



Sheree L. Kelly, Esq.
Regulatory Affairs Counsel

520 Green Lane
Union, NJ 07083
T: (973) 886-7635
skelly@sjindustries.com

July 31, 2023

Electronic Filing

Sherri L. Golden, Secretary of the Board
New Jersey Board of Public Utilities
44 South Clinton Avenue
P. O. Box 350
Trenton, NJ 08625-0350

**Re: In the Matter of the Petition of Elizabethtown Gas Company To (1) Revise the Clean Energy Program Component of its Societal Benefits Charge Rate and (2) Revise Its On-System Margin Sharing Credit
BPU Docket No. _____**

Dear Secretary Golden:

Enclosed herewith is Elizabethtown Gas Company's Petition To (1) Revise the Clean Energy Program Component of its Societal Benefits Charge Rate; and (2) Revise Its On-System Margin Sharing Credit, which has been filed electronically today utilizing the Board's e-filing Program. In accordance with the New Jersey Board of Public Utilities ("BPU") March 19, 2020 and June 10, 2020 Orders issued in BPU Docket No. EO20030254, hard copies are not being submitted at this time, but can be provided at a later time, if needed.

Please do not hesitate to contact me with any questions you may have. Thank you for your attention to this matter.

Respectfully submitted,

A handwritten signature in cursive script that reads "Sheree L. Kelly".

Sheree L. Kelly, Esq.

SLK:slp

Enclosures

cc: Service list (electronically)

**IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY
TO (1) REVISE THE CLEAN ENERGY PROGRAM COMPONENT OF ITS SOCIETAL BENEFITS
CHARGE RATE AND (2) REVISE ITS ON-SYSTEM MARGIN SHARING CREDIT
BPU DOCKET NO. GR _____**

SERVICE LIST

Thomas Kaufmann
Elizabethtown Gas Company
520 Green Lane
Union, NJ 07083
tkaufmann@sjindustries.com

Susan Potanovich
Elizabethtown Gas Company
520 Green Lane
Union, NJ 07083
spotanovich@sjindustries.com

Gary Akmentins
Elizabethtown Gas Company
One South Jersey Place
Atlantic City, NJ 08401
gakmentins@sjindustries.com

Dominick DiRocco, Esq.
SJI Utilities, Inc.
One South Jersey Plaza
Folsom, NJ 08037
ddirocco@sjindustries.com

Cindy Capozzoli
SJI Utilities, Inc.
One South Jersey Place
Atlantic City, NJ 08401
ccapozzoli@sjindustries.com

Sheree Kelly
SJI Utilities, Inc.
520 Green Lane
Union, NJ 07083
skelly@sjindustries.com

Carolyn A. Jacobs
SJI Utilities, Inc.
One South Jersey Place
Atlantic City, NJ 08401
cjacobs@sjindustries.com

Andrew McNally
SJI Utilities, Inc.
520 Green Lane
Union, NJ 07083
amcnally@sjindustries.com

Jennifer Weitz
SJI Utilities, Inc.
520 Green Lane
Union, NJ 07083
jweitz@sjindustries.com

Stacy Peterson
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton, NJ 08625-0350
Stacy.Peterson@bpu.nj.gov

Heather Weisband, Esq.
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton, NJ 08625-0350
Heather.Weisband@bpu.nj.gov

Jacqueline Galka
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton, NJ 08625-0350
Jacqueline.Galka@bpu.nj.gov

Mike Kammer
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton, NJ 08625-0350
Mike.Kammer@bpu.nj.gov

Malike Cummings
Board of Public Utilities
44 South Clinton Avenue
P. O. Box 350
Trenton, NJ 08625-0350
Malike.Cummings@bpu.nj.gov

Maura Caroselli, Esq.
Division of Rate Counsel
140 East Front Street 4th Floor
P.O. Box 003
Trenton, NJ 08625
mcaroselli@rpa.nj.gov

Brian Lipman, Esq.
Division of Rate Counsel
140 East Front Street 4th Floor
P.O. Box 003
Trenton, NJ 08625
blipman@rpa.nj.gov

Megan Lupo, Esq.
Division of Rate Counsel
140 East Front Street 4th Floor
P.O. Box 003
Trenton, NJ 08625
mlupo@rpa.nj.gov

Sarah H. Steindel, Esq.
Division of Rate Counsel
140 East Front Street 4th Floor
P.O. Box 003
Trenton, NJ 08625
ssteindel@rpa.nj.gov

Carlena Morrison
Division of Rate Counsel
140 East Front Street 4th Floor
P.O. Box 003
Trenton, NJ 08625
cmorrison@rpa.nj.gov

Mamie W. Purnell, Esq.
Division of Rate Counsel
140 East Front Street 4th Floor
Post Office Box 003
Trenton, NJ 08625
mpurnell@rpa.nj.gov

Terel Klein, DAG
Dept. of Law & Public Safety
R.J. Hughes -Public Utilities Section
25 Market Street, P.O. Box 112
Trenton, NJ 08625
Terel.Klein@law.njoag.gov

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

IN THE MATTER OF THE PETITION OF :
ELIZABETHTOWN GAS COMPANY :
TO (1) REVISE THE CLEAN ENERGY : **BPU DOCKET NO. _____**
PROGRAM COMPONENT OF ITS :
SOCIETAL BENEFITS CHARGE RATE AND :
(2) REVISE ITS ON-SYSTEM MARGIN :
SHARING CREDIT :

CASE SUMMARY, PETITION, TESTIMONY AND SCHEDULES

July 31, 2023

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

-----X
In The Matter Of The Petition Of Elizabethtown Gas :
Company To (1) Revise The Clean Energy Program : **Docket No. _____**
Component Of Its Societal Benefits Charge Rate and :
(2) Revise Its On-System Margin Sharing Credit : **CASE SUMMARY**
-----X

This Petition presents the request of Elizabethtown Gas Company (“Petitioner”) that the Board of Public Utilities (“Board” or “BPU”) accept the filing of Petitioner’s revised rates associated with the Clean Energy Program (“CEP”) component of the Societal Benefits Charge (“SBC”) and On-System Margin Sharing Credit (“OSMC”) as noted below, which are inclusive of taxes. The Petition proposes the following per therm rates to be effective on October 1, 2023: a CEP of \$0.0270 and an OSMC credit rate of \$0.0036. The proposed rate changes will increase the monthly bill of a residential heating customer using 100 therms by \$0.05 from \$103.77 to \$103.82, an increase of 0.0% based on rates in effect July 1, 2023.

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

-----X
In The Matter Of The Petition Of Elizabethtown Gas Company To (1) Revise The Clean Energy Program Component Of Its Societal Benefits Charge Rate and (2) Revise Its On-System Margin Sharing Credit :
: **Docket No. GR_____**
: **PETITION**
-----X

To The Honorable Board of Public Utilities:

Petitioner, Elizabethtown Gas Company (“Petitioner”), a public utility corporation duly organized under the laws of the State of New Jersey subject to the jurisdiction of the Board of Public Utilities (“BPU” or “Board”), respectfully states:

1. Petitioner’s principal business office is located at 520 Green Lane, Union, New Jersey 07083.

2. Petitioner is engaged in the business of transmission and distribution of natural and mixed gas to approximately 312,000 customers within its service territory located principally in Hunterdon, Mercer, Middlesex, Morris, Sussex, Union and Warren Counties.

3. The purpose of this filing is to revise the rates associated with Petitioner’s Clean Energy Program (“CEP”) component of the Societal Benefits Charge (“SBC”) and On-System Margin Sharing Credit (“OSMC”), and to reconcile costs and cost recoveries associated with each clause for the periods in which the respective clauses are applicable.

4. Annexed hereto and made a part of this Petition is Exhibit P-1 which Petitioner suggests be marked as indicated. Exhibit P-1 is the testimony and supporting schedules of Thomas Kaufmann, Manager of Rates and Tariffs for Petitioner. The following Schedules, described in Mr. Kaufmann’s testimony, are attached and referred to in Exhibit P-1:

- a. Tariff Schedule TK-1;
- b. Forecast Schedule TK-1;
- c. CEP Schedule TK-1 through TK-5; and
- d. OSMC Schedule TK-1 through TK-4.

Rate and Order Background

5. The current rates in effect for CEP and OSMC were approved on a final basis in Petitioner’s 2022 WNC/CEP/OSMC proceeding in BPU Docket No. GR22070466 per Board Order dated May 24, 2023. The following table sets forth the current CEP and OSMC rates and the CEP and OSMC rates proposed in this filing. All rates quoted in this Petition are inclusive of taxes.

	Current	Proposed
CEP	\$0.0260	\$0.0270
OSMC	<u>(\$0.0031)</u>	<u>(\$0.0036)</u>
Total	\$0.0229	\$0.0234

The CEP Component of the SBC Rate

6. Petitioner’s SBC was approved by the Board’s Orders dated March 30, 2001 in BPU Docket No. GX99030121, *et al.*, and November 21, 2001 in Docket No. EX00020091, *et al.* The SBC consists of four components: (1) the CEP component, (2) the Remediation Adjustment Clause (“RAC”) component, (3) the Universal Service Fund (“USF”) component, and (4) the Lifeline component. In this Petition, Petitioner is only addressing the CEP component of the SBC.

7. In accordance with the Board’s Orders in Docket Nos. EX99050347, *et al.* and GX99030121, *et al.*, Petitioner is making this filing to recover prior period costs, the net actual costs incurred to provide Board-approved CEP programs and carrying costs for the period ending June 30, 2023, and projected costs for the period ending June 30, 2024 for a total of \$13,348,375 as shown on CEP Schedule TK-1. As shown on CEP Schedule TK-5, in accordance with the Board’s Order dated June 29, 2023 in BPU Docket No. QO23040235 which established the statewide funding levels for CEP programs for Fiscal Year 2024, Petitioner has been allocated \$12,561,692 of CEP funding responsibility for the twelve months ending June 30, 2024. As noted on this schedule, only the amounts projected to be paid to the Fiscal Agent during the projected CEP period are included on CEP Schedule TK-1. This level of spending, plus certain additional adjustments shown on CEP Schedule TK-1, produces a proposed CEP rate of \$0.0270 per therm.

On-System Margin Sharing Credit

8. In accordance with the mechanisms approved by the Board's Orders in Docket Nos. GT8602131, GM9009049, TC94030057, GR9608574, et. al., GR97070552, et. al., and Docket No. GX99030121, et. al., margins from certain on-system sales and transportation services are shared between firm sales customers, certain firm transportation customers and Petitioner on an 80/20% basis through a credit, the OSMC, to the transportation rates charged to firm sales and Service Classification RDS customers. These sharing amounts, plus certain additional adjustments shown on OSMC Schedule TK-1, produces a proposed OSMC credit rate of \$0.0036 per therm.

Overall Impact

9. The overall impact of Petitioner's proposed CEP and OSMC rates in this proceeding is an increase in the monthly bill of a residential heating customer using 100 therms of \$0.05, from \$103.77 to \$103.82, or an increase of 0.0% as compared to the currently effective rates as of July 1, 2023.

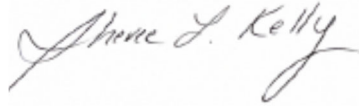
Miscellaneous

10. Petitioner is serving notice and a copy of this Petition, together with a copy of the exhibits and schedules annexed hereto on the Director, New Jersey Division of Rate Counsel via electronic mail in lieu of providing hard copies. In accordance with the BPU's March 19, 2020 and June 10, 2020 Orders issued in BPU Docket No. EO20030254, hard copies are not being submitted at this time, but can be provided at a later time, if needed.

11. Similarly, Petitioner is also serving this notice and a copy of this Petition on the Department of Law and Public Safety via electronic mail in lieu of submitting hard copies which can be provided at a later time, if needed.

WHEREFORE, Petitioner respectfully requests that the Board (1) accept Petitioner's filing, (2) allow the proposed CEP and OSMC rates and associated proposals to become effective October 1, 2023, and (3) grant such other relief as the Board may deem just and proper.

Respectfully submitted,



Sheree L. Kelly, Esq.
Regulatory Affairs Counsel
SJI Utilities, Inc.

Date: July 31, 2023

Communications addressed to the Petitioner
in this case are to be sent to:

Dominick DiRocco
VP Rates & Regulatory Affairs
SJI Utilities, Inc.
One South Jersey Plaza
Folsom, NJ 08037
Tel. No. (732) 239-4462
ddirocco@sjindustries.com

Sheree Kelly
Regulatory Affairs Counsel
SJI Utilities, Inc.
520 Green Lane
Union, New Jersey 07083
Tel. No. (908) 536-0877
Skelly@sjindustries.com

Cindy Capozzoli
Director, Rates
SJI Utilities, Inc.
One South Jersey Place
Atlantic City, NJ 08401
Tel. No. (856) 625-6618
ccapozzoli@sjindustries.com

NOTICE OF PUBLIC HEARINGS

**IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY TO (1) REVISE THE CLEAN ENERGY PROGRAM COMPONENT OF ITS SOCIETAL BENEFITS CHARGE RATE AND (2) REVISE ITS ON-SYSTEM MARGIN SHARING CREDIT
BPU Docket No. GR_____**

PLEASE TAKE NOTICE that on July 31, 2023, Elizabethtown Gas Company (“Elizabethtown” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“BPU” or “Board”) in BPU Docket No. GR_____ to revise its Clean Energy Program (“CEP”) component of its Societal Benefit Charge (“SBC”), and its On-System Margin Sharing Credit (“OSMC”) (“Petition”). In the Petition, the Company proposed to establish a CEP rate of \$0.0270 per therm to recover CEP cost responsibility amounting to approximately \$13.3 million, and an OSMC credit rate of \$0.0036 per therm for an adjustment to margin contributions amounting to approximately \$1.2 million, to be effective October 1, 2023. The CEP component of the SBC recovers the costs of statewide energy efficiency and renewable energy programs mandated by the Board. The OSMC rate is designed to flow back to the Company’s firm customers the margins received from on-system sales and transportation services. The proposed rates are subject to BPU approval and may be higher or lower depending on the Board’s final determination and the date on which such rates are made effective. A comparison of the Company’s current versus proposed rates, all of which are inclusive of taxes, is as follows:

	Current Rates per Therm	Proposed Rates per Therm
CEP	\$0.0260	\$0.0270
OSMC	(\$0.0031)	(\$0.0036)
Total	\$0.0229	\$0.0234

If approved, the combined effect of the Company's Petition on the monthly bill of a residential heating customer using 100 therms as compared to rates currently in effect is as follows:

<u>Consumption in Therms</u>	<u>Present Bill July 1, 2023</u>	<u>Proposed Bill October 1, 2023</u>	<u>Proposed Monthly Increase</u>	<u>Percent Change</u>
100	\$103.77	\$103.82	\$0.05	0.0%

The Board has the statutory authority to establish Elizabethtown's rates at levels it finds just and reasonable as well as to establish the effective date of such rates. Therefore, the BPU may establish the rates at levels and/or an effective date other than those proposed by Elizabethtown.

A copy of the Filing can be viewed on the Company’s website at: www.elizabethtowngas.com under regulatory information.

PLEASE TAKE FURTHER NOTICE that due to the COVID-19 Pandemic, virtual public hearings will be held on following date and times so that members of the public may present their views on the Petition:

VIRTUAL PUBLIC HEARING
DATE: TBD

HEARING TIMES: 4:30 p.m. and 5:30 p.m.

LOCATION: Microsoft Teams Meeting
ID: TBD
PASSCODE: TBD

(Access the Microsoft Teams App or Microsoft Teams on the web. On the left side of the screen, click the “Teams” icon. Select “Join or ‘create a team””. Press “Join” and enter the Meeting ID and Passcode when prompted.)

or

Dial In: 866-984-3163
Conference ID: TBD followed by the # sign

Representatives of the Company, Board Staff and the New Jersey Division of Rate Counsel will participate in the virtual public hearings. Members of the public may use the Microsoft Teams Meeting link or the Dial-In Number and Conference ID to express their views on this matter. All comments will be part of the final record of the proceeding and will be considered by the Board. To encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, such as interpreters or listening assistance, 48 hours prior to the above hearings to the Board Secretary at board.secretary@bpu.nj.gov.

The Board is also accepting written and electronic comments. Comments may be submitted directly to the specific docket listed above using the “Post Comments” button on the Board’s Public Document Search tool. Comments are considered public documents for purposes of the State’s Open Public Records Act. Only public documents should be submitted using the “Post Comments” button on the Board’s Public Document Search tool. Any confidential information should be submitted in accordance with the procedures set forth in N.J.A.C. 14:1-12.3. In addition to hard copy submissions, confidential information may also be filed electronically via the Board’s e-filing system or by email to the Secretary of the Board. Please include “Confidential Information” in the subject line of any email. Instructions for confidential e-filing are found on the Board’s webpage.
<https://www.nj.gov/bpu/agenda/efiling/>.

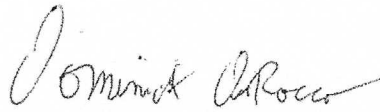
Emailed and/or written comments may also be submitted to:
Secretary of the Board
44 South Clinton Ave., 1st Floor
PO Box 350
Trenton, NJ 08625-0350
Phone: 609-913-6241
Email: board.secretary@bpu.nj.gov

Elizabethtown Gas Company
Christie McMullen –President and Chief Operating Officer

VERIFICATION


I, Dominick DiRocco, Esq., of full age, being duly sworn according to law, upon my oath, depose and say:

1. I am VP - Rates & Regulatory Affairs of SJI Utilities, Inc., the parent company to Elizabethtown Gas Company ("Company") and I am authorized to make this verification on behalf of the Company.
2. I have reviewed the within petition and the information contained therein is true according to the best of my knowledge, information and belief.



Dominick DiRocco, Esq.
VP - Rates & Regulatory Affairs

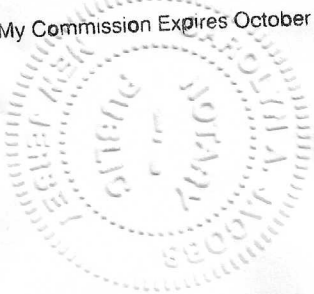
Sworn to and subscribed
before me this 31st day
of July 2023



CAROLYN A. JACOBS

NOTARY PUBLIC OF NEW JERSEY

My Commission Expires October 28, 2023



**IN THE MATTER OF THE PETITION OF
ELIZABETHTOWN GAS COMPANY TO (1) REVISE THE CLEAN ENERGY
PROGRAM COMPONENT OF ITS SOCIETAL BENEFITS CHARGE RATE
AND (2) REVISE ITS ON-SYSTEM MARGIN SHARING CREDIT**

BPU DOCKET NO. _____

DIRECT TESTIMONY

OF

THOMAS KAUFMANN

**On Behalf Of
Elizabethtown Gas Company**

Exhibit P-1

July 31, 2023

ELIZABETHTOWN GAS COMPANY
DIRECT TESTIMONY OF
THOMAS KAUFMANN

1 I. INTRODUCTION

2 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

3 A. My name is Thomas Kaufmann. My business address is 520 Green Lane, Union, New
4 Jersey 07083.

5 Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

6 A. I am employed by Elizabethtown Gas Company (“Elizabethtown” or “Company”) as
7 Manager of Rates and Tariffs.

8 Q. WHAT IS THE SCOPE OF YOUR DUTIES AT ELIZABETHTOWN?

9 A. I am responsible for designing and developing rates and rate schedules for regulatory
10 filings with the New Jersey Board of Public Utilities (“BPU” or “Board”) and internal
11 management purposes. I also oversee daily rate department functions, including tariff
12 administration, competitive analyses and preparation of management reports.

13 Q. PLEASE DESCRIBE YOUR PROFESSIONAL QUALIFICATIONS AND
14 BUSINESS EXPERIENCE.

15 A. In June 1977, I graduated from Rutgers University, Newark, New Jersey with a
16 Bachelor of Arts degree in Business Administration, majoring in accounting and
17 economics. In July 1979, I graduated from Fairleigh Dickinson University, Madison,
18 New Jersey with a Master of Business Administration, majoring in finance.

19 My professional responsibilities have encompassed financial analysis,
20 accounting, planning, and pricing in manufacturing and energy services companies in
21 both regulated and unregulated industries. In 1977, I was employed by Allied

1 Chemical Corp. as a staff accountant. In 1980, I was employed by Celanese Corp. as
2 a financial analyst. In 1981, I was employed by Suburban Propane as a Strategic
3 Planning Analyst, promoted to Manager of Rates and Pricing in 1986 and to Director
4 of Acquisitions and Business Analysis in 1990. In 1993, I was employed by
5 Concurrent Computer as a Manager, Pricing Administration. In 1996, I joined NUI
6 Corporation (“NUI”) as a Rate Analyst, was promoted to Manager of Regulatory
7 Support in August 1997 and Manager of Regulatory Affairs in February 1998, and
8 named Manager of Rates and Tariffs in July 1998. NUI was acquired by AGL
9 Resources Inc. (“AGL”) in November 2004. AGL was acquired by Southern Company
10 in July 2016. SJI acquired Elizabethtown Gas on July 1, 2018.

11 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

12 **A.** I will support Elizabethtown’s proposed rate for the Clean Energy Program (“CEP”)
13 component of the Societal Benefits Charge (“SBC”) and its On-System Margin Sharing
14 Credit (“OSMC”) rate for the twelve month period ending September 30, 2024 (“2024
15 Recovery Year”).

16 **Q. WHAT EFFECTIVE DATE DOES THE COMPANY PROPOSE IN THIS**
17 **FILING?**

18 **A.** The Company is proposing that the final rates and associated changes proposed in this
19 filing take effect on October 1, 2023.

20 **Q. WHEN WERE THE COMPANY’S CEP AND OSMC RATES LAST REVISED?**

21 **A.** The current rates in effect for CEP and OSMC were approved on a final basis in
22 Petitioner’s 2022 WNC/CEP/OSMC proceeding by Board Order dated May 24, 2023
23 in BPU Docket No. GR22070466.

24 **Q. DOES YOUR TESTIMONY INCLUDE ANY ILLUSTRATIVE SCHEDULES?**

1 **A.** Yes. My testimony includes schedules and proposed tariff sheets that were prepared
2 under my direction and supervision. The schedules are as follows:

3 **(1)** **Tariff Schedule TK-1** consists of revised tariff sheets in redlined and clean form
4 which reflect the revised rates for the CEP component of the SBC rider and the
5 OSMC rider, as well as certain housekeeping items.

6 **(2)** **Forecast Schedule TK-1** provides the level of forecasted sales and services for
7 the 2024 Recovery Year, which was utilized in the calculation of the proposed
8 CEP and OSMC rates.

9 **(3)** **CEP Schedule TK-1** sets forth the calculation of the proposed CEP rate for the
10 2024 Recovery Year.

11 **(4)** **CEP Schedule TK-2** sets forth the calculation of carrying costs on the CEP
12 balance for the twelve months ended June 30, 2023.

13 **(5)** **CEP Schedule TK-3** sets forth actual and projected CEP Fiscal Agent Payments
14 for the twelve months ended June 30, 2023.

15 **(6)** **CEP Schedule TK-4** sets forth actual and projected CEP recoveries for the
16 twelve months ended June 30, 2023.

17 **(7)** **CEP Schedule TK-5** sets forth the projected total amounts that the Company
18 will either spend on the CEP or that will be paid to the fiscal agent during the
19 twelve month period ended June 30, 2023.

20 **(8)** **OSMC Schedule TK-1** presents a calculation of the proposed OSMC rate per
21 therm for the 2024 Recovery Year.

22 **(9)** **OSMC Schedule TK-2** presents the projected customer portion of the margin
23 sharing credits forecast to be generated during the twelve month period ended
24 June 30, 2024.

1 **(10) OSMC Schedule TK-3** sets forth the balance to be trued-up for the margin
2 sharing credits generated versus credits disbursed to customers for the twelve
3 month period ended June 30, 2023.

4 **(12) OSMC Schedule TK-4** presents the actual OSMC disbursements to sales
5 customers taking BGSS service and residential transportation customers for the
6 twelve month period ended June 30, 2023.

7 **II. REVENUE FORECAST**

8 **Q. WHAT IS THE METHODOLOGY USED TO PROJECT FIRM SALES AND**
9 **SERVICES FOR THE RECOVERY YEAR IN ORDER TO DERIVE THE**
10 **COMPANY’S PROPOSED CEP AND OSMC RATES?**

11 **A.** The methodology used is the same as that used in the demand forecast which supports
12 Elizabethtown’s Basic Gas Supply Service (“BGSS”) rates. A summary of the forecast
13 of normalized sales and services is set forth on Forecast Schedule TK-1.

14 **Q. WHAT PERIOD IS COVERED BY THE DEMAND FORECAST?**

15 **A.** The gas sales demand forecast as set forth on Forecast Schedule TK-1 is for the twelve
16 month period ended September 2024, also referred to as the 2024 Recovery Year.

17 **Q. WERE THE COMPANY'S FIRM AND NON-FIRM SALES AND**
18 **TRANSPORTATION REVENUE FORECASTS PREPARED USING THE**
19 **SAME METHODOLOGY USED BY THE COMPANY IN PREPARING LAST**
20 **YEAR'S REVENUE FORECASTS?**

21 **A.** Yes. The Company continues to use regression equations based on actual historical
22 sales demand data as well as any known customer changes to develop the forecast
23 demand.

1 **III. SOCIETAL BENEFITS CHARGE**

2 **Q. PLEASE DESCRIBE THE SBC.**

3 **A.** The SBC currently consists of the following components: (1) the CEP component, (2)
4 the Remediation Adjustment Clause (“RAC”) component, (3) the Universal Service
5 Fund (“USF”) charge, and (4) the Lifeline charge. As discussed in the accompanying
6 Petition, Petitioner is not proposing changes to the RAC, USF and Lifeline rates in this
7 filing. These rates have been or will be addressed in separate filings. My testimony is
8 limited to addressing the CEP component of the SBC rate.

9 **IV. SBC – CEP COMPONENT**

10 **Q. DESCRIBE THE PURPOSE OF THE CEP.**

11 **A.** The CEP was created as a result of the Electric Discount and Energy Competition Act
12 of 1999 and the Board’s Order dated March 9, 2001 in BPU Docket No. EX99050347,
13 *et al.*, at which time it was known as the Comprehensive Resource Analysis (“CRA”)
14 Program. The programs described below were developed after consultation between
15 the BPU and the Department of Environmental Protection to promote both energy
16 efficiency and Class 1 renewable energy programs for the State of New Jersey and its
17 energy consumers.

18 **Q. WERE ALL APPROVED CEP FUNDS COLLECTED BY ELIZABETHTOWN**
19 **SPENT ON PROGRAMS ADMINISTERED BY ELIZABETHTOWN AND/OR**
20 **THE FISCAL AGENT?**

21 **A.** Yes. Elizabethtown expends program funds in the following three ways: (i) expenses
22 for the costs of administering CEP Energy Efficiency Programs, (ii) payments made to
23 renewable or grid supply program vendors at the direction of BPU Staff, and (iii)
24 payments made directly to the fiscal agent, which are equal to the difference between

1 the Board-approved funding and the Company’s administrative costs and payments to
2 vendors.

3 **Q. PLEASE EXPLAIN HOW THE CEP COMPONENT OF THE SBC WAS**
4 **CALCULATED.**

5 **A.** The CEP component is calculated by determining the sum of (i) the total of the current
6 year’s expenditures and fiscal agent payments, less recoveries, plus carrying costs as
7 shown on CEP Schedule TK-2, (ii) the prior year’s over or under-recovery shown as
8 the opening balance on CEP Schedule TK-2, and (iii) the projected CEP costs for the
9 twelve month period ended June 30, 2024, which are adjusted for costs in excess of the
10 CEP Budget as of June 30, 2023, if any. The net total represents the costs to be
11 recovered in the 2024 Recovery Year, as shown on CEP Schedule TK-1. This total is
12 then divided by the sales and transportation volumes projected for the 2024 Recovery
13 Year for the service classes shown on Forecast Schedule TK-1, with the resulting
14 quotient being adjusted for taxes to arrive at a CEP rate of \$0.0270 per therm.

15 **Q. WHAT ARE THE CEP PROGRAM COSTS FOR THE YEAR ENDED JUNE**
16 **30, 2023 AS REFLECTED IN THE COMPANY’S FILING?**

17 **A.** CEP Schedule TK-2 reflects actual Company Program Costs of \$2,618,561 and Fiscal
18 Agent Payments of \$9,944,231 for the twelve months ended June 30, 2023.

19 **Q. WHAT ARE THE RESULTS OF THE PRIOR YEAR RECOVERY AND**
20 **CURRENT YEAR ACTIVITIES?**

21 **A.** As of June 30, 2023, the Company’s CEP component will result in a projected under
22 recovery of \$1,235,429. As shown on CEP Schedule TK-1 line 6, this amount consists
23 of the beginning balance at June 30, 2022, the current year Company Program Costs,

1 Fiscal Agent Payments, Recoveries and Carrying Costs for the twelve months ended
2 June 30, 2023.

3 **Q. WHAT LEVEL OF COSTS IS THE PROPOSED CEP RATE DESIGNED TO**
4 **RECOVER?**

5 **A.** This year, the proposed CEP component is designed to recover \$13,348,375 as set forth
6 on CEP Schedule TK-1, line 8, resulting in a per therm rate of \$0.0270, inclusive of
7 taxes. This amount is made up of the net CEP under-recovery balance as described
8 above and shown on CEP Schedule TK-1, line 6, and projected fiscal agent payments
9 to be remitted during the next twelve months of \$12,112,946 as shown on CEP
10 Schedule TK-1 line 7. The twelve months of fiscal agent payments are based on prior
11 period payable amounts plus next year's CEP funding responsibility for the months of
12 July through May, which are those anticipated to be remitted by June 30th. These
13 amounts are per the Board's Order dated June 29, 2023 in BPU Docket No.
14 QO23040235. As shown on CEP Schedule TK-5, the Company has been allocated
15 \$12,561,692 of CEP funding responsibility for the twelve months ending June 30,
16 2024.

17 **Q. ARE CARRYING COSTS INCLUDED IN THE CEP CALCULATION?**

18 **A.** Yes. In accordance with the Board's Order dated March 30, 2001 in BPU Docket No.
19 GX99030121 *et al.*, the Company applies carrying costs on its CEP balance. The
20 Company accrues carrying costs on the net monthly balance as shown on CEP Schedule
21 TK-2. Carrying costs are not compounded monthly.

22 **Q. WHAT IS THE PROPOSED CEP RATE?**

23 **A.** The proposed CEP rate is \$0.0270 per therm, inclusive of taxes, as presented on CEP
24 Schedule TK-1.

1 **Q. ARE THERE ANY OTHER CEP TARIFF CHANGES INCLUDED IN THIS**
2 **FILING?**

3 **A.** Yes. The Company is making certain housekeeping changes in connection with the
4 Stipulation in the Company’s last base rate case approved by the Board’s Order dated
5 August 17, 2022 in BPU Docket No. GR21121254 (“2021 Base Rate Case
6 Stipulation”), effective September 1, 2022. The Company is submitting tariff
7 housekeeping changes to correct Sheet Nos. 116 and 117 applicable to the
8 determination of the CEP interest rate. Sections I3(b) and I3(c) of Original Sheet 116
9 of the Company’s current tariff state that interest will be “at the rate applicable to the
10 RAC component of the SBC”. Such rate is set annually on a date “on or closest to
11 August 31st of each year”. Appendix B of the 2021 Base Rate Case Stipulation called
12 for the use of a two year constant maturity Treasury rate for the CEP.

13 In modifying the CEP annual interest rate from a seven year to a two year
14 constant maturity Treasury rate to align with Appendix B of the 2021 Base Rate Case
15 Stipulation, on Sheet No. 117 the Company inadvertently inserted language from the
16 USF and Lifeline Components section of SBC Rider “D” in the Company’s tariff which
17 uses a two year constant maturity Treasury rate that is set monthly rather than annually.
18 In addition to removing any reference to the RAC component of the SBC on Sheet No.
19 116 and moving the interest language on Sheet No. 117, the revised tariff language
20 reflects a two year constant maturity Treasury rate set annually, as discussed above,
21 which the Company began utilizing effective September 1, 2022 to be consistent with
22 Appendix B of the 2021 Base Rate Case Stipulation.

23

1 V. OSMC RATE

2 Q. PLEASE BRIEFLY DESCRIBE THE OSMC AND THE CUSTOMERS TO
3 WHICH IT APPLIES.

4 A. The OSMC was originally approved by the Board's Order dated March 30, 2001 in
5 BPU Docket No. GX99030121, *et al.*, as the rate mechanism to be used to refund to
6 firm sales customers taking BGSS service and residential transportation customers
7 portions of the margins derived by the Company from the rendition of certain non-firm
8 sales and transportation services.

9 Q. WHAT IS THE PROPOSED OSMC RATE?

10 A. The proposed OSMC credit rate is \$0.0036 per therm, inclusive of taxes, as presented
11 on OSMC Schedule TK-1.

12 Q. PLEASE EXPLAIN HOW THE OSMC RATE WAS CALCULATED.

13 A. As shown on OSMC Schedule TK-1, the derivation of the OSMC credit rate is based
14 on the projected level of margins from certain non-firm sales and transportation
15 services for the twelve month period ended June 30, 2024 and the prior year's over or
16 under-recovery of margins generated, less margins credited to customers as more fully
17 described below, divided by the applicable projected volumes.

18 Q. PLEASE EXPLAIN HOW MARGIN SHARING AMOUNTS REFLECTED ON
19 OSMC SCHEDULE TK-2 HAVE BEEN CALCULATED.

20 A. Margins from the distribution element of non-firm sales customers and certain
21 transportation customers are shared 80% to customers and 20% to the Company.

22 In addition, also included in the sharing formula are demand margins from
23 certain transportation customers.

24

1 **VI. CONCLUSION**

2 **Q. PLEASE SUMMARIZE THE PROPOSED CHANGES TO THE CEP AND**
 3 **OSMC RATE COMPONENTS.**

4 **A.** A comparison of current rates as of July 1, 2023 and the rates proposed in this filing,
 5 all of which are inclusive of taxes, are as follows:

	Current	Proposed
CEP	\$0.0260	\$0.0270
OSMC	<u>(\$0.0031)</u>	<u>(\$0.0036)</u>
Total	\$0.0229	\$0.0234

6 **Q. WHAT IS THE IMPACT OF THE PROPOSED CHANGES IN THESE RATES**
 7 **ON TYPICAL RESIDENTIAL HEATING CUSTOMERS?**

8 **A.** The overall impact of the proposed adjustments to the CEP and OSMC rates as
 9 reflected in this filing would increase the monthly bill of a residential heating customer
 10 using 100 therms by \$0.05, from \$103.77 to \$103.82, or an increase of 0.0%, as
 11 compared to the Company’s currently approved rates.

12 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

13 **A.** Yes, it does.

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.

~~(\$0.0031)~~(\$0.0036) 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.

Date of Issue: ~~May 30, 2023~~xxx1

Effective: Service Rendered
on and after ~~June 7, 2023~~xxx2

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

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~May 24, 2023~~xxx3 in Docket No. ~~GR22070466~~xxx4

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.	Clean Energy Program ("CEP")	\$0.02600 <u>0.0270</u>
II.	Remediation Adjustment Charge ("RAC")	\$0.0023
III.	<u>Universal Service Fund and Lifeline:</u>	
	1. Universal Service Fund ("USF")	\$0.0111
	2. Lifeline	<u>\$0.0055</u>
	TOTAL	\$0.04490 <u>0.0459</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. 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.

Date of Issue: ~~May 30, 2023~~ xxx1

Effective: Service Rendered
on and after ~~June 7, 2023~~ xxx2

Issued by: Christie McMullen, President
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Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~May 24, 2023~~ xxx3 in Docket No. ~~GR22070466~~ xxx4

RIDER "D"

SOCIETAL BENEFITS CHARGE ("SBC")
(continued)

I. Clean Energy Program Component ("CEP") (continued)

2. The Standard Offer Program will reduce the volumes of gas sold by the Company and will reduce revenues corresponding to volumes of gas saved. This revenue loss will occur because the rates set in the Company's base rate case do not reflect a decrease in revenues resulting from program measures which will be implemented during the period in which the Company's CEP Plan is in effect. Consequently, the Company will not recover those fixed costs in base rates corresponding to the volumes of gas saved by the Standard Offer Program.
3. The CEP rate shall be determined as follows:
 - (a) The Company will project all program costs not recoverable directly from standard offer providers and revenue erosion, based upon current, approved rates, both of which elements are not currently collected through base rates for the annual period ("current annual period").
 - (b) The Company will include with the above projection, a statement of the prior annual period of any (over-) or under-recoveries, including interest at the rate applicable to the ~~RAG-CEP~~ component of the SBC. This statement will include estimated data for those months that occur after the date of filing but which correspond to the prior annual period. The CEP may be adjusted for material differences between estimates and actual results in the prior annual period.
 - (c) The sum of the program costs and recoveries for the CEP year ending June 30 plus the projected spending for the succeeding twelve month period, including interest ~~calculated at a rate equal to that applied to the RAG component of the SBC~~, will be divided by the estimated sales and transportation throughput to all Customers subject to the SBC during the succeeding October 1 through September 30 period.

The formula for calculating the CEP rate is as follows:

$$\frac{PC + RE + [RB * (1+i)]}{AV}$$

Date of Issue: ~~August 22, 2022~~xxx1

Effective: Service Rendered on and after ~~September 1, 2022~~xxx2

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520 Green Lane
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~August 17, 2022~~xxx3 in Docket No. ~~GR21121254~~xxx4

RIDER "D"

SOCIETAL BENEFITS CHARGE ("SBC")
(continued)

I. Clean Energy Program Component ("CEP") (continued)

3. The CEP rate shall be determined as follows: (continued)

(c) where:

PC = all projected program costs not recoverable directly from standard offer providers

RE = cumulative annual margin revenue erosion from the date of effectiveness of the Plan until the time that new base rates take effect. Margin revenue erosion is determined by multiplying the actual measured annual decrease in firm sales attributable to implementation of certain CEP programs per Board Order EX99050347 *et.al.* and the DSM legacy standard offer programs by the net margin revenue associated with that decrease in each affected service classification.

RB = prior period recovery balance, the net of actual costs and recoveries.

i = interest rate applicable to recovery balance. Per Board Order dated August 17, 2022 in Docket No. GR21121254, the interest rate on USFCEP under and over recoveries shall be the interest rate based on a two-year constant maturity Treasuries as published in the Federal Reserve Statistical Release on August 31st of each year the first day of each month (or the closest day thereafter on which rates are published), plus sixty basis points, but shall not exceed the overall rate of return for each utility as authorized by the Board.

AV = projected annual quantity for sales and transportation throughput to all Customers subject to the SBC.

4. There will be a reconciliation of over- or under-recovery of actual program costs not recovered directly from standard offer providers and revenue erosion, based upon approved rates in effect during the prior annual period, with the revenues collected through the CEP by maintaining an account showing the cumulative balance of the (over-) or under-recoveries. Any prior annual period balance will be included, with interest, along with current annual period projected costs and amortized over the current annual recovery period. Interest is calculated on the cumulative (over-) or under-recovery of the prior annual period on the average beginning and ending monthly balance. ~~Per Board Order dated August 17, 2022 in Docket No. GR21121254, the interest rate on USF under and over recoveries shall be the interest rate based on a two-year constant maturity Treasuries as published in the Federal Reserve Statistical Release on the first day of each month (or the closest day thereafter on which rates are published), plus sixty basis points, but shall not exceed the overall rate of return for each utility as authorized by the Board.~~

Date of Issue: ~~August 22, 2022~~xxx1

Effective: Service Rendered
on and after ~~September 1,~~
~~2022~~xxx2

Issued by: Christie McMullen, President

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Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~August 17, 2022~~xxx3 in Docket No. ~~GR21121254~~xxx4

CLEAN

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.

(\$0.0036) 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.

Date of Issue: xxx1

Effective: Service Rendered
on and after xxx2

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Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities
Dated xxx3 in Docket No. xxx4

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.	Clean Energy Program ("CEP")	\$0.0270
II.	Remediation Adjustment Charge ("RAC")	\$0.0023
III.	<u>Universal Service Fund and Lifeline:</u>	
	1. Universal Service Fund ("USF")	\$0.0111
	2. Lifeline	<u>\$0.0055</u>
	TOTAL	\$0.0459

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. 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.

Date of Issue: xxx1

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Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities
Dated xxx3 in Docket No. xxx4

RIDER "D"

SOCIETAL BENEFITS CHARGE ("SBC")
(continued)

I. Clean Energy Program Component ("CEP") (continued)

2. The Standard Offer Program will reduce the volumes of gas sold by the Company and will reduce revenues corresponding to volumes of gas saved. This revenue loss will occur because the rates set in the Company's base rate case do not reflect a decrease in revenues resulting from program measures which will be implemented during the period in which the Company's CEP Plan is in effect. Consequently, the Company will not recover those fixed costs in base rates corresponding to the volumes of gas saved by the Standard Offer Program.
3. The CEP rate shall be determined as follows:
 - (a) The Company will project all program costs not recoverable directly from standard offer providers and revenue erosion, based upon current, approved rates, both of which elements are not currently collected through base rates for the annual period ("current annual period").
 - (b) The Company will include with the above projection, a statement of the prior annual period of any (over-) or under-recoveries, including interest at the rate applicable to the CEP component of the SBC. This statement will include estimated data for those months that occur after the date of filing but which correspond to the prior annual period. The CEP may be adjusted for material differences between estimates and actual results in the prior annual period.
 - (c) The sum of the program costs and recoveries for the CEP year ending June 30 plus the projected spending for the succeeding twelve month period, including interest, will be divided by the estimated sales and transportation throughput to all Customers subject to the SBC during the succeeding October 1 through September 30 period.

The formula for calculating the CEP rate is as follows:

$$\frac{PC + RE + [RB * (1+i)]}{AV}$$

Date of Issue: xxx1

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520 Green Lane
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities
Dated xxx3 in Docket No. xxx4

RIDER "D"

SOCIETAL BENEFITS CHARGE ("SBC")
(continued)

I. Clean Energy Program Component ("CEP") (continued)

3. The CEP rate shall be determined as follows: (continued)

(c) where:

PC = all projected program costs not recoverable directly from standard offer providers

RE = cumulative annual margin revenue erosion from the date of effectiveness of the Plan until the time that new base rates take effect. Margin revenue erosion is determined by multiplying the actual measured annual decrease in firm sales attributable to implementation of certain CEP programs per Board Order EX99050347 *et. al.* and the DSM legacy standard offer programs by the net margin revenue associated with that decrease in each affected service classification.

RB = prior period recovery balance, the net of actual costs and recoveries.

i = interest rate applicable to recovery balance. Per Board Order dated August 17, 2022 in Docket No. GR21121254, the interest rate on CEP under and over recoveries shall be the interest rate based on a two-year constant maturity Treasuries as published in the Federal Reserve Statistical Release on August 31st of each year (or the closest day thereafter on which rates are published), plus sixty basis points, but shall not exceed the overall rate of return for each utility as authorized by the Board.

AV = projected annual quantity for sales and transportation throughput to all Customers subject to the SBC.

4. There will be a reconciliation of over- or under-recovery of actual program costs not recovered directly from standard offer providers and revenue erosion, based upon approved rates in effect during the prior annual period, with the revenues collected through the CEP by maintaining an account showing the cumulative balance of the (over-) or under-recoveries. Any prior annual period balance will be included, with interest, along with current annual period projected costs and amortized over the current annual recovery period. Interest is calculated on the cumulative (over-) or under-recovery of the prior annual period on the average beginning and ending monthly balance.

Date of Issue: xxx1

Effective: Service Rendered
on and after xxx2

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

Filed Pursuant to Order of the Board of Public Utilities
Dated xxx3 in Docket No. xxx4

ELIZABETHTOWN GAS COMPANY
FORECASTED SALES VOLUME - THERMS
RECOVERY YEAR - 2024

	SBC (CEP) *	OSMC
Residential	250,290,689	250,290,689
Commercial	81,385,074	81,385,074
Industrial	20,164,765	20,164,765
Interruptible	-	
Total Sales	351,840,528	351,840,528
Residential	3,118,236	3,118,236
Commercial	61,714,786	
Industrial	49,453,711	
Interruptible	61,512,294	
Total Transportation	175,799,027	3,118,236
Total Sales and Transportation	527,639,555	354,958,764

* Excludes LCAPP therms used for wholesale electric generation.

ELIZABETHTOWN GAS COMPANY
SOCIETAL BENEFITS CHARGE (SBC)
CLEAN ENERGY PROGRAM (CEP)

CALCULATION OF THE CEP COMPONENT OF THE SBC
October 1, 2023 through September 30, 2024
RECOVERY YEAR - 2024

1	Prior Year Balance, (over) / under (Sch. TK-2)		\$309,579
2	Current Year Company Program Costs (Sch. TK-2, col c)		\$2,618,561
3	Current Year and Carry Over Fiscal Agent Payments (Sch. TK-2, col d&e)		\$9,944,231
4	Current Year Recoveries (Sch. TK-4)		(\$11,630,430)
5	Current Year Carrying Costs (Sch. TK-2)		<u>(\$6,512)</u>
6	Current Year Ending Balance - Under Collection (Sum L1-L5)		\$1,235,429
	<u>Projected Fiscal Agent Payments:</u>		
7	Prior Period Payable (Sch. TK-3, col h)	\$95,461	
	Next Year's Scheduled Payments July - May (Sch. TK-5)	<u>\$12,017,485</u>	<u>\$12,112,946</u>
8	Total Proposed Recoveries (L6+L7)		\$13,348,375
9	Projected Normalized Sales and Services (Forecast Sch. TK-1)		527,639,555 therms
10	CEP COMPONENT, before taxes (L8/L9)		\$0.0253
11	Sales & Use Tax @ 6.625%		<u>\$0.0017</u>
12	CEP COMPONENT (L10+L11)		<u><u>\$0.0270</u></u> /therm

ELIZABETHTOWN GAS COMPANY
SOCIETAL BENEFITS CHARGE (SBC)
CLEAN ENERGY PROGRAM (CEP)

Carrying Costs
12 Months Ended
June-23

	Beginning Balance	Program Costs *	Current Fiscal Agent Payments *	Recoveries	Ending Balance	Average Balance	Interest Rate **	Carrying Costs	Ending Balance plus Cumulative Interest
<u>a</u>	<u>b</u>	<u>TK-3</u>	<u>TK-3</u>	<u>TK-4</u>	<u>f=b+c+d-e</u>	<u>g=(b+f)/2</u>	<u>h</u>	<u>i=g*h/12</u>	<u>j=f+ cum of i</u>
<u>Beginning Balance</u>									<u>(Over) / Under</u>
Jul-22	\$309,579	\$144,558	\$443,207	\$478,170	\$419,174	\$364,377	1.68%	\$510	\$419,684
Aug-22	\$419,174	\$321,795	\$271,514	\$478,508	\$533,975	\$476,575	1.68%	\$667	\$535,152
Sep-22	\$533,975	\$163,447	\$315,488	\$447,834	\$565,076	\$549,526	4.05%	\$1,855	\$568,108
Oct-22	\$565,076	\$243,063	\$120,763	\$581,575	\$347,327	\$456,202	4.05%	\$1,540	\$351,899
Nov-22	\$347,327	\$20,347	\$283,996	\$780,510	(\$128,840)	\$109,244	4.05%	\$369	(\$123,899)
Dec-22	(\$128,840)	\$308,340	\$398,779	\$1,523,489	(\$945,210)	(\$537,025)	4.05%	(\$1,812)	(\$942,081)
Jan-23	(\$945,210)	\$129,226	\$1,084,965	\$1,865,339	(\$1,596,358)	(\$1,270,784)	4.05%	(\$4,289)	(\$1,597,518)
Feb-23	(\$1,596,358)	\$242,487	\$1,551,017	\$1,575,077	(\$1,377,931)	(\$1,487,145)	4.05%	(\$5,019)	(\$1,384,110)
Mar-23	(\$1,377,931)	\$216,789	\$1,975,399	\$1,596,285	(\$782,028)	(\$1,079,980)	4.05%	(\$3,645)	(\$791,852)
Apr-23	(\$782,028)	\$286,424	\$1,578,750	\$1,101,533	(\$18,387)	(\$400,208)	4.05%	(\$1,351)	(\$29,562)
May-23	(\$18,387)	\$215,866	\$1,253,344	\$680,946	\$769,877	\$375,745	4.05%	\$1,268	\$759,970
Jun-23	\$769,877	\$326,219	\$667,009	\$521,164	\$1,241,941	\$1,005,909	4.05%	\$3,395	\$1,235,429
Total pre adjustment		\$2,618,561	\$9,944,231	\$11,630,430				(\$6,512)	-

Notes:

* Per the "MOA" of May 5, 2004 the costs will be netted against the program budget to determine the fiscal agent payments, see CEP Schedule TK-3

** Through August 2022, interest rate based on seven year constant maturity Treasuries closest to August 31 of each year plus 60 basis points per the Board's Order in Docket No. GX99030121 et al. Beginning September 2022, interest rate based on two year constant maturity Treasuries closest to August 31 of each year plus 60 basis points per the Board's Order in Docket No. GR21121254. www.federalreserve.gov/releases/h15

ELIZABETHTOWN GAS COMPANY
SOCIETAL BENEFITS CHARGE (SBC)
CLEAN ENERGY PROGRAM (CEP)

Fiscal Agent Payments
12 Months Ended
June-23

<u>a</u>	<u>b</u>	<u>c</u>	<u>d</u>	<u>e = b-c+d</u>	<u>f</u>	<u>g</u>	<u>h = b-c+d-g</u>	<u>i = Cum of h</u>
<u>Prior Year Payable / (Deferred)</u>	<u>Company Portion of Statewide CEP Funding</u>	<u>less Program Costs Offsets</u>	<u>Prior Year Payable / (Deferred)</u>	<u>Fiscal Agent Payable (1)</u>	<u>Payment For</u>	<u>Amount Paid (1)</u>	<u>Fiscal Agent Payable / (Deferred) Per Month (2)</u>	<u>Monthly Fiscal Agent Payable / (Deferred)</u>
Jul-22	\$446,719	\$144,558	\$355,758	\$657,919	May-22	\$443,207	\$214,712	\$214,712
Aug-22	\$440,506	\$321,795	\$0	\$118,711	Jun-22	\$271,514	(\$152,803)	\$61,909
Sep-22	\$458,409	\$163,447	\$0	\$294,962	Jul-22	\$315,488	(\$20,526)	\$41,383
Oct-22	\$630,876	\$243,063	\$0	\$387,813	Aug-22	\$120,763	\$267,050	\$308,433
Nov-22	\$1,269,059	\$20,347	\$0	\$1,248,712	Sep-22	\$283,996	\$964,716	\$1,273,149
Dec-22	\$1,710,479	\$308,340	\$0	\$1,402,139	Oct-22	\$398,779	\$1,003,360	\$2,276,509
Jan-23	\$2,104,625	\$129,226	\$0	\$1,975,399	Nov-22	\$1,084,965	\$890,434	\$3,166,943
Feb-23	\$1,821,237	\$242,487	\$0	\$1,578,750	Dec-22	\$1,551,017	\$27,733	\$3,194,676
Mar-23	\$1,495,693	\$216,789	\$0	\$1,278,904	Jan-23	\$1,975,399	(\$696,495)	\$2,498,181
Apr-23	\$902,138	\$286,424	\$0	\$615,714	Feb-23	\$1,578,750	(\$963,036)	\$1,535,145
May-23	\$542,286	\$215,866	\$0	\$326,420	Mar-23	\$1,253,344	(\$926,924)	\$608,221
Jun-23	\$480,468	\$326,219	\$0	\$154,249	Apr-23	\$667,009	(\$512,760)	\$95,461
Total	\$12,302,495	\$2,618,561	\$355,758	\$10,039,692		\$9,944,231	\$95,461	

Notes:

(1) Fiscal Agent Payable is based on Program Cost Offsets on a paid basis while the Amount Paid to the Fiscal Agent is based on paid and accrued program costs.

(2) Fiscal Agent Payable net of current Program Costs and prior month deferred offset costs if in excess of the Company's portion of the Statewide Funding. The Fiscal Agent payments are generally made on a two month lag.

ELIZABETHTOWN GAS COMPANY
SOCIETAL BENEFITS CHARGE (SBC)
CLEAN ENERGY PROGRAM (CEP)

Cost Recoveries

12 Months Ended

June-23

	<u>Therms</u>	<u>Rate w/o tax *</u>	<u>Recovery</u>
Jul-22	18,474,525	0.0259	\$478,170
Aug-22	18,502,558	0.0259	\$478,508
Sep-22	17,291,685	0.0259	\$447,834
Oct-22	23,539,633	0.0247	\$581,575
Nov-22	31,969,620	0.0244	\$780,510
Dec-22	62,426,870	0.0244	\$1,523,489
Jan-23	76,460,744	0.0244	\$1,865,339
Feb-23	64,553,044	0.0244	\$1,575,077
Mar-23	65,410,787	0.0244	\$1,596,285
Apr-23	45,134,706	0.0244	\$1,101,533
May-23	27,899,361	0.0244	\$680,946
Jun-23	21,351,415	0.0244	\$521,164
Total	<u>473,014,948</u>		<u>\$11,630,430</u>

* Individual customer billings at the tariff rate yields the dollars recovered, inclusive of rate proration or cancel/rebills, if any. The rate presented is derived from dividing that amount by the therms, as such rounding differences to the tariff / billing rate may result.

ELIZABETHTOWN GAS COMPANY
SOCIETAL BENEFITS CHARGE (SBC)
CLEAN ENERGY PROGRAM (CEP)

BPU Directed Spending *

12 Months Ending

June-24

Jul-23	\$478,134
Aug-23	\$462,585
Sep-23	\$472,493
Oct-23	\$527,897
Nov-23	\$923,280
Dec-23	\$1,579,400
Jan-24	\$1,929,949
Feb-24	\$1,973,777
Mar-24	\$1,637,428
Apr-24	\$1,260,660
May-24	\$771,882
Jun-24	\$544,207
Total	<u>\$12,561,692</u>
Total July - May to TK-1 **	<u>\$12,017,485</u>

* Approved in the 6/29/2023 Board Order in Docket No. Q023040235

** Assumes one month payment lag

ELIZABETHTOWN GAS COMPANY
CALCULATION OF THE ON-SYSTEM MARGIN SHARING CREDIT (OSMC)

October 2023 through September 2024
Disbursement Year 2024

1	Projected OSMC Margin Contributions for Disbursement (Sch. TK-2)		\$554,482
2	Prior Year Balance, (Over) / Under Disbursement (Sch. TK-3)		\$490,655
3	Current Year Balance, (Over) / Under Disbursement (Sch. TK-3)		<u>\$176,780</u>
4	Total OSMC Customer Credits / (Charge) (L1+L2+L3)		\$1,221,917
5	Projected Therm Volumes (Forecast Sch. TK-1)		
	- RDS and GLS	253,408,925	
	- SGS, GDS and NGV	81,385,074	
	- LVD and EGF	<u>20,164,765</u>	354,958,764
6	OSMC Rate, before taxes (L4/L5)		\$0.0034
7	Sales & Use Tax @ 6.625%		<u>\$0.0002</u>
8	OSM Credit / (Charge) per therm, (L6+L7)		<u><u>\$0.0036</u></u>

ELIZABETHTOWN GAS COMPANY

Projected Customer Portion of On-System Margin Sharing

July-2023 through June-2024
Disbursement Year 2024

Projected Margin Contribution

Jul-23	\$42,318
Aug-23	\$51,106
Sep-23	\$35,850
Oct-23	\$38,382
Nov-23	\$50,770
Dec-23	\$47,043
Jan-24	\$48,320
Feb-24	\$47,783
Mar-24	\$45,544
Apr-24	\$41,310
May-24	\$39,143
Jun-24	\$66,913
Total	<u>\$554,482</u>

ELIZABETHTOWN GAS COMPANY
Margin Sharing Generated and Disbursements to Customers
July 2022 Through June 2023

	Margin Sharing Generated	Adjustments	Net Margin Sharing for Disbursement	Disbursements to Customers Sch. TK-4	Monthly (Over) / Under Credited	Cumulative (Over) / Under Credited Balance
	a	b	c=a+b	d	e=c-d	f=prior cum bal.+ e
Prior Period						\$490,655
Jul-22	\$336,695	\$0	\$336,695	\$14,705	\$321,990	\$812,645
Aug-22	\$185,129	\$0	\$185,129	\$14,658	\$170,471	\$983,116
Sep-22	\$48,549	\$0	\$48,549	\$13,461	\$35,088	\$1,018,204
Oct-22	\$39,296	\$0	\$39,296	\$32,403	\$6,893	\$1,025,097
Nov-22	\$70,880	\$0	\$70,880	\$51,218	\$19,662	\$1,044,759
Dec-22	\$62,143	\$0	\$62,143	\$124,809	(\$62,666)	\$982,093
Jan-23	\$45,729	\$0	\$45,729	\$165,676	(\$119,947)	\$862,146
Feb-23	\$67,904	\$0	\$67,904	\$136,162	(\$68,258)	\$793,888
Mar-23	\$46,024	\$0	\$46,024	\$136,426	(\$90,402)	\$703,486
Apr-23	\$52,020	\$0	\$52,020	\$90,124	(\$38,104)	\$665,382
May-23	\$26,545	\$0	\$26,545	\$44,560	(\$18,015)	\$647,367
Jun-23	\$48,836	\$0	\$48,836	\$28,768	\$20,068	\$667,435
	<u>\$1,029,750</u>	<u>\$0</u>	<u>\$1,029,750</u>	<u>\$852,970</u>	<u>\$176,780</u>	

ELIZABETHTOWN GAS COMPANY
ON-SYSTEM MARGIN SHARING CREDITS
July 2022 Through June 2023

ACTUAL CREDITS DISBURSED

<u>a</u>	OSM	Sales Customers		Transportation Customers		Total
	<u>Rate pre tax *</u>	<u>Therms</u>	<u>Credits</u>	<u>RDS</u>	<u>RDS</u>	
	<u>b=g/(c+e)</u>	<u>c</u>	<u>d</u>	<u>Therms</u>	<u>Credits</u>	<u>Credits</u>
				<u>e</u>	<u>f=b*e</u>	<u>g=d+f</u>
Jul-22	\$0.0020	7,341,691	\$14,575	65,267	\$130	\$14,705
Aug-22	\$0.0020	7,175,678	\$14,546	56,059	\$112	\$14,658
Sep-22	\$0.0020	6,696,865	\$13,343	59,499	\$118	\$13,461
Oct-22	\$0.0025	12,786,413	\$32,138	107,320	\$265	\$32,403
Nov-22	\$0.0029	17,580,330	\$50,743	164,592	\$475	\$51,218
Dec-22	\$0.0029	42,751,007	\$123,713	377,792	\$1,096	\$124,809
Jan-23	\$0.0029	56,950,659	\$164,214	504,860	\$1,462	\$165,676
Feb-23	\$0.0029	46,763,033	\$135,028	390,922	\$1,134	\$136,162
Mar-23	\$0.0029	46,728,657	\$135,295	389,164	\$1,131	\$136,426
Apr-23	\$0.0029	30,879,755	\$89,416	243,885	\$708	\$90,124
May-23	\$0.0029	15,217,263	\$44,171	133,632	\$389	\$44,560
Jun-23	\$0.0029	9,861,529	\$28,501	91,566	\$267	\$28,768
		300,732,880	\$845,683	2,584,558	\$7,287	\$852,970

* Individual customer billing credits at the tariff rate yields the dollars recovered, inclusive of rate proration or cancel/rebills, if any. The rate presented is derived from dividing that amount by the therms, as such rounding differences to the tariff / billing rate may result.