



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 1<sup>st</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

ENERGY

IN THE MATTER OF THE PETITION OF	)	DECISION AND ORDER
ELIZABETHTOWN GAS COMPANY TO REVIEW	)	APPROVING INITIAL DECISION
ITS PERIODIC BASIC GAS SUPPLY SERVICE	)	AND STIPULATION REGARDING
RATE AND CONSERVATION INCENTIVE	)	FINAL BGSS AND CIP RATES
PROGRAM RATES FOR THE YEAR ENDED	)	
SEPTEMBER 30, 2025	)	DOCKET NO. GR24060371
	)	OAL DOCKET NO. PUC 15749-24

**Parties of Record:**

**Dominick DiRocco, Esq.**, Vice President, Rates & Regulatory Affairs, SJL Utilities, Inc. for Elizabethtown Gas Company  
**Brian O. Lipman, Esq.**, Director, New Jersey Division of Rate Counsel

**BY THE BOARD:**

On May 31, 2024, 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 periodic Basic Gas Supply Service ("BGSS") ("BGSS-P") rate and Conservation Incentive Program ("CIP") rates for the period October 1, 2024, through September 30, 2025 ("2024 BGSS/CIP Petition"). By this Order, the Board considers an Initial Decision executed by Administrative Law Judge ("ALJ") Irene Jones and a stipulation of settlement for final rates ("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, 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.<sup>1</sup> 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.

## **2024 BGSS/CIP PETITION**

On May 31, 2024, ETG filed the 2024 BGSS/CIP Petition seeking authorization to: 1) increase the level of its BGSS-P rate; and 2) change its CIP rates for the period October 1, 2024 through September 30, 2025.

By the 2024 BGSS/CIP Petition, ETG proposed to increase its current BGSS-P rate of \$0.5042 per therm, to \$0.5340 per therm.<sup>2</sup> The Company also proposed to recover its September 30, 2024, BGSS-P under recovery balance of approximately \$24.4 million over a period of eighteen (18) months, from October 1, 2024, through March 31, 2026, and the related carrying costs as of September 30, 2024, of approximately \$0.7 million over a period of twelve (12) months, from October 1, 2024, through September 30, 2025.

In addition, the Company proposed that any carrying costs accrued monthly on the BGSS-P under-recovery balance during the BGSS Year be added to the BGSS-P under-recovery balance as of October 1, 2025, and addressed in the Company's next BGSS-P filing. As the Company proposed an eighteen (18) month amortization of the September 30, 2024, BGSS-P under-recovery balance, any carrying costs accrued monthly in the subsequent BGSS year on the remaining BGSS-P under-recovery balance at September 30, 2024, would be added to the BGSS-P (over) under recovery balance as of October 1, 2026.

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<sup>1</sup> 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., BPU Docket No. GX01050304, Order dated January 6, 2003 ("January 2003 BGSS Order").

<sup>2</sup> All rates quoted herein include applicable taxes unless otherwise stated.

In the Board's Order dated April 7, 2021, the Company received approval to implement a CIP designed to recover potential lost revenues due to the Company's energy efficiency programs.<sup>3</sup> By the 2024 BGSS/CIP Petition, ETG also sought Board approval to implement the following per-therm CIP rates effective October 1, 2024:

- A rate of \$0.1366 for Residential Delivery Service - Non-Heating ("RDS-NH");
- A rate of \$0.0721 for Residential Delivery Service – Heating ("RDS-H");
- A credit rate of \$0.0031 for Small General Service ("SGS"); and
- A credit rate of \$0.0247 for General Delivery Service ("GDS").

On July 16, 2024, the Company updated its per-therm CIP rates via a 12&0 Update ("CIP Update") as follows:

- A rate of \$0.1605 for RDS-NH;
- A rate of \$0.0977 for RDS-H;
- A rate of \$0.0170 for SGS; and
- A credit rate of \$0.0191 for GDS.

Following publication of notices in newspapers in general circulation in the Company's service territory, virtual public hearings were conducted on August 27, 2024 at 4:30 p.m. and 5:30 p.m. No members of the public attended or filed comments related to the Company's 2024 BGSS/CIP Petition.

By Order dated September 24, 2024, the Board authorized ETG to implement a BGSS-P rate of \$0.5340 per therm on a provisional basis.<sup>4</sup> Additionally, the September 2024 Provisional Order authorized ETG to implement the following CIP rates: \$0.1605 for RDS-NS; \$0.0977 for RDS-H; \$0.0170 for SGS; and a credit rate of \$0.0191 for GDS. As a result of the September 2024 Provisional Order, a typical residential heating customer using 100 therms was anticipated to experience an increase of \$4.17 to their monthly bills.

The Board transferred this matter to the Office of Administrative Law as a contested case on October 29, 2024, where it was assigned to ALJ Irene Jones. A pre-hearing conference was held telephonically on January 3, 2025.

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<sup>3</sup> 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 ("EEP CIP Order").

<sup>4</sup> In re the Petition of Elizabethtown Gas Company to Review its Periodic Basic Gas Supply Service Rate and Conservation Incentive Program Rates for the Year Ended September 30, 2025, BPU Docket No. GR24060371; OAL Docket No. PUC 15749-24, Order dated September 24, 2024 ("September 2024 Order").

## **STIPULATION**

Following a complete review of the 2024 BGSS/CIP Petition, the updates thereto, and discussions, the Parties executed the Stipulation, which provides the following:<sup>5</sup>

22. The Company's provisional BGSS-P rate of \$0.5340 per therm and provisional per therm CIP Update rates of \$0.1605 for Residential Delivery Service-NH; \$0.0977 for Residential Delivery Service-H; \$0.0170 for SGS; and a credit rate of \$0.0191 for GDS Service, all effective October 1, 2024, are prudent and reasonable and should be made final as of the effective date of a Board Order approving the Stipulation in accordance with N.J.S.A. 48:2-40, or upon such date thereafter as the Board may specify.
23. The self-implemented BGSS-P rate of \$0.3255 per therm made effective December 1, 2023 and the self-implemented BGSS-P rate of \$0.3856 per therm made effective February 1, 2024 are prudent and reasonable and should be made final as of the date of the Board's order approving the Stipulation.
24. It is both reasonable and in the public interest for the Board to approve, on a final basis, the Company's request to: 1) recover its September 30, 2024 BGSS-P under-recovery balance on a straight line basis over a period of eighteen (18) months, from October 1, 2024 through March 31, 2026; and 2) recover the carrying costs accrued pursuant to the November 2023 Order as of September 30, 2024 over twelve (12) months, from October 1, 2024 through September 30, 2025, and to continue to accrue such carrying costs until the September 30, 2024 BGSS-P under-recovery balance is fully recovered, as approved in the November 2023 Order. No carrying costs will be accrued on CIP under-recovery balances.
25. As of the effective date, the Company will maintain the provisional BGSS-P rate of \$0.5340 per therm and the provisional per therm CIP rates of \$0.1605 for RDS-NH; \$0.0977 for RDS-H; \$0.0170 for SGS; and a credit rate of \$0.0191 for GDS. These rates shall remain in effect until changed by Order of the Board.
26. The Company's future annual BGSS gas cost filings shall continue to comply with the Annual BGSS Minimum Filing Requirements adopted by the Board as listed in the index contained in Appendix A of the Stipulation.
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 B); and 2) a monthly report showing the calculation of net cost of gas per therm (known as S-ECHART-2, an example of which is attached to the Stipulation as Appendix C). 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.

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<sup>5</sup> 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.

28. Upon Board approval of the BGSS-P and CIP rates reflected in the Stipulation, the Company will file with the Board tariff sheets to reflect the final BGSS-P and CIP rates agreed to in the Stipulation.
29. Pursuant to the EEP-CIP Order, the Company must provide a funding amount of \$384,000 per year, ("Shareholder Contribution") as long as the CIP remains in place to fund CIP programs that: 1) aid customers in reducing their natural gas costs, and 2) reduce the Company's peak demand ("Two Objectives"). The credit per customer is \$1.21 based on a customer count of 317,959 as of December 31, 2024. The Company agrees to annually review the CIPs it funds, compare them to other available programs, and make changes to the programs it chooses to fund if it determines other programs are more effective in achieving the Two Objectives. The Company agrees to include testimony in all future CIP petitions that identifies any changes the Company made to the list of programs it funds and supports how the CIP programs it funds help to achieve the Two Objectives. The testimony will also address why the Company believes that the programs it funds are more effective in achieving the Two Objectives than other available programs that the Company considered. In addition, the Company agrees to review and update its ETG Conserve website at least every two (2) months, to help ensure that the content and links to other websites are current, and annually to help ensure that the content is effective in helping to meet the Two Objectives. The Company will further include testimony in all future CIP petitions that addresses the content of the website and changes made to the website to make it more effective in helping to achieve the Two Objectives.

On February 28, 2025, 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.

By Order dated March 19, 2025, the Board approved a forty-five (45)-day extension of the time to issue a final decision.<sup>6</sup>

### **DISCUSSION AND FINDINGS**

The Board carefully reviewed the record in this proceeding, including the 2024 BGSS/CIP Petition, updates thereto, the September 2024 Order and the Initial Decision and Stipulation. The Board **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. The Board **FURTHER FINDS** 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.

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<sup>6</sup> In re the Petition of Elizabethtown Gas Company to Review its Periodic Basic Gas Supply Service Rate and Conservation Incentive Program Rates for the Year Ended September 30, 2025, BPU Docket No. GR24060371; OAL Docket No. PUC 15749-24, Order dated March 19, 2025.

Agenda Date: 4/23/25  
Agenda Item: 2E

Based upon the Stipulation, the Board **HEREBY APPROVES**, on a final basis, a BGSS-P rate of \$0.5340 per therm. Additionally, the Board **HEREBY APPROVES**, on a final basis, the following per-therm CIP rates: \$0.1605 for RDS-NH; \$0.0977 for RDS-H; \$0.0170 for SGS; and a credit rate of \$0.0191 for GDS. Any net over-recovery on the BGSS-P and CIP is subject to refund with interest.

Based upon the Stipulation, customers will see no further impact on their bills as a result of the 2024 BGSS/CIP Petition.


The Board **HEREBY ORDERS** ETG to file the appropriate revised tariff sheets conforming to the terms of this Order by May 15, 2025.

The Company's costs 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.

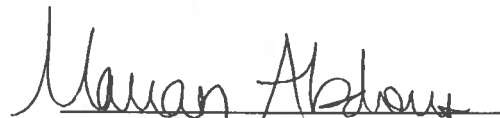
The effective date of this Order is April 30, 2025.

DATED: April 23, 2025

BOARD OF PUBLIC UTILITIES  
BY:

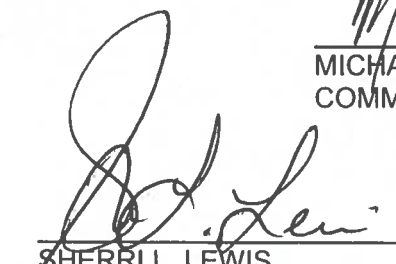
  
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PRESIDENT

  
DR. ZENON CHRISTODOULOU  
COMMISSIONER

  
MARIAN ABDOU  
COMMISSIONER

  
MICHAEL BANGE  
COMMISSIONER

ATTEST:

  
SHERRI L. LEWIS  
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 CONSERVATION INCENTIVE PROGRAM RATES FOR THE YEAR ENDED  
SEPTEMBER 30, 2025

DOCKET NO. GR24060371  
OAL DOCKET NO. PUC 15749-24

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**State of New Jersey**  
OFFICE OF ADMINISTRATIVE LAW

**INITIAL DECISION**

**APPROVING SETTLEMENT**

OAL DKT. NO. PUC 15749-24

AGENCY DKT. NO. GR24060371

**I/M/O THE PETITION OF ELIZABETHTOWN  
GAS COMPANY TO REVIEW ITS PERIODIC  
BASIC GAS SUPPLY SERVICE RATE AND  
CONSERVATION INCENTIVE PROGRAM RATES  
FOR THE YEAR ENDED SEPTEMBER 30, 2025.**

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**Dominick DiRocco**, Esq., Vice President, Rates & Regulatory Affairs, SJI Utilities, Inc., and **Sheree L. Kelly**, Esq., Regulatory Affairs Counsel for petitioner, Elizabethtown Gas Company

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

**Maura Caroselli**, Esq., Managing Attorney Gas and Clean Energy

**Mamie Purnell** and **Megan Lupo**, Esq., Assistant Deputies Rate Counsel, for the Division of Rate Counsel (Brian O. Lipman, Esq., Director)

Record Closed: February 21, 2025

Decided: February 28, 2025

BEFORE **IRENE JONES**, ALJ (Ret., on recall):

On May 31, 2024, petitioner, Elizabethtown Gas Company (“Company” or “Petitioner”) filed a verified petition with the New Jersey Board of Public Utilities (BPU) seeking authorization to (1) increase its Periodic Basic Gas Supply Service (“BGSS-P”) and (2) modify its Conservation Incentive Program (“CIP”) rates for the period October 1, 2024 through September 30, 2025. In the petition, the Company proposed to increase its current BGSS-P rate of \$0.5042 per therm to \$0.5340 per therm. As proposed, the monthly bill of a residential heating customer using 100 therms of gas per month would increase by \$2.98 from \$138.93 to \$141.91, or 2.1%. If approved, the proposed rate changes would increase the Company’s annual BGSS-P recoveries by approximately \$7.8 million.

Petitioner also seeks to recover its September 30, 2024 BGSS-P under-recovery balance of approximately \$24.4 million over a period of eighteen (18) months, from October 1, 2024, through March 31, 2026, and the related carrying costs as of September 30, 2024 of approximately \$0.7 million over a period of twelve (12) months, from October 1, 2024, through September 30, 2025. Additionally, petitioner requests that any carrying costs accrued monthly on the BGSS-P under-recovery balance during the BGSS year be added to the BGSS-P under-recovery balance as of October 1, 2025 and addressed in the Company’s next BGSS-P filing. Since petitioner is proposing an eighteen (18) month amortization of the September 30, 2024 BGSS-P under-recovery balance, any carrying costs accrued monthly in the subsequent BGSS year on the remaining BGSS-P under-recovery balance on September 30, 2024, will be added to the BGSS-P (over) under-recovery balance as of October 1, 2026.

Petitioner requests approval of the recovery of costs associated with its participation in the Regional Energy Access Expansion Project, or “REA,” a pipeline which was to be constructed by Transcontinental Gas Pipeline Company in New Jersey and other northeastern states.

The Company also proposed increasing its monthly CIP rates by \$1.19 or 0.9%, for a residential heating customer using 100 therms of natural gas per month. The proposed

changes, if approved, would increase annual CIP recoveries by \$2.4 million. The attached Stipulation of Settlement which is incorporated herein provides a detailed explanation of the methodology utilized by the Company to implement the CIP rates.

A notice of the proposed increase in rates was published in newspapers of general circulation in the petitioner's service territory. Virtual public hearings on the proposed rate changes were held on August 27, 2024, at 4:30 p.m. and 5:30 p.m.

While the matter was pending, the parties entered into a provisional stipulation that implemented the proposed rates, subject to refund, effective October 1, 2024. The Board approved the provisional stipulation by Order in September 2024. On October 29, 2024, the Board transmitted this matter to the Office of Administrative Law and the matter was assigned to the undersigned. A prehearing conference was held on January 3, 2025 and a procedural schedule was established.

As a result of the provisional rates and the aforementioned adjustments, the parties have agreed to an overall settlement and filed the attached comprehensive Stipulation of Settlement on February 21, 2025, 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.

\_\_\_\_\_  
February 28, 2025  
DATE

\_\_\_\_\_  
  
**IRENE JONES, ALJ** (Ret., on recall)

Date Received at Agency: \_\_\_\_\_

Date Mailed to Parties: \_\_\_\_\_

jb



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

February 21, 2025

**Via Electronic Mail**

The Honorable Irene Jones, ALJ  
Office of Administrative Law  
33 Washington Street  
Newark, NJ 07102-3011

**Re: In the Matter of the Petition of Elizabethtown Gas Company to Review Its Periodic Basic Gas Supply Service Rate and Conservation Incentive Program Rates For The Year Ended September 30, 2025  
BPU Docket No. GR24060371  
OAL Docket No. PUC 15749-2024N**

Dear Judge Jones:

Enclosed please find a fully executed Stipulation of Settlement for Your Honor's consideration, with reference to the above captioned matter. If same meets with Your Honor's approval, we respectfully request that an Initial Decision be issued and that this matter be returned to the Board of Public Utilities for disposition.

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

Respectfully submitted,

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

Dominick DiRocco

DD:slp  
Enclosures

cc: Service List

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

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

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

-----X		
<b>In the Matter of the Petition of</b>	<b>:</b>	<b>BPU Docket No. GR24060371</b>
<b>Elizabethtown Gas Company to Review its</b>	<b>:</b>	<b>OAL Docket No. PUC 15749-2024N</b>
<b>Periodic Basic Gas Supply Service Rate and</b>	<b>:</b>	<b>STIPULATION REGARDING</b>
<b>Conservation Incentive Program Rates for the</b>	<b>:</b>	<b>FINAL BGSS AND CIP</b>
<b>Year Ended September 30, 2025</b>	<b>:</b>	<b>RATES</b>
-----X		

**APPEARANCES:**

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

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

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

**TO THE HONORABLE IRENE JONES:**

**I. PROCEDURAL HISTORY**

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

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

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<sup>1</sup> All rates quoted herein include all applicable taxes unless otherwise noted.



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

3. By the Petition, Elizabethtown proposed to recover its September 30, 2024 BGSS-P under-recovery balance of approximately \$24.4 million over a period of eighteen (18) months, from October 1, 2024, through March 31, 2026, and the related carrying costs as of September 30, 2024, of approximately \$0.7 million over a period of twelve (12) months, from October 1, 2024, through September 30, 2025.<sup>2</sup> In addition, the Company proposed that any carrying costs accrued monthly on the BGSS-P under-recovery balance during the BGSS Year be added to the BGSS-P under-recovery balance as of October 1, 2025 and addressed in the Company's next BGSS-P filing. Likewise, given the Company is proposing an eighteen (18) month amortization of the September 30, 2024 BGSS-P under-recovery balance, any carrying costs accrued monthly in the subsequent BGSS year on the remaining BGSS-P under-recovery balance on September 30, 2024 will be added to the BGSS-P (over) under recovery balance as of October 1, 2026.

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

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<sup>2</sup> In re the Petition of Elizabethtown Gas Company to Review its Periodic Basic Gas Supply Service Rate and its Conservation Incentive Program Rates for the Year Ending September 30, 2024, Docket No. GR23060335, Order dated November 17, 2023 ("November 2023 Order").

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

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

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

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

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

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

9. In the Board’s Order dated April 7, 2021, the Company received approval to implement a CIP designed to recover lost revenues due to the Company’s Energy Efficiency Program (“EEP”).<sup>3</sup> 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.

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<sup>3</sup> In re 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, (“EEP-CIP Order”).

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

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

12. In computing the non-weather CIP value, the margin impact of weather must first be deducted from the total CIP charge or credit. As noted in paragraph (7) above, the non-weather-related CIP component shall be subject to a dual eligibility test comprised of the Modified BGSS Savings Test and the Variable Margin Test. In order to be eligible for recovery, non-weather-related CIP impacts must pass both recovery tests. Amounts that do not pass one or both tests are still recoverable in future years.

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

14. According to Elizabethtown, (1) its permanent BGSS savings associated with permanently released and/or terminated transportation capacity or storage assets that remain constant after the re-setting of the CIP benchmarks established in future base rate cases (Category

One of the Modified BGSS Savings Test) total approximately \$3.9 million per year<sup>4</sup>; (2) BGSS savings realized from gas cost savings from capacity reductions on a long-term basis, contract restructuring, and contract terminations not captured in Category One and reductions in commodity cost of gas supply through purchasing strategies (Category Two of the Modified BGSS Savings Test) total approximately \$2.2 million<sup>5</sup>; and (3) the Company did not have any BGSS savings realized from avoided capacity costs to meet prospective residential customer growth (Category Three of the Modified BGSS Savings Test). Using these values, the total BGSS savings for the 12-month period ending September 30, 2024, is \$6.2 million. Because the non-weather-related CIP amount is a credit to customers, the Modified BGSS Savings Test and the Variable Margin Revenue Test are not applicable.

15. Also pursuant to the EEP-CIP Order and based on the calculations provided by the Company, the CIP will not cause the Company to earn in excess of its allowed rate of return on common equity (“ROE”) of 9.6% plus fifty (50) basis points for any twelve (12)-month period ending June 30. Based upon the Company’s calculations, the ROE Test would not limit Elizabethtown’s recovery of the CIP deficiency.

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

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<sup>4</sup> When preparing this stipulation of settlement for final rates (“Stipulation”), the Company noted that the breakdown of Category One and Category Two savings was incorrect as filed at \$2.2 and \$4.0 million, respectively. The total of \$6.2 million and the result of the test are unchanged. An updated CIP Schedule TK-4 was provided in discovery in the response to RCR-A-2.

<sup>5</sup> Response to RCR-A-2, Schedule TK-4.

17. Following public notice published in newspapers of general circulation within Elizabethtown's service territory, two (2) virtual public hearings for this Petition were held on August 27, 2024, at 4:30 p.m. and 5:30 p.m. No members of the public attended the hearings or submitted written comments to the Board.

18. Elizabethtown, Board Staff, and the New Jersey Division of Rate Counsel ("Rate Counsel"), the only parties to this proceeding (collectively, "Parties"), agreed that additional time was needed to complete a comprehensive review of the Petition. On September 5, 2024, the Parties executed a stipulation of settlement for provisional rates ("Provisional Stipulation"), whereby the Parties agreed:

(a) The treatment of costs associated with the REA project remains an open issue and may be addressed in that review;

(b) The proposed per therm BGSS-P and CIP Update rates would be implemented on a provisional basis effective October 1, 2024, subject to refund with interest, and subject to an opportunity for full review at the Office of Administrative Law ("OAL"), if necessary, and final approval by the Board.

(c) The Company's request to: 1) recover its September 30, 2024 BGSS-P under-recovery balance on a straight line basis over a period of eighteen (18) months, from October 1, 2024 through March 31, 2026 and 2) recover carrying costs accrued pursuant to the November 2023 Order as of September 30, 2024 over twelve (12) months, from October 1, 2024 through September 30, 2025, and to continue to accrue such carrying costs until the September 30, 2024 BGSS-P under-recovery balance is fully recovered, as approved in the November 2023 Order, should be approved on a provisional basis. No carrying costs will be accrued on the CIP under-recovery balances.

(d) The self-implemented BGSS-P rates of \$0.3255 per therm made effective

December 1, 2023 and the self-implemented BGSS-P rate of \$0.3856 per therm made effective February 1, 2024 would be reviewed and trued up in this proceeding, as stipulated and agreed pursuant to the Board's May 2024 Order.<sup>6</sup>

19. By its September 2024 Order, the Board adopted the Provisional Stipulation in its entirety, and approved per therm rates on a provisional basis, subject to refund with interest on any net over-recovered balance.<sup>7</sup> The per therm rates approved by the September 2024 Order included a BGSS-P rate of \$0.5340 and CIP Update rates of \$0.1605 for Residential Delivery Service – Non-Heating, \$0.0977 for Residential Delivery Service – Heating, \$0.0170 for Small General Service, and a credit rate of \$0.0191 for General Delivery Service, effective for services rendered on and after October 1, 2024.

20. This matter was transmitted to the OAL as a contested case on October 29, 2024, and assigned to Administrative Law Judge Irene Jones. On January 3, 2025, a pre-hearing conference was held telephonically.

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

## **II. STIPULATED TERMS**

Based upon and subject to the terms and conditions set forth herein, the Parties stipulate

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<sup>6</sup> In re 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, Order dated May 22, 2024 ("May 2024 Order").

<sup>7</sup> In re the Petition of Elizabethtown Gas Company to Review its Basic Gas Supply Service Rate and its Conservation Incentive Program Rates, BPU Docket No. GR24060371, Order dated September 25, 2024 ("September 2024 Order").

and agree as follows:

22. The Company's provisional BGSS-P rate of \$0.5340 per therm and provisional per therm CIP Update rates of \$0.1605 for Residential Delivery Service – Non-Heating; \$0.0977 for Residential Delivery Service – Heating; \$0.0170 for Small General Service; and a credit rate of (\$0.0191) for General Delivery Service, all effective October 1, 2024, are prudent and reasonable and should be made 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").

23. The self-implemented BGSS-P rate of \$0.3255 per therm made effective December 1, 2023 and the self-implemented BGSS-P rate of \$0.3856 per therm made effective February 1, 2024 are prudent and reasonable and should be made final as of the date of the Board's order approving the Stipulation ("Effective Date").

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

25. As of the Effective Date, the Company will maintain the provisional BGSS-P rate of \$0.5340 per therm and the provisional per therm CIP rates of \$0.1605 for Residential Delivery Service – Non-Heating; \$0.0977 for Residential Delivery Service – Heating; \$0.0170 for Small General Service; and a credit rate of \$0.0191 for General Delivery Service. These rates shall

remain in effect until changed by Order of the Board.

26. The Company's future annual BGSS gas cost filings shall continue to comply with the Annual BGSS Minimum Filing Requirements adopted by the Board as listed in the index contained in Appendix A.

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 B); and 2) a monthly report showing the calculation of net cost of gas per therm (known as S-ECHART-2, an example of which is attached as Appendix C). 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. Upon Board approval of the BGSS-P and CIP rates reflected in this Stipulation, the Company will file with the Board tariff sheets to reflect the final BGSS-P and CIP rates agreed to in this Stipulation.

29. Pursuant to the EEP-CIP Order, the Company must provide a funding amount of \$384,000 per year, ("Shareholder Contribution") as long as the CIP remains in place to fund CIP programs that: 1) aid customers in reducing their natural gas costs, and 2) reduce the Company's peak demand ("Two Objectives"). The credit per customer is \$1.21 based on a customer count of 317,959 as of December 31, 2024. The Company agrees to annually review the CIPs it funds, compare them to other available programs, and make changes to the programs it chooses to fund if it determines other programs are more effective in achieving the Two Objectives. The Company agrees to include testimony in all future CIP petitions that identifies any changes the Company made to the list of programs it funds and supports how the CIP programs it funds help to achieve the Two Objectives. The testimony will also address why the Company believes that the programs



it funds are more effective in achieving the Two Objectives than other available programs that the Company considered. In addition, the Company agrees to review and update its ETG Conserve website at least every two (2) months, to help ensure that the content and links to other websites are current, and annually to help ensure that the content is effective in helping to meet the Two Objectives. The Company will further include testimony in all future CIP petitions that addresses the content of the website and changes made to the website to make it more effective in helping to achieve the Two Objectives.

### **III. MISCELLANEOUS**

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

31. 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.

32. 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.

33. 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.


34. 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

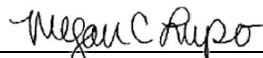
upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.

**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.

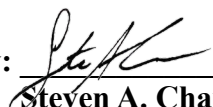
**ELIZABETHTOWN GAS COMPANY**

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DIVISION OF RATE COUNSEL**

  
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By: \_\_\_\_\_  
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ATTORNEY GENERAL OF THE STATE OF NEW JERSEY  
Attorney for the Staff of the New Jersey Board of Public Utilities**

  
By: \_\_\_\_\_  
**Steven A. Chaplar  
Deputy Attorney General**

**Dated: February 20, 2025**

**GR24060371 - ETG 2024 BGSS-P/CIP**

Elizabethtown Gas Company  
2024 / 2025 BGSS Filing

MINIMUM FILING REQUIREMENT (MFR) INDEX

<u>Minimum Filing Requirement</u>	<u>Schedule(s)</u>
<b>1. Motion, Supporting Testimony &amp; Tariff Modifications</b> In support of its filing, a GDC should provide supporting testimony which addresses any material events or major factors affecting either the prior period's deferred gas balance or its forecasted BGSS rate. In addition to the associated motion, redlined tariff sheets should be provided for all proposed tariff changes.	Petition, Testimony, Tariff Schedule TK-1
<b>2. Computation of Proposed BGSS Rates</b> A summary schedule should show all of the forecasted BGSS cost components and applicable credits which comprise the basis for the proposed BGSS rates that are to become effective October 1st. The cost components and applicable credits should be provided with all material amounts broken out separately. A plain English explanation in narrative form regarding this summary schedule should be provided.	LJW-1, LJW-3
<b>3. Public Notice with Proposed Impact on Bills</b> A copy of the Company's Public Notice should be provided with details concerning the impact of the proposed BGSS rates on typical gas bills at various winter therm utilization levels.	Petition
<b>4. Actual and Forecasted Refund Amounts</b> Schedules should be provided which show actual and estimated supplier refund amounts for the reconciliation period as well as the estimated supplier refunds for the projected period beginning October 1st. The schedule should identify the supplier refunds by month and should provide associated information on the applicable FERC docket involved. A plain English explanation in narrative form should be provided.	TK-3, LJW-9
<b>5. Cost of Gas Sendout by Component</b> Monthly data showing the derivation of all cost components shown on the BGSS Computation Schedule should be provided for the reconciliation and projected periods. The monthly data should also provide detail on applicable volumes by customer classification.	TK-2, TK-5, TK-7 LJW-2, LJW-4, LJW-6, LJW-7, LJW-10, LJW-11
<b>6. BGSS Contribution and Credit Offsets</b> Monthly data showing the derivation of all BGSS cost offsets, including interruptible margins, capacity transactions, pipeline refunds and other credits should be provided for the reconciliation and projected periods. Any applicable FERC Orders will be included. All calculations showing how such offsets were determined should be included. A plain English explanation in narrative form should be provided regarding the BGSS contribution and Credit Offsets. In addition, the Company shall document through testimony for any non-bid releases and/or affiliate contracts, the decision-making process that the Company went through in each case to arrive at its determination to release capacity on a non-biddable basis or enter into any affiliate contract. Such testimony shall include documentation showing the impact that the non-biddable capacity release or affiliate contract was projected to have on total BGSS costs at the time the Company committed to the transaction. In addition, for each non-biddable capacity release, the Company shall determine whether the transaction could have been structured as an off-system sale, and, if so demonstrate that prior to releasing the capacity, the Company compared the benefit to Periodic BGSS customers of making the capacity release compared to the benefit that could have been achieved by structuring the transaction as an off-system sale and the Company shall provide documentation supporting this comparison in its filing.	TK-3, TK-4, LJW-9, LJW-12
<b>7. Over/Under Recovery Comparisons</b> Schedules should be provided which show the derivation of the monthly over or under recoveries plus cumulative balances for the reconciliation and projected period. For the reconciliation period, a schedule should also show the calculation of the monthly actual or estimated accrued interest. These schedules should include prospective data shown for the projected period based on the prevailing BGSS rate and, alternatively, based on the requested BGSS rate.	TK-1, TK-6, LJW-3
<b>8. Wholesale Gas Pricing Assumptions</b> The GDC should provide schedules which detail the monthly gas prices for the reconciliation and projected periods. The schedules should show the prices utilized in developing the existing BGSS rate and those utilized for projecting the proposed BGSS rate. To the degree third party price indexes or forecasts are the basis for such gas prices, associated documentation should also be provided. A plain English explanation in narrative form regarding these schedules should be provided.	LJW-7, LJW-13

Elizabethtown Gas Company  
2024 / 2025 BGSS Filing

MINIMUM FILING REQUIREMENT (MFR) INDEX

<u>Minimum Filing Requirement</u>	<u>Schedule(s)</u>
<b>9. GCUA Recoveries and Balances</b> Schedules should be provided that show monthly data for the GCUA since its inception. The data should provide the unamortized balances, recoveries, and accrued interest by month with any associated workpapers.	not applicable
<b>10. Historical Service Interruptions</b> A schedule should be provided which details any service interruptions during the past 12 months. The schedule should show the dates of the interruptions, the service categories affected, the number of customers affected and whether each interruption was operational or economic in nature.	TK-9
<b>11. Gas Price Hedging Activities</b> The GDC should provide copies of its last four quarterly hedging reports as filed with the Board. It should also provide a schedule covering both the reconciliation and projected period which shows monthly gas purchases volume requirements and price hedged volumes broken down into discretionary and non-discretionary components which allow evaluation of compliance with the GDC's established hedging objectives. A plain English explanation in narrative form regarding these hedging activities should be provided. The Company shall include in all future its next annual BGSS filings testimony that reflects these goals/targets and how the Company managed to such goals/targets.	TK-11, LJW-14
<b>12. Storage Gas Volumes, Prices and Utilization</b> Schedules should be provided which show the GDC's monthly data for LNG, LPG, and pipeline storage volumes. The schedules should show volumes and dollars for balances, injections, and withdrawals with all data shown on a Dekatherm basis.	TK-7, LJW-10
<b>13. Affiliate Gas Supply Transactions</b> The GDC's filing should have disclosure of all gas supply and capacity transactions with any affiliates during the reconciliation or forecasted periods. The disclosure should provide the nature, terms, and conditions of any such transactions, the dates of the transactions, and evidence that the gas supply or capacity resources transactions were at market rates. It should also provide delivery points for all purchase and sale transactions and comparable daily or monthly price index information for purchase and sale transactions done at a fixed price.	TK-8
<b>14. Projected Supply and Demand Data with Design Peak Day</b> Schedules should be provided that show the GDC's firm requirements and gas supplies by component on an annual, heating season and non-heating season basis. The data should be provided for the reconciliation period and the two prior and two prospective annual periods.	LJW-16
<b>15. Actual Peak Day Supply and Demand</b> The GDC should provide data for the five highest demand days for each of the last three years, showing date, temperature or heating degree day, firm and interruptible volumes and the sources of supply used to meet the associated volume requirement.	TK-10
<b>16. Capacity Contract Changes</b> The GDC filing should provide details concerning any changes to its interstate pipeline contracts (entitlements, storage capacities, daily deliverability, transportation, or associated costs) which have been made or occurred during the past 24 months or are planned for the next 12 months. To the degree any significant changes have been made or are planned, a narrative should discuss operational and cost consequences as well as the rationale for the changes.	Testimony - L J Willey pgs. 13-15
<b>17. FERC Pipeline Activities</b> The GDC's filing should provide details on any pending FERC dockets which should affect the cost of services received from the GDC's supplying pipelines. The GDC should also provide details concerning its participation in such dockets and a listing of any filings or testimony made by the GDC or on its behalf.	LJW-15
<b>18. Changes to Firm Transportation and Storage Contracts</b>	LJW-17

**S-ECHART-1**  
**BGSS NYMEX Update Report**  
**as of December 06, 2024**

<u>Month</u>	<u>a</u> <b>BGSS</b> <u>(see note below)</u>	<u>b</u> <b>NYMEX</b> <u>(12/6/2024 Close)</u>	<u>c = b - a</u> <b>Incr/</b> <b>(Decr)</b>	<u>% Chg</u>	<u>d</u> <b>Sales</b> <b>forecast (dths)</b>	<u>e</u> <b>Hedged</b> <b>volume (dths)</b>	<u>f = d - e</u> <b>Unhedged</b> <b>volume (dths)</b>	<u>g = c x f</u> <b>Change in</b> <b>value unhedged</b>
Oct-24	\$ 2.652	\$ 2.585	\$ (0.067)		754,478	172,600	581,878	(\$38,986)
Nov-24	\$ 3.017	\$ 2.346	\$ (0.671)		2,069,456	1,526,933	542,523	(\$364,033)
Dec-24	\$ 3.522	\$ 3.431	\$ (0.091)		3,985,078	2,875,280	1,109,798	(\$100,992)
Jan-25	\$ 3.785	\$ 3.076	\$ (0.709)		5,598,653	4,058,209	1,540,444	(\$1,092,175)
Feb-25	\$ 3.612	\$ 2.931	\$ (0.681)		5,489,946	3,731,582	1,758,364	(\$1,197,446)
Mar-25	\$ 3.203	\$ 2.686	\$ (0.517)		4,657,021	2,620,806	2,036,215	(\$1,052,723)
Apr-25	\$ 2.983	\$ 2.702	\$ (0.281)		3,328,965	2,200,000	1,128,965	(\$317,239)
May-25	\$ 3.020	\$ 2.818	\$ (0.202)		1,846,560	1,420,000	426,560	(\$86,165)
Jun-25	\$ 3.200	\$ 3.006	\$ (0.194)		917,350	435,200	482,150	(\$93,537)
Jul-25	\$ 3.392	\$ 3.199	\$ (0.193)		684,720	320,700	364,020	(\$70,256)
Aug-25	\$ 3.440	\$ 3.255	\$ (0.185)		627,337	292,400	334,937	(\$61,963)
Sep-25	\$ 3.409	\$ 3.251	\$ (0.158)		763,442	359,300	404,142	(\$63,854)
<b>Avg Total \$</b>	<b>\$ 3.270</b>	<b>\$ 2.941</b>	<b>\$ (0.329)</b>	<b>-10.1%</b>	<b>30,723,006</b>	<b>20,013,010</b>	<b>10,709,996</b>	<b>(\$4,539,369)</b>
Oct-25	\$ 3.465	\$ 3.329	\$ (0.136)		762,023	240,100	521,923	(\$70,982)
Nov-25	\$ 3.781	\$ 3.638	\$ (0.143)		2,090,151	1,436,933	653,218	(\$93,410)
Dec-25	\$ 4.223	\$ 4.104	\$ (0.119)		4,024,928	2,845,280	1,179,648	(\$140,378)
Jan-26	\$ 4.482	\$ 4.378	\$ (0.104)		5,654,640	3,958,209	1,696,431	(\$176,429)
Feb-26	\$ 4.265	\$ 4.169	\$ (0.096)		5,544,847	3,481,582	2,063,265	(\$198,073)
Mar-26	\$ 3.727	\$ 3.706	\$ (0.021)		4,703,590	2,310,806	2,392,784	(\$50,248)
Apr-26	\$ 3.348	\$ 3.375	\$ 0.027		3,362,254	1,470,000	1,892,254	\$51,091
May-26	\$ 3.383	\$ 3.394	\$ 0.011		1,865,025	880,000	985,025	\$10,835
Jun-26	\$ 3.562	\$ 3.516	\$ (0.046)		926,522	375,800	550,722	(\$25,333)
Jul-26	\$ 3.748	\$ 3.652	\$ (0.096)		691,567	290,600	400,967	(\$38,493)
Aug-26	\$ 3.783	\$ 3.688	\$ (0.095)		633,611	240,200	393,411	(\$37,374)
Sep-26	\$ 3.753	\$ 3.661	\$ (0.092)		771,077	203,600	567,477	(\$52,208)
<b>Avg Total \$</b>	<b>\$ 3.793</b>	<b>\$ 3.718</b>	<b>\$ (0.076)</b>	<b>-2.0%</b>	<b>31,030,235</b>	<b>17,733,110</b>	<b>13,297,125</b>	<b>(\$821,002)</b>

**Footnotes:**

a : Nymex rate used for annual BGSS periodic rate filing; Oct-2024 to Sept-2025 based on the **5-8-2024 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	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	12 Month
	<u>Oct-24</u>	<u>Nov-24</u>	<u>Dec-24</u>	<u>Jan-25</u>	<u>Feb-25</u>	<u>Mar-25</u>	<u>Apr-25</u>	<u>May-25</u>	<u>Jun-25</u>	<u>Jul-25</u>	<u>Aug-25</u>	<u>Sep-25</u>	<u>Weighted</u>
													<u>Average</u>
1 NYMEX - 05/08/24 - Included in BGSS Filing	\$0.2652	\$0.3017	\$0.3522	\$0.3785	\$0.3612	\$0.3203	\$0.2983	\$0.3020	\$0.3200	\$0.3392	\$0.3440	\$0.3409	
2 NYMEX - Actual Settlement	\$0.2585	\$0.2346											
<b><u>Breakdown of Gross Cost of Gas Per Therm:</u></b>													
13 Flowing Gas Cost	\$0.0129	\$0.3511	\$0.1602	\$0.1591	\$0.1597	\$0.1831	\$0.0878	\$0.0201	-\$0.1007	-\$0.1772	-\$0.1761	-\$0.0806	\$0.1248
14 Gas Withdrawn From Storage Cost	\$0.0261	\$0.1042	\$0.0783	\$0.0817	\$0.0658	\$0.0361	\$0.0005	\$0.0010	\$0.0021	\$0.0032	\$0.0037	\$0.0030	\$0.0492
15 Hedged Volumes Delivered Cost	\$0.5619	\$0.1984	\$0.1202	\$0.1086	\$0.1246	\$0.1354	\$0.2380	\$0.2646	\$0.4046	\$0.5172	\$0.5158	\$0.3692	\$0.1887
16 Pipeline Demand Cost	\$0.6870	\$0.3057	\$0.1445	\$0.1019	\$0.0982	\$0.1193	\$0.1615	\$0.2945	\$0.6205	\$0.8599	\$0.9415	\$0.7522	\$0.2161
17 Storage Demand Cost	\$0.1521	\$0.0738	\$0.0274	\$0.0192	\$0.0186	\$0.0228	\$0.0312	\$0.0568	\$0.1198	\$0.1662	\$0.1816	\$0.1453	\$0.0426
18 Peaking Cost	\$0.0000	\$0.0000	\$0.0036	\$0.0049	\$0.0036	\$0.0030	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0025
19 Weighted Average Fuel Cost	\$0.0254	\$0.0159	\$0.0059	\$0.0045	\$0.0048	\$0.0049	\$0.0076	\$0.0089	\$0.0137	\$0.0200	\$0.0215	\$0.0160	\$0.0077
20 Variable Pipeline Cost	\$0.0000	\$0.0000	\$0.0250	\$0.0208	\$0.0172	\$0.0147	\$0.0184	\$0.0275	\$0.0507	\$0.0708	\$0.0773	\$0.0611	\$0.0224
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 <b>Total Gross Cost of Gas Per Therm</b>	<b>\$1.4654</b>	<b>\$1.0491</b>	<b>\$0.5649</b>	<b>\$0.5008</b>	<b>\$0.4926</b>	<b>\$0.5193</b>	<b>\$0.5450</b>	<b>\$0.6734</b>	<b>\$1.1108</b>	<b>\$1.4601</b>	<b>\$1.5654</b>	<b>\$1.2662</b>	<b>\$0.6540</b>

	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Weighted
	<u>Oct-23</u>	<u>Nov-23</u>	<u>Dec-23</u>	<u>Jan-24</u>	<u>Feb-24</u>	<u>Mar-24</u>	<u>Apr-24</u>	<u>May-24</u>	<u>Jun-24</u>	<u>Jul-24</u>	<u>Aug-24</u>	<u>Sep-24</u>	<u>Average</u>
23 NYMEX - Actual Settlement	\$0.2764	\$0.3164	\$0.2706	\$0.2619	\$0.2490	\$0.1615	\$0.1575	\$0.1614	\$0.2493	\$0.2628	\$0.1907	\$0.1930	
<b><u>Breakdown of Gross Cost of Gas Per Therm:</u></b>													
24 Flowing Gas Cost	-\$0.1424	\$0.1966	\$0.0998	\$0.2291	\$0.0338	\$0.0232	-\$0.0418	\$0.0184	-\$0.2474	-\$0.1373	-\$0.0940	-\$0.0574	\$0.0562
25 Gas Withdrawn From Storage Cost	\$0.0492	\$0.1246	\$0.0961	\$0.0815	\$0.0876	\$0.0932	\$0.0180	\$0.0157	\$0.0094	\$0.0196	\$0.0189	\$0.0316	\$0.0716
26 Hedged Volumes Delivered Cost	\$0.5741	\$0.2038	\$0.1358	\$0.1215	\$0.1634	\$0.2030	\$0.3189	\$0.3863	\$0.5829	\$0.7482	\$0.7920	\$0.7130	\$0.2524
27 Pipeline Demand Cost	\$0.6067	\$0.2627	\$0.1395	\$0.1056	\$0.1014	\$0.1352	\$0.1508	\$0.2886	\$0.5329	\$0.7889	\$0.9644	\$0.8650	\$0.2157
28 Storage Demand Cost	\$0.1473	\$0.0572	\$0.0297	\$0.0225	\$0.0209	\$0.0284	\$0.0349	\$0.0699	\$0.1375	\$0.1941	\$0.2345	\$0.1905	\$0.0492
29 Peaking Cost	\$0.0000	\$0.0000	\$0.0092	\$0.0070	\$0.0383	\$0.0088	\$0.0110	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0121
30 Weighted Average Fuel Cost	\$0.0197	\$0.0123	\$0.0074	\$0.0108	\$0.0071	\$0.0069	\$0.0100	\$0.0165	\$0.0233	\$0.0295	\$0.0294	\$0.0276	\$0.0112
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 <b>Total Gross Cost of Gas Per Therm</b>	<b>\$1.2547</b>	<b>\$0.8572</b>	<b>\$0.5175</b>	<b>\$0.5779</b>	<b>\$0.4525</b>	<b>\$0.4988</b>	<b>\$0.5018</b>	<b>\$0.7955</b>	<b>\$1.0386</b>	<b>\$1.6429</b>	<b>\$1.9452</b>	<b>\$1.7704</b>	<b>\$0.6683</b>

**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-24</u>	Actual <u>Nov-24</u>	Estimate <u>Dec-24</u>	Estimate <u>Jan-25</u>	Estimate <u>Feb-25</u>	Estimate <u>Mar-25</u>	Estimate <u>Apr-25</u>	Estimate <u>May-25</u>	Estimate <u>Jun-25</u>	Estimate <u>Jul-25</u>	Estimate <u>Aug-25</u>	Estimate <u>Sep-25</u>	12 Month Weighted Average
<b><u>Credits, Refunds, &amp; Recoveries Per Therm:</u></b>													
1 Asset Management Credits	\$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
2 Off-system sales	\$0.0771	\$0.0729	\$0.0249	\$0.0176	\$0.0178	\$0.0208	\$0.0279	\$0.0500	\$0.1071	\$0.1461	\$0.1600	\$0.1298	\$0.0373
3 Capacity release	\$0.0845	\$0.0693	\$0.0043	\$0.0030	\$0.0028	\$0.0108	\$0.0149	\$0.0269	\$0.0557	\$0.0372	\$0.0281	\$0.0230	\$0.0156
4 On System Credits to BGSS-P Customers	\$0.1511	\$0.1380	\$0.1492	\$0.1390	\$0.1322	\$0.1266	\$0.1229	\$0.1448	\$0.1974	\$0.2781	\$0.3117	\$0.2355	\$0.1464
5 Supplier Refunds	\$0.0013	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
6 Gas for Company Use	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
7 Line Loss	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
8 Transfer to Non BGSS-P Customers	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
9 Over / Under Recovery & Interest to Customers	\$0.6675	\$0.2685	-\$0.1143	-\$0.1597	-\$0.1610	-\$0.1398	-\$0.1215	-\$0.0492	\$0.2497	\$0.4978	\$0.5647	\$0.3770	-\$0.0458
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 <b>Total Credits, Refunds, &amp; Recoveries per Therm</b>	<b>\$0.9814</b>	<b>\$0.5486</b>	<b>\$0.0641</b>	<b>-\$0.0001</b>	<b>-\$0.0083</b>	<b>\$0.0184</b>	<b>\$0.0442</b>	<b>\$0.1725</b>	<b>\$0.6100</b>	<b>\$0.9593</b>	<b>\$1.0645</b>	<b>\$0.7653</b>	<b>\$0.1536</b>
12 <b>Total Net Cost Per Therm(Pg 1 Line 22 - Pg 2 Line 11)</b>	<b>\$0.4840</b>	<b>\$0.5005</b>	<b>\$0.5008</b>	<b>\$0.5008</b>	<b>\$0.5008</b>	<b>\$0.5008</b>	<b>\$0.5008</b>	<b>\$0.5008</b>	<b>\$0.5008</b>	<b>\$0.5008</b>	<b>\$0.5008</b>	<b>\$0.5008</b>	<b>\$0.5004</b>

	Actual <u>Oct-23</u>	Actual <u>Nov-23</u>	Actual <u>Dec-23</u>	Actual <u>Jan-24</u>	Actual <u>Feb-24</u>	Actual <u>Mar-24</u>	Actual <u>Apr-24</u>	Actual <u>May-24</u>	Actual <u>Jun-24</u>	Actual <u>Jul-24</u>	Actual <u>Aug-24</u>	Actual <u>Sep-24</u>	Weighted Average
<b><u>Credits, Refunds, &amp; Recoveries Per Therm:</u></b>													
13 Asset Management Credits	\$0.0000	\$0.0000	\$0.0282	\$0.0000	\$0.0000	\$0.0694	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0135
14 Off-system sales	\$0.0002	\$0.0003	\$0.0003	\$0.0034	\$0.0013	\$0.0000	\$0.0187	\$0.0362	\$0.0833	\$0.0991	\$0.1121	\$0.0976	\$0.0140
15 Capacity release	\$0.0209	\$0.0089	\$0.0049	\$0.0041	\$0.0055	\$0.0042	\$0.0158	\$0.0902	\$0.1299	\$0.0970	\$0.1020	\$0.1022	\$0.0213
16 On System Credits to BGSS-P Customers	\$0.1628	\$0.1536	\$0.1277	\$0.1223	\$0.1110	\$0.0961	\$0.0807	\$0.0837	\$0.1437	\$0.1564	\$0.1523	\$0.1392	\$0.1161
17 Supplier Refunds	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
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	\$0.8174	\$0.4420	\$0.0839	\$0.1433	\$0.0084	-\$0.0750	-\$0.0861	\$0.1124	\$0.2080	\$0.8184	\$1.1063	\$0.9588	\$0.1463
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 <b>Total Credits, Refunds, &amp; Recoveries per Therm</b>	<b>\$1.0013</b>	<b>\$0.6049</b>	<b>\$0.2449</b>	<b>\$0.2731</b>	<b>\$0.1261</b>	<b>\$0.0947</b>	<b>\$0.0291</b>	<b>\$0.3224</b>	<b>\$0.5649</b>	<b>\$1.1709</b>	<b>\$1.4728</b>	<b>\$1.2979</b>	<b>\$0.3111</b>
24 <b>Total Net Cost Per Therm (Pg 1 Line 33 - Pg 2 Line 23)</b>	<b>\$0.2533</b>	<b>\$0.2524</b>	<b>\$0.2726</b>	<b>\$0.3048</b>	<b>\$0.3264</b>	<b>\$0.4041</b>	<b>\$0.4727</b>	<b>\$0.4730</b>	<b>\$0.4738</b>	<b>\$0.4720</b>	<b>\$0.4724</b>	<b>\$0.4726</b>	<b>\$0.3571</b>

**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.