



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 AND ITS)
CONSERVATION INCENTIVE PROGRAM RATES)
)
) BPU DOCKET NO. GR22060366

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, 2022, 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 ("BGSS")-Periodic ("BGSS-P") rate and Conservation Incentive Program ("CIP") rates for the period October 1, 2022 through September 30, 2023 ("2022 BGSS/CIP Petition"). By this Order, the Board considers 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 and CIP rates on a provisional basis, subject to refund with interest.

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 2003 BGSS Order authorized each GDC to self-implement up to a five percent (5%) 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.

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").

2022 BGSS/CIP PETITION

Pursuant to the January 2003 BGSS Order, ETG filed the 2022 BGSS/CIP Petition requesting authority to increase its current BGSS-P rate of \$0.4798 per therm to \$0.7190 per therm effective October 1, 2022.² The Company projects that its recoverable gas costs would be approximately \$57.6 million higher than what is recovered in current BGSS-P rates. ETG projected that it will begin the BGSS Year (October 1, 2022 through September 30, 2023) with a gas cost under recovery balance of approximately \$0.7 million. ETG provided seven (7) months of actual data through April 30, 2022, and five (5) months of projected data through September 30, 2022.

The 2022 BGSS/CIP Petition provided that the calculated increase in the proposed BGSS-P rate is due primarily to higher commodity gas costs that have increased since the Company's last BGSS filing in 2021 and which are projected to stay at relatively high levels throughout the period covered by this filing.

Additionally, ETG implemented its CIP pursuant to Board Order dated April 7, 2021, in combined Docket Nos. QO19010040 and GO20090619.³ As a result, the Company proposed to reduce the CIP rate from \$0.0000 per therm to the following rates: (\$0.0023) per therm for Residential Delivery Service ("RDS"), (\$0.0556) per therm for Small General Service ("SGS"), and (\$0.0076) per therm for General Delivery Service ("GDS") for the period October 1, 2022 through September 30, 2023.

On July 19, 2022, ETG filed amended 2022 BGSS-P schedules reflecting actual data from October 1, 2021 through June 30, 2022 and projected data through September 30, 2022, which did not modify its original request to increase the BGSS-P rate to \$0.7190 per therm ("July BGSS Update").

On July 27, 2022, ETG filed amended CIP schedules reflecting actual data from July 1, 2021 through June 30, 2022 ("CIP Period") which resulted in the following modified per therm CIP rates: \$0.0141 for RDS, (\$0.0351) for SGS and (\$0.0020) for GDS ("July CIP Update").

Following publication of notices in newspapers in general circulation in the Company's service territory, public hearings were conducted virtually/telephonically on August 30, 2022 at 4:30 p.m. and 5:30 p.m.⁴ No members of the public appeared at the hearings. The Board received one (1) written comment regarding the 2022 BGSS/CIP Petition and ETG rates in general.

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

³ 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.

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

STIPULATION

Following an initial review of the 2022 BGSS/CIP Petition, July BGSS Update, July CIP Update and discussions, the Parties determined that additional time is needed to complete a review of the 2022 BGSS/CIP Petition. Accordingly, the Parties executed the Stipulation, which provides, in part, as follows:⁵

18. The Parties agree that additional time is needed to complete a comprehensive review of the 2022 BGSS/CIP Petition. The Parties also agree that it would be reasonable for the Board to implement the proposed BGSS-P and CIP rates, on a provisional basis, subject to refund with interest, and subject to an opportunity for full review at the Office of Administrative Law (“OAL”), if necessary, and final approval by the Board.
19. The Parties stipulate and agree that, pending the conclusion of further review and discussion, it would be both reasonable and in the public interest for the Board to authorize the following on a provisional basis, effective October 1, 2022, or on such other date as the Board deems appropriate: (1) an increase in Elizabethtown’s current per therm BGSS-P rate of \$0.4798 to \$0.7190, and (2) the implementation of per-therm CIP rates of \$0.0141 for RDS, (\$0.0351) for SGS, and (\$0.0020) for GDS. The Parties stipulate that these rate changes are subject to an opportunity for full review at the OAL if necessary, and final approval by the Board, and that the stipulated rates are to be implemented subject to refund with interest.
20. The proposed provisional BGSS-P rate change translates to an increase in BGSS-related recoveries of \$57.4 million. The proposed BGSS-P rate of \$0.7190 per therm will increase the monthly bill of a residential heating customer using 100 therms by \$23.92 from \$110.59 to \$134.51, or 21.6%, based upon rates in effect on July 1, 2022.
21. The proposed provisional CIP rate changes translate to an increase in CIP-related recoveries of \$2.2 million. The proposed CIP rate for RDS results in an increase in the monthly bill of a residential heating customer using 100 therms of \$1.41, or 1.3%, based upon rates in effect July 1, 2022.
22. Combining the BGSS and CIP recoveries results in a provisional recovery increase of \$59.6 million. The impact of the Company’s combined proposals on the overall monthly bill for gas service for a residential heating customer using 100 therms is an increase of \$25.33, from \$110.59 to \$135.92, or 22.9%.
23. 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 to the Stipulation 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 to the Stipulation as Appendix B). S-ECHART-1 is to be completed using information from the first Friday of the month and submitted to the

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 control, subject to the findings and conclusion in this Order. Paragraphs are numbered to coincide with the Stipulation.

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

24. 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

The Board, having carefully reviewed the record to date in this proceeding, including the 2022 BGSS/CIP Petition, July BGSS Update, July CIP Update 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 \$0.7190 effective for services rendered on and after October 1, 2022. Any net over-recovered BGSS balance at the end of the BGSS period shall be subject to refund with interest.

Additionally, the Board **HEREBY APPROVES** on a provisional basis, subject to refund with interest on any net over-recovered balance the following per therm CIP rates, effective for services rendered on and after October 1, 2022: \$0.0141 for RDS, (\$0.0351) for SGS and (\$0.0020) for GDS.

Based upon the Stipulation, a typical residential heating customer using 100 therms on a monthly basis would see a monthly increase of \$25.33, or approximately 22.9%.

The Board **HEREBY DIRECTS** ETG to file revised tariff sheets conforming to the terms of the Stipulation prior to October 1, 2022.

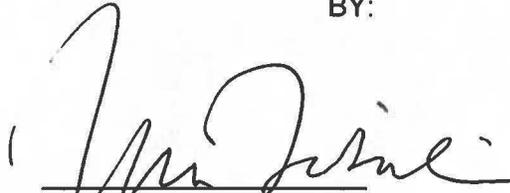
The Board **FURTHER DIRECTS** Staff to transmit this matter to the OAL for a full review of the changes requested by the Company pending final approval by the Board.

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.

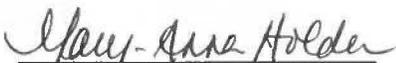
The effective date of this Order is September 14, 2022.

DATED: September 7, 2022

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



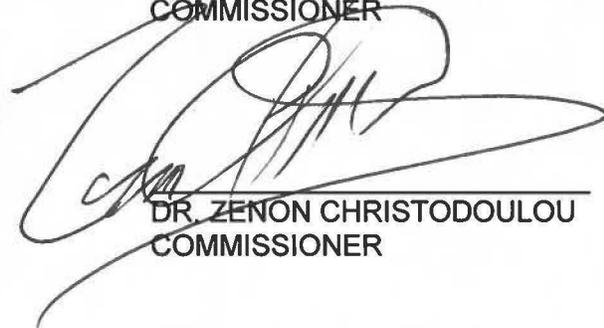
MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER

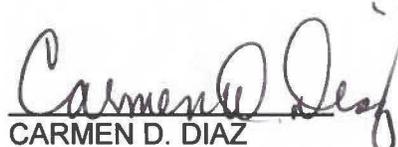


ROBERT M. GORDON
COMMISSIONER

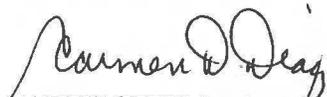


DR. ZENON CHRISTODOULOU
COMMISSIONER

ATTEST:



CARMEN D. DIAZ
ACTING SECRETARY


I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public Utilities.

IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY TO REVIEW ITS BASIC
GAS SUPPLY SERVICE RATE AND ITS CONSERVATION INCENTIVE PROGRAM RATES
BPU DOCKET NO. GR22060366

SERVICE LIST

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September 2, 2022

Electronic Filing

Carmen D. Diaz, Acting Board Secretary
and Acting Custodian
New Jersey Board of Public Utilities
44 South Clinton Avenue
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**Re: In the Matter of the Petition of Elizabethtown Gas Company to Review Its Basic Gas Supply Service Rate and Its Conservation Incentive Program Rates
BPU Docket No. GR22060366**

Dear Acting Board Secretary and Acting Custodian Diaz:

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 submitted,

A handwritten signature in cursive script that reads "Sheree L. Kelly".

Sheree L. Kelly, Esq.

SLK:jlh
Enclosures

cc: Service list (electronically)

**IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY
TO REVIEW ITS PERIODIC BASIC GAS SUPPLY SERVICE RATE AND
ITS CONSERVATION INCENTIVE PROGRAM RATES
BPU DOCKET NO. GR22060366**

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

-----X
In the Matter of the Petition of : **BPU Docket No. GR22060366**
Elizabethtown Gas Company to Review its :
Periodic Basic Gas Supply Service Rate and Its : **STIPULATION REGARDING**
Conservation Incentive Program Rates : **PROVISIONAL BGSS AND CIP**
-----X **RATES**

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, **Sarah H. Steindel , Esq.**, Assistant Deputy Rate Counsel and **Megan Lupo, Esq.**, Assistant Deputy Rate Counsel, for the Division of Rate Counsel, (**Brian O. Lipman, Esq.**, Director)

Terel Klein, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Matthew Platkin**, 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, 2022, Elizabethtown Gas Company (“Elizabethtown” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) in BPU Docket No. GR22060366 seeking authorization to (1) increase the level of its Periodic Basic Gas Supply Service (“BGSS-P”) and (2) change its Conservation Incentive Program (“CIP”) rates for the period October 1, 2022 through September 30, 2023 (“Petition”).

2. In its Petition, Elizabethtown proposed to increase its current per therm BGSS-P rate of \$0.4798 to \$0.7190 .¹ As proposed, the monthly bill of a residential heating customer using 100 therms of natural gas would increase by \$23.92 from \$110.59 to \$134.51, or 21.6%, based upon rates in effect on June 1, 2022. The proposed BGSS-P rate changes translate to an increase in annual BGSS-P recoveries of approximately \$57.4 million.

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

3. The Petition also sought Board approval to implement the following per therm CIP rates effective October 1, 2022:

- A credit rate of (\$0.0023) for Residential Delivery Service.
- A credit rate of (\$0.0556) for Small General Service; and
- A credit rate of (\$0.0076) for General Delivery Service.

4. On July 27, 2022, these rates were updated in a CIP Update (“CIP Update”) as follows:

- A rate of \$0.0141 for Residential Delivery Service. According to the Company, the increase in this rate from the original filing is due to lower actual therms than those originally estimated for May, 2022 and June, 2022, resulting in a reduction in excess residential margins for those months totaling \$3.7 million.
- A credit rate of (\$0.0351) for Small General Service; and
- A credit rate of (\$0.0020) for General Delivery Service.

5. As compared to a current bill calculated based upon rates in effect as of July 1, 2022, the requested CIP rates in the CIP Update would result in a monthly increase of \$1.41, or 1.3%, for a residential heating customer using 100 therms of natural gas.

6. These updated proposed rate changes translate to an increase in annual CIP recoveries of \$2.2 million.

7. In the Board’s Order dated April 7, 2021, the Company received approval to implement a CIP designed to recover lost revenues due to the Company’s Energy Efficiency Program (“EEP”).²

² In re the Matter of Implementation of L. 2018, C. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs AND In the Matter of the Petition of Elizabethtown Gas Company for 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, Board Order dated April 7, 2021, (“EEP-CIP Order”).

8. Pursuant to the EEP-CIP Order, recovery of any non-weather-related CIP deficiency requires passing both a Modified BGSS Savings Test and Variable Margin Test.

9. The Modified BGSS Savings Test requires the Company to achieve savings in its costs of providing BGSS to partially offset any recovery of the non-weather-related CIP margin deficiency. In order to recover for non-weather-related CIP deficiencies the Company must achieve BGSS savings of at least 75% of the non-weather deficiency. The BGSS savings may be from the following three categories: (1) permanent savings realized from permanent capacity releases or contract terminations; (2) additional BGSS gas cost savings from reductions of capacity on a long-term basis; and (3) avoided capacity costs to meet residential customer growth.

10. The Variable Margin Test limits the recovery on non-weather CIP deficiency so as not to exceed 4.0 percent of total variable margins for the year ending June 30th. The 4.0 percent cap applies to the CIP annual period of July 1, 2021 to June 30, 2022. Thereafter, the recoverable non-weather CIP is limited to 6.5 percent per the EEP-CIP Order.

11. In computing the non-weather CIP value, the margin impact of weather is first to be deducted from the total CIP charge or credit. As noted above, the non-weather-related CIP component shall be subject to a dual eligibility test comprised of the Modified BGSS Savings Test and the Variable Margin Revenue Test. In order to be eligible for recovery, non-weather-related CIP impacts must pass both recovery tests. Amounts that do not pass one or both tests are still recoverable in future years.

12. Based on the CIP Update, Elizabethtown indicated that its non-weather related excess margin is approximately \$6.8 million. This amount was determined by subtracting the weather-related deficiency component of approximately \$8.9 million from the total CIP deficiency of approximately \$2.1 million.

13. According to Elizabethtown, its permanent BGSS savings associated with permanently released and/or terminated transportation capacity or storage assets that remain

constant after the re-setting of the CIP benchmarks established in future base rate cases (Category One of the Modified BGSS Savings Test) total approximately \$2.2 million per year. BGSS savings realized from gas cost savings from reductions of capacity on a long-term basis, contract restructuring, and contract terminations not captured in Category One and reductions in commodity cost of gas supply through purchasing strategies (Category Two of the Modified BGSS Savings Test) total approximately \$0.9 million. BGSS savings realized from avoided capacity costs to meet prospective residential customer growth (Category Three of the Modified BGSS Savings Test) total \$0.0 million. Using these values, the total BGSS savings for the 12-month period ending September 30, 2022 is \$3.1 million. Since the non-weather CIP amount is a credit to customers, the Modified BGSS Savings Test and the Variable Margin Revenue Test are not applicable.

14. Also pursuant to the EEP-CIP Order, based on the calculations provided by the Company the CIP will not operate to cause the Company to earn in excess of its allowed rate of return on common equity (“ROE”) of 9.6% plus 50 basis points for any twelve-month period ending June 30th. Based upon the calculations presented in the Petition, the ROE Test will not act as a limitation on Elizabethtown’s recovery of the CIP deficiency.

15. Based upon rates in effect July 1, 2022, the proposed BGSS-P and updated CIP rate changes will increase the monthly bill of a residential customer using 100 therms by \$25.33 from \$110.59 to \$135.92, or 22.9%, consisting of a proposed BGSS-P increase of \$23.92 or 21.6% and a proposed CIP increase of \$1.41 or 1.3%.

16. Following public notice published in newspapers of general circulation within Elizabethtown’s service territory, two (2) virtual public hearings for this Petition were held on August 30, 2022 at 4:30 p.m. and 5:30 p.m.³ No members of the public attended the hearings virtually to express their views on the Petition.

³ Due to the COVID-19 pandemic, the Public Hearings were conducted virtually.

17. In accordance with the Board’s Generic BGSS Order, New Jersey’s four (4) gas distribution companies are to submit to the Board, by June 1, their annual BGSS gas cost filings for the BGSS year beginning in October.⁴ Within the filing, the Company may seek to implement provisional increases in its BGSS rate of up to 5% to be effective December 1, 2022 and February 1, 2023, if the Company determines that such increases are necessary to permit it to avoid a BGSS under-recovered balance as of September 30, 2023. The self-implementing increases will be provisional and subject to true-up in connection with the next annual BGSS filing. The Company is permitted to decrease its BGSS rate at any time upon five (5) days’ notice and the filing of supporting documentation with the Board and Rate Counsel.

II. STIPULATED TERMS

18. 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 it would be reasonable for the Board to implement the proposed BGSS-P and CIP rates, on a provisional basis, subject to refund with interest, and subject to an opportunity for full review at the Office of Administrative Law (“OAL”), if necessary, and final approval by the Board.

19. The Parties stipulate and agree that, pending the conclusion of further review and discussion, it would be both reasonable and in the public interest for the Board to authorize the following on a provisional basis, effective October 1, 2022, or on such other date as the Board deems appropriate: (1) an increase Elizabethtown's current per therm BGSS-P rate of \$0.4798 to \$0.7190, and (2) the implementation of per-therm CIP rates of \$0.0141 for Residential Delivery Service, (\$0.0351) for Small General Service, and (\$0.0020) for General Delivery Service. The

⁴ In re the Matter of the Provision of Basic Gas Supply Service Pursuant to the Electric Discount and Energy Competition Act N.J.S.A 48:3-49 et. seq. Order approving the BGSS Price Structure, BPU Docket No. GX01050304, Order dated January 6, 2003.

Parties stipulate that these rate changes are subject to an opportunity for full review at the OAL if necessary, and final approval by the Board, and that the stipulated rates are to be implemented subject to refund with interest.

20. The proposed provisional BGSS-P rate change translates to an increase in BGSS-related recoveries of \$57.4 million. The proposed BGSS-P rate of \$0.7190 per therm will increase the monthly bill of a residential heating customer using 100 therms by \$23.92 from \$110.59 to \$134.51, or 21.6%, based upon rates in effect on July 1, 2022.

21. The proposed provisional CIP rate changes translate to an increase in CIP-related recoveries of \$2.2 million. The proposed CIP rate for Residential Delivery Service results in an increase in the monthly bill of a residential heating customer using 100 therms of \$1.41, or 1.3%, based upon rates in effect July 1, 2022.

22. Combining the BGSS and CIP recoveries results in a provisional recovery increase of \$59.6 million. The impact of the Company's combined proposals on the overall monthly bill for gas service for a residential heating customer using 100 therms is an increase of \$25.33, from \$110.59 to \$135.92, or 22.9%.

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

24. 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.

III. MISCELLANEOUS

25. 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.

26. 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.

27. 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.

28. 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
DIRECTOR, DIVISION
OF RATE COUNSEL**

By: 

Deborah M. Franco, Esq.
VP, Rates, Regulatory & Sustainability

By:  9/1/22

Sarah H. Steindel Esq.
Assistant Deputy Rate Counsel

Matthew Platkin
ACTING ATTORNEY GENERAL OF THE STATE OF NEW JERSEY
Attorney for the Staff of the New Jersey Board of Public Utilities

By:  9/1/22

Terel Klein
Deputy Attorney General

Dated: August 30, 2022

S-ECHART-1
BGSS NYMEX Update Report
as of July 01, 2022

<u>Month</u>	<u>a</u> <u>BGSS</u> <u>(see note below)</u>	<u>b</u> <u>NYMEX</u> <u>(7/1/2022 Close)</u>	<u>c = b - a</u> <u>Incr/</u> <u>(Decr)</u>	<u>% Chg</u>	<u>d</u> <u>Sales</u> <u>forecast (dths)</u>	<u>e</u> <u>Hedged</u> <u>volume (dths)</u>	<u>f = d - e</u> <u>Unhedged</u> <u>volume (dths)</u>	<u>g = c x f</u> <u>Change in</u> <u>value unhedged</u>
Oct-21	\$ 5.841	\$ 5.841	\$ -		1,249,828	589,800	660,028	\$0
Nov-21	\$ 5.115	\$ 6.202	\$ 1.087		3,315,542	2,078,153	1,237,389	\$1,345,042
Dec-21	\$ 5.346	\$ 5.447	\$ 0.101		4,555,093	3,072,480	1,482,613	\$149,744
Jan-22	\$ 5.461	\$ 4.024	\$ (1.437)		5,748,533	4,040,476	1,708,057	(\$2,454,478)
Feb-22	\$ 5.375	\$ 6.265	\$ 0.890		4,634,297	3,263,853	1,370,444	\$1,219,695
Mar-22	\$ 5.095	\$ 4.568	\$ (0.527)		3,743,704	2,384,998	1,358,706	(\$716,038)
Apr-22	\$ 4.027	\$ 5.336	\$ 1.309		1,927,913	879,600	1,048,313	\$1,372,242
May-22	\$ 3.926	\$ 7.267	\$ 3.341		823,337	392,200	431,137	\$1,440,429
Jun-22	\$ 3.963	\$ 8.908	\$ 4.945		716,554	363,500	353,054	\$1,745,852
Jul-22	\$ 4.004	\$ 6.551	\$ 2.547		645,883	318,800	327,083	\$833,080
Aug-22	\$ 4.008	\$ 5.730	\$ 1.722		608,897	316,800	292,097	\$502,991
Sep-22	\$ 3.990	\$ 5.712	\$ 1.722		702,992	362,800	340,192	\$585,811
Avg Total \$	\$ 4.679	\$ 5.988	\$ 1.308	28.0%	28,672,573	18,063,460	10,609,113	\$6,024,369
Oct-22	\$ 4.021	\$ 5.729	\$ 1.708		1,262,327	331,400	930,927	\$1,590,023
Nov-22	\$ 4.109	\$ 5.837	\$ 1.728		3,348,699	1,938,153	1,410,546	\$2,437,423
Dec-22	\$ 4.278	\$ 5.969	\$ 1.691		4,600,650	3,112,480	1,488,170	\$2,516,495
Jan-23	\$ 4.368	\$ 6.066	\$ 1.698		5,806,025	4,030,476	1,775,549	\$3,014,882
Feb-23	\$ 4.276	\$ 5.852	\$ 1.576		4,680,647	3,273,853	1,406,794	\$2,217,107
Mar-23	\$ 4.001	\$ 5.215	\$ 1.214		3,781,145	2,414,998	1,366,147	\$1,658,502
Apr-23	\$ 3.335	\$ 4.339	\$ 1.004		1,947,192	1,520,000	427,192	\$428,901
May-23	\$ 3.245	\$ 4.257	\$ 1.012		831,569	668,100	163,469	\$165,431
Jun-23	\$ 3.291	\$ 4.319	\$ 1.028		723,719	411,800	311,919	\$320,653
Jul-23	\$ 3.343	\$ 4.381	\$ 1.038		652,343	278,900	373,443	\$387,634
Aug-23	\$ 3.360	\$ 4.391	\$ 1.031		614,985	269,400	345,585	\$356,298
Sep-23	\$ 3.351	\$ 4.379	\$ 1.028		710,023	354,700	355,323	\$365,272
Avg Total \$	\$ 3.748	\$ 5.061	\$ 1.313	35.0%	28,959,324	18,604,260	10,355,064	\$15,458,622

Footnotes:

a : Nymex rate used for annual BGSS periodic rate filing; **Nov-2021 to Sept-2023 based on 10-21-2021 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								
	<u>Oct-21</u>	<u>Nov-21</u>	<u>Dec-21</u>	<u>Jan-22</u>	<u>Feb-22</u>	<u>Mar-22</u>	<u>Apr-22</u>	<u>May-22</u>	<u>Jun-22</u>	<u>Jul-22</u>	<u>Aug-22</u>	<u>Sep-22</u>	Weighted
													Average
1 NYMEX - 05/6/21 - Included in BGSS Filing	\$0.2990	\$0.3052	\$0.5346	\$0.5461	\$0.5375	\$0.5095	\$0.4027	\$0.3926	\$0.3963	\$0.4004	\$0.4008	\$0.3990	
2 NYMEX - Actual Settlement	\$0.5841	\$0.6202	\$0.5447	\$0.4024	\$0.6265	\$0.4568	\$0.5336	\$0.7267	\$0.8908				
<u>Breakdown of Gross Cost of Gas Per Therm:</u>													
13 Flowing Gas Cost	-\$0.5982	\$0.3268	\$0.1693	\$0.3124	\$0.2308	\$0.1451	\$0.1535	\$0.1359	-\$0.2109	-\$0.1792	-\$0.2316	-\$0.1119	\$0.1553
14 Gas Withdrawn From Storage Cost	\$0.0487	\$0.2439	\$0.1271	\$0.1508	\$0.0988	\$0.1029	\$0.0371	-\$0.0021	\$0.0046	\$0.0061	\$0.0068	\$0.0058	\$0.0970
15 Hedged Volumes Delivered Cost	\$0.5312	\$0.2378	\$0.1039	\$0.1079	\$0.0663	\$0.0798	\$0.1312	\$0.1384	\$0.2635	\$0.3536	\$0.3455	\$0.2769	\$0.1348
16 Pipeline Demand Cost	\$0.6947	\$0.3261	\$0.1399	\$0.1022	\$0.0847	\$0.1307	\$0.1834	\$0.2936	\$0.6456	\$0.7772	\$0.8272	\$0.6952	\$0.2144
17 Storage Demand Cost	\$0.1601	\$0.0671	\$0.0289	\$0.0214	\$0.0173	\$0.0254	\$0.0426	\$0.0735	\$0.1534	\$0.1703	\$0.1808	\$0.1518	\$0.0469
18 Peaking Cost	\$0.0000	\$0.0000	\$0.0037	\$0.0074	\$0.0000	\$0.0194	\$0.0040	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0053
19 Weighted Average Fuel Cost	\$0.0245	\$0.0169	\$0.0088	\$0.0127	\$0.0091	\$0.0070	\$0.0147	\$0.0221	\$0.0390	\$0.0284	\$0.0311	\$0.0261	\$0.0137
20 Variable Pipeline Cost	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0688	\$0.1017	\$0.0800	\$0.0055
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	\$0.8610	\$1.2186	\$0.5816	\$0.7148	\$0.5070	\$0.5104	\$0.5665	\$0.6614	\$0.8952	\$1.2252	\$1.2615	\$1.1240	\$0.6728

	Actual	Weighted											
	<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>	Average
23 NYMEX - Actual Settlement	\$0.2101	\$0.2996	\$0.2896	\$0.2467	\$0.2760	\$0.2854	\$0.2586	\$0.2925	\$0.2984	\$0.3617	\$0.4044	\$0.4370	
<u>Breakdown of Gross Cost of Gas Per Therm:</u>													
24 Flowing Gas Cost	-\$0.1545	-\$0.0177	\$0.1833	\$0.1257	\$0.2837	\$0.0572	-\$0.0035	-\$0.0426	-\$0.0907	-\$0.1915	-\$0.3341	-\$0.2847	\$0.0803
25 Gas Withdrawn From Storage Cost	\$0.0332	\$0.0784	\$0.0772	\$0.0671	\$0.0497	\$0.0507	\$0.0191	\$0.0225	\$0.0059	\$0.0083	\$0.0156	\$0.0086	\$0.0492
26 Hedged Volumes Delivered Cost	\$0.4960	\$0.1606	\$0.1191	\$0.0958	\$0.0673	\$0.0673	\$0.1329	\$0.1592	\$0.2356	\$0.3543	\$0.4216	\$0.4044	\$0.1338
27 Pipeline Demand Cost	\$0.6460	\$0.2498	\$0.1271	\$0.0985	\$0.0846	\$0.0921	\$0.1642	\$0.3014	\$0.4907	\$0.7141	\$0.8543	\$0.7652	\$0.1959
28 Storage Demand Cost	\$0.1037	\$0.0566	\$0.0309	\$0.0208	\$0.0185	\$0.0220	\$0.0367	\$0.0689	\$0.1121	\$0.1646	\$0.1965	\$0.1748	\$0.0434
29 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	\$0.0160
30 Weighted Average Fuel Cost	\$0.0152	\$0.0055	\$0.0092	\$0.0068	\$0.0107	\$0.0040	\$0.0063	\$0.0079	\$0.0136	\$0.0240	\$0.0273	\$0.0264	\$0.0089
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	\$1.1396	\$0.5333	\$0.5920	\$0.4303	\$0.5297	\$0.3092	\$0.3782	\$0.5174	\$0.7671	\$1.0738	\$1.1812	\$1.0946	\$0.5275

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	Estimate	Estimate	Estimate	12 Month	
	<u>Oct-21</u>	<u>Nov-21</u>	<u>Dec-21</u>	<u>Jan-22</u>	<u>Feb-22</u>	<u>Mar-22</u>	<u>Apr-22</u>	<u>May-22</u>	<u>Jun-22</u>	<u>Jul-22</u>	<u>Aug-22</u>	<u>Sep-22</u>	Weighted	
													Average	
<u>Credits, Refunds, & Recoveries Per Therm:</u>														
1	Asset Management Credits	\$0.0000	\$0.0000	\$0.0327	\$0.0000	\$0.0000	\$0.0418	\$0.3230	\$0.0000	\$0.1207	\$0.0000	\$0.0000	\$0.3150	\$0.0561
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	\$0.0116	\$0.0050	\$0.0016	\$0.0012	\$0.0010	\$0.0013	\$0.0020	\$0.0034	\$0.0070	\$0.0127	\$0.0135	\$0.0111	\$0.0028
4	On System Credits to BGSS-P Customers	\$0.2569	\$0.2242	\$0.1986	\$0.1689	\$0.1602	\$0.1628	\$0.1639	\$0.2102	\$0.3109	\$0.2817	\$0.2895	\$0.2466	\$0.1881
5	Supplier Refunds	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0392	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0041
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	\$0.2394	\$0.6354	-\$0.0429	\$0.0958	-\$0.1037	-\$0.1441	-\$0.4094	\$0.0016	\$0.0177	\$0.4808	\$0.5086	\$0.1012	-\$0.0121
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	\$0.5078	\$0.8646	\$0.1900	\$0.2659	\$0.0575	\$0.0618	\$0.1187	\$0.2151	\$0.4563	\$0.7752	\$0.8115	\$0.6740	\$0.2391
12	Total Net Cost Per Therm(Pg 1 Line 22 - Pg 2 Line 11)	\$0.3531	\$0.3540	\$0.3916	\$0.4488	\$0.4495	\$0.4486	\$0.4478	\$0.4462	\$0.4389	\$0.4500	\$0.4500	\$0.4500	\$0.4337

	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Weighted	
	<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>	Average	
<u>Credits, Refunds, & Recoveries Per Therm:</u>														
13	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	\$0.2392	\$0.0336
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	\$0.0054	\$0.0024	\$0.0013	\$0.0009	\$0.0014	\$0.0016	\$0.0027	\$0.0050	\$0.0083	\$0.0119	\$0.0143	\$0.0130	\$0.0028
16	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	\$0.1572	\$0.2257	\$0.2103	\$0.1140
17	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
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	\$0.5739	\$0.0601	\$0.0798	-\$0.0320	\$0.0744	-\$0.2641	-\$0.0789	\$0.0485	\$0.1429	\$0.5562	\$0.5947	\$0.2831	\$0.0218
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	\$0.7455	\$0.1804	\$0.2387	\$0.0758	\$0.1762	-\$0.0460	\$0.0240	\$0.1634	\$0.4159	\$0.7254	\$0.8347	\$0.7456	\$0.1728
24	Total Net Cost Per Therm (Pg 1 Line 33 - Pg 2 Line 23)	\$0.3941	\$0.3529	\$0.3533	\$0.3545	\$0.3534	\$0.3552	\$0.3542	\$0.3540	\$0.3513	\$0.3484	\$0.3465	\$0.3490	\$0.3547

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>
<u>September 1, 2021</u>	<u>\$0.6695</u>	<u>\$0.3783</u>
October 1, 2021	\$0.8299	\$0.3783
November 1, 2021	\$0.8692	\$0.3783
December 1, 2021	\$0.8022	\$0.4798
January 1, 2022	\$0.6475	\$0.4798
February 1, 2022	\$0.8912	\$0.4798
March 1, 2022	\$0.7067	\$0.4798
April 1, 2022	\$0.7902	\$0.4798
May 1, 2022	\$1.0001	\$0.4798
June 1, 2022	\$1.1786	\$0.4798
July 1, 2022	\$0.9223	\$0.4798
August 1, 2022	\$1.1545	\$0.4798
September 1, 2022	\$1.2269	\$0.4798
<u>October 1, 2022</u>	<u>*</u>	<u>\$0.7190</u>

* To be determined

Date of Issue: August 30, 2022xxx1

Effective: Service Rendered
on and after September 1,
2022xxx2

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, 2003xxx3 in Docket No. GX01050304xxx4

RIDER "G"

CONSERVATION INCENTIVE PROGRAM ("CIP")

Applicable to all Customers served under RDS, SGS and GDS rate classes.

The CIP shall be collected on a per therm basis and shall remain in effect until changed by order of the BPU. The applicable CIP rates are as follows:

RDS Non-Heat	RDS Heat	SGS	GDS
\$0.0000 <u>\$0.0141</u> per therm	\$0.0000 <u>\$0.0141</u> per therm	\$0.0000 <u>(\$0.0351)</u> per therm	\$0.0000 <u>(\$0.0020)</u> per therm

The rates 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.

The annual filing for the adjustment to the CIP rate shall be concurrent with the annual filing for BGSS. The CIP factor shall be credited/collected on a per therm basis for the service classifications stated above. The level of BGSS savings referenced in (d) in this Rider shall be identified in the annual CIP filing, and serve as an offset to the non-weather related portion of the CIP charge provided in (f) in this Rider. The Periodic and Monthly BGSS rates identified in Rider "A" to this tariff shall include the BGSS savings, as applicable.

- (a) This Rider shall be utilized to adjust the Company's revenues in cases wherein the Actual Usage per Customer experienced during Monthly Periods varies from the Baseline Usage per Customer ("BUC"). This adjustment will be effectuated through a credit or surcharge applied to customers' bills during the Adjustment Period. The credit or surcharge will also be adjusted to reflect prior year under recoveries or over recoveries pursuant to this CIP.

Date of Issue: ~~August 22, 2022~~xxx1

Effective: Service Rendered
on and after ~~September 1,~~
~~2022~~xxx2

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

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