



South Jersey Gas

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August 30, 2011

Via Electronic Mail and Regular Mail

Kristi Izzo, Secretary
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Re: In the Matter Of Comprehensive Energy Efficiency and Renewable
Energy Resource Analysis for 2009 – 2012
2011 Program and Budget: Compliance Filing
BPU Docket No. EO07030203 and EO101109865

Comfort Partners Program 2011 Budget Revision

Dear Secretary Izzo:

In March of 2011, the Board of Public Utilities (Board) approved an increase to the Comfort Partners Program budget by \$1,000,000 from \$24,829,308.11 to \$25,829,308.11. The purpose of the extra funding was to enable the Comfort Partners Program to again reinstate a pilot program to allow for the installation of cool roof technology.

The Comfort Partners Program has been recognized nationally for its success in delivering proven energy savings and continues to have broad based support. The Comfort Partners Program is also a proven example of a successful societal benefits program, as the implemented measures lower the long-term societal costs by reducing or potentially eliminating Universal Service Fund (USF) subsidies for customers that participate in that program over future years. Such plan reduction subsidies has the effect of creating an economic benefit to all rate payers. This program is also known for its important work in finding and alleviating potential serious health and safety issues; such as faulty heating equipment, mold prevention, and non compliant electrical code problems.



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In May of 2011, the Utilities requested and received approval from the Board to increase the total Comfort Partners Program budget by an additional \$5,000,000 to a total of \$30,829,308.11, in order to maintain the resource infrastructure required to maintain the Comfort Partners Program in its current form. With the influx of additional funding; it is estimated that the Comfort Partners Program will enable the utilities to complete an additional 400 homes throughout the state; bringing the final goal to over 5,000 residential homes in 2011.

As a result of the success achieved from that approval, the Program has a need to maintain the integrity of service that can be provided to all of our participants on a statewide basis, without interruption. To that end; the Utilities are requesting that a total of \$500,000 be transferred from Elizabethtown Gas Company's direct incentive and grant budget, and be allocated in the following manner. It is requested that \$200,000 be allocated to Atlantic City Electric Company, and \$300,000 be allocated to New Jersey Natural Gas Company in order to keep pace with work in their overlapping utilities. We are able to make this request due to the fact that the average cost to serve a home under this program has decreased in the Elizabethtown Gas Company service area by approximately \$1,500.00 per home. The primary reasons for this reduction is due to the fact that in 2011, there has been less need for heating system replacements, oven replacements, and the need for roof repair.

All of the money that is transferred will be used for direct incentives in the form of measures for customer homes in the company's respective territories. The resulting financial impact to the overall program budget is zero (\$0.00). A detailed budget is attached as part of this request.

Respectfully submitted,

Bruce Grossman

Senior Program Utility Sponsor

COMFORT PARTNERS - 2011 Program Budget revised August 2011

	Total	Admin & Program Developmt	Sales, Mrkting, Call Center, Website	Training	Rebates, other Direct Incentives	Rebate Processing, Inspections & QA	Evaluation & Research	Contractor Perf. Incentives
ACE	\$1,349,716.85	28,519.49	11,211.16	10,063.38	1,202,386.45	97,536.37	0.00	0.00
JCP&L	\$4,218,211.87	281,407.58	74,590.26	40,056.76	3,435,239.23	386,918.04	0.00	0.00
PSE&G- Elec	\$6,856,226.32	404,548.66	120,763.13	62,371.32	5,781,173.44	487,369.77	0.00	0.00
RECO	\$0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NJNG	\$3,981,984.32	187,444.20	77,103.97	27,974.22	3,491,604.42	197,857.51	0.00	0.00
Elizabethtown	\$2,569,483.34	143,450.38	23,670.50	26,257.86	2,251,024.27	125,080.33	0.00	0.00
PSE&G-Gas	\$10,194,339.52	504,386.37	136,943.54	62,246.21	8,960,814.21	529,949.19	0.00	0.00
SJG	\$1,659,345.89	130,031.28	15,928.24	14,392.28	1,389,969.78	109,024.31	0.00	0.00
TOTAL	\$30,829,308.11	1,679,787.96	460,210.80	243,362.03	26,512,211.80	1,933,735.52	0.00	0.00