



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 SOUTH) ORDER APPROVING
JERSEY GAS COMPANY TO REVISE THE COST) STIPULATION
RECOVERY CHARGE ASSOCIATED WITH ENERGY)
EFFICIENCY PROGRAMS ("EET CHARGE")) DOCKET NO. GR24070550

Parties of Record:

Dominick DiRocci, Esq., SJL Utilities on behalf of South Jersey Gas Company
Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On July 31, 2024, South Jersey Gas Company ("SJG" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board" or "BPU") seeking approval of an increase in the Energy Efficiency Tracker ("EET") rate associated with several of its Energy Efficiency Programs ("EEP") ("Petition"). By this Decision and Order, the Board considers a stipulation of settlement ("Stipulation") executed by SJG, the New Jersey Division of Rate Counsel ("Rate Counsel"), and Board Staff ("Staff") (collectively, "Parties"), intended to resolve all issues in controversy in this matter.

BACKGROUND AND PROCEDURAL HISTORY

By Order dated July 24, 2009, the Board authorized SJG to implement EEPs over a two (2)-year period to promote energy efficiency and conservation and to stimulate New Jersey's economy.¹ The Board authorized SJG to offer the following EEP programs: 1) Enhanced Residential Heating, Venting and Air Conditioning ("HVAC") Rebate Program; 2) Residential Home Performance Finance Energy Efficiency Program; 3) Combined Heat and Power Program; 4) Commercial Customer Direct Install Financing Program; and 5) Non-Residential Energy Efficiency Investment Program. By the July 2009 Order, the Board further authorized the Company to defer and recover all reasonable and prudent EEP costs, including Company investments in EEPs and incremental operating and maintenance ("O&M") costs, through the EET.

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

The EET cost recovery mechanism provided two (2) cost treatment methods. First, the Company may earn a return on the investments associated with EEPs and recover the amortization of the regulatory asset created in SJG's balance sheet. Second, SJG may recover incremental EEP O&M expenses. Pursuant to the July 2009 Order, the Company must submit annual EEP cost recovery filings to establish future EET rates. The annual filings must include certain information including investment levels, operating costs, and employment data. Pursuant to the July 2009 Order, the initial EET rate was \$0.0024 per therm.²

By Order dated August 15, 2012, the Board approved a stipulation of settlement authorizing SJG to extend its EEPs until the Company exhausted any unexpended funds or until the Board ruled otherwise in a separate EEP proceeding, whichever occurred first.³ The August 2012 Order also authorized reallocation of the EEP funds.

By Order dated January 23, 2013, the Board authorized SJG to extend its EEPs through June 2013 and set a budget for the extension period.⁴ By Order dated June 21, 2013, the Board authorized SJG to continue its Residential Home Performance and Finance Energy Efficiency Program, its Non-Residential Energy Efficiency Investment Program, its Enhanced Residential HVAC Rebate Program, and its Commercial Customer Direct Install Financing Program (collectively, "EEP II Programs") through June 2015.⁵ Pursuant to the June 2013 Order, the Board set an initial rate of \$0.0035 per therm for the EEP II Programs.

By Order dated August 19, 2015, the Board approved a stipulation of settlement further extending four (4) of SJG's EEPs and allowing the Company to offer one (1) new EEP: the OPOWER Pilot Program.⁶ The Board established an initial rate of \$0.004494 per therm for the EEP III Extension Programs. When combined with the total EET rate of \$0.0169 per therm, the total effective EET rate was \$0.021394 per therm as of September 1, 2015.

² All rates quoted herein include Sales and Use Tax ("SUT") and Public Utility Assistance ("PUA") Assessment (collectively, "Taxes") unless otherwise stated.

³ In re the Petition of South Jersey Gas Company for Approval to Extend the Company's Board-Approved Energy Efficiency Programs and to Transfer Funding Amongst the Individual Programs, BPU Docket No. GO12060492, Order dated August 15, 2012 ("August 2012 Order").

⁴ In re the Petition of South Jersey Gas Company for Approval of an Energy Efficiency Program ("EEP") with an Associated Energy Efficiency Tracker ("EET") Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GO12050363, Order dated January 23, 2013.

⁵ In re the Petition of South Jersey Gas Company for Approval of an Energy Efficiency Program ("EEP") with an Associated Energy Efficiency Tracker ("EET") Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GO12050363, Order dated June 21, 2013 ("June 2013 Order").

⁶ In re the Petition of South Jersey Gas Company for Approval to Continue its Energy Efficiency Programs and Energy Efficiency Tracker Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GR15010090, Order dated August 19, 2015 ("August 2015 Order"). The August 2015 Order authorized SJG to offer the Residential Home Performance and Finance Energy Efficiency Program; Non-Residential Energy Efficiency Investment Program; Enhanced Essential HVAC Rebate Program; Commercial Customer Direct Install Financing Program; and OPOWER pilot program ("EEP III Extension Programs").

By Order dated January 25, 2017, the Board granted an extension of SJG's EEPs until December 31, 2018, with no additional funding.⁷

By Order dated October 29, 2018, the Board approved a stipulation of settlement further extending the EEPs, with modifications including new program names and newly proposed programs, for an additional three (3)-year period with a budget of approximately \$81.3 million.⁸ Pursuant to the October 2018 Order, the Board established an initial rate of \$0.008117 per therm for the EEP IV Extension Programs.

On September 25, 2020, the Company filed a petition with the Board seeking approval to implement a fifth set of EEP Extension Programs ("EEP V Extension Programs"), which included requirements for the utilities to establish programs that reduce the use of electricity and natural gas for a three (3)-year period commencing July 1, 2021 and ending June 30, 2024. By Order dated April 7, 2021, the Board authorized SJG to implement the EEP V Extension Programs for a three (3)-year period commencing July 1, 2021.⁹

By Order dated March 9, 2022, the Board authorized SJG to implement an EET Charge for its EEP II Programs' extension ("EEP II Programs Extension"), EEP III Extension Programs, and EEP IV Extension Programs ("Legacy Programs") of \$0.025427 per therm effective April 1, 2022.¹⁰

By Order dated December 21, 2022, the Board authorized SJG to implement an EET Charge for its Legacy Programs of \$0.027382 per therm effective January 1, 2023.¹¹

On July 31, 2023, SJG filed its "Fourteenth Annual EET Filing" seeking approval to increase the increase the EET Charge for its Legacy Programs and the EEP V Extension Program for a total

⁷ In re the Petition of South Jersey Gas Company for Approval to Continue its Energy Efficiency Programs and Energy Efficiency Tracker Pursuant to N.J.S.A. 48:3-98.1 and In re the Petition of South Jersey Gas Company for Approval of an Energy Efficiency Program ("EEP") with an Associated Energy Efficiency Tracker ("EET") Pursuant to N.J.S.A. 48:3-98.1, BPU Docket Nos. GR15010090 and GO12050363, Order dated January 25, 2017.

⁸ In re the Petition of South Jersey Gas Company for Approval to Continue its Energy Efficiency Programs ("EEP IV") and Energy Efficiency Tracker Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GO18030350, Order dated October 29, 2018 ("October 2018 Order"). The October 2018 Order authorized SJG to offer the New Jersey Clean Energy Program ("NJCEP") Residential Loans/Rebates Program; NJCEP Commercial Loans Program, Residential Behavior Program, Residential Efficient Products Program, Residential Home Assessment with Direct Install Program; Residential Retrofit Weatherization Program; and C&I Engineered Solutions Program ("EEP IV Extension Programs").

⁹ 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 South Jersey Gas Company for Approval of New Energy Efficiency Programs and Associated Cost Recovery Pursuant to the Clean Energy Act, BPU Docket No. GO20090618, Order dated April 7, 2021 ("April 2021 Order"). The April 2021 Order authorized SJG to offer the Behavioral Program, Efficient Products Program, Existing Homes Program, Multi-Family Program, Direct Install Program and Energy Solutions for Business Program.

¹⁰ In re the Petition of South Jersey Gas Company for Approval to Revise the Cost Recovery Charge Associated with Energy Efficiency Programs ("EET Charge"), BPU Docket No. GR21060950, Order dated March 9, 2022.

¹¹ In re the Petition of South Jersey Gas Company for Approval to Revise the Cost Recovery Charge Associated with Energy Efficiency Programs, BPU Docket No. GR22070468, Order dated December 21, 2022.

per-therm EET Charge increase of \$0.014608. By Order dated January 10, 2024, the Board approved a stipulation of settlement which authorized SJG to implement increase the EET charge by \$0.014608, thereby increasing the Company's EET Charge to \$0.041086 per therm.¹²

By Order dated April 30, 2024, the Board approved an extension of the Company's EEP V Extension Programs through December 31, 2024.¹³

By Order dated October 30, 2024, the Board approved the Company's proposed "Triennium 2 EE Program" rate component of \$0.009904 per therm, which became effective January 1, 2025.¹⁴

Petition

By the Petition, SJG sought Board approval to update its combined EET Charge with respect to two (2) components: 1) its Legacy Programs, including cost recovery from the EEP II Programs Extension, EEP III Programs Extension and EEP IV Programs Extension; and 2) cost recovery associated with the EEP V Extension Programs. SJG requested to increase its combined EET rate from \$0.041086 per therm to \$0.049535 per therm for its Legacy Programs and EEP V Program.

According to the Petition, the Company based its proposed EET rate on actual data from July 1, 2023, through June 30, 2024 ("2023-2024 Program Year") and projected data from July 1, 2024, through June 30, 2025 ("2024-2025 Program Year"), using the Board-approved weighted average cost of capital ("WACC") utilized to set rates in the Company's most recent base rate case. The 2023-2024 Program Year recoveries totaled \$32.7 million. SJG noted that it designed the proposed EET Rider rate for the 2024-2025 Program Year to recover \$24.9 million, excluding SUT.

Following public notice, two (2) virtual public hearings were held at 4:30 p.m. and 5:30 p.m. on November 13, 2024. No members of the public attended the hearings and the Board has received no written comments related to the Petition.

¹² In re the Petition of South Jersey Gas Company for Approval to Revise the Cost Recovery Charge Associated with Energy Efficiency Programs ("EET Charge"), BPU Docket No. GR23070474, Order dated January 10, 2024.

¹³ In re the Petition of South Jersey Gas Company for Approval of New Energy Efficiency Programs and Associated Cost Recovery Pursuant to the Clean Energy Act, BPU Docket No. GO20090618, Order dated April 30, 2024.

¹⁴ In re the Petition of South Jersey Gas Company for Approval of Triennium 2 Clean Energy Programs and Associated Cost Recovery Pursuant to the Clean Energy Act, BPU Docket No. QO23120870, Order dated October 30, 2024 ("October 2024 Order").

STIPULATION

Following review and discussion, the Parties executed the Stipulation, which provides for the following:¹⁵

47. The Parties acknowledge that a Board Order approving, rejecting, or modifying the Stipulation shall become effective on the date of said Board Order, or upon such date thereafter as the Board may specify, in accordance with N.J.S.A. 48:2-40.
48. As of the effective date, the Company will implement a Legacy Programs component of the EET Charge of \$0.017202 per therm and an EEP V Extension Program component of the EET Charge of \$0.032333 per therm. When combined with the Triennium 2 component of the EET Charge of \$0.009904 per therm approved by the October 2024 Order and made effective January 1, 2025, the total EET Charge is \$0.059439 per therm. The EET Charge shall remain in effect until changed by Order of the Board.
49. The increase in the EET Charge will increase the monthly bill of a residential heating customer using 100 therms by \$0.84, or 0.5%, as compared to rates in effect as of January 1, 2025. Proposed tariff sheets (Sheet No. 105) reflecting the EET Charge are attached to the Stipulation as Exhibit A.
50. The Parties agree that any change in the Board-authorized rate of return in a subsequent base rate case will be reflected in the subsequent monthly revenue requirement calculations and captured in the next scheduled annual true-up. The Parties further agree that any change in the revenue requirement resulting from the change in the rate of return will not be included in the monthly interest calculation for over- and under-recoveries until the date of the next scheduled annual true up, but in any event no later than October 1 of the subsequent year.
51. The Parties agree that the Company will continue to file an annual petition ("Annual Filing") in July each year to adjust the EET Charge. Each Annual Filing will contain a reconciliation of its projected EET costs, projected recoveries, and actual revenue requirements for the relevant period, including a breakout of expenses, investments, and unamortized investments, in addition to the items set forth in the Minimum Filing Requirements. The EET Charge will be subject to full and complete examination in the context of the Annual Filing. The EET Charge will be subject to adjustment and true-up through the deferral process, and any required adjustment will be included in the over/under-recovered balance.
52. In calculating the monthly interest on net over- and under-recoveries, the interest rate shall be based upon the Company's monthly average short-term debt rate obtained on its commercial paper and/or bank credit lines. The interest amount charged or credited to the EET Charge shall be based on the net average monthly balance. The Company shall accrue simple interest with an annual roll-in at the end of each twelve (12)-month period. The interest rate shall not exceed the approved WACC.

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.

DISCUSSIONS AND FINDINGS

The Board, having reviewed the record in this matter including the Petition and Stipulation, **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 in its entirety and **HEREBY INCORPORATES** its terms and conditions as if fully set forth herein, subject to any terms and conditions set forth in this Order.

The Board **HEREBY APPROVES** SJG's implementation of a modified total EET rate of \$0.059439 per therm, effective for service rendered on and after May 1, 2025. As a result of the Stipulation, a typical residential heating customer using 100 therms per month will experience a monthly increase of \$0.84.

The Board **HEREBY ORDERS** the Company to file the appropriate revised tariff sheets consistent with the terms of this Order by 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 not preclude or 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:



DR. ZENON CHRISTODOULOU
COMMISSIONER



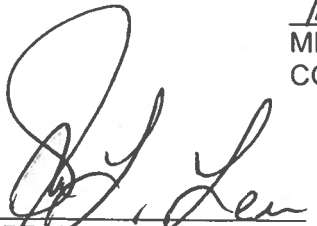
CHRISTINE GUHL-SADOVY
PRESIDENT



MARIAN ABDOU
COMMISSIONER



MICHAEL BANGE
COMMISSIONER

ATTEST: 
SHERRIL L. LEWIS
BOARD SECRETARY

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

IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR APPROVAL TO REVISE THE
COST RECOVERY CHARGE ASSOCIATED WITH ENERGY EFFICIENCY PROGRAMS ("EET CHARGE")

BPU DOCKET NO. GR24070550

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February 12, 2025

Sherri Lewis, Secretary
Office of the Secretary
NJ Board of Public Utilities
44 South Clinton Avenue, 3rd Floor
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Trenton, NJ 08625-0350

Re: **In the Matter of the Petition of South Jersey Gas Company to Revise the Cost Recovery Charge Associated with Energy Efficiency Programs ("EET Charge")**
BPU Docket No. GR24070550

Dear Secretary Lewis:

Enclosed for filing in the above-referenced proceeding is a Stipulation executed by representatives of South Jersey 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 "Sheree L. Kelly".

Sheree L. Kelly

SLK:caj
Enclosures

cc: See attached Service List (with enclosures)

**IN THE MATTER OF THE PETITION OF
SOUTH JERSEY GAS COMPANY FOR APPROVAL TO REVISE
THE COST RECOVERY CHARGE ASSOCIATED WITH ENERGY
EFFICIENCY PROGRAMS ("EET CHARGE")**

BPU DOCKET NO. GR24070550

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SOUTH JERSEY GAS COMPANY

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STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF :
SOUTH JERSEY GAS COMPANY TO :
REVISE THE COST RECOVERY : **BPU DOCKET NO. GR24070550**
CHARGE ASSOCIATED WITH :
ENERGY EFFICIENCY PROGRAMS :
(“EET CHARGE”) :

STIPULATION AND AGREEMENT FOR FINAL RATES

APPEARANCES:

Dominick DiRocco, Esq., Vice President, Rates & Regulatory Affairs, SJI Utilities, Inc. for South Jersey Gas Company, Petitioner.

Maura Caroselli, Esq., Manager of Gas & Clean Energy, **Megan C. Lupo, Esq.**, Assistant Deputy Rate Counsel, and **Andrew H. Gold, Esq.**, Assistant Deputy Rate Counsel on behalf of the Division of Rate Counsel (**Brian O. Lipman**, Director).

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

TO THE HONORABLE COMMISSIONERS OF THE BOARD OF PUBLIC UTILITIES:

This stipulation of settlement (“Stipulation”) addresses the petition filed by South Jersey Gas Company (“South Jersey” or “Company”) with the New Jersey Board of Public Utilities (“Board” or “BPU”) on July 31, 2024 seeking authority to increase its Energy Efficiency Tracker (“EET”) charge (“2024 EET Petition”). The parties to this proceeding are South Jersey, the New Jersey Division of Rate Counsel (“Rate Counsel”), and Board Staff (“Staff”) (collectively, “Parties”).

I. EET PROCEDURAL HISTORY

1. On January 26, 2009, pursuant to N.J.S.A. 48:3-98.1, South Jersey filed a petition with the Board seeking approval to develop and implement several energy efficiency programs (“EETPs”) to be made available to South Jersey customers over a two (2)-year period to

promote energy efficiency and conservation while simultaneously stimulating the State's economy. By Order dated July 24, 2009, the Board authorized South Jersey to implement several EEPs and to recover all revenue requirements associated with the EEPs through creation of the EET.¹ The EET consisted of two (2) parts allowing the Company to: 1) earn a return on its investment and recover the amortization of the regulatory asset to be created upon South Jersey's balance sheet; and 2) recover incremental operating and maintenance ("O&M") expenses associated with the EEPs.

2. Pursuant to the July 2009 Order, the initial EET rate was \$0.0024 per therm.² The July 2009 Order also required the Company to submit an annual EEP cost recovery filing to establish future EET rates, including information listed as minimum filing requirements ("MFRs") set forth in Appendix D to the stipulation approved by the July 2009 Order.

3. On July 9, 2010, the Company submitted its First Annual EET Filing with the Board, seeking to increase the EET rate to \$0.0078 per therm. On November 18, 2010, South Jersey filed a letter petition seeking modification of the July 2009 Order to extend the program and reallocate existing funds without an increase in total funding for the EEPs.

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

² All rates quoted herein include applicable taxes.

4. By Order dated January 19, 2011, the Board authorized South Jersey to extend the EEPs by one (1) year to allow the Company to carry over individual program under-spending until December 31, 2011 and allow monthly program investment and O&M costs associated with the EEPs to continue until April 30, 2012.³ In addition, the January 2011 Order authorized the reallocation of funds within the EEP budget.

5. On June 1, 2011, the Company submitted its Second Annual EET Filing with the Board, seeking to increase the EET rate to \$0.0096 per therm.

6. On May 3, 2012, South Jersey filed a petition seeking authorization to continue the Company's approved EEPs, with certain modifications, and to implement new EEPs.

7. On June 1, 2012, the Company submitted its Third Annual EET Filing, seeking to increase the EET rate to \$0.0119 per therm. On June 6, 2012, South Jersey filed a petition seeking to extend the EEP and EET through December 31, 2012, allowing the Company to spend the remaining unexpended EEP funds.

8. By Order dated September 13, 2012, the Board approved an EET rate increase to \$0.0096 per therm, thereby resolving the First and Second Annual EET Filings.⁴

9. By Order dated January 23, 2013, the Board authorized South Jersey to extend its EEPs and EET through June 30, 2013.⁵ The extension budget totaled \$2,522,469 after combining the extension budget and the existing funds.

³ In re the Petition of South Jersey Gas Company for Approval of Energy Efficiency Program ("EEP") with an Associated Energy Efficiency Tracker ("EET") Pursuant to N.J.S.A. 48:3-98.1; and to Modify Rate Schedule EGS-LV, BPU Docket No. GO10110861, Order dated January 19, 2011 ("January 2011 Order").

⁴ In re the Petition of South Jersey Gas Company for Approval of the Cost Recovery Associated with Energy Efficiency Programs and In re the Petition of South Jersey Gas Company for Approval of the Cost Recovery Associated with Energy Efficiency Programs, BPU Docket Nos. GO10070466 and GR11060336, Order dated September 13, 2012.

⁵ In re the Petition of South Jersey Gas Company for Approval of an Energy Efficiency Program ("EEP") with an Associated Energy Efficiency Tracker ("EET") Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GO12050363, Order dated January 23, 2013.

10. On May 31, 2013, the Company submitted its Fourth Annual EET Filing, seeking to increase the EET rate to \$0.0134 per therm.

11. By Order dated June 21, 2013, the Board authorized South Jersey to offer four (4) EEPs through June 2015 with an authorized budget of \$24 million (“EEP II Extension Program”).⁶ The EEP II Extension Program included the following programs: 1) the Residential Home Performance and Finance Energy Efficiency Program; 2) the Non-Residential Energy Efficiency Investment Program; 3) the Enhanced Residential HVAC Rebate Program; and 4) the Commercial Customer Direct Install Financing Program. The June 2013 Order also authorized South Jersey to continue its EET to recover all prudently incurred costs associated with the EEPs. The Parties agreed to implement an initial rate of \$0.0035 per therm (“EET II Extension Rate”).

12. By Order dated September 30, 2014, the Board approved a stipulation of settlement resolving the Third and Fourth Annual EET Filings.⁷ Pursuant thereto, the Parties agreed to increase the then-current EET rate of \$0.0096 per therm to \$0.0134 per therm. This rate was combined with the EET II Extension Rate of \$0.0035 per therm for a total EET rate of \$0.0169 per therm.

⁶ In re the Petition of South Jersey Gas Company for Approval of an Energy Efficiency Program ("EEP") with an Associated Energy Efficiency Tracker ("EET") Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GO12050363, Order dated June 21, 2013. (“June 2013 Order”).

⁷ In re the Petition of South Jersey Gas Company for Approval of an Increase of the Cost Recovery Associated with Energy Efficiency Program, BPU Docket No. GR12060473 AND In re the Petition of South Jersey Gas Company for Approval of an Increase of the Cost Recovery Associated with Energy Efficiency Program, BPU Docket No. GR13050435, Order dated September 30, 2014 (“September 2014 Order”).

13. On May 30, 2014, the Company filed its Fifth Annual EET Filing seeking Board approval to increase the EET rate to \$0.015577 per therm. However, due to the rate change that became effective October 1, 2014 pursuant to the September 2014 Order, the requested rate of \$0.015577 per therm reflected a decrease from the then-current rate of \$0.0169 per therm.

14. On January 20, 2015, South Jersey filed a petition seeking approval to further extend the approved EEPs, with certain modifications, and to implement a new EEP.

15. On June 1, 2015, the Company submitted its Sixth Annual EET Filing, seeking approval to decrease the then-current EET rate from \$0.0169 per therm to \$0.003252 per therm.

16. By Order dated August 19, 2015, the Board authorized South Jersey to continue its Residential Home Performance and Finance Energy Efficiency Program, Non-Residential Energy Efficiency Investment Program, Enhanced Residential HVAC Rebate Program, and Commercial Customer Direct Install Financing Program through August 2017 with an authorized budget of \$36.3 million (“EEP III Extension Program”).⁸ The August 2015 Order also authorized South Jersey to implement “OPOWER: the Social Marketing and Education Program,” and continue its EET to recover all prudently incurred costs associated with the EEPs.

17. Pursuant to the August 2015 Order, the Parties agreed to an initial rate of \$0.004494 per therm associated with the approved EEP III Extension Program. This rate was combined with the then-current EET rate of \$0.0169 per therm for a total EET rate of \$0.021394 per therm, which became effective on September 1, 2015.

⁸ In re the Petition of South Jersey Gas Company for Approval of an Energy Efficiency Program ("EEP") with an Associated Energy Efficiency Tracker ("EET") Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GR15010090, Order dated August 19, 2015 (“August 2015 Order”).

18. By Order dated February 24, 2016, the Board approved a stipulation by the Parties resolving the Fifth and Sixth Annual EET Filings.⁹ Pursuant thereto, the Parties agreed that the then-current EET rate of \$0.021394 per therm should be decreased to \$0.007302 per therm.

19. On June 2, 2016, the Company submitted its Seventh Annual EET Filing, seeking approval to decrease the then-current EET rate from \$0.007302 per therm to \$0.005995 per therm.

20. By Order dated October 31, 2016, the Board approved a decrease in the EET rate to a level of \$0.004576 per therm, resolving the Seventh Annual EET Filing.^{10, 11}

21. On November 4, 2016, the Company filed a letter petition with the Board seeking approval to extend the term of the Company's existing EEPs through December 31, 2018.

22. By Order dated January 25, 2017, the Board approved an extension of the current EEP III Extension Program term to December 31, 2018, with no additional funding.¹²

23. On June 23, 2017, the Company submitted its Eighth Annual EET Filing, seeking approval to increase the then-current EET rate from \$0.004571 per therm to \$0.009917 per therm.

⁹ In re the Petition of South Jersey Gas Company for Approval of an Increase to the Cost recovery Charge Associated with Energy Efficiency Programs (2014) AND In re the Petition of South Jersey Gas Company to Revise the Cost recovery Charge Associated with Energy Efficiency Programs (2015), BPU Docket Nos. GR14050509 and GR15060643, Order dated February 24, 2016.

¹⁰ In re the Petition of South Jersey Gas Company to Revise the Cost Recovery Charge Associated with Energy Efficiency Programs, BPU Docket No. GR16060491, Order dated October 31, 2016.

¹¹ On November 14, 2016, the Board issued a Secretary's Letter under Docket No. ER16111054 to all New Jersey electric and gas utilities, pursuant to P.L. 2016, c. 57, stating that the Sales and use Tax ("SUT") to be charged to customers for utility service has been changed from 7.0% to 6.875% effective January 1, 2017. Accordingly, the EET Rate of \$0.004576 per therm was reduced to \$0.004571 per therm.

¹² In re the Petition of South Jersey Gas Company for Approval to Continue its Energy Efficiency Programs and Energy Efficiency Tracker Pursuant to N.J.S.A. 48:3-98.1 and In re the Petition of South Jersey Gas Company for Approval of an Energy Efficiency Program ("EEP") with an Associated Energy Efficiency Tracker ("EET") Pursuant to N.J.S.A. 48:3-98.1, BPU Docket Nos. GR15010090 and GO12050363, Order dated January 25, 2017.

24. By Order dated November 21, 2017, the Board approved an increase in the EET rate to \$0.009166 per therm, resolving the Eighth Annual EET Filing.^{13, 14}

25. On March 27, 2018, the Company filed a petition seeking approval to further extend the approved EEPs, with certain modifications, and to implement new EEPs for a five (5)-year period with an overall budget of approximately \$195 million (“EEP IV Extension Program”).

26. By Order dated October 29, 2018, the Board authorized the Company to implement the EEP IV Extension Program for a three (3)-year period with an overall authorized budget of approximately \$81.3 million.¹⁵ The October 2018 Order also authorized South Jersey to continue its EET to recover all prudently incurred costs associated with the EEPs.

27. Pursuant to the October 2018 Order, the Parties agreed to an initial rate of \$0.008117 per therm, associated with the approved EEP IV Extension Program (“EET IV Extension Rate”).

28. On June 8, 2018, the Company submitted its Ninth Annual EET Filing, seeking approval to decrease the then-current EET rate from \$0.009144 per therm to \$0.006339 per therm.

29. By Order dated January 17, 2019, the Board approved a decrease in the EET rate to \$0.006288 per therm, thereby resolving the Ninth Annual EET Filing.¹⁶ This rate was

¹³ In re the Petition of South Jersey Gas Company to Revise the Cost Recovery Charge Associated with Energy Efficiency Programs (“EET Charge”), BPU Docket No. GR17060673, Order dated November 21, 2017.

¹⁴ On September 26, 2017, the Board issued a Secretary’s Letter under Docket No. ER17090984 to all New Jersey electric and gas utilities, pursuant to P.L. 2016, c. 57, stating that the SUT to be charged to customers for utility service has been changed from 6.875% to 6.625% effective January 1, 2018. Accordingly, the EET Rate of \$0.009166 per therm was reduced to \$0.009144 per therm.

¹⁵ In re the Petition of South Jersey Gas Company for Approval to Continue its Energy Efficiency Programs (“EEP IV”) and Energy Efficiency Tracker Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GO18030350, Order dated October 29, 2018 (“October 2018 Order”).

¹⁶ In re the Petition of South Jersey Gas Company for Approval to Revise the Cost Recovery Charge Associated with Energy Efficiency Programs (“EET Charge”), BPU Docket No. GR18060625, Order dated January 17, 2019.

combined with the EET IV Extension Rate of \$0.008117 per therm for a total combined EET rate of \$0.014405 per therm.

30. By Petition dated 14, 2019, the Company submitted its Tenth Annual EET Filing, seeking approval to increase the then-current EET rate from \$0.014405 per therm to \$0.016820 per therm.

31. By Order dated January 8, 2020, the Board approved an increase in the EET rate to \$0.016820 per therm, thereby resolving the Tenth Annual EET Filing.¹⁷

32. By petition dated June 19, 2020, the Company submitted its Eleventh Annual EET Filing, seeking approval to increase the then-current EET rate from \$0.016820 per therm to \$0.027800 per therm.

33. By Order dated June 10, 2020, the Board approved an EE transition framework for EE programs pursuant to the Clean Energy Act, L. 2018, c. 17.¹⁸ By the June 2020 Order, the Board directed New Jersey's electric and gas public utilities to file petitions by September 25, 2020 for approval of three (3)-year programs to be implemented beginning July 1, 2021.

34. On September 25, 2020, the Company submitted a petition seeking to implement its proposed Energy Efficiency Program ("EEP V Extension Program") with an initial proposed rate of \$0.012673 per therm.

35. By Order dated January 27, 2021, the Board approved an increase in the EET rate to \$0.027800 per therm, thereby resolving the Eleventh Annual EET Filing.¹⁹

¹⁷ In re the Petition of South Jersey Gas Company for Approval to Revise the Cost Recovery Charge Associated with Energy Efficiency Programs ("EET Charge"), BPU Docket No. GR19060726, Order dated January 8, 2020.

¹⁸ In re the Implementation of P.L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs, BPU Docket No. QO19010040, Order dated June 10, 2020 ("June 2020 Order")

¹⁹ In re the Petition of South Jersey Gas Company for Approval to Revise the Cost Recovery Charge Associated with Energy Efficiency Programs ("EET Charge"), BPU Docket No. GR20060436, Order dated January 27, 2021.

36. By Order dated April 7, 2021, the Board approved the implementation of an EET rate of \$0.010827 per therm effective July 1, 2021.²⁰

37. On June 30, 2021, the Company submitted a petition containing its Twelfth Annual EET Filing seeking approval to decrease the EET rate for its EEPs other than the EEP V (“Legacy Programs”) to \$0.026330 per therm, representing a decrease of \$0.001470 per therm from the then-current Legacy Programs EET rate of \$0.027800 per therm.

38. By Order dated March 9, 2022, the Board approved a decrease in the EET Legacy Programs rate to \$0.025427 per therm, thereby resolving the Twelfth Annual EET Filing.²¹

39. By petition dated July 29, 2022, the Company submitted its Thirteenth Annual EET Filing seeking approval to decrease its combined EET Charge for its Legacy Programs and EEP V Extension Program to \$0.026738 per therm, representing a decrease of \$0.009516 per therm from the then current EET Charge of \$0.036254 per therm.

40. By Order dated December 21, 2022, the Board approved a decrease in the EET Charge to \$0.027382 per therm, thereby resolving the Thirteenth Annual EET Filing.²²

41. By petition dated July 31, 2023, the Company submitted its Fourteenth Annual EET Filing seeking approval to increase its combined EET Charge for its Legacy Programs and EEP V Extension Program to \$0.041990 per therm, representing an increase of \$0.014608 per therm from the then-current EET Charge of \$0.027382 per therm.

²⁰ In re the Implementation of L. 2018, c.17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs and In re the Petition of South Jersey Gas Company for Approval of New Energy Efficiency Programs and Associated Cost Recovery Pursuant to the Clean Energy Act, BPU Docket Nos. QO19010040 and GO20090618, Order dated April 7, 2021.

²¹ In re the Petition of South Jersey Gas Company for Approval to Revise the Cost Recovery Charge Associated with Energy Efficiency Programs (“EET Charge”), BPU Docket No. GR21060950, Order dated March 9, 2022.

²² In re the Petition of South Jersey Gas Company for Approval to Revise the Cost Recovery Charge Associated with Energy Efficiency Programs (“EET Charge”), BPU Docket No. GR22070468, Order dated December 21, 2022.

42. By Order dated January 10, 2024, the Board approved an increase in the EET Charge to \$0.041086 per therm, thereby resolving the Fourteenth Annual EET Filing.²³

43. By Order dated April 30, 2024, the Board approved an extension of the Company's current EE programs through December 31, 2024.²⁴

THE 2024 EET TRUE-UP

44. The Company submitted the 2024 EET Petition seeking Board approval to increase its combined EET Charge related to its Legacy Programs and EEP V Extension Program from \$0.041086 per therm to \$0.049535 per therm. This represented an increase for the Legacy Programs component from \$0.012682 per therm to \$0.017202 per therm and an increase for the EEP V Extension Program component from \$0.028404 per therm to \$0.032333 per therm. The Company based the 2024 EET Petition upon actual data through June 30, 2024, and projected data from July 1, 2024 through June 30, 2025.

45. Following proper notice, two (2) virtual public hearings were held in this matter on November 13, 2024. No members of the public attended to express their views on the 2024 EET Petition, and no written comments were received by the Board, South Jersey, or Rate Counsel.

46. The Parties engaged in discovery in this proceeding and all such discovery has been answered in full by the Company.

II. STIPULATED TERMS

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

²³ In re the Petition of South Jersey Gas Company for Approval to Revise the Cost Recovery Charge Associated with Energy Efficiency Programs ("EET Charge"), BPU Docket No. GR23070474, Order dated January 10, 2024.

²⁴ In re the Petition of South Jersey Gas Company for Approval of New Energy Efficiency Programs and Associated Cost recovery Pursuant to the Clean Energy Act, BPU Docket No. GR20090618, Order dated April 30, 2024.

Effective Date

47. The Parties acknowledge that a Board Order approving, rejecting, or modifying this Stipulation shall become effective on the date of said Board Order, or upon such date thereafter as the Board may specify, in accordance with N.J.S.A. 48:2-40 (“Effective Date”).

Effective Rate

48. As of the Effective Date, the Company will implement a Legacy Programs component of the EET Charge of \$0.017202 per therm and an EEP V Extension Program component of the EET Charge of \$0.032333 per therm. When combined with the Triennium 2 component of the EET Charge of \$0.009904 per therm approved by the Board’s October 2024 Order and made effective January 1, 2025, the total EET Charge is \$0.059439 per therm. The EET Charge shall remain in effect until changed by Order of the Board.²⁵

Rate Impact

49. The impact of the EET Charge change will increase the monthly bill of a residential heating customer using 100 therms by \$0.84, or 0.5%, as compared to rates in effect as of January 1, 2025. Proposed tariff sheets (Sheet No. 105) reflecting this EET Charge are attached hereto, in black-lined form, as Exhibit A.

²⁵ In re the Petition of South Jersey Gas Company for Approval of Triennium 2 Clean Energy Programs and Associated Cost Recovery Pursuant to the Clean Energy Act, BPU Docket No. QO23120870, Order dated October 30, 2024 (“October 2024 Order”).

50. The Parties agree that any change in the Board-authorized rate of return in a subsequent base rate case will be reflected in the subsequent monthly revenue requirement calculations and captured in the next scheduled annual true-up. The Parties further agree that any change in the revenue requirement resulting from the change in the rate of return will not be included in the monthly interest calculation for over- and under-recoveries until the date of the next scheduled annual true up, but in any event no later than October 1 of the subsequent year.

51. The Parties agree that the Company will continue to file an annual petition (“Annual Filing”) in July each year to adjust the EET Charge. Each Annual Filing will contain a reconciliation of its projected EET costs, projected recoveries, and actual revenue requirements for the relevant period, including a breakout of expenses, investments, and unamortized investments, in addition to the items set forth in the MFRs. The EET Charge will be subject to full and complete examination in the context of the Annual Filing. The EET Charge will be subject to adjustment and true-up through the deferral process, and any required adjustment will be included in the over/under-recovered balance.

52. In calculating the monthly interest on net over- and under-recoveries, the interest rate shall be based upon the Company’s monthly average short-term debt rate obtained on its commercial paper and/or bank credit lines. The interest amount charged or credited to the EET Charge shall be based on the net average monthly balance. The Company shall accrue simple interest with an annual roll-in at the end of each twelve (12)-month period. The interest rate shall not exceed the approved WACC.

53. Should the Board enter an Order accepting this Stipulation, South Jersey will submit a Compliance Filing incorporating the combined EET Charge approved by the Board within 10 days of such approval.

III. MISCELLANEOUS

54. This Stipulation represents a mutual balancing of interests and, therefore, is intended to be accepted and approved in its entirety. In the event this Stipulation is not adopted in its entirety by the Board, 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. 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, the Parties 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.

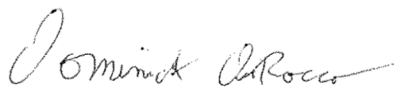
55. All rates are subject to Board audit.

56. This Stipulation may be executed in as many counterparts as there are signatories to this Stipulation each of which counterparts shall be an original, but all of which shall constitute one and the same instrument.

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.


SOUTH JERSEY GAS COMPANY

By:




Dominick DiRocco, Esq.
Vice President, Rates & Regulatory Affairs

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

By: 

Steven Chaplar
Deputy Attorney General

BRIAN O. LIPMAN
DIRECTOR, DIVISION OF RATE COUNSEL

By: 

Megan C. Lupo, Esq.
Assistant Deputy Rate Counsel

Dated: 02.11.25

SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 14 - GAS

Superseding

Revised Sheet No. 105

Revised Sheet No. 105

RIDER "N"
ENERGY EFFICIENCY TRACKER ("EET")

APPLICABLE TO:

Rate Schedule RSG	-	Residential
Rate Schedule GSG	-	General Service
Rate Schedule GSG-LV	-	General Service- Large Volume
Rate Schedule CTS	-	Comprehensive Transportation Service
Rate Schedule LVS	-	Large Volume Service
Rate Schedule FES	-	Firm Electric Service
Rate Schedule EGS	-	Electric Generation Service
Rate Schedule EGS-LV	-	Electric Generation Service- Large Volume
Rate Schedule IGS	-	Interruptible Gas Service
Rate Schedule ITS	-	Interruptible Transportation Service
Rate Schedule NGV	-	Natural Gas Vehicle

This Rider "N" shall be known as the Energy Efficiency Tracker ("EET"). For financial accounting purposes, the Company shall record a return on and a return of investments in energy efficiency programs ("EEPs"), as approved by the Board at Docket No. GO09010059, in an Order dated July 24, 2009, ~~Docket No. GO12050363~~, in an Order dated June 21, 2003, ~~Docket No. GR15010090~~, in an Order dated August 19, 2015, Docket No. GO18030350, in an Order dated October 29, 2018, Docket No. GR20060436 dated January 27, 2021 and Docket No. QO23120870 dated October 30, 2024 and recover all incremental operating and maintenance expenses of the programs, subject to the EET. Docket No. QO23120870 was filed in accordance with the Clean Energy Act of 2018 ("CEA") and the Board's Order dated May 24, 2023 in Docket Nos. QO1901040, QO23030150 and QO17091004. Docket No. GO20090618 was filed in accordance with the CEA and the Board's Order dated June 10, 2020 in Docket Nos. QO19010040, QO19060748 and QO171091004. The calculation will use the rate of return as identified in the respective Orders referenced above.

The EET rate will be calculated annually using projected data and subject to a true-up at the end of the EET year with simple interest on net over/under recoveries. Interest associated with over recoveries will be credited against the EET, while interest associated with under recoveries will be charged to the EET. The interest on monthly EET under and over recoveries shall be the interest rate based on 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 weighted average cost of capital utilized to set rates in its most recent base rate case.

This EET will be effectuated through a volumetric rate applied to customers' bills. The Company shall make an annual EET rate filing in July of each year with a proposed implementation of the revised EET rate in October. Included in the filing will be a list of EEPefficiency programs offered and eligible for recovery under the EET.

The Company shall have the discretion to implement a bill credit or a refund at any time during the EET Year with five (5) days notice to the BPU Staff and the Division of Rate Counsel. The Company shall have the discretion to file a self-implementing EET rate reduction at any time with two (2) weeks notice to the BPU Staff and the Division of Rate Counsel.

Rate Schedules subject to this Rider will be charged the following volumetric rate:

	EEP <u>Legacy Rate</u>	EEP Extension <u>Rate</u>	EEP T2 <u>Rate</u>	Total <u>Tariff Rate</u>
EET Rate per therm	\$0.0118940 <u>0.016133</u>	\$0.0266390 <u>0.030324</u>		\$0.009289
	\$0.0478220 <u>0.055746</u>			

Issued
by South Jersey Gas Company,
B. Schomber, President

Effective with service rendered
on and after January 1, 2025

Filed pursuant to Order in Docket No. QO23120870 of the Board of
Public Utilities, State of New Jersey, dated October 30, 2024

SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 14 - GAS **Superseding** **Revised Sheet No. 105**
Revised Sheet No. 105

Applicable NJ Sales Tax- \$~~0.000788~~0.001069 \$~~0.001765~~0.002009 \$0.000615
\$~~0.003168~~0.003693
EET Rate per therm with NJ Sales Tax \$~~0.012682~~0.017202 \$~~0.028404~~0.032333 \$0.009904
\$~~0.050990~~0.059439

Issued _____
by South Jersey Gas Company,
B. Schomber, President

Effective with service rendered
on and after January 1, 2025

Filed pursuant to Order in Docket No. QO23120870 of the Board of
Public Utilities, State of New Jersey, dated October 30, 2024