

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

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

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

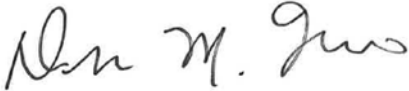
provided herein.

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.

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520 Green Lane
Union, New Jersey 07083Filed 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.

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520 Green Lane
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Dated xx4 in Docket No. xx5

REDLINE

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

~~1st~~^{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.

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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.

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RIDER "D"

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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.

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

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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 Nos. ~~GR19070871 and GR19070873~~xx5