



Agenda Date: 3/29/19
Agenda Item: 2B

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF)	DECISION AND ORDER APPROVING
PIVOTAL UTILITY HOLDINGS, INC. D/B/A)	INITIAL DECISION AND
ELIZABETHTOWN GAS TO REVIEW ITS)	STIPULATION FOR FINAL BGSS-P
PERIODIC BASIC GAS SUPPLY SERVICE)	RATE
RATE)	
)	DOCKET NO. GR18060608
)	OAL DOCKET NO. PUC 14650-2018

Parties of Record:

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

BY THE BOARD:

By this Order, the New Jersey Board of Public Utilities ("Board" or "BPU") considers an Initial Decision executed by Administrative Law Judge ("ALJ") Gail Cookson and a Stipulation for Final Rates ("Stipulation") executed by Elizabethtown Gas Company¹ ("Elizabethtown" or "Company"), the New Jersey Division of Rate Counsel ("Rate Counsel") and Board Staff ("Staff") (collectively, the "Parties") intended to resolve the Company's requests related to the above docketed matter.

BACKGROUND

By Order dated January 6, 2003,² the Board directed each of New Jersey's four (4) gas distribution companies ("GDCs") to submit to the Board by June 1st its annual Basic Gas Supply Service ("BGSS") gas cost filing for the BGSS year beginning October 1st. In addition, the

¹ In an Order dated June 22, 2018 issued in BPU Docket No. GM17121309, the Board approved, inter alia, the acquisition of Elizabethtown Gas, then a utility operating division of Pivotal Utility Holdings, Inc., by ETG Acquisition Corp., a wholly owned subsidiary of South Jersey Industries, Inc. The acquisition was consummated on July 1, 2018 and ETG Acquisition Corp. was renamed "Elizabethtown Gas Company."

² In re the Provision of Basic Gas Supply Service Pursuant to the Electric Discount and Energy Act N.J.S.A. 48:3-49- et seq.- Order Approving BGSS Price Structure, BPU Docket No. GX01050304 (January 6, 2003) ("January 2003 BGSS Order").

January 2003 BGSS Order authorizes each GDC to: a) self-implement up to a five (5) percent BGSS rate increase effective December 1st of the current year and February 1st of the following year with one (1) month's advance notice to the Board and Rate Counsel, and b) implement a decrease in its BGSS rate at any time during the year upon five (5) days' notice to the Board and Rate Counsel.

In accordance with the January 2003 BGSS Order, on May 31, 2018, Elizabethtown filed with the Board its annual BGSS petition ("2018 BGSS Petition") seeking approval to decrease its then current Periodic BGSS ("BGSS-P") rate per therm from \$0.4540³ to \$0.4237 effective October 1, 2018, through September 30, 2019 ("BGSS Period") anticipated to result in an estimated under recovery balance as of September 30, 2018 of approximately \$1.9 million including interest. The proposed BGSS rate of \$0.4237 per therm was designed to bring the BGSS balance to approximately zero as of September 30, 2019 and at the time of the filing, would have decreased the monthly bill of a typical residential heating customer using 100 therms by \$3.03 from \$91.65 to \$88.62, a decrease of 3.3%.

The 2018 BGSS Petition further indicated that the projected impact of the BGSS-P rate of \$0.4237 per therm is a decrease in gas cost recoveries of approximately \$7.1 million before taxes in the year ending September 30, 2019 as compared to the amount that would otherwise be recovered by the Company under the current BGSS-P rate of \$0.4540 per therm. The Company, using the current volume forecast, under the BGSS-P rate of \$0.4540 per therm, would collect approximately \$107.0 million before taxes. Under the proposed BGSS-P rate of \$0.4237 per therm, Elizabethtown would collect approximately \$100.0 million before taxes.

After publication of notices in newspapers of general circulation in the Company's service territory, public hearings in this proceeding were conducted on August 15 and 16, 2018, in Flemington and Union, New Jersey respectively. No members of the public attended the hearings or filed written comments.

On September 17, 2018, the Board issued an Order ("September 2018 Provisional Order") in this docket approving a stipulation executed by the Parties. The September 2018 Provisional Order authorized Elizabethtown to implement a BGSS rate of \$0.4237 per therm on a provisional basis, subject to refund, effective October 1, 2018. The provisionally approved BGSS-P rate decreased the monthly bill of a typical residential heating customer using 100 therms by \$3.03 from \$91.83 to \$88.80, a decrease of 3.3%.

The case was transmitted to the Office of Administrative Law as a contested case and assigned to ALJ Cookson.

On December 27, 2018, Elizabethtown submitted a notice to the Board, Board Staff and Rate Counsel of Elizabethtown's intent to self-implement a BGSS-P rate adjustment based on a 5% increase of the monthly bill of a typical residential customer using 100 therms to be effective February 1, 2019. That self-implementing adjustment, implemented by the Company on February 1, 2019, increased the BGSS-P rate from \$0.4237 per therm to \$0.4691 per therm. The self-implemented BGSS-P rate increased the monthly bill of a typical residential heating customer using 100 therms by \$4.54 from \$90.78 to \$95.32, an increase of 5% based on rates in effect at the time of the increase.

³ All referenced rates are inclusive of all applicable taxes.

STIPULATION

Following further review and discussion, the parties reached an agreement and executed the Stipulation on March 6, 2019. Based upon and subject to the terms and conditions set forth in the Stipulation, the Parties stipulate and agree as follows:⁴

- A. The Company shall maintain the BGSS-P rate of \$0.4691 per therm; inclusive of all applicable taxes.
- B. The Company's future annual BGSS gas cost filings shall continue to comply with the "Annual BGSS Minimum Filing Requirements" ("MFR") adopted by the Board by Order dated June 20, 2003 in Docket No GR02120945, et al., as listed in Appendix A of the Stipulation, as well as certain additional MFRs in the forms which are also contained in Appendix A of the Stipulation. The data reflected in the forms are for illustrative purposes.
- C. The Stipulation provides for a final resolution in this proceeding. All issues related to Elizabethtown's BGSS recoverable costs for the BGSS year ending September 30, 2018 are resolved. The costs associated with the self-implementing increase will be subject to review in connection with the next annual BGSS filing.
- D. The Company agrees to continue to electronically provide Rate Counsel and Board Staff, on a monthly basis, the following updated information: 1) the BGSS NYMEX Update Report (also known as S-ECHART-1), in the form attached to the Stipulation as Appendix B; and 2) the calculation of net gas per therm (also known as S-ECHART-2) in the form attached as Appendix C to the Stipulation, which is to be submitted in the middle of the following month. The data reflected in these forms are for illustrative purposes.
- E. The self-implementing rate increase, effective February 1, 2019, adjusted the then current BGSS-P rate of \$0.4237 per therm to \$0.4691 per therm, resulting in an increase of the bill of a typical residential heating customer using 100 therms a month by \$4.54 from \$90.78 to \$95.32, or 5%.

On March 12, 2019, ALJ Cookson issued her Initial Decision finding that the Parties voluntarily agreed to the terms of the Stipulation, and that the Stipulation disposed of all matters in controversy and is consistent with the law.

DISCUSSION AND FINDINGS

Having reviewed the record in this matter, including ALJ Cookson's Initial Decision and the Stipulation, the Board **FINDS** that the Parties have voluntarily entered into the Stipulation, and that the Stipulation fully disposes of all issues in this proceeding and is consistent with the law. The Board **FINDS** the Initial Decision, which adopts the Stipulation, to be reasonable, in the public interest, and in accordance with the law. Therefore, the Board **HEREBY ADOPTS** the Initial Decision and the Stipulation, attached hereto as their own, incorporating by reference the

⁴ Although summarized in this Order, the detailed terms of the Stipulation are controlling, subject to the findings and conclusions of this Order. Each paragraph is lettered to coincide with the paragraphs in the Stipulation.

terms and conditions of the Initial Decision and Stipulation, as if they were fully set forth at length herein.

Accordingly, the Board, having carefully reviewed the BGSS rate at issue and the record to date in this proceeding, **HEREBY APPROVES** the Company's BGSS-P rate of \$0.4691 per therm on a final basis as more fully described in Paragraph A of the Stipulation.

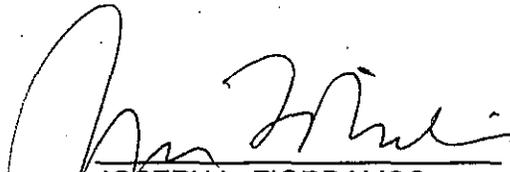
The Board **HEREBY DIRECTS** the Company to file tariff sheets consistent with the Board's Order by April 15, 2019.

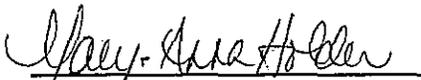
The Company's costs, including those related to BGSS; remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions deemed to be appropriate as a result of any such audit.

The effective date of this Order is April 8, 2019.

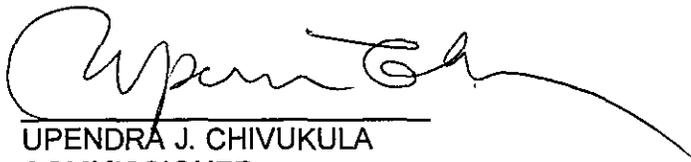
DATED: 3/29/19

BOARD OF PUBLIC UTILITIES
BY:

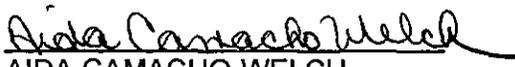

JOSEPH L. FIORDALISO
PRESIDENT


MARYANNA HOLDEN
COMMISSIONER


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 PIVOTAL UTILITY HOLDINGS, INC. D/B/A
ELIZABETHTOWN GAS COMPANY TO REVIEW ITS PERIODIC BASIC GAS SUPPLY
SERVICE RATE

BPU DOCKET NO. GR18060608
OAL DOCKET NO. PUC 14650-2018

SERVICE LIST

DIVISION OF RATE COUNSEL

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ELIZABETHTOWN GAS COMPANY

520 Green Lane
Union, NJ 07083

Deborah Franco, Esq.
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Division of Law
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State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION

SETTLEMENT

OAL DKT. NO. PUC 14650-18

AGENCY DKT. NOS. GR18060608

**IN THE MATTER OF THE PETITION OF
PIVOTAL UTILITY HOLDINGS, INC. D/B/A
ELIZABETHTOWN GAS TO REVIEW ITS
PERIODIC BASIC GAS SERVICE RATE.**

Kenneth T. Maloney, Esq., for petitioner Elizabethtown Gas Company (Cullen and Dykman, attorneys); **Deborah M. Franco, Esq.**, Regulatory Affairs Counsel (Elizabethtown Gas Company)

Patricia A. Krogman, Alex Moreau and Timothy Oberleiton, Deputy Attorneys General, for the Staff of the Board of Public Utilities (Gurbir S. Grewal, Attorney General of New Jersey, attorney)

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

Record Closed: March 12, 2019

Decided: March 12, 2019

BEFORE GAIL M. COOKSON, ALJ:

Petitioner Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas (Elizabethtown Gas, Petitioner, or the Company) filed a petition on May 31, 2018, seeking approval to

modify its Periodic Basic Gas Supply Service (BGSS) rate consistent with procedures set forth in prior Order of the Board of Public Utilities (Board) dated January 6, 2003, in Docket No. GX01050304. The file was transmitted to the Office of Administrative Law (OAL) for hearing as a contested case pursuant to N.J.S.A. 52:14B-1 to-15 and N.J.S.A. 52:14F-1 to- 13, on or about October 9, 2018.

I convened a telephonic case management conference on October 29, 2018, at which time discovery, testimony and hearing schedules were established. The matter was monitored through telephonic status conferences in the interim. Under cover of March 8, 2019, and prior to the April hearing dates, I received a fully-executed Final Stipulation of all parties to this matter with a request that I enter an Initial Decision Settlement and transmit same to the Board. That agreement more completely sets forth the terms and conditions of the settlement of all issues raised by the filing of the Company.

I have reviewed the record and terms of the Stipulation and **FIND:**

1. The parties have voluntarily agreed to the settlement as evidenced by the signatures of the parties or their representatives.
2. The settlement fully disposes of all issues in controversy and is consistent with law.

I **CONCLUDE** that the Stipulation of Settlement meets the requirements of N.J.A.C. 1:1-19.1 and therefore, it is **ORDERED** that the matter be deemed dismissed with prejudice and that these proceedings be and are hereby concluded.

I hereby **FILE** my initial decision with the **BOARD OF PUBLIC UTILITIES** for consideration.

This recommended decision may be adopted, modified or rejected by the **BOARD OF PUBLIC UTILITIES**, which by law is authorized to make a final decision in this matter. If the Board of Public Utilities does not adopt, modify or reject this decision within forty-five (45) days and unless such time limit is otherwise extended, this recommended decision shall become a final decision in accordance with N.J.S.A. 52:14B-10.

March 12, 2019

DATE



GAIL M. COOKSON, ALJ

Date Received at Agency: _____

Date Mailed to Parties: _____

id



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Union, NJ 07083

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dfranco@sjindustries.com

Deborah M. Franco, Esq.
Regulatory Affairs Counsel

March 8, 2019

Via Email and FedEx

VIA ELECTRONIC MAIL AND FEDERAL EXPRESS

The Honorable Gail M. Cookson
New Jersey Office of Administrative Law
33 Washington Street
Newark, NJ 07102

**Re: In the Matter of the Petition of Pivotal Utility Holdings, Inc. d/b/a
Elizabethtown Gas to Revise its Periodic Basic Gas Supply Service Rate
BPU Docket No. GR18060608
OAL Dkt. No. PUC 14650-2018**

Dear Judge Cookson:

Enclosed for your consideration in the above-referenced proceeding is a Stipulation executed by representatives of Elizabethtown Gas Company, the Staff of the Board of Public Utilities and the Division of Rate Counsel.

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

Respectfully submitted,

/s/ Deborah M. Franco

Deborah M. Franco

cc: Service List (via Electronic Mail)

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

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In The Matter Of The Petition Of Pivotal Utility :	
Holdings, Inc. d/b/a Elizabethtown Gas To :	OAL Dkt. No. PUC-14650-2018
Revise Its Periodic Basic Gas Supply :	BPU Docket No. GR18060608
Service Rate :	FINAL STIPULATION
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APPEARANCES:

Kenneth T. Maloney (Cullen and Dykman LLP), Attorney for the Petitioner, Elizabethtown Gas Company

Deborah M. Franco, Esq., Regulatory Affairs Counsel, Elizabethtown Gas Company

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

Patricia A. Krogman, Alex Moreau and Timothy Oberleiton, Deputy Attorneys General, for the Staff of the New Jersey Board of Public Utilities (**Gurbir S. Grewal**, Attorney General of New Jersey)

To: Honorable Gail M. Cookson, A.L.J.

BACKGROUND

In accordance with a generic Order of the New Jersey Board of Public Utilities ("Board" or "BPU") dated January 6, 2003, in Docket No. GX01050304 ("Generic BGSS Order"), each of New Jersey's four gas distribution companies ("GDCs"), by June 1, submits to the Board its annual Basic Gas Supply Service ("BGSS") gas cost filing for the BGSS year beginning October. In addition, the Generic BGSS Order authorizes each GDC to self-implement up to a 5% BGSS increase effective December 1 and February 1 upon thirty days advance written notice to the Board and the New Jersey Division of Rate Counsel ("Rate Counsel"). Each GDC may implement a decrease in its BGSS rates at any time, without prior Board approval after notice to the Board and Rate Counsel.

On May 31, 2018, Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas, now Elizabethtown Gas Company,¹ ("Elizabethtown" or "Company") filed a petition ("May 31 Petition") with the Board, which was assigned BPU Docket No. GR18060608 to decrease its then current after-tax per therm BGSS rate of \$0.4540 to \$0.4237 for the BGSS period commencing October 1, 2018 through September 30, 2019 ("BGSS Period"). As set forth in the May 31 Petition, the Company projected that it would have an estimated underrecovery balance as of September 30, 2018 of approximately \$1.9 million including interest. The May 31 Petition indicated that the proposed BGSS-P rate of \$0.4237 per therm was designed to bring the BGSS balance to approximately zero as of September 30, 2019, and, at the time of filing, would have decreased the monthly bill of a typical residential heating customer using 100 therms by \$3.03 from \$91.65 to \$88.62, a decrease of 3.3%. The May 31 Petition further indicated that the projected impact of the BGSS-P rate of \$0.4237 per therm was a decrease in gas cost recoveries of approximately \$7.1 million before taxes in the year ending September 30, 2019 as compared to the amount that would otherwise be recovered by Elizabethtown under the current BGSS-P rate of \$0.4540 per therm. The May 31 Petition further indicated that the Company's current volume forecast, under the BGSS-P rate of \$0.4540 per therm, Elizabethtown would collect approximately \$107.0 million before taxes. In contrast, under the proposed BGSS-P rate of \$0.4237 per therm, Elizabethtown would collect approximately \$100.0 million before taxes.

Notices describing the May 31 Petition and setting forth the dates of the public hearings were placed in newspapers having circulation within Elizabethtown's service territory and served

¹ In an order dated June 22, 2018 issued in BPU Docket No. GM17121309, the Board approved, *inter alia*, the acquisition of Elizabethtown Gas, then a utility operating division of Pivotal Utility Holdings, Inc., by ETG Acquisition Corp., a wholly owned subsidiary of South Jersey Industries, Inc. The acquisition was consummated on July 1, 2018 and ETG Acquisition Corp. was renamed "Elizabethtown Gas Company."

on the county executives and clerks of all municipalities in the Company's service territory. Public hearings concerning the Company's May 31 Petition were held in Flemington, New Jersey on August 15, 2018 and Union, New Jersey on August 16, 2018. No members of the public attended the public hearings.

By Order dated September 17, 2018 issued in this proceeding, the Board approved a Stipulation authorizing the Company to implement a BGSS rate of \$0.4237 per therm on a provisional basis effective October 1, 2018 subject to refund with interest on any net over-recovered BGSS balance to reflect the updated information. Based on this change, the provisional BGSS rate of \$0.4237 per therm decreased the monthly bill of a typical residential heating customer using 100 therms by \$3.03 from \$91.83 to \$88.80, a decrease of 3.3% based on rates effective October 1, 2018. This matter was transmitted to the Office of Administrative Law as a contested case and assigned to ALJ Gail Cookson. Pre-hearing conferences were held by telephone on October 29, 2018 and January 24, 2019.

On December 27, 2018, Elizabethtown submitted a notice to the Board, Board Staff and Rate Counsel of Elizabethtown's intent to self-implement a BGSS-P rate adjustment based on a 5% increase of the monthly bill of a typical residential customer using 100 therms to be effective February 1, 2019. That self-implementing adjustment, implemented by the Company on February 1, 2019, increased the BGSS-P rate from \$0.4237 per therm to \$0.4691 per therm.

Elizabethtown, Board Staff, and Rate Counsel (collectively, "the Parties") engaged in discovery and discussed certain matters at issue in this docket. As a result of those discussions, the Parties have resolved all remaining issues in this proceeding in accordance with the Stipulation set forth below.

STIPULATION

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

- A. The Company shall maintain the BGSS-P rate of \$0.4691 per therm, inclusive of all applicable taxes.
- B. The Company's future annual BGSS gas cost filings shall continue to comply with the "Annual BGSS Minimum Filing Requirements" ("MFR") adopted by the Board by Order dated June 20, 2003 in Docket No. GR02120945, *et al.*, as listed in the index contained in Appendix A, as well as certain additional MFRs in the forms which are also contained in Appendix A. The data reflected in these forms are for illustrative purposes.
- C. This Stipulation provides for a final resolution of this proceeding. All issues related to Elizabethtown's BGSS recoverable costs for the BGSS year ending September 30, 2018 are resolved. The costs associated with the self-implementing increase will be subject to review in connection with the next annual BGSS filing.
- D. The Company agrees to continue to electronically provide Rate Counsel and Board Staff, on a monthly basis, the following updated information: 1) the BGSS NYMEX Update Report (also known as S-ECHART-1), in the form attached as Appendix B; and 2) the calculation of net gas per therm (also known as S-ECHART-2) in the form attached as Appendix C, which is to be submitted in the middle of the following month. The data reflected in these forms are for illustrative purposes.
- E. The self-implementing rate increase, effective February 1, 2019, adjusted the then current BGSS-P rate of \$0.4237 per therm to \$0.4691 per therm, resulting in an increase of the bill of a typical residential heating customer using 100 therms a month by

\$4.54 from \$90.78 to \$95.32, or 5%.

F. 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.

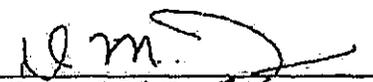
G. It is the intent of the Parties that the provisions hereof be approved by the Board, as appropriate, as being in the public interest. The Parties further agree that they consider the Stipulation to be binding on them for all purposes herein.

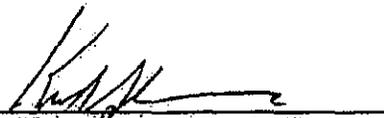
H. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of this proceeding. Except as expressly provided herein, Elizabethtown, Board Staff, or Rate Counsel shall not be deemed to have approved, agreed to, or consented 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 this Stipulation to the Presiding Administrative Law Judge and request (1) the Administrative Law Judge to issue an initial decision approving the Stipulation; and (2) the Board to 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, Esq.
Regulatory Affairs Counsel

By: 
Kurt S. Lewandowski, Esq.
Assistant Deputy Rate Counsel

**GURBIR S. GREWAL
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the New Jersey Board of Public Utilities**

By: 
Patricia A. Krogman
Deputy Attorney General

Dated: March 6, 2019

Pivotal Utility Holdings, Inc.
d/b/a Elizabethtown Gas
2018 / 2019 BGSS Filing

MINIMUM FILING REQUIREMENT (MFR) INDEX

<u>Minimum Filing Requirement</u>	<u>Schedule(s)</u>
1. Motion, Supporting Testimony & Tariff Modifications	Petition, Testimony, TK-12
2. Computation of Proposed BGSS Rates	LJW-1, LJW-3
3. Public Notice with Proposed Impact on Bills	Petition
4. Actual and Forecasted Refund Amounts	TK-3, LJW-9
5. Cost of Gas Sendout by Component	TK-2, TK-5, TK-7, LJW-2, LJW-4, LJW-8, LJW-7, LJW-10, LJW-11
6. BGSS Contribution and Credit Offsets	TK-3, TK-4, LJW-9, LJW-12
7. Over/Under Recovery Comparisons	TK-1, TK-6, LJW-3
8. Wholesale Gas Pricing Assumptions	LJW-7, LJW-13
9. GCUA Recoveries and Balances	not applicable
10. Historical Service Interruptions	TK-9
11. Gas Price Hedging Activities	TK-11, LJW-14
12. Storage Gas Volumes, Prices and Utilization	TK-7, LJW-10
13. Affiliate Gas Supply Transactions	TK-8
14. Projected Supply and Demand Data with Design Peak Day	LJW-16
15. Actual Peak Day Supply and Demand	TK-10
16. Capacity Contract Changes	Testimony - L J Wiley pgs. 22-23
17. FERC Pipeline Activities	LJW-15
18. Changes to Firm Transportation and Storage Contracts	LJW-17

S-ECHART-1
BGSS NYMEX Update Report
as of November 02, 2018

Month	a	b	c = b - a		d	e	f = d - e	g = c x f
	BGSS (see note below)	NYMEX (11/2/2018 Close)	Incr/	% Chg	Sales forecast (dths)	Hedged volume (dths)	Unhedged volume (dths)	Change in value unhedged
Oct-18	\$ 2.829	\$ 3.021	\$	0.192	1,458,845	733,500	725,345	\$139,286
Nov-18	\$ 2.885	\$ 3.185	\$	0.320	2,995,835	1,773,565	1,222,270	\$391,126
Dec-18	\$ 2.965	\$ 3.284	\$	0.319	4,480,834	2,905,898	1,575,136	\$502,468
Jan-19	\$ 3.047	\$ 3.310	\$	-0.263	5,686,168	3,882,359	1,803,809	\$474,402
Feb-19	\$ 3.009	\$ 3.192	\$	0.183	4,565,662	3,228,395	1,337,267	\$244,720
Mar-19	\$ 2.898	\$ 2.938	\$	0.040	3,693,720	2,386,386	1,307,334	\$52,293
Apr-19	\$ 2.568	\$ 2.673	\$	0.105	1,698,389	807,600	890,799	\$93,534
May-19	\$ 2.536	\$ 2.645	\$	0.109	840,114	406,000	434,114	\$47,318
Jun-19	\$ 2.567	\$ 2.676	\$	0.109	505,603	250,300	255,303	\$27,828
Jul-19	\$ 2.600	\$ 2.714	\$	0.114	554,045	263,900	290,145	\$33,077
Aug-19	\$ 2.604	\$ 2.720	\$	0.116	549,532	266,300	283,232	\$32,855
Sep-19	\$ 2.588	\$ 2.703	\$	0.115	581,001	312,900	268,101	\$30,832
Avg Total \$	\$ 2.756	\$ 2.922	\$ 0.165	6.0%	27,609,758	17,216,904	10,392,854	\$2,069,719
Oct-19	\$ 2.610	\$ 2.721	\$	0.111	1,473,616	751,500	722,116	\$80,155
Nov-19	\$ 2.671	\$ 2.778	\$	0.107	3,025,960	1,863,565	1,162,395	\$124,376
Dec-19	\$ 2.811	\$ 2.919	\$	0.108	4,525,835	2,805,698	1,720,137	\$185,775
Jan-20	\$ 2.917	\$ 3.018	\$	0.101	5,743,147	3,722,359	2,020,788	\$204,100
Feb-20	\$ 2.889	\$ 2.949	\$	0.060	4,611,550	2,928,395	1,683,155	\$100,989
Mar-20	\$ 2.802	\$ 2.798	\$	(0.004)	3,730,888	2,106,386	1,624,502	(\$6,498)
Apr-20	\$ 2.547	\$ 2.546	\$	(0.001)	1,715,646	824,200	1,091,446	(\$1,091)
May-20	\$ 2.522	\$ 2.511	\$	(0.011)	848,665	340,000	508,665	(\$5,595)
Jun-20	\$ 2.550	\$ 2.540	\$	(0.010)	510,875	256,600	254,275	(\$2,543)
Jul-20	\$ 2.582	\$ 2.573	\$	(0.009)	559,882	223,700	336,182	(\$3,026)
Aug-20	\$ 2.590	\$ 2.579	\$	(0.011)	555,304	175,200	380,104	(\$4,181)
Sep-20	\$ 2.579	\$ 2.564	\$	(0.015)	587,040	133,500	453,540	(\$6,803)
Avg Total \$	\$ 2.673	\$ 2.708	\$ 0.035	1.3%	27,888,408	15,931,104	11,957,304	\$665,657

Footnotes:

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

b: Nymex rate as of date of the report

c: Increase/Decrease in the Nymex rate compared to rate used for annual BGSS periodic rate filing

d: Sales forecast (includes fuel requirement) at a receipt point/walkhead equivalent volume

e: 'Hedged' volume consists of all fixed price contracts (financial or physical), purchased call option positions, and tentative storage withdrawal volumes (reduced by fuel required for delivery to citygate)

f: 'Unhedged' volume consists of sales volume forecast less 'hedged' volume

g: Not necessarily representative of a change in under/over-recovery value

ELIZABETHTOWN GAS COMPANY

S-ECHART-1

S-ECHART-2
Elizabethtown Gas
Calculation of Net Cost of Gas Per Therm

	Actual	Estimate	12 Month											
	<u>Oct-18</u>	<u>Nov-18</u>	<u>Dec-18</u>	<u>Jan-19</u>	<u>Feb-19</u>	<u>Mar-19</u>	<u>Apr-19</u>	<u>May-19</u>	<u>Jun-19</u>	<u>Jul-19</u>	<u>Aug-19</u>	<u>Sep-19</u>	<u>Oct-19</u>	<u>Weighted</u>
														<u>Average</u>
1 NYMEX - 05/10/18 - Included in BGSS Filing	\$0.2829	\$0.2865	\$0.2965	\$0.3047	\$0.3009	\$0.2898	\$0.2568	\$0.2536	\$0.2567	\$0.2600	\$0.2604	\$0.2588		
2 NYMEX - Actual Settlement	\$0.3021	\$0.3185												
Breakdown of Gross Cost of Gas Per Therm:														
13 Flowing Gas Cost	\$0.1343	\$0.3161	\$0.2680	\$0.2245	\$0.1722	\$0.1778	\$0.1676	\$0.1761	\$0.2311	\$0.3027	\$0.3199	\$0.3434	\$0.2137	
14 Gas Withdrawn From Storage Cost	\$0.0218	\$0.1299	\$0.1217	\$0.1287	\$0.1018	\$0.0875	\$0.0919	\$0.0022	\$0.0047	\$0.0058	\$0.0062	\$0.0049	\$0.0834	
15 Hedged Volumes Delivered Cost	\$0.5486	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0147	
16 Pipeline Demand Cost	\$0.4809	\$0.1816	\$0.1097	\$0.0730	\$0.0643	\$0.0831	\$0.1172	\$0.2515	-\$0.5276	\$0.6525	\$0.6934	\$0.6463	\$0.1541	
17 Storage Demand Cost	\$0.1048	\$0.0389	\$0.0220	\$0.0152	\$0.0136	\$0.0177	\$0.0261	\$0.0557	\$0.1174	\$0.1449	\$0.1536	\$0.1438	\$0.0333	
18 Peaking Cost	\$0.0000	\$0.0269	\$0.0155	\$0.0116	\$0.0107	\$0.0117	\$0.0000	\$0.0001	\$0.0001	\$0.0001	\$0.0002	\$0.0001	\$0.0100	
19 Weighted Average Fuel Cost	\$0.0358	\$0.0033	\$0.0049	\$0.0049	\$0.0041	\$0.0024	\$0.0040	\$0.0101	\$0.0188	\$0.0172	\$0.0183	\$0.0192	\$0.0663	
20 Variable Pipeline Cost	\$0.0000	\$0.0099	\$0.0098	\$0.0112	\$0.0086	\$0.0054	\$0.0280	\$0.0596	\$0.1225	\$0.1523	\$0.1619	\$0.1492	\$0.0242	
21 Other Costs	\$0.0000	\$0.0000	-\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	-\$0.0000	\$0.0000	\$0.0000	
22 Total Gross Cost of Gas Per Therm	\$1.3261	\$0.7065	-\$0.5515	\$0.4690	\$0.3754	\$0.3857	\$0.3440	\$0.5558	\$1.0222	\$1.2755	\$1.3536	\$1.3069	\$0.5398	
23 NYMEX - Actual Settlement														
	Actual	Weighted												
	<u>Oct-17</u>	<u>Nov-17</u>	<u>Dec-17</u>	<u>Jan-18</u>	<u>Feb-18</u>	<u>Mar-18</u>	<u>Apr-18</u>	<u>May-18</u>	<u>Jun-18</u>	<u>Jul-18</u>	<u>Aug-18</u>	<u>Sep-18</u>	<u>Oct-18</u>	<u>Average</u>
	\$0.2974	\$0.2752	\$0.3074	\$0.2738	\$0.3505	\$0.2639	\$0.2691	\$0.2821	\$0.2875	\$0.2996	\$0.2822	\$0.2895		
Breakdown of Gross Cost of Gas Per Therm:														
24 Flowing Gas Cost	-\$0.2754	\$0.2943	\$0.2021	\$0.3949	-\$0.0280	\$0.1594	\$0.1000	-\$0.0795	-\$0.0360	-\$0.1137	-\$0.1488	-\$0.2023	\$0.1396	
25 Gas Withdrawn From Storage Cost	\$0.0387	\$0.1483	\$0.1587	\$0.0854	\$0.0907	\$0.1144	\$0.0217	-\$0.0080	\$0.0136	\$0.0494	-\$0.0182	\$0.0251	\$0.0821	
26 Hedged Volumes Delivered Cost	\$0.6554	\$0.1725	\$0.1365	\$0.0718	\$0.0722	\$0.0822	\$0.1181	\$0.2031	\$0.4326	\$0.4772	\$0.5854	\$0.5853	\$0.1472	
27 Pipeline Demand Cost	\$0.6001	\$0.2483	\$0.1036	\$0.0582	\$0.0704	\$0.0937	\$0.0500	\$0.2095	\$0.5100	\$0.6257	\$0.7876	\$0.7401	\$0.1516	
28 Storage Demand Cost	\$0.1413	\$0.0580	\$0.0253	\$0.0135	\$0.0169	\$0.0226	\$0.0233	\$0.0522	\$0.1265	\$0.1554	\$0.1817	\$0.1630	\$0.0364	
29 Peaking Cost	\$0.0000	\$0.0114	\$0.0085	\$0.0045	\$0.1324	\$0.0263	\$0.0078	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0300	
30 Weighted Average Fuel Cost	\$0.0224	\$0.0140	\$0.0105	\$0.0142	\$0.0055	\$0.0075	\$0.0094	\$0.0102	\$0.0260	\$0.0293	\$0.0360	\$0.0337	\$0.0119	
31 Variable Pipeline Cost	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	
32 Other Costs	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	
33 Total Gross Cost of Gas Per Therm	\$1.1824	\$0.9467	\$0.6451	\$0.6425	\$0.3602	\$0.3060	\$0.3703	\$0.3875	\$1.0726	\$1.2233	\$1.4237	\$1.3448	\$0.5987	

Footnotes:

- Flowing Gas Cost = Gas purchased for delivery to city gate during month - not injected into storage
- Gas Withdrawn From Storage Cost = Gas withdrawn from storage - includes cost of injection, withdrawal, fees, line loss
- Hedged Volumes Delivered Cost = Hedged Volumes delivered to city gate - not injected into storage
- Pipeline Demand Cost = Fixed Pipeline costs
- Storage Demand Cost = Fixed Storage related costs
- Peaking Cost = Peaking Cost includes peaking services, LNG, Propane, etc...
- Weighted Average Fuel Cost = Commodity x fuel % for each pipeline - represents portion of gas shipped that is retained by pipeline
- Variable Pipeline Cost = Pipeline Charge per therm shipped

S-ECHART-2
Elizabethtown Gas
Calculation of Net Cost of Gas Per Therm

	Actual Oct-18	Estimate Nov-18	Estimate Dec-18	Estimate Jan-19	Estimate Feb-19	Estimate Mar-19	Estimate Apr-19	Estimate May-19	Estimate Jun-19	Estimate Jul-19	Estimate Aug-19	Estimate Sep-19	12 Month Weighted Average
Credits, Refunds, & Recoveries Per Therm:													
1 Asset Management Credits	\$0.3409	\$0.0000	\$0.0331	\$0.0000	\$0.0000	\$0.1488	\$0.0000	\$0.0000	\$0.1796	\$0.0000	\$0.0000	\$0.4349	\$0.0495
2 Off-system sales	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
3 Capacity release	\$0.0050	\$0.0018	\$0.0011	\$0.0007	\$0.0006	\$0.0009	\$0.0012	\$0.0027	\$0.0056	\$0.0070	\$0.0074	\$0.0068	\$0.0016
4 On System Credits to BGSS-P Customers	\$0.1361	\$0.1121	\$0.1059	\$0.0998	\$0.0976	\$0.0967	\$0.0939	\$0.1039	\$0.1413	\$0.1746	\$0.1883	\$0.1602	\$0.1063
5 Supplier Refunds	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
6 Gas for Company Use	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
7 Line Loss	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
8 Transfer to Non BGSS-P Customers	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
9 Over / Under Recovery & Interest to Customers	\$0.4337	\$0.1952	\$0.0141	-\$0.0289	-\$0.1202	-\$0.2590	-\$0.1486	\$0.0515	\$0.2983	\$0.6965	\$0.7604	\$0.3075	-\$0.0153
10 Other	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
11 Total Credits, Refunds, & Recoveries per Therm	\$0.9157	\$0.3091	\$0.1541	\$0.0716	-\$0.0220	-\$0.0117	-\$0.0534	\$0.1580	\$0.6248	\$0.8781	\$0.9562	\$0.9095	\$0.1420
12 Total Net Cost Per Therm (Pr 1 Line 21 - Pr 2 Line 11)	\$0.4104	\$0.3974	\$0.3974	\$0.3974	\$0.3974	\$0.3974	\$0.3974	\$0.3974	\$0.3974	\$0.3974	\$0.3974	\$0.3974	\$0.3977

	Actual Oct-17	Actual Nov-17	Actual Dec-17	Actual Jan-18	Actual Feb-18	Actual Mar-18	Actual Apr-18	Actual May-18	Actual Jun-18	Actual Jul-18	Actual Aug-18	Actual Sep-18	Weighted Average
Credits, Refunds, & Recoveries Per Therm:													
13 Asset Management Credits	\$0.0000	\$0.0702	\$0.0352	\$0.0000	\$0.0000	\$0.0307	\$0.0000	\$0.7221	\$0.1756	\$0.0000	\$0.0000	\$0.2481	\$0.0638
14 Off-system sales	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
15 Capacity release	\$0.0063	\$0.0026	\$0.0011	\$0.0006	\$0.0007	\$0.0010	\$0.0010	\$0.0022	\$0.0056	\$0.0067	\$0.0071	\$0.0084	\$0.0016
16 On System Credits to BGSS-P Customers	\$0.1304	\$0.1261	\$0.1064	\$0.1086	\$0.1144	\$0.1145	\$0.0940	\$0.1060	\$0.1489	\$0.1483	\$0.1660	\$0.1325	\$0.1130
17 Supplier Refunds	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
18 Gas for Company Use	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
19 Line Loss	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
20 Transfer to Non BGSS-P Customers	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
21 Over / Under Recovery & Interest to Customers	\$0.6410	\$0.3135	\$0.0758	\$0.1087	-\$0.1776	-\$0.0676	-\$0.1511	-\$0.8688	\$0.3042	\$0.6440	\$0.8067	\$0.5067	-\$0.0055
22 Other	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
23 Total Credits, Refunds, & Recoveries per Therm	\$0.7977	\$0.5124	\$0.2185	\$0.2179	-\$0.0625	\$0.0786	-\$0.0561	-\$0.0385	\$0.6343	\$0.7989	\$0.9799	\$0.8957	\$0.1728
24 Total Net Cost Per Therm (Pr 1 Line 33 - Pr 2 Line 23)	\$0.3847	\$0.4343	\$0.4267	\$0.4245	\$0.4227	\$0.4274	\$0.4264	\$0.4260	\$0.4383	\$0.4244	\$0.4438	\$0.4492	\$0.4259

Footnotes:

On System Credits to BGSS-P Customers = Interruptible Sales, Cogeneration, Electric Plant Transfers, Sayerville, Forked River, Ocean Power, etc.
 Line Loss = Gross Cost of Gas per Therm x Line Loss Percentage
 Indicate that Line 12 equals the projected BGSS-P rate or provide a calculation below that reconciles the two numbers.

ELIZABETHTOWN GAS COMPANY