



**ELIZABETHTOWN  
GAS**

Deborah M. Franco, Esq.  
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January 7, 2019

E Filing

**RECEIVED  
CASE MANAGEMENT**

**JAN 08 2019**

**BOARD OF PUBLIC UTILITIES  
TRENTON, NJ**

***VIA FEDERAL EXPRESS AND E-MAIL***

Aida Camacho-Welch, Secretary  
N.J. Board of Public Utilities  
44 South Clinton Avenue, 3rd Floor, Suite 314  
P.O. Box 350  
Trenton, NJ 08625-0350

**Re: In the Matter of Elizabethtown Gas Company's Request for Deferred Accounting  
Authority for Costs and Lost Revenue Related to Veterans' Organizations  
Pursuant to N.J.S.A. 48:2-21.41 and Associated Tariff Changes  
BPU Docket No. GR19010017**

Dear Secretary Camacho-Welch:

Please find enclosed an original and two copies of the Petition of Elizabethtown Gas Company requesting deferred accounting authority for costs and lost revenue related to Veterans' Organizations and associated tariff changes.

Please contact the undersigned with any questions.

Respectfully submitted,

Deborah M. Franco  
Regulatory Affairs Counsel

cc: Stacy Peterson, Director Division of Energy, BPU Staff  
Stefanie Brand, Director, Division of Rate Counsel  
Felicia Thomas-Friel, Managing Attorney, Division of Rate Counsel  
Gurbir Grewal, New Jersey Attorney General

**STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES**

-----X  
**IN THE MATTER OF ELIZABETHTOWN GAS :**  
**COMPANY'S REQUEST FOR DEFERRED :** **PETITION**  
**ACCOUNTING AUTHORITY FOR COSTS AND :** **BPU DOCKET NO. \_\_\_\_\_**  
**LOST REVENUE RELATED TO VETERANS' :**  
**ORGANIZATIONS PURSUANT TO :**  
**N.J.S.A 48:2-21.41 AND ASSOCIATED TARIFF :**  
**CHANGES :**  
-----X

**TO: THE HONORABLE COMMISSIONERS OF THE NEW JERSEY  
BOARD OF PUBLIC UTILITIES:**

Elizabethtown Gas Company (the "Company" or "ETG"), a corporation of the State of New Jersey, having its principal offices at 520 Green Lane, Union, New Jersey 07083, respectfully petitions the New Jersey Board of Public Utilities (the "Board" or "BPU") pursuant to *N.J.S.A. 48:2-21, 48:2-21.1 and 48:2-23 et seq.* and *N.J.A.C. 14:1-5.11*, for deferred accounting authority as follows:

1. ETG is a corporation duly organized under the laws of the State of New Jersey and is a public utility engaged in the distribution and transportation of natural gas subject to the jurisdiction of the Board. ETG is a local natural gas distribution company providing regulated natural gas service to approximately 292,000 residential, commercial and industrial customers Hunterdon, Mercer, Middlesex, Morris, Sussex, Union and Warren Counties.

2. ETG is subject to regulation by the Board for the purposes of setting retail distribution rates in New Jersey and to assure safe, adequate and proper natural gas distribution service pursuant to *N.J.S.A. 48:2-21, 48:2-21.1 and 48:2-23*.

3. The Company is seeking to modify its tariff to reflect changes to the requirements for Veterans' Organizations in accordance with *N.J.S.A 48:2-21.41* (also referred to as P.L.2018, c.77). ETG hereby files revised tariff sheets (attached hereto as Attachment A) referencing *N.J.S.A 48:2-21.41* for Veterans' Organizations. Also being submitted for approval is a proposed application form for Veterans' Organizations to complete in order to have the request processed (attached hereto as Attachment B).

4. ETG respectfully requests authority from the BPU to defer on its books for recovery in a future base rate case actually incurred costs associated with the implementation of the requirements for Veterans' Organizations and not otherwise recovered through its currently approved base rates. The appropriate amortization period for such deferred expenses will be addressed in the Company's next base rate case.

5. The costs ETG may incur in connection with implementation of the requirements for Veterans' Organizations include costs associated with calculating the change in rate for eligible customers, as well as administrative costs associated with processing associated applications. The Company intends to perform this calculation manually using a function in ETG's existing billing system. Applications will also be processed manually. While the estimated costs are difficult to quantify at this time, the types of costs that ETG may incur include labor costs (*i.e.* overtime or incremental employees) and programming costs associated with automating the process.

6. ETG also requests recovery of the carrying charges, calculated based upon ETG's weighted average cost of capital that was determined by the BPU in the Company's most recent gas distribution rate case,<sup>1</sup> associated with the Veterans' Organization.

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<sup>1</sup> *In the Matter of the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas for Approval of Increased Base Tariff Rates and Charges for Gas Service and Other Tariff Revisions*, "Decision and Order Approving Initial Decision and Stipulation" (June 30, 2017).



7 ETG also seeks recovery from any loss of revenue as a result of the new distribution service charges, which include customer charges, delivery charges, and demand charges, associated with the Veterans' Organizations. ETG proposes to recover these lost revenues in its next gas distribution rate case or in another appropriate rate recovery proceeding.

8. ETG respectfully requests that the Board approve this request in an expedited manner and issue a Decision and Order authorizing such deferred accounting treatment and recovery of lost revenues.

9. ETG has served notice and a copy of this filing upon the New Jersey Division of Rate Counsel and the Office of the Attorney General, Division of Law.

10. Communications and correspondence relating to this filing should be sent to:

Stacy A. Mitchell, Esq.  
Vice President, Rates and Regulatory Affairs  
SJI Utilities, Inc.  
3800 Atlantic Avenue  
Atlantic City, NJ 08401  
Tel: (609) 561-9000, x 4364  
smitchell@sjindustries.com

Deborah M. Franco, Esq.  
Regulatory Affairs Counsel  
SJI Utilities, Inc.  
520 Green Lane  
Union, NJ 07083  
Tel: (908) 662-8448  
dfranco@sjindustries.com



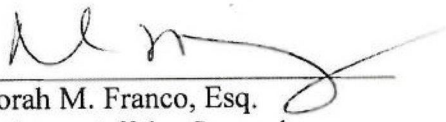
**WHEREFORE**, the Company respectfully requests that the Board review and expeditiously issue an Order:

1. Approving ETG's request for authority to defer on its books actually incurred costs associated with the implementation of the Veterans' Organizations tariff as set forth herein and not otherwise recovered through its currently approved base rates, including carrying charges, calculated based upon ETG's weighted average cost of capital that was determined by the Board in ETG's most recent gas distribution rate case, associated with the deferred costs.
2. Approving ETG's request to recover any and all lost revenue associated with the implementation of the Veterans' Organizations tariff as set forth herein.
3. Approving as just and reasonable, the modified tariff and the proposed application form attached hereto and incorporated herein.
4. Such other relief that the Board deems just, reasonable and necessary.

Respectfully submitted,

**Elizabethtown Gas Company**

By:

  
Deborah M. Franco, Esq.  
Regulatory Affairs Counsel

January 7, 2019


STATE OF NEW JERSEY     )  
                                      :  
COUNTY OF ATLANTIC    )

**VERIFICATION**

Stacy Mitchell, of full age, being duly sworn according to law, on his oath deposes  
and says:

1. I am Vice President, Rates and Regulatory Affairs for SJI Utilities, Inc., the parent of Elizabethtown Gas Company, the Petitioner in the foregoing Petition.
2. I have read the annexed Petition, along with the Attachments attached thereto, and the matters and things contained therein are true to the best of my knowledge, information and belief.

  
Stacy Mitchell

  
Sworn and subscribed to  
before me this 7 day  
of January, 2019

**ELIZABETHTOWN GAS COMPANY**

**TARIFF FOR GAS SERVICE  
B.P.U. NO. 16**

**PROPOSED**

**Sheet No. 43, 43.1 and 51**



SERVICE CLASSIFICATION – SMALL GENERAL SERVICE (SGS)  
(continued)

10. Limitations on the Availability of TPS Transportation Service

TPS Service is not available to Customers who are defined as "Essential Gas Users" under the curtailment provision as set forth in Section 17 of the Standard Terms and Conditions of this Tariff unless such Customers' TPS, in an amount sufficient to meet such Customers' ADDQ and/or DCQ, agrees to contract and pay for Standby Service as defined in the TPS Service Classification or for such Customers' TPS demonstrates that it possesses Comparable Capacity as defined in the TPS Service Classification.

11. Indemnification

As between Company and Customer, Customer warrants that it has clear title to any gas supplies delivered into the Company's system for redelivery to Customer and Customer shall be deemed to be in exclusive control and possession of gas prior to its delivery into the Company's system for redelivery to Customer. Customer agrees to indemnify, defend and hold harmless Company from any and all claims, suits or damage actions arising out of deliveries of gas on behalf of transporting customer.

III. SPECIAL PROVISIONS, APPLICABLE TO VETERANS' ORGANIZATIONS:

Veterans' Organization Service: Pursuant to N.J.S.A 48:2-21.41, when natural gas service is delivered to a customer that is a Veterans' Organization, serving the needs of veterans of the armed forces, the customer may apply and be eligible for billing under this Special Provision.

Each customer shall be eligible for billing under this Special Provision upon submitting an Application for Veterans' Organization Service under this service classification and by qualifying as a "Veterans' Organization" as defined by N.J.S.A. 48:2-21.41 defines a Veterans' Organization that qualifies for this Special Provision as "an organization dedicated to serving the needs of veterans of the armed forces that: is chartered under federal law, qualifies as a tax exempt organization under paragraph (19) of subsection (c) of section 501 of the federal Internal Revenue Code of 1986, 26 U.S.C. s.501(c)(19), or that is organized as a corporation under the 'New Jersey Nonprofit Corporation Act,' N.J.S.15A:1-1 et seq." Under N.J.S.A. 48:2-21.41, a qualified Veterans' Organization shall be charged the residential rate for service delivered to the property where the Veterans' Organization primarily operates, if the residential rate is lower than the commercial rate for service at that property.

Date of Issue: July 10, 2018xxx1

Effective: Service Rendered  
on and after July 1, 2018xxx2

Issued by: Brian MacLeanChristie McMullen, President  
520 Green Lane  
Union, New Jersey 07083

Filed Pursuant to Pursuant to N.J.S.A 48:2-21.41 and Order of the Board of Public Utilities  
Dated June 22, 2018xxx3 in Docket No. GM17121300 – xxx4

SERVICE CLASSIFICATION – SMALL GENERAL SERVICE (SGS)  
(continued)

III. SPECIAL PROVISIONS, APPLICABLE TO VETERANS' ORGANIZATIONS. (continued):

The customer shall furnish satisfactory proof of eligibility of service under this Special Provision to the Company. Once proof of eligibility is determined by the Company, service under this Special Provision shall begin with the next billing cycle following receipt of the Application.

The customer will continue to be billed on this service classification. At least once annually, the Company shall review eligible customers' charges for service delivered, defined to include Service Charges and Distribution Charges, under this Special Provision for all relevant periods. If these comparable charges for service delivered under the Residential Delivery Service (RDS) classification are lower than the charges under this classification a credit in the amount of the difference shall be applied to the customer's next bill.

Date of Issue: xxx1

Effective: Service Rendered  
on and after xxx2

Issued by: Christie McMullen, President  
520 Green Lane  
Union, New Jersey 07083

Filed Pursuant to Pursuant to N.J.S.A 48:2-21.41 and Order of the Board of Public Utilities  
Dated xxx3 in Docket No. xxx4



SERVICE CLASSIFICATION – GENERAL DELIVERY SERVICE (GDS)  
(continued)

II. SPECIAL PROVISIONS, APPLICABLE TO CUSTOMERS RECEIVING GAS SUPPLY  
FROM THIRD PARTY SUPPLIERS (TPS) (continued)

12. Indemnification

As between Company and Customer, Customer warrants that it has clear title to any gas supplies delivered into the Company's system for redelivery to Customer and Customer shall be deemed to be in exclusive control and possession of gas prior to its delivery into the Company's system for redelivery to Customer. Customer agrees to indemnify, defend and hold harmless Company from any and all claims, suits or damage actions arising out of deliveries of gas on behalf of transporting customer.

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Issued by: Christie McMullen, President  
520 Green Lane  
Union, New Jersey 07083

Filed Pursuant to Pursuant to N.J.S.A 48:2-21.41 and Order of the Board of Public Utilities  
Dated June 22, 2018xxx3 in Docket No. GM17121309xxx4



**ATTACHMENT A (CLEAN)**  
**ELIZABETHTOWN GAS COMPANY**  
**TARIFF FOR GAS SERVICE**  
**B.P.U. NO. 16**

**PROPOSED**

**Sheet No. 43, 43.1 and 51**

SERVICE CLASSIFICATION – SMALL GENERAL SERVICE (SGS)  
(continued)

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SERVICE CLASSIFICATION – SMALL GENERAL SERVICE (SGS)  
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520 Green Lane  
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Union, New Jersey 07083

Filed Pursuant to Pursuant to N.J.S.A 48:2-21.41 and Order of the Board of Public Utilities  
Dated xxx3 in Docket No. xxx4



Attachment B

**APPLICATION FOR SERVICE UNDER THE VETERANS' ORGANIZATION SERVICE SPECIAL  
PROVISION ESTABLISHED BY N.J.S.A. 48:2-21.41**

I hereby request that Elizabethtown Gas Company (ETG) provide natural gas service under the Veterans' Organization Service special provision at the following location:

\_\_\_\_\_  
Name of Applicant

\_\_\_\_\_  
Service Address

\_\_\_\_\_  
Account Number – Enter 10 Digit Account Number Shown on Bill

I certify that the location listed above is the primary location of the Applicant. I further certify that Applicant satisfies the requirements for this service set out in N.J.S.A. 48:2-21.41 because it is an organization dedicated to serving the needs of veterans of the armed forces that is (1) chartered under federal law, (2) qualified as a tax-exempt organization under section 501 of the federal Internal Revenue Code, or (3) organized as a nonprofit corporation under the New Jersey Nonprofit Corporation Act. As proof of eligibility, attached is one of the following: (1) the organization's Federal charter; (2) a State of New Jersey "Exempt Organization Certificate" Form ST-5; or (3) an Internal Revenue Service Determination Letter stating that the organization is exempt from Federal Income Tax under Section 501(c)(19) of the Internal Revenue Code as proof of eligibility.

I understand that the submission of this application will not guarantee eligibility and that upon request by ETG, I shall furnish further satisfactory proof of eligibility for service under this Special Provision.

I understand that I must notify ETG if the primary use of the location is no longer related to the Veterans' Organization identified above. I understand that ETG may make inspections at any time to determine if the property is the location where the Veterans' Organization primarily operates.

I certify that all information given in the Application is correct and that any accompanying documents are true copies.

\_\_\_\_\_  
Signature by Officer or Trustee of the Veterans' Organization

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

Return Application via mail or email to:  
Elizabethtown Gas Company  
c/o: Customer Support Operations  
520 Green Lane, Union, NJ 07083  
ddonnelly@sjindustries.com