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July 23, 2021

Electronic Filing

Aida Camacho-Welch, Secretary
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 Its Weather Normalization Clause Rate; (2) Revise the Clean Energy Program Component Of Its Societal Benefits Charge Rate; and (3) Revise Its On-System Margin Sharing Credit
BPU Docket No. _____**

Dear Secretary Camacho-Welch:

Enclosed herewith is Elizabethtown Gas Company's Petition To (1) Revise Its Weather Normalization Clause Rate; (2) Revise the Clean Energy Program Component Of Its Societal Benefits Charge Rate; and (3) Revise Its On-System Margin Sharing Credit, which has been filed electronically today utilizing the Board's e-filing Program. Due to the pandemic, and in accordance with the New Jersey Board of Public Utilities ("BPU") March 19, 2020 and May 20, 2020 Orders issued in BPU Docket No. EO20030254, hard copies are not being provided at this time, but can be provided at a later time, as needed.

Please do not hesitate to contact me with any questions you may have. Thank you for your attention to this matter.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Deborah M. Franco".

Deborah M. Franco

DMF:caj
Enclosures

cc: Service list (electronically)

**IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY
TO (1) REVISE ITS WEATHER NORMALIZATION CLAUSE RATE
(2) REVISE THE CLEAN ENERGY PROGRAM COMPONENT OF ITS SOCIETAL BENEFITS
CHARGE RATE (3) REVISE ITS ON-SYSTEM MARGIN SHARING CREDIT
BPU DOCKET NO. _____**

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

IN THE MATTER OF THE PETITION OF	:	
ELIZABETHTOWN GAS COMPANY	:	
TO (1) REVISE ITS WEATHER	:	BPU DOCKET NO. _____
NORMALIZATION CLAUSE RATE;	:	
(2) REVISE THE CLEAN ENERGY	:	
PROGRAM COMPONENT OF ITS	:	
SOCIETAL BENEFITS CHARGE RATE; AND	:	
(3) REVISE ITS ON-SYSTEM MARGIN	:	
SHARING CREDIT	:	

CASE SUMMARY, PETITION, TESTIMONY AND SCHEDULES

July 23, 2021

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

-----X
In The Matter Of The Petition Of Elizabethtown Gas :
Company To (1) Revise Its Weather Normalization : **Docket No. GR**
Clause Rate; (2) Revise The Clean Energy Program :
Component Of Its Societal Benefits Charge Rate; and :
(3) Revise Its On-System Margin Sharing Credit : **SUMMARY SHEET**
-----X

This Petition presents the request of Elizabethtown Gas Company (“Petitioner”) that the Board of Public Utilities (“Board” or “BPU”) accept the filing of Petitioner’s revised rates associated with the Weather Normalization Clause (“WNC”), Clean Energy Program (“CEP”) component of the Societal Benefits Charge (“SBC”), and On-System Margin Sharing Credit (“OSMC”) as noted below, which are inclusive of taxes. The Petition proposes the following per therm rates to be effective on October 1, 2021: (1) a WNC of \$0.0171, (2) a CEP of \$0.0276, and (3) an OSMC of (\$0.0021). If approved by the Board, the combined proposed rates would increase the monthly bill of a residential customer using 100 therms by \$1.66 or 1.7% as compared to the Company’s currently approved rates.

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

-----X		
In The Matter Of The Petition Of Elizabethtown Gas	:	
Company To (1) Revise Its Weather Normalization	:	Docket No. GR
Clause Rate; (2) Revise The Clean Energy Program	:	
Component Of Its Societal Benefits Charge Rate; and	:	
(3) Revise Its On-System Margin Sharing Credit	:	PETITION
-----X		

To The Honorable Board of Public Utilities:

Petitioner, Elizabethtown Gas Company (“Petitioner”), a public utility corporation duly organized under the laws of the State of New Jersey subject to the jurisdiction of the Board of Public Utilities (“BPU” or “Board”), respectfully states:

1. Petitioner’s principal business office is located at 520 Green Lane, Union, New Jersey 07083.

2. Petitioner is engaged in the business of transmission and distribution of natural and mixed gas to approximately 302,000 customers within its service territory located principally in Hunterdon, Mercer, Middlesex, Morris, Sussex, Union and Warren Counties.

3. The purpose of this filing is to revise the rates associated with Petitioner's Weather Normalization Clause (“WNC”), Clean Energy Program (“CEP”) component of the Societal Benefits Charge (“SBC”), and On-System Margin Sharing Credit (“OSMC”), and to reconcile costs and cost recoveries associated with each clause for the periods in which the respective clauses are applicable.

4. Annexed hereto and made a part of this Petition is Exhibit P-1 which Petitioner suggests be marked as indicated. Exhibit P-1 is the testimony and supporting schedules of Thomas Kaufmann, Manager of Rates and Tariffs for Petitioner. The following Schedules, described in Mr. Kaufmann’s testimony, are attached and referred to in Exhibit P-1:

- a. Tariff Schedule TK-1;
- b. Forecast Schedule TK-1;
- c. WNC Schedule TK-1 through TK-5;

- d. CEP Schedule TK-1 through TK-5; and
- e. OSMC Schedule TK-1 through TK-4.

Rate and Order Background

5. The current rates in effect for the WNC, CEP, and OSMC were approved on a final basis in Petitioner's 2020 WNC/CEP/OSMC proceeding in BPU Docket No. GR20070501 per order dated February 17, 2021. The following table sets forth the current WNC, CEP and OSMC rates and the WNC, CEP and OSMC rates proposed in this filing. All rates quoted in this filing are inclusive of taxes.

	Current	Proposed
WNC (1)	\$0.0000	\$0.0171
CEP	\$0.0280	\$0.0276
OSMC	<u>(\$0.0020)</u>	<u>(\$0.0021)</u>
<u>Total</u>	\$0.0260	\$0.0426

- (1) Per the tariff, the rate is set to \$0.0000 per therm each June 1st.
From October 2020 – May 2021, the rate was \$0.0171 per therm.

Weather Normalization Clause

6. Pursuant to the WNC provisions contained in Petitioner's tariff as approved by the Board, Petitioner proposes a WNC rate of \$0.0171 per therm to be effective October 1, 2021 through May 31, 2022 ("2022 Winter Period"). Petitioner's revised WNC rate is designed to recover a deficient balance associated with the period October 1, 2020 through May 31, 2021 ("2021 Winter Period") that is attributable to the overall warmer than normal weather experienced in Petitioner's service territory during this period, as well as recover a prior year deficiency balance.

7. As addressed by Mr. Kaufmann, the WNC deficient balance presented on WNC Schedule TK-1 reflects a 2021 Winter Period that was 244 degree days or 5.3% warmer than normal. As shown on WNC Schedule TK-1, the current period margin revenue deficiency of \$5,347,919 plus the prior year deficiency balance of \$162,002 results in a Total Revenue Deficiency Balance of \$5,509,921 which, when divided by projected winter period therm volumes, produces a proposed WNC rate of \$0.0171 per therm.

The CEP Component of the SBC Rate

8. Petitioner's SBC was approved by the Board's Orders dated March 30, 2001 in BPU Docket No. GX99030121, *et al.*, and November 21, 2001 in Docket No. EX00020091, *et al.* The SBC consists of four components: (1) the CEP component, (2) the Remediation Adjustment Clause ("RAC") component, (3) the Universal Service Fund ("USF") component, and (4) the Lifeline component. In this Petition, Petitioner is only addressing the CEP rate component of the SBC.

9. In accordance with the Board's Orders in Docket Nos. EX99050347, *et al.* and GX99030121, *et al.*, Petitioner is making this filing to recover prior period costs, the net actual costs incurred to provide Board-approved CEP programs and carrying costs for the period ending June 30, 2021, and projected costs for the period ending June 30, 2022 for a total of \$13,111,335 as shown on CEP Schedule TK-1. As shown on CEP Schedule TK-5, in accordance with the Board's Order dated June 24, 2021 in BPU Docket No. QO21040721, which established the statewide funding levels for CEP programs for Fiscal Year 2022, Petitioner has been allocated \$12,474,243 of CEP funding responsibility for the twelve months ending June 30, 2022. This level of spending, plus certain additional adjustments shown on CEP Schedule TK-1, produces a proposed CEP rate of \$0.0276 per therm.

On-System Margin Sharing Credit

10. In accordance with the mechanisms approved by the Board's Orders in Docket Nos. GT8602131, GM9009049, TC94030057, GR9608574, *et. al.*, GR97070552, *et. al.*, and Docket No. GX99030121, *et. al.*, margins from certain on-system sales and transportation services are shared between firm sales customers, certain firm transportation customers and Petitioner on an 80/20% basis through a credit, the OSMC, to the transportation rates charged to firm sales and Service Classification RDS customers. These sharing amounts, plus certain additional adjustments shown on OSMC Schedule TK-1, produces a proposed OSMC rate of (\$0.0021) per therm.

Overall Impact

11. The overall impact of Petitioner's proposed WNC, CEP and OSMC rates in this proceeding is an increase in the monthly bill of a residential customer using 100 therms by \$1.66, from \$99.58 to \$101.24, or an increase of 1.7% as compared to the currently effective rates.

Miscellaneous

12. Petitioner is serving notice and a copy of this Petition, together with a copy of the exhibits and schedules annexed hereto on the Director, Division of Rate Counsel via electronic mail in lieu of providing hard copies. Due to the pandemic, and in accordance with the BPU's Orders dated March 19, 2020 and May 20, 2020 in BPU Docket No. EO20030254, hard copies cannot be provided at this time, but can be provided at a later time, as needed.

13. Similarly, Petitioner is also serving this notice and a copy of this Petition on the Department of Law and Public Safety via electronic mail in lieu of providing hard copies, but hard copies can be provided at a later time, as needed.

WHEREFORE, Petitioner respectfully requests that the Board (1) accept Petitioner's filing, (2) allow the proposed WNC, CEP, and OSMC rates and associated proposals to become effective October 1, 2021, and (3) grant such other relief as the Board may deem just and proper.

Respectfully submitted,



Deborah M. Franco, Esq.
VP/Rates, Regulatory & Sustainability
SJI Utilities, Inc.

Date: July 23, 2021

Communications addressed to the Petitioner
in this case are to be sent to:

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NOTICE OF PUBLIC HEARINGS

IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY TO (1) REVISE ITS WEATHER NORMALIZATION CLAUSE RATE; (2) REVISE THE CLEAN ENERGY PROGRAM COMPONENT OF ITS SOCIETAL BENEFITS CHARGE RATE; AND (3) REVISE ITS ON-SYSTEM MARGIN SHARING CREDIT
BPU Docket No. _____

PLEASE TAKE NOTICE that on July 23, 2021, Elizabethtown Gas Company (“Company” or “Elizabethtown”) filed a petition with the New Jersey Board of Public Utilities (“BPU” or “Board”) in BPU Docket No. GR _____ to revise its Weather Normalization Clause (“WNC”), the Clean Energy Program (“CEP”) component of its Societal Benefit Charge (“SBC”), and its On-System Margin Sharing Credit (“OSMC”) (“Petition”). In the Petition, the Company proposed to establish a WNC rate of \$0.0171 per therm to recover a deficiency balance of \$5.5 million, a CEP rate of \$0.0276 per therm to recover CEP cost responsibility amounting to \$13.1 million, and an OSMC credit rate of \$0.0021 per therm for an adjustment to margin contributions amounting to \$0.7 million, to be effective October 1, 2021. The WNC allows the Company to implement surcharges or credits during the months of October through May to compensate for weather-related changes in customer usage from the previous winter period. The CEP component of the SBC recovers the costs of statewide energy efficiency and renewable energy programs mandated by the Board. The OSMC rate is designed to flow back to the Company’s firm customers the margins received from on-system sales and transportation services. The proposed rates are subject to BPU approval and may be higher or lower depending on the Board’s final determination and the date on which such rates are made effective. A comparison of the Company’s current versus proposed rates, all of which are inclusive of taxes, is as follows:

	Current Rates per Therm	Proposed Rates per Therm
WNC	\$0.0000	\$0.0171
CEP	\$0.0280	\$0.0276
OSMC	<u>(\$0.0020)</u>	<u>(\$0.0021)</u>
Total	\$0.0260	\$0.0426

If approved, the combined effect of the Company's Petition to a residential customer using an average of 100 therms per month as compared to rates currently in effect is as follows:

<u>Consumption in Therms</u>	<u>Present Bill July 1, 2021</u>	<u>Proposed Bill October 1, 2021</u>	<u>Proposed Increase</u>	<u>Percent Change</u>
100	\$99.58	\$101.24	\$1.66	1.7%

PLEASE TAKE FURTHER NOTICE that due to the COVID-19 Pandemic, a telephonic public hearing will be conducted on the following date and times so that members of the public may present their views on the Company’s Petition.

Date: TBD

Hearing Times: 4:30 pm and 5:30 pm

Members of the public may present their views on the Petition during the public hearing by dialing the toll-free telephone number listed below, followed by entering the listed passcode when prompted.

Dial In: 866-984-3163

Conference ID: followed by #

Copies of Elizabethtown’s Petition can be reviewed on the Company’s website at www.elizabethtowngas.com/rates-and-tariff under regulatory information.

Representatives of the Company, Board Staff and Rate Counsel will participate in the telephonic public hearing. Members of the public are invited to participate by utilizing the Dial-In and Conference ID information set forth above, and may express their views on this filing. Such comments will be made part of the final record of the proceeding to be considered by the Board. The Board is also accepting written and emailed comments. Although both will be given equal consideration, the preferred method of transmittal is via email to ensure timely receipt while the Board continues to work remotely due to the COVID-19 Pandemic. Email comments should be submitted to: board.secretary@bpu.nj.gov, or through the Board’s External Access Portal after obtaining a MyNewJersey Portal ID. Once an account is established, you will need an authorization code, which can be obtained upon request by emailing the Board’s IT Helpdesk at ITHELPDESK@bpu.nj.gov. Detailed instructions for e-Filing can be found on the Board’s home page at <https://www.nj.gov/bpu/agenda/efiling>. Written comments may be submitted to the Board Secretary, Aida Camacho-Welch, at the Board of Public Utilities, 44 South Clinton Avenue, Post Office Box 350, Trenton, NJ 08625-0350. Please include the name of the petition and the docket number when submitting comments.

Elizabethtown Gas Company
Christie McMullen –President and Chief Operating Officer

VERIFICATION

I, Cindy Capozzoli, of full age, being duly sworn according to law, upon my oath, depose and say:

1. I am Director, Rates of SJI Utilities, Inc., the parent company to Elizabethtown Gas Company ("Company") and I am authorized to make this verification on behalf of the Company.
2. I have reviewed the within petition and the information contained therein is true according to the best of my knowledge, information and belief.

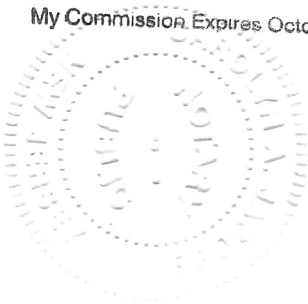
Cindy Capozzoli

Cindy Capozzoli
Director, Rates

Sworn to and subscribed
before me this 23rd day
of July 2021

Carolyn A. Jacobs
CAROLYN A. JACOBS
NOTARY PUBLIC OF NEW JERSEY

My Commission Expires October 28, 2023



**IN THE MATTER OF THE PETITION OF
ELIZABETHTOWN GAS COMPANY TO (1) REVISE ITS WEATHER
NORMALIZATION CLAUSE RATE; (2) REVISE THE CLEAN ENERGY
PROGRAM COMPONENT OF ITS SOCIETAL BENEFITS CHARGE RATE;
AND (3) REVISE ITS ON-SYSTEM MARGIN SHARING CREDIT**

BPU DOCKET NO. _____

DIRECT TESTIMONY

OF

THOMAS KAUFMANN

**On Behalf Of
Elizabethtown Gas Company**

Exhibit P-1

July 23, 2021

**ELIZABETHTOWN GAS COMPANY
DIRECT TESTIMONY OF
THOMAS KAUFMANN**

1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 **A.** My name is Thomas Kaufmann. My business address is 520 Green Lane, Union, New
4 Jersey 07083.

5 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6 **A.** I am employed by Elizabethtown Gas Company (“Elizabethtown” or “Company”) as
7 Manager of Rates and Tariffs.

8 **Q. WHAT IS THE SCOPE OF YOUR DUTIES AT ELIZABETHTOWN?**

9 **A.** I am responsible for designing and developing rates and rate schedules for regulatory
10 filings with the New Jersey Board of Public Utilities (“BPU” or “Board”) and internal
11 management purposes. I also oversee daily rate department functions, including tariff
12 administration, competitive analyses and preparation of management reports.

13 **Q. PLEASE DESCRIBE YOUR PROFESSIONAL QUALIFICATIONS AND**
14 **BUSINESS EXPERIENCE.**

15 **A.** In June 1977, I graduated from Rutgers University, Newark, New Jersey with a
16 Bachelor of Arts degree in Business Administration, majoring in accounting and
17 economics. In July 1979, I graduated from Fairleigh Dickinson University, Madison,
18 New Jersey with a Masters of Business Administration, majoring in finance.

19 My professional responsibilities have encompassed financial analysis,
20 accounting, planning, and pricing in manufacturing and energy services companies in
21 both regulated and unregulated industries. In 1977, I was employed by Allied

1 Chemical Corp. as a staff accountant. In 1980, I was employed by Celanese Corp. as
2 a financial analyst. In 1981, I was employed by Suburban Propane as a Strategic
3 Planning Analyst, promoted to Manager of Rates and Pricing in 1986 and to Director
4 of Acquisitions and Business Analysis in 1990. In 1993, I was employed by
5 Concurrent Computer as a Manager, Pricing Administration. In 1996, I joined NUI
6 Corporation (“NUI”) as a Rate Analyst, was promoted to Manager of Regulatory
7 Support in August 1997 and Manager of Regulatory Affairs in February 1998, and
8 named Manager of Rates and Tariffs in July 1998. NUI was acquired by AGL
9 Resources Inc. (“AGL”) in November 2004. AGL was acquired by Southern Company
10 in July 2016. SJI acquired Elizabethtown Gas on July 1, 2018.

11 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

12 **A.** First, I will discuss the derivation of the proposed Weather Normalization Clause
13 (“WNC”) rate to be charged to the Company’s customer classes subject to the WNC
14 during the eight month period October 1, 2021 through May 31, 2022. In addition, I
15 will discuss proposed changes to the monthly Heating Degree Day Consumption
16 Factors, which will be utilized to separate the weather and non-weather components in
17 future Conservation Incentive Program (“CIP”) filings.

18 I will also support Elizabethtown’s proposed rate for the Clean Energy Program
19 (“CEP”) component of the Societal Benefits Charge (“SBC”) and its On-System
20 Margin Sharing Credit (“OSMC”) rate for the twelve month period ending September
21 30, 2022 (“2022 Recovery Year”).

1 **Q. WHAT EFFECTIVE DATE DOES THE COMPANY PROPOSE IN THIS**
2 **FILING?**

3 **A.** The Company is proposing that the final rates and associated changes proposed in this
4 filing take effect on October 1, 2021.

5 **Q. WHEN WERE THE COMPANY’S WNC, CEP AND OSMC RATES LAST**
6 **REVISED?**

7 **A.** The current rates in effect for the WNC, CEP and OSMC were approved on a final
8 basis in Petitioner’s 2020 WNC/CEP/OSMC proceeding by Board Order dated
9 February 17, 2021 in BPU Docket No. GR20070501.

10 **Q. DOES YOUR TESTIMONY INCLUDE ANY ILLUSTRATIVE SCHEDULES?**

11 **A.** Yes. My testimony includes schedules and proposed tariff sheets that were prepared
12 under my direction and supervision. The schedules are as follows:

13 **(1) Tariff Schedule TK-1** consists of revised tariff sheets in redlined and clean form
14 which reflect the revised rates for the WNC, the CEP rate component of the SBC
15 and the OSMC riders.

16 **(2) Forecast Schedule TK-1** provides the level of forecasted sales and services for
17 the 2022 Recovery Year, which was utilized in the calculation of the proposed
18 WNC, CEP and OSMC rates.

19 **(3) WNC Schedule TK-1** sets forth the calculation of the proposed WNC rate.

20 **(4) WNC Schedule TK-2** compares the actual calendar month degree days to the
21 normal calendar month degree days and presents the calculation of the excess in
22 WNC Margin Revenues for the 2020-2021 winter period.

23 **(5) WNC Schedule TK-3** reflects the calculation of the prior year’s WNC balance.

- 1 **(6) WNC Schedule TK-4** presents the development of the proposed monthly
2 Degree Day Consumption Factors to be used for the CIP.
- 3 **(7) WNC Schedule TK-5** sets forth the WNC earnings calculation.
- 4 **(8) CEP Schedule TK-1** sets forth the calculation of the proposed CEP rate for the
5 2022 Recovery Year.
- 6 **(9) CEP Schedule TK-2** sets forth the calculation of carrying costs on the CEP
7 balance for the twelve months ended June 30, 2021.
- 8 **(10) CEP Schedule TK-3** sets forth actual and projected CEP Fiscal Agent Payments
9 for the twelve months ended June 30, 2021.
- 10 **(11) CEP Schedule TK-4** sets forth actual and projected CEP recoveries for the
11 twelve months ended June 30, 2021.
- 12 **(12) CEP Schedule TK-5** sets forth the projected total amounts that the Company
13 will either spend on the CEP or that will be paid to the fiscal agent during the
14 twelve month period ended June 30, 2022.
- 15 **(13) OSMC Schedule TK-1** presents a calculation of the proposed OSMC rate per therm
16 for the 2022 Recovery Year.
- 17 **(14) OSMC Schedule TK-2** presents the projected customer portion of the margin
18 sharing credits forecast to be generated during the twelve month period ended
19 June 30, 2022.
- 20 **(15) OSMC Schedule TK-3** sets forth the balance to be trued-up for the margin
21 sharing credits generated versus credits disbursed to customers for the twelve
22 month period ended June 30, 2021.

(16) OSMC Schedule TK-4 presents the actual OSMC disbursements to sales customers taking BGSS service and residential transportation customers for the twelve month period ended June 30, 2021.

II. REVENUE FORECAST

Q. WHAT IS THE METHODOLOGY USED TO PROJECT FIRM SALES AND SERVICES FOR THE RECOVERY YEAR IN ORDER TO DERIVE THE COMPANY'S PROPOSED WNC, CEP AND OSMC RATES?

A. The methodology used is the same as that used in the demand forecast which supports Elizabethtown's Basic Gas Supply Service ("BGSS") rates. A summary of the forecast of normalized sales and services is set forth on Forecast Schedule TK-1.

Q. WHAT PERIOD IS COVERED BY THE DEMAND FORECAST?

A. The gas sales demand forecast as set forth on Forecast Schedule TK-1 for the SBC is for the twelve month period ended September 2022, also referred to as the 2022 Recovery Year. The WNC sales demand forecast, which is not applicable to all service classes, is for the eight month period October 2021 through May 2022.

Q. WERE THE COMPANY'S FIRM AND NON-FIRM SALES AND TRANSPORTATION REVENUE FORECASTS PREPARED USING THE SAME METHODOLOGY USED BY THE COMPANY IN PREPARING LAST YEAR'S REVENUE FORECASTS?

A. Yes. The Company continues to use regression equations based on actual historical sales demand data as well as any known customer changes to develop the forecast demand.

1 **III. WEATHER NORMALIZATION CLAUSE**

2 **Q. PLEASE DESCRIBE THE WEATHER NORMALIZATION CLAUSE**
3 **(“WNC”).**

4 **A.** The Company's WNC is a rate mechanism which, in general, mitigates the financial
5 effect of variations from the normal weather on which base rates are set, on both the
6 Company and its customers in the Residential Delivery Service (“RDS”), Small
7 General Service (“SGS”), and General Delivery Service (“GDS”) classes, the
8 Company's most weather-sensitive customer classes. Variances in actual degree days
9 from normal for each day are measured and accumulated over the calendar month for
10 each month during October through May (“Winter Period”) (). These monthly
11 variances are adjusted for a degree day deadband, which is 0.5% of the Normal
12 Calendar Month Degree Days (“NCMDD”). The resulting cumulative degree day
13 variance determines the adjustment to customers’ bills in the following Winter Period,
14 which is either a surcharge to collect a revenue deficiency as a result of warmer-than-
15 normal weather or a credit to customers to refund the excess revenues collected as a
16 result of colder-than-normal weather.

17 **Q. WHAT IS THE RESULT OF THE COMPARISON OF THE ACTUAL**
18 **TEMPERATURES EXPERIENCED IN THE MOST RECENT WINTER**
19 **PERIOD AND THE NCMDD?**

20 **A.** WNC Schedule TK-2 shows the results for the 2020-2021 Winter Period; the weather
21 was 5.3% or 244 degree days warmer than normal. The monthly degree day variances
22 must be adjusted for the WNC deadband within which the WNC operates. After this
23 adjustment, the cumulative degree day variance of 239 degree days produces a margin
24 revenue deficiency of \$5,347,919.

1 **Q. WHAT WERE THE RESULTS OF THE OPERATION OF THE WNC DURING**
2 **THE MOST RECENT WINTER PERIOD?**

3 **A.** WNC Schedule TK-3 shows the results of the operation of the WNC during the 2020-
4 2021 Winter Period resulting in a prior period deficiency balance of \$162,002. This
5 deficiency balance plus the current period Margin Revenue Deficiency of \$5,347,919
6 results in a Total Revenue Deficiency Balance of \$5,509,921 as shown on WNC
7 ScheduleTK-1.

8 **Q. HOW IS THE WNC RATE CALCULATED?**

9 **A.** As set forth in Rider B of the Company's tariff, the monthly difference in degree days
10 from normal during the Winter Period, adjusted for a monthly 0.5% deadband, is
11 multiplied by the monthly Degree Day Consumption Factor yielding a difference in
12 therms consumed associated with the variance (in degree days) between actual and
13 normal weather. The monthly Degree Day Consumption Factors included on WNC
14 Schedule TK-2 were calculated using the WNC factors approved in Elizabethtown's
15 previous WNC proceeding.

16 As shown on WNC Schedule TK-2, the variance in therms is then multiplied
17 by the margin revenue factor of \$0.3633 per therm to produce the monthly margin
18 revenues associated with warmer or colder-than-normal weather during the affected
19 winter period. The resulting margin revenue excess or deficiency is then adjusted for
20 the prior year balance, presented on WNC Schedule TK-3. This excess or deficiency
21 is divided by the projected throughput for the months of October through May for the
22 RDS, SGS, and GDS classes and adjusted for taxes to derive the WNC rate.

23 **Q. WHAT IMPACT WILL THE COMPANY'S RECENTLY APPROVED CIP**
24 **HAVE ON THE WNC?**

1 **A.** The CIP will eventually supersede the WNC. In the Board’s Order dated April 7, 2021
2 in BPU Docket Nos. QO19010040 and GO20090619, the Company received approval
3 to implement a CIP designed to recover lost revenues due to the Company’s Energy
4 Efficiency Program (“EEP”). The Company was directed to submit its 2021 WNC cost
5 recovery filing for the 2020 – 2021 Winter Period and prior period true-up for the
6 period ending June 30, 2021 with a proposed WNC rate to be effective October 1, 2021.
7 Any remaining over or under collection after the WNC annual recovery period would
8 be included in the Company’s first CIP tariff filing to be submitted by June 1, 2022, at
9 which time the WNC rate shall be set to zero. The value of the weather-related changes
10 in customer usage in the CIP will be calculated in accordance with the WNC Rider
11 except without a dead band.

12 **Q. HOW ARE THE UPDATED MONTHLY DEGREE DAY CONSUMPTION**
13 **FACTORS DEVELOPED?**

14 **A.** WNC Schedule TK-4 presents the development of the monthly Degree Day
15 Consumption Factors that will be utilized to separate the weather and non-weather
16 components in future filings of the CIP. The normalized use in therms per customer is
17 based on the normalized projected heat load and base number of customers approved
18 by the Board’s Order dated November 13, 2019 in BPU Docket No. GR19040486, the
19 Company’s base rate case factors applicable to the 2019-2020 Winter Period, using a
20 non-leap year heating degree day pattern in the months of February through May in
21 such years. These are multiplied by the current customer counts, as of May 31, 2021,
22 for those classes subject to the WNC clause. The resulting Annualized Normalized
23 Projected Heat Load is then divided by the 20-year normal heating degree day pattern,
24 deriving the new monthly Degree Day Consumption Factors. It should be noted that

except for updates in the base number of customers and adjustments to account for the existence of a leap year (when necessary), the information used to update the monthly Degree Day Consumption Factors is derived from the Company's most recent base rate case.

Q. WHAT IS THE TOTAL PROJECTED THROUGHPUT FOR THE CLASSES SUBJECT TO THE WNC FOR THE PERIOD OCTOBER 1, 2021 THROUGH MAY 31, 2022?

A. The total projected throughput is 344.608,457 therms, as set forth on WNC Schedule TK-1.

Q. ARE THERE ANY RESTRICTIONS ON THE APPLICABILITY OF A WEATHER NORMALIZATION RATE?

A. Yes, there are two restrictions in the tariff. The WNC Rate shall not operate to permit the Company to recover any portion of a margin revenue deficiency that will cause the Company to earn in excess of its allowed return on equity for the thirteen (13) month Annual Period. The return on equity approved by the Board in the Company's most recent rate cases in BPU Docket No. GR16090826 made effective July 1, 2017 and in BPU Docket No. GR19040486 made effective November 15, 2019 is 9.6%. Any portion disallowed as a result of this earnings test shall not be deferred. Per the second restriction, the WNC rate in any one year shall not exceed a rate cap equal to three percent (3%) of the RDS service classification distribution rate plus the BGSS rate.

Q. DO THE EARNINGS TEST RESTRICTIONS APPLY IN THIS PROCEEDING?

A. No. As shown on the Earnings Test on WNC Schedule TK-5, the Company's regulated jurisdictional net income for the actual / projected period ending September 30, 2021

1 is projected to be lower than the allowed return on common equity. This schedule is
2 more fully discussed below.

3 **Q. PLEASE EXPLAIN WNC SCHEDULE TK-5.**

4 **A.** WNC Schedule TK-5 shows the calculation of projected Regulated Jurisdictional Net
5 Income Excess / (Deficiency) for the year ending September 30, 2021. For purposes
6 of this calculation, the amounts presented include nine months of actual income
7 through June 30, 2021 and three months of projected income through September 30,
8 2021.

9 The second part of this section sets forth the calculation of the authorized return
10 on common equity using the average thirteen-month common equity balance noted
11 above. The average common equity balance was calculated by adding the common
12 equity balances at the end of each of the ten months ended June 30, 2021, and projected
13 balances at the end of the months July through September 2021. The sum of these
14 balances was divided by 13 to arrive at the average equity balance. The difference
15 between the Regulated Jurisdictional Net Income and Allowed Return on Common
16 Equity results in the Excess or (Deficiency) to Net Income to be considered in
17 determining the amount of deficiency to recover.

18 The Net WNC Margin Revenue Excess / (Deficiency) section of the schedule
19 shows the amount of the WNC Margin computed on WNC Schedule TK-2 on an after
20 tax basis to determine what if any portion of a deficiency is disallowed when compared
21 to the Regulated Jurisdictional Net Income deficiency.

22 The Revenue Disallowance section shows the amount of Net Income
23 Disallowed, if any, grossed up for taxes to derive the Revenue Disallowance used on
24 WNC Schedule TK-1 to derive the current period's margin revenue.

1 **Q. PLEASE EXPLAIN THE RESULT OF THIS EARNINGS TEST.**

2 **A.** The test of earnings shows that the Regulated Jurisdictional Net Income for the period
3 ending September 30, 2021 is projected to be lower than the Allowed Return on
4 Common Equity resulting in no net income disallowance and therefore no revenue
5 disallowance. As per the tariff, had there been a disallowance this amount is not
6 allowed to be deferred.

7 **Q. DOES THE RATE CAP RESTRICTION APPLY IN THIS PROCEEDING?**

8 **A.** No. As shown on WNC Schedule TK-1, the proposed rate is lower than the 3% rate
9 cap.

10 **Q. WHAT IS THE PROPOSED WNC RATE?**

11 **A.** The proposed WNC rate is \$0.0171 per therm, inclusive of taxes, as presented on WNC
12 Schedule TK-1.

13 **IV. SOCIETAL BENEFITS CHARGE**

14 **Q. PLEASE DESCRIBE THE SBC.**

15 **A.** The SBC currently consists of the following components: (1) the CEP, (2) the
16 Remediation Adjustment Clause (“RAC”) component, (3) the Universal Service Fund
17 (“USF”) charge, and (4) the Lifeline charge. As discussed in the accompanying
18 Petition, Petitioner is not proposing changes to the RAC, USF and Lifeline rates in this
19 filing; these rates have been or will be addressed in separate filings. My testimony is
20 limited to addressing the CEP component of the SBC rate.

21 **V. SBC – CEP COMPONENT**

22 **Q. DESCRIBE THE PURPOSE OF THE CEP.**

23 **A.** The CEP was created as a result of the Electric Discount and Energy Competition Act
24 of 1999 and the Board’s Order dated March 9, 2001 in BPU Docket No. EX99050347,

1 *et al.*, at which time it was known as the Comprehensive Resource Analysis (“CRA”)
2 Program. The programs described below were developed after consultation between
3 the BPU and the Department of Environmental Protection to promote both energy
4 efficiency and Class 1 renewable energy programs for the State of New Jersey and its
5 energy consumers.

6 **Q. WERE ALL APPROVED CEP FUNDS COLLECTED BY ELIZABETHTOWN**
7 **SPENT ON PROGRAMS ADMINISTERED BY ELIZABETHTOWN AND/OR**
8 **THE FISCAL AGENT?**

9 **A.** Yes. Elizabethtown expends program funds in the following three ways: (i) expenses
10 for the costs of administering CEP Energy Efficiency Programs, (ii) payments made to
11 renewable or grid supply program vendors at the direction of BPU Staff, and (iii)
12 payments made directly to the fiscal agent, which are equal to the difference between
13 the Board-approved funding and the Company’s administrative costs and payments to
14 vendors.

15 **Q. PLEASE EXPLAIN HOW THE CEP COMPONENT OF THE SBC WAS**
16 **CALCULATED.**

17 **A.** The CEP component is calculated by determining the sum of (i) the total of the current
18 year’s expenditures and fiscal agent payments, less recoveries, plus carrying costs as
19 shown on CEP Schedule TK-2, (ii) the prior year’s over or under-recovery shown as
20 the opening balance on CEP Schedule TK-2, and (iii) the projected CEP costs for the
21 twelve month period ended period June 30, 2022, which are adjusted for costs in excess
22 of the CEP Budget as of June 30, 2021, if any. The net total represents the costs to be
23 recovered in the 2022 Recovery Year, as shown on CEP Schedule TK-1. This total is
24 then divided by the sales and transportation volumes projected for the 2022 Recovery

1 Year for the service classes shown on Forecast Schedule TK-1, with the resulting
2 quotient being adjusted for taxes to arrive at a CEP rate of \$0.0276 per therm, inclusive
3 of taxes.

4 **Q. WHAT ARE THE CEP PROGRAM COSTS FOR THE YEAR ENDED JUNE**
5 **30, 2021 AS REFLECTED IN THE COMPANY'S FILING?**

6 **A.** CEP Schedule TK-2 reflects actual Company Program Costs of \$1,868,470 and Fiscal
7 Agent Payments of \$9,288,483 for the twelve months ended June 30, 2021.

8 **Q. WHAT ARE THE RESULTS OF THE PRIOR YEAR RECOVERY AND**
9 **CURRENT YEAR ACTIVITIES?**

10 **A.** As of June 30, 2021, the Company's CEP component will result in a projected under
11 recovery of \$701,053. As shown on CEP Schedule TK-1 line 6, this amount consists
12 of the beginning balance at June 30, 2020, the current year Company Program Costs,
13 Fiscal Agent Payments, Recoveries and Carrying Costs for the twelve months ended
14 June 30, 2021.

15 **Q. WHAT LEVEL OF COSTS IS THE PROPOSED CEP RATE DESIGNED TO**
16 **RECOVER?**

17 **A.** This year, the proposed CEP component is designed to recover \$13,111,335 as set forth
18 on CEP Schedule TK-1, line 8, resulting in a per therm rate of \$0.0276, inclusive of
19 taxes. This amount is made up of the net CEP under-recovery balance as described
20 above and shown on CEP Schedule TK-1, line 6, and projected fiscal agent payments
21 to be remitted during the next twelve months of as shown on CEP Schedule TK-1 line
22 7. The twelve months of fiscal agent payments are based on prior period payable
23 amounts plus next year's CEP funding responsibility for the months of July through
24 May, which are those anticipated to be remitted by June 30th. These amounts are per

1 the Board's Order dated June 24, 2021 in BPU Docket No. QO21040721. As shown
2 on CEP Schedule TK-5, the Company has been allocated \$12,474,243 of CEP funding
3 responsibility for the twelve months ending June 30, 2022.

4 **Q. ARE CARRYING COSTS INCLUDED IN THE CEP CALCULATION?**

5 **A.** Yes. In accordance with the Board's Order dated March 30, 2001 in BPU Docket No.
6 GX99030121 *et al.*, the Company applies carrying costs on its CEP balance. The
7 Company accrues carrying costs on the net monthly balance as shown on CEP Schedule
8 TK-2. Carrying costs are not compounded monthly.

9 **Q. WHAT IS THE PROPOSED CEP RATE?**

10 **A.** The proposed CEP rate is \$0.0276 per therm, inclusive of taxes, as presented on CEP
11 Schedule TK-1.

12 **VI. OSMC RATE**

13 **Q. PLEASE BRIEFLY DESCRIBE THE OSMC AND THE CUSTOMERS TO**
14 **WHICH IT APPLIES.**

15 **A.** The OSMC was originally approved by the Board's Order dated March 30, 2001 in
16 BPU Docket No. GX99030121, *et al.*, as the rate mechanism to be used to refund to
17 firm sales customers taking BGSS service and residential transportation customers
18 portions of the margins derived by the Company from the rendition of certain non-firm
19 sales and transportation services.

20 **Q. WHAT IS THE PROPOSED OSMC RATE?**

21 **A.** The proposed OSMC rate is (\$0.0021) per therm, inclusive of taxes, as presented on
22 OSMC Schedule TK-1.

23 **Q. PLEASE EXPLAIN HOW THE OSMC RATE WAS CALCULATED.**

1 **A.** As shown on OSMC Schedule TK-1, the derivation of the OSMC rate is based on the
 2 projected level of margins from certain non-firm sales and transportation services for
 3 the twelve month period ended June 30, 2022 and the prior year's over or under-
 4 recovery of margins generated, less margins credited to customers as more fully
 5 described below, divided by the applicable projected volumes.

6 **Q. PLEASE EXPLAIN HOW MARGIN SHARING AMOUNTS REFLECTED ON**
 7 **OSMC SCHEDULE TK-2 HAVE BEEN CALCULATED.**

8 **A.** Margins from the distribution element of non-firm sales customers and certain
 9 transportation customers are shared 80% to customers and 20% to the Company.

10 In addition, also included in the sharing formula are demand margins from
 11 certain transportation customers.

12 **VII. CONCLUSION**

13 **Q. PLEASE SUMMARIZE THE PROPOSED CHANGES TO THE WNC, CEP,**
 14 **AND OSMC RATE COMPONENTS.**

15 **A.** A comparison of current rates as of July 1, 2021 and the rates proposed in this filing,
 16 all of which are inclusive of taxes, are as follows:

	Current	Proposed
WNC (1)	\$0.0000	\$0.0171
CEP	\$0.0280	\$0.0276
OSMC	<u>(\$0.0020)</u>	<u>(\$0.0021)</u>
Total	\$0.0260	\$0.0426

(1) Per the tariff, the rate is set to \$0.0000 per therm each June 1st. From October 2020 – May 2021, the rate was \$0.0171 per therm, inclusive of taxes.

1 **Q. WHAT IS THE IMPACT OF THE PROPOSED CHANGES IN THESE RATES**
2 **ON TYPICAL RESIDENTIAL CUSTOMERS?**

3 **A.** The overall impact of the proposed adjustments to the WNC, CEP and OSMC rates as
4 reflected in this filing would increase the monthly bill of a residential customer using
5 100 therms by \$1.66, from \$99.58 to \$101.24, or an increase of 1.7%, as compared to
6 the Company's currently approved rates.

7 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

8 **A.** Yes, it does.

ELIZABETHTOWN GAS COMPANY
B. P. U. NO. 17 – GAS

~~3rd~~ REVISED SHEET NO. 109

RIDER "B"

WEATHER NORMALIZATION CLAUSE ("WNC")

Applicable to all customers in service classifications RDS, SGS and GDS.

October 1, ~~2020~~2021 through May 31, ~~2021~~2022 \$0.0171 per therm

June 1 through September 30 of any year \$0.0000 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. In the winter months, October through May, a weather normalization charge shall be applied to the rate quoted in this Tariff under the service classifications shown above, except as may be otherwise provided for in the individual service classification. The weather normalization charge applied in each winter period shall be based on the differences between actual and normal weather during the preceding winter period.

METHOD OF DETERMINING WEATHER NORMALIZATION CHARGE:

The weather normalization charge shall be determined as follows:

I. Definition of Terms as Used Herein

1. Degree Days (DD) - the difference between 65°F and the twenty-four point average temperature for the day, as determined from the records of the National Oceanic and Atmospheric Administration (NOAA) at its weather observation station located at Newark International Airport, when such average falls below 65°F. A day is defined as a period corresponding with the Company's gas sendout day of 10 am to 10 am.

Date of Issue: ~~February 19, 2021~~xx1

Effective: Service Rendered
on and after ~~February 27, 2021~~xx2

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

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~February 17, 2021~~xx3 in Docket No. ~~GR20070501~~xx4

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.~~0020~~0021) 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: ~~February 19, 2021~~xx1

Effective: Service Rendered
on and after ~~February 27, 2021~~xx2

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

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~February 17, 2021~~xx3 in Docket No. ~~GR20070501~~xx4

ELIZABETHTOWN GAS COMPANY
B. P. U. NO. 17 – GAS

~~4th~~ REVISED SHEET NO. 115

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.

<u>SBC Rate Components:</u>		<u>Per Therm</u>
I.	New Jersey Clean Energy Program ("CEP")	\$0. 0280 <u>0276</u>
II.	Remediation Adjustment Charge ("RAC")	\$0.0082
III.	<u>Universal Service Fund and Lifeline:</u>	
	1. Universal Service Fund ("USF")	\$0.0059
	2. Lifeline	<u>\$0.0057</u>
TOTAL		\$0. 0478 <u>0474</u>

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. New Jersey 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.

Date of Issue: ~~March 29, 2021~~xx1

Effective: Service Rendered
on and after ~~April 1, 2021~~xx2

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

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~March 24, 2021~~xx3 in Docket No. ~~GR20070502~~xx4

CLEAN

RIDER "B"

WEATHER NORMALIZATION CLAUSE ("WNC")

Applicable to all customers in service classifications RDS, SGS and GDS.

October 1, 2021 through May 31, 2022 \$0.0171 per therm

June 1 through September 30 of any year \$0.0000 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. In the winter months, October through May, a weather normalization charge shall be applied to the rate quoted in this Tariff under the service classifications shown above, except as may be otherwise provided for in the individual service classification. The weather normalization charge applied in each winter period shall be based on the differences between actual and normal weather during the preceding winter period.

METHOD OF DETERMINING WEATHER NORMALIZATION CHARGE:

The weather normalization charge shall be determined as follows:

I. Definition of Terms as Used Herein

1. Degree Days (DD) - the difference between 65°F and the twenty-four point average temperature for the day, as determined from the records of the National Oceanic and Atmospheric Administration (NOAA) at its weather observation station located at Newark International Airport, when such average falls below 65°F. A day is defined as a period corresponding with the Company's gas sendout day of 10 am to 10 am.

Date of Issue: xx1

Effective: Service Rendered
on and after xx2

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

Filed Pursuant to Order of the Board of Public Utilities
Dated xx3 in Docket No. xx4

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.

(\$0.0021) 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: xx1

Effective: Service Rendered
on and after xx2

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

Filed Pursuant to Order of the Board of Public Utilities
Dated xx3 in Docket No. xx4

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.

<u>SBC Rate Components:</u>		<u>Per Therm</u>
I.	New Jersey Clean Energy Program ("CEP")	\$0.0276
II.	Remediation Adjustment Charge ("RAC")	\$0.0082
III.	<u>Universal Service Fund and Lifeline:</u>	
	1. Universal Service Fund ("USF")	\$0.0059
	2. Lifeline	<u>\$0.0057</u>
TOTAL		<u>\$0.0474</u>

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. New Jersey 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.

Date of Issue: xx1

Effective: Service Rendered
on and after xx2

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

Filed Pursuant to Order of the Board of Public Utilities
Dated xx3 in Docket No. xx4

ELIZABETHTOWN GAS COMPANY
FORECASTED SALES VOLUME - THERMS
RECOVERY YEAR - 2022

	SBC (CEP) *	OSMC	WNC (Oct- May)
Residential	240,906,404	240,906,404	219,436,374
Commercial	70,926,676	70,926,676	63,996,060
Industrial	15,091,635	15,091,635	
Interruptible	21,034		
Total Sales	326,945,749	326,924,715	283,432,434
Residential	3,909,888	3,909,888	3,568,487
Commercial	66,559,685		57,607,536
Industrial	45,938,167		
Interruptible	63,764,310		
Total Transportation	180,172,050	3,909,888	61,176,023
Total Sales and Transportation	507,117,799	330,834,603	344,608,457

* Excludes LCAPP therms used for wholesale electric generation.

**Elizabethtown Gas Company
Weather Normalization Clause (WNC)**

**Calculation of the WNC Rate
Based on Cumulative Degree Day Differences at:
June 30, 2021**

1	Current Period - Margin Revenue Excess / (Deficiency), (TK-2)				(\$5,347,919)
1a	Earnings Test Disallowance, if applicable				<u>\$0</u>
1b	Current Recoverable Margin Revenue Excess/(Deficiency), (L1 less L1a)				(\$5,347,919)
2	Prior Year - Excess / (Deficient) Recovery Balance, (TK-3)				<u>(\$162,002)</u>
3	Total Revenue Excess / (Deficiency) Balance (L1b+L2)				(\$5,509,921)
4	Projected Therm Volumes (10/1/21 - 5/31/22)				
	RDS	223,004,861			
	SGS and GDS	121,603,596			
				344,608,457	therms
5	WNC Charge / (Credit) Rate, before tax (L3 / L4)*-1				\$0.0160 /therm
6	Plus Sales Tax	6.625%			<u>\$0.0011</u>
7	WNC Charge / (Credit) Rate (L5+L6)				<u><u>\$0.0171</u></u> /therm
8	<u>3% RDS Rate Cap:</u>	<u>rate w/tax</u>	<u>Cap Rate Components:</u>		
	RDS Distribution Charge	\$0.4382			
	BGSS-P rate	<u>\$0.3783</u>	pre Tax	\$0.0230	
	Cap Rate	\$0.8165	Sales Tax	<u>\$0.0015</u>	<u>\$0.0245</u> /therm

**Elizabethtown Gas Company
Weather Normalization Clause (WNC)**

Month	Actual Calendar Degree Days	Normal ^(a) Calendar Degree Days	(Warmer) / Colder Normal	% (Warmer) / Colder Normal	Season % (Warmer) / Colder Normal	Degree Day Deadband*	Degree Day Variance After Deadband	Degree Day Consumption Factor ^(b)	Variance in Therms	Margin Revenue Factor ^(c)	Margin Revenue Excess / (Deficiency)
Oct-20	218	244	(26)	(10.7%)	(10.7%)	1	(25)	52,581	(1,314,525)	\$0.3633	(\$477,567)
Nov	395	516	(121)	(23.4%)	(19.3%)	3	(118)	63,514	(7,494,652)	\$0.3633	(\$2,722,807)
Dec	834	828	6	0.7%	(8.9%)	4	2	70,081	140,162	\$0.3633	\$50,921
Jan-21	952	998	(46)	(4.6%)	(7.2%)	5	(41)	69,083	(2,832,403)	\$0.3633	(\$1,029,012)
Feb	885	829	56	6.8%	(3.8%)	4	52	68,805	3,577,860	\$0.3633	\$1,299,837
Mar	598	689	(91)	(13.2%)	(5.4%)	3	(88)	64,630	(5,687,440)	\$0.3633	(\$2,066,247)
Apr	327	355	(28)	(7.9%)	(5.6%)	2	(26)	53,261	(1,384,786)	\$0.3633	(\$503,093)
May	126	120	6	5.0%	(5.3%)	1	5	55,078	275,390	\$0.3633	\$100,049
Total	4,335	4,579	(244)			23	(239)		(14,720,394)		(\$5,347,919)

Summary: Weather Normalization Clause To Date

Variance In Therms (Warmer)/Colder

(14,720,394)

WNC Margin Revenue - Excess / (Deficiency)

(\$5,347,919)

^(a) Degree Days as set forth in Tariff No. 17 Sheet No. 110.

^(b) Degree Day Consumption Factor from the prior year annual filing Sch. TK-4.

^(c) Margin Revenue Factor as set forth in Tariff No. 17 Sheet No. 111.

* Dead Band is 0.5% of the Monthly Normal Calendar Degree Days

**Elizabethtown Gas Company
Weather Normalization Clause (WNC)**

**Calculation of Prior Year Recovery Balance
June 30, 2021**

1	Prior Year Excess / (Deficient) Revenues at June 30, 2020			(\$5,739,573)
2	Prior Year Excess / (Deficient) Balance			\$204,994
3	Adjusted Excess / (Deficient) Revenues (L1+L2)			<u>(\$5,534,579)</u>
4	Current Recovery / (Refund) to RDS , SGS and GDS Customer Classes:			
		<u>Therms*</u>	<u>Rate w/o Tax*</u>	
	July-20	-	\$ -	(\$1,082)
	August-20	-	\$ -	\$370
	September-20	-	\$ -	\$240
	October-20	11,910,063	\$ 0.0093	\$111,021
	November-20	24,830,554	\$ 0.0159	\$394,835
	December-20	46,073,439	\$ 0.0160	\$734,879
	January-21	65,030,747	\$ 0.0160	\$1,039,596
	February-21	68,549,300	\$ 0.0160	\$1,093,800
	March-21	61,769,117	\$ 0.0160	\$985,977
	April-21	36,301,076	\$ 0.0160	\$580,109
	May-21	20,111,840	\$ 0.0159	\$319,851
	June-21	-	\$ -	\$112,981
		<u>334,576,136</u>		<u>\$5,372,577</u>
5	Total Excess / (Deficient) Revenues (L3+L4)			<u>(\$162,002)</u>

* Therms and Rates are shown when a WNC rate is in effect. The WNC rate, when approved, is not in effect during the non-winter months of June - September, however, activity can occur in all periods for customer billing adjustments and in the case of June recoveries/(refunds) from pro-rating and billing May consumption in June when a rate is in effect. The rate presented is derived from dividing that amount by the therms in months when a WNC rate is in effect, as such rounding differences to the tariff / billing rate may result.

**Elizabethtown Gas Company
Weather Normalization Clause (WNC)**

**Development of the Normalized Degree Day Consumption Usage Factor
October 2021 through May 2022**

<u>Month</u> <u>a</u>	Normalized Projected Heat Load (1) <u>(therms)</u> <u>b</u>	Base Number of Customers (2) <u>c</u>	Therms Per Customer <u>d=b/c</u>	Number of Customers (3) <u>e</u>	Annualized Projected Heat Load (therms) <u>f=d*e</u>	Normal HDDs (4) <u>g</u>	Annualized Consumption Therms Per HDD <u>h=f/g</u>
Oct-21	12,586,818	293,159	42.93512	302,241	12,976,754	244	53,183
Nov	32,226,642	293,834	109.67635	302,241	33,148,690	516	64,242
Dec	57,214,418	294,633	194.18876	302,241	58,691,805	828	70,884
Jan-22	68,077,503	295,059	230.72505	302,241	69,734,570	998	69,874
Feb	56,372,689	295,322	190.88550	302,241	57,693,424	829	69,594
Mar	44,032,417	295,477	149.02147	302,241	45,040,398	689	65,371
Apr	18,674,159	295,126	63.27521	302,241	19,124,363	355	53,871
May	6,513,470	294,483	22.11832	302,241	6,685,063	120	55,709

1) Based on determinants used in the calculation of Therms per Degree Day approved in the 2019 base rate case, with a non-leap year HDD pattern for the months of February through May.

2) Base number of customers as approved in the 2019 base rate case.

3) Current Year May 31st customer count for those classes subject to the WNC clause.

4) 20-year 1999-2019 monthly normal heating degree days (base 65°F); represents a non leap-year pattern.

**Elizabethtown Gas Company
Weather Normalization Clause (WNC)
Earnings Test**

October-20 Through September-21

<u>Regulated Jurisdictional Net Income Excess / (Deficiency):</u>		
	Net Income (including WNC margin revenue, net of tax)	\$44,880,619
	add back WNC margin revenue, net of tax	(\$3,844,619)
1	Net Income (excluding WNC margin revenue, net of tax) *	\$41,036,000
2	Less: Non-firm Sales & Transportation margins, net of tax	\$117,942
	Off-system Sales & Capacity Release, net of tax	\$58,388
	Amort. of Pension/OPEB Regulatory Assets, net of tax **	\$2,883,008
3	Other income (expense), net of tax	\$0
		\$3,059,338
4	Regulated Jurisdictional Net Income	\$37,976,662
5	Average Thirteen Month Common Equity ***	\$577,993,550
6	Rate of Return on Equity in the 2019 Rate Case	9.60%
7	Allowed Return (L5*L6)	\$55,487,381
8	Regulated Jurisdictional Net Income Excess / (Deficiency) (L7-L 4)	(\$17,510,719)
<u>Net WNC Margin Revenue Excess / (Deficiency):</u>		
9	WNC Margin Revenue Excess / (Deficiency) (TK-2)	(\$5,347,919)
10	Less: Corporate Business Tax 9.0%	(\$481,313)
11	Federal Income Tax 21.0%	(\$1,021,987)
12	Net WNC Margin Revenue Excess / (Deficiency) (L9-L10-L11)	(\$3,844,619)
<u>Revenue Disallowance:</u>		
13	Net Income Disallowance, (L8-L12) {Occurs when a Deficiency on L12 exceeds a Deficiency on L8.}	\$0
14	Tax Gross Up Factor	28.11%
15	Grossed Up Net Income Disallowance, (L13/(1-L14))	\$0
16	WNC Revenue Disallowance, (smaller of absolute L9 and L15)	\$0

* Net Income is adjusted to exclude non-jurisdictional allocated income taxes and to exclude interest and related income tax amounts of non-jurisdictional acquisition adjustment amounts.

** Represents the amortization of the Pension and Other Post-Employment Benefits regulatory assets consistent with the BPU Order approving the acquisition of NUI by AGL Resources Inc. dated 11-17-2004. The amortization was not recorded in the books and records consistent with Generally Accepted Accounting Principles and therefore is included as an adjustment above to reflect the expense for regulatory reporting purposes.

*** Common Equity is adjusted to exclude non-jurisdictional acquisition adjustment amounts.

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

CALCULATION OF THE CEP COMPONENT OF THE SBC
October 1, 2021 through September 30, 2022
RECOVERY YEAR - 2022

1	Prior Year Balance, (over) / under (Sch. TK-2)		\$2,109,345
2	Current Year Company Program Costs (Sch. TK-2, col c)		\$1,868,470
3	Current Year and Carry Over Fiscal Agent Payments (Sch. TK-2, col d&e)		\$9,288,483
4	Current Year Recoveries (Sch. TK-4)		(\$12,575,042)
5	Current Year Carrying Costs (Sch. TK-2)		<u>\$9,797</u>
6	Current Year Ending Balance - Under Collection (Sum L1-L5)		\$701,053
	<u>Projected Fiscal Agent Payments:</u>		
7	Prior Period Payable (Sch. TK-3, col h)	\$407,387	
	Next Year's Scheduled Payments July - May (Sch. TK-5)	<u>\$12,002,895</u>	<u>\$12,410,282</u>
8	Total Proposed Recoveries (L6+L7)		\$13,111,335
9	Projected Normalized Sales and Services (Forecast Sch. TK-1)		507,117,799 therms
10	CEP COMPONENT, before taxes (L8/L9)		\$0.0259
11	Sales & Use Tax @ 6.625%		<u>\$0.0017</u>
12	CEP COMPONENT (L10+L11)		<u><u>\$0.0276</u></u> /therm

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

Carrying Costs
12 Months Ended
June-21

	Beginning Balance	Program Costs *	Current Fiscal Agent Payments *	Recoveries	Ending Balance	Average Balance	Interest Rate **	Carrying Costs	Ending Balance plus Cumulative Interest
a	b	TK-3	TK-3	TK-4	f=b+c+d-e	g=(b+f)/2	h	i=g*h/12	j=f+ cum of i (Over) / Under
<u>Beginning Balance</u>		<u>c</u>	<u>d</u>	<u>e</u>					
Jul-20	\$2,109,345	\$134,423	\$0	\$355,552	\$1,888,216	\$1,998,781	2.05%	\$3,415	\$1,891,631
Aug-20	\$1,888,216	\$26,784	\$389,331	\$337,233	\$1,967,098	\$1,927,657	2.05%	\$3,293	\$1,973,806
Sep-20	\$1,967,098	\$112,680	\$0	\$343,024	\$1,736,754	\$1,851,926	1.10%	\$1,698	\$1,745,160
Oct-20	\$1,736,754	\$89,158	\$643,729	\$531,695	\$1,937,946	\$1,837,350	1.10%	\$1,684	\$1,948,036
Nov-20	\$1,937,946	\$178,026	\$270,994	\$902,513	\$1,484,453	\$1,711,200	1.10%	\$1,569	\$1,496,112
Dec-20	\$1,484,453	\$124,201	\$388,491	\$1,503,739	\$493,406	\$988,930	1.10%	\$907	\$505,972
Jan-21	\$493,406	\$209,243	\$710,963	\$2,016,366	(\$602,754)	(\$54,674)	1.10%	(\$50)	(\$590,238)
Feb-21	(\$602,754)	\$171,300	\$1,203,037	\$2,117,551	(\$1,345,968)	(\$974,361)	1.10%	(\$893)	(\$1,334,345)
Mar-21	(\$1,345,968)	\$265,771	\$1,690,505	\$1,910,413	(\$1,300,105)	(\$1,323,037)	1.10%	(\$1,213)	(\$1,289,695)
Apr-21	(\$1,300,105)	\$222,343	\$1,735,510	\$1,209,499	(\$551,751)	(\$925,928)	1.10%	(\$849)	(\$542,190)
May-21	(\$551,751)	\$166,837	\$1,350,336	\$778,331	\$187,091	(\$182,330)	1.10%	(\$167)	\$196,485
Jun-21	\$187,091	\$167,704	\$905,587	\$569,126	\$691,256	\$439,174	1.10%	\$403	\$701,053
Total pre adjustment		<u>\$1,868,470</u>	<u>\$9,288,483</u>	<u>\$12,575,042</u>				<u>\$9,797</u>	-

Notes:

* Per the "MOA" of May 5, 2004 the costs will be netted against the program budget to determine the fiscal agent payments, see CEP Schedule TK-3

** Interest Rate seven year constant maturity Treasuries closest to August 31 of each year plus 60 basis points per the Board's Order in Docket No. GX99030121 et al. www.federalreserve.gov/releases/h15.

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

Fiscal Agent Payments

12 Months Ended

June-21

<u>a</u>	<u>Company Portion of Statewide CEP Funding</u> <u>b</u>	<u>less Program Costs Offsets</u> <u>c</u>	<u>Prior Year Payable / (Deferred)</u> <u>d</u>	<u>Fiscal Agent Payable (1)</u> <u>e = b-c+d</u>	<u>Payment For</u> <u>f</u>	<u>Amount Paid (1)</u> <u>g</u>	<u>Fiscal Agent Payable /(Deferred) Per Month (2)</u> <u>h=b-c+d-g</u>	<u>Monthly Fiscal Agent Payable /(Deferred) i= Cum of h</u>
<u>Prior Year Payable / (Deferred)</u>								
Jul-20	\$429,645	\$134,423	\$30,394	\$325,616		\$0	\$325,616	\$325,616
Aug-20	\$375,292	\$26,784	\$0	\$348,508	<i>Jun-20</i>	\$389,331	(\$40,823)	\$284,793
Sep-20	\$383,673	\$112,680	\$0	\$270,993		\$0	\$270,993	\$555,786
Oct-20	\$477,648	\$89,158	\$0	\$388,490	<i>Jul-Aug 20</i>	\$643,729	(\$255,239)	\$300,547
Nov-20	\$888,989	\$178,026	\$0	\$710,963	<i>Sep-20</i>	\$270,994	\$439,969	\$740,516
Dec-20	\$1,380,855	\$124,201	\$0	\$1,256,654	<i>Oct-20</i>	\$388,491	\$868,163	\$1,608,679
Jan-21	\$1,846,129	\$209,243	\$0	\$1,636,886	<i>Nov-20</i>	\$710,963	\$925,923	\$2,534,602
Feb-21	\$1,906,810	\$171,300	\$0	\$1,735,510	<i>Dec-20</i>	\$1,203,037	\$532,473	\$3,067,075
Mar-21	\$1,616,107	\$265,771	\$0	\$1,350,336	<i>Jan-21</i>	\$1,690,505	(\$340,169)	\$2,726,906
Apr-21	\$1,127,929	\$222,343	\$0	\$905,586	<i>Feb-21</i>	\$1,735,510	(\$829,924)	\$1,896,982
May-21	\$675,100	\$166,837	\$0	\$508,263	<i>Mar-21</i>	\$1,350,336	(\$842,073)	\$1,054,909
Jun-21	\$425,769	\$167,704	\$0	\$258,065	<i>Apr-21</i>	\$905,587	(\$647,522)	\$407,387
Total	<u>\$11,533,946</u>	<u>\$1,868,470</u>	<u>\$30,394</u>	<u>\$9,695,870</u>		<u>\$9,288,482</u>	<u>\$407,387</u>	

Notes:

(1) Fiscal Agent Payable is based on Program Cost Offsets on a paid basis while the Amount Paid to the Fiscal Agent is based on paid and accrued program costs.

(2) Fiscal Agent Payable net of current Program Costs and prior month deferred offset costs if in excess of the Company's portion of the Statewide Funding. The Fiscal Agent payments are generally made on a two month lag.

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

Cost Recoveries

12 Months Ended

June-21

	<u>Therms</u>	<u>Rate w/o tax *</u>	<u>Recovery</u>
Jul-20	17,776,651	0.0200	\$355,552
Aug-20	16,860,196	0.0200	\$337,233
Sep-20	17,145,318	0.0200	\$343,024
Oct-20	21,413,077	0.0248	\$531,695
Nov-20	34,347,788	0.0263	\$902,513
Dec-20	57,201,396	0.0263	\$1,503,739
Jan-21	76,687,297	0.0263	\$2,016,366
Feb-21	80,555,027	0.0263	\$2,117,551
Mar-21	72,674,613	0.0263	\$1,910,413
Apr-21	45,999,770	0.0263	\$1,209,499
May-21	29,623,563	0.0263	\$778,331
Jun-21	21,694,978	0.0262	\$569,126
Total	<u>491,979,674</u>		<u>\$12,575,042</u>

* Individual customer billings at the tariff rate yields the dollars recovered, inclusive of rate proration or cancel/rebills, if any. The rate presented is derived from dividing that amount by the therms, as such rounding differences to the tariff / billing rate may result.

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

BPU Directed Spending *

12 Months Ending
June-22

Jul-21	\$440,695
Aug-21	\$449,591
Sep-21	\$402,732
Oct-21	\$502,175
Nov-21	\$904,560
Dec-21	\$1,491,881
Jan-22	\$1,964,121
Feb-22	\$2,156,244
Mar-22	\$1,732,573
Apr-22	\$1,243,482
May-22	\$714,841
Jun-22	\$471,348

Total	<u>\$12,474,243</u>
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Total July - May to TK-1 **	<u>\$12,002,895</u>
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* Approved in the 6/24/2021 Board Order in Docket No. QO21040721

** Assumes one month payment lag

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

October 2021 through September 2022
Disbursement Year 2022

1	Projected OSMC Margin Contributions for Disbursement (Sch. TK-2)		\$526,785
2	Prior Year Balance, (Over) / Under Disbursement (Sch. TK-3)		\$66,032
3	Current Year Balance, (Over) / Under Disbursement (Sch. TK-3)		<u>\$70,099</u>
4	Total OSMC Customer Credits / (Charge) (L1+L2+L3)		\$662,916
5	Projected Therm Volumes (Forecast Sch. TK-1)		
	- RDS and GLS	244,816,292	
	- SGS, GDS and NGV	70,926,676	
	- LVD and EGF	<u>15,091,635</u>	330,834,603
6	OSMC Rate, before taxes (L4/L5)		\$0.0020
7	Sales & Use Tax @ 6.625%		<u>\$0.0001</u>
8	OSM Credit / (Charge) per therm, (L6+L7)		<u><u>\$0.0021</u></u>

ELIZABETHTOWN GAS COMPANY

Projected Customer Portion of On-System Margin Sharing

July-2021 through June-2022
Disbursement Year 2022

Projected Margin Contribution

Jul-21	\$63,157
Aug-21	\$30,827
Sep-21	\$50,479
Oct-21	\$32,166
Nov-21	\$35,793
Dec-21	\$52,813
Jan-22	\$67,188
Feb-22	\$38,893
Mar-22	\$37,160
Apr-22	\$34,747
May-22	\$32,940
Jun-22	\$50,622
Total	<u>\$526,785</u>

ELIZABETHTOWN GAS COMPANY
Margin Sharing Generated and Disbursements to Customers
July 2020 Through June 2021

	Margin Sharing Generated	Adjustments	Net Margin Sharing for Disbursement	Disbursements to Customers Sch. TK-4	Monthly (Over) / Under Credited	Cumulative (Over) / Under Credited Balance
	a	b	c=a+b	d	e=c-d	g=prior cum bal.+ e
Prior Period						\$66,032
Jul-20	\$59,343	\$0	\$59,343	\$10,144	\$49,199	\$115,231
Aug-20	\$86,656	\$0	\$86,656	\$9,162	\$77,494	\$192,725
Sep-20	\$32,536	\$0	\$32,536	\$9,757	\$22,779	\$215,504
Oct-20	\$34,823	\$0	\$34,823	\$16,419	\$18,404	\$233,908
Nov-20	\$52,043	\$0	\$52,043	\$38,457	\$13,586	\$247,494
Dec-20	\$44,216	\$0	\$44,216	\$72,706	(\$28,490)	\$219,004
Jan-21	\$46,356	\$0	\$46,356	\$104,866	(\$58,510)	\$160,494
Feb-21	\$45,708	\$0	\$45,708	\$111,735	(\$66,027)	\$94,467
Mar-21	\$42,140	\$0	\$42,140	\$100,368	(\$58,228)	\$36,239
Apr-21	\$38,690	\$0	\$38,690	\$58,470	(\$19,780)	\$16,459
May-21	\$35,694	\$0	\$35,694	\$32,447	\$3,247	\$19,706
Jun-21	\$136,586	\$0	\$136,586	\$20,161	\$116,425	\$136,131
	<u>\$654,791</u>	<u>\$0</u>	<u>\$654,791</u>	<u>\$584,692</u>	<u>\$70,099</u>	

ELIZABETHTOWN GAS COMPANY
ON-SYSTEM MARGIN SHARING CREDITS
July 2020 Through June 2021

ACTUAL CREDITS DISBURSED

<u>a</u>	OSM	Sales Customers		Transportation Customers		Total
	<u>Rate pre tax *</u>	<u>Therms</u>	<u>Credits</u>	<u>Therms</u>	<u>Credits</u>	<u>Credits</u>
	<u>b=d/c</u>	<u>c</u>	<u>d</u>	<u>e</u>	<u>f=b*e</u>	<u>g=d+f</u>
Jul-20	\$0.0014	7,213,102	\$10,016	84,840	\$128	\$10,144
Aug-20	\$0.0014	6,511,347	\$9,063	70,859	\$99	\$9,162
Sep-20	\$0.0014	6,898,256	\$9,651	75,941	\$106	\$9,757
Oct-20	\$0.0017	9,678,325	\$16,238	110,165	\$181	\$16,419
Nov-20	\$0.0019	20,040,839	\$38,007	237,035	\$450	\$38,457
Dec-20	\$0.0019	37,674,611	\$71,867	441,199	\$839	\$72,706
Jan-21	\$0.0019	54,548,938	\$103,656	636,976	\$1,210	\$104,866
Feb-21	\$0.0019	58,145,278	\$110,447	677,845	\$1,288	\$111,735
Mar-21	\$0.0019	52,216,341	\$99,192	619,161	\$1,176	\$100,368
Apr-21	\$0.0019	30,413,331	\$57,830	336,612	\$640	\$58,470
May-21	\$0.0019	16,847,539	\$32,087	188,692	360	32,447
Jun-21	\$0.0019	10,484,071	\$19,948	112,295	\$213	\$20,161
		310,671,978	\$578,002	3,591,620	\$6,690	\$584,692

* Individual customer billing credits at the tariff rate yields the dollars recovered, inclusive of rate proration or cancel/rebills, if any. The rate presented is derived from dividing that amount by the therms, as such rounding differences to the tariff / billing rate may result.