



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF)
ELIZABETHTOWN GAS COMPANY TO REVIEW)
ITS BASIC GAS SUPPLY SERVICE RATE)
)
)
) BPU DOCKET NO. GR21060876

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Deborah M. Franco, Esq., on behalf of Elizabethtown Gas Company

BY THE BOARD:

On June 1, 2021, Elizabethtown Gas Company ("ETG" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board" or "BPU") seeking approval to modify its Basic Gas Supply Service-Periodic ("BGSS-P") rate for the period October 1, 2021 through September 30, 2022 ("2021 BGSS Petition"). On June 22, 2021, NRG Energy, Inc., and its affiliates Reliant Energy Northeast, LLC, d/b/a NRG Home/NRG Business; Energy Plus Natural Gas LP; Xoom Energy New Jersey, LLC; Stream Energy New Jersey, LLC; Direct Energy Services, LLC; Direct Energy Business, LLC; Direct Energy Business Marketing, LLC; and Gateway Energy Services Corporation (collectively, "NRG") filed a Motion to Intervene in this matter. By this Order, the Board considers, 1) a stipulation of settlement ("Stipulation") executed by ETG, Board Staff ("Staff"), and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, "Parties") requesting that the Board approve changes in the BGSS-P rate on a provisional basis, subject to refund with interest; and 2) NRG's Motion to Intervene.

BACKGROUND/PROCEDURAL HISTORY

By Order dated January 6, 2003 in Docket No. GX01050304, the Board directed each of New Jersey's four (4) gas distribution companies ("GDCs"), to submit to the Board, by June 1, its annual BGSS gas cost filing for the BGSS year beginning October 1.¹ In addition, the January

¹ In re the Provision of Basic Gas Supply Service Pursuant to the Electric Discount and Energy Act N.J.S.A. 48:3-49 et seq. – BGSS Pricing, BPU Docket No. GX01050304, Order dated January 6, 2003, ("January 2003 BGSS Order").

2003 BGSS Order authorized each GDC to self-implement up to a five (5) percent BGSS rate increase effective December 1 of the current year, and February 1 of the following year, with one (1) month's advance notice to the Board and Rate Counsel, and implement a decrease in its BGSS rate at any time during the year upon five (5) days' notice to the Board and Rate Counsel.

2021 BGSS PETITION

Pursuant to the January 2003 BGSS Order, on June 1, 2021, ETG filed the 2021 BGSS Petition requesting authority to increase its current BGSS-P rate of \$0.3783 per therm to \$0.4367 per therm effective October 1, 2021.² Based upon the 2021 BGSS Petition, the Company projects that its recoverable gas costs at the proposed rate would be approximately \$14.0 million higher than the level recovered through current BGSS-P rates. ETG projects that it will begin the BGSS Year (October 1, 2021 through September 30, 2022) with a gas cost under recovery balance of approximately \$2.3 million. ETG provided seven (7) months of actual data through April 30, 2021, and five (5) months of projected data through September 30, 2021.

The 2021 BGSS Petition provides that the calculated increase in the proposed BGSS-P rate is due primarily to higher commodity gas costs related to market pricing, combined with the impact of the Columbia Gas rate case which increased demand and commodity costs, as well as new capacity contracts which increased demand charges. Additionally, ETG indicated that the Company would be contracting for renewable natural gas ("RNG") delivered by RevLNG starting March 1, 2022.³

Additionally, ETG implemented its Conservation Incentive Program ("CIP") pursuant to Board Order dated April 7, 2021, in combined Docket Nos. QO19010040 and GO20090619.⁴ As a result, the CIP rate is being set at \$0.0000 for the period October 1, 2021 through September 30, 2022.

On August 10, 2021, ETG filed an amended 2021 BGSS Petition ("2021 Amended BGSS Petition"). In the 2021 Amended BGSS Petition, the Company removed its request to contract for RNG supply. ETG noted that the RNG supply is now anticipated to commence in a subsequent BGSS period. This change did not change the Company's originally proposed per therm BGSS-P rate of \$0.4367.

Following publication of notices in newspapers in general circulation in the Company's service territory, public hearings were conducted telephonically on August 25, 2021 at 4:30 pm and 5:30 pm.⁵ No members of the public appeared at the hearings or filed comments with the Board regarding the 2021 BGSS Petition.

² All rates quoted herein include applicable taxes unless otherwise stated.

³ RNG is an anaerobically generated biogas that has been processed for use as a substitute for natural gas and offers a significant benefit of reducing atmospheric greenhouse gases consistent with the State's environmental goals for a clean energy future, while being priced at a market-based average that will not impact the system average cost of gas.

⁴ In re the Implementation of L. 2018, C. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs and In re the Approval of New Energy Efficiency Programs and Associated Cost Recovery Pursuant to the Clean Energy Act and the Establishment of a Conservation Incentive Program, BPU Docket Nos. QO19010040 and GO20090619, Order dated April 7, 2021.

⁵ The hearings were held telephonically due to the COVID-19 pandemic.

MOTION TO INTERVENE

On June 22, 2021, NRG filed a Motion to Intervene, arguing that NRG and its customers have a substantial and direct interest in the provision in the 2021 BGSS Petition that allows the ETG to decrease their BGSS Commodity Charges at any time, upon five (5) day's notices to the Board and Rate Counsel. NRG Motion at 2. Additionally, NRG argued that NRG and its customers have a substantial and direct interest in ETG's plans regarding RNG. Id. at 3. NRG stated that it would be substantially, specifically, and directly affected by the outcome of this proceeding as the parent company of numerous licensed third party suppliers that are actively serving natural gas customers in ETG's service territory. Id.

On July 15, 2021, ETG submitted opposition to NRG's motion to intervene, arguing that NRG failed to establish any relevant or legitimate basis to support intervention, and NRG had no stake in the outcome of this proceeding. ETG Response at 2. The Company's opposition further argued that NRG's motion to intervene is an attempt by competitive gas suppliers to introduce irrelevant issues regarding competition and the structure of the BGSS into this proceeding, the sole purpose of which is to ensure ETG is able to recover its costs of providing BGSS. Id. The Company pointed to Public Service Electric and Gas Company's ("PSE&G") 2014/2015 BGSS proceeding, where the Retail Energy Supply Association moved to intervene raising issues concerning the notice provisions preceding the self-implemented bill adjustments in the PSE&G's BGSS tariff. Ultimately, the Board agreed with PSE&G and Rate Counsel that the relief sought was beyond the scope of the proceeding and would delay the review of the filing.⁶ Id. at 3. ETG stated that BGSS-P rate proposed will not impose any costs on NRG because it is not a customer of ETG. Id. at 4.

On July 20, 2021, NRG responded to ETG's opposition, stating that the Company misapplied the standard the Board must utilize in considering NRG's motion to intervene as NRG and the gas products it offers are "substantially, specifically and directly affected by the outcome" of this proceeding and that NRG's motion meets all of the criteria for intervention. NRG Reply at 1. According to NRG, ETG's RNG plans directly affect NRG's retail gas supply business since NRG is also interested in offering RNG to its New Jersey customers and that the BGSS rates approved in this proceeding will impact the rates that NRG will charge its customers in order to remain competitive with ETG's BGSS product in ETG's service territory. Id. at 1 to 2. NRG argued that its intervention will not cause confusion or delay, and will instead add to the proceeding due to their extensive knowledge in RNG. Id. at 2. NRG pointed out that the Electric Discount and Energy Competition Act ("EDECA") defines basic gas supply service as "not a competitive service," which raises significant concerns over ETG's inclusion of this new RNG supply option (and its costs) in its BGSS non-competitive service. NRG stated this proposal is inconsistent with the meaning of BGSS and would operate to defeat EDECA's pro-competitive intent and that NRG's involvement in this case will ensure that this issue and its cost implications are fully considered. Id. at 3. Lastly, NRG noted that it has no other avenue to raise its concerns regarding the self-implementing bill credits that ETG offers customers during the winter heating months when the most gas commodity is sold, which impacts the prices that NRG and other retail suppliers can charge for their products if they wish to remain competitive with the BGSS product. Id.

⁶ In re Public Service Electric and Gas Company's 2014/2015 Annual BGSS Commodity Charge Filing for Its Residential Gas Customers Under Its Periodic Pricing Mechanism, BPU Docket No. GR14050512, OAL Docket No. PUC16108-14, Order dated April 15, 2015 ("PSE&G Order").

STIPULATION

Following an initial review and discussions, the Parties determined that additional time is needed to complete a review of the 2021 BGSS Petition. Accordingly, the Parties executed the Stipulation, which provides, in part, as follows:⁷:

1. The Parties agree that additional time is needed to complete a comprehensive review of the 2021 BGSS Petition. The Parties also agree that the provisional implementation of the proposed BGSS-P rate, subject to refund with interest on any net over-recovered BGSS-P balance, is reasonable at this time. These changes are on a provisional basis subject to an opportunity for full review at the Office of Administrative Law, if necessary, and final approval by the Board.
2. In accordance with the Board's Order dated January 6, 2003 in BPU Docket No. GX01050304, New Jersey's four (4) GDCs must, by June 1, submit to the Board their annual BGSS gas cost filings for the BGSS year beginning in October. The Company may seek to implement provisional increases in its BGSS-P rate, of up to 5%, to be effective December 1, 2021 and February 1, 2022, if the Company determines that such increase is necessary to avoid a BGSS under-recovered balance at September 30, 2022. The self-implementing increases would be provisional and subject to true-up in connection with the next annual BGSS filing. The Company is permitted to decrease its BGSS-P rate at any time upon five (5) days' notice and the filing of supporting documentation with the Board and Rate Counsel. The Company may also implement a decrease in its BGSS-P rate at any time without prior Board approval, upon five (5) days' notice to the Board and Rate Counsel.
3. Since the Company filed its 2021 BGSS Petition, additional details became available related to the pending Columbia Gas Transmission ("Columbia") base rate case at the Federal Energy Regulatory Commission.⁸ Specifically, the Company anticipates that it will receive a refund from Columbia, along with a reduction in Columbia's currently effective provisional rates during the 2021-2022 BGSS Year. This will reduce ETG's proposed BGSS-P rate from \$0.4367 per therm to \$0.4254 per therm. As set forth in the Stipulation, the provisional rate addressed in the Stipulation reflects this reduction.
4. The Parties stipulate and agree that it would be both reasonable and in the public interest for the Board to authorize a provisional order to increase Elizabethtown's current BGSS-P rate of \$0.3783 per therm to \$0.4254 per therm, effective December 1, 2021, or on such other date as the Board deems appropriate.
5. Based upon the rates in effect on October 1, 2021, the monthly bill of a residential heating customer using 100 therms will increase by \$4.71 from \$104.15 to \$108.86 or 4.5%.

⁷ Although described at some length in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusion in this Order. Paragraphs are numbered to coincide with the Stipulation.

⁸ On July 31, 2020, Columbia Gas Transmission filed a base rate case pursuant to section 4 of the NGA and Part 154 of the Commission's regulations (18 C.F.R. §§ 154.301-315 (2019) in FERC Docket No. RP20-1060-000.

6. The Company agrees to continue to provide, electronically, to the Parties in this proceeding, on a monthly basis, the following updated information: 1) the BGS NYMEX update report (also known as S-ECHART-1, an example of which is attached as Appendix A to the Stipulation); and 2) a monthly report showing the calculation of net cost of gas per therm (also known as SECHART-2, an example of which is attached as Appendix B to the Stipulation). S-ECHART-1 is to be completed using information from the first Friday of the month, and submitted to the Parties the following Tuesday. S-ECHART-2 is to be submitted to the Parties on approximately the 15th of the following month.
7. The Company will submit tariff sheets in the form attached to the Stipulation as Appendix C, within five (5) days of the effective date of the Board's Order, should the Board approve the Stipulation.

DISCUSSION AND FINDINGS

NRG Motion to Intervene

In ruling on Motions to Intervene, N.J.A.C. 1:1-16.3(a) requires that the decision-maker consider the following factors:

1. The nature and extent of the moving party's interest in the outcome of the case;
2. Whether that interest is sufficiently different from that of any other party so as to add measurably and constructively to the scope of the case;
3. The prospect for confusion and delay arising from inclusion of the party; and
4. Other appropriate matters.

If the standard for intervention is not met, N.J.A.C. 1:1-16.5 provides for a more limited form of involvement in the proceeding as a "participant." N.J.A.C. 1:1-16.6(a) provides that "[a]ny person or entity with a significant interest in the outcome of a case may move for permission to participate."

In ruling on a Motion to Participate, the trier of fact shall consider "whether the participant's interest is likely to add constructively to the case without causing undue delay or confusion." N.J.A.C. 1:1-16.6(b). Under N.J.A.C. 1:1-16.6(c), such participation is limited to the right to argue orally, or file a statement or brief, or file exceptions, or all of these as determined by the trier of fact.

As the Board stated in previous proceedings, application of these standards involves an implicit balancing test. The need and desire for development of a full and complete record, which involves consideration of a diversity of interests, must be weighed against the requirements of the New Jersey Administrative Code, which recognizes the need for prompt and expeditious administrative proceedings by requiring that an intervener's interest be specific, direct and different from that of the other parties so as to add measurably and constructively to the scope of the case. See In re the Joint Petition of Public Service Electric and Gas Company and Exelon Corporation for Approval of a Change in Control, BPU Docket No. EM05020106 (June 8, 2005).

The Board reviewed the factors set forth by rule for intervention and considered the positions of NRG and ETG. NRG raised concerns regarding the gas utilities' general ability to decrease their BGSS commodity charges at any time and the resulting potential impact on NRG and its customers. However, these concerns are separate and distinct from the issues pending before the Board in this proceeding, and when considering annual BGSS cost filings. As NRG's concerns involve potential overall changes to the BGSS structure, such issues should be vetted in a generic proceeding including all of the gas utilities as well as other interested parties. Under the process approved in the January 2003 BGSS Order, in annual proceedings such as this, the Board's scope of review concerns the specific gas company's costs of providing BGSS and setting the necessary rates. A gas utility's ability to decrease BGSS commodity charges, and its specific impact on NRG, is outside of the scope of this proceeding, and thus, is not appropriate for consideration in annual cost filing matters. Also, ETG updated the 2021 BGSS Petition to remove the inclusion of RNG, rendering moot NRG's intervention argument in that regard. Finally, NRG is not a customer of ETG and is not directly affected by ETG's recovery of BGSS costs or its proposed BGSS-P rate.

Having considered the moving papers and responses, and having carefully weighed the competing interests, the Board **HEREBY FINDS** that the inclusion of NRG in this proceeding would not aid constructively to the case and could confuse or delay the matter. See N.J.A.C. 1:1-16.3(a). The Board **FURTHER FINDS** that the nature and extent of NRG's interest in the outcome of this case, specifically in the BGSS costs that are under review in this proceeding, is limited and does not rise to a level warranting intervention. Id.

Based upon the foregoing, and after balancing the need to develop a complete record with the need for prompt review of this matter, and taking into consideration the scope of this proceeding and NRG's limited interest in its outcome, the Board **HEREBY DENIES** NRG's Motion to Intervene.

Every motion for leave to intervene may be treated, in the alternative, as a motion for permission to participate. See N.J.A.C. 1:1-16.5. In ruling on a motion to participate the trier of fact shall consider "whether the participant's interest is likely to add constructively to the case without causing undue delay or confusion." N.J.A.C. 1:1-16.6(b). Therefore, having found that including NRG in this matter could cause undue delay or confusion, the Board **HEREBY DENIES** NRG's Motion to Participate.

Stipulation and Provisional Rates

The Board, having carefully reviewed the record to date in this proceeding, including the 2021 BGSS Petition and the attached Stipulation, **HEREBY FINDS** the Stipulation to be reasonable and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Stipulation in its entirety, and **HEREBY INCORPORATES** its terms and conditions as though fully set forth herein, subject to any terms and conditions set forth in this Order.

The Board **HEREBY APPROVES** on a provisional basis, subject to refund with interest on any net over-recovered balance, a per therm BGSS-P rate of \$0.4254 effective for services rendered on and after December 1, 2021. Any net over-recovered BGSS balance at the end of the BGSS period shall be subject to refund with interest.

Based upon the Stipulation, a typical residential heating customer using 100 therms on a monthly basis would see an increase of \$4.71, or approximately 4.5%.

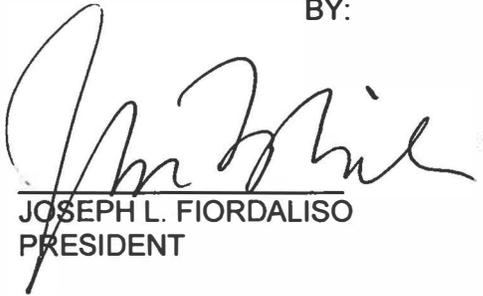
The Board **HEREBY DIRECTS** ETG to file revised tariff sheets conforming to the terms of the Stipulation prior to December 1, 2021.

The Company's costs, including those related to the BGSS and CIP, will remain subject to audit by the Board. This Decision and Order shall not preclude, nor 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 November 24, 2021.

DATED: November 17, 2021

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 REVIEW ITS
BASIC GAS SUPPLY SERVICE RATE

BPU DOCKET NO. GR21060876

SERVICE LIST

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Deborah M. Franco, Esq.
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October 28, 2021

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

**Re: In The Matter Of The Petition Of Elizabethtown Gas Company To Review Its Periodic Basic Gas Supply Service Rate
BPU Docket No. GR21060876**

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 November 17, 2021 agenda meeting.

Please direct any inquiries to the undersigned. Thank you for your consideration.

Respectfully yours,

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

Deborah M. Franco

DMF:slp
Enclosures

cc: Service List (electronic only)

**IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY
TO REVIEW ITS PERIODIC BASIC GAS SUPPLY SERVICE RATE
BPU DOCKET NO. GR21060876**

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

-----X
: **BPU Docket No. GR21060876**
In the Matter of the Petition of :
Elizabethtown Gas Company to Review Its :
Periodic Basic Gas Supply Service Rate : **STIPULATION REGARDING**
: **PROVISIONAL BGSS RATE**
-----X

APPEARANCES:

Deborah M. Franco, Esq., Vice President, Rates, Regulatory & Sustainability, SJI Utilities, Inc. for Petitioner, Elizabethtown Gas Company

Maura Caroselli, Esq., Managing Attorney Gas and Clean Energy, and **Kurt S. Lewandowski, Esq.**, Assistant Deputy Rate Counsel, for the Division of Rate Counsel, (**Brian O. Lipman, Esq.**, Acting Director)

Terel Klein, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Andrew J. Bruck**, Acting Attorney General of the State of New Jersey)

TO THE HONORABLE COMMISSIONERS OF THE BOARD OF PUBLIC UTILITIES:

I. PROCEDURAL HISTORY

1. On June 1, 2021, Elizabethtown Gas Company (“Elizabethtown” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) in BPU Docket No. GR21060876 seeking authorization to revise its Periodic Basic Gas Supply Service (“BGSS-P”) rate for the period October 1, 2021 through September 30, 2022 (“Petition”). On August 10, 2021, the Company amended the Petition.

2. In its Petition, Elizabethtown proposed to increase its current BGSS-P rate of \$0.3783 per therm to \$0.4367 per therm.¹ As proposed, the monthly bill of a residential customer using 100 therms would increase by \$5.84 from \$99.06 to \$104.90, or 5.9%, based upon rates in effect on June 1, 2021. The proposed BGSS-P rate of \$0.4367 per therm would produce BGSS-P recoveries of approximately \$106.6 million, before taxes.

¹ All rates quoted herein include all applicable taxes unless otherwise noted.

3. Notices of public hearings setting forth the requested rate change, and the date and time 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, two (2) public hearings concerning the Company's Petition were held telephonically on August 25, 2021 at 4:30 pm, and August 25, 2021 at 5:30 pm. No members of the public attended the public hearings.

II. STIPULATED TERMS

1. Elizabethtown, Board Staff, and the New Jersey Division of Rate Counsel ("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 Petition. The Parties also agree that the provisional implementation of the proposed BGSS-P rate, subject to refund with interest on any net over-recovered BGSS-P balance, is reasonable at this time. These changes are on a provisional basis subject to an opportunity for full review at the Office of Administrative Law, if necessary, and final approval by the Board.

2. In accordance with the Board's Order dated January 6, 2003 in BPU Docket No. GX01050304, New Jersey's four (4) gas distribution companies ("GDCs") must, by June 1, submit to the Board their annual BGSS gas cost filings for the BGSS year beginning in October ("Generic BGSS Order"). The Company may seek to implement provisional increases in its BGSS-P rate, of up to 5%, to be effective December 1, 2021 and February 1, 2022, if the Company determines that such increase is necessary to avoid a BGSS under-recovered balance at September 30, 2022. The self-implementing increases would be provisional and subject to true-up in connection with the next annual BGSS filing. The Company is permitted to decrease its BGSS-P rate at any time upon five (5) days' notice and the filing of supporting documentation with the Board and Rate Counsel. The Company may also implement a

decrease in its BGSS-P rate at any time without prior Board approval, upon five (5) days' notice to the Board and Rate Counsel.

3. Since the Company filed its Petition, additional details became available related to the pending Columbia Gas Transmission ("Columbia") base rate case at the Federal Energy Regulatory Commission.² Specifically, the Company anticipates that it will receive a refund from Columbia, along with a reduction in Columbia's currently effective provisional rates during the 2021-2022 BGSS Year. This will reduce ETG's proposed BGSS-P rate from \$0.4367 per therm to \$0.4254 per therm. As set forth below, the provisional rate addressed in this Stipulation reflects this reduction.

4. The Parties stipulate and agree that it would be both reasonable and in the public interest for the Board to authorize a provisional order to increase Elizabethtown's current BGSS-P rate of \$0.3783 per therm to \$0.4254 per therm, effective December 1, 2021, or on such other date as the Board deems appropriate.

5. Based upon the rates in effect on October 1, 2021, the monthly bill of a residential heating customer using 100 therms will increase by \$4.71 from \$104.15 to \$108.86, or 4.5%.

6. The Company agrees to continue to provide, electronically, to the Parties in this proceeding, on a monthly basis, the following updated information: 1) the BGSS NYMEX update report (also known as S-ECHART-1, an example of which is attached as Appendix A); and 2) a monthly report showing the calculation of net cost of gas per therm (also known as S-ECHART-2, an example of which is attached as Appendix B). S-ECHART-1 is to be completed using information from the first Friday of the month, and submitted to the Parties the

² On July 31, 2020, Columbia Gas Transmission filed a base rate case pursuant to section 4 of the NGA and Part 154 of the Commission's regulations (18 C.F.R. §§ 154.301-315 (2019) in FERC Docket No. RP20-1060-000.

following Tuesday. S-ECHART-2 is to be submitted to the Parties on approximately the 15th of the following month.

7. The Company will submit tariff sheets in the form attached as Appendix C, within five (5) days of the effective date of the Board's Order, should the Board approve this Stipulation.

8. 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.

9. 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.

10. 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, Elizabethtown, Board Staff, or Rate Counsel 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.

11. The Parties further acknowledge that, should a Board Order be entered approving this Stipulation, 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

**BRIAN O. LIPMAN
ACTING DIRECTOR, DIVISION
OF RATE COUNSEL**



By: Maura Caroselli

By: _____
Deborah M. Franco, Esq.
VP, Rates, Regulatory & Sustainability

Maura Caroselli, Esq.
Managing Attorney

**ANDREW J. BRUCK
ACTING ATTORNEY GENERAL OF THE STATE OF NEW JERSEY
Attorney for the Staff of the New Jersey Board of Public Utilities**



By: _____
Terel Klein
Deputy Attorney General

Dated: October 27, 2021

Docket No. GR21060876

S-ECHART-1
BGSS NYMEX Update Report
as of July 02, 2021

<u>Month</u>	<u>a</u> BGSS (see note below)	<u>b</u> NYMEX (7/2/2021 Close)	<u>c = b - a</u> Incr/ (Decr)	<u>% Chg</u>	<u>d</u> Sales forecast (dths)	<u>e</u> Hedged volume (dths)	<u>f = d - e</u> Unhedged volume (dths)	<u>g = c x f</u> Change in value unhedged
Oct-20	\$ 2.342	\$ 2.101	\$ (0.241)		1,270,616	673,900	596,716	(\$143,809)
Nov-20	\$ 2.572	\$ 2.996	\$ 0.424		3,045,293	1,798,557	1,246,736	\$528,616
Dec-20	\$ 2.893	\$ 2.896	\$ 0.003		4,625,306	3,291,568	1,333,738	\$4,001
Jan-21	\$ 3.031	\$ 2.467	\$ (0.564)		6,065,908	4,059,781	2,006,127	(\$1,131,456)
Feb-21	\$ 2.991	\$ 2.760	\$ (0.231)		4,520,515	3,241,815	1,278,700	(\$295,380)
Mar-21	\$ 2.854	\$ 2.854	\$ -		3,800,058	2,379,766	1,420,292	\$0
Apr-21	\$ 2.559	\$ 2.586	\$ 0.027		1,684,482	803,400	881,082	\$23,789
May-21	\$ 2.526	\$ 2.925	\$ 0.399		608,092	259,700	348,392	\$139,008
Jun-21	\$ 2.564	\$ 2.984	\$ 0.420		390,774	178,000	212,774	\$89,365
Jul-21	\$ 2.610	\$ 3.617	\$ 1.007		472,663	222,400	250,263	\$252,015
Aug-21	\$ 2.617	\$ 3.700	\$ 1.083		462,316	216,200	246,116	\$266,544
Sep-21	\$ 2.597	\$ 3.668	\$ 1.071		511,768	256,500	255,268	\$273,392
Avg Total \$	\$ 2.680	\$ 2.963	\$ 0.283	10.6%	27,457,791	17,381,587	10,076,204	\$6,087
Oct-21	\$ 2.611	\$ 3.659	\$ 1.048		1,283,322	589,800	693,522	\$726,811
Nov-21	\$ 2.654	\$ 3.705	\$ 1.051		3,075,745	2,078,557	997,188	\$1,048,045
Dec-21	\$ 2.787	\$ 3.792	\$ 1.005		4,671,559	3,201,568	1,469,991	\$1,477,341
Jan-22	\$ 2.895	\$ 3.854	\$ 0.959		6,126,566	4,159,781	1,966,785	\$1,886,147
Feb-22	\$ 2.855	\$ 3.770	\$ 0.915		4,565,722	3,221,815	1,343,907	\$1,229,674
Mar-22	\$ 2.715	\$ 3.510	\$ 0.795		3,838,057	2,429,766	1,408,291	\$1,119,591
Apr-22	\$ 2.326	\$ 2.987	\$ 0.661		1,701,326	879,600	821,726	\$543,161
May-22	\$ 2.290	\$ 2.897	\$ 0.607		614,173	392,200	221,973	\$134,738
Jun-22	\$ 2.327	\$ 2.924	\$ 0.597		394,682	363,500	31,182	\$18,616
Jul-22	\$ 2.364	\$ 2.959	\$ 0.595		477,389	318,800	158,589	\$94,360
Aug-22	\$ 2.370	\$ 2.965	\$ 0.595		466,939	334,500	132,439	\$78,801
Sep-22	\$ 2.358	\$ 2.952	\$ 0.594		516,886	374,000	142,886	\$84,874
Avg Total \$	\$ 2.546	\$ 3.331	\$ 0.785	30.8%	27,732,366	18,343,887	9,388,479	\$8,442,159

Footnotes:

a : Nymex rate used for annual BGSS periodic rate filing; Oct-2020 to Sept-2022 based on 05/7/2020 Close.

b: Nymex rate as of date of the report

c: Increase/Decrease in the Nymex rate compared to rate used for annual BGSS periodic rate filing

d: Sales forecast (includes fuel requirement) at a receipt point/wellhead equivalent volume

e: 'Hedged' volume consists of all fixed price contracts (financial or physical), purchased call option positions, and tentative storage withdrawal volumes (reduced by fuel required for delivery to citygate)

f: 'Unhedged' volume consists of sales volume forecast less 'hedged' volume

g: Not necessarily representative of a change in under/over-recovery value

S-ECHART-2
Elizabethtown Gas Company
Calculation of Net Cost of Gas Per Therm

	Actual	Estimate	Estimate	Estimate	12 Month Weighted Average									
	<u>Oct-20</u>	<u>Nov-20</u>	<u>Dec-20</u>	<u>Jan-21</u>	<u>Feb-21</u>	<u>Mar-21</u>	<u>Apr-21</u>	<u>May-21</u>	<u>Jun-21</u>	<u>Jul-21</u>	<u>Aug-21</u>	<u>Sep-21</u>		
1 NYMEX - 05/7/20 - Included in BGSS Filing	\$0.2342	\$0.2572	\$0.2893	\$0.3031	\$0.2991	\$0.2854	\$0.2559	\$0.2526	\$0.2564	\$0.2610	\$0.2617	\$0.2597		
2 NYMEX - Actual Settlement	\$0.2101	\$0.2996	\$0.2896	\$0.2467	\$0.2760	\$0.2854	\$0.2586	\$0.2925	\$0.2984					
<u>Breakdown of Gross Cost of Gas Per Therm:</u>														
13 Flowing Gas Cost	-\$0.1545	-\$0.0177	\$0.1833	\$0.1257	\$0.2837	\$0.0572	-\$0.0035	-\$0.0426	-\$0.0907	-\$0.2350	-\$0.2475	-\$0.2746	\$0.0861	
14 Gas Withdrawn From Storage Cost	\$0.0332	\$0.0784	\$0.0772	\$0.0671	\$0.0497	\$0.0507	\$0.0191	\$0.0225	\$0.0059	\$0.0095	\$0.0103	\$0.0106	\$0.0497	
15 Hedged Volumes Delivered Cost	\$0.4960	\$0.1606	\$0.1191	\$0.0958	\$0.0673	\$0.0673	\$0.1329	\$0.1592	\$0.2356	\$0.4890	\$0.5188	\$0.5131	\$0.1356	
16 Pipeline Demand Cost	\$0.6460	\$0.2498	\$0.1271	\$0.0985	\$0.0846	\$0.0921	\$0.1642	\$0.3014	\$0.4907	\$0.9481	\$1.0114	\$0.9586	\$0.1969	
17 Storage Demand Cost	\$0.1037	\$0.0566	\$0.0309	\$0.0208	\$0.0185	\$0.0220	\$0.0367	\$0.0689	\$0.1121	\$0.1954	\$0.2078	\$0.1977	\$0.0425	
18 Peaking Cost	\$0.0000	\$0.0000	\$0.0452	\$0.0156	\$0.0151	\$0.0161	\$0.0224	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0163	
19 Weighted Average Fuel Cost	\$0.0152	\$0.0055	\$0.0092	\$0.0068	\$0.0107	\$0.0040	\$0.0063	\$0.0079	\$0.0136	\$0.0359	\$0.0385	\$0.0389	\$0.0092	
20 Variable Pipeline Cost	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	
21 Other Costs	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	
22 Total Gross Cost of Gas Per Therm	\$1.1396	\$0.5333	\$0.5920	\$0.4303	\$0.5297	\$0.3092	\$0.3782	\$0.5174	\$0.7671	\$1.4428	\$1.5393	\$1.4444	\$0.5363	

	Actual	Weighted Average												
	<u>Oct-19</u>	<u>Nov-19</u>	<u>Dec-19</u>	<u>Jan-20</u>	<u>Feb-20</u>	<u>Mar-20</u>	<u>Apr-20</u>	<u>May-20</u>	<u>Jun-20</u>	<u>Jul-20</u>	<u>Aug-20</u>	<u>Sep-20</u>		
23 NYMEX - Actual Settlement	\$0.2428	\$0.2597	\$0.2470	\$0.2158	\$0.1877	\$0.1821	\$0.1634	\$0.1794	\$0.1722	\$0.1495	\$0.1854	\$0.2579		
<u>Breakdown of Gross Cost of Gas Per Therm:</u>														
24 Flowing Gas Cost	-\$0.2797	\$0.3270	\$0.1162	\$0.0635	\$0.0811	\$0.0111	\$0.0682	-\$0.0111	-\$0.1172	-\$0.1832	-\$0.1985	-\$0.2664	\$0.0472	
25 Gas Withdrawn From Storage Cost	\$0.0534	\$0.1030	\$0.1034	\$0.1041	\$0.0933	\$0.0803	\$0.0158	\$0.0170	\$0.0062	\$0.0125	\$0.0153	\$0.0183	\$0.0730	
26 Hedged Volumes Delivered Cost	\$0.5893	\$0.1499	\$0.0995	\$0.1096	\$0.0798	\$0.0796	\$0.1558	\$0.1457	\$0.2619	\$0.4138	\$0.4870	\$0.4454	\$0.1477	
27 Pipeline Demand Cost	\$0.7015	\$0.2496	\$0.1224	\$0.1183	\$0.1099	\$0.1349	\$0.1902	\$0.2357	\$0.4168	\$0.8073	\$0.8191	\$0.6805	\$0.2118	
28 Storage Demand Cost	\$0.1446	\$0.0509	\$0.0352	\$0.0114	\$0.0205	\$0.0249	\$0.0361	\$0.0483	\$0.1184	\$0.1456	\$0.1942	\$0.2045	\$0.0444	
29 Peaking Cost	\$0.0000	\$0.0000	\$0.0055	\$0.0059	\$0.0053	\$0.0062	\$0.0363	\$0.0000	\$0.0753	\$0.0000	\$0.0000	\$0.0000	\$0.0099	
30 Weighted Average Fuel Cost	\$0.0192	\$0.0143	\$0.0068	\$0.0054	\$0.0049	\$0.0028	\$0.0084	\$0.0071	\$0.0094	\$0.0144	\$0.0200	\$0.0134	\$0.0073	
31 Variable Pipeline Cost	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	
32 Other Costs	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	
33 Total Gross Cost of Gas Per Therm	\$1.2283	\$0.8948	\$0.4890	\$0.4183	\$0.3949	\$0.3398	\$0.5108	\$0.4428	\$0.7708	\$1.2105	\$1.3370	\$1.0958	\$0.5413	

Footnotes:

Flowing Gas Cost = Gas purchased for delivery to city gate during month - not injected into storage

Gas Withdrawn From Storage Cost = Gas withdrawn from storage - includes cost of injection, withdrawal, fees, line loss

Hedged Volumes Delivered Cost = Hedged Volumes delivered to city gate - not injected into storage

Pipeline Demand Cost = Fixed Pipeline costs

Storage Demand Cost = Fixed Storage related costs

Peaking Cost = Peaking Cost includes peaking services, LNG, Propane, etc...

Weighted Average Fuel Cost = Commodity x fuel % for each pipeline - represents portion of gas shipped that is retained by pipeline

Variable Pipeline Cost = Pipeline Charge per therm shipped

S-ECHART-2
Elizabethtown Gas Company
Calculation of Net Cost of Gas Per Therm

	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimate	Estimate	Estimate	12 Month
	<u>Oct-20</u>	<u>Nov-20</u>	<u>Dec-20</u>	<u>Jan-21</u>	<u>Feb-21</u>	<u>Mar-21</u>	<u>Apr-21</u>	<u>May-21</u>	<u>Jun-21</u>	<u>Jul-21</u>	<u>Aug-21</u>	<u>Sep-21</u>	<u>Sep-21</u>	Weighted
														Average
<u>Credits, Refunds, & Recoveries Per Therm:</u>														
1	Asset Management Credits	\$0.0026	\$0.0000	\$0.0356	\$0.0000	\$0.0000	\$0.1165	\$0.0000	\$0.0000	\$0.1301	\$0.0000	\$0.0000	\$0.4315	\$0.0361
2	Off-system sales	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
3	Capacity release	\$0.0054	\$0.0024	\$0.0013	\$0.0009	\$0.0014	\$0.0016	\$0.0027	\$0.0050	\$0.0083	\$0.0094	\$0.0101	\$0.0094	\$0.0025
4	On System Credits to BGSS-P Customers	\$0.1636	\$0.1179	\$0.1221	\$0.1041	\$0.1004	\$0.1001	\$0.0995	\$0.1098	\$0.1346	\$0.2424	\$0.2660	\$0.2486	\$0.1155
5	Supplier Refunds	\$0.0000	\$0.0000	\$0.0000	\$0.0029	\$0.0000	\$0.0000	\$0.0007	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0006
6	Gas for Company Use	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
7	Line Loss	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
8	Transfer to Non BGSS-P Customers	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
9	Over / Under Recovery & Interest to Customers	\$0.5739	\$0.0601	\$0.0798	-\$0.0320	\$0.0744	-\$0.2641	-\$0.0789	\$0.0485	\$0.1429	\$0.8362	\$0.9084	\$0.4000	\$0.0266
10	Other	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
11	Total Credits, Refunds, & Recoveries per Therm	\$0.7455	\$0.1804	\$0.2387	\$0.0758	\$0.1762	-\$0.0460	\$0.0240	\$0.1634	\$0.4159	\$1.0880	\$1.1845	\$1.0896	\$0.1812
12	Total Net Cost Per Therm(Pg 1 Line 22 - Pg 2 Line 11)	\$0.3941	\$0.3529	\$0.3533	\$0.3545	\$0.3534	\$0.3552	\$0.3542	\$0.3540	\$0.3513	\$0.3548	\$0.3548	\$0.3548	\$0.3551

	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Weighted
	<u>Oct-19</u>	<u>Nov-19</u>	<u>Dec-19</u>	<u>Jan-20</u>	<u>Feb-20</u>	<u>Mar-20</u>	<u>Apr-20</u>	<u>May-20</u>	<u>Jun-20</u>	<u>Jul-20</u>	<u>Aug-20</u>	<u>Sep-20</u>	<u>Sep-20</u>	Average
<u>Credits, Refunds, & Recoveries Per Therm:</u>														
13	Asset Management Credits	\$0.0000	\$0.0000	\$0.0288	\$0.0000	\$0.0000	\$0.0300	\$0.0288	\$0.0000	\$0.1231	\$0.0000	\$0.0000	\$0.2027	\$0.0203
14	Off-system sales	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
15	Capacity release	\$0.0059	\$0.0021	\$0.0010	\$0.0009	\$0.0009	\$0.0011	\$0.0016	\$0.0021	\$0.0044	\$0.0068	\$0.0080	\$0.0072	\$0.0018
16	On System Credits to BGSS-P Customers	\$0.1190	\$0.1150	\$0.1061	\$0.0972	\$0.0955	\$0.0852	\$0.0798	\$0.0714	\$0.0859	\$0.1084	\$0.1444	\$0.1402	\$0.0963
17	Supplier Refunds	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.2125	\$0.8396	\$0.0000	\$0.0000	\$0.0806	\$0.0474
18	Gas for Company Use	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
19	Line Loss	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
20	Transfer to Non BGSS-P Customers	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
21	Over / Under Recovery & Interest to Customers	\$0.6647	\$0.3380	-\$0.0858	-\$0.1195	-\$0.1413	-\$0.2162	-\$0.0393	-\$0.2830	-\$0.7207	\$0.6601	\$0.7541	\$0.2299	-\$0.0638
22	Other	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
23	Total Credits, Refunds, & Recoveries per Therm	\$0.7896	\$0.4551	\$0.0500	-\$0.0215	-\$0.0449	-\$0.0999	\$0.0708	\$0.0030	\$0.3323	\$0.7753	\$0.9065	\$0.6606	\$0.1021
24	Total Net Cost Per Therm (Pg 1 Line 33 - Pg 2 Line 23)	\$0.4386	\$0.4397	\$0.4390	\$0.4397	\$0.4398	\$0.4398	\$0.4400	\$0.4398	\$0.4385	\$0.4352	\$0.4306	\$0.4353	\$0.4392

Footnotes:

On System Credits to BGSS-P Customers = Interruptible Sales, Cogeneration, Electric Plant Transfers, Sayerville, Forked River, Ocean Power, etc...

Line Loss = Gross Cost of Gas per Therm x Line Loss Percentage

Indicate that Line 12 equals the projected BGSS-P rate or provide a calculation below that reconciles the two numbers.

RIDER "A"

BASIC GAS SUPPLY SERVICE CHARGE ("BGSS")

This Rider sets forth the method of determining the BGSS which shall be calculated to four (4) decimal places on a per therm basis established in accordance with the Board Order in Docket No. GX01050304 dated January 6, 2003. The BGSS charge is either BGSS-Monthly ("BGSS-M") or BGSS-Periodic ("BGSS-P") and will be applied to a Customer's Service Classification as follows:

1. The BGSS-M shall be applicable to all GDS, NGV, LVD, and EGF customers receiving gas supply from the Company effective on the first of each month as determined below.
2. The BGSS-P shall be applicable to all RDS, SGS, and GLS customers receiving gas supply from the Company.

The BGSS Charge, as defined herein, is designed to recover the cost to the Company of purchased gas or fuel used as a substitute for or supplemental to purchased gas including the cost of storing or transporting said gases or fuel, the cost of financial instruments employed to stabilize gas costs, other charges or credits as may result from the operation of other tariff provisions, and taxes and other similar charges in connection with the purchase and sale of gas.

BGSS per therm rates:

<u>Effective Date</u>	<u>BGSS-M per therm</u>	<u>BGSS-P Per therm</u>
December 1, 2020 *	\$0.5088	\$0.3783
January 1, 2021	\$0.4620	\$0.3783
February 1, 2021	\$0.4940	\$0.3783
March 1, 2021	\$0.5042	\$0.3783
April 1, 2021	\$0.4750	\$0.3783
May 1, 2021	\$0.5120	\$0.3783
June 1, 2021	\$0.5184	\$0.3783
July 1, 2021	\$0.5874	\$0.3783
August 1, 2021	\$0.6340	\$0.3783
September 1, 2021	\$0.6695	\$0.3783
October 1, 2021	\$0.8299	\$0.3783
November 1, 2021	**	\$0.3783
<u>December 1, 2021</u>	<u>**</u>	<u>\$0.4254</u>

* BGSS-M rate revised on January 14, 2021

** To be determined

Date of Issue: ~~September 29, 2021~~

Effective: Service Rendered
on and after ~~October 1, 2021~~

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

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~January 6, 2003~~ in Docket No. ~~GX01050304~~