

Sheree L. Kelly, JD, MBA
Regulatory Affairs Counsel

November 17, 2023

Electronic Filing

Sherri L. Golden
Secretary of the Board
New Jersey 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 Review Its Basic Gas Supply Service Rate and Its Conservation Incentive Program Rates For The Year Ending September 30, 2024
BPU Docket No. GR23060335**

**NOTICE OF INTENT TO EXERCISE SELF-IMPLEMENTING RATE INCREASE
EFFECTIVE DECEMBER 1, 2023**

Dear Secretary Golden:

Elizabethtown Gas Company (“ETG” or “Company”) hereby submits this notice of intent to self-implement a Periodic Basic Gas Supply Service (“BGSS-P”) rate adjustment based on a 5% increase of the monthly bill of a typical residential customer using 100 therms to be effective December 1, 2023 (“Notice”), consistent with the requirements set forth in the New Jersey Board of Public Utilities’ (“BPU” or “Board”) “Order Approving BGSS Pricing Structure,” dated January 6, 2003, in BPU Docket No. GX01050304 (“January 6 Order”) and the Board’s Order dated November 17, 2023 in BPU Docket No. GR23060335 (“November 17 Order”). This Notice is hereby made to Board Staff (“Staff”) and the New Jersey Division of Rate Counsel (“Rate Counsel”) pursuant to the terms of the January 6 Order and November 17 Order.

I. BACKGROUND

On June 1, 2023, ETG filed a petition (“June 1 Petition”) in the above referenced docket seeking approval to increase its BGSS-P rate for the 2023/2024 BGSS year from \$0.2692¹ per therm to \$0.5042 per therm effective October 1, 2023. The June 1 Petition also sought Board approval to implement per-therm CIP rates for service classifications Residential Delivery Service – Non_Heating (“RDS-NH”), Residential Delivery Service – Heating (“RDS-H”), Small General Service (“SGS”) and General Delivery Service (“GDS”). On July 21, 2023, the Company updated its per-therm CIP rates for RDS-NH, RDS-H, SGS and GDS via a 12&0 Update (“CIP Update”).

As shown in the June 1 Petition, maintaining the BGSS-P rate of \$0.2692 per therm is forecasted to result in a projected under-recovery of BGSS costs of approximately \$59 million for the twelve months ending September 30, 2024. It is typically the case that BGSS-P rates proposed by the Company in its annual BGSS filing are put into effect on a provisional basis by the following October 1. However, by Board Order dated November 17, 2023 (“November 17 Order”) in this proceeding, the Board approved a Stipulation authorizing ETG to implement its (i) proposed per-therm CIP rates from ETG’s CIP Update, and (ii) the BGSS-P rate of \$0.5042 per therm proposed in the Company’s June 1 Petition on a provisional basis effective December 1, 2023 and March 1, 2024, respectively. Because the provisional BGSS-P rate approved by the Board’s November 17 Order will not be effective until March 1, 2024, it is necessary and prudent for ETG to self-implement a 5% BGSS-P increase to the monthly bill of a typical residential customers using 100 therms effective December 1, 2023, as permitted by the Company’s tariff, to mitigate a significant forecasted under-recovery.

¹ All rates stated herein include all applicable taxes.

A. SELF-IMPLEMENTING RATE INCREASE

The January 6 Order provides that a gas distribution company that submits an annual BGSS filing no later than June 1 of each year with an implementation date of October 1 of the same year may file two additional self-implementing BGSS-P rate increases to be effective in the next succeeding winter upon written notice to the Staff and Rate Counsel. Such increases may take effect on December 1 and February 1, subject to the requirement that the written notice to Staff and Rate Counsel of the intention to implement a self-implementing rate increase on December 1 and February 1 be given no later than November 1 and January 1. The January 6 Order further provides that notices for December or February increases shall include specific reference to the previous annual filing with justification and supporting documentation explaining the need for the periodic increase.

After consideration of the significant forecasted BGSS under-recovery as of September 30, 2024 resulting primarily from the delay in making effective ETG's proposed BGSS-P rate from its June 1 Petition, it is reasonable for ETG to implement the BGSS-P rate increase as authorized by the January 6 Order. This written notice to Staff and Rate Counsel of the Company's intent to self-implement the rate increase on December 1 is made in accordance with the waiver authorized by the November 17 Order. The November 17 Order waived the requirement in the January 6 Order, and as indicated in ETG's relevant tariff, that this notice be provided no later than November 1, 2023.

The requisite supporting documentation is provided with this Notice and demonstrates the self-implementing rate increase on a residential heating customer's monthly bill as of December 1, 2023, including the provisional CIP Update rates approved by the Board's November 17 Order. Specifically, effective December 1, 2023, the current BGSS-P rate of \$0.2692 per therm is increased to \$0.3255 per therm, resulting in an increase to the monthly bill of a residential heating customer using 100 therms of \$5.63 from \$112.63 to \$118.26, or 5%. Based on this self-implementing rate increase effective December 1, 2023 and considering the provisional BGSS-P rate to be effective

March 1, 2024 pursuant to the Board's November 17 Order, the projected under-recovery of BGSS costs is forecasted to decline to \$32 million at September 30, 2024.

B. SUPPORTING DOCUMENTATION

Pursuant to the terms of the January 6 Order, enclosed is the following supporting documentation:

Exhibit A: Statement of Over/Under Recoveries of Gas Costs for the Projected Period October 1, 2023 through September 30, 2024 based on the original assumptions from the June 1 Petition, assuming (1) the Self-implementing BGSS-P Rate Effective December 1, 2023; (2) the Self-implementing BGSS-P Rate Effective December 1, 2023 and the provisional BGSS-P rate effective March 1, 2024 pursuant to the Board's November 17 Order and (2) the current BGSS-P Rate.

Exhibit B: Bill Impacts

Exhibit C: Proposed Tariff sheets.

C. PUBLIC NOTICE

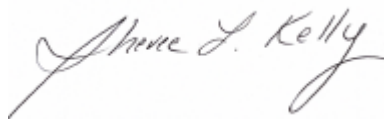
The potential for this self-implementing increase was included and sufficiently detailed in the public notice of ETG's filing and was the subject of telephonic public hearings conducted on August 31, 2023.

II. CONCLUSION

Based on the foregoing, including the authority granted by the January 6 Order and the November 17 Order, ETG has provided the requisite notice to self-implement a rate increase effective December 1, 2023. Should circumstances change that warrant reconsideration or an increase less than the self-implementing BGSS-P rate described in this Notice, ETG will promptly notify the Board, Staff and Rate Counsel. ETG shall make a compliance filing no later than November 30, 2023 reflecting final Tariff sheets to be effective December 1, 2023.

Respectfully submitted,

ELIZABETHTOWN GAS COMPANY

A handwritten signature in cursive script that reads "Sheree L. Kelly".

By: _____
Sheree Kelly
Regulatory Affairs Counsel

SLK:
Enclosures

cc: Service List (attached)

Elizabethtown Gas Company

Statement of (Over) Under Recoveries of Gas Costs
For the Projected Period October 1, 2023 through September 30, 2024
Assuming Proposed 5% Increase BGSS-P Rate effective December 1, 2023

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	RECOVERABLE COSTS			GAS COST RECOVERIES			(OVER) UNDER RECOVERY		
		LESS	NET				TOTAL	MONTHLY	CUMULATIVE
PERIOD	GAS	SUPPLIER	RECOVERABLE	BGSS-P	BGSS-M	NON-	RECOVERIES	(OVER) UNDER	(OVER) UNDER
	SENDOUT	REFUNDS	COSTS	FIRM SALES	FIRM SALES	FIRM SALES	(COL 4+5+6)	RECOVERY	RECOVERY
		CREDITS &	(COL 1-2)					(COL 3-7)	
		Other							
BALANCE BEGINNING OCTOBER 1, 2023									(\$7,003,200) ¹
Oct 2023	\$9,078,615	\$94,574	\$8,984,041	\$1,607,372	\$1,689,446	\$0	\$3,296,818	\$5,687,223	(\$1,315,977)
Nov 2023	\$12,794,979	\$139,562	\$12,655,417	\$4,674,597	\$3,150,581	\$0	\$7,825,178	\$4,830,239	\$3,514,262
Dec 2023	\$20,884,986	\$1,175,263	\$19,709,723	\$10,185,261	\$5,826,464	\$0	\$16,011,725	\$3,697,998	\$7,212,260
Jan 2024	\$31,575,640	\$369,705	\$31,205,935	\$14,993,343	\$7,131,123	\$0	\$22,124,466	\$9,081,469	\$16,293,729
Feb 2024	\$27,053,031	\$154,077	\$26,898,954	\$15,286,599	\$6,871,507	\$0	\$22,158,106	\$4,740,848	\$21,034,577
Mar 2024	\$23,355,579	\$5,978,000	\$17,377,579	\$12,493,166	\$5,543,096	\$0	\$18,036,262	(\$658,683)	\$20,375,894
Apr 2024	\$18,584,632	\$351,653	\$18,232,979	\$9,252,948	\$3,816,840	\$0	\$13,069,788	\$5,163,191	\$25,539,085
May 2024	\$11,269,076	\$470,859	\$10,798,217	\$4,535,966	\$2,225,138	\$0	\$6,761,104	\$4,037,113	\$29,576,198
Jun 2024	\$8,772,618	\$505,774	\$8,266,844	\$1,995,655	\$1,580,069	\$0	\$3,575,724	\$4,691,120	\$34,267,318
Jul 2024	\$8,751,036	\$679,206	\$8,071,830	\$1,966,122	\$1,632,658	\$0	\$3,598,780	\$4,473,050	\$38,740,368
Aug 2024	\$8,636,066	\$574,002	\$8,062,064	\$1,970,063	\$1,634,047	\$0	\$3,604,110	\$4,457,954	\$43,198,322
Sep 2024	\$8,382,934	\$619,527	\$7,763,407	\$1,975,511	\$1,603,877	\$0	\$3,579,388	\$4,184,019	\$47,382,341
TOTALS	<u>\$189,139,192</u>	<u>\$11,112,202</u>	<u>\$178,026,990</u>	<u>\$80,936,603</u>	<u>\$42,704,846</u>	<u>\$0</u>	<u>\$123,641,449</u>	<u>\$54,385,541</u>	

¹ Represents projected (over) / under-recovery position as of Sept. 30, 2023.

Elizabethtown Gas Company

Statement of (Over) Under Recoveries of Gas Costs
For the Projected Period October 1, 2023 through September 30, 2024
Assuming Proposed 5% Increase BGSS-P Rate effective December 1, 2023 and Provisional Increase March 1, 2024

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	RECOVERABLE COSTS			GAS COST RECOVERIES			(OVER) UNDER RECOVERY		
	LESS								
	SUPPLIER		NET				MONTHLY		
PERIOD	GAS	REFUNDS	RECOVERABLE	BGSS-P	BGSS-M	NON-	TOTAL	(OVER) UNDER	CUMULATIVE
	SENDOUT	CREDITS &	COSTS	FIRM SALES	FIRM SALES	FIRM SALES	RECOVERIES	RECOVERY	(OVER) UNDER
		Other	(COL 1-2)				(COL 4+5+6)	(COL 3-7)	RECOVERY
BALANCE BEGINNING OCTOBER 1, 2023									(\$7,003,200) ¹
Oct 2023	\$9,078,615	\$94,574	\$8,984,041	\$1,607,372	\$1,689,446	\$0	\$3,296,818	\$5,687,223	(\$1,315,977)
Nov 2023	\$12,794,979	\$139,562	\$12,655,417	\$4,674,597	\$3,150,581	\$0	\$7,825,178	\$4,830,239	\$3,514,262
Dec 2023	\$20,884,986	\$1,175,263	\$19,709,723	\$10,185,261	\$5,826,464	\$0	\$16,011,725	\$3,697,998	\$7,212,260
Jan 2024	\$31,575,640	\$369,705	\$31,205,935	\$14,993,343	\$7,131,123	\$0	\$22,124,466	\$9,081,469	\$16,293,729
Feb 2024	\$27,053,031	\$154,077	\$26,898,954	\$15,286,599	\$6,871,507	\$0	\$22,158,106	\$4,740,848	\$21,034,577
Mar 2024	\$23,355,579	\$5,978,000	\$17,377,579	\$15,922,341	\$5,543,096	\$0	\$21,465,437	(\$4,087,858)	\$16,946,719
Apr 2024	\$18,584,632	\$351,653	\$18,232,979	\$14,332,522	\$3,816,840	\$0	\$18,149,362	\$83,617	\$17,030,336
May 2024	\$11,269,076	\$470,859	\$10,798,217	\$7,026,067	\$2,225,138	\$0	\$9,251,205	\$1,547,012	\$18,577,348
Jun 2024	\$8,772,618	\$505,774	\$8,266,844	\$3,091,205	\$1,580,069	\$0	\$4,671,274	\$3,595,570	\$22,172,918
Jul 2024	\$8,751,036	\$679,206	\$8,071,830	\$3,045,460	\$1,632,658	\$0	\$4,678,118	\$3,393,712	\$25,566,630
Aug 2024	\$8,636,066	\$574,002	\$8,062,064	\$3,051,565	\$1,634,047	\$0	\$4,685,612	\$3,376,452	\$28,943,082
Sep 2024	\$8,382,934	\$619,527	\$7,763,407	\$3,060,004	\$1,603,877	\$0	\$4,663,881	\$3,099,526	\$32,042,608
TOTALS	<u>\$189,139,192</u>	<u>\$11,112,202</u>	<u>\$178,026,990</u>	<u>\$96,276,336</u>	<u>\$42,704,846</u>	<u>\$0</u>	<u>\$138,981,182</u>	<u>\$39,045,808</u>	

¹ Represents projected (over) / under-recovery position as of Sept. 30, 2023.

Elizabethtown Gas Company
Statement of (Over) Under Recoveries of Gas Costs
For the Projected Period October 1, 2023 through September 30, 2024
Assuming Current BGSS-P Rate

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	<u>RECOVERABLE COSTS</u>			<u>GAS COST RECOVERIES</u>			<u>(OVER) UNDER RECOVERY</u>		
		<u>LESS</u>							
<u>PERIOD</u>	<u>GAS SENDOUT</u>	<u>SUPPLIER REFUNDS CREDITS & Other</u>	<u>NET RECOVERABLE COSTS (COL 1-2)</u>	<u>BGSS-P FIRM SALES</u>	<u>BGSS-M FIRM SALES</u>	<u>NON-FIRM SALES</u>	<u>TOTAL RECOVERIES (COL 4+5+6)</u>	<u>MONTHLY (OVER) UNDER RECOVERY (COL 3-7)</u>	<u>CUMULATIVE (OVER) UNDER RECOVERY</u>
BALANCE BEGINNING OCTOBER 1, 2023									(\$7,003,200) ¹
Oct 2023	\$9,078,615	\$94,574	\$8,984,041	\$1,607,372	\$1,689,446	\$0	\$3,296,818	\$5,687,223	(\$1,315,977)
Nov 2023	\$12,794,979	\$139,562	\$12,655,417	\$4,674,597	\$3,150,581	\$0	\$7,825,178	\$4,830,239	\$3,514,262
Dec 2023	\$20,884,986	\$1,175,263	\$19,709,723	\$9,221,149	\$5,826,464	\$0	\$15,047,613	\$4,662,110	\$8,176,372
Jan 2024	\$31,575,640	\$369,705	\$31,205,935	\$12,400,324	\$7,131,123	\$0	\$19,531,447	\$11,674,488	\$19,850,860
Feb 2024	\$27,053,031	\$154,077	\$26,898,954	\$12,642,863	\$6,871,507	\$0	\$19,514,370	\$7,384,584	\$27,235,444
Mar 2024	\$23,355,579	\$5,978,000	\$17,377,579	\$10,332,540	\$5,543,096	\$0	\$15,875,636	\$1,501,943	\$28,737,387
Apr 2024	\$18,584,632	\$351,653	\$18,232,979	\$7,652,700	\$3,816,840	\$0	\$11,469,540	\$6,763,439	\$35,500,826
May 2024	\$11,269,076	\$470,859	\$10,798,217	\$3,751,495	\$2,225,138	\$0	\$5,976,633	\$4,821,584	\$40,322,410
Jun 2024	\$8,772,618	\$505,774	\$8,266,844	\$1,650,517	\$1,580,069	\$0	\$3,230,586	\$5,036,258	\$45,358,668
Jul 2024	\$8,751,036	\$679,206	\$8,071,830	\$1,626,092	\$1,632,658	\$0	\$3,258,750	\$4,813,080	\$50,171,748
Aug 2024	\$8,636,066	\$574,002	\$8,062,064	\$1,629,351	\$1,634,047	\$0	\$3,263,398	\$4,798,666	\$54,970,414
Sep 2024	<u>\$8,382,934</u>	<u>\$619,527</u>	<u>\$7,763,407</u>	<u>\$1,633,857</u>	<u>\$1,603,877</u>	<u>\$0</u>	<u>\$3,237,734</u>	<u>\$4,525,673</u>	<u>\$59,496,087</u>
TOTALS	<u>\$189,139,192</u>	<u>\$11,112,202</u>	<u>\$178,026,990</u>	<u>\$68,822,857</u>	<u>\$42,704,846</u>	<u>\$0</u>	<u>\$111,527,703</u>	<u>\$66,499,287</u>	

¹ Represents projected (over) / under-recovery position as of Sept. 30, 2023.

Exhibit B

**Elizabethtown Gas Company
 Calculation of Maximum Allowable Rate and Bill Impact
 Self-Implementing BGSS-P Rate Increase December 1, 2023**

Current Residential Heating 100 therm bill	\$112.63
5% increase (maximum allowable) on 100 therm bill	\$118.26
\$ increase	<hr/> \$5.63
Maximum increase - \$/therm	\$0.0563
Current BGSS rate (including taxes) - \$/therm	<hr/> \$0.2692
Maximum rate - \$/therm	<hr/><hr/>\$0.3255

<u>Consumption in Therms</u>	<u>Current Bill</u>	<u>Proposed Change</u>	<u>Proposed Bill</u>	<u>Percent Change</u>
100	\$112.63	\$5.63	\$118.26	5.0%
Service Charge	\$10.50	-	\$10.50	
<u>Therm Rates:</u>				
Distribution Rate	\$0.5797	-	\$0.5797	
BGSS-P	\$0.2692	\$0.0563	\$0.3255	
SBC - CEP	\$0.0260	-	\$0.0260	
SBC - RAC	\$0.0023	-	\$0.0023	
SBC - USF	\$0.0115	-	\$0.0115	
SBC - Lifeline	\$0.0062	-	\$0.0062	
OSMC	(\$0.0031)	-	(\$0.0031)	
EEP	\$0.0086	-	\$0.0086	
IIP	\$0.0351	-	\$0.0351	
CIP	\$0.0858	-	\$0.0858	
Total Therm Rates	<hr/> \$1.0213	\$0.0563	<hr/> \$1.0776	

RIDER "A"

BASIC GAS SUPPLY SERVICE CHARGE ("BGSS")

This Rider sets forth the method of determining the BGSS which shall be calculated to four (4) decimal places on a per therm basis established in accordance with the Board Order in Docket No. GX01050304 dated January 6, 2003. The BGSS charge is either BGSS-Monthly ("BGSS-M") or BGSS-Periodic ("BGSS-P") and will be applied to a Customer's Service Classification as follows:

1. The BGSS-M shall be applicable to all GDS, NGV, LVD, and EGF customers receiving gas supply from the Company effective on the first of each month as determined below.
2. The BGSS-P shall be applicable to all RDS, SGS, and GLS customers receiving gas supply from the Company.

The BGSS Charge, as defined herein, is designed to recover the cost to the Company of purchased gas or fuel used as a substitute for or supplemental to purchased gas including the cost of storing or transporting said gases or fuel, the cost of financial instruments employed to stabilize gas costs, other charges or credits as may result from the operation of other tariff provisions, and taxes and other similar charges in connection with the purchase and sale of gas.

BGSS per therm rates:

<u>Effective Date</u>	<u>BGSS-M per therm</u>	<u>BGSS-P per therm</u>
November 1, 2022	\$0.7979	\$0.7190
December 1, 2022	\$0.9635	\$0.7190
January 1, 2023	\$0.7462	\$0.7190
February 1, 2023	\$0.5726	\$0.7190
March 1, 2023	\$0.5011	\$0.2692
April 1, 2023	\$0.4512	\$0.2692
May 1, 2023	\$0.4649	\$0.2692
June 1, 2023	\$0.4719	\$0.2692
July 1, 2023	\$0.5177	\$0.2692
August 1, 2023	\$0.5056	\$0.2692
September 1, 2023	\$0.5125	\$0.2692
October 1, 2023	\$0.5352	\$0.2692
November 1, 2023	\$0.5785	\$0.2692
<u>December 1, 2023</u>	*	<u>\$0.3255</u>
<u>January 1, 2024</u>	*	<u>\$0.3255</u>
<u>February 1, 2024</u>	*	<u>\$0.3255</u>
<u>March 1, 2024</u>	*	<u>\$0.5042</u>

** To be determined*

Date of Issue: ~~October 30, 2023~~xxx1

Effective: Service Rendered on and after ~~November 1, 2023~~xxx2

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

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~January 6, 2003~~xxx3 in Docket No. ~~GX01050304~~xxx4