



Agenda Date: 3/9/20  
Agenda Item: 2C

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 9<sup>th</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 TO (1) REVISE ITS	)	APPROVING FINAL
WEATHER NORMALIZATION CLAUSE RATE; (2)	)	STIPULATION
REVISE THE CLEAN ENERGY PROGRAM	)	
COMPONENT OF ITS SOCIETAL BENEFITS	)	
CHARGE RATE; AND (3) REVISE ITS ON-SYSTEM	)	
MARGIN SHARING CREDIT	)	DOCKET NO. GR19070873

**Parties of Record:**

**Deborah M. Franco Esq.**, SJI Utilities, Inc. on behalf of Elizabethtown Gas Company  
**Stefanie A. Brand, Esq., Director**, New Jersey Division of Rate Counsel

BY THE BOARD:

By this Decision and Order, the New Jersey Board of Public Utilities (“Board” or “BPU”) considers a Final Stipulation (“Stipulation”) executed by Elizabethtown Gas Company (“Elizabethtown” or “Company”), Board Staff, and the New Jersey Division of Rate Counsel (collectively, “Parties”) regarding Elizabethtown’s Weather Normalization Clause (“WNC”) rate, the Clean Energy Program (“CEP”) component of the Societal Benefits Charge (“SBC”) rate, and its On-System Margin Sharing Credit (“OSMC”) rate.

**BACKGROUND AND PROCEDURAL HISTORY**

The WNC normalizes the financial impact of weather conditions on both the Company and its weather-sensitive ratepayers. An excess margin resulting from a colder than normal Winter Period is returned to ratepayers, while a deficit margin resulting from a warmer than normal Winter Period is recovered from ratepayers.<sup>1</sup> Variances in actual degree-days from normal for each day are measured and accumulated over the calendar month for each month in the Winter Period. The resulting cumulative degree-day variance determines the adjustment to customers’ bills in the following Winter Period.

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<sup>1</sup> Winter Period refers to the months of October through May.

The CEP was created as a result of the Electric Discount and Energy Competition Act in an effort to promote both energy efficiency and renewable energy programs by offering financial incentives, programs, and services to New Jersey residents, business owners and local governments. The Board annually sets each energy utility's share of the CEP costs to be collected from customers and transferred to the Board as funding for those programs.

The OSMC is the rate mechanism by which 80% of the margins generated from on-system non-firm sales and transportation services are flowed back (credited) to the Company's firm sales and residential transportation customers.

### **July 2019 PETITION**

On July 31, 2019, Elizabethtown filed a petition with the Board seeking approval to modify its rates relating to the review and true up of its WNC, the CEP component of its SBC, and its OSMC ("July 2019 Petition").<sup>2</sup>

### **WNC**

With respect to the WNC, the July 2019 Petition proposed to decrease the per therm rate from \$0.0000 per therm to a credit rate of \$0.0050 per therm.<sup>3</sup> The proposed rate was designed to credit an excess balance associated with the October 1, 2018 through May 31, 2019 period ("2019 Winter Period") attributable to the overall colder than normal weather during that period, as well as a prior period deficiency balance. According to the July 2019 Petition, the temperature for the 2019 Winter Period was 109 degree days or 2.4% colder than normal.

As filed in the July 2019 Petition, the current period margin revenue excess of \$1,877,951 was decreased by the prior year deficiency balance of \$282,181, resulting in an excess balance of \$1,595,770. The proposed WNC credit rate of \$0.0050 per therm was designed to credit an excess balance associated with the 2019 Winter Period that was attributable to colder than normal weather experienced in the Company's service territory.

### **CEP**

The Company proposed to modify the current CEP component of its SBC rate from \$0.0215 per therm to \$0.0213 per therm. The rate was designed to recover prior period costs, the net costs incurred to provide Board-approved CEP programs for the period ending June 30, 2019, and projected costs for the period ending June 30, 2020, which total \$9,958,369. The Board's June 21, 2019 Order in Docket No. QO19050644, which established the statewide funding levels for CEP programs for Fiscal Year 2020, allocated \$10,637,432 of CEP funding responsibility to the Company for the twelve months ending June 30, 2020 ("June 21 Order").<sup>4</sup>

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<sup>2</sup> Elizabethtown's SBC currently consists of four (4) components: 1) the CEP; 2) the Remediation Adjustment Clause; 3) Universal Service fund; and 4) Lifeline. Only the CEP is addressed in this matter. The other components are addressed in separate filings.

<sup>3</sup> All rates quoted herein includes Sales and Use Tax.

<sup>4</sup> In re Comprehensive Energy Efficiency and Renewable Energy Resource Analysis For The Fiscal Year 2020, BPU Docket No. QO19050644, Order dated June 21, 2019.

## **OSMC**

The July 2019 Petition proposed to increase the current OSMC credit rate from \$0.0007 per therm to a credit rate of \$0.0015 per therm (resulting in a decrease in customer charges).

Since the July 2019 Petition sought a decrease in rates, public hearings were not required or conducted.

On October 25, 2019, the Board issued an Order in this docket approving a stipulation executed by the Parties (“October 2019 Provisional Order”). The October 2019 Provisional Order authorized Elizabethtown to implement the following: 1) a WNC credit rate of \$0.0050 per therm; 2) a CEP component of the SBC rate of \$0.0213 per therm; and 3) an OSMC credit rate of \$0.0015 per therm on a provisional basis, subject to refund, effective November 1, 2019. The monthly bill impact of the stipulated provisional WNC, SBC-CEP, and OSMC rates on a typical residential heating customer using 100 therms in winter month the bill impact was a decrease of \$0.60 or \$0.06% as compared to the Company’s rates as of November 1, 2019.

On October 15, 2019, the Company filed an update (“October 15 Update”) which included actual amounts through June 30, 2019. The updated amounts supported lower WNC and CEP rates per therm than the originally proposed in the July 2019 Petition. The October 15 Update supported an increase in the WNC credit rate from the provisional credit rate of \$0.0050 per therm to a credit rate of \$0.0051 per therm, as well as a decrease in the CEP rate from the provisional rate of \$0.0213 per therm to \$0.0211 per therm. There was no impact to the provisional OSMC rates with the October 15 Update. The Company proposed to maintain the CEP rate of \$0.0213 per therm that was approved in the October 25 Provisional Order to reflect, in part, the revised funding levels for the New Jersey Clean Energy Program for fiscal year 2020 contained in the BPU’s August 16, 2019 Notice modifying the funding levels established by its original June 21, 2019 order in BPU Docket No. QO19050644.

## **STIPULATION**

Following discovery and a review of the issues in the July 2019 Petition, the Parties reached an agreement on the July 2019 Petition and on February 5, 2020, executed the Stipulation. The key terms of the Stipulation are as follows:<sup>5</sup>

- B. As of the effective date, the Company will implement (1) its WNC credit rate of \$0.0051 per therm, (2) maintain its CEP component of the SBC rate of \$0.0213 per therm, and (3) maintain its OSMC credit rate of \$0.0015 per therm, each rate being inclusive of all applicable taxes, and those rates shall remain in effect until changed by order of the Board. The calculation of the WNC credit rates is set forth in Appendix A of the Stipulation. The Company’s next annual filing to reconcile the CEP rate will reflect the costs of the June 21 Order not otherwise recovered through the CEP rate of \$0.0213 per therm.

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<sup>5</sup> Although describe at some length in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation are controlling, subject to the findings and conclusion in this Order. Paragraphs are numbered to coincide with the Stipulation.

- C. Upon approval by the Board of the WNC, CEP and OSMC rates reflected in Appendix B of the Stipulation, the Company will file with the Board revised tariff sheets to reflect the WNC, CEP and OSMC rates.
- D. Approval of the CEP rate in the Stipulation will result in a total SBC rate of \$0.0354 per therm, inclusive of all applicable taxes.
- E. The change of the WNC rate from a credit rate of \$0.0050 per therm to a credit rate of \$0.0051 per therm, will decrease the monthly bill of a typical residential heating customer using 100 therms by \$0.01, from \$104.13 to \$104.12, or a decrease of 0.0%, as compared to Elizabethtown's January 1, 2020 rates.

### **DISCUSSION AND FINDINGS**

The Board reviewed the record in this matter, including the July 2019 Petition and the Stipulation, and **FINDS** the Stipulation to be reasonable, in the public interest, and in accordance with the law as the Board is persuaded that there has been a thorough review of the costs reflected in the July 2019 Petition. Accordingly, the Board **HEREBY ADOPTS** the Stipulation as its own, as if fully set forth herein.

The Board **HEREBY APPROVES** as final the per therm rates as described in Paragraph B of the Stipulation. Those rates, effective on and after April 1, 2020, are as follows: 1) a WNC credit rate of \$0.0051 per therm; 2) an SBC-CEP rate of \$0.0213 per therm; and 3) an OSMC credit rate of \$0.0015 per therm.

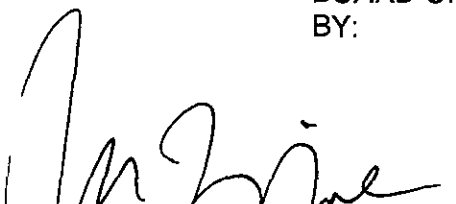
The Company is **HEREBY DIRECTED** to file the appropriate tariff sheets conforming to the terms and conditions of this Order by April 1, 2020.

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

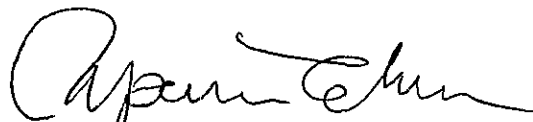
The effective date of this Order is March 19, 2020.

DATED: 3/9/20

BOARD OF PUBLIC UTILITIES  
BY:

  
JOSEPH L. FIORDALISO  
PRESIDENT

  
DIANNE SOLOMON  
COMMISSIONER

  
UPENDRA J. CHIVUKULA  
COMMISSIONER

  
ROBERT M. GORDON  
COMMISSIONER

ATTEST:   
AIDA CAMACHO-WELCH  
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 (1) Revise its Weather Normalization Clause Rate; (2) Revise the Clean Energy Program Component of its Societal Benefits Charge Rate; (3) Revise its On-System Margin Sharing Credit  
BPU Docket No. GR19070873

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**Board of Public Utilities**

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Deborah M. Franco, Esq.  
Director, Regulatory Affairs Counsel

February 5, 2020

**VIA UNITED PARCEL SERVICE & ELECTRONIC MAIL**

Aida Camacho-Welch, Secretary New Jersey  
Board of Public Utilities  
44 S. Clinton Ave., 9th Floor  
P.O. Box 350  
Trenton, NJ 08625-0350

**Re: In the Matter of the Petition of Elizabethtown Gas Company to (1) Revise its Weather Normalization Clause Rate; (2) Revise the Clean Energy Program Component of its Societal Benefits Charge Rate; and (3) Revise its On-System Margin Sharing Credit BPU Docket No. GR19070873**

Dear Secretary Camacho-Welch:

Enclosed for filing and consideration by the New Jersey Board of Public Utilities is a Stipulation to resolve the above-referenced proceeding.

Please direct any inquiries to the undersigned. Thank you for your consideration.

Respectfully yours,

A handwritten signature in black ink, appearing to read "Deborah M. Franco".

Deborah M. Franco

cc: Service List (electronic only)

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

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**In The Matter of the Petition of Elizabethtown Gas Company to (1) Revise its Weather Normalization Clause Rate; (2) Revise the Clean Energy Program Component of its Societal Benefits Charge Rate; and (3) Revise its On-System Margin Sharing Credit** : **BPU Docket No. GR19070873**  
:  
:  
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:  
**STIPULATION REGARDING FINAL WNC, CEP, AND OSMC RATES**  
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**APPEARANCES:**

**Deborah M. Franco**, Director, Regulatory Affairs Counsel, Elizabethtown Gas Company

**Brian O. Lipman, Esq.**, Litigation Manager, **Felicia Thomas-Friel, Esq.**, Managing Attorney Gas, **Sarah H. Steindel, Esq.**, Assistant Deputy Rate Counsel, Division of Rate Counsel (Stefanie A. Brand, Director, Division of Rate Counsel)

**Matko Ilic**, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (Gurbir S. Grewal, Attorney General of New Jersey)

**BACKGROUND**

1. On July 31, 2019, Elizabethtown Gas Company (“Elizabethtown” or “Company”) filed a petition (“July 2019 Petition”) with the New Jersey Board of Public Utilities (“Board” or “BPU”) in BPU Docket No. GR19070873 to revise its Weather Normalization Clause (“WNC”) rate, the Clean Energy Program (“CEP”) component of the Societal Benefits Charge (“SBC”) rate, and its On-System Margin Sharing Credit (“OSMC”).

2. In the July 2019 Petition, Elizabethtown proposed to decrease its current WNC rate from \$0.0000 per therm (or \$0.0194 per therm that was effective November 1, 2018 through May 31, 2019) inclusive of all applicable taxes to a credit rate of \$0.0050 per therm inclusive of all applicable taxes to become effective October 1, 2019. As set forth in the July 2019 Petition, the rate was designed to credit an excess balance associated with the period October 1, 2018



through May 31, 2019 (“2019 Winter Period”), that was attributable to overall colder than normal weather experienced in the Company’s service territory during that period, as well as a prior period deficiency balance. As stated in the July 2019 Petition, the current recoverable revenue excess balance is \$1,595,770, which, when divided by projected winter period therm volumes, produces a WNC credit rate of \$0.0050 per therm inclusive of applicable taxes.

3. In the July 2019 Petition, Elizabethtown proposed to modify its current CEP component of the SBC rate from \$0.0215 per therm, inclusive of all applicable taxes, to \$0.0213 per therm, inclusive of all applicable taxes, to become effective October 1, 2019. Elizabethtown’s CEP allocated funding responsibility for Fiscal Year 2020 CEP level is \$10,637,432. As set forth in the July 2019 Petition, the Company stated the rate was designed to recover prior period costs, the net costs incurred to provide Board-approved CEP programs for the period ending June 30, 2019, and projected costs for the period ending June 30, 2020, totaling \$9,958,369.

4. In the July 2019 Petition, Elizabethtown proposed to modify its current OSMC from a credit rate of \$0.0007 per therm to a credit rate of \$0.0015 per therm, inclusive of all applicable taxes, to become effective October 1, 2019. The rate is set in accordance with the mechanisms approved by the Board in Docket Nos. GT8602131, GM9009049, TC94030057, GR9608574, GR97070552 et al., and Docket Nos. GX99030121, et al., under which margins from certain on-system sales and transportation services are shared between firm sales customers, certain firm transportation customers and the Company on an 80%/20% basis through a credit, the OSMC, to the transportation rates charged to firm sales and all Service Classification RDS customers.

5. The July 2019 Petition was not transmitted to the Office of Administrative Law by the Board. Since all the rates proposed in the July 2019 Petition reflected decreases, public hearings were not required.

6. By Order dated October 25, 2019 (“October 25 Provisional Order”) issued in this proceeding, the Board approved a stipulation authorizing the Company to implement (1) a WNC credit rate of \$0.0050 per therm; (2) a CEP component of the SBC rate of \$0.0213 per therm; and (3) an OSMC credit rate of \$0.0015 per therm. Each of the three rates was made effective on a provisional basis on November 1, 2019, and included all applicable taxes.

7. The July 31<sup>st</sup> filing amounts were updated with actual data through June 30, 2019, in response to the discovery request RCR-A-9; this update yielded lower WNC and CEP rates per therm than the originally proposed WNC and CEP rates, based upon actual data through May 2019 and an estimate for June 2019. The update supported an increase in the WNC credit rate from the provisional credit rate of \$0.0050 per therm to a credit rate of \$0.0051 per therm, inclusive of taxes, as well as a decrease in the CEP rate from the provisional rate of \$0.0213 per therm to \$0.0211 per therm, inclusive of taxes. There was no impact to the provisional OSMC rate with these updates. Notwithstanding the decrease to the CEP rate, the Company proposed to maintain the CEP rate of \$0.0213 per therm as approved in the October 25 Provisional Order to reflect, in part, the revised funding levels for the New Jersey Clean Energy Program for fiscal year 2020 contained in the BPU’s August 16, 2019 Notice modifying the funding levels established by its original June 21, 2019 Order in BPU Docket No. QO19050644. Had these revised funding levels been reflected in the update contained in RCR-A-9, it would have produced a rate of \$0.0229 per therm inclusive of taxes. The calculation of the revised WNC rate is shown in Appendix A.

8. Elizabethtown, Board Staff, and the New Jersey Division of Rate Counsel (“Rate Counsel”) (collectively, “Parties”) engaged in discovery and resolved all issues in this proceeding in accordance with the Stipulation set forth below.

## **STIPULATED MATTERS**

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

### **Effective Date**

A. The Parties acknowledge that the WNC, CEP and OSMC rate changes will become effective as of the effective date of a Board Order approving this Stipulation in accordance with N.J.S.A. 48:2-40, or upon such date thereafter as the Board may specify (“Effective Date”).

### **Effective Rates**

B. As of the Effective Date, the Company will implement (1) its WNC credit rate of \$0.0051 per therm, (2) maintain its CEP component of the SBC rate of \$0.0213 per therm, and (3) maintain its OSMC credit rate of \$0.0015 per therm, each rate being inclusive of all applicable taxes, and those rates shall remain in effect until changed by order of the Board. The calculation of the WNC credit rate is set forth in Appendix A which is attached to this Stipulation. The Company’s next annual filing to reconcile the CEP rate will reflect the costs of the June 21 Order not otherwise recovered through the CEP rate of \$0.0213 per therm.

C. Upon approval by the Board of the WNC, CEP and OSMC rates reflected in this Stipulation, the Company will file with the Board revised tariff sheets to reflect the WNC, CEP and OSMC rates agreed to in this Stipulation. Draft tariff sheets are attached hereto as Appendix

B.

D. Approval of the CEP rate in this Stipulation will result in a total SBC rate of \$0.0354 per therm, inclusive of all applicable taxes.

### **Rate Impact**

E. The rate decrease of the WNC rate from a credit rate of \$0.0050 per therm to \$0.0051 per therm, inclusive of taxes, will decrease the monthly bill of a typical residential heating customer using 100 therms by \$0.01, from \$104.13 to \$104.12, or a decrease of 0.0%, as compared to Elizabethtown's January 1, 2020 rates.

### **All Issues Resolved**

F. Upon the Board's approval of this Stipulation, all issues concerning the WNC, CEP and OSMC and the costs recovered through these clauses are deemed resolved for purposes of this proceeding but remain subject to audit by the Board.

### **Entirety of Stipulation**

G. This Stipulation represents a mutual balancing of interests and, therefore, is intended to be accepted and approved in its entirety. In the event that the Board does not adopt this Stipulation in its entirety in an Order, then any Party hereto is free to pursue its then-available legal remedies with respect to all issues in this Stipulation as though this Stipulation had not been signed.

### **Binding Effect**

H. It is the intent of the Parties that the provisions hereof be approved by the Board, as appropriate, as being in the public interest. The Parties further agree that they consider the Stipulation to be binding on them for all purposes herein.

### **General Reservation**

I. 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. This Stipulation shall not be cited as precedent except for the purpose of enforcing its terms. All rates remain subject to audit by the Board.

WHEREFORE, the Parties hereto do respectfully submit that the Board issue a Decision and Order approving this Stipulation in its entirety in accordance with the terms hereof.

ELIZABETHTOWN GAS COMPANY

STEFANIE A. BRAND  
DIRECTOR, DIVISION OF  
RATE COUNSEL

By: Deborah M. Franco  
Deborah M. Franco  
Director, Regulatory Affairs Counsel

By: Sarah H. Steindel  
Sarah H. Steindel, 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

By: Matko Ilic  
Matko Ilic  
Deputy Attorney General

Dated: February 5, 2020

**Elizabethtown Gas Company  
Weather Normalization Clause (WNC)**

**Calculation of the WNC Rate**

**Based on Cumulative Degree Day Differences at:**

**June 30, 2019**

12 months actual 0 month forecast

1	Current Period - Margin Revenue Excess / (Deficiency), (TK-2)		\$1,877,951
1a	Earnings Test Disallowance, if applicable		<u>\$0</u>
1b	Current Recoverable Margin Revenue Excess/(Deficiency), (L1 less L1a)		\$1,877,951
2	Prior Year - Excess / (Deficient) Recovery Balance, (TK-3)		<u>(\$237,009)</u>
3	Total Revenue Excess / (Deficiency) Balance (L1b+L2)		\$1,640,942
4	Projected Therm Volumes (10/1/19 - 5/31/20)		
	RDS	210,520,500	
	SGS and GDS	129,920,981	340,441,481 therms
5	WNC Charge/(Credit) Rate, before tax (L3a*-1/L4)		(\$0.0048) /therm
6	Plus Sales Tax	6.625%	<u>(\$0.0003)</u>
7	WNC Charge/(Credit) Rate (L5+L6)		<u><u>(\$0.0051) /therm</u></u>
8	<u>3% RDS Rate Cap:</u>	<u>rate w/tax</u>	<u>Cap Rate Components:</u>
	RDS Distribution Charge	\$0.3625	
	BGSS-P rate	<u>\$0.4691</u>	pre Tax \$0.0234
	Cap Rate	\$0.8316	Sales Tax <u>\$0.0015</u> <u>\$0.0249 /therm</u>

RIDER "B"

WEATHER NORMALIZATION CLAUSE ("WNC")

Applicable to all customers in service classifications RDS, SGS and GDS.

~~November 1, 2019~~xx3 through May 31, 2020 (\$~~0.0050~~0051) per therm

June 1 through September 30 of any year \$0.0000 per therm

The charges applicable under this Rider include provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein. In the winter months, October through May, a weather normalization charge shall be applied to the rate quoted in this Tariff under the service classifications shown above, except as may be otherwise provided for in the individual service classification. The weather normalization charge applied in each winter period shall be based on the differences between actual and normal weather during the preceding winter period.

METHOD OF DETERMINING WEATHER NORMALIZATION CHARGE:

The weather normalization charge shall be determined as follows:

I. Definition of Terms as Used Herein

1. Degree Days (DD) - the difference between 65°F and the twenty-four point average temperature for the day, as determined from the records of the National Oceanic and Atmospheric Administration (NOAA) at its weather observation station located at Newark International Airport, when such average falls below 65°F. A day is defined as a period corresponding with the Company's gas sendout day of 10 am to 10 am.

Date of Issue: ~~November 14, 2019~~xx2

Effective: Service Rendered  
on and after ~~November 15, 2019~~xx3

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

Filed Pursuant to Order of the Board of Public Utilities

Dated ~~November 13, 2019~~xx4 in Docket No. ~~GR19040486~~GR19070873

RIDER "C"

ON-SYSTEM MARGIN SHARING CREDIT ("OSMC")

Applicable to all Firm Service Classifications that pay the BGSS of Rider A and RDS customers that receive gas supply from a TPS in accordance with the Board's Order in Docket No. GO99030122.

The OSMC is subject to change to reflect the Company's actual recovery of such margins and shall be adjusted annually in its BGSS filing.

(\$0.0015) per therm

The charges applicable under this Rider include provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein.

Determination of the OSMC

On or about July 31 of each year, the Company shall file with the Board an OSMC rate filing based on the credits generated from on-system margin sharing during the previous OSMC year July 1 through June 30.

The OSMC shall be calculated by taking the current year's credits, plus the prior year's OSMC over or under recovery balance and dividing the resulting sum by the annual forecasted volumes for the service classifications set forth above. The resulting rate shall be adjusted for all applicable taxes and other similar charges.

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Date of Issue: ~~November 14, 2019~~xx2

Effective: Service Rendered  
on and after ~~November 15, 2019~~xx3

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

Filed Pursuant to Order of the Board of Public Utilities  
Dated ~~November 13, 2019~~xx4 in Docket No. ~~GR19040486~~GR19070873



RIDER "D"

SOCIETAL BENEFITS CHARGE ("SBC")

Applicable to all tariff Service Classifications except those Customers under special contracts that explicitly do not permit the Company to apply increased charges as filed and approved by the BPU and those customers exempted pursuant to the Long-Term Capacity Agreement Pilot Program ("LCAPP"), P.L. 2011, c.9, codified as N.J.S.A. 48:3-60.1. See the LCAPP Exemption Procedures at the end of this Rider.

The SBC is designed to recover the components listed below and any other new programs which the Board determines should be recovered through the Societal Benefits Charge.

<u>SBC Rate Components:</u>		<u>Per Therm</u>
I.	New Jersey Clean Energy Program ("CEP")	\$0.0213
II.	Remediation Adjustment Charge ("RAC")	\$0.0020
III.	<u>Universal Service Fund and Lifeline:</u>	
	1. Universal Service Fund ("USF")	\$0.0066
	2. Lifeline	<u>\$0.0055</u>
	TOTAL	\$0.0354

The charges applicable under this Rider include provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein.

I. New Jersey Clean Energy Program Component ("CEP")

The Comprehensive Resource Analysis ("CRA") name was changed to the Clean Energy Program - CEP per Board Order dated January 22, 2003 in Docket No. EX99050347 *et.al*. The CEP is a mechanism that will (1) establish a rate to recover the costs of the Core and Standard Offer Programs in the Company's CEP Plan which was approved by the BPU" in Docket No. GE92020104, and (2) compensate the Company for the revenue erosion resulting from conservation savings created by the Standard Offer Program. The annual recovery period for the CEP is from October 1 through September 30. The CEP recovers program costs and revenue erosion incurred during the previous CEP year ended June 30.

1. CEP program costs include the costs of core programs, standard offer payments and any administrative costs not recovered directly from standard offer providers.

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Date of Issue: ~~November 14, 2019~~xx2

Effective: Service Rendered  
on and after ~~November 15,~~  
~~2019~~xx3

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

Filed Pursuant to Order of the Board of Public Utilities

Dated ~~November 13, 2019~~xx4 in Docket No. ~~GR19040486~~GR19070873

**CLEAN**

RIDER "B"

WEATHER NORMALIZATION CLAUSE ("WNC")

Applicable to all customers in service classifications RDS, SGS and GDS.

xx3 through May 31, 2020 (\$0.0051) per therm

June 1 through September 30 of any year \$0.0000 per therm

The charges applicable under this Rider include provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein. In the winter months, October through May, a weather normalization charge shall be applied to the rate quoted in this Tariff under the service classifications shown above, except as may be otherwise provided for in the individual service classification. The weather normalization charge applied in each winter period shall be based on the differences between actual and normal weather during the preceding winter period.

METHOD OF DETERMINING WEATHER NORMALIZATION CHARGE:

The weather normalization charge shall be determined as follows:

I. Definition of Terms as Used Herein

1. Degree Days (DD) - the difference between 65°F and the twenty-four point average temperature for the day, as determined from the records of the National Oceanic and Atmospheric Administration (NOAA) at its weather observation station located at Newark International Airport, when such average falls below 65°F. A day is defined as a period corresponding with the Company's gas sendout day of 10 am to 10 am.

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RIDER "C"

ON-SYSTEM MARGIN SHARING CREDIT ("OSMC")

Applicable to all Firm Service Classifications that pay the BGSS of Rider A and RDS customers that receive gas supply from a TPS in accordance with the Board's Order in Docket No. GO99030122.

The OSMC is subject to change to reflect the Company's actual recovery of such margins and shall be adjusted annually in its BGSS filing.

(\$0.0015) per therm

The charges applicable under this Rider include provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein.

Determination of the OSMC

On or about July 31 of each year, the Company shall file with the Board an OSMC rate filing based on the credits generated from on-system margin sharing during the previous OSMC year July 1 through June 30.

The OSMC shall be calculated by taking the current year's credits, plus the prior year's OSMC over or under recovery balance and dividing the resulting sum by the annual forecasted volumes for the service classifications set forth above. The resulting rate shall be adjusted for all applicable taxes and other similar charges.

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RIDER "D"

SOCIETAL BENEFITS CHARGE ("SBC")

Applicable to all tariff Service Classifications except those Customers under special contracts that explicitly do not permit the Company to apply increased charges as filed and approved by the BPU and those customers exempted pursuant to the Long-Term Capacity Agreement Pilot Program ("LCAPP"), P.L. 2011, c.9, codified as N.J.S.A. 48:3-60.1. See the LCAPP Exemption Procedures at the end of this Rider.

The SBC is designed to recover the components listed below and any other new programs which the Board determines should be recovered through the Societal Benefits Charge.

<u>SBC Rate Components:</u>		<u>Per Therm</u>
I.	New Jersey Clean Energy Program ("CEP")	\$0.0213
II.	Remediation Adjustment Charge ("RAC")	\$0.0020
III.	<u>Universal Service Fund and Lifeline:</u>	
	1. Universal Service Fund ("USF")	\$0.0066
	2. Lifeline	<u>\$0.0055</u>
	TOTAL	<u>\$0.0354</u>

The charges applicable under this Rider include provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein.

I. New Jersey Clean Energy Program Component ("CEP")

The Comprehensive Resource Analysis ("CRA") name was changed to the Clean Energy Program - CEP per Board Order dated January 22, 2003 in Docket No. EX99050347 *et.al*. The CEP is a mechanism that will (1) establish a rate to recover the costs of the Core and Standard Offer Programs in the Company's CEP Plan which was approved by the BPU" in Docket No. GE92020104, and (2) compensate the Company for the revenue erosion resulting from conservation savings created by the Standard Offer Program. The annual recovery period for the CEP is from October 1 through September 30. The CEP recovers program costs and revenue erosion incurred during the previous CEP year ended June 30.

1. CEP program costs include the costs of core programs, standard offer payments and any administrative costs not recovered directly from standard offer providers.

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