



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

ENERGY

IN THE MATTER OF THE PETITION OF	)	ORDER SUSPENDING INCREASES,
ELIZABETHTOWN GAS COMPANY FOR	)	CHANGES OR ALTERATIONS IN RATES
APPROVAL OF INCREASED BASE TARIFF	)	FOR SERVICE
RATES AND CHARGES FOR GAS SERVICE,	)	
CHANGES TO DEPRECIATION RATES AND	)	BPU DOCKET NO. GR19040486
OTHER TARIFF REVISIONS	)	OAL DOCKET NO. PUC 06692-2019N

**Parties of Record:**

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

BY THE BOARD:

On April 18, 2019, pursuant to N.J.S.A. 48:2-18, N.J.S.A. 48:2-21, N.J.S.A. 48:2-21.1, and N.J.A.C. 14:1-5.12, Elizabethtown Gas Company ("Elizabethtown" or "Company"), a public utility of the State of New Jersey subject to the jurisdiction of the New Jersey Board of Public Utilities ("Board"), filed a petition for approval of an increase in its operating revenues of approximately \$65.03 million, to be effective for gas service provided on or after May 19, 2019. The Company also sought Board approval to implement new depreciation rates. Elizabethtown's petition requested a return on equity of 10.40%.

According to the petition, the Company's current base rates and charges for natural gas service are not sufficient at their current level to ensure it can continue to attract the necessary capital to support further investments that enable it to provide ongoing safe and reliable service to its customers. Additionally, Elizabethtown stated that its request for rate relief is also driven by a need to recover greater depreciation expense, as well as increases to the operations and maintenance costs incurred by the Company since its last base rate case.

The Company also proposed to establish a regulatory asset in which the incremental costs associated with a transmission integrity management program incurred between rate cases will be tracked and deferred for later review and recovery in rates.

By Order dated May 8, 2019, the Board suspended the proposed rate increase until September 19, 2019 pending further action on this matter. This matter was subsequently transmitted to the Office of Administrative Law ("OAL") as a contested case, and was assigned to Administrative Law Judge ("ALJ") Irene Jones for consideration and hearing.

On July 16, 2019, Elizabethtown updated its petition to include nine (9) months of actual data and three (3) months of estimated data. As a result, the requested rate increase was modified to \$65.88 million.

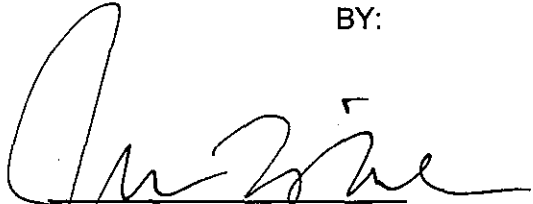
In light of the fact that this matter will not be completed by September 19, 2019, and to allow the ALJ sufficient time to conduct the case, it is **HEREBY ORDERED** that:

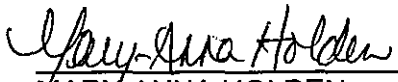
- (1) Pursuant to N.J.S.A. 48:2-21(d), the proposed revisions are suspended until January 19, 2020, unless prior to that date the Board makes a determination disposing of the petition or enters an Order further suspending the proposed revisions;
- (2) Elizabethtown shall, at least ten (10) days prior to the date set for hearing on the petition by the OAL, file with this Board and with the OAL, proof of compliance with the notice provisions of N.J.S.A. 48:2-32.2 and N.J.A.C. 14:1-5.12(b) and (c), which notice shall include a statement that any relief found by the Board to be just and reasonable may be allocated by the Board to any class or classes of customers on any rate or schedule as the Board may determine; and
- (3) Elizabethtown shall, at the same time it files with the Board, also file proof of service of copies of this Order upon the New Jersey Division of Rate Counsel, the clerks of each affected municipality, the clerks of the Boards of Chosen Freeholders of each affected County, and where appropriate, the executive officer of each affected County within its service area. Service of the petition, notice of hearings and this Suspension Order may be made simultaneously.

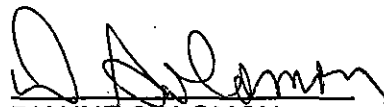
This Order shall be effective on September 15, 2019.

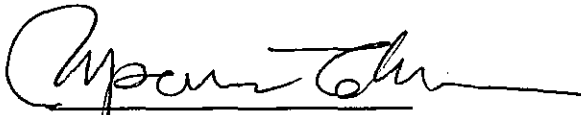
DATED: 9/11/19

BOARD OF PUBLIC UTILITIES  
BY:

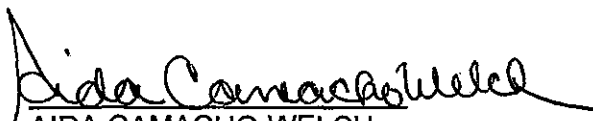
  
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COMMISSIONER

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.

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APPROVAL OF INCREASED BASE TARIFF RATES AND CHARGES FOR GAS SERVICE,  
CHANGES TO DEPRECIATION RATES AND OTHER TARIFF REVISIONS  
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