ELIZABETHTOWN GAS

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Dominick DiRocco, Esq.
VP/Rates & Regulatory Affairs

October 31, 2025

Electronic Filing

Sherri L. Lewis
Secretary of the Board
New Jersey Board of Public Utilities
44 South Clinton Avenue
Trenton, NJ 08625-0350

RE: I/M/O The Petition of Elizabethtown Gas Company to Review its Periodic Basic Gas Supply Service Rate and Conservation Incentive Program Rates for the Year Ending September 30, 2026

BPU Docket No. GR25050315

NOTICE OF INTENT TO EXERCISE SELF-IMPLEMENTING RATE INCREASE EFFECTIVE DECEMBER 1, 2025

Dear Secretary Lewis:

Elizabethtown Gas Company ("ETG" or the "Company"), hereby submits this notice of intent to self-implement a Periodic Basic Gas Supply Service ("Periodic BGSS") rate adjustment based on a 5% increase of the monthly bill of a typical residential customer using 100 therms to be effective December 1, 2025 ("Notice"), consistent with the requirements set forth in the New Jersey Board of Public Utilities ("BPU" or "Board") Order Approving BGSS Pricing Structure, dated January 6, 2003, in BPU Docket No. GX01050304 ("January 6th Order"). This Notice is hereby made to Board Staff ("Staff") and the New Jersey Division of Rate Counsel ("Rate Counsel") pursuant to the terms of the January 6th Order.

I. BACKGROUND

On May 30, 2025, ETG filed a petition in the above referenced docket seeking authority to increase its Periodic BGSS rate for the 2025-26 BGSS year from $0.5340[1] per therm to $0.6540 per therm. The Company's requested increase was based on forecasted information including the May 8, 2025 New York Mercantile Exchange ("NYMEX") natural gas futures settlement prices and included actual data through April 30, 2025 and forecasted data through September 30, 2026. ETG requested that this change be made effective October 1, 2025. If the proposed Periodic BGSS rate, along with the proposed change to the monthly BGSS Capacity Cost Component rate, was made effective October 1, 2025, the under-recovery at September 30, 2026 was forecasted to be close to zero in the May 30th filing. This proceeding is still pending Board approval.

Given the proposed rates have not been approved effective October 1, 2025, as requested, and after updating for actual data through September 2025, NYMEX pricing as of October 17, 2025 as well as certain other changes related to demand and other costs, the Company is forecasting an under-recovery balance of $27.9 million as of September 30, 2026 as shown on Exhibit A, page 1 of 2.

A. SELF-IMPLEMENTING RATE INCREASE

The January 6th Order provides that a gas distribution company that submits an annual BGSS filing no later than June 1 of each year with an implementation date of October 1 of the same year may file two additional self-implementing Periodic BGSS rate increases to be effective in the next succeeding winter upon written notice to the Staff and Rate Counsel. Such increases may take effect on December 1 and February 1, subject to the requirement that written notice to Staff and Rate Counsel of the intention to implement a self-implementing rate increase on

[1] All rates stated herein include Sales and Use Tax.

December 1 and February 1 be given no later than November 1 and January 1. The January 6th Order further provides that notices for December or February increases shall include specific reference to the previous annual filing with justification and supporting documentation explaining the need for the periodic increase. The approximate amount of the increase based on current market conditions shall also be provided.

After consideration of the currently forecasted under-recovery balance at September 30, 2026, it is necessary for ETG to implement the Periodic BGSS rate increase as authorized by the January 6th Order. After the implementation of this Periodic BGSS rate increase effective December 1, 2025, the Company is forecasting an under-recovery balance of $10.7 million as of September 30, 2026 as shown on Exhibit A, page 2 of 2. The increase in annual recoveries resulting from the implementation of the Periodic BGSS rate increase is $20.0 million.

The requisite supporting documentation is provided with this Notice and demonstrates that the self-implementing rate increase, effective December 1, 2025, adjusts the current Periodic BGSS rate from $0.5340 per therm to $0.6132 per therm, resulting in an increase of the bill of a typical residential heating customer using 100 therms a month by $7.92 from $158.40 to $166.32, or 5% compared to rates in effect November 1, 2025 [2], as reflected in Exhibit B. Absent the December 1, 2025 self-implementing increase, ETG currently projects an under-recovery of BGSS costs of approximately $27.9 million for the twelve months ending September 30, 2026.

B. <u>SUPPORTING DOCUMENTATION</u>

Pursuant to the terms of the January 6th Order, enclosed is the following supporting documentation:

[2] As discussed above, the January 6th Order authorizes the State's gas utilities to effect self-implementing rate adjustments up to a maximum of 5% of the residential customer bill.

Exhibit A:

Page 1– Statement of Over/Under Recoveries of Gas Costs for the Projected Period October 1, 2025 through September 30, 2026 assuming current rates; and

Page 2 – Statement of Over/Under Recoveries of Gas Costs for the Projected Period October 1, 2025 through September 30, 2026 assuming the self-implementing Periodic BGSS rate effective December 1, 2025.

Exhibit B: Bill Impacts

Exhibit C: Proposed Tariff sheets.

C. PUBLIC NOTICE

The potential for this self-implementing increase was included and sufficiently detailed in the public notice of ETG's filing and was the subject of telephonic public hearings conducted on August 28, 2025.

II. CONCLUSION

Based on the foregoing, including the authority granted by the January 6th Order, ETG has provided the requisite notice to self-implement a rate increase effective December 1, 2025. Should circumstances change that warrant reconsideration or an increase less than the self-implementing Periodic BGSS rate described in this Notice, ETG will promptly notify the Board, Staff and Rate Counsel. ETG shall make a compliance filing no later than November 28, 2025 reflecting final Tariff sheets effective December 1, 2025.

Respectfully submitted,

ELIZABETHTOWN GAS COMPANY

Dominick DiRocco

By: __________________________

Dominick DiRocco
VP, Rates & Regulatory Affairs

DD:clc
Enclosures

cc: Service List (attached)

IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY TO REVIEW ITS PERIODIC BASIC GAS SUPPLY SERVICE RATE AND CONSERVATION INCENTIVE PROGRAM RATES FOR THE YEAR ENDED SEPTEMBER 30, 2026
BPU DOCKET NO. GR25050315

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Elizabethtown Gas Company

Statement of (Over) Under Recoveries of Gas Costs
For the Projected Period October 1, 2025 through September 30, 2026
Assuming Current BGSS-P Rate

PERIOD	(1) GAS SENDOUT	(2) *LESS* SUPPLIER REFUNDS CREDITS & Other	(3) NET RECOVERABLE COSTS (COL 1-2)	(4) BGSS-P FIRM SALES	(5) BGSS-M FIRM SALES	(6) NON-FIRM SALES	(7) TOTAL RECOVERIES (COL 4+5+6)	(8) MONTHLY (OVER) UNDER RECOVERY (COL 3-7)	(9) CUMULATIVE (OVER) UNDER RECOVERY
	RECOVERABLE COSTS			GAS COST RECOVERIES				(OVER) UNDER RECOVERY	
BALANCE BEGINNING OCTOBER 1, 2023									$32,243,496 [1]
Oct 2025	$7,806,490	$757,184	$7,049,306	$3,112,803	$1,683,537	$0	$4,796,340	$2,252,966	$34,496,462
Nov 2025	$14,407,263	$1,071,821	$13,335,442	$9,071,799	$2,938,466	$0	$12,010,265	$1,325,177	$35,821,639
Dec 2025	$21,867,658	$4,015,465	$17,852,194	$17,358,144	$5,945,395	$0	$23,303,539	($5,451,346)	$30,370,294
Jan 2026	$28,832,100	$1,077,350	$27,754,750	$24,927,428	$8,087,944	$0	$33,015,372	($5,260,622)	$25,109,672
Feb 2026	$28,594,697	$1,060,763	$27,533,934	$24,762,197	$7,200,034	$0	$31,962,231	($4,428,297)	$20,681,375
Mar 2026	$24,561,193	$1,390,257	$23,170,936	$21,307,784	$6,023,942	$0	$27,331,726	($4,160,790)	$16,520,585
Apr 2026	$18,091,818	$1,356,040	$16,735,778	$15,663,437	$4,401,287	$0	$20,064,724	($3,328,946)	$13,191,639
May 2026	$12,000,920	$1,358,382	$10,642,538	$7,766,526	$2,578,322	$0	$10,344,848	$297,690	$13,489,329
Jun 2026	$9,117,618	$1,342,759	$7,774,859	$3,127,484	$1,453,353	$0	$4,580,837	$3,194,022	$16,683,351
Jul 2026	$9,381,385	$1,111,350	$8,270,035	$3,124,751	$1,456,330	$0	$4,581,081	$3,688,954	$20,372,305
Aug 2026	$9,538,368	$1,042,288	$8,496,080	$3,123,638	$1,538,054	$0	$4,661,692	$3,834,388	$24,206,693
Sep 2026	$9,340,674	$1,043,134	$8,297,540	$3,133,484	$1,509,739	$0	$4,643,223	$3,654,317	$27,861,010
TOTALS	$193,540,184	$16,626,793	$176,913,392	$136,479,475	$44,816,403	$0	$181,295,878	($4,382,487)	

[1] Represents opening balance as of September 30th, including 33.3% of the 9/30/24 under-recovery plus $897,716 interest accrued between 10/1/24 through 9/30/25 on the under-recovery balance accumulating during that period.

Elizabethtown Gas Company

Statement of (Over) Under Recoveries of Gas Costs
For the Projected Period October 1, 2025 through September 30, 2026
Assuming Proposed 5% Increase BGSS-P Rate effective December 1, 2025

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	RECOVERABLE COSTS			GAS COST RECOVERIES				(OVER) UNDER RECOVERY	
PERIOD	GAS SENDOUT	*LESS* SUPPLIER REFUNDS CREDITS & Other	NET RECOVERABLE COSTS (COL 1-2)	BGSS-P FIRM SALES	BGSS-M FIRM SALES	NON-FIRM SALES	TOTAL RECOVERIES (COL 4+5+6)	MONTHLY (OVER) UNDER RECOVERY (COL 3-7)	CUMULATIVE (OVER) UNDER RECOVERY
BALANCE BEGINNING OCTOBER 1, 2023									$32,243,496 [1]
Oct 2025	$7,806,490	$757,184	$7,049,306	$3,112,803	$1,683,537	$0	$4,796,340	$2,252,966	$34,496,462
Nov 2025	$14,407,263	$1,071,821	$13,335,442	$9,071,799	$2,938,466	$0	$12,010,265	$1,325,177	$35,821,639
Dec 2025	$21,867,658	$4,015,465	$17,852,194	$18,645,793	$5,945,395	$0	$24,591,188	($6,738,995)	$29,082,645
Jan 2026	$28,832,100	$1,077,350	$27,754,750	$28,625,726	$8,087,944	$0	$36,713,670	($8,958,920)	$20,123,725
Feb 2026	$28,594,697	$1,060,763	$27,533,934	$28,435,982	$7,200,034	$0	$35,636,016	($8,102,082)	$12,021,643
Mar 2026	$24,561,193	$1,390,257	$23,170,936	$24,469,063	$6,023,942	$0	$30,493,005	($7,322,069)	$4,699,574
Apr 2026	$18,091,818	$1,356,040	$16,735,778	$17,987,306	$4,401,287	$0	$22,388,593	($5,652,815)	($953,241)
May 2026	$12,000,920	$1,358,382	$10,642,538	$8,918,788	$2,578,322	$0	$11,497,110	($854,572)	($1,807,813)
Jun 2026	$9,117,618	$1,342,759	$7,774,859	$3,591,486	$1,453,353	$0	$5,044,839	$2,730,020	$922,207
Jul 2026	$9,381,385	$1,111,350	$8,270,035	$3,588,347	$1,456,330	$0	$5,044,677	$3,225,358	$4,147,565
Aug 2026	$9,538,368	$1,042,288	$8,496,080	$3,587,070	$1,538,054	$0	$5,125,124	$3,370,956	$7,518,521
Sep 2026	$9,340,674	$1,043,134	$8,297,540	$3,598,375	$1,509,739	$0	$5,108,114	$3,189,426	$10,707,947
TOTALS	$193,540,184	$16,626,793	$176,913,392	$153,632,538	$44,816,403	$0	$198,448,941	($21,535,550)	

[1] Represents opening balance as of September 30th, including 33.3% of the 9/30/24 under-recovery plus $897,716 interest accrued between 10/1/24 through 9/30/25 on the under-recovery balance accumulating during that period.

Exhibit B

Elizabethtown Gas Company
Calculation of Maximum Allowable Rate and Bill Impact
Self-Implementing BGSS-P Rate Increase December 1, 2025

Current Residential Heating 100 therm bill	$158.40
5% increase (maximum allowable) on 100 therm bill	$166.32
$ increase	$7.92
Maximum increase - $/therm	$0.0792
Current BGSS rate (including taxes) - $/therm	$0.5340
Maximum rate - $/therm	**$0.6132**

Consumption in Therms	Current Bill	Proposed Change	Proposed Bill	Percent Change
100	$158.40	$7.92	$166.32	**5.0%**
Service Charge	$11.50	-	$11.50	
Therm Rates:				
Distribution Rate	$0.6991	-	$0.6991	
BGSS-P	$0.5340	$0.0792	$0.6132	
SBC - CEP	$0.0312	-	$0.0312	
SBC - RAC	$0.0303	-	$0.0303	
SBC - USF	$0.0205	-	$0.0205	
SBC - Lifeline	$0.0057	-	$0.0057	
OSMC	($0.0026)	-	($0.0026)	
EEP	$0.0357	-	$0.0357	
IIP	$0.0174		$0.0174	
CIP	$0.0977	-	$0.0977	
Total Therm Rates	$1.4690	$0.0792	$1.5482	

RIDER "A"

BASIC GAS SUPPLY SERVICE CHARGE ("BGSS")

This Rider sets forth the method of determining the BGSS which shall be calculated to four (4) decimal places on a per therm basis established in accordance with the Board Order in Docket No. GX01050304 dated January 6, 2003. The BGSS charge is either BGSS-Monthly ("BGSS-M") or BGSS-Periodic ("BGSS-P") and will be applied to a Customer's Service Classification as follows:

1. The BGSS-M shall be applicable to all GDS, NGV, LVD, and EGF customers receiving gas supply from the Company effective on the first of each month as determined below.

2. The BGSS-P shall be applicable to all RDS, SGS, and GLS customers receiving gas supply from the Company.

The BGSS Charge, as defined herein, is designed to recover the cost to the Company of purchased gas or fuel used as a substitute for or supplemental to purchased gas including the cost of storing or transporting said gases or fuel, the cost of financial instruments employed to stabilize gas costs, other charges or credits as may result from the operation of other tariff provisions, and taxes and other similar charges in connection with the purchase and sale of gas.

BGSS per therm rates:

Effective Date	BGSS-M per therm	BGSS-P per therm
~~November 1, 2024~~	~~$0.4650~~	~~$0.5340~~
December 1, 2024	$0.5828	$0.5340
January 1, 2025	$0.5919	$0.5340
February 1, 2025	$0.5941	$0.5340
March 1, 2025	$0.6344	$0.5340
April 1, 2025	$0.6391	$0.5340
May 1, 2025	$0.5545	$0.5340
June 1, 2025	$0.5582	$0.5340
July 1, 2025	$0.5644	$0.5340
August 1, 2025	$0.5449	$0.5340
September 1, 2025	$0.5216	$0.5340
October 1, 2025	$0.5181	$0.5340
November 1, 2025	$0.5768	$0.5340
December 1, 2025	*	$0.6132

**To be determined*

Date of Issue: ~~October 30, 2025~~xxx1

Effective: Service Rendered on and after ~~November 1, 2025~~xxx2

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

Filed Pursuant to Order of the Board of Public Utilities
Dated January 6, 2003 in Docket No. GX01050304