

STATE OF NEW JERSEY

Board of Public Utilities
44 South Clinton Avenue, 9th 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)

DECISION AND ORDER APPROVING STIPULATION REGARDING PROVISIONAL BGSS RATE

DOCKET NO. GR19050678

Parties of Record:

Deborah M. Franco, Esq., for Elizabethtown Gas Company **Stefanie A. Brand, Esq., Director,** New Jersey Division of Rate Counsel

BY THE BOARD:

On May 31, 2019, Elizabethtown Gas Company ("Elizabethtown" or "Company") filed a petition ("2019 BGSS Petition") with the New Jersey Board of Public Utilities ("Board") seeking approval to maintain its Periodic Basic Gas Supply Service ("BGSS-P") rate. By this Order, the Board considers a Stipulation Regarding Provisional BGSS Rate ("Stipulation") executed by Elizabethtown, the New Jersey Division of Rate Counsel ("Rate Counsel") and Board Staff ("Staff") (collectively, the "Parties") requesting that the Board approve continuance of the current Periodic BGSS rate on a provisional basis, subject to refund with interest.

BACKGROUND

By Order dated January 6, 2003, in Docket No. GX01050304 ("January 2003 BGSS Order"), 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 cost filing for the BGSS year beginning October 1. In addition, the January 2003 BGSS Order authorized each GDC to self-implement up to a five (5) percent BGSS 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

¹In re the Provision of Basic Gas Supply Service Pursuant to the Electric Discount and Energy Act, N.J.S.A. 48:3-49 et seg. – BGSS Pricing, BPU Docket No. GX01050304 (January 6, 2003).

decreases at any time during the year upon five (5) days' notice to Board Staff and Rate Counsel.

In accordance with the January 2003 BGSS Order, the Company sought approval to maintain its current BGSS-P rate of \$0.4691² per therm effective October 1, 2019, designed to bring the BGSS balance to approximately zero as of September 30, 2020. The 2019 BGSS Petition further indicated that the Company's calculations would result in a rate of \$0.4773 per therm. However, the Company proposed to maintain its current BGSS-P rate of \$0.4691 per therm.

After publication of notices in newspapers of general circulation in the Company's service territory, public hearings were held in Union and Flemington on August 15 and 19, 2019, respectively. No members of the public attended the hearings or filed written comments.

MOTION TO INTERVENE

On June 18, 2019, Martin C. Rothfelder, Esq., filed a motion to intervene in these proceedings on behalf of the Environmental Defense Fund ("EDF"). On June 25, 2019, EDF filed a revised motion ("EDF's Motion"). According to EDF's Motion, EDF is a New York corporation and operates as a non-profit membership organization whose mission is to preserve the natural systems on which all life depends. EDF states that it and its members have a direct and substantial interest in the issues raised in this proceeding and they will be directly affected by the outcome. Further, EDF states that it will not be adequately represented by any other party. EDF asserts that it would bring a perspective and expertise to this proceeding that would assist the Board in developing a full and complete record.

Regarding the issues in this proceeding, EDF states that Elizabethtown's gas purchasing strategies, including estimated supply and demand requirements, should be viewed in light of the objectives and goals contained in the Draft Energy Master Plan ("EMP") that was issued by the Board on June 10, 2019. In light of the State's ambitious climate policies and the EMP's goals around decreasing gas consumption, EDF questions the increase of 9,125 MDth of pipeline capacity attributable to the PennEast Pipeline. EDF suggests increased Board scrutiny is necessary given that, at the time of the precedent agreement execution, Elizabethtown's parent company (AGL Resources Inc.) had an affiliate ownership stake in the PennEast Pipeline Company, LLC. EDF acknowledges that the review of the rates set for the PennEast pipeline is within the purview of the Federal Energy Regulatory Commission. However, EDF contends that Elizabethtown's agreement to purchase services from PennEast are appropriately a consideration in this proceeding as the BGSS proceeding involves review of gas utility overall gas purchasing strategies and whether the utility is seeking to procure a portfolio that provides maximum benefit to customers.

Responses to the Motion

On July 3, 2019, Elizabethtown filed a Response in Opposition to the Motion to Intervene ("Elizabethtown's Opposition") submitted by EDF. Elizabethtown opposes EDF's intervention because, according to Elizabethtown: 1) EDF has zero interest in the issues that are in front of the Board in the Petition and has no stake in the outcome of this proceeding; 2) the issues

² All rates quoted include Sales and Use Tax ("SUT").

raised by EDF are outside the scope of this docket; 3) EDF's lawful interests, are no different than the interests of the other parties; and 4) the inclusion of EDF in this proceeding would cause confusion and unduly delay resolution. Additionally, Elizabethtown argues that EDF should not be allowed to take part in this case in the limited role of participant. Specifically, Elizabethtown contends that EDF's concerns about the environment and energy efficiency markets are appropriately addressed in more generally applicable proceedings in which EDF is and/or has already participated, for example, the Board's stakeholder process for its EMP and the BPU's proceedings related to the Clean Energy Act. Elizabethtown also points out that it is not seeking recovery of any costs related to the PennEast Agreement in this proceeding. Regarding the issues of rates and charges being sought by Petitioner, Elizabethtown contends that the interests of EDF's members as ratepayers are already represented by Rate Counsel.

On July 2, 2019, Rate Counsel submitted a letter in support of granting intervenor status to EDF. On July 3, 2019, Rate Counsel submitted a revised letter in support of granting intervenor status to EDF. Rate Counsel concurs with EDF that its members in Elizabethtown's service territory will be directly affected by the outcome of this proceeding and states that EDF has shown that its members have a unique measurable and constructive focus on environmental issues that might not be addressed by other parties.

On July 16, 2019, EDF submitted a reply to Elizabethtown's Opposition. EDF contends that Elizabethtown's Opposition presents a narrow, unsupported view of the proceeding as involving only the 2019/2020 BGSS rates and cost data and it misstates EDF's interests. EDF states that its interest in this proceeding is whether the PennEast Agreement will provide "maximum benefit" to Elizabethtown's BGSS customers and is compatible with the state's climate goals and strategies. EDF disputes Elizabethtown's claim that Rate Counsel can represent its interests and points out that Rate Counsel stated that EDF's members "have a unique measurable and constructive focus that might not be adequately addressed by other parties." EDF claims that to deny it full rights of intervention in this proceeding would deprive it of its fundamental right of due process to litigate issues that have a direct and substantial impact on it and that granting EDF participant status, in the alternative, would not adequately protect EDF's interests. EDF disputes Elizabethtown's characterization that it is not an affiliate of PennEast and notes that South Jersey Industries Corporation is the parent of both SJGU and SJI Midstream Company (the holding company's 20% interest in the pipeline). EDF disputes Elizabethtown's claim that granting intervention to EDF will cause delays. To the contrary, EDF states that it would assist the Board in developing a full record clarifying environmental and economic issues in Elizabethtown's capacity planning for BGSS services.

On July 17, 2019, Rate Counsel filed a reply to Elizabethtown's Opposition. Rate Counsel disputes Elizabethtown's implication that EDF's interests are already represented by Rate Counsel. Rate Counsel notes that EDF's expertise includes facilitating beneficial outcomes and Rate Counsel typically does not offer expertise regarding environmental issues and therefore EDF's perspective is not duplicative. Rate Counsel is in support of EDF's motion for intervention or in the alternative, the Board's designation as a Participant in this matter. In the event that the Board denies EDF's request for intervention and does not grant EDF participant status, alternatively, Rate Counsel recommends that EDF be granted intervenor status in the generic BGSS stakeholder proceeding ("Generic Capacity Proceeding").

STIPULATION

Because additional time is needed to complete the review of the proposed rates to ensure that the costs are adequately explained, reconciled and addressed, and the resulting rates are reasonable, on August 30, 2019, the Parties executed the Stipulation. The Stipulation provides the following:³

- 1. The Parties agree that additional time is needed to complete a comprehensive review of the May 31 Petition. However, the Parties agree that the provisional implementation of the proposed BGSS-P rate, subject to refund with interest on any net over-recovered BGSS-P balance, is reasonable at this time. These changes are on a provisional basis subject to an opportunity for full review at the Office of Administrative Law ("OAL"), if necessary, and final approval by the Board.
- 2. In accordance with the Board's January 6, 2003 Order ("Generic BGSS Order") in BPU Docket No. GX01050304, New Jersey's four gas distribution companies ("GDCs"), by June 1, submit to the Board their annual BGSS gas cost filings for the BGSS year beginning in October. The Company may seek to implement provisional increases in its BGSS-P rate of up to 5% to be effective December 1, 2019 and February 1, 2020, if the Company determines that such increase is necessary to avoid a BGSS under-recovered balance at September 30, 2020. 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-P rate at any time upon five (5) days' notice and the filing of supporting documentation with the Board and Rate Counsel. The Company may also implement a decrease in its BGSS-P rate at any time, without prior Board approval upon five (5) days' notice to the Board and Rate Counsel.
- 3. Accordingly, the Parties agree that it would be both reasonable and in the public interest for the Board to authorize a provisional Order to maintain Elizabethtown's current BGSS-P rate of \$0.4691 per therm, including all applicable taxes, effective October 1, 2019, or on such other date as the Board deems appropriate.
- 4. The monthly bill of a residential customer using 100 therms will remain at \$95.17 based on rates in effect June 1, 2019.
- 5. The Company agrees to 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-E Chart-1, an example of which is attached to the Stipulation as Appendix A); and 2) a monthly report showing the calculation of net gas per therm (also known as S-E Chart-2, an example of which is attached to the Stipulation as Appendix B). S-E Chart-1 is to be completed using information from the first Friday of the month and submitted to

³ Although summarized in this Order, the detailed terms of the Stipulation are controlling, subject to the findings and conclusions of this Order. Each paragraph is numbered to coincide with the paragraphs in the Stipulation.

the Parties the following Tuesday. S-E Chart-2 is to be submitted to the Parties on approximately the 15th of the following month.

6. 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 approving this Stipulation.

DISCUSSION AND FINDINGS

In ruling on a motion to intervene, N.J.A.C. 1:1-16.3(a) requires that the decision-maker consider the following factors:

- 1. The nature and extent of the moving party's interest in the outcome of the case;
- 2. Whether that interest is sufficiently different from that of any other party so as to add measurably and constructively to the scope of the case;
- 3. The prospect for confusion and delay arising from inclusion of the party; and
- 4. Other appropriate matters.

If the standard for intervention is not met, N.J.A.C. 1:1-16.5 provides for a more limited form of involvement in the proceeding as a "participant." N.J.A.C. 1:1-16.6(a) provides that "[a]ny person or entity with a significant interest in the outcome of a case may move for permission to participate."

In ruling on a motion to participate the trier of fact shall consider "whether the participant's interest is likely to add constructively to the case without causing undue delay or confusion." N.J.A.C. 1:1-16.6 (b). Under N.J.A.C. 1:1-16.6(c), such participation is limited to the right to argue orally, or file a statement or brief, or file exceptions, or all of these as determined by the trier of fact.

As the Board has stated in previous proceedings, application of these standards involves an implicit balancing test. The need and desire for development of a full and complete record, which involves consideration of a diversity of interests, must be weighed against the requirements of the New Jersey Administrative Code, which recognizes the need for prompt and expeditious administrative proceedings by requiring that an intervener's interest be specific, direct and different from that of the other parties so as to add measurably and constructively to the scope of the case. See In re the Joint Petition of Public Service Electric and Gas Company and Exelon Corporation for Approval of a Change in Control, BPU Docket No. EM05020106 (June 8, 2005).

The Board considered the positions of EDF, Rate Counsel, and Elizabethtown regarding EDF's status in this proceeding. While EDF raises several issues, its main concerns appear to stem from the PennEast Agreement. EDF questions Elizabethtown's decision to enter into this agreement in light of the objectives and goals contained in the EMP. Elizabethtown contends that EDF's concerns about the environment and energy efficiency markets are appropriately addressed in more generally applicable proceedings. Elizabethtown also points out that it is not seeking any costs related to the PennEast Agreement in this proceeding. Finally, Elizabethtown

contends that the interest of EDF's members as ratepayers is already represented by Rate Counsel. Rate Counsel notes that it does not typically offer expertise regarding environmental issues and therefore EDF's perspective is not duplicative of its own.

As EDF notes, the BGSS proceeding involves review of gas utility overall gas purchasing strategies and whether the utility is seeking to procure a portfolio that provides maximum benefit to customers. EDF further questions Elizabethtown's adding capacity without a commensurate increase in load growth. However, Elizabethtown is not seeking any costs related to the PennEast Agreement in this proceeding. Therefore, a review of the PennEast Agreement is not likely to add to a determination on how Elizabethtown's purchasing strategies affect Elizabethtown's BGSS costs in this proceeding. The prudency of this potential added capacity is appropriately reviewed when Elizabethtown seeks recovery of costs associated with the capacity. Further, the issues raised by EDF related to the PennEast Agreement would be best addressed in other proceedings such as EMP proceedings and the Generic Capacity Proceeding as these issues are outside the scope of this proceeding. The Generic Capacity Proceeding will also explore various gas capacity issues which may have an impact on any future prudency determination regarding proposed added capacity.

Therefore, the Board <u>FINDS</u> that the inclusion of EDF in this proceeding would not aid constructively to the case and could confuse or delay the matter. <u>See</u> N.J.A.C. 1:1-16.3(a). The Board <u>FURTHER FINDS</u> that EDF's interest with respect to the BGSS costs that are under review in this proceeding is not sufficiently different from that of other parties. <u>Id.</u> Regarding EDF's interest with respect to environmental issues, as noted above, the Board believes there are other appropriate proceedings in which these issues should be addressed. Therefore, based upon the foregoing, and after balancing the need to develop a complete record with the need for prompt review necessitated by statute, the Board <u>HEREBY DENIES</u> EDF's motion.

The Board reviewed the record to date in this proceeding, including the attached Stipulation. The Board <u>FINDS</u> the Stipulation to be reasonable and in the public interest, and in accordance with the law. Accordingly, the Board <u>HEREBY ADOPTS</u> the Stipulation as its own, as if fully set forth herein.

Accordingly, the Board <u>HEREBY APPROVES</u> on a provisional basis, subject to refund with interest on any over-recovered BGSS balance, Elizabethtown's maintenance of its BGSS-P rate to \$0.4691 per therm for services rendered on and after October 1, 2019.

The Board <u>HEREBY DIRECTS</u> that this matter be transmitted to the OAL for review and evidentiary hearings, if needed.

The Board <u>FURTHER DIRECTS</u> the Company to file the appropriate tariff sheets conforming to the terms and conditions of this Order by October 1, 2019.

The Company's costs, including those related to BGSS, remain subject to audit by the Board. This Decision and Order shall not preclude the Board from taking any actions deemed to be appropriate as a result of any such audit.

The effective date of this Order is September 21, 2019.

DATED: 9/11/19

BOARD OF PUBLIC UTILITIES

BY:

JOSEPH'L. FIORDALISC

PREŚIDENT

MARY-ANNA HOLDEN

COMMISSIONER

DIANNE SOLOMON COMMISSIONER

UPENDRA J. CHIVUKULA

COMMISSIONER

ATTEST:

AIDA CAMACHO-WELCH

SECRETARY

ROBERT M. GORDON COMMISSIONER

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 DOCKET NO. GR19050678

SERVICE LIST

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August 30, 2019

VIA ELECTRONIC MAIL AND FEDERAL EXPRESS

Aida Camacho-Welch N.J. Board of Public Utilities 44 South Clinton Avenue, 3rd Floor, Suite 314 P.O. Box 350 Trenton, NJ 08625-0350

> Re: In the Matter of the Petition of Elizabethtown Gas Company To Review Its Periodic Basic Gas Supply Service Rate

BPU Docket No. GR19050678

Dear Secretary Camacho:

Enclosed for filing in the above proceeding are an original and ten copies of a Stipulation executed by representatives of Elizabethtown Gas Company ("Elizabethtown"), the Staff of the Board of Public Utilities and the Division of Rate Counsel.

Please contact the undersigned if you have questions or require further information. Thank you.

Respectfully submitted,

/s/ Deborah M. Franco

Deborah M. Franco

cc: Service List in BPU Docket No. GR19050678

STATE OF NEW JERSEY BOARD OF PUBLIC UTILITIES

In The Matter Of The Petition Of Elizabethtown Gas Company To Review Its Periodic Basic Gas Supply Service Rate

BPU Docket No. GR19050678

STIPULATION REGARDING PROVISIONAL BGSS RATE

APPEARANCES:

Deborah M. Franco, Esq., Regulatory Affairs Counsel, SII Utilities, Inc. for Petitioner, Elizabethtown Gas Company

Brian O. Lipman, Esq., Litigation Manager, Felicia Thomas-Friel, Managing Attorney Gas, and Kurt S. Lewandowski, Esq., Assistant Deputy Rate Counsel, for the Division of Rate Counsel (Stefanie A. Brand, Director)

Patricia Krogman, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (Gurbir S. Grewal, Attorney General of New Jersey)

TO THE HONORABLE COMMISSIONERS OF THE BOARD OF PUBLIC UTILITIES:

I. PROCEDURAL HISTORY

- 1. On May 31, 2019, Elizabethtown Gas Company ("Elizabethtown" or "Company"), filed a Petition ("May 31 Petition") with the New Jersey Board of Public Utilities ("Board" or "BPU") in BPU Docket No. GR19050678 to revise its Periodic Basic Gas Supply Service ("BGSS-P") rate for the period October 1, 2019 through September 30, 2020.
- 2. In its May 31 Petition, Elizabethtown proposed to maintain its current BGSS-P rate of \$0.4691 per therm¹. As such, the monthly bill of a residential customer using 100 therms would remain at \$95.17 based on rates in effect June 1, 2019. The proposed BGSS-P rate of \$0.4691 per therm produces BGSS recoveries of approximately \$106.5 million before taxes.

¹ All rates quoted herein include all applicable taxes.

3. Notices setting forth the requested rate change and the dates of the public hearings were placed in newspapers having circulation within Elizabethtown's service territory and served on the county executives and clerks of all municipalities within the Company's service territory. Public hearings concerning the Company's May 31 Petition were held on August 15, 2019 in Union, New Jersey and on August 19, 2019 in Flemington, New Jersey. No members of the public attended the public hearings.

II. STIPULATED TERMS

- 1. Elizabethtown, Board Staff, and the New Jersey Division of Rate Counsel are the only parties to this proceeding (collectively the "Parties").² The Parties agree that additional time is needed to complete a comprehensive review of the May 31 Petition. However, the Parties agree that the provisional implementation of the proposed BGSS-P rate, subject to refund with interest on any net over-recovered BGSS-P balance, is reasonable at this time. These changes are on a provisional basis subject to an opportunity for full review at the Office of Administrative Law ("OAL"), if necessary, and final approval by the Board.
- 2. In accordance with the Board's January 6, 2003 Order ("Generic BGSS Order") in BPU Docket No. GX01050304, New Jersey's four gas distribution companies ("GDCs"), by June 1, submit to the Board their annual BGSS gas cost filings for the BGSS year beginning in October. The Company may seek to implement provisional increases in its BGSS-P rate of up to 5% to be effective December 1, 2019 and February 1, 2020, if the Company determines that such increase is necessary to avoid a BGSS under-recovered balance at September 30, 2020. The self-implementing increases will be provisional and subject to true-up in connection with

² On or about June 17, 2019, the Environmental Defense Fund ("EDF") filed a Motion in this proceeding which has been opposed by Elizabethtown. Consideration of the EDF Motion remains pending.

the next annual BGSS filing. The Company is permitted to decrease its BGSS-P rate at any time upon five (5) days' notice and the filing of supporting documentation with the Board and Rate Counsel. The Company may also implement a decrease in its BGSS-P rate at any time, without prior Board approval, upon five (5) days' notice to the Board and Rate Counsel.

- 3. Accordingly, the Parties stipulate and agree that it would be both reasonable and in the public interest for the Board to authorize a provisional order to maintain Elizabethtown's current BGSS-P rate of \$0.4691 per therm, including all applicable taxes, effective October 1, 2019, or on such other date as the Board deems appropriate.
- 4. The monthly bill of a residential customer using 100 therms will remain at \$95.17 based on rates in effect June 1, 2019.
- 5. The Company agrees to 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-E Chart-1, an example of which is attached as Appendix A); and 2) a monthly report showing the calculation of net gas per therm (also known as S-E Chart-2, an example of which is attached as Appendix B). S-E Chart-1 is to be completed using information from the first Friday of the month and submitted to the Parties the following Tuesday. S-E Chart-2 is to be submitted to the Parties on approximately the 15th of the following month.
- 6. 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 approving this Stipulation.
- 7. 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.

- 8. It is the intent of the Parties that the provisions hereof be approved by the Board, as appropriate, as being in the public interest. The Parties further agree that they consider the Stipulation to be binding on them for all purposes herein.
- 9. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of this proceeding. Except as expressly provided herein, Elizabethtown, Board Staff, or Rate Counsel 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.
- 10. The Parties further acknowledge that a Board Order approving 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

STEFANIE A. BRAND DIRECTOR, DIVISION OF RATE COUNSEL'

By:

Deborah M. Franco, Esq. Regulatory Affairs Counsel Bv:

Kurt S. Lewandowski, Esq. Assistant Deputy Rate Counsel

GURBIR S. GREWAL

ATTORNEY GENERAL OF NEW JERSEY

Attorney for the Staff of the New Jersey Board of Public Utilities

Bv:

Patricia Krogman, Esq.

Deputy Attorney General

Dated:

,2019

S-ECHART-1 BGSS NYMEX Update Report as of July 05, 2019

•	•	a BGSS		b NYMEX	c = b - a Incr/		d Sales	<i>e</i> Hedged	f = d - e Unhedged	g = c x f Change in
<u>Month</u>	(see	note below)	<u>(7/</u>	5/2019 Close)	(Decr)	<u>% Chg</u>	forecast (dths)	volume (dths)	volume (dths)	value unhedged
Oct-18	\$.	2.829	\$	3.021	\$ 0.192	•	1,458,845	733,500	725,345	\$139,266
Nov-18	\$	2.865	\$	3.185	\$ 0.320		2,995,835	1,773,565	1,222,270	\$391,126
Dec-18	\$	2.965	\$	4.715	\$ 1.750		4,480,834	2,905,698	1,575,136	\$2,756,488
Jan-19	\$	3.047	\$	3.642	\$ 0.595		5,686,168	3,882,359	1,803,809	\$1,073,266
Feb-19	\$	3.009	\$	2.950	\$ (0.059)		4,565,662	3,228,395	1,337,267	(\$78,899)
Mar-19	\$	2.898	\$	2.855	\$ (0.043)		3,693,720	2,386,386	1,307,334	(\$56,215)
Apr-19	\$	2.568	\$	2.713	\$ 0.145		1,698,399	807,600	890,799	\$129,166
May-19	\$	2.536	\$	2.566	\$ 0.030		840,114	406,000	434,114	\$13,023
Jun-19	\$	2.567	\$	2.633	\$ 0.066		505,603	250,300	255,303	\$16,850
Jul-19	\$	2.600	\$	2.291	\$ (0.309)		554,045	263,900	290,145	(\$89,655)
Aug-19	\$	2.604	\$	2.418	\$ (0.186)		549,532	266,300	283,232	(\$52,681)
Sep-19	\$	2.588	\$	2.389	\$ (0.199)		581,001	313,000	268,001	(\$53,332)
Avg_Total \$	\$	2.756	\$	2.948	\$ 0.192	7.0%	27,609,758	17,217,004	10,392,754	\$4,188,404
Oct-19	\$	2.610	\$	2,415	\$ (0.195)		1,473,616	691,000	782,616	(\$152,610)
Nov-19	\$	2.671	\$	2.503	\$ (0.168)		3,025,960	1,863,565	1,162,395	(\$195,282)
Dec-19	φ \$	2.811	\$	2.684	\$ (0.127)		4,525,835	2,915,698	1,610,137	(\$204,487)
Jan-20	\$	2.917	\$	2.784	\$ (0.133)		5,743,147	3,962,359	1,780,788	(\$236,845)
Feb-20	\$.	2.889	\$	2.746	\$ (0.143)		4,611,550	3,228,395	1,383,155	(\$197,791)
Mar-20	\$	2.802	\$	2.663	\$ (0.139)		3,730,888	2,446,386	1,284,502	(\$178,546)
Apr-20	\$	2.547	\$	2,434	\$ (0.113)		1,715,646	747,500	968,146	(\$109,400)
May-20	\$	2.522	\$	2.404	\$ (0.118)		848,665	222,700	625,965	(\$73,864)
Jun-20	\$	2.550	\$	2.441	\$ (0.109)		510,875	139,900	370,975	(\$40,436)
Jul-20	\$	2.582	\$	2.480	\$ (0.102)		559,882	175,600	384,282	(\$39,197)
Aug-20	\$	2.590	\$	2.492	\$ (0.098)		555,304	204,400	350,904	(\$34,389)
Sep-20	\$	2.579	\$	2.474	\$ <u>(0.105)</u>		587,040	296,000	291,040	(\$30,559)
Avg Total \$	\$	2.673	\$	2.543	\$ (0.129)	-4.8%	27,888,408	16,893,504	10,994,904	(\$1,493,407)

Footnotes

- a: Nymex rate used for annual BGSS periodic rate filing; Oct-2018 to Sept-2020 based on 05/10/2018 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

								· · · · · · · ·							
	NYMEX - 05/10/18 - Included in BGSS Filing NYMEX - Actual Settlement	Actual Oct-18 \$0.2829 \$0.3021	Actual Nov-18 \$0.2865 \$0.3185	Actual <u>Dec-18</u> \$0.2965 \$0.4715	Actual <u>Jan-19</u> \$0.3047 \$0.3642	Actual Feb-19 \$0.3753 \$0.2950	Actual • <u>Mar-19</u> \$0.3606 \$0.2855	Actual <u>Apr-19</u> \$0.2894 \$0.2713	Actual <u>Mav-19</u> \$0.2807 \$0.2566	Actual <u>Jun-19</u> \$0.2831 \$0.2633	Estimate <u>Jul-19</u> \$0.2861 \$0.2291	Estimate <u>Aug-19</u> \$0.2857	Estimate <u>Sep-19</u> \$0.2830	12 Month Weighted Average	٠
13 14 15 16 17 18 19 20 21 22	Breakdown of Gross Cost of Gas Per Therm: Flowing Gas Cost Gas Withdrawn From Storage Cost Hedged Volumes Delivered Cost Pipeline Demand Cost Storage Demand Cost Peaking Cost Weighted Average Fuel Cost Variable Pipeline Cost Other Costs Total Gross Cost of Gas Per Therm	\$0.1343 \$0.0218 \$0.5486 \$0.4809 \$0.1048 \$0.0000 \$0.0358 \$0.0000 \$0.0000 \$1.3261	\$0.4400 \$0.1205 \$0.1187 \$0.1602 \$0.0338 \$0.0000 \$0.0184 \$0.0000 \$0.0000 \$0.0000	\$0.1776 \$0.1257 \$0.1064 \$0.0914 \$0.0190 \$0.0117 \$0.0089 \$0.0000 \$0.0000 \$0.5408	\$0,2693 \$0,1545 \$0,1046 \$0,0743 \$0,0168 \$0,0105 \$0,0116 \$0,0000 \$0,0000 \$0,6417	\$0.1362 \$0.1050 \$0.0694 \$0.0636 \$0.0134 \$0.0326 \$0.0066 \$0.0000 \$0.0000 \$0.4269	\$0.1752 \$0.0883 \$0.0662 \$0.0793 \$0.0169 \$0.0104 \$0.0074 \$0.0000 \$0.0000 \$0.4437	-\$0.0205 \$0.0226 \$0.1505 \$0.1444 \$0.0314 \$0.0169 \$0.0067 \$0.0000 \$0.0000 \$0.3520	-\$0.0091 \$0.0244 \$0.2105 \$0.3010 \$0.0663 \$0.0000 \$0.0114 \$0.0000 \$0.0000 \$0.6045	-\$0.0685 \$0.0158 \$0.3089 \$0.5078 \$0.1172 \$0.0000 \$0.0176 \$0.0000 \$0.0000 \$0.8988	\$0.3022 \$0.0084 \$0.0000 \$0.6525 \$0.1449 \$0.0001 \$0.0184 \$0.1523 \$0.0000 \$1.2787	\$0.3237 \$0.0089 \$0.0000 \$0.6934 \$0.1536 \$0.0002 \$0.0196 \$0.1619 \$0.0000 \$1.3613	\$0.3512 \$0.0067 \$0.0000 \$0.6463 \$0.1438 \$0.0001 \$0.0204 \$0.1492 \$0.0000 \$1.3178	\$0.1764 \$0.0923 \$0.1143 \$0.1561 \$0.0341 \$0.0131 \$0.0108 \$0.0086 \$0.0000 \$0.6057	
23	NYMEX - Actual Settlement	Actual Oct-17 \$0.2974	Actual Nov-17 \$0.2752	Actual <u>Dec-17</u> \$0.3074	Actual Jan-18 \$0,2738	Actual <u>Feb-18</u> \$0.3505	Actual Mar-18 \$0.2639	Actual Apr-18 \$0.2691	Actual May-18 \$0,2821	Actual <u>Jun-18</u> \$0.2875	Actual <u>Jul-18</u> \$0.2996	Actual <u>Aug-18</u> \$0,2822	Actual Sep-18 \$0.2895	Weighted Average	
24 25 26 27 28 29 30 31	Breakdown of Gross Cost of Gas Per Therm: Flowing Gas Cost Gas Withdrawn From Storage Cost Hedged Volumes Delivered Cost Pipeline Demand Cost Storage Demand Cost Peaking Cost Weighted Average Fuel Cost Variable Pipeline Cost Other Costs	-\$0.2754 \$0.0387 \$0.6554 \$0.6001 \$0.1413 \$0.0000 \$0.0224 \$0.0000	\$0.2943 \$0.1483 \$0.1725 \$0.2483 \$0.0580 \$0.0114 \$0.0140 \$0.0000 \$0.0000	\$0.2021 \$0.1587 \$0.1365 \$0.1036 \$0.0253 \$0.0085 \$0.0105 \$0.0000 \$0.0000	\$0.3949 \$0.0854 \$0.0718 \$0.0582 \$0.0135 \$0.0045 \$0.0142 \$0.0000 \$0.0000	-\$0.0280 \$0.0907 \$0.0722 \$0.0704 \$0.0169 \$0.1324 \$0.0055 \$0.0000 \$0.0000	\$0.1594 \$0.1144 \$0.0822 \$0.0937 \$0.0226 \$0.0263 \$0.0075 \$0.0000 \$0.0000	\$0.1000 \$0.0217 \$0.1181 \$0.0900 \$0.0233 \$0.0078 \$0.0094 \$0.0000 \$0.0000	-\$0.0795 -\$0.0080 \$0.2031 \$0.2095 \$0.0522 \$0.0000 \$0.0102 \$0.0000	-\$0.0360 \$0.0136 \$0.4326 \$0.5100 \$0.1265 \$0.0000 \$0.0260 \$0.0000 \$0.0000	-\$0.1137 \$0.0494 \$0.4772 \$0.6257 \$0.1554 \$0.0000 \$0.0293 \$0.0000	-\$0.1488 -\$0.0182 \$0.5854 \$0.7876 \$0.1817 \$0.0000 \$0.0360 \$0.0000	-\$0.2023 \$0.0251 \$0.5853 \$0.7401 \$0.1630 \$0.0000 \$0.0337 \$0.0000 \$0.0000	\$0.1396 \$0.0821 \$0.1472 \$0.1516 \$0.0364 \$0.0300 \$0.0119 \$0.0000 \$0.0000	
33	Total Gross Cost of Gas Per Therm	\$1.1824	\$0.9467	\$0.6451	\$0.6425	\$0.3602	\$0.5060	\$0.3703	\$0.3875	\$1.0726	\$1.2233	\$1.4237	\$1.3448	\$0.5987	

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, withdrawl, 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

	Calculation of first Cost of Cas I of Thorns							12 Month						
	•	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimate	Estimate	Estimate	Weighted
		Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Average
		<u>Oct-10</u>	1107-10	DCC-10	0201-12	10017	1111 12	21 9 112	ATACH IS	<u> </u>	<u> </u>	114, 17	<u>Sep. 17</u>	TTTOTAGE
. :	Credits, Refunds, & Recoveries Per Therm:													
1	Asset Management Credits	\$0.3409	\$0.0000	\$0.0286	\$0.0000	\$0.0000	\$0.0254	\$0.1321	\$0.0000	\$0.1467	\$0,0000	\$0.0000	\$0.4349	\$0.0428
2	Off-system sales	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
3	Capacity release	\$0.0050	\$0.0016	\$0.0009	\$0.0008	\$0.0007	\$0.0009	\$0.0014	\$0.0029	\$0.0050	\$0.0070	\$0.0074	\$0.0068	\$0.0016
4	On System Credits to BGSS-P Customers	\$0,1361	\$0.1219	\$0.1320	\$0.1364	\$0.1148	\$0.1067	\$0.0927	\$0.0999	\$0.1016	\$0.1857	\$0.1998	\$0.1696	\$0.1212
5	Supplier Refunds	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
6	Gas for Company Use	\$0.0000	\$0,0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
7	Line Loss	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0,0000	\$0.0000	\$0.0000	\$0.0000
8	Transfer to Non BGSS-P Customers	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
9	Over / Under Recovery & Interest to Customers	\$0.4337	\$0.3708	-\$0.0178	\$0.1073	-\$ 0.1021	-\$0.1287	-\$0.3148	\$0.0626	\$0.2062	\$0.6461	\$0.7141	\$0.2665	\$0.0226
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	\$0.9157	\$0.4943	\$0.1437	\$0.2445	\$0.0134	\$0.0044	-\$0.0886	\$0.1654	\$0.4594	\$0.8388	\$0.9213	\$0.8779	\$0.1882
10	m a lata di ano misono mentino del meditione dal	\$0.4104	\$0.3972	\$0.3971	\$0.3972	\$0.4135	\$0.4393	\$0.4406	\$0.4391	\$0,4393	\$0.4400	\$0.4400	\$0.4400	\$0.4175
12	Total Net Cost Per Therm(Pg 1 Line 22 - Pg 2 Line 11)	\$0.4104	\$0.3772	\$0.3771	\$0.3712	\$0,413	\$0.4555	ψ0.1100	ψ0.1331	Ψ0.1333	Ψ0.1100	\$0.1100		
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Weighted
		Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Average
	•	000-17	1107-17	<u> 17 CC 17</u>	OMI IV									
	Credits, Refunds, & Recoveries Per Therm:									**	** ***	***	#0 0 to 1	40.0600
13	Asset Management Credits	\$0.0000	\$0.0702	\$0.0352	\$0.0000	\$0.0000	\$0.0307	\$0.0000	\$0.7221	\$0.1756	\$0.0000	\$0.0000	\$0.2481	\$0.0638
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	\$0.0063	\$0.0026	\$0.0011	\$0.0006	\$0.0007	\$0.0010	\$0.0010	\$0.0022	\$0.0056	\$0.0067	\$0.0071	\$0.0084	\$0.0016 \$0.1130
16.	On System Credits to BGSS-P Customers	\$0.1504	\$0.1261	\$0.1064	\$0.1086	\$0.1144	\$0.1145	\$0.0940	\$0.1060	\$0.1489	\$0.1483	\$0.1660	\$0.1325	•
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	\$0.6410	\$0.3135	\$0.0758	\$0.1087	-\$0.1776	-\$0.0676	-\$0.1511	-\$0.8688	\$0.3042	\$0.6440	\$0.8067	\$0.5067	-\$0.0055
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	\$0.7977	\$0.5124	\$0.2185	\$0.2179	-\$0.0625	\$0.0786	-\$0.0561	-\$0.0385	\$0.6343	\$0.7989	\$0.9799	\$0.8957	\$0.1728
24	Total Net Cost Per Therm (Pg 1 Line 33 - Pg 2 Line 23)	\$0.3847	\$0.4343	\$0.4267	\$0.4245	\$0.4227	\$0.4274	\$0.4264	\$0.4260	\$0.4383	\$0.4244	\$0.4438	\$0.4492	\$0.4259

Footnotes

On System Credits to BGSS-P Customers = Interuptible 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:

Bood por <u>unorm valour</u>	BGSS-M	BGSS-P
Effective Date	per therm	Per therm
August 1, 2018	\$0.4810	\$0.4540
September 1, 2018	\$0.4890	\$0.4540
October 1, 2018	\$0.4920	\$0.4237
November 1, 2018	\$0.5139	\$0.4237
December 1, 2018	\$0.6814	\$0.4237
January 1, 2019	\$0.5639	\$0.4237
February 1, 2019	\$0.4882	\$0.4691
March 1, 2019	\$0.4778	\$0.4691
April 1, 2019	\$0.4622	\$0.4691
May 1, 2019	\$0.4461	\$0.4691
June 1, 2019	\$0.4535	\$0.4691
July 1, 2019	\$0.4161	\$0.4691
August 1, 2019	\$0.3996	\$0.4691
September 1, 2019	*	<u>\$0.4691</u>
October 1, 2019	*	<u>\$0.4691</u>

*To be determined

Date of Issue: July 30, 2019

Effective: Service Rendered on and after August 1, 2019

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, 2003 in Docket No. GX01050304