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Dominick DiRocco, Esq.
Vice President, Rates & Regulatory Affairs

September 5, 2024

Via Electronic Mail

Sherri L. Golden
Secretary of the Board
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 and Conservation Incentive Program Rates For The Year Ended September 30, 2025
BPU Docket No. GR24060371**

Dear Secretary Golden:

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 September 25, 2024 agenda meeting.

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

Respectfully submitted,

A handwritten signature in black ink that reads "Dominick DiRocco".

Dominick DiRocco

DD:slp
Enclosures

cc: Service List

**IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY
TO REVIEW ITS PERIODIC BASIC GAS SUPPLY SERVICE RATE AND
CONSERVATION INCENTIVE PROGRAM RATES FOR THE YEAR ENDED
SEPTEMBER 30, 2025
BPU DOCKET NO. GR24060371**

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**IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY
TO REVIEW ITS PERIODIC BASIC GAS SUPPLY SERVICE RATE AND
CONSERVATION INCENTIVE PROGRAM RATES FOR THE YEAR ENDED
SEPTEMBER 30, 2025
BPU DOCKET NO. GR24060371**

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

-----X
In the Matter of the Petition of : **BPU Docket No. GR24060371**
Elizabethtown Gas Company To Review its :
Periodic Basic Gas Supply Service Rate and : **STIPULATION REGARDING**
Conservation Incentive Program Rates for the : **PROVISIONAL BGSS AND CIP**
Year Ended September 30, 2025 : **RATES**
-----X

APPEARANCES:

Dominick DiRocco, Esq., Vice President, Rates & Regulatory Affairs, SJI Utilities, Inc. for Petitioner, Elizabethtown Gas Company

Maura Caroselli, Esq., Managing Attorney, Gas and Clean Energy, **Megan C. Lupo, Esq.**, Assistant Deputy Rate Counsel, **Mamie W. Purnell, Esq.**, Assistant Deputy Rate Counsel and **Andrew H. Gold, Esq.**, Assistant Deputy Rate Counsel, for the Division of Rate Counsel (**Brian O. Lipman, Esq.**, Director)

Steven A. Chaplar, Esq., Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Matthew J. Platkin**, Attorney General of the State of New Jersey)

TO THE HONORABLE COMMISSIONERS OF THE BOARD OF PUBLIC UTILITIES:

I. PROCEDURAL HISTORY

1. On May 31, 2024, Elizabethtown Gas Company (“Elizabethtown” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) seeking authorization to (1) increase the level of its Periodic Basic Gas Supply Service (“BGSS-P”) rate and (2) change its Conservation Incentive Program (“CIP”) rates for the period October 1, 2024 through September 30, 2025 (“Petition”).

2. In the Petition, Elizabethtown proposed to increase its current BGSS-P rate of \$0.5042 per therm, to \$0.5340 per therm.¹ As proposed, based upon rates in effect on July 1, 2024, the monthly bill of a residential heating customer using 100 therms of natural gas would increase

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

by \$2.98 from \$138.93 to \$141.91, or 2.1%. The proposed BGSS-P rate changes would translate to an increase in annual BGSS-P recoveries of approximately \$7.8 million.

3. In its Petition, Elizabethtown proposed to recover its September 30, 2024 BGSS-P under-recovery balance of approximately \$24.4 million over a period of 18 months, from October 1, 2024 through March 31, 2026, and the related carrying costs as of September 30, 2024 of approximately \$0.7 million over a period of 12 months, from October 1, 2024 through September 30, 2025². In addition, the Company proposed that any carrying costs accrued monthly on the BGSS-P under-recovery balance during the BGSS Year be added to the BGSS-P under-recovery balance as of October 1, 2025 and addressed in the Company's next BGSS-P filing. Likewise, given the Company is proposing an eighteen (18) month amortization of the September 30, 2024 BGSS-P under-recovery balance, any carrying costs accrued monthly in the subsequent BGSS year on the remaining BGSS-P under-recovery balance on September 30, 2024 will be added to the BGSS-P (over) under recovery balance as of October 1, 2026.

4. On July 30, 2024, the United States Court of Appeals for the District of Columbia Circuit vacated and remand for further action previous orders of the Federal Energy Regulatory Commission ("FERC") in which FERC had issued a certificate allowing the Transcontinental Gas Pipe Line Company, LLC to construct and operate a pipeline (the Regional Energy Access Expansion Project, or "REA") running through New Jersey and other northeastern states. Elizabethtown is a participant in the REA project and costs associated with REA project capacity are reflected in the Company's filing in this matter.

5. The Petition also sought Board approval to implement the following per-therm CIP rates effective October 1, 2024:

² Pursuant to the Board's Order in BPU Docket No. GR23060335, dated November 17, 2023 ("November 2023 Order").

- A rate of \$0.1366 for Residential Delivery Service - Non-Heating;
- A rate of \$0.0721 for Residential Delivery Service - Heating;
- A credit rate of \$0.0031 for Small General Service; and
- A credit rate of (\$0.0247) for General Delivery Service.

6. On July 16, 2024, the Company updated its per-therm CIP rates to reflect 12 months of actual data (“CIP Update”) as follows:

- A rate of \$0.1605 for Residential Delivery Service – Non-Heating;
- A rate of \$0.0977 for Residential Delivery Service - Heating;
- A rate of \$0.0170 for Small General Service; and
- A credit rate of (\$0.0191) for General Delivery Service.

7. As proposed, based upon rates in effect July 1, 2024, the requested CIP Update rates would result in a monthly increase of \$1.19, or 0.9%, for a residential heating customer using 100 therms of natural gas.

8. These updated proposed rate changes translate to an increase in annual CIP recoveries of \$2.4 million.

9. 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”).³ 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.

³ In 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, Order dated April 7, 2021, (“EEP-CIP Order”).

10. 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. To recover non-weather-related CIP deficiencies, the Company must achieve BGSS savings of at least 75% of the non-weather-related deficiency. The BGSS savings may originate from any, or all, of 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.

11. The Variable Margin Test limits the recovery on non-weather CIP deficiency so as not to exceed 6.5% of total variable margins for the year ending June 30 per the EEP-CIP Order.

12. In computing the non-weather CIP value, the margin impact of weather must first be deducted from the total CIP charge or credit. As noted in paragraph (7) 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 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.

13. Based on the CIP Update, Elizabethtown indicated that its non-weather-related excess margin was approximately \$3.5 million. This amount was determined by subtracting the weather-related deficiency component of approximately \$20.2 million from the total CIP deficiency of approximately \$16.7 million.

14. According to Elizabethtown, (1) 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 \$3.9 million per year⁴; (2) BGSS savings realized from gas cost savings from capacity reductions 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 \$2.2 million⁵; and (3) the Company did not have any BGSS savings realized from avoided capacity costs to meet prospective residential customer growth (Category Three of the Modified BGSS Savings Test). Using these values, the total BGSS savings for the 12-month period ending September 30, 2024 is \$6.2 million. Because the non-weather-related CIP amount is a credit to customers, the Modified BGSS Savings Test and the Variable Margin Revenue Test are not applicable.

15. Also pursuant to the EEP-CIP Order and based on the calculations provided by the Company, the CIP will not 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 12-month period ending June 30. Based upon the Company’s calculations, the ROE Test will not limit Elizabethtown’s recovery of the CIP deficiency.

16. Based upon rates in effect July 1, 2024, the proposed BGSS-P and CIP Update rate changes would increase the monthly bill of a residential heating customer using 100 therms by \$4.17 from \$138.93 to \$143.10, or 3.0%, consisting of a proposed BGSS-P increase of \$2.98 or 2.1% and a proposed CIP increase of \$1.19 or 0.9%.

⁴ When preparing this Stipulation, the Company noted that the breakdown of Category One and Category Two savings was incorrect as filed at \$2.2 and \$4.0 million, respectively. The total of \$6.2 million and the result of the test are unchanged. An updated CIP Schedule TK-4 was provided in discovery in the response to RCR-A-2.

⁵ Response to RCR-A-2, Schedule TK-4.

17. 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 27, 2024 at 4:30 p.m. and 5:30 p.m. No members of the public attended the hearings or submitted written comments to the Board.

18. 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.⁶ Within the filing, the Company may seek to implement provisional increases in its BGSS rate of up to five percent (5%) to be effective December 1, 2024 and February 1, 2025, with proper notice, if the Company determines that such increases are necessary to permit it to avoid a BGSS under-recovered balance as of September 30, 2025. 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 rate at any time upon five (5) days' notice and the filing of supporting documentation with the Board and the New Jersey Division of Rate Counsel ("Rate Counsel").

II. STIPULATED TERMS

19. Elizabethtown, Board Staff, and Rate Counsel, the only parties to this proceeding (collectively, "Parties"), agree that additional time is needed to complete a comprehensive review of the Petition. The Parties agree that the treatment of costs associated with the REA project remains an open issue and will be addressed in that review. The Parties also agree that it would be reasonable for the Board to implement the proposed BGSS-P and CIP Update rates, on a provisional basis as set forth below, subject to refund with interest, and subject to an opportunity

⁶ In re 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.

for full review at the Office of Administrative Law (“OAL”), if necessary, and final approval by the Board. Accordingly, the Parties stipulate and agree as follows:

20. Pending the conclusion of further review and discussion, it would be both reasonable and in the public interest for the Board to authorize on a provisional basis, effective October 1, 2024, or on such other date as the Board deems appropriate: 1) an increase Elizabethtown's current per therm BGSS-P rate of \$0.5042 to \$0.5340, and 2) the implementation of the following proposed per-therm CIP Update rates: \$0.1605 for Residential Delivery Service – Non-Heating; \$0.0977 for Residential Delivery Service – Heating; \$0.0170 for Small General Service; and a credit rate of (\$0.0191) for General Delivery Service.

21. It would also be both reasonable and in the public interest for the Board to approve, on a provisional basis, the Company’s request to: 1) recover its September 30, 2024 BGSS-P under-recovery balance on a straight line basis over a period of 18 months, from October 1, 2024 through March 31, 2026; and 2) recover the carrying costs accrued pursuant to the November 2023 Order as of September 30, 2024 over 12) months, from October 1, 2024 through September 30, 2025, and to continue to accrue such carrying costs until the September 30, 2024 BGSS-P under-recovery balance is fully recovered, as approved in the November 2023 Order. No carrying costs will be accrued on CIP under-recovery balances.

22. Pursuant to the Board’s Order in BPU Docket No. GR23060335 dated May 22, 2024 approving the Company’s provisional BGSS-P rate as final effective March 1, 2024, the Parties stipulated and agreed that the Company’s self-implemented BGSS-P rate of \$0.3255 per therm, effective December 1, 2023 and the Company’s self-implemented BGSS-P rate of \$0.3846 per therm effective February 1, 2024 will be reviewed and trued up in this proceeding.

23. The proposed provisional BGSS-P rate would increase annual BGSS-related

recoveries by \$7.8 million. The proposed BGSS-P rate of \$0.5340 per-therm, effective October 1, 2024, will increase the monthly bill of a residential heating customer using 100 therms by \$2.98 from \$138.93 to \$141.91, or 2.1%, based upon rates in effect on July 1, 2024.

24. The proposed provisional CIP Update rate changes translate to an increase in CIP-related recoveries of \$2.4 million annually. The proposed CIP Update rate for Residential Delivery Service - Heating results in an increase in the monthly bill of a residential heating customer using 100 therms of \$1.19, or 0.9%, based upon rates in effect July 1, 2024.

25. Combining the BGSS and CIP recoveries results in a provisional annual recovery increase of \$10.2 million. Based upon rates in effect July 1, 2024, 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 \$4.17, from \$138.93 to \$143.10, or 3.0%.

26. The Company will 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 (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.

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

III. MISCELLANEOUS

28. 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.

29. 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 consider the Stipulation to be binding on them for all purposes herein.

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

31. 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: _____
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Assistant Deputy Rate Counsel**

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

By:  _____
**Steven A. Chaplar
Deputy Attorney General**

Dated: September 5, 2024

GR24060371

S-ECHART-1
BGSS NYMEX Update Report
as of July 05, 2024

<u>Month</u>	<u>a</u> BGSS (see note below)	<u>b</u> NYMEX (7/5/2024 Close)	<u>c = b - a</u> Incr/ (Decr)	<u>% Chg</u>	<u>d</u> Sales <u>forecast (dths)</u>	<u>e</u> Hedged <u>volume (dths)</u>	<u>f = d - e</u> Unhedged <u>volume (dths)</u>	<u>g = c x f</u> Change in <u>value unhedged</u>
Oct-23	\$ 2.520	\$ 2.764	\$ 0.244		826,581	333,100	493,481	\$120,409
Nov-23	\$ 2.974	\$ 3.164	\$ 0.190		2,126,789	1,666,126	460,663	\$87,526
Dec-23	\$ 3.470	\$ 2.706	\$ (0.764)		3,996,492	2,803,765	1,192,727	(\$911,243)
Jan-24	\$ 3.719	\$ 2.619	\$ (1.100)		5,357,272	3,500,476	1,856,796	(\$2,042,476)
Feb-24	\$ 3.635	\$ 2.490	\$ (1.145)		5,393,457	3,640,568	1,752,889	(\$2,007,057)
Mar-24	\$ 3.323	\$ 1.615	\$ (1.708)		4,373,274	2,673,531	1,699,743	(\$2,903,161)
Apr-24	\$ 3.004	\$ 1.575	\$ (1.429)		3,232,839	2,150,000	1,082,839	(\$1,547,377)
May-24	\$ 2.998	\$ 1.614	\$ (1.384)		1,554,835	1,390,000	164,835	(\$228,132)
Jun-24	\$ 3.147	\$ 2.493	\$ (0.654)		744,487	329,400	415,087	(\$271,467)
Jul-24	\$ 3.288	\$ 2.628	\$ (0.660)		736,680	346,300	390,380	(\$257,651)
Aug-24	\$ 3.329	\$ 2.319	\$ (1.010)		737,051	346,400	390,651	(\$394,558)
Sep-24	\$ 3.293	\$ 2.350	\$ (0.943)		737,492	346,600	390,892	(\$368,611)
Avg Total \$	\$ 3.225	\$ 2.361	\$ (0.864)	-26.8%	29,817,249	19,526,266	10,290,983	(\$10,723,797)
Oct-24	\$ 3.378	\$ 2.467	\$ (0.911)		834,846	172,600	662,246	(\$603,306)
Nov-24	\$ 3.795	\$ 2.902	\$ (0.893)		2,148,057	1,486,126	661,931	(\$591,104)
Dec-24	\$ 4.282	\$ 3.395	\$ (0.887)		4,036,458	2,853,765	1,182,693	(\$1,049,049)
Jan-25	\$ 4.612	\$ 3.664	\$ (0.948)		5,410,846	3,680,476	1,730,370	(\$1,640,391)
Feb-25	\$ 4.503	\$ 3.513	\$ (0.990)		5,447,391	3,650,568	1,796,823	(\$1,778,854)
Mar-25	\$ 4.136	\$ 3.135	\$ (1.001)		4,417,006	2,693,531	1,723,475	(\$1,725,198)
Apr-25	\$ 3.733	\$ 2.937	\$ (0.796)		3,265,169	2,170,000	1,095,169	(\$871,755)
May-25	\$ 3.707	\$ 2.977	\$ (0.730)		1,570,384	1,370,000	200,384	(\$146,280)
Jun-25	\$ 3.842	\$ 3.157	\$ (0.685)		751,933	441,900	310,033	(\$212,373)
Jul-25	\$ 3.972	\$ 3.367	\$ (0.605)		744,046	320,700	423,346	(\$256,124)
Aug-25	\$ 4.007	\$ 3.414	\$ (0.593)		744,421	305,800	438,621	(\$260,102)
Sep-25	\$ 3.962	\$ 3.378	\$ (0.584)		744,866	385,900	358,966	(\$209,636)
Avg Total \$	\$ 3.994	\$ 3.192	\$ (0.802)	-20.1%	30,115,423	19,531,366	10,584,057	(\$9,344,173)

Footnotes:

a : Nymex rate used for annual BGSS periodic rate filing; **Oct-2023 to Sept-2025 based on 5-10-2023 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	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimate	Estimate	Estimate	12 Month Weighted Average
	<u>Oct-23</u>	<u>Nov-23</u>	<u>Dec-23</u>	<u>Jan-24</u>	<u>Feb-24</u>	<u>Mar-24</u>	<u>Apr-24</u>	<u>May-24</u>	<u>Jun-24</u>	<u>Jul-24</u>	<u>Aug-24</u>	<u>Sep-24</u>		
1 NYMEX - 05/10/23 - Included in BGSS Filing	\$0.2520	\$0.2974	\$0.3470	\$0.3719	\$0.3635	\$0.3323	\$0.3004	\$0.2998	\$0.3147	\$0.3288	\$0.3329	\$0.3293		
2 NYMEX - Actual Settlement	\$0.2764	\$0.3164	\$0.2706	\$0.2619	\$0.2490	\$0.1615	\$0.1575	\$0.1614	\$0.2493					
<u>Breakdown of Gross Cost of Gas Per Therm:</u>														
13 Flowing Gas Cost	-\$0.1424	\$0.1966	\$0.0998	\$0.2291	\$0.0338	\$0.0232	-\$0.0418	\$0.0184	-\$0.2474	-\$0.1314	-\$0.0802	-\$0.0846	\$0.0533	
14 Gas Withdrawn From Storage Cost	\$0.0492	\$0.1246	\$0.0961	\$0.0815	\$0.0876	\$0.0932	\$0.0180	\$0.0157	\$0.0094	\$0.0028	\$0.0029	\$0.0029	\$0.0691	
15 Hedged Volumes Delivered Cost	\$0.5741	\$0.2038	\$0.1358	\$0.1215	\$0.1634	\$0.2030	\$0.3189	\$0.3863	\$0.5829	\$0.5171	\$0.4475	\$0.4281	\$0.2386	
16 Pipeline Demand Cost	\$0.6067	\$0.2627	\$0.1395	\$0.1056	\$0.1014	\$0.1352	\$0.1508	\$0.2886	\$0.5329	\$0.7144	\$0.7130	\$0.7012	\$0.2145	
17 Storage Demand Cost	\$0.1473	\$0.0572	\$0.0297	\$0.0225	\$0.0209	\$0.0284	\$0.0349	\$0.0699	\$0.1375	\$0.1671	\$0.1664	\$0.1634	\$0.0488	
18 Peaking Cost	\$0.0000	\$0.0000	\$0.0092	\$0.0070	\$0.0383	\$0.0088	\$0.0110	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0119	
19 Weighted Average Fuel Cost	\$0.0197	\$0.0123	\$0.0074	\$0.0108	\$0.0071	\$0.0069	\$0.0100	\$0.0165	\$0.0233	\$0.0206	\$0.0204	\$0.0187	\$0.0108	
20 Variable Pipeline Cost	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0682	\$0.0683	\$0.0658	\$0.0053	
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	\$1.2547	\$0.8572	\$0.5175	\$0.5779	\$0.4525	\$0.4988	\$0.5018	\$0.7955	\$1.0386	\$1.3589	\$1.3383	\$1.2955	\$0.6523	

	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Weighted Average
	<u>Oct-22</u>	<u>Nov-22</u>	<u>Dec-22</u>	<u>Jan-23</u>	<u>Feb-23</u>	<u>Mar-23</u>	<u>Apr-23</u>	<u>May-23</u>	<u>Jun-23</u>	<u>Jul-23</u>	<u>Aug-23</u>	<u>Sep-23</u>	
23 NYMEX - Actual Settlement	\$0.6868	\$0.5186	\$0.6712	\$0.4709	\$0.3109	\$0.2451	\$0.1991	\$0.2117	\$0.2181	\$0.2603	\$0.2492	\$0.2556	
<u>Breakdown of Gross Cost of Gas Per Therm:</u>													
24 Flowing Gas Cost	-\$0.3230	\$0.5091	\$0.6201	-\$0.0439	\$0.1352	\$0.0788	-\$0.0245	-\$0.0178	-\$0.1449	-\$0.2981	-\$0.3196	-\$0.3324	\$0.1016
25 Gas Withdrawn From Storage Cost	\$0.1417	\$0.4460	\$0.3167	\$0.2638	\$0.3077	\$0.2517	\$0.0273	\$0.0122	-\$0.0024	\$0.0837	\$0.0236	\$2.3404	\$0.2720
26 Hedged Volumes Delivered Cost	\$0.3755	\$0.2356	\$0.1200	\$0.1177	\$0.1066	\$0.1061	\$0.1812	\$0.2507	\$0.4096	\$0.5801	\$0.7368	\$0.7481	\$0.1919
27 Pipeline Demand Cost	\$0.5433	\$0.3367	\$0.1453	\$0.0946	\$0.1254	\$0.1221	\$0.1673	\$0.3691	\$0.5706	\$0.7780	\$0.8951	\$0.8538	\$0.2290
28 Storage Demand Cost	\$0.1326	\$0.0803	\$0.0347	\$0.0240	\$0.0265	\$0.0291	\$0.0379	\$0.0805	\$0.1153	\$0.1699	\$0.1953	\$0.1863	\$0.0521
29 Peaking Cost	\$0.0000	\$0.0358	\$0.0113	\$0.0139	\$0.0136	\$0.0136	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0107
30 Weighted Average Fuel Cost	\$0.0213	\$0.0225	\$0.0232	\$0.0027	\$0.0074	\$0.0059	\$0.0069	\$0.0117	\$0.0141	\$0.0169	\$0.0215	\$0.0192	\$0.0111
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	\$0.8914	\$1.6660	\$1.2713	\$0.4728	\$0.7225	\$0.6073	\$0.3960	\$0.7064	\$0.9623	\$1.3305	\$1.5528	\$3.8154	\$0.8683

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-23</u>	<u>Nov-23</u>	<u>Dec-23</u>	<u>Jan-24</u>	<u>Feb-24</u>	<u>Mar-24</u>	<u>Apr-24</u>	<u>May-24</u>	<u>Jun-24</u>	<u>Jul-24</u>	<u>Aug-24</u>	<u>Sep-24</u>	<u>Sep-24</u>	Weighted
														Average
<u>Credits, Refunds, & Recoveries Per Therm:</u>														
1	Asset Management Credits	\$0.0000	\$0.0000	\$0.0282	\$0.0000	\$0.0000	\$0.0694	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0132
2	Off-system sales	\$0.0002	\$0.0003	\$0.0003	\$0.0034	\$0.0013	\$0.0000	\$0.0187	\$0.0362	\$0.0833	\$0.0842	\$0.0677	\$0.0749	\$0.0134
3	Capacity release	\$0.0209	\$0.0089	\$0.0049	\$0.0041	\$0.0055	\$0.0042	\$0.0158	\$0.0902	\$0.1299	\$0.0213	\$0.0212	\$0.0209	\$0.0165
4	On System Credits to BGSS-P Customers	\$0.1628	\$0.1536	\$0.1277	\$0.1223	\$0.1110	\$0.0961	\$0.0807	\$0.0837	\$0.1437	\$0.2535	\$0.2532	\$0.2479	\$0.1247
5	Supplier Refunds	\$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
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	\$0.8174	\$0.4420	\$0.0839	\$0.1433	\$0.0084	-\$0.0750	-\$0.0861	\$0.1124	\$0.2080	\$0.6946	\$0.6908	\$0.6466	\$0.1385
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	\$1.0013	\$0.6049	\$0.2449	\$0.2731	\$0.1261	\$0.0947	\$0.0291	\$0.3224	\$0.5649	\$1.0536	\$1.0330	\$0.9902	\$0.3063
12	Total Net Cost Per Therm (Pg 1 Line 22 - Pg 2 Line 11)	\$0.2533	\$0.2524	\$0.2726	\$0.3048	\$0.3264	\$0.4041	\$0.4727	\$0.4730	\$0.4738	\$0.3053	\$0.3053	\$0.3053	\$0.3460

	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Weighted
	<u>Oct-22</u>	<u>Nov-22</u>	<u>Dec-22</u>	<u>Jan-23</u>	<u>Feb-23</u>	<u>Mar-23</u>	<u>Apr-23</u>	<u>May-23</u>	<u>Jun-23</u>	<u>Jul-23</u>	<u>Aug-23</u>	<u>Sep-23</u>	<u>Sep-23</u>	Average
<u>Credits, Refunds, & Recoveries Per Therm:</u>														
13	Asset Management Credits	\$0.0000	\$0.0000	\$0.0269	\$0.0000	\$0.0000	\$0.4153	\$0.0000	\$0.0000	\$0.1159	\$0.0000	\$0.0000	\$0.1748	\$0.0766
14	Off-system sales	\$0.0035	\$0.0003	\$0.0028	\$0.0006	\$0.0007	\$0.0000	\$0.0000	\$0.0004	\$0.0000	\$0.0012	\$0.0000	\$0.0002	\$0.0008
15	Capacity release	\$0.0069	\$0.0032	\$0.0019	\$0.0035	\$0.0114	\$0.0044	\$0.0061	\$0.0123	\$0.0195	\$0.0256	\$0.0304	\$0.0303	\$0.0077
16	On System Credits to BGSS-P Customers	\$0.4266	\$0.1752	\$0.2216	\$0.1826	\$0.1440	\$0.1181	\$0.1012	\$0.1033	\$0.1120	\$0.1365	\$0.1583	\$0.1650	\$0.1636
17	Supplier Refunds	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0227	\$0.0000	\$0.1431	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0185
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	-\$0.1042	\$0.8166	\$0.3449	-\$0.3880	-\$0.1291	-\$0.4178	-\$0.1082	\$0.3356	\$0.4593	\$0.9115	\$1.1047	\$0.8774	\$0.0180
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	\$0.3328	\$0.9954	\$0.5982	-\$0.2012	\$0.0496	\$0.1200	\$0.1422	\$0.4516	\$0.7068	\$1.0749	\$1.2935	\$1.2478	\$0.2852
24	Total Net Cost Per Therm (Pg 1 Line 33 - Pg 2 Line 23)	\$0.5586	\$0.6706	\$0.6732	\$0.6740	\$0.6728	\$0.4873	\$0.2539	\$0.2548	\$0.2555	\$0.2555	\$0.2593	\$2.5676	\$0.5831

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>
August 1, 2023	\$0.5056	\$0.2692
September 1, 2023	\$0.5125	\$0.2692
October 1, 2023	\$0.5352	\$0.2692
November 1, 2023	\$0.5785	\$0.2692
December 1, 2023	\$0.5289	\$0.3255
January 1, 2024	\$0.5194	\$0.3255
February 1, 2024	\$0.5054	\$0.3846
March 1, 2024	\$0.3882	\$0.5042
April 1, 2024	\$0.3839	\$0.5042
May 1, 2024	\$0.3881	\$0.5042
June 1, 2024	\$0.4835	\$0.5042
July 1, 2024	\$0.4983	\$0.5042
August 1, 2024	\$0.4199	\$0.5042
<u>September 1, 2024</u>	*	<u>\$0.5042</u>
<u>October 1, 2024</u>	*	<u>\$0.5340</u>

• — To be determined

Date of Issue: July 30, 2024xxx1

Effective: Service Rendered
on and after August 1, 2024xxx2

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
\$0.1605	\$0.0977	\$0.0170	(\$0.0191)
\$0.0156 per therm	\$0.0858 per therm	\$0.0199 per therm	(\$0.0078) 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: ~~May 29, 2024~~xxx1

Effective: Service Rendered
on and after ~~June 1, 2024~~xxx2

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

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~May 22, 2024~~xxx3 in Docket No. ~~GR23060335~~xxx4