



Agenda Date: 4/23/25

Agenda Item: 2C

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF)	ORDER APPROVING
ELIZABETHTOWN GAS COMPANY TO REVISE ITS)	STIPULATION
ENERGY EFFICIENCY PROGRAM RIDER RATE)	
)	DOCKET NO. GR24070552

Parties of Record:

Dominick DiRocco, Esq., for Elizabethtown Gas Company
Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On July 31, 2024, Elizabethtown Gas Company ("ETG" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board" or "BPU") seeking approval to modify its Energy Efficiency ("EE") Program ("EEP") Rider rate ("Petition"). By this Decision and Order, the Board considers a stipulation of settlement ("Stipulation") executed by ETG, 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

By Order dated August 3, 2009, the Board authorized ETG to administer six (6) EEPs for a seventeen (17)-month period ending December 31, 2010: 1) the Whole House Energy Efficiency Program; 2) the Residential Expanded Gas Heating Ventilation and Air Conditioning ("HVAC") and Gas Hot Water Heater Incentive Program; 3) the Small Commercial Customer Energy Efficiency Program; 4) the Large Commercial Customer Energy Efficiency Program; 5) the Combined Heat and Power Program; and 6) the Gas Cooling Program (collectively, "Original EEPs").¹ The total projected expenditures, including operating and maintenance expenses, was \$14,673,100. By the August 2009 Order, the Board also authorized the Company to implement a Regional Greenhouse Gas Initiative ("RGGI") Rider Rate to recover the costs associated with the Original EEPs. Pursuant to the August 2009 Order, the Company must submit an annual

¹ In re Energy Efficiency Programs and Associated Cost Recovery Mechanisms and In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas for Approval of Energy Efficiency Programs and a Regional Greenhouse Gas Initiative Cost Recovery Rider, BPU Docket Nos. EO09010056 and GO09010060, Order dated August 3, 2009 ("August 2009 Order").

petition seeking to adjust its RGGI Rider Rate on a calendar year basis including information regarding investment levels, operating costs, and employment. By the August 2009 Order, the Board approved an initial RGGI Rate of \$0.0081 per therm.²

On July 1, 2010, ETG filed a petition to reconcile program costs and recoveries associated with its Original EEPs ("2010 RGGI Rider Rate Petition"). On October 4, 2010, the Company filed a petition requesting approval to extend the term of the Company's Original EEPs for an additional three (3)-year period. By Order dated January 19, 2011, the Board authorized ETG to extend its Original EEPs for a one (1)-year period ending on December 31, 2011.³ By the January 2011 Order, the Board also approved a provisional RGGI Rider Rate of \$0.0000, but declined to resolve the issues contained within the 2010 RGGI Rider Rate Petition to allow for further review of the Company's Original EEPs and finalization of a provisional RGGI Rider Rate.

On June 30, 2011, ETG filed a petition to reconcile program costs and recoveries associated with its Original EEPs ("2011 RGGI Rider Rate Petition"). The 2011 RGGI Rider Rate Petition sought to decrease the RGGI Rider Rate from \$0.0000 to a credit of \$0.0015 per therm. The 2011 RGGI Rider Rate Petition also requested approval to implement a name change from the RGGI Rider Rate to the EEP Rate.

By Order dated November 30, 2011, the Board authorized ETG to continue the Company's Original EEPs through April 29, 2012.⁴ The November 2011 Order also approved the continuation of a RGGI Rider Rate of \$0.0000 per therm until changed by order of the Board. By Order dated April 11, 2012, the Board authorized the Company to continue certain EEPs for a one (1) year period and renamed the RGGI Rider Rate to the EEP Rate.⁵

On August 1, 2012, ETG filed a petition to reconcile program costs and recoveries associated with its EEPs through June 30, 2012 ("2012 EEP Rate Petition"). By the 2012 EEP Rate Petition, the Company sought approval of an EEP rate of \$0.0046 per therm. By Order dated December 18, 2013, the Board authorized an EEP Rate of \$0.0042 per therm, thereby resolving the 2010 RGGI Rider Rate Petition, the 2011 RGGI Rider Rate Petition and the 2012 EEP Rate Petition.⁶

² All rates quoted herein include Sales and Use Tax ("SUT") and any applicable assessments.

³ In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to Revise its Regional Greenhouse Gas Initiative Rider Rate and In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown for Authority to Extend the Term of Energy Efficiency Programs with Certain Modifications and Approval of Associated Cost Recovery Mechanism and Deferral Accounting Treatment, BPU Docket Nos. GO10070446 and GO10100735, Order dated January 19, 2011 ("January 2011 Order").

⁴ In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas for Authority to Extend the Term of Energy Efficiency Programs with Certain Modifications and Approval of Associated Cost Recovery, BPU Docket No. GO11070399, Order dated November 30, 2011 ("November 2011 Order").

⁵ In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas for Authority to Extend the Term of Energy Efficiency Programs with Certain Modifications and Approval of Associated Cost Recovery, BPU Docket No. GO11070399, Order dated April 11, 2012 ("April 2012 Order").

⁶ In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to Revise its Regional Greenhouse Gas Initiative Rider Rate and In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to Revise its Regional Greenhouse Gas Initiative Rider Rate and Rename the Rate to the Energy Efficiency Program Rider Rate and In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to Revise its Energy Efficiency Program Rider Rate, BPU Docket Nos. GO10070446, GR11070398, and GR12080729, Order dated December 18, 2013.

By Order dated August 21, 2013, the Board authorized the Company to extend the term of the Original EEPs through September 1, 2015.⁷ By Order dated December 16, 2015, the Board authorized ETG to continue offering its Original EEPs through December 31, 2016 within the remaining budget approved in the August 2013 Order.⁸

By Order dated April 21, 2017, the Board authorized the Company to extend the term of the existing program and several additional proposed programs through December 31, 2018.⁹ By the April 2017 Order, the Board authorized ETG to offer the following EEPs: 1) the Residential Gas HVAC and Gas Hot Water Heater Incentive Program; 2) the Residential Home Energy Assessment Program; 3) the Residential Home Energy Report (“Opower”) Program; 4) the Residential Home Weatherization for Income Qualified Customers Program; and 5) the Commercial Steam Trap Survey and Repair Program. By the April 2017 Order, the Board further authorized a four (4)-year amortization of the approved EEPs.

By Order dated February 27, 2019, the Board authorized the Company to extend the EEPs approved by the April 2017 Order through February 29, 2020.¹⁰

By Order dated February 19, 2020, the Board authorized ETG to offer its four (4)-year amortization EEP through December 31, 2021, subject to the implementation of a new ETG EEP with an earlier effective date.¹¹

By Order dated April 7, 2021, the Board authorized ETG to implement a new EEP with a ten (10)-year amortization to begin on July 1, 2021. Accordingly, the Company terminated its previous EEP on June 30, 2021.¹²

⁷ In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas for Authority to Extend the Term of Energy Efficiency Programs with Certain Modifications and Approval of Associated Cost Recovery Mechanism, BPU Docket No. GO12100946, Order dated August 21, 2013.

⁸ In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas for Authority to Extend the Term of Energy Efficiency Programs with Certain Modifications and Approval of Associated Cost Recovery Mechanism and In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas for Authority to Extend the Term of Energy Efficiency Programs with Certain Modifications and Approval of Associated Cost Recovery Mechanism, BPU Docket Nos. GO12100946 and GO15050504, Order dated December 16, 2015.

⁹ In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas for Authority to Extend the Term of Energy Efficiency Programs with Certain Modifications and Approval of Associated Cost Recovery Mechanism, BPU Docket Nos. GO15050504 and GR16070618, Order dated April 21, 2017 (“April 2017 Order”).

¹⁰ In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas for Authority to Extend the Term of Energy Efficiency Programs with Certain Modifications and Approval of Associated Cost Recovery Mechanism, BPU Docket No. GO18070682, Order dated February 27, 2019.

¹¹ In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas for Authority to Extend the Term of Energy Efficiency Programs with Certain Modifications and Approval of Associated Cost Recovery Mechanism, BPU Docket No. GO18070682, Order dated February 19, 2020.

¹² In re the Implementation of L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs, BPU Docket No. QO19010040 and In re the Petition of Elizabethtown Gas Company for Approval of New Energy Efficiency Programs and Associated Cost Recovery Pursuant to the Clean Energy Act and the Establishment of a Conservation Incentive Program, BPU Docket No. GO20090619, Order dated April 7, 2021 (“April 2021 Order”).

By Order dated April 30, 2024, the Board approved an extension of the EEPs approved by the April 2021 Order through December 31, 2024.¹³

By Order dated October 30, 2024 the Board approved ETG's Triennium 2 Program with an associated rate, effective January 1, 2025.¹⁴

PETITION

By the Petition, ETG sought to reconcile the EEP costs and cost recoveries for the period commencing July 1, 2023 through June 30, 2024, and establish a rate sufficient to recover those costs and the projected EEP rate revenue requirements for the period of July 1, 2024 through June 30, 2025.

Also by the Petition, ETG requested to increase the four (4)-year amortization rate component of the EEP Rider ("Legacy") from \$0.0006 to \$0.0009 per therm, both inclusive of taxes, to recover a balance of \$427,870 and to increase the ten (10)-year amortization rate component of the EEP Rider ("Triennium 1") from \$0.0162 to \$0.0246 per therm, both inclusive of taxes, to recover a balance of \$11,870,419, effective October 1, 2024. The sum of the Legacy and Triennium 1 components of the EEP Rider rate results in an increase from \$0.0168 to \$0.0255 per therm, inclusive of taxes.

Following publication of public notice in newspapers of general circulation within ETG's service territory, two (2) virtual public hearings on the 2024 EEP Petition were held on November 12, 2024, at 4:30 p.m. and 5:30 p.m. No members of the public attended the hearings, or submitted written comments to express their views on this filing.

STIPULATION

Following a review of the Petition and discovery, the Parties executed the Stipulation, which provides the following:¹⁵

Effective Date

10. The Parties acknowledge that the EEP Rider rate change will become effective as of the date of a Board Order approving the Stipulation in accordance with N.J.S.A. 48:2-40, or upon such date thereafter as the Board may specify ("Effective Date").

Effective Rate

11. As of the effective date, the Company will implement a Legacy component of the EEP Rider rate of \$0.0009 per therm, inclusive of taxes, and a Triennium 1 component of the

¹³ In re the Petition of Elizabethtown Gas Company for Approval of New Energy Efficiency Programs and Associated Cost Recovery Pursuant to the Clean Energy Act and Establishment of a Conservation Incentive Program, BPU Docket No. GO20090619, Order dated April 30, 2024.

¹⁴ In re the Petition of Elizabethtown Gas Company for Approval of Triennium 2 Clean Energy Programs and Associated Cost Recovery Pursuant to the Clean Energy Act, BPU Docket No. QO23120869, Order dated October 30, 2024 ("October 2024 Order").

¹⁵ Although summarized in this Order, the detailed terms of the Stipulation are controlling, subject to the findings and conclusions of this Order. Paragraphs are numbered to coincide with the Stipulation.

EEP Rider rate of \$0.0246 per therm, inclusive of taxes. When combined with the Triennium 2 component of the EEP Rider rate of \$0.0102 per therm, inclusive of taxes, approved by the October 2024 Order and made effective January 1, 2025, the total EEP Rider rate is \$0.0357 per therm, inclusive of taxes. The EEP Rider rate shall remain in effect unless and until changed by Order of the Board. The calculations of the Legacy and Triennium 1 components of the EEP Rider rate set forth in Appendix A of the Stipulation.

12. The Company shall accrue interest on under- and over-recovery balances at a rate equal to the weighted average of the Company's monthly commercial paper rate or interest rate on its bank credit lines. Until such time when ETG has a commercial paper program, the Company will adjust its short-term debt rate to reflect the commercial paper rate proxy reduction of 1.64%. In the event that commercial paper or bank credit lines were not utilized by the Company in the preceding month, the last calculated rate shall be used. The interest on monthly EEP Rider rate under and over recoveries shall be determined by applying the interest rate based upon the Company's weighted interest rate for the corresponding month obtained on its commercial paper and bank credit lines, but shall not exceed the Company's after tax weighted average cost of capital utilized to set rates in its most recent base rate case.
13. The Company agrees that it will include with its EEP filings responses to the minimum filing requirements as set forth in Appendix B of the Stipulation.
14. Upon Board approval of the EEP Rider rate reflected in the Stipulation, the Company will file a revised tariff sheet with the Board to present the rate components that result in the total EEP rate. A draft tariff sheet is attached as Appendix C to the Stipulation, which includes actual changes to the tariff.

Rate Impact

15. The rate impact of the EEP Rider rate change from the current rate of \$0.0270 per therm, inclusive of taxes, to \$0.0357 per therm, inclusive of taxes, will increase the monthly bill of a typical residential heating customer using 100 therms by \$0.87, from \$156.28 to \$157.15, or 0.6% compared to the Company's January 1, 2025 rates.
16. Upon the Board's approval of the Stipulation, all issues related to ETG's EEP recoverable costs for the period July 1, 2023 through June 30, 2024 are deemed resolved for purposes of this proceeding but remain subject to audit by the Board.

DISCUSSION AND FINDINGS

The Board carefully reviewed the record in this proceeding, including the Petition and the attached Stipulation in its entirety. Accordingly, the Board **HEREBY FINDS** the Stipulation to be reasonable, in the public interest, and in accordance with the law. As such, the Board **HEREBY ADOPTS** the attached Stipulation, including all attachments and schedules, as its own, incorporating by reference its terms and conditions as if fully set forth herein.

Accordingly, the Board **HEREBY APPROVES** an EEP Rider rate change from the current rate of \$0.0270 per therm, inclusive of taxes, to \$0.0357 per therm, inclusive of taxes, for service rendered on or after May 1, 2025. As a result of the Stipulation, a typical residential heating customer using 100 therms per month will experience an increase of \$0.87 in their monthly bill.

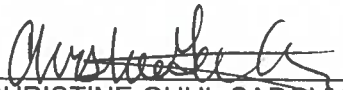
The Board **HEREBY ORDERS** the Company to file the appropriate revised tariff sheets consistent with the terms of this Order no later than May 1, 2025.

The Company's costs, including those related to the programs described above, remain subject to audit by the Board. This Decision and Order shall neither preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

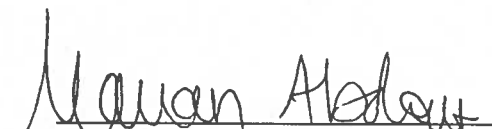
This Order shall be effective on April 25, 2025.

DATED: April 23, 2025

BOARD OF PUBLIC UTILITIES
BY:

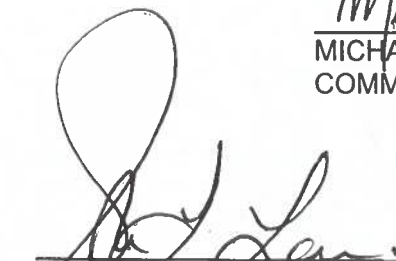

CHRISTINE GUHL-SADOVK
PRESIDENT


DR. ZENON CHRISTODOULOU
COMMISSIONER


MARIAN ABDON
COMMISSIONER


MICHAEL BANGE
COMMISSIONER

ATTEST:


SHERRIL L. LEWIS
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 ELIZABETHTOWN GAS COMPANY TO REVISE ITS ENERGY
EFFICIENCY PROGRAM RIDER RATE

BPU DOCKET NO. GR24070552

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February 5, 2025

Via Electronic Filing

Sherri L. Golden
Secretary of the Board
NJ Board of Public Utilities
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**Re: In the Matter of the Petition of Elizabethtown Gas Company to Revise Its Energy
Efficiency Program Rider Rate
BPU Docket No. GR24070552**

Dear Secretary Golden:

Enclosed for filing in the above-referenced proceeding is a Stipulation executed by representatives of Elizabethtown Gas Company, the Staff of the Board of Public Utilities and the Division of Rate Counsel. It is respectfully requested that the Board consider the Stipulation at its March 19, 2025 agenda meeting.

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

Respectfully submitted,

A handwritten signature in black ink that reads "Dominick DiRocco". The signature is fluid and cursive, with a long horizontal flourish at the end.

Dominick DiRocco

DD:slp
Enclosures

cc: Service List

**IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY
TO REVISE ITS ENERGY EFFICIENCY PROGRAM RIDER RATE
BPU DOCKET NO. GR24070552**

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**IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY
TO REVISE ITS ENERGY EFFICIENCY PROGRAM RIDER RATE
BPU DOCKET NO. GR24070552**

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

In the Matter of the Petition of Elizabethtown Gas Company to Revise its Energy Efficiency Program Rider Rate	: : : : :	BPU Docket No. GR24070552 FINAL STIPULATION
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APPEARANCES:

Dominick DiRocco, Esq., Vice President, Rates and Regulatory Affairs, SJI Utilities, Inc. for Petitioner, Elizabethtown Gas Company.

Maura Caroselli, Esq., Manager of Gas & Clean Energy, **Megan C. Lupo, Esq.**, Assistant Deputy Rate Counsel, and **Mamie W. Purnell, Esq.**, Assistant Deputy Rate Counsel, for the Division of Rate Counsel (**Brian O. Lipman, Esq.**, Director).

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

TO THE HONORABLE COMMISSIONERS OF THE BOARD OF PUBLIC UTILITIES:

I. PROCEDURAL HISTORY

1. On July 31, 2024, Elizabethtown Gas Company (“Elizabethtown” or “Company”), filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) requesting authority to revise its Energy Efficiency (“EE”) Program (“EEP”) Rider rate (“2024 EEP Petition”).

2. By the 2024 EEP Petition, the Company sought to reconcile the costs and cost recoveries for the period commencing July 1, 2023 through June 30, 2024 (“2024 Recovery Period”) and to establish a rate sufficient to recover those costs as well as the projected EEP Rider rate revenue requirements for the period of July 1, 2024 through June 30, 2025 (“2025 Recovery Period”).

3. The EEP Rider rate enables Elizabethtown to recover the costs associated with Elizabethtown’s EEPs approved by the Board. The Company’s EEP consisted of a range of rebates

and related offers, such as customer education and outreach initiatives, designed to encourage customers to conserve energy and to provide information on how to lower their gas bills.

4. By Order dated February 19, 2020, the Board authorized Elizabethtown to offer its four (4)-year amortization EEP through December 31, 2021, subject to the implementation of a new Elizabethtown EEP with an earlier effective date.¹ By Order dated April 7, 2021, the Board authorized Elizabethtown to implement a new EEP with a ten (10)-year amortization to begin on July 1, 2021. Accordingly, Elizabethtown's previous EEP was terminated on June 30, 2021.² By Order dated April 30, 2024, the Board approved an extension of the Company's current EE programs through December 31, 2024.³

5. By the 2024 EEP Petition, the Company sought to increase the four (4)-year amortization rate component of the EEP Rider ("Legacy") from \$0.0006 to \$0.0009 per therm, both inclusive of taxes, to recover a balance of \$427,870 and to increase the ten (10)-year amortization rate component of the EEP Rider ("Triennium 1") from \$0.0162 to \$0.0246 per therm, both inclusive of taxes, to recover a balance of \$11,870,419, effective October 1, 2024. As identified in the 2024 EEP Petition, the sum of the Legacy and Triennium 1 components of the EEP Rider rate results in an increase from \$0.0168 to \$0.0255 per therm, inclusive of taxes. In accordance with the Company's tariff, the EEP Rider rate is assessed to all customers except those

¹ In re the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas for Authority to Extend the Term of Energy Efficiency Programs with Certain Modifications and Approval of Associated Cost Recovery Mechanism, BPU Docket No. GO18070682, Order dated February 19, 2020.

² In re the Implementation of L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs, BPU Docket No. QO19010040 and In re the Petition of Elizabethtown Gas Company for Approval of New Energy Efficiency Programs and Associated cost Recovery Pursuant to the Clean Energy Act and the Establishment of a Conservation Incentive Program, BPU Docket No. GO20090619, Order dated April 7, 2021.

³ In re the Petition of Elizabethtown Gas Company for Approval of New Energy Efficiency Programs and Associated Cost Recovery Pursuant to the Clean Energy Act and Establishment of a Conservation Incentive Program, BPU Docket No. GR20090619, Order dated April 30, 2024.

served under special contracts as filed and approved by the Board and those customers exempt from this charge pursuant to the Long-Term Capacity Agreement Pilot Program, L. 2011, c.9.

6. The Company calculated the proposed Legacy component of the EEP Rider rate of \$0.0009 per therm, inclusive of taxes, and the proposed Triennium 1 component of the EEP Rider rate of \$0.0246 per therm, inclusive of taxes, by taking the prior year balance plus current year activity, plus projected recoverable amounts for the 2025 Recovery Period and dividing the total amount by the projected volumes for the 2025 Recovery Period for the service classifications and customers subject to the EEP Rider.

7. As stated in the 2024 EEP Petition, the impact of the proposed change to the Legacy and Triennium 1 components of the EEP Rider rate would increase the monthly bill of a residential customer using 100 therms by \$0.87, from \$138.93 to \$139.80, or an increase of 0.6%, as compared to the rates in effect as of July 1, 2024.

8. Following public notice published in newspapers of general circulation within Elizabethtown's service territory, two (2) virtual public hearings regarding the 2024 EEP Petition were held on November 12, 2024, at 4:30 p.m. and 5:30 p.m. No members of the public attended the hearings, nor submitted written comments to express their views on this filing.

9. Elizabethtown, Board Staff, and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, "Parties") engaged in discovery and resolved all issues in this proceeding in accordance with the stipulation of settlement ("Stipulation") set forth below.

II. STIPULATED TERMS

Based upon and subject to the terms and conditions set forth herein, the Parties stipulate and agree as follows:

Effective Date

10. The Parties acknowledge that the EEP Rider rate change will become effective as of the date of a Board Order approving this Stipulation in accordance with N.J.S.A. 48:2-40, or upon such date thereafter as the Board may specify (“Effective Date”).

Effective Rate

11. As of the Effective Date, the Company will implement a Legacy component of the EEP Rider rate of \$0.0009 per therm, inclusive of taxes, and a Triennium 1 component of the EEP Rider rate of \$0.0246 per therm, inclusive of taxes. When combined with the Triennium 2 component of the EEP Rider rate of \$0.0102 per therm, inclusive of taxes, approved by the Board by Order dated October 30, 2024 and made effective January 1, 2025, the total EEP Rider rate is \$0.0357 per therm, inclusive of taxes.⁴ The EEP Rider rate shall remain in effect unless and until changed by Order of the Board. The calculations of the Legacy and Triennium 1 components of the EEP Rider rate are set forth in Appendix A, which is attached hereto.

12. The Company shall accrue interest on under- and over-recovery balances at a rate equal to the weighted average of the Company’s monthly commercial paper rate or interest rate on its bank credit lines. Until such time when ETG has a commercial paper program, the Company will adjust its short-term debt rate to reflect the commercial paper rate proxy reduction of 1.64%. In the event that commercial paper or bank credit lines were not utilized by the Company in the preceding month, the last calculated rate shall be used. The interest on monthly EEP Rider rate

⁴ In re the Petition of Elizabethtown Gas Company for Approval of Triennium 2 Clean Energy Programs and Associated Cost Recovery Pursuant to the Clean Energy Act, BPU Docket No. QO23120869, Order dated October 30, 2024.

under and over recoveries shall be determined by applying the interest rate based upon the Company's weighted interest rate for the corresponding month obtained on its commercial paper and bank credit lines, but shall not exceed the Company's after tax weighted average cost of capital utilized to set rates in its most recent base rate case.

13. The Company agrees that it will include with its EEP filings responses to the minimum filing requirements as set forth in Appendix B to this Stipulation.

14. Upon Board approval of the EEP Rider rate reflected in this Stipulation, the Company will file with the Board a revised tariff sheet to reflect the rate components that result in the total final EEP Rider rate agreed to in this Stipulation. A draft tariff sheet is attached hereto as Appendix C, which includes actual changes to the tariff.

Rate Impact

15. The impact of the EEP Rider rate change from the current rate of \$0.0270 per therm, inclusive of taxes, to \$0.0357 per therm, inclusive of taxes, will increase the monthly bill of a typical residential heating customer using 100 therms by \$0.87, from \$156.28 to \$157.15, or 0.6% compared to the Company's January 1, 2025 rates.

16. Upon the Board's approval of this Stipulation, all issues related to Elizabethtown's EEP recoverable costs for the period July 1, 2023, through June 30, 2024, are deemed resolved for purposes of this proceeding but remain subject to audit by the Board.

III. MISCELLANEOUS

17. This Stipulation represents a mutual balancing of interests and, therefore, is intended to be accepted and approved in its entirety. In the event that the Board does not adopt this Stipulation in its entirety in an Order, then any Party hereto is free to pursue its then-available legal remedies with respect to all issues in this Stipulation as though this Stipulation had not been signed.


18. It is the intent of the Parties that the provisions herein be approved by the Board, as appropriate, 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 this proceeding. Except as expressly provided herein, Elizabethtown, Board Staff, or 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. All rates remain subject to audit by the Board.

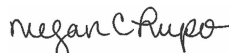
WHEREFORE, the Parties hereto do respectfully submit this Stipulation to the Board and request the Board to issue a Decision and Order approving this Stipulation in its entirety in accordance with the terms hereof.

ELIZABETHTOWN GAS COMPANY

**BRIAN O. LIPMAN, ESQ.
DIRECTOR, DIVISION OF
RATE COUNSEL**


By: 

Dominick DiRocco
VP, Rates and Regulatory Affairs

By: 

Megan C. Lupo, Esq.
Assistant Deputy Rate Counsel

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

By: 

Steven Chaplar
Deputy Attorney General

Dated: February 5, 2025

GR24070552 – ETG 2024 EEP

EEP 2024-TK
TK-1 Legacy

EEP Schedule TK-1

ELIZABETHTOWN GAS COMPANY
ENERGY EFFICIENCY PROGRAM ("EEP")
Annual Revenue Requirement (Program Year)

	July 24- Jun 25
	Year 4
<u>DIRECT PROGRAM INVESTMENTS</u>	
Annual Investment	\$ 7,481,303
Cumulative Investment	\$ 40,799,586
Less Accumulated Amortization	\$ (7,977,695)
Less Accumulated Deferred Tax	\$ (9,226,233)
Net Investment	\$ 23,595,657
Rate of Return (Pre Tax)	8.78%
Required Net Operating Income	\$ 2,075,043
Incremental O&M Pre Tax	\$ 965,394
Pre Tax Amortization	\$ 3,912,746
Operating Income	\$ 6,953,183
Revenue Factor	1.00960
Revenue Requirement Excluding SUT	\$ 7,019,959
<u>LOAN PROGRAM INVESTMENTS</u>	
Annual Investment	\$ (298,020)
Less Loan Repayments	\$ (1,472,954)
Net Investment	\$ (1,770,974)
Cumulative Investment	\$ 12,233,605
Rate of Return (Pre Tax)	8.78%
Required Net Operating Income	\$ 1,139,028
Incremental O&M Pre Tax	\$ 907,589
Operating Income	\$ 2,046,617
Revenue Factor	1.00960
Revenue Requirement Excluding SUT	\$ 2,066,272
<u>RATE CALCULATION</u>	
Revenue Requirement For Direct Investments Excluding SUT	\$ 7,019,959
Revenue Requirement For Loans Programs Excluding SUT	\$ 2,066,272
Prior Year (Over)/Under Recovered Deferred Balance Including Carrying Costs	\$ 2,784,188
Total Revenue Requirements	\$ 11,870,419
Therms	513,780,814
Rate Per Therm, Excluding SUT	\$ 0.0231
SUT	\$ 0.0015
Rate Per Therm, Including SUT	\$ 0.0246
Legacy Program Rate Per Therm, Including SUT (EEP Schedule TK-1 Legacy)	\$ 0.0009
Total EEP Rate Per Therm, Including SUT	\$ 0.0255

Exhibit A Legacy

**ELIZABETHTOWN GAS COMPANY
ENERGY EFFICIENCY PROGRAM (EEP) RATE FILING
MINIMUM FILING REQUIREMENTS (MFR) INDEX
FOR FOUR YEAR AMORTIZATION RATE**

Minimum Filing Requirements	Schedule
1. Direct FTE employment impacts as defined in Paragraph 28 of the Stipulation, including a breakdown by sub-program	N/A
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	TK-3 Legacy
3. For the review period, actual revenues, by month and by rate class recorded under the programs	TK-5 Legacy
4. Monthly beginning and ending clause balances, as well as the average balance net of tax for the 12-month period	TK-2 Legacy
5. The interest rate used each month for over/under recoveries, and all supporting documentation and calculations for the interest rate	TK-6 Legacy
6. The interest expense to be charged or credited to ratepayers each month	TK-2 Legacy, TK-6 Legacy
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	N/A
8. The monthly journal entries relating to regulatory asset and O&M expenses for the 12 month review period	N/A
9. Supporting details for all administrative costs included in the revenue requirement	N/A
10. Information supporting the carrying cost used for the unamortized costs	TK-6 Legacy
11. Number of program participants, including a breakdown by sub-program	N/A
12. Estimated demand and energy savings, including a breakdown by sub-program	N/A
13. Emissions reductions from the Program, including a breakdown by sub-program	N/A
14. Estimated free ridership and spillover	N/A
15. Participant costs (net of utility incentives), including a breakdown by sub-program	N/A
16. Results of program evaluations, including a breakdown by sub-program	N/A
17. Separate cost and recovery information for each approved program and extension.	TK-7 Legacy

**ELIZABETHTOWN GAS COMPANY
ENERGY EFFICIENCY PROGRAM (EEP) RATE FILING
MINIMUM FILING REQUIREMENTS (MFR) INDEX
FOR TEN YEAR AMORTIZATION RATE**

Minimum Filing Requirements	Schedule
1. Information on direct FTE employment impacts, including a breakdown by each of the Board approved ETG EE programs. The Company will not be responsible for addressing the level of employment activity for HVAC and/or HPES contractors that are hired by customers unless those contractors are hired by ETG.	FV-3
2. A monthly revenue requirement calculation based on EE Program expenditures, including the investment and cost components showing the actual monthly revenue requirement for each of the past 12 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. The utility shall provide electronic copies of such supporting information, with all inputs and formulae intact, where applicable.	TK-1, TK-2, TK-3
3. For the review period, actual clause revenues, by month and by rate class recorded under the EE Program.	TK-5
4. Monthly beginning and ending clause deferred balances related to the EE Program, as well as the average deferred balance, net of tax, for the actual 12-month period and forecast period.	TK-4
5. The interest rate used each month for over/under deferred balance recoveries related to the EE Program, and all supporting documentation and calculations for the interest rate.	TK-6
6. The interest expense to be charged or credited to ratepayers each month.	TK-4
7. A schedule showing budgeted versus actual EE 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. To the extent that the Board directs New Jersey's Clean Energy Program to report additional categories, the utility shall provide additional categories, as applicable.	FV-1
8. A schedule showing budgeted versus actual EE Program revenues.	TK-5
9. The monthly journal entries utilized (including the accounts and account numbers) relating to regulatory asset and deferred O&M expenses related to the EE Program for the actual 12-month review period.	TK-7
10. Supporting details for all administrative costs related to the EE Program included in the revenue requirement.	FV-1
11. Information supporting the carrying cost used for the unamortized costs of the EE program.	TK-4
12. Number of program participants for each of the Board approved ETG EE programs, including a breakdown by sub-program, if applicable.	FV-2
13. Estimated demand and energy savings for each of the Board approved ETG EE programs, including a breakdown by sub-program, if applicable.	FV-4
14. Estimated emissions reductions for each of the Board approved ETG EE programs, including a breakdown by sub-program, if applicable.	FV-4

**ELIZABETHTOWN GAS COMPANY
ENERGY EFFICIENCY PROGRAM (EEP) RATE FILING
MINIMUM FILING REQUIREMENTS (MFR) INDEX
FOR TEN YEAR AMORTIZATION RATE**

Minimum Filing Requirements	Schedule
15. Testimony supporting the annual true-up petition.	Exhibits P-1, P2, P-3
16. If the Company is filing for an increase in rates, the Company shall include a draft public notice with the annual true-up petition and proposed publication dates.	Exhibit B
17. For programs that provide incentives for conversion of energy utilization to natural gas from other energy sources (e.g., converting from electric to gas furnaces), the Company shall identify: <ul style="list-style-type: none"> i. the number of such projects; ii. an estimate of the increase in annual gas demand and energy associated with these projects; and iii. the avoided use of electricity and/or other fuels. 	FV-5
18. In areas where gas and electric service territories overlap, the Company shall provide: <ul style="list-style-type: none"> i. The number of projects in progress and completed. <ul style="list-style-type: none"> a. For each project, identify which utility is the lead utility providing the program services and the partner utility with whom the services were coordinated. 	FV-6
19. Tariff pages in clean and redline versions.	Tariff Schedule TK-1
20. Net impact of the proposed rate changes.	Case Summary

RIDER "E"

ENERGY EFFICIENCY PROGRAM ("EEP")

Applicable to all Customers except those Customers under special contracts as filed and approved by the BPU and those customers exempted pursuant to the Long-Term Capacity Agreement Pilot Program ("LCAPP"), P.L. 2011 c.9, codified as N.J.S.A. 48:3-60.1. See the LCAPP Exemption Procedures at the end of the SBC, Rider "D."

The EEP shall be collected on a per therm basis and shall remain in effect until changed by order of the BPU. The applicable EEP rate is as follows:

Legacy	\$0. 00060009 per therm
Triennium 1	\$0. 01620246 per therm
Triennium 2	\$0.0102 per therm
TOTAL	\$0. 02700357 per therm

The rate applicable under this Rider includes 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 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 allowed electric and gas public utilities to offer energy efficiency and conservation programs on a regulated basis. The Company's energy efficiency programs were first authorized pursuant to Board orders issued in Docket Nos. EO09010056 and GO09010060. They were subsequently extended pursuant to Board orders issued in GO10070446, GO11070399, GO12100946, GO15050504, GR16070618, GO18070682, and GO20090619. The Company's current energy efficiency programs are effective through December 31, 2024. On May 23, 2018, the Clean Energy Act of 2018 ("CEA" or the "Act") was signed into law. The BPU directed utilities to file changes pursuant to Board orders issued in Docket Nos. QO19010040, QO19060748 and QO17091004 dated June 10, 2020, ("the 2020 Orders"). The BPU directed utilities to file changes pursuant to Board orders issued in Docket Nos. QO19010040, QO23030150 and QO17091004 dated May 24, 2023, ("the 2023 Orders"). The EEP enables the Company to recover all costs associated with energy efficiency programs approved by the Board.

Date of Issue: ~~December 12, 2024~~^{xxx1}

Effective: Service Rendered
on and after ~~January 1,~~
~~2025~~^{xxx2}

Issued by: Christie McMullen, President
520 Green Lane
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~October 30, 2024~~^{xxx3} in Docket No. ~~QO23120869~~^{xxx3}

CLEAN

RIDER "E"

ENERGY EFFICIENCY PROGRAM ("EEP")

Applicable to all Customers except those Customers under special contracts as filed and approved by the BPU and those customers exempted pursuant to the Long-Term Capacity Agreement Pilot Program ("LCAPP"), P.L. 2011 c.9, codified as N.J.S.A. 48:3-60.1. See the LCAPP Exemption Procedures at the end of the SBC, Rider "D."

The EEP shall be collected on a per therm basis and shall remain in effect until changed by order of the BPU. The applicable EEP rate is as follows:

Legacy	\$0.0009 per therm
Triennium 1	\$0.0246 per therm
Triennium 2	\$0.0102 per therm
TOTAL	\$0.0357 per therm

The rate applicable under this Rider includes 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 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 allowed electric and gas public utilities to offer energy efficiency and conservation programs on a regulated basis. The Company's energy efficiency programs were first authorized pursuant to Board orders issued in Docket Nos. EO09010056 and GO09010060. They were subsequently extended pursuant to Board orders issued in GO10070446, GO11070399, GO12100946, GO15050504, GR16070618, GO18070682, and GO20090619. The Company's current energy efficiency programs are effective through December 31, 2024. On May 23, 2018, the Clean Energy Act of 2018 ("CEA" or the "Act") was signed into law. The BPU directed utilities to file changes pursuant to Board orders issued in Docket Nos. QO19010040, QO19060748 and QO17091004 dated June 10, 2020, ("the 2020 Orders"). The BPU directed utilities to file changes pursuant to Board orders issued in Docket Nos. QO19010040, QO23030150 and QO17091004 dated May 24, 2023, ("the 2023 Orders"). The EEP enables the Company to recover all costs associated with energy efficiency programs approved by the Board.

Date of Issue: xxx1

Effective: Service Rendered
on and after xxx2

Issued by: Christie McMullen, President
520 Green Lane
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities
Dated xxx3 in Docket No. xxx3