



STATE OF NEW JERSEY

Board of Public Utilities

Two Gateway Center

Newark, NJ 07102

AUDITS

**IN THE MATTER OF ELIZABETHTOWN GAS)
COMPANY'S GROSS RECEIPTS &)
FRANCHISE TAX FOR THE PERIOD)
JANUARY 1, 1991 – DECEMBER 31, 1997)
AUDIT NO. A-2861)**

ORDER

DOCKET NO. GA00020094

(Service List Attached)

BY THE BOARD:

Pursuant to the New Jersey Board of Public Utilities' ("Board") Order, Docket No. ER97090656, dated December 16, 1998, et. al., the Board directed its Division of Audits, Bureau of Financial Audits ("Audit Staff" or "Staff"), to conduct an audit of Elizabethtown Gas Company's ("ETG" or "Company") recoveries from customers and payments to the State of New Jersey Division of Taxation, under the prior Gross Receipts and Franchise Taxes ("GR&FT") Laws – P. L. 1991, c. 184. This audit was initiated in accordance with the order in implementation of the Energy Tax Reform Act ("ETRA") P.L. 1997, c. 162. The audit scope encompassed the period January 1, 1991 through and including December 31, 1997.

For the audit period, the Company was found to have under-collected from customers, in the aggregate amount of \$851, 916 (exclusive of interest).

Audit Staff and ETG have entered into a Memorandum of Understanding, dated March 7, 2000. It is agreed between the parties that the Company's net under- collection of GR&FT, in the aggregate \$891, 516 (exclusive of interest) will not be collected from customers.

Based upon the review of this matter, the Board HEREBY ACCEPTS and APPROVES the provisions of the Memorandum of Understanding between ETG and the Audit Staff as an appropriate resolution of the audit and incorporates the terms and conditions of the approved resolution as if fully set forth herein.

Nothing herein shall affect the Company's agreement to credit \$1,507,023 in the opening balance of its market development credit as part of the stipulation resolving its gas unbundling filing Docket No. GO99030122, approved by the Board on January 10, 2000,

The Board HEREBY considers the audit closed.

DATE: April 19, 2000

BOARD OF PUBLIC UTILITIES
BY:

Signed

HERBERT H. TATE
PRESIDENT

Signed

CARMEN J. ARMENTI
COMMISSIONER

Signed

FREDERICK F. BUTLER
COMMISSIONER

ATTEST:

Signed

ACTING BOARD SECRETARY

SERVICE LIST

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