



Sheree L. Kelly, Esq.  
Regulatory Affairs Counsel

520 Green Lane  
Union, NJ 07083  
T: (973) 886-7635  
skelly@sjindustries.com

July 21, 2023

**Electronic Filing**

Sherri L. Golden, Secretary of the Board  
New Jersey Board of Public Utilities  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350

**Re: In the Matter of the Petition of Elizabethtown Gas Company to Review Its Basic Gas Supply Service Rate and Its Conservation Incentive Program Rates For The Year Ending September 30, 2024  
BPU Docket No. GR23060335**

Dear Secretary Golden:

With regard to the above-referenced matter, enclosed herewith is the submission of Elizabethtown Gas Company's Conservation Incentive Program 12&0 Update Schedules for the year ended June 30, 2023.

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 later, if needed.

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Sheree L. Kelly".

Sheree L. Kelly, Esq.

SLK:slp  
Enclosures  
cc: Service List (electronically)

**IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY  
TO REVIEW ITS PERIODIC BASIC GAS SUPPLY SERVICE RATE AND  
ITS CONSERVATION INCENTIVE PROGRAM RATES FOR THE YEAR ENDING  
SEPTEMBER 30, 2024  
BPU DOCKET NO. GR23060335**

**SERVICE LIST**

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

Frank Vetri  
**Elizabethtown Gas Company**  
520 Green Lane  
Union, NJ 07083  
[fvetri@sjindustries.com](mailto:fvetri@sjindustries.com)

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

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

Mike Kammer  
**Board of Public Utilities**  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Mike.Kammer@bpu.nj.gov](mailto:Mike.Kammer@bpu.nj.gov)

Jacqueline Galka  
**Board of Public Utilities**  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Jacqueline.Galka@bpu.nj.gov](mailto:Jacqueline.Galka@bpu.nj.gov)

Heather Weisband  
**Board of Public Utilities**  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Heather.Weisband@bpu.nj.gov](mailto:Heather.Weisband@bpu.nj.gov)

Megan Lupo, Esq.  
**Division of Rate Counsel**  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625  
[mlupo@rpa.nj.gov](mailto:mlupo@rpa.nj.gov)

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

Gary Akmentins  
**Elizabethtown Gas Company**  
One South Jersey Place  
Atlantic City, NJ 08401  
[gakmentins@sjindustries.com](mailto:gakmentins@sjindustries.com)

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

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

Cindy Bianco  
**Board of Public Utilities**  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Cindy.Bianco@bpu.nj.gov](mailto:Cindy.Bianco@bpu.nj.gov)

Michael Hunter  
**Board of Public Utilities**  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Michael.Hunter@bpu.nj.gov](mailto:Michael.Hunter@bpu.nj.gov)

Maura Caroselli, Esq.  
**Division of Rate Counsel**  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625  
[mcaroselli@rpa.nj.gov](mailto:mcaroselli@rpa.nj.gov)

Carlena Morrison, Paralegal  
**Division of Rate Counsel**  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625  
[cmorrison@rpa.nj.gov](mailto:cmorrison@rpa.nj.gov)

Leonard J. Willey  
**Elizabethtown Gas Company**  
520 Green Lane  
Union, NJ 07083  
[lwilley@sjindustries.com](mailto:lwilley@sjindustries.com)

Dominick DiRocco  
**SJI Utilities, Inc.**  
One South Jersey Plaza  
Folsom, NJ 08037  
[ddirosso@sjindustries.com](mailto:ddirosso@sjindustries.com)

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

Stacy Peterson  
**Board of Public Utilities**  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Stacy.Peterson@bpu.nj.gov](mailto:Stacy.Peterson@bpu.nj.gov)

Malike Cummings  
**Board of Public Utilities**  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Malike.Cummings@bpu.nj.gov](mailto:Malike.Cummings@bpu.nj.gov)

Scott Sumliner  
**Board of Public Utilities**  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Scott.Sumliner@bpu.nj.gov](mailto:Scott.Sumliner@bpu.nj.gov)

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

**IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY  
TO REVIEW ITS PERIODIC BASIC GAS SUPPLY SERVICE RATE AND  
ITS CONSERVATION INCENTIVE PROGRAM RATES FOR THE YEAR ENDING  
SEPTEMBER 30, 2024  
BPU DOCKET NO. GR23060335**

**SERVICE LIST**

Sarah Steindel, Esq.  
**Division of Rate Counsel**  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625  
[ssteinde@rpa.nj.gov](mailto:ssteinde@rpa.nj.gov)

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

Mr. Robert J. Henkes  
**Henkes Consulting**  
7 Sunset Road  
Old Greenwich, CT 06870  
[rhenkes@optonline.net](mailto:rhenkes@optonline.net)

**ELIZABETHTOWN GAS COMPANY**  
**Conservation Incentive Program ("CIP")**

CIP Schedule TK-1  
**12+0**

**Calculation of the CIP Rates**

	<b>RDS-NH</b>	<b>RDS-H</b>	<b>SGS</b>	<b>GDS</b>	<b>Total</b>
<b>1 Non-Weather:</b>					
Current Period - Margin Revenue Excess / (Deficiency), (TK-2)	\$676,559	(\$2,271,548)	\$755,897	\$4,537,833	\$3,698,741
Prior Year Non-Weather Test Deferral Carry Forward, if applicable	\$0	\$0	\$0	\$0	\$0
Current Period - Margin Revenue Excess / (Deficiency), (TK-2)	\$676,559	(\$2,271,548)	\$755,897	\$4,537,833	\$3,698,741
Greater of the BGSS or Variable Test Deferral, if applicable (TK-4 or TK-5)	\$0	\$0	\$0	\$0	\$0
Total Non-Weather	\$676,559	(\$2,271,548)	\$755,897	\$4,537,833	\$3,698,741
<b>2 Weather:</b> Current Period - Margin Revenue Excess / (Deficiency), (TK-2)	(\$524,203)	(\$17,207,552)	(\$1,321,906)	(\$3,737,800)	(\$22,791,461)
<b>3 Total Current Year Weather and Non-Weather, pre ROE disallowance if any (L1+L2)</b>	\$152,356	(\$19,479,100)	(\$566,009)	\$800,033	(\$19,092,720)
<b>4 Current Year ROE Earnings Test Disallowance, if applicable (TK-6)</b>	0	0	0	0	\$0
<b>5 Current Year Total (L3+L4)</b>	\$152,356	(\$19,479,100)	(\$566,009)	\$800,033	(\$19,092,720)
<b>6 Prior Year Recovery / (Refund) Results:</b>					
Prior Period - True-Up Balance, Excess / (Deficient), (TK-2)	(\$377,617)	(\$2,811,447)	\$774,450	\$230,046	(\$2,184,568)
Current Period Recovered / (Refunded), (TK-2)	\$98,426	\$2,602,558	(\$677,234)	(\$165,942)	\$1,857,808
Prior Year Excess / (Deficiency) Balances Carry Over	(\$279,191)	(\$208,889)	\$97,216	\$64,104	(\$326,760)
<b>7 Total CIP Revenue Excess / (Deficiency) Balance (L5+L6)</b>	(\$126,835)	(\$19,687,989)	(\$468,793)	\$864,137	(\$19,419,480)
<b>8 Projected Normalized Sales and Services (Forecast Sch. TK-1 CIP)</b>	8,706,863	244,700,142	25,084,762	117,860,138	therms
<b>9 CIP Charge - Recoverable / (Credit - Refundable) Rate, before tax <u>(L7/L8)*-1</u></b>	\$0.0146	\$0.0805	\$0.0187	(\$0.0073)	/therm
<b>10 Plus Sales Tax</b>	6.625%	\$0.0010	\$0.0053	\$0.0012	(\$0.0005)
<b>11 CIP Charge - Recoverable / (Credit - Refundable) Rate (L9+L10)</b>	<b>\$0.0156</b>	<b>\$0.0858</b>	<b>\$0.0199</b>	<b>(\$0.0078)</b>	<b>/therm</b>
<b>Allocations for Partial Disallowances Goes to those with Deficiencies</b>					
BGSS or Variable Test Deferral Allocation %'s, if a Deficiency above	\$0	(\$2,271,548)	\$0	\$0	(\$2,271,548)
BGSS or Variable Test Deferral Allocation %'s, if applicable	0.00000%	100.00000%	0.00000%	0.00000%	
ROE Earnings Test Disallowance Allocation %'s, if a Deficiency above	\$0	(\$19,479,100)	(\$566,009)	\$0	(\$20,045,109)
ROE Earnings Test Disallowance Allocation %'s, For Deficiencies applicable	0.00000%	97.17632%	2.82368%	0.00000%	
WNC 2021-2022 Roll-In %'s	2.3%	75.5%	5.8%	16.4%	100.0%

Note: RDS CIP was separated to No-Heat (RDS-NH) and Heat (RDS-H)  
per Rate Case Docket No. GR21121254 Dated August 17, 2022, Effective September 1, 2022.

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

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

<u>a</u>	<u>b</u>	<u>c</u>	<u>d=b/c</u>	<u>e</u>	<u>f=d-e</u>	<u>g=c*f</u>	<u>h=c*f*g</u>	<u>Break Out of Total Margin:</u>		<u>Current</u>	<u>True-Up</u>
	<u>Accounting</u>	<u>Customer *</u>	<u>Therms</u>	<u>Base Use</u>	<u>Therm</u>	<u>Margin</u>	<u>Margin</u>	<u>TK-3 Weather</u>	<u>Non-Weather</u>	<u>Period</u>	<u>Balance</u>
	<u>Therms</u>	<u>Count</u>	<u>Per Cust.</u>	<u>(BUC)</u>	<u>(Deficiency)</u>	<u>&amp; IIP Rates</u>	<u>(Deficiency)</u>	<u>Excess /</u>	<u>Excess /</u>	<u>Recovery</u>	<u>Excess/</u>
								<u>(Deficiency)</u>	<u>(Deficiency)</u>	<u>(Refund) **</u>	<u>(Deficiency)</u>
								<u>i</u>	<u>j=h-i</u>		<u>m=prior+h+i</u>
<u>Beginning Balance &gt;&gt;&gt;</u>				<i>see note</i>			<i>see note</i>				(\$377,617)
Jul-22			0.0	14.1	0.0	\$0.4510	(\$33,603)		(\$33,603)	\$480	(\$410,740)
Aug-22			0.0	14.1	0.0	\$0.4510	(\$51,748)		(\$51,748)	\$207	(\$462,281)
Sep-22	230,535	33,850	6.8	9.3	(2.5)	\$0.5437	(\$46,011)		(\$46,011)	\$138	(\$508,154)
Oct-22	543,648	33,836	16.1	14.0	2.1	\$0.5618	\$39,919	\$31,992	\$7,927	\$2,339	(\$465,896)
Nov-22	838,281	33,845	24.8	25.1	(0.3)	\$0.5618	(\$5,704)	(\$52,956)	\$47,252	\$6,941	(\$464,659)
Dec-22	1,343,387	33,960	39.6	32.8	6.8	\$0.5618	\$129,735	(\$7,896)	\$137,631	\$14,032	(\$320,892)
Jan-23	1,239,332	34,215	36.2	41.0	(4.8)	\$0.5618	(\$92,266)	(\$252,971)	\$160,705	\$18,944	(\$394,214)
Feb-23	1,205,684	34,284	35.2	35.6	(0.4)	\$0.5618	(\$7,704)	(\$152,724)	\$145,020	\$16,206	(\$385,712)
Mar-23	1,114,617	34,308	32.5	21.6	10.9	\$0.5618	\$210,089	(\$60,441)	\$270,530	\$16,195	(\$159,428)
Apr-23	545,084	34,493	15.8	13.5	2.3	\$0.5618	\$44,570	(\$53,409)	\$97,979	\$11,592	(\$103,266)
May-23	405,894	34,499	11.8	11.8	0.0	\$0.5618	\$0	\$24,202	(\$24,202)	\$6,439	(\$96,827)
Jun-23	305,713	34,533	8.9	10.7	(1.8)	\$0.5618	(\$34,921)		(\$34,921)	\$4,913	(\$126,835)
<b>Total</b>	<u>7,772,175</u>		<u>227.7</u>	<u>243.6</u>	<u>12.3</u>		<u>\$152,356</u>	<u>(\$524,203)</u>	<u>\$676,559</u>	<u>\$98,426</u>	<u>(\$126,835)</u>

\* Customer counts are based on monthly accounting report, adjusted to include counts of meters flowing gas without a current customer of record.

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

Note: BUC's were revised per the Boards Order in the Company's last rate case in Docket No. GR21121254 Dated August 17, 2022, Effective September 1, 2022.

In addition RDS BUC's were separated to No-Heat (RDS-NH) and Heat (RDS-H), Jul-Aug allocated per applicable customer counts.

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

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

a	Actual	Actual	Actual	Base Use	Therm	Pre-Tax	Total	Break Out of Total Margin:		Current	m=prior+h+i
	Accounting	Customer *	Therms	Per Cust.	Excess/	Distribution	Margin	TK-3 Weather	Non-Weather	Period	True-Up
	Therms	Count	Per Cust.	(BUC)	(Deficiency)	& IIP Rates	(Deficiency)	Excess /	Excess /	Recovery	Balance
	b	c	d=b/c	e	f=d-e	g=c*f	h=c*f*g	i	j=h-i	l	m=prior+h+l
								(Deficiency)	(Deficiency)	(Refund) **	(Deficiency)
<b>Beginning Balance &gt;&gt;&gt;</b>				<i>see note</i>			<i>see note</i>				(\$2,811,447)
Jul-22	3,393,770	284,276	11.9	14.1	(2.2)	\$0.4510	(\$248,456)		(\$248,456)	\$3,866	(\$3,056,037)
Aug-22	3,034,305	284,253	10.7	14.1	(3.4)	\$0.4510	(\$384,126)		(\$384,126)	\$4,041	(\$3,436,122)
Sep-22	4,136,970	250,713	16.5	22.0	(5.5)	\$0.5437	(\$749,720)		(\$749,720)	\$2,175	(\$4,183,667)
Oct-22	12,776,844	251,279	50.8	45.2	5.6	\$0.5618	\$790,544	\$1,050,160	(\$259,616)	\$55,695	(\$3,337,428)
Nov-22	24,027,851	251,943	95.4	109.9	(14.5)	\$0.5618	(\$2,052,353)	(\$1,738,342)	(\$314,011)	\$171,827	(\$5,217,954)
Dec-22	39,568,156	252,696	156.6	161.7	(5.1)	\$0.5618	(\$724,020)	(\$259,199)	(\$464,821)	\$400,316	(\$5,541,658)
Jan-23	33,892,913	253,212	133.9	193.3	(59.4)	\$0.5618	(\$8,449,917)	(\$8,304,057)	(\$145,860)	\$544,114	(\$13,447,461)
Feb-23	33,088,021	254,176	130.2	158.1	(27.9)	\$0.5618	(\$3,984,011)	(\$5,013,325)	\$1,029,314	\$443,223	(\$16,988,249)
Mar-23	29,752,779	254,616	116.9	127.7	(10.8)	\$0.5618	(\$1,544,867)	(\$1,984,034)	\$439,167	\$442,124	(\$18,090,992)
Apr-23	12,634,273	254,721	49.6	63.6	(14.0)	\$0.5618	(\$2,003,432)	(\$1,753,215)	(\$250,217)	\$296,318	(\$19,798,106)
May-23	8,372,708	254,798	32.9	31.8	1.1	\$0.5618	\$157,460	\$794,460	(\$637,000)	\$145,710	(\$19,494,936)
Jun-23	5,203,184	254,719	20.4	22.4	(2.0)	\$0.5618	(\$286,202)		(\$286,202)	\$93,149	(\$19,687,989)
<b>Total</b>	<b>209,881,774</b>		<b>825.8</b>	<b>963.9</b>	<b>(138.1)</b>		<b>(\$19,479,100)</b>	<b>(\$17,207,552)</b>	<b>(\$2,271,548)</b>	<b>\$2,602,558</b>	<b>(\$19,687,989)</b>

\* Customer counts are based on monthly accounting report, adjusted to include counts of meters flowing gas without a current customer of record

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

Note: BUC's were revised per the Boards Order in the Company's last rate case in Docket No. GR21121254 Dated August 17, 2022, Effective September 1, 2022.

In addition RDS BUC's were separated to No-Heat (RDS-NH) and Heat (RDS-H), Jul-Aug allocated per applicable customer counts.

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

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

a	Actual	Actual	Actual	Base Use	Therm	Pre-Tax	Total	Break Out of Total Margin:		Current	True-Up	
	Accounting	Customer *	Therms	Per Cust.	Excess/	Margin	Margin	TK-3	Non-Weather	Period	Balance	
	Therms	Count	Per Cust.	(BUC)	(Deficiency)	& IIP Rates	(Deficiency)	Excess /	Excess /	(Refund) **	(Deficiency)	
	b	c	d=b/c	e	f=d-e	g=c*f	h=c*f*g	i	j=h-i	l	m=prior+h+l	
<u>Beginning Balance &gt;&gt;&gt;</u>				<i>see note</i>								\$774,450
Jul-22	337,594	16,895	20.0	17.5	2.5	\$0.4012	\$16,946		\$16,946	\$1,974	\$793,370	
Aug-22	371,173	16,844	22.0	18.0	4.0	\$0.4012	\$27,031		\$27,031	\$1,854	\$822,255	
Sep-22	340,935	16,826	20.3	23.9	(3.6)	\$0.4241	(\$25,689)		(\$25,689)	\$501	\$797,067	
Oct-22	1,137,357	16,881	67.4	60.5	6.9	\$0.4441	\$51,728	\$80,675	(\$28,947)	(\$10,569)	\$838,226	
Nov-22	2,348,417	16,977	138.3	122.9	15.4	\$0.4441	\$116,108	(\$133,542)	\$249,650	(\$34,493)	\$919,841	
Dec-22	4,340,960	17,398	249.5	230.0	19.5	\$0.4441	\$150,666	(\$19,912)	\$170,578	(\$106,407)	\$964,100	
Jan-23	4,216,659	17,459	241.5	304.4	(62.9)	\$0.4441	(\$487,698)	(\$637,928)	\$150,230	(\$155,216)	\$321,186	
Feb-23	3,568,708	17,499	203.9	270.5	(66.6)	\$0.4441	(\$517,569)	(\$385,130)	(\$132,439)	(\$119,927)	(\$316,310)	
Mar-23	3,236,998	17,518	184.8	176.7	8.1	\$0.4441	\$63,016	(\$152,416)	\$215,432	(\$124,239)	(\$377,533)	
Apr-23	1,264,686	17,460	72.4	84.9	(12.5)	\$0.4441	(\$96,925)	(\$134,684)	\$37,759	(\$76,998)	(\$551,456)	
May-23	729,332	17,365	42.0	28.5	13.5	\$0.4441	\$104,109	\$61,031	\$43,078	(\$32,919)	(\$480,266)	
Jun-23	480,595	17,300	27.8	23.6	4.2	\$0.4441	\$32,268		\$32,268	(\$20,795)	(\$468,793)	
Total	<u>22,373,414</u>		<u>1,289.9</u>	<u>1,361.4</u>	<u>(71.5)</u>		<u>(\$566,009)</u>	<u>(\$1,321,906)</u>	<u>\$755,897</u>	<u>(\$677,234)</u>	<u>(\$468,793)</u>	

\* Customer counts are based on monthly accounting report, adjusted to include counts of meters flowing gas without a current customer of record.

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

Note: BUC's were revised per the Boards Order in the Company's last rate case in Docket No. GR21121254 Dated August 17, 2022, Effective September 1, 2022.

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

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

a	Actual	Actual	Actual	Base Use	Therm	Pre-Tax	Total	Break Out of Total Margin:		Current	True-Up	
	Accounting	Customer *	Therms	Per Cust.	Excess/	Margin	Margin	TK-3	Non-Weather	Period	Balance	
	Therms	Count	Per Cust.	(BUC)	(Deficiency)	& IIP Rates	(Deficiency)	Excess /	Excess /	(Refund) **	(Deficiency)	
	b	c	d=b/c	e	f=d-e	g=c*f	h=c*f*g	i	j=h-i	l	m=prior+h+l	
<u>Beginning Balance &gt;&gt;&gt;</u>				<i>see note</i>								\$230,046
Jul-22	3,269,850	6,515	501.9	526.5	(24.6)	\$0.2421	(\$38,801)		(\$38,801)	\$8,915	\$200,160	
Aug-22	2,561,691	6,510	393.5	531.2	(137.7)	\$0.2421	(\$217,025)		(\$217,025)	\$4,535	(\$12,330)	
Sep-22	3,412,385	6,520	523.4	512.7	10.7	\$0.2715	\$18,941		\$18,941	\$4,015	\$10,626	
Oct-22	8,478,790	6,547	1,295.1	980.5	314.6	\$0.2834	\$583,715	\$228,114	\$355,601	(\$8,454)	\$585,887	
Nov-22	11,337,012	6,593	1,719.6	1,767.1	(47.5)	\$0.2834	(\$88,752)	(\$377,600)	\$288,848	(\$12,941)	\$484,194	
Dec-22	18,795,720	6,278	2,993.9	2,524.8	469.1	\$0.2834	\$834,616	(\$56,303)	\$890,919	(\$29,919)	\$1,288,891	
Jan-23	15,928,680	6,290	2,532.4	3,109.8	(577.4)	\$0.2834	(\$1,029,265)	(\$1,803,795)	\$774,530	(\$35,732)	\$223,894	
Feb-23	15,476,049	6,304	2,455.0	2,804.6	(349.6)	\$0.2834	(\$624,579)	(\$1,088,987)	\$464,408	(\$29,027)	(\$429,712)	
Mar-23	15,266,678	6,303	2,422.1	2,048.1	374.0	\$0.2834	\$668,065	(\$430,969)	\$1,099,034	(\$30,049)	\$208,304	
Apr-23	7,342,376	6,297	1,166.0	1,075.1	90.9	\$0.2834	\$162,217	(\$380,831)	\$543,048	(\$19,224)	\$351,297	
May-23	5,041,048	6,295	800.8	508.6	292.2	\$0.2834	\$521,286	\$172,571	\$348,715	(\$10,648)	\$861,935	
Jun-23	3,559,566	6,283	566.5	561.1	5.4	\$0.2834	\$9,615		\$9,615	(\$7,413)	\$864,137	
<b>Total</b>	<u>110,469,845</u>		<u>17,370.2</u>	<u>16,950.1</u>	<u>420.1</u>		<u>\$800,033</u>	<u>(\$3,737,800)</u>	<u>\$4,537,833</u>	<u>(\$165,942)</u>	<u>\$864,137</u>	

\* Customer counts are based on monthly accounting report, adjusted to include counts of meters flowing gas without a current customer of record.

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

Note: BUC's were revised per the Boards Order in the Company's last rate case in Docket No. GR21121254 Dated August 17, 2022, Effective September 1, 2022.



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

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

Month	Actual	Normal <sup>(a)</sup>	%		Season %	Degree Day Deadband		Degree Day	Variance	Margin	Margin	Allocation - per 2021 Rate Case, Distribution Rate Revenues May - October.			
	Calendar	Calendar	(Warmer)	(Warmer)	(Warmer)	Day	Days	Consumption	in Therms	Revenue	Revenue	RDS-NH	RDS-H	SGS	GDS
	Degree	Degree	/ Colder	/ Colder	/ Colder	Day	Days	Factor <sup>(b)</sup>		Factor <sup>(c)</sup>	Excess /	2.3%	75.5%	5.8%	16.4%
	Days	Days	Normal	Normal	Normal	Deadband *	After				(Deficiency)				
Oct-22	266	212	54	25.5%	25.5%	0	54	54,023	2,917,242	\$0.4768	\$1,390,941	\$31,992	\$1,050,160	\$80,675	\$228,114
Nov	442	516	(74)	(14.3%)	(2.7%)	0	(74)	65,256	(4,828,944)	\$0.4768	(\$2,302,440)	(\$52,956)	(\$1,738,342)	(\$133,542)	(\$377,600)
Dec	808	818	(10)	(1.2%)	(1.9%)	0	(10)	72,003	(720,030)	\$0.4768	(\$343,310)	(\$7,896)	(\$259,199)	(\$19,912)	(\$56,303)
Jan-23	667	992	(325)	(32.8%)	(14.0%)	0	(325)	70,978	(23,067,850)	\$0.4768	(\$10,998,751)	(\$252,971)	(\$8,304,057)	(\$637,928)	(\$1,803,795)
Feb	663	860	(197)	(22.9%)	(16.2%)	0	(197)	70,693	(13,926,521)	\$0.4768	(\$6,640,165)	(\$152,724)	(\$5,013,325)	(\$385,130)	(\$1,088,987)
Mar	610	693	(83)	(12.0%)	(15.5%)	0	(83)	66,403	(5,511,449)	\$0.4768	(\$2,627,859)	(\$60,441)	(\$1,984,034)	(\$152,416)	(\$430,969)
Apr	251	340	(89)	(26.2%)	(16.3%)	0	(89)	54,722	(4,870,258)	\$0.4768	(\$2,322,139)	(\$53,409)	(\$1,753,215)	(\$134,684)	(\$380,831)
May	<u>91</u>	<u>52</u>	<u>39</u>	75.0%	(15.3%)	<u>0</u>	<u>39</u>	56,588	<u>2,206,932</u>	\$0.4768	<u>\$1,052,265</u>	<u>\$24,202</u>	<u>\$794,460</u>	<u>\$61,031</u>	<u>\$172,571</u>
Total	3,798	4,483	(685)			0	(685)		<u>(47,800,878)</u>		<u>(\$22,791,458)</u>	(\$524,203)	(\$17,207,552)	(\$1,321,906)	(\$3,737,800)

(a) Degree Days as set forth in Tariff.

(b) Degree Day Consumption Factor from the prior year calculation on Sch. TK-3 Weather Thms-HDDs in Data Response S-ETG-BGSS-1 Attachment 1.4 updating the May Number of Customers on tab TK-3 Weather Thms-HDDS to actuals.

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

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

**ELIZABETHTOWN GAS COMPANY**  
**Weather Normalization Therms per HDD for CIP use**

**Development of the Normalized Degree Day Consumption Usage Factor**  
**October 2023 through May 2024**

Month	Normalized Projected Heat Load (1) (therms)	Base Number of Customers (2)	Therms Per Customer <u>d=b/c</u>	Number of Customers (3) <u>e</u>	Annualized Projected Heat Load (therms) <u>f=d*e</u>	Normal HDDs (4) <u>g</u>	Annualized Consumption Therms Per HDD <u>h=f/g</u>
<u>a</u>	<u>b</u>	<u>c</u>	<u>d=b/c</u>	<u>e</u>	<u>f=d*e</u>	<u>g</u>	<u>h=f/g</u>
Oct-23	12,586,818	293,159	42.93512	312,957	13,436,846	212	63,381
Nov	32,226,642	293,834	109.67635	312,957	34,323,981	516	66,519
Dec	57,214,418	294,633	194.18876	312,957	60,772,732	818	74,294
Jan-24	68,077,503	295,059	230.72505	312,957	72,207,019	992	72,789
Feb	56,372,689	295,322	190.88550	312,957	59,738,953	860	69,464
Mar	44,032,417	295,477	149.02147	312,957	46,637,312	693	67,298
Apr	18,674,159	295,126	63.27521	312,957	19,802,420	340	58,242
May	6,513,470	294,483	22.11832	312,957	6,922,083	52	133,117
						<u>4,483</u>	

- 1) Based on determinants used in the calculation of Therms per Degree Day which were in effect at the time of the last approved WNC filed in 2021, with a leap-year HDD pattern.
- 2) Base number of customers which were in effect at the time of the last approved WNC filed in 2021.
- 3) Current Year May 31st customer count for those classes subject to the WNC clause.
- 4) 20-year 2001-2020 monthly normal heating degree days (base 65°F); per a leap-year pattern.

ELIZABETHTOWN GAS COMPANY  
Conservation Incentive Program ("CIP")

CIP Schedule TK-4  
12+0

**BGSS Savings Test**  
**Applicable to Non-Weather Margin Revenue Deficiencies**

	<u><b>Total</b></u>
BGSS Savings (Schedule LJW-18 <i>times</i> -1)	<u><u>(\$3,810,279)</u></u>
Non-Weather: Current Period - Margin Revenue Excess / (Deficiency), (TK-1)	\$3,698,741
BGSS Saving per 75% Factor:	<u>75%</u>
Current Period - Margin Revenue Excess / (Deficiency), (TK-2)	<u>\$2,774,056</u>
BGSS Savings Test Disallowance, applicable for Deficiency Only Grossed up by % Factor	<u><u>\$0</u></u>

ELIZABETHTOWN GAS COMPANY  
Conservation Incentive Program ("CIP")

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

	RDS-NH	RDS-H	SGS	GDS	Total
<u>Variable Margins: customer count *Tariff BUC * pre-tax margin rates:</u>					
Jul-22	\$0	\$1,807,740	\$118,620	\$830,439	\$2,756,799
Aug-22	\$0	\$1,807,593	\$121,641	\$837,209	\$2,766,443
Sep-22	\$171,159	\$2,998,878	\$170,548	\$907,571	\$4,248,156
Oct-22	\$266,127	\$6,380,818	\$453,560	\$1,819,239	\$8,919,744
Nov-22	\$477,254	\$15,555,419	\$926,603	\$3,301,749	\$20,261,025
Dec-22	\$625,782	\$22,955,678	\$1,777,084	\$4,492,087	\$29,850,631
Jan-23	\$788,101	\$27,497,795	\$2,360,178	\$5,543,486	\$36,189,560
Feb-23	\$685,683	\$22,576,060	\$2,102,138	\$5,010,568	\$30,374,449
Mar-23	\$416,323	\$18,266,625	\$1,374,681	\$3,658,460	\$23,716,089
Apr-23	\$261,605	\$9,101,304	\$658,313	\$1,918,591	\$11,939,813
May-23	\$228,702	\$4,552,027	\$219,786	\$907,344	\$5,907,859
Jun-23	\$207,587	\$3,205,465	\$181,317	\$999,096	\$4,593,465
Total	<u>\$4,128,323</u>	<u>\$136,705,402</u>	<u>\$10,464,469</u>	<u>\$30,225,839</u>	<u>\$181,524,033</u>
Deferral Allocation %'s, if any	2.3%	75.3%	5.8%	16.7%	
Margin Revenue Test Variable, Percentage Cap:					<u>(6.25%)</u>
Margin Revenue Test Recovery Cap, on Non-Weather CIP Deficiency					<u>(\$11,345,252)</u>
Non-Weather: Current Period - Margin Revenue (Deficiency Only), (TK-1)					<u>\$0</u>
Margin Revenue Test Deferral, if applicable deferred for future recovery.					<u>\$0</u>
Allocation of Variable Test Deferral to a future Period, if any:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

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

	July-22	Actual Through June-23		
<b>1 <u>Regulated Jurisdictional Net Income Excess / (Deficiency):</u></b>				
Net Income (including Booked CIP margin revenue, net of tax)			\$20,937,627	
add-back: Goodwill Amortization Expense, net of tax *			\$0	
add-back: CIP Booked Accrual for Margin Revenue per (Deficiency) net of tax			(\$13,725,756)	
Net Income after adjustments			<u>\$7,211,871</u>	
<b>2 Less:</b>				
Non-firm Sales & Transportation margins, net of tax			\$177,871	
Off-system Sales & Capacity Release, net of tax			\$195,144	
Energy Efficiency Program margins, net of tax			<u>\$2,940,279</u>	
			<u>\$3,313,294</u>	
<b>3 Regulated Jurisdictional Net Income</b>				<b>\$3,898,577</b>
<b>4 Equity Balances, per rate case methodology:</b>				
		<u>June-22</u>	<u>June-23</u>	Average
Rate Base		\$1,418,962,466	\$1,623,821,895	\$1,521,392,181
Equity %				<u>52.00%</u>
Average Equity				<u>\$791,123,934</u>
<b>5 Rate Case Return on Equity plus 50 basis points</b>			9.60%	<u>10.10%</u>
<b>6 Allowed Return (L4*L5)</b>				<u>\$79,903,517</u>
<b>7 Regulated Jurisdictional Net Income Excess / (Deficiency) (L3-L6)</b>				<u><u>(\$76,004,940)</u></u>
<b><u>Net Booked CIP Margin Revenue (Deficiency):</u></b>				
8 Total of RDS, SGS & GDS Margin Revenues			(\$19,092,720)	
9 Less: Corporate Business Tax		9.0%	(\$1,718,345)	
10 Federal Income Tax		21.0%	<u>(\$3,648,619)</u>	
11 Net CIP Margin Revenue (Deficiency) (L8-L9-L10)				<u><u>(\$13,725,756)</u></u>
<b><u>Revenue Disallowance:</u></b>				
12 Net Income Disallowance, (L7-L11) (Occurs when a Deficiency on L11 exceeds a Deficiency on L7.)				\$0
13 Tax Gross Up Factor				28.11%
14 Grossed Up Net Income Disallowance, (L12/(1-L13))				<u>\$0</u>
15 CIP Revenue Disallowance, (smaller of absolute (L8 and L14))				<u><u>\$0</u></u>

\* Since the 10+2 filing, upon further review Management has determined not to take the private company election to amortize Goodwill and as such has reversed all amortization recorded to date.

**ELIZABETHTOWN GAS COMI** **12+0**  
**Conservation Incentive Program (“CIP”)**  
**Statement of Rate Base**

<u>Line No.</u>	<u>June-22</u>	<u>June-23</u>
1 Utility Plant In Service	\$2,021,394,992	\$2,251,011,915
2 Accumulated Depreciation, Utility Retirement WIP	(\$337,159,602)	(\$372,575,759)
3 Acquisition Adjustment	(\$160,000,000)	(\$160,000,000)
4 Amortization of Acquisition Adjustment	\$41,999,990	\$57,999,986
5 Net Utility Plant	<u>\$1,566,235,380</u>	<u>\$1,776,436,142</u>
6		
7 Pension/OPEB	\$29,249,746	\$26,001,118
8 Cash Working Capital <sup>(1)</sup>	\$21,348,848	\$28,234,763
9 Inventories <sup>(2)</sup>		
10 Natural Gas Stored Underground and LNG	\$15,132,498	\$28,353,898
11 Materials & Supplies incl. Fleet Fuel and Propane Inv.	\$499,901	\$436,597
12 Customer Deposits <sup>(2)</sup>	(\$4,713,886)	(\$4,866,520)
13 Customer Advances <sup>(2)</sup>	(\$1,787,735)	(\$1,731,424)
14 Deferred Income Taxes:		
15 Excess Protected ADIT	(\$78,110,318)	(\$77,075,837)
16 Federal Income Tax	(\$86,944,697)	(\$103,311,502)
17 NJ CBT	(\$40,947,271)	(\$48,655,340)
18 Consolidated Tax Adjustment <sup>(1)</sup>	(\$1,000,000)	\$0
19		
20 Total Rate Base	<u>\$1,418,962,466</u>	<u>\$1,623,821,895</u>

<sup>(1)</sup> June 2022 Equals the approved level in Docket No. GR19040486.  
June 2023 Equals the approved level in Docket No. GR21121254

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