



State of New Jersey
DIVISION OF RATE COUNSEL
31 CLINTON STREET, 11TH FL
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CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

STEFANIE A. BRAND
Director

September 8, 2011

Via Overnight Delivery and Electronic Mail

Honorable Kristi Izzo, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

**Re: In the Matter of Comprehensive Energy Efficiency
and Renewable Energy Resource Analysis for 2009-2012 Clean
Energy Program: 2011 Programs and Budgets: Compliance Filings
BPU Docket Nos.: EO07030203 and EO10110865**

Dear Secretary Izzo:

Enclosed please find an original and ten copies of comments submitted on behalf of the New Jersey Division of Rate Counsel in connection with the above-captioned matters. Copies of the comments are being provided to all parties by electronic mail and hard copies will be provided upon request to our office.

We are enclosing one additional copy of the comments. Please stamp and date the extra copy as "filed" and return it in our self-addressed stamped envelope.


Honorable Kristi Izzo, Secretary
September 8, 2011
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Thank you for your consideration and assistance.

Respectfully submitted,

STEFANIE A. BRAND
Director, Division of Rate Counsel

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**In the Matter of Comprehensive Energy Efficiency
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Proposed Budget Changes

**Comments of the New Jersey
Division of Rate Counsel**

September 8, 2011

Introduction

The Division of Rate Counsel ("Rate Counsel") would like to thank the Board of Public Utilities ("BPU" or "Board") for the opportunity to present our comments on the proposed changes to the Board-approved 2011 Clean Energy Program ("CEP") energy efficiency ("EE") program budget which were circulated to stakeholders for comment by the Applied Energy Group on behalf of the Office of Clean Energy ("OCE") in an e-mail notice issued August 30, 2011 ("August 30 Notice"). Rate Counsel's comments and recommendations are set forth below.

Proposed Comfort Partners Program Budget Transfers

Pursuant to a joint request presented in a letter dated August 30, 2011 ("August 30 Letter") from the State's electric and gas utilities ("Utilities"), the OCE proposes the following transfer of funds within the low-income Comfort Partners Program: \$0.5 million from Elizabethtown Gas Company's ("ETG") direct incentive and grant budget and re-allocated to Atlantic Electric Company ("ACE") (\$200,000) and New Jersey Natural Gas Company ("NJNG") (\$300,000). The Utilities state that the proposed transfer is necessary "in order to

keep pace with work in their overlapping utilities.” The Utilities’ proposal further states that the transfer is possible because the average cost to serve a home under this program has decreased in Elizabethtown’s service area by \$1500/home, because there was less need for some of the more expensive services.

The proposed transfer represents a 16% decrease in ETG’s total Comfort Partners budget and a 17% increase in ACE’s Comfort Partners budget. The proposed transfer would have a smaller impact on NJNG’s Comfort Partners budget.

Conclusion

Rate Counsel does not object to the proposed transfer insofar as it provides some flexibility to respond to market conditions and results in a zero budget impact to ratepayers.