



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/

ENERGY

IN THE MATTER OF THE PETITION OF)	
ELIZABETHTOWN GAS TO (1) REVISE ITS)	DECISION AND ORDER
WEATHER NORMALIZATION CLAUSE RATE; (2))	APPROVING PROVISIONAL
REVISE THE CLEAN ENERGY PROGRAM)	STIPULATION
COMPONENT OF ITS SOCIETAL BENEFITS)	
CHARGE RATE; AND (3) REVISE ITS ON-SYSTEM)	
MARGIN SHARING CREDIT)	DOCKET NO. GR20070501

Parties of Record:

Deborah M. Franco, SJI Utilities, Inc. on behalf of Elizabethtown Gas Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On July 31, 2020, Elizabethtown Gas Company (“Elizabethtown” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) seeking approval to revise its rates relating to the review and true-up of its: (1) Weather Normalization Clause (“WNC”), (2) New Jersey Clean Energy Program (“CEP”) component of its Societal Benefits Charge (“SBC”), and (3) On-System Margin Sharing Credit (“OSMC”) rate (“July 2020 Petition”).¹ By this Decision and Order, the Board considers a stipulation of settlement (“Stipulation”) executed by Elizabethtown, the New Jersey Division of Rate Counsel (“Rate Counsel”) and Board Staff (“Staff”) (collectively, “Parties”) which requests the Board approve changes in the WNC, CEP, and OSMC rates on a provisional basis, subject to refund with interest.

BACKGROUND

The WNC normalizes the financial impact of weather conditions on both the Company and its weather-sensitive ratepayers. An excess margin resulting from a colder than normal Winter Period is returned to ratepayers, while a deficit margin resulting from a warmer than normal Winter Period is recovered from ratepayers.² Variances in actual degree-days from normal for each day

¹Elizabethtown’s SBC currently consists of four (4) components: 1) the CEP; 2) the Remediation Adjustment Clause; 3) the University Service Fund; and 4) Lifeline. Only the CEP is addressed in this matter. The other components are addressed in separate filings.

² Winter Period refers to the months of October through May.

are measured and accumulated over the calendar month for each month in the Winter Period. The resulting cumulative degree-day variance determines the adjustment to customers' bill in the following Winter Period.

The CEP was created as a result of the Electric Discount and Energy Competition Act in an effort to promote both energy efficiency and renewable energy programs by offering financial incentives, programs, and services to New Jersey residents, business owners and local governments. The Board annually sets each energy utility's share of the CEP costs to be collected from customers and transferred to the Board as funding for those programs.

The OSMC provides for 80% of the margins generated from certain on-system non-firm sales and transportation services to be credited to firm customers. The OSMC is the rate mechanism by which 80% of the margins generated from on-system non-firm sales and transportation services are flowed back (credited) to the Company's firm sales and residential transportation customers.

JULY 2020 PETITION

Elizabethtown filed the July 2020 Petition and accompanying exhibits, including pre-filed direct testimony.

WNC

The July 2020 Petition sought to modify Elizabethtown's current WNC rate from \$0.0000 per therm to a rate of \$0.0171 per therm.³ The rate was designed to recover a deficiency balance associated with the period October 1, 2019 through May 31, 2020 which was attributable to the overall warmer than normal weather during that period as well as the prior period excess balance. The current revenue deficiency balance is \$5,534,579 which is divided by projected winter period therm volumes and produces the proposed WNC rate of \$0.0171 per therm.

CEP

In the July 2020 Petition, the Company proposed to modify the CEP component of its SBC rate from \$0.0213 per therm to \$0.0280 per therm. The rate was designed to recover prior period costs, the net costs incurred to provide Board-approved CEP programs for the period ending June 30, 2020, and projected costs for the period ending June 30, 2021, which total \$13,247,917.

OSMC

The July 2020 Petition sought to increase the OSMC credit rate from \$0.0015 per therm to a credit rate of \$0.0020 per therm. The Company's total OSMC balance is \$603,923 which would be credited to customers.

The overall impact of the proposed adjustments to the WNC, CEP and OSMC rates would be an increase in the monthly bill of a typical residential heating customer using 100 therms by \$2.33, from \$106.14 to \$108.47, or 2.2%, as compared to the rates in effect as of July 1, 2020.

³ All rates quoted herein include losses and Sales and Use Tax, unless otherwise stated. The previous WNC rate of \$0.0051 per therm (including all applicable taxes) was in effect from April 1, 2020 through May 31, 2020.

After publication of notice in newspapers of general circulation in the Company's service territory, telephonic public hearings were held at 4:30 p.m. and 5:30 p.m. on September 10, 2020.⁴ No members of the public attended or filed comments related to the Company's filing.

STIPULATION

Following an initial review of the July 2020 Petition, the Parties determined that additional time is needed to complete a review of the July 2020 Petition. Accordingly, the Parties executed the Stipulation, which provides for the following:⁵

9. The Parties agree that, pending the conclusion of any further review, including at the Office of Administrative Law, if necessary, discussions among the Parties, and a final determination by the Board, and pursuant to N.J.S.A. 48:2-21.1, it would be both reasonable and in the public interest for the Board to authorize ETG to implement: (1) a provisional WNC rate of \$0.0171 per therm to be effective as of October 1, 2020, inclusive of all applicable taxes; (2) a provisional CEP component of the SBC rate of \$0.0280 per therm to be effective as of October 1, 2020, inclusive of all applicable taxes; and (3) a provisional OSMC credit rate of \$0.0020 per therm to be effective as of October 1, 2020 inclusive of all applicable taxes. The total provisional WNC/CEP/OSMC rate of \$0.0431 will increase the monthly bill of a typical residential customer using 100 therms by \$2.33 from \$106.14 to \$108.47, or an increase of 2.2%, as compared to the Company's rates in effect as of July 1, 2020. Based on rates in effect on May 1, 2020 when the prior WNC credit rate of \$0.0051 per therm, inclusive of taxes, was in effect, the monthly bill of a residential customer using 100 therms will increase by \$2.84 from \$105.63 to \$108.47, or an increase of 2.7%. There will be an opportunity for full review of the WNC rate, the CEP component of the SBC, and the OSMC at the Office of Administrative Law, if necessary, and final approval by the Board.
10. The Company will submit tariff sheets in the form attached as Exhibit A of the Stipulation within five (5) days of the effective date of the Board's Order approving the Stipulation.

DISCUSSION AND FINDING

The Board reviewed the record in this matter to date, including the July 2020 Petition and the Stipulation and **HEREBY FINDS** it to be reasonable, in the public interest, and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Stipulation as its own, as if fully set forth herein.

The Board **HEREBY APPROVES** on a provisional basis, subject to refund with interest on any net over-recovered balance, a WNC per therm rate of \$0.0171, a CEP per therm rate of \$0.0280 and an OSMC per therm credit rate of \$0.0020 effective for service rendered on and after October 1, 2020. For a typical residential heating customer using 100 therms in a winter month, the combined monthly impact of these changes represents an increase of \$2.33 from \$106.14 to \$108.47, or 2.2%, as compared to the Company's rates in effect as of July 1, 2020.

⁴ The hearings were held telephonically due to the COVID-19 pandemic.

⁵ Although described at some length in this Order, should there be any conflict between this summary and the Stipulation, the terms of the stipulation are controlling, subject to the findings and conclusion in this Order. Paragraphs are numbered to coincide with the Stipulation.

The Company is **HEREBY DIRECTED** to file the appropriate tariff sheets by October 1, 2020 conforming to the terms and conditions of the Order.

The Company's costs, including those related to the WNC, CEP, and OSMC, remain subject to audit by the Board. This Decision and Order shall not preclude or prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

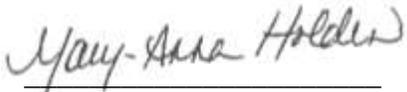
The effective date of this Order is September 30, 2020.

DATED: September 23, 2020

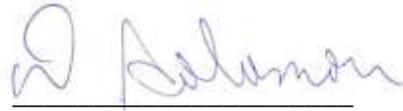
BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER

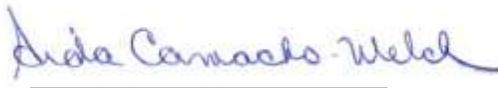


UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH
SECRETARY

In the Matter of the Petition of Elizabethtown Gas Company to (1) Revise its Weather Normalization Clause Rate; (2) Revise the Clean Energy Program Component of its Societal Benefits Charge Rate; (3) Revise its On-System Margin Sharing Credit
BPU Docket No. GR20070501

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Deborah M. Franco, Esq.
VP, Clean Energy & Sustainability

September 14, 2020

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

Re: In the Matter of the Petition of Elizabethtown Gas Company To (1) Revise Its Weather Normalization Clause Rate; (2) Revise the Clean Energy Program Component of Its Societal Benefits Charge Rate; and (3) Revise Its On-System Margin Sharing Credit BPU Docket No. GR20070501

Dear Secretary Camacho-Welch:

Enclosed for filing in the above-referenced proceeding is a Stipulation executed by representatives of Elizabethtown Gas Company, the Staff of the Board of Public Utilities and the Division of Rate Counsel. It is respectfully requested that the Board consider the Stipulation at its next agenda meeting.

Should you have any questions, please do not hesitate to contact me.

Respectfully,

A handwritten signature in black ink that reads "Deborah M. Franco".

Deborah M. Franco

DMF:slp
Enclosures
cc: See attached Service List (with enclosures)

**IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY
TO (1) REVISE ITS WEATHER NORMALIZATION CLAUSE RATE
(2) REVISE THE CLEAN ENERGY PROGRAM COMPONENT OF ITS SOCIETAL BENEFITS
CHARGE RATE (3) REVISE ITS ON-SYSTEM MARGIN SHARING CREDIT
BPU DOCKET NO. GR20070501**

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

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In The Matter Of the Petition Of Elizabethtown Gas Company to (1) Revise its Weather Normalization Clause Rate; (2) Revise the Clean Energy Program Component of its Societal Benefits Charge Rate; and (3) Revise its On-System Margin Sharing Credit : **BPU Docket No. GR20070501**
:
:
:
:
STIPULATION REGARDING PROVISIONAL WNC, CEP, AND OSMC RATES
-----X

APPEARANCES:

Deborah M. Franco, Esq., Vice President, Clean Energy and Sustainability, SJI for Petitioner, Elizabethtown Gas Company

Brian O. Lipman, Esq., Litigation Manager, **Felicia Thomas-Friel**, Managing Attorney Gas, and **Maura Caroselli, Esq.**, Assistant Deputy Rate Counsel, for the Division of Rate Counsel (**Stefanie A. Brand**, Director)

Matko Ilic, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Gurbir S. Grewal**, Attorney General of the State of New Jersey)

TO THE HONORABLE COMMISSIONERS OF THE BOARD OF PUBLIC UTILITIES:

I. PROCEDURAL HISTORY

1. On July 31, 2020, Elizabethtown Gas Company (“Elizabethtown” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) in BPU Docket No. GR20070501 seeking authority to revise its Weather Normalization Clause (“WNC”) rate, the Clean Energy Program (“CEP”) component of the Societal Benefits Charge (“SBC”) rate, and its On-System Margin Sharing Credit (“OSMC”) for the period October 1, 2020 through September 30, 2021 (“July 2020 Petition”).

2. The July 2020 Petition provides that Elizabethtown’s current rates in effect for the WNC, CEP and OSMC were approved on a final basis by the Board in the Company’s 2019

CEP/OSMC/WNC proceeding in BPU Docket No. GR19070873 in an Order dated March 9, 2020.

3. In the July 2020 Petition, Elizabethtown proposed to increase its current WNC rate from \$0.0000 per therm (or a credit rate of \$0.0051 per therm that was effective April 1, 2020 through May 31, 2020) inclusive of all applicable taxes, to \$0.0171 per therm inclusive of all applicable taxes, to be effective October 1, 2020 through May 31, 2021. As set forth in the July 2020 Petition, the rate was designed to recover a deficient balance associated with the period October 1, 2019 through May 31, 2020 that was attributable to the overall warmer than normal weather experienced in Elizabethtown's service territory during this period, as well as credit the prior year's excess balance.

4. In the July 2020 Petition, Elizabethtown also proposed to modify the current CEP component of its SBC rate from \$0.0213 per therm inclusive of all applicable taxes to \$0.0280 per therm inclusive of all applicable taxes to become effective October 1, 2020. As set forth in the July 2020 Petition, the Company stated the rate was designed to recover prior period costs, the net costs incurred to provide Board-approved CEP programs for the period ending June 30, 2020, and projected costs for the period ending June 30, 2021.

5. In the July 2020 Petition, Elizabethtown proposed to modify its current OSMC from a credit rate of \$0.0015 per therm to a credit rate of \$0.0020 per therm, inclusive of all applicable taxes, to become effective October 1, 2020. The rate is set in accordance with the mechanisms approved by the Board in Docket Nos. GT8602131, GM9009049, TC94030057, GR9608574, GR97070552 et al., and Docket Nos. GX99030121, et al., under which margins from certain on-system sales and transportation services are shared between firm sales customers, certain firm transportation customers and the Company on an 80%/20% basis through a credit, the OSMC, to the transportation rates charged to firm sales and all Service Classification RDS customers.

6. As stated in the July 2020 Petition, the overall impact of the proposed adjustments to the WNC, CEP and OSMC rates would increase the monthly bill of a typical residential customer using 100 therms by \$2.33, from \$106.14 to \$108.47, or an increase of 2.2%, as compared to the rates in effect as of July 1, 2020.

7. Notices setting forth the requested rate change and the date of the public hearings were placed in newspapers having circulation within Elizabethtown's service territory and served upon the appropriate county officials and clerks of all municipalities within the Company's service territory. Due to the COVID-19 pandemic, public hearings concerning the Company's July 2020 Petition were held telephonically on September 10, 2020. No members of the public attended the public hearings.

II. STIPULATED TERMS

8. Elizabethtown, Board Staff, and the New Jersey Division of Rate Counsel are the only parties to this proceeding (collectively "Parties"). The Parties agree that additional time is needed to complete a comprehensive review of the Company's filing and that permitting a WNC rate, CEP component of the SBC rate, and OSMC to become effective on a provisional basis is reasonable to permit Elizabethtown timely rate changes for WNC, OSMC and CEP, and mitigate the impact of potential excess balances as additional review of the Company's filing takes place.

9. The Parties hereby stipulate and agree that, pending the conclusion of any further review, including at the Office of Administrative Law, if necessary, discussions among the Parties, and a final determination by the Board, and pursuant to N.J.S.A. 48:2-21.1, it would be both reasonable and in the public interest for the Board to authorize Elizabethtown to implement: (1) a provisional WNC rate of \$0.0171 per therm to be effective as of October 1, 2020, inclusive of all applicable taxes; (2) a provisional CEP component of the SBC rate of \$0.0280 per therm

to be effective as of October 1, 2020, inclusive of all applicable taxes; and (3) a provisional OSMC credit rate of \$0.0020 per therm to be effective as of October 1, 2020 inclusive of all applicable taxes. The total provisional WNC/CEP/OSMC rate of \$0.0431 will increase the monthly bill of a typical residential customer using 100 therms by \$2.33 from \$106.14 to \$108.47, or an increase of 2.2%, as compared to the Company's rates in effect as of July 1, 2020. Based on rates in effect on May 1, 2020 when the prior WNC credit rate of \$0.0051 per therm, inclusive of taxes, was in effect, the monthly bill of a residential customer using 100 therms will increase by \$2.84 from \$105.63 to \$108.47, or an increase of 2.7%. There will be an opportunity for full review of the WNC rate, the CEP component of the SBC, and the OSMC at the Office of Administrative Law, if necessary, and final approval by the Board.

10. The Company will submit tariff sheets in the form attached as Appendix A within five (5) days of the effective date of the Board's Order approving this Stipulation.

11. This Stipulation represents a mutual balancing of interests and therefore is intended to be accepted and approved in its entirety. If the Board does not adopt this Stipulation in its entirety in an Order, then any Party hereto is free to pursue its then available legal remedies with respect to all issues in this Stipulation as though this Stipulation had not been signed.

12. It is the intent of the Parties that the provisions hereof be approved by the Board, as appropriate, as being in the public interest. The Parties further agree that they consider the Stipulation to be binding on them for all purposes herein.

13. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of this proceeding. Except as expressly provided herein, the Parties shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement

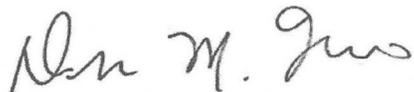
provided herein.

14. The Parties further acknowledge that a Board Order approving this Stipulation will become effective upon the service of said Board Order, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.

WHEREFORE, the Parties hereto do respectfully submit this Stipulation to the Board and request the Board to issue a Decision and Order approving this Stipulation in its entirety in accordance with the terms hereof, as soon as reasonably possible.

ELIZABETHTOWN GAS COMPANY

**STEFANIE A. BRAND
DIRECTOR, DIVISION OF
RATE COUNSEL**

By: 
Deborah M. Franco
VP, Clean Energy and Sustainability

By: 
Maura Caroselli, Esq.
Assistant Deputy Rate Counsel

**GURBIR S. GREWAL
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the New Jersey Board of Public Utilities**

By: 
Matko Ilic
Deputy Attorney General

Dated: September 11, 2020

RIDER "B"

WEATHER NORMALIZATION CLAUSE ("WNC")

Applicable to all customers in service classifications RDS, SGS and GDS.

October 1, 2020 through May 31, 2021 \$0.0171 per therm

June 1 through September 30 of any year \$0.0000 per therm

The charges applicable under this Rider include provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein. In the winter months, October through May, a weather normalization charge shall be applied to the rate quoted in this Tariff under the service classifications shown above, except as may be otherwise provided for in the individual service classification. The weather normalization charge applied in each winter period shall be based on the differences between actual and normal weather during the preceding winter period.

METHOD OF DETERMINING WEATHER NORMALIZATION CHARGE:

The weather normalization charge shall be determined as follows:

I. Definition of Terms as Used Herein

1. Degree Days (DD) - the difference between 65°F and the twenty-four point average temperature for the day, as determined from the records of the National Oceanic and Atmospheric Administration (NOAA) at its weather observation station located at Newark International Airport, when such average falls below 65°F. A day is defined as a period corresponding with the Company's gas sendout day of 10 am to 10 am.

Date of Issue: xx2

Effective: Service Rendered
on and after xx3

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

Filed Pursuant to Order of the Board of Public Utilities
Dated xx4 in Docket No. xx5

RIDER "C"

ON-SYSTEM MARGIN SHARING CREDIT ("OSMC")

Applicable to all Firm Service Classifications that pay the BGSS of Rider A and RDS customers that receive gas supply from a TPS in accordance with the Board's Order in Docket No. GO99030122.

The OSMC is subject to change to reflect the Company's actual recovery of such margins and shall be adjusted annually in its BGSS filing.

(\$0.0020) per therm

The charges applicable under this Rider include provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein.

Determination of the OSMC

On or about July 31 of each year, the Company shall file with the Board an OSMC rate filing based on the credits generated from on-system margin sharing during the previous OSMC year July 1 through June 30.

The OSMC shall be calculated by taking the current year's credits, plus the prior year's OSMC over or under recovery balance and dividing the resulting sum by the annual forecasted volumes for the service classifications set forth above. The resulting rate shall be adjusted for all applicable taxes and other similar charges.

Date of Issue: xx2

Effective: Service Rendered
on and after xx3

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

Filed Pursuant to Order of the Board of Public Utilities
Dated xx4 in Docket No. xx5

RIDER "D"

SOCIETAL BENEFITS CHARGE ("SBC")

Applicable to all tariff Service Classifications except those Customers under special contracts that explicitly do not permit the Company to apply increased charges as filed and approved by the BPU and those customers exempted pursuant to the Long-Term Capacity Agreement Pilot Program ("LCAPP"), P.L. 2011, c.9, codified as N.J.S.A. 48:3-60.1. See the LCAPP Exemption Procedures at the end of this Rider.

The SBC is designed to recover the components listed below and any other new programs which the Board determines should be recovered through the Societal Benefits Charge.

<u>SBC Rate Components:</u>		<u>Per Therm</u>
I.	New Jersey Clean Energy Program ("CEP")	\$0.0280
II.	Remediation Adjustment Charge ("RAC")	\$0.0149
III.	<u>Universal Service Fund and Lifeline:</u>	
	1. Universal Service Fund ("USF")	\$0.0066
	2. Lifeline	<u>\$0.0055</u>
	TOTAL	<u>\$0.0550</u>

The charges applicable under this Rider include provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein.

I. New Jersey Clean Energy Program Component ("CEP")

The Comprehensive Resource Analysis ("CRA") name was changed to the Clean Energy Program - CEP per Board Order dated January 22, 2003 in Docket No. EX99050347 *et.al*. The CEP is a mechanism that will (1) establish a rate to recover the costs of the Core and Standard Offer Programs in the Company's CEP Plan which was approved by the BPU" in Docket No. GE92020104, and (2) compensate the Company for the revenue erosion resulting from conservation savings created by the Standard Offer Program. The annual recovery period for the CEP is from October 1 through September 30. The CEP recovers program costs and revenue erosion incurred during the previous CEP year ended June 30.

1. CEP program costs include the costs of core programs, standard offer payments and any administrative costs not recovered directly from standard offer providers.

Date of Issue: xx2

Effective: Service Rendered
on and after xx3

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

Filed Pursuant to Order of the Board of Public Utilities
Dated xx4 in Docket No. xx5

REDLINE

ELIZABETHTOWN GAS COMPANY
B. P. U. NO. 17 – GAS

~~4st~~^{xx1} REVISED SHEET NO. 109

RIDER "B"

WEATHER NORMALIZATION CLAUSE ("WNC")

Applicable to all customers in service classifications RDS, SGS and GDS.

~~April~~^{October} 1, 2020 through May 31, ~~2020~~²⁰²¹ ~~\$0.0171~~^(\$0.0051) per therm

June 1 through September 30 of any year \$0.0000 per therm

The charges applicable under this Rider include provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein. In the winter months, October through May, a weather normalization charge shall be applied to the rate quoted in this Tariff under the service classifications shown above, except as may be otherwise provided for in the individual service classification. The weather normalization charge applied in each winter period shall be based on the differences between actual and normal weather during the preceding winter period.

METHOD OF DETERMINING WEATHER NORMALIZATION CHARGE:

The weather normalization charge shall be determined as follows:

I. Definition of Terms as Used Herein

1. Degree Days (DD) - the difference between 65°F and the twenty-four point average temperature for the day, as determined from the records of the National Oceanic and Atmospheric Administration (NOAA) at its weather observation station located at Newark International Airport, when such average falls below 65°F. A day is defined as a period corresponding with the Company's gas sendout day of 10 am to 10 am.

Date of Issue: ~~March 16, 2020~~^{xx2}

Effective: Service Rendered
on and after ~~April 1, 2020~~^{xx3}

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

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~March 9, 2020~~^{xx4} in Docket No. ~~GR19070873~~^{xx5}

RIDER "C"

ON-SYSTEM MARGIN SHARING CREDIT ("OSMC")

Applicable to all Firm Service Classifications that pay the BGSS of Rider A and RDS customers that receive gas supply from a TPS in accordance with the Board's Order in Docket No. GO99030122.

The OSMC is subject to change to reflect the Company's actual recovery of such margins and shall be adjusted annually in its BGSS filing.

~~(\$0.0015)~~ (\$0.0020) per therm

The charges applicable under this Rider include provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein.

Determination of the OSMC

On or about July 31 of each year, the Company shall file with the Board an OSMC rate filing based on the credits generated from on-system margin sharing during the previous OSMC year July 1 through June 30.

The OSMC shall be calculated by taking the current year's credits, plus the prior year's OSMC over or under recovery balance and dividing the resulting sum by the annual forecasted volumes for the service classifications set forth above. The resulting rate shall be adjusted for all applicable taxes and other similar charges.

Date of Issue: ~~March 16, 2020~~ xx2

Effective: Service Rendered
on and after ~~April 1, 2020~~ xx3

Issued by: Christie McMullen, President
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Union, New Jersey 07083

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RIDER "D"

SOCIETAL BENEFITS CHARGE ("SBC")

Applicable to all tariff Service Classifications except those Customers under special contracts that explicitly do not permit the Company to apply increased charges as filed and approved by the BPU and those customers exempted pursuant to the Long-Term Capacity Agreement Pilot Program ("LCAPP"), P.L. 2011, c.9, codified as N.J.S.A. 48:3-60.1. See the LCAPP Exemption Procedures at the end of this Rider.

The SBC is designed to recover the components listed below and any other new programs which the Board determines should be recovered through the Societal Benefits Charge.

<u>SBC Rate Components:</u>		<u>Per Therm</u>
I.	New Jersey Clean Energy Program ("CEP")	-\$0.0213 <u>\$0.0280</u>
II.	Remediation Adjustment Charge ("RAC")	\$0.0149
III.	<u>Universal Service Fund and Lifeline:</u>	
	1. Universal Service Fund ("USF")	\$0.0066
	2. Lifeline	<u>\$0.0055</u>
	TOTAL	\$0.0483 <u>\$0.0550</u>

The charges applicable under this Rider include provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein.

I. New Jersey Clean Energy Program Component ("CEP")

The Comprehensive Resource Analysis ("CRA") name was changed to the Clean Energy Program - CEP per Board Order dated January 22, 2003 in Docket No. EX99050347 *et.al*. The CEP is a mechanism that will (1) establish a rate to recover the costs of the Core and Standard Offer Programs in the Company's CEP Plan which was approved by the BPU" in Docket No. GE92020104, and (2) compensate the Company for the revenue erosion resulting from conservation savings created by the Standard Offer Program. The annual recovery period for the CEP is from October 1 through September 30. The CEP recovers program costs and revenue erosion incurred during the previous CEP year ended June 30.

- CEP program costs include the costs of core programs, standard offer payments and any administrative costs not recovered directly from standard offer providers.

Date of Issue: ~~March 16, 2020~~ xx2Effective: Service Rendered
on and after ~~April 1, 2020~~ xx3Issued by: Christie McMullen, President
520 Green Lane
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities

Dated ~~March 9, 2020~~ xx4 in Docket Nos. ~~GR19070871 and GR19070873~~ xx5