

Request for Comments

To: Interested Stakeholders

From: Elizabeth Ackerman, Acting Director

Subj: Request for Comments on Proposed Modifications to Comfort Partners Program Budget

Date: May 6, 2014

By Order dated February 4, 2014 the Board authorized Staff to make modifications to NJCEP budgets provided certain conditions were met. Specifically, the Board authorized Staff to modify NJCEP budgets within a given Funding Category, such as EE, RE, EDA, etc., provided that the reallocation does not reduce a programs budget by more than 10%.

The Order requires Staff to provide a written notice to each Commissioner at least seven days prior to implementing any budget modification which Staff has done. The Order also requires Staff to circulate proposed budget modifications for comment prior to implementing the proposed changes which is the purpose of this request for comments.

The Comfort Partners low-income program is managed by six of the State's electric and natural gas utilities (RECO manages a similar program in its territory). The Board approves both an overall statewide budget and a detailed budget which breaks down the overall statewide budget by utility and budget category.

By letter dated May 1, 2014, South Jersey Gas requested certain changes to the Board approved budget for this program on behalf of the six utilities that manage the Comfort Partners program. The utilities are not requesting any changes to the overall budget. Alternatively, they are proposing to shift funds between utilities and budget categories.

Several utilities are experiencing higher than anticipated participation levels while others are experiencing lower than anticipated participation levels. The utilities are proposing to shift funds between utilities to both allow the utilities experiencing higher than anticipated participation levels to continue to serve customers and to ensure that the full statewide budget is expended.

The utilities are also proposing numerous changes to various budget categories such as marketing, training and administration by shifting funds between utilities and budget categories. The utilities noted that due to harsh weather conditions this winter they needed to expand marketing efforts to increase participation levels. The utilities also stated that they re-bid implementation contractor services and that some of the proposed budget changes were needed to align the budgets with the revised fee structures.

The following tables show the budget previously approved by the Board, the proposed revised budget and the proposed amount of any transfer which is the difference between the two:

Current BPU Approved Budget (Approved by Board Order dated 2-5-2014)

July 1st 2013 - June 30th 2014 CP Budget								
		Admin and Program Development	Sales, Marketing, Call Centers, Web Site	Training	Rebates, Grants and Other Direct Incentives	Rebate Processing, Inspections, Other QC	Evaluation & Research	Contractor Perf. Incentives
ACE	\$1,558,245.63	\$115,801.99	\$11,759.40	\$10,512.89	\$1,326,952.11	\$93,219.24	\$0.00	\$0.00
JCP&L	\$5,847,352.47	\$393,681.67	\$88,396.22	\$44,690.81	\$3,896,597.20	\$423,986.57	\$1,000,000.00	\$0.00
PSE&G- Elec	\$7,511,057.33	\$441,711.58	\$153,705.32	\$60,917.41	\$6,445,581.03	\$409,141.99	\$0.00	\$0.00
RECO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NJNG	\$4,227,705.20	\$208,774.65	\$93,333.34	\$32,501.07	\$3,712,262.81	\$180,833.33	\$0.00	\$0.00
Elizabethtown	\$2,497,042.95	\$144,654.12	\$27,168.64	\$20,078.89	\$2,197,304.51	\$107,836.79	\$0.00	\$0.00
PSE&G-Gas	\$11,266,585.99	\$662,567.36	\$230,557.98	\$91,376.11	\$9,668,371.56	\$613,712.98	\$0.00	\$0.00
SJG	\$2,194,483.63	\$198,331.90	\$12,487.40	\$11,796.48	\$1,876,561.45	\$95,306.40	\$0.00	\$0.00
TOTAL	\$35,102,473.20	\$2,165,523.27	\$617,408.30	\$271,873.66	\$29,123,630.67	\$1,924,037.30	\$1,000,000.00	\$0.00
PSE&G - Combined	\$18,777,643.32	\$1,104,278.94	\$384,263.30	\$152,293.52	\$16,113,952.59	\$1,022,854.97	\$0.00	\$0.00

Proposed Revised Budget (5-2-2014)

July 1st 2013 - June 30th 2014 CP Budget								
		Admin and Program Development	Sales, Marketing, Call Centers, Web Site	Training	Rebates, Grants and Other Direct Incentives	Rebate Processing, Inspections, Other QC	Evaluation & Research	Contractor Perf. Incentives
ACE	\$1,378,176.78	\$115,801.99	\$11,759.40	\$10,512.89	\$1,146,883.26	\$93,219.24	\$0.00	\$0.00
JCP&L	\$5,563,887.66	\$393,681.67	\$88,396.22	\$44,690.81	\$3,613,132.39	\$423,986.57	\$1,000,000.00	\$0.00
PSE&G- Elec	\$7,227,057.34	\$468,111.58	\$159,705.32	\$69,717.41	\$6,161,581.04	\$367,941.99	\$0.00	\$0.00
RECO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NJNG	\$4,561,170.01	\$175,900.10	\$132,235.25	\$35,675.83	\$3,987,262.81	\$230,096.02	\$0.00	\$0.00
Elizabethtown	\$3,157,042.95	\$138,654.12	\$42,168.64	\$32,078.89	\$2,802,304.51	\$141,836.79	\$0.00	\$0.00
PSE&G-Gas	\$10,840,585.98	\$702,167.36	\$239,557.98	\$104,576.11	\$9,242,371.55	\$551,912.98	\$0.00	\$0.00
SJG	\$2,374,552.48	\$198,331.90	\$12,487.40	\$11,796.48	\$2,056,630.30	\$95,306.40	\$0.00	\$0.00
TOTAL	\$35,102,473.20	\$2,192,648.72	\$686,310.21	\$309,048.42	\$29,010,165.86	\$1,904,299.99	\$1,000,000.00	\$0.00
PSE&G - Combined	\$18,067,643.32	\$1,170,278.94	\$399,263.30	\$174,293.52	\$15,403,952.59	\$919,854.97	\$0.00	\$0.00

Difference Between Current & Proposed Revised Budget

		Admin and Program Development	Sales, Marketing, Call Centers, Web Site	Training	Rebates, Grants and Other Direct Incentives	Rebate Processing, Inspections, Other QC	Evaluation & Research	Contractor Perf. Incentives
ACE	(\$180,068.85)	\$0.00	\$0.00	\$0.00	(\$180,068.85)	\$0.00	\$0.00	\$0.00
JCP&L	(\$283,464.81)	\$0.00	\$0.00	\$0.00	(\$283,464.81)	\$0.00	\$0.00	\$0.00
PSE&G- Elec	(\$283,999.99)	\$26,400.00	\$6,000.00	\$8,800.00	(\$283,999.99)	(\$41,200.00)	\$0.00	\$0.00
RECO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NJNG	\$333,464.81	(\$32,874.55)	\$38,901.91	\$3,174.76	\$275,000.00	\$49,262.69	\$0.00	\$0.00
Elizabethtown	\$660,000.00	(\$6,000.00)	\$15,000.00	\$12,000.00	\$605,000.00	\$34,000.00	\$0.00	\$0.00
PSE&G-Gas	(\$426,000.01)	\$39,600.00	\$9,000.00	\$13,200.00	(\$426,000.01)	(\$61,800.00)	\$0.00	\$0.00
SJG	\$180,068.85	\$0.00	\$0.00	\$0.00	\$180,068.85	\$0.00	\$0.00	\$0.00
TOTAL	(\$0.00)	\$27,125.45	\$68,901.91	\$37,174.76	(\$113,464.81)	(\$19,737.31)	\$0.00	\$0.00
PSE&G - Combined	(\$710,000.00)	\$66,000.00	\$15,000.00	\$22,000.00	(\$710,000.00)	(\$103,000.00)	\$0.00	\$0.00

Comments regarding the proposed budget modification should be submitted to:

publiccomments@njcleanenergy.com

by COB May 13, 2014, with the subject heading "Proposed Modifications to the EE Program Budget"