ELIZABETHTOWN GAS
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July 31, 2026

Sherri Lewis, Board Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue
Trenton, NJ 08625

Re: In the Matter of the Petition of Elizabethtown Gas Company To (1) Revise the Clean Energy Program Component of its Societal Benefits Charge Rate and (2) Maintain Its On-System Margin Sharing Credit Rate
BPU Docket No. ____________

Dear Secretary Lewis:

Enclosed herewith is Elizabethtown Gas Company's Petition To (1) Revise the Clean Energy Program Component of its Societal Benefits Charge Rate; and (2) Maintain Its On-System Margin Sharing Credit Rate, which has been filed electronically today utilizing the Board's e-filing Program.

In accordance with the New Jersey Board of Public Utilities ("BPU") March 19, 2020 and June 10, 2020 Orders issued in BPU Docket No. EO20030254, hard copies are not being submitted at this time, but can be provided at a later time, if needed.

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

Respectfully submitted,

Dominick DiRocco

Dominick DiRocco

Enclosures

cc: Service list

IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY TO (1) REVISE THE CLEAN ENERGY PROGRAM COMPONENT OF ITS SOCIETAL BENEFITS CHARGE RATE AND (2) MAINTAIN ITS ON-SYSTEM MARGIN SHARING CREDIT
BPU DOCKET NO. GR________

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STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF	**:**	
ELIZABETHTOWN GAS COMPANY	**:**	
TO (1) REVISE THE CLEAN ENERGY	**:**	**BPU DOCKET NO. ______________**
PROGRAM COMPONENT OF ITS	**:**	
SOCIETAL BENEFITS CHARGE RATE AND	**:**	
(2) MAINTAIN ITS ON-SYSTEM MARGIN	**:**	
SHARING CREDIT	**:**	

CASE SUMMARY, VERIFIED PETITION, TESTIMONY AND SCHEDULES

July 31, 2026

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

In The Matter Of The Petition Of Elizabethtown Gas Company To (1) Revise The Clean Energy Program Component Of Its Societal Benefits Charge Rate and (2) Maintain Its On-System Margin Sharing Credit Rate	:	**Docket No. ________** **CASE SUMMARY**

This petition presents the request of Elizabethtown Gas Company ("Petitioner") that the Board of Public Utilities ("Board" or "BPU") accept the filing of Petitioner's request to revise the rate associated with the Clean Energy Program ("CEP") component of the Societal Benefits Charge ("SBC") rate and to maintain the current On-System Margin Sharing Credit ("OSMC") rate as noted below, which rates are inclusive of taxes ("Petition"). By this Petition, Petitioner seeks authorization to recover approximately $16.1 million through the CEP and to maintain annual margin contributions of approximately $1.0 million for the OSMC. The Petition proposes the following per therm rates, inclusive of taxes, to be effective on October 1, 2026:

	Current	Proposed	Increase/(Decrease)
CEP	$0.0337	$0.0342	$0.0005
OSMC	($0.0033)	($0.0033)	$0.0000
Total	$0.0304	$0.0309	$0.0005

The proposed rates would impact the monthly bill of a residential heating customer using 100 therms as shown below:

	July 1, 2026	Proposed	Increase/(Decrease)	Percent Change
CEP	$175.43	$175.48	$0.05	0.0%
OSMC	$175.43	$175.43	$0.00	0.0%
Total	$175.43	$175.48	$0.05	0.0%

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

In The Matter Of The Petition Of Elizabethtown Gas Company To (1) Revise The Clean Energy Program Component Of Its Societal Benefits Charge Rate and (2) Maintain Its On-System Margin Sharing Credit Rate	:	**Docket No. GR________** **VERIFIED PETITION**

To The Honorable Board of Public Utilities:

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

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

2. Petitioner is engaged in the business of transmission and distribution of natural and mixed gas to approximately 322,000 customers within its service territory located principally in Hunterdon, Mercer, Middlesex, Morris, Sussex, Union and Warren Counties.

3. This verified petition presents the request of Elizabethtown that the Board accept its filing request to revise the rate associated with Petitioner's Clean Energy Program ("CEP") component of the Societal Benefits Charge ("SBC") and to maintain the current On-System Margin Sharing Credit ("OSMC") rate ("Verified Petition"). In addition, this filing includes a reconciliation of costs and cost recoveries associated with each clause for the periods in which the respective clauses are applicable.

4. Annexed hereto and made a part of this Verified Petition is Exhibit P-1 which is the testimony and supporting schedules of Cindy L. Capozzoli, Senior Director, Rates for Petitioner.

The following Schedules, described in Ms. Capozzoli's testimony, are attached and referred to in Exhibit P-1:

a. Tariff Schedule CLC-1;

b. Forecast Schedule CLC-1;

c. CEP Schedule CLC-1 through CLC-5; and

d. OSMC Schedule CLC-1 through CLC-4.

Background

5. The current rates in effect for CEP and OSMC were approved on a final basis effective April 29, 2026 by the Board's Order dated April 22, 2026 in BPU Docket No. GR25070460. The following table sets forth both the current and proposed CEP and OSMC rates. All rates quoted in this Verified Petition are inclusive of taxes.

	Current	Proposed	Increase/(Decrease)
CEP	\$0.0337	\$0.0342	\$0.0005
OSMC	(\$0.0033)	(\$0.0033)	\$0.0000
Total	\$0.0304	\$0.0309	\$0.0005

The CEP Component of the SBC Rate

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

7. In accordance with the Board's Orders in Docket Nos. EX99050347, *et al*. and GX99030121, *et al.*, Petitioner is making this filing to recover prior period costs, the net actual costs incurred to provide Board-approved CEP programs for the period ending June 30, 2026, including carrying costs, and projected costs for the period ending June 30, 2027. Total costs of

$16,087,561 are shown on CEP Schedule CLC-1. In accordance with the Board's Order dated June 30, 2026 in BPU Docket No. QO26040123 which established the statewide funding levels for CEP programs for Fiscal Year 2027, Petitioner has been allocated $15,355,025 of CEP funding responsibility for the twelve months ending June 30, 2027, as shown on CEP Schedule CLC-5. As noted on this schedule, only the amounts projected to be paid to the Fiscal Agent during the projected CEP period are included on CEP Schedule CLC-1. This level of spending, plus certain additional adjustments shown on CEP Schedule CLC-1, produces a proposed CEP rate of $0.0342 per therm.

<u>On-System Margin Sharing Credit</u>

8. In accordance with the mechanisms approved by the Board's Orders in Docket Nos. GT8602131, GM9009049, TC94030057, GR9608574, et. al., GR97070552, et. al., and Docket No. GX99030121, *et. al*., margins from certain on-system sales and transportation services are shared between firm sales customers, certain firm transportation customers and Petitioner on an 80/20% basis through a credit, the OSMC rate, to the transportation rates charged to Service Classification Residential Delivery Service ("RDS") and firm sales customers. These sharing amounts, plus certain additional adjustments shown on OSMC Schedule CLC-1, total $1,043,100 in customer credits and result in a proposed OSMC rate of ($0.0033) per therm.

<u>Overall Impact</u>

9. The overall impact of Petitioner's proposed CEP and OSMC rates in this proceeding is an increase in the monthly bill of a residential heating customer using 100 therms as shown below:

	July 1, 2026	Proposed	Increase/(Decrease)	Percent Change
CEP	$175.43	$175.48	$0.05	0.0%
OSMC	$175.43	$175.43	$0.00	0.0%
Total	$175.43	$175.48	$0.05	0.0%

10. These proposed rate changes translate to an increase in annual CEP recoveries of

$0.3 million, excluding taxes, and no change to annual OSMC recoveries.

<u>Miscellaneous</u>

11. Petitioner is serving notice and a copy of this Verified Petition, together with a copy of the exhibits and schedules annexed hereto on the Director, New Jersey Division of Rate Counsel via electronic mail in lieu of providing hard copies. In accordance with the BPU's March 19, 2020 and June 10, 2020 Orders issued in BPU Docket No. EO20030254, hard copies are not being submitted at this time, but can be provided at a later time, if needed.

12. Similarly, Petitioner is also serving this notice and a copy of this Verified Petition on the Department of Law and Public Safety via electronic mail in lieu of submitting hard copies which can be provided at a later time, if needed.

WHEREFORE, Petitioner respectfully requests that the Board (1) accept Petitioner's filing, (2) allow the proposed CEP and OSMC rates and associated proposals to become effective October 1, 2026, and (3) grant such other relief as the Board may deem just and proper.

Respectfully submitted,

Dominick DiRocco
VP/Rates & Regulatory Affairs
SJI Utilities, Inc.

Date: July 31, 2026

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

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NOTICE OF FILING AND PUBLIC HEARINGS

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

PLEASE TAKE NOTICE that, on July 31, 2026, Elizabethtown Gas Company ("Elizabethtown" or "Company") filed a petition with the New Jersey Board of Public Utilities ("BPU" or "Board") in Docket No. GR________ to revise its Clean Energy Program ("CEP") component of its Societal Benefit Charge ("SBC") and maintain its current On-System Margin Sharing Credit ("OSMC") rate ("Petition"). By the Petition, the Company proposed to increase the CEP rate from $0.0337 per therm to $0.0342 per therm, inclusive of applicable taxes, to recover CEP annual costs of approximately $16.1 million. The Company also proposed to maintain the current OSMC rate of ($0.0033) per therm, inclusive of applicable taxes, for annual margin contributions amounting to approximately $1.0 million. Both rates were proposed to be made effective October 1, 2026. The CEP component of the SBC recovers the costs of statewide energy efficiency and renewable energy programs mandated by the Board. The OSMC rate is designed to credit the Company's firm customers with the margins received from on-system sales and transportation services. A comparison of the Company's current versus proposed rates is as follows:

	Current Rates per Therm	Proposed Rates per Therm
CEP	$0.0337	$0.0342
OSMC	($0.0033)	($0.0033)
Total	$0.0304	$0.0309

If approved, the combined effect of the Company's Petition on the monthly bill of a residential heating customer using 100 therms as compared to rates in effect as of July 1, 2026 is below:

Consumption in Therms	Present Monthly Bill	Proposed Monthly Bill	Proposed Monthly Increase	Percent Change
100	$175.43	$175.48	$0.05	0.0%

The Board has the statutory authority, pursuant to N.J.S.A. 48:2-21, to approve and establish such tariff classifications and rates at levels it finds just and reasonable as well as to establish the effective date of such rates. Therefore, the Board may establish these rates at levels and/or an effective date other than those proposed by Elizabethtown.

PLEASE TAKE FURTHER NOTICE that virtual public hearings will be held on following date and times so that members of the public may present their views on the Petition:

VIRTUAL PUBLIC HEARINGS
DATE: TBD
HEARING TIMES: 4:30 p.m. and 5:30 p.m.

Join Microsoft Teams Meeting
Press Ctrl key + Click on this link: TBD

Select 'Join Now' to enter the meeting. If prompted, enter the following Meeting ID, Meeting Passcode and your name.
Meeting ID: TBD
Passcode: TBD

-or-

Join by Phone
Dial In: 866-984-3163
When prompted, enter Conference ID: TBD followed by the # sign to access the meeting.

A copy of this Notice of Filing and Public Hearings is being served upon the clerk, executive or administrator of each municipality and county within the Company's service territory. A copy of the Petition can be viewed on the Company's website at www.elizabethtowngas.com under "Regulatory Information". The Petition is also available to review online through the Board's website, https://publicaccess.bpu.state.nj.us, where you can search by the above-captioned docket number. The Petition and Board file may also be reviewed at the Board located at 44 South Clinton Avenue, 1st Floor, Trenton, New Jersey, with an appointment. To make an appointment, please call (609) 913-6298.

Representatives of the Company, Board Staff and the New Jersey Division of Rate Counsel will participate in the virtual public hearings. Members of the public are invited to participate by utilizing the Microsoft Teams link or the Dial-In number and phone Conference ID set forth above to express their views on this Petition. All comments will become part of the final record to be considered by the Board. To encourage full participation in this opportunity for public comment, please submit any requests for accommodations, such as interpreters or listening assistance, forty-eight (48) hours prior to the above hearings to the Board Secretary at board.secretary@bpu.nj.gov.

The Board is also accepting written and electronic comments. Comments may be submitted directly to the specific docket number listed above using the "Post Comments" button on the Board's Public Document Search tool at https://publicaccess.bpu.state.nj.us. Comments are considered public documents for purposes of the State's Open Public Records Act. Only documents that are intended to be public should be submitted using the "Post Comments" button on the Board's Public Document Search tool. Any confidential information should be submitted in accordance with the procedures set forth in N.J.A.C. 14:1-12.3. In addition to hard copy submissions, confidential information may also be filed electronically via the Board's e-filing system or by email to the Secretary of the Board. Please include "Confidential Information" in the subject line of any email. Instructions for confidential e-filing are found on the Board's webpage at https://www.nj.gov/bpu/agenda/efiling/.

Emailed and/or written comments may also be submitted to:

Secretary of the Board
New Jersey Board of Public Utilities
44 South Clinton Ave. 1st Floor
Trenton, NJ 08625-0350
Phone: 609-913-6241
Email: board.secretary@bpu.nj.gov

Elizabethtown Gas Company

<u>VERIFICATION</u>

I, Jennifer Weitz, Esq., of full age, being duly sworn according to law, upon my oath, depose and say:

1. I am Regulatory Affairs Counsel Intermediate of SJI Utilities, Inc., the parent company to Elizabethtown Gas Company ("Company") and I am authorized to make this verification on behalf of the Company.

2. I have reviewed the within petition and the information contained therein is true according to the best of my knowledge, information and belief.

Jenny Weitz

Jennifer Weitz, Esq.
Regulatory Affairs Counsel Intermediate

Sworn to and subscribed
before me this 31st day
of July 2026

Carolyn A. Jacobs

Carolyn A. Jacobs
NOTARY PUBLIC
State of New Jersey
My Commission Expires
October 28, 2028

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

BPU DOCKET NO. ____________

DIRECT TESTIMONY

OF

CINDY L. CAPOZZOLI

On Behalf Of
Elizabethtown Gas Company

Exhibit P-1

July 31, 2026

ELIZABETHTOWN GAS COMPANY
DIRECT TESTIMONY OF
CINDY L. CAPOZZOLI

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Cindy L. Capozzoli. My business address is One South Jersey Place, Atlantic City, New Jersey 08401.

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

A. I am the Senior Director, Rates for SJI Utilities ("SJIU").

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

A. I manage the Company's Rates Department activities for Elizabethtown Gas Company ("Elizabethtown", "ETG" or "Company") and its sister New Jersey public utility, South Jersey Gas Company ("SJG"), including the preparation and coordination of all rate case, revenue-related and other filings before the New Jersey Board of Public Utilities ("BPU" or "Board"). I also oversee the design and development of rates and rate schedules for the Company's tariff and provide financial and analytical support in all rates and regulatory affairs matters as well as for internal management purposes.

Q. PLEASE DESCRIBE YOUR PROFESSIONAL QUALIFICATIONS AND BUSINESS EXPERIENCE.

A. I received a Bachelor of Science Degree in Accounting and Finance from Drexel University in 1991 and obtained a Masters in Business Administration Degree with a concentration in Financial Management from Drexel University in 2000. In February 2021, I joined SJIU as Director, Rates and was promoted to Senior Director, Rates in 2025. Prior to my employment at SJIU, I worked for Debt Compliance Services. I also have three decades of experience in corporate finance and held accounting, treasury, financial planning, and other finance related positions at Innovairre, Campbell Soup Company and J.P. Morgan as well as roles in rates and financial reporting for SJG from 1994 to 1999. I am a Certified Public Accountant licensed in New Jersey since 1991 (status is currently "Inactive") and am a Certified Treasury Professional certificated by the Association for Financial Professionals ("AFP") since July 2012 (status is currently "Inactive"). Also, I am a member of the New Jersey Utilities Association.

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

A. I will support Elizabethtown's proposed rate for the Clean Energy Program ("CEP") component of the Societal Benefits Charge ("SBC") rate and its On-System Margin Sharing Credit ("OSMC") rate for the twelve month period ending September 30, 2027 ("2027 Recovery Year").

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

A. The Company is proposing that the final rates and associated changes proposed in this filing take effect on October 1, 2026.

Q. WHEN WERE THE COMPANY'S CEP AND OSMC RATES LAST REVISED?

A. The current rates in effect for CEP and OSMC were revised effective April 29, 2026 by the April 2026 Order [1]. The April 2026 Order resolved the Company's 2025 CEP/OSMC proceeding and approved the Company's CEP rate of $0.0337 per therm and OSMC rate of ($0.0033) per therm, both inclusive of taxes, on a final basis.

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[1] In re *the Petition of Elizabethtown Gas Company to (1) Revise The Clean Energy Program Component Of Its Societal Benefits Charge Rate And (2) Revise Its On-System Margin Sharing Credit*, BPU Docket No. GR25070460, Order dated April 22, 2026 ("April 2026 Order").

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. The schedules are as follows:

(1) **Tariff Schedule CLC-1** consists of revised tariff sheets in redlined and clean form which reflect the revised rates for the CEP component of the SBC rider and the OSMC rider, as well as certain housekeeping items.

(2) **Forecast Schedule CLC-1** provides the level of forecasted sales and services for the 2027 Recovery Year, which was utilized in the calculation of the proposed CEP and OSMC rates.

(3) **CEP Schedule CLC-1** sets forth the calculation of the proposed CEP rate for the 2027 Recovery Year.

(4) **CEP Schedule CLC-2** sets forth the calculation of carrying costs on the CEP balance for the twelve months ended June 30, 2026.

(5) **CEP Schedule CLC-2.1** sets forth the calculation of carrying costs for adjustments related to July and August 2022 accounting review.

(6) **CEP Schedule CLC-3** sets forth actual and projected CEP Fiscal Agent Payments for the twelve months ended June 30, 2026.

(7) **CEP Schedule CLC-4** sets forth actual and projected CEP recoveries for the twelve months ended June 30, 2026.

(8) **CEP Schedule CLC-5** sets forth the projected total amounts that the Company will either spend on the CEP or that will be paid to the fiscal agent during the twelve month period ended June 30, 2027.

(9) **OSMC Schedule CLC-1** presents a calculation of the proposed OSMC rate per therm for the 2027 Recovery Year.

(10) **OSMC Schedule CLC-2** presents the projected customer portion of the margin sharing credits forecast to be generated during the twelve month period ended June 30, 2027.

(11) **OSMC Schedule CLC-3** sets forth the balance to be trued-up for the margin sharing credits generated versus credits disbursed to customers for the twelve month period ended June 30, 2026.

(12) **OSMC Schedule CLC-4** presents the actual OSMC disbursements to sales customers taking BGSS service and residential transportation customers for the twelve month period ended June 30, 2026.

II. <u>REVENUE FORECAST</u>

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

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

Q. WHAT PERIOD IS COVERED BY THE DEMAND FORECAST?

A. The gas sales demand forecast as set forth on Forecast Schedule CLC-1 is for the twelve month period ended September 2027.

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

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

III. SOCIETAL BENEFITS CHARGE

Q. PLEASE DESCRIBE THE SBC.

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

Q. WHAT CUSTOMERS ARE ASSESSED THE SBC RATE?

A. The SBC rate is applicable to all customers, except those exempt from the charge pursuant to the Long-Term Capacity Agreement Pilot Program ("LCAPP") legislation enacted on January 28, 2011. The Company currently has two LCAPP-exempt customers, including one that became exempt as of February 2026. The exemption of this customer's projected annual usage of approximately 17 million therms results in a lower sales demand forecast compared to prior years.

IV. SBC – CEP COMPONENT

Q. DESCRIBE THE PURPOSE OF THE CEP.

A. The CEP was created as a result of the Electric Discount and Energy Competition Act of 1999 and the Board's Order dated March 9, 2001 in BPU Docket No. EX99050347, *et al.*, at which time it was known as the Comprehensive Resource Analysis ("CRA") Program. The programs described below were developed after consultation between the BPU and the Department of Environmental Protection to promote both energy efficiency and Class 1 renewable energy programs for the State of New Jersey and its energy consumers.

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

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

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

A. The CEP component is calculated on CEP Schedule CLC-1 by first determining the current year ending balance which is the sum of (i) the prior year's over or under-recovery balance, (ii) the current year's program costs and (iii) the current year's and carry over fiscal agent payments, less recoveries, plus carrying costs. Projected fiscal agent payments to be remitted for the next twelve months are then added to the current year ending balance to derive total net costs to be recovered in the 2027 Recovery Year. This total is then divided by the sales and transportation volumes projected for the 2027 Recovery Year for the service classes shown on Forecast Schedule CLC-1, with the resulting quotient being adjusted for taxes to arrive at a CEP rate of $0.0342 per therm.

Q. WHAT ARE THE CEP PROGRAM COSTS FOR THE YEAR ENDED JUNE 30, 2026 AS REFLECTED IN THE COMPANY'S FILING?

A. CEP Schedule CLC-1 reflects actual Company Program Costs of $3,136,683 and Fiscal Agent Payments of $10,540,885 for the twelve months ended June 30, 2026.

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

A. As shown on CEP Schedule CLC-1, line 6, the current year ending balance as of June 30, 2026 is an under recovery of $739,500.

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

A. This year, the proposed CEP component is designed to recover $16,087,561 as set forth on CEP Schedule CLC-1, line 8, resulting in a per therm rate of $0.0342, inclusive of taxes. This amount is made up of the net CEP under-recovery balance of $739,500 as described above and projected fiscal agent payments to be remitted during the next twelve months of $15,348,061, as shown on CEP Schedule CLC-1, line 7. The twelve months of fiscal agent payments are based on prior period payable amounts plus next year's CEP funding responsibility for the months of July through May, which are those anticipated to be remitted by June 30, 2027. As shown on CEP Schedule CLC-5, the Company has been allocated $15,355,025 of CEP funding responsibility for the twelve months ending June 30, 2027. These amounts are per the Board's Order dated June 30, 2026 in BPU Docket No. QO26040123[2].

Q. ARE CARRYING COSTS INCLUDED IN THE CEP CALCULATION?

[2] In re *the Matter of the Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for Fiscal Year 2027 Clean Energy Program*, BPU Docket No. GR26040123, Order dated June 30, 2026.

A. Yes. In accordance with the March 2001 Unbundling Order [3], the Company applies carrying costs to its CEP balance. The Company accrues carrying costs on the net monthly balance as shown on CEP Schedule CLC-2. Carrying costs are not compounded monthly. CEP Schedule CLC-2.1 provides the calculation of carrying costs for adjustments to correct program costs for July and August 2022. As a result of an accounting review, it was determined that an accounting adjustment for $14,870 was incorrectly included in the calculation of CEP costs for July 2022. In addition, carrying costs for July 2022 were incorrectly included as program costs in August 2022.

Q. WHAT IS THE PROPOSED CEP RATE?

A. The proposed CEP rate is $0.0342 per therm, inclusive of taxes, as presented on CEP Schedule CLC-1.

V. <u>OSMC RATE</u>

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

A. The OSMC was originally approved by the March 2001 Unbundling Order as the rate mechanism to be used to refund to firm sales customers taking BGSS service and residential transportation customers portions of the margins derived by the Company from the rendition of certain non-firm sales and transportation services.

Q. WHAT IS THE PROPOSED OSMC RATE?

---

[3] In re *the Matter Of Elizabethtown Gas Company's Rate Unbundling Filing Pursuant To Section 10, Subsection A Of The Electric Discount And Energy Competition Action Of 1999*, BPU Docket No. GX99030121, et al., Order dated March 30, 2001 ("March 2001 Unbundling Order")

A. The proposed OSMC rate is ($0.0033) per therm, inclusive of taxes, as presented on OSMC Schedule CLC-1, and is designed to credit applicable customers a total of $1,043,100.

Q. PLEASE EXPLAIN HOW THE OSMC RATE WAS CALCULATED.

A. As shown on OSMC Schedule CLC-1, the derivation of the OSMC rate is based on the projected level of margin contributions from certain non-firm sales and transportation services for the twelve month period ended June 30, 2027 of $926,108, the prior year's under-recovered balance of $50,411 of margins generated, and the current year's under-recovered balance of $66,581 divided by the applicable projected therm volumes of 341,929,230.

Q. PLEASE EXPLAIN HOW MARGIN SHARING AMOUNTS REFLECTED ON OSMC SCHEDULE CLC-2 HAVE BEEN CALCULATED.

A. Margins from the distribution element of non-firm sales customers and certain transportation customers are shared 80% to customers and 20% to the Company. In addition, also included in the sharing formula are demand margins from certain transportation customers.

VI. <u>CONCLUSION</u>

Q. PLEASE SUMMARIZE THE PROPOSED CHANGES TO THE CEP AND OSMC RATE COMPONENTS.

A. A comparison of current rates as of July 1, 2026 and the rates proposed in this filing, all of which are inclusive of taxes, are as follows:

	Current	Proposed	Increase/(Decrease)
CEP	$0.0337	$0.0342	$0.0005
OSMC	($0.0033)	($0.0033)	$0.0000
Total	$0.0304	$0.0309	$0.0005

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

A. The overall impact of the proposed adjustments to the CEP and OSMC rates as reflected in this filing would increase the monthly bill of a residential heating customer using 100 therms as shown below:

	July 1, 2026	Proposed	Increase/(Decrease)	Percent Change
CEP	$175.43	$175.48	$0.05	0.0%
OSMC	$175.43	$175.43	$0.00	0.0%
Total	$175.43	$175.48	$0.05	0.0%

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does.

RIDER "C"

ON-SYSTEM MARGIN SHARING CREDIT (“OSMC”)

Applicable to all Firm Service Classifications that pay the BGSS of Rider A and RDS customers that receive gas supply from a TPS in accordance with the Board's Order in Docket No. GO99030122.

The OSMC is subject to change to reflect the Company's actual recovery of such margins and shall be adjusted in an annual~~ly in its BGSS~~ filing as detailed below.

($0.0033) per therm

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

Determination of the OSMC

On or about July 31 of each year, the Company shall file with the Board an OSMC rate filing based on the credits generated from on-system margin sharing during the previous OSMC year July 1 through June 30.

The OSMC shall be calculated by taking the current year’s ~~credits~~balance, plus the prior year’s OSMC over or under recovery balance and the projected margins for the subsequent year and dividing the resulting sum by the annual forecasted volumes for the service classifications set forth above. The resulting rate shall be adjusted for all applicable taxes and other similar charges.

RIDER "D"

SOCIETAL BENEFITS CHARGE ("SBC")

Applicable to all tariff Service Classifications except those Customers under special contracts that explicitly do not permit the Company to apply increased charges as filed and approved by the BPU and those customers exempted pursuant to the Long-Term Capacity Agreement Pilot Program ("LCAPP"), P.L. 2011, c.9, codified as N.J.S.A. 48:3-60.1. See the LCAPP Exemption Procedures at the end of this Rider.

The SBC is designed to recover the components listed below and any other new programs which the Board determines should be recovered through the Societal Benefits Charge.

	SBC Rate Components:	Per Therm
I.	Clean Energy Program ("CEP")	$~~0.0337~~0.0342
II.	Remediation Adjustment Charge ("RAC")	$0.0219
III.	Universal Service Fund and Lifeline:	
	1. Universal Service Fund ("USF")	$0.0205
	2. Lifeline	$0.0057
	TOTAL	$~~0.0818~~0.0823

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

I. Clean Energy Program Component ("CEP")

The Comprehensive Resource Analysis ("CRA") name was changed to the Clean Energy Program - CEP per Board Order dated January 22, 2003 in Docket No. EX99050347 *et.al*. ~~The CEP is a mechanism that will (1) establish a rate to recover the costs of the Core and Standard Offer Programs in the Company's CEP Plan which was approved by the BPU" in Docket No. GE92020104, and (2) compensate the Company for the revenue erosion resulting from conservation savings created by the Standard Offer Program.~~ The annual recovery period for the CEP is from October 1 through September 30. The CEP recovers program costs ~~and revenue erosion~~ incurred during the previous CEP year ended June 30.

~~1. CEP program costs include the costs of core programs, standard offer payments and any administrative costs not recovered directly from standard offer providers.~~

1. The CEP rate shall be determined as follows:

(a) The Company's funding obligation based upon the most recently BPU approved NJ's Clean Energy Program.

(b) The difference between the approved funding obligation for the preceding year and the actual recovery of the CEP costs plus appropriate carrying costs.

(c) An estimate shall be made of the forecasted quantities for the applicable Customers in the Service Classifications subject to the SBC for the twelve (12) months of the recovery year.

(d) The total CEP costs to be recovered, as determined per paragraphs (a) and (b), shall then be divided by the annual forecasted volumes (per paragraph (c)).

Date of Issue: ~~April 30, 2026~~xxx1

Effective: Service Rendered on and after ~~May 1, 2026~~xxx2

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

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~April 22, 2026~~xxx3 in Docket No. ~~GR25070458~~xxx4

RIDER "D"

SOCIETAL BENEFITS CHARGE ("SBC")
(continued)

I. Clean Energy Program Component ("CEP") (continued)

~~2. The Standard Offer Program will reduce the volumes of gas sold by the Company and will reduce revenues corresponding to volumes of gas saved. This revenue loss will occur because the rates set in the Company's base rate case do not reflect a decrease in revenues resulting from program measures which will be implemented during the period in which the Company's CEP Plan is in effect. Consequently, the Company will not recover those fixed costs in base rates corresponding to the volumes of gas saved by the Standard Offer Program.~~

2.~~3.~~ The CEP interest rate shall be determined as follows:

Per Board Order dated August 17, 2022 in Docket No. GR21121254, the interest rate on CEP under and over recoveries shall be the interest rate based on a two-year constant maturity Treasuries as published in the Federal Reserve Statistical Release on August 31st of each year (or the closest day thereafter on which rates are published), plus sixty basis points, but shall not exceed the overall rate of return for each utility as authorized by the Board.

The annual filing for the adjustment on or about October 1 of each year shall be made on or about July 31 of each year and shall be based on actual figures and experiences then available with estimates of remaining requirements.

~~The CEP rate shall be determined as follows:~~

~~(a) The Company will project all program costs not recoverable directly from standard offer providers and revenue erosion, based upon current, approved rates, both of which elements are not currently collected through base rates for the annual period ("current annual period").~~

~~(b) The Company will include with the above projection, a statement of the prior annual period of any (over-) or under-recoveries, including interest at the rate applicable to the CEP component of the SBC. This statement will include estimated data for those months that occur after the date of filing but which correspond to the prior annual period. The CEP may be adjusted for material differences between estimates and actual results in the prior annual period.~~

~~(c) The sum of the program costs and recoveries for the CEP year ending June 30 plus the projected spending for the succeeding twelve month period, including interest, will be divided by the estimated sales and transportation throughput to all Customers subject to the SBC during the succeeding October 1 through September 30 period.~~

~~The formula for calculating the CEP rate is as follows:~~

$$\cancel{\frac{PC + RE + [RB * (1+i)]}{AV}}$$

Date of Issue: ~~November 26, 2024~~xxx1

Effective: Service Rendered on and after ~~December 1, 2024~~xxx2

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

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~November 21, 2024~~ xxx3 in Docket No. ~~GR24020158~~xxx4

RESERVED FOR FUTURE USE

~~RIDER "D"~~

~~SOCIETAL BENEFITS CHARGE ("SBC")~~
~~(continued)~~

~~I. Clean Energy Program Component ("CEP") (continued)~~

~~3. The CEP rate shall be determined as follows: (continued)~~

~~(c) where:~~

~~PC = all projected program costs not recoverable directly from standard offer providers~~

~~RE = cumulative annual margin revenue erosion from the date of effectiveness of the Plan until the time that new base rates take effect. Margin revenue erosion is determined by multiplying the actual measured annual decrease in firm sales attributable to implementation of certain CEP programs per Board Order EX99050347 *et.al.* and the DSM legacy standard offer programs by the net margin revenue associated with that decrease in each affected service classification.~~

~~RB = prior period recovery balance, the net of actual costs and recoveries.~~

~~i = interest rate applicable to recovery balance. Per Board Order dated August 17, 2022 in Docket No. GR21121254, the interest rate on CEP under and over recoveries shall be the interest rate based on a two-year constant maturity Treasuries as published in the Federal Reserve Statistical Release on August 31st of each year (or the closest day thereafter on which rates are published), plus sixty basis points, but shall not exceed the overall rate of return for each utility as authorized by the Board.~~

~~AV = projected annual quantity for sales and transportation throughput to all Customers subject to the SBC.~~

~~1. There will be a reconciliation of over- or under-recovery of actual program costs not recovered directly from standard offer providers and revenue erosion, based upon approved rates in effect during the prior annual period, with the revenues collected through the CEP by maintaining an account showing the cumulative balance of the (over-) or under-recoveries. Any prior annual period balance will be included, with interest, along with current annual period projected costs and amortized over the current annual recovery period. Interest is calculated on the cumulative (over-) or under-recovery of the prior annual period on the average beginning and ending monthly balance.~~

Date of Issue: ~~November 26, 2024~~xxx1

Effective: Service Rendered on and after ~~December 1, 2024~~xxx2

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

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~November 21, 2024~~xxx3 in Docket No. ~~GR24020158~~xxx4

RIDER "D"

SOCIETAL BENEFITS CHARGE ("SBC")
(continued)

~~I. Clean Energy Program Component (“CEP”) (continued)~~

~~5. The annual filing for the adjustment on or about October 1 of each year shall be made on or about July 31 of each year and shall be based on actual figures and experiences then available with estimates of remaining requirements.~~

II. Remediation Adjustment Clause Component (“RAC”)

The RAC is a mechanism that will establish a rate to recover remediation costs, as defined herein. On or about July 31 of each year, the Company shall file with the Board a RAC rate component as part of the SBC based on remediation costs and third party expenses/claims in the preceding remediation years.

The RAC will be determined as follows:

A. Definition of Terms Used Herein

1. Remediation Costs - all investigation, testing, land acquisition if appropriate, remediation and/or litigation costs/expenses or other liabilities excluding personal injury claims and specifically relating to former gas manufacturing facility sites, disposal sites, or sites to which material may have migrated, as a result of the earlier operation or decommissioning of gas manufacturing facilities.

2. Interest Rate - for carrying costs and deferred tax benefit calculation shall be the rate paid on seven year constant maturities treasuries as shown in the Federal Reserve Statistical Release on or closest to August 31st of each year plus 60 basis points.

3. Carrying Cost - the Interest Rate applied to the unamortized balance of remediation costs.

4. Recovery Year - each October 1 to September 30 year and is the time period over which the amortized expenses incurred during the Remediation Year shall be recovered from Customers.

5. Remediation Year - each July 1 to June 30 year and is the time period over which the Remediation Costs and recoveries are incurred.

CLEAN

RIDER "C"

ON-SYSTEM MARGIN SHARING CREDIT ("OSMC")

Applicable to all Firm Service Classifications that pay the BGSS of Rider A and RDS customers that receive gas supply from a TPS in accordance with the Board's Order in Docket No. GO99030122.

The OSMC is subject to change to reflect the Company's actual recovery of such margins and shall be adjusted in an annual filing as detailed below.

($0.0033) per therm

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

Determination of the OSMC

On or about July 31 of each year, the Company shall file with the Board an OSMC rate filing based on the credits generated from on-system margin sharing during the previous OSMC year July 1 through June 30.

The OSMC shall be calculated by taking the current year's balance, plus the prior year's OSMC over or under recovery balance and the projected margins for the subsequent year and dividing the resulting sum by the annual forecasted volumes for the service classifications set forth above. The resulting rate shall be adjusted for all applicable taxes and other similar charges.

RIDER "D"

SOCIETAL BENEFITS CHARGE ("SBC")

Applicable to all tariff Service Classifications except those Customers under special contracts that explicitly do not permit the Company to apply increased charges as filed and approved by the BPU and those customers exempted pursuant to the Long-Term Capacity Agreement Pilot Program (“LCAPP”), P.L. 2011, c.9, codified as N.J.S.A. 48:3-60.1. See the LCAPP Exemption Procedures at the end of this Rider.

The SBC is designed to recover the components listed below and any other new programs which the Board determines should be recovered through the Societal Benefits Charge.

	SBC Rate Components:		Per Therm
I.	Clean Energy Program (“CEP”)		$0.0342
II.	Remediation Adjustment Charge (“RAC”)		$0.0219
III.	Universal Service Fund and Lifeline:		
	1. Universal Service Fund (“USF”)		$0.0205
	2. Lifeline		$0.0057
		TOTAL	$0.0823

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

I. Clean Energy Program Component (“CEP”)

The Comprehensive Resource Analysis (“CRA”) name was changed to the Clean Energy Program - CEP per Board Order dated January 22, 2003 in Docket No. EX99050347 *et.al*. The annual recovery period for the CEP is from October 1 through September 30. The CEP recovers program costs incurred during the previous CEP year ended June 30.

1. The CEP rate shall be determined as follows:

   (a) The Company’s funding obligation based upon the most recently BPU approved NJ’s Clean Energy Program.

   (b) The difference between the approved funding obligation for the preceding year and the actual recovery of the CEP costs plus appropriate carrying costs.

RIDER "D"

SOCIETAL BENEFITS CHARGE ("SBC")
(continued)

I. Clean Energy Program Component ("CEP") (continued)

(c) An estimate shall be made of the forecasted quantities for the applicable Customers in the Service Classifications subject to the SBC for the twelve (12) months of the recovery year.

(d) The total CEP costs to be recovered, as determined per paragraphs (a) and (b), shall then be divided by the annual forecasted volumes (per paragraph (c)).

2. The CEP interest rate shall be determined as follows:

Per Board Order dated August 17, 2022 in Docket No. GR21121254, the interest rate on CEP under and over recoveries shall be the interest rate based on a two-year constant maturity Treasuries as published in the Federal Reserve Statistical Release on August 31st of each year (or the closest day thereafter on which rates are published), plus sixty basis points, but shall not exceed the overall rate of return for each utility as authorized by the Board.

The annual filing for the adjustment on or about October 1 of each year shall be made on or about July 31 of each year and shall be based on actual figures and experiences then available with estimates of remaining requirements.

RESERVED FOR FUTURE USE

RIDER "D"

SOCIETAL BENEFITS CHARGE ("SBC")
(continued)

II. Remediation Adjustment Clause Component (“RAC”)

The RAC is a mechanism that will establish a rate to recover remediation costs, as defined herein. On or about July 31 of each year, the Company shall file with the Board a RAC rate component as part of the SBC based on remediation costs and third party expenses/claims in the preceding remediation years.

The RAC will be determined as follows:

A. Definition of Terms Used Herein

1. Remediation Costs - all investigation, testing, land acquisition if appropriate, remediation and/or litigation costs/expenses or other liabilities excluding personal injury claims and specifically relating to former gas manufacturing facility sites, disposal sites, or sites to which material may have migrated, as a result of the earlier operation or decommissioning of gas manufacturing facilities.

2. Interest Rate - for carrying costs and deferred tax benefit calculation shall be the rate paid on seven year constant maturities treasuries as shown in the Federal Reserve Statistical Release on or closest to August 31st of each year plus 60 basis points.

3. Carrying Cost - the Interest Rate applied to the unamortized balance of remediation costs.

4. Recovery Year - each October 1 to September 30 year and is the time period over which the amortized expenses incurred during the Remediation Year shall be recovered from Customers.

5. Remediation Year - each July 1 to June 30 year and is the time period over which the Remediation Costs and recoveries are incurred.

ELIZABETHTOWN GAS COMPANY

FORECASTED SALES VOLUME - THERMS

RECOVERY YEAR - 2027

	SBC (CEP) *	OSMC
Residential	240,864,686	240,864,686
Commercial	86,842,585	86,842,585
Industrial	11,605,947	11,605,947
Interruptible	-	
Total Sales	339,313,218	339,313,218
Residential	2,616,012	2,616,012
Commercial	59,370,598	
Industrial	47,596,356	
Interruptible	51,562,152	
Total Transportation	161,145,118	2,616,012
Total Sales and Transportation	500,458,336	341,929,230

* Excludes LCAPP therms used for wholesale electric generation.

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

CALCULATION OF THE CEP COMPONENT OF THE SBC
October 1, 2026 through September 30, 2027
RECOVERY YEAR - 2027

1	Prior Year Balance, (over) / under (Sch. CLC-2)		$2,865,293	
2	Current Year Company Program Costs (Sch. CLC-2, col c)		$3,136,683	
3	Current Year and Carry Over Fiscal Agent Payments (Sch.CLC-2, col d&e)		$10,540,885	
4	Current Year Recoveries (Sch.CLC-4)		($15,836,037)	
5	Current Year Carrying Costs (Sch. CLC-2)		$32,676	
6	Current Year Ending Balance - Under Collection (Sum L1-L5)		$739,500	
	Projected Fiscal Agent Payments:			
7	Prior Period Payable (Sch. CLC-3, col h)	$555,679		
	Next Year's Scheduled Payments July - May (Sch. CLC-5)	$14,792,382	$15,348,061	
8	Total Proposed Recoveries (L6+L7)		$16,087,561	
9	Projected Normalized Sales and Services (Forecast Sch. CLC-1)		500,458,336	therms
10	CEP COMPONENT, before taxes (L8/L9)		$0.0321	
11	Sales & Use Tax @ 6.625%		$0.0021	
12	CEP COMPONENT (L10+L11)		**$0.0342**	/therm

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

Carrying Costs
12 Months Ended
June-26

a	Beginning Balance (1) b	Program Costs * CLC-3 c	Current Fiscal Agent Payments * CLC-3 d	Recoveries CLC-4 e	Ending Balance f=b+c+d-e	Average Balance g=(b+f)2	Interest Rate ** h	Carrying Costs i=g*h/12	Ending Balance plus Cumulative Interest j=f+ cum of i
Beginning Balance									(Over) / Under
Jul-25	$2,865,293	$100,195	$639,757	$550,277	$3,054,968	$2,960,131	4.51%	$11,125	$3,066,093
Aug-25	$3,054,968	$153,956	$158,491	$530,649	$2,836,766	$2,945,867	4.51%	$11,072	$2,858,963
Sep-25	$2,836,766	$135,476	$388,651	$536,595	$2,824,298	$2,830,532	4.26%	$10,048	$2,856,543
Oct-25	$2,824,298	$43,663	$361,908	$652,847	$2,577,022	$2,700,660	4.26%	$9,587	$2,618,854
Nov-25	$2,577,022	$400,876	$390,138	$1,128,682	$2,239,354	$2,408,188	4.26%	$8,549	$2,289,735
Dec-25	$2,239,354	$415,174	$237,241	$2,050,155	$841,614	$1,540,484	4.26%	$5,469	$897,464
Jan-26	$841,614	$32,948	$720,354	$2,722,027	($1,127,111)	($142,749)	4.26%	($507)	($1,071,768)
Feb-26	($1,127,111)	$625,931	$1,382,718	$2,765,763	($1,884,225)	($1,505,668)	4.26%	($5,345)	($1,834,227)
Mar-26	($1,884,225)	$319,352	$1,919,429	$2,030,218	($1,675,662)	($1,779,944)	4.26%	($6,319)	($1,631,983)
Apr-26	($1,675,662)	$309,455	$1,692,759	$1,350,124	($1,023,572)	($1,349,617)	4.26%	($4,791)	($984,684)
May-26	($1,023,572)	$314,633	$0	$882,452	($1,591,391)	($1,307,482)	4.26%	($4,642)	($1,557,145)
Jun-26	($1,591,391)	$285,024	$2,649,439	$636,248	$706,824	($442,284)	4.26%	($1,570)	$739,500
Total pre adjustment		$3,136,683	$10,540,885	$15,836,037				$32,676	-

Notes:
(1) Includes prior period adjustment credit of $17,542 inclusive of interest as shown on Schedule CLC-2.1
* Per the "MOA" of May 5, 2004 the costs will be netted against the program budget to determine the fiscal agent payments, see CEP Schedule CLC-3.
** Interest rate based on two year constant maturity Treasuries on August 31 of each year or closest day thereafter plus 60 basis points per the Board's Orde
Docket No. GR21121254. www.federalreserve.gov/releases/h15/

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

Adjustments related to July and August 2022 accounting review
Including interest

a	Beginning Balance b	Program Costs CLC-3 c	Current Fiscal Agent Payments CLC-3 d	Recoveries CLC-4 e	Ending Balance f=b+c+d-e	Average Balance g=(b+f)2	Interest Rate h	Carrying Costs i=g*h/12	Ending Balance plus Cumulative Interest j=f+ cum of i (Over) / Under
Beginning Balance									
Jul-22	$0	($14,870)			($14,870)	($7,435)	1.68%	($10)	($14,880)
Aug-22	($14,870)	($511)			($15,381)	($15,126)	1.68%	($21)	($15,412)
Sep-22	($15,381)				($15,381)	($15,381)	4.05%	($52)	($15,464)
Oct-22	($15,381)				($15,381)	($15,381)	4.05%	($52)	($15,516)
Nov-22	($15,381)				($15,381)	($15,381)	4.05%	($52)	($15,568)
Dec-22	($15,381)				($15,381)	($15,381)	4.05%	($52)	($15,620)
Jan-23	($15,381)				($15,381)	($15,381)	4.05%	($52)	($15,672)
Feb-23	($15,381)				($15,381)	($15,381)	4.05%	($52)	($15,724)
Mar-23	($15,381)				($15,381)	($15,381)	4.05%	($52)	($15,776)
Apr-23	($15,381)				($15,381)	($15,381)	4.05%	($52)	($15,828)
May-23	($15,381)				($15,381)	($15,381)	4.05%	($52)	($15,880)
Jun-23	($15,381)				($15,381)	($15,381)	4.05%	($52)	($15,932)
Jul-23	($15,932)				($15,932)	($15,932)	4.05%	($54)	($15,986)
Aug-23	($15,932)				($15,932)	($15,932)	4.05%	($54)	($16,040)
Sep-23	($15,932)				($15,932)	($15,932)	5.45%	($72)	($16,112)
Oct-23	($15,932)				($15,932)	($15,932)	5.45%	($72)	($16,184)
Nov-23	($15,932)				($15,932)	($15,932)	5.45%	($72)	($16,256)
Dec-23	($15,932)				($15,932)	($15,932)	5.45%	($72)	($16,328)
Jan-24	($15,932)				($15,932)	($15,932)	5.45%	($72)	($16,400)
Feb-24	($15,932)				($15,932)	($15,932)	5.45%	($72)	($16,472)
Mar-24	($15,932)				($15,932)	($15,932)	5.45%	($72)	($16,544)
Apr-24	($15,932)				($15,932)	($15,932)	5.45%	($72)	($16,616)
May-24	($15,932)				($15,932)	($15,932)	5.45%	($72)	($16,688)
Jun-24	($15,932)				($15,932)	($15,932)	5.45%	($72)	($16,760)
Jul-24	($16,760)				($16,760)	($16,760)	5.45%	($76)	($16,836)
Aug-24	($16,760)				($16,760)	($16,760)	5.45%	($76)	($16,912)
Sep-24	($16,760)				($16,760)	($16,760)	4.51%	($63)	($16,975)
Oct-24	($16,760)				($16,760)	($16,760)	4.51%	($63)	($17,038)
Nov-24	($16,760)				($16,760)	($16,760)	4.51%	($63)	($17,101)
Dec-24	($16,760)				($16,760)	($16,760)	4.51%	($63)	($17,164)
Jan-25	($16,760)				($16,760)	($16,760)	4.51%	($63)	($17,227)
Feb-25	($16,760)				($16,760)	($16,760)	4.51%	($63)	($17,290)
Mar-25	($16,760)				($16,760)	($16,760)	4.51%	($63)	($17,353)
Apr-25	($16,760)				($16,760)	($16,760)	4.51%	($63)	($17,416)
May-25	($16,760)				($16,760)	($16,760)	4.51%	($63)	($17,479)
Jun-25	($16,760)				($16,760)	($16,760)	4.51%	($63)	($17,542)
Total		($15,381)	$0	$0				($2,161)	

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

Fiscal Agent Payments
12 Months Ended
June-26

a	Company Portion of Statewide CEP Funding b	*less* Program Costs Offsets c	Prior Year Payable / (Deferred) d	Fiscal Agent Payable (1) e =b-c+d	Payment For f	Amount Paid (1) g	Fiscal Agent Payable /(Deferred) Per Month (2) h=b-c+d-g	Monthly Fiscal Agent Payable /(Deferred) i= Cum of h
Prior Year Payable / (Deferred)								
Jul-25	$504,426	$100,195	$439,364	$843,595	May-25	$639,757	$203,838	$203,838
Aug-25	$519,445	$153,956	$0	$365,489	Jun-25	$158,491	$206,998	$410,836
Sep-25	$529,491	$135,476	$0	$394,015	Jul-25	$388,651	$5,364	$416,200
Oct-25	$547,636	$43,663	$0	$503,973	Aug-25	$361,908	$142,065	$558,265
Nov-25	$982,583	$400,876	$0	$581,707	Sep-25	$390,138	$191,569	$749,834
Dec-25	$1,669,640	$415,174	$0	$1,254,466	Oct-25	$237,241	$1,017,225	$1,767,059
Jan-26	$2,163,302	$32,948	$0	$2,130,354	Nov-25	$720,354	$1,410,000	$3,177,059
Feb-26	$2,112,761	$625,931	$0	$1,486,830	Dec-25	$1,382,718	$104,112	$3,281,171
Mar-26	$1,876,695	$319,352	$0	$1,557,343	Jan-26	$1,919,429	($362,086)	$2,919,085
Apr-26	$1,397,077	$309,455	$0	$1,087,622	Feb-26	$1,692,759	($605,137)	$2,313,948
May-26	$913,000	$314,633	$0	$598,367	n/a	$0	$598,367	$2,912,315
Jun-26	$577,827	$285,024	$0	$292,803	Mar-25 & Apr-26	$2,649,439	($2,356,636)	$555,679
Total	$13,793,883	$3,136,683	$439,364	$11,096,564		$10,540,885	$555,679	

Notes:
(1) Fiscal Agent Payable is based on Program Cost Offsets on a paid basis while the
Amount Paid to the Fiscal Agent is based on paid and accrued program costs.
(2) Fiscal Agent Payable net of current Program Costs and prior month deferred offset costs if in excess of the
Company's portion of the Statewide Funding. The Fiscal Agent payments are generally made on a two month lag.

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

Cost Recoveries
12 Months Ended
June-26

	Therms	Rate w/o tax *	Recovery
Jul-25	18,814,042	0.0292	$550,277
Aug-25	18,141,827	0.0293	$530,649
Sep-25	18,337,088	0.0293	$536,595
Oct-25	22,314,311	0.0293	$652,847
Nov-25	38,532,288	0.0293	$1,128,682
Dec-25	69,981,499	0.0293	$2,050,155
Jan-26	92,904,842	0.0293	$2,722,027
Feb-26	94,390,966	0.0293	$2,765,763
Mar-26	69,302,054	0.0293	$2,030,218
Apr-26	46,039,814	0.0293	$1,350,124
May-26	28,659,828	0.0308	$882,452
Jun-26	20,146,197	0.0316	$636,248
Total	537,564,756		$15,836,037

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

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

BPU Directed Spending *

12 Months Ending
June-27

Jul-26	$551,794
Aug-26	$568,622
Sep-26	$570,673
Oct-26	$631,659
Nov-26	$1,139,381
Dec-26	$1,841,014
Jan-27	$2,476,033
Feb-27	$2,364,724
Mar-27	$2,104,304
Apr-27	$1,591,022
May-27	$953,156
Jun-27	$562,643
Total	$15,355,025
Total July - May to CLC-1 **	$14,792,382

* Approved in the 6/30/2026 Board Order in Docket No. QO26040123
** Assumes one month payment lag

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

October 2026 through September 2027
Disbursement Year 2027

1	Projected OSMC Margin Contributions for Disbursement (Sch. CLC-2)		$926,108
2	Prior Year Balance, (Over) / Under Disbursement (Sch. CLC-3)		$50,411
3	Current Year Balance, (Over) / Under Disbursement (Sch. CLC-3)		$66,581
4	Total OSMC Customer Credits / (Charge) (L1+L2+L3)		$1,043,100
5	Projected Therm Volumes (Forecast Sch. CLC-1)		
	- RDS and GLS	243,480,698	
	- SGS, GDS and NGV	86,842,585	
	- LVD and EGF	11,605,947	341,929,230
6	OSMC Rate, before taxes (L4/L5)		$0.0031
7	Sales & Use Tax @ 6.625%		$0.0002
8	OSM Credit / (Charge) per therm, (L6+L7)		**$0.0033**

ELIZABETHTOWN GAS COMPANY

Projected Customer Portion of On-System Margin Sharing

July-2026 through June-2027
Disbursement Year 2027

	Projected Margin Contribution
Jul-26	$83,593
Aug-26	$284,440
Sep-26	$58,850
Oct-26	$69,392
Nov-26	$67,943
Dec-26	$68,335
Jan-27	$37,785
Feb-27	$98,529
Mar-27	$29,849
Apr-27	$50,915
May-27	$34,912
Jun-27	$41,565
Total	$926,108

Based on prior year actuals, column a, OSMC Schedule CLC-3

ELIZABETHTOWN GAS COMPANY
Margin Sharing Generated and Disbursements to Customers
July 2025 Through June 2026

	Margin Sharing Generated	Adjustments	Net Margin Sharing for Disbursement	Disbursements to Customers Sch. CLC-4	Monthly (Over) / Under Credited	Cumulative (Over) / Under Credited Balance
	a	b	c=a+b	d	e=c-d	f=prior cum bal.+ e
Prior Period						$50,411
Jul-25	$83,593	$0	$83,593	$17,726	$65,867	$116,278
Aug-25	$284,440	$0	$284,440	$15,336	$269,104	$385,382
Sep-25	$58,850	$0	$58,850	$16,833	$42,017	$427,399
Oct-25	$69,392	$0	$69,392	$22,499	$46,893	$474,292
Nov-25	$67,943	$0	$67,943	$54,036	$13,907	$488,199
Dec-25	$68,335	$0	$68,335	$115,114	($46,779)	$441,420
Jan-26	$37,785	$0	$37,785	$166,799	($129,014)	$312,406
Feb-26	$98,529	$0	$98,529	$175,978	($77,449)	$234,957
Mar-26	$29,849	$0	$29,849	$122,935	($93,086)	$141,871
Apr-26	$50,915	$0	$50,915	$77,281	($26,366)	$115,505
May-26	$34,912	$0	$34,912	$45,227	($10,315)	$105,190
Jun-26	$41,565	$0	$41,565	$29,763	$11,802	$116,992
	$926,108	$0	$926,108	$859,527	$66,581	

ELIZABETHTOWN GAS COMPANY
ON-SYSTEM MARGIN SHARING CREDITS
July 2025 Through June 2026

ACTUAL CREDITS DISBURSED

				Transportation Customers		
	OSM	Sales Customers		RDS	RDS	Total
	Rate pre tax *	Therms	Credits	Therms	Credits	Credits
a	b=g/(c+e)	c	d	e	f=b*e	g=d+f
Jul-25	$0.0024	7,410,268	$17,595	57,692	$131	$17,726
Aug-25	$0.0024	6,381,919	$15,207	53,710	$129	$15,336
Sep-25	$0.0024	7,024,855	$16,694	59,433	$139	$16,833
Oct-25	$0.0024	9,309,072	$22,321	75,649	$178	$22,499
Nov-25	$0.0024	22,356,030	$53,593	185,385	$443	$54,036
Dec-25	$0.0024	47,533,929	$114,154	400,732	$960	$115,114
Jan-26	$0.0024	68,882,104	$165,355	602,166	$1,444	$166,799
Feb-26	$0.0024	72,715,811	$174,393	660,951	$1,585	$175,978
Mar-26	$0.0024	50,781,967	$121,871	444,384	$1,064	$122,935
Apr-26	$0.0024	31,875,782	$76,622	276,458	$659	$77,281
May-26	$0.0027	16,472,766	$44,856	135,966	$371	$45,227
Jun-26	$0.0031	9,590,123	$29,505	83,600	$258	$29,763
		350,334,626	$852,166	3,036,126	$7,361	$859,527

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