



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

DIVISION OF ENERGY AND
OFFICE OF CLEAN ENERGY

IN THE MATTER OF THE PETITION OF PIVOTAL)
UTILITY HOLDINGS, INC. D/B/A)
ELIZABETHTOWN GAS FOR AUTHORITY TO)
EXTEND ENERGY EFFICIENCY PROGRAMS)
WITH CERTAIN MODIFICATIONS AND)
APPROVAL OF ASSOCIATED COST RECOVERY)
MECHANISM)

ORDER APPROVING
PROCEDURAL SCHEDULE

DOCKET NO. GR16070618

Parties of Record:

Mary Patricia Keefe, Esq., for Elizabethtown Gas
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY COMMISSIONER DIANNE SOLOMON:

Background and Procedural History

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

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

By Order dated August 3, 2009, the Board authorized Elizabethtown Gas Company (“ETG” or “Company”) to implement and administer six energy efficiency programs (“EE Programs”) for a 17-month period.¹ As approved by that Order, the programs ETG originally offered (“Original Programs”) included the following:

1. Whole House Energy Efficiency Program
2. Residential Expanded Gas Heating Ventilation and Air Conditioning (“HVAC”) and Gas Hot Water Heater Incentive Program
3. Small Commercial Customer Energy Efficiency Program
4. Large Commercial Customer Energy Efficiency Program
5. Combined Heat and Power Program
6. Gas Cooling Program.

By Order January 19, 2011, the Board authorized ETG to extend its Original Programs for a one year period ending on December 31, 2011.² By Order dated November 30, 2011, the Board further extended ETG’s Original programs through April 29, 2012.³

By Order dated April 11, 2012 in Docket No. GO11070399, the Board authorized ETG to continue three of its EE Programs:

1. Residential Expanded Gas HVAC and Hot Water Heater Incentive Program
2. Small Commercial Customer Energy Efficiency Program
3. Large Commercial Customer Energy Efficiency Program

¹ In re the Matter of Energy Efficiency Programs and Associated Cost Recovery Mechanisms AND In re the Petition of Pivotal Holdings, Inc. d/b/a Elizabethtown Gas Company 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.

² 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 Matter of 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 Deferral Accounting Treatment, BPU Docket Nos. GO10070446 and GO10100735., Order dated January 19, 2011.

³ 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.

The Company's current programs were authorized by Order dated August 21, 2013.⁴ The Board authorized ETG to extend the term of the following EE Programs for a period of 2 years through September 1, 2015:

1. Residential Expanded HVAC and Gas Hot Water Heater Incentive Program
2. Commercial Customer Energy Efficiency Program
3. Customer Education and Outreach/Dashboard Program

By Order dated December 16, 2015⁵, the Board authorized ETG to extend the programs approved in the August 2013 Order through December 2016.⁶

July 1, 2016 Filing

By petition dated July 1, 2016, ETG filed the instant petition with the Board. In the filing, the Company seeks approval to continue its Residential Gas HVAC and Gas Hot Water Heater Incentive Program over a four-year period commencing January 1, 2017. The petition also requests approval of the following programs through the same time period:

- 1) Residential Home Energy Assessment Program
- 2) Residential Home Energy Report (Opower) Program
- 3) Residential Home Weatherization for Income Qualified Customers Program
- 4) Residential Financing Program
- 5) Commercial Financing Program
- 6) Commercial Steam Trap Survey and Repair Program

Together, the extended HVAC/Gas Hot Water Heater program and the six new programs are designated as the "Proposed EE Programs."

ETG estimates a total program budget of approximately \$14.3 million over the four-year term. Of this amount, approximately \$6.6 million is related to operations and maintenance ("O&M") expenditures ETG expects to incur to operate the Proposed EE Programs. ETG proposes to recover the costs through an EEP Rider Surcharge rate that will be reconciled as needed in its next proceeding to true-up that rate.

By Order dated July 29, 2016, the Board determined that this matter should be retained by the Board for review and hearing, and, as authorized by N.J.S.A. 48:2-32, designated the undersigned as the presiding officer who is authorized to rule on all motions that arise during the

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 Mechanism, BPU Docket No. GO12100946, Order dated August 21, 2013. ("August 2013 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 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. ("December 2015 Order")

⁶ The December 2015 Order authorized ETG to continue the following programs: 1) Residential Expanded HVAC and Gas Hot Water Heater Incentive Program; 2) Commercial Customer Energy Efficiency Program; and 3) Dashboard Program

proceeding, and modify any schedule that may be set as necessary to secure just and expeditious determination of the issues.

Board Staff circulated a proposed procedural schedule to ETG and to the New Jersey Division of Rate Counsel ("Rate Counsel"). Both ETG and Rate Counsel provided feedback and the schedule was finalized on August 8, 2016. The procedural schedule is attached as Appendix A.

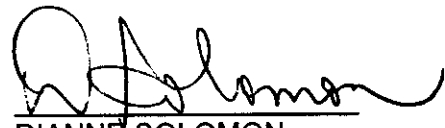
DISCUSSION

I have reviewed the proposal for a procedural schedule, after giving due consideration to the positions of Staff, Rate Counsel, and the Company. I **HEREBY ISSUE** the attached as the Prehearing Order, along with the procedural schedule identified as Exhibit A and **HEREBY DIRECT** the parties to comply with its terms.

This provisional ruling is subject to ratification or other alteration by the Board as it deems appropriate during the proceedings in this matter.

DATED: 8/17/2016

BY:



DIANNE SOLOMON
COMMISSIONER

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ELIZABETHTOWN GAS FOR AUTHORITY TO EXTEND ENERGY EFFICIENCY
PROGRAMS WITH CERTAIN MODIFICATIONS AND APPROVAL OF ASSOCIATED
COST RECOVERY MECHANISM
DOCKET NO. GR16070618

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In the Matter of 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

Docket Number GR16070618

Procedural Schedule

Discovery Requests on Initial Testimony+	August 12, 2016
Motions to Intervene/Participate Due	August 23, 2016
Responses to Discovery on Initial Testimony	August 25, 2016
Discovery Teleconference Conference (Tentative)	Week of August 29, 2016
Opposition to Intervention/Participation Motions due	August 30, 2016
Second Round of Discovery Due	September 2, 2016
Responses to Second Round of Discovery Due	September 9, 2016
Discovery/Settlement Conference (Tentative)	Week of September 12, 2016
Public Hearings	TBD
Intervener/ Respondent Testimony Due	September 16, 2016
Settlement Conference (Tentative)	Week of September 19, 2016
Discovery on Intervener/Respondent Testimony	September 21, 2016
Responses to Discovery on Intervener/Respondent Testimony	September 28, 2016
Rebuttal Testimony	October 5, 2016
Discovery on Rebuttal Testimony	October 12, 2016
Responses to Discovery on Rebuttal Testimony	October 19, 2016
Evidentiary Hearings (if necessary)	November 1 and 2, 2016
Initial Briefs due	November 16, 2016
Reply Briefs	November 30, 2016

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