ELIZABETHTOWN GAS COMPANY
NOTICE OF FILING AND PUBLIC HEARINGS

IN THE MATTER OF THE ESTABLISHMENT OF A UNIVERSAL SERVICE FUND PURSUANT TO SECTION 12 OF THE ELECTRIC DISCOUNT AND ENERGY COMPETITION ACT OF 1999
BPU DOCKET NO. EX00020091

IN THE MATTER OF THE 2026/2027 ANNUAL COMPLIANCE FILING FOR THE UNIVERSAL SERVICE FUND AND LIFELINE PROGRAM COMPONENTS WITHIN THE SOCIETAL BENEFITS CHARGE RATE PURSUANT TO N.J.S.A. 48:2-21 AND N.J.S.A. 48:2-21.1
BPU DOCKET NO. ER26060356

PLEASE TAKE NOTICE that, pursuant to the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49, et seq., the Universal Service Fund ("USF") program was established by the New Jersey Board of Public Utilities ("Board" or "BPU"), to provide funds to assist qualifying low-income individuals in paying their energy bills. Pursuant to Board Orders in BPU Docket No. EX00020091 dated April 30, 2003, July 16, 2003, June 30, 2004 and June 22, 2005, the State's electric and gas public utilities' Societal Benefits Charge ("SBC") includes recovery of funding for the USF program through uniform statewide rates. The SBC also includes funding for the Lifeline program which provides assistance with heating costs to qualifying elderly and disabled persons and incorporates funds for the Work First New Jersey program.

The State of New Jersey's Department of Community Affairs is the Administrator of the USF program, and the New Jersey Department of Human Services is the Administrator of the Lifeline Program and authorizes the disbursement of benefits to eligible customers in the respective programs.

On June 29, 2026, Elizabethtown Gas Company ("Elizabethtown" or "Company") made a compliance filing with the Board requesting authority to implement an overall decrease related to the statewide USF/Lifeline program component of the SBC, as described below, to be effective on October 1, 2026 ("Filing"). Based upon the actual results and available estimates for the 2025/2026 USF program year, and the available estimates for the 2026/2027 USF program year, it is anticipated that the USF rates will be set to collect $275.2 million, of which, $199.8 million would be recovered through electric rates with the remaining $75.4 million recovered through gas rates on a statewide basis. The Lifeline rates are anticipated to collect $74.6 million, of which $50.0 million would be recovered through electric rates with the remaining $24.6 million recovered through gas rates on a statewide basis.

The current after-tax USF/Lifeline program charge for natural gas customers is $0.0262 per therm. Based upon the Filing, the proposed changes in rates, inclusive of taxes, are as follows: i) the USF program charge would decrease from $0.0205 to $0.0177 per therm or a decrease of $0.0028 per therm and ii) the Lifeline charge would increase from $0.0057 to $0.0058 per therm or an increase of $0.0001 per therm. The proposed after-tax USF/Lifeline program charge will decrease to $0.0235 per therm. The above request will not result in any profit to the Company. The revenues received under the proposed USF/Lifeline charge are designed to permit the Company to recover only its costs for these programs. Actual program costs will be reconciled with the revenues received through the USF/Lifeline program charge in the next annual filing scheduled to be made no later than July 1, 2027. Copies of Elizabethtown's Filing can be reviewed on the Company's website at www.elizabethtowngas.com under Regulatory Information.

The proposed statewide natural gas rates, inclusive of taxes, for customers are as follows:

Universal Service/Lifeline Fund Components of the Societal Benefits Charge

	Present	Proposed
USF	$0.0205	$0.0177
Lifeline	$0.0057	$0.0058
Total	$0.0262	$0.0235

If approved by the Board, the impact of the proposed rate changes, inclusive of taxes, in the USF/Lifeline Charge on the monthly residential heating bills for customers taking gas service under the Residential Delivery Service tariff is illustrated below:

Rate Impacts

Consumption in Therms	Present Bill July 1, 2026	Proposed Bill October 1, 2026	Proposed Change	Percent Change
10	$27.89	$27.87	($0.02)	(0.1%)
50	$93.47	$93.33	($0.14)	(0.1%)
100	$175.43	$175.16	($0.27)	(0.2%)
250	$421.33	$420.65	($0.68)	(0.2%)

Based upon this Filing, the present monthly bill as of July 1, 2026 for a residential heating customer using 100 therms per month would decrease from $175.43 to $175.16, or ($0.27) or approximately (0.2%).

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

PLEASE TAKE FURTHER NOTICE that virtual public hearings will be conducted on the following date and times so that members of the public may present their views on the Company's Filing.

VIRTUAL PUBLIC HEARINGS
DATE: August 26, 2026
TIME: 4:30 p.m. and 5:30 p.m.

Join Microsoft Teams Meeting
Press Ctrl key + Click on this link:
https://teams.microsoft.com/meet/21653558639708?p=vRzTtgL1Oh4QtTaWN5

Select 'Join Now' to enter the meeting. If prompted, enter the following Meeting ID, Passcode and your name.
Meeting ID: 216 535 586 397 08
Passcode: GF94Qb9R

-or-

Join by Phone
Dial In: 866-984-3163
When prompted, enter Conference ID: 628 680 898 followed by the # sign to access the meeting.

A copy of this Notice of Public Hearings is being served upon the clerk, executive, or administrator of each municipality and county within the Company's service territory. The Filing is available to review online at the Company's website at https://www.elizabethtowngas.com/about-us/regulatory or on the Board's website at https://publicaccess.bpu.state.nj.us, by searching with the above-captioned docket number. The Filing and Board file may be reviewed at the Board located at 44 South Clinton Avenue, Trenton, NJ, with an appointment. To make an appointment, please call (609) 913-6298.

Representatives from 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 Meeting link or the Dial-In Number and Conference ID set forth above to express their views on the Filing. All comments will become part of the final record in this proceeding 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
P.O. Box 350
Trenton, NJ 08625-0350
Phone: 609-913-6241
Email: board.secretary@bpu.nj.gov

Elizabethtown Gas Company

ELIZABETHTOWN GAS

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Dominick DiRocco, Esq.
VP/Rates & Regulatory Affairs

June 29, 2026

Electronic Filing

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

Re: In the Matter of the 2026/2027 Annual Compliance Filing for the Universal Service Fund and Lifeline Program Components Within the Societal Benefits Charge Rate Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1

BPU Docket No. __________

Dear Secretary Lewis:

Enclosed for filing is the Elizabethtown Gas Company ("Elizabethtown" or "Company") 2026/2027 filing for the Company's Universal Service Fund ("USF") and Lifeline components of its Societal Benefits Charge ("SBC") rate, which has also been filed electronically utilizing the New Jersey Board of Public Utilities' ("Board" or "BPU") e-Filing Program. In accordance with the Board'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.

This filing is made in compliance with the Board's Orders in Docket No. EX00020091 dated April 30, 2003, July 16, 2003, June 30, 2004 and June 22, 2005. The change in rates, inclusive of taxes, are as follows: (i) the USF gas rate is proposed to decrease from $0.0205 to $0.0177 per therm, and (ii) the Lifeline gas rate is proposed to increase from $0.0057 to $0.0058 per therm, resulting in a combined total net decrease of $0.0027 per therm. The current rates, which were effective October 1, 2025, were approved by the Board in its 2025 USF Order[1].

Based upon the actual results and available estimates for the 2025/2026 program year and the available estimates for the 2026/2027 program year, the proposed USF gas rate is designed to recover approximately $75.4 million statewide. The proposed Lifeline gas rate is designed to recover approximately $24.6 million statewide. The proposed rates are based on available gas jurisdictional usage estimates for the 2026/2027 program year. Attachment A of the Public Service Electric and Gas Company ("PSE&G") Compliance Filing, in this proceeding, presents the combined data of each of the State's public utilities used to develop the proposed USF and Lifeline gas rates. Note that Elizabethtown's therms used to compute statewide rates

[1] In re *the Matter of the 2025/2026 Annual Compliance Filings for a Change in the Statewide Electric and Gas Permanent Universal Service Fund Program Factors Within the Electric and Gas Societal Benefits Charges Rates Pursuant to N.J.S.A 48:2-21 and N.J.S.A 48:2-21.1*, Docket No. ER25060371, Order dated September 25, 2025 ("2025 USF Order").

exclude therms for wholesale sales used to generate electricity per the Senate Bill 2381, P.L. 2011 c.9 ("LCAPP Legislation") signed into law on January 28, 2011.

The Company has appended proposed tariff sheets to reflect the proposed USF and Lifeline gas rates noted above as Attachment A. The proposed rates are designed to recover Elizabethtown's portion of the 2026/2027 statewide total USF and Lifeline program costs. Also enclosed is a proposed form of Notice of Public Hearings as Attachment B.

The proposed statewide rate changes, inclusive of taxes, are as follows:

	Present	Proposed	Increase/(Decrease)
USF	$0.0205	$0.0177	($0.0028)
Lifeline	$0.0057	$0.0058	$0.0001

The impact of the proposed rate changes, inclusive of taxes, on the monthly residential heating bills for customers taking gas service under the Elizabethtown Residential Delivery Service tariff are as follows:

Consumption in Therms	Present Bill June 1, 2026	Proposed Bill October 1, 2026	Change in Bill	Percent Change
10	$27.89	$27.87	($0.02)	(0.1%)
50	$93.47	$93.33	($0.14)	(0.1%)
100	$175.43	$175.16	($0.27)	(0.2%)
250	$421.33	$420.65	($0.68)	(0.2%)

In addition, in its 2024 USF Order[2], the Board directed Board Staff to initiate an audit of the supporting amounts used to calculate the USF/Lifeline rates. This audit was to include a review of the historical and projected expenditures and the methodologies used to estimate projected costs and revenues related to USF/Lifeline. On July 16, 2025, the Board authorized the release of a Request for Proposal to procure a consultant to conduct this review. The Board engaged Silverpoint Consulting to conduct the audit on October 8, 2025. BPU Staff directed the utilities to divide the not to exceed cost of $427,000 to Silverpoint. Elizabethtown's portion of the consulting payment was $14,154. The audit was completed and the audit report was accepted by the Board on May 21, 2026. Elizabethtown requests that it be allowed to recover the costs associated with the audit in this USF proceeding.

Also, in its 2025 USF Modification Order[3], the Board directed the utilities to increase USF enrollments in their service territories by 5%, 3% and 2% in program years one (1), two (2) and three (3), respectively. The utilities were further directed to assist customers with USF applications at payment

[2] In re *the Matter of the 2024/2025 Annual Compliance Filings for the Universal Service Fund ("USF") Program Factor Within the Societal Benefits Charge Rate*, Docket No. ER24070486, Order dated September 25, 2024 ("2024 USF Order").
[3] In re *the Matter of Rate Design and Policy Study Regarding Driving Equity in the Clean Energy Transition*, Docket No. GO24110853, Order dated June 18, 2025 ("2025 USF Modification Order").

centers, conduct in-person events and provide other customer-accessible means of facilitating application assistance. The 2025 USF Modification Order allows that "[w]ith respect to Utility USF administrative cost recovery, the Utilities may petition the Board for authority to defer costs". The Board approved the request for the authority to defer these costs in its 2025 USF Order, subject to review for prudence in the next annual USF filing. Elizabethtown requests that it be allowed to recover the costs associated with amounts deferred through September 30, 2026 in this USF proceeding. Elizabethtown also requests that it be allowed to continue to defer the costs associated with the 2025 USF Modification Order for recovery in a future USF proceeding.

Subsequently, in its 2026 USF Modification Order[4], the Board directed the utilities to approve payments resulting from USF applications the utilities intake and directing them to make the necessary changes to staffing resources, training, equipment purchases, and reporting requirements necessary to meet their annual enrollment targets on and after October 1, 2026. Additionally, the Board revised the utilities' enrollment targets to follow an ascending structure, 2%, 3% and 5% in program years one (1), two (2) and three (3), respectively, rather than the descending structure required in the 2025 USF Modification Order. Elizabethtown anticipates that it will incur incremental costs associated with these USF related activities. Elizabethtown requests that it be allowed to defer the costs associated with the 2026 USF Modification Order for recovery in a future USF proceeding.

Accordingly, the Company respectively requests that the Board issue an Order: 1) approving the proposed statewide USF and Lifeline gas rates as shown in the proposed tariff sheets appended hereto as Attachment A effective for gas service rendered on and after October 1, 2026, 2) authorizing the full recovery of the USF/Lifeline audit costs associated with the 2024 USF Order in rates in this proceeding, 3) authorizing the inclusion of deferred administration costs associated with the 2025 USF Modification Order and their full recovery in rates in this proceeding, 4) authorizing the continued deferral of costs associated with the 2025 USF Modification Order, and 5) authorizing the deferral of costs associated with the 2026 USF Modification Order.

If you have any questions concerning the above, please contact me.

Thank you.

Sincerely,

Dominick DiRocco

Dominick DiRocco

cc: Service List

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[4] In re *the Matter of Rate Design and Policy Study Regarding Driving Equity in the Clean Energy Transition*, Docket No. GO24110853, Order dated June 10, 2026 ("2026 USF Modification Order").