



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

CLEAN ENERGY

IN THE MATTER OF THE PETITION OF SOUTH)
JERSEY GAS COMPANY FOR APPROVAL OF)
AN ENERGY EFFICIENCY PROGRAM WITH AN)
ASSOCIATED ENERGY EFFICIENCY TRACKER)
PURSUANT TO N.J.S.A. 48:3-98.1)

ORDER ADOPTING
SUPPLEMENTAL STIPULATION

BPU DOCKET GO12050363

Parties of Record:

Ira G. Megdal, Esq., for the Petitioner, South Jersey Gas Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

BACKGROUND AND PROCEDURAL HISTORY

On January 13, 2008, L. 2007, c. 340 ("Act") was signed into law by former Governor Corzine 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 June 21, 2013, the Board issued an order ("June 21 Order") approving the terms of a Stipulation entered into on June 14, 2013 ("June Stipulation"), specifically authorizing South Jersey Gas Company ("SJG" or "Company") to extend four energy efficiency programs: 1) Enhanced Residential Heating, Ventilation, and Air Conditioning ("HVAC") Rebate; 2) Residential Home Performance Finance; 4) Commercial Customer Direct Install Financing; and 5) Non-Residential Energy Efficiency Investment. The programs were designed to complement or supplement existing New Jersey Clean Energy Program ("NJCEP") offerings.

CORRECTION TO THE JUNE 21 ORDER

Currently, NJCEP, under the Direct Install ("DI") Program, provides an incentive that covers 70% of a project's cost, up to a total maximum incentive of \$125,000. For SJG's Board-approved Commercial Customer Direct Install Financing Program, the Company, Board Staff and the Division of Rate Counsel (collectively, the "Parties") agreed that the Company could offer financing over two years in an amount that would cover 30% of the cost of the project, which was intended to be the difference between the project's cost and the 70% of the cost (up to \$125,000) that is provided through the NJCEP incentive.

However, due to an inadvertent misunderstanding concerning the \$125,000 incentive cap, the June Stipulation and the June 21 Order included calculations of the amount eligible for financing based on a maximum project *cost* cap of \$125,000 instead of the actual current NJCEP maximum project *incentive* cap of \$125,000. On August 2, 2013, the Parties executed a supplemental stipulation to amend this calculation error and allow the maximum amount eligible for SJG financing to be \$53,571, rather than the \$37,500 shown in the Stipulation and Order ("Supplemental Stipulation"). Since the actual program costs are a function of the number of applicants and their respective projects' costs, SJG agreed that the total program budget will not change as a result of this amendment nor any of the overall budget amounts approved or any of the terms agreed to in the Stipulation. The Parties further agreed that the correction of this error could apply to any customer that has submitted, via an upload to the C&I Market Manager, a complete DI submittal package subsequent to the June 21 Order. The Parties to this Supplemental Stipulation agree that the Appendices attached to the Supplemental Stipulation shall replace those attached to the June 14, 2013 Stipulation. The Supplemental Stipulation was executed on August 2, 2013.

DISCUSSION AND FINDING

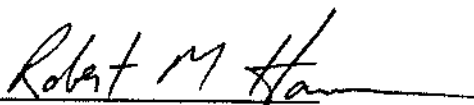
The Board, having carefully reviewed the record to date in this matter, **HEREBY FINDS** the Supplemental Stipulation to be reasonable, in the public interest, and in accordance with law as it more accurately reflects the intention of the Parties to allow the Company to supplement the incentive available under the OCE DI program. Accordingly, the Board **HEREBY APPROVES** the attached Supplemental Stipulation with Appendices in its entirety, and **HEREBY INCORPORATES** its terms and conditions as though fully set forth herein.

The Board **HEREBY PERMITS** customers who have submitted a complete DI package subsequent to June 21, 2013 to have the benefit of the revisions of the Supplemental Stipulation. All other terms and conditions remain as approved in the June 21 Order; therefore the Board **HEREBY FINDS** that the Company is not required to file revised tariff sheets in response to this Order.

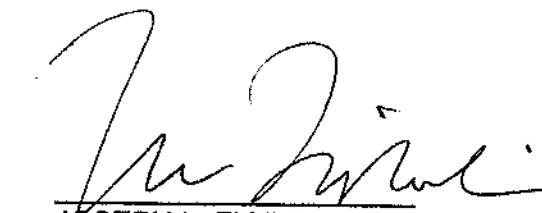
The Company's rates will remain subject to audit by the Board. This Decision and Order shall not preclude the Board from taking any actions deemed to be appropriate as a result of any Board audit.

DATED: 8/21/13


BOARD OF PUBLIC UTILITIES
BY:


ROBERT M. HANNA
PRESIDENT

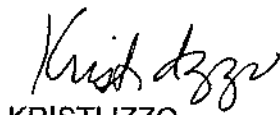

JEANNE M. FOX
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER

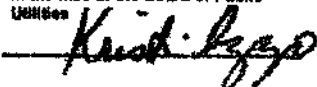

MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER

ATTEST:


KRISTI IZZO
SECRETARY

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



In the Matter of the Petition of South Jersey Gas Company for Approval of an Energy Efficiency
Program With an Associated Energy Efficiency Tracker, Pursuant to N.J.S.A. 48:3-98.1
DOCKET NO. GO12050363

NOTIFICATION LIST

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