



Agenda Date: 11/17/23
Agenda Item: 2D

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)
PERIODIC BASIC GAS SUPPLY SERVICE RATE AND)
ITS CONSERVATION INCENTIVE PROGRAM RATES)
FOR THE YEAR ENDED SEPTEMBER 30, 2024) DECISION AND ORDER
APPROVING STIPULATION
FOR PROVISIONAL RATES
DOCKET NO. GR23060335

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Sheree L. Kelly, Esq., on behalf of Elizabethtown Gas Company

BY THE BOARD:

On June 1, 2023, Elizabethtown Gas Company (“ETG” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) seeking approval to increase its Basic Gas Supply Service (“BGSS”)-Periodic (“BGSS-P”) rate and modify its Conservation Incentive Program (“CIP”) rates for the period October 1, 2023 through September 30, 2024 (“2023 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 AND PROCEDURAL HISTORY

By Order dated January 6, 2003, 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 Competition Act, N.J.S.A. 48:3-49 et seq., BPU Docket No. GX01050304, Order dated January 6, 2003 (“January 2003 BGSS Order”).

2023 BGSS/CIP PETITION

Pursuant to the January 2003 BGSS Order, ETG filed the 2023 BGSS/CIP Petition requesting authority to increase its current BGSS-P rate of \$0.2692 per therm to \$0.5042 per therm effective October 1, 2023.² The Company projected that it would recover approximately \$59.5 million more of its recoverable gas costs at its proposed BGSS-P rate than it would at its current BGSS-P rate. Based upon actual data through April 2023 and projections for the period from May 2023 through September 2023, ETG projected that its BGSS clause would be over-recovered by \$6,197,005 as of September 30, 2023.

Although commodity costs leveled, the Company proposed to increase its BGSS-P rate for two (2) reasons. First, according to ETG, the forecast for the 2023-24 BGSS/CIP Year included costs for peaking services that were not utilized in the 2022-23 BGSS/CIP Year due to the warmer than normal weather. Second, ETG asserted that the forecasted margin sharing credits from the Company's asset management agreement with South Jersey Resources Group, LLC are in line with historical performance and lower than the unusually high credit experienced during the prior year.

On July 19, 2023, ETG filed amended 2023 BGSS-P schedules reflecting actual data from October 1, 2022 through June 30, 2023, and projected data through September 30, 2023. On October 18, 2023, ETG filed amended 2023 BGSS-P schedules reflecting actual data from October 1, 2022 through September 30, 2023. Neither update modified ETG's original request to increase the BGSS-P rate to \$0.5042 per therm.

Additionally, ETG implemented its CIP pursuant to a Board Order dated April 7, 2021.³ In the 2023 BGSS/CIP Petition, ETG requested authority to update its per therm CIP rates to be effective October 1, 2023. On July 21, 2023, ETG filed amended CIP schedules reflecting actual data from July 1, 2022 through June 30, 2023 ("CIP Period") which resulted in the following modified per therm CIP rates ("CIP Update rates"):

	Current	Proposed
Residential Delivery Service Non-Heating ("RDS-NH")	\$0.0141	\$0.0156
Residential Delivery Service Heating ("RDS-H")	\$0.0141	\$0.0858
Small General Service ("SGS")	(\$0.0351)	\$0.0199
General Delivery Service ("GDS")	(\$0.0020)	(\$0.0078)

Following publication of notices in newspapers in general circulation in the Company's service territory, public hearings were conducted virtually/telephonically on August 31, 2023 at 4:30 p.m. and 5:30 p.m.⁴ No members of the public appeared at the hearings. One (1) customer filed written comments with the Board.

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 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.

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

On October 30, 2023, ETG filed an emergent motion to waive the deadline for providing notice of a provisional increase in the BGSS-P rate of up to 5% of the total bill, including the proposed CIP rate, to be effective December 1, 2023.

On November 3, 2023, Rate Counsel filed a response to ETG's emergent motion. Rate Counsel stated that it does not object to the motion, but the waiver of the one month's notice requirement should be limited only to the December self-implemented increase.

STIPULATION

Following an initial review of the 2023 BGSS/CIP Petition, updates thereto, and discussions, the Parties determined that additional time is needed to complete a review of the 2023 BGSS/CIP Petition. Accordingly, the Parties executed the Stipulation, which provides, in part, as follows:⁵

18. 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: (1) the implementation of the following proposed per-therm CIP Update rates: \$0.0156 for Residential Delivery Service – Non-Heating; \$0.0858 for Residential Delivery Service – Heating; \$0.0199 for Small General Service; and a credit rate of \$0.0078 for General Delivery Service; all to be effective December 1, 2023 or on such other date as the Board deems appropriate, and (2) the implementation of a per therm BGSS-P rate of \$0.5042 to be effective March 1, 2024.
19. The Parties recognize that ETG has submitted an emergent motion to waive the deadline for providing notice of a provisional increase in the BGSS-P rate of up to 5% of the total bill, including the proposed CIP rate, to be effective December 1, 2023. In addition, nothing in the Stipulation shall affect ETG's right to implement a further provisional increase in the BGSS-P rate of up to 5% effective February 1, 2024. The Parties recommend the Board approve the motion, which would result in a BGSS-P rate of \$0.3255 per therm. The combined proposed provisional CIP rate and the provisional BGSS-P increases to be effective December 1, 2023 would increase the monthly bill of a residential heating customer using 100 therms by \$12.80 from \$105.46 to \$118.28, or 12.1%, based upon rates in effect on October 1, 2023.
20. These rate changes are subject to an opportunity for full review at the Office of Administrative Law ("OAL") and final approval by the Board, and the stipulated rates are to be implemented subject to refund with interest.
21. The proposed provisional BGSS-P rate would increase annual BGSS-related recoveries by \$59.5 million. The proposed BGSS-P rate of \$0.5042 per-therm, effective March 1, 2024, will increase the monthly bill of a residential heating customer using 100 therms by \$23.50 from \$105.46 to \$128.96, or 22.3%, based upon rates in effect on October 1, 2023.
22. The proposed provisional CIP Update rate changes translate to an increase in CIP-related recoveries of \$17.1 million annually. The proposed CIP Update rate for Residential

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.

Delivery Service - Heating results in an increase in the monthly bill of a residential heating customer using 100 therms of \$7.17, or 6.8%, based upon rates in effect October 1, 2023.

23. Combining the BGSS and CIP recoveries results in a provisional annual recovery increase of \$76.6 million. Based upon rates in effect October 1, 2023, 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 \$30.67, from \$105.46 to \$136.13, or 29.1%.
24. The phased implementation of increases in the BGSS-P represents a one-time response to unique circumstances that have arisen in this proceeding and shall not be considered precedent in any future BGSS proceeding. The proposed increases are projected to result in BGSS-P and CIP underrecovery balances of \$30.0 million and \$2.6 million, respectively, as of September 30, 2024. ETG will be permitted to accrue carrying costs on the BGSS-P underrecovery balance that accrues from and after the effective date of a Board order approving the Stipulation through September 30, 2024, and will continue to accrue such carrying costs until the BGSS-P underrecovery balance as of September 30, 2024 is fully recovered. Carrying costs will be accrued monthly and added to the BGSS underrecovery balance as of October 1, 2024 at an interest rate equal to the interest rate on two-year constant maturity United States Treasury securities as published in the Federal Reserve Statistical Release on the first day of each month (or the closest day thereafter on which rates are published) plus 60 basis points but will not exceed the Company's overall rate of return as authorized by the Board. No carrying costs will be accrued on CIP underrecovery balances.
25. In its next annual BGSS-P filing, ETG will make a proposal to recover its September 30, 2024 BGSS-P underrecovery balance (including the carrying costs provided under paragraph 24 of the Stipulation) over a period to be determined. It is the intent of the Parties that the BGSS-P underrecovery balance will be recovered within a reasonable period of time. However, all Parties reserve the right to take any position concerning the period over which ETG will recover the BGSS-P underrecovery balance. Any CIP underrecovery balance as of September 30, 2024 will be recovered over the period October 1, 2024 through September 30, 2025 in accordance with the normal operation of the CIP.
26. The Parties request that the Board waive its regulations and/or the Company's Tariff necessary to permit the Company's implementation of the Stipulation, including, but not limited to, waiver of N.J.A.C. 14:3-13.3.
27. 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 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 Parties the following Tuesday. S-ECHART-2 is to be submitted to the Parties on approximately the 15th of the following month.
28. The Company will submit tariff sheets in the form attached as Appendix C of the Stipulation, 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 2023 BGSS/CIP Petition, updates thereto, 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 the following per therm CIP rates, effective for services rendered on and after December 1, 2023: \$0.0156 for RDS-NH, \$0.0858 for RDS-H, \$0.0199 for SGS and (\$0.0078) for GDS. Additionally, the Board **HEREBY APPROVES** on a provisional basis, a per therm BGSS-P rate of \$0.5042 effective for services rendered on and after March 1, 2024. The provisional rate increases shall be subject to refund with interest.

The Board **HEREBY APPROVES** ETG's emergent motion to waive the deadline for providing notice of a provisional increase in the BGSS-P rate of up to 5% of the total bill, including the proposed CIP rate, to be effective December 1, 2023. The Board **HEREBY AFFIRMS** nothing in the Stipulation shall affect ETG's right to implement a further provisional increase in the BGSS-P rate of up to 5% effective February 1, 2024.

As of December 1, 2023, the total monthly bill for a residential heating customer using 100 therms will increase from \$105.46 to \$118.26. This increase will consist of the CIP increase of \$7.17 plus the December 1, 2023 BGSS-P self-implementing increase of 5% or \$5.63.

Effective March 1, 2024, the total monthly bill for a residential heating customer using 100 therms will increase to \$136.13.


The Board **HEREBY DIRECTS** ETG to file revised tariff sheets conforming to the terms of the Stipulation prior to December 1, 2023.

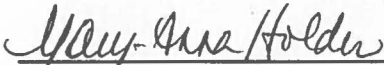
The Company's costs, including those related to the BGSS and CIP, will remain subject to audit by the Board. This Decision and Order shall not preclude, nor prohibit, the Board from taking any actions determined to be appropriate as a result of any such audit.

The effective date of this Board Order is November 24, 2023.

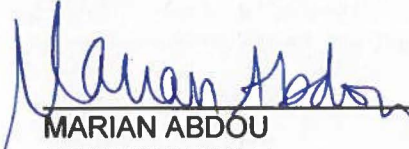
DATED: November 17, 2023

BOARD OF PUBLIC UTILITIES
BY:


CHRISTINE GUHL-SADOVY
PRESIDENT


MARY ANNA HOLDEN
COMMISSIONER


DR. ZENON CHRISTODOULOU
COMMISSIONER


MARIAN ABDOU
COMMISSIONER

ATTEST:


SHERRI 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 REVIEW ITS
PERIODIC BASIC GAS SUPPLY SERVICE RATE AND ITS CONSERVATION INCENTIVE
PROGRAM RATES FOR THE YEAR ENDED SEPTEMBER 30, 2024

DOCKET NO. GR23060335

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October 30, 2023

Electronic Filing

Sherri L. Golden, Secretary of the Board
New Jersey Board of Public Utilities
44 South Clinton Avenue
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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, 2024
BPU Docket No. GR23060335**

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 November 17, 2023 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, Esq.

DD:jlz
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
CONSERVATION INCENTIVE PROGRAM RATES FOR THE YEAR ENDED
SEPTEMBER 30, 2024
BPU DOCKET NO. GR23060335

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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, 2024
BPU DOCKET NO. GR23060335**

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

-----X
In the Matter of the Petition of : **BPU Docket No. GR23060335**
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, 2024 : **RATES**
-----X

APPEARANCES:

Dominick DiRocco, Esq., VP, Rates & Regulatory Affairs, 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, **Megan Lupo, Esq.**, Assistant Deputy Rate Counsel, **Mamie W. Purnell, 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**, 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, 2023, 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, 2023 through September 30, 2024 (“Petition”).

2. In the Petition, Elizabethtown proposed to increase its current per therm BGSS-P rate of \$0.2692 to \$0.5042.¹ As proposed, based upon rates in effect on June 1, 2023, the monthly bill of a residential heating customer using 100 therms of natural gas would increase by \$23.50

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

from \$103.77 to \$127.27, or 22.6%. The proposed BGSS-P rate changes would translate to an increase in annual BGSS-P recoveries of approximately \$59.5 million.

3. The Petition also sought Board approval to implement the following per-therm CIP rates effective October 1, 2023:

- A rate of \$0.0122 for Residential Delivery Service - Non-Heating;
- A rate of \$0.0920 for Residential Delivery Service - Heating;
- A rate of \$0.0211 for Small General Service; and
- A credit rate of \$0.0047 for General Delivery Service.

4. On July 21, 2023, the Company updated its per-therm CIP rates via a 12&0 Update (“CIP Update”) as follows:

- A rate of \$0.0156 for Residential Delivery Service – Non-Heating;
- A rate of \$0.0858 for Residential Delivery Service - Heating;
- A rate of \$0.0199 for Small General Service; and
- A credit rate of \$0.0078 for General Delivery Service.

5. As proposed, based upon rates in effect July 1, 2023, the requested CIP updated rates would result in a monthly increase of \$7.17, or 6.9%, 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 \$17.1 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 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.

8. 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.

9. 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.

10. 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.

11. Based on the CIP Update, Elizabethtown indicated that its non-weather-related excess margin was approximately \$3.7 million. This amount was determined by subtracting the

² 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, Board Order dated April 7, 2021, (“EEP-CIP Order”).

weather-related deficiency component of approximately \$22.8 million from the total CIP deficiency of approximately \$19.1 million.

12. 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 \$2.2 million per year; (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 \$1.6 million; 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, 2023 is \$3.8 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.

13. 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.

14. Based upon rates in effect July 1, 2023, the proposed BGSS-P and CIP Update rate changes would increase the monthly bill of a residential heating customer using 100 therms by

\$30.67 from \$103.77 to \$134.44, or 29.6%, consisting of a proposed BGSS-P increase of \$23.50 or 22.6% and a proposed CIP increase of \$7.17 or 6.9%.

15. 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 31, 2023 at 4:30 p.m. and 5:30 p.m. No members of the public virtually attended the hearings to express their views on the Petition. One (1) customer submitted written comments to the Board.

16. 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.³ Within the filing, the Company may seek to implement provisional increases in its BGSS rate of up to 5% to be effective December 1, 2023 and February 1, 2024, if the Company determines that such increases are necessary to permit it to avoid a BGSS under-recovered balance as of September 30, 2024. 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 the New Jersey Division of Rate Counsel ("Rate Counsel").

II. STIPULATED TERMS

17. 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 also agree that it would be reasonable for the Board to implement

³ In 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.

modified BGSS-P and CIP Update rates, on a provisional basis as set forth below, subject to refund with interest, and subject to an opportunity for full review at the Office of Administrative Law (“OAL”) and final approval by the Board. Accordingly, the Parties stipulate and agree as follows:

18. 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: (1) the implementation of the following proposed per-therm CIP Update rates: \$0.0156 for Residential Delivery Service – Non-Heating; \$0.0858 for Residential Delivery Service – Heating; \$0.0199 for Small General Service; and a credit rate of \$0.0078 for General Delivery Service; all to be effective December 1, 2023 or on such other date as the Board deems appropriate, and (2) the implementation of a per therm BGSS-P rate of \$0.5042 to be effective March 1, 2024.

19. The Parties recognize that Elizabethtown has submitted an emergent motion to waive the deadline for providing notice of a provisional increase in the BGSS-P rate of up to 5% of the total bill, including the proposed CIP rate, to be effective December 1, 2023. In addition, nothing in this Stipulation shall affect Elizabethtown’s right to implement a further provisional increase in the BGSS-P rate of up to 5% effective February 1, 2024. The Parties recommend the Board approve the motion, which would result in a BGSS-P rate of \$0.3255 per therm. The combined proposed provisional CIP rate and the provisional BGSS-P increases to be effective December 1, 2023 would increase the monthly bill of a residential heating customer using 100 therms by \$12.80 from \$105.46 to \$118.28, or 12.1%, based upon rates in effect on October 1, 2023.

20. These rate changes are subject to an opportunity for full review at the OAL and final approval by the Board, and the stipulated rates are to be implemented subject to refund with interest.

21. The proposed provisional BGSS-P rate would increase annual BGSS-related recoveries by \$59.5 million. The proposed BGSS-P rate of \$0.5042 per-therm, effective March 1, 2024, will increase the monthly bill of a residential heating customer using 100 therms by \$23.50 from \$105.46 to \$128.96, or 22.3%, based upon rates in effect on October 1, 2023.

22. The proposed provisional CIP Update rate changes translate to an increase in CIP-related recoveries of \$17.1 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 \$7.17, or 6.8%, based upon rates in effect October 1, 2023.

23. Combining the BGSS and CIP recoveries results in a provisional annual recovery increase of \$76.6 million. Based upon rates in effect October 1, 2023, 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 \$30.67, from \$105.46 to \$136.13, or 29.1%.

24. The phased implementation of increases in the BGSS-P represents a one-time response to unique circumstances that have arisen in this proceeding and shall not be considered precedent in any future BGSS proceeding. The proposed increases are projected to result in BGSS-P and CIP underrecovery balances of \$30.0 million and \$2.6 million, respectively, as of September 30, 2024. Elizabethtown will be permitted to accrue carrying costs on the BGSS-P underrecovery balance that accrues from and after the effective date of a Board order approving this Stipulation through September 30, 2024, and will continue to accrue such carrying costs until the BGSS-P underrecovery balance as of September 30, 2024 is fully recovered. Carrying costs will be accrued monthly and added to the BGSS underrecovery balance as of October 1, 2024 at an interest rate equal to the interest rate on two-year constant maturity United States Treasury securities as published in the Federal Reserve Statistical Release on the first day of each month (or the closest

day thereafter on which rates are published) plus 60 basis points but will not exceed the Company's overall rate of return as authorized by the Board. No carrying costs will be accrued on CIP underrecovery balances.

25. In its next annual BGSS-P filing, Elizabethtown will make a proposal to recover its September 30, 2024 BGSS-P underrecovery balance (including the carrying costs provided under paragraph 24 of this Stipulation) over a period to be determined. It is the intent of the Parties that the BGSS-P underrecovery balance will be recovered within a reasonable period of time. However, all Parties reserve the right to take any position concerning the period over which Elizabethtown will recover the BGSS-P underrecovery balance. Any CIP underrecovery balance as of September 30, 2024 will be recovered over the period October 1, 2024 through September 30, 2025 in accordance with the normal operation of the CIP.

26. The Parties request that the Board waive its regulations and/or the Company's Tariff necessary to permit the Company's implementation of this Stipulation, including, but not limited to, waiver of N.J.A.C. 14:3-13.3.

27. 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 (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.

28. 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

29. 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.

30. 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.

31. 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.

32. 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.

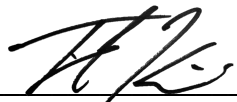
ELIZABETHTOWN GAS COMPANY

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**Sarah H. Steindel Esq.
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: 
**Terel Klefn
Deputy Attorney General**

Dated: 10/27/23

S-ECHART-1
BGSS NYMEX Update Report
as of July 07, 2023

<u>Month</u>	<u>a</u> <u>BGSS</u> <u>(see note below)</u>	<u>b</u> <u>NYMEX</u> <u>(7/7/2023 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-22	\$ 7.391	\$ 6.868	\$ (0.523)		856,115	331,400	524,715	(\$274,426)
Nov-22	\$ 7.457	\$ 5.186	\$ (2.271)		1,952,650	1,922,984	29,666	(\$67,371)
Dec-22	\$ 7.571	\$ 6.712	\$ (0.859)		3,918,672	3,103,765	814,907	(\$700,005)
Jan-23	\$ 7.663	\$ 4.709	\$ (2.954)		4,992,625	4,030,476	962,149	(\$2,842,188)
Feb-23	\$ 7.342	\$ 3.109	\$ (4.233)		5,131,224	3,271,167	1,860,057	(\$7,873,619)
Mar-23	\$ 6.302	\$ 2.451	\$ (3.851)		4,101,389	2,367,581	1,733,808	(\$6,676,895)
Apr-23	\$ 4.659	\$ 1.991	\$ (2.668)		3,110,706	1,520,000	1,590,706	(\$4,244,004)
May-23	\$ 4.496	\$ 2.117	\$ (2.379)		1,596,814	668,100	928,714	(\$2,209,411)
Jun-23	\$ 4.539	\$ 2.181	\$ (2.358)		854,187	411,800	442,387	(\$1,043,149)
Jul-23	\$ 4.581	\$ 2.603	\$ (1.978)		610,700	270,700	340,000	(\$672,520)
Aug-23	\$ 4.574	\$ 2.299	\$ (2.275)		553,257	213,100	340,157	(\$773,857)
Sep-23	\$ 4.550	\$ 2.316	\$ (2.234)		660,048	308,100	351,948	(\$786,252)
Avg Total \$	\$ 5.927	\$ 3.545	\$ (2.382)	-40.2%	28,338,387	18,419,173	9,919,214	(\$28,163,697)
Oct-23	\$ 4.585	\$ 2.448	\$ (2.137)		864,677	333,100	531,577	(\$1,135,980)
Nov-23	\$ 4.731	\$ 2.921	\$ (1.810)		1,972,180	1,652,984	319,196	(\$577,745)
Dec-23	\$ 4.996	\$ 3.404	\$ (1.592)		3,957,866	2,803,765	1,154,101	(\$1,837,329)
Jan-24	\$ 5.133	\$ 3.669	\$ (1.464)		5,042,557	3,500,476	1,542,081	(\$2,257,607)
Feb-24	\$ 4.953	\$ 3.598	\$ (1.355)		5,182,542	3,501,167	1,681,375	(\$2,278,262)
Mar-24	\$ 4.530	\$ 3.324	\$ (1.206)		4,142,405	2,567,581	1,574,824	(\$1,899,238)
Apr-24	\$ 3.849	\$ 3.035	\$ (0.814)		3,141,816	2,110,000	1,031,816	(\$839,898)
May-24	\$ 3.778	\$ 3.022	\$ (0.756)		1,612,782	1,390,000	222,782	(\$168,423)
Jun-24	\$ 3.840	\$ 3.135	\$ (0.705)		862,728	329,400	533,328	(\$375,996)
Jul-24	\$ 3.899	\$ 3.250	\$ (0.649)		616,807	346,300	270,507	(\$175,559)
Aug-24	\$ 3.922	\$ 3.301	\$ (0.621)		558,790	372,100	186,690	(\$115,934)
Sep-24	\$ 3.910	\$ 3.269	\$ (0.641)		666,649	376,600	290,049	(\$185,921)
Avg Total \$	\$ 4.344	\$ 3.198	\$ (1.146)	-26.4%	28,621,799	19,283,473	9,338,326	(\$11,847,893)

Footnotes:

a : Nymex rate used for annual BGSS periodic rate filing; **Oct-2022 to Sept-2024 based on 5-10-2022 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-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>		
1 NYMEX - 05/10/22 - Included in BGSS Filing	\$0.7391	\$0.7457	\$0.7571	\$0.7663	\$0.7342	\$0.6302	\$0.4659	\$0.4496	\$0.4539	\$0.4581	\$0.4574	\$0.4550		
2 NYMEX - Actual Settlement	\$0.6868	\$0.5186	\$0.6712	\$0.4709	\$0.3109	\$0.2451	\$0.1991	\$0.2117	\$0.2181					
<u>Breakdown of Gross Cost of Gas Per Therm:</u>														
13 Flowing Gas Cost	-\$0.3230	\$0.5091	\$0.6201	-\$0.0439	\$0.1352	\$0.0788	-\$0.0245	-\$0.0178	-\$0.1449	-\$0.2594	-\$0.2689	-\$0.2019		\$0.1071
14 Gas Withdrawn From Storage Cost	\$0.1417	\$0.4460	\$0.3167	\$0.2638	\$0.3077	\$0.2517	\$0.0273	\$0.0122	-\$0.0024	\$0.0048	\$0.0055	\$0.0048		\$0.2192
15 Hedged Volumes Delivered Cost	\$0.3755	\$0.2356	\$0.1200	\$0.1177	\$0.1066	\$0.1061	\$0.1812	\$0.2507	\$0.4096	\$0.5423	\$0.5649	\$0.4424		\$0.1800
16 Pipeline Demand Cost	\$0.5433	\$0.3367	\$0.1453	\$0.0946	\$0.1254	\$0.1221	\$0.1673	\$0.3691	\$0.5706	\$0.8703	\$0.9655	\$0.7865		\$0.2301
17 Storage Demand Cost	\$0.1326	\$0.0803	\$0.0347	\$0.0240	\$0.0265	\$0.0291	\$0.0379	\$0.0805	\$0.1153	\$0.2120	\$0.2345	\$0.1909		\$0.0537
18 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
19 Weighted Average Fuel Cost	\$0.0213	\$0.0225	\$0.0232	\$0.0027	\$0.0074	\$0.0059	\$0.0069	\$0.0117	\$0.0141	\$0.0198	\$0.0223	\$0.0180		\$0.0111
20 Variable Pipeline Cost	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0852	\$0.0943	\$0.0967		\$0.0061
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	\$0.8914	\$1.6660	\$1.2713	\$0.4728	\$0.7225	\$0.6073	\$0.3960	\$0.7064	\$0.9623	\$1.4749	\$1.6180	\$1.3375		\$0.8180

	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Weighted Average	
	<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>		
23 NYMEX - Actual Settlement	\$0.5841	\$0.6202	\$0.5447	\$0.4024	\$0.6265	\$0.4568	\$0.5336	\$0.7267	\$0.8908	\$0.6551	\$0.8687	\$0.9353		
<u>Breakdown of Gross Cost of Gas Per Therm:</u>														
24 Flowing Gas Cost	-\$0.5982	\$0.3268	\$0.1693	\$0.3124	\$0.2308	\$0.1451	\$0.1535	\$0.1359	-\$0.2109	-\$0.5059	-\$0.8550	-\$0.7849		\$0.1234
25 Gas Withdrawn From Storage Cost	\$0.0487	\$0.2439	\$0.1271	\$0.1508	\$0.0988	\$0.1029	\$0.0371	-\$0.0021	\$0.0046	\$0.0321	\$0.0219	\$0.0094		\$0.0984
26 Hedged Volumes Delivered Cost	\$0.5312	\$0.2378	\$0.1039	\$0.1079	\$0.0663	\$0.0798	\$0.1312	\$0.1384	\$0.2635	\$0.4020	\$0.4476	\$0.4776		\$0.1412
27 Pipeline Demand Cost	\$0.6947	\$0.3261	\$0.1399	\$0.1022	\$0.0847	\$0.1307	\$0.1834	\$0.2936	\$0.6456	\$0.8738	\$0.9218	\$0.9844		\$0.2220
28 Storage Demand Cost	\$0.1601	\$0.0671	\$0.0289	\$0.0214	\$0.0173	\$0.0254	\$0.0426	\$0.0735	\$0.1534	\$0.2099	\$0.2246	\$0.2415		\$0.0500
29 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
30 Weighted Average Fuel Cost	\$0.0245	\$0.0169	\$0.0088	\$0.0127	\$0.0091	\$0.0070	\$0.0147	\$0.0221	\$0.0390	\$0.0374	\$0.0457	\$0.0473		\$0.0146
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	\$0.8610	\$1.2186	\$0.5816	\$0.7148	\$0.5070	\$0.5104	\$0.5665	\$0.6614	\$0.8952	\$1.0494	\$0.8067	\$0.9752		\$0.6548

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 <u>Oct-22</u>	Actual <u>Nov-22</u>	Actual <u>Dec-22</u>	Actual <u>Jan-23</u>	Actual <u>Feb-23</u>	Actual <u>Mar-23</u>	Actual <u>Apr-23</u>	Actual <u>May-23</u>	Actual <u>Jun-23</u>	Estimate <u>Jul-23</u>	Estimate <u>Aug-23</u>	Estimate <u>Sep-23</u>	12 Month Weighted Average
<u>Credits, Refunds, & Recoveries Per Therm:</u>													
1 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	\$0.3430	\$0.0811
2 Off-system sales	\$0.0035	\$0.0003	\$0.0028	\$0.0006	\$0.0007	\$0.0000	\$0.0000	\$0.0004	\$0.0000	\$0.0023	\$0.0024	\$0.0024	\$0.0009
3 Capacity release	\$0.0069	\$0.0032	\$0.0019	\$0.0035	\$0.0114	\$0.0044	\$0.0061	\$0.0123	\$0.0195	\$0.0102	\$0.0113	\$0.0090	\$0.0065
4 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	\$0.3226	\$0.3560	\$0.2898	\$0.1746
5 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	\$0.0186
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	-\$0.1042	\$0.8166	\$0.3449	-\$0.3880	-\$0.1291	-\$0.4178	-\$0.1082	\$0.3356	\$0.4593	\$0.8873	\$0.9958	\$0.4408	\$0.0033
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	\$0.3328	\$0.9954	\$0.5982	-\$0.2012	\$0.0496	\$0.1200	\$0.1422	\$0.4516	\$0.7068	\$1.2224	\$1.3655	\$1.0850	\$0.2851
12 Total Net Cost Per Therm (Pg 1 Line 22 - Pg 2 Line 11)	\$0.5586	\$0.6706	\$0.6732	\$0.6740	\$0.6728	\$0.4873	\$0.2539	\$0.2548	\$0.2555	\$0.2525	\$0.2525	\$0.2525	\$0.5329

	Actual <u>Oct-21</u>	Actual <u>Nov-21</u>	Actual <u>Dec-21</u>	Actual <u>Jan-22</u>	Actual <u>Feb-22</u>	Actual <u>Mar-22</u>	Actual <u>Apr-22</u>	Actual <u>May-22</u>	Actual <u>Jun-22</u>	Actual <u>Jul-22</u>	Actual <u>Aug-22</u>	Actual <u>Sep-22</u>	Weighted Average
<u>Credits, Refunds, & Recoveries Per Therm:</u>													
13 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	\$0.2751	\$0.0542
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	\$0.0116	\$0.0050	\$0.0016	\$0.0012	\$0.0010	\$0.0013	\$0.0020	\$0.0034	\$0.0070	\$0.0096	\$0.0193	\$0.0134	\$0.0029
16 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	\$0.2960	\$0.3809	\$0.3932	\$0.1929
17 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
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	\$0.2394	\$0.6354	-\$0.0429	\$0.0958	-\$0.1037	-\$0.1441	-\$0.4094	\$0.0016	\$0.0177	\$0.3019	-\$0.0384	-\$0.1526	-\$0.0326
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	\$0.5078	\$0.8646	\$0.1900	\$0.2659	\$0.0575	\$0.0618	\$0.1187	\$0.2151	\$0.4563	\$0.6075	\$0.3618	\$0.5291	\$0.2215
24 Total Net Cost Per Therm (Pg 1 Line 33 - Pg 2 Line 23)	\$0.3531	\$0.3540	\$0.3916	\$0.4488	\$0.4495	\$0.4486	\$0.4478	\$0.4462	\$0.4389	\$0.4419	\$0.4449	\$0.4462	\$0.4333

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>
October 1, 2022	\$0.9804	\$0.7190
November 1, 2022	\$0.7979	\$0.7190
December 1, 2022	\$0.9635	\$0.7190
January 1, 2023	\$0.7462	\$0.7190
February 1, 2023	\$0.5726	\$0.7190
March 1, 2023	\$0.5011	\$0.2692
April 1, 2023	\$0.4512	\$0.2692
May 1, 2023	\$0.4649	\$0.2692
June 1, 2023	\$0.4719	\$0.2692
July 1, 2023	\$0.5177	\$0.2692
August 1, 2023	\$0.5056	\$0.2692
September 1, 2023	\$0.5125	\$0.2692
October 1, 2023	\$0.5352	\$0.2692
<u>November 1, 2023</u>	*	<u>\$0.2692</u>
<u>December 1, 2023</u>	*	<u>\$0.2692</u>
<u>January 1, 2024</u>	*	<u>\$0.2692</u>
<u>February 1, 2024</u>	*	<u>\$0.2692</u>
<u>March 1, 2024</u>	*	<u>\$0.5042</u>

** To be determined*

Date of Issue: September 28, 2023xxx1

Effective: Service Rendered
 on and after October 1, 2023xxx2

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
\$0.0144 <u>0.0156</u> per therm	\$0.0144 <u>0.0858</u> per therm	(\$0.0354) <u>\$0.0199</u> per therm	(\$0.0020) <u>0.0078</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: April 25, 2023xxx1

Effective: Service Rendered
on and after May 1, 2023xxx2

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

Filed Pursuant to Order of the Board of Public Utilities
Dated April 12, 2023xxx3 in Docket No. GR22060366xxx4