



Dominick DiRocco, Esq.
VP/Rates & Regulatory Affairs

One South Jersey Place
Atlantic City, NJ 08401
T: (609) 561-9000 x 4262
ddirocco@sjindustries.com

July 15, 2025

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

**Re: 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**

Dear Secretary Lewis:

With regard to the above-referenced matter, enclosed is the submission of Elizabethtown Gas Company's Conservation Incentive Program 12&0 Update Schedules for the year ended June 30, 2025. The Company is also submitting Supplemental Testimony by Company Witness Mr. Thomas Kaufmann regarding a proposal to implement a single Residential Delivery Service CIP rate.

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,

A handwritten signature in black ink that reads "Dominick DiRocco".

Dominick DiRocco

Enclosures
cc: Service list (electronically)

**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**

SERVICE LIST

Thomas Kaufmann
Elizabethtown Gas Company
520 Green Lane
Union, NJ 07083
tkaufmann@sjindustries.com

Frank Vetri
Elizabethtown Gas Company
520 Green Lane
Union, NJ 07083
fvetri@sjindustries.com

Cindy Capozzoli
SJI Utilities, Inc.
One South Jersey Place
Atlantic City, NJ 08401
ccapozzoli@sjindustries.com

Jennifer Weitz
SJI Utilities, Inc.
520 Green Lane
Union, NJ 07083
jweitz@sjindustries.com

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

Cindy Bianco
Board of Public Utilities
44 South Clinton Avenue
Trenton, NJ 08625
Cindy.Bianco@bpu.nj.gov

Heather Weisband
Board of Public Utilities
44 South Clinton Avenue
Trenton, NJ 08625
Heather.Weisband@bpu.nj.gov

Megan Lupo, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625
mlupo@rpa.nj.gov

Karen Forbes
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625
kforbes@rpa.nj.gov

Susan Potanovich
Elizabethtown Gas Company
520 Green Lane
Union, NJ 07083
spotanovich@sjindustries.com

Christie McMullen
Elizabethtown Gas Company
520 Green Lane
Union, NJ 07083
cmcmullen@sjindustries.com

Andrew McNally
SJI Utilities, Inc.
520 Green Lane
Union, NJ 07083
amcnally@sjindustries.com

Carolyn A. Jacobs
SJI Utilities, Inc.
One South Jersey Place
Atlantic City, NJ 08401
cjacobs@sjindustries.com

Terrence W. Regan
Cullen and Dykman
One Battery Park Plaza, 34th Floor
New York, NY 10004
tregan@cullenllp.com

Michael Hunter
Board of Public Utilities
44 South Clinton Avenue
Trenton, NJ 08625
Michael.Hunter@bpu.nj.gov

Maura Caroselli, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625
mcaroselli@rpa.nj.gov

Andrew Kuntz, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625
akuntz@rpa.nj.gov

Steven A. Chaplar, DAG
Dept. of Law & Public Safety
Richard J. Hughes Justice Complex
Public Utilities Section
25 Market Street, P.O. Box 112
Trenton, NJ 08625
Steven.Chaplar@law.njoag.gov

Leonard J. Willey
Elizabethtown Gas Company
520 Green Lane
Union, NJ 07083
lwilley@sjindustries.com

Dominick DiRocco
SJI Utilities, Inc.
One South Jersey Place
Atlantic City, NJ 08401
ddirocco@sjindustries.com

Sheree Kelly
SJI Utilities, Inc.
520 Green Lane
Union, NJ 07083
skelly@sjindustries.com

Ray Wenzel
SJI Utilities, Inc.
215 Cates Road
Egg Harbor Twp., NJ 08234
rwenzel@sjindustries.com

Stacy Peterson
Board of Public Utilities
44 South Clinton Avenue
Trenton, NJ 08625
Stacy.Peterson@bpu.nj.gov

Anthony DeAnni
Board of Public Utilities
44 South Clinton Avenue
Trenton, NJ 08625
anthony.deanni@bpu.nj.gov

Brian O. Lipman, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625
blipman@rpa.nj.gov

Joy Carter
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625
jcarter@rpa.nj.gov

Robert J. Henkes
Henkes Consulting
7 Sunset Road
Old Greenwich, CT 06870
rhenkes13@gmail.com

**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

SUPPLEMENTAL DIRECT TESTIMONY

OF

THOMAS KAUFMANN

JULY 15, 2025

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

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

4 **Q. ARE YOU THE SAME THOMAS KAUFMANN WHO PREVIOUSLY**
5 **SUBMITTED DIRECT TESTIMONY IN THIS PROCEEDING?**

6 **A.** Yes, I am.

7 **Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL DIRECT**
8 **TESTIMONY?**

9 **A.** The purpose of my supplemental direct testimony is to propose a single RDS CIP
10 rate. The Company is proposing this in considering that the Residential Delivery
11 Service Non-Heat ("RDS-NH") rate, as calculated, is increasing significantly from
12 the current rate, primarily due to changes in the Base Usage per Customer ("BUC")
13 approved in the Company's 2024 Base Rate Case Order¹. The Company is proposing
14 to combine the RDS-NH and Residential Delivery Service Heat ("RDS-H") results

¹ In re *the Petition of Elizabethtown Gas Company For Approval Of Increased Base Tariff Rates And Charges For Gas Service, Changes To Depreciation Rates And Other Tariff Revisions*, BPU Docket No. GR24020158, Order dated November 21, 2024 ("2024 Base Rate Case Order")

Exhibit P-1 - Supplement

into a single Residential Delivery Service (“RDS”) rate. CIP Schedule TK-1 12+0 presents the separate calculations for RDS-NH and RDS-H which are then combined to derive a single RDS rate of \$0.0724 per therm inclusive of tax.

	<u>RDS-NH</u>	<u>RDS-H</u>	<u>RDS</u>
Current	\$0.1605	\$0.0977	\$0.0995
Proposed	<u>\$0.4222</u>	<u>\$0.0662</u>	<u>\$0.0724</u>
Increase/(Decrease)	\$0.2617	(\$0.0315)	(\$0.0271)

Q. ARE YOU PROVIDING ANY OTHER UPDATES AS PART OF YOUR SUPPLEMENTAL TESTIMONY?

A. Yes. In addition to updating the 10+2 CIP Schedules TK-1 through TK-6.1, filed on May 30, 2025, to 12+0 results, an updated Notice of Filing and Public Hearings (Appendix A, 12+0, to the Verified Petition) and an updated Tariff Schedule TK-1, modified in redline to reflect the proposal for a single RDS CIP rate, have been provided.

Q. WHAT ARE THE BILL IMPACTS ON A RESIDENTIAL HEATING CUSTOMER CONSUMING 100 THERMS PER MONTH BASED ON THE CIP 12+0 RESULTS USING THE PROPOSED SINGLE RDS RATE AND ALSO IF THE TWO BGSS-P ADJUSTMENTS FOR DECEMBER AND FEBRUARY WERE IMPLEMENTED AT THEIR MAXIMUM LEVELS?

A. The proposed changes in the BGSS-P in the Company’s May 30, 2025 filing and the single RDS CIP rate proposed in this supplemental testimony would impact the monthly bill of a Residential Heating customer using 100 therms as shown below:

	June 1, 2025	Proposed	Increase/(Decrease)	Percent Change
BGSS-P			\$12.00	7.6%
CIP			(\$2.53)	(1.6%)
Total	\$158.54	\$168.01	\$9.47	6.0%

Exhibit P-1 - Supplement

1 The proposed bill impacts for 100 therms of usage if the two periodic BGSS-P
2 adjustments for December and February were implemented at their maximum levels
3 are presented in the updated Notice of Filing and Public Hearings.

4 **Q. DOES THIS CONCLUDE YOUR SUPPLEMENTAL DIRECT TESTIMONY?**

5 **A. Yes, it does.**

NOTICE OF FILING AND PUBLIC HEARINGS

**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**

PLEASE TAKE NOTICE that, on May 30, 2025, Elizabethtown Gas Company (“Elizabethtown” or “Company”), filed a Verified Petition with the New Jersey Board of Public Utilities (“BPU” or “Board”) in Docket No. GR25050315 to review its Periodic Basic Gas Supply Service (“BGSS-P”) rate and Conservation Incentive Program (“CIP”) rates (“Petition”), as modified on July 15, 2025 to reflect 12 months of actual CIP data. The BGSS-P component of the Petition was filed pursuant to the Board’s Order dated January 6, 2003 in Docket No. GX01050304 (“2003 BGSS Order”). BGSS-P rates are designed to recover Elizabethtown’s cost of gas applicable to customers who purchase gas from Elizabethtown. The Company earns no profit from the BGSS-P rate. The CIP charge provides for a rate adjustment related to changes in average use per customer when compared to pre-established baseline values. The CIP is an incentive-based program that requires Elizabethtown to reduce gas supply related costs, and limits recovery of non-weather-related revenue loss to the level of gas supply costs savings achieved.

The Petition proposes to increase the current BGSS-P rate from \$0.5340 per therm to \$0.6540 per therm, inclusive of applicable taxes, and change the current CIP rates to the following CIP rates per therm, inclusive of applicable taxes:

<u>Residential Delivery Service</u>	<u>Small General Service</u>	<u>General Delivery Service</u>
\$0.0724	\$0.0234	\$0.0046

Based on rates in effect July 1, 2025, the proposed BGSS-P and CIP rate changes will increase the monthly bill of a Residential Heating customer using 100 therms in a month by \$9.47 from \$158.54 to \$168.01, or 6.0%, consisting of a proposed BGSS-P increase of \$12.00 or 7.6% and a proposed CIP decrease of \$2.53 or 1.6%.

If approved, the effect of the Company's Petition on typical Residential Heating gas bills is illustrated below:

<u>Consumption in Therms</u>	<u>Present Monthly Bill July 1, 2025</u>	<u>Proposed Monthly Bill October 1, 2025</u>	<u>Proposed Change</u>	<u>Percent Change</u>
10	\$26.20	\$27.15	\$0.95	3.6%
50	\$85.02	\$89.76	\$4.74	5.6%
100	\$158.54	\$168.01	\$9.47	6.0%
250	\$379.10	\$402.78	\$23.68	6.2%

Pursuant to the 2003 BGSS Order, the proposed rate may be subject to self-implementing rate increases upon thirty (30) days’ written notice to the BPU and the New Jersey Division of Rate Counsel (“Rate Counsel”). Any such self-implementing rate increases will be limited to a maximum of five percent (5%) of the total Residential Heating customer’s bill using 100 therms, effective December 1, 2025, and to a maximum of five percent (5%) of the total Residential Heating customer’s bill using 100 therms, effective February 1, 2026. Should it become necessary to apply one, or both, of the December 1, 2025 and February 1, 2026 self-implementing increases, the respective cumulative impacts of these increases on typical Residential Heating gas bills will occur as illustrated below:

<u>Consumption in Therms</u>	<u>Proposed Monthly Bill October 1, 2025</u>	<u>Potential Monthly Bill For Either a Dec. 1st or Feb. 1st Increase</u>	<u>Potential Change</u>	<u>Percent Change</u>
10	\$27.15	\$27.99	\$0.84	3.1%
50	\$89.76	\$93.96	\$4.20	4.7%
100	\$168.01	\$176.41	\$8.40	5.0%
250	\$402.78	\$423.78	\$21.00	5.2%

<u>Consumption in Therms</u>	<u>Proposed Monthly Bill October 1, 2025</u>	<u>Potential Monthly Bill For Either a Dec. 1st or Feb. 1st Increase</u>	<u>Potential Change</u>	<u>Percent Change</u>
10	\$27.15	\$28.87	\$1.72	6.3%
50	\$89.76	\$98.37	\$8.61	9.6%
100	\$168.01	\$185.23	\$17.22	10.2%
250	\$402.78	\$445.83	\$43.05	10.7%

These self-implementing increases will be provisional and subject to review in connection with the next annual BGSS filing. Elizabethtown is permitted to decrease its BGSS-P rate at any time upon five (5) days' notice and the filing of supporting documentation with the Board and Rate Counsel.

The Board has the statutory authority pursuant to N.J.S.A. 48:2-21 to establish Elizabethtown's rates at levels it finds just and reasonable as well as to establish the effective date of such rates. Therefore, the BPU may establish the rates at levels and/or an effective date 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 Petition.

VIRTUAL PUBLIC HEARINGS

DATE: August 28, 2025

HEARING TIMES: 4:30 p.m. and 5:30 p.m.

Join Microsoft Teams Meeting

Press Ctrl key + Click on this link:

https://teams.microsoft.com/l/meetup-join/19%3ameeting_MzRiNzhkYTItNDc5YS00NWE1LThjMTMtNzMyOWZjMDhkYmVh%40thread.v2/0?context=%7b%22Tid%22%3a%22255ab659-24e8-4d0f-b0df-7db78e5506bc%22%2c%22Oid%22%3a%228d6f1306-d419-45d5-88bf-f69290a7e055%22%7d

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

Meeting ID: 289 427 358 206 1

Passcode: fx7Jc9Jy

-or-

Join by Phone

Dial In: 866-984-3163

When prompted, enter Conference ID: 351 744 241 followed by the # sign to access the meeting.

A copy of this Notice 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 reviewed 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's office at 44 South Clinton Avenue, 1st Floor, Trenton, New Jersey, with an appointment. To make an appointment, please call (609) 913-6298.

Representatives from the Company, Board Staff and 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 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, 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. 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:

Sherri Lewis, Board Secretary
44 South Clinton Ave.
Trenton, NJ 08625-0350
Phone: 609-913-6241
Email: board.secretary@bpu.nj.gov

RIDER "G"

CONSERVATION INCENTIVE PROGRAM ("CIP")

Applicable to all Customers served under RDS, SGS and GDS rate classes.

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

RDS Non-Heat	RDS Heat	SGS	GDS
\$0.16057071 per therm	\$0.097707890724 per therm	\$0.04700234 per therm	(\$0.0494)0046 per therm

The rates 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.

The annual filing for the adjustment to the CIP rate shall be concurrent with the annual filing for BGSS. The CIP factor shall be credited/collected on a per therm basis for the service classifications stated above. The level of BGSS savings referenced in (d) in this Rider shall be identified in the annual CIP filing, and serve as an offset to the non-weather related portion of the CIP charge provided in (f) in this Rider. The Periodic and Monthly BGSS rates identified in Rider "A" to this tariff shall include the BGSS savings, as applicable.

- (a) This Rider shall be utilized to adjust the Company's revenues in cases wherein the Actual Usage per Customer experienced during Monthly Periods varies from the Baseline Usage per Customer ("BUC"). This adjustment will be effectuated through a credit or surcharge applied to customers' bills during the Adjustment Period. The credit or surcharge will also be adjusted to reflect prior year under recoveries or over recoveries pursuant to this CIP.

Date of Issue: ~~April 29, 2025xxx1~~

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

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

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~April 23, 2025xxx3~~ in Docket No. ~~GR24060371xxx4~~

ELIZABETHTOWN GAS COMPANY
Conservation Incentive Program ("CIP")

CIP Schedule TK-1
12+0

Calculation of the CIP Rates
Proposed Rates - October 1, 2025

	RDS-NH	RDS-H	Total RDS	SGS	GDS	Total
1 Non-Weather:						
Current Period - Margin Revenue Excess / (Deficiency), (TK-2)	(\$2,171,227)	(\$14,520,504)	(\$16,691,731)	(\$307,217)	\$95,097	(\$16,903,851)
Prior Year Non-Weather Test Deferral Carry Forward, if applicable	\$0	\$0	\$0	\$0	\$0	\$0
Current Period - Margin Revenue Excess / (Deficiency), (TK-2)	(\$2,171,227)	(\$14,520,504)	(\$16,691,731)	(\$307,217)	\$95,097	(\$16,903,851)
Greater of the BGSS or Variable Test Deferral, if applicable (TK-4 or TK-5)	\$1,246,366	\$8,335,319	\$9,581,685	\$176,354	\$0	\$9,758,039
Total Non-Weather	(\$924,861)	(\$6,185,185)	(\$7,110,046)	(\$130,863)	\$95,097	(\$7,145,812)
2 Weather: Current Period - Margin Revenue Excess / (Deficiency), (TK-2)	(\$215,572)	(\$7,319,690)	(\$7,535,262)	(\$578,127)	(\$1,685,391)	(\$9,798,780)
3 Total Current Year Weather and Non-Weather, pre ROE disallowance if any (L1+L2)	(\$1,140,433)	(\$13,504,875)	(\$14,645,308)	(\$708,990)	(\$1,590,294)	(\$16,944,592)
4 Current Year ROE Earnings Test Disallowance, if applicable (TK-6)	\$0	\$0	\$0	\$0	\$0	\$0
5 Current Year Total (L3+L4)	(\$1,140,433)	(\$13,504,875)	(\$14,645,308)	(\$708,990)	(\$1,590,294)	(\$16,944,592)
6 Prior Year Recovery / (Refund) Results:						
Prior Period - True-Up Balance, Excess / (Deficient), (TK-2)	(\$1,141,760)	(\$23,242,932)	(\$24,384,692)	(\$412,284)	\$2,255,232	(\$22,541,744)
Current Period Recovered / (Refunded), (TK-2)	\$558,614	\$21,320,432	\$21,879,046	\$396,040	(\$2,015,630)	\$20,259,456
Prior Year Excess / (Deficiency) Balances Carry Over	(\$583,146)	(\$1,922,500)	(\$2,505,646)	(\$16,244)	\$239,602	(\$2,282,288)
7 Total CIP Revenue Excess / (Deficiency) Balance (L5+L6)	(\$1,723,579)	(\$15,427,375)	(\$17,150,954)	(\$725,234)	(\$1,350,692)	(\$19,226,880)
8 Projected Normalized Sales and Services (Forecast Sch. TK-1 CIP)	4,352,769	248,307,994	252,660,763	25,214,428	125,928,160	therms
9 CIP Charge - Recoverable / (Credit - Refundable) Rate, before tax $\frac{\text{rate sign multiplier}}{(L7/L8)*-1}$	\$0.3960	\$0.0621	\$0.0679	\$0.0288	\$0.0107	/therm
10 Plus Sales Tax 6.625%	\$0.0262	\$0.0041	\$0.0045	\$0.0019	\$0.0007	
11 CIP Charge - Recoverable / (Credit - Refundable) Rate (L9+L10)	\$0.4222	\$0.0662	\$0.0724	\$0.0307	\$0.0114	/therm

ELIZABETHTOWN GAS COMPANY
Conservation Incentive Program ("CIP")
Actual vs. CIP Base Therm Use per Customer and Margin Excess / (Deficiency)
Non-Heat Component of Residential Delivery Service ("RDS-NH")

CIP Schedule TK-2
Consisting of 4 pages
12+0

<u>a</u>	<u>b</u>	<u>c</u>	<u>d</u>	<u>e=c/d</u>	<u>f</u>	<u>g=e-f</u>	<u>h</u>	<u>i=d*g*h</u>	<u>Break Out of Total Margin:</u>		<u>m</u>	<u>n=prior+i+m</u>
									<u>TK-3 Weather</u>	<u>Non-Weather</u>		
	<u>Accounting</u>	<u>Therms</u>	<u>Customer</u>	<u>Use</u>	<u>Base Use</u>	<u>Therm</u>	<u>Pre-Tax</u>	<u>Total</u>	<u>Excess /</u>	<u>Excess /</u>	<u>Period</u>	<u>Balance</u>
			<u>Count</u>	<u>Per Cust.</u>	<u>Per Cust.</u>	<u>Excess/</u>	<u>Margin</u>	<u>Margin</u>	<u>(Deficiency)</u>	<u>(Deficiency)</u>	<u>Recovery</u>	<u>Excess/</u>
				<u>(UPC)</u>	<u>(BUC)</u>	<u>(Deficiency)</u>	<u>& IIP Rates</u>	<u>(Deficiency)</u>	<u>(Deficiency)</u>	<u>(Deficiency)</u>	<u>(Refund) **</u>	<u>(Deficiency)</u>
<u>Beginning Balance >>></u>												(\$1,141,760)
Jul-24	184,691		30,389	6.1	9.2	(3.1)	\$0.5766	(\$54,319)		(\$54,319)	\$2,881	(\$1,193,198)
Aug-24	93,092		30,394	3.1	8.4	(5.3)	\$0.5766	(\$92,883)		(\$92,883)	\$2,821	(\$1,283,260)
Sep-24	231,492		30,379	7.6	9.3	(1.7)	\$0.5766	(\$29,778)		(\$29,778)	\$2,928	(\$1,310,110)
Oct-24	304,157		30,377	10.0	14.0	(4.0)	\$0.5929	(\$72,042)	(\$45,651)	(\$26,391)	\$16,877	(\$1,365,275)
Nov-24	350,036		29,418	11.9	25.1	(13.2)	\$0.5929	(\$230,234)	(\$76,359)	(\$153,875)	\$46,840	(\$1,548,669)
Dec-24	558,202		29,430	19.0	30.3	(11.3)	\$0.6720	(\$223,480)	\$7,465	(\$230,945)	\$67,806	(\$1,704,343)
Jan-25	753,835		29,368	25.7	40.3	(14.6)	\$0.6720	(\$288,135)	\$28,341	(\$316,476)	\$107,473	(\$1,885,005)
Feb-25	597,621		29,304	20.4	40.8	(20.4)	\$0.6720	(\$401,723)	(\$25,190)	(\$376,533)	\$98,669	(\$2,188,059)
Mar-25	416,694		29,234	14.3	37.6	(23.3)	\$0.6720	(\$457,734)	(\$132,703)	(\$325,031)	\$81,146	(\$2,564,647)
Apr-25	333,583		29,177	11.4	28.5	(17.1)	\$0.6720	(\$335,279)	(\$41,696)	(\$293,583)	\$56,646	(\$2,843,280)
May-25	263,240		29,086	9.1	15.7	(6.6)	\$0.6720	(\$129,002)	\$70,221	(\$199,223)	\$40,333	(\$2,931,949)
Jun-25	212,528		29,034	7.3	11.0	(3.7)	\$0.6720	(\$72,190)		(\$72,190)	\$34,194	(\$2,969,945)
Total	<u>4,299,171</u>			<u>145.9</u>	<u>270.2</u>	<u>(124.3)</u>		<u>(\$2,386,799)</u>	<u>(\$215,572)</u>	<u>(\$2,171,227)</u>	<u>\$558,614</u>	<u>(\$2,969,945)</u>

Note: BUC's were revised per the Board Order in the Company's last rate case in Docket No. GR24040281 Dated November 21, 2024, Effective December 1, 2024.

* Forecast

** Individual customer billings at the tariff rate yields the dollars recovered, inclusive of rate proration or cancel/rebills, if any.

ELIZABETHTOWN GAS COMPANY
Conservation Incentive Program ("CIP")
Actual vs. CIP Base Therm Use per Customer and Margin Excess / (Deficiency)
Heat Component of Residential Delivery Service ("RDS-H")

CIP Schedule TK-2
Consisting of 4 pages
12+0

a	b	Accounting Therms c	Customer Count d	Use Per Cust. (UPC) e=c/d	Base Use Per Cust. (BUC) f	Therm Excess/ (Deficiency) g=e-f	Pre-Tax Margin Distribution & IIP Rates h	Total Margin Excess/ (Deficiency) i=d*g*h	Break Out of Total Margin:		Current Period Recovery (Refund) ** m	Balance Excess/ (Deficiency) n=prior+i+m	
									TK-3 Weather Excess / (Deficiency) j	Non-Weather Excess / (Deficiency) k=i-j			
Beginning Balance >>>													(\$23,242,932)
Jul-24		4,120,261	261,469	15.8	19.8	(4.0)	\$0.5766	(\$603,052)		(\$603,052)	\$372,107	(\$23,473,877)	
Aug-24		2,109,096	261,400	8.1	18.6	(10.5)	\$0.5766	(\$1,582,594)		(\$1,582,594)	\$343,162	(\$24,713,309)	
Sep-24		5,890,322	261,614	22.5	22.0	0.5	\$0.5766	\$75,423		\$75,423	\$375,410	(\$24,262,476)	
Oct-24		11,372,373	262,273	43.4	45.2	(1.8)	\$0.5929	(\$279,903)	(\$1,550,056)	\$1,270,153	\$510,343	(\$24,032,036)	
Nov-24		20,526,577	263,893	77.8	109.9	(32.1)	\$0.5929	(\$5,022,435)	(\$2,592,735)	(\$2,429,700)	\$1,127,238	(\$27,927,233)	
Dec-24		39,551,325	264,423	149.6	130.8	18.8	\$0.6720	\$3,340,614	\$253,468	\$3,087,146	\$2,677,160	(\$21,909,459)	
Jan-25		54,215,165	264,994	204.6	174.5	30.1	\$0.6720	\$5,360,087	\$962,294	\$4,397,793	\$4,462,576	(\$12,086,796)	
Feb-25		41,473,019	265,601	156.1	176.0	(19.9)	\$0.6720	(\$3,551,829)	(\$855,327)	(\$2,696,502)	\$4,283,643	(\$11,354,982)	
Mar-25		26,342,768	266,009	99.0	142.8	(43.8)	\$0.6720	(\$7,829,603)	(\$4,505,868)	(\$3,323,735)	\$3,379,411	(\$15,805,174)	
Apr-25		16,677,914	266,023	62.7	104.8	(42.1)	\$0.6720	(\$7,526,110)	(\$1,415,773)	(\$6,110,337)	\$2,070,779	(\$21,260,505)	
May-25		7,432,331	266,136	27.9	46.8	(18.9)	\$0.6720	(\$3,380,140)	\$2,384,307	(\$5,764,447)	\$1,049,137	(\$23,591,508)	
Jun-25		4,879,506	266,164	18.3	23.0	(4.7)	\$0.6720	(\$840,652)		(\$840,652)	\$669,466	(\$23,762,694)	
Total		234,590,657		885.8	1,014.2	(128.4)		(\$21,840,194)	(\$7,319,690)	(\$14,520,504)	\$21,320,432	(\$23,762,694)	

Note: BUC's were revised per the Board Order in the Company's last rate case in Docket No. GR24040281 Dated November 21, 2024, Effective December 1, 2024.

* Forecast

** Individual customer billings at the tariff rate yields the dollars recovered, inclusive of rate proration or cancel/rebills, if any.

ELIZABETHTOWN GAS COMPANY
Conservation Incentive Program ("CIP")
Actual vs. CIP Base Therm Use per Customer and Margin Excess / (Deficiency)
Small General Service - SGS

CIP Schedule TK-2
Consisting of 4 pages
12+0

a	b	Accounting Therms c	Customer Count d	Use Per Cust. (UPC) e=c/d	Base Use Per Cust. (BUC) f	Therm Excess/ (Deficiency) g=e-f	Pre-Tax Margin Distribution & IIP Rates h	Total Margin Excess/ (Deficiency) i=d*g*h	Break Out of Total Margin:		Current Period Recovery (Refund) ** m	Balance Excess/ (Deficiency) n=prior+i+m
									TK-3 Weather	Non-Weather		
									Excess / (Deficiency) j	Excess / (Deficiency) k=i-j		
Beginning Balance >>>												(\$412,284)
Jul-24		344,682	17,227	20.0	23.8	(3.8)	\$0.4593	(\$30,067)		(\$30,067)	\$7,225	(\$435,126)
Aug-24		187,757	17,139	11.0	23.9	(12.9)	\$0.4593	(\$101,548)		(\$101,548)	\$7,507	(\$529,167)
Sep-24		493,783	17,069	28.9	23.9	5.0	\$0.4593	\$39,199		\$39,199	\$7,808	(\$482,160)
Oct-24		976,884	17,140	57.0	60.5	(3.5)	\$0.4768	(\$28,603)	(\$122,427)	\$93,824	\$9,093	(\$501,670)
Nov-24		1,979,150	17,247	114.8	122.9	(8.1)	\$0.4768	(\$66,609)	(\$204,781)	\$138,172	\$16,759	(\$551,520)
Dec-24		4,211,454	17,375	242.4	201.0	41.4	\$0.5391	\$387,788	\$20,020	\$367,768	\$49,061	(\$114,671)
Jan-25		6,260,747	17,484	358.1	284.0	74.1	\$0.5391	\$698,439	\$76,004	\$622,435	\$87,345	\$671,113
Feb-25		4,750,957	17,503	271.4	292.2	(20.8)	\$0.5391	(\$196,266)	(\$67,556)	(\$128,710)	\$84,744	\$559,591
Mar-25		2,840,684	17,489	162.4	231.6	(69.2)	\$0.5391	(\$652,440)	(\$355,885)	(\$296,555)	\$64,280	(\$28,569)
Apr-25		1,533,219	17,385	88.2	156.9	(68.7)	\$0.5391	(\$643,874)	(\$111,821)	(\$532,053)	\$35,667	(\$636,776)
May-25		611,224	17,289	35.4	60.0	(24.6)	\$0.5391	(\$229,284)	\$188,319	(\$417,603)	\$16,949	(\$849,111)
Jun-25		473,899	17,187	27.6	34.3	(6.7)	\$0.5391	(\$62,079)		(\$62,079)	\$9,602	(\$901,588)
Total		24,664,440		1,417.2	1,515.0	(97.8)		(\$885,344)	(\$578,127)	(\$307,217)	\$396,040	(\$901,588)

Note: BUC's were revised per the Board Order in the Company's last rate case in Docket No. GR24040281 Dated November 21, 2024, Effective December 1, 2024.

* Forecast

** Individual customer billings at the tariff rate yields the dollars recovered, inclusive of rate proration or cancel/rebills, if any.

ELIZABETHTOWN GAS COMPANY
Conservation Incentive Program ("CIP")
Actual vs. CIP Base Therm Use per Customer and Margin Excess / (Deficiency)
General Delivery Service - GDS

CIP Schedule TK-2
Consisting of 4 pages
12+0

a	b	c	d	e=c/d	f	g=e-f	h	i=d*g*h	Break Out of Total Margin:		m	n=prior+i+m
									TK-3 Weather	Non-Weather		
	Accounting	Therms	Customer	Use	Base Use	Therm	Pre-Tax	Total	Excess /	Excess /	Current	Balance
			Count ***	Per Cust.	Per Cust.	Excess/	Margin	Margin	(Deficiency)	(Deficiency)	Period	Excess/
				(UPC)	(BUC)	(Deficiency)	& IIP Rates	(Deficiency)	(Deficiency)	(Deficiency)	Recovery	(Deficiency)
				e=c/d	f	g=e-f	h	i=d*g*h	j	k=i-j	(Refund) **	(Deficiency)
<u>Beginning Balance >>></u>												\$2,255,232
Jul-24	3,354,266		6,510	515.2	511.0	4.2	\$0.2973	\$8,129		\$8,129	(\$23,471)	\$2,239,890
Aug-24	2,086,986		6,511	320.5	512.3	(191.8)	\$0.2973	(\$371,271)		(\$371,271)	(\$24,844)	\$1,843,775
Sep-24	4,287,180		6,523	657.2	512.7	144.5	\$0.2973	\$280,227		\$280,227	(\$26,546)	\$2,097,456
Oct-24	6,466,864		6,564	985.2	980.5	4.7	\$0.3101	\$9,567	(\$356,907)	\$366,474	(\$73,065)	\$2,033,958
Nov-24	10,822,371		6,589	1,642.5	1,767.1	(124.6)	\$0.3101	(\$254,589)	(\$596,988)	\$342,399	(\$151,979)	\$1,627,390
Dec-24	18,945,186		6,628	2,858.4	2,542.4	316.0	\$0.3370	\$705,829	\$58,362	\$647,467	(\$290,316)	\$2,042,903
Jan-25	23,636,801		6,658	3,550.1	3,077.6	472.5	\$0.3370	\$1,060,170	\$221,572	\$838,598	(\$393,473)	\$2,709,600
Feb-25	19,436,578		6,665	2,916.2	3,005.4	(89.2)	\$0.3370	(\$200,353)	(\$196,943)	(\$3,410)	(\$370,617)	\$2,138,630
Mar-25	13,361,480		6,677	2,001.1	2,555.3	(554.2)	\$0.3370	(\$1,247,033)	(\$1,037,496)	(\$209,537)	(\$289,996)	\$601,601
Apr-25	9,150,016		6,670	1,371.8	1,863.7	(491.9)	\$0.3370	(\$1,105,688)	(\$325,988)	(\$779,700)	(\$194,160)	(\$698,247)
May-25	4,752,066		6,653	714.3	875.0	(160.7)	\$0.3370	(\$360,299)	\$548,997	(\$909,296)	(\$105,724)	(\$1,164,270)
Jun-25	3,601,200		6,664	540.4	591.6	(51.2)	\$0.3370	(\$114,983)		(\$114,983)	(\$71,439)	(\$1,350,692)
Total	119,900,994			18,072.9	18,794.6	(721.7)		(\$1,590,294)	(\$1,685,391)	\$95,097	(\$2,015,630)	(\$1,350,692)

Note: BUC's were revised per the Board Order in the Company's last rate case in Docket No. GR24040281 Dated November 21, 2024, Effective December 1, 2024.

* Forecast

** Individual customer billings at the tariff rate yields the dollars recovered, inclusive of rate proration or cancel/rebills, if any.

*** Per the Company's Tariff, the customer count Includes the incremental GDS customer Cumulative Adjustment that is calculated monthly based on new gas usage customers that exceed 5,400 CFH threshold divided by 2,700 CFH, as follows:

	Customers Above 5,400 CFH		Equivalent GDS Customers		Monthly	Cumulative	
	CFH	Count	CFH Divisor	Customers	Addition	Adjustment	
Prior Year End Count >>>						0	
Jul-24	0	0	2,700	0	0	0	
Aug-24	0	0	2,700	0	0	0	
Sep-24	41,837	5	2,700	15	10	10	First Time Adjusting Data from January 24 Through September 24
Oct-24	0	0	2,700	0	0	10	
Nov-24	0	0	2,700	0	0	10	
Dec-24	33,057	4	2,700	12	8	8	Re-set for rate case to remove customers included in test year
Jan-25	0	0	2,700	0	0	8	
Feb-25	0	0	2,700	0	0	8	
Mar-25	0	0	2,700	0	0	8	
Apr-25	0	0	2,700	0	0	8	
May-25	0	0	2,700	0	0	8	
Jun-25	6,100	1	2,700	2	1	9	

ELIZABETHTOWN GAS COMPANY
Weather Normalization Margin Calculation for CIP use
Without The Dead Band *

CIP Schedule TK-3
Consisting of 2 pages
12+0

Month	Actual	Normal ^(a)	%		Season %	Degree Day Deadband		Degree	Variance	Margin	Margin	Allocation All Months - per 2024 Rate Case,			
	Calendar	Calendar	(Warmer)	(Warmer)	(Warmer)	Day		Day			Revenue	Distribution Rate Revenues May - October.			
	Degree	Degree	/ Colder	/ Colder	/ Colder	Day	Days	Consumption			Excess /	RDS-NH	RDS-H	SGS	GDS
	Days	Days	Normal	Normal	Normal	Deadband *	After	Factor ^(b)			Factor ^(c)	2.2%	74.7%	5.9%	17.2%
Oct-24	137	201	(64)	(31.8%)	(31.8%)	0	(64)	63,975	(4,094,400)	\$0.5068	(\$2,075,042)	(\$45,651)	(\$1,550,056)	(\$122,427)	(\$356,907)
Nov	412	514	(102)	(19.8%)	(23.2%)	0	(102)	67,143	(6,848,586)	\$0.5068	(\$3,470,863)	(\$76,359)	(\$2,592,735)	(\$204,781)	(\$596,988)
Dec	818	810	8	1.0%	(10.4%)	0	8	74,990	599,920	\$0.5656	\$339,315	\$7,465	\$253,468	\$20,020	\$58,362
Jan-25	1,036	1,005	31	3.1%	(5.0%)	0	31	73,471	2,277,601	\$0.5656	\$1,288,211	\$28,341	\$962,294	\$76,004	\$221,572
Feb	814	842	(28)	(3.3%)	(4.6%)	0	(28)	72,301	(2,024,428)	\$0.5656	(\$1,145,016)	(\$25,190)	(\$855,327)	(\$67,556)	(\$196,943)
Mar	526	683	(157)	(23.0%)	(7.7%)	0	(157)	67,928	(10,664,696)	\$0.5656	(\$6,031,952)	(\$132,703)	(\$4,505,868)	(\$355,885)	(\$1,037,496)
Apr	285	342	(57)	(16.7%)	(8.4%)	0	(57)	58,788	(3,350,916)	\$0.5656	(\$1,895,278)	(\$41,696)	(\$1,415,773)	(\$111,821)	(\$325,988)
May	85	43	42	97.7%	(7.4%)	0	42	134,364	5,643,288	\$0.5656	\$3,191,844	<u>\$70,221</u>	<u>\$2,384,307</u>	<u>\$188,319</u>	<u>\$548,997</u>
Total	4,113	4,440	(327)			0	(327)		<u>(18,462,217)</u>		<u>(\$9,798,781)</u>	(\$215,572)	(\$7,319,690)	(\$578,127)	(\$1,685,391)

(a) Degree Days as set forth in Tariff.

(b) Degree Day Consumption Factor from the prior year calculation on Sch. TK-3 Weather Thms-HDDs.
the May Number of Customers on tab TK-3 Weather Thms-HDDS to actuals.

(c) Margin Revenue Factor as set forth in Tariff.

*For CIP the Dead Band is 0.0% of the Monthly Normal Calendar Degree Days

ELIZABETHTOWN GAS COMPANY
Weather Normalization Therms per HDD for CIP use

Development of the Normalized Degree Day Consumption Usage Factor for:
October 2025 through May 2026

<u>Month</u>	<u>Normalized Projected Heat Load (1) (therms)</u>	<u>Base Number of Customers (2)</u>	<u>Therms Per Customer</u>	<u>Number of Customers (3)</u>	<u>Annualized Projected Heat Load (therms)</u>	<u>Normal HDDs (4)</u>	<u>Annualized Consumption Therms Per HDD</u>
<u>a</u>	<u>b</u>	<u>c</u>	<u>d=b/c</u>	<u>e</u>	<u>f=d*e</u>	<u>g</u>	<u>h=f/g</u>
Oct-25	12,586,818	293,159	42.93512	319,164	13,703,345	201	68,176
Nov	32,226,642	293,834	109.67635	319,164	35,004,743	514	68,103
Dec	57,214,418	294,633	194.18876	319,164	61,978,061	810	76,516
Jan-26	68,077,503	295,059	230.72505	319,164	73,639,130	1,005	73,273
Feb	56,372,689	295,322	190.88550	319,164	60,923,780	842	72,356
Mar	44,032,417	295,477	149.02147	319,164	47,562,288	683	69,637
Apr	18,674,159	295,126	63.27521	319,164	20,195,169	342	59,050
May	6,513,470	294,483	22.11832	319,164	7,059,371	43	164,171
						<u>4,440</u>	

- 1) Based on determinants used in the calculation of Therms per Degree Day which were in effect at the time of the last approved WNC filed in 2021, with a non-leap year HDD pattern.
- 2) Base number of customers which were in effect at the time of the last approved WNC filed in 2021.
- 3) Current Year May 31st customer count for those classes subject to the CIP clause.
- 4) 20-year 2003-2022 monthly normal heating degree days (base 65°F); represents a non leap-year pattern.

ELIZABETHTOWN GAS COMPANY
Conservation Incentive Program ("CIP")

CIP Schedule TK-4
12+0

BGSS Savings Test
Applicable to Non-Weather Margin Revenue Deficiencies

	<u>Total</u>
Source Schedule LJW-18 * -1	
Category 1 BGSS Savings permanent releases	(\$5,044,300)
Category 2 BGSS Savings terminations and long term releases	<u>(\$315,059)</u>
Total BGSS Savings	<u><u>(\$5,359,359)</u></u>
 Non-Weather: Current Period - Margin Revenue Excess / (Deficiency), (TK-1)	 (\$16,903,851)
BGSS Saving per 75% Factor:	<u>75%</u>
75% of Non-Weather Current Period - Margin Revenue Excess / (Deficiency)	<u><u>(\$12,677,888)</u></u>
 Current Period Deficiency in excess of BGSS Savings, if any	 \$7,318,529
BGSS Saving per 75% Factor:	<u>75%</u>
BGSS Savings Test, applicable for Deficiency Only Grossed up by % Factor*	<u><u>\$9,758,039</u></u>

*Deferral when earnings test is a deficiency on CIP Schedule TK-6; Disallowance when earnings test is an excess.

ELIZABETHTOWN GAS COMPANY
Conservation Incentive Program ("CIP")

Variable Margin Test Per Tariff Base Use per Customer at Pre-Tax Margin Rates
Applicable to Non-Weather Margin Revenue Deficiencies

	RDS-NH	RDS-H	SGS	GDS	Total
Variable Margins = customer count *tariff BUC * pre-tax margin rates:					
Jul-24	\$161,205	\$2,985,108	\$188,314	\$989,001	\$4,323,628
Aug-24	\$147,212	\$2,803,452	\$188,139	\$991,670	\$4,130,473
Sep-24	\$162,904	\$3,318,626	\$187,371	\$994,273	\$4,663,174
Oct-24	\$252,147	\$7,028,675	\$494,427	\$1,995,804	\$9,771,053
Nov-24	\$437,792	\$17,195,191	\$1,010,652	\$3,610,625	\$22,254,260
Dec-24	\$599,242	\$23,242,147	\$1,882,739	\$5,678,796	\$31,402,924
Jan-25	\$795,332	\$31,074,256	\$2,676,877	\$6,905,353	\$41,451,818
Feb-25	\$803,445	\$31,413,161	\$2,757,160	\$6,750,444	\$41,724,210
Mar-25	\$738,661	\$25,526,649	\$2,183,599	\$5,749,806	\$34,198,715
Apr-25	\$558,798	\$18,734,829	\$1,470,507	\$4,189,206	\$24,953,340
May-25	\$306,869	\$8,369,871	\$559,230	\$1,961,803	\$11,197,773
Jun-25	\$214,619	\$4,113,831	\$317,807	\$1,328,596	\$5,974,853
Total	\$5,178,226	\$175,805,796	\$13,916,822	\$41,145,377	\$236,046,221
Deferral Allocation %'s, if any	2.2%	74.5%	5.9%	17.4%	
Margin Revenue Test Variable, Percentage Cap:					(6.50%)
Margin Revenue Test Recovery Cap, on Non-Weather CIP Deficiency					(\$15,343,004)
Non-Weather: Current Period - Margin Revenue (Deficiency Only), (TK-1)					(\$16,903,851)
Margin Revenue Test Deferral, if applicable deferred for future recovery.					\$1,560,847
Allocation of Variable Test Deferral to a future Period, if any:					
	\$34,339	\$1,162,831	\$92,090	\$271,587	\$1,560,847

Variable Margin calculations per Board Order Dated April 7, 2021 in Docket Nos. QO19010040 and GO20090619.

ELIZABETHTOWN GAS COMPANY
Conservation Incentive Program ("CIP")
Earnings Test

July-24 Actual
Through June-25

1 <u>Regulated Jurisdictional Net Income Excess / (Deficiency):</u>			
Net Income (including Booked CIP margin revenue, net of tax)			\$90,103,738
less: non-recurring items, income / (loss) net of tax (1)			\$3,475,750
add-back: CIP Booked Accrual for Margin Revenue per (Deficiency) net of tax			<u>(\$12,181,467)</u>
Net Income after adjustments			\$74,446,521
2 Less:			
Non-firm Sales & Transportation margins, net of tax			\$111,217
Off-system Sales & Capacity Release, net of tax			\$2,605,734
Energy Efficiency Program margins, net of tax			<u>\$5,131,252</u>
			\$7,848,203
3 Regulated Jurisdictional Net Income			\$66,598,318
4 Equity Balances, per rate case methodology:			
	<u>June-24</u>	<u>June-25</u>	Average
Rate Base	\$1,818,873,251	\$1,983,704,923	\$1,901,289,087
Equity %			55.00%
Average Equity			<u>\$1,045,708,998</u>
5 Rate Case Return on Equity plus 50 basis points		9.60%	<u>10.10%</u>
6 Allowed Return (L4*L5)			<u>\$105,616,609</u>
7 Regulated Jurisdictional Net Income Excess / (Deficiency) (L3-L6)			<u>(\$39,018,291)</u>
<u>Net Booked CIP Margin Revenue (Deficiency):</u>			
8 Total of RDS, SGS & GDS Margin Revenues			(\$16,944,592)
9 Less: Corporate Business Tax		9.0%	(\$1,525,013)
10 Federal Income Tax		21.0%	<u>(\$3,238,112)</u>
11 Net CIP Margin Revenue (Deficiency) (L8-L9-L10)			<u>(\$12,181,467)</u>
<u>Revenue Disallowance:</u>			
12 Net Income Disallowance, (L7-L11)			\$0
(Occurs when a Deficiency on L11 exceeds a Deficiency on L7.)			
13 Tax Gross Up Factor			28.11%
14 Grossed Up Net Income Disallowance, (L12/(1-L13))			<u>\$0</u>
15 CIP Revenue Disallowance, (smaller of absolute (L8 and L14))			<u>\$0</u>

(1) Uncollectible reserve adjustment in December 2024.

ELIZABETHTOWN GAS COMPANY
Conservation Incentive Program ("CIP")
Statement of Rate Base

<u>Line No.</u>	<u>June-24</u>	<u>10+2 June-25</u>
1 Utility Plant In Service	\$2,506,307,956	\$2,712,685,266
2 Accumulated Depreciation, Utility Retirement WIP	(\$408,139,831)	(\$430,761,695)
3 Acquisition Adjustment	(\$160,000,000)	(\$160,000,000)
4 Amortization of Acquisition Adjustment	\$73,999,982	\$89,999,979
5 Net Utility Plant	<u>\$2,012,168,107</u>	<u>\$2,211,923,550</u>
6		
7 Pension/OPEB	\$21,246,383	\$18,155,742
8 Cash Working Capital ⁽¹⁾	\$28,234,763	\$44,611,929
9 Inventories ⁽²⁾		
10 Natural Gas Stored Underground and LNG	\$10,666,780	\$8,187,229
11 Materials & Supplies incl. Fleet Fuel and Propane Inv.	\$436,453	\$413,563
12 Customer Deposits ⁽²⁾	(\$4,967,643)	(\$4,918,946)
13 Customer Advances ⁽²⁾	(\$1,667,035)	(\$1,706,190)
14 Deferred Income Taxes:		\$0
15 Excess Protected ADIT	(\$75,581,450)	(\$74,284,554)
16 Federal Income Tax	(\$116,701,598)	(\$148,663,288)
17 NJ CBT	(\$54,961,509)	(\$70,014,112)
18 Consolidated Tax Adjustment ⁽¹⁾	\$0	\$0
19		
20 Total Rate Base	<u>\$1,818,873,251</u>	<u>\$1,983,704,923</u>

⁽¹⁾ June 2024 Equals the approved level in Docket No. GR21121254.
June 2025 Equals the approved level in Docket No. GR24040281.

⁽²⁾ Represents thirteen month averages of account balances