

# STATE OF NEW JERSEY Board of Public Utilities 44 South Clinton Avenue, 1st Floor Post Office Box 350 Trenton, New Jersey 08625-0350

www.nj.gov/bpu/

#### **ENERGY**

IN THE MATTER OF THE PETITION OF	)	DECISION AND ORDER
ELIZABETHTOWN GAS COMPANY TO (1) REVISE )	)	APPROVING STIPULATION
THE CLEAN ENERGY PROGRAM COMPONENT OF )	)	
ITS SOCIETAL BENEFITS CHARGE RATE; AND (2)	)	
REVISE ITS ON-SYSTEM MARGIN SHARING	)	<b>DOCKET NO. GR23070476</b>
CREDIT	١	

#### Parties of Record:

**Brian O. Lipman, Esq., Director**, New Jersey Division of Rate Counsel **Dominick DiRocco, Esq.,** on behalf of Elizabethtown Gas Company

#### BY THE BOARD:

On July 31, 2023, Elizabethtown Gas Company ("Elizabethtown" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board" or "BPU") seeking authority to revise the Clean Energy Program ("CEP") component of the Societal Benefits Charge ("SBC") rate and its On-System Margin Sharing Credit ("OSMC") for the period October 1, 2023 through September 30, 2024 ("July 2023 Petition"). By this Order, the Board considers a stipulation of settlement ("Stipulation") executed by Elizabethtown, the New Jersey Division of Rate Counsel ("Rate Counsel") and Board Staff ("Staff") intended to resolve all requests in the July 2023 Petition.

#### **BACKGROUND AND PROCEDURAL HISTORY**

As a result of the Electric Discount and Energy Competition Act of 1999, the CEP was created in an effort to promote both energy efficiency and renewable energy programs by offering financial incentives, programs, and services to New Jersey residents, business owners, and local governments. The Board annually sets each energy utility's share of the CEP costs to be collected from customers and transferred to the Board as funding for those programs.

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

<sup>&</sup>lt;sup>1</sup> Although Elizabethtown's SBC consists of the CEP, the Remediation Adjustment Clause, the Universal Service Fund and Lifeline, only the CEP is addressed in the July 2023 Petition.

#### **JULY 2023 PETITION**

Elizabethtown filed the July 2023 Petition with accompanying exhibits and pre-filed direct testimony. The July 2023 Petition provides as follows:

#### CEP

In the July 2023 Petition, Elizabethtown proposed to modify the per therm CEP component of its SBC rate from \$0.0260 to \$0.0270, effective October 1, 2023.<sup>2</sup> According to the Company, the rate was designed to recover prior period costs, the net actual costs incurred to provide Board-approved CEP and carrying costs for the period ending June 30, 2023, and projected costs for the period ending June 30, 2024, which total \$13,348,375. As a result of the June 29, 2023 Board Order establishing the statewide funding levels for CEP programs for Fiscal Year 2024, Elizabethtown was allocated \$12,561,692 of CEP funding responsibility for the 12 month period ending June 30, 2024.<sup>3</sup>

#### <u>OSMC</u>

Elizabethtown proposed to modify its per therm OSMC from a credit rate of \$0.0031 to a credit rate of \$0.0036, effective October 1, 2023. According to the July 2023 Petition, the Company's total OSMC balance was \$1,221,917, which would be credited to firm customers.

In response to discovery, Elizabethtown updated the OSMC calculation which yielded a higher OSMC credit rate per therm than proposed in the July 2023 Petition, based upon revised projections of shared margins for the period July 2023 through June 2024 ("Update"). The Update supported an increase in the proposed per therm OSMC credit rate to a credit rate of \$0.0045 per therm.

Following a public notice published in newspapers of general circulation within Elizabethtown's service territory, two (2) virtual public hearings regarding the 2023 CEP-OSMC Petition were held on December 21, 2023 at 4:30 p.m. and 5:30 p.m. No members of the public virtually attended the hearings, nor submitted written comments to express their views on the July 2023 Petition.

<sup>&</sup>lt;sup>2</sup> All rates quoted herein include taxes.

<sup>&</sup>lt;sup>3</sup> In re the Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for Fiscal Year 2024 Clean Energy Program, BPU Docket No. QO23040235, Order dated June 29, 2023.

#### **STIPULATION**

Following a review of the July 2023 Petition, the Update, and discovery, the Parties executed the Stipulation, which provides, in pertinent part, as follows:<sup>4</sup>

- 10. As of the effective date, the Company will make effective as final (1) its CEP component of the SBC rate of \$0.0270 per therm, and (2) its OSMC credit rate of \$0.0045 per therm. The calculation of these rates is set forth in Appendix A which is attached to the Stipulation. These rates shall remain in effect on a final basis until changed by Order of the Board.
- 11. Upon Board approval of the CEP and OSMC rates reflected in the Stipulation, the Company will file with the Board revised tariff sheets to reflect the final CEP and OSMC rates and changes to the tariff agreed to in the Stipulation.
- 12. The overall impact of the CEP and OSMC rate changes will decrease the monthly bill of a typical residential heating customer using 100 therms by \$0.04 or 0.0%, compared to the Company's December 1, 2023 rates.
- 13. Upon the Board's approval of the Stipulation, all issues related to Elizabethtown's CEP and OSMC and the costs recovered through these clauses are deemed resolved for purposes of this proceeding but remain subject to audit by the Board.

#### **DISCUSSION AND FINDINGS**

The Board, having carefully reviewed the record in this proceeding, including the July 2023 Petition, the Update, and the attached Stipulation, <a href="HEREBY FINDS">HEREBY FINDS</a> the Stipulation to be reasonable, in the public interest, and in accordance with the law. Accordingly, the Board <a href="HEREBY ADOPTS">HEREBY ADOPTS</a> the Stipulation in its entirety, and <a href="HEREBY INCORPORATES">HEREBY INCORPORATES</a> its terms and conditions as though fully set forth herein, subject to any terms and conditions set forth in this Order.

The Board <u>HEREBY APPROVES</u> a per therm CEP rate of \$0.0270 and a per therm OSMC credit rate of \$0.0045, effective for service rendered on and after February 15, 2024.

The Board <u>HEREBY</u> <u>DIRECTS</u> Elizabethtown to file tariffs consistent with the Board's Order by February 15, 2024.

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

<sup>4</sup> 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 numbered to coincide with the paragraphs in the Stipulation.

This Order shall be effective February 7, 2024.

DATED: January 31, 2024

BOARD OF PUBLIC UTILITIES

BY:

CHRISTINE GUHL-SADOVY

PRESIDENT

THE ZENOWICHRISTODOULOU

COMMISSIONER

MARIAN ABDOU COMMISSIONER

MICHAEL BANGE COMMISSIONER

ATTEST:

SHERRI L. GOLDEN SECRETARY

i HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities.

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

#### **DOCKET NO. GR23070476**

#### SERVICE LIST

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**Dominick DiRocco, Esq.** VP/Rates & Regulatory Affairs

January 9, 2024

#### **Electronic Filing**

Sherri Golden, Board Secretary Office of the Secretary NJ 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. GR23070476

Dear Secretary Golden:

Enclosed for filing 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. It is respectfully requested that the Board consider the Stipulation at its next agenda meeting.

Should you have any questions, please do not hesitate to contact me.

Respectfully submitted,

Dominick DiRocco, Esq.

DD: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. GR23070476

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#### STATE OF NEW JERSEY BOARD OF PUBLIC UTILITIES

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In the Matter of the Petition of Elizabethtown

Gas Company to (1) Revise the Clean Energy

**Program Component of its Societal Benefits** 

Charge Rate; and (2) Revise its On-System Margin

**Sharing Credit** 

: FINAL STIPULATION

: BPU Docket No. GR23070476

#### **APPEARANCES:**

**Dominick DiRocco**, **Esq.**, Vice President, Rates and Regulatory Affairs, SJI Utilities, Inc. for Petitioner, Elizabethtown Gas Company

Maura Caroselli, Esq., Managing Attorney Gas and Clean Energy, Megan Lupo, Esq., Assistant Deputy Rate Counsel, and Mamie W. Purnell, Esq., Assistant Deputy Rate Counsel, for the Division of Rate Counsel (Brian O. Lipman, Esq., Director)

**Terel Klein**, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Matthew Platkin**, Attorney General of the State of New Jersey)

#### TO THE HONORABLE COMMISSIONERS OF THE BOARD OF PUBLIC UTILITIES:

#### I. PROCEDURAL HISTORY

- 1. On July 31, 2023, Elizabethtown Gas Company ("Elizabethtown" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board" or "BPU") in BPU Docket No. GR23070476 seeking authority to revise the Clean Energy Program ("CEP") component of the Societal Benefits Charge ("SBC") rate and its On-System Margin Sharing Credit ("OSMC") for the period October 1, 2023 through September 30, 2024 ("July 2023 Petition").
- 2. By Order dated May 24, 2023 in the Company's 2022 Weather Normalization Charge ("WNC")/CEP/OSMC proceeding in BPU Docket No. GR22070466, the Board approved, on a final basis, Elizabethtown's current rates for the CEP, and OSMC and suspended

the WNC rate.1

- 3. In the July 2023 Petition, Elizabethtown proposed to modify the current CEP component of its SBC rate from \$0.0260 per therm to \$0.0270 per therm, effective October 1, 2023. As provided in the July 2023 Petition, the rate was designed to recover prior period costs, the net actual costs incurred to provide Board-approved CEP and carrying costs for the period ending June 30, 2023, and projected costs for the period ending June 30, 2024.
- 4. In the July 2023 Petition, Elizabethtown proposed to modify its current OSMC from a credit rate of \$0.0031 per therm to a credit rate of \$0.0036 per therm to become effective October 1, 2023. The Board originally approved the OSMC as a separate rider by Board Order dated March 30, 2001 in BPU Docket No. GX99030121, and thereafter in Board orders in various subsequent Board proceedings. The rate is set in accordance with the mechanisms approved by the Board in Docket Nos. GT8602131, GM90090949, TC94030057, GR96080574, et. al, GR97070552, et al., and Docket Nos. GX99030121, et al., under which margins from certain onsystem sales and transportation services are shared between firm sales customers, certain firm transportation customers, and the Company on an 80%/20% basis through a credit, the OSMC, to the transportation rates charged to firm sales and all Service Classification RDS customers.
- 5. As stated in the July 2023 Petition, the overall impact of the proposed adjustments to the CEP and OSMC rates would increase the monthly bill of a residential customer using 100 therms by \$0.05, from \$103.77 to \$103.82, or an increase of 0.0%, as compared to the rates in effect as of July 1, 2023.
- 6. The 2023 CEP-OSMC Petition was not transmitted to the Office of Administrative Law by the Board. Following public notice published in newspapers of general circulation within

<sup>&</sup>lt;sup>1</sup> In re the Matter of the Petition of Elizabethtown Gas Company to (1) Suspend its Weather Normalization Clause Rate; (2) Revise the Clean Energy Program Component of its Societal Benefits Charge Rate; and (3) Revise its Onsystem Margin Sharing Credit, BPU Docket No. GR22070466, Order dated May 24, 2023.

<sup>&</sup>lt;sup>2</sup> All rates quoted herein are inclusive of all applicable taxes unless otherwise stated.

Elizabethtown's service territory, two (2) virtual public hearings regarding the 2023 CEP-OSMC Petition were held on December 21, 2023 at 4:30 p.m. and 5:30 p.m. No members of the public virtually attended the hearings, nor submitted written comments to express their views on this finding.

- 7. The July 2023 Petition OSMC calculation was updated by the Company's response to discovery request RCR-A-6; this revision yielded a higher OSMC credit rate per therm than originally proposed in the July 2023 Petition, based upon revised projections of shared margins for the period July 2023 through June 2024. The update supported an increase in the OSMC credit rate from the proposed credit rate of \$0.0036 per therm to a credit rate of \$0.0045 per therm, inclusive of taxes. The calculation of the revised OSMC rate is shown in Appendix A.
- 8. Elizabethtown, Board Staff, and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, "Parties") engaged in discovery and resolved all issues in this proceeding in accordance with the Stipulation set forth below.

#### II. STIPULATED TERMS

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

#### **Effective Date**

9. The Parties stipulate and agree that the proposed CEP and OSMC rates should be made final as of the effective date of a Board Order approving this Stipulation of Settlement ("Stipulation") in accordance with N.J.S.A. 48:2-40, or upon such date thereafter as the Board may specify ("Effective Date").

#### **Effective Rate**

10. As of the Effective Date, the Company will make effective as final (1) its CEP component of the SBC rate of \$0.0270 per therm, and (2) its OSMC credit rate of \$0.0045 per

therm. The calculation of these rates is set forth in Appendix A which is attached hereto. These rates shall remain in effect on a final basis until changed by Order of the Board.

- 11. Upon Board approval of the CEP and OSMC rates reflected in this Stipulation, the Company will file with the Board revised tariff sheets to reflect the final CEP and OSMC rates and changes to the tariff agreed to in this Stipulation. Draft tariff sheets are attached as Appendix B.
- 12. Upon the Board's approval of this Stipulation, all issues related to Elizabethtown's CEP and OSMC and the costs recovered through these clauses are deemed resolved for purposes of this proceeding but remain subject to audit by the Board.

#### Rate Impact

13. The overall impact of the CEP and OSMC rate changes will decrease the monthly bill of a typical residential heating customer using 100 therms by \$0.04 or 0.0%, compared to the Company's December 1, 2023 rates.

#### III. MISCELLANEOUS

- 14. 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.
- 15. 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.
- 16. 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, the Parties 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.

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

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By:

Dominick DiRocco

VP, Rates & Regulatory Affairs

BRIAN O. LIPMAN
DIRECTOR, DIVISION OF
RATE COUNSEL

Mamie W Purnell, Esq.

**Assistant Deputy Rate Counsel** 

MATTHEW PLATKIN
ATTORNEY GENERAL OF THE STATE OF NEW JERSEY
Attorney for the Staff of the New Jersey Board of Public Utilities

1/9/24

By: 70

**Deputy Attorney General** 

Dated: January 9, 2024

**GR23070476 – ETG 2023CEP/OSMC** 

**CEP Schedule** TK-1

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

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

October 1, 2023

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)		(\$6,512)	-
6	Current Year Ending Balance - Under Collection (Sum L1-	L5)	\$1,235,429	
7	Projected Fiscal Agent Payments: Prior Period Payable (Sch. TK-3, col h) Next Year's Scheduled Payments July - May (Sch. TK-5)	\$95,461 <u>\$12,017,485</u>	\$12,112,946	-
8	Total Proposed Recoveries (L6+L7)		\$13,348,375	
9	Projected Normalized Sales and Services (Forecast Sch. T	K-1)	527,639,555	therms
	CEP COMPONENT, before taxes (L8/L9) Sales & Use Tax @ 6.625%		\$0.0253 \$0.0017	
12	CEP COMPONENT (L10+L11)		\$0.0270	/therm

#### **Appendix A**

OSMC Schedule TK-1

#### Attachment RCR-A-6.1

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

#### October 2023 through September 2024 Disbursement Year 2024

#### Revised

8	OSM Credit / (Charge) per therm, (L6+L7)	\$0.0045
7	Sales & Use Tax @ 6.625%	<u>\$0.0003</u>
6	OSMC Rate, before taxes (L4/L5)	\$0.0042
5	Projected Therm Volumes (Forecast Sch. TK-1)         - RDS and GLS       253,408,925         - SGS, GDS and NGV       81,385,074         - LVD and EGF       20,164,765	354,958,764
4	Total OSMC Customer Credits / (Charge) (L1+L2+L3)	\$1,483,325
3	Current Year Balance, (Over) / Under Disbursement (Sch. TK-3)	<u>\$176,780</u>
2	Prior Year Balance, (Over) / Under Disbursement (Sch. TK-3)	\$490,655
1	Projected OSMC Margin Contributions for Disbursement (Sch. TK-2)	\$815,890

#### 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.

(\$0.00310.0045) 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, 2023xxx1 Effective: Service Rendered on and after June 7, 2023xxx2

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, 2023xxx3 in Docket No. GR22070466xxx4

#### 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.

	SBC Rate Components:		<u>Per Therm</u>
I.	Clean Energy Program ("CEP")		\$ <del>0.0260</del> <u>0.0270</u>
II.	Remediation Adjustment Charge ("RAC")		\$0.0023
III.	Universal Service Fund and Lifeline:		
	<ol> <li>Universal Service Fund ("USF")</li> </ol>		\$0.0115
	2. Lifeline		<u>\$0.0062</u>
		TOTAL	\$ <del>0.0460</del> 0.0470

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. <u>Clean Energy Program Component ("CEP")</u>

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

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

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520 Green Lane

Union, New Jersey 07083

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Dated September 27, 2023xxx3 in Docket No. ER23060409xxx4

Appendix B	•

**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.

(\$0.0045) per therm

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

#### Determination of the OSMC

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

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

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#### RIDER "D"

#### SOCIETAL BENEFITS CHARGE ("SBC")

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

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

	SBC Rate Components:	Per Therm
I.	Clean Energy Program ("CEP")	\$0.0270
II.	Remediation Adjustment Charge ("RAC")	\$0.0023
III.	Universal Service Fund and Lifeline:	
	1. Universal Service Fund ("USF")	\$0.0115
	2. Lifeline	\$0.0062
	TOTAL	\$0.0470

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.

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