



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)	DECISION AND ORDER
ELIZABETHTOWN GAS COMPANY TO REVIEW)	APPROVING INITIAL DECISION AND
ITS BASIC GAS SUPPLY SERVICE RATE)	STIPULATION FOR FINAL RATES
)	
)	BPU DOCKET NO. GR21060876
)	OAL DOCKET NO. PUC 09816-2021N

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:¹

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”). By this Order, the Board considers an Initial Decision executed by Administrative Law Judge (“ALJ”) Irene Jones, and a stipulation of settlement (“Stipulation”) executed by ETG, Board Staff (“Staff”), and the New Jersey Division of Rate Counsel (“Rate Counsel”) (collectively, “Parties”) intended to resolve the Company’s requests related to the above docketed matter.

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 1.² In addition, the January 2003 BGSS Order authorized each GDC to self-implement up to a five (5) percent BGSS rate increase

¹ Commissioner Robert M. Gordon did not participate.

² 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”).

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 BGSS-P rate from \$0.3783 per therm to \$0.4367 per therm effective October 1, 2021.³ As provided in the 2021 BGSS Petition, the Company projected 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 projected 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 also provided that the calculated increase in the proposed BGSS-P rate was 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, 2022.⁴

Additionally, ETG implemented its Conservation Incentive Program ("CIP") pursuant to a Board Order dated April 7, 2021.⁵ As a result, the CIP rate is being set at \$0.0000 per therm 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.⁶ No members of the public appeared at the hearings or filed comments with the Board regarding the 2021 BGSS Petition.

³ All rates quoted herein include applicable taxes unless otherwise stated.

⁴ 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.

⁵ 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.

⁶ The hearings were held telephonically due to the COVID-19 pandemic.

On November 1, 2021, all four (4) GDCs filed an Emergent Motion of New Jersey's Gas Distribution Companies for Waivers Necessary to Permit Self-Implementing BGSS Increases Effective December 1, 2021 ("Motion"). The Motion sought a waiver of the Board's previous orders and authorizations in order to permit the GDCs to self-implement BGSS increases based on a 5% increase of the monthly bill of a typical residential customer using 100 therms to be effective December 1, 2021, on less than the required 30 days advanced notice, and to implement such increases on the basis of rates in effect as of December 1, 2021.

By Order dated November 17, 2021, the Board approved a stipulation for provisional rates executed by the Parties and denied NRG's Motion to Intervene and Motion to Participate.⁷ The November 2021 Provisional Order authorized ETG to implement a per therm BGSS rate of \$0.4254. All rates approved in the November 2021 Provisional Order became effective for services rendered on and after December 1, 2021 on a provisional basis, subject to refund. As a result of the November 2021 Provisional Order, a typical residential customer using 100 therms on a monthly basis would see an increase of \$4.71, or approximately 4.5%.

Also by Order dated November 17, 2021, the Board granted the GDCs Motion and ordered the GDCs to file any notice of a December 1, 2021 self-implementing rate increase by November 19, 2021.⁸ On November 18, 2021, ETG filed a notice of its intent to self-implement a BGSS-P rate adjustment based on a 5% increase of the monthly bill of a typical residential customer using 100 therms to be effective December 1, 2021 consistent with the January 2003 BGSS Order and the Board's ruling of the Motion ("Notice"). The self-implementing rate increase, effective December 1, 2021, resulted in an increase of the per therm BGSS-P rate from \$0.4254 to \$0.4798, on a provisional basis, subject to refund. As a result, a typical residential customer using 100 therms on a monthly basis would see an increase of \$5.44, or 5.0%, in addition to the impact of the November 2021 Provisional Order.

In total, a typical residential customer using 100 therms on a monthly basis would see an increase of \$10.16 to their monthly bill beginning December 1, 2021.

This matter was subsequently transmitted by the Board to the Office of Administrative Law as a contested case where it was assigned to ALJ Jones.

STIPULATION

Following a review of the 2021 BGSS Petition, the Notice and discovery, the Parties executed the Stipulation, which provides, in part, as follows:⁹

Effective Date

- A. The Parties acknowledge that the BGSS-P rate of \$0.4798 per therm will become final as of the effective date of a Board Order approving the Stipulation in

⁷ In re the Petition of Elizabethtown Gas Company to Review its Basic Gas Supply Service Rate, BPU Docket No. GR21060876, Order dated November 17, 2021 ("November 2021 Provisional Order").

⁸ 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 November 17, 2021.

⁹ 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.

accordance with N.J.S.A. 48:2-40, or upon such date thereafter as the Board may specify ("Effective Date").

Effective Rates

- B. As of the Effective Date, the Company will maintain its BGSS-P rate of \$0.4798 per therm, and this rate shall remain in effect until changed by order of the Board.

Future Filings

- C. The Company's future annual BGSS gas cost filings shall continue to comply with the "Annual BGSS Minimum Filing Requirements" ("MFR") adopted by the Board by Orders dated June 20, 2003, in Docket No. GR02120945, et al. and May 22, 2018, in Docket GR17060590 as listed in the index contained in Appendix A attached to the Stipulation.
- D. The Company agrees to continue to electronically provide Rate Counsel and Board Staff, on a monthly basis, the following updated information: 1) the BGSS NYMEX Update Report (also known as S-ECHART-1) in the form attached to the Stipulation as Appendix B; and 2) the calculation of net gas per therm (also known as S-ECHART-2) in the form attached to the Stipulation as Appendix C, which is to be submitted in the middle of the following month. The data reflected in these forms are for illustrative purposes.

ALJ Jones issued an Initial Decision approving the Stipulation, finding that the Parties voluntarily agreed to the terms of the Stipulation and that the Stipulation fully disposed of all matters and is consistent with the law.

DISCUSSION AND FINDINGS

The Board carefully reviewed the record in this proceeding, including ALJ Jones' Initial Decision and the attached Stipulation, and **HEREBY FINDS** that the Parties voluntarily agreed to the Stipulation, and that the Stipulation fully disposes of all issues in this proceeding and is consistent with the law. Accordingly, the Board **HEREBY FINDS** that the Initial Decision, which adopts the Stipulation, to be reasonable, in the public interest and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Initial Decision and Stipulation, attached hereto, as its own, as though fully set forth herein, subject to any terms and conditions set forth in this Order.

The Board **HEREBY APPROVES** on a final basis a per therm BGSS-P rate of \$0.4798.

Any net over-recovered BGSS balance at the end of the BGSS period shall be subject to refund with interest.

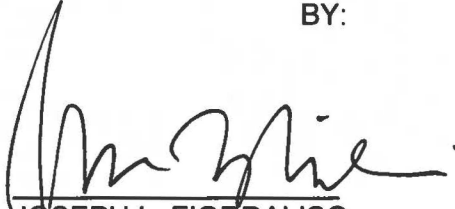
The Board **HEREBY DIRECTS** ETG to file revised tariff sheets conforming to the terms of the Stipulation prior to April 1, 2022.

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 March 30, 2022.

DATED: March 23, 2022

BOARD OF PUBLIC UTILITIES
BY:


JOSEPH L. FIORDALISO
PRESIDENT


MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
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
OAL DOCKET NO. PUC 09816-2021N

SERVICE LIST

<p><u>Board of Public Utilities</u> 44 South Clinton Avenue, 1st Floor Post Office Box 350 Trenton, NJ 08625-0350</p> <p>Secretary of the Board board.secretary@bpu.nj.gov</p> <p>Stacy Peterson, Deputy Executive Director stacy.peterson@bpu.nj.gov</p> <p><u>Office of the General Counsel</u></p> <p>Abe Silverman, Esq., General Counsel abe.silverman@bpu.nj.gov</p> <p>Carol Artale, Esq., Deputy General Counsel carol.artale@bpu.nj.gov</p> <p>Heather Weisband, Esq., Senior Counsel heather.weisband@bpu.nj.gov</p> <p><u>Division of Energy</u></p> <p>Paul Lupo, Acting Director paul.lupo@bpu.nj.gov</p> <p>Ryan Moran ryan.moran@bpu.nj.gov</p> <p><u>Division of Rate Counsel</u> 140 East Front Street, 4th Floor Post Office Box 003 Trenton, NJ 08625</p> <p>Brian Lipman, Esq., Director blipman@rpa.nj.gov</p> <p>Maura Caroselli, Esq. mcaroselli@rpa.nj.gov</p>	<p><u>Division of Law</u> 25 Market Street Post Office Box 112 Trenton, NJ 08625</p> <p>Pamela Owen, ASC, DAG pamela.owen@law.njoag.gov</p> <p>Michael Beck, DAG michael.beck@law.njoag.gov</p> <p>Terel Klein, DAG terel.klein@law.njoag.gov</p> <p>Daren Eppley, DAG daren.eppley@law.njoag.gov</p> <p><u>Elizabethtown Gas Company</u> 520 Green Lane Union, NJ 07083</p> <p>Deborah M. Franco, Esq. SJI Utilities, Inc. dfranco@sjindustries.com</p> <p>Thomas Kaufmann tkaufmann@sjindustries.com</p> <p>Susan Potanovich spotanovich@sjindustries.com</p> <p>Leonard J. Willey lwilley@sjindustries.com</p> <p>Cindy Capozzoli 1 South Jersey Place Atlantic City, NJ 08401 ccapozzoli@sjindustries.com</p>
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<p>Kurt Lewandowski, Esq. klewando@rpa.nj.gov</p> <p><u>Rate Counsel Consultants</u></p> <p>Robert J. Henkes Henkes Consulting 7 Sunset Road Old Greenwich, CT 06870 rhenkes@optonline.net</p> <p>David Peterson Chesapeake Regulatory Consultants, Inc. 10351 Southern Maryland Boulevard Suite 202 Dunkirk MD, 20754-9500 davep@chesapeake.net</p>	
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**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

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In the Matter of the Petition of Elizabethtown Gas Company to Review Its Periodic Basic Gas Supply Service Rate : **BPU Docket No. GR21060876**
: **OAL DKT NO. PUC 09816-2021**
: **STIPULATION REGARDING**
: **FINAL 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.**, Director)

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

TO THE HONORABLE IRENE JONES, ADMINISTRATIVE LAW JUDGE, AND COMMISSIONERS OF THE BOARD OF PUBLIC UTILITIES:

BACKGROUND

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 with no change to the requested rate¹.

2. In its Petition, Elizabethtown proposed to increase its current BGSS-P rate of \$0.3783 per therm to \$0.4367 per therm.² As proposed, the monthly bill of a residential customer

¹ The Company removed its request to procure renewable natural gas as a part of its gas supply in its amended Petition.

² All rates quoted herein include all applicable taxes unless otherwise noted.

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.

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 or filed written comments with the Board.

4. After 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.³ Specifically, the Company learned that it would receive a refund from Columbia, along with a reduction in Columbia's currently effective provisional rates during the 2021-2022 BGSS Year. Incorporating this refund would have the effect of reducing Elizabethtown's proposed BGSS-P rate from \$0.4367 per therm to \$0.4254 per therm.

5. Elizabethtown, Board Staff ("Staff"), and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, "Parties") agreed that additional time was needed to complete a comprehensive review of the Petition. The Parties agreed that the provisional implementation of the proposed BGSS-P rate, subject to refund with interest on any net over-recovered BGSS-P balance, was reasonable. The parties executed a stipulation approving a rate of \$0.4254 per therm

³ 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.

on a provisional basis effective December 1, 2021, subject to an opportunity for full review at the Office of Administrative Law (“OAL”), if necessary, and final approval by the Board.

6. On November 17, 2021, the Board issued an Order adopting the Stipulation in its entirety and approving on a provisional basis, subject to refund with interest on any net over-recovered balance, a BGSS-P rate of \$0.4254 per therm, effective for services rendered on and after December 1, 2021. The monthly bill of a residential customer using 100 therms would increase by \$4.71 from \$104.15 to \$108.86, or 4.5%, based upon rates in effect on October 1, 2021.

7. Also, in a separate Order dated November 17, 2021⁴, the Board granted the four (4) New Jersey Gas Distribution Utilities’ (“GDCs”) request for a waiver of a timing requirement and authorized the GDCs to provide notice of self-implementing 5% rate increases, effective December 1, 2021, as permitted under the Board’s January 2003 BGSS Order.⁵

8. Consistent with the requirements in the January 2003 BGSS Order, on November 18, 2021, Elizabethtown submitted a notice of intent to self-implement a BGSS-P rate adjustment based upon a 5% increase of the monthly bill of a typical residential customer using 100 therms, effective December 1, 2021 (“Notice”). The Notice was made to Staff and Rate Counsel pursuant to the terms of the January 2003 BGSS Order and the November 17th Orders. The 5% self-implementing increase, effective December 1, 2021, resulted in a BGSS-P rate of \$0.4798 per therm. As a result, a typical residential customer using 100 therms on a monthly basis would see an increase of \$5.44, or 5.0%.

⁴ 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 November 17, 2021 (“November 17th Order”).

⁵ 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”).

9. This matter was transmitted to the OAL as a contested case and assigned to Administrative Law Judge Irene Jones. A pre-hearing conference was held by telephone on December 20, 2021.

10. The Parties engaged in discovery and resolved all issues in this proceeding in accordance with the Final Stipulation set forth below.

STIPULATED MATTERS

Based upon and subject to the terms and conditions set forth herein, the Parties stipulate and agree as follows:

Effective Date

A. The Parties acknowledge that the BGSS-P rate of \$0.4798 per therm will become final as of the effective date of a Board Order approving this Stipulation in accordance with N.J.S.A. 48:2-40, or upon such date thereafter as the Board may specify (“Effective Date”).

Effective Rates

B. As of the Effective Date, the Company will maintain its BGSS-P rate of \$0.4798 per therm, and this rate shall remain in effect until changed by order of the Board.

Future Filings

C. The Company’s future annual BGSS gas cost filings shall continue to comply with the “Annual BGSS Minimum Filing Requirements” (“MFR”) adopted by the Board by Orders dated June 20, 2003, in Docket No. GR02120945, *et al.* and May 22, 2018, in Docket GR17060590 as listed in the index contained in Appendix A.

D. The Company agrees to continue to electronically provide Rate Counsel and Staff, on a monthly basis, the following updated information: 1) the BGSS NYMEX Update Report (also known as S-ECHART-1) in the form attached as Appendix B; and 2) the calculation of net gas per therm (also known as S-ECHART-2) in the form attached as Appendix C, which is to be

submitted in the middle of the following month. The data reflected in these forms are for illustrative purposes.

All Issues Resolved

E. If the Board approves this Stipulation in its entirety, all issues concerning the BGSS-P and the costs recovered through this clause are deemed resolved for purposes of this proceeding but remain subject to audit by the Board.

Entirety of Stipulation

F. This Stipulation represents a mutual balancing of interests and, therefore, is intended to be accepted and approved in its entirety. In the event that 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.

Binding Effect

G. 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.

General Reservation


H. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of this proceeding. Except as expressly provided herein, the Parties shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein. This Stipulation shall not be cited as precedent except for the purpose of enforcing its terms. All rates remain subject to audit by the Board.


WHEREFORE, the Parties hereto do respectfully submit that the Board issue a Decision

and Order approving this Stipulation in its entirety in accordance with the terms hereof.

ELIZABETHTOWN GAS COMPANY

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

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

By:  3/8/22
Maura Caroselli, Esq. GR21060876
**Managing Attorney – Gas and Clean
Energy**

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

By:  3/8/22
Terel Klein
Deputy Attorney General

Dated:

**Elizabethtown Gas Company
2021 / 2022 BGSS Filing**

MINIMUM FILING REQUIREMENT (MFR) INDEX

<u>Minimum Filing Requirement</u>	<u>Schedule(s)</u>
1. Motion, Supporting Testimony & Tariff Modifications	Petition, Testimony, TK-12
2. Computation of Proposed BGSS Rates	LJW-1, LJW-3
3. Public Notice with Proposed Impact on Bills	Petition
4. Actual and Forecasted Refund Amounts	TK-3, LJW-9
5. Cost of Gas Sendout by Component	TK-2, TK-5, TK-7, LJW-2, LJW-4, LJW-6, LJW-7, LJW-10, LJW-11
6. BGSS Contribution and Credit Offsets	TK-3, TK-4, LJW-9, LJW-12
7. Over/Under Recovery Comparisons	TK-1, TK-6, LJW-3
8. Wholesale Gas Pricing Assumptions	LJW-7, LJW-13
9. GCUA Recoveries and Balances	not applicable
10. Historical Service Interruptions	TK-9
11. Gas Price Hedging Activities	TK-11, LJW-14
12. Storage Gas Volumes, Prices and Utilization	TK-7, LJW-10
13. Affiliate Gas Supply Transactions	TK-8
14. Projected Supply and Demand Data with Design Peak Day	LJW-16
15. Actual Peak Day Supply and Demand	TK-10
16. Capacity Contract Changes	Testimony - L J Willey pgs. 16, 19
17. FERC Pipeline Activities	LJW-15
18. Changes to Firm Transportation and Storage Contracts	LJW-17

S-ECHART-1
BGSS NYMEX Update Report
as of February 04, 2022

<u>Month</u>	<u>a</u> <u>BGSS</u> <u>(see note below)</u>	<u>b</u> <u>NYMEX</u> <u>(2/4/2022 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	\$ 4.572	\$ (0.523)		3,743,704	2,384,998	1,358,706	(\$710,603)
Apr-22	\$ 4.027	\$ 4.492	\$ 0.465		1,927,913	879,600	1,048,313	\$487,466
May-22	\$ 3.926	\$ 4.511	\$ 0.585		823,337	392,200	431,137	\$252,215
Jun-22	\$ 3.963	\$ 4.554	\$ 0.591		716,554	363,500	353,054	\$208,655
Jul-22	\$ 4.004	\$ 4.606	\$ 0.602		645,883	318,800	327,083	\$196,904
Aug-22	\$ 4.008	\$ 4.617	\$ 0.609		608,897	316,800	292,097	\$177,887
Sep-22	\$ 3.990	\$ 4.598	\$ 0.608		702,992	362,800	340,192	\$206,837
Avg Total \$	\$ 4.679	\$ 4.977	\$ 0.298	6.4%	28,672,573	18,063,460	10,609,113	\$1,079,363
Oct-22	\$ 4.021	\$ 4.620	\$ 0.599		1,262,327	527,000	735,327	\$440,461
Nov-22	\$ 4.109	\$ 4.705	\$ 0.596		3,348,699	1,938,153	1,410,546	\$840,685
Dec-22	\$ 4.278	\$ 4.873	\$ 0.595		4,600,650	3,112,480	1,488,170	\$885,461
Jan-23	\$ 4.368	\$ 4.980	\$ 0.612		5,806,025	4,030,476	1,775,549	\$1,086,636
Feb-23	\$ 4.276	\$ 4.831	\$ 0.555		4,680,647	3,223,853	1,456,794	\$808,520
Mar-23	\$ 4.001	\$ 4.375	\$ 0.374		3,781,145	2,274,998	1,506,147	\$563,299
Apr-23	\$ 3.335	\$ 3.395	\$ 0.060		1,947,192	1,200,000	747,192	\$44,832
May-23	\$ 3.245	\$ 3.321	\$ 0.076		831,569	401,100	430,469	\$32,716
Jun-23	\$ 3.291	\$ 3.358	\$ 0.067		723,719	359,700	364,019	\$24,389
Jul-23	\$ 3.343	\$ 3.404	\$ 0.061		652,343	324,300	328,043	\$20,011
Aug-23	\$ 3.360	\$ 3.419	\$ 0.059		614,985	301,900	313,085	\$18,472
Sep-23	\$ 3.351	\$ 3.408	\$ 0.057		710,023	280,300	429,723	\$24,494
Avg Total \$	\$ 3.748	\$ 4.057	\$ 0.309	8.3%	28,959,324	17,974,260	10,985,064	\$4,789,976

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	ACTUAL	ACTUAL	ACTUAL	Estimate	Estimate	Estimate	Estimate	Estimate	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									
<u>Breakdown of Gross Cost of Gas Per Therm:</u>													
13 Flowing Gas Cost	-\$0.5982	\$0.3268	\$0.1693	\$0.3124	\$0.2345	\$0.2514	\$0.0869	-\$0.0953	-\$0.1307	-\$0.1792	-\$0.2316	-\$0.1119	\$0.1620
14 Gas Withdrawn From Storage Cost	\$0.0487	\$0.2439	\$0.1271	\$0.1508	\$0.1369	\$0.0986	\$0.0014	\$0.0035	\$0.0048	\$0.0061	\$0.0068	\$0.0058	\$0.1070
15 Hedged Volumes Delivered Cost	\$0.5312	\$0.2378	\$0.1039	\$0.1079	\$0.0768	\$0.0922	\$0.1918	\$0.2644	\$0.3237	\$0.3536	\$0.3455	\$0.2769	\$0.1526
16 Pipeline Demand Cost	\$0.6947	\$0.3261	\$0.1399	\$0.1022	\$0.0993	\$0.1268	\$0.2302	\$0.5184	\$0.6809	\$0.7772	\$0.8272	\$0.6952	\$0.2315
17 Storage Demand Cost	\$0.1601	\$0.0671	\$0.0289	\$0.0214	\$0.0204	\$0.0266	\$0.0502	\$0.1133	\$0.1486	\$0.1703	\$0.1808	\$0.1518	\$0.0497
18 Peaking Cost	\$0.0000	\$0.0000	\$0.0037	\$0.0074	\$0.0069	\$0.0063	\$0.0050	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0047
19 Weighted Average Fuel Cost	\$0.0245	\$0.0169	\$0.0088	\$0.0127	\$0.0061	\$0.0057	\$0.0136	\$0.0205	\$0.0245	\$0.0284	\$0.0311	\$0.0261	\$0.0122
20 Variable Pipeline Cost	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0176	\$0.0146	\$0.0225	\$0.0465	\$0.0596	\$0.0688	\$0.1017	\$0.0800	\$0.0171
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	\$0.5984	\$0.6221	\$0.6017	\$0.8713	\$1.1113	\$1.2252	\$1.2615	\$1.1240	\$0.7367

	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
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	Estimate	Estimate	Estimate	Estimate	Estimate	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	\$0.1317	\$0.0000	\$0.0000	\$0.1726	\$0.0000	\$0.0000	\$0.3150	\$0.0388
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	\$0.0015	\$0.0020	\$0.0037	\$0.0085	\$0.0109	\$0.0127	\$0.0135	\$0.0111	\$0.0035
4	On System Credits to BGSS-P Customers	\$0.2569	\$0.2242	\$0.1986	\$0.1689	\$0.1764	\$0.1650	\$0.1631	\$0.2023	\$0.2465	\$0.2817	\$0.2895	\$0.2466	\$0.1904
5	Supplier Refunds	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0340	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0053
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	-\$0.0294	-\$0.1607	-\$0.0152	\$0.2105	\$0.2313	\$0.4808	\$0.5086	\$0.1012	\$0.0659
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	\$0.1484	\$0.1721	\$0.1517	\$0.4213	\$0.6613	\$0.7752	\$0.8115	\$0.6740	\$0.3039
12	Total Net Cost Per Therm(Pg 1 Line 22 - Pg 2 Line 11)	\$0.3531	\$0.3540	\$0.3916	\$0.4488	\$0.4500	\$0.4500	\$0.4500	\$0.4500	\$0.4500	\$0.4500	\$0.4500	\$0.4500	\$0.4328

	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.



State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION

SETTLEMENT

OAL DKT. NO. PUC 09816-2021

AGENCY DKT. NO. GR 21060876

**I/M/O THE PETITION OF ELIZABETHTOWN GAS
COMPANY TO (1) REVISE ITS PERIODIC BASIC
GAS SUPPLY SERVICE RATES**

Deborah Franco, Esq., Vice President Rates, Regulatory & Sustainability, for petitioner

Terel Klein, Esq. Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Matthew J. Platkin**, Acting Attorney General of New Jersey, attorney)

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.**, for the Division of Ratepayer Advocate)

Record Closed: March 9, 2022

Decided: March 16, 2022

BEFORE **IRENE JONES**, ALJ:

On June 1, 2021 petitioner, Elizabethtown Gas Company (“Company” or “Petitioner”) filed a verified petition with the New Jersey Board of Public Utilities (BPU) seeking to revise its Periodic Basic Gas Supply Service (“BGSS-P”) for the period October 1, 2021, through September 30, 2022. On August 10, 2021, the company amended the petition with no change to the requested rate. In the petition, the Company proposed to increase its current BGSS-P rate of \$0.3783 per therm to therm to \$0.4367 per therm. Telephonic public hearings on the proposed rate changes were held on August 25, 2021, at 4:30 and 5:30 p.m.

While the matter was pending, the company received a refund from one of its suppliers that resulted in a reduction in the proposed BGSSS-P rate from \$0.4367 per therm to \$0.44254 per therm. On November 17, 2021, the Board approved an interim stipulation between the parties that allowed the petitioner to implement its proposed rates on a provisional basis, subject to refund. By Order dated November 17, 2021, the Board granted the four (4) New Jersey Gas Distribution Utilities’ (“GDCs”) request for a waiver of a timing requirement and authorized the GDCs to provide notice of self-implementing 5% rate increases, effective December 1, 2021, as permitted under the Board’s January 2003 BGSS Order

Pursuant to the terms of the January 2003 BGSS Order, on November 18, 2021, Elizabethtown submitted a notice of intent to self-implement a BGSS-P rate adjustment based upon a 5% increase of the monthly bill of a typical residential customer using 100 therms, effective December 1, 2021 (“Notice”). The 5% self-implementing increase, effective December 1, 2021, resulted in a BGSS-P rate of \$0.4798 per therm. As a result, a typical residential customer using 100 therms on a monthly basis would see an increase of \$5.44, or 5.0%.

As a result of the provisional rates and the aforementioned adjustments the parties have agreed to an overall settlement and have filed a Stipulation of Settlement on March 9, 2022, with the undersigned. The final rates are set forth in detail in the attached Stipulation of Settlement which is incorporated herein.

I have reviewed the record and terms of the Stipulation of Settlement and **FIND:**

1. The parties have voluntarily agreed to the settlement as evidenced by the signatures of the parties or their representatives.
2. The settlement fully disposes of all issues in controversy and is consistent with law.

Therefore, it is **ORDERED** that the parties comply with the settlement terms and that these proceedings be and are hereby concluded.

I hereby **FILE** my initial decision with the **BOARD OF PUBLIC UTILITIES** for consideration.

This recommended decision may be adopted, modified or rejected by the **BOARD OF PUBLIC UTILITIES**, which by law is authorized to make a final decision in this matter. If the Board of Public Utilities does not adopt, modify or reject this decision within forty-five (45) days and unless such time limit is otherwise extended, this recommended decision shall become a final decision in accordance with *N.J.S.A.* 52:14B-10.

March 16, 2022

DATE

Receipt Acknowledged:



IRENE JONES, ALJ

March 16, 2022

DATE

BOARD OF PUBLIC UTILITIES

E-Mailed to Parties:

March 16, 2022

DATE

OFFICE OF ADMINISTRATIVE LAW

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