



Agenda Date: 11/21/25

Agenda Item: 2J

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
**44 South Clinton Avenue, 1<sup>st</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 APPROVING  
ELIZABETHTOWN GAS COMPANY TO REVIEW ITS ) STIPULATION FOR PROVISIONAL  
PERIODIC BASIC GAS SUPPLY SERVICE RATE AND ) CIP RATES  
CONSERVATION INCENTIVE PROGRAM RATES )  
FOR THE YEAR ENDED SEPTEMBER 30, 2026 ) DOCKET NO. GR25050315

**Parties of Record:**

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

**Brian O. Lipman, Esq.**, Director, New Jersey Division of Rate Counsel

**BY THE BOARD:**

On May 30, 2025, Elizabethtown Gas Company ("Elizabethtown" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board" or "BPU") seeking approval to: 1) modify its periodic Basic Gas Supply Service ("BGSS") ("BGSS-P") rate; 2) increase the rate of the monthly BGSS Capacity Cost Component ("CCC"), a component of the commodity charge for monthly BGSS customers; and 3) modify its Conservation Incentive Program ("CIP") rates for the period October 1, 2025, through September 30, 2026 ("2025-26 BGSS/CIP Year") ("Petition"). By this Order, the Board considers a stipulation of settlement executed by executed by Elizabethtown, Board Staff ("Staff"), and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, "Parties") requesting that the Board approve changes in the CIP rates on a provisional basis, subject to refund with interest ("Provisional CIP Rates Stipulation").

## **BACKGROUND/PROCEDURAL HISTORY**

By Order dated January 6, 2003, the Board directed each of New Jersey's four (4) gas distribution companies ("GDCs") to submit to the Board, by June 1, their annual BGSS gas cost filing for the BGSS year beginning October 1.<sup>1</sup> In addition, the January 2003 BGSS Order authorized each GDC to self-implement up to a five percent (5%) BGSS rate increase effective December 1 of the current year, and February 1 of the following year, with one (1) month advance notice to the Board and Rate Counsel, and implement a decrease in its BGSS rate at any time during the year upon five (5) days' notice to the Board and Rate Counsel.

## **PETITION**

Pursuant to the January 2003 BGSS Order, by the Petition, the Company requested to increase its per-therm BGSS-P rate from \$0.5340 to \$0.6540.<sup>2</sup> The Company forecasted an under-recovery of approximately \$26 million on September 30, 2025, including an unamortized under-recovery with associated interest of \$10.7 million related to the Company's 2023-2024 BGSS year. Elizabethtown also indicated that, since its last filing, it has experienced a significant increase in commodity gas costs which are expected to remain at relatively high levels throughout the 2025-2026 BGSS/CIP Year. Specifically, the Company identified a 32.5% increase in the NYMEX Futures forward price curve for the BGSS year from October 2025 through September 2026. Elizabethtown also proposed to increase its per-therm Monthly BGSS CCC rate from \$0.2056 to \$0.2274, excluding taxes.

By Order dated November 17, 2023, the Board authorized the Company to recover carrying costs accrued on the September 30, 2024 balance over twelve (12) months and to continue to accrue such carrying costs until the BGSS-P under-recovery balance as of September 30, 2024 is fully recovered.<sup>3</sup> By the Petition, Elizabethtown projected that the remaining under-recovery balance as of September 30, 2025 will be \$9,842,847, including \$894,115 related to carrying costs on the unamortized under-recovery balance. Elizabethtown proposed to recover this balance on a straight-line basis during the first six (6) months of the BGSS Year, with carrying costs on the September 30, 2024 under-recovery balance continuing to be accrued monthly until such balance is fully amortized. The Company would then include the accrued carrying costs in its next BGSS annual filing.

By the Petition, Elizabethtown identified that Transcontinental Gas Pipeline Company, LLC ("Transco") and Columbia Gas Transmission, LLC ("Columbia"), two (2) interstate pipeline system operators whose infrastructure the Company uses to transport natural gas, have pending rate cases before the Federal Energy Regulatory Commission ("FERC").<sup>4</sup> The Company proposed to defer all increases related to the Transco and Columbia rate cases until September

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<sup>1</sup> 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., BPU Docket No. GX01050304, Order dated January 6, 2003 ("January 2003 BGSS Order").

<sup>2</sup> All rates quoted herein include applicable taxes unless otherwise stated.

<sup>3</sup> In re the Petition of Elizabethtown Gas Company to Review its Periodic Basic Gas Supply Service Rate and its Conservation Incentive Program Rates for the Year Ended September 30, 2024, BPU Docket No. GR23060335, Order dated November 17, 2023 ("November 2023 Order").

<sup>4</sup> Transcontinental Gas Pipeline Company, LLC, Petition, FERC Docket No. RP-24-1035, August 30, 2024 and Columbia Gas Transmission, LLC, Petition, FERC Docket No. RP-24-1103, September 30, 2024.

30, 2026. The Company estimated that, if FERC approves final rates in the Transco and Columbia rate cases at fifty percent (50%) of their respective requested levels, the deferred balance related to these pipeline increases would be \$16.6 million, including carrying costs of \$1.3 million. The Company noted that it would propose an amortization into rates of the actual deferred balance for September 30, 2026, with accumulated carrying costs, in its 2026-27 BGSS/CIP filing.

By the Petition, Elizabethtown also sought Board approval to implement the following per-therm CIP rates effective October 1, 2025:

- A rate of \$0.7071 for Residential Delivery Service (“RDS”)- Non-Heating (“RDS-NH”);
- A rate of \$0.0789 for Residential Delivery Service - Heating (“RDS-H”);
- A rate of \$0.0234 for Small General Service (“SGS”); and
- A rate of \$0.0046 for General Delivery Service (“GDS”).

On July 15, 2025, the Company filed an update to its per-therm CIP rates (“CIP Update”), thereby revising its CIP rates as follows:

- A combined CIP rate of \$0.0724 for RDS-NH and RDS-H customers into a single RDS rate to account for significant changes between the two (2) rates;
- A rate of \$0.0234 for SGS; and
- A rate of \$0.0046 for GDS.

Following publication of notice in newspapers of general circulation in the Company’s service territory, virtual public hearings were conducted on August 28, 2025 at 4:30 p.m. and 5:30 p.m. One (1) member of the public attended, but did not provide any comments, and the Board received no written comments related to the Petition.

On October 31, 2025, Elizabethtown filed a notice of its intent to self-implement a BGSS-P rate adjustment based on a five percent (5%) increase of the monthly bill of a typical residential customer using 100 therms to be effective December 1, 2025.

## **STIPULATION**

Following an initial review and discussions, the Parties determined that additional time is needed to complete a review of the Petition. Accordingly, the Parties executed the Provisional CIP Rates Stipulation, which provides, in part, as follows:<sup>5</sup>

20. The Parties agree that, pending the conclusion of further review and discussion, it would be both reasonable and in the public interest for the Board to authorize the implementation of the following proposed per-therm CIP noticed rates on a provisional basis: \$0.0724 for RDS; \$0.0234 for SGS; and a rate of \$0.0046 for GDS. The Parties agree that these rate changes should be effective as of December 1, 2025, or alternate date decided by the Board. The proposed provisional CIP rate changes result in a decrease in CIP-related recoveries of \$3.3 million annually and are subject to an opportunity for full review at the Office of Administrative Law (“OAL”), if necessary, and final approval by the Board. The provisional CIP rates are to be implemented subject to refund with interest.

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<sup>5</sup> Although described at some length in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusion in this Order.

21. As compared to rates in effect July 1, 2025, the proposed CIP noticed rates for RDS results in a decrease of \$2.53 in the monthly bill of a residential heating customer using 100 therms, from \$158.54 to \$156.01, or 1.6%.
22. The Company will submit tariff sheets in the form attached to the Provisional CIP Rates Stipulation as Appendix A, within five (5) days of the effective date of the Board's Order, should the Board approve the Provisional CIP Rates Stipulation.

### **DISCUSSION AND FINDINGS**

The Board carefully reviewed the record in this proceeding, including the Petition and the Provisional CIP Rates Stipulation. The Board **HEREBY FINDS** that the Provisional CIP Rates Stipulation is reasonable, in the public interest, and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Provisional CIP Rates Stipulation as its own, as if fully set forth herein.

Based upon the Provisional CIP Rates Stipulation, the Board **HEREBY APPROVES**, on a provisional basis, the following per therm CIP rates, effective December 1, 2025:

- \$0.0724 for all RDS;
- \$0.0234 for SGS; and
- \$0.0046 for GDS.

Any net over-recovered CIP balance at the end of the CIP period shall be subject to refund with interest. The above changes are effective for services rendered on and after December 1, 2025. Based upon the Provisional CIP Rates Stipulation, a typical residential heating customer using 100 therms per month will see a monthly bill decrease of \$2.53.

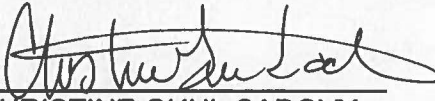
The Board **HEREBY ORDERS** Elizabethtown to file revised tariff sheets conforming to the terms of the Provisional CIP Rates Stipulation by November 28, 2025.

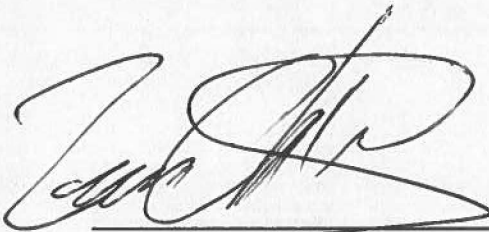
The Company's costs will remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

The effective date of this Order is November 21, 2025.

DATED: November 21, 2025

BOARD OF PUBLIC UTILITIES  
BY:

  
CHRISTINE GUHL-SADOVY  
PRESIDENT

  
DR. ZENON CHRISTODOULOU  
COMMISSIONER

  
MICHAEL BANGE  
COMMISSIONER

ATTEST:

  
SHERRI L. LEWIS  
BOARD 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 REVIEW ITS PERIODIC BASIC  
GAS SUPPLY SERVICE RATE AND CONSERVATION INCENTIVE PROGRAM RATES FOR THE YEAR ENDED  
SEPTEMBER 30, 2026

DOCKET NO. GR25050315

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November 5, 2025

Sherri Lewis, Board Secretary  
New Jersey Board of Public Utilities  
44 South Clinton Avenue  
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**Re: In the Matter of the Petition of Elizabethtown Gas Company to Review Its Periodic Basic Gas Supply Service Rate and Conservation Incentive Program Rates For The Year Ended September 30, 2026  
BPU Docket No. GR25050315**

Dear Secretary Lewis:

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 November 21, 2025 agenda meeting.

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

Respectfully submitted,

A handwritten signature in black ink that reads "Dominick DiRocco".

Dominick DiRocco

DD:slp  
Enclosures

cc: Service List



**IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY  
TO REVIEW ITS PERIODIC BASIC GAS SUPPLY SERVICE RATE AND  
CONSERVATION INCENTIVE PROGRAM RATES FOR THE YEAR ENDED  
SEPTEMBER 30, 2026  
BPU DOCKET NO. GR25050315**

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

|   |          |                                  |
|---|----------|----------------------------------|
| -----X  |          |                                  |
| <b>In the Matter of the Petition of</b>             | <b>:</b> | <b>BPU Docket No. GR25050315</b> |
| <b>Elizabethtown Gas Company to Review its</b>      | <b>:</b> |                                  |
| <b>Periodic Basic Gas Supply Service Rate and</b>   | <b>:</b> | <b>STIPULATION REGARDING</b>     |
| <b>Conservation Incentive Program Rates for the</b> | <b>:</b> | <b>PROVISIONAL CIP</b>           |
| <b>Year Ended September 30, 2026</b>                | <b>:</b> | <b>RATES</b>                     |
| -----X  |          |                                  |

**APPEARANCES:**

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

**Maura Caroselli, Esq.**, Managing Attorney, Gas and Clean Energy, **Megan C. Lupo, Esq.**, Assistant Deputy Rate Counsel and **Andrew Kuntz, Esq.**, Assistant Deputy Rate Counsel, for the Division of Rate Counsel (**Brian O. Lipman, Esq.**, Director)

**Jordan K. Mitchell, Esq.**, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Matthew J. Platkin**, Attorney General of the State of New Jersey)

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

**I. PROCEDURAL HISTORY**

1. On May 30, 2025, Elizabethtown Gas Company (“ETG”, or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) seeking authorization to: 1) increase the level of its Periodic Basic Gas Supply Service (“BGSS-P”) rate; 2) increase the rate of the Monthly BGSS Capacity Cost Component (“CCC”), a component of the commodity charge for monthly BGSS customers; and 3) change its Conservation Incentive Program (“CIP”) rates for the period October 1, 2025 through September 30, 2026 (“Petition”).

2. By the Petition, ETG proposed to increase its current BGSS-P rate of \$0.5340 per therm, to \$0.6540 per therm.<sup>1</sup> As proposed, based upon rates in effect on July 1, 2025, the monthly

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<sup>1</sup> All rates quoted herein include all applicable taxes unless otherwise noted.

bill of a residential heating customer using 100 therms of natural gas would increase by \$12.00 from \$158.54 to \$170.54, or 7.6%. The proposed BGSS-P rate changes would translate to an increase in annual BGSS-P recoveries of approximately \$30.4 million. By the Petition, ETG also seeks approval to increase its Monthly BGSS CCC rate from \$0.2056 per therm, excluding taxes, to \$0.2274 per therm, excluding taxes.

3. By Order dated April 23, 2025, the Board authorized the Company to recover its September 30, 2024 BGSS-P under-recovery balance on a straight-line basis over a period of eighteen (18) months, from October 1, 2024 through March 31, 2026.<sup>2</sup> By Order dated November 17, 2023, the Board also permitted ETG to recover the carrying costs accrued on the September 30, 2024 BGSS-P under-recovery balance over twelve (12) months, from October 1, 2024 through September 30, 2025, and to continue to accrue such carrying costs until the September 30, 2024 BGSS-P under-recovery balance is fully recovered.<sup>3</sup> The November 2023 Order provided that carrying costs will be accrued monthly at an interest rate equal to the interest rate on two (2)-year constant maturity United States Treasury securities 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 (60) basis points but will not exceed the Company's overall rate of return as authorized by the Board. The calculation of carrying costs on the September 30, 2024 BGSS-P under-recovery balance is contained in the schedules included with the Petition.

4. Transcontinental Gas Pipeline Company, LLC ("Transco") and Columbia Gas Transmission, LLC ("Columbia"), two (2) interstate pipeline system operators whose

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<sup>2</sup> In re the Petition of Elizabethtown Gas Company to Review Its Periodic Basic Gas Supply Service Rate and Conservation Incentive Program Rates for the Year Ended September 30, 2025, BPU Docket No. GR24060371, Order dated April 23, 2025 ("April 2025 Order").

<sup>3</sup> In re the Petition of Elizabethtown Gas Company to Review Its Periodic Basic Gas Supply Service Rate and Conservation Incentive Program Rates for the Year Ended September 30, 2024, BPU Docket No. GR23060335, Order dated November 17, 2023 ("November 2023 Order").

infrastructure ETG uses to transport natural gas, have pending rate cases currently before the Federal Energy Regulatory Commission (“FERC”).<sup>4</sup> Although interim rates higher than current rates became effective for Transco on March 1, 2025 and for Columbia on April 1, 2025, the Company proposed to defer all increases related to these rate cases until September 30, 2026, including carrying costs. Therefore, no incremental increases for Transco or Columbia demand charges were included in the Company’s Petition. The Company indicated that it would propose an amortization into rates of the actual deferred balance on September 30, 2026, with accumulated carrying costs, in its 2026-27 BGSS/CIP filing to be made no later than June 1, 2026. The Transco Rate Case and Columbia Rate Case are both still pending FERC approval.

5. Since the Company filed the Petition, NYMEX pricing decreased significantly from the NYMEX strip pricing as of May 8, 2025 included in the Petition. In addition, Columbia updated its interim rates effective June 1, 2025.<sup>5</sup> As a result, the Company updated its proposal through informal discovery requests ETG-INF-1 and ETG-INF-2, provided to the service list via electronic mail on August 18, 2025, to include: 1) actual data through June 2025; 2) a NYMEX strip pricing as of August 5, 2025; and 3) forecasted increased demand charges for Transco and Columbia, thereby eliminating its proposal made in the Petition to defer incremental increases related to the pending Transco and Columbia rate cases, with carrying costs, for future recovery. In addition, the Company updated its proposed Monthly BGSS CCC rate to \$0.2545 per therm, excluding taxes.

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<sup>4</sup> Transcontinental Gas Pipeline Company, LLC, Petition, Docket No. RP-24-1035 (Transco Rate Case”), August 30, 2024 and Columbia Gas Transmission, LLC, Petition, Docket No. RP-24-1103, September 30, 2024 (“Columbia Rate Case”).

<sup>5</sup> Andrew Satten, Chief Administrative Law Judge, approved the interim rates in the matter of Columbia Gas Transmission LLC, 192 FERC ¶ 63,003 (2025).

6. By the Petition, the Company further seeks Board approval to implement the following per-therm CIP rates effective October 1, 2025:

- A rate of \$0.7071 for Residential Delivery Service - Non-Heating;
- A rate of \$0.0789 for Residential Delivery Service - Heating;
- A rate of \$0.0234 for Small General Service; and
- A rate of \$0.0046 for General Delivery Service.

7. On July 15, 2025, the Company updated its per-therm CIP rates to reflect twelve (12) months of actual data (“CIP Update”) and proposed a single Residential Delivery Service CIP rate by combining the RDS-Non Heat and RDS-Heat rates into a single RDS rate as follows:

- A rate of \$0.0724 for Residential Delivery Service;
- A rate of \$0.0307 for Small General Service; and
- A rate of \$0.0114 for General Delivery Service.

8. After the Company published Public Notice of hearings in this proceeding, the Company discovered that it inadvertently did not update the SGS and GDS rates presented on Tariff Schedule TK-1 and the Public Notice included with the CIP Update. As a result, the noticed rates included the updated RDS rates and the originally filed rates for SGS and GDS (“CIP Noticed”). Accordingly, the Company proposed that the following CIP Noticed rates be made effective October 1, 2025:

- A rate of \$0.0724 for Residential Delivery Service;
- A rate of \$0.0234 for Small General Service; and
- A rate of \$0.0046 for General Delivery Service.

9. As proposed, based upon rates in effect July 1, 2025, the monthly bill of a residential heating customer using 100 therms of natural gas would decrease by \$2.53, from

\$158.54 to \$156.01, or 1.6%. These proposed rate changes translate to a decrease in annual CIP recoveries of \$3.3 million.

10. By Order dated April 7, 2021, the Board authorized the Company to implement a CIP designed to recover lost revenues due to the Company's Energy Efficiency Program ("EEP").<sup>6</sup> Pursuant to the EEP-CIP Order, recovery of any non-weather-related CIP deficiency requires passing both a Modified BGSS Savings Test and Variable Margin Test.

11. The Modified BGSS Savings Test requires the Company to achieve savings in its costs of providing BGSS to partially offset any recovery of the non-weather-related CIP margin deficiency. To recover non-weather-related CIP deficiencies, the Company must achieve BGSS savings of at least seventy-five percent (75%) of the non-weather-related deficiency. The BGSS savings may originate from any, or all, of the following categories: 1) permanent savings realized from permanent capacity releases or contract terminations; 2) additional BGSS gas cost savings from reductions of capacity on a long-term basis; and 3) avoided capacity costs to meet residential customer growth.

12. The Variable Margin Test limits the recovery on non-weather-related CIP deficiency so as not to exceed 6.5% of total variable margins for each twelve (12)-month period ending June 30, in accordance with the EEP-CIP Order.

13. In computing the non-weather-related CIP value, the margin impact of weather must first be deducted from the total CIP charge or credit. As noted in paragraph (10) above, the non-weather-related CIP component shall be subject to a dual eligibility test comprised of the

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<sup>6</sup> *In re Implementation of L. 2018, C. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs* and *In re the Petition of Elizabethtown Gas Company for Approval of New Energy Efficiency Programs and Associated Cost Recovery Pursuant to the Clean Energy Act and the Establishment of a Conservation Incentive Program*, BPU Docket Nos. QO19010040 and GO20090619, Order dated April 7, 2021 ("EEP-CIP Order").

Modified BGSS Savings Test and the Variable Margin Test. In order to be eligible for recovery, non-weather-related CIP impacts must pass both recovery tests. Amounts that do not pass either or both tests are still recoverable in future years. Based on the CIP Update, the Company indicated that its non-weather-related deficient margin was approximately \$16.9 million.

14. According to ETG's CIP Update: (1) its permanent BGSS savings associated with permanently released and/or terminated transportation capacity or storage assets that remain constant after the re-setting of the CIP benchmarks established in future base rate cases (Category One of the Modified BGSS Savings Test) total approximately \$5.0 million per year; (2) BGSS savings realized from gas cost savings from capacity reductions on a long-term basis, contract restructuring, and contract terminations not captured in Category One and reductions in commodity cost of gas supply through purchasing strategies (Category Two of the Modified BGSS Savings Test) total approximately \$0.3 million; and (3) the Company did not have any BGSS savings realized from avoided capacity costs to meet prospective residential customer growth (Category Three of the Modified BGSS Savings Test). Using these values, the total BGSS savings for the 12-month period ending September 30, 2025 is \$5.4 million.

15. Because the non-weather-related CIP amount is not a credit to customers, the Modified BGSS Savings Test and the Variable Margin Revenue Test are applicable. ETG's calculations of the test results show that \$15.3 million of the total \$16.9 million non-weather-related deficiency passes the Variable Margin Revenue test. However, only \$7.1 million of non-weather-related deficiency passes the BGSS Savings test. Application of the dual pronged test results in the inclusion of \$7.1 million of the non-weather-related deficiency in the amount proposed to be recovered in the current filing, and deferral of the remaining \$9.8 million non-weather-related deficiency to next year's filing.

16. Also pursuant to the EEP-CIP Order and based on the calculations provided by the Company, the CIP will not cause the Company to earn in excess of its allowed rate of return on common equity (“ROE”) of 9.6% plus fifty (50) basis points for any twelve (12)-month period ending June 30. Based upon the Company’s calculations, the ROE Test will not limit ETG’s recovery of the CIP deficiency.

17. Based upon rates in effect July 1, 2025, the proposed BGSS-P and CIP Noticed rate changes would increase the monthly bill of a residential heating customer using 100 therms by \$9.47 from \$158.54 to \$168.01, or 6.0%, consisting of a proposed BGSS-P increase of \$12.00, or 7.6%, and a proposed CIP decrease of \$2.53, or 1.6%. Combining the BGSS and CIP recoveries results in a provisional annual recovery increase of \$27.1 million.

18. Following public notice published in newspapers of general circulation within ETG’s service territory, two (2) virtual public hearings for the Petition were held on August 28, 2025 at 4:30 p.m. and 5:30 p.m. One member of the public attended, but did not provide any comments, and the Board received no written comments regarding this matter.

19. In accordance with the Board’s Generic BGSS Order, New Jersey’s four (4) gas distribution companies must submit to the Board, by June 1 each year, their annual BGSS gas cost filings for the BGSS year beginning in October.<sup>7</sup> Within the filing, the Company may seek to implement provisional increases in its BGSS rate of up to five percent (5%) to be effective December 1, 2025 and February 1, 2026, with proper notice, if the Company determines that such increases are necessary to permit it to avoid a BGSS under-recovered balance as of September 30, 2026. The self-implementing increases would be provisional and subject to true-up in connection

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<sup>7</sup> *In re the Provision of Basic Gas Supply Service Pursuant to the Electric Discount and Energy Competition Act N.J.S.A 48:3-49 et. seq. Order approving the BGSS Price Structure*, BPU Docket No. GX01050304, Order dated January 6, 2003.



with the next annual BGSS filing. The Company is permitted to decrease its BGSS rate at any time upon five (5) days' notice and the filing of supporting documentation with the Board and the New Jersey Division of Rate Counsel ("Rate Counsel").

## **II. STIPULATED TERMS**

20. The Company, Board Staff, and Rate Counsel, the only parties to this proceeding (collectively, "Parties"), agree that additional time is needed to complete a comprehensive review of the Petition. Additionally, the Parties stipulate and agree that, pending the conclusion of further review and discussion, it would be both reasonable and in the public interest for the Board to authorize the implementation of the following proposed per-therm CIP Noticed rates on a provisional basis: \$0.0724 for Residential Delivery Service; \$0.0234 for Small General Service; and a rate of \$0.0046 for General Delivery Service. The Parties agree that these rate changes should be effective as of December 1, 2025, or an alternate date decided by the Board. The proposed provisional CIP rate changes result in a decrease in CIP-related recoveries of \$3.3 million annually and are subject to an opportunity for full review at the Office of Administrative Law ("OAL"), if necessary, and final approval by the Board. The provisional CIP rates are to be implemented subject to refund with interest.

21. As compared to rates in effect July 1, 2025, the proposed CIP Noticed rates for Residential Delivery Service result in a decrease of \$2.53 in the monthly bill of a residential heating customer using 100 therms, from \$158.54 to \$156.01, or 1.6%.

22. The Company will submit tariff sheets in the form attached hereto as Appendix A, within five (5) days of the effective date of the Board's Order, should the Board approve this Stipulation of Settlement ("Stipulation").

### **III. MISCELLANEOUS**

23. This Stipulation represents a mutual balancing of interests and therefore is intended to be accepted and approved in its entirety. If 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.

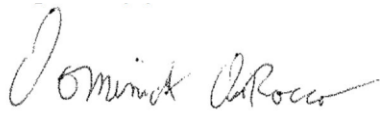
24. It is the intent of the Parties that the provisions hereof be approved by the Board, as appropriate, as being in the public interest. The Parties consider the Stipulation to be binding on them for all purposes herein.

25. It is specifically understood 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.

26. The Parties further acknowledge that, should a Board Order be entered approving this Stipulation, this Stipulation will become effective upon the service of said Board Order, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.

**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, as soon as reasonably possible.

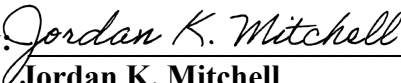
**ELIZABETHTOWN GAS COMPANY**

  
By: \_\_\_\_\_  
**Dominick DiRocco, Esq.**  
**Vice President, Rates & Regulatory Affairs**  
**SJI Utilities, Inc.**

**BRIAN O. LIPMAN,**  
**DIRECTOR,**  
**DIVISION OF RATE COUNSEL**

  
By: \_\_\_\_\_  
**Andrew Kuntz, Esq.**  
**Assistant Deputy Rate Counsel**

**Matthew J. Platkin**  
**ATTORNEY GENERAL OF THE STATE OF NEW JERSEY**  
**Attorney for the Staff of the New Jersey Board of Public Utilities**

By:   
\_\_\_\_\_  
**Jordan K. Mitchell**  
**Deputy Attorney General**

**Dated:** November 4, 2025

**GR25050315**

## RIDER "G"

CONSERVATION INCENTIVE PROGRAM ("CIP")

Applicable to all Customers served under RDS, SGS and GDS rate classes.

The CIP shall be collected on a per therm basis and shall remain in effect until changed by order of the BPU. The applicable CIP rates are as follows:

| <del>RDS Non-Heat</del>           | <del>RDS Heat</del>                   | SGS                    | GDS                      |
|-----------------------------------|---------------------------------------|------------------------|--------------------------|
| <del>\$0.16057071 per therm</del> | <del>\$0.097707890724 per therm</del> | \$0.01700234 per therm | (\$0.0191)0046 per therm |

The rates 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.

The annual filing for the adjustment to the CIP rate shall be concurrent with the annual filing for BGSS. The CIP factor shall be credited/collected on a per therm basis for the service classifications stated above. The level of BGSS savings referenced in (d) in this Rider shall be identified in the annual CIP filing, and serve as an offset to the non-weather related portion of the CIP charge provided in (f) in this Rider. The Periodic and Monthly BGSS rates identified in Rider "A" to this tariff shall include the BGSS savings, as applicable.

- (a) This Rider shall be utilized to adjust the Company's revenues in cases wherein the Actual Usage per Customer experienced during Monthly Periods varies from the Baseline Usage per Customer ("BUC"). This adjustment will be effectuated through a credit or surcharge applied to customers' bills during the Adjustment Period. The credit or surcharge will also be adjusted to reflect prior year under recoveries or over recoveries pursuant to this CIP.

Date of Issue: ~~April 29, 2025xxx1~~

Effective: Service Rendered  
on and after ~~May 1, 2025xxx2~~

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

Filed Pursuant to Order of the Board of Public Utilities  
Dated ~~April 23, 2025xxx3~~ in Docket No. ~~GR24060371xxx4~~