



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 IMPLEMENT)
AN INFRASTRUCTURE INVESTMENT PROGRAM)
("IIP") AND ASSOCIATED RECOVERY MECHANISM)
PURSUANT TO N.J.S.A. 48:2-21 AND N.J.A.C. 14:3-)
2A)
ORDER DESIGNATING)
COMMISSIONER AND SETTING)
MANNER OF SERVICE AND)
BAR DATE)
DOCKET NO. GR23120882)

Parties of Record:

Dominick DiRocco, SJI Utilities, Inc., on behalf of Elizabethtown Gas Company
Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

This matter concerns a petition filed with the New Jersey Board of Public Utilities ("Board") on December 11, 2023 by Elizabethtown Gas Company ("ETG" or "Company") seeking authorization to implement an Infrastructure Investment Program ("IIP" or "Program") and associated cost recovery mechanism, wherein the Company proposed a five (5)-year Program beginning on July 1, 2024 with a total investment level of approximately \$625 million ("Petition"). Herein the Board will designate a Presiding Commissioner and set a bar date for motions to intervene, participate, and admission *pro hac vice* in this matter.

BACKGROUND

An IIP allows a utility to accelerate its investment in the construction, installation, and rehabilitation of certain non-revenue producing utility plant and facilities that enhance safety, reliability, and/or resiliency.¹ According to the Petition, ETG's proposed Program includes the following: 1) installing approximately 250 miles of new main, and retirement of approximately 274 miles of at-risk cast iron, vintage steel and vintage plastic mains and associated services; 2) upgrading the low pressure system to elevated pressure; and 3) installing approximately 35,000 excess flow valves on the upgraded system.²

¹ N.J.A.C. 14:3-2A.1 et seq., effective January 16, 2018.

² The Company also proposed to relocate inside meter sets, but these costs, like all other meter costs, would not be recovered through the IIP.

In the Petition, ETG proposed to recover Program costs through annual rate adjustment filings. According to the Company, the costs would include: 1) depreciation expense providing for the recovery of the invested capital over its useful book life; and 2) a return on the net investment, which will be calculated as the gross investment, plus Allowance for Funds Used During Construction and Independent Monitor costs, less depreciation expense and deferred income taxes. The return on the net investment would be calculated utilizing the after-tax Weighted Average Cost of Capital, which is predicated on the rate of return approved in the Company's most recent base rate case. As proposed by ETG, any change in the rate of return authorized by the Board in a future base rate case would be reflected in the subsequent monthly revenue requirement calculations.

ETG provided that the estimated initial bill impact of the proposed rates effective on October 1, 2025 to the typical residential customer using 1,000 therms annually is an increase of approximately \$38.10 annually, or approximately 3.1%. Additionally, the estimated cumulative bill impact of the proposed Program on the typical residential customer using 1,000 therms annually is an increase of approximately \$190.90 annually, or approximately 15.6%.

DISCUSSION AND FINDINGS

The Board **HEREBY ORDERS** that the Petition be retained by the Board for hearing and, pursuant to N.J.S.A. 48:2-32, **HEREBY DESIGNATES** Commissioner Bange as the presiding officer with authority to rule on all motions that arise during the pendency of this proceeding, and modify any schedules that may be set as necessary to secure a just and expeditious determination of the issues. Further, the Board **HEREBY DIRECTS** that any entities seeking to intervene or participate in this matter file the appropriate application with the Board by February 29, 2024. Any party wishing to file a motion for admission of counsel, *pro hac vice* should do so concurrently with any motion to intervene or participate.

In compliance with the Board's Orders in Docket No. GR23120882, all parties are **HEREBY DIRECTED** to serve all documents electronically.³ No hard copies shall be filed until the Board lifts the restrictions imposed by the Orders.

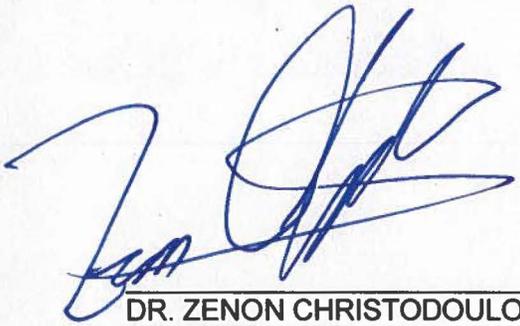
The Board **FURTHER DIRECTS** Staff to post this Order to the Board's website.

³ In re the New Jersey Board of Public Utilities' Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations, BPU Docket No. EO20030254, Orders dated March 19, 2020 and June 10, 2020.

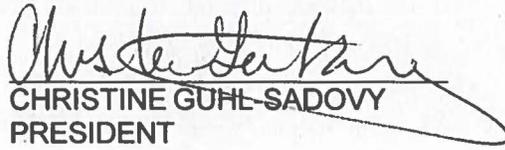
This Order shall be effective February 7, 2024.

DATED: January 31, 2024

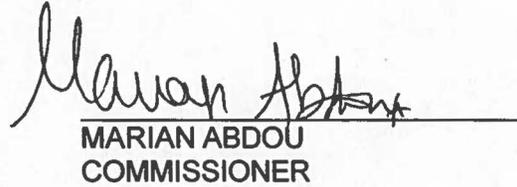
BOARD OF PUBLIC UTILITIES
BY:



DR. ZENON CHRISTODOULOU
COMMISSIONER



CHRISTINE GUHL-SADOVY
PRESIDENT



MARIAN ABDOU
COMMISSIONER



MICHAEL BANGE
COMMISSIONER

ATTEST:



SHERRIL L. GOLDEN
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 IMPLEMENT
AN INFRASTRUCTURE INVESTMENT PROGRAM (“IIP”) AND ASSOCIATED RECOVERY
MECHANISM PURSUANT TO N.J.S.A. 48:2-21 AND N.J.A.C. 14:3-2A

DOCKET NO. GR23120882

SERVICE LIST

New Jersey Board of Public Utilities

44 South Clinton Avenue, 1st Floor
Trenton, NJ 08625-0350

Sherri Golden, Board Secretary
board.secretary@bpu.nj.gov

Stacy Peterson, Deputy Executive Director
stacy.peterson@bpu.nj.gov

Counsel’s Office

Michael Beck, General Counsel
michael.beck@bpu.nj.gov

Carol Artale, Deputy General Counsel
carol.artale@bpu.nj.gov

Heather Weisband, Senior Counsel
heather.weisband@bpu.nj.gov

Division of Engineering

Dean Taklif
dean.taklif@bpu.nj.gov

David Brown
david.brown@bpu.nj.gov

Nisa Rizvi
nisa.rizvi@bpu.nj.gov

Division of Revenue and Rates

Justin Cederberg
justin.cederberg@bpu.nj.gov

Cindy Bianco
cindy.bianco@bpu.nj.gov

Elizabethtown Gas Company

520 Green Lane
Union, NJ 07083

Thomas Kaufmann
tkaufmann@sjindustries.com

Michael Scacifero
mscacifero@sjindustries.com

Susan Potanovich
spotanovich@sjindustries.com

Andrew McNally
amcnally@sjindustries.com

Sheree Kelly
skelly@sjindustries.com

Jennifer Weitz
jweitz@sjindustries.com

SJI Utilities, Inc.
1 South Jersey Place
Atlantic City, NJ 08401

Gary Akmentins
gakmentins@sjindustries.com

Cindy Capozzoli
ccapazzoli@sjindustries.com

Carolyn A. Jacobs
cjacobs@sjindustries.com

Dominick DiRocco
SJI Utilities, Inc.
One South Jersey Plaza
Folsom, NJ 08037
ddirocco@sjindustries.com

New Jersey Division of Rate Counsel

140 East Front Street, 4th Floor
Trenton, NJ 08625-0003

Brian O. Lipman, Esq., Director
blipman@rpa.nj.gov

Maura Caroselli, Esq., Managing Attorney
mcaroselli@rpa.nj.gov

Megan Lupo, Esq.
mlupo@rpa.nj.gov

Mamie Purnell, Esq.
mpurnell@rpa.nj.gov

Sarah Steindel, Esq.
ssteinde@rpa.nj.gov

Carlena Morrison
cmorrison@rpa.nj.gov

New Jersey Division of Law

NJ Department of Law and Public Safety
Richard J. Hughes Justice Complex
Public Utilities Section
25 Market Street, P.O. Box 112
Trenton, NJ 08625

Pamela Owen, ASC, DAG
pamela.owen@law.njoag.gov

Terel Klein, DAG
terel.klein@law.njoag.gov

Matko Ilic, DAG
matko.ilic@law.njoag.gov

Daren Eppley, SC, DAG
daren.eppley@law.njoag.gov