of the month, on a net-of-tax basis. The sum of the monthly interest to be collected from or credited to ratepayers will be included in the rate calculated for the next annual EE rate filing.

17. This Stipulation of Settlement ("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 aspect of this Stipulation is not accepted and approved in its entirety

² September 2018 Order at 7 and March 2021 Order at 9.

by the Board, any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion. More particularly, in the event this Stipulation is not adopted in its entirety by the Board in any applicable Order, then any Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed.

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

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

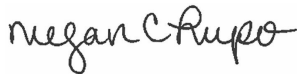
WHEREFORE, the Parties hereto do respectfully submit this Stipulation and request that the Board issue a Decision and Order approving it in its entirety, in accordance with the terms hereof, as soon as reasonably possible.

**NEW JERSEY NATURAL GAS COMPANY
PETITIONER**



By: _____
ANDREW K. DEMBIA, ESQ.
Regulatory Affairs Counsel

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



By: _____
MEGAN LUPO, ESQ.
Assistant Deputy Rate Counsel

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



By: _____
TEREL KLEIN, ESQ.
Deputy Attorney General

Date: September 14, 2023

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

(\$000)

Actual Under/(Over) recovery at June 30, 2023	\$ (2,431)
Estimated Revenue Requirements (July 1, 2023 to September 30, 2023)	
RGGI	-
EE Extension	-
July 2013 Programs	66
August 2015 Programs	144
SAVEGREEN 2018	3,846
Estimated Recovery	(1,357)
Estimated Interest	<u>\$ (10)</u>
Estimated Under/(Over) recovery at September 30, 2023	\$ 258
Estimated Revenue Requirements (Oct 2023 through Sept 2024):	
RGGI	\$ -
EE Extension	\$ -
July 2013 Programs	\$ 92
August 2015 Programs	\$ 314
SAVEGREEN 2018	\$ 16,491
Total Amount to be Recovered	<u><u>\$ 17,154</u></u>
<u>Per Therm Recovery</u>	
Firm Throughput (000 therms)	739,254
Proposed Pre-tax EE Recovery Rate \$ per Therm	\$ 0.0232
Proposed After-tax EE Recovery Rate \$ per Therm	\$ 0.0247
Current Pre-tax EE Recovery Rate \$ per Therm	\$ 0.0227
Current After-tax EE Recovery Rate \$ per Therm	\$ 0.0242
Pre-tax EE Recovery Rate \$ per Therm Increase/ (Decrease)	\$ 0.0005
After-tax EE Recovery Rate \$ per Therm Increase/ (Decrease)	\$ 0.0005

(\$000)

Under/(over) as of June 30, 2023 \$ (7,273)

Estimated Revenue Requirements from July 1, 2023 to September 30, 2023

Rebates	\$	1,533
On-Bill Repayment Program		797
Operation & Maintenance Expenses		1,964
		<hr/>

Total Estimated Revenue Requirements from July 1, 2023 to September 30, 2023 \$ **4,294**

Estimated Recovery from July 1, 2023 to September 30, 2023 \$ (687)

Estimated Interest from July 1, 2023 to September 30, 2023 \$ (50)

Under/(Over) as of September 30, 2023 \$ **(3,716)**

Estimated Revenue Requirements for October 1, 2023 to September 30, 2024

Rebates	\$	10,422
On-Bill Repayment Program		4,580
Operation & Maintenance Expenses		5,893
		<hr/>

Total Estimated Revenue Requirements for October 1, 2023 to September 30, 2024 **20,895**

Total Amount to be recovered **17,179**

Per Therm Recovery Throughput (000 therms)		739,254
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Proposed Pre-tax EE Recovery Rate \$ per Therm \$ 0.0232

Proposed After-tax EE Recovery Rate \$ per Therm \$ 0.0247

Current Pre-tax EE Recovery Rate \$ per therm \$ 0.0115

Current After-tax EE Recovery Rate \$ per therm \$ 0.0123

Pre-tax EE Recovery Rate \$ per Therm Increase/ (Decrease) \$ **0.0117**

After-tax EE Recovery Rate \$ per Therm Increase/ (Decrease) \$ 0.0124

**New Jersey Natural Gas Company
Net Impact of Proposed Rate Changes
BPU Docket No. GO23060340
F/Y 2024**

Attachment B

		7/1/2023 Rates		10/1/2023 Proposed Rates		Change	
Component of		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax
EE-2020-2018 programs	Delivery Price	\$0.0227	\$0.0242	\$0.0232	\$0.0247	\$0.0005	\$0.0005
EE 2021 program	Delivery Price	0.0115	0.0123	0.0232	\$0.0247	0.0117	0.0124
Total EE Rate		\$0.0342	\$0.0365	\$0.0464	\$0.0494	\$0.0122	\$0.0129

<u>Impact on Residential Non-Heating Customers</u>			
25 therm bill			
7/1/23 Rates			
	Customer Charge	\$11.00	\$11.00
	Delivery	\$0.8599	\$21.50
	BGSS	\$0.5065	\$12.66
	Total	\$1.3664	\$45.16
Proposed Rates			
	Customer Charge	\$11.00	\$11.00
	Delivery	\$0.8728	\$21.82
	BGSS	\$0.5065	\$12.66
	Total	\$1.3793	\$45.48
	Increase		\$0.32
	Increase as a percent		0.7%

<u>Impact on Residential Heating Customers</u>			
		100 therm bill	1000 therm annual bill
7/1/23 Rates			
	Customer Charge	\$11.00	\$11.00
	Delivery	\$0.8953	\$89.53
	BGSS	\$0.5065	\$50.65
	Total	\$1.4018	\$151.18
Proposed Rates			
	Customer Charge	\$11.00	\$11.00
	Delivery	\$0.9082	\$90.82
	BGSS	\$0.5065	\$50.65
	Total	\$1.4147	\$152.47
	Increase		\$1.29
	Increase as a percent		0.9%

<u>Impact on Commercial GSS Customers</u>			
100 therm bill			
7/1/23 Rates			
	Customer Charge	\$42.00	\$42.00
	Delivery	\$0.7896	\$78.96
	BGSS	\$0.5065	\$50.65
	Total	\$1.2961	\$171.61
Proposed Rates			
	Customer Charge	\$42.00	\$42.00
	Delivery	\$0.8025	\$80.25
	BGSS	\$0.5065	\$50.65
	Total	\$1.3090	\$172.90
	Increase		\$1.29
	Increase as a percent		0.75%

<u>Impact on Commercial GSL Customers</u>			
1200 therm bill			
7/1/23 Rates			
	Customer Charge	\$104.00	\$104.00
	Demand Charge	\$3.41	\$327.36
	Delivery	\$0.5910	\$709.20
	BGSS (July 2023)	\$0.3801	\$456.12
	Total	\$0.9711	\$1,596.68
Proposed Rates			
	Customer Charge	\$104.00	\$104.00
	Demand Charge	\$3.41	\$327.36
	Delivery	\$0.6039	\$724.68
	BGSS (July 2023)	\$0.3801	\$456.12
	Total	\$0.9840	\$1,612.16
	Increase		\$15.48
	Increase as a percent		0.97%

Projected Annual Revenue

Projected EE annual therms		739,254	(000s)
Projected Annual Revenue \$ million			
	Current Rates	Proposed Rates	Change
Pre-tax	\$25.28	\$34.30	\$9.0
Post-tax	\$26.98	\$36.52	\$9.5