



One South Jersey Place  
Atlantic City, NJ 08401  
T: 609 561-9000 x4262  
ddirocco@sjindustries.com

Dominick DiRocco, Esq.  
Vice President, Rates & Regulatory Affairs

April 30, 2025

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 For Approval Of A Rate Adjustment Pursuant To The Infrastructure Investment Program (“IIP”) BPU Docket No. \_\_\_\_\_**

Dear Secretary Lewis:

Enclosed please find a Petition and supporting documents of Elizabethtown Gas Company for Approval of a Rate Adjustment Pursuant to the Infrastructure Investment Program, which have been filed electronically today consistent with the New Jersey Board of Public Utilities’ (“BPU”) e-Filing rules.

Schedules TK-13 CONFIDENTIAL and TK-14 CONFIDENTIAL to the Direct Testimony of Thomas Kaufmann each contain information that is non-public confidential financial information. Accordingly, this filing only contains the preliminary public version of Schedules TK-13 CONFIDENTIAL and TK-14 CONFIDENTIAL to Mr. Kaufmann’s testimony. On this same day, a filing is being made pursuant to the Open Public Records Act (N.J.S.A. 47:1A-1 et seq. and N.J.A.C. 14:1-12.1 et seq.) that contains the full confidential version of this filing.

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.

If you have any questions, please feel free to contact me directly.

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  
FOR APPROVAL OF A RATE ADJUSTMENT PURSUANT TO  
THE INFRASTRUCTURE INVESTMENT PROGRAM (“IIP”)  
BPU DOCKET NO. GR \_\_\_\_\_**

**SERVICE LIST**

Thomas Kaufmann  
**Elizabethtown Gas Company**  
520 Green Lane  
Union, NJ 07083  
[tkaufmann@sjindustries.com](mailto:tkaufmann@sjindustries.com)

Brad Johnson  
**Elizabethtown Gas Company**  
1 South Jersey Plaza  
Folsom, NJ 08037  
[bjohnson@sjindustries.com](mailto:bjohnson@sjindustries.com)

Sheree Kelly  
**SJI Utilities, Inc.**  
520 Green Lane  
Union, NJ 07083  
[skelly@sjindustries.com](mailto:skelly@sjindustries.com)

Jennifer Weitz  
**SJI Utilities, Inc.**  
520 Green Lane  
Union, NJ 07083  
[jweitz@sjindustries.com](mailto:jweitz@sjindustries.com)

Juan Urena  
**Board of Public Utilities**  
44 South Clinton Avenue  
Trenton, NJ 08625  
[Juan.Urena@bpu.nj.gov](mailto:Juan.Urena@bpu.nj.gov)

David Brown  
**Board of Public Utilities**  
44 South Clinton Avenue  
Trenton NJ 08625  
[David.brown@bpu.nj.gov](mailto:David.brown@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](mailto:mcaroselli@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](mailto:kforbes@rpa.nj.gov)

Michael Scacifero  
**Elizabethtown Gas Company**  
520 Green Lane  
Union, NJ 07083  
[mscacifero@sjindustries.com](mailto:mscacifero@sjindustries.com)

Cindy Capozzoli  
**SJI Utilities, Inc.**  
1 South Jersey Place  
Atlantic City, NJ 08401  
[ccapozzoli@sjindustries.com](mailto:ccapozzoli@sjindustries.com)

Carolyn A. Jacobs  
**SJI Utilities, Inc.**  
1 South Jersey Place  
Atlantic City, NJ 08401  
[cjacobs@sjindustries.com](mailto:cjacobs@sjindustries.com)

Stacy Peterson  
**Board of Public Utilities**  
44 South Clinton Avenue  
Trenton, NJ 08625  
[Stacy.Peterson@bpu.nj.gov](mailto:Stacy.Peterson@bpu.nj.gov)

Justin Cederberg  
**Board of Public Utilities**  
44 South Clinton Avenue  
Trenton, NJ 08625  
[Justin.Cederberg@bpu.nj.gov](mailto:Justin.Cederberg@bpu.nj.gov)

Nisa Rizvi  
**Board of Public Utilities**  
44 South Clinton Avenue  
Trenton NJ 08625  
[Nisa.rizvi@bpu.nj.gov](mailto:Nisa.rizvi@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](mailto:mlupo@rpa.nj.gov)

Steven Chaplar, DAG  
**Department of Law & Public Safety**  
**Division of Law**  
Richard J. Hughes Justice Complex  
Public Utilities Section  
25 Market Street, P.O. Box 112  
Trenton, NJ 08625  
[Steven.Chaplar@law.njoag.gov](mailto:Steven.Chaplar@law.njoag.gov)

Susan Potanovich  
**Elizabethtown Gas Company**  
520 Green Lane  
Union, NJ 07083  
[spotanovich@sjindustries.com](mailto:spotanovich@sjindustries.com)

Dominick DiRocco  
**SJI Utilities, Inc.**  
One South Jersey Place  
Atlantic City, NJ 08401  
[ddirocco@sjindustries.com](mailto:ddirocco@sjindustries.com)

Andrew McNally  
**SJI Utilities, Inc.**  
520 Green Lane  
Union, NJ 07083  
[amcnally@sjindustries.com](mailto:amcnally@sjindustries.com)

Dean Taklif  
**Board of Public Utilities**  
44 South Clinton Avenue  
Trenton NJ 08625  
[Dean.taklif@bpu.nj.gov](mailto:Dean.taklif@bpu.nj.gov)

Cindy Bianco  
**Board of Public Utilities**  
44 South Clinton Avenue  
Trenton NJ 08625  
[Cindy.bianco@bpu.nj.gov](mailto:Cindy.bianco@bpu.nj.gov)

Brian O. Lipman, Director  
**Division of Rate Counsel**  
140 East Front Street 4th Floor  
Post Office Box 003  
Trenton, NJ 08625  
[blipman@rpa.nj.gov](mailto:blipman@rpa.nj.gov)

Mamie W. Purnell, Esq.  
**Division of Rate Counsel**  
140 East Front Street 4th Floor  
Post Office Box 003  
Trenton, NJ 08625  
[mpurnell@rpa.nj.gov](mailto:mpurnell@rpa.nj.gov)

Pamela Owen, ASC  
**Department of Law & Public Safety**  
**Division of Law**  
Richard J. Hughes Justice Complex  
Public Utilities Section  
25 Market Street, P.O. Box 112  
Trenton, NJ 08625  
[Pamela.Owen@law.njoag.gov](mailto:Pamela.Owen@law.njoag.gov)

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

----- X  
**IN THE MATTER OF THE PETITION OF** : **BPU DOCKET NO.** \_\_\_\_\_  
**ELIZABETHTOWN GAS COMPANY FOR** :  
**APPROVAL OF A RATE ADJUSTMENT** :  
**PURSUANT TO THE INFRASTRUCTURE** : **CASE SUMMARY**  
**INVESTMENT PROGRAM (“IIP”)** :  
-----X

Elizabethtown Gas Company ("Elizabethtown" or the "Company") files this Petition for approval of a rate adjustment pursuant to the Company's Infrastructure Investment Program ("IIP"), which was approved by the New Jersey Board of Public Utilities ("BPU") on June 12, 2019 in BPU Docket No. GR18101197 and extended on July 24, 2024 in BPU Docket Nos. GR18101197 and GR23120882 ("IIP Extension"). With the IIP Extension, Elizabethtown is authorized to invest up to \$120 million in the Company's gas distribution system over the eighteen- (18) month period commencing on July 1, 2024 and ending on December 31, 2025, to replace at least 75 miles of cast iron and bare steel mains and related services, as well as the installation of excess flow valves on new service lines ("IIP Extension Projects"). This filing reflects investments associated with in-service IIP Extension Projects during the first year of the IIP Extension, which encompasses the period from July 1, 2024 through June 30, 2025.

Cost recovery for IIP Extension Projects is effectuated by an annual rate adjustment effective on October 1. The present Petition seeks Board approval to recover the revenue requirements associated with IIP Extension Projects placed in service during the period July 1, 2024 through June 30, 2025, through a rate adjustment to take effect on October 1, 2025.

If approved by the Board, the impact of the proposed rate adjustment to rates in effect on April 1, 2025 for a residential heating customer using 100 therms is a monthly increase of \$1.99 from \$156.28 to \$158.27 an increase of 1.3%.

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

-----X  
IN THE MATTER OF THE PETITION OF :  
ELIZABETHTOWN GAS COMPANY FOR : BPU DOCKET NO. \_\_\_\_\_  
APPROVAL OF A RATE ADJUSTMENT :  
PURSUANT TO THE INFRASTRUCTURE : VERIFIED PETITION  
INVESTMENT PROGRAM (“IIP”) :  
-----X

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

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

**I. INTRODUCTION**

1. Petitioner’s principal business office is located at 520 Green Lane, Union, NJ, 07083.
2. Communications and correspondence concerning these proceedings should be sent as follows:

Dominick DiRocco  
VP/Rates & Regulatory Affairs  
SJI Utilities, Inc.  
One South Jersey Place  
Atlantic City, NJ 08401  
Tel. No. (609) 561-9000 x 4262  
[ddirocco@sjindustries.com](mailto:ddirocco@sjindustries.com)

Cindy Capozzoli  
Senior Director, Rates  
SJI Utilities, Inc.  
1 South Jersey Place  
Atlantic City, New Jersey 08401  
Tel. No. (856) 625-6618  
[ccapozzoli@sjindustries.com](mailto:ccapozzoli@sjindustries.com)

Sheree Kelly  
Regulatory Affairs Counsel  
SJI Utilities, Inc.  
520 Green Lane  
Union, New Jersey 07083  
Tel. No. (908) 536-0877  
[skelly@sjindustries.com](mailto:skelly@sjindustries.com)

3. Petitioner is engaged in the business of transmission and distribution of natural and mixed gas to approximately 319,000 customers within its service territory located principally in Hunterdon, Mercer, Middlesex, Morris, Sussex, Union and Warren Counties.

4. Elizabethtown is filing this Petition to seek approval of a rate adjustment to provide for cost recovery associated with the Company's Infrastructure Investment Program ("IIP") as approved by the 2019 IIP Order <sup>1</sup> and extended ("IIP Extension") by the IIP Extension Order <sup>2</sup>, collectively, the "IIP Orders". The IIP Orders established an IIP cost recovery process that is effectuated by annual rate adjustment filings ("Annual Filings") made in April of each year. The IIP Orders authorize this Annual Filing for rates to be effective on or before October 1, 2025.

## **II. BACKGROUND**

5. The IIP Orders authorized Elizabethtown to implement the IIP which includes accelerated capital investment in Elizabethtown's gas distribution system and related cost recovery.

6. Under the IIP Extension Order, the Company is authorized to invest up to \$120 million ("Program Cost Cap") in the Company's gas distribution system over the eighteen- (18) month period commencing on July 1, 2024 and ending on December 31, 2025, to replace at least 75 miles of cast iron and bare steel mains and related services, as well as the installation of excess flow valves on new service lines ("IIP Extension Projects"). The \$120 million Program Cost Cap excludes Allowance for Funds Used During Construction ("AFUDC") and certain baseline capital spending amounts.

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<sup>1</sup> In re *the Petition of Elizabethtown Gas Company to Implement an Infrastructure Investment Program ("IIP") and Associated Recovery Mechanism Pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:3-2A*, BPU Docket No. GR18101197, Order dated June 12, 2019 ("2019 IIP Order")

<sup>2</sup> In re *the Petition of Elizabethtown Gas Company to Implement an Infrastructure Investment Program ("IIP") and Associated Recovery Mechanism Pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:3-2A*, BPU Docket Nos. GR18101197 and GR23120882, Order dated July 24, 2024 ("IIP Extension Order")

7. As reflected in the IIP Extension Order, the IIP Extension Projects are intended to enhance distribution safety and reliability to the benefit of Elizabethtown’s customers, to help support the environment, and to facilitate economic development and employment in New Jersey. The IIP Extension Project investments are incremental to the Company’s normal capital spending budget.

**III. REQUEST FOR COST RECOVERY OF IIP EXTENSION PROJECT INVESTMENTS**

8. Through this Petition, which represents the Company’s first Annual Filing under the IIP Extension Order, Elizabethtown seeks Board approval to recover the revenue requirements associated with in-service IIP Extension Projects for the period July 1, 2024 through June 30, 2025. The recoverable IIP Extension Project investments projected to be in-service during this period total approximately \$67.0 million, excluding AFUDC and the costs of the IIP Independent Monitor. This projected total does not include any amounts placed in-service prior to the effective date of the 2024 IIP Order, or July 24, 2024. The Company further proposes that the IIP rate adjustment become effective on October 1, 2025 as authorized by the IIP Orders. The Schedules attached to the Direct Testimony of Thomas Kaufmann, Manager, Rates and Tariffs, set forth the calculation of the revenue requirement, which is calculated in accordance with the IIP Orders.

9. With this Annual Filing, the Company includes actual data through March 31, 2025 and projected data through June 30, 2025. The projected data for the period April 1, 2025 through June 30, 2025 will be replaced with actual data in a 12+0 update filing to be made with the Board no later than July 15, 2025.

10. The IIP rate adjustments sought herein and authorized by the IIP Orders are subject to the requirements that: (1) this rate filing includes plant in-service additions during the filing period of more than \$12 million; and (2) the Company’s calculated return on equity (“ROE”) does

not exceed the allowed ROE from its last base rate case by 50 basis points or more. These requirements have been satisfied for this Annual Filing as set forth in testimony of Mr. Kaufmann and Mr. Michael P. Scacifero. Elizabethtown is also required to comply with certain baseline capital spending requirements, which as discussed by Mr. Scacifero, have also been satisfied.

11. Pursuant to the IIP Orders, the rate adjustment proposed herein is based on the rate design methodology utilized to set base rates in the Company's 2024 Base Rate Case <sup>3</sup>.

12. The impact of the proposed IIP rate adjustment to rates in effect on April 1, 2025 for a residential heating customer using 100 therms would be a monthly increase of \$1.99 from \$156.28 to \$158.27, an increase of 1.3%.

#### IV. SUPPORTING TESTIMONY

13. Attached hereto and incorporated herein is the testimony of:

- Thomas Kaufmann, Manager, Rates and Tariffs, Elizabethtown Gas Company;  
and
- Michael P. Scacifero, Senior Director, Engineering Services, Elizabethtown Gas Company.

14. Elizabethtown has included as part of this filing certain confidential information that should be protected from public disclosure. This confidential information includes the Company's 2024 income statement and 2024 balance sheet, attached as Schedules TK-13 and TK-14, respectively, to the Direct Testimony of Thomas Kaufmann. Following the close of the Merger approved by the Board's Order in Docket No. GM22040270 <sup>4</sup>, the Company is now a privately held

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<sup>3</sup> 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")

<sup>4</sup> The acquisition of SJI by IIF (the "Merger") was approved in the Board's January 25, 2023 Order in BPU Docket No. GM22040270 *In the Matter of the Merger of South Jersey Industries, Inc. and Boardwalk Merger Sub, Inc.*

entity and the attached financial data constitutes proprietary financial information that is not publicly available.

15. Preliminary public copies of Schedules TK-13 and TK-14 are included with this filing, with confidential information redacted. Concurrent with this filing, in accordance with the Open Public Records Act (“OPRA”), N.J.S.A. 47:1A-1, et seq. and the Board’s implementing regulations, N.J.A.C. 14:1-12.1 et seq., Elizabethtown is submitting confidential versions of these schedules to the Board’s Records Custodian designated to oversee the public’s access to government records along with the materials required under the Board’s regulations to substantiate the confidentiality of the information contained therein. After the execution of an Agreement of Non-Disclosure, a proposed version of which is included with this filing as Appendix C, the confidential information will be provided to the parties.

#### **V. MINIMUM FILING REQUIREMENTS**

16. In accordance with the IIP Orders, Elizabethtown is required to provide in its Annual Filings information responsive to certain Minimum Filing Requirements (“MFRs”). A summary of the MFRs and their location in this Annual Filing is attached hereto as Appendix A.

#### **VI. PUBLIC NOTICE**

17. Elizabethtown will provide notice of the filing of this Petition for the IIP rate adjustment and modification of its Tariff to all of its customers through the publication of a public notice in newspapers of general circulation within the Company’s service territory. A copy of the proposed Public Notice is attached as hereto as Appendix B.

18. The municipalities and counties served by Elizabethtown will be further notified of the filing of this Petition by letter to be mailed upon publication of the Public Notice.

## **VII. MISCELLANEOUS**

19. The Company is serving notice of this Petition and supporting documentation on the Director, Division of Rate Counsel via electronic mail in lieu of providing hard copies. 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.

20. Similarly, Elizabethtown has also served notice on the Department of Law and Public Safety via electronic mail in lieu of providing hard copies, but hard copies can be provided at a later time, if needed.

## **VIII. CONCLUSION**

21. **WHEREFORE**, Elizabethtown respectfully requests that the Board retain jurisdiction of this matter and issue a final decision and order:

- i. finding that Elizabethtown is authorized to effectuate the IIP rate adjustment sought by this Petition; and
- ii. granting such other and further relief as the Board shall deem just, lawful and proper.

Respectfully submitted,

ELIZABETHTOWN GAS COMPANY



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

DATED: April 30, 2025

VERIFICATION

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

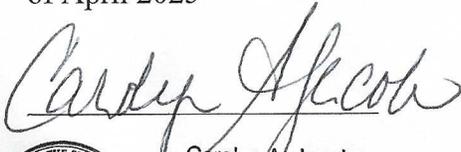
1. I am VP - Rates & Regulatory Affairs of SJI Utilities, Inc., the parent company to Elizabethtown Gas Company ("Company") and I am authorized to make this verification on behalf of the Company.
2. I have reviewed the within petition and the information contained therein is true according to the best of my knowledge, information and belief.



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Dominick DiRocco, Esq.  
VP - Rates & Regulatory Affairs

Sworn to and subscribed  
before me this 30th day  
of April 2025





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 FOR  
APPROVAL OF A RATE ADJUSTMENT PURSUANT TO THE  
INFRASTRUCTURE INVESTMENT PROGRAM (“IIP”)**

**BPU Docket No. \_\_\_\_\_**

**MINIMUM FILING REQUIREMENTS (MFRs) INDEX**

	<b>Minimum Filing Requirements</b>	<b>Schedule</b>
1.	Elizabethtown’s income statement for the most recent 12 month period ended on a quarter, as filed with the Board.	TK-13 Confidential
2.	Elizabethtown’s balance sheet for the most recent quarter, as filed with the Board.	TK-14 Confidential
3.	Elizabethtown’s actual baseline capital spending for both the recovery period and the prior program year.	MPS-1
4.	Elizabethtown’s overall approved IIP capital budget broken down by major categories, both budgeted and actual amounts.	MPS-2
5.	For each IIP project: a. The original project budget; b. Expenditures incurred to date; c. Work completed, including identified tasks completed, e.g. design phase, material procurement, permit gathering, phases of construction, etc.; d. Anticipated project timeline, including estimated completion date, with updates and expected and unanticipated changes, along with an explanation of the reasons for any changes; and e. A narrative discussion of the effectiveness of the project in improving system performance; including identification of improved facilities including specific feeders), where appropriate.	MPS-3 (items a. through c.)  Direct Testimony of Michael Scacifero at pages 5-8
6.	Consistent with the methodology set out in Appendix B of the Stipulation approved in the Board Order dated June 12, 2019 in BPU Docket No. GR18101197, a calculation of the proposed revenue requirements related to the IIP projects included in Plant-in-Service in that rate recovery period. The calculation should show the actual capital expenditure for the period for which the filing is made, as well as supporting calculations.	TK-1 to 10
7.	A calculation of the associated depreciation expense, based on those projects closed to Plant-in-Service during the period.	TK-8
8.	A list of any and all funds or credits received from the United States government, the State of New Jersey, a county or a municipality, for work related to any of the IIP projects, such as relocation, reimbursement, or stimulus money, and an explanation of the financial treatment associated with the receipt of the government funds or credits.	Direct Testimony of Thomas Kaufmann at page 12
9.	Pursuant to N.J.A.C. 14:3-2A.6(h), the results of an earnings test calculation where ROE shall be determined based on the actual net income of the	TK-6 and TK-6.1

**IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY FOR  
APPROVAL OF A RATE ADJUSTMENT PURSUANT TO THE  
INFRASTRUCTURE INVESTMENT PROGRAM (“IIP”)  
BPU Docket No. \_\_\_\_\_**

**MINIMUM FILING REQUIREMENTS (MFRs) INDEX**

	Company for the most recent 12-month period ended on a calendar quarter divided by the average of the beginning and ending common equity balances for the corresponding period.	
10.	<p>The earnings test calculation described in Paragraph 9 immediately above is a requirement under the IIP regulations and is used to determine if it is appropriate for the Company to recover, or continue to recover, IIP costs. The following information shall be provided to the Board Staff and Rate Counsel with each earnings review:</p> <p>a. The earnings test shall contain information from the Company’s official books and records, and shall be consistent with the Company’s independently audited results of operations and its most recent annual report to the Board, and shall include the most recent 12 months of actual financial information ended on a calendar quarter (i.e., net income and rate of return on the average balance of common equity, per books); and</p> <p>b. Rate base (completed IIP net plant additions that have been deemed used and useful but are not yet included in rate base), revenues (including approved IIP revenues not yet in base revenues), expenses, taxes, capital structure, weighted average cost of capital, approved net IIP plant additions not yet in rate base, and other such relevant financial information as may be known to the Company in determining the calculation in Paragraph 10 (a) above</p>	TK-6 and TK-6.1
11.	The Company will report and explain any changes to the projects included in Appendix C of the Stipulation in the Board Order dated July 24, 2024 in BPU Docket Nos. GR18101197 and GR23120882 in its cost recovery filings.	MPS-5

## NOTICE OF FILING AND PUBLIC HEARINGS

**IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY FOR  
APPROVAL OF A RATE ADJUSTMENT PURSUANT TO THE INFRASTRUCTURE  
INVESTMENT PROGRAM (“IIP”)  
BPU Docket No. GR \_\_\_\_\_**

**PLEASE TAKE NOTICE** that on April 30, 2025, Elizabethtown Gas Company (“Elizabethtown” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board”) seeking Board approval to increase rates associated with the Company’s Infrastructure Investment Program (“IIP”) (“Petition”). By the IIP Extension Order, the Board approved an extension of the Company’s IIP and the associated cost recovery mechanism.<sup>1</sup> The IIP Extension Order authorized the Company to invest up to \$120 million, over an eighteen (18)-month period commencing July 1, 2024 and ending December 31, 2025, to replace at least 75 miles of cast iron and bare steel mains and related services, as well as the installation of excess flow valves on new service lines (“IIP Extension Projects”). The IIP Extension Order also authorized the Company to make annual filings with the Board to recover the costs associated with the IIP Extension Project investments and to earn a return on and of those investments through annual adjustments to rates. By the Petition, the Company seeks Board approval to recover \$7.7 million of revenue requirements associated with approximately \$67.5 million of IIP Extension Projects placed in-service from July 1, 2024 through June 30, 2025 through rates effective October 1, 2025. The IIP Extension Projects are intended to enhance distribution safety and reliability to the benefit of Elizabethtown’s customers. The Company also believes that the IIP supports the environment and facilitates economic development and employment in New Jersey.

If approved by the Board, the per therm rates, inclusive of taxes, to all firm customers served under Service Classifications RDS, SGS, GDS, NGV, LVD, EGF, and GLS, including certain firm, Board-approved special contract customers served under the Company’s firm rate classes, would be as follows:

		<b>Current Rates</b>	<b>Proposed Rates</b>	<b>Change</b>
		<b><u>per Therm</u></b>	<b><u>per Therm</u></b>	<b><u>per Therm</u></b>
RDS	Residential	\$0.0174	\$0.0373	\$0.0199
SGS	Small General Service	\$0.0187	\$0.0387	\$0.0200
GDS	General Delivery Service	\$0.0136	\$0.0279	\$0.0143
GDS	Seasonal SP#1 May-Oct	\$0.0016	\$0.0034	\$0.0018
NGV	Natural Gas Vehicles	\$0.0320	\$0.0215	(\$0.0105)
LVD	Large Volume Demand	\$0.0049	\$0.0110	\$0.0061
EGF	Electric Generation	\$0.0136	\$0.0279	\$0.0143
GLS	Gas Lights, per mantel	\$0.0164	\$0.0356	\$0.0192
	Firm Special Contracts	\$0.0007	\$0.0011	\$0.0004

The impact of the proposed increase to rates in effect on April 1, 2025 for a residential heating customer using 100 therms would be a monthly bill increase of \$1.99 from \$156.28 to \$158.27, an increase of 1.3%.

The Board has the statutory authority, pursuant to N.J.S.A. 48:2-21, to approve and establish these 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.

<sup>1</sup> In re *the Petition of Elizabethtown Gas Company to Implement an Infrastructure Investment Program (“IIP”) and Associated Recovery Mechanism Pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:3-2A*, BPU Docket Nos. GR18101197 and GR23120882, Order dated July 24, 2024 (“IIP Extension Order”).

**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.

<p>VIRTUAL PUBLIC HEARINGS DATE: HEARING TIMES: 4:30 p.m. and 5:30 p.m.</p> <p>LOCATION: Microsoft Teams Meeting</p> <p>Meeting ID: Passcode:</p> <p>(Access the Microsoft Teams App or Microsoft Teams on the web. On the left side of the screen, click the “Teams” icon. Select “Join ” and enter the Meeting ID and Passcode when prompted.)</p> <p>or</p> <p>Dial In: 866-984-3163</p> <p>Conference ID: _____ followed by the # sign</p>
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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.

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 link or 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 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, 48 hours prior to the above hearings to the Board Secretary at [board.secretary@bpu.nj.gov](mailto: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:

Sherri Lewis, Secretary of the Board  
New Jersey Board of Public Utilities  
44 South Clinton Ave.  
Trenton, NJ 08625-0350  
Phone: 609-913-6241  
Email: [board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)

STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES

**IN THE MATTER OF THE PETITION : BPU DOCKET NO \_\_\_\_\_**  
**OF ELIZABETHTOWN GAS COMPANY :**  
**FOR APPROVAL OF A RATE : AGREEMENT OF NON-DISCLOSURE**  
**ADJUSTMENT PURSUANT TO THE : OF INFORMATION CLAIMED TO BE**  
**INFRASTRUCTURE INVESTMENT : CONFIDENTIAL**  
**PROGRAM (“IIP”)**

It is hereby AGREED, as of the \_\_\_\_\_ day of \_\_\_\_\_ 2025, by and among Elizabethtown Gas Company (“Elizabethtown” or “Petitioner”), the Staff of the New Jersey Board of Public Utilities (“Board Staff”) and Division of Rate Counsel (“Rate Counsel”) (collectively, the “Parties”), who have agreed to execute this Agreement of Non-Disclosure of Information Claimed to be Confidential (“Agreement”) and to be bound thereby, that:

WHEREAS, in connection with the above-captioned proceeding before the Board of Public Utilities (the “Board”), Petitioner and/or another party (“Producing Party”) may be requested or required to provide petitions, pre-filed testimony, other documents, analyses and/or other data or information regarding the subject matter of this proceeding that the Producing Party may claim constitutes or contains confidential, proprietary or trade secret information, or which otherwise may be claimed by the Producing Party to be of a market-sensitive, competitive, confidential or proprietary nature (hereinafter sometimes referred to as “Confidential Information” or “Information Claimed to be Confidential”); and

WHEREAS, the Parties wish to enter into this Agreement to facilitate the exchange of information while recognizing that under Board regulations at N.J.A.C. 14:1-12.1 et seq., a request for confidential treatment shall be submitted to the Custodian who is to rule on requests made pursuant to the Open Public Records Act (“OPRA”), N.J.S.A. 47:1A-1 et seq., unless such information is to be kept confidential pursuant to court or administrative order (including, but not

limited to, an Order by an Administrative Law Judge sealing the record or a portion thereof pursuant to N.J.A.C. 1:1-14.1, and the parties acknowledge that an Order by an Administrative Law Judge to seal the record is subject to modification by the Board), and also recognizing that a request may be made to designate any such purportedly confidential information as public through the course of this administrative proceeding; and

WHEREAS, the Parties acknowledge that unfiled discovery materials are not subject to public access under the Open Public Records Act (“OPRA”), *N.J.S.A. 47:1A-1 et seq.*

WHEREAS, the Parties acknowledge that, despite each Party’s best efforts to conduct a thorough pre-production review of all documents and electronically stored information (“ESI”), some work product material and/or privileged material (“Protected Material”) may be inadvertently disclosed to another Party during the course of this proceeding; and

WHEREAS, the undersigned Parties desire to establish a mechanism to avoid waiver of privilege or any other applicable protective evidentiary doctrine as a result of the inadvertent disclosure of Protected Material;

NOW, THEREFORE, the Parties hereto, intending to be legally bound thereby, DO HEREBY AGREE as follows:

1. The inadvertent disclosure of any document or ESI which is subject to a legitimate claim that the document or ESI should have been withheld from disclosure as Protected Material shall not waive any privilege or other applicable protective doctrine for that document or ESI or for the subject matter of the inadvertently disclosed document or ESI if the Producing Party, upon becoming aware of the disclosure, promptly requests its return and takes reasonable precautions to avoid such inadvertent disclosure.

2. Except in the event that the receiving party or parties disputes the claim, any documents or ESI which the Producing Party deems to contain inadvertently disclosed Protected Material shall be, upon written request, promptly returned to the Producing Party or destroyed at the Producing Party's option. This includes all copies, electronic or otherwise, of any such documents or ESI. In the event that the Producing Party requests destruction, the receiving party shall provide written confirmation of compliance within thirty (30) days of such written request. In the event that the receiving party disputes the Producing Party's claim as to the protected nature of the inadvertently disclosed material, a single set of copies may be sequestered and retained by and under the control of the receiving party until such time as the Producing Party has received final determination of the issue by the Board of Public Utilities or an Administrative Law Judge, provided that the Board has not modified or rejected an order by the Administrative Law Judge.

3. Any such Protected Material inadvertently disclosed by the Producing Party to the receiving party pursuant to this Agreement shall be and remain the property of the Producing Party.

4. Any Information Claimed to be Confidential that the Producing Party produces to any of the other Parties in connection with the above-captioned proceeding and pursuant to the terms of this Agreement shall be specifically identified and marked by the Producing Party as Confidential Information when provided hereunder. If only portions of a document are claimed to be confidential, the producing party shall specifically identify which portions of that document are claimed to be confidential. Additionally, any such Information Claimed to be Confidential shall be provided in the form and manner prescribed by the Board's regulations at N.J.A.C. 14:1-12.1 et seq., unless such information is to be kept confidential

pursuant to court or administrative order. However, nothing in this Agreement shall require the Producing Party to file a request with the Board's Custodian of Records for a confidentiality determination under N.J.A.C. 14:1-12.1 et seq. with respect to any Information Claimed to be Confidential that is provided in discovery and not filed with the Board.

5. With respect to documents identified and marked as Confidential Information, if the Producing Party's intention is that not all of the information contained therein should be given protected status, the Producing Party shall indicate which portions of such documents contain the Confidential Information in accordance with the Board's regulations at N.J.A.C. 14:1-12.2 and 12.3. Additionally, the Producing Party shall provide to all signatories of this Agreement full and complete copies of both the proposed public version and the proposed confidential version of any information for which confidential status is sought.

6. With respect to all Information Claimed to be Confidential, it is further agreed that:

(a) Access to the documents designated as Confidential Information, and to the information contained therein, shall be limited to the Party signatories to this Agreement and their identified attorneys, employees, and consultants whose examination of the Information Claimed to be Confidential is required for the conduct of this particular proceeding.

(b) Recipients of Confidential Information shall not disclose the contents of the documents produced pursuant to this Agreement to any person(s) other than their identified employees and any identified experts and consultants whom they may retain in connection with this proceeding, irrespective of whether any such expert is retained specially and is not expected to testify or is called to testify in this proceeding. All consultants or experts of any Party to this Agreement who are to receive copies of documents produced pursuant to this

Agreement shall have previously executed a copy of the Acknowledgement of Agreement attached hereto as “Attachment 1,” which executed Acknowledgement of Agreement shall be forthwith provided to counsel for the Producing Party, with copies to counsel for Board Staff and the Rate Counsel.

(c) No other disclosure of Information Claimed to be Confidential shall be made to any person or entity except with the express written consent of the Producing Party or their counsel, or upon further determination by the Custodian, or order of the Board, the Government Records Council or of any court of competent jurisdiction that may review these matters.

7. The undersigned Parties have executed this Agreement for the exchange of Information Claimed to be Confidential only to the extent that it does not contradict or in any way restrict any applicable Agency Custodian, the Government Records Council, an Administrative Law Judge of the State of New Jersey, the Board, or any court of competent jurisdiction from conducting appropriate analysis and making a determination as to the confidential nature of said information, where a request is made pursuant to OPRA, N.J.S.A. 47:1A-1 et seq. Absent a determination by any applicable Custodian, Government Records Council, an Administrative Law Judge, the Board, or any court of competent jurisdiction that a document(s) is to be made public, the treatment of the documents exchanged during the course of this proceeding and any subsequent appeals is to be governed by the terms of this Agreement.

8. In the absence of a decision by the Custodian, Government Records Council, an Administrative Law Judge, or any court of competent jurisdiction, the acceptance by the undersigned Parties of information which the Producing Party has identified and marked as Confidential Information shall not serve to create a presumption that the material is in fact entitled

to any special status in these or any other proceedings. Likewise, the affidavit(s) submitted pursuant to N.J.A.C. 14:1-12.8 shall not alone be presumed to constitute adequate proof that the Producing Party is entitled to a protective order for any of the information provided hereunder.

9. In the event that any Party seeks to use the Information Claimed to be Confidential in the course of any hearings or as part of the record of this proceeding, the Parties shall seek a determination by the trier of fact as to whether the portion of the record containing the Information Claimed to be Confidential should be placed under seal. Furthermore, if any Party wishes to challenge the Producing Party's designation of the material as Confidential Information, such Party shall provide reasonable notice to all other Parties of such challenge and the Producing Party may make a motion seeking a protective order. In the event of such challenge to the designation of material as Confidential Information, the Producing Party, as the provider of the Information Claimed to be Confidential, shall have the burden of proving that the material is entitled to protected status. However, all Parties shall continue to treat the material as Confidential Information in accordance with the terms of this Agreement, pending resolution of the dispute as to its status by the trier of fact.

10. Confidential Information that is placed on the record of this proceeding under seal pursuant to a protective order issued by the Board, an Administrative Law Judge, provided that the Board has not modified or rejected an order by the Administrative Law Judge, or any court of competent jurisdiction shall remain with the Board under seal after the conclusion of this proceeding. If such Confidential Information is provided to appellate courts for the purposes of an appeal(s) from this proceeding, such information shall be provided, and shall continue to remain, under seal.

11. This Agreement shall not:

(a) Operate as an admission for any purpose that any documents or information produced pursuant to this Agreement are admissible or inadmissible in any proceeding.

(b) Prejudice in any way the right of the Parties, at any time, on notice given in accordance with the rules of the Board, to seek appropriate relief in the exercise of discretion by the Board for violations of any provision of this Agreement.

12. Within forty-five (45) days of the final Board Order resolving the above-referenced proceeding, all documents, materials, and other information designated as “Confidential Information,” regardless of format, shall be destroyed or returned to counsel for the Producing Party. In the event that such Board Order is appealed, the documents and materials designated as “Confidential Information” shall be returned to counsel for the Producing Party or destroyed within forty-five (45) days of the conclusion of the appeal.

Notwithstanding the above return requirement, Board Staff and Rate Counsel may maintain in their files copies of all pleadings, briefs, transcripts, discovery and other documents, materials and information designated as “Confidential Information,” regardless of format, exchanged or otherwise produced during these proceedings, provided that all such information and/or materials that contain Information Claimed to be Confidential shall remain subject to the terms of this Agreement. The Producing Party may request consultants who received Confidential Information who have not returned such material to counsel for the Producing Party as required above to certify in writing to counsel for the Producing Party that the terms of this Agreement have been met upon resolution of the proceeding.

13. The execution of this Agreement shall not prejudice the rights of any Party to seek relief from discovery under any applicable law providing relief from discovery.

14. The Parties agree that one original of this Agreement shall be created for each of the signatory parties for the convenience of all. The signature pages of each original shall be executed by the recipient and transmitted to counsel of record for the Petitioner, who shall send a copy of the fully executed document to all counsel of record. The multiple signature pages shall be regarded as, and given the same effect as, a single page executed by all Parties.

IN WITNESS THEREOF, the undersigned Parties do HEREBY AGREE to the form and execution of this Agreement.

**ELIZABETHTOWN GAS COMPANY**

By: \_\_\_\_\_  
Sheree L. Kelly, Esq.  
Regulatory Affairs Counsel

**MATTHEW J. PLATKIN**  
**ATTORNEY GENERAL OF**  
**THE STATE OF NEW JERSEY**  
**Attorney for the Staff of the**  
**New Jersey Board of Public Utilities**

**BRIAN O. LIPMAN, ESQ.**  
**DIRECTOR**  
**NEW JERSEY**  
**DIVISION OF RATE COUNSEL**

By: \_\_\_\_\_  
Deputy Attorney General

By: \_\_\_\_\_  
Assistant Deputy Rate Counsel

**ATTACHMENT 1**

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

**IN THE MATTER OF THE PETITION OF                   : PETITION**  
**ELIZABETHTOWN GAS COMPANY FOR                :**  
**APPROVAL OF A RATE ADJUSTMENT                : BPU DOCKET NO. \_\_\_\_\_**  
**PURSUANT TO THE INFRASTRUCTURE               :**  
**INVESTMENT PROGRAM (“IIP”)                    :**

**ACKNOWLEDGMENT OF AGREEMENT**

The undersigned is an attorney, employee, consultant and/or expert witness for the Division of Rate Counsel or an intervenor who has received, or is expected to receive, Confidential Information provided by Elizabethtown or by another party (“Producing Party”) which has been identified and marked by the Producing Party as “Confidential Information.” The undersigned acknowledges receipt of the Agreement of Non-Disclosure of Information Claimed to be Confidential and agrees to be bound by the terms of the Agreement.

Dated:

By: \_\_\_\_\_

(Name, Title and Affiliation)

**BEFORE THE  
NEW JERSEY BOARD OF PUBLIC UTILITIES**

**DIRECT TESTIMONY  
OF  
THOMAS KAUFMANN  
Manager, Rates and Tariffs**

**On Behalf Of  
Elizabethtown Gas Company**

**April 30, 2025**

**ELIZABETHTOWN GAS COMPANY  
DIRECT TESTIMONY OF  
THOMAS KAUFMANN**

1 **I. INTRODUCTION**

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

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

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

6 **A.** I am employed by Elizabethtown Gas Company (“Elizabethtown” or “Company”) as  
7 Manager of Rates and Tariffs.

8 **Q. PLEASE DESCRIBE YOUR PROFESSIONAL RESPONSIBILITIES.**

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

14 **Q. PLEASE SUMMARIZE YOUR EDUCATIONAL AND PROFESSIONAL  
15 BACKGROUND.**

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

20 My professional responsibilities have encompassed financial analysis,  
21 accounting, planning, and pricing in manufacturing and energy services companies in  
22 both regulated and unregulated industries. In 1977, I was employed by Allied

1 Chemical Corp. as a staff accountant. In 1980, I was employed by Celanese Corp. as  
2 a financial analyst. In 1981, I was employed by Suburban Propane as a Strategic  
3 Planning Analyst, promoted to Manager of Rates and Pricing in 1986 and to Director  
4 of Acquisitions and Business Analysis in 1990. In 1993, I was employed by  
5 Concurrent Computer as a Manager, Pricing Administration. In 1996, I joined NUI  
6 Utilities Inc., now part of South Jersey Industries, Inc. (“SJI”), as a Rate Analyst, was  
7 promoted to Manager of Regulatory Support in August 1997, Manager of Regulatory  
8 Affairs in February 1998, and named Manager of Rates and Tariffs in July 1998.

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

10 **A.** The purpose of my testimony is to support Elizabethtown’s proposed tariff Rider “F”  
11 (“IIP Rider”) rates related to the investments made for the period July 1, 2024 through  
12 June 30, 2025, pursuant to the Company’s Infrastructure Investment Program (“IIP”),  
13 which was approved by the 2019 IIP Order <sup>1</sup> and extended (“IIP Extension”) by the IIP  
14 Extension Order <sup>2</sup>, collectively, the “IIP Orders”. Cost recovery for IIP projects is  
15 effectuated by an annual adjustment to the Company’s IIP Rider. The current IIP rates  
16 were made effective October 1, 2024 by the 2024 IIP Order <sup>3</sup> and were further adjusted  
17 by the Company’s 2024 Base Rate Case Order <sup>4</sup>. The proposed rate adjustments to the

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<sup>1</sup> In re *the Petition of Elizabethtown Gas Company to Implement an Infrastructure Investment Program (“IIP”) and Associated Recovery Mechanism Pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:3-2A*, BPU Docket No. GR18101197, Order dated June 12, 2019 (“2019 IIP Order”)

<sup>2</sup> In re *the Petition of Elizabethtown Gas Company to Implement an Infrastructure Investment Program (“IIP”) and Associated Recovery Mechanism Pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:3-2A*, BPU Docket Nos. GR18101197 and GR23120882, Order dated July 24, 2024 (“IIP Extension Order”)

<sup>3</sup> In re *the Petition of Elizabethtown Gas Company For Approval Of A Rate Adjustment Pursuant To The Infrastructure Investment Program (“IIP”)*, BPU Docket No. GR24040281, Order dated September 25, 2024 (“2024 IIP Order”)

<sup>4</sup> 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”)

1 current IIP rates are proposed to become effective on or before October 1, 2025. Such  
2 rate adjustments are based on the revenue requirements associated with IIP investments  
3 made and anticipated for the period July 1, 2024 through June 30, 2025 (“IIP Extension  
4 Projects”). This testimony provides an overview of the IIP cost recovery mechanism  
5 and the calculation of the associated revenue requirement and rate design. It also  
6 addresses certain Minimum Filing Requirements (“MFRs”) as set forth in the IIP  
7 Orders.

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

9 **A.** Yes. My testimony includes schedules supporting the development of proposed IIP  
10 rates, and proposed tariff sheets that were prepared by me or under my direction and  
11 supervision as well as Company financial statements. These schedules contain  
12 information responsive to the MFRs set forth in Appendix B to the Stipulation dated  
13 July 12, 2024 incorporated into the IIP Extension Order. Such MFRs are referenced in  
14 the MFR Index attached to the Petition as Exhibit A. The schedules are as follows,  
15 including certain confidential schedules given Elizabethtown is now a privately held  
16 company <sup>5</sup>:

17 Schedule TK-1: Revenue Requirement and Residential Bill Impact

18 Schedule TK-2: Summary of Schedules TK-3, TK-4 and the Proposed Rider F

19 IIP Rates, inclusive of sales tax

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<sup>5</sup> Following the close of the merger in which IIF US Holding2 LP (“IIF”) acquired SJI, as approved by the Board’s Order dated January 25, 2023 in BPU Docket No. GM22040270 (“2023 Merger Order”), the Company is now a privately held entity and the Company’s financial data as of the close of the merger constitutes proprietary financial information that is not publicly available. As such, this filing includes preliminary public versions of Schedules TK-13 and TK-14. The confidential versions of these schedules are being submitted to the Board’s Records Custodian concurrent with this filing, subject to a claim for confidential treatment pursuant to the Open Public Records Act (“OPRA”), N.J.S.A. 47:1A-1 et seq., and the Board’s implementing regulations, N.J.A.C. 14:1-12.1 et seq. The Company will provide these schedules to the parties following the execution of a Non-Disclosure Agreement in this proceeding.

- 1 Schedule TK-3: Revenue Requirement Allocation
- 2 Schedule TK-4: Proof of Revenue
- 3 Schedule TK-5: Weather Normalization Clause (“WNC”) Margin Revenue
- 4 Factor for use in the Company’s Conservation Incentive Program (“CIP”)
- 5 Schedule TK-6: Earnings Test
- 6 Schedule TK-6.1: Earnings Test Rate Base
- 7 Schedule TK-7: In-Service Amounts by Month
- 8 Schedule TK-8: Depreciation Calculation
- 9 Schedule TK-9: Rate of Return (“ROR”)
- 10 Schedule TK-10: Revenue Expansion Factor
- 11 Schedule TK-11: Proposed Tariff sheets – clean
- 12 Schedule TK-12: Proposed Tariff sheets - redline
- 13 Schedule TK-13: Income Statement - Confidential
- 14 Schedule TK-14: Balance Sheet - Confidential

15 **II. ANNUAL IIP FILING**

16 **Q. WHY IS THE COMPANY SUBMITTING THIS FILING WITH THE BPU?**

17 **A.** The Company’s annual IIP filing is being made in compliance with the IIP Extension  
 18 Order, which authorizes Elizabethtown to seek cost recovery for in-service IIP  
 19 Extension Projects in accordance with the approved annual cost recovery filing  
 20 schedule, shown below:

<b>Filing Year</b>	<b>Initial 9+3 Filing</b>	<b>Program Year Ending Date</b>	<b>12+0 Update Filing</b>	<b>Rates Effective on or Before</b>
1	April 30, 2025	June 30, 2025	July 15, 2025	Oct 1, 2025
2 + Residual *	April 30, 2026	December 31, 2025	July 15, 2026	Oct 1, 2026

21 \*Residual spending associated with close out work occurring after December 31, 2025.  
 22 Such close out work will be limited to final tie-ins, transfers, service replacements and  
 23 restoration associated with mains placed in service prior to June 30, 2026.

1 **Q. IS THIS FILING SUBMITTED IN ACCORDANCE WITH THE IIP ORDERS?**

2 **A.** Consistent with the requirement contained in N.J.A.C. 14:3-2A.6(b) and in accordance  
3 with the IIP Orders, Elizabethtown is permitted to make this annual filing to recover  
4 IIP costs when eligible in-service amounts exceed ten percent (10%) of the total  
5 proposed program spending. Based on the total approved program budget of \$120  
6 million, the eligible in-service amount must exceed \$12 million to allow for the annual  
7 roll-in. As shown on Schedule TK-7, the Company is currently projecting a total of  
8 approximately \$67.0 million (excluding the costs of the Independent Monitor and  
9 Accumulated Funds Used During Construction, (“AFUDC”) for IIP Extension Projects  
10 placed in service during the program period ending June 30, 2025. This projected total  
11 does not include any amounts placed in-service prior to the effective date of the 2024  
12 IIP Order, or July 24, 2024.

13 **Q. PLEASE DESCRIBE THE IIP COST RECOVERY MECHANISM APPROVED**  
14 **BY THE BOARD.**

15 **A.** The IIP cost recovery process is effectuated by annual rate adjustment filings (“Annual  
16 Filings”) made in April of each year. With this Annual Filing, Elizabethtown is seeking  
17 cost recovery of IIP main and service investments that are placed in service during the  
18 program period ending June 30, 2025 totaling approximately \$67.0 million plus the  
19 costs of the Independent Monitor and AFUDC, with IIP Rider rate adjustments to be  
20 effective October 1, 2025. Included with this filing is actual data for projects placed in  
21 service through March 31, 2025 and projected data through June 30, 2025. The  
22 Company will provide a 12+0 update filing with actual data through June 30, 2025 no  
23 later than July 15, 2025.

1 **Q. WHAT IS THE FORECASTED REVENUE REQUIREMENT PROPOSED**  
2 **FOR THE IIP RATE ADJUSTMENTS TO TAKE PLACE ON OCTOBER 1,**  
3 **2025?**

4 **A.** For the twelve month period ending June 30, 2025, the Company is proposing a  
5 revenue requirement increase of approximately \$7.7 million, excluding Sales and Use  
6 Tax (“SUT”). The calculation of the revenue requirement associated with the proposed  
7 IIP Rider rate adjustments are provided in the attached Schedule TK-1. For ratemaking  
8 purposes, this amount is combined with the revenue requirement related to the last year  
9 of the IIP program ending June 30, 2024 previously approved by the 2024 IIP Order  
10 and adjusted by the 2024 Rate Case Order resulting in a total of approximately \$14.0  
11 million, excluding SUT, as shown and allocated to rate classes on Schedule TK-3.

12 **Q. HOW ARE THE REVENUE REQUIREMENTS ASSOCIATED WITH THE IIP**  
13 **RATE ADJUSTMENTS CALCULATED?**

14 **A.** IIP revenue requirements are calculated utilizing the following formula, approved in  
15 the IIP Orders:

16 
$$\text{Revenue Requirement} = ((\text{IIP Rate Base} * \text{After-Tax ROR}) - \text{O\&M Credit} +$$
  
17 
$$\text{Depreciation Expense (net of tax)}) * \text{Revenue Factor}.$$

18 **Q. HOW IS THE IIP RATE BASE CALCULATED?**

19 **A.** IIP Rate Base is calculated as the gross investment costs for the IIP projects placed in-  
20 service during the program period, plus the costs of an Independent Monitor and  
21 AFUDC, less depreciation expense and applicable deferred income taxes.

22 **Q. WHAT TYPES OF EXPENDITURES ARE INCLUDED IN THE IIP**  
23 **INVESTMENT COSTS?**

1 A. Pursuant to the IIP Orders, the Company is allowed to recover IIP project capital  
2 expenditures, including actual costs of engineering, design and construction, property  
3 acquisitions, if any, and monitoring, including actual labor, materials, overhead and  
4 capitalized AFUDC. In addition, the IIP investment costs for the period from July 1,  
5 2024 through June 30, 2025 include \$63,000 of Independent Monitor costs. These  
6 amounts are reflected in the rate base as shown on Schedule TK-1.

7 **Q. HOW DID THE COMPANY CALCULATE AFUDC FOR IIP PROJECTS?**

8 A. In accordance with the IIP Orders, the AFUDC rate applied to IIP projects is  
9 determined by applying the Modified FERC Uniform System of Accounts  
10 methodology ("Modified FERC Method"), including compounding of AFUDC on a  
11 monthly basis. The Modified FERC Method is as follows: (a) if the Company's total  
12 Construction Work in Progress ("CWIP") balance, including all CWIP associated with  
13 IIP projects, is less than or equal to the Company's outstanding short-term debt ("S/T  
14 debt") balance at each month-end, the applicable AFUDC rate is equal to the  
15 Company's monthly cost of S/T debt; (b) if the Company's total CWIP balance,  
16 including all CWIP associated with IIP projects, is greater than the Company's  
17 outstanding S/T debt balance, the applicable AFUDC rate for IIP projects is a monthly  
18 AFUDC calculation based on a blend of the S/T debt balance and the Company's ROR  
19 set in its most recent base rate case; or (c) if the Company has no short-term debt  
20 balance at month end, the AFUDC rate used is the ROR rate.

21 **Q. HOW IS DEPRECIATION EXPENSE CALCULATED?**

22 A. Depreciation expense is calculated as the IIP investments for the period by asset class  
23 multiplied by the associated depreciation rate applied to the same asset class in current

1 base rates established by the 2024 Base Rate Case Order. The depreciation calculation  
2 and associated depreciation rates are shown in Schedule TK-8.

3 **Q. HOW HAS THE COMPANY CALCULATED DEFERRED INCOME TAXES?**

4 **A.** Deferred taxes are calculated by multiplying the difference in the Company’s book and  
5 tax depreciation expense for the plant subject to the IIP by the effective income tax rate  
6 for the period. The tax rate used in the calculation of the deferred tax benefit for  
7 Elizabethtown is 28.11% and includes New Jersey Corporate Business Tax. The  
8 Company’s deferred income tax calculation and related factors are shown in Schedule  
9 TK-1.

10 **Q. WHAT IS THE AFTER-TAX ROR UTILIZED IN CALCULATING THE**  
11 **REVENUE REQUIREMENT?**

12 **A.** Pursuant to the IIP Orders, the return on IIP Rate Base proposed in this Annual Filing  
13 is based on the ROR approved in the 2024 Base Rate Case Order, which was calculated  
14 utilizing a 9.60% return on equity (“ROE”) and an equity level in the capital structure  
15 of 55.00%. This results in a ROR of 7.58%, or an after-tax ROR of 6.93%. This  
16 calculation is included in Schedule TK-9.

17 **Q. WHAT IS THE O&M CREDIT UTILIZED IN THE CALCULATION OF THE**  
18 **REVENUE REQUIREMENT?**

19 **A.** Pursuant to the IIP Orders, the operations and maintenance (“O&M”) credit is \$90,000  
20 per year, or \$64,701 net of tax. This credit reflects an O&M savings associated with  
21 leak repair on facilities replaced in connection with the IIP. The total O&M credit of  
22 \$64,701 is reflected in Schedule TK-1.

23 **Q. WHAT IS THE REVENUE FACTOR UTILIZED IN THE CALCULATION OF**  
24 **THE REVENUE REQUIREMENT?**

1 A. The revenue factor adjusts the revenue requirement to reflect Federal and State income  
2 taxes, as well as the costs associated with the Board and the New Jersey Division of  
3 Rate Counsel annual assessments, and Uncollectible Accounts expense. Pursuant to  
4 the IIP Orders, the Company is using the revenue factor that was utilized to set rates in  
5 the Company's 2024 Base Rate Case, which is 1.407347. The calculation of the  
6 revenue factor is reflected on Schedule TK-10.

7 **III. RATE DESIGN AND CUSTOMER BILL IMPACTS**

8 **Q. WHAT CUSTOMER CLASSES AND CUSTOMERS WILL THE IIP RIDER BE**  
9 **APPLIED TO?**

10 A. The IIP Rider is assessed to all firm customers on a rate per service class to those served  
11 under Service Classifications RDS, SGS, GDS, NGV, LVD, EGF, and GLS including  
12 certain firm Board approved special contract customers served under the Company's  
13 firm rate classes.

14 **Q. HOW IS THE REVENUE REQUIREMENT BEING ALLOCATED TO FIRM**  
15 **RATE CLASSES AND FIRM SPECIAL CONTRACT CUSTOMERS?**

16 A. As shown on Schedule TK-3, and specified in the IIP Orders, the Company is allocating  
17 the revenue requirement for each applicable firm class and firm special contracts for  
18 IIP based on the revenues approved in the Company's 2024 Base Rate Case. However,  
19 in this filing, the Company is proposing to only use the NGV distribution revenue  
20 component to allocate the IIP revenue requirement. The Fueling and Facilities  
21 components are related to recovering station-specific investments and expenses. The  
22 impact of this change to other rate classes is minimal.

23 **Q. WHAT RATE DESIGN WAS UTILIZED FOR THE PROPOSED IIP RATE**  
24 **ADJUSTMENT?**

1 A. Pursuant to the IIP Orders, the IIP rate adjustment is effectuated by a volumetric  
2 distribution charge calculated for each class utilizing the billing determinants used to  
3 set rates in the Company’s 2024 Base Rate Case. Schedule TK-3 sets forth the IIP  
4 allocated revenue, which for ratemaking purposes is made up of revenue requirement  
5 related to the last year of the IIP program ending June 30, 2024 plus the revenue  
6 requirement proposed in this filing, to each class. These amounts are divided by the  
7 respective therm billing determinants from the Company’s 2024 Base Rate Case to  
8 derive the proposed IIP rates, before SUT, shown on Schedule TK-4. The revenue  
9 requirement allocation, proof of revenues and proposed IIP rates by class, inclusive of  
10 taxes, are summarized on Schedule TK-2.

11 The Margin Revenue Factor set forth in the Company’s Weather Normalization  
12 Clause (“WNC”) tariff will also be revised to reflect the IIP rate adjustments, as shown  
13 on Schedule TK-5.

14 **Q. WHAT IS THE IMPACT OF THE PROPOSED IIP RATE ADJUSTMENT FOR**  
15 **A RESIDENTIAL CUSTOMER?**

16 A. The bill impact of the proposed IIP rate adjustment to rates in effect on April 1, 2025  
17 for a residential customer using 100 therms will be a monthly increase of \$1.99 from  
18 \$156.28 to \$158.27, an increase of 1.3%.

19 **IV. EARNINGS TEST**

20 **Q. HAS THE COMPANY PERFORMED AN EARNINGS TEST CALCULATION?**

21 A. Yes. As required by N.J.A.C. 14:3-2A.6(h) and the IIP Orders, cost recovery is  
22 contingent on an earnings test. Accordingly, the Company has performed an earnings  
23 test calculation as shown on Schedule TK-6. As shown on Schedule TK-6, the results

1 of the earnings test calculation do not preclude the Company from obtaining cost  
2 recovery for the period reflected in this filing.

3 **Q. WHAT IS THE RESULT OF THE EARNINGS TEST?**

4 **A.** The calculated ROE is 4.58%, which meets the requirement of the IIP Orders that the  
5 calculated ROE be less than 10.10%, calculated as fifty (0.50%) basis points plus  
6 9.60%, the ROE approved by the 2024 Base Rate Case Order.

7 **V. MINIMUM FILING REQUIREMENTS (MFRS)**

8 **Q. IN ADDITION TO THE SCHEDULES PREVIOUSLY REFERENCED IN**  
9 **YOUR DIRECT TESTIMONY, ARE YOU SPONSORING ANY ADDITIONAL**  
10 **SCHEDULES IN SUPPORT OF THE MFRS?**

11 **A.** Yes. Also attached to my Direct Testimony are the Company's confidential Income  
12 Statement for the 12 months ending December 31, 2024 and the Company's  
13 confidential Balance Sheet as of December 31, 2024. The information is attached  
14 hereto as Schedule TK-13 Confidential and Schedule TK-14 Confidential,  
15 respectively.

16 **Q. HAS THE COMPANY RECEIVED ANY OUTSIDE FUNDS OR CREDITS FOR**  
17 **WORK RELATED TO ANY IIP EXTENSION PROJECTS?**

18 **A.** No, the Company has not received any such funds or credits.

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

20 **A.** Yes, it does.

**ELIZABETHTOWN GAS COMPANY**  
**Infrastructure Investment Program Extension ("IIP X")**  
**Revenue Requirement and Residential Bill Impact**

	<b>June 2025</b>
	<b>Proposed Oct 1</b>
Plant In Service (excl AFUDC)	\$67,049,647
Monitor	\$63,000
AFUDC	\$340,345
Total Plant In Service	<u>\$67,452,992</u>
Book Depreciation, half year	(\$677,208)
Deferred Income Tax	<u>(\$520,676)</u>
Rate Base	\$66,255,108
Rate of Return - net of tax	<u>6.93%</u>
	\$4,591,479
O&M Red. for Leak Repairs - per Stip, net of tax	(\$64,701)
Depreciation Exp, net of tax	<u>\$973,690</u>
Allowable Net Income	\$5,500,468
Revenue Factor	<u>1.407347</u>
<b>Current Revenue Requirement IIP X</b>	<b>\$7,741,067</b>
CBT Rate, see Sch TK-9	9.000%
FIT Rate, See Sch TK-9	21.000%
Net Tax Rate	28.110%
Average Book Depreciation Rate	2.01%
Tax Depreciation Rate	3.750%
Bonus Depreciation Rate	0%
Half Year Book Depreciation	\$677,208
Tax Bonus Depreciation	\$0
Tax Depreciation	\$2,529,487
Deferred Income Tax Credit, (Bk - Tax)* Tax Rate	(\$520,676)
O&M Red. for Leak Repairs - per Stip	(\$90,000)
<b><u>Residential 1,000 Therm Current Period Bill Impact:</u></b>	
Rate Increase Per Therm w/ SUT, Schedule TK-2	\$0.0199
Annual Increase, w/tax	1,000 \$19.90
Current Bill as of Date	<u>4/1/2025</u>
1,000 Therm Bill at Current Rates	\$1,585.80
1,000 Therm Bill plus IIP Annual Increase	\$1,605.70
<b>% Increase from Current 1,000 Therm Bill</b>	<b>1.3%</b>

**ELIZABETHTOWN GAS COMPANY**  
**Infrastructure Investment Program Extension (“IIP X”)**  
**Proposed Rates - October 1, 2025**

	<b>Current Rates * w/ Tax</b>	<b>2024 Rate Case % of Base Revenues</b>	<b>Target Revenue</b>	<b>Revenue per Proof</b>	<b>2024 Rate Case Distribution Therms</b>	<b>Pre Tax Rates per Proof</b>	<b>Sales Tax 6.625%</b>	<b>Proposed Rates w/ Tax</b>	<b>Incremental Changes w/ Tax</b>
RDS Residential	\$0.0174	66.256788%	\$9,248,802	\$9,261,232	264,606,623	\$0.0350	\$0.0023	\$0.0373	\$0.0199
SGS Small General Service	\$0.0187	6.628081%	\$925,215	\$924,956	25,480,871	\$0.0363	\$0.0024	\$0.0387	\$0.0200
GDS General Delivery Service	\$0.0136	23.315460%	\$3,254,611	\$3,256,701	124,301,572	\$0.0262	\$0.0017	\$0.0279	\$0.0143
GDS GDS SP#1 May -Oct	\$0.0016	0.000435%	\$61	\$61	19,185	\$0.0032	\$0.0002	\$0.0034	\$0.0018
NGV Natural Gas Vehicles **	\$0.0320	0.016891%	\$2,358	\$2,355	116,571	\$0.0202	\$0.0013	\$0.0215	(\$0.0105)
LVD Large Volume Demand	\$0.0049	3.646968%	\$509,081	\$509,152	49,432,246	\$0.0103	\$0.0007	\$0.0110	\$0.0061
EGF Electric Generation	\$0.0136	0.000000%	\$0	\$0	-	\$0.0262	\$0.0017	\$0.0279	\$0.0143
GLS Gas Lights	\$0.0164	0.000550%	\$77	\$77	2,304	\$0.0334	\$0.0022	\$0.0356	\$0.0192
SPC Firm Spec. Contracts	\$0.0007	0.134827%	\$18,821	\$18,345	18,345,133	\$0.0010	\$0.0001	\$0.0011	\$0.0004
			<u>\$13,959,026</u>	<u>\$13,972,879</u>	<u>482,304,505</u>				
			<i>difference</i>	<i>\$13,853</i>	<i>-</i>				

\* 2024 Rate Case Docket No. GR24020158, Order Dated 11-21-24, rates effective 12-1-24.

\*\* NGV rate movement due to adjusting the Revenue Allocation to only distribution revenues, see Schedule TK-3.

**ELIZABETHTOWN GAS COMPANY**  
**Infrastructure Investment Program Extension (“IIP X”)**  
**Revenue Requirement Allocation, Plant In-Service**  
**June 2025**

Revenue Requirement, see below	\$13,959,025	2024 Rate Case		Target Revenue Allocation
		Base Revenues	Overall %	
Residential		\$211,847,288	66.256788%	\$9,248,802
Small General Service		\$21,192,408	6.628081%	\$925,215
General Delivery Service		\$74,548,091	23.315460%	\$3,254,611
GDS SP#1 May - Oct		\$1,391	0.000435%	\$61
Natural Gas Vehicles, Distribution		\$54,007	0.016891%	\$2,358
Large Volume Demand		\$11,660,695	3.646968%	\$509,081
Electric Generation		\$0	0.000000%	\$0
Gas Lights		\$1,758	0.000550%	\$77
Firm Special Contract(s)		\$431,093	0.134827%	\$18,821
<b>IIP Applicable</b>		\$319,736,731	100.00%	\$13,959,026
Natural Gas Vehicles, Fueling and Facilities		\$113,540		
Interruptible Revenues		\$7,790,843		
Other Revenues		\$1,510,100		
<b>TOTAL REVENUES</b>		\$329,151,214		\$13,959,026

*allocation rounding* (\$1)

<b>Revenue Requirement:</b>	<u>Included Above</u>	
June 2024	\$6,217,958	Year 5 Revenue Requirement *
June 2025	\$7,741,067	Estimate IIP X, 7/1/24-6/30/25
June 2026	\$0	IIP X, 7/1/25-12/31/25
<b>Total</b>	<u><u>\$13,959,025</u></u>	

\* per Appendix E to the Stipulation approved by the Board's order dated 11-21-24 in the 2024 Rate Case Docket. No. GR24020158

**ELIZABETHTOWN GAS COMPANY**  
**Infrastructure Investment Program Extension (“IIP X”)**  
**Proof of Revenue - Rider F Rates**  
**Proposed Rates - October 1, 2025**  
**\$13,959,025**

		<b>2024 Rate Case</b>	<b>Proposed Rates and Revenue</b>		
		<b><u>Therms</u></b>	<b><u>Target Revenue</u></b>	<b><u>Pre Tax Rates</u></b>	<b><u>Proof Revenue</u></b>
			<i>=Sch TK-3 Rev Alloc</i>	<i>=Target Rev/ Therms</i>	<i>=Therms * Rates</i>
RDS	Residential	264,606,623	\$9,248,802	\$0.0350	\$9,261,232
SGS	Small General Service	25,480,871	\$925,215	\$0.0363	\$924,956
GDS	General Delivery Service	124,301,572	\$3,254,611	\$0.0262	\$3,256,701
GDS	GDS SP#1 May - Oct	19,185	\$61	\$0.0032	\$61
NGV	Natural Gas Vehicles, Distributio	116,571	\$2,358	\$0.0202	\$2,355
LVD	Large Volume Demand	49,432,246	\$509,081	\$0.0103	\$509,152
EGF	Electric Generation	0	\$0	\$0.0262	\$0
GLS	Gas Lights	2,304	\$77	\$0.0334	\$77
SPC	Firm Special Contract(s)	18,345,133	\$18,821	\$0.0010	\$18,345
		<hr/>	<hr/>		<hr/>
		482,304,505	\$13,959,026		\$13,972,879
Non IIP Therms		<hr/>	<hr/>	Target	<hr/>
		61,768,895	(1)		\$13,959,025
		<hr/>		Difference	<hr/>
		544,073,400			\$13,854

**ELIZABETHTOWN GAS COMPANY**  
**Infrastructure Investment Program Extension ("IIP X")**  
**Weather Normalization Clause ("WNC") Margin Revenue Factor ("MRF")**  
**For Conservation Incentive Program (CIP) to Determine Weather and Non-Weather Amounts**

Classes	Distribution Charge, including taxes (\$/ therm) a	less SUT tax 6.625% b	Margin Revenue, Distribution Charge excluding taxes, (\$/ therm) c = a - b	Class Sales for period October through May (therms) * d	Ratio of Class Sales to Total Sales for Period e= d / sum of d	Weighted Margin Revenue in Distribution Rate (\$/ therm) f = c * e
<b>Base Rates</b>						
RDSH	\$0.6991	\$0.0434	\$0.6557	232,220,627	62.662%	\$0.4109
RDSNH	\$0.6991	\$0.0434	\$0.6557	6,800,640	1.835%	\$0.0120
RDS	\$0.6991	\$0.0434	\$0.6557	239,021,267	64.497%	\$0.4229
SGS	\$0.5562	\$0.0346	\$0.5216	23,125,180	6.240%	\$0.0325
GDS	\$0.3457	\$0.0215	\$0.3242	108,446,370	29.263%	\$0.0949
				<u>370,592,817</u>	100.00%	<u><u>\$0.5503</u></u>
<b>IIP Rates</b>						
RDSH	\$0.0373	\$0.0023	\$0.0350	232,220,627	62.662%	\$0.0220
RDSNH	\$0.0373	\$0.0023	\$0.0350	6,800,640	1.835%	\$0.0006
RDS	\$0.0373	\$0.0023	\$0.0350	239,021,267	64.497%	\$0.0226
SGS	\$0.0387	\$0.0024	\$0.0363	23,125,180	6.240%	\$0.0023
GDS	\$0.0279	\$0.0017	\$0.0262	108,446,370	29.263%	\$0.0077
				<u>370,592,817</u>	100.00%	<u><u>\$0.0552</u></u>
					<b>Total WNC- MRF</b>	<u><u>\$0.6055</u></u>

\* Per the Company's 2024 Rate Case in BPU Docket No. GR24020158, Order dated November 21, 2024, October through May.

**ELIZABETHTOWN GAS COMPANY**  
**Infrastructure Investment Program Extension (“IIP X”)**  
**Earnings Test**

January-24	Through	December-24	
<b><u>Net Income:</u></b>			
1	Net Income (including IIP and CIP margin revenue, net of tax)	\$51,623,992	
	less: non-recurring items, income / (loss) net of tax (1)	\$3,475,750	
	Net Income after adjustment	\$48,148,242	
2	Less:		
	Non-firm Sales & Transportation margins, net of tax	\$73,933	
	Off-system Sales & Capacity Release, net of tax	\$1,441,531	
	Energy Efficiency Program margins, net of tax	\$4,240,638	
		\$5,756,102	
3	Regulated Jurisdictional Net Income (L1-L2)		\$42,392,140
4	Common Equity Balances, per Rate Base		
		<u>December-23</u>	<u>December-24</u>
	Rate Base	\$1,542,904,220	\$1,819,483,984
	Equity %, 2024 Rate Case		1,681,194,102
	Average Equity		55.00%
			\$924,656,756
5	ROE (L3/L4)		4.58%
	Rate of Return on Equity, 2024 Rate Case		9.60%
	ROE Test: Rate Case plus 50 Basis Points		0.50%
			10.10%

(1) Uncollectible reserve adjustment in December 2024

ELIZABETHTOWN GAS COMPANY  
Infrastructure Investment Program Extension (“IIP X”)  
Statement of Rate Base

<u>Line No.</u>	<u>December-23</u>	<u>December-24</u>
1 Utility Plant In Service *	\$2,199,891,990	\$2,538,312,699
2 Accumulated Depreciation, Utility Retirement WIP	(\$387,965,477)	(\$420,853,373)
3 Acquisition Adjustment	(\$160,000,000)	(\$160,000,000)
4 Amortization of Acquisition Adjustment	\$65,999,984	\$81,999,980
5 Net Utility Plant	<u>\$1,717,926,497</u>	<u>\$2,039,459,306</u>
6		
7 Pension/OPEB	\$26,263,347	\$19,622,069
8 Cash Working Capital <sup>(1)</sup>	\$28,234,763	\$44,611,929
9 Inventories <sup>(2)</sup>		
10 Natural Gas Stored Underground and LNG	\$16,686,677	\$9,240,365
11 Materials & Supplies incl. Fleet Fuel and Propane I	\$436,854	\$427,605
12 Customer Deposits <sup>(2)</sup>	(\$4,917,509)	(\$4,947,121)
13 Customer Advances <sup>(2)</sup>	(\$1,677,027)	(\$1,710,200)
14 Deferred Income Taxes:		
15 Excess Protected ADIT	(\$76,472,657)	(\$74,690,244)
16 Federal Income Tax	(\$111,204,240)	(\$144,483,919)
17 NJ CBT	(\$52,372,485)	(\$68,045,806)
18 Consolidated Tax Adjustment <sup>(1)</sup>	\$0	\$0
19		
20 Total Rate Base	<u>\$1,542,904,220</u>	<u>\$1,819,483,984</u>

<sup>(1)</sup> December 2023 Equals the approved level in Docket No. GR21121254.  
December 2024 Equals the approved level in Docket No. GR24040281.

<sup>(2)</sup> Represents thirteen month averages of account balances.

\* Excludes IIP In-service amounts not yet in base rates as of 12/31/23 and 12/31/24, respectively.

**ELIZABETHTOWN GAS COMPANY**  
**Infrastructure Investment Program Extension ("IIP X")**  
**Actual / Projected In-Service Expenditures**

Periods:	In-Service			Monitor	In-Service Pre AFUDC	In-Service			In-Service Total with AFUDC
	Mains	Services	IIP Program			AFUDC Mains	AFUDC Services	AFUDC Total	
<b>12 mos Ending</b>									
Jun-25	\$43,775,055	\$23,274,592	\$67,049,647	\$63,000	\$67,112,647	\$312,368	\$27,977	\$340,345	\$67,452,992
<b>Monthly Spending:</b>									
Jul-24	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Aug-24	\$339,366	\$74,891	\$414,257	\$0	\$414,257	\$939	\$207	\$1,146	\$415,403
Sep-24	\$1,051,692	\$890,207	\$1,941,899	\$0	\$1,941,899	\$6,552	\$2,439	\$8,991	\$1,950,890
Oct-24	\$3,694,163	\$2,466,298	\$6,160,461	\$0	\$6,160,461	\$23,162	\$3,733	\$26,895	\$6,187,356
Nov-24	\$4,226,853	\$1,450,955	\$5,677,808	\$14,000	\$5,691,808	\$34,910	\$2,611	\$37,521	\$5,729,329
Dec-24	\$3,879,853	\$2,275,082	\$6,154,935	\$7,000	\$6,161,935	\$24,503	\$2,458	\$26,961	\$6,188,896
Jan-25	\$3,140,954	\$3,226,121	\$6,367,075	\$7,000	\$6,374,075	\$27,228	\$2,940	\$30,168	\$6,404,243
Feb-25	\$1,814,781	\$2,864,047	\$4,678,828	\$7,000	\$4,685,828	\$9,581	\$2,782	\$12,363	\$4,698,191
Mar-25	\$3,418,749	\$3,327,841	\$6,746,590	\$7,000	\$6,753,590	\$27,017	\$2,754	\$29,771	\$6,783,361
Apr-25	\$4,941,025	\$3,919,550	\$8,860,575	\$7,000	\$8,867,575	\$35,258	\$4,711	\$39,969	\$8,907,544
May-25	\$7,676,089	\$1,389,800	\$9,065,889	\$7,000	\$9,072,889	\$54,775	\$1,671	\$56,446	\$9,129,335
Jun-25	\$9,591,530	\$1,389,800	\$10,981,330	\$7,000	\$10,988,330	\$68,443	\$1,671	\$70,114	\$11,058,444

**ELIZABETHTOWN GAS COMPANY**  
**Infrastructure Investment Program Extension (“IIP X”)**  
**Annualized Depreciation**  
**Depreciation rates changed effective December 1, 2024 per rate case**

End Date	Rates		In-Service Depreciation			Monitor	Depreciation Expense <u>Pre AFUDC</u>	<u>AFUDC Depreciation</u>		Full Year Depreciation Expense W/ AFUDC
	Mains 376	Services 380	Mains 376	Services 380	Mains 376			Services 380		
Jun-25			720,704	626,769	1,039	1,348,512	5,142	762	1,354,416	
<b>Monthly Spending:</b>										
Jul-24	1.67%	2.93%	0	0	0	0	0	0	0	
Aug-24	1.67%	2.93%	5,667	2,194	0	7,861	16	6	7,883	
Sep-24	1.67%	2.93%	17,563	26,083	0	43,646	109	71	43,826	
Oct-24	1.67%	2.93%	61,693	72,263	0	133,956	387	109	134,452	
Nov-24	1.67%	2.93%	70,588	42,513	234	113,335	583	77	113,995	
Dec-24	<b>1.64%</b>	<b>2.63%</b>	63,630	59,835	115	123,580	402	65	124,047	
Jan-25	1.64%	2.63%	51,512	84,847	115	136,474	447	77	136,998	
Feb-25	1.64%	2.63%	29,762	75,324	115	105,201	157	73	105,431	
Mar-25	1.64%	2.63%	56,067	87,522	115	143,704	443	72	144,219	
Apr-25	1.64%	2.63%	81,033	103,084	115	184,232	578	124	184,934	
May-25	1.64%	2.63%	125,888	36,552	115	162,555	898	44	163,497	
Jun-25	1.64%	2.63%	157,301	36,552	115	193,968	1,122	44	195,134	

**ELIZABETHTOWN GAS COMPANY**  
**Infrastructure Investment Program Extension ("IIP X")**  
**Rate of Return ("ROR")**

Rate Case Effective 12-1-24	Capitalization		CBT at	9%
	Ratios	Rate	FIT at	21%
				After
			Cost %	Tax
				28.110%
Long Term Debt	45.00%	5.11%	2.30%	1.65%
Common Equity	55.00%	9.60%	5.28%	5.28%
Total Capitalization	100.00%		<b>7.58%</b>	<b>6.93%</b>

**ELIZABETHTOWN GAS COMPANY**  
**Infrastructure Investment Program Extension (“IIP X”)**  
**Revenue Expansion Factor**

		<b>Rate Case</b> <b><u>12/1/2024</u></b>
Revenue Increase		100.000%
Uncollectible Accounts Percentage		0.8899%
BPU Assessment		0.2197%
Rate Counsel Assessment		<u>0.0509%</u>
Income before Corporate Business Tax		98.8395%
NJ Corporate Business Tax @	9.0%	<u>8.8956%</u>
Income before Federal Income Taxes		89.9439%
Federal Income Taxes @	21.0%	<u>18.8882%</u>
Return		<u>71.0557%</u>
Revenue Expansion Factor (1/Return)		<b><u>1.407347</u></b>

RIDER "B"

WEATHER NORMALIZATION CLAUSE ("WNC") (continued)

METHOD OF DETERMINING WEATHER NORMALIZATION CHARGE: (continued)

I. Definition of Terms as Used Herein (continued)

6. Degree Day Consumption Factor ("DDCF") - the variable component (use per degree day) of the gas sendout for each month of the winter period normalized for weather and adjusted for lost and unaccounted for gas. The DDCF shall be updated annually in the Company's WNC reconciliation filing annualizing to reflect the change in number of customers that has occurred since the base rate proceeding that established the initial degree day consumption factor in base rate cases. The base number of customers used to establish the normalized use in therms per Customer and the calculated DDCF for purposes of calculating the weather-related portion of the CIP are as follows:

<u>Month</u>	<u>Base Number of Customers</u>	<u>Therms per Degree Day</u>
October	313,804	51,924
November	314,658	62,695
December	315,462	69,188
January	314,902	68,423
February	315,199	65,801
March	315,468	63,989
April	315,682	52,634
May	315,867	54,279

7. Margin Revenue Factor - the weighted average of the Distribution Charges as quoted in the individual service classes to which this clause applies net of applicable taxes and other similar charges and any other revenue charge not retained by the Company that these rates may contain in the future. The weighted average shall be determined by multiplying the margin revenue component of the Distribution Charges from each service class to which this clause applies by each class's percentage of total consumption of all the classes to which this clause applies for the winter period and summing this result for all the classes to which this clause applies. The Margin Revenue Factor shall be redetermined each time base rates or IIP rates are adjusted. The current Margin Revenue Factor is \$0.6055 per therm pre taxes for purposes of calculating the weather-related portion of the CIP.

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Date of Issue: XXX1

Effective: Service Rendered  
on and after XXX2

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

Filed Pursuant to Order of the Board of Public Utilities  
Dated XXX3 in Docket No. XXX4

RIDER "F"

INFRASTRUCTURE INVESTMENT PROGRAM ("IIP")

Applicable to all RDS, SGS, GDS, NGV, LVD, EGF and GLS classes and Firm Special Contract customers receiving service through the Company's distribution system. The IIP rate shall be collected on a per therm basis and shall remain in effect until changed by order of the NJBPU.

		Per Therm
RDS	Residential	\$0.0373
SGS	Small General Service	\$0.0387
GDS	General Delivery Service	\$0.0279
GDS	Seasonal SP#1 May-Oct	\$0.0034
NGV	Natural Gas Vehicles	\$0.0215
LVD	Large Volume Demand	\$0.0110
EGF	Electric Generation	\$0.0279
GLS	Gas Lights	\$0.0356
	Firm Special Contracts	\$0.0011

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.

The IIP is a five-year program to modernize and enhance the reliability and safety of the Company's gas distribution system by replacing its vintage, at-risk facilities which include aging cast iron mains, unprotected and bare steel mains and services, ductile iron and vintage plastic mains and vintage plastic and copper services. As part of the IIP, Elizabethtown is upgrading its legacy low pressure system to an elevated pressure system, and installing excess flow valves and retiring district regulators that are presently required to operate the existing low pressure system. The costs recovered through the IIP Rider rate include the Company's after-tax weighted average cost of capital as adjusted upward for the revenue expansion factor, depreciation expense and applicable taxes.

Cost recovery under the IIP is contingent on an earnings test. If the product of the earnings test calculation exceeds the Company's most recently approved ROE by fifty (50) basis points or more, cost recovery under the IIP shall not be allowed. Any disallowance resulting from the earnings test will not be charged to customers in a subsequent IIP filing period, but the Company may seek such recovery in a subsequent base rate case.

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Date of Issue: XXX1

Effective: Service Rendered  
on and after XXX2

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

Filed Pursuant to Order of the Board of Public Utilities  
Dated XXX3 in Docket No. XXX4

## RIDER "B"

WEATHER NORMALIZATION CLAUSE ("WNC") (continued)METHOD OF DETERMINING WEATHER NORMALIZATION CHARGE: (continued)I. Definition of Terms as Used Herein (continued)

6. Degree Day Consumption Factor ("DDCF") - the variable component (use per degree day) of the gas sendout for each month of the winter period normalized for weather and adjusted for lost and unaccounted for gas. The DDCF shall be updated annually in the Company's WNC reconciliation filing annualizing to reflect the change in number of customers that has occurred since the base rate proceeding that established the initial degree day consumption factor in base rate cases. The base number of customers used to establish the normalized use in therms per Customer and the calculated DDCF for purposes of calculating the weather-related portion of the CIP are as follows:

<u>Month</u>	<u>Base Number of Customers</u>	<u>Therms per Degree Day</u>
October	313,804	51,924
November	314,658	62,695
December	315,462	69,188
January	314,902	68,423
February	315,199	65,801
March	315,468	63,989
April	315,682	52,634
May	315,867	54,279

7. Margin Revenue Factor - the weighted average of the Distribution Charges as quoted in the individual service classes to which this clause applies net of applicable taxes and other similar charges and any other revenue charge not retained by the Company that these rates may contain in the future. The weighted average shall be determined by multiplying the margin revenue component of the Distribution Charges from each service class to which this clause applies by each class's percentage of total consumption of all the classes to which this clause applies for the winter period and summing this result for all the classes to which this clause applies. The Margin Revenue Factor shall be redetermined each time base rates or IIP rates are adjusted. The current Margin Revenue Factor is ~~\$0.5656~~ 6055 per therm pre taxes for purposes of calculating the weather-related portion of the CIP.

Date of Issue: ~~November 26, 2024~~ XXX1Effective: Service Rendered  
on and after ~~December 1,~~  
2024 XXX2Issued 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 "F"

INFRASTRUCTURE INVESTMENT PROGRAM ("IIP")

Applicable to all RDS, SGS, GDS, NGV, LVD, EGF and GLS classes and Firm Special Contract customers receiving service through the Company's distribution system. The IIP rate shall be collected on a per therm basis and shall remain in effect until changed by order of the NJBPU.

		Per Therm
RDS	Residential	<del>\$0.0373</del> \$0.0174
SGS	Small General Service	<del>\$0.0387</del> \$0.0187
GDS	General Delivery Service	<del>\$0.0279</del> \$0.0136
GDS	Seasonal SP#1 May-Oct	<del>\$0.0034</del> \$0.0016
NGV	Natural Gas Vehicles	<del>\$0.0215</del> \$0.0320
LVD	Large Volume Demand	<del>\$0.0110</del> \$0.0049
EGF	Electric Generation	<del>\$0.0279</del> \$0.0136
GLS	Gas Lights	<del>\$0.0356</del> \$0.0164
	Firm Special Contracts	<del>\$0.0011</del> \$0.0007

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.

The IIP is a five-year program to modernize and enhance the reliability and safety of the Company's gas distribution system by replacing its vintage, at-risk facilities which include aging cast iron mains, unprotected and bare steel mains and services, ductile iron and vintage plastic mains and vintage plastic and copper services. As part of the IIP, Elizabethtown is upgrading its legacy low pressure system to an elevated pressure system, and installing excess flow valves and retiring district regulators that are presently required to operate the existing low pressure system. The costs recovered through the IIP Rider rate include the Company's after-tax weighted average cost of capital as adjusted upward for the revenue expansion factor, depreciation expense and applicable taxes.

Cost recovery under the IIP is contingent on an earnings test. If the product of the earnings test calculation exceeds the Company's most recently approved ROE by fifty (50) basis points or more, cost recovery under the IIP shall not be allowed. Any disallowance resulting from the earnings test will not be charged to customers in a subsequent IIP filing period, but the Company may seek such recovery in a subsequent base rate case.

Date of Issue: ~~November 26, 2024~~ XXX1

Effective: Service Rendered  
on and after ~~December 1,~~  
2024 XXX2

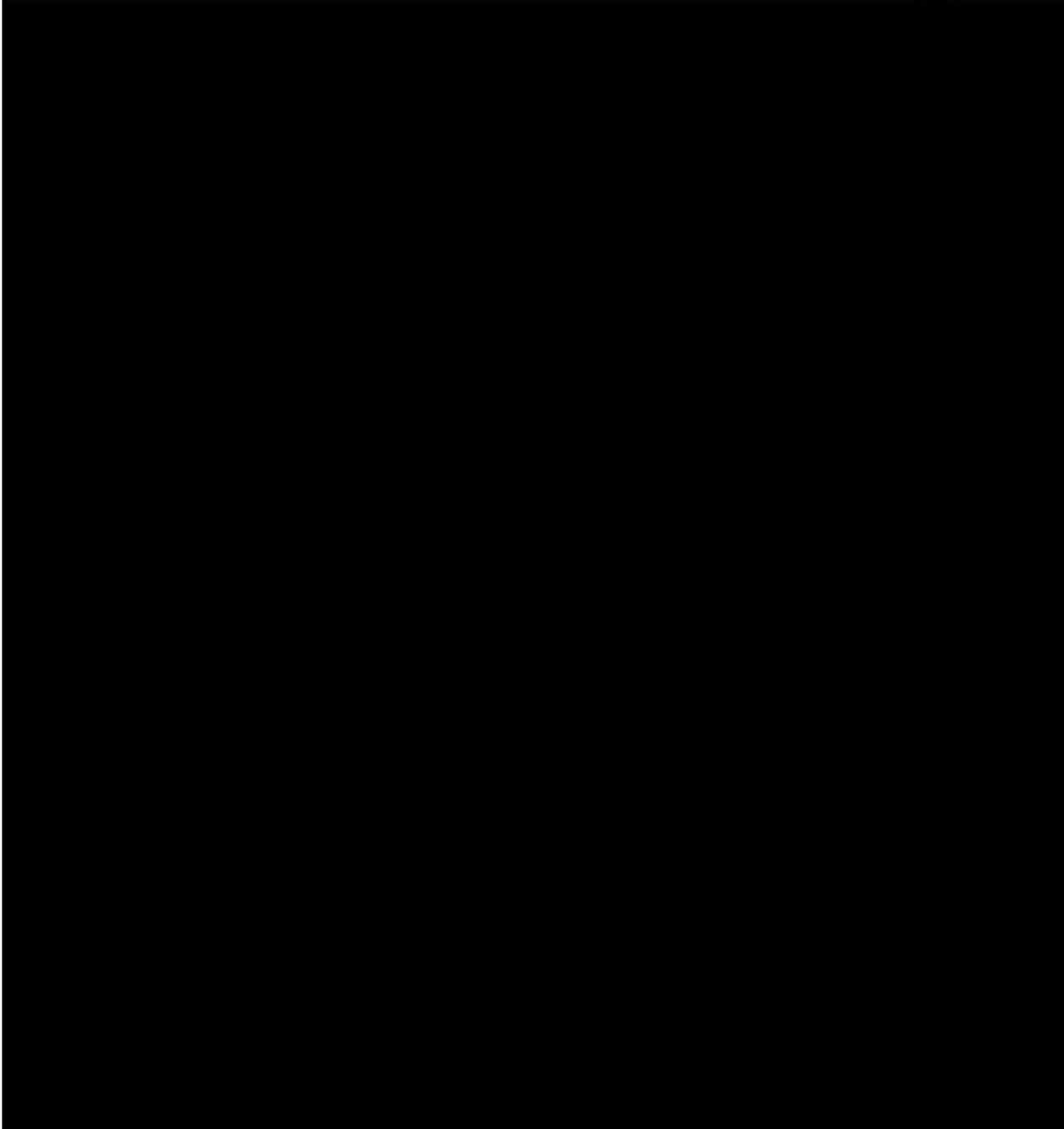
Issued by: Christie McMullen, President  
520 Green Lane  
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities  
Dated ~~November 21, 2024~~ XXX3 in Docket No. GR24020158 XXX4

PRELIMINARY PUBLIC COPY

Elizabethtown Gas Company  
Statements of Income for the Twelve Months  
Ending December 31, 2024

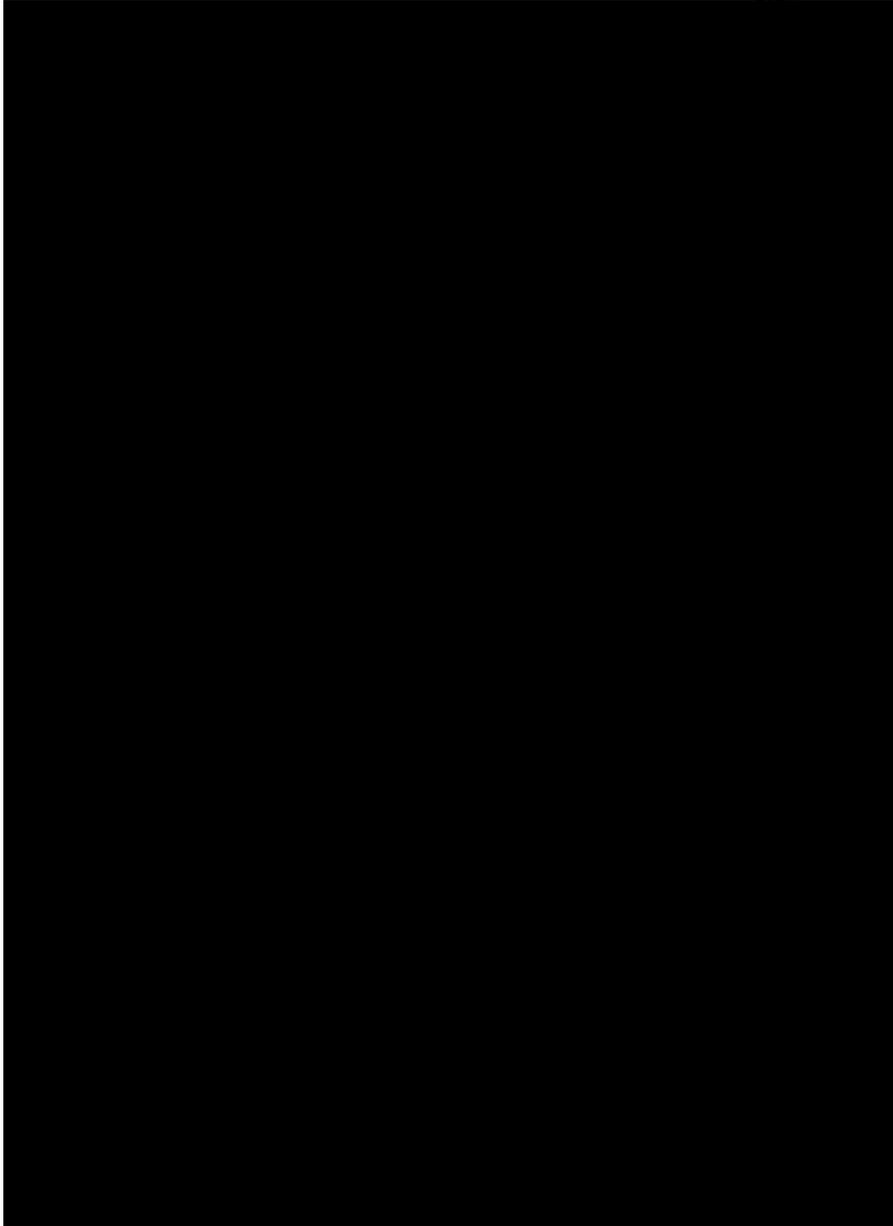
2024



PRELIMINARY PUBLIC COPY

Elizabethtown Gas Company  
Balance Sheet  
As of December 31, 2024

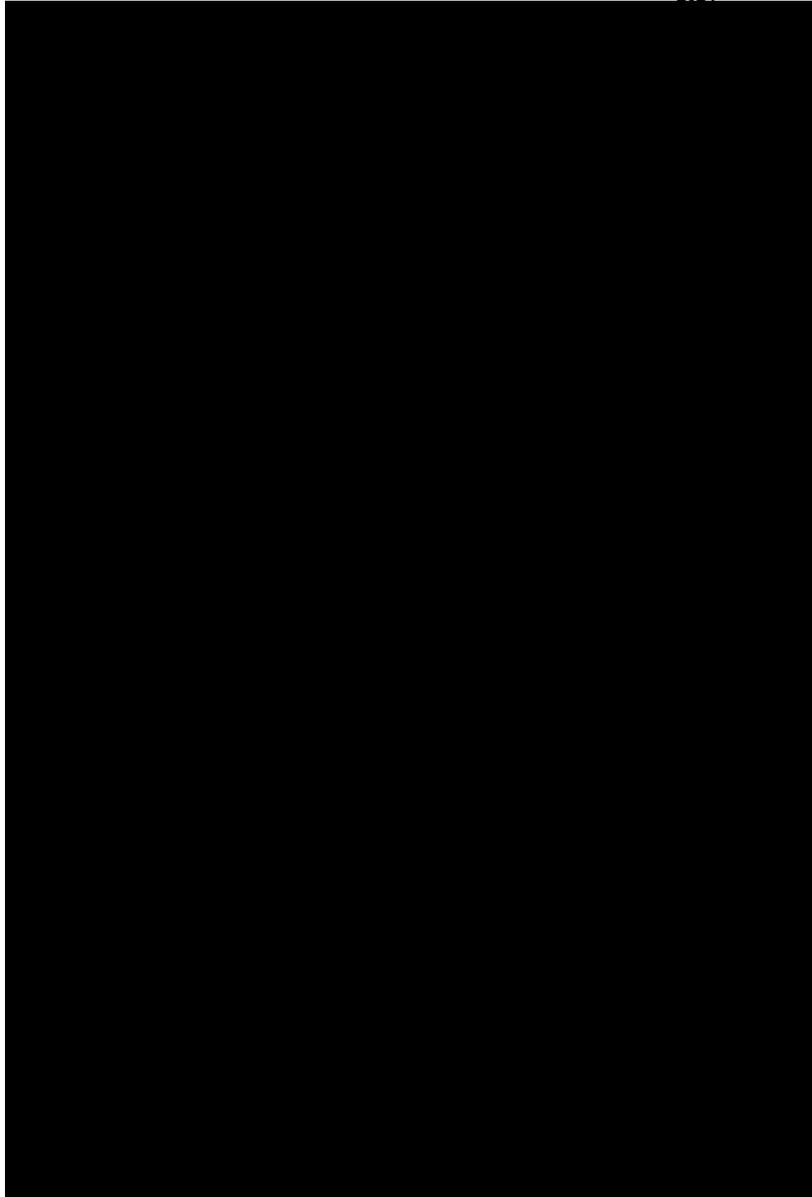
2024



PRELIMINARY PUBLIC COPY

Elizabethtown Gas Company  
Balance Sheet  
As of December 31, 2024

2024



**BEFORE THE  
NEW JERSEY BOARD OF PUBLIC UTILITIES**

**DIRECT TESTIMONY**

**OF**

**MICHAEL P. SCACIFERO**

**Senior Director of Engineering Services**

**On Behalf Of  
Elizabethtown Gas Company**

**April 30, 2025**

1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME, AFFILIATION AND BUSINESS ADDRESS.**

3 **A.** My name is Michael P. Scacifero and I am the Senior Director of Engineering Services  
4 for Elizabethtown Gas Company (“Elizabethtown” or “Company”). My business  
5 address is 520 Green Lane, Union, New Jersey 07083.

6 **Q. PLEASE DESCRIBE YOUR PROFESSIONAL RESPONSIBILITIES.**

7 **A.** As Senior Director of Engineering Services for Elizabethtown, I oversee engineering  
8 planning, design and budgeting for all of Elizabethtown’s distribution system  
9 improvements, renewals, pressure improvements, Department of Transportation  
10 projects and large new business projects. I am responsible for conducting system  
11 modeling and analysis and providing engineering support to Field Operations and  
12 Construction Operations. I am also involved with the development of Elizabethtown’s  
13 capital budget and I am familiar with its components.

14 **Q. WHAT ARE YOUR PROFESSIONAL AND EDUCATIONAL**  
15 **QUALIFICATIONS?**

16 **A.** I received a B.S. in Civil Engineering from the New Jersey Institute of Technology in  
17 1988. I am a Licensed Professional Engineer in the State of New Jersey. I have been  
18 employed by Elizabethtown for 34 years in Engineering and Operations. Two of those  
19 years were spent as a Project Engineer, five years as a Division Engineer, and twenty-  
20 seven years as Manager of Engineering, Manager of Operations, Director of  
21 Engineering Services and, currently, Senior Director of Engineering Services. Prior to  
22 joining Elizabethtown, I was a Project Engineer for four years with Johnson  
23 Engineering Inc. specializing in highway and infrastructure design. Prior to that, I was  
24 employed for three years by the Township of Warren, New Jersey as a Staff Engineer

1 specializing in municipal engineering. I am a member of the American Gas  
2 Association and New Jersey Utilities Association, as well as the National Society of  
3 Professional Engineers.

4 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

5 **A.** My testimony provides the status of the actual in-service investments that were made  
6 from July 1, 2024 through March 31, 2025 and those which are projected to be made  
7 from April 1, 2025 through June 30, 2025 as part of the Company’s Infrastructure  
8 Investment Program (“IIP”) approved by the 2019 IIP Order <sup>1</sup> and extended (“IIP  
9 Extension”) by the IIP Extension Order <sup>2</sup>, collectively, the “IIP Orders” In accordance  
10 with the IIP Orders, the Company will provide a 12+0 update by July 15, 2025 that  
11 contains actual in-service investments through June 30, 2025. My testimony also  
12 provides certain information responsive to the Minimum Filing Requirements  
13 (“MFRs”) required to be provided in this filing by the IIP Extension Order.

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

15 **A.** Yes. My testimony includes the following schedules that were prepared by me or under  
16 my direction and supervision:

17 Schedule MPS-1: Elizabethtown’s actual and forecasted baseline capital  
18 spending (MFR Number 3);

19 Schedule MPS-2: Elizabethtown’s overall approved IIP Extension capital  
20 budget, including Construction Work In Progress  
21 (“CWIP”) and In-Service amounts, broken down by

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<sup>1</sup> In re *the Petition of Elizabethtown Gas Company to Implement an Infrastructure Investment Program (“IIP”) and Associated Recovery Mechanism Pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:3-2A*, BPU Docket No. GR18101197, Order dated June 12, 2019 (“2019 IIP Order”)

<sup>2</sup> In re *the Petition of Elizabethtown Gas Company to Implement an Infrastructure Investment Program (“IIP”) and Associated Recovery Mechanism Pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:3-2A*, BPU Docket Nos. GR18101197 and GR23120882, Order dated July 24, 2024 (“IIP Extension Order”)

1 major categories, including budgeted, actual and  
2 forecasted amounts (MFR Number 4);

3 Schedule MPS-3: IIP Extension Project information, including the budget,  
4 CWIP expenditures incurred to date, status of  
5 construction work completed to date, and estimated or  
6 actual construction completion date. (MFR Number  
7 5.a.b.c.);

8 Schedule MPS-4: Leak Metric Requirements; and

9 Schedule MPS-5: Updated project list and explanation of any changes to  
10 Appendix C to the Stipulation approved by the IIP  
11 Extension Order.

## 12 **II. OVERVIEW OF IIP EXTENSION**

### 13 **Q. PLEASE PROVIDE AN OVERVIEW OF THE COMPANY'S IIP EXTENSION.**

14 **A.** Under the IIP Extension, the Company is authorized to invest up to \$120 million  
15 (“Program Cost Cap”) in the Company’s gas distribution system over the eighteen (18)-  
16 month period beginning July 1, 2024 through December 31, 2025, to replace at least  
17 75 miles of cast iron and bare steel mains and related services, as well as the installation  
18 of excess flow valves (“EFVs”) on new service lines (“IIP Extension Projects”). This  
19 filing reflects investments associated with in-service IIP Extension Projects during the  
20 period July 1, 2024 through June 30, 2025.

### 21 **Q. ARE THERE ANY EXCLUSIONS FROM THE PROGRAM COST CAP?**

22 **A.** The \$120 million Program Cost Cap excludes Allowance for Funds Used During  
23 Construction (“AFUDC”) and the costs of the IIP Independent Monitor, discussed  
24 further below.

1 **III. STATUS OF IIP EXTENSION PROJECTS**

2 **Q. PLEASE DESCRIBE THE IIP EXTENSION PROJECTS THAT**  
3 **ELIZABETHTOWN ANTICIPATES WILL BE PLACED IN-SERVICE BY**  
4 **JUNE 30, 2025.**

5 **A.** With respect to IIP Extension Projects, as of March 31, 2025, the Company invested  
6 \$45.4 million in CWIP, and \$38.1 million was placed in-service, excluding AFUDC  
7 and the costs of the IIP Independent Monitor. As of March 31, 2025, the Company has  
8 placed in service 32.13 miles of main, 2,880 services and 2,852 EFVs on new service  
9 lines. The Company anticipates that by June 30, 2025 it will have placed in service a  
10 total of \$67.0 million of IIP mains and services. It also anticipates that it will have  
11 placed in service 59.70 miles of main and an estimated 4,172 of associated services  
12 and 4,144 EFVs by June 30, 2025. See Schedules MPS-2 and MPS-3 for IIP forecast  
13 information, expenditures incurred to date for eligible in-service IIP mains and services  
14 and IIP Extension Project completion dates.

15 As required by the IIP Orders, the IIP Extension Projects and amounts are  
16 incremental to the Company's normal capital spending budget. The Company's actual  
17 and forecast baseline capital spending for the IIP Extension through June 30, 2025 is  
18 reflected in Schedule MPS-1.

19 **Q. DO THE IN-SERVICE AMOUNTS REFLECTED IN THIS FILING EXCEED**  
20 **\$12 MILLION AS REQUIRED BY THE IIP EXTENSION ORDER?**

21 **A.** Yes. Under the IIP Extension Order, Elizabethtown shall make annual filings to  
22 recover IIP costs when eligible in-service amounts exceed 10% of total program

1 spending.<sup>3</sup> Elizabethtown projects a total of \$67.0 million of recoverable in service  
2 amounts through June 30, 2025. This in-service total does not include any amounts  
3 placed in service prior to the effective date of the IIP Extension, or July 24, 2024.

4 **Q. IN ACCORDANCE WITH MFR NUMBER 5.d, PLEASE DISCUSS THE**  
5 **ANTICIPATED IIP EXTENSION TIMELINE, ESTIMATED COMPLETION**  
6 **DATE AND ANY UNANTICIPATED CHANGES.**

7 **A.** As noted above, the IIP Extension program is from July 1, 2024 through December 31,  
8 2025. All IIP Extension mains projects are expected to be in-service by December 31,  
9 2025. Changes to IIP Extension Projects from Appendix C to the Stipulation approved  
10 by the IIP Extension Order are reflected in Schedule MPS-5. See Schedule MPS-3 for  
11 further information regarding IIP Extension project status and completion dates.

12 **IV. PRIORITIZATION OF PROJECTS**

13 **Q. HOW HAS THE COMPANY PRIORITIZED THE IIP EXTENSION**  
14 **PROJECTS?**

15 **A.** As required by the IIP Orders, the IIP Extension Projects are prioritized utilizing  
16 Elizabethtown's Distribution Integrity Management Plan ("DIMP"), which is a risk-  
17 based process followed by the Company. Elizabethtown has integrated advanced leak  
18 detection ("ALD") technology information and methane emission flow rates, as  
19 appropriate, along with consideration of additional factors such as construction,  
20 efficiencies, logistics and other risk factors within Elizabethtown's discretion,  
21 including the prioritization ranking methodology within the Company's DIMP.

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<sup>3</sup> There is an exception to this requirement -- the April 2026 filing may be less than 10% of total program spending to the extent it reflects residual spending associated with close out work occurring after December 31, 2025.

1 **V. EFFECTIVENESS OF IIP EXTENSION AND OPEN LEAK INVENTORY**  
2 **REDUCTION**

3 **Q. IN ACCORDANCE WITH MFR NUMBER 5.e., PLEASE DISCUSS THE**  
4 **EFFECTIVENESS OF THE IIP EXTENSION IN IMPROVING SYSTEM**  
5 **PERFORMANCE, INCLUDING IDENTIFICATION OF IMPROVED**  
6 **FACILITIES.**

7 **A.** As reflected above and in Schedule MPS-3, as of March 31, 2025 inclusive of CWIP  
8 projects, Elizabethtown has installed 38.03 miles of mains, 2,880 services and 2,852  
9 EFVs. In accordance with the intent of the IIP Extension, the replacement of these  
10 facilities has and will enhance the Company’s distribution system safety and reliability  
11 to the benefit of Elizabethtown’s customers. The IIP Extension work will also support  
12 the environment by helping to reduce Elizabethtown’s open leak inventory as discussed  
13 below and will facilitate economic development and employment in New Jersey.

14 **Q. HAS THE COMPANY ENGAGED AN INDEPENDENT MONITOR THAT**  
15 **REVIEWS AND REPORTS ON THE EFFECTIVENESS OF THE IIP**  
16 **EXTENSION TO THE NEW JERSEY BOARD OF PUBLIC UTILITIES’**  
17 **(“BOARD”) STAFF AND THE NEW JERSEY DIVISION OF RATE COUNSEL**  
18 **(“RATE COUNSEL”)?**

19 **A.** Yes, in compliance with the IIP Extension Order, Elizabethtown continued its retention  
20 of Jerry May to serve as the IIP Independent Monitor. As of March 2025, the  
21 Independent Monitor has completed two (2) report and found that the IIP Extension  
22 investments were effective in meeting IIP objectives and that they were cost effective  
23 and efficient. The Independent Monitor’s results were reported to Board Staff and Rate  
24 Counsel. As discussed by Mr. Kaufmann, the Independent Monitor costs incurred

1 during the period July 1, 2024 through June 30, 2025 are reflected in the cost recovery  
2 sought by this filing as authorized by the IIP Orders.

3 **Q. PLEASE ADDRESS THE COMPANY'S OPEN LEAK INVENTORY**  
4 **REQUIREMENT AS REFLECTED IN THE IIP EXTENSION ORDER.**

5 **A.** The IIP Extension Order requires that the Company reduce its year-end open leak  
6 inventory by one (1) percent of the year-end open leak inventory from the preceding  
7 program year for the duration of the IIP Extension, except for certain extraordinary  
8 circumstances Active leaks as of the end of the IIP Program on June 30, 2024 were  
9 208. Therefore, a 1% reduction would require open leaks of 206 or fewer by December  
10 31, 2025. Actual leaks as of March 31, 2025 are 76 as shown on Schedule MPS-4, and  
11 the Company has met the 2025 leak reduction target requirement contained in the IIP  
12 Extension Order.

13 **VI. BASELINE CAPITAL SPENDING**

14 **Q. PLEASE PROVIDE AN OVERVIEW OF THE COMPANY'S BASELINE**  
15 **CAPITAL SPENDING REQUIREMENTS.**

16 **A.** Pursuant to the IIP Orders, the Company is required to maintain Baseline Capital  
17 Spending amounts consisting of (1) a Total Capital Baseline Spend and (2) an IIP  
18 Baseline Spend. These Baseline Capital Spending amounts are not recoverable through  
19 the IIP recovery mechanism, but Elizabethtown shall seek recovery of these Baseline  
20 Capital Spending amounts in a base rate case.

21 **Q. PLEASE DESCRIBE THE TOTAL CAPITAL BASELINE SPEND**  
22 **REQUIREMENT.**

23 **A.** Under the IIP Extension Order, the Total Capital Baseline Spend must equal \$103.5  
24 million during the IIP Extension period beginning July 1, 2024 and ending December

1 31, 2025. The specific capital investments made by the Company as part of the Total  
2 Capital Baseline Spend are within the discretion of Elizabethtown and include certain  
3 investments that are excluded from the IIP, such as vintage plastic mains and associated  
4 services and relocation of meters, amongst other costs. The Company may not include  
5 new business expenditures in Total Capital Baseline Spend.

6 **Q. IS THE COMPANY IN COMPLIANCE WITH ITS TOTAL CAPITAL**  
7 **BASELINE SPEND REQUIREMENT?**

8 **A.** Yes. As reflected on Schedule MPS-1, the Company anticipates incurring Total  
9 Capital Baseline Spend of \$140.3 during the first twelve months of the IIP Extension  
10 from July 1, 2024 through June 30, 2025 and therefore, has met the Total Capital  
11 Baseline Spend requirement during this period.

12 **Q. PLEASE DESCRIBE THE IIP BASELINE SPEND REQUIREMENT.**

13 **A.** The IIP Baseline Spend will be equal to \$12 million over the eighteen (18)-month IIP  
14 Extension period. The IIP Baseline Spend consists of expenditures on projects similar  
15 to those eligible for recovery under the IIP.

16 **Q. IS THE COMPANY IN COMPLIANCE WITH THE IIP BASELINE SPEND**  
17 **REQUIREMENT FOR THE IIP EXTENSION PERIOD?**

18 **A.** Yes. As reflected on Schedule MPS-1, the Company forecasts the Baseline Spending  
19 for the period July 1, 2024 through June 30, 2025 to be \$9.5 million. In addition, the  
20 Company anticipates the total IIP Baseline Spend to meet or exceed \$12.0 million as  
21 of December 31, 2025 and as a result, will have satisfied this requirement.

22 **Q. DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?**

23 **A.** Yes, it does.

**ELIZABETHTOWN GAS COMPANY**  
**Infrastructure Investment Program Extension**  
**IIP Extension Capital Spend by Program Year**

	<b>Program Year 1 (9+3)</b>
<b>Major Categories</b>	<b>Jul 2024 - Jun 2025</b>
Facility	\$ 7,349,424
Fleet	\$ 4,073,657
GasOps	\$ 9,053,303
Liquified Natural Gas (LNG)	\$ 1,123,453
IT	\$ 8,011,483
Mandatory	\$ 10,819,026
Distribution Integrity Mgmt Pgm (DIMP)	\$ 68,957,819
DIMP-LD	\$ 16,457,104
Transmission Integrity Mgmt Pgm (TIMP)	\$ 2,141
DOT	\$ 1,647,313
Pressure Improvement (PRIM)	\$ 8,942,249
Corrosion	\$ 447,905
Relocation	\$ 63,515
Security	\$ 220,730
Strategic	\$ 1,051,350
Corporate Project Management Office (CPMO)	\$ 2,121,521
<b>Total</b>	<b>\$ 140,341,993</b>

	<b>Program Year 1 (9+3)</b>
<b>IIP Baseline Spend</b>	<b>Jul 2024 - Jun 2025</b>
Infrastructure Investment Program - Base Spend (No AFUDC)	\$ 9,450,928

- 1 - Per the Board's Order dated July 24, 2024, the Total Capital Baseline Spend will be equal to \$103.5M during the IIP Extension beginning July 1, 2024 and ending December 31, 2025.
- 2 - New business expenditures made by the Company shall be excluded from the Total Capital Baseline Spend during the IIP Extension.
- 3 - Excluded investments per the 2019 IIP Order are also excluded.
- 4 - Total Capital Baseline Spend shall not include expenditures associated with the IIP Extension Baseline Spend.
- 5 - Values in this table include overhead and AFUDC costs except as noted in Baseline Spend.

**ELIZABETHTOWN GAS COMPANY**  
**Infrastructure Investment Program Extension**  
**IIP Extension Capital Expenditures**  
**Program Year 1 - 12 months ending June 2025**  
**Program Year 2 - 6 months ending December 2025**

		Budget		
		Mains	Services	Total
Program Year 1	\$	48,000,000	\$ 32,000,000	\$ 80,000,000
Program Year 2	\$	24,000,000	\$ 16,000,000	\$ 40,000,000
	\$	<b>72,000,000</b>	<b>\$ 48,000,000</b>	<b>\$ 120,000,000</b>

		CWIP Actuals as of March 31, 2025			CWIP Forecast (April 1, 2025 thru June 30, 2025)			
		Mains	Services	Sub-Total	Mains	Services	Sub-Total	Total
Program Year 1	\$	28,800,978	\$ 16,576,112	\$ 45,377,090	\$ 19,208,644	\$ 6,699,149	\$ 25,907,793	\$ 71,284,883
Program Year 2	\$	-	-	-	-	-	-	-
	\$	<b>28,800,978</b>	<b>\$ 16,576,112</b>	<b>\$ 45,377,090</b>	<b>\$ 19,208,644</b>	<b>\$ 6,699,149</b>	<b>\$ 25,907,793</b>	<b>\$ 71,284,883</b>

		In-Service Actuals as of March 31, 2025			In-Service Forecast (April 1, 2025 thru June 30, 2025)			
		Mains	Services	Sub-Total	Mains	Services	Sub-Total	Total
Program Year 1	\$	21,566,411	\$ 16,575,442	\$ 38,141,853	\$ 22,208,644	\$ 6,699,150	\$ 28,907,794	\$ 67,049,647
Program Year 2	\$	-	-	-	-	-	-	-
	\$	<b>21,566,411</b>	<b>\$ 16,575,442</b>	<b>\$ 38,141,853</b>	<b>\$ 22,208,644</b>	<b>\$ 6,699,150</b>	<b>\$ 28,907,794</b>	<b>\$ 67,049,647</b>

		In-Service Actuals as of March 31, 2025		In-Service Forecast (April 1, 2025 thru June 30, 2025)		Total
Program Year 1	In-Service Miles of Main		32.13	In-Service Miles of Main	27.57	59.70
	In-Service Number of Service		2,880	In-Service Number of Service	1,292	4,172
	In-Service Number of EFVs		2,852	In-Service Number of EFVs	1,292	4,144
Total	<b>TOTAL In-Service Miles of Main</b>		<b>32.13</b>	<b>TOTAL In-Service Miles of Main</b>	<b>27.57</b>	<b>59.70</b>
	<b>TOTAL In-Service Number of Service</b>		<b>2,880</b>	<b>TOTAL In-Service Number of Service</b>	<b>1,292</b>	<b>4,172</b>
	<b>TOTAL In-Service Number of EFVs</b>		<b>2,852</b>	<b>TOTAL In-Service Number of EFVs</b>	<b>1,292</b>	<b>4,144</b>

Note: Amounts exclude the costs for a program monitor and AFUDC.

**ELIZABETHTOWN GAS COMPANY**  
**Infrastructure Investment Program Extension**  
**Construction Work In Progress ("CWIP")**  
**IIP Programs and Projects**  
**as of March 31, 2025**

Schedule MPS-3  
 Consisting of 2 Pages  
 9+3

Geographic Program Area Information			Status		Project Budgets wo / AFUDC			Project Actuals wo / AFUDC			Installed QTYs to Date			Est. or Actual Completion Date
AFE #	IIP Geographic Program Area	Program Area Status	Mains % Complete	Services % Complete	Mains Project	Services Project	Total	Mains Project	Services Project	Total	Miles of Main	Number of Services	Number of EFV's	Completion Date
201752	Trinity St and Moran St	Construction	99%	54%	\$ 1,586,724	\$ 678,172	\$ 2,264,896	\$ 1,148,702	\$ 375,465	\$ 1,524,167	1.36	62	62	5/13/2025
201753	Mountain Ave, Hackettstown	Restoration	100%	100%	\$ 485,217	\$ 125,874	\$ 611,091	\$ 536,737	\$ 84,248	\$ 620,985	0.23	6	6	3/31/2025
201754	E Grand St	Restoration	100%	100%	\$ 926,323	\$ 559,378	\$ 1,485,701	\$ 625,132	\$ 616,647	\$ 1,241,779	0.54	80	80	11/21/2024
201755	Lincoln Park E	Restoration	100%	100%	\$ 341,436	\$ 147,259	\$ 488,695	\$ 115,555	\$ 111,666	\$ 227,221	0.20	13	13	12/2/2024
201759	Christine Pl	Restoration	100%	100%	\$ 259,801	\$ 87,576	\$ 347,377	\$ 103,314	\$ 28,922	\$ 132,241	0.09	6	6	11/4/2024
201760	Ronald Dr (Queens Garden Apartments)	Restoration	100%	100%	\$ 424,036	\$ 179,968	\$ 604,004	\$ 227,619	\$ 143,615	\$ 371,234	0.27	10	10	1/16/2025
201762	Pennington Rd	Awarded	0%	0%	\$ 1,303,906	\$ 825,807	\$ 2,129,713	\$ 138,249	\$ 671	\$ 138,920	0.00	0	0	9/19/2025
201768	Tappen St and Remsen Ave	Restoration	100%	100%	\$ 1,344,113	\$ 618,488	\$ 1,962,601	\$ 591,109	\$ 563,863	\$ 1,154,972	0.98	125	121	10/28/2024
201769	Reaville Ave Easement (near Route 202)	Restoration	100%	100%	\$ 306,278	\$ 118,585	\$ 424,863	\$ 158,503	\$ 71,198	\$ 229,701	0.24	14	14	3/3/2025
201770	Gere Pl and Briarcliffe Dr	Restoration	100%	100%	\$ 644,621	\$ 244,166	\$ 888,787	\$ 320,807	\$ 153,943	\$ 474,750	0.54	36	33	10/28/2024
201771	Park Rd	Restoration	100%	100%	\$ 284,347	\$ 79,945	\$ 364,292	\$ 133,551	\$ 38,079	\$ 171,630	0.17	8	8	1/6/2025
201774	Taylor Terr and Lanning Ave	Restoration	100%	100%	\$ 608,857	\$ 385,609	\$ 994,466	\$ 439,167	\$ 315,787	\$ 754,954	0.74	62	62	11/12/2024
201775	Correja Ave and Harding Ave	Restoration	100%	100%	\$ 810,312	\$ 450,817	\$ 1,261,129	\$ 359,824	\$ 408,956	\$ 768,780	0.54	89	85	12/18/2024
201776	Sergeantsville Rd	Restoration	100%	100%	\$ 1,580,518	\$ 561,126	\$ 2,141,644	\$ 1,521,847	\$ 496,062	\$ 2,017,909	2.09	72	72	1/16/2025
201777	Molly Bee Rd and Garrett Dr	Restoration	100%	100%	\$ 1,693,530	\$ 587,213	\$ 2,280,743	\$ 1,198,116	\$ 532,349	\$ 1,730,465	2.07	84	83	2/11/2025
201778	Chambers St and Heckman St	Construction	100%	88%	\$ 605,714	\$ 289,715	\$ 895,429	\$ 840,500	\$ 284,825	\$ 1,125,325	0.49	44	44	4/23/2025
201779	Grant Ave and Hayward Ave	Restoration	100%	100%	\$ 1,630,444	\$ 1,237,233	\$ 2,867,677	\$ 1,064,166	\$ 1,496,330	\$ 2,560,496	1.62	266	264	2/18/2025
201780	Liberty Ave and Hillside Ave	Restoration	100%	100%	\$ 361,090	\$ 236,291	\$ 597,381	\$ 277,594	\$ 332,230	\$ 609,824	0.16	43	40	1/17/2025
201781	Morris Ave (Burnet to Falls Ter)	Awarded	0%	0%	\$ 591,247	\$ 374,456	\$ 965,703	\$ 115,466	\$ -	\$ 115,466	0.00	0	0	5/23/2025
201782	Wood Valley Rd	Restoration	100%	100%	\$ 545,187	\$ 220,302	\$ 765,489	\$ 301,911	\$ 158,506	\$ 460,417	0.44	32	29	12/19/2024
201783	Heckman St (Roseberry St to Railroad Ave)	Restoration	100%	100%	\$ 1,190,916	\$ 245,717	\$ 1,436,633	\$ 790,291	\$ 96,565	\$ 886,856	0.83	11	10	12/17/2024
201784	Grant Ave and Lincoln Ave	Restoration	100%	100%	\$ 704,428	\$ 438,357	\$ 1,142,785	\$ 274,645	\$ 394,507	\$ 669,152	0.51	69	68	11/20/2024
201785	Swarthmore Dr and Wedgewood Dr	Restoration	100%	100%	\$ 1,301,578	\$ 751,234	\$ 2,052,812	\$ 686,976	\$ 703,598	\$ 1,390,574	1.03	129	128	1/15/2025
201788	Sheridan Ave and N. 16th St	Construction	100%	92%	\$ 499,153	\$ 241,743	\$ 740,896	\$ 301,707	\$ 265,906	\$ 567,613	0.44	34	34	4/4/2025
201789	Alpine St and Keene St	Restoration	100%	100%	\$ 1,541,981	\$ 1,258,057	\$ 2,800,038	\$ 1,092,812	\$ 1,245,371	\$ 2,338,183	1.50	230	230	3/27/2025
201790	Denman Dr	Restoration	100%	100%	\$ 940,663	\$ 450,613	\$ 1,391,276	\$ 451,293	\$ 453,546	\$ 904,839	0.74	84	84	1/28/2025
201791	James Ave and Alice Ln	Construction	100%	90%	\$ 575,270	\$ 451,710	\$ 1,026,980	\$ 298,065	\$ 510,977	\$ 809,042	0.51	76	76	4/14/2025
201792	Stoneham Pl and Salem Ct	Restoration	100%	100%	\$ 962,347	\$ 230,546	\$ 1,192,893	\$ 584,970	\$ 302,715	\$ 887,685	0.77	60	60	2/10/2025
201793	Ternay Ave and Stocker Ln	Restoration	100%	100%	\$ 502,808	\$ 242,294	\$ 745,102	\$ 184,964	\$ 185,950	\$ 370,914	0.43	44	44	11/20/2024
201794	E. Broad St and Harrison Ave Phase 2	Construction	100%	95%	\$ 1,099,944	\$ 722,792	\$ 1,822,736	\$ 495,396	\$ 674,096	\$ 1,169,492	0.81	132	132	4/9/2025
201795	Newark Ave and N Broad St	Awarded	0%	0%	\$ 1,062,533	\$ 672,937	\$ 1,735,470	\$ 83,033	\$ -	\$ 83,033	0.00	0	0	6/24/2025
201796	W Grand St and N Broad St	Not Awarded	0%	0%	\$ 644,111	\$ 407,937	\$ 1,052,048	\$ 86,682	\$ -	\$ 86,682	0.00	0	0	5/6/2026
201797	E and W Blanche St	Construction	100%	99%	\$ 846,504	\$ 588,718	\$ 1,435,222	\$ 542,927	\$ 623,164	\$ 1,166,091	0.57	111	111	4/4/2025
201798	Calvert Ave W and Marline Ave W	Construction	100%	92%	\$ 1,748,635	\$ 885,220	\$ 2,633,855	\$ 912,765	\$ 690,946	\$ 1,603,711	2.29	137	137	4/28/2025
201799	N Wood Ave at 5th Ave	Restoration	100%	100%	\$ 197,053	\$ 57,445	\$ 254,498	\$ 90,965	\$ 7,581	\$ 98,546	0.06	2	2	11/6/2024
201801	Central Ave RR Crossing	Awarded	0%	0%	\$ 14,739	\$ 9,335	\$ 24,074	\$ 9,754	\$ -	\$ 9,754	0.00	0	0	6/10/2025
201802	Elmer St and E Broad St	Construction	100%	7%	\$ 729,384	\$ 557,455	\$ 1,286,839	\$ 277,636	\$ 42,578	\$ 320,214	0.29	7	7	5/15/2025
201803	Highlander Dr	Construction	100%	95%	\$ 2,202,220	\$ 890,867	\$ 3,093,087	\$ 833,505	\$ 726,797	\$ 1,560,302	2.35	123	122	4/3/2025
201804	Drake Ave and Chandler Ave	Restoration	100%	100%	\$ 727,248	\$ 442,168	\$ 1,169,416	\$ 427,621	\$ 628,044	\$ 1,055,665	0.60	93	91	2/4/2025
201808	Hayes Ave and Grouse Ln	Construction	100%	47%	\$ 702,075	\$ 432,725	\$ 1,134,800	\$ 510,540	\$ 329,699	\$ 840,239	0.92	36	36	4/23/2025
201825	S. Locust Ave and S. Heathcote Ave	Construction	97%	0%	\$ 868,063	\$ 491,101	\$ 1,359,164	\$ 425,725	\$ -	\$ 425,725	0.73	0	0	5/8/2025
201827	Rayhorn Terr and Skylark Pl	Construction	100%	99%	\$ 1,068,994	\$ 587,398	\$ 1,656,392	\$ 626,329	\$ 553,515	\$ 1,179,844	0.83	97	97	4/1/2025
201829	Force Dr and Pembroke Rd	Construction	96%	84%	\$ 1,052,836	\$ 403,604	\$ 1,456,440	\$ 634,506	\$ 236,878	\$ 871,384	0.79	43	43	4/23/2025
201831	Dogwood Ln and Pine Tree Dr	Restoration	100%	100%	\$ 820,079	\$ 420,687	\$ 1,240,766	\$ 489,204	\$ 341,762	\$ 830,966	0.58	75	74	3/26/2025
201835	Spring St and Newton Sparta Rd	Awarded	0%	0%	\$ 394,236	\$ 249,683	\$ 643,919	\$ 131,818	\$ -	\$ 131,818	0.00	0	0	6/18/2025
201836	S Main St	Construction	99%	44%	\$ 942,274	\$ 519,792	\$ 1,462,066	\$ 744,178	\$ 165,664	\$ 909,842	0.65	44	44	7/2/2025
201837	E and W Elizabeth Ave	Awarded	0%	0%	\$ 1,367,510	\$ 609,684	\$ 1,977,194	\$ 79,217	\$ -	\$ 79,217	0.00	0	0	6/26/2025
201846	Logan St and Lock St	Awarded	0%	0%	\$ 1,240,905	\$ 456,076	\$ 1,696,981	\$ 167,769	\$ -	\$ 167,769	0.00	0	0	7/16/2025
201848	Forbes Ave and Shannon Ave	Construction	81%	0%	\$ 1,227,594	\$ 993,248	\$ 2,220,842	\$ 993,126	\$ -	\$ 993,126	1.06	0	0	6/27/2025
201850	Devon Rd and Midwood Way	Restoration	100%	100%	\$ 1,145,616	\$ 428,836	\$ 1,574,452	\$ 753,132	\$ 272,641	\$ 1,025,773	0.94	50	49	2/18/2025
201823	Stuart Pl and Debra Dr	Awarded	0%	0%	\$ 956,771	\$ 671,587	\$ 1,628,358	\$ 91,157	\$ -	\$ 91,157	0.00	0	0	7/31/2025
201910	Hamilton Ave and Convery Blvd	Design	0%	0%	\$ 1,332,027	\$ 843,617	\$ 2,175,644	\$ 109,730	\$ -	\$ 109,730	0.00	0	0	8/28/2025
201920	Lenape Way and Cooper Rd	Construction	24%	0%	\$ 4,822,855	\$ 1,859,764	\$ 6,682,619	\$ 274,462	\$ -	\$ 274,462	0.50	0	0	6/23/2025
201948	Raymond St and Ryan St	Construction	100%	80%	\$ 1,124,765	\$ 814,481	\$ 1,939,246	\$ 559,765	\$ 825,317	\$ 1,385,082	1.03	131	131	5/7/2025
201786	E Jersey St	Awarded	0%	0%	\$ 920,496	\$ 582,981	\$ 1,503,477	\$ 26,584	\$ -	\$ 26,584	0.00	0	0	9/4/2025
201916	Winding Brook Way and Jacobs Ln	Awarded	0%	0%	\$ 1,791,838	\$ 587,204	\$ 2,379,042	\$ 73,709	\$ -	\$ 73,709	0.00	0	0	7/24/2025
201924	Heald St and Liberty St	Construction	100%	2%	\$ 1,359,257	\$ 744,434	\$ 2,103,691	\$ 857,682	\$ 31,673	\$ 889,355	1.27	3	3	6/20/2025
201926	Route 517	Not Awarded	0%	0%	\$ 850,166	\$ 538,438	\$ 1,388,604	\$ 85,706	\$ -	\$ 85,706	0.00	0	0	10/9/2025
201944	Buchanan Ave and Munsee Dr	Awarded	0%	0%	\$ 1,344,762	\$ 917,814	\$ 2,262,576	\$ 58,197	\$ -	\$ 58,197	0.00	0	0	7/1/2025
201946	Front St and N. Greenwood Ave	Awarded	0%	0%	\$ 936,172	\$ 592,909	\$ 1,529,081	\$ 331,213	\$ -	\$ 331,213	0.00	0	0	6/30/2025
201953	Copper Hill Dr and Ridgeway St	Construction	100%	88%	\$ 251,351	\$ 88,442	\$ 339,793	\$ 175,496	\$ 53,255	\$ 228,751	0.13	7	7	4/1/2025
201957	Kenneth Pl and Emerald Pl	Design	0%	0%	\$ 899,147	\$ 569,460	\$ 1,468,607	\$ 41,858	\$ -	\$ 41,858	0.00	0	0	11/10/2025
201904	Cardinal Dr and Springfield Ave	Not Awarded	0%	0%	\$ 194,768	\$ 123,353	\$ 318,121	\$ 6,295	\$ -	\$ 6,295	0.00	0	0	8/7/2025
201908	Emerson Ave and Hillside Ave	Construction	100%	0%	\$ 1,122,955	\$ 626,076	\$ 1,749,031	\$ 532,276	\$ -	\$ 532,276	1.30	0	0	5/15/2025
201918	Terminal Way and Witherspoon St	Not Awarded	0%	0%	\$ 968,942	\$ 613,664	\$ 1,582,606	\$ 100,119	\$ -	\$ 100,119	0.00	0	0	7/25/2025
201922	Kathryn St and Richard St	Design	0%	0%	\$ 1,768,675	\$ 1,120,161	\$ 2,888,836	\$ 39,253	\$ -	\$ 39,253	0.00	0	0	2/26/2026

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Geographic Program Area Information			Status		Project Budgets wo / AFUDC			Project Actuals wo / AFUDC			Installed QTYs to Date			Est. or Actual Completion Date
AFE #	IIP Geographic Program Area	Program Area Status	Mains % Complete	Services % Complete	Mains Project	Services Project	Total	Mains Project	Services Project	Total	Miles of Main	Number of Services	Number of EFV's	Completion Date
201930	Bald Eagle Dr and Mockingbird Rd	Awarded	0%	0%	\$ 1,047,176	\$ 663,212	\$ 1,710,388	\$ 87,881	\$ -	\$ 87,881	0.00	0	0	7/2/2025
201942	Nottingham Rd and Warwick Rd	Awarded	0%	0%	\$ 1,102,366	\$ 698,165	\$ 1,800,531	\$ 94,060	\$ -	\$ 94,060	0.00	0	0	8/19/2025
201955	Silzer St and Fayette St	Awarded	0%	0%	\$ 1,138,537	\$ 721,074	\$ 1,859,611	\$ 97,027	\$ -	\$ 97,027	0.00	0	0	7/31/2025
201982	E First St and Trafalger Dr	Not Awarded	0%	0%	\$ 822,824	\$ 521,122	\$ 1,343,946	\$ 50,792	\$ -	\$ 50,792	0.00	0	0	9/18/2025
201995	Norwood Ave and Chalet Dr	Construction	42%	0%	\$ 2,154,044	\$ 856,878	\$ 3,010,922	\$ 616,557	\$ -	\$ 616,557	0.80	0	0	6/6/2025
201980	Wall St and W. Kelly St	Not Awarded	0%	0%	\$ 526,885	\$ 333,694	\$ 860,579	\$ 48,257	\$ -	\$ 48,257	0.00	0	0	9/5/2025
202023	Baltimore St and S 1st St	Design	0%	0%	\$ 1,263,605	\$ 800,283	\$ 2,063,888	\$ 2,581	\$ -	\$ 2,581	0.00	0	0	5/6/2026
202031	W. Locust Ave and Ellis Pkwy	Not Awarded	0%	0%	\$ 1,223,697	\$ 775,008	\$ 1,998,705	\$ 3,571	\$ -	\$ 3,571	0.00	0	0	7/16/2025
202070	Sabo St and Pinho Ave	Design	0%	0%	\$ 1,222,854	\$ 774,474	\$ 1,997,328	\$ 6,002	\$ -	\$ 6,002	0.00	0	0	12/1/2025
202119	Flocktown Rd to Route 57 Phase 1	Not Awarded	0%	0%	\$ 3,440,338	\$ 2,178,880	\$ 5,619,218	\$ 91,162	\$ -	\$ 91,162	0.00	0	0	8/12/2025
202121	Flocktown Rd to Route 57 Phase 2	Design	0%	0%	\$ 2,376,000	\$ 1,504,800	\$ 3,880,800	\$ 38,037	\$ -	\$ 38,037	0.00	0	0	10/13/2025
202021	Nomahegan Dr and Manitou Cir	Design	0%	0%	\$ 521,691	\$ 330,404	\$ 852,095	\$ 6,679	\$ -	\$ 6,679	0.00	0	0	5/14/2026
202025	Thomas St and Mobile Ave	Not Awarded	0%	0%	\$ 716,323	\$ 453,671	\$ 1,169,994	\$ 21,449	\$ -	\$ 21,449	0.00	0	0	6/23/2026
202189	Naughtright Rd (Acorn Dr to Flocktown Rd)	Design	0%	0%	\$ 1,314,000	\$ 832,200	\$ 2,146,200	\$ 6,574	\$ -	\$ 6,574	0.00	0	0	1/12/2026
202196	Mawbey St and Grove Ave	Not Awarded	0%	0%	\$ 897,098	\$ 568,162	\$ 1,465,260	\$ 63,864	\$ -	\$ 63,864	0.00	0	0	10/28/2025
201961	N. Madison Ave and S. Inman Ave	Not Awarded	0%	0%	\$ 847,477	\$ 536,735	\$ 1,384,212	\$ 1,213	\$ -	\$ 1,213	0.00	0	0	7/16/2025
202325	Flocktown Rd to Route 57 Phase 1B	Not Awarded	0%	0%	\$ 2,293,558	\$ 1,452,587	\$ 3,746,145	\$ 2,350	\$ -	\$ 2,350	0.00	0	0	10/6/2025
<b>Totals</b>					<b>\$ 88,208,818</b>	<b>\$ 48,441,693</b>	<b>\$ 136,650,511</b>	<b>\$ 28,800,978</b>	<b>\$ 16,576,112</b>	<b>\$ 45,377,090</b>	<b>38.03</b>	<b>2,880</b>	<b>2,852</b>	

**ELIZABETHTOWN GAS COMPANY**  
**Infrastructure Investment Program Extension**  
**Leak Metrics (Active Leaks)**

	<u>Base Level</u>	<u>Reduction</u>	<u>Target</u>	<u>Actual March 31</u>	<u>Fav / (Unfav) to Target</u>	<u>Actual June 30</u>	<u>Fav / (Unfav) to Target</u>
2024						208	
2025	208	1%	206	76	130	-	-

**Elizabethtown Gas Company**  
**Status Report - Infrastructure Investment Program Extension**  
**Updated project list and explanation of any changes to Appendix C\*\***  
**03/31/25**

Project Number	Project (additions at the end of the list)	Town	Project Year *	Install Footage of New Main	Retirement Footage of CI, DI or Vintage Steel	Updated Install Footage of New Main	Updated Retirement Footage of CI, DI or Vintage Steel	Comment
201789	Alpine St and Keene St	Perth Amboy	2024	7,314	7,314	7,845	7,157	
201930	Bald Eagle Dr and Mockingbird Rd	Allamuchy	2025	10,435	10,435	7,010	12,748	Updated plan install footage decreased after verifying records.
	Broad St and Elizabeth Ave	Elizabeth	2025	4,850	9,777	0	0	Project removed from IIPX program due to permitting issues with the city of Elizabeth. Will be delayed to 2026.
201944	Buchanan Ave and Munsee Dr	Cranford	2025	6,364	6,364	6,244	6,405	
201798	Calvert Ave W and Marline Ave W	Edison	2025	9,106	9,106	11,582	10,313	Updated plan install footage increased after verifying records.
201904	Cardinal Dr and Springfield Ave	Westfield-Mountainside	2025	724	724	1,678	2,095	Updated plan install footage increased after verifying records.
201778	Chambers St and Heckman St	Phillipsburg	2025	2,450	3,248	2,491	2,741	
201758	Cherry St, Chilton St and Rahway Ave	Elizabeth	2024	2,925	8,303	0	0	Identified as IIP Base Project.
201759	Christine Pl	Washington Boro	2024	376	376	388	394	
	Convery Boulevard and Florida Grove Rd	Perth Amboy	2025	8,086	8,086	0	0	Project canceled due to paving and combined remaining unpaved roads to Hamilton Ave and Convery Blvd project.
201953	Copper Hill Dr and Ridgeway St	Union	2025	683	683	690	684	
201775	Correja Ave and Harding Ave	Iselin	2024	2,720	2,720	2,790	2,830	
201790	Denman Dr	Fords	2024	3,917	3,917	3,933	4,046	
201850	Devon Rd and Midwood Way	Colonia	2025	4,714	4,714	4,848	4,908	
201831	Dogwood Ln and Pine Tree Dr	Colonia	2025	4,583	4,583	3,005	3,567	Updated plan install footage decreased after verifying records.
201804	Drake Ave and Chandler Ave	Roselle	2024	3,050	4,294	3,142	4,375	
201797	E and W Blanche St	Linden	2025	3,250	7,112	3,006	6,746	
201837	E and W Elizabeth Ave	Linden	2025	4,700	7,765	4,341	7,194	
201754	E Grand St	Elizabeth	2025	2,075	12,111	2,675	11,939	
201786	E Jersey St	Elizabeth	2025	4,050	9,497	4,292	10,111	
201794	E. Broad St and Harrison Ave Phase 2	Westfield	2025	5,350	16,471	4,268	17,163	Updated plan install footage decreased after verifying records.
	Elizabeth Ave and Florida St	Elizabeth	2025	8,200	12,842	0	0	Project removed from IIPX program due to permitting issues with the city of Elizabeth. Will be delayed to 2026.
201802	Elmer St and E Broad St	Westfield-Garwood	2025	1,550	17,301	1,502	18,035	
201908	Emerson Ave and Hillside Ave	Clark	2025	6,571	6,571	7,125	6,700	
201757	Fairmount Ave	Elizabeth	2024	3,200	7,938	0	0	Identified as IIP Base Project.
201848	Forbes Ave and Shannon Ave	Perth Amboy	2025	6,891	6,891	6,948	7,408	
201829	Force Dr and Pembroke Rd	Mountainside	2025	4,910	4,910	4,366	4,119	
	Franklin Dr and Hamilton Ave	Perth Amboy	2025	6,657	6,657	0	0	Project canceled due to paving and combined remaining unpaved roads to Hamilton Ave and Convery Blvd project.
201946	Front St and N. Greenwood Ave	Hopewell	2025	6,588	6,588	6,218	5,760	
201770	Gere Pl and Briarcliffe Dr	Fanwood	2024	2,889	2,889	2,845	2,870	
201928	Grandview Ave and Rugby Rd	Lopatcong	2025	5,740	5,740	0	0	Identified as IIP Base Project.
201779	Grant Ave and Hayward Ave	Carteret	2024	7,848	7,848	8,572	10,013	Updated plan install and retirement footage increased after verifying records.
201784	Grant Ave and Lincoln Ave	Carteret	2024	2,729	2,729	2,749	3,031	
201808	Hayes Ave and Grouse Ln	Clark	2025	6,034	6,034	4,865	5,002	Updated plan install and retirement footage decreased after verifying records.
201924	Heald St and Liberty St	Carteret	2025	6,563	6,563	6,465	6,436	
201783	Heckman St (Roseberry St to Railroad Ave)	Phillipsburg	2024	3,700	5,269	4,323	6,128	
	Heritage Ln and Highlander Dr	Scotch Plains	2024	12,000	11,930	0	0	Project adjusted due to paving and renamed Highlander Drive.
201791	James Ave and Alice Ln	Clark	2024	2,721	2,721	2,675	2,704	
201787	Jupiter St and Dorset Dr	Clark/Colonia	2024	14,093	14,093	0	0	Identified as IIP Base Project.
201922	Kathryn St and Richard St	Clark	2025	10,310	10,310	10,000	10,199	
	Lenape Way and Cooper Rd	Scotch Plains	2025	8,835	8,835	0	0	Project adjusted due to paving and renamed Lenape Way and Rahway Rd
201780	Liberty Ave and Hillside Ave	Hillside	2025	950	13,643	907	13,170	
201755	Lincoln Park E	Cranford	2024	1,044	1,044	1,067	1,029	
201846	Logan St and Lock St	Phillipsburg	2025	4,731	4,731	3,910	4,033	
201777	Molly Bee Rd and Garrett Dr	Raritan	2024	10,806	10,806	10,886	13,292	
201781	Morris Ave (Burnet to Falls Ter)	Union	2025	3,600	12,578	4,950	12,459	Updated plan install footage increased after verifying records.
201753	Mountain Ave	Hackettstown	2024	1,085	1,085	1,198	3,092	
201799	N Wood Ave at 5th Ave	Linden-Roselle	2025	360	360	300	362	
201844	New Providence Rd and Coles Ave	Mountainside	2025	4,707	4,707	0	0	Identified as IIP Base Project.
201795	Newark Ave and N Broad St	Elizabeth	2025	6,750	11,373	6,319	10,801	
201942	Nottingham Rd and Warwick Rd	Edison	2025	7,017	7,017	6,982	6,978	
201771	Park Rd	Hackettstown	2024	756	756	704	529	
201842	Patrick St and Charlotte St	Carteret	2025	6,758	6,758	0	0	Identified as IIP Base Project.
201762	Pennington Rd	Pennington	2025	10,461	10,461	10,565	10,967	
201827	Rayhorn Terr and Skylark Pl	Rahway-Clark	2025	4,912	4,912	4,467	4,792	
201948	Raymond St and Ryan St	Fords	2025	5,682	5,682	5,257	5,357	
201769	Reaville Ave Easement (near Route 202)	Flemington	2024	1,200	1,245	1,345	1,370	
	Ringdale Ave and Schoder Ave	Woodbridge	2025	5,614	5,614	0	0	Project canceled due to paving.
201760	Ronald Dr	Colonia	2024	800	800	1,382	817	
201926	Route 517	Vernon	2025	7,875	7,875	7,687	7,914	

Elizabethtown Gas Company  
 Status Report - Infrastructure Investment Program Extension  
 Updated project list and explanation of any changes to Appendix C\*\*  
 03/31/25

Project Number	Project (additions at the end of the list)	Town	Project Year *	Install Footage of New Main	Retirement Footage of CI, DI or Vintage Steel	Updated Install Footage of New Main	Updated Retirement Footage of CI, DI or Vintage Steel	Comment
201836	S Main St	Phillipsburg	2025	4,263	4,263	3,404	4,141	
201825	S. Locust Ave and S. Heathcote Ave	Edison	2025	3,731	3,731	3,950	3,903	Project scope is Edison
201776	Sergeantsville Rd	Raritan	2024	10,653	10,653	11,003	10,711	
201788	Sheridan Ave and N. 16th St	Kenilworth	2024	2,200	2,142	2,316	2,179	
201835	Spring St and Newton Sparta Rd	Newton	2025	3,100	11,497	2,165	11,364	
201823	Stuart Pl and Debra Dr	Linden-Clark	2025	4,668	4,668	4,270	4,658	
201785	Swarthmore Dr and Wedgewood Dr	Carteret	2024	6,000	6,243	5,615	5,567	
201768	Tappen St and Remsen Ave	Avenel	2024	4,989	4,898	4,950	5,071	
201774	Taylor Terr and Lanning Ave	Hopewell	2024	3,753	3,753	4,190	3,933	
201918	Terminal Way and Witherspoon St	Rahway-Woodbridge	2025	9,638	9,638	8,795	8,690	Updated plan install and retirement footage decreased after verifying records.
201793	Ternay Ave and Stocker Ln	Scotch Plains	2025	2,711	2,711	2,209	2,097	
	Tremley Point Rd	Linden	2024	842	842	0	0	Accelerated replacement pre program due to leak.
201752	Trinity St and Moran St	Newton	2024	6,554	6,554	7,211	5,758	Updated plan install and retirement footage decreased after verifying records (5878/7200 respectively).
201796	W Grand St and BroadSt-N Broad St	Elizabeth	2025	3,750	6,270	3,887	6,515	
	Wakefield Dr and Stoneham Pl	Metuchen	2025	8,862	8,862	0	0	Project adjusted due to paving and renamed Stoneham Pl and Salem Ct
201916	Winding Brook Way and Jacobs Ln	Scotch Plains-Westfield	2025	10,251	10,251	8,977	8,921	Project scope includes Westfield. Planned install and retirement decreased due to paving.
201782	Wood Valley Rd	Mountainside	2025	2,376	2,376	2,350	2,307	
201803	Highlander Dr	Scotch Plains	2024			12,518	12,276	
201792	Stoneham Pl and Salem Ct	Metuchen	2024			3,935	4,151	
201801	Central Ave RR Crossing	Westfield	2025			203	0	
201910	Hamilton Ave and Convery Blvd	Perth Amboy	2025			6,230	6,221	
201920	Lenape Way and Rahway Rd	Scotch Plains	2025			10,959	10,866	
201995	Norwood Ave and Chalet Dr	Woodbridge	2025			10,143	9,621	
201955	Silzer St and Fayette St	Perth Amboy	2025			7,644	8,629	
201980	Wall St and W. Kelly St	Fords	2025			2,551	2,431	
201982	E First St and Trafalger Dr	Colonia	2025			4,772	4,716	
202023	Baltimore St and S 1st St	Lopatcong	2025			9,400	9,463	
202025	Thomas St and Mobile Ave	Woodbridge	2025			5,061	4,911	
202196	Mawbey St and Grove Ave	Woodbridge	2025			5,410	5,522	
201957	Kenneth Pl and Emerald Pl	Clark	2025			4,900	4,891	
202119	Flocktown Rd to Route 57 Phase 1	Washington Twp	2025			10,375	6,889	
202121	Flocktown Rd to Route 57 Phase 2	Washington Twp	2025			6,336	12,354	
202189	Naughtright Rd (Acorn Dr to Flocktown Rd)	Washington Twp	2025			3,606	3,613	
202325	Flocktown Rd to Route 57 Phase 1B	Washington Twp	2025			8,560	103	
201961	N. Madison Ave and S. Inman Ave	Avenel	2025			5,225	5,715	
202021	Nomahegan Dr and Manitou Cir	Westfield	2025			4,000	3,953	
202070	Sabo St and Pinho Ave	Carteret	2025			6,500	6,438	
202031	W. Locust Ave and Ellis Pkwy	Edison	2025			7,093	6,981	
<b>Total Footage</b>				<b>393,200</b>	<b>503,058</b>	<b>421,520</b>	<b>516,342</b>	
<b>Total Mileage</b>				<b>74.5</b>	<b>95.3</b>	<b>79.8</b>	<b>97.8</b>	

\* Project year subject to change due to permitting and town requirements.  
 \*\*Appendix C to the Stipulation approved by the IIP Extension Order.