Elizabethtown Gas

**Mary Patricia Keefe**
Vice President, External Affairs and
Business Support

520 Green Lane
Union, NJ 07083
908 662 8452 tel
908 358 9671 cell
pkeefe@southernco.com

*Via FedEx & Electronic Mail*

November 3, 2017

Irene Kim Asbury, Secretary
State of New Jersey
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor
Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350

**Re: In the Matter of the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to Revise Its Energy Efficiency Program Rider Rate**
**BPU Docket No. GR_____**

Dear Secretary Asbury:

Enclosed for filing are an original and ten copies of the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas ("Elizabethtown" or "Company") to the Board of Public Utilities ("BPU" or "Board") to revise its Energy Efficiency Program ("EEP") Rider rate. Attached to and made a part of the Petition are the testimony and supporting schedules of Company witnesses Thomas Kaufmann, Susan Buck and Jim Herndon.

The Petition proposes an increase in the Company's current EEP Rider rate of ($0.0007) per therm to $0.0020 per therm, inclusive of all taxes, effective January 1, 2018. This rate is designed to enable the Company to recover the costs associated with the Company's energy efficiency programs.

The proposed change in the EEP Rider rate will increase the monthly bill of a typical residential customer using 100 therms by $0.27 from $97.56 to $97.83, an increase of 0.3%. Please contact the undersigned at (908) 662-8452 or Thomas Kaufmann at (908) 662-8461 if you have questions or require further information.

Yours truly,

Mary Patricia Keefe

Mary Patricia Keefe

cc: Richard S. Mroz, President
Upendra J. Chivukula, Commissioner
Joseph L. Fiordaliso, Commissioner
Mary-Anna Holden, Commissioner
Dianne Solomon, Commissioner
Paul Flanagan, Executive Director
Thomas Walker, Director, Division of Energy
Stefanie A. Brand, Director, Rate Counsel
Service List

**IN THE MATTER OF THE PETITION OF**
**PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS**
**TO REVISE ITS ENERGY EFFICIENCY PROGRAM RIDER RATE**
**BPU DOCKET NO. GR_____**

## SERVICE LIST

Susan Buck
**Elizabethtown Gas**
520 Green Lane
Union, NJ 07083
sbuck@southernco.com

Thomas Kaufmann
**Elizabethtown Gas**
520 Green Lane
Union, NJ 07083
Tkaufman@southernco.com

Mary Patricia Keefe, Esq.
**Elizabethtown Gas**
520 Green Lane
Union, NJ 07083
pkeefe@southernco.com

Gary Marmo
**Elizabethtown Gas**
520 Green Lane
Union, NJ 07083
gmarmo@southernco.com

Erica McGill
**Southern Company Gas**
Ten Peachtree Place
Atlanta, GA 30309
ermcgill@southernco.com

Susan Potanovich
**Elizabethtown Gas**
520 Green Lane
Union, NJ 07083
spotanov@southernco.com

David Weaver
**Southern Company Gas**
Ten Peachtree Place
Atlanta, GA 30309
dweaver@southernco.com

Jim Herndon
**Nexant, Inc.**
2000 Regency Parkway, Suite 455
Cary, NC 27518
jherndon@nexant.com

Irene Kim Asbury, Secretary
**Board of Public Utilities**
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
Irene.Asbury@bpu.nj.gov

Mahogany Hendricks
**Board of Public Utilities**
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
Mahogany.Hendricks@bpu.nj.gov

Megan Lupo
**Board of Public Utilities**
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
Megan.Lupo@bpu.nj.gov

Stacy Peterson
**Board of Public Utilities**
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
Stacy.Peterson@bpu.nj.gov

Andrea Reid
**Board of Public Utilities**
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
Andrea.Reid@bpu.nj.gov

Thomas Walker
**Board of Public Utilities**
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
Thomas.Walker@bpu.nj.gov

Michael Winka
**Board of Public Utilities**
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
Michael.Winka@bpu.nj.gov

John Zarzycki
**Board of Public Utilities**
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
John.Zarzycki@bpu.nj.gov

Stefanie A. Brand
**Division of Rate Counsel**
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
smassey@rpa.state.nj.us

Kurt Lewandowski
**Division of Rate Counsel**
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
klewando@rpa.state.nj.us

Brian Lipman, Litigation Manager
**Division of Rate Counsel**
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
blipman@rpa.state.nj.us

Felicia Thomas-Friel
**Division of Rate Counsel**
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
fthomas@rpa.state.nj.us

Patricia A. Krogman, DAG
**Department of Law & Public Safety**
Division of Law
124 Halsey Street
P.O. Box 45029
Newark, NJ 07101
Patricia.Krogman@dol.lps.state.nj.us

**IN THE MATTER OF THE PETITION OF**
**PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS**
**TO REVISE ITS ENERGY EFFICIENCY PROGRAM RIDER RATE**
**BPU DOCKET NO. GR_____**

## SERVICE LIST

Alex Moreau, DAG
**Department of Law & Public Safety**
Division of Law
124 Halsey Street
P.O. Box 45029
Newark, NJ 07101
Alex.Moreau@dol.lps.state.nj.us

Caroline Vachier
**Department of Law & Public Safety**
Division of Law
124 Halsey Street
P.O. Box 45029
Newark, NJ 07101
Caroline.Vachier@dol.lps.state.nj.us

Deborah Franco, Esq.
**Cullen and Dykman**
One Riverfront Plaza
Newark, NJ 07102
dfranco@cullenanddykman.com

Kenneth T. Maloney, Esq.
**Cullen and Dykman**
1101 14th Street NW, Suite 750
Washington, DC 20005
kmaloney@cullenanddykman.com

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

| | | |
|---|---|---|
| **In the Matter of the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to Revise Its Energy Efficiency Program Rider Rate** | **:** | **Docket No.** **SUMMARY SHEET** |

This Petition presents the request of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas ("Petitioner") that the Board of Public Utilities ("Board") accept the filing of Petitioner's revised Energy Efficiency Program ("EEP") Rider rate. The Petition requests authority to implement an EEP Rider rate of $0.0020 per therm inclusive of taxes effective January 1, 2018. The proposed filing would increase the monthly bill of a typical residential heating customer using 100 therms by $0.27 or 0.3%.

**PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS**
**ENERGY EFFICIENCY PROGRAM (EEP) RATE FILING**
**MINIMUM FILING REQUIREMENTS (MFR) INDEX**

| Minimum Filing Requirements | Schedule |
|---|---|
| 1. Direct FTE employment impacts as defined in Paragraph 28 of the Stipulation, including a breakdown by sub-program | JH-5 |
| 2. A monthly revenue requirement calculation based on program expenditures, showing the actual monthly revenue requirement for each of the past twelve months or clause-review period, as well as supporting calculations, including the information related to the tax rate and revenue multiplier used in the revenue requirement calculation | TK-3 |
| 3. For the review period, actual revenues, by month and by rate class recorded under the programs | TK-5 |
| 4. Monthly beginning and ending clause balances, as well as the average balance net of tax for the 12-month period | TK-2 |
| 5. The interest rate used each month for over/under recoveries, and all supporting documentation and calculations for the interest rate | TK-6 |
| 6. The interest expense to be charged or credited to ratepayers each month | TK-2, TK-6 |
| 7. A schedule showing budgeted versus actual program costs by the following categories: administrative (all utility costs), marketing/sales, training, rebates/incentives, including inspections and quality control, program implementation (all contract costs), evaluation, and any other costs | SB-1 |
| 8. The monthly journal entries relating to regulatory asset and O&M expenses for the 12 month review period | SB-1 (is a summary of the expenses as recorded in the Company's books; copies of the actual journal entries can be made available) |
| 9. Supporting details for all administrative costs included in the revenue requirement | SB-1 |
| 10. Information supporting the carrying cost used for the unamortized costs | TK-6 |
| 11. Number of program participants, including a breakdown by sub-program | JH-1 |
| 12. Estimated demand and energy savings, including a breakdown by sub-program | JH-2 |
| 13. Emissions reductions from the Program, including a breakdown by sub-program | JH-3 |
| 14. Estimated free ridership and spillover | JH-4 |
| 15. Participant costs (net of utility incentives), including a breakdown by sub-program | JH-1; JH-4 |
| 16. Results of program evaluations, including a breakdown by sub-program | JH-1 - JH-6 |
| 17. Separate cost and recovery information for each approved program and extension. | TK-7 |

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

| | | |
|---|---|---|
| **In the Matter of the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to Revise Its Energy Efficiency Program Rider Rate** | **:** | **Docket No. PETITION** |

**To The Honorable Board of Public Utilities:**

Petitioner, Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas ("Petitioner", "Elizabethtown" or "Company"), 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 ("Board"), respectfully states:

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

2. Communications and correspondence concerning these proceedings should be sent as follows:


Mary Patricia Keefe, Esq.
Vice President, External Affairs
and Business Support
Pivotal Utility Holdings, Inc.
d/b/a Elizabethtown Gas
520 Green Lane
Union, New Jersey 07083
Tel. No. (908) 662-8452
pkeefe@southernco.com

Erica McGill, Esq.
Southern Company Gas
Ten Peachtree Place
Atlanta, Georgia 30309
Tel. No. (404) 585-3160
ermcgill@southernco.com

Kenneth T. Maloney
Cullen and Dykman LLP
1101 Fourteenth Street, N.W.
Suite 750
Washington, DC 20005
Tel. No. (202) 223-8890
kmaloney@cullenanddykman.com

Deborah M. Franco, Esq.
Cullen and Dykman LLP
One Riverfront Plaza
Newark, NJ 07102
Tel. No. (973) 849-9005
dfranco@cullenanddykman.com

3. Petitioner is engaged in the business of transmission and distribution of natural and mixed gas to approximately 288,000 customers within its service territory located principally in Hunterdon, Mercer, Middlesex, Morris, Sussex, Union and Warren Counties.

4. The purpose of this filing is to revise Petitioner's Energy Efficiency Program ("EEP") Rider rate and to reconcile the EEP Rider costs and cost recoveries for the periods identified below.

5. The Company's filing is being made in compliance with the April 11, 2012 Board Order ("April 11 Order") in BPU Docket No. GO11070399 which approved a Stipulation among Petitioner, Board Staff and the Division of Rate Counsel in which these parties agreed to the continued implementation of the EEP Rider rate as approved by the Board's August 3, 2009 Order ("August 3 Order") in BPU Docket Nos. EO09010056 and GO09010060 et al., and the Board's January 19, 2011 Order ("January 19 Order") in BPU Docket No. GO10070446. The EEP Rider rate enables Elizabethtown to recover through a surcharge the costs associated with certain Energy Efficiency Programs ("EE Programs"). The August 3, January 19 and April 11 Orders require the Company to make this annual filing to reconcile the costs and cost recoveries for the 2017 Recovery Year with as much actual information as is available through June 30, 2017 and to establish a rate sufficient to recover those costs as well as the projected EE Program rate revenue requirements for the 2018 Recovery Year.

6. Pursuant to an Order dated September 23, 2016 ("September 23 Order") issued in BPU Docket No. GR16020119, the EEP Rider rate was decreased from $0.0054 per therm to ($0.0007) per therm, inclusive of taxes and then applicable assessments, effective October 1, 2016.

7. Annexed hereto and made a part of this Petition is Exhibit P-1, which Petitioner suggests be marked as indicated. Exhibit P-1 consists of the testimony and supporting schedules of Thomas Kaufmann, Manager of Rates and Tariffs for Petitioner. The schedules listed below are attached and referred to in Exhibit P-1 and contain information responsive to the Minimum Filing Requirements ("MFRs") set forth in Appendix D to the Stipulation, as approved by the August 3, January 19 and April 11 Orders:

(a) Tariff Schedule TK-1; and

(b) EEP Schedule TK-1 through EEP Schedule TK-7.

8. Annexed hereto and also made a part of this Petition is Exhibit P-2, which Petitioner suggests be marked as indicated. Exhibit P-2 contains the testimony and supporting schedules of Susan Buck, Program Manager, Energy Efficiency Programs for Petitioner. The schedules listed below are attached and referred to in Exhibit P-2 and contain information responsive to the MFRs required by Appendix D to the Stipulation approved by the August 3, January 19 and April 11 Orders:

(a) EEP Schedule SB-1 through EEP Schedule SB-2.

9. Annexed hereto and also made a part of this Petition is Exhibit P-3, which Petitioner suggests be marked as indicated. Exhibit P-3 contains the testimony and supporting schedules of Jim Herndon, Principal, Strategy and Planning, Nexant, Inc. The schedules listed below are attached and referred to in Exhibit P-3 and contain information responsive to the MFRs required by Appendix D to the Stipulation approved by the August 3, January 19 and April 11 Orders:

(a) EEP Schedule JH-1 through EEP Schedule JH-6.

An Index of the MFRs referencing the responsive schedules or testimony sponsored by Mr. Kaufmann, Ms. Buck and Mr. Herndon accompanies this Petition.

10. The EE Programs for which cost recovery is sought in this Petition include the following historical and currently offered programs:

1. Residential Gas Heating Ventilation and Air Conditioning ("HVAC") and Gas Hot Water Heater Incentive Program;
2. Residential Home Energy Assessment Program;
3. Residential Home Energy Report (Opower) Program;
4. Residential Home Weatherization for Income Qualified Customers Program;
5. Commercial Customer Energy Efficiency Program;
6. Commercial Steam Trap Survey and Repair Program; and
7. Customer education and outreach using an on-line Dashboard program which is now offered by Opower.

Details concerning EE Program actual and estimated expenditures as well as other information are provided in Ms. Buck's and Mr. Herndon's testimonies and supporting schedules. In accordance with a Board order issued April 21, 2017 in BPU Docket Nos. GR16070618 and GO15050504 ("April 21 Order"), Elizabethtown is authorized to offer these programs through December 31, 2018.

11. Petitioner seeks to reconcile EE Program costs and cost recoveries for the period commencing July 1, 2016 through June 30, 2017 ("2017 Recovery Period") and to recover the forecast EE Program-related revenue requirements for the period July 1, 2017 through June 30, 2018 ("2018 Recovery Period"). Information for the 2017 Recovery

Period includes twelve months of actual data from July 1, 2016 through June 30, 2017. Information for the 2018 Recovery Period reflects forecast data.

12. Petitioner seeks to increase its current EEP Rider rate of ($0.0007) per therm to $0.0020 per therm, inclusive of taxes, effective January 1, 2018 to recover a balance of $869,451. The proposed rate will be assessed to all customers except those served under special contracts as filed and approved by the Board and those customers exempt from this charge pursuant to the Long-Term Capacity Agreement Pilot Program (LCAPP), P.L. 2011, c.9.

13. The proposed EEP Rider rate is designed to recover all costs associated with the program, including, all program investments, such as rebates and customer financing costs and reasonable and prudent incremental O&M expense, such as customer education and outreach. In accordance with the August 3 Order, as well as the November 25, 2009 Stipulation approved by the Board's December 17, 2009 Order in the Company's base rate case in Docket No. GR09030195, incremental internal and external labor may also be recovered through the proposed EEP Rider rate. Elizabethtown is authorized to amortize and recover its EE Program investments in rebates and Opower over a four-year period, with the return on the unamortized portion of the investments based upon the after tax weighted average cost of capital ("WACC") rate of 6.53% (through April 19, 2012), 6.42% (effective April 20, 2012 through August 31, 2013), 5.68% (effective September 1, 2013 through June 30, 2017) and 5.772% (effective July 1, 2017) and a revenue expansion factor of 1.72431 (through August 31, 2013), 1.71565 (September 1, 2013 through June 30, 2017) and 1.71370692 (effective July 1, 2017).[1] The unamortized

[1] In accordance with the August 3 and January 19 Orders Petitioner was previously authorized to use a WACC rate of 6.53%. The April 11 Order authorized the WACC rate of 6.42%. The August 21

portion of these EE Program investments are net of accumulated amortization and accumulated deferred income taxes associated with the EE Program investments.

14. The proposed EEP Rider rate was calculated by taking (i) the prior year over recovered balance of $937,833, plus (ii) current year O&M costs of $177,035, plus (iii) current year revenue requirements of $437,843, plus (iv) current year recovery credits of $12,305 less (v) a carrying cost credit for the 2017 Recovery Year of $4,114, plus (vi) projected recoverable amounts for the 2018 Recovery Year of $1,184,215 and dividing the total amount of $869,451 by the service volumes projected for the 2018 Recovery Year for the service classifications and customers subject to the EEP. The resulting quotient is adjusted for applicable taxes, resulting in an EEP Rider rate of $0.0020 per therm.

15. In accordance with the MFRs adopted in the August 3, January 19 and April 11 Orders, this filing contains information concerning job creation, cost/benefit analyses, energy efficiency savings, emission reductions impacts and free ridership and spillover data associated with the Company's EE Program. This information is set forth on EEP Schedules JH-2 through 6 sponsored by Mr. Herndon.

**Overall Impact**

16. The overall impact of Petitioner's filing in this proceeding is a proposed increase in the monthly bill of a typical heating customer using 100 therms by $0.27 from $97.56 to $97.83, or an increase of 0.3%.

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Order authorized the WACC rate of 5.68%. As directed in the April 21 Order, the WACC rate was updated to 5.772% per the June 30, 2017 Board Order in the Company's last base rate case in Docket GR16090826. The August 3 and January 19 Orders previously authorized the use of the 1.72431 revenue expansion factor. The August 21 Order authorized the use of the 1.71565 revenue expansion factor. As directed in the April 21 Order, the revenue expansion factor was updated to 1.71370692 per the June 30, 2017 Board Order in the Company's last base rate case in Docket GR16090826.

## Miscellaneous

17. Petitioner is serving notice and a copy of this Petition, together with a copy of the exhibits and schedules annexed hereto upon Stefanie A. Brand, Director, Rate Counsel, 140 East Front Street, 4th Floor, Trenton, New Jersey and as outlined in *N.J.A.C.* 14:1-5.12. Petitioner is attaching a proposed form of public notice to this filing for review by Board Staff and Rate Counsel.

**WHEREFORE,** Petitioner respectfully requests that the Board (1) accept Petitioner's filing, (2) allow the proposed EEP Rider rate to become effective January 1, 2018, (3) grant any waivers of Petitioner's tariff necessitated by this filing as set forth herein and, (4) grant such other relief as the Board may deem just and proper.

Respectfully submitted,

By: Mary Patricia Keefe

Mary Patricia Keefe, Esq.
Vice President, External Affairs and Business Support
Pivotal Utility Holdings, Inc.
d/b/a Elizabethtown Gas
520 Green Lane
Union, New Jersey 07083
(908) 662-8452

Date: November 3, 2017

**Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas**
**Notice of Public Hearings**

TO OUR CUSTOMERS:

On November 3, 2017, Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas ("the Company") filed a Petition with the New Jersey Board of Public Utilities ("BPU" or "Board") in BPU Docket No. _____ to increase the Energy Efficiency Program ("EEP") Rider rate from ($0.0007) per therm, inclusive of applicable taxes, to $0.0020 per therm, inclusive of applicable taxes, effective January 1, 2018.

The effect of the Company's filing to a typical residential customer using an average of 100 therms per month is as follows:

| Consumption in Therms | Present Bill | Proposed Bill | Proposed Change | Percent Change |
|---|---|---|---|---|
| 100 | $97.56 | $97.83 | $0.27 | 0.3% |

The proposed rate is subject to Board approval and may be higher or lower depending on the Board's final determination and the date on which such rate is made effective. Any assistance required by customers in ascertaining the impact of the proposed rate increase will be furnished by the Company upon request.

The Board has the statutory authority to establish the aforementioned rate at a level it finds just and reasonable. Therefore, the Board may establish this rate at a level other than that proposed by the Company.

Copies of the Petition are available for inspection at the Company's offices located at 520 Green Lane, Union, New Jersey, online at Elizabethtown's website: www.elizabethtowngas.com/rates-and-tariff under regulatory information, and at the Board of Public Utilities, 44 South Clinton Avenue, 7th Floor, Trenton, New Jersey.

**PLEASE TAKE NOTICE** that Public Hearings have been scheduled on the above mentioned Petition at the following times and places:

Date and Time
Liberty Hall Corporate Center, 1085 Morris Avenue, Union, New Jersey 07083

Date and Time
Hunterdon County Complex, Route 12, Building #1, Flemington, New Jersey 08822

The public is invited to attend and interested persons will be permitted to make a statement of their views on the proposed increase. Information provided at the public hearings will become part of the record of this case and will be considered by the Board in making its decision. In order to encourage full participation in this opportunity for public comment, please submit requests for needed accommodations, including an interpreter, listening devices and/or mobility assistance, 48 hours prior to these hearings. In addition, members of the public may submit written comments concerning the Petition to the Board regardless of whether they attend the hearing by addressing them to: Irene Kim Asbury, Secretary, Board of Public Utilities, 44 South Clinton Avenue, 3rd Floor, Suite 314, P.O. Box 350, Trenton, New Jersey 08625-0350. Hearings will continue, if necessary, on such additional dates and at such locations as the Board or Office of Administrative Law may designate in order to ensure that all interested persons may be heard.

**Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas**
**Brian MacLean – President**

**STATE OF NEW JERSEY )**
**: ss:**
**COUNTY OF UNION )**

Thomas Kaufmann, being duly sworn according to law, upon his oath, deposes and says:

1. I am Manager of Rates and Tariffs of the Petitioner in the foregoing Petition and I am authorized to make this Affidavit on behalf of the Petitioner.

2. The statements made in the foregoing Petition and the Exhibits and Schedules submitted therewith correctly portray the information set forth therein, to the best of my knowledge, information and belief.

Thomas Kaufmann
Manager, Rates and Tariffs

Sworn to and subscribed to before me this 1ST day of NOVEMBER, 2017.

Deborah Y. Bailey

Deborah Y. Bailey
Notary Public
New Jersey
My Commission Expires 09-08-2020

**STATE OF NEW JERSEY )**
**: ss:**
**COUNTY OF UNION )**

Susan Buck, being duly sworn according to law, upon her oath, deposes and says:

1. I am Program Manager, Energy Efficiency Programs for the Petitioner in the foregoing Petition and I am authorized to make this Affidavit on behalf of the Petitioner.

2. The statements made in the foregoing Petition and the Exhibits and Schedules submitted therewith correctly portray the information set forth therein, to the best of my knowledge, information and belief.

Susan Buck
Program Manager, Energy Efficiency Programs

Sworn to and subscribed to before me this 2ND day of November, 2017.

Jane James
Notary Public
My Commission Expires Dec. 20, 2021

STATE OF ~~NEW JERSEY~~ North Carolina )
: ss:
COUNTY OF ~~UNION~~ Wake )

Jim Herndon, being duly sworn according to law, upon his oath, deposes and says:

1. I am Principal Consultant for Nexant, Inc. in the foregoing Petition and I am authorized to make this Affidavit on behalf of the Petitioner.

2. The statements made in the foregoing Petition and the Exhibits and Schedules submitted therewith correctly portray the information set forth therein, to the best of my knowledge, information and belief.

Jim Herndon
Principal Consultant, Nexant, Inc.

Sworn to and subscribed to before me this 30th day of October, 2017.

MARCUS PAYDEN
MY COMMISSION EXPIRES
NOTARY
PUBLIC
FEBRUARY 10, 2020
WAKE COUNTY, NC

**EXHIBIT P-1**

**PIVOTAL UTILITY HOLDINGS, INC.**
**d/b/a ELIZABETHTOWN GAS**
**DIRECT TESTIMONY OF**
**THOMAS KAUFMANN**

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

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

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

**A.** I am employed by Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas ("Elizabethtown" or "Company") as Manager of Rates and Tariffs.

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

**A.** I am responsible for designing and developing rates and rate schedules for regulatory filings with the New Jersey Board of Public Utilities ("Board") and internal management purposes. I also oversee daily rate department functions, including tariff administration, monthly parity pricing, competitive analyses and preparation of management reports.

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

**A.** In June 1977, I graduated from Rutgers University, Newark, N.J. with a Bachelor of Arts degree in Business Administration, majoring in accounting and economics. In July 1979, I graduated from Fairleigh Dickinson

University, Madison, N.J. with a Masters of Business Administration, majoring in finance.

My professional responsibilities have encompassed financial analysis, accounting, planning, and pricing in manufacturing and energy services companies in both regulated and unregulated industries. In 1977, I was employed by Allied Chemical Corp. as a staff accountant. In 1980, I was employed by Celanese Corp. as a financial analyst. In 1981, I was employed by Suburban Propane as a Strategic Planning Analyst, promoted to Manager of Rates and Pricing in 1986 and to Director of Acquisitions and Business Analysis in 1990. In 1993, I was employed by Concurrent Computer as a Manager, Pricing Administration. In 1996, I joined NUI Corporation ("NUI") as a Rate Analyst, was promoted to Manager of Regulatory Support in August 1997 and Manager of Regulatory Affairs in February 1998, and named Manager of Rates and Tariffs in July 1998. NUI Corporation was acquired by AGL Resources Inc. ("AGL") in November 2004. AGL was acquired by Southern Company in July 2016.

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

**A.** The purpose of my testimony is to support Elizabethtown's proposed revisions to its Energy Efficiency Program ("EEP") rate, formerly the Regional Greenhouse Gas

Initiative ("RGGI") rate, to be assessed to all customers except those served under special contracts as filed and approved by the Board and those customers exempt from this charge pursuant to the Long-Term Capacity Agreement Pilot Program ("LCAPP"), P.L. 2011, c. 9.

**Q. WHAT EFFECTIVE DATE DOES THE COMPANY PROPOSE FOR THE PROPOSED EEP RATE?**

**A.** The Company is proposing that the proposed EEP rate take effect on January 1, 2018. The calculation of the proposed rate is based on actual data from July 1, 2016 through June 30, 2017 ("2017 Recovery Year"), and a projected year from July 1, 2017 through June 30, 2018 ("2018 Recovery Year").

**Q. WHAT IS THE BASIS FOR THE COMPANY'S PROPOSED REVISIONS TO ITS EEP RATE?**

**A.** The Company's filing is being made in compliance with the April 11, 2012 Board Order ("April 11 Order") in BPU Docket No. GO11070399 which approved a Stipulation among Petitioner, Board Staff and the Division of Rate Counsel in which these parties agreed to the continued implementation of the EEP Rider rate as approved by the Board's August 3, 2009 Order ("August 3 Order") in BPU Docket Nos. EO09010056 and GO09010060 *et al.,* and the Board's January 19, 2011 Order ("January 19 Order") in

BPU Docket No. GO10070446. The EEP Rider rate enables Elizabethtown to recover through a surcharge the costs associated with certain Energy Efficiency Programs ("EE Programs"). The August 3, January 19 and April 11 Orders require the Company to make this annual filing to reconcile the costs and cost recoveries for the 2017 Recovery Year with as much actual information as is available through June 30, 2017 and to establish a rate sufficient to recover those costs as well as the projected EE Program rate revenue requirements for the 2018 Recovery Year.

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

**A.** Yes. My testimony includes schedules and proposed tariff sheets that were prepared under my direction and supervision. These schedules contain information responsive to the Minimum Filing Requirements ("MFRs") as referenced in the MFR Index attached to the Company's Petition. The MFRs were set forth in Appendix D to the Stipulation adopted as part of the August 3 Order. The schedules are as follows:

(a) Tariff Schedule TK-1 consists of revised tariff sheets in redlined and clean form reflecting the proposed EEP Rider rate and other updates;

(b) EEP Schedule TK-1 sets forth the calculation of the proposed EEP Rider rate to be effective January 1, 2018;

(c) EEP Schedule TK-1a sets forth the calculation of the Projected EEP Rider rates based on current cost and recovery projections, as well as bill impacts for certain tariff classes through 2025 to a near zero balance;

(d) EEP Schedule TK-2 sets forth the calculation of the actual carrying costs on the EEP balance for the period ended June 30, 2017 and projected thereafter;

(e) EEP Schedule TK-3 sets forth the calculation of the actual monthly EEP revenue requirement through June 2017 and projected thereafter;

(f) EEP Schedule TK-4 sets forth the EEP actual O&M and Program Expenditures through June 2017 and projected thereafter;

(g) EEP Schedule TK-5 sets forth actual cost recoveries through June 30, 2017 and projected thereafter;

(h) EEP Schedule TK-6 sets forth the actual over/underrecovered carrying costs rate applicable to the balances set forth on EEP

Schedule TK-2 through June 30, 2017 and projected thereafter; and

(i) EEP Schedule TK-7 sets forth cost and recovery information for each approved program and extension.

**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 EEP RATE?**

**A.** The methodology used to derive the Projected Normalized Sales and Services on EEP Schedule TK-1 is the same as that used in developing the demand forecast that supported Elizabethtown's Basic Gas Supply Service rate filing dated May 31, 2017. As I mention above, the EEP rate is applicable to all customers except those served under special contracts as filed and approved by the Board and those customers exempt pursuant to the LCAPP legislation.

**EEP RATE**

**Q. PLEASE DESCRIBE THE EEP RIDER AND WHAT IT IS DESIGNED TO RECOVER.**

**A.** The August 3 Order authorized the establishment of a surcharge by which Elizabethtown recovers the costs associated with its EE Programs. The January 19 and April

11 Orders continued the implementation and calculation of the EEP Rider rate as first approved by the August 3 Order, although some minor modifications to the calculation of the EEP Rider rate were implemented pursuant to the April 11 Order as I explain below. Details concerning actual expenditures and projected spending, as well as other information associated with the EE Programs, are provided in Ms. Buck's and Mr. Herndon's testimonies and supporting schedules.

**Q. PLEASE EXPLAIN HOW THE PROPOSED EEP RATE WAS CALCULATED.**

**A.** The proposed EEP rate was calculated by taking the sum of (i) the prior period balance, if any, and (ii) current year O&M costs, and (iii) current year revenue requirements, and (iv) current year recoveries and (v) applicable carrying costs for the 2017 Recovery Year plus (vi) projected recoverable amounts for the 2018 Recovery Year and dividing the total amount by the volumes projected for the 2018 Recovery Year for the service classifications and customers subject to the EEP as shown on Tariff Schedule TK-1. The resulting quotient is adjusted for applicable taxes to arrive at an EEP charge of $0.0020 per therm inclusive of taxes.

**Q. PLEASE EXPLAIN HOW INCURRED O&M COSTS AND REVENUE REQUIREMENTS FOR PROGRAM EXPENDITURES ARE DETERMINED AND CALCULATED.**

**A.** Projected O&M amounts are recoverable in the year incurred. EE Program Expenditures are recoverable over a four (4) year period, as noted on EEP Schedule TK-4. The calculation of the allowable monthly revenue requirement for the amortized EE Program expenditures is set forth on EEP Schedule TK-3. The allowable monthly recoverable amount is developed by taking EE Program expenditures less accumulated amortization and accumulated deferred income tax credits to derive a month end rate base. The average of the beginning and end of month balances is multiplied by an after tax weighted average cost of capital ("WACC") rate of 6.53% (through April 19, 2012), 6.42% (April 20, 2012 through August 31, 2013), 5.68% (September 1, 2013 through June 30, 2017) and 5.772% (effective July 1, 2017), grossed up for a revenue factor of 1.72431 (through August 31, 2013), 1.71565 (September 1, 2013 through June 30, 2017) and 1.71370692 (effective July 1, 2017) and divided by twelve (12) to derive a monthly return on investment. This amount, plus the monthly amortization, results in the allowable monthly revenue. The Company's WACC of 5.772% was approved in

the Company's last base rate case by a Board order issued June 30, 2017 ("June 30 Order") in Docket No. GR16090826. The WACC of 5.68% was approved by a Board order issued August 21, 2013 ("August 21 Order") in Docket No. GO12100946. The previous WACC rate of 6.42% was applied pursuant to the April 11 Order. The August 3 Order required the Company to initially utilize the WACC rate of 6.53%.

**Q. HOW WERE AMORTIZATION EXPENSES CALCULATED?**

**A.** The amortization expenses were calculated by dividing each month's amortizable expenditure by forty eight (48) months and accumulating (or layering) the amounts to the total monthly amortization expenses.

**Q. HOW WERE DEFERRED INCOME TAXES CALCULATED?**

**A.** The deferred tax benefit is calculated by multiplying the temporary difference in the Company's tax and book amortization expense by the effective income tax rate. The tax rate used in the calculation of the deferred tax benefit for Elizabethtown is 41.08% through June 30, 2010 and 40.85% thereafter and includes Corporate Business Tax.

**Q. ARE CARRYING COSTS INCLUDED IN THE EEP CALCULATION?**

**A.** Yes. In accordance with the August 3, January 19 and April 11 Orders, the Company is permitted to recover

carrying costs or issue credits on its EEP over/under recovered balances. The Company will continue to accrue such amounts on its deferred EEP balances for recovery in subsequent years as shown on EEP Schedule TK-2.

**Q. HOW WERE THE CARRYING COSTS CALCULATED?**

**A.** Carrying cost rates are applied to each year's net prior year balance and current year revenue requirements and recoveries. The interest rate is based on the Company's monthly short-term debt rate on an after-tax basis and is applied monthly to the average monthly EEP balance as shown on EEP Schedule TK-2. Interest on monthly balances is not compounded.

**Q. WHAT ARE THE RECOVERIES FOR THE 2017 RECOVERY YEAR?**

**A.** EEP Schedule TK-5 presents the recovery credits totaling $12,305 for the 2017 Recovery Year ending June 30, 2017 as shown on EEP Schedule TK-5.

**Q. WHAT ARE THE EE PROGRAM COSTS REFLECTED IN THE FILING?**

**A.** EEP Schedule TK-4 presents the expenditures for the EE Program used in setting the rate. For the 2017 Recovery Year the O&M is $177,035 and amortizable EE Program Expenditures are $253,505 for a total of $430,540. For the 2018 Recovery Year, the Company is projecting the incurrence of an additional $476,124 in O&M spending and amortizable EE Program expenditures of $1,988,792, for a

total of $2,464,916. This results in total EE Program expenditures of $8,284,141 from inception to June 30, 2018 as shown on EEP Schedule TK-3 Column c. A breakdown of these expenditures can also be found on EEP Schedule SB-1 sponsored by Ms. Buck.

**Q. WHAT LEVEL OF COSTS IS THE PROPOSED EEP RATE DESIGNED TO RECOVER?**

**A.** For the 2018 Recovery Year, the EEP rate is designed to recover $869,451 as set forth on EEP Schedule TK-1, line 8. This amount is made up of (i) the 2017 Recovery Period estimated overrecovery balance of $314,764 as set forth on EEP Schedule TK-1 line 6 and as calculated on EEP Schedule TK-2, and (ii) the 2018 Recovery Period projected recoverable amounts of $1,184,215 as shown on EEP Schedule TK-1 line 7 and as calculated on EEP Schedule TK-3 and TK-4.

**Q. HAS THE COMPANY PROVIDED A SCHEDULE WITH SEPARATE COST AND RECOVERY INFORMATION FOR EACH APPROVED PROGRAM AND EXTENSION AS REQUIRED BY THE STIPULATION APPROVED IN THE BOARD ORDER SIGNED DECEMBER 16, 2015 IN DOCKET NO. GO15050504?**

**A.** Yes. Please see EEP Schedule TK-7 for recoverable costs by program for the period July 2016 through June 2018.

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

**A.** The impact of the proposed adjustment to the EEP rate on a typical residential heating customer using 100 therms, based on rates in effect on October 1, 2017, is to increase the customer's typical monthly bill by $0.27 from $97.56 to $97.83, an increase of 0.3%, as compared to the Company’s present rates.

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

**A.** Yes, it does.

ELIZABETHTOWN GAS
B. P. U. NO. 15 – GAS REVISED~~ORIGINAL~~ SHEET NO. 126

RIDER "E"

ENERGY EFFICIENCY PROGRAM ("EEP")

Applicable to all customers except those customers under special contracts 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 the Societal Benefits Charge ("SBC") Rider "D."

The EEP shall be collected on a per therm basis and shall remain in effect until changed by order of the BPU. The applicable EEP ~~unit charges are~~rate is as follows:

$0.0020~~($0.0007)~~ per therm

The ~~charges~~ rate applicable under this Rider includes 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 "Global Warming Act," *N.J.S.A.*26-2C-45. or "RGGI Legislation" the State Legislature determined that global warming is a pervasive and dangerous threat that should be addressed through the establishment of a statewide greenhouse gas emissions reduction program. On May 8, 2008, the Board issued an Order (the "RGGI Order") pursuant to *N.J.S.A.* 48:3-98.1(c). The RGGI Order allowed electric and gas public utilities to offer energy efficiency and conservation programs on a regulated basis. By Order dated April 11, 2012 in Docket No. GO11070399, the Board approved a Stipulation that extended the program for one year, changed the name to EEP, and streamlined the program offerings. By Order dated April 29, 2013 in Docket No. GO12100946, the Board approved a Stipulation that extended the program to September 1, 2013. By Order dated August 21, 2013 in Docket No. GO12100946, the Board approved a Stipulation that extended the program through August, 2015.~~

The EEP ~~will enhance or supplement existing Clean Energy Program ("CEP") incentives with programs such as~~enables the Company to recover all costs associated with the following energy efficiency programs approved by the Board order dated April 21, 2017 in BPU Docket Nos. GR16070618 and GO15050504:

1. ~~Expanded~~ Residential gas HVAC and hot water heater incentive programs~~ for residential customers~~;

2. Residential home energy assessment program;

3. Residential home weatherization for income qualified customers program;

4. Commercial ~~customer energy efficiency programs which enhance CEP SmartStart and Pay for Performance incentives~~steam trap survey and repair program; and

~~3~~5. Enhanced customer education and outreach initiatives designed to encourage customers to conserve energy and lower their gas bills.

Date of Issue: ~~June 30, 2017~~

Effective: Service Rendered on and after ~~July 1, 2017~~

Issued by: Brian MacLean, President
520 Green Lane
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~June 30, 2017~~ in Docket No. ~~GR16090826~~

RIDER "E"

ENERGY EFFICIENCY PROGRAM ("EEP")
(continued)

~~The EEP will recover all costs associated with the program, including, but not limited to customer outreach and system implementations to implement and manage the programs.~~

Determination of the EEP

On or about July 31 of each year, the Company shall file with the Board an EEP rate filing based on the costs and recoveries incurred during the previous EEP year ending June 30th as well as estimates, if applicable, through the upcoming calendar year to develop the EEP rate to be effective October 1st as follows:

The EEP monthly recoverable expenditure amounts shall be derived from taking the average of the cumulative beginning and end of month expenditures associated with the EEP investments less accumulated amortization and accumulated deferred income tax credits times the after tax weighted average cost of capital grossed up for the Company's revenue factor, as directed in the Board's August 21, 2013 Order in Docket No. GO12100946, plus monthly amortization using a four year amortization period.

The EEP rate shall be calculated by summing the (i) prior year's EEP over or under recovery balance, plus (ii) current year monthly recoverable expenditure amounts, less (iii) current year recoveries, plus (iv) current year carrying costs based on the monthly average over or under recovered balances, at a rate equal to the rate obtained on the Company's weighted average of its commercial paper and bank credit lines, if both sources have been utilized, not to exceed the weighted average cost of capital after tax as described above, plus (v) an estimated amount to recover the upcoming year's recoverable expenditures amount and dividing the resulting sum by the annual forecasted per therm quantities for the applicable customers set forth above. The resulting rate shall be adjusted for all applicable taxes. The EEP rate shall be self-implementing on a refundable basis as directed by the BPU.

CLEAN

RIDER "E"

ENERGY EFFICIENCY PROGRAM ("EEP")

Applicable to all customers except those customers under special contracts 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 the Societal Benefits Charge ("SBC") Rider "D."

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

$0.0020 per therm

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

The EEP enables the Company to recover all costs associated with the following energy efficiency programs approved by the Board order dated April 21, 2017 in BPU Docket Nos. GR16070618 and GO15050504:

1. Residential gas HVAC and hot water heater incentive programs;

2. Residential home energy assessment program;

3. Residential home weatherization for income qualified customers program;

4. Commercial steam trap survey and repair program; and

5. Enhanced customer education and outreach initiatives designed to encourage customers to conserve energy and lower their gas bills.

RIDER "E"

ENERGY EFFICIENCY PROGRAM ("EEP")
(continued)

Determination of the EEP

On or about July 31 of each year, the Company shall file with the Board an EEP rate filing based on the costs and recoveries incurred during the previous EEP year ending June 30th as well as estimates, if applicable, through the upcoming calendar year to develop the EEP rate to be effective October 1st as follows:

The EEP monthly recoverable expenditure amounts shall be derived from taking the average of the cumulative beginning and end of month expenditures associated with the EEP investments less accumulated amortization and accumulated deferred income tax credits times the after tax weighted average cost of capital grossed up for the Company's revenue factor, as directed in the Board's August 21, 2013 Order in Docket No. GO12100946, plus monthly amortization using a four year amortization period.

The EEP rate shall be calculated by summing the (i) prior year's EEP over or under recovery balance, plus (ii) current year monthly recoverable expenditure amounts, less (iii) current year recoveries, plus (iv) current year carrying costs based on the monthly average over or under recovered balances, at a rate equal to the rate obtained on the Company's weighted average of its commercial paper and bank credit lines, if both sources have been utilized, not to exceed the weighted average cost of capital after tax as described above, plus (v) an estimated amount to recover the upcoming year's recoverable expenditures amount and dividing the resulting sum by the annual forecasted per therm quantities for the applicable customers set forth above. The resulting rate shall be adjusted for all applicable taxes. The EEP rate shall be self-implementing on a refundable basis as directed by the BPU.

PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS

ENERGY EFFICIENCY PROGRAM ("EEP")

CALCULATION OF THE EEP RATE *
October 1, 2017 through September 30, 2018
RECOVERY YEAR - 2018

| | | | | | |
|---|---|---|---|---|---|
| 1 | Prior Year Balance - (Sch. TK-2) | June 30, 2016 | | ($937,833) | |
| | Actual Amounts Through: | June 30, 2017 | | | |
| 2 | Current Year O&M Costs (Sch. TK-2) | | | $177,035 | |
| 3 | Current Year Revenue Requirements (Sch. TK-2) | | | $437,843 | |
| 4 | Current Year (Recoveries) / Credits (Sch.TK-2) | | | $12,305 | |
| 5 | Current Year Carrying Cost Charge / (Credit) (Sch. TK-2) | | | ($4,114) | |
| 6 | Proforma Current Year TK-2 Ending Balance (Sum L1-L5) | | | ($314,764) | |
| 7 | Projected Recoverables : | June 30, 2018 | | | |
| | - Revenue Requirements (Sch. TK-3) | | $708,091 | | |
| | - O&M Costs (Sch. TK-4) | | $476,124 | $1,184,215 | |
| 8 | Total Proposed Recoveries (L6+L7) | | | $869,451 | |
| 9 | 12 Month Projected Normalized Sales and Services: | | | | |
| | - Residential and GLS | | 223,883,700 | | |
| | - Commercial | | 145,809,414 | | |
| | - Industrial | | 76,739,800 | | |
| | - NGV | | 154,800 | | |
| | - Cogeneration | | 0 | 446,587,714 | therms |
| 10 | EEP Rate, before taxes (L8/L9) | | | $0.0019 | /therm |
| 11 | Sales & Use Tax @ | 6.625% | | $0.0001 | |
| 12 | EEP Rate (L10+L11) | | | **$0.0020** | /therm |

* Rate based on 12 month projected volumes, proposed to be effective January 1, 2018.

PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS
ENERGY EFFICIENCY PROGRAM ("EEP")

**CALCULATION OF THE EEP RATE**
PROFROMA RATES PER KNOWN ACTUALS
**Data to June 30th to Set Rate For**

**Before Rate Date Implementation Adjustments**

| | | Yr ending > | January 1, 2018 June-17 | October 1, 2018 June-18 | October 1, 2019 June-19 | October 1, 2020 June-20 | October 1, 2021 June-21 | October 1, 2022 June-22 | October 1, 2023 June-23 | October 1, 2024 June-24 | October 1, 2025 June-25 | October 1, 2026 June-26 | October 1, 2027 June-27 | October 1, 2028 June-28 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Prior Year (Over)/ Under Balance (Sch. TK-2) | | ($314,764) | $497,589 | $99,012 | ($96,247) | ($57,293) | ($41,007) | ($40,812) | ($583) | $5,134 | $5,026 | $5,026 | $5,026 |
| 2 | Monthly Revenue Requirement (Sch. TK-2) | | $708,091 | $1,063,155 | $964,967 | $833,892 | $457,710 | $45,909 | ($156) | ($156) | ($156) | ($156) | ($156) | ($156) |
| 3 | O&M Expenditures (Sch. TK-2) | | $476,124 | $296,590 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| 4 | Total Proposed Recoveries (Sum L1+L2+L3) | | $869,451 | $1,857,334 | $1,063,979 | $737,645 | $400,417 | $4,902 | ($40,968) | ($739) | $4,978 | $4,870 | $4,870 | $4,870 |
| 5 | Projected Firm Sales (1) (Sch. TK-5) Therms | | 446,587,714 | 446,587,714 | 446,587,714 | 446,587,714 | 446,587,714 | 446,587,714 | 446,587,714 | 446,587,714 | 446,587,714 | 446,587,714 | 446,587,714 | 446,587,714 |
| 6 | **Rate, before taxes (L4/L5)** | | **$0.0019** | **$0.0042** | **$0.0024** | **$0.0017** | **$0.0009** | **$0.0000** | **($0.0001)** | **$0.0000** | **$0.0000** | **$0.0000** | **$0.0000** | **$0.0000** |
| 7 | Sales & Use Tax @ | 6.625% | $0.0001 | $0.0003 | $0.0002 | $0.0001 | $0.0001 | $0.0000 | $0.0000 | $0.0000 | $0.0000 | $0.0000 | $0.0000 | $0.0000 |
| 8 | **Rate (L6+L7) per Therm** | | **$0.0020** | **$0.0045** | **$0.0026** | **$0.0018** | **$0.0010** | **$0.0000** | **($0.0001)** | **$0.0000** | **$0.0000** | **$0.0000** | **$0.0000** | **$0.0000** |

(1) All therms excluding NJBPU approved special contracts.

**Average Billing Changes:**

| **Determinates** | | **Rates 10/1/17** | **January 1, 2018** Prj. Billed Amt | **October 1, 2018** Prj. Billed Amt | **October 1, 2019** Prj. Billed Amt | **October 1, 2020** Prj. Billed Amt | **October 1, 2021** Prj. Billed Amt | **October 1, 2022** Prj. Billed Amt | **October 1, 2023** Prj. Billed Amt | **October 1, 2024** Prj. Billed Amt | **October 1, 2025** Prj. Billed Amt | **October 1, 2026** Prj. Billed Amt | **October 1, 2027** Prj. Billed Amt | **October 1, 2028** Prj. Billed Amt |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Effective EEP Rate > | ($0.0007) | | | | | | | | | | | | |
| | Residential Sales Service | | | | | | | | | | | | | |
| 12 | Service Charge | $8.50 | | | | | | | | | | | | |
| 1,000 | Volumetric Charge | $0.8906 | | | | | | | | | | | | |
| | Bill | $992.60 | $995.30 | $997.80 | $995.90 | $995.10 | $994.30 | $993.30 | $993.20 | $993.30 | $993.30 | $993.30 | $993.30 | $993.30 |
| | Annual Bill Change | | $2.70 | $2.50 | ($1.90) | ($0.80) | ($0.80) | ($1.00) | ($0.10) | $0.10 | $0.00 | $0.00 | $0.00 | $0.10 |
| | Percent Change | | 0.3% | 0.3% | (0.2%) | (0.1%) | (0.1%) | (0.1%) | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | Bill Change from Base | | $2.70 | $5.20 | $3.30 | $2.50 | $1.70 | $0.70 | $0.60 | $0.70 | $0.70 | $0.70 | $0.70 | $0.70 |
| | Cumulative Billed | | | | | | | $16.10 | $16.70 | $17.40 | $18.10 | $18.80 | $19.50 | $20.20 |
| | Small General Service | | | | | | | | | | | | | |
| 12 | Service Charge | $21.97 | | | | | | | | | | | | |
| 1,000 | Volumetric Charge | $0.8525 | | | | | | | | | | | | |
| | Bill | $1,116.14 | $1,118.84 | $1,121.34 | $1,119.44 | $1,118.64 | $1,117.84 | $1,116.84 | $1,116.74 | $1,116.84 | $1,116.84 | $1,116.84 | $1,116.84 | $1,116.84 |
| | Annual Bill Change | | $2.70 | $2.50 | ($1.90) | ($0.80) | ($0.80) | ($1.00) | ($0.10) | $0.10 | $0.00 | $0.00 | $0.00 | $0.10 |
| | Percent Change | | 0.2% | 0.2% | (0.2%) | (0.1%) | (0.1%) | (0.1%) | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | Bill Change from Base | | $2.70 | $5.20 | $3.30 | $2.50 | $1.70 | $0.70 | $0.60 | $0.70 | $0.70 | $0.70 | $0.70 | $0.70 |
| | Cumulative Billed | | | | | | | $16.10 | $16.70 | $17.40 | $18.10 | $18.80 | $19.50 | $20.20 |
| | General Delivery Service | | | | | | | | | | | | | |
| 12 | Service Charge | $28.96 | | | | | | | | | | | | |
| 1,300 | Demand Charge | $0.808 | | | | | | | | | | | | |
| 13,000 | Volumetric Charge | $0.7554 | | | | | | | | | | | | |
| | Bill | $11,218.12 | $11,253.22 | $11,285.72 | $11,261.02 | $11,250.62 | $11,240.22 | $11,227.22 | $11,225.92 | $11,227.22 | $11,227.22 | $11,227.22 | $11,227.22 | $11,227.22 |
| | Annual Bill Change | | $35.10 | $32.50 | ($24.70) | ($10.40) | ($10.40) | ($13.00) | ($1.30) | $1.30 | $0.00 | $0.00 | $0.00 | $1.30 |
| | Percent Change | | 0.3% | 0.3% | (0.2%) | (0.1%) | (0.1%) | (0.1%) | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | Bill Change from Base | | $35.10 | $67.60 | $42.90 | $32.50 | $22.10 | $9.10 | $7.80 | $9.10 | $9.10 | $9.10 | $9.10 | $9.10 |
| | Cumulative Billed | | | | | | | $209.30 | $217.10 | $226.20 | $235.30 | $244.40 | $253.50 | $262.60 |

PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS
ENERGY EFFICIENCY PROGRAM ("EEP")

**Carrying Costs**

| a | | Beginning Balance b | Revenue Requirement TK-3 c | O&M TK-4 d | Recoveries TK-5 e | Ending Balance f=b+c+d-e | Average Balance g=(b+f)/2 | Interest Rate TK-6 h | Carrying Cost i=g*h/12 | Ending Balance plus Cum. (O)/U Carrying Cost j=f+ cum of i |
|---|---|---|---|---|---|---|---|---|---|---|
| Jun-10 | | | $153,488 | $522,139 | $2,991,884 | ($2,316,257) | ($2,271,904) | | ($4,351) | ($2,320,608) |
| Jun-11 | | | $470,672 | $1,314,822 | $2,061,741 | ($2,596,855) | ($2,712,974) | | ($7,577) | ($2,604,432) |
| Jun-12 | | | $1,016,105 | $1,610,350 | $4,416 | $17,607 | ($49,611) | | ($2,436) | $15,171 |
| Jun-13 | | | $1,326,760 | $348,053 | $817 | $1,689,167 | $1,620,408 | | $2,233 | $1,691,400 |
| Jun-14 | | | $1,259,659 | $462,362 | $1,120,717 | $2,292,704 | $2,262,365 | | $4,375 | $2,297,079 |
| Jun-15 | | | $1,043,900 | $447,774 | $3,449,216 | $339,537 | $368,708 | | $3,845 | $343,382 |
| Jun-16 | | | $660,990 | $206,306 | $2,147,607 | ($936,929) | ($917,797) | | ($904) | ($937,833) |
| Jun-17 | | | $437,843 | $177,035 | ($12,305) | ($310,650) | ($339,156) | | ($4,114) | ($314,764) |
| Jun-18 | * | | $708,091 | $476,124 | $373,370 | $496,081 | $447,245 | | $1,508 | $497,589 |
| Jun-19 | * | | $1,063,155 | $296,590 | $1,762,946 | $94,388 | $82,382 | | $4,624 | $99,012 |
| Jun-20 | * | | $964,967 | $0 | $1,160,732 | ($96,753) | ($116,216) | | $506 | ($96,247) |
| Jun-21 | * | | $833,892 | $0 | $794,677 | ($57,032) | ($77,170) | | ($261) | ($57,293) |
| Jun-22 | * | | $457,710 | $0 | $441,453 | ($41,036) | ($45,302) | | $29 | ($41,007) |
| Jun-23 | * | | $45,909 | $0 | $45,357 | ($40,455) | ($40,449) | | ($357) | ($40,812) |
| Jun-24 | * | | ($156) | $0 | ($40,612) | ($356) | ($1,097) | | ($227) | ($583) |
| Jun-25 | * | | ($156) | $0 | ($5,835) | $5,323 | $5,330 | | $38 | $5,134 |
| Jun-26 | * | | ($156) | $0 | $0 | $5,167 | $5,174 | | $48 | $5,026 |
| Total | | | $10,442,673 | $5,861,555 | $16,296,181 | | | | ($3,021) | |

* Projected

PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS
ENERGY EFFICIENCY PROGRAM ("EEP")

**Monthly Recoverable Investment**
**Program Expenditures - Amortized Over Four Years**

| a | Amortizable Expenditures TK-4 b | Cumulative Expenditures c | Average Expenditures d | Amort. Months e | Monthly Amortization f | Accum. Amort. g | Accum. Deferred Income Tax h | Earnings / Rate Base i=c-g-h | Average Rate Base i | Wtd. Avg. Cost of Capital After-tax k | Revenue Factor l | Monthly Return on Rate Base m= (j) *k*l/12 | Monthly Revenue Requirement n=m+f | YTD ending June |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Begin Balance | | $0 | | | | $0 | | $0 | | | | | | |
| Aug-09 | $415 | $415 | $208 | 48 | $9 | $9 | $167 | $239 | $120 | 6.87% | 1.71702 | $1 | $10 | |
| Sep-09 | $58,552 | $58,967 | $29,691 | 48 | $1,228 | $1,237 | $23,715 | $34,015 | $17,127 | 6.87% | 1.71702 | $168 | $1,396 | |
| Oct-09 | $503,469 | $562,436 | $310,702 | 48 | $11,717 | $12,954 | $225,727 | $323,755 | $178,885 | 6.87% | 1.71702 | $1,758 | $13,475 | |
| Nov-09 | $9,154 | $571,590 | $567,013 | 48 | $11,908 | $24,862 | $224,596 | $322,132 | $322,944 | 6.87% | 1.71702 | $3,175 | $15,083 | |
| Dec-09 | $6,648 | $578,238 | $574,914 | 48 | $12,047 | $36,909 | $222,378 | $318,951 | $320,542 | 6.71% | 1.72388 | $3,090 | $15,137 | |
| Jan-10 | $29,746 | $607,984 | $593,111 | 48 | $12,666 | $49,575 | $229,394 | $329,015 | $323,983 | 6.53% | 1.73120 | $3,052 | $15,718 | |
| Feb-10 | $22,212 | $630,196 | $619,090 | 48 | $13,129 | $62,704 | $233,125 | $334,367 | $331,691 | 6.53% | 1.73120 | $3,125 | $16,254 | |
| Mar-10 | $67,165 | $697,361 | $663,779 | 48 | $14,528 | $77,232 | $254,749 | $365,380 | $349,874 | 6.53% | 1.73120 | $3,296 | $17,824 | |
| Apr-10 | $25,100 | $722,461 | $709,911 | 48 | $15,051 | $92,283 | $258,877 | $371,301 | $368,341 | 6.53% | 1.73120 | $3,470 | $18,521 | |
| May-10 | $45,518 | $767,979 | $745,220 | 48 | $16,000 | $108,283 | $271,003 | $388,693 | $379,997 | 6.53% | 1.73120 | $3,580 | $19,580 | 11 mos. |
| Jun-10 | $37,061 | $805,040 | $786,510 | 48 | $16,772 | $125,055 | $279,338 | $400,647 | $394,670 | 6.53% | 1.73120 | $3,718 | $20,490 | $153,488 |
| Jul-10 | $66,161 | $871,201 | $838,121 | 48 | $18,150 | $143,205 | $298,950 | $429,046 | $414,847 | 6.53% | 1.72431 | $3,893 | $22,043 | |
| Aug-10 | $38,308 | $909,509 | $890,355 | 48 | $18,948 | $162,153 | $306,859 | $440,497 | $434,772 | 6.53% | 1.72431 | $4,080 | $23,028 | |
| Sep-10 | $102,354 | $1,011,863 | $960,686 | 48 | $21,080 | $183,233 | $340,059 | $488,571 | $464,534 | 6.53% | 1.72431 | $4,359 | $25,439 | |
| Oct-10 | $115,476 | $1,127,339 | $1,069,601 | 48 | $23,486 | $206,719 | $377,637 | $542,983 | $515,777 | 6.53% | 1.72431 | $4,840 | $28,326 | |
| Nov-10 | $160,103 | $1,287,442 | $1,207,391 | 48 | $26,822 | $233,541 | $432,082 | $621,819 | $582,401 | 6.53% | 1.72431 | $5,465 | $32,287 | |
| Dec-10 | $121,085 | $1,408,527 | $1,347,985 | 48 | $29,344 | $262,885 | $469,558 | $676,084 | $648,952 | 6.53% | 1.72431 | $6,089 | $35,433 | |
| Jan-11 | $316,793 | $1,725,320 | $1,566,924 | 48 | $35,944 | $298,829 | $584,285 | $842,206 | $759,145 | 6.53% | 1.72431 | $7,123 | $43,067 | |
| Feb-11 | $69,466 | $1,794,786 | $1,760,053 | 48 | $37,391 | $336,220 | $597,387 | $861,179 | $851,693 | 6.53% | 1.72431 | $7,992 | $45,383 | |
| Mar-11 | $145,466 | $1,940,252 | $1,867,519 | 48 | $40,422 | $376,642 | $640,298 | $923,312 | $892,246 | 6.53% | 1.72431 | $8,372 | $48,794 | |
| Apr-11 | $123,753 | $2,064,005 | $2,002,129 | 48 | $43,000 | $419,642 | $673,285 | $971,078 | $947,195 | 6.53% | 1.72431 | $8,888 | $51,888 | |
| May-11 | $181,299 | $2,245,304 | $2,154,655 | 48 | $46,777 | $466,419 | $728,238 | $1,050,647 | $1,010,863 | 6.53% | 1.72431 | $9,485 | $56,262 | |
| Jun-11 | $94,109 | $2,339,413 | $2,292,359 | 48 | $48,738 | $515,157 | $746,772 | $1,077,484 | $1,064,066 | 6.53% | 1.72431 | $9,984 | $58,722 | $470,672 |
| Jul-11 | $151,612 | $2,491,025 | $2,415,219 | 48 | $51,896 | $567,053 | $787,506 | $1,136,466 | $1,106,975 | 6.53% | 1.72431 | $10,387 | $62,283 | |
| Aug-11 | $225,652 | $2,716,677 | $2,603,851 | 48 | $56,597 | $623,650 | $856,564 | $1,236,463 | $1,186,465 | 6.53% | 1.72431 | $11,133 | $67,730 | |
| Sep-11 | $217,236 | $2,933,913 | $2,825,295 | 48 | $61,123 | $684,773 | $920,336 | $1,328,804 | $1,282,634 | 6.53% | 1.72431 | $12,035 | $73,158 | |
| Oct-11 | $223,848 | $3,157,761 | $3,045,837 | 48 | $65,787 | $750,560 | $984,905 | $1,422,296 | $1,375,550 | 6.53% | 1.72431 | $12,907 | $78,694 | |
| Nov-11 | ($250,636) | $2,907,125 | $3,032,443 | 48 | $60,565 | $811,125 | $857,779 | $1,238,221 | $1,330,259 | 6.53% | 1.72431 | $12,482 | $73,047 | |
| Dec-11 | $200,118 | $3,107,243 | $3,007,184 | 48 | $64,734 | $875,859 | $913,083 | $1,318,301 | $1,278,261 | 6.53% | 1.72431 | $11,994 | $76,728 | |
| Jan-12 | $279,326 | $3,386,569 | $3,246,906 | 48 | $70,554 | $946,413 | $998,367 | $1,441,789 | $1,380,045 | 6.53% | 1.72431 | $12,949 | $83,503 | |
| Feb-12 | $256,311 | $3,642,880 | $3,514,725 | 48 | $75,893 | $1,022,306 | $1,072,067 | $1,548,507 | $1,495,148 | 6.53% | 1.72431 | $14,029 | $89,922 | |
| Mar-12 | $249,404 | $3,892,284 | $3,767,582 | 48 | $81,089 | $1,103,395 | $1,140,824 | $1,648,065 | $1,598,286 | 6.53% | 1.72431 | $14,997 | $96,086 | |
| Apr-12 | $198,955 | $4,091,239 | $3,991,762 | 48 | $85,234 | $1,188,629 | $1,187,279 | $1,715,331 | $1,681,698 | 6.49% | 1.72431 | $15,683 | $100,917 | |
| May-12 | $238,126 | $4,329,365 | $4,210,302 | 48 | $90,195 | $1,278,824 | $1,247,709 | $1,802,832 | $1,759,082 | 6.42% | 1.72431 | $16,228 | $106,423 | |
| Jun-12 | $43,972 | $4,373,337 | $4,351,351 | 48 | $91,111 | $1,369,935 | $1,228,452 | $1,774,950 | $1,788,891 | 6.42% | 1.72431 | $16,503 | $107,614 | $1,016,105 |
| Jul-12 | $8,900 | $4,382,237 | $4,377,787 | 48 | $91,297 | $1,461,232 | $1,194,793 | $1,726,212 | $1,750,581 | 6.42% | 1.72431 | $16,149 | $107,446 | |
| Aug-12 | $54,599 | $4,436,836 | $4,409,537 | 48 | $92,434 | $1,553,666 | $1,179,338 | $1,703,832 | $1,715,022 | 6.42% | 1.72431 | $15,821 | $108,255 | |
| Sep-12 | $13,890 | $4,450,726 | $4,443,781 | 48 | $92,723 | $1,646,389 | $1,147,134 | $1,657,203 | $1,680,518 | 6.42% | 1.72431 | $15,503 | $108,226 | |
| Oct-12 | $64,306 | $4,515,032 | $4,482,879 | 48 | $94,063 | $1,740,452 | $1,134,978 | $1,639,602 | $1,648,403 | 6.42% | 1.72431 | $15,207 | $109,270 | |
| Nov-12 | $25,868 | $4,540,900 | $4,527,966 | 48 | $94,602 | $1,835,054 | $1,106,901 | $1,598,945 | $1,619,274 | 6.42% | 1.72431 | $14,938 | $109,540 | |
| Dec-12 | $38,951 | $4,579,851 | $4,560,376 | 48 | $95,414 | $1,930,468 | $1,083,836 | $1,565,547 | $1,582,246 | 6.42% | 1.72431 | $14,596 | $110,010 | |
| Jan-13 | $11,653 | $4,591,504 | $4,585,678 | 48 | $95,656 | $2,026,124 | $1,049,520 | $1,515,860 | $1,540,704 | 6.42% | 1.72431 | $14,213 | $109,869 | |
| Feb-13 | $39,889 | $4,631,393 | $4,611,449 | 48 | $96,487 | $2,122,611 | $1,026,400 | $1,482,382 | $1,499,121 | 6.42% | 1.72431 | $13,829 | $110,316 | |
| Mar-13 | $61,254 | $4,692,647 | $4,662,020 | 48 | $97,763 | $2,220,374 | $1,011,486 | $1,460,787 | $1,471,585 | 6.42% | 1.72431 | $13,575 | $111,338 | |
| Apr-13 | $115,134 | $4,807,781 | $4,750,214 | 48 | $100,162 | $2,320,536 | $1,017,602 | $1,469,643 | $1,465,215 | 6.42% | 1.72431 | $13,517 | $113,679 | |
| May-13 | $33,163 | $4,840,944 | $4,824,363 | 48 | $100,853 | $2,421,389 | $989,950 | $1,429,605 | $1,449,624 | 6.42% | 1.72431 | $13,373 | $114,226 | |
| Jun-13 | $34,827 | $4,875,771 | $4,858,358 | 48 | $101,579 | $2,522,968 | $962,682 | $1,390,121 | $1,409,863 | 6.42% | 1.72431 | $13,006 | $114,585 | $1,326,760 |
| Jul-13 | $38,889 | $4,914,660 | $4,895,216 | 48 | $102,389 | $2,625,357 | $936,743 | $1,352,560 | $1,371,341 | 6.42% | 1.72431 | $12,651 | $115,040 | |
| Aug-13 | $35,900 | $4,950,560 | $4,932,610 | 48 | $103,128 | $2,728,485 | $909,280 | $1,312,795 | $1,332,678 | 6.42% | 1.72431 | $12,294 | $115,422 | |
| Sep-13 | $19,751 | $4,970,311 | $4,960,436 | 48 | $102,320 | $2,830,805 | $875,551 | $1,263,955 | $1,288,375 | 5.68% | 1.71565 | $10,463 | $112,783 | |
| Oct-13 | $23,954 | $4,994,265 | $4,982,288 | 48 | $92,330 | $2,923,135 | $847,619 | $1,223,511 | $1,243,733 | 5.68% | 1.71565 | $10,100 | $102,430 | |
| Nov-13 | $35,053 | $5,029,318 | $5,011,792 | 48 | $92,869 | $3,016,004 | $824,001 | $1,189,313 | $1,206,412 | 5.68% | 1.71565 | $9,797 | $102,666 | |
| Dec-13 | $13,937 | $5,043,255 | $5,036,287 | 48 | $93,021 | $3,109,025 | $791,695 | $1,142,535 | $1,165,924 | 5.68% | 1.71565 | $9,468 | $102,489 | |
| Jan-14 | $45,466 | $5,088,721 | $5,065,988 | 48 | $93,349 | $3,202,374 | $772,135 | $1,114,212 | $1,128,374 | 5.68% | 1.71565 | $9,163 | $102,512 | |
| Feb-14 | $37,678 | $5,126,399 | $5,107,560 | 48 | $93,671 | $3,296,045 | $749,262 | $1,081,092 | $1,097,652 | 5.68% | 1.71565 | $8,914 | $102,585 | |
| Mar-14 | $1,330 | $5,127,729 | $5,127,064 | 48 | $92,299 | $3,388,344 | $712,101 | $1,027,284 | $1,054,188 | 5.68% | 1.71565 | $8,561 | $100,860 | |
| Apr-14 | $56,891 | $5,184,620 | $5,156,175 | 48 | $92,962 | $3,481,306 | $697,366 | $1,005,948 | $1,016,616 | 5.68% | 1.71565 | $8,256 | $101,218 | |
| May-14 | $41,786 | $5,226,406 | $5,205,513 | 48 | $92,884 | $3,574,190 | $676,493 | $975,723 | $990,836 | 5.68% | 1.71565 | $8,046 | $100,930 | |
| Jun-14 | $39,235 | $5,265,641 | $5,246,024 | 48 | $92,929 | $3,667,119 | $654,559 | $943,963 | $959,843 | 5.68% | 1.71565 | $7,795 | $100,724 | $1,259,659 |
| Jul-14 | $4,676 | $5,270,317 | $5,267,979 | 48 | $91,648 | $3,758,767 | $619,030 | $892,520 | $918,242 | 5.68% | 1.71565 | $7,457 | $99,105 | |
| Aug-14 | $40,208 | $5,310,525 | $5,290,421 | 48 | $91,688 | $3,850,455 | $598,001 | $862,069 | $877,295 | 5.68% | 1.71565 | $7,124 | $98,812 | |
| Sep-14 | $27,556 | $5,338,081 | $5,324,303 | 48 | $90,130 | $3,940,585 | $572,440 | $825,056 | $843,563 | 5.68% | 1.71565 | $6,850 | $96,980 | |
| Oct-14 | $32,072 | $5,370,153 | $5,354,117 | 48 | $88,392 | $4,028,977 | $549,433 | $791,743 | $808,400 | 5.68% | 1.71565 | $6,565 | $94,957 | |
| Nov-14 | $75 | $5,370,228 | $5,370,191 | 48 | $85,058 | $4,114,035 | $514,717 | $741,476 | $766,610 | 5.68% | 1.71565 | $6,225 | $91,283 | |
| Dec-14 | $60,029 | $5,430,257 | $5,400,243 | 48 | $83,786 | $4,197,821 | $505,013 | $727,423 | $734,450 | 5.68% | 1.71565 | $5,964 | $89,750 | |
| Jan-15 | $33,078 | $5,463,335 | $5,446,796 | 48 | $77,875 | $4,275,696 | $486,713 | $700,926 | $714,175 | 5.68% | 1.71565 | $5,800 | $83,675 | |
| Feb-15 | $35,129 | $5,498,464 | $5,480,900 | 48 | $77,160 | $4,352,856 | $469,543 | $676,065 | $688,496 | 5.68% | 1.71565 | $5,591 | $82,751 | |
| Mar-15 | $32,917 | $5,531,381 | $5,514,923 | 48 | $74,815 | $4,427,671 | $452,428 | $651,282 | $663,674 | 5.68% | 1.71565 | $5,390 | $80,205 | |
| Apr-15 | $1,697 | $5,533,078 | $5,532,230 | 48 | $72,272 | $4,499,943 | $423,598 | $609,537 | $630,410 | 5.68% | 1.71565 | $5,119 | $77,391 | |
| May-15 | $60,423 | $5,593,501 | $5,563,290 | 48 | $69,754 | $4,569,697 | $419,786 | $604,018 | $606,778 | 5.68% | 1.71565 | $4,927 | $74,681 | |
| Jun-15 | $76,527 | $5,670,028 | $5,631,765 | 48 | $69,388 | $4,639,085 | $422,702 | $608,241 | $606,130 | 5.68% | 1.71565 | $4,922 | $74,310 | $1,043,900 |
| Jul-15 | $17,591 | $5,687,619 | $5,678,824 | 48 | $66,596 | $4,705,681 | $402,684 | $579,254 | $593,748 | 5.68% | 1.71565 | $4,822 | $71,418 | |
| Aug-15 | $2,706 | $5,690,325 | $5,688,972 | 48 | $61,951 | $4,767,632 | $378,482 | $544,211 | $561,733 | 5.68% | 1.71565 | $4,562 | $66,513 | |
| Sep-15 | $22,340 | $5,712,665 | $5,701,495 | 48 | $57,891 | $4,825,523 | $363,960 | $523,182 | $533,697 | 5.68% | 1.71565 | $4,334 | $62,225 | |
| Oct-15 | $32,451 | $5,745,116 | $5,728,891 | 48 | $53,903 | $4,879,426 | $355,197 | $510,493 | $516,838 | 5.68% | 1.71565 | $4,197 | $58,100 | |
| Nov-15 | $27,056 | $5,772,172 | $5,758,644 | 48 | $59,689 | $4,939,115 | $341,866 | $491,191 | $500,842 | 5.68% | 1.71565 | $4,067 | $63,756 | |
| Dec-15 | $67,554 | $5,839,726 | $5,805,949 | 48 | $56,927 | $4,996,042 | $346,207 | $497,477 | $494,334 | 5.68% | 1.71565 | $4,014 | $60,941 | |
| Jan-16 | $5,366 | $5,845,092 | $5,842,409 | 48 | $51,219 | $5,047,261 | $327,476 | $470,355 | $483,916 | 5.68% | 1.71565 | $3,930 | $55,149 | |
| Feb-16 | $139,111 | $5,984,203 | $5,914,648 | 48 | $48,778 | $5,096,039 | $364,378 | $523,786 | $497,071 | 5.68% | 1.71565 | $4,037 | $52,815 | |
| Mar-16 | $26,827 | $6,011,030 | $5,997,617 | 48 | $44,141 | $5,140,180 | $357,305 | $513,545 | $518,666 | 5.68% | 1.71565 | $4,212 | $48,353 | |
| Apr-16 | $1,132 | $6,012,162 | $6,011,596 | 48 | $40,019 | $5,180,199 | $341,419 | $490,544 | $502,045 | 5.68% | 1.71565 | $4,077 | $44,096 | |
| May-16 | $4,007 | $6,016,169 | $6,014,166 | 48 | $35,142 | $5,215,341 | $328,701 | $472,127 | $481,336 | 5.68% | 1.71565 | $3,909 | $39,051 | |
| Jun-16 | $25,675 | $6,041,844 | $6,029,007 | 48 | $34,761 | $5,250,102 | $324,989 | $466,753 | $469,440 | 5.68% | 1.71565 | $3,812 | $38,573 | $660,990 |

PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS
ENERGY EFFICIENCY PROGRAM ("EEP")

**Monthly Recoverable Investment**
**Program Expenditures - Amortized Over Four Years**

| | Amortizable Expenditures TK-4 | Cumulative Expenditures | Average Expenditures | Amort. Months | Monthly Amortization | Accum. Amort. | Accum. Deferred Income Tax | Earnings / Rate Base | Average Rate Base | Wtd. Avg. Cost of Capital After-tax | Revenue Factor | Monthly Return on Rate Base | Monthly Revenue Requirement | YTD ending June |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| a | b | c | d | e | f | g | h | i=c-g-h | i | k | l | m= (j) *k*l/12 | n=m+f | |
| Jul-16 | $53,903 | $6,095,747 | $6,068,796 | 48 | $35,698 | $5,285,800 | $332,426 | $477,521 | $472,137 | 5.68% | 1.71565 | $3,834 | $39,532 | |
| Aug-16 | $1,929 | $6,097,676 | $6,096,712 | 48 | $34,601 | $5,320,401 | $319,080 | $458,195 | $467,858 | 5.68% | 1.71565 | $3,799 | $38,400 | |
| Sep-16 | $31,675 | $6,129,351 | $6,113,514 | 48 | $34,971 | $5,355,372 | $317,733 | $456,246 | $457,221 | 5.68% | 1.71565 | $3,713 | $38,684 | |
| Oct-16 | $17,197 | $6,146,548 | $6,137,950 | 48 | $33,990 | $5,389,362 | $310,873 | $446,313 | $451,280 | 5.68% | 1.71565 | $3,665 | $37,655 | |
| Nov-16 | $19,566 | $6,166,114 | $6,156,331 | 48 | $33,859 | $5,423,221 | $305,035 | $437,858 | $442,086 | 5.68% | 1.71565 | $3,590 | $37,449 | |
| Dec-16 | $19,860 | $6,185,974 | $6,176,044 | 48 | $33,461 | $5,456,682 | $299,479 | $429,813 | $433,836 | 5.68% | 1.71565 | $3,523 | $36,984 | |
| Jan-17 | $20,031 | $6,206,005 | $6,195,990 | 48 | $33,635 | $5,490,317 | $293,921 | $421,767 | $425,790 | 5.68% | 1.71565 | $3,458 | $37,093 | |
| Feb-17 | $1,301 | $6,207,306 | $6,206,656 | 48 | $32,832 | $5,523,149 | $281,041 | $403,116 | $412,442 | 5.68% | 1.71565 | $3,349 | $36,181 | |
| Mar-17 | $50,755 | $6,258,061 | $6,232,684 | 48 | $32,613 | $5,555,762 | $288,452 | $413,847 | $408,482 | 5.68% | 1.71565 | $3,317 | $35,930 | |
| Apr-17 | $15,518 | $6,273,579 | $6,265,820 | 48 | $30,537 | $5,586,299 | $282,317 | $404,963 | $409,405 | 5.68% | 1.71565 | $3,325 | $33,862 | |
| May-17 | $12,094 | $6,285,673 | $6,279,626 | 48 | $30,099 | $5,616,398 | $274,962 | $394,313 | $399,638 | 5.68% | 1.71565 | $3,245 | $33,344 | |
| Jun-17 | $9,676 | $6,295,349 | $6,290,511 | 48 | $29,575 | $5,645,973 | $266,833 | $382,543 | $388,428 | 5.68% | 1.71565 | $3,154 | $32,729 | $437,843 |
| Jul-17 | $519,816 | $6,815,165 | $6,555,257 | 48 | $39,594 | $5,685,567 | $463,004 | $666,594 | $524,569 | 5.772% | 1.71370692 | $4,324 | $43,918 | |
| Aug-17 | $94,816 | $6,909,981 | $6,862,573 | 48 | $40,821 | $5,726,388 | $485,061 | $698,532 | $682,563 | 5.772% | 1.71370692 | $5,626 | $46,447 | |
| Sep-17 | $94,816 | $7,004,797 | $6,957,389 | 48 | $42,385 | $5,768,773 | $506,479 | $729,545 | $714,039 | 5.772% | 1.71370692 | $5,886 | $48,271 | |
| Oct-17 | $94,816 | $7,099,613 | $7,052,205 | 48 | $43,861 | $5,812,634 | $527,294 | $759,685 | $744,615 | 5.772% | 1.71370692 | $6,138 | $49,999 | |
| Nov-17 | $94,816 | $7,194,429 | $7,147,021 | 48 | $45,106 | $5,857,740 | $547,600 | $789,089 | $774,387 | 5.772% | 1.71370692 | $6,383 | $51,489 | |
| Dec-17 | $94,816 | $7,289,245 | $7,241,837 | 48 | $46,791 | $5,904,531 | $567,218 | $817,496 | $803,293 | 5.772% | 1.71370692 | $6,621 | $53,412 | |
| Jan-18 | $519,816 | $7,809,061 | $7,549,153 | 48 | $56,674 | $5,961,205 | $756,412 | $1,091,444 | $954,470 | 5.772% | 1.71370692 | $7,868 | $64,542 | |
| Feb-18 | $94,816 | $7,903,877 | $7,856,469 | 48 | $57,864 | $6,019,069 | $771,506 | $1,113,302 | $1,102,373 | 5.772% | 1.71370692 | $9,087 | $66,951 | |
| Mar-18 | $94,816 | $7,998,693 | $7,951,285 | 48 | $59,812 | $6,078,881 | $785,806 | $1,134,006 | $1,123,654 | 5.772% | 1.71370692 | $9,262 | $69,074 | |
| Apr-18 | $94,816 | $8,093,509 | $8,046,101 | 48 | $60,602 | $6,139,483 | $799,782 | $1,154,244 | $1,144,125 | 5.772% | 1.71370692 | $9,431 | $70,033 | |
| May-18 | $95,316 | $8,188,825 | $8,141,167 | 48 | $61,717 | $6,201,200 | $813,507 | $1,174,118 | $1,164,181 | 5.772% | 1.71370692 | $9,596 | $71,313 | |
| Jun-18 | $95,316 | $8,284,141 | $8,236,483 | 48 | $62,885 | $6,264,085 | $826,755 | $1,193,301 | $1,183,710 | 5.772% | 1.71370692 | $9,757 | $72,642 | $708,091 |
| Jul-18 | $95,316 | $8,379,457 | $8,331,799 | 48 | $64,774 | $6,328,859 | $839,232 | $1,211,366 | $1,202,334 | 5.772% | 1.71370692 | $9,911 | $74,685 | |
| Aug-18 | $492,816 | $8,872,273 | $8,625,865 | 48 | $74,203 | $6,403,062 | $1,010,235 | $1,458,976 | $1,335,171 | 5.772% | 1.71370692 | $11,006 | $85,209 | |
| Sep-18 | $95,316 | $8,967,589 | $8,919,931 | 48 | $75,615 | $6,478,677 | $1,018,283 | $1,470,629 | $1,464,803 | 5.772% | 1.71370692 | $12,074 | $87,689 | |
| Oct-18 | $95,316 | $9,062,905 | $9,015,247 | 48 | $76,932 | $6,555,609 | $1,025,793 | $1,481,503 | $1,476,066 | 5.772% | 1.71370692 | $12,167 | $89,099 | |
| Nov-18 | $95,316 | $9,158,221 | $9,110,563 | 48 | $78,917 | $6,634,526 | $1,032,492 | $1,491,203 | $1,486,353 | 5.772% | 1.71370692 | $12,252 | $91,169 | |
| Dec-18 | $168,442 | $9,326,663 | $9,242,442 | 48 | $81,175 | $6,715,701 | $1,068,141 | $1,542,821 | $1,517,012 | 5.772% | 1.71370692 | $12,505 | $93,680 | |
| Jan-19 | $0 | $9,326,663 | $9,326,663 | 48 | $80,486 | $6,796,187 | $1,035,262 | $1,495,214 | $1,519,018 | 5.772% | 1.71370692 | $12,521 | $93,007 | |
| Feb-19 | $0 | $9,326,663 | $9,326,663 | 48 | $79,754 | $6,875,941 | $1,002,682 | $1,448,040 | $1,471,627 | 5.772% | 1.71370692 | $12,131 | $91,885 | |
| Mar-19 | $0 | $9,326,663 | $9,326,663 | 48 | $79,068 | $6,955,009 | $970,383 | $1,401,271 | $1,424,656 | 5.772% | 1.71370692 | $11,743 | $90,811 | |
| Apr-19 | $0 | $9,326,663 | $9,326,663 | 48 | $79,033 | $7,034,042 | $938,098 | $1,354,523 | $1,377,897 | 5.772% | 1.71370692 | $11,358 | $90,391 | |
| May-19 | $0 | $9,326,663 | $9,326,663 | 48 | $77,774 | $7,111,816 | $906,327 | $1,308,520 | $1,331,522 | 5.772% | 1.71370692 | $10,976 | $88,750 | |
| Jun-19 | $0 | $9,326,663 | $9,326,663 | 48 | $76,180 | $7,187,996 | $875,208 | $1,263,459 | $1,285,990 | 5.772% | 1.71370692 | $10,600 | $86,780 | $1,063,155 |
| Jul-19 | $0 | $9,326,663 | $9,326,663 | 48 | $75,813 | $7,263,809 | $844,238 | $1,218,616 | $1,241,038 | 5.772% | 1.71370692 | $10,230 | $86,043 | |
| Aug-19 | $0 | $9,326,663 | $9,326,663 | 48 | $75,757 | $7,339,566 | $813,291 | $1,173,806 | $1,196,211 | 5.772% | 1.71370692 | $9,860 | $85,617 | |
| Sep-19 | $0 | $9,326,663 | $9,326,663 | 48 | $75,292 | $7,414,858 | $782,535 | $1,129,270 | $1,151,538 | 5.772% | 1.71370692 | $9,492 | $84,784 | |
| Oct-19 | $0 | $9,326,663 | $9,326,663 | 48 | $74,616 | $7,489,474 | $752,054 | $1,085,135 | $1,107,203 | 5.772% | 1.71370692 | $9,127 | $83,743 | |
| Nov-19 | $0 | $9,326,663 | $9,326,663 | 48 | $74,052 | $7,563,526 | $721,804 | $1,041,333 | $1,063,234 | 5.772% | 1.71370692 | $8,764 | $82,816 | |
| Dec-19 | $0 | $9,326,663 | $9,326,663 | 48 | $72,645 | $7,636,171 | $692,129 | $998,363 | $1,019,848 | 5.772% | 1.71370692 | $8,407 | $81,052 | |
| Jan-20 | $0 | $9,326,663 | $9,326,663 | 48 | $72,533 | $7,708,704 | $662,499 | $955,460 | $976,912 | 5.772% | 1.71370692 | $8,053 | $80,586 | |
| Feb-20 | $0 | $9,326,663 | $9,326,663 | 48 | $69,635 | $7,778,339 | $634,053 | $914,271 | $934,866 | 5.772% | 1.71370692 | $7,706 | $77,341 | |
| Mar-20 | $0 | $9,326,663 | $9,326,663 | 48 | $69,076 | $7,847,415 | $605,836 | $873,412 | $893,842 | 5.772% | 1.71370692 | $7,368 | $76,444 | |
| Apr-20 | $0 | $9,326,663 | $9,326,663 | 48 | $69,052 | $7,916,467 | $577,628 | $832,568 | $852,990 | 5.772% | 1.71370692 | $7,031 | $76,083 | |
| May-20 | $0 | $9,326,663 | $9,326,663 | 48 | $68,969 | $7,985,436 | $549,454 | $791,773 | $812,171 | 5.772% | 1.71370692 | $6,695 | $75,664 | |
| Jun-20 | $0 | $9,326,663 | $9,326,663 | 48 | $68,434 | $8,053,870 | $521,499 | $751,294 | $771,534 | 5.772% | 1.71370692 | $6,360 | $74,794 | $964,967 |
| Jul-20 | $0 | $9,326,663 | $9,326,663 | 48 | $67,311 | $8,121,181 | $494,003 | $711,479 | $731,387 | 5.772% | 1.71370692 | $6,029 | $73,340 | |
| Aug-20 | $0 | $9,326,663 | $9,326,663 | 48 | $67,271 | $8,188,452 | $466,523 | $671,688 | $691,584 | 5.772% | 1.71370692 | $5,701 | $72,972 | |
| Sep-20 | $0 | $9,326,663 | $9,326,663 | 48 | $66,611 | $8,255,063 | $439,312 | $632,288 | $651,988 | 5.772% | 1.71370692 | $5,374 | $71,985 | |
| Oct-20 | $0 | $9,326,663 | $9,326,663 | 48 | $66,252 | $8,321,315 | $412,248 | $593,100 | $612,694 | 5.772% | 1.71370692 | $5,050 | $71,302 | |
| Nov-20 | $0 | $9,326,663 | $9,326,663 | 48 | $65,845 | $8,387,160 | $385,351 | $554,152 | $573,626 | 5.772% | 1.71370692 | $4,728 | $70,573 | |
| Dec-20 | $0 | $9,326,663 | $9,326,663 | 48 | $65,431 | $8,452,591 | $358,622 | $515,450 | $534,801 | 5.772% | 1.71370692 | $4,408 | $69,839 | |
| Jan-21 | $0 | $9,326,663 | $9,326,663 | 48 | $65,014 | $8,517,605 | $332,064 | $476,994 | $496,222 | 5.772% | 1.71370692 | $4,090 | $69,104 | |
| Feb-21 | $0 | $9,326,663 | $9,326,663 | 48 | $64,987 | $8,582,592 | $305,517 | $438,554 | $457,774 | 5.772% | 1.71370692 | $3,773 | $68,760 | |
| Mar-21 | $0 | $9,326,663 | $9,326,663 | 48 | $63,929 | $8,646,521 | $279,402 | $400,740 | $419,647 | 5.772% | 1.71370692 | $3,459 | $67,388 | |
| Apr-21 | $0 | $9,326,663 | $9,326,663 | 48 | $63,606 | $8,710,127 | $253,419 | $363,117 | $381,929 | 5.772% | 1.71370692 | $3,148 | $66,754 | |
| May-21 | $0 | $9,326,663 | $9,326,663 | 48 | $63,354 | $8,773,481 | $227,539 | $325,643 | $344,380 | 5.772% | 1.71370692 | $2,839 | $66,193 | |
| Jun-21 | $0 | $9,326,663 | $9,326,663 | 48 | $63,152 | $8,836,633 | $201,741 | $288,289 | $306,966 | 5.772% | 1.71370692 | $2,530 | $65,682 | $833,892 |
| Jul-21 | $0 | $9,326,663 | $9,326,663 | 48 | $52,323 | $8,888,956 | $180,367 | $257,340 | $272,815 | 5.772% | 1.71370692 | $2,249 | $54,572 | |
| Aug-21 | $0 | $9,326,663 | $9,326,663 | 48 | $50,348 | $8,939,304 | $159,800 | $227,559 | $242,450 | 5.772% | 1.71370692 | $1,998 | $52,346 | |
| Sep-21 | $0 | $9,326,663 | $9,326,663 | 48 | $48,372 | $8,987,676 | $140,040 | $198,947 | $213,253 | 5.772% | 1.71370692 | $1,758 | $50,130 | |
| Oct-21 | $0 | $9,326,663 | $9,326,663 | 48 | $46,397 | $9,034,073 | $121,087 | $171,503 | $185,225 | 5.772% | 1.71370692 | $1,527 | $47,924 | |
| Nov-21 | $0 | $9,326,663 | $9,326,663 | 48 | $44,422 | $9,078,495 | $102,941 | $145,227 | $158,365 | 5.772% | 1.71370692 | $1,305 | $45,727 | |
| Dec-21 | $0 | $9,326,663 | $9,326,663 | 48 | $42,446 | $9,120,941 | $85,602 | $120,120 | $132,674 | 5.772% | 1.71370692 | $1,094 | $43,540 | |
| Jan-22 | $0 | $9,326,663 | $9,326,663 | 48 | $31,617 | $9,152,558 | $72,686 | $101,419 | $110,770 | 5.772% | 1.71370692 | $913 | $32,530 | |
| Feb-22 | $0 | $9,326,663 | $9,326,663 | 48 | $29,641 | $9,182,199 | $60,578 | $83,886 | $92,653 | 5.772% | 1.71370692 | $764 | $30,405 | |
| Mar-22 | $0 | $9,326,663 | $9,326,663 | 48 | $27,666 | $9,209,865 | $49,276 | $67,522 | $75,704 | 5.772% | 1.71370692 | $624 | $28,290 | |
| Apr-22 | $0 | $9,326,663 | $9,326,663 | 48 | $25,691 | $9,235,556 | $38,782 | $52,325 | $59,924 | 5.772% | 1.71370692 | $494 | $26,185 | |
| May-22 | $0 | $9,326,663 | $9,326,663 | 48 | $23,705 | $9,259,261 | $29,098 | $38,304 | $45,315 | 5.772% | 1.71370692 | $374 | $24,079 | |
| Jun-22 | $0 | $9,326,663 | $9,326,663 | 48 | $21,719 | $9,280,980 | $20,226 | $25,457 | $31,881 | 5.772% | 1.71370692 | $263 | $21,982 | $457,710 |
| Jul-22 | $0 | $9,326,663 | $9,326,663 | 48 | $19,733 | $9,300,713 | $12,165 | $13,785 | $19,621 | 5.772% | 1.71370692 | $162 | $19,895 | |
| Aug-22 | $0 | $9,326,663 | $9,326,663 | 48 | $9,466 | $9,310,179 | $8,298 | $8,186 | $10,986 | 5.772% | 1.71370692 | $91 | $9,557 | |
| Sep-22 | $0 | $9,326,663 | $9,326,663 | 48 | $7,481 | $9,317,660 | $5,242 | $3,761 | $5,974 | 5.772% | 1.71370692 | $49 | $7,530 | |
| Oct-22 | $0 | $9,326,663 | $9,326,663 | 48 | $5,495 | $9,323,155 | $2,997 | $511 | $2,136 | 5.772% | 1.71370692 | $18 | $5,513 | |
| Nov-22 | $0 | $9,326,663 | $9,326,663 | 48 | $3,509 | $9,326,664 | $1,564 | ($1,565) | ($527) | 5.772% | 1.71370692 | ($4) | $3,505 | |
| Dec-22 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| Jan-23 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| Feb-23 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| Mar-23 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| Apr-23 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| May-23 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| Jun-23 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | $45,909 |
| Jul-23 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |

PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS
ENERGY EFFICIENCY PROGRAM ("EEP")

**Monthly Recoverable Investment**
**Program Expenditures - Amortized Over Four Years**

| | Amortizable Expenditures TK-4 | Cumulative Expenditures | Average Expenditures | Amort. Months | Monthly Amortization | Accum. Amort. | Accum. Deferred Income Tax | Earnings / Rate Base | Average Rate Base | Wtd. Avg. Cost of Capital After-tax | Revenue Factor | Monthly Return on Rate Base | Monthly Revenue Requirement | YTD ending June |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| a | b | c | d | e | f | g | h | i=c-g-h | i | k | l | m= (j) *k*l/12 | n=m+f | |
| Aug-23 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| Sep-23 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| Oct-23 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| Nov-23 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| Dec-23 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| Jan-24 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| Feb-24 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| Mar-24 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| Apr-24 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| May-24 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| Jun-24 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| Jul-24 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| Aug-24 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| Sep-24 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| Oct-24 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| Nov-24 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| Dec-24 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| Jan-25 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| Feb-25 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| Mar-25 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| Apr-25 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| May-25 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| Jun-25 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| Jul-25 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| Aug-25 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| Sep-25 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| Oct-25 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| Nov-25 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| Dec-25 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| Jan-26 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| Feb-26 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| Mar-26 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| Apr-26 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| May-26 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |
| Jun-26 | $0 | $9,326,663 | $9,326,663 | 48 | $0 | $9,326,664 | $1,564 | ($1,565) | ($1,565) | 5.772% | 1.71370692 | ($13) | ($13) | |

PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS
ENERGY EFFICIENCY PROGRAM ("EEP")

**Schedule of Expenditures**

| | | O&M Recoverable In Period Expended | | | | | Program Expenditures - Amortized Over Four Years | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Labor (1) | Customer Education | Dashboard | Prog Eval/ Consultant | Total O&M | Cust Fin & Opower | Program Expenditures | Program Total | Total |
| Jun-10 | | $99,464 | $204,988 | $217,687 | $0 | $522,139 | $500,000 | $305,040 | $805,040 | $1,327,179 |
| Jun-11 | | $451,985 | $801,775 | $61,062 | $0 | $1,314,822 | $0 | $1,534,373 | $1,534,373 | $2,849,195 |
| Jun-12 | | $884,924 | $693,368 | $32,058 | $0 | $1,610,350 | ($500,000) | $2,533,924 | $2,033,924 | $3,644,274 |
| Jun-13 | | $126,113 | $134,040 | $87,900 | $0 | $348,053 | $0 | $502,434 | $502,434 | $850,487 |
| Jun-14 | | $119,181 | $302,681 | $40,500 | $0 | $462,362 | $0 | $389,870 | $389,870 | $852,232 |
| Jun-15 | | $92,172 | $268,202 | $54,000 | $33,400 | $447,774 | $0 | $404,387 | $404,387 | $852,161 |
| Jun-16 | | $122,039 | $30,267 | $54,000 | $0 | $206,306 | $0 | $371,816 | $371,816 | $578,122 |
| Jun-17 | | $130,568 | $19,467 | $27,000 | $0 | $177,035 | $0 | $253,505 | $253,505 | $430,540 |
| Jun-18 | * | $257,124 | $204,000 | $0 | $15,000 | $476,124 | $850,000 | $1,138,792 | $1,988,792 | $2,464,916 |
| Jun-19 | * | $147,970 | $133,620 | $0 | $15,000 | $296,590 | $397,500 | $645,022 | $1,042,522 | $1,339,112 |
| Jun-20 | * | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Jun-21 | * | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Jun-22 | * | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Jun-23 | * | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Jun-24 | * | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Jun-25 | * | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Jun-26 | * | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Total | | $2,431,540 | $2,792,408 | $574,207 | $63,400 | $5,861,555 | $1,247,500 | $8,079,163 | $9,326,663 | $15,188,218 |

* Projected
(1) Excludes AIP and includes external Auditor and Temporary Labor costs

PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS
ENERGY EFFICIENCY PROGRAM ("EEP")

**Recoveries**

| | | Therm Sales and Services | | | | | Total | Recoveries | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Res & GLS | Commercial | Industrial | NGV | Cogen. | Therms | Res & GLS | Commercial | Industrial | NGV | Cogen. | Recoveries |
| Jun-10 | | 199,789,349 | 121,568,200 | 81,414,763 | 0 | 853,170 | 403,625,482 | $1,488,554 | $900,379 | $599,096 | $0 | $3,855 | $2,991,884 |
| Jun-11 | | 222,140,703 | 135,002,697 | 90,445,144 | 0 | 2,637,430 | 450,225,974 | $1,019,635 | $608,929 | $410,115 | $0 | $23,062 | $2,061,741 |
| Jun-12 | | 181,189,654 | 115,394,478 | 82,175,908 | 0 | 0 | 378,760,040 | $1,780 | $2,636 | $0 | $0 | $0 | $4,416 |
| Jun-13 | | 217,455,912 | 135,113,439 | 80,848,839 | 0 | 0 | 433,418,190 | $270 | $547 | $0 | $0 | $0 | $817 |
| Jun-14 | | 246,136,102 | 151,372,547 | 77,878,792 | 0 | 0 | 475,387,441 | $597,818 | $363,514 | $159,385 | $0 | $0 | $1,120,717 |
| Jun-15 | | 249,592,203 | 153,487,646 | 79,638,706 | 32,390 | 0 | 482,750,945 | $1,815,568 | $1,104,482 | $528,934 | $232 | $0 | $3,449,216 |
| Jun-16 | | 200,899,928 | 125,876,408 | 77,353,883 | 146,807 | 0 | 404,277,026 | $1,055,138 | $664,641 | $427,000 | $828 | $0 | $2,147,607 |
| Jun-17 | | 218,031,693 | 136,194,120 | 77,887,388 | 178,567 | 0 | 432,291,768 | ($44,126) | ($12,440) | $44,072 | $189 | $0 | ($12,305) |
| Jun-18 | * | 223,883,700 | 145,809,414 | 76,739,800 | 154,800 | 0 | 446,587,714 | $209,995 | $122,576 | $40,720 | $79 | $0 | $373,370 |
| Jun-19 | * | 223,883,700 | 145,809,414 | 76,739,800 | 154,800 | 0 | 446,587,714 | $907,596 | $577,388 | $277,415 | $547 | $0 | $1,762,946 |
| Jun-20 | * | 223,883,700 | 145,809,414 | 76,739,800 | 154,800 | 0 | 446,587,714 | $563,151 | $377,576 | $219,552 | $453 | $0 | $1,160,732 |
| Jun-21 | * | 223,883,700 | 145,809,414 | 76,739,800 | 154,800 | 0 | 446,587,714 | $390,935 | $258,920 | $144,526 | $296 | $0 | $794,677 |
| Jun-22 | * | 223,883,700 | 145,809,414 | 76,739,800 | 154,800 | 0 | 446,587,714 | $212,976 | $143,509 | $84,789 | $179 | $0 | $441,453 |
| Jun-23 | * | 223,883,700 | 145,809,414 | 76,739,800 | 154,800 | 0 | 446,587,714 | $13,203 | $14,114 | $17,998 | $42 | $0 | $45,357 |
| Jun-24 | * | 223,883,700 | 145,809,414 | 76,739,800 | 154,800 | 0 | 446,587,714 | ($21,243) | ($13,342) | ($6,018) | ($9) | $0 | ($40,612) |
| Jun-25 | * | 223,883,700 | 145,809,414 | 76,739,800 | 154,800 | 0 | 446,587,714 | ($1,724) | ($1,832) | ($2,275) | ($4) | $0 | ($5,835) |
| Jun-26 | * | 223,883,700 | 145,809,414 | 76,739,800 | 154,800 | 0 | 446,587,714 | $0 | $0 | $0 | $0 | $0 | $0 |
| Total | | 3,750,188,844 | 2,386,294,261 | 1,338,301,623 | 1,750,964 | 3,490,600 | 7,480,026,292 | 0 | $8,209,526 | $5,111,597 | $2,945,309 | $2,832 | $26,917 | $16,296,181 |

* Projected

PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS
ENERGY EFFICIENCY PROGRAM ("EEP")

**Over / Under Recovered Carrying Cost Rate**
**Weighted Average Cost of Borrowing**

| | Rates: | | Ratio: | | After Tax |
|---|---|---|---|---|---|
| | Commercial Paper | Bank Credit Lines | Commercial Paper | Bank Credit Lines | Wtd. Avg. Cost of Borrowing. (1) |
| a | b | c | d | e | f=(b*d+c*e)*(1-.4085) |
| Aug-09 | 0.82% | 0.00% | 100.00% | 0.00% | 0.49% |
| Sep-09 | 0.79% | 0.00% | 100.00% | 0.00% | 0.47% |
| Oct-09 | 0.70% | 0.00% | 100.00% | 0.00% | 0.41% |
| Nov-09 | 0.56% | 0.00% | 100.00% | 0.00% | 0.33% |
| Dec-09 | 0.53% | 0.00% | 100.00% | 0.00% | 0.31% |
| Jan-10 | 0.52% | 0.00% | 100.00% | 0.00% | 0.31% |
| Feb-10 | 0.57% | 0.00% | 100.00% | 0.00% | 0.34% |
| Mar-10 | 0.65% | 0.00% | 100.00% | 0.00% | 0.38% |
| Apr-10 | 1.13% | 0.00% | 100.00% | 0.00% | 0.67% |
| May-10 | 1.11% | 0.00% | 100.00% | 0.00% | 0.66% |
| Jun-10 | 0.60% | 0.00% | 100.00% | 0.00% | 0.35% |
| Jul-10 | 0.59% | 0.00% | 100.00% | 0.00% | 0.35% |
| Aug-10 | 0.54% | 0.00% | 100.00% | 0.00% | 0.32% |
| Sep-10 | 0.51% | 0.00% | 100.00% | 0.00% | 0.30% |
| Oct-10 | 0.51% | 0.00% | 100.00% | 0.00% | 0.30% |
| Nov-10 | 0.51% | 0.00% | 100.00% | 0.00% | 0.30% |
| Dec-10 | 0.50% | 0.00% | 100.00% | 0.00% | 0.30% |
| Jan-11 | 0.49% | 0.00% | 100.00% | 0.00% | 0.29% |
| Feb-11 | 0.49% | 0.00% | 100.00% | 0.00% | 0.29% |
| Mar-11 | 0.92% | 0.00% | 100.00% | 0.00% | 0.54% |
| Apr-11 | 0.00% | 0.00% | 100.00% | 0.00% | 0.00% |
| May-11 | 0.32% | 0.00% | 100.00% | 0.00% | 0.19% |
| Jun-11 | 0.31% | 0.00% | 100.00% | 0.00% | 0.18% |
| Jul-11 | 0.33% | 0.00% | 100.00% | 0.00% | 0.20% |
| Aug-11 | 0.34% | 0.00% | 100.00% | 0.00% | 0.20% |
| Sep-11 | 0.00% | 0.00% | 100.00% | 0.00% | 0.00% |
| Oct-11 | 0.00% | 0.00% | 100.00% | 0.00% | 0.00% |
| Nov-11 | 0.47% | 0.00% | 100.00% | 0.00% | 0.28% |
| Dec-11 | 0.57% | 0.00% | 100.00% | 0.00% | 0.34% |
| Jan-12 | 0.55% | 0.00% | 100.00% | 0.00% | 0.33% |
| Feb-12 | 0.50% | 0.00% | 100.00% | 0.00% | 0.30% |
| Mar-12 | 0.48% | 0.00% | 100.00% | 0.00% | 0.28% |
| Apr-12 | 0.48% | 0.00% | 100.00% | 0.00% | 0.28% |
| May-12 | 0.48% | 0.00% | 100.00% | 0.00% | 0.28% |
| Jun-12 | 0.48% | 0.00% | 100.00% | 0.00% | 0.28% |
| Jul-12 | 0.49% | 0.00% | 100.00% | 0.00% | 0.29% |
| Aug-12 | 0.49% | 0.00% | 100.00% | 0.00% | 0.29% |
| Sep-12 | 0.50% | 0.00% | 100.00% | 0.00% | 0.30% |
| Oct-12 | 0.50% | 0.00% | 100.00% | 0.00% | 0.30% |
| Nov-12 | 0.51% | 0.00% | 100.00% | 0.00% | 0.30% |
| Dec-12 | 0.50% | 0.00% | 100.00% | 0.00% | 0.30% |
| Jan-13 | 0.51% | 0.00% | 100.00% | 0.00% | 0.30% |

PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS
ENERGY EFFICIENCY PROGRAM ("EEP")

**Over / Under Recovered Carrying Cost Rate**
**Weighted Average Cost of Borrowing**

| | Rates: | | Ratio: | | After Tax |
|---|---|---|---|---|---|
| | Commercial Paper | Bank Credit Lines | Commercial Paper | Bank Credit Lines | Wtd. Avg. Cost of Borrowing. (1) |
| a | b | c | d | e | f=(b*d+c*e)*(1-.4085) |
| Feb-13 | 0.50% | 0.00% | 100.00% | 0.00% | 0.30% |
| Mar-13 | 0.47% | 0.00% | 100.00% | 0.00% | 0.28% |
| Apr-13 | 0.43% | 0.00% | 100.00% | 0.00% | 0.25% |
| May-13 | 0.40% | 0.00% | 100.00% | 0.00% | 0.24% |
| Jun-13 | 0.36% | 0.00% | 100.00% | 0.00% | 0.21% |
| Jul-13 | 0.35% | 0.00% | 100.00% | 0.00% | 0.21% |
| Aug-13 | 0.33% | 0.00% | 100.00% | 0.00% | 0.20% |
| Sep-13 | 0.35% | 0.00% | 100.00% | 0.00% | 0.21% |
| Oct-13 | 0.38% | 0.00% | 100.00% | 0.00% | 0.22% |
| Nov-13 | 0.35% | 0.00% | 100.00% | 0.00% | 0.21% |
| Dec-13 | 0.36% | 0.00% | 100.00% | 0.00% | 0.21% |
| Jan-14 | 0.33% | 0.00% | 100.00% | 0.00% | 0.20% |
| Feb-14 | 0.34% | 0.00% | 100.00% | 0.00% | 0.20% |
| Mar-14 | 0.35% | 0.00% | 100.00% | 0.00% | 0.21% |
| Apr-14 | 0.37% | 0.00% | 100.00% | 0.00% | 0.22% |
| May-14 | 0.23% | 0.00% | 100.00% | 0.00% | 0.14% |
| Jun-14 | 0.25% | 0.00% | 100.00% | 0.00% | 0.15% |
| Jul-14 | 0.24% | 0.00% | 100.00% | 0.00% | 0.14% |
| Aug-14 | 0.27% | 0.00% | 100.00% | 0.00% | 0.16% |
| Sep-14 | 0.28% | 0.00% | 100.00% | 0.00% | 0.17% |
| Oct-14 | 0.31% | 0.00% | 100.00% | 0.00% | 0.18% |
| Nov-14 | 0.37% | 0.00% | 100.00% | 0.00% | 0.22% |
| Dec-14 | 0.48% | 0.00% | 100.00% | 0.00% | 0.28% |
| Jan-15 | 0.50% | 0.00% | 100.00% | 0.00% | 0.30% |
| Feb-15 | 0.51% | 0.00% | 100.00% | 0.00% | 0.30% |
| Mar-15 | 0.54% | 0.00% | 100.00% | 0.00% | 0.32% |
| Apr-15 | 0.45% | 0.00% | 100.00% | 0.00% | 0.27% |
| May-15 | 0.44% | 0.00% | 100.00% | 0.00% | 0.26% |
| Jun-15 | 0.47% | 0.00% | 100.00% | 0.00% | 0.28% |
| Jul-15 | 0.46% | 0.00% | 100.00% | 0.00% | 0.27% |
| Aug-15 | 0.46% | 0.00% | 100.00% | 0.00% | 0.27% |
| Sep-15 | 0.47% | 0.00% | 100.00% | 0.00% | 0.28% |
| Oct-15 | 0.47% | 0.00% | 100.00% | 0.00% | 0.28% |
| Nov-15 | 0.47% | 0.00% | 100.00% | 0.00% | 0.28% |
| Dec-15 | 0.71% | 0.00% | 100.00% | 0.00% | 0.42% |
| Jan-16 | 0.80% | 0.00% | 100.00% | 0.00% | 0.47% |
| Feb-16 | 0.80% | 0.00% | 100.00% | 0.00% | 0.47% |
| Mar-16 | 0.77% | 0.00% | 100.00% | 0.00% | 0.46% |
| Apr-16 | 0.74% | 0.00% | 100.00% | 0.00% | 0.44% |
| May-16 | 0.80% | 0.00% | 100.00% | 0.00% | 0.47% |
| Jun-16 | 0.65% | 0.00% | 100.00% | 0.00% | 0.38% |
| Jul-16 | 0.71% | 0.00% | 100.00% | 0.00% | 0.42% |
| Aug-16 | 0.74% | 0.00% | 100.00% | 0.00% | 0.44% |

PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS
ENERGY EFFICIENCY PROGRAM ("EEP")

**Over / Under Recovered Carrying Cost Rate**
**Weighted Average Cost of Borrowing**

| | | Rates: | | Ratio: | | After Tax |
|---|---|---|---|---|---|---|
| | | Commercial Paper | Bank Credit Lines | Commercial Paper | Bank Credit Lines | Wtd. Avg. Cost of Borrowing. (1) |
| a | | b | c | d | e | f=(b*d+c*e)*(1-.4085) |
| Sep-16 | | 0.72% | 0.00% | 100.00% | 0.00% | 0.43% |
| Oct-16 | | 0.74% | 0.00% | 100.00% | 0.00% | 0.44% |
| Nov-16 | | 0.87% | 0.00% | 100.00% | 0.00% | 0.51% |
| Dec-16 | | 1.09% | 0.00% | 100.00% | 0.00% | 0.64% |
| Jan-17 | | 1.06% | 0.00% | 100.00% | 0.00% | 0.63% |
| Feb-17 | | 1.03% | 0.00% | 100.00% | 0.00% | 0.61% |
| Mar-17 | | 1.30% | 0.00% | 100.00% | 0.00% | 0.77% |
| Apr-17 | | 1.30% | 0.00% | 100.00% | 0.00% | 0.77% |
| May-17 | | 1.32% | 0.00% | 100.00% | 0.00% | 0.78% |
| Jun-17 | | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Jul-17 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Aug-17 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Sep-17 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Oct-17 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Nov-17 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Dec-17 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Jan-18 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Feb-18 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Mar-18 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Apr-18 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| May-18 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Jun-18 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Jul-18 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Aug-18 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Sep-18 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Oct-18 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Nov-18 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Dec-18 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Jan-19 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Feb-19 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Mar-19 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Apr-19 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| May-19 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Jun-19 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Jul-19 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Aug-19 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Sep-19 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Oct-19 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Nov-19 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Dec-19 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Jan-20 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Feb-20 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Mar-20 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |

PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS
ENERGY EFFICIENCY PROGRAM ("EEP")

**Over / Under Recovered Carrying Cost Rate**
**Weighted Average Cost of Borrowing**

| | | Rates: | | Ratio: | | After Tax |
|---|---|---|---|---|---|---|
| | | Commercial Paper | Bank Credit Lines | Commercial Paper | Bank Credit Lines | Wtd. Avg. Cost of Borrowing. (1) |
| a | | b | c | d | e | f=(b*d+c*e)*(1-.4085) |
| Apr-20 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| May-20 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Jun-20 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Jul-20 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Aug-20 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Sep-20 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Oct-20 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Nov-20 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Dec-20 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Jan-21 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Feb-21 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Mar-21 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Apr-21 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| May-21 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Jun-21 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Jul-21 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Aug-21 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Sep-21 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Oct-21 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Nov-21 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Dec-21 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Jan-22 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Feb-22 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Mar-22 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Apr-22 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| May-22 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Jun-22 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Jul-22 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Aug-22 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Sep-22 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Oct-22 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Nov-22 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Dec-22 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Jan-23 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Feb-23 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Mar-23 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Apr-23 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| May-23 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Jun-23 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Jul-23 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Aug-23 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Sep-23 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Oct-23 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |

PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS
ENERGY EFFICIENCY PROGRAM ("EEP")

**Over / Under Recovered Carrying Cost Rate**
**Weighted Average Cost of Borrowing**

| | | Rates: | | Ratio: | | After Tax |
|---|---|---|---|---|---|---|
| | | Commercial Paper | Bank Credit Lines | Commercial Paper | Bank Credit Lines | Wtd. Avg. Cost of Borrowing. (1) |
| a | | b | c | d | e | f=(b*d+c*e)*(1-.4085) |
| Nov-23 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Dec-23 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Jan-24 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Feb-24 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Mar-24 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Apr-24 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| May-24 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Jun-24 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Jul-24 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Aug-24 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Sep-24 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Oct-24 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Nov-24 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Dec-24 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Jan-25 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Feb-25 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Mar-25 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Apr-25 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| May-25 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Jun-25 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Jul-25 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Aug-25 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Sep-25 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Oct-25 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Nov-25 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Dec-25 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Jan-26 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Feb-26 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Mar-26 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Apr-26 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| May-26 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |
| Jun-26 | * | 1.53% | 0.00% | 100.00% | 0.00% | 0.90% |

* Projected

(1) The Company's weighted average interest rate obtained on its commercial paper and bank credit lines, when utilized. The projected months are based on the last actual rate.

**PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS**
**ENERGY EFFICIENCY PROGRAM ("EEP")**
**RATE IMPACT**

| | 2017 True-Up |
|---|---|
| (Over)/Under Balance at June * | ($929,642) |
| Recoverable Program Costs 7/16 - 6/18: ** | |
| Original filing - 8/09 - 12/10 | $0 |
| Extension 1/11 - 3/12 | $0 |
| Extension 4/12 - 8/13 | $95,910 |
| Extension 9/13 - 4/17 *** | $839,379 |
| Extension 5/17 - 12/18 | $863,803 |
| **Total Amount to be Recovered** | **$869,450** |

**Per Therm Recovery - Incl. Tax**

| | |
|---|---|
| Firm Throughput - therms | 446,587,714 |
| (Over)/Under Recovery | ($0.0023) |
| Original filing - 8/09 - 12/10 | $0.0000 |
| Extension 1/11 - 3/12 | $0.0000 |
| Extension 4/12 - 8/13 | $0.0002 |
| Extension 9/13 - 4/17 *** | $0.0020 |
| Extension 5/17 - 12/18 | $0.0021 |
| **EEP Rate, $ / Therm, inclusive of taxes** | **$0.0020** |

**Typical Annual Bill Amounts**

| *Residential Non-Heat* | 250 Annual Therms |
|---|---|
| (Over)/Under Recovery | ($0.58) |
| Original filing - 8/09 - 12/10 | $0.00 |
| Extension 1/11 - 3/12 | $0.00 |
| Extension 4/12 - 8/13 | $0.05 |
| Extension 9/13 - 4/17 *** | $0.50 |
| Extension 5/17 - 12/18 | $0.53 |
| Total Typical Annual Bill Amount | $0.50 |
| $ Increase from Current Bill Amount | $0.68 |
| % Increase from Current Bill Amount | 0.2% |

| *Residential Heat* | 1,000 Annual Therms |
|---|---|
| (Over)/Under Recovery | ($2.30) |
| Original filing - 8/09 - 12/10 | $0.00 |
| Extension 1/11 - 3/12 | $0.00 |
| Extension 4/12 - 8/13 | $0.20 |
| Extension 9/13 - 4/17 *** | $2.00 |
| Extension 5/17 - 12/18 | $2.10 |
| Total Typical Annual Bill Amount | $2.00 |
| $ Increase from Current Bill Amount | $2.70 |
| % Increase from Current Bill Amount | 0.3% |

| *Small General Service* | 1,000 Annual Therms |
|---|---|
| (Over)/Under Recovery | ($2.30) |
| Original filing - 8/09 - 12/10 | $0.00 |
| Extension 1/11 - 3/12 | $0.00 |
| Extension 4/12 - 8/13 | $0.20 |
| Extension 9/13 - 4/17 *** | $2.00 |
| Extension 5/17 - 12/18 | $2.10 |
| Total Typical Annual Bill Amount | $2.00 |
| $ Increase from Current Bill Amount | $2.70 |
| % Increase from Current Bill Amount | 0.2% |

| *General Delivery Service* | 13,000 Annual Therms |
|---|---|
| (Over)/Under Recovery | ($29.90) |
| Original filing - 8/09 - 12/10 | $0.00 |
| Extension 1/11 - 3/12 | $0.00 |
| Extension 4/12 - 8/13 | $2.60 |
| Extension 9/13 - 4/17 *** | $26.00 |
| Extension 5/17 - 12/18 | $27.30 |
| Total Typical Annual Bill Amount | $26.00 |
| $ Increase from Current Bill Amount | $35.10 |
| % Increase from Current Bill Amount | 0.3% |

*** Consists of prior year balance plus current year recoveries and carrying costs.**
**** Amortized costs and return on rate base for the respective periods plus O&M for the period.**
***** Extension 9/13-8/15 which was subsequently extended through 12/16 using the same budget and extended again through 7/17 with additional money.**

**EXHIBIT P-2**

**PIVOTAL UTILITY HOLDINGS, INC.**
**d/b/a ELIZABETHTOWN GAS**
**DIRECT TESTIMONY OF**
**SUSAN BUCK**

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

**A.** My name is Susan Buck. My business address is 520 Green Lane, Union, New Jersey 07083.

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

**A.** I am employed by Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas ("Elizabethtown" or "Company") as Program Manager, Energy Efficiency Programs.

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

**A.** I manage all residential and commercial energy efficiency programs for Elizabethtown Gas.

**Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND BUSINESS EXPERIENCE.**

**A.** I am a graduate of Nova International University in Fort Lauderdale, Florida, graduating with a Bachelor of Arts Degree, with a major in Business and Professional Management. I have over 27-years of experience in leadership and program management, most of which has been with United Airlines from 1988 through 2015. During a 2.5 year furlough from United, I managed training programs for our affiliate company in Illinois, Nicor Gas, which included energy efficiency programs. I joined the

Elizabethtown Gas team in July 2015 as the Program Manager – Energy Efficiency Programs.

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

**A.** The purpose of my testimony is to support Elizabethtown's Petition in this proceeding to revise its Energy Efficiency Program ("EEP") Rider rate and to provide information concerning the Energy Efficiency ("EE") Programs. I will report on the Company's spending on EE Programs for the period July 1, 2016 through June 30, 2017 ("2017 Program Period") and support the Company's spending forecast for the period July 1, 2017 through June 30, 2018 ("2018 Program Period").

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

**A.** Yes. My testimony includes two schedules prepared under my direction and supervision. These schedules contain information responsive to the Minimum Filing Requirements ("MFRs") as referenced in the MFR Index attached to the Petition and as set forth in Appendix D to the Stipulation ("Stipulation") approved by the Board in its August 3, 2009 Order ("August 3 Order") in Docket Nos. EO09010056 and GO09010060 et al., as well as the Board's January 19, 2011 Order ("January 19 Order") and April 11, 2012 Order ("April 11 Order") in BPU Docket Nos. GO10070446 and

GO10100735 *et al.* and BPU Docket No. GO11070399, respectively. The schedules are as follows:

(a) EEP Schedule SB-1 contains budgeted and actual EE Program costs by major spending categories for the period July 1, 2016 through June 30, 2017; and

(b) EEP Schedule SB-2 contains estimated EE Program costs by major spending categories for the period July 1, 2017 through June 30, 2018.

**Q. PLEASE DESCRIBE THE COMPANY'S EE PROGRAMS FOR WHICH COST RECOVERY IS SOUGHT IN THIS PETITION.**

**A.** In accordance with a Board order issued August 21, 2013 in BPU Docket No. GO12100946 ("August 21 Order"), Elizabethtown was authorized to offer the following programs through September 1, 2015:

1. Residential Expanded Gas Heating Ventilation and Air Conditioning ("HVAC") and Gas Hot Water Heater Incentive Program;
2. Commercial Customer Energy Efficiency Program; and
3. Customer Education and Outreach/Dashboard Program.

In accordance with a Board order issued December 16, 2015 in BPU Docket No. GO15050504 ("December 16 Order"), the Company was authorized to offer these programs through

December 31, 2016 using the remaining money from the budget approved in the August 21 Order. In accordance with a Board order issued December 12, 2016 in BPU Docket No. GO15050504 ("December 12 Order"), the Company was authorized to continue offering the residential programs through July 31, 2017 using the remaining money from the budget approved in the August 21 Order as well as an additional $180,000.

In accordance with a Board order issued April 21, 2017 in BPU Docket Nos. GR16070618 and GO15050504 ("April 21 Order"), Elizabethtown was authorized to offer the following programs through December 31, 2018 with a total budget of approximately $3.9 million:

1. Residential Gas HVAC and Gas Hot Water Heater Incentive Program;
2. Residential Home Energy Assessment Program;
3. Residential Home Energy Report (Opower) Program;
4. Residential Home Weatherization for Income Qualified Customers Program; and
5. Commercial Steam Trap Survey and Repair Program.

**Q. PLEASE DESCRIBE THE COMPANY'S SPENDING LEVELS FOR THE EE PROGRAMS DURING THE 2017 PROGRAM PERIOD.**

**A.** EEP Schedule SB-1 reflects approximately $0.4 million in total EE Program related expenditures during the 2017

Program Period. As reflected on EEP Schedule SB-1, these expenditures include costs in the following categories: O&M, including labor, customer education, and related information technology expenditures, and Program Expenditures. These expenditures are also outlined on EEP Schedule TK-4 which accompanies Company witness Thomas Kaufmann's testimony.

**Q. IS THE COMPANY'S SPENDING TO DATE CONSISTENT WITH THE BUDGET APPROVED BY THE ORDERS DISCUSSED ABOVE?**

**A.** Yes. As shown on EEP Schedules TK-4 and SB-1, the Company's spend of $0.4 million during the 2017 Program Period is within the authorized budget of $0.7 million as indicated in EEP Schedule SB-1.

**Q. PLEASE DESCRIBE THE COMPANY'S PROJECTED SPENDING LEVELS FOR THE EE PROGRAMS DURING THE 2018 PROGRAM PERIOD.**

**A.** As reflected on EEP Schedule SB-2, the Company expects to incur approximately $0.5 million in total O&M expense and approximately $2.0 million in total EE Program expenditures during the 2018 Program Period. The total spend through June 2018 is projected to be $2.5 million, which is a portion of the $3.9 million through December 2018 as approved in the April 21 Order.

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

**A.** Yes, it does.

**PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS ENERGY EFFICIENCY PROGRAM ("EEP") ACTUAL / BUDGET SPENDING BY PROGRAM ($$$)**

| | Jul-16 | Aug-16 | Sep-16 | Oct-16 | Nov-16 | Dec-16 | Jan-17 | Feb-17 | Mar-17 | Apr-17 | May-17 | Jun-17 | 2017 Program Period |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **ACTUAL** | actual | actual | actual | actual | actual | actual | actual | actual | actual | actual | actual | actual | |
| **O&M EXPENDITURES** | | | | | | | | | | | | | |
| Labor | 10,620 | 11,206 | 10,777 | 10,267 | 10,263 | 11,195 | 10,608 | 9,904 | 11,854 | 10,429 | 12,093 | 11,353 | 130,568 |
| Customer Education, Outreach | 2,270 | 508 | 34 | 288 | 3,573 | 690 | 29 | 543 | 8,777 | 375 | 1,494 | 886 | 19,466 |
| Dashboard -IT | 13,500 | - | - | - | | 13,500 | | - | | | | | 27,000 |
| Program Evaluation | - | - | - | - | - | - | | - | | | | | - |
| **TOTAL O&M** | **26,390** | **11,714** | **10,811** | **10,555** | **13,836** | **25,385** | **10,636** | **10,447** | **20,631** | **10,804** | **13,587** | **12,239** | **177,034** |
| | | | | | | | | | | | | | |
| **PROGRAM EXPENDITURES** | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| **Residential Gas HVAC/WH :** | | | | | | | | | | | | | |
| Rebates, Grants, Incentives | 51,100 | - | 31,600 | 16,950 | 19,400 | 18,700 | 19,850 | - | 46,300 | 14,200 | 11,950 | 8,600 | 238,650 |
| Rebate Processing | 206 | 317 | 75 | 247 | 166 | 176 | 181 | 178 | 206 | 156 | 144 | 1,076 | 3,128 |
| Cost Cutter Kits / Fulfillments | - | 1,612 | | - | | 737 | | 1,124 | | 1,162 | | | 4,634 |
| Cost Cutter Kits | - | - | | - | | 248 | | | 4,249 | | | | 4,497 |
| | 51,306 | 1,929 | 31,675 | 17,197 | 19,566 | 19,860 | 20,031 | 1,301 | 50,755 | 15,518 | 12,094 | 9,676 | 250,909 |
| **Commercial :** | | | | | | | | | | | | | |
| Rebates, Grants, Incentives | 2,597 | - | | - | | | | | | | | | 2,597 |
| Rebates Processing, Inspections | | | | | | | | | | | | | - |
| | 2,597 | - | - | - | - | - | - | - | - | - | - | - | 2,597 |
| | | | | | | | | | | | | | |
| **TOTAL Program Expenditures** | **53,903** | **1,929** | **31,675** | **17,197** | **19,566** | **19,860** | **20,031** | **1,301** | **50,755** | **15,518** | **12,094** | **9,676** | **253,506** |
| **TOTAL EEP Expenditures** | **80,293** | **13,643** | **42,486** | **27,752** | **33,402** | **45,245** | **30,667** | **11,748** | **71,386** | **26,322** | **25,681** | **21,915** | **430,540** |

**PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS ENERGY EFFICIENCY PROGRAM ("EEP") ACTUAL / BUDGET SPENDING BY PROGRAM ($$$)**

| | Jul-16 | Aug-16 | Sep-16 | Oct-16 | Nov-16 | Dec-16 | Jan-17 | Feb-17 | Mar-17 | Apr-17 | May-17 | Jun-17 | 2017 Program |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **BUDGET PROJECTION *:** | | | | | | | | | | | | | |
| **O&M EXPENDITURES** | | | | | | | | | | | | | |
| Labor | 10,710 | 10,710 | 10,710 | 10,710 | 10,604 | 10,604 | 10,604 | 10,604 | 10,604 | 10,604 | 21,427 | 21,427 | 149,318 |
| Customer Education, Outreach | 7,500 | 8,400 | 8,400 | 8,400 | 2,100 | 2,100 | 2,100 | 2,100 | 2,100 | 2,100 | 17,000 | 17,000 | 79,300 |
| Dashboard -IT | 13,500 | - | - | 13,500 | 13,500 | | - | - | - | - | - | - | 40,500 |
| Program Evaluation | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **TOTAL O&M** | **31,710** | **19,110** | **19,110** | **32,610** | **26,204** | **12,704** | **12,704** | **12,704** | **12,704** | **12,704** | **38,427** | **38,427** | **269,118** |
| **PROGRAM EXPENDITURES** | | | | | | | | | | | | | |
| **Residential Gas HVAC/WH :** | | | | | | | | | | | | | |
| Rebates, Grants, Incentives | 31,250 | 31,250 | 31,250 | 31,250 | 31,000 | 31,000 | 31,000 | 31,000 | 31,000 | 31,000 | 31,464 | 32,950 | 375,414 |
| Rebate Processing | 250 | 250 | 250 | 250 | 230 | 230 | 230 | 230 | 230 | 230 | 1,166 | 1,166 | 4,712 |
| Cost Cutter Kit Fulfillments | 1,253 | 1,253 | 1,253 | 1,253 | 1,163 | 1,400 | - | 1,400 | 700 | - | - | - | 9,675 |
| Cost Cutter Kits | 1,247 | 1,247 | 1,247 | 1,247 | 900 | | | | 3,000 | | | | 8,888 |
| Home Energy Assessments | - | - | - | - | - | - | - | - | - | - | - | 28,150 | 28,150 |
| | 34,000 | 34,000 | 34,000 | 34,000 | 33,293 | 32,630 | 31,230 | 32,630 | 34,930 | 31,230 | 32,630 | 62,266 | 426,839 |
| **Commercial :** | | | | | | | | | | | | | |
| Rebates, Grants, Incentives | 2,000 | 2,000 | 2,000 | 2,000 | 7,415 | - | - | - | - | - | - | - | 15,415 |
| | 2,000 | 2,000 | 2,000 | 2,000 | 7,415 | - | - | - | - | - | - | - | 15,415 |
| **Total Program Expenditures** | **36,000** | **36,000** | **36,000** | **36,000** | **40,708** | **32,630** | **31,230** | **32,630** | **34,930** | **31,230** | **32,630** | **62,266** | **442,254** |
| **Total EEP Expenditures** | **67,710** | **55,110** | **55,110** | **68,610** | **66,912** | **45,334** | **43,934** | **45,334** | **47,634** | **43,934** | **71,057** | **100,693** | **711,372** |

* Budget projection for 7/16 through 10/16 from Board Order, Docket No. GR16020119 signed 9/23/2016.
Budget projection for 11/16 through 4/17 from Board Order Docket Nos. GO15050504 and GR16070618 signed 12/12/2016.
Budget projection for 5/17 and 6/17 from Board Order Docket Nos. GR16070618 and GO15050504 signed 4/17/2017.

**PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS ENERGY EFFICIENCY PROGRAM ("EEP") ESTIMATED SPENDING BY PROGRAM ($$$)**

| | Jul-17 | Aug-17 | Sep-17 | Oct-17 | Nov-17 | Dec-17 | Jan-18 | Feb-18 | Mar-18 | Apr-18 | May-18 | Jun-18 | 2018 Program Period |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Estimate | Estimate | Estimate | Estimate | Estimate | Estimate | Estimate | Estimate | Estimate | Estimate | Estimate | Estimate | |
| **O&M EXPENDITURES** | | | | | | | | | | | | | |
| Labor | 21,427 | 21,427 | 21,427 | 21,427 | 21,427 | 21,427 | 21,427 | 21,427 | 21,427 | 21,427 | 21,427 | 21,427 | 257,124 |
| Customer Education, Outreach | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 | 204,000 |
| Program Evaluation | - | - | - | - | - | - | - | - | - | - | - | 15,000 | 15,000 |
| **TOTAL O&M** | **38,427** | **38,427** | **38,427** | **38,427** | **38,427** | **38,427** | **38,427** | **38,427** | **38,427** | **38,427** | **38,427** | **53,427** | **476,124** |
| **PROGRAM EXPENDITURES** | | | | | | | | | | | | | |
| **Residential Gas HVAC/WH :** | | | | | | | | | | | | | |
| Rebates, Grants, Incentives | 33,000 | 33,000 | 33,000 | 33,000 | 33,000 | 33,000 | 33,000 | 33,000 | 33,000 | 33,000 | 33,500 | 33,500 | 397,000 |
| Rebate Processing | 1,166 | 1,166 | 1,166 | 1,166 | 1,166 | 1,166 | 1,166 | 1,166 | 1,166 | 1,166 | 1,166 | 1,166 | 13,992 |
| Home Energy Assessments | 28,150 | 28,150 | 28,150 | 28,150 | 28,150 | 28,150 | 28,150 | 28,150 | 28,150 | 28,150 | 28,150 | 28,150 | 337,800 |
| Home Weatherization for Income Qualified | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 300,000 |
| HW for IQC Administrative Fees | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 30,000 |
| Home Energy Report - Opower | 425,000 | | - | - | | | 425,000 | - | - | - | - | - | 850,000 |
| | 514,816 | 89,816 | 89,816 | 89,816 | 89,816 | 89,816 | 514,816 | 89,816 | 89,816 | 89,816 | 90,316 | 90,316 | 1,928,792 |
| **Commercial :** | | | | | | | | | | | | | |
| Steam Trap Survey & Cleaning Pilot | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 60,000 |
| | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 60,000 |
| **TOTAL Program Expenditures** | **519,816** | **94,816** | **94,816** | **94,816** | **94,816** | **94,816** | **519,816** | **94,816** | **94,816** | **94,816** | **95,316** | **95,316** | **1,988,792** |
| **TOTAL EEP Expenditures** | **558,243** | **133,243** | **133,243** | **133,243** | **133,243** | **133,243** | **558,243** | **133,243** | **133,243** | **133,243** | **133,743** | **148,743** | **2,464,916** |

EXHIBIT P-3

# DIRECT TESTIMONY
# OF
# JIM HERNDON

**Q. Please state your name, position and address.**

A. My name is Jim Herndon, and I am a Principal Consultant in the Utility Services group of Nexant, Inc. ("Nexant"). My business address is 2000 Regency Parkway, Suite 455, Cary, North Carolina 27518.

**Q. Please describe your professional responsibilities.**

A. I am responsible for providing consulting services for Nexant clients who offer energy efficiency ("EE") initiatives. I currently focus on EE program planning and design for utility initiatives across the country.

**Q. Have you provided a summary of your educational background and professional experience?**

A. Yes, my resume is included as Attachment A.

**Q. Please explain Nexant's experience in the field of EE.**

A. Nexant's Utility Services business unit provides energy efficiency engineering and consulting services to government agencies and utilities, as well as helping commercial, institutional, and industrial facility owners to manage energy consumption and reduce costs in their facilities. Nexant conducts development and implementation services of EE programs for public and investor-owned utilities, governments, and end-use customers. Our range of EE experience includes but is not limited to:

- Market potential assessments;
- Program design and administration;
- Marketing;

- Vendor outreach, education, and training;
- Incentive processing and fulfillment;
- Turnkey customer service;
- Measurement and verification (M&V);
- Online program tracking and reporting; and
- Program process and impact evaluations.

**Q. Please indicate companies and roles in which Nexant has supported EE initiatives.**

A. Nexant has developed, administered, and evaluated energy efficiency programs for clients across the country. An abbreviated, but representative, listing of our key clients is included with my resume in Attachment A of my testimony.

**Q. Have you previously submitted testimony before the New Jersey Board of Public Utilities ("BPU") or any other regulatory commission?**

A. Yes. I submitted testimony supporting Elizabethtown Gas' ("ETG" or "the Company") 2016 application to amend and extend its current energy efficiency programs (BPU Docket No. GR16070618).

Additionally, I have submitted testimony before the Virginia State Corporation Commission on behalf of both natural gas and electric utilities in their jurisdiction.

**Q. What is the purpose of your direct testimony?**

A. My testimony supports ETG's Petition in this proceeding to revise its EEP Rider rate and to provide information concerning the EE Programs. I will provide data

and analysis on EE Program performance, including participation, energy impacts, emission reductions, and cost-benefit results.

**Q. Are you sponsoring any schedules in connection with your direct testimony?**

A. Yes. I am presenting the following schedules, which have been prepared under my direction and supervision and are accurate and complete to the best of my knowledge and belief. These schedules contain information responsive to the Minimum Filing Requirements ("MFRs") as referenced in the MFR Index attached to the Petition and as set forth in Appendix D to the Stipulation ("Stipulation") approved by the Board in its August 3, 2009 Order ("August 3 Order") in Docket Nos. EO09010056 and GO09010060 et al., as well as the Board's January 19, 2011 Order ("January 19 Order") and April 11, 2012 Order ("April 11 Order") in BPU Docket Nos. GO10070446 and GO10100735 et al. and BPU Docket No. GO11070399, respectively. The schedules attached hereto are described below.

- Schedule JH-1 – EE Program participation and incentive summary for the program period running from July 2015 through June 2017.
- Schedule JH-2 – Estimated energy and demand savings for the program period July 2015 through June 2017.
- Schedule JH-3 – Emissions reductions data for the program period July 2015 through June 2017.
- Schedule JH-4 – Estimated free ridership and spillover for the program period July 2015 through June 2017.

- Schedule JH-5 – Direct FTE employment data for the program period July 2015 through June 2017.
- Schedule JH-6 – Cost-Benefit Analysis for the program period July 2015 through June 2017.

**Q. Please describe ETG's EE program participation levels in the program period from July 2015 through June 2017.**

A. As summarized in my Schedule JH-1, 3,963 ETG customers participated in the EE Programs between July 2015 and June 2017.

**Q. What direct impact did the EE Programs have on full time employment?**

A. FTE impacts are detailed in my Schedule JH-5. Based on the FTE definition of 1,820 annual work hours, the EE program resulted in the creation of 1 in-house FTEs over the two year period, and an average of 7.35 FTEs per year in the contracting industry.

**Q. What are the estimated annual energy savings attributable to the EE Programs?**

A. Annual gross energy savings for the program period July 2015 through June 2016 are 242,480 therms for residential and commercial customers combined. Gross energy savings for the program period July 2016 through June 2017 are 136,459 therms. Combined annual gross energy savings for the two year period analyzed are 378,939 therms for residential and commercial customers combined. Gross and net savings by measure, program, and overall portfolio are detailed in Schedule JH-2.

**Q. How were energy savings estimated?**

A. Nexant utilized Elizabethtown Gas program participation data and customers' monthly utility billing data to estimate natural gas savings for measures in the HVAC and Water Heater Rebates Program. The analysis was completed on participating customers having 12 consecutive months of pre-program billing data and 12 consecutive months of post-program billing data. Furthermore, all customers were required to begin their pre-program and post-program time periods in the same billed month, ensuring that customers in the dataset were consistent and normalized for time and weather variance. The pre-program period was defined as July 2014 through June 2015; the post-program period was defined as June 2016 through May 2017. All program measure installations included in the analysis were completed during the 12 months between the pre-program and post-program periods, defined as the program year.

The participant pool was narrowed to meet the requirements described above, and then each participant was matched to a non-participant using logistic regression based on pre-program gas usage. Comparison groups are important in billing analysis because they the isolate program effects from non-program effects. Matching allows for a comparison group to be formed after the program's treatment has occurred, and helps to minimize any unintended effects of model specification error because a model that overstates or understates savings will do so for both control and treatment groups, and therefore, the error will be netted out via a difference-in-differences calculation.

Nexant performed a panel regression of the combined sample of participants (i.e.

treatment group) and non-participants (i.e. control group) to establish a relationship between natural gas consumption and program participation. Because all customers were analyzed over identical pre-program and post-program time periods, and were located in close enough geographic proximity to apply the same observed weather data, it was not necessary to weather normalize the model. Therefore, average daily gas usage was regressed against the interaction of program participation and post-program period.

The panel regression was applied to all customers to get average base load. Then, even though the comparison group customers received no program treatment, they were coded as treatment during the post timeframe in order to produce a counterfactual estimate against which to compare the post-program usage estimate for participating customers.

The result of this model specification is a set of annual usage estimates for participants (i.e. treatment group) and non-participants (i.e. control group) during the pre-program and post-program time periods. Savings are calculated as the difference between the differences of the pre- and post-program estimates for the treatment and control groups.

Savings for the Small Commercial Program were based on the program-reported savings for the two projects installed during the 2-year program period from July 2015 to June 2017. No savings are claimed for energy efficiency kits distributed through the Weatherization Kits Program.

**Q. What are the estimated greenhouse gas emission reductions attributable to the EE Programs?**

A. Based on the participation and resulting energy savings, and the gas emission factors provided in the NJ Protocols, over their lifetime the installed measures from the EE programs are expected to avoid 16,556 metric tons of $CO_2$ and 13 metric tons of $NO_x$ for residential and commercial customers combined. Detailed emission reduction data is provided in Schedule JH-3.

**Q. Please explain the free rider and spillover effects associated with the EE Programs.**

A. Consistent with the prior filing, free ridership estimates have include consideration of the impact of the NJ CEP programs for existing measures in the HVAC and Water Heater Rebates Program as well as the Small Commercial Program. Based on the established net-to-gross ratio of 41%, the EE Programs resulted in net annual energy savings of 155,177 therms over the two year program period from July 2015 through June 2017 for residential and commercial customers combined. Supporting data on net impacts is provided in Schedule JH-4.

**Q. How was the cost benefit analysis of the proposed EE Plan evaluated?**

A. The proposed EE programs were evaluated from the perspectives of five standard cost benefit analysis tests, which are consistent with the California Standard Practice Manual. These tests can be described as follows:

- Total Resource Cost Test ("TRC") – this test is designed to measure whether a program is cost-effective from a societal perspective and includes both the participants costs and the utility's costs.

- Program Administrator Cost Test ("PACT") – this test is designed to measure the cost-effectiveness of a program from the utility's perspective.
- Societal Benefit Test ("SCT") – this test is a modified version of the TRC test by including additional external societal impacts not captured in the TRC.
- Participant Cost Test ("PCT") – this test is designed to measure the cost-effectiveness of the program from the perspective of the customer who installs the eligible program measure.
- Ratepayer Impact Measure ("RIM") Test – this test is designed to measure the impact on customer bills or rates due to changes in utility revenues and operating costs resulting from the program.

**Q. Can you summarize the findings of the cost benefit analysis?**

A. Schedule JH-6 provides the cost benefit analysis results for each program and the overall portfolio. The HVAC and Water Heater Rebates Program and the overall portfolio have benefit/cost ratios greater than 1.0 from the TRC, PCT and SCT perspectives, with a portfolio b/c ratio of 1.33 for the TRC, 2.47 for the PCT, and 1.84 for the SCT. The Small Commercial Program fails the TRC, PCT, and SCT primarily due to the high equipment costs for measures installed in one of the eligible projects. Costs for the Weatherization Kits Program were included in the cost-benefit analysis for the overall portfolio; however since no benefits were claimed for the kits, program cost-benefit results are not relevant for this offering. The HVAC and Water Heater Rebates Program and Small Commercial Program, as well as the portfolio, were cost effective from the PACT perspective, with a

portfolio b/c ratio of 1.46. The programs and portfolio have a b/c ratio of less than 1.0 for the Rate Impact Measure Test, however failing this test is common with energy efficiency programs as the programs are designed to reduce natural gas usage, and therefore reduce utility revenues that are largely based on customers' natural gas consumption.

**Q. Mr. Herndon, does this conclude your direct testimony?**

A. Yes, it does.

# Jim Herndon

## Principal Consultant

Jim Herndon is a Principal Consultant in Nexant's Strategy and Planning group located in the Cary, NC office. Jim currently focuses on strategic planning and program design for utility demand side management (DSM) initiatives throughout the country. His planning and design work is informed by over 14 years of experience in all facets of DSM programs, ranging from market assessments and portfolio planning to managing turn-key implementation and conducting technical project reviews to delivering 3rd party program evaluations.

## Areas of Expertise

**Resource Planning Support:** Providing technical analysis, regulatory support, and expert witness testimony for DSM program development and integrated resource planning (IRP) activities to electric and natural gas utilities.

**Energy Analysis and Market Characterization:** Evaluating technical and economic applicability of DSM measures for program development; determining energy savings estimates and market potential for measures and program offerings in a particular region or service territory.

**Portfolio Planning and Program Design:** Conducting cost-effectiveness analysis and providing strategic insights to assist in the planning, design, and implementation of DSM programs.

**Program Management:** Ensuring compliance with energy program rules; coordinate staff workload and budgets; working directly with service providers and customers on projects; advising contractors on savings estimates.

## Representative Project Experience

**Columbia Gas of Virginia – DSM Program Design and Implementation (2010–Present)**

Jim is the technical lead for Nexant's program design and regulatory support services for Columbia Gas of Virginia's WarmWise program offerings. Nexant's support includes portfolio planning and regulatory support for CGV's residential and commercial energy efficiency

## Education and Licensing

MS, Engineering Management
Duke University, 1998

BS, Civil Engineering
Duke University, 1997

## Work History

**Nexant, Inc., Cary, NC**
Principal (2014–Present)
Senior Project Manager (2009–2014)

**Nexant, Inc., Atlanta, GA**
Project Manager (2007–2009)
Senior Project Engineer (2005–2007)
Project Engineer (2003–2005)

**Nexant, Inc., San Francisco, CA**
Project Engineer (2002–2003)

**IT Corporation, Andover, MA**
Project Engineer (1998–2001)

programs, as well as providing rebate processing and other support services to assist CGV in the implementation of their programs. Jim has led Nexant's portfolio planning efforts, including market characterization analysis, technical analysis of proposed programs and portfolio, and regulatory support of CGV's program filings with the Virginia State Corporation Commission, including providing written testimony supporting Nexant's analysis.

**Virginia Natural Gas – DSM Program Design and Regulatory Support (2014–Present)**
Jim currently leads Nexant's technical and regulatory support for Virginia Natural Gas's residential DSM portfolio. Support activities include program cost-effectiveness analysis and preparation of regulatory filings, including annual status updates to the Virginia State Corporation Commission, and technical analysis and testimony for regulatory approval of program updates and modifications.

**Dominion Virginia Power – Program Development and Regulatory Support (2014-2015)**
Jim served as the program design lead and expert witness in support of Dominion Power's regulatory filing for three proposed DSM program offerings. Jim provided input on the delivery structure, eligibility criteria, and cost-effectiveness analysis in the development of program offerings. In addition, Jim provided written and oral testimony on behalf of Dominion in support of Nexant's technical analysis on the feasibility and cost-effectiveness of the programs to the Virginia State Corporation Commission.

**Georgia Power Company – Demand Side Management Program Analysis and IRP Support (2005–Present)**
Jim has provided technical and regulatory support for Georgia Power Company's DSM program analysis in the residential and commercial markets for Georgia Power Company's 2007, 2010, 2013, and 2016 Integrated Resource Plan (IRP) filings. The program analysis support includes comprehensive compilation and assessment of applicable DSM measures and technologies across the residential, commercial, and industrial sectors, and determination of the overall market potential through three separate technical potential studies (completed in 2007, 2012, and 2014). Jim also led the portfolio planning efforts that have included development of preliminary program designs and supporting cost-effectiveness analysis to determine feasibility of individual measures and program offerings for implementation.

**Los Angeles Department of Water and Power – Energy Efficiency Potential Study (2013–2014)**
Jim managed Nexant's development of an energy efficiency potential study for the Los Angeles Department of Water and Power (LADWP). Under Jim's direction, Nexant quantified the energy efficiency potential for LADWP's service territory, including collection of primary data through facility auditing to determine the energy efficiency potential of City of Los Angeles-owned facilities. The study followed industry best practices to determine the energy efficiency potential, and undertook unique approaches to aggregate and bundle measures into program delivery channels to identify all possible achievable savings. The study will inform LADWP's short term program planning, as well as updates to their ten-year program planning targets.

**Duke Energy – Market Potential Study (2015-Present)**
Jim currently serves as the project manager for Nexant's demand side management market potential study for Duke Energy's North Carolina, South Carolina, and Ohio service territories. The study is integrating both energy efficiency and demand response opportunities across Duke's residential, commercial, and industrial customer classes. The study will include determination of technical, economic, and program potential and is being conducted in close coordination with Duke's integrated resource planning team as well as program design and delivery teams in order to provide an accurate assessment of market potential that can be directly applied to Duke's current and future DSM planning efforts.

**Duke Energy – Program Evaluations (2014-Present)**
Jim currently serves as the project manager for Nexant's evaluation, measurement, and verification (EM&V) of three DSM program offerings. The evaluation activities include separate impact and process evaluations across Duke Energy's five service territories to assess program performance, adherence to best practices, and opportunities for program improves. Jim provides daily project management oversight of Nexant project staff, coordination of resources, and quality control oversight of project deliverables.

**Santee Cooper – DSM Program Design and Implementation (2009–Present)**
Jim provides strategic program design support activities for Santee Cooper's suite of energy efficiency programs across the residential and commercial market segments, as well as strategic program advisory services for Santee Cooper's long-term energy reduction goals. Previously, Jim oversaw Nexant's initial development, rollout, and management of Santee Cooper's commercial energy efficiency programs.

**CPS Energy Market Potential Study – DSM Program Design, and Measurement and Verification (2008–2014)**
Jim provided technical expertise and support for Nexant's DSM services to CPS Energy, which included development of an energy efficiency market potential study, DSM program design and implementation, and program measurement and verification. The comprehensive market potential evaluation analyzed the economic and achievable energy and demand impacts of cost-effective DSM measures across CPS Energy's residential, commercial, and industrial customer segments. The DSM program design utilized the identified market potential to enhance CPS Energy's existing DSM programs and provided recommendations on new programs that target CPS Energy's long-term energy efficiency goals. Nexant also provided annual measurement and verification of CPS Energy's DSM programs.

**Danville Utilities – Residential Program Design and Implementation (2011–2013)**
Jim led Nexant's initial development of Danville Utilities' (Danville, VA) HomeSave program. This residential program initiative includes a suite of energy efficiency measures targeting Danville's residential customer base. Jim oversaw the rollout of the program offering that currently includes Nexant's program support through rebate processing, trade ally outreach, marketing support, and verification of measure installation and energy savings achieved.

The following is a representative listing of Nexant's most prominent utility clients and its contractual role with each.

| CLIENTS | SCOPE | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Program Design | Administration | Marketing | Trade Ally Management | Call Center Support | Rebate Processing | Program Tracking | Auditing & Eng. Review | Market / Potential Study | Evaluatoin |
| CenterPoint Energy | ■ | ■ | ■ | ■ | | ■ | ■ | ■ | ■ | ■ |
| Colorado Governor's Energy Office | ■ | ■ | | | | | | | | ■ |
| Columbia Gas of Virginia | ■ | ■ | | | ■ | ■ | ■ | ■ | ■ | |
| Commonwealth Edison | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | | |
| ConEdison New York | | | | | | | | | | ■ |
| Danville Utilities | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | | |
| Duke Energy | | | | | | | | | | ■ |
| Energy Trust of Oregon | | ■ | ■ | | | ■ | ■ | ■ | | |
| Entergy, Texas | ■ | ■ | | ■ | | | | | | |
| Enbridge Gas | | | | | | | | | ■ | ■ |
| JEA | ■ | ■ | ■ | ■ | | ■ | ■ | ■ | | |
| Georgia Power Company | ■ | | | | | | | | ■ | ■ |
| MidAmerican Energy | ■ | ■ | ■ | ■ | | | ■ | ■ | ■ | |
| Missouri Gas Energy | ■ | | | | | | | | | ■ |
| Northwestern Energy | | | | | | | | | ■ | ■ |
| NYSERDA | | ■ | | | | | ■ | ■ | | ■ |
| Oncor | ■ | ■ | ■ | ■ | | ■ | ■ | ■ | | |
| PacifiCorp | ■ | ■ | ■ | ■ | | ■ | ■ | ■ | ■ | |
| PG&E | ■ | ■ | ■ | ■ | | | ■ | ■ | | |
| Pennsylvania Public Utilities Commission | | | | | | | | | ■ | ■ |
| Platte River Power Authority | ■ | ■ | | | | | | | | |
| Ontario Power Authority | | | | | | | | | ■ | ■ |
| Questar Gas | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | |
| Salt River Project | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | | |
| Santee Cooper | ■ | ■ | ■ | ■ | | | | ■ | ■ | |
| Southern California Edison | ■ | ■ | ■ | | | | | ■ | | |
| Silicon Valley Power Laboratory Energy Management | ■ | ■ | ■ | | | | ■ | ■ | | |
| Southwest Gas | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | | |
| Utah State Energy Program | ■ | ■ | ■ | ■ | | | ■ | ■ | | |
| TVA | ■ | ■ | | ■ | ■ | ■ | ■ | ■ | | |
| Union Gas Limited | | | | | | | | | ■ | ■ |
| Vectren Energy | ■ | ■ | ■ | ■ | | ■ | ■ | ■ | | |
| Virginia Natural Gas | ■ | | | | | | | | | |
| Xcel Energy | ■ | ■ | ■ | ■ | | | ■ | ■ | ■ | |

**Schedule JH-1**
**Estimated Participants, Incentives, and Incremental Cost**

| | | Participation | | | Incentives | | | Incremental Capital Costs (Net of Utility Incentives) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | units | July 2015 - June 2016 | July 2016 - June 2017 | TOTAL | July 2015 - June 2016 | July 2016 - June 2017 | TOTAL | July 2015 - June 2016 | July 2016 - June 2017 | TOTAL |
| **HVAC and Water Heater Rebates** | | | | | | | | | | |
| R-High efficiency furnace | furnace | 956 | 508 | 1,464 | $239,000 | $127,000 | $366,000 | $474,503 | $252,142 | $726,645 |
| R-High efficiency boiler | boiler | 348 | 145 | 493 | $104,400 | $43,500 | $147,900 | $121,800 | $50,750 | $172,550 |
| R-High efficiency water heater | water heater | 125 | 87 | 212 | $25,000 | $17,400 | $42,400 | $21,202 | $14,757 | $35,959 |
| R-Combination HE boiler & water heater | boiler + water heater | 77 | 74 | 151 | $38,500 | $37,000 | $75,500 | $40,011 | $38,452 | $78,462 |
| **Weatherization Kits** | | | | | | | | | | |
| R-EE Kits | kit | 719 | 922 | 1,641 | $5,994 | $7,686 | $13,680 | $0 | $0 | $0 |
| **Small Commercial** | | | | | | | | | | |
| Small Commercial | facility | 1 | 1 | 2 | $200 | $2,597 | $2,797 | $546 | $194,912 | $195,458 |

**Schedule JH-2**
**Estimated Annual Energy Savings**

| | Annual Energy Savings - GROSS (therms) | | | Annual Energy Savings - NET (therms) | | |
|---|---|---|---|---|---|---|
| | July 2015 - June 2016 | July 2016 - June 2017 | TOTAL | July 2015 - June 2016 | July 2016 - June 2017 | TOTAL |
| **HVAC and Water Heater Rebates** | | | | | | |
| R-High efficiency furnace | 165,380 | 87,880 | 253,260 | 67,723 | 35,987 | 103,710 |
| R-High efficiency boiler | 39,110 | 16,296 | 55,406 | 16,016 | 6,673 | 22,689 |
| R-High efficiency water heater | 24,256 | 16,882 | 41,138 | 9,933 | 6,913 | 16,846 |
| R-Combination HE boiler & water heater | 13,342 | 12,822 | 26,164 | 5,464 | 5,251 | 10,714 |
| **Weatherization Kits** | | | | | | |
| R-EE Kits | 0 | 0 | 0 | 0 | 0 | 0 |
| **Small Commercial** | | | | | | |
| Small Commercial | 392 | 2,579 | 2,971 | 161 | 1,057 | 1,218 |
| | 242,480 | 136,459 | 378,939 | 99,296 | 55,881 | 155,177 |

**Schedule JH-3**
**Greenhouse Gas Emissions Reductions**

| | Lifetime Net Energy Savings (therms) | Greenhouse Gas Emissions Reductions (tons)* | |
|---|---|---|---|
| | | $CO_2$ | $NO_x$ |
| **HVAC and Water Heater Rebates** | | | |
| R-High efficiency furnace | 2,074,198 | 12,134 | 9.5 |
| R-High efficiency boiler | 453,775 | 2,655 | 2.1 |
| R-High efficiency water heater | 168,460 | 985 | 0.8 |
| R-Combination HE boiler & water heater | 107,141 | 627 | 0.5 |
| **Weatherization Kits** | | | |
| R-EE Kits | 0 | 0 | 0.0 |
| **Small Commercial** | | | |
| Small Commercial | 26,481 | 155 | 0.1 |
| *Based on Lifetime Net Natural Gas Savings | 2,830,055 | 16,556 | 13 |

Gas Emission Factors from NJ CEP Protocols, March 17, 2014

| | | |
|---|---|---|
| $CO_2$ | 11.7 | lbs/therm |
| $NO_x$ | 0.0092 | lbs/therm |

**Schedule JH-4**
**Free Riders and Spillover**

| | Annual Energy Savings - GROSS (therms) | | | Net-To-Gross | Annual Energy Savings - NET (therms) | | |
|---|---|---|---|---|---|---|---|
| | July 2015 - June 2016 | July 2016 - June 2017 | TOTAL | | July 2015 - June 2016 | July 2016 - June 2017 | TOTAL |
| **HVAC and Water Heater Rebates** | | | | | | | |
| R-High efficiency furnace | 165,380 | 87,880 | 253,260 | 41% | 67,723 | 35,987 | 103,710 |
| R-High efficiency boiler | 39,110 | 16,296 | 55,406 | 41% | 16,016 | 6,673 | 22,689 |
| R-High efficiency water heater | 24,256 | 16,882 | 41,138 | 41% | 9,933 | 6,913 | 16,846 |
| R-Combination HE boiler & water heater | 13,342 | 12,822 | 26,164 | 41% | 5,464 | 5,251 | 10,714 |
| **Weatherization Kits** | | | | | | | |
| R-EE Kits | 0 | 0 | 0 | N/A | 0 | 0 | 0 |
| **Small Commercial** | | | | | | | |
| Small Commercial | 392 | 2,579 | 2,971 | 41% | 161 | 1,057 | 1,218 |
| | 242,480 | 136,459 | 378,939 | | 99,296 | 55,881 | 155,177 |

**Schedule JH-5**
**Direct FTE Employment Summary**

| | | Residential - HVAC & Water Heater Rebates | | | | Weatherization Kits | Small Commercial |
|---|---|---|---|---|---|---|---|
| | Program Admin | R-High efficiency furnace | R-High efficiency boiler | R-High efficiency water heater | R-Combination HE boiler & water heater | R-EE Kits | Small Commercial |
| Average Annual Participation (July 2015-June 2017) | n/a | 732 | 247 | 106 | 76 | 759 | 1 |
| Man-Days Per Job | n/a | 1.5 | 1.5 | 0.75 | 1.5 | | 7 |
| Work Days Needed | 227 | 1098 | 369.75 | 79.5 | 113.25 | 0 | 7 |
| Available Work Days Per Year | 227 | 227 | 227 | 227 | 227 | 227 | 227 |
| | | | | | | | |
| Estimated Jobs Created | 1.00 | 4.84 | 1.63 | 0.35 | 0.50 | 0.00 | 0.03 |
| | | | | | | | |

| | |
|---|---|
| Total Estimated Jobs Created (Average Annual) | 8.35 |

**Schedule JH-6**
**Cost-Benefit Analysis Summary**

| | Residential Gas HVAC and Gas Water Heater Incentive Program | Weatherization Kits | Small Commercial | Operational and Administrative Costs | Portfolio Total |
|---|---|---|---|---|---|
| **Total Resource Cost Test (TRC)** | | | | | |
| Benefits | $1,552,843 | $0 | $23,608 | $0 | **$1,576,451** |
| Costs | $661,011 | $20,320 | $76,932 | $431,211 | **$1,189,474** |
| Net Benefits | $891,832 | -$20,320 | -$53,325 | -$431,211 | **$386,977** |
| B-C Ratio | 2.35 | 0.00 | 0.31 | -- | **1.33** |
| **Participant Cost Test (PCT)** | | | | | |
| Benefits | $4,411,759 | $13,267 | $64,860 | $0 | **$4,489,886** |
| Costs | $1,614,190 | $13,267 | $187,640 | $0 | **$1,815,097** |
| Net Benefits | $2,797,569 | $0 | -$122,780 | $0 | **$2,674,789** |
| B-C Ratio | 2.73 | 1.00 | 0.35 | -- | **2.47** |
| **Program Administrator Cost Test (PACT)** | | | | | |
| Benefits | $1,552,843 | $0 | $11,084 | $0 | **$1,563,927** |
| Costs | $619,712 | $20,320 | $2,657 | $431,211 | **$1,073,900** |
| Net Benefits | $933,131 | -$20,320 | $8,427 | -$431,211 | **$490,027** |
| B-C Ratio | 2.51 | 0.00 | 4.17 | -- | **1.46** |
| **Ratepayer Impact Measure Test (RIM)** | | | | | |
| Benefits | $1,552,843 | $0 | $11,084 | $0 | **$1,563,927** |
| Costs | $2,172,555 | $20,320 | $13,741 | $431,211 | **$2,637,827** |
| Net Benefits | -$619,712 | -$20,320 | -$2,657 | -$431,211 | **-$1,073,900** |
| B-C Ratio | 0.71 | 0.00 | 0.81 | -- | **0.59** |
| **Societal Cost Test (SCT)** | | | | | |
| Benefits | $2,149,731 | $0 | $35,592 | $0 | **$2,185,323** |
| Costs | $661,011 | $20,320 | $76,932 | $431,211 | **$1,189,474** |
| Net Benefits | $1,488,720 | -$20,320 | -$41,341 | -$431,211 | **$995,849** |
| B-C Ratio | 3.25 | 0.00 | 0.46 | -- | **1.84** |