



Agenda Date: 5/5/21
Agenda Item: 2A

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF SOUTH)
JERSEY GAS COMPANY TO REVISE THE LEVEL)
OF ITS BASIC GAS SUPPLY SERVICE (“BGSS”))
CHARGE AND CONSERVATION INCENTIVE)
PROGRAM (“CIP”) CHARGES FOR THE YEAR)
ENDING SEPTEMBER 30, 2021)
) DECISION AND ORDER APPROVING
) INITIAL DECISION AND STIPULATION
) FOR FINAL BGSS, BSC, AND CIP
) RATES
) DOCKET NO. GR20060383
) OAL DOCKET NO. PUC 09617-20N

Parties of Record:

Deborah M. Franco, Esq., on behalf of South Jersey Gas Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On June 1, 2020, South Jersey Gas Company (“South Jersey” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) seeking approval to modify its Basic Gas Supply Service (“BGSS”), Balancing Service Clause (“BSC”), and Conservation Incentive Program (“CIP”) rates (“2020 BGSS/CIP Petition”). By this Order, the Board considers an Initial Decision executed by Administrative Law Judge (“ALJ”) Gail M. Cookson and a Stipulation for Final Rates (“Stipulation”) executed by South Jersey, the New Jersey Division of Rate Counsel (“Rate Counsel”), and Board Staff (“Staff”) (collectively, “Parties”) intended to resolve the Company’s requests related to the above docketed matter.

BACKGROUND

By Order dated January 6, 2003 in Docket No. GX01050304, the Board directed each of New Jersey’s four (4) gas distribution companies (“GDCs”) to submit to the Board, by June 1, its annual BGSS cost filing for the BGSS year beginning October 1.¹ In addition, the January 2003 BGSS Order authorized each GDC to self-implement up to a five (5) percent BGSS increase effective December 1 of the current year, and February 1 of the following year, with one (1) month’s 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.

¹ 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. – BGSS Pricing, BPU Docket No. GX01050304, Order dated January 6, 2003 (“January 2003 BGSS Order”).

2020 BGSS/CIP Filing

In accordance with the January 2003 BGSS Order, on June 1, 2020 the Company filed the 2020 BGSS/CIP Petition requesting authority to decrease its current per therm Periodic BGSS rate from \$0.447769 to \$0.301985 effective October 1, 2020.²

In the 2020 BGSS/CIP Petition, South Jersey also proposed to recover \$24,558,175 of gas supply and related costs incurred as a result of the resolution of a contract dispute with Antero Resources Corporation ("Antero"), one of the Company's gas suppliers. South Jersey proposed to recover this over a two (2)-year period. The Company stated that the requested costs represent the actual incremental costs that South Jersey incurred as a result of a judgment rendered by the United States District Court for the District of Colorado and upheld in the United States Court of Appeals for the Tenth Circuit. The Company asserted that the costs associated with the legal dispute with Antero were reasonably incurred by the Company in an effort to reduce the gas costs assessed to BGSS customers.

In the 2020 BGSS/CIP Petition, the Company also requested the following rate revisions:

- i) A decrease in the gas cost portion of the Company's D-2³ charge per one thousand cubic feet ("Mcf") for Rate Schedule Large Volume Service ("LVS") from \$19.623062 to \$16.530999;
- ii) A decrease in the gas cost portion of the Firm D-2 charge per Mcf for Rate Schedule Electric Generation Service – Large Volume ("EGS-LV") from \$21.238498 to \$16.610234;
- iii) A decrease in the gas cost portion of the Limited Firm D-2 and Firm D-2 charges per Mcf for Rate Schedules EGS-LV and Firm Electric Service ("FES") from \$9.811531 to \$8.265500;
- iv) An increase in the monthly BGSS non-commodity rate applicable to Rate Schedules General Service ("GSG"), General Service – Large Volume ("GSG-LV"), Electric Generation Service ("EGS"), LVS, and EGS-LV from \$0.140242 per therm to \$0.152073 per therm;
- v) An increase in the Rider "I" Balancing Service Clause – Large Volume ("BSC-LV") charges for Opt-Out from \$0.002747 per therm to \$0.002775 per therm, and for Non Opt-Out from \$0.087115 per therm to \$0.088685 per therm; and
- vi) An increase in the Rider "J" Balancing Service Clause – General Service ("BSC-GS") charge from \$0.087115 per therm to \$0.088685 per therm.

These proposed changes translated to a decrease in annual BGSS recoveries of approximately \$39.2 million.

² Unless otherwise noted, all rates quoted herein include Sales and Use Tax.

³ Designed to recover interstate pipeline demand charges.

The 2020 BGSS/CIP Petition also sought approval of the following per therm CIP rates to be effective October 1, 2020:⁴

- i) Residential Service (“RSG”) Non-Heating customers – a credit of \$0.116750;
- ii) RSG Heating Customers – a charge of \$0.068327;
- iii) GSG Customers – a charge of 0.028824 for GSG customers; and
- iv) GSG-LV Customers – a charge of \$0.017343.

The proposed CIP rate changes translated to an increase in annual CIP recoveries of \$27.4 million.

After publication of notices in newspapers in general circulation in the Company’s service territory, telephonic public hearings were held on August 19, 2020 at 4:30 p.m. and 5:30 p.m.⁵ No members of the public called in to either public hearing or filed comments with the Board regarding the 2020 BGSS/CIP Petition.

By Order dated September 9, 2020 the Board approved a stipulation for provisional rates executed by the Parties.⁶ The September 2020 Provisional Order authorized South Jersey to implement the BGSS, BSC, and CIP rates proposed in the 2020 BGSS/CIP Petition on a provisional basis, with the exception of the \$24,558,175 pertaining to the Antero litigation. The Antero litigation amount was removed pending a complete review, subject to refund, effective October 1, 2020. As a result of the September 2020 Provisional Order, a typical residential heating customer using 100 therms per month would experience a net decrease of approximately \$13.60 or 9.5% per month.

On September 17, 2020, the Board transmitted this matter to the Office of Administrative Law (“OAL”) as a contested case where it was subsequently assigned to ALJ Cookson.

STIPULATION

Following a review of the 2020 BGSS/CIP Petition and discovery, the Parties executed the Stipulation, which provides for the following:⁷

- 21. The provisional BSC and CIP rates previously approved by the Board are prudent and reasonable and should be made final. The provisional BGSS rates previously

⁴ The CIP was approved by the Board in Docket No. GR05120120 in Board Orders dated October 12 and December 12, 2006. By Order dated January 10, 2010 in Docket No. GR05120120, the Board extended the CIP. By Order dated May 21, 2014 in Docket No. GR13030185, the Board authorized South Jersey to continue its CIP. The CIP encourages the Company to foster customer conservation by allowing it to recover margins associated with a defined use per customer. The non-weather related CIP surcharges are subject to tests associated with variable margins and reductions in BGSS related costs. Total CIP surcharges are subject to return on equity limits.

⁵ The hearings were held telephonically due to the COVID-19 pandemic.

⁶ In re the Petition of South Jersey Gas Company to Revise the Level of its Basic Gas Supply Service (“BGSS”) Charge and Conservation Incentive Program (“CIP”) Charges for the Year Ending September 30, 2021, BPU Docket No. GR20060383, Order dated September 9, 2020 (“September 2020 Provisional Order”).

⁷ Although summarized in this Order, the detailed terms of the Stipulation are controlling, subject to the findings and conclusions of this Order. Each paragraph is numbered to coincide with the paragraphs in the Stipulation.

approved by the Board, as modified in the Stipulation, are prudent and reasonable and should be made final.

22. Upon the effective date of a Board order approving final rates in this Proceeding, or on such other date as the Board deems appropriate, the Company shall implement a final Periodic BGSS rate of \$0.275910 per therm. This final Periodic BGSS rate of \$0.275910 per therm, consists of the provisional rate of \$0.229419 per therm, previously approved by the Board's Provisional Order and an additional \$0.046491 per therm. The additional \$0.046491 per therm added to the provisional rate of \$0.229419 represents fifty percent (50%) or \$12,123,066 of Antero costs as reflected in the Company's response to discovery request RCR-A-20⁸ in this Proceeding. The remaining fifty percent (50%) or \$12,123,066 of the Antero costs will be included for recovery in the Company's 2021-22 BGSS/CIP proceeding. Assuming an effective date of May 1, 2021, the final Periodic BGSS rate of \$0.275910 per therm would result in annual BGSS recoveries for the 2020-21 BGSS/CIP Year of \$65.8 million. The final Periodic BGSS rate would result in a monthly increase of \$4.65 or 3.2% for a residential heating customer using 100 therms of gas during a winter month.
23. The Company shall file all the Minimum Filing Requirements ("MFR"s), attached as Exhibit C of the Stipulation, with all future BGSS filings and continue to provide electronically to the Parties in this proceeding, on a monthly basis, the following updated information: 1) the BGSS NYMEX Update Report (also known as S-SCHART-1) attached to the Stipulation as Exhibit A; and 2) a monthly report (also known as S-SCHART-2) showing the calculation of net gas per therm (attached to the Stipulation as Exhibit B). The chart reflected on Exhibit A of the Stipulation is to be completed using information from the first Friday of the month and submitted to the Parties the following Tuesday. The chart reflected on Exhibit B of the Stipulation is to be submitted to the Parties on approximately the 15th of the following month. Reports filed during the months of July through September shall be submitted for the BGSS proceeding filed in June of that year and the BGSS proceeding for the prior year.
24. The Stipulation provides a final resolution of the Proceeding.

Subsequently, ALJ Cookson issued an Initial Decision approving the Stipulation, finding that the Parties voluntarily agreed to the terms of the Stipulation, and that the Stipulation disposed of all matters and is consistent with the law.

DISCUSSION AND FINDINGS

The Board carefully reviewed the record in this proceeding, including ALJ Cookson's Initial Decision and the Stipulation. The Board **HEREBY FINDS** that the Parties voluntarily agreed to the Stipulation, and that the Stipulation fully disposes of all issues in this proceeding and is consistent with the law. Accordingly, the Board **FURTHER FINDS** the Initial Decision, which adopts the Stipulation, to be reasonable, in the public interest, and in accordance with the law.

⁸ As reflected in the Company's response to discovery request RCR-A-20, the Company reduced the Antero dispute costs by \$312,043, which would result in the amount to be recovered in rates in this proceeding to \$12,123,066 and the remaining \$12,123,066 to be reflected in the filing to be submitted in the Company's 2021-22 BGSS/CIP proceeding.

Therefore, the Board **HEREBY ADOPTS** the Initial Decision and Stipulation, attached hereto, including all attachments and schedules, as its own, incorporating by reference any terms and conditions of the Stipulation, as if fully set forth herein.

The Board **HEREBY AUTHORIZES** South Jersey to implement the below rates, as final, which shall remain in effect until further Order of the Board:

- 1) BGSS rate of \$0.275910;
- 2) The gas cost portion of the D-2 charge for Rate Schedule LVS of \$16.530999 per Mcf;
- 3) The gas cost portion of the Firm D-2 charge for Rate Schedule EGS-LV Firm of \$16.610234 per Mcf;
- 4) The Limited Firm D-2 for Rate Schedule EGS-LV and the Firm D-2 charge for Rate Schedule FES, respectively, of \$8.265500 per Mcf;
- 5) The monthly BGSS non-commodity rate applicable to Rate Schedules GSG, GSG-LV, EGS, LVS, and EGS-LV of \$0.152073 per therm;
- 6) The Rider "I" BSC-LV charges for Opt-Out of \$0.002775 per therm, and Non Opt-Out of \$0.088685 per therm;
- 7) The Rider "J" BSC-GS charge of \$0.088685 per therm; and
- 8) The following per therm CIP Rates:
 - a credit of \$0.116750 for RSG Non-Heating customers;
 - a charge of \$0.068327 for RSG Heating Customers;
 - a charge of 0.028824 for GSG customers; and
 - a charge of \$0.017343 for GSG-LV Customers.

Based upon the Stipulation, a typical residential heating customer using 100 therms in a winter month, would see a monthly increase of approximately \$4.65 or 3.2%.

The Board **HEREBY DIRECTS** South Jersey to file tariffs consistent with the Board's Order by June 1, 2021.

The Company's costs, including those related to the BGSS, BSC, and CIP 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.

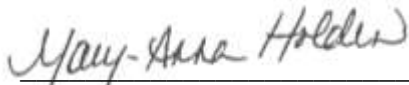
This Order shall be effective May 10, 2021.

DATED: May 5, 2021

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER

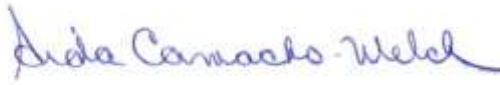


UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH
SECRETARY

IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY TO REVISE THE LEVEL OF ITS
BASIC GAS SUPPLY SERVICE ("BGSS") CHARGE AND CONSERVATION INCENTIVE PROGRAM ("CIP")
CHARGES FOR THE YEAR ENDING SEPTEMBER 30, 2021
BPU DOCKET NO. GR20060383
OAL DOCKET NO. PUC 09617-20N

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State of New Jersey

OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION SETTLEMENT

OAL DOCKET NO. PUC 09617-20

BPU DOCKET NO. GR20060383

**IN THE MATTER OF SOUTH JERSEY
GAS COMPANY TO REVISE THE LEVEL
OF ITS BASIC GAS SUPPLY SERVICE (BGSS)
CHARGE AND CONSERVATION INCENTIVE
PROGRAM (CIP) CHANGES FOR THE YEAR
ENDING SEPTEMBER 30, 2021.**

Deborah M. Franco, Esq., for petitioner South Jersey Gas Company (South Jersey Industries, attorneys)

Terel Klein, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (Gurbir S. Grewal, Attorney General of New Jersey, attorney)

Felicia Thomas-Friel, Deputy Rate Counsel, and **Henry M. Ogden** and **Maura Caroselli**, Assistant Deputies Rate Counsel, for the New Jersey Division of Rate Counsel (Stefanie A. Brand, Director, attorney)

Record Closed: April 20, 2021

Decided: April 22, 2021

BEFORE **GAIL M. COOKSON**, ALJ:

This matter was filed by South Jersey Gas Company (SJG or Company) on or about June 1, 2020, with the New Jersey Board of Public Utilities (BPU) seeking approval to modify its Basic Gas Supply Service (BGSS) and Conservation Incentive Program (CIP) for the year ending September 30, 2021 (2020 BGSS Petition). Following proper public notice, telephonic public hearings were held concerning the Petition on August 19, 2020 at 4:30 p.m. and 5:30 p.m., consistent with the Covid-19 protocols. By Order dated September 9, 2020, the Board approved changes in the Company's Periodic BGSS, Monthly BGSS, BSC, and CIP rates on a provisional basis, effective, but subject to refund, for service rendered on or after October 1, 2020.

The file was transmitted to the Office of Administrative Law (OAL), on or about September 17, 2020, for hearing as a contested case pursuant to N.J.S.A. 52:14B-1 to-15 and N.J.S.A. 52:14F-1 to -13. The case was assigned to the undersigned on October 21, 2020. I convened a telephonic case management conference on December 7, 2020, at which time discovery and pre-filed testimony schedules were discussed. An additional case management conference was convened on February 5, 2021, at which time it was reported that resolution was proceeding to a probable fruitful conclusion.

On April 21, 2021, prior to further scheduled proceedings, I received electronically a Stipulation for Final BGSS, BSC, and CIP Rates fully executed by all parties to this matter with a request that I enter an Initial Decision Settlement and transmit same to the Board. That agreement more completely sets forth the terms and conditions of the settlement of all issues raised by the filing of the Company.

I have reviewed the record and terms of the Stipulations and **FIND:**

1. The parties have voluntarily agreed to the settlement as evidenced by the signatures of the parties or their representatives.
2. The settlement fully disposes of all issues in controversy and is consistent with law.

I **CONCLUDE** that the Stipulation meets the requirements of N.J.A.C. 1:1-19.1 and therefore, it is **ORDERED** that the matter be deemed dismissed with prejudice and that these proceedings be and are hereby concluded.

I hereby **FILE** my initial decision with the **BOARD OF PUBLIC UTILITIES** for consideration.

This recommended decision may be adopted, modified or rejected by the **BOARD OF PUBLIC UTILITIES**, which by law is authorized to make a final decision in this matter. If the Board of Public Utilities does not adopt, modify or reject this decision within forty-five (45) days and unless such time limit is otherwise extended, this recommended decision shall become a final decision in accordance with N.J.S.A. 52:14B-10.



April 22, 2021
DATE _____

GAIL M. COOKSON, ALJ

Date Received at Agency: 4/22/2021 _____

Date Mailed to Parties: 4/22/2021 _____

id



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Deborah M. Franco, Esq.
VP, Rates, Regulatory & Sustainability

April 21, 2021

VIA ELECTRONIC MAIL

Honorable Gail M. Cookson
State of New Jersey
New Jersey Office of Administrative Law
33 Washington Street
Newark, NJ 07102

**Re: In the Matter of the Petition of South Jersey Gas Company to Revise the Level of Its Basic Gas Supply Service (“BGSS”) Charge and Conservation Incentive Program (“CIP”) Charges for the Year Ending September 30, 2021
BPU Docket No. GR20060383
O.A.L. PUC No. 09617-20N**

Dear Judge Cookson:

Enclosed for filing and consideration by Your Honor is a Stipulation to resolve the above-referenced proceeding. To the extent possible, it is respectfully requested that Your Honor issue a decision for receipt by the New Jersey Board of Public Utilities (“Board”) by Thursday, April 22, 2021 to allow this Stipulation to be considered by the Board at its April 27, 2021 agenda meeting.

At this time, due to remote working conditions as a result of the Coronavirus Pandemic hard copies are not available. We apologize for any inconvenience, but can provide hard copies as needed upon return to the office.

Please direct any inquiries to the undersigned. Thank you for your consideration.

Respectfully yours,

A handwritten signature in blue ink that reads "Deborah M. Franco".

Deborah M. Franco

cc: Service List (electronic only)

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

IN THE MATTER OF THE PETITION OF : BPU DOCKET NO. GR20060383
SOUTH JERSEY GAS COMPANY TO : OAL PUC NO. 09617-20N
REVISE THE LEVEL OF ITS BASIC GAS :
SUPPLY SERVICE (“BGSS”) CHARGE : STIPULATION FOR FINAL BGSS,
AND CONSERVATION INCENTIVE : BSC, AND CIP RATES
PROGRAM (“CIP”) CHARGE FOR THE :
YEAR ENDING SEPTEMBER 30, 2021 :
:
:

APPEARANCES:

Deborah M. Franco, Esq., Vice President, Rates, Regulatory and Sustainability, for South Jersey Gas Company, Petitioner.

Felicia Thomas-Friel, Esq., Deputy Rate Counsel, and **Henry M. Ogden, Esq.**, Assistant Deputy Rate Counsel, **Maura Caroselli, Esq.** Assistant Deputy Rate Counsel, on behalf of the Division of Rate Counsel (**Stefanie Brand**, Director).

Terel Klein, Deputy Attorney General, on behalf of the Staff of the New Jersey Board of Public Utilities (**Gurbir S. Grewal**, Attorney General of New Jersey).

**TO THE HONORABLE GAIL M. COOKSON, ADMINISTRATIVE LAW JUDGE AND
THE BOARD OF PUBLIC UTILITIES:**

This Stipulation is intended to make final, as modified herein, the provisional Basic Gas Supply Service (“BGSS”), Balancing Service Clause (“BSC”), and Conservation Incentive Program (“CIP”) rates previously approved by the New Jersey Board of Public Utilities (“Board”) by Order dated September 9, 2020 in Docket No. GR20060383 (“Proceeding”). The parties to this proceeding are South Jersey Gas Company (“South Jersey” or “Company”), the New Jersey Division of Rate Counsel (“Rate Counsel”), and the Staff of the New Jersey Board of Public Utilities (“Staff”) (collectively, "Parties").

I. PROCEDURAL HISTORY

1. On June 1, 2020, South Jersey filed a petition, in Docket No. GR20060383, requesting that the Board approve the Company's proposal to decrease the current level of its per therm Periodic BGSS charge of \$0.447769 to \$0.301985, a per therm decrease of \$0.145784 for the period October 1, 2020 through September 30, 2021 ("BGSS/CIP Year") ("Petition").¹ As indicated in the Petition, the requested Periodic BGSS rate would result in a monthly decrease of \$14.58, or 10.2% for a residential heating customer using 100 therms of gas during a winter month.

2. In the Petition, the Company also proposed the following BGSS rates: 1) the gas cost portion of the Company's D-2 charge for Rate Schedule Large Volume Service ("LVS") be set at \$16.530999 per Mcf; 2) the gas cost portion of the Firm D-2 charge for Rate Schedule Electric Generation Service – Large Volume ("EGS-LV") Firm be set at \$16.610234 per Mcf; 3) the Limited Firm D-2 charge for Rate Schedule EGS-LV and the D-2 charge for Rate Schedule Firm Electric Service ("FES") be set at \$8.265500 per Mcf; 4) the monthly BGSS non-commodity rate applicable to Rate Schedules GSG, GSG-LV, EGS, LVS, EGS-LV and Natural Gas Vehicle ("NGV") be set at \$0.152073 per therm; 5) the Rider "I" Balancing Service Clause – Large Volume ("BSC-LV") charges for Opt-Out be set at \$0.002775 per therm and Non Opt-Out be set at \$0.088685 per therm; and 6) the Rider "J" Balancing Service Clause – General Service ("BSC-GS") charge be set at \$0.088685 per therm.

3. In the Petition, South Jersey also proposed to recover \$24,558,174.87 of gas supply and related costs through its BGSS rate over a two-year period, which were incurred as a

¹ All rates quoted herein include Sales and Use Taxes.

result of the resolution of a contract dispute with Antero Resources Corporation (“Antero”), one of the Company’s gas suppliers. As indicated in the Petition, the costs represent the actual incremental costs that South Jersey incurred as a result of a judgment rendered by the United States District Court for the District of Colorado concerning a contractual dispute between South Jersey and Antero that was subsequently upheld in the United States Court of Appeals for the Tenth Circuit. South Jersey asserted that the costs associated with the legal dispute with Antero were reasonably incurred by the Company in an effort to reduce the gas costs assessed to BGSS customers. The Company proposed to recover fifty percent (50%) or \$12,279,087.44, in this proceeding, while the remaining fifty percent (50%) portion or \$12,279,087.43 would be deferred and recovered in the subsequent 2021-22 BGSS/CIP year. As explained in the Petition, the two-year recovery period would mitigate the impact on customer bills.

4. In the Petition, South Jersey indicated that the changes proposed therein would translate into a decrease in annual BGSS recoveries of \$39.2 million.

5. Through the Petition, the Company also sought Board approval to implement the following per therm CIP rates effective October 1, 2020:

- i. a credit rate of \$0.116750 for Group I Residential Non-Heat customers;
- ii. a rate of \$0.068327 for Group II Residential Heat customers;
- iii. a rate of \$0.028824 for Group III GSG customers; and
- iv. a rate of \$0.017343 for Group IV GSG-LV customers.

6. As reflected in the Petition, the requested CIP rates would result in a monthly increase of \$8.08 or 5.7% for a residential heating customer using 100 therms of gas during a winter month. The proposed bill impact on a residential non-heating customer using 15 therms of gas during a month is an increase of \$0.03, or 0.1%. The proposed bill impact on a GSG customer using 500 therms of gas during a month is an increase of \$24.92, or 4.0%. The

proposed bill impact on a GSG-LV customer using 15,646 therms of gas a month is an increase of \$81.74, or 0.6%.

7. As stated in the Petition, the CIP rates proposed by the Company would represent an increase in annual CIP recoveries of \$27.4 million.

8 Pursuant to the Board's October 12, 2006 and January 21, 2010 Orders in Docket No. GR05121020, any non-weather-related CIP surcharges are required to be offset by reductions in BGSS costs. In addition, pursuant to the Board's May 21, 2014 Order in Docket No. GR13030185 approving the continuation of the CIP, CIP non-weather related margin recoveries are subject to a Modified BGSS Savings Test with three categories of BGSS Savings: 1) permanent savings achieved through permanent capacity releases; 2) gas cost savings from reductions of capacity on a long-term basis; i.e. for periods of at least one year; and 3) savings associated with avoided capacity costs to meet residential customer growth.

9 Also pursuant to the Board's Order in Docket No. GR13030185, a Variable Margin Revenue Test was established, under which recoverable non-weather CIP amounts shall not exceed 6.5 percent of aggregate variable margin revenues.

10 In computing the non-weather CIP value, the margin impact of weather is first to be deducted from the total CIP charge or credit. The non-weather-related CIP component shall be subject to a dual eligibility test comprised of the Modified BGSS Savings Test and a Margin Revenue Test. In order to be eligible for recovery, non-weather-related CIP impacts must pass both cost recovery tests. Amounts that do not pass one or both tests may still be recoverable in future years.

11 South Jersey's non-weather-related margin is \$1.8 million. This was established by subtracting the weather-related component of \$17.4 million, from the total CIP deficiency of

\$19.2 million. Thus, South Jersey sought to recover total non-weather-related margin revenue through the CIP totaling \$1.8 million.

12. South Jersey's permanent BGSS savings realized from the permanent capacity releases or contract terminations (Category One of the Modified BGSS Savings Test) total \$2.2 million per year. BGSS savings realized from gas cost savings from reductions of capacity on a long-term basis (Category Two of the Modified BGSS Savings Test) total \$4.3 million. BGSS savings realized from avoided capacity costs to meet residential customer growth (Category Three of the Modified BGSS Savings Test) total \$0.5 million. Therefore, the total BGSS savings for the 2020-2021 CIP year is \$7.0 million, which amount exceeds the \$1.8 million of non-weather-related margin revenue to be recovered through the CIP, thus satisfying the Modified BGSS Savings Test. As further reflected in the Petition, South Jersey's non-weather-related margin of \$1.8 million does not exceed 6.5% of aggregate variable revenues of \$242,901,315, or \$15,788,585, thus satisfying the Variable Margin Revenue test.

13. Rider M of South Jersey's tariff contains a Board approved return-on-equity ("ROE") limitation on recoveries from customers pursuant to the CIP, consistent with South Jersey's former Temperature Adjustment Clause ("ROE Test"). Under this provision, the CIP may not contribute toward earnings in excess of a 9.60% ROE. As reflected in the Petition, after recovery of the CIP margin revenues, South Jersey's ROE for the period October 1, 2019 through September 30, 2020 was projected to be 7.32%. As a result, the ROE Test would not act as a limitation on South Jersey's recovery through the CIP for the forthcoming 2020-2021 CIP year.

14. Following proper public notice, two (2) telephonic public hearings were held concerning the Petition on August 19, 2020 at 4:30 PM and 5:30 PM due to the COVID-19

pandemic. The public notices were also posted on the Company's website at https://southjerseygas.com/SJG/media/pdf/SJG-2020-BGSS-and-CIP-Public-Notice-07-22-20_1.pdf. No members of the public called in to either public hearing or filed comments with the Board regarding the Petition.

15. By Order dated September 9, 2020, the Board approved changes in the Company's Periodic BGSS, Monthly BGSS, BSC, and CIP rates on a provisional basis ("Provisional Order"). These changes, reflected in a stipulation executed by the Parties, became effective on a provisional basis, subject to refund, for service rendered on or after October 1, 2020.

16. The Periodic BGSS, Monthly BGSS, and BSC rates approved by the Provisional Order were as follows:

- i. a per therm Periodic BGSS rate of \$0.229419;²
- ii. a charge of \$16.530999 per Mcf for the gas cost portion of the Company's D-2 charge for Rate Schedule LVS;
- iii. a charge of \$16.610234 per Mcf for the gas cost portion of the Firm D-2 charge for Rate Schedule EGS-LV Firm;
- iv. a charge of \$8.265500 per Mcf for the Limited Firm D-2 charge for Rate Schedule EGS-LV and the D-2 charge for Rate Schedule FES;
- v. a charge of \$0.152073 per therm for the monthly BGSS non-commodity rate applicable to Rate Schedules GSG, GSG-LV, EGS, LVS, EGS-LV and NGV;
- vi. a charge for the Rider "I" BSC-LV for Opt-Out of \$0.002775 per therm, and charge for the Non-Opt-Out of \$0.088685 per therm; and
- vii. a charge for the Rider "J" BSC-GS of \$0.088685 per therm

² This rate reflected actual costs through June 30, 2020 and the actual Transco pipeline refunds of \$10,006,163 received by the Company in the BGSS/CIP Year. The provisional Periodic BGSS rate of \$0.229419 also included the temporary removal of the Antero costs, which allowed for further review of these costs during this Proceeding. The Company reserved all rights to continue to seek recovery of these costs as set forth in the Petition and the Parties reserved their rights to argue their respective positions and take any position they deemed appropriate as it relates to the Antero costs. The BGSS-P rate of \$0.229419 per therm did not reflect any potential impacts associated with the general Natural Gas Act Section 4 rate case filed by Columbia Gas Transmission LLC with the U.S. Federal Energy Regulatory Commission in July 2020. As proposed by South Jersey, any potential impacts associated with this filing would be addressed in the Company's 2021-22 BGSS/CIP proceeding.

17. The per therm CIP rates approved by the Provisional Order were as follows:

- i. a credit rate of \$0.116750 for Group I Residential Non-Heat customers;
- ii. a rate of \$0.068327 for Group II Residential Heat customers;
- iii. a rate of \$0.028824 for Group III GSG customers; and
- iv. a rate of \$0.017343 for Group IV GSG-LV customers.

18. Combining the BGSS recovery reductions of \$59.4 million with CIP-related recovery increases of \$27.4 million resulted in a provisional recovery reduction of \$32 million and a net decrease of \$13.75, or 9.6%, to the monthly bill of a residential heating customer using 100 therms in a winter month. The impact on the overall bill of a residential heating customer using 100 therms in a winter month was a \$13.60 decrease, or 9.5%, resulting from the (1) BGSS decrease of \$21.83 per month or 15.3%; (2) Rider “J” BSC-GS increase of \$0.16 per month or 0.1%; and (3) CIP increase of \$8.08 per month or 5.7%.

19. On September 17, 2020, the Board transmitted jurisdiction of the contested case for hearing and initial disposition to the Office of Administrative Law. The matter was assigned to Administrative Law Judge Gail M. Cookson. A pre-hearing conference was held on December 7, 2020. A status conference was held on February 2, 2021.

20. As of the date of this Stipulation for Final BGSS, BSC and CIP Rates, all discovery that has been propounded upon the Company related to this Proceeding has been answered. The Parties have discussed the matters at issue in this Proceeding resulting in the agreement reflected in this Stipulation.

II. STIPULATED TERMS

Based upon the terms and conditions set forth herein, the Parties **STIPULATE AND AGREE** as follows:

21. The provisional BSC and CIP rates previously approved by the Board are prudent and reasonable and should be made final. The provisional BGSS rates previously approved by the Board, as modified below, are prudent and reasonable and should be made final.

22. Upon the effective date of a Board order approving final rates in this Proceeding, or on such other date as the Board deems appropriate, the Company shall implement a final Periodic BGSS rate of \$0.275910 per therm. This final Periodic BGSS rate of \$0.275910 per therm, consists of the provisional rate of \$0.229419 per therm, previously approved by the Board's Provisional Order and an additional \$0.046491 per therm. The additional \$0.046491 per therm added to the provisional rate of \$0.229419 represents fifty percent (50%) or \$12,123,066 of Antero costs as reflected in the Company's response to discovery request RCR-A-20³ in this Proceeding. The remaining fifty percent (50%) or \$12,123,066 of the Antero costs will be included for recovery in the Company's 2021-22 BGSS/CIP proceeding. Assuming an effective date of May 1, 2021, the final Periodic BGSS rate of \$0.275910 per therm would result in annual BGSS recoveries for the 2020-21 BGSS/CIP Year of \$65.8 million. The final Periodic BGSS rate would result in a monthly increase of \$4.65 or 3.2% for a residential heating customer using 100 therms of gas during a winter month.

23. The Company shall file all the Minimum Filing Requirements ("MFR"s), attached hereto as Exhibit C, with all future BGSS filings and continue to provide electronically to the Parties in this proceeding, on a monthly basis, the following updated information: 1) the BGSS NYMEX Update Report (also known as S-SCHART-1) attached hereto as Exhibit A; and 2) a

³ As reflected in the Company's response to discovery request RCR-A-20, the Company reduced the Antero dispute costs by \$312,043, which would result in the amount to be recovered in rates in this proceeding to \$12,123,066 and the remaining \$12,123,066 to be reflected in the filing to be submitted in the Company's 2021-22 BGSS/CIP proceeding.

monthly report (also known as S-SCHART-2) showing the calculation of net gas per therm (attached hereto as Exhibit B). The chart reflected on Exhibit A is to be completed using information from the first Friday of the month and submitted to the Parties the following Tuesday. The chart reflected on Exhibit B is to be submitted to the Parties on approximately the 15th of the following month. Reports filed during the months of July through September shall be submitted for the BGSS proceeding filed in June of that year and the BGSS proceeding for the prior year.

24. This Stipulation provides a final resolution of the Proceeding.

III. MISCELLANEOUS

25. This Stipulation fully disposes of all issues in controversy in this Proceeding, is consistent with law and is in the public interest. This Stipulation represents a mutual balancing of interests, contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event that any provision of this Stipulation is not accepted and approved in its entirety by the Board, any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion. More particularly, in the event that the Board, in any applicable order, does not adopt this Stipulation in its entirety, then any Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation. as though this Stipulation had not been signed.

26. This Stipulation shall be binding on the Parties for all purposes herein.

27. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of this proceeding. Except as expressly provided herein, the Parties shall not be deemed to have approved, agreed to, or

consented to any principle or methodology underlying or supposed to underlie any agreement provided herein. This Stipulation shall not be cited as precedent except for the purpose of enforcing its terms. All rates are subject to audit by the Board. The Parties further acknowledge that a Board Order approving, rejecting, or modifying this Stipulation shall 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.

28. This Stipulation may be executed in as many counterparts as there are signatories to this Stipulation each of which counterparts shall be an original, but all of which shall constitute one and the same instrument.

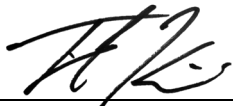
WHEREFORE, the Parties hereto do respectfully submit this Stipulation and request that the Board issue a Decision and Order approving it in its entirety, in accordance with the terms hereof, as soon as reasonably possible.

SOUTH JERSEY GAS COMPANY



By: _____
Deborah M. Franco, Esq.
Vice President, Rates, Regulatory and Sustainability

GURBIR S. GREWAL
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of Public Utilities



By: _____
Terel Klein, Esq.
Deputy Attorney General

STEFANIE A. BRAND
DIRECTOR, DIVISION OF RATE COUNSEL

By: Henry M. Ogden
Henry M. Ogden
Assistant Deputy Rate Counsel

Dated: April 21, 2021

S-SCHART-1
BGSS NYMEX Update Report
As of March 5, 2021

EXHIBIT A

Month	a	b	c = b - a		d	e	f = d - e	g = c x f
	BGSS 5/7/2020	NYMEX 3/5/2021	Incr/ (Decr)	% Chg	Sales forecast (dths)	Hedged volume (dths)	Unhedged volume (dths)	Change in value unhedged
Oct-19	\$ 2.428	\$ 2.428	\$ -		1,253,010	600,000	653,010	\$0
Nov-19	\$ 2.597	\$ 2.597	\$ -		2,783,822	1,319,670	1,464,152	\$0
Dec-19	\$ 2.470	\$ 2.470	\$ -		4,843,710	2,417,374	2,426,336	\$0
Jan-20	\$ 2.158	\$ 2.158	\$ -		6,065,646	3,317,386	2,748,260	\$0
Feb-20	\$ 1.877	\$ 1.877	\$ -		5,162,219	2,990,030	2,172,189	\$0
Mar-20	\$ 1.821	\$ 1.821	\$ -		3,905,732	2,134,217	1,771,515	\$0
Apr-20	\$ 1.634	\$ 1.634	\$ -		1,994,444	700,000	1,294,444	\$0
May-20	\$ 1.794	\$ 1.794	\$ -		1,005,348	700,000	305,348	\$0
Jun-20	\$ 1.894	\$ 1.722	\$ (0.172)		664,305	700,000	(35,695)	\$6,140
Jul-20	\$ 2.127	\$ 1.495	\$ (0.632)		700,054	700,000	54	(\$34)
Aug-20	\$ 2.202	\$ 1.854	\$ (0.348)		696,731	700,000	(3,269)	\$1,138
Sep-20	\$ 2.256	\$ 2.579	\$ 0.323		698,614	700,000	(1,386)	(\$448)
Avg Total \$	\$ 2.105	\$ 2.036	\$ (0.069)	-3.3%	29,773,635	16,978,677	12,794,958	\$6,795
Oct-20	\$ 2.342	\$ 2.101	\$ (0.241)		1,152,302	640,000	512,302	(\$123,465)
Nov-20	\$ 2.572	\$ 2.996	\$ 0.424		2,712,580	1,375,926	1,336,654	\$566,742
Dec-20	\$ 2.893	\$ 2.896	\$ 0.003		4,663,012	2,824,926	1,838,086	\$5,514
Jan-21	\$ 3.031	\$ 2.467	\$ (0.564)		5,844,362	4,158,818	1,685,544	(\$950,647)
Feb-21	\$ 2.991	\$ 2.760	\$ (0.231)		4,852,324	3,405,575	1,446,749	(\$334,199)
Mar-21	\$ 2.854	\$ 2.854	\$ -		3,801,809	1,800,561	2,001,248	\$0
Apr-21	\$ 2.559	\$ 2.701	\$ 0.142		1,909,784	1,030,000	879,784	\$124,929
May-21	\$ 2.526	\$ 2.739	\$ 0.213		933,587	450,000	483,587	\$103,004
Jun-21	\$ 2.564	\$ 2.793	\$ 0.229		600,996	450,000	150,996	\$34,578
Jul-21	\$ 2.610	\$ 2.846	\$ 0.236		631,841	450,000	181,841	\$42,915
Aug-21	\$ 2.617	\$ 2.869	\$ 0.252		630,723	450,000	180,723	\$45,542
Sep-21	\$ 2.597	\$ 2.859	\$ 0.262		631,184	450,000	181,184	\$47,470
Avg Total \$	\$ 2.680	\$ 2.740	\$ 0.060	2.3%	28,364,503	17,485,806	10,878,697	(\$437,617)

Footnotes:

a : Nymex rate used for annual BGSS periodic rate filing - June 1, 2020 Petition GR20060383

b: Nymex rate as of date of the report

c: Increase/Decrease in the Nymex rate compared to rate used for annual BGSS periodic rate filing

d: Sales forecast (includes fuel requirement)

e: 'Hedged' volume consists of all fixed price contracts (financial or physical), purchased call option positions, and tentative storage withdrawal volumes (reduced by fuel required for delivery to citygate)

f: 'Unhedged' volume consists of sales volume forecast less 'hedged' volume

g: Not necessarily representative of a change in under/over-recovery value

South Jersey Gas Company
Calculation of Net Cost of Gas Per Therm

	Actual Oct-20	Actual Nov-20	Actual Dec-20	Actual Jan-21	Actual Feb-21	Projected Mar-21	Projected Apr-21	Projected May-21	Projected Jun-21	Projected Jul-21	Projected Aug-21	Projected Sep-21	Total
1 NYMEX - 5/07/20 - Included in BGSS Filing	\$2.342	\$2.572	\$2.893	\$3.031	\$2.991	\$2.854	\$2.559	\$2.526	\$2.564	\$2.610	\$2.617	\$2.597	
2 NYMEX - Actual Settlement	\$2.101	\$2.996	\$2.896	\$2.467	\$2.760	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	
3 Breakdown of Gross Cost of GasPer Therm:													
4 Flowing Gas Cost	0.4002	0.2701	0.2992	0.2219	0.2728	0.1691	0.1416	0.1850	0.2236	0.3403	0.3533	0.2930	0.2355
5 Gas Withdrawn From Storage Cost	0.0134	0.0551	0.0704	0.0668	0.0702	0.0331	0.0111	0.0174	0.0227	0.0123	0.0169	0.0267	0.0471
6 Hedged Volumes Delivered Cost	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
7 Pipeline Demand Cost	1.0581	0.3658	0.1848	0.1220	0.1361	0.1389	0.1720	0.4351	0.6659	0.8072	0.8439	0.8517	0.2565
8 Storage Demand Cost	0.0031	0.0018	0.0020	0.0015	0.0016	0.0008	0.0017	0.0046	0.0055	0.0055	0.0061	0.0058	0.0021
9 Peaking Cost	0.0072	0.0028	0.0057	0.0006	0.0141	0.0050	0.0018	0.0044	0.0066	0.0079	0.0082	0.0084	0.0058
10 Weighted Average Fuel Cost	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
11 Variable Pipeline Cost	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
12 Other Costs	0.0000	(0.0022)	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	(0.0001)
13 Total Gross Cost of Gas Per Therm	\$1.4821	\$0.6934	\$0.5621	\$0.4128	\$0.4948	\$0.3468	\$0.3282	\$0.6465	\$0.9244	\$1.1733	\$1.2283	\$1.1856	\$0.5469
14													
15	Actual Oct-19	Actual Nov-19	Actual Dec-19	Actual Jan-20	Actual Feb-20	Actual Mar-20	Actual Apr-20	Actual May-20	Actual Jun-20	Actual Jul-20	Actual Aug-20	Actual Sep-20	Weighted Average
16													
17													
18 NYMEX - Actual Settlement	\$2.428	\$2.597	\$2.470	\$2.158	\$1.877	\$1.821	\$1.634	\$1.794	\$1.722	\$1.495	\$1.854	\$2.579	
19 Breakdown of Gross Cost of GasPer Therm:													
20 Flowing Gas Cost	0.3128	0.3629	0.1660	0.1313	0.1434	0.0823	0.1946	0.1612	0.2083	0.3296	0.3141	0.1784	0.1736
21 Gas Withdrawn From Storage Cost	0.0344	0.1669	0.1031	0.0907	0.0783	0.0960	0.0075	0.0025	0.0001	0.0010	0.0085	0.0040	0.0712
22 Hedged Volumes Delivered Cost	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
23 Pipeline Demand Cost	0.8610	0.3845	0.1837	0.1423	0.1648	0.1908	0.2305	0.3804	0.5923	0.8903	0.9677	0.8596	0.2911
24 Storage Demand Cost	0.0034	0.0031	0.0016	0.0013	0.0013	0.0015	0.0023	0.0034	0.0059	0.0083	0.0082	0.0058	0.0024
25 Peaking Cost	0.0059	0.0032	0.0077	0.0010	0.0015	0.0014	0.0022	0.0034	0.0061	0.0092	0.0101	0.0090	0.0035
26 Weighted Average Fuel Cost	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
27 Variable Pipeline Cost	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
28 Other Costs	0.0000	0.0001	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0292	0.0000	0.0000	0.0436	0.0022
29 Total Gross Cost of Gas Per Therm	\$1.2175	\$0.9207	\$0.4621	\$0.3665	\$0.3894	\$0.3721	\$0.4370	\$0.5509	\$0.8418	\$1.2384	\$1.3086	\$1.1003	\$0.5439

Footnotes:

Nymex rate used for annual BGSS periodic rate filing - June 1, 2020 Petition GR20060383

Flowing Gas Cost = Gas purchased for delivery to city gate during month - not injected into storage

Gas Withdrawn From Storage Cost = Gas withdrawn from storage - includes cost of injection, withdrawal, fees, line loss

Hedged Volumes Delivered Cost = Hedged Volumes delivered to city gate - not injected into storage

Pipeline Demand Cost = Fixed Pipeline costs

Storage Demand Cost = Fixed Storage related costs

Peaking Cost = Peaking Cost includes peaking services, LNG, Propane, etc...

Weighted Average Fuel Cost = Commodity x fuel % for each pipeline - represents portion of gas shipped that is retained by pipeline

Variable Pipeline Cost = Pipeline Charge per therm shipped

South Jersey Gas Company
Calculation of Net Cost of Gas Per Therm

	Actual Oct-20	Actual Nov-20	Actual Dec-20	Actual Jan-21	Actual Feb-21	Projected Mar-21	Projected Apr-21	Projected May-21	Projected Jun-21	Projected Jul-21	Projected Aug-21	Projected Sep-21	Total
Credits, Refunds, & Recoveries Per Therm:													
1 Asset Management Credits													
2 Off-system sales	(\$0.1350)	(\$0.1984)	(\$0.1045)	(\$0.0601)	(\$0.0538)	(\$0.0641)	(\$0.0080)	(\$0.0201)	(\$0.0301)	(\$0.0372)	(\$0.0389)	(\$0.0394)	(\$0.0641)
3 Capacity release	(\$0.0144)	(\$0.0152)	(\$0.0093)	(\$0.0075)	(\$0.0093)	(\$0.0095)	(\$0.0185)	(\$0.0472)	(\$0.0700)	(\$0.0875)	(\$0.0915)	(\$0.0908)	(\$0.0200)
4 On System Credits to BGSS-P Customers	(\$0.0036)	(\$0.0017)	(\$0.0009)	(\$0.0006)	(\$0.0009)	(\$0.0004)	(\$0.0005)	(\$0.0026)	(\$0.0015)	(\$0.0015)	(\$0.0023)	(\$0.0017)	(\$0.0010)
5 Supplier Refunds	(\$0.0005)	\$0.0000	(\$0.0002)	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	(\$0.0000)
6 Gas for Company Use	(\$0.0009)	(\$0.0004)	(\$0.0002)	(\$0.0002)	(\$0.0002)	(\$0.0002)	(\$0.0002)	(\$0.0004)	(\$0.0006)	(\$0.0010)	(\$0.0010)	(\$0.0008)	(\$0.0003)
7 Line Loss	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
8 Transfer to Non BGSS-P Customers	(\$0.2810)	(\$0.1677)	(\$0.1528)	(\$0.1463)	(\$0.1475)	(\$0.1832)	(\$0.1973)	(\$0.2397)	(\$0.2939)	(\$0.3857)	(\$0.3896)	(\$0.3546)	(\$0.1887)
9 Other	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
10 Total Credits, Refunds, & Recoveries Per Therm	(\$0.4353)	(\$0.3833)	(\$0.2680)	(\$0.2147)	(\$0.2117)	(\$0.2576)	(\$0.2245)	(\$0.3100)	(\$0.3962)	(\$0.5129)	(\$0.5233)	(\$0.4875)	(\$0.2742)
11 Total Net Cost Per Therm (Page 1 Line 13 less Page 2 Line 10)	\$1.0467	\$0.3101	\$0.2941	\$0.1980	\$0.2832	\$0.0893	\$0.1037	\$0.3365	\$0.5283	\$0.6603	\$0.7050	\$0.6981	\$0.2727

	Actual Oct-19	Actual Nov-19	Actual Dec-19	Actual Jan-20	Actual Feb-20	Actual Mar-20	Actual Apr-20	Actual May-20	Actual Jun-20	Actual Jul-20	Actual Aug-20	Actual Sep-20	Weighted Average
Credits, Refunds, & Recoveries:													
1 Asset Management Credits													
2 Off-system sales	(\$0.0670)	(\$0.1760)	(\$0.0843)	(\$0.0581)	(\$0.0654)	(\$0.0846)	(\$0.0190)	(\$0.0310)	(\$0.0583)	(\$0.1063)	(\$0.1115)	(\$0.1247)	(\$0.0733)
3 Capacity release	(\$0.0660)	(\$0.0408)	(\$0.0178)	(\$0.0120)	(\$0.0143)	(\$0.0172)	(\$0.0074)	(\$0.0149)	(\$0.0262)	(\$0.0411)	(\$0.0454)	(\$0.0375)	(\$0.0198)
4 On System Credits to BGSS-P Customers	(\$0.0050)	(\$0.0005)	(\$0.0007)	\$0.0000	(\$0.0015)	(\$0.0006)	(\$0.0009)	(\$0.0012)	(\$0.0022)	(\$0.0018)	(\$0.0027)	(\$0.0026)	(\$0.0010)
5 Supplier Refunds	(\$0.0001)	\$0.0000	(\$0.0002)	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	(\$1.0342)	(\$0.0001)	\$0.0000	\$0.0000	(\$0.0383)
6 Gas for Company Use	(\$0.0013)	(\$0.0006)	(\$0.0004)	(\$0.0003)	(\$0.0003)	(\$0.0004)	(\$0.0005)	(\$0.0006)	(\$0.0012)	(\$0.0024)	(\$0.0009)	(\$0.0015)	(\$0.0005)
7 Line Loss	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
8 Transfer to Non BGSS-P Customers	(\$0.1994)	(\$0.1817)	(\$0.1480)	(\$0.1475)	(\$0.1468)	(\$0.1487)	(\$0.1465)	(\$0.1680)	(\$0.1755)	(\$0.2323)	(\$0.2561)	(\$0.2060)	(\$0.1596)
9 Other	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
10 Total Credits, Refunds, & Recoveries	(\$0.3389)	(\$0.3997)	(\$0.2514)	(\$0.2179)	(\$0.2283)	(\$0.2514)	(\$0.1742)	(\$0.2158)	(\$1.2976)	(\$0.3840)	(\$0.4166)	(\$0.3724)	(\$0.2925)
11 Total Net Cost Per Therm (Page 1 Line 29 less Page 2 Line 11)	\$0.8786	\$0.5210	\$0.2107	\$0.1486	\$0.1611	\$0.1206	\$0.2628	\$0.3351	(\$0.4557)	\$0.8544	\$0.8920	\$0.7279	\$0.2514

MINIMUM FILING REQUIREMENTS	
1. Motion, Supporting Testimony & Tariff Modifications	In support of its filing, a GDC should provide supporting testimony which addresses any material events or major factors affecting either the prior period's deferred gas balance or its forecasted BGSS rate. In addition to the associated motion, redlined tariff sheets should be provided for all proposed tariff changes.
2. Computation of Proposed BGSS Rates	A summary schedule should show all of the forecasted BGSS cost components and applicable credits which comprise the basis for the proposed BGSS rates that are to become effective October 1st. The cost components and applicable credits should be provided with all material amounts broken out separately. A plain English explanation in narrative form regarding this summary schedule should be provided.
3. Public Notice with Proposed Impact on Bills	A copy of the Company's Public Notice should be provided with details concerning the impact of the proposed BGSS rates on typical gas bills at various winter term utilization levels.
4. Actual and Forecasted Refund Amounts	Schedules should be provided which show actual and estimated supplier refund amounts for the reconciliation period as well as the estimated supplier refunds for the projected period beginning October 1st. The schedule should identify the supplier refunds by month and should provide associated information on the applicable FERC docket involved. A plain English explanation in narrative form should be provided.
5. Cost of Gas Sendout by Component	Monthly data showing the derivation of all cost components shown on the BGSS Computation Schedule should be provided for the reconciliation and projected periods. The monthly data should also provide detail on applicable volumes by customer classification.
6. BGSS Contribution and Credit Offsets	Monthly data showing the derivation of all BGSS cost offsets, including interruptible margins, capacity transactions, pipeline refunds and other credits should be provided for the reconciliation and projected periods. Any applicable FERC Orders will be included. All calculations showing how such offsets were determined should be included. A plain English explanation in narrative form should be provided regarding the BGSS contribution and Credit Offsets. In addition, the Company shall document through testimony for any non-bid releases and/or affiliate contracts, the decision-making process that the Company went through in each case to arrive at its determination to release capacity on a non-biddable basis or enter into any affiliate contract. Such testimony shall include documentation showing the impact that the non-biddable capacity release or affiliate contract was projected to have on total BGSS costs at the time the Company committed to the transaction. In addition, for each non-biddable capacity release, the Company shall determine whether the transaction could have been structured as an off-system sale, and, if so demonstrate that prior to releasing the capacity, the Company compared the benefit to Periodic BGSS customers of making the capacity release compared to the benefit that could have been achieved by structuring the transaction as an off-system sale and the Company shall provide documentation supporting this comparison in its filing.
7. Over/Under Recovery Comparisons	Schedules should be provided which show the derivation of the monthly over or under recoveries plus cumulative balances for the reconciliation and projected period. For the reconciliation period, a schedule should also show the calculation of the monthly actual or estimated accrued interest. These schedules should include prospective data shown for the projected period based on the prevailing BGSS rate and, alternatively, based on the requested BGSS rate.
8. Wholesales Gas Pricing Assumptions	The GDC should provide schedules which detail the monthly gas prices for the reconciliation and projected periods. The schedules should show the prices utilized in developing the existing BGSS rate and those utilized for projecting the proposed BGSS rate. To the degree third party price indexes or forecasts are the basis for such gas prices, associated documentation should also be provided. A plain English explanation in narrative form regarding these schedules should be provided.
9. Gas Cost Underrecovery Adjustment ("GCUA") Recoveries and Balances	Schedules should be provided that show monthly data for the GCUA since its inception. The data should provide the unamortized balances, recoveries, and accrued interest by month with any associated workpapers.

MINIMUM FILING REQUIREMENTS	
10. Historical Service Interruptions	A schedule should be provided which details any service interruptions during the past 12 months. The schedule should show the dates of the interruptions, the service categories affected, the number of customers affected and whether each interruption was operational or economic in nature.
11. Gas Price Hedging Activities	The GDC should provide copies of its last four quarterly hedging reports as filed with the Board. It should also provide a schedule covering both the reconciliation and projected period which shows monthly gas purchases volume requirements and price hedged volumes broken down into discretionary and non-discretionary components which allow evaluation of compliance with the GDC's established hedging objectives. A plain English explanation in narrative form regarding these hedging activities should be provided. The Company shall include in all future its next annual BGSS filings testimony that reflects these goals/targets and how the Company managed to such goals/targets.
12. Storage Gas Volumes, Prices and Utilization	Schedules should be provided which show the GDC's monthly data for LNG, LPG, and pipeline storage volumes. The schedules should show volumes and dollars for balances, injections, and withdrawals with all data shown on a Decatherm basis.
13. Affiliate Gas Supply Transactions	The GDC's filing should have disclosure of all gas supply and capacity transactions with any affiliates during the reconciliation or forecasted periods. The disclosure should provide the nature, terms, and conditions of any such transactions, the dates of the transactions, and evidence that the gas supply or capacity resources transactions were at market rates.
14. Supply and Demand Data	Schedules should be provided that show the GDC's firm requirements and gas supplies by component on an annual, heating season and non-heating season basis. The data should be provided for the reconciliation period and the two prior and two prospective annual periods.
15. Actual Peak Day Supply and Demand	The GDC should provide data for the five highest demand days for each of the last three years, showing date, temperature or heating degree day, firm and interruptible volumes and the sources of supply used to meet the associated volume requirement.
16. Capacity Contract Changes	The GDC filing should provide details concerning any changes to its interstate pipeline contracts (entitlements, storage capacities, daily deliverability, transportation, or associated costs) which have been made or occurred during the past 24 months or are planned for the next 12 months. To the degree any significant changes have been made or are planned, a narrative should discuss operational and cost consequences as well as the rationale for the changes.
17. FERC Pipeline Activities	The GDC's filing should provide details on any pending FERC dockets which should affect the cost of services received from the GDC's supplying pipelines. The GDC should also provide details concerning its participation in such dockets and a listing of any filings or testimony made by the GDC or on its behalf.