

Dominick DiRocco, Esq.
VP/Rates & Regulatory Affairs

April 30, 2024

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

Dear Secretary Golden:

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 and TK-14 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 and TK-14 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,



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**

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**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. With the IIP, Elizabethtown is authorized to invest up to \$300 million in the Company's gas distribution system over the five (5) year period, July 1, 2019 through June 30, 2024, to replace up to 250 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 Projects"). This filing reflects investments associated with in-service IIP Projects during Year 5 of the IIP, which is the period July 1, 2023 through June 30, 2024.

Cost recovery for IIP 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 Projects placed in service during the period July 1, 2023 through June 30, 2024, through a rate adjustment to take effect on October 1, 2024.

If approved by the Board, the impact of the proposed rate adjustment to rates in effect on April 1, 2024 for a residential heating customer using 100 therms is a monthly increase of \$1.76 from \$138.93 to \$140.69 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”), 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
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Sheree Kelly
Regulatory Affairs Counsel Principal
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3. Petitioner is engaged in the business of transmission and distribution of natural and mixed gas to approximately 316,000 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 a Board Order dated June 12, 2019 in BPU Docket No. GR18101197 ("IIP Order"). The IIP Order adopted a Stipulation ("Stipulation") that established an IIP cost recovery process that is effectuated by annual rate adjustment filings ("Annual Filings") made in April of each year. The IIP Order and Stipulation authorizes this Annual Filing for rates to be effective on or before October 1, 2024.

II. BACKGROUND

5. The IIP Order and Stipulation 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, the Company is authorized to invest up to \$300 million ("Program Cost Cap") in the Company's gas distribution system over the five (5) year period, July 1, 2019 through June 30, 2024, to replace up to 250 miles of cast iron and bare steel mains and related services, as well as the installation of excess flow valves ("EFVs") on new service lines ("IIP Projects"). The Program Cost Cap is derived by applying a cost per mile cap of \$1.2 million per mile to an IIP mileage cap of 250 miles over the five (5) year term of the IIP. The \$300 million Program Cost Cap excludes Allowance for Funds Used During Construction ("AFUDC") and certain Baseline Capital Spending Amounts.

7. As reflected in the Stipulation, the IIP 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 Projects and amounts are incremental to the Company's normal capital spending budget.

III. REQUEST FOR COST RECOVERY OF IIP PROJECT INVESTMENTS

8. The Company's first Annual Filing for the period July 1, 2019 through June 30, 2020 was made effective on October 1, 2020 by Board Order dated September 23, 2020 in BPU Docket No. GR20050327. The Company's second Annual Filing for the period July 1, 2020 through June 30, 2021 was made effective on October 1, 2021 by Board Order dated September 14, 2021 in BPU Docket No. GR21040747. In the Company's most recent rate case effective on September 1, 2022 by Board Order dated August 17, 2022 in BPU Docket No. GR21121254, the first and second years IIP, per actual amounts through June 30, 2021, were rolled into base rates at which time IIP Rider F was set to zero. The Company's third Annual Filing for the period July 1, 2021 through June 30, 2022 was made effective on October 1, 2022 by Board Order dated September 28, 2022 in BPU Docket No. GR22040316. The Company's fourth Annual Filing for the period July 1, 2022 through June 30, 2023 was made effective on October 1, 2023 by Board Order dated September 27, 2023 in BPU Docket No. GR23040270. Through this Petition, which represents the Company's fifth Annual Filing, Elizabethtown seeks Board approval to recover the revenue requirements associated with in-service IIP Projects for the period July 1, 2023 through June 30, 2024. The recoverable IIP investments projected to be in service during this period total approximately \$57.6 million, excluding AFUDC and the costs of the IIP Independent Monitor. The Company further proposes that the IIP rate adjustment take place on October 1, 2024 as authorized by the IIP Order and Stipulation. 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 Order and Stipulation.

9. With this Annual Filing, the Company includes actual data through March 31, 2024

and projected data through June 30, 2024. The projected data for the period April 1, 2024 through June 30, 2024 will be replaced with actual data in a 12+0 update filing to be made with the Board no later than July 15, 2024.

10. The IIP rate adjustment sought herein and authorized by the IIP Order and Stipulation are subject to the requirements that: (1) this rate filing includes plant in-service additions during the filing period in excess of \$30 million; and (2) the Company's calculated return on equity ("ROE") 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 Order and Stipulation, the rate adjustment proposed herein is based on the rate design methodology utilized to set base rates in the Company's most recent base rate case in BPU Docket No. GR21121254.

12. The impact of the proposed IIP rate adjustment to rates in effect on April 1, 2024 for a residential heating customer using 100 therms would be an increase of \$1.76 from \$138.93 to \$140.69 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

2023 income statement and 2023 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. GM22040270¹, the Company is now a privately held 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 Order and Stipulation, 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

¹ 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.*

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 ("Rate Counsel") via electronic mail in lieu of providing hard copies. In accordance with the BPU'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 ("Department of Law") 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

A handwritten signature in cursive script, appearing to read "Dominick DiRocco".

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

DATED: April 30, 2024

VERIFICATION

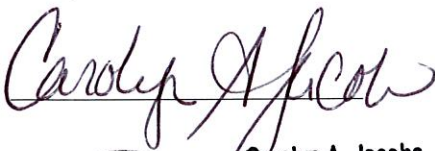
I, Dominick DiRocco, Esq., of full age, being duly sworn according to law, upon my oath, depose and say:

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.



Dominick DiRocco, Esq.
VP - Rates & Regulatory Affairs

Sworn to and subscribed
before me this 30th day
of April 2024





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

	Minimum Filing Requirements	Schedule
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 14
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

NOTICE OF 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. _____**

PLEASE TAKE NOTICE that on April 30, 2024, 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”). The Board approved the IIP and the associated cost recovery mechanism on June 12, 2019 in Docket No. GR18101197 (“Order”). The Order authorized the Company to invest up to \$300 million, over a five-year period commencing July 1, 2019 and ending June 30, 2024, to replace up to 250 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 Projects”). The Order also authorized the Company to make annual filings with the Board to recover the costs associated with the IIP Projects investments and to earn a return on and a return of those investments through annual adjustments to rates. This Petition seeks Board approval to recover \$6.3 million of revenue requirements associated with approximately \$58.1 million of IIP Projects placed in-service from July 1, 2023 through June 30, 2024 with an October 1, 2024 rate effective date. The IIP 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.

If the proposed rate increase is approved by the Board, effective October 1, 2024, 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:

		Current Rates per Therm	Proposed Rates per Therm	Change per Therm
RDS	Residential	\$0.0351	\$0.0527	\$0.0176
SGS	Small General Service	\$0.0375	\$0.0564	\$0.0189
GDS	General Delivery Service	\$0.0275	\$0.0413	\$0.0138
GDS	Seasonal SP#1 May-Oct	\$0.0031	\$0.0047	\$0.0016
NGV	Natural Gas Vehicles	\$0.0644	\$0.0968	\$0.0324
LVD	Large Volume Demand	\$0.0099	\$0.0149	\$0.0050
EGF	Electric Generation	\$0.0275	\$0.0413	\$0.0138
GLS	Gas Lights, per mantel	\$0.0333	\$0.0496	\$0.0163
	Firm Special Contracts	\$0.0016	\$0.0023	\$0.0007

The impact of the proposed rate increase to rates in effect on April 1, 2024 for a residential heating customer using 100 therms is to increase the customer's monthly bill by \$1.76 from \$138.93 to \$140.69, an increase of 1.3%.

The Board has the statutory authority 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.

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

VIRTUAL PUBLIC HEARINGS

DATE:

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

LOCATION: Microsoft Teams Meeting

[Join a Microsoft Teams Meeting by ID | Microsoft Teams](#)

Meeting ID:

Passcode:

(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.)

or

Dial In: 866-984-3163

Conference ID: _____ followed by the # sign

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 of 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 Dial-In Number and Conference ID set forth above and may express their views on this Petition. All comments will become part of the final record to be considered by the Board. To encourage full participation in this opportunity for public comment, please submit any requests for accommodations, such as interpreters or listening assistance, 48 hours prior to the above hearings to the Board Secretary at board.secretary@bpu.nj.gov.

The Board is also accepting written and electronic comments. Comments may be submitted directly to the specific docket number listed above using the “Post Comments” button on the Board’s Public Document Search tool. Comments are considered public documents for purposes of the State’s Open Public Records Act. Only documents that are intended to be public should be submitted using the “Post Comments” button on the Board’s Public Document Search tool. Any confidential information should be submitted in accordance with the procedures set forth in N.J.A.C. 14:1-12.3. In addition to hard copy submissions, confidential information may also be filed electronically via the Board’s e-filing system or by email to the Secretary of the Board. Please include “Confidential Information” in the subject line of any email. Instructions for confidential e-filing are found on the Board’s webpage at <https://www.nj.gov/bpu/agenda/efiling/>.

Emailed and/or written comments may also be submitted to:

Sherri L. Golden, Secretary of the Board
44 South Clinton Ave., 1st Floor
PO Box 350
Trenton, NJ 08625-0350
Phone: 609-913-6241
Email: board.secretary@bpu.nj.gov

Elizabethtown Gas Company

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

**IN THE MATTER OF THE PETITION OF :
ELIZABETHTOWN GAS COMPANY : BPU DOCKET NO.
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 _____ 2024, 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
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

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

**IN THE MATTER OF THE PETITION OF :
ELIZABETHTOWN GAS COMPANY FOR : PETITION
APPROVAL OF A RATE ADJUSTMENT :
PURSUANT TO THE INFRASTRUCTURE : DOCKET NO.
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, 2024

**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

1 both regulated and unregulated industries. In 1977, I was employed by Allied
2 Chemical Corp. as a staff accountant. In 1980, I was employed by Celanese Corp. as
3 a financial analyst. In 1981, I was employed by Suburban Propane as a Strategic
4 Planning Analyst, promoted to Manager of Rates and Pricing in 1986 and to Director
5 of Acquisitions and Business Analysis in 1990. In 1993, I was employed by
6 Concurrent Computer as a Manager, Pricing Administration. In 1996, I joined NUI
7 Utilities Inc., now part of South Jersey Industries, Inc. (“SJI”), as a Rate Analyst, was
8 promoted to Manager of Regulatory Support in August 1997, Manager of Regulatory
9 Affairs in February 1998, and named Manager of Rates and Tariffs in July 1998.

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

11 **A.** The purpose of my testimony is to support Elizabethtown’s proposed Rider rates
12 related to the investments made pursuant to the Company’s Infrastructure Investment
13 Program (“IIP”), which was approved by Board Order dated June 12, 2019 in BPU
14 Docket No. GR18101197 (the “IIP Order”). Pursuant to the IIP Order, cost recovery
15 for IIP projects is effectuated by an annual adjustment to the Company’s tariff Rider
16 “F” (“IIP Rider”). The current IIP rates were made effective October 1, 2023 by Board
17 Order dated September 27, 2023 in BPU Docket No. GR23040270. The proposed rate
18 adjustments to the current IIP rates are proposed to become effective on or before
19 October 1, 2024. Such rate adjustments are based on the revenue requirements
20 associated with IIP investments made and anticipated for the period July 1, 2023
21 through June 30, 2024. This testimony provides an overview of the IIP cost recovery
22 mechanism and the calculation of the associated revenue requirement and rate design.
23 It also addresses certain Minimum Filing Requirements (“MFRs”) as set forth in the
24 IIP Order.

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Q. DOES YOUR TESTIMONY INCLUDE ANY ILLUSTRATIVE SCHEDULES?

A. Yes. My testimony includes schedules supporting the development of proposed IIP rates, and proposed tariff sheets that were prepared by me or under my direction and supervision as well as Company financial statements. These schedules contain information responsive to MFRs as referenced in the MFR Index attached to the Petition as Exhibit A. The MFRs were set forth in Appendix D to the May 29, 2019 Stipulation attached to the IIP Order. The schedules are as follows, including certain confidential schedules given Elizabethtown is now a privately held company¹:

- Schedule TK-1: Revenue Requirement and Residential Bill Impact
- Schedule TK-2: Summary of Schedules TK-3, TK-4 and the Proposed Rider F IIP Rates, inclusive of sales tax
- Schedule TK-3: Revenue Requirement Allocation
- Schedule TK-4: Proof of Revenue
- Schedule TK-5: Weather Normalization Clause (“WNC”) Margin Revenue Factor for use in the Company’s Conservation Incentive Program (“CIP”)
- Schedule TK-6: Earnings Test
- Schedule TK-6.1: Earnings Test Rate Base
- Schedule TK-7: In-Service Amounts by Month

¹ 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-8: Depreciation Calculation
- 2 Schedule TK-9: Weighted Average Cost of Capital (“WACC”)
- 3 Schedule TK-10: Revenue Expansion Factor
- 4 Schedule TK-11: Proposed Tariff sheets – clean
- 5 Schedule TK-12: Proposed Tariff sheets - redline
- 6 Schedule TK-13: Income Statement - Confidential
- 7 Schedule TK-14: Balance Sheet - Confidential

8 **II. ANNUAL IIP FILING**

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

10 **A.** The Company’s annual IIP filing is being made in compliance with the IIP Order,
 11 which authorizes Elizabethtown to seek cost recovery for completed IIP projects in
 12 accordance with the approved annual cost recovery filing schedule, shown below:

Filing Year	Initial 9+3 Filing	Program Year Ending Date	12+0 Update Filing	Rates Effective on or Before
1	April 30, 2020	June 30, 2020	July 15, 2020	Oct 1, 2020
2	April 30, 2021	June 30, 2021	July 15, 2021	Oct 1, 2021
3	April 30, 2022	June 30, 2022	July 15, 2022	Oct 1, 2022
4	April 30, 2023	June 30, 2023	July 15, 2023	Oct 1, 2023
5	April 30, 2024	June 30, 2024	July 15, 2024	Oct 1, 2024
Residual *	April 30, 2025	June 30, 2025	July 15, 2025	Oct 1, 2025

13 *Residual Filing for restoration spending occurring after June 30, 2024.

14 **Q. IS THIS FILING SUBMITTED IN ACCORDANCE WITH THE IIP ORDER?**

15 **A.** Consistent with the requirement contained in N.J.A.C. 14:3-2A.6(b) and in accordance
 16 with the IIP Order, Elizabethtown is permitted to make annual filings to recover IIP
 17 costs when eligible in-service amounts exceed ten percent (10%) of the total proposed
 18 program spending, except however, given the nature of the work, the April 2025 filing
 19 may be less than 10% of total program spending as it will reflect residual spending

1 associated with restoration work occurring after June 30, 2024. Based on the total
2 approved program budget of \$300 million, the eligible in-service amounts must exceed
3 \$30 million to allow for the annual roll-in. As shown on Schedule TK-7, the Company
4 is currently projecting a total of approximately \$57.6 million (excluding the costs of
5 the Independent Monitor and Accumulated Funds Used During Construction,
6 (“AFUDC”) in service for the current twelve month period ending June 30, 2024.

7 **Q. PLEASE DESCRIBE THE IIP COST RECOVERY MECHANISM APPROVED**
8 **BY THE BOARD.**

9 **A.** The IIP cost recovery process is effectuated by annual rate adjustment filings (“Annual
10 Filings”) made in April of each year. With this Annual Filing, Elizabethtown is seeking
11 cost recovery of IIP main and service investments that are placed in service during the
12 period July 1, 2023 to June 30, 2024 totaling approximately \$57.6 million plus the costs
13 of the Independent Monitor and AFUDC, with IIP Rider rate adjustments to be
14 effective October 1, 2024. Included with this filing is actual data for projects placed in
15 service through March 31, 2024 and projected data through June 30, 2024. The
16 Company will provide a 12+0 update filing with actual data through June 30, 2024 no
17 later than July 15, 2024.

18 **Q. WHAT IS THE FORECASTED REVENUE REQUIREMENT PROPOSED**
19 **FOR THE IIP RATE ADJUSTMENTS TO TAKE PLACE ON OCTOBER 1,**
20 **2024?**

21 **A.** For the twelve month period ending June 30, 2024, the Company is proposing a
22 revenue requirement increase of approximately \$6.3 million, excluding Sales and Use
23 Tax (“SUT”). The calculation of the revenue requirement associated with the proposed
24 IIP Rider rate adjustments are provided in the attached Schedule TK-1. For rate making

1 purposes, this amount, combined with previously approved revenue requirements for
2 years 3 and 4, results in a total of approximately \$18.8 million, excluding SUT, as
3 shown and allocated to rate classes on Schedule TK-3.

4 **Q. HOW ARE THE REVENUE REQUIREMENTS ASSOCIATED WITH THE IIP**
5 **RATE ADJUSTMENTS CALCULATED?**

6 **A.** IIP revenue requirements are calculated utilizing the following formula, approved in
7 the IIP Order:

8 Revenue Requirement = ((IIP Rate Base * After-Tax WACC) – O&M Credit +
9 Advanced Leak Detection expense (net of tax) + Depreciation Expense (net of
10 tax)) * Revenue Factor.

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

12 **A.** IIP Rate Base is calculated as the gross IIP investment costs for the IIP projects placed
13 in-service during the program period, plus the costs of an Independent Monitor, a
14 methane leak study if conducted and AFUDC, less depreciation expense and applicable
15 deferred income taxes.

16 **Q. WHAT TYPES OF EXPENDITURES ARE INCLUDED IN THE IIP**
17 **INVESTMENT COSTS?**

18 **A.** Pursuant to the IIP Order, the Company is allowed to recover IIP project capital
19 expenditures, including actual costs of engineering, design and construction, property
20 acquisitions, if any, and monitoring, including actual labor, materials, overhead and
21 capitalized AFUDC. In addition, the IIP investment costs for the current twelve month
22 period include \$60,000 of Independent Monitor costs. These amounts are reflected in
23 the rate base as shown on Schedule TK-1.

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

1 **A.** In accordance with the IIP Order, the AFUDC rate applied to IIP projects is determined
2 by applying the Modified FERC Uniform System of Accounts methodology
3 (“Modified FERC Method”), including compounding of AFUDC on a monthly basis.
4 The Modified FERC Method is as follows: (a) if the Company's total Construction
5 Work in Progress (“CWIP”) balance, including all CWIP associated with IIP projects,
6 is less than or equal to the Company’s outstanding short-term debt (“S/T debt”) balance
7 at each month-end, the applicable AFUDC rate is equal to the Company’s monthly cost
8 of S/T debt; (b) if the Company’s total CWIP balance, including all CWIP associated
9 with IIP projects, is greater than the Company’s outstanding S/T debt balance, the
10 applicable AFUDC rate for IIP projects is a monthly AFUDC calculation based on a
11 blend of the S/T debt balance and the Company’s Weighted Average Cost of Capital
12 (“WACC”) rate; or (c) if the Company has no short-term debt balance at month end,
13 the AFUDC rate used is the adjusted WACC rate.

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

15 **A.** Depreciation expense is calculated as the IIP investments for the period by asset class
16 multiplied by the associated depreciation rate applied to the same asset class in current
17 base rates established in the Company’s most recent base rate case in Docket No.
18 GR21121254 (“2021 Base Rate Case”). The depreciation calculation and associated
19 depreciation rates are shown in Schedule TK-8.

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

21 **A.** Deferred taxes are calculated by multiplying the difference in the Company’s book and
22 tax depreciation expense for the plant subject to the IIP by the effective income tax rate
23 for the period. The tax rate used in the calculation of the deferred tax benefit for
24 Elizabethtown is 28.11% and includes New Jersey Corporate Business Tax. The

1 Company's deferred income tax calculation and related factors are shown in Schedule
2 TK-1.

3 **Q. WHAT IS THE WEIGHTED AVERAGE COST OF CAPITAL ("WACC")**
4 **UTILIZED IN CALCULATING THE REVENUE REQUIREMENT?**

5 **A.** Pursuant to the IIP Order, the return on IIP Rate Base proposed in this Annual Filing
6 is based on the WACC approved in the Company's 2021 Base Rate Case, which was
7 calculated utilizing a 9.60% return on equity ("ROE") and an equity level in the capital
8 structure of 52.00%. This results in a WACC of 6.83%, or 6.31% on an after-tax basis.
9 This calculation is included in Schedule TK-9.

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

12 **A.** Pursuant to the IIP Order, the operations and maintenance ("O&M") credit is \$90,000
13 per year, or \$64,701 net of tax. This credit reflects an O&M savings associated with
14 leak repair on facilities replaced in connection with the IIP. The total O&M credit of
15 \$64,701 is reflected in Schedule TK-1.

16 **Q. WHAT IS THE PURPOSE OF THE ADVANCED LEAK DETECTION O&M**
17 **EXPENSE LINE OF THE REVENUE REQUIREMENT CALCULATION?**

18 **A.** If the Company were to incur O&M expenses related to advanced leak detection, other
19 than the previous study included in rate base and discussed above, it will include these
20 costs in the revenue requirement for recovery on an after-tax basis. The Company has
21 incurred \$0 costs in this filing period, as reflected in Schedule TK-1.

22 **Q. WHAT IS THE REVENUE FACTOR UTILIZED IN THE CALCULATION OF**
23 **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 Division of Rate Counsel
3 annual assessments (collectively Public Utility Assessment Tax), and Bad Debt.
4 Pursuant to the IIP Order, the Company is using the revenue factor that was utilized to
5 set rates in the Company's 2021 Base Rate Case, which is 1.404475. The calculation
6 of the 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 Order, the Company is allocating
17 the revenue requirement for each applicable firm class and firm special contracts for
18 IIP based on the percentage of revenues approved in the Company's 2021 Base Rate
19 Case.

20 **Q. WHAT RATE DESIGN WAS UTILIZED FOR THE PROPOSED IIP RATE**
21 **ADJUSTMENT?**

22 A. Pursuant to the IIP Order, the IIP rate adjustment is effectuated by a volumetric
23 distribution charge calculated for each class utilizing the billing determinants used to
24 set rates in the Company's 2021 Base Rate Case. Schedule TK-3 sets forth the IIP

1 allocated revenue, which for rate making is made up previously approved IIP amounts
2 plus that proposed in this filing, to each class. These amounts are divided by the
3 respective therm billing determinants from the Company's 2021 Base Rate Case to
4 derive the proposed IIP rates, before SUT, shown on Schedule TK-4. The revenue
5 requirement allocation, proof of revenues and proposed IIP rates by class, inclusive of
6 taxes, are summarized on Schedule TK-2.

7 The Margin Revenue Factor set forth in the Company's Weather Normalization
8 Clause ("WNC") tariff will also be revised to reflect the IIP rate adjustments, as shown
9 on Schedule TK-5.

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

12 **A.** The bill impact of the proposed IIP rate adjustment to rates in effect on April 1, 2024
13 for a residential customer using 100 therms will be an increase of \$1.76 from \$138.93
14 to \$140.69 an increase of 1.3%.

15 **Q. DOES THIS FILING INCLUDE IIP INVESTMENT COSTS FOR IIP YEARS 1**
16 **AND 2 THROUGH JUNE 30, 2021?**

17 **A.** No, Elizabethtown has rolled the IIP investment costs for the periods ending June 30,
18 2020 and June 30, 2021, approved in BPU Docket Nos. GR20050327 and
19 GR21040747 respectively, into the rate base established in the Company's 2021 Rate
20 Case.

21 **Q. DO THE PROPOSED IIP RIDER TARIFF RATES INCLUDE THE REVENUE**
22 **REQUIREMENTS APPROVED IN BPU DOCKET NOS. GR20050327 AND**
23 **GR21040747?**

1 A. No, as noted above, the base rates approved in the 2021 Rate Case include recovery of
2 IIP investment amounts associated with IIP Years 1 and 2. Per the approval of the
3 2021 Rate Case, effective September 1, 2022, Years 1 and 2 IIP rates in Rider F were
4 set to zero. Currently, only the revenue requirement for Years 3 and 4 are included in
5 the IIP rates in Rider F. The proposal in this filing is to add Year 5 IIP revenue
6 requirement to the previously approved Years 3 and 4 revenue requirement in
7 developing updated IIP rates.

8 **Q. IN THE COMPANY’S BASE RATE CASE PENDING IN BPU DOCKET NO.**
9 **GR24020158 (“2024 RATE CASE”), HAS ELIZABETHTOWN MADE A**
10 **PROPOSAL ON HOW TO TREAT IIP INVESTMENT COSTS THROUGH**
11 **JUNE 30, 2023?**

12 A. Yes, Elizabethtown has proposed to roll investments costs through June 30, 2023 that
13 were previously included in IIP rates on a provisional basis in BPU Docket Nos.
14 GR22040316 and GR23040270, Year 3 and Year 4 respectively, into the rates to be
15 established in the 2024 Rate Case on a final basis.

16 **Q. WHAT WILL HAPPEN TO THE CURRENTLY APPROVED IIP RIDER F**
17 **TARIFF RATES IF BASE RATES BECOME EFFECTIVE PRIOR TO THE**
18 **RATES PROPOSED IN THIS PROCEEDING?**

19 A. The base rates under consideration in the 2024 Rate Case include IIP amounts
20 associated with Years 3 and 4. If the base rates proposed in the 2024 Rate case are
21 approved prior to the effective date of the rates proposed herein, the Years 3 and 4 IIP
22 rates in Rider F will be re-set to zero. In this case, only the revenue requirement from
23 Year 5 will be used in the derivation of the new IIP rates in Rider F. If the rates
24 proposed in this filing are approved prior to the effective date of rates in the 2024 Rate

1 Case, then such adjustments to Rider F would occur at the time the rate case is
2 approved. At either time Year 5 IIP rates will be recomputed using the most recent
3 approved rate case factors in computing the IIP class rates.

4 **IV. EARNINGS TEST**

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

6 **A.** Yes. As required by N.J.A.C. 14:3-2A.6(h) and the Company's Stipulation approving
7 the IIP, cost recovery is contingent on an earnings test. Accordingly, the Company has
8 performed an earnings test calculation as shown on Schedule TK-6. As shown on
9 Schedule TK-6, the results of the earnings test calculation do not preclude the Company
10 from obtaining cost recovery for the period reflected in this filing.

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

12 **A.** The calculated ROE is 3.12%, which meets the requirement of the IIP Order that the
13 calculated ROE be less than 10.10%, calculated as fifty (0.50%) basis points plus
14 9.60%, the ROE approved by the Board in the Company's 2021 Base Rate Case.

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

16 **Q. IN ADDITION TO THE SCHEDULES PREVIOUSLY REFERENCED IN
17 YOUR DIRECT TESTIMONY, ARE YOU SPONSORING ANY ADDITIONAL
18 SCHEDULES IN SUPPORT OF THE MFRS?**

19 **A.** Yes. Also attached to my Direct Testimony are the Company's confidential Income
20 Statement for the 12 months ending December 31, 2023 and the Company's

1 confidential Balance Sheet as of December 31, 2023. The information is attached
2 hereto as Schedule TK-13 and Schedule TK-14, respectively.

3 **Q. HAS THE COMPANY RECEIVED ANY OUTSIDE FUNDS OR CREDITS FOR**
4 **WORK RELATED TO ANY IIP PROJECTS?**

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

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

7 **A.** Yes, it does.

ELIZABETHTOWN GAS COMPANY
Infrastructure Investment Program (“IIP”)
Revenue Requirement and Residential Bill Impact

	June 2024	Proposed Oct 1
Plant In Service (excl AFUDC)	\$57,612,000	
Monitor	\$60,000	
Advanced Leak Detection (ALD) Report	\$0	
AFUDC	\$378,387	
Total Plant In Service	\$58,050,387	
Book Depreciation, half year	(\$658,992)	
Deferred Income Tax	(\$426,681)	
Rate Base	\$56,964,714	
Rate of Return - net of tax	6.3100%	
	\$3,594,473	
O&M Red. for Leak Repairs - per Stip, net of tax	(\$64,701)	
Advanced Leak Detection expense, net of tax, if any	\$0	
Depreciation Exp, net of tax	\$947,499	
Allowable Net Income	\$4,477,271	
Revenue Factor	1.404475	
Current Revenue Requirement	\$6,288,215	
Previously Approved, Yrs. 3 & 4	\$12,508,737	
Cumulative Revenue Requirement, Year 3 Forward	\$18,796,952	
CBT Rate, see Sch 9	9.000%	
FIT Rate, See Sch 9	21.000%	
Net Tax Rate	28.110%	
Average Book Depreciation Rate	2.27%	
Tax Depreciation Rate	3.750%	
Bonus Depreciation Rate	0%	
Half Year Book Depreciation	\$658,992	
Tax Bonus Depreciation	\$0	
Tax Depreciation	\$2,176,890	
Deferred Income Tax Credit, (Bk - Tax)* Tax Rate	(\$426,681)	
O&M Red. for Leak Repairs - per Stip	(\$90,000)	
Advanced Leak Detection expense	\$0	
<u>Residential 1,000 Therm Current Period Bill Impact:</u>		
Rate Increase Per Therm w/ SUT, Schedule TK-2		\$0.0176
Annual Increase, w/tax	1,000	\$17.60
Current Bill as of Date		<u>4/1/2024</u>
1,000 Therm Bill at Current Rates		\$1,410.30
1,000 Therm Bill plus IIP Annual Increase		\$1,427.90
% Increase from Current 1,000 Therm Bill		1.2%

ELIZABETHTOWN GAS COMPANY
Infrastructure Investment Program (“IIP”)
Proposed Rates - Oct 1, 2024

Summary of Years 3, 4 & 5 (Years 1&2 Rolled Into 2021 Rate Case Base Rates)

	Year 3 & 4							Years	Year 5
	Current	2021 Rate Case	Revenue	Revenue	2021 Rate Case	Pre Tax	Sales Tax	3- 5	Rate
	Rates	% of Base	Requirement	per Proof	Distribution	Rates	6.625%	Rates	Changes
	w/ Tax	Revenues			Therms	per Proof		w/ Tax	w/ Tax
Residential	\$0.0351	66.325001%	\$12,467,079	\$12,470,693	252,443,185	\$0.0494	\$0.0033	\$0.0527	\$0.0176
Small General Service	\$0.0375	6.693284%	\$1,258,133	\$1,257,964	23,780,038	\$0.0529	\$0.0035	\$0.0564	\$0.0189
General Delivery Service	\$0.0275	22.952551%	\$4,314,380	\$4,309,497	111,356,509	\$0.0387	\$0.0026	\$0.0413	\$0.0138
GDS SP#1 May -Oct	\$0.0031	0.000769%	\$145	\$144	32,668	\$0.0044	\$0.0003	\$0.0047	\$0.0016
Natural Gas Vehicles	\$0.0644	0.022968%	\$4,317	\$4,318	47,552	\$0.0908	\$0.0060	\$0.0968	\$0.0324
Large Volume Demand	\$0.0099	3.846146%	\$722,958	\$723,472	51,676,578	\$0.0140	\$0.0009	\$0.0149	\$0.0050
Electric Generation	\$0.0275	0.000000%	\$0	\$0	-	\$0.0387	\$0.0026	\$0.0413	\$0.0138
Gas Lights	\$0.0333	0.000660%	\$124	\$124	2,664	\$0.0465	\$0.0031	\$0.0496	\$0.0163
Firm Spec. Contracts	\$0.0016	0.158620%	<u>\$29,816</u>	<u>\$29,948</u>	13,612,932	\$0.0022	\$0.0001	\$0.0023	\$0.0007
			\$18,796,952	\$18,796,160					

ELIZABETHTOWN GAS COMPANY
Infrastructure Investment Program ("IIP")
Revenue Requirement Allocation, Plant In-Service
June 2024

Schedule TK-3
9+3

Revenue Requirement, see below	\$18,796,952	Allocation per 2021 Rate Case		Allocation
		Base Revenues	Overall %	
Residential		\$170,956,081	66.325001%	\$12,467,079
Small General Service		\$17,252,282	6.693284%	\$1,258,133
General Delivery Service		\$59,161,373	22.952551%	\$4,314,380
GDS SP#1 May - Oct		\$1,983	0.000769%	\$145
Natural Gas Vehicles		\$59,202	0.022968%	\$4,317
Large Volume Demand		\$9,913,639	3.846146%	\$722,958
Electric Generation		\$0	0.000000%	\$0
Gas Lights		\$1,700	0.000660%	\$124
Firm Base Rate Revenues		\$257,346,260	99.841379%	\$18,767,136
Firm Special Contract(s)		\$408,852	0.158620%	\$29,816
Total Firm Revenues		\$257,755,112	100.00%	\$18,796,952
Interruptible Revenues		\$7,397,323		
Other Revenues		\$995,456		
TOTAL REVENUES		\$266,147,891		\$18,796,952

allocation rounding \$0

Revenue Requirements:

	<u>Included Above</u>	
June 2020	\$0	\$6,830,571 Docket No. GR20050327, Dated: 9-30-20, Effective on: 10-1-20 *
June 2021	\$0	\$7,063,912 Docket No. GR21040747, Dated: 9-14-21, Effective on: 10-1-21 *
June 2022	\$6,300,195	Docket. No. GR22040316, Dated 9-28-22 Effective on: 10-1-22 **
June 2023	\$6,208,542	Docket. No. GR23040270, Dated 9-27-23 Effective on: 10-1-23 **
June 2024	\$6,288,215	
June 2025	\$0	
Total	<u>\$18,796,952</u>	

Notes:

* Years 1&2, June 2020 and 2021, rolled into base rates in BPU Docket No. GR21121254, Dated 8-17-22, Effective 9-1-22.

** Years 3&4, June 2022 and 2023, will be rolled into base rates upon approval BPU Docket No. GRxxxxxxx, at which time the IIP rates will be recalculated to the revenue requirement of June 2024.

ELIZABETHTOWN GAS COMPANY
Infrastructure Investment Program ("IIP")

Schedule TK-4
 Consisting of 3 Pages
 9+3

Proof of Revenue
Summary of Years 3, 4 & 5 (Years 1&2 Rolled Into 2021 Rate Case Base Rates)
\$18,796,952

	Determinants 2021 Rate Case		Approved Rider F Rates Pre Tax		Proposed Rider F Rates Pre Tax	
	Amount	Units	Rates	Revenue	Rates	Revenue Proof
			IIP Dkt. No. GR22040316, Eff. 10-01-22			
<u>Residential Service</u>	285,133	Customers	RDS		RDS	
Customer Charge	3,421,596	Bills	\$0.00	\$0	\$0.00	\$0
Rider F Charge	252,443,185	Therms	\$0.0181	\$4,569,222	\$0.0494	\$12,470,693
Total Base Rate Revenues				\$4,569,222		\$12,470,693
<hr/>						
<u>Small General Service</u>	17,312	Customers	SGS		SGS	
Customer Charge	207,744	Bills	\$0.00	\$0	\$0.00	\$0
Rider F Charge	23,780,038	Therms	\$0.0200	\$475,601	\$0.0529	\$1,257,964
Total Base Rate Revenues				\$475,601		\$1,257,964
<hr/>						
<u>General Delivery Service</u>	6,585	Customers	GDS		GDS	
Customer Charge	79,020	Bills	\$0.00	\$0	\$0.00	\$0
Demand Charge	22,336,313	Therms	\$0.000	\$0	\$0.000	\$0
Rider F Charge	111,356,509	Therms	\$0.0119	\$1,325,142	\$0.0387	\$4,309,497
SP#1 DG/AC (SP#1 Nov- Apr)	inc above					
SP#1 DG/AC (SP#1 May - Oct)	32,668	Therms	\$0.0065	\$212	\$0.0044	\$144
Economic Development Discont (SP#2)	inc above					
Total Base Rate Revenues	111,389,177	Total Rider F Therms		\$1,325,142		\$4,309,641
<hr/>						
<u>Electric Generation Firm Service</u>	0	Customers	EGF		EGF	
			<i>If Zero Therms, Set Rider F Equal to GDS</i>			
Customer Charge	0	Bills	\$0.00	\$0	\$0.00	\$0
Demand Charge	0	Therms	\$0.000	\$0	\$0.000	\$0
Rider F Charge	0	Therms	\$0.0038	\$0	\$0.0387	\$0
Total Base Rate Revenues				\$0		\$0
<hr/>						
<u>Large Volume Demand</u>	50	Customers	LVD		LVD	
Customer Charge	600	Bills	\$0.00	\$0	\$0.00	\$0
Demand Charge	4,507,025	Therms	\$0.000	\$0	\$0.000	\$0
Rider F Charge	51,676,578	Therms	\$0.0057	\$294,556	\$0.0140	\$723,472
Total Base Rate Revenues				\$294,556		\$723,472

ELIZABETHTOWN GAS COMPANY
Infrastructure Investment Program ("IIP")

Schedule TK-4
 Consisting of 3 Pages
 9+3

Proof of Revenue
Summary of Years 3, 4 & 5 (Years 1&2 Rolled Into 2021 Rate Case Base Rates)
\$18,796,952

	Determinants 2021 Rate Case		Approved Rider F Rates Pre Tax		Proposed Rider F Rates Pre Tax	
	<u>Amount</u>	<u>Units</u>	<u>Rates</u>	<u>Revenue</u>	<u>Rates</u>	<u>Revenue Proof</u>
		1 Customers		NGV		NGV
<u>Natural Gas Vehicles</u>		12 Bills			<i>re-set allocation, to be only on the Dist.Chg</i>	
Rider F Charge	47,552	Therms	\$0.0324	\$1,541	\$0.0908	\$4,318
Fueling Charge	47,552	Therms	\$0.0000	\$0	\$0.0000	\$0
Facilities Charge	47,552	Therms	\$0.0000	\$0	\$0.0000	\$0
Total Base Rate Revenues			<u>\$0.0324</u>	<u>\$1,541</u>	<u>\$0.0908</u>	<u>\$4,318</u>
<hr/>						
		7 Customers		GLS		GLS
<u>Gas Lights Service</u>		84 Bills				
Service Charge			\$0.27		\$0.68	
Rider F Charge	2,664	Therms	\$0.0168	\$45	\$0.0465	\$124
Total Base Rate Revenues				<u>\$45</u>		<u>\$124</u>
<hr/>						
Total Firm Rate Class	439,339,194	Therms		\$6,666,107		\$18,766,212
<hr/>						
				CSI		CSI
<u>Closed Tariff 2 Kean Meters Left</u>						
<u>Interruptible Cogeneration Sales Service</u>						
Service Charge	12	Bills	\$0.00	\$0	\$0.00	\$0
Distribution Charge, retain 20%	70	Therms	\$0.0000		\$0.0000	
Total Base Rate Revenues				<u>\$0</u>		<u>\$0</u>
<hr/>						
				IS		IS
<u>Interruptible Sales Service</u>						
Service Charge	12	Bills	\$0.00	\$0	\$0.00	\$0
Demand Charge	9,444	Therms	\$0.0000	\$0	\$0.0000	\$0
Distribution Charge, retain 20%	21,741	Therms	\$0.0000		\$0.0000	
Total Base Rate Revenues				<u>\$0</u>		<u>\$0</u>

**ELIZABETHTOWN GAS COMPANY
Infrastructure Investment Program ("IIP")**

Schedule TK-4
Consisting of 3 Pages
9+3

**Proof of Revenue
Summary of Years 3, 4 & 5 (Years 1&2 Rolled Into 2021 Rate Case Base Rates)
\$18,796,952**

	Determinants 2021 Rate Case		Approved Rider F Rates Pre Tax		Proposed Rider F Rates Pre Tax	
	<u>Amount</u>	<u>Units</u>	<u>Rates</u>	<u>Revenue</u>	<u>Rates</u>	<u>Revenue Proof</u>
			IIP Dkt. No. GR22040316, Eff. 10-01-22			
			<u>ITS-IS</u>		<u>ITS-IS</u>	
<u>Interruptible Transportation Service</u>		10 Customers				
Service Charge	120	Bills	\$0.00	\$0	\$0.00	\$0
Demand Chg., retain 1st \$0.08/ 20% thereafter	289,000	Therms	\$0.000	\$0 *	\$0.000	\$0
Distribution Charge, retain 20%	2,050,698	Therms	\$0.0000		\$0.0000	
Total Base Rate Revenues				<u>\$0</u>		<u>\$0</u>
	*Amount is the 1st \$0.08 per therm					
			<u>ITS-CSI</u>		<u>ITS-CSI</u>	
<u>Interruptible Cogeneration</u>		No Customers				
<u>Transportation Service</u>		0 Customers				
Service Charge	0	Bills	\$0.00	\$0	\$0.00	\$0
Demand Charge, retain 20%	0	Therms	\$0.000		\$0.000	
Distribution Charge, retain 20%	0	Therms	\$0.0000		\$0.0000	
Total Base Rate Revenues				<u>\$0</u>		<u>\$0</u>
			<u>ITS-LVD</u>		<u>ITS-LVD</u>	
<u>Interruptible LVD Sales Service</u>		35 Customers				
Service Charge	420	Bills	\$0.00	\$0	\$0.00	\$0
Demand Charge	4,277,425	Therms	\$0.000	\$0	\$0.000	\$0
Distribution Charge	35,980,038	Therms	\$0.0000	\$0	\$0.0000	\$0
Total Base Rate Revenues				<u>\$0</u>		<u>\$0</u>
	<i>FYI w/ Flex Therms</i>	36,417,630				
Total Interruptible Rate Class Revenues				<u>\$0</u>		<u>\$0</u>
TOTAL SYSTEM BASE DISTRIBUTION REVENUES				<u>\$6,666,107</u>		<u>\$18,766,212</u>
Other Revenues						
Special Contracts Firm				\$12,252		\$29,948
Special Contracts Interruptible and ITS-LVD Flex				\$0		\$0
Other Revenues				\$0		\$0
Total Other Revenues				<u>\$12,252</u>		<u>\$29,948</u>
			Yrs 3 & 4 Previously		Yrs 3, 4 & 5	
IIP REVENUES, per Approved and Proposed Rates			<u>Approved *</u>	<u>Change</u>	<u>Total</u>	
			\$12,519,497	\$6,276,663	\$18,796,160	
Total Target Change (TK-3)			\$12,508,737	\$6,288,215	\$18,796,952	
Difference			\$10,760	(\$11,552)	(\$792)	

* Docket. No. GR22040316, Dated 9-28-22 Effective on: 10-1-22.

ELIZABETHTOWN GAS COMPANY
Infrastructure Investment Program ("IIP")
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
Base Rates						
RDS	\$0.5797	\$0.0360	\$0.5437	230,385,391	65.807%	\$0.3578
SGS	\$0.4522	\$0.0281	\$0.4241	22,131,332	6.321%	\$0.0268
GDS	\$0.2895	\$0.0180	\$0.2715	97,580,084	27.872%	\$0.0757
				<u>350,096,807</u>	<u>100.00%</u>	<u>\$0.4603</u>
IIP Rates						
RDS	\$0.0527	\$0.0033	\$0.0494	230,385,391	65.807%	\$0.0325
SGS	\$0.0564	\$0.0035	\$0.0529	22,131,332	6.321%	\$0.0033
GDS	\$0.0413	\$0.0026	\$0.0387	97,580,084	27.872%	\$0.0108
				<u>350,096,807</u>	<u>100.000%</u>	<u>\$0.0466</u>
					Total WNC- MRF	<u><u>\$0.5069</u></u>

* Therms per the Company's most recent Rate Case.

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

January-23	Through	December-23	
<u>Net Income:</u>			
1	Net Income (including IIP and CIP margin revenue, net of tax)	\$29,556,133	
	less: non-recurring items, income / (loss) net of tax (1)	\$0	
	Net Income after adjustment	<u>\$29,556,133</u>	
2	Less:		
	Non-firm Sales & Transportation margins, net of tax	\$126,310	
	Off-system Sales & Capacity Release, net of tax	\$168,075	
	Energy Efficiency Program margins, net of tax	<u>\$3,100,528</u>	
		\$3,394,913	
3	Regulated Jurisdictional Net Income (L1-L2)		<u><u>\$26,161,220</u></u>
4	Common Equity Balances, per Rate Base		
		<u>December-22</u>	<u>December-23</u>
	Rate Base	\$1,527,284,968	\$1,694,257,116
	Equity %, 2021 Rate Case		Average
	Average Equity		<u>52.00%</u>
			<u><u>\$837,600,942</u></u>
5	ROE (L3/L4)		<u><u>3.12%</u></u>
	Rate of Return on Equity, 2021 Rate Case	9.60%	
	ROE Test: Rate Case plus 50 Basis Points	<u>0.50%</u>	<u>10.10%</u>

(1) no adjustments.

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

<u>Line No.</u>	<u>December-22</u>	<u>December-23</u>
1 Utility Plant In Service	\$2,129,710,048	\$2,351,244,886
2 Accumulated Depreciation, Utility Retirement WIP	(\$353,043,593)	(\$387,965,477)
3 Acquisition Adjustment	(\$160,000,000)	(\$160,000,000)
4 Amortization of Acquisition Adjustment	\$49,999,988	\$65,999,984
5 Net Utility Plant	<u>\$1,666,666,443</u>	<u>\$1,869,279,393</u>
6		
7 Pension/OPEB	\$34,558,342	\$26,263,347
8 Cash Working Capital ⁽¹⁾	\$28,234,763	\$28,234,763
9 Inventories ⁽²⁾		
10 Natural Gas Stored Underground and LNG	\$26,790,542	\$16,686,677
11 Materials & Supplies incl. Fleet Fuel and Propane Inv.	\$451,402	\$436,854
12 Customer Deposits ⁽²⁾	(\$4,842,610)	(\$4,917,509)
13 Customer Advances ⁽²⁾	(\$1,779,506)	(\$1,677,027)
14 Deferred Income Taxes:		
15 Excess Protected ADIT	(\$77,679,017)	(\$76,472,657)
16 Federal Income Tax	(\$98,653,685)	(\$111,204,240)
17 NJ CBT	(\$46,461,706)	(\$52,372,485)
18 Consolidated Tax Adjustment ⁽¹⁾	\$0	\$0
19		
20 Total Rate Base	<u>\$1,527,284,968</u>	<u>\$1,694,257,116</u>

⁽¹⁾ December 2021 Equals the approved level in Docket No. GR19040486.

December 2022 Equals the approved level in Docket No. GR21121254.

⁽²⁾ Represents thirteen month averages of account balances.

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

Schedule TK-7
9+3

Periods:	In-Service Credits in June per \$1.2 million Mileage Cap.			In-Service			In-Service Credits in June due to Mileage Cap.			In-Service
	Mains	Services	IIP Program	Monitor	ALD Study	In-Service Pre AFUDC	AFUDC Mains	AFUDC Services	AFUDC Total	Total with AFUDC
12 mos Ending										
Jun-24	\$29,969,931	\$27,642,069	\$57,612,000	\$60,000	\$0	\$57,672,000	\$358,753	\$19,634	\$378,387	\$58,050,387
Monthly Spending:										
Jul-23	\$2,650,792	\$3,142,997	\$5,793,789	\$5,000		\$5,798,789	\$351	\$446	\$797	\$5,799,586
Aug-23	\$4,709,184	\$2,969,950	\$7,679,134	\$5,000		\$7,684,134	\$16,220	\$1,971	\$18,191	\$7,702,325
Sep-23	\$2,398,978	\$1,972,126	\$4,371,104	\$5,000		\$4,376,104	\$11,352	\$1,931	\$13,283	\$4,389,387
Oct-23	\$3,923,862	\$4,268,870	\$8,192,732	\$5,000		\$8,197,732	\$40,214	\$2,857	\$43,071	\$8,240,803
Nov-23	\$3,148,109	\$2,253,401	\$5,401,510	\$5,000		\$5,406,510	\$13,530	\$3,901	\$17,431	\$5,423,941
Dec-23	\$1,268,837	\$1,923,443	\$3,192,280	\$5,000		\$3,197,280	\$28,855	\$557	\$29,412	\$3,226,692
Jan-24	\$7,093,298	\$3,372,073	\$10,465,371	\$5,000		\$10,470,371	\$156,075	\$1,711	\$157,786	\$10,628,157
Feb-24	\$2,946,834	\$4,289,458	\$7,236,292	\$5,000		\$7,241,292	\$44,932	\$7,003	\$51,935	\$7,293,227
Mar-24	\$2,473,717	\$4,002,735	\$6,476,452	\$5,000		\$6,481,452	\$27,495	\$1,575	\$29,070	\$6,510,522
Apr-24	\$10,012,937	\$5,530,512	\$15,543,449	\$5,000		\$15,548,449	\$110,886	\$4,306	\$115,192	\$15,663,641
May-24	\$10,092,843	\$7,679,194	\$17,772,037	\$5,000		\$17,777,037	\$111,771	\$5,979	\$117,750	\$17,894,787
Jun-24	(\$20,749,460)	(\$13,762,690)	(\$34,512,150)	\$5,000		(\$34,507,150)	(\$202,928)	(\$12,603)	(\$215,531)	(\$34,722,681)

ELIZABETHTOWN GAS COMPANY
Infrastructure Investment Program (“IIP”)
Annualized Depreciation

Schedule TK-8
9+3

	Rates		In-Service Depreciation				Depreciation Expense <u>Pre AFUDC</u>	<u>AFUDC Depreciation</u>		Full Year Depreciation Expense W/ AFUDC
	Mains 376	Services 380	Mains 376	Services 380	Monitor 376	ALD Study 376		Mains 376	Services 380	
End Date										
Jun-24			500,496	809,913	1,008	0	1,311,417	5,992	575	1,317,984
Monthly Spending:										
Jul-23	1.67%	2.93%	44,268	92,090	84	0	136,442	6	13	136,461
Aug-23	1.67%	2.93%	78,643	87,020	84	0	165,747	271	58	166,076
Sep-23	1.67%	2.93%	40,063	57,783	84	0	97,930	190	57	98,177
Oct-23	1.67%	2.93%	65,528	125,078	84	0	190,690	672	84	191,446
Nov-23	1.67%	2.93%	52,573	66,025	84	0	118,682	226	114	119,022
Dec-23	1.67%	2.93%	21,190	56,357	84	0	77,631	482	16	78,129
Jan-24	1.67%	2.93%	118,458	98,802	84	0	217,344	2,606	50	220,000
Feb-24	1.67%	2.93%	49,212	125,681	84	0	174,977	750	205	175,932
Mar-24	1.67%	2.93%	41,311	117,280	84	0	158,675	459	46	159,180
Apr-24	1.67%	2.93%	167,216	162,044	84	0	329,344	1,852	126	331,322
May-24	1.67%	2.93%	168,550	225,000	84	0	393,634	1,867	175	395,676
Jun-24	1.67%	2.93%	(346,516)	(403,247)	84	0	(749,679)	(3,389)	(369)	(753,437)

ELIZABETHTOWN GAS COMPANY
Infrastructure Investment Program ("IIP")
Weighted Average Cost of Capital ("WACC")

Rate Case Effective 9-1-22	Capitalization		CBT at	9%
	Ratios	Rate	FIT at	21%
			Cost %	After Tax
				28.110%
Long Term Debt	48.00%	3.830%	1.84%	1.32%
Common Equity	52.00%	9.600%	4.99%	4.99%
Total Capitalization	100.00%		6.83%	6.31%

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

		Rate Case 9/1/2022
Revenue Increase		100.000%
Uncollectible Accounts Percentage		0.6858%
BPU Assessments / BPU & RC		0.2189%
RC Assessments		0.0538%
Income before Corporate Business Tax		99.0415%
NJ Corporate Business Tax @	9.0%	8.9137%
Income before Federal Income Taxes		90.1278%
Federal Income Taxes @	21.0%	18.9268%
Return		71.2010%
Revenue Factor (100% / Return %)		1.404475
Rounding to Settlement Factor		-
Settlement Revenue Factor		1.404475

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	293,159	51,818
November	293,834	62,593
December	294,633	69,064
January	295,059	68,081
February	295,322	67,808
March	295,477	63,693
April	295,126	52,489
May	294,483	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 \$0.5069 per therm pre taxes for purposes of calculating the weather-related portion of the CIP.

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	\$0.0527
SGS Small General Service	\$0.0564
GDS General Delivery Service	\$0.0413
GDS Seasonal SP#1 May-Oct	\$0.0047
NGV Natural Gas Vehicles	\$0.0968
LVD Large Volume Demand	\$0.0149
EGF Electric Generation	\$0.0413
GLS Gas Lights	\$0.0496
Firm Special Contracts	\$0.0023

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: 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:

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May	294,483	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 ~~\$0.49140.5069~~ per therm pre taxes for purposes of calculating the weather-related portion of the CIP.

Date of Issue: ~~September 29, 2023~~XXX1

Effective: Service Rendered
on and after ~~October 1,~~
~~2023~~XXX2

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

Filed Pursuant to Order of the Board of Public Utilities

Dated ~~September 27, 2023~~XXX3 in Docket No. ~~GR23040270~~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	\$0.0527 \$0.0351
SGS	Small General Service	\$0.0564 \$0.0375
GDS	General Delivery Service	\$0.0413 \$0.0275
GDS	Seasonal SP#1 May-Oct	\$0.0047 \$0.0034
NGV	Natural Gas Vehicles	\$0.0968 \$0.0644
LVD	Large Volume Demand	\$0.0149 \$0.0099
EGF	Electric Generation	\$0.0413 \$0.0275
GLS	Gas Lights	\$0.0496 \$0.0333
Firm Special Contracts		\$0.0023 \$0.0016

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: ~~September 29, 2023~~ ~~XXX1~~

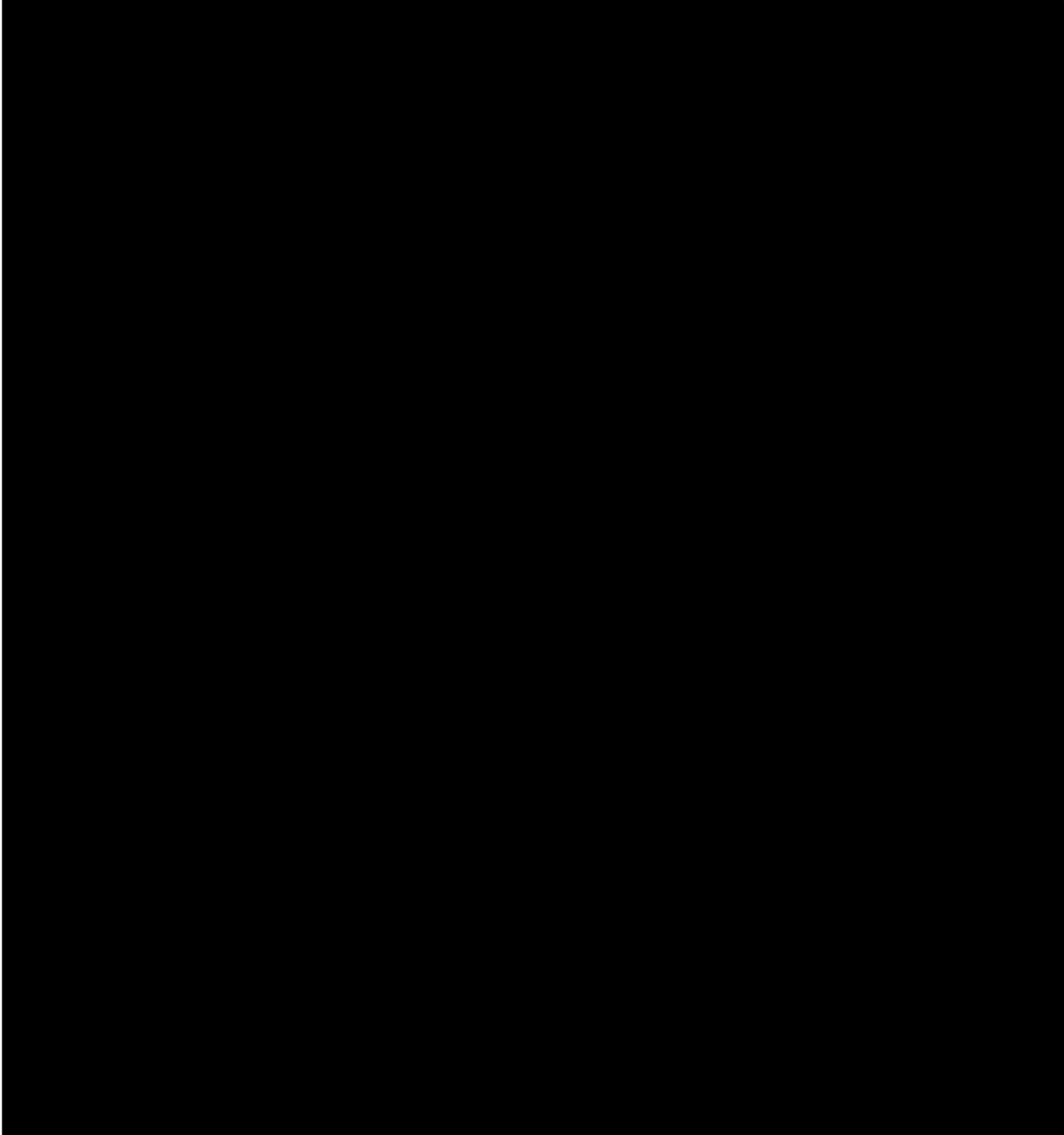
Effective: Service Rendered
on and after ~~October 1, 2023~~ ~~XXX2~~

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

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~September 27, 2023~~ ~~XXX3~~ in Docket No. ~~GR23040270~~ ~~XXX4~~

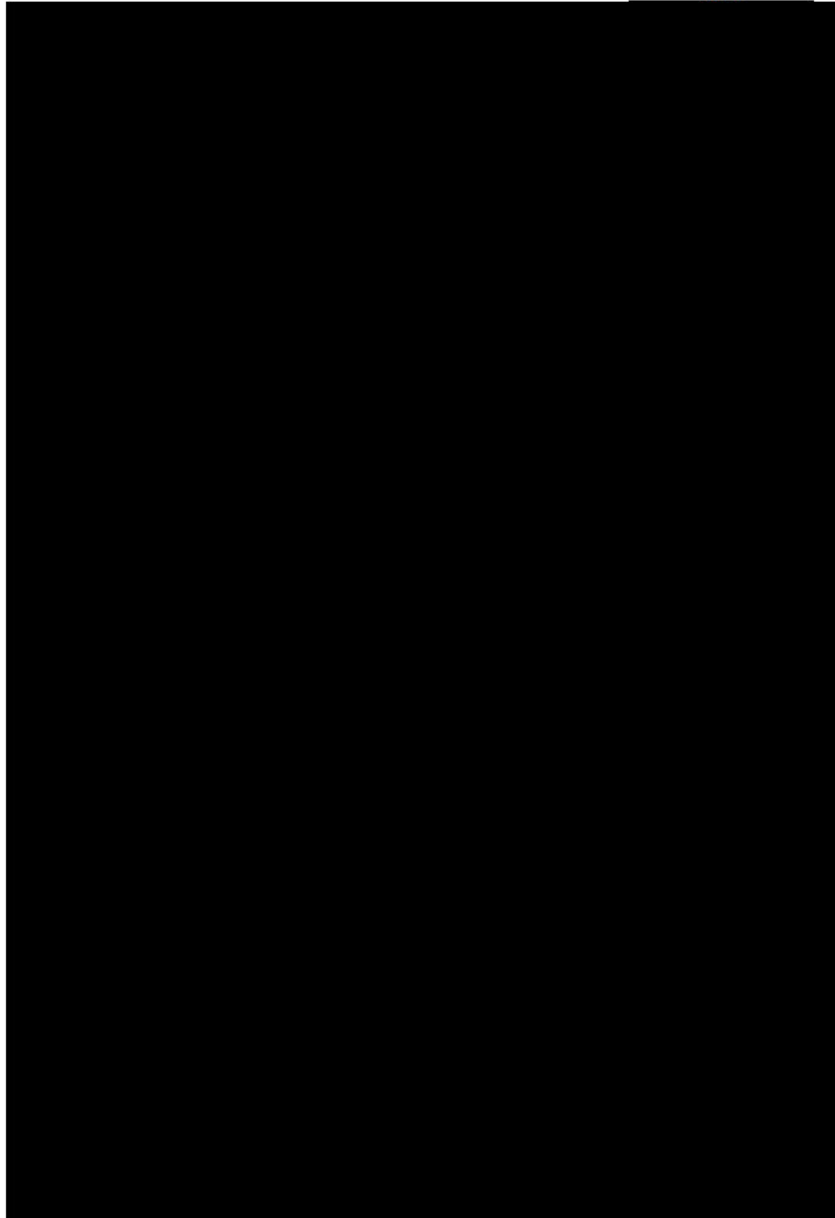
Elizabethtown Gas Company
Statements of Income for the Twelve Months
Ending December 31, 2023

2023



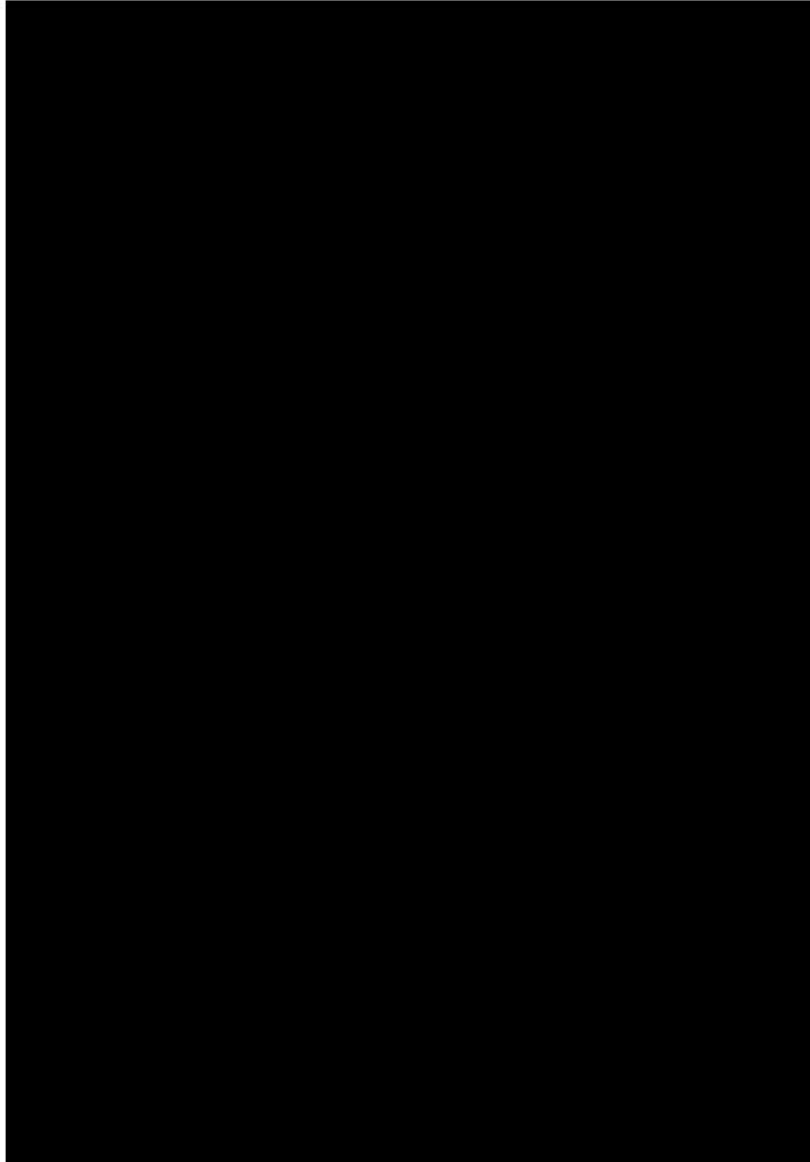
Elizabethtown Gas Company
Balance Sheet
As of December 31, 2023

2023



Elizabethtown Gas Company
Balance Sheet
As of December 31, 2023

2023



**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, 2024

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 the “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 32 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 five years as Manager of Engineering, Manager of Operations, Director of Engineering
21 Services and, currently, Senior Director of Engineering Services. Prior to joining
22 Elizabethtown, I was a Project Engineer for four years with Johnson Engineering Inc.
23 specializing in highway and infrastructure design. Prior to that, I was employed for

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

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

5 **A.** My testimony provides the status of both the actual in-service investments that were
6 made from July 1, 2019 through March 31, 2024 and those which are projected to be
7 made from April 1, 2024 through June 30, 2024 as part of the Company's Infrastructure
8 Investment Program ("IIP") approved by the New Jersey Board of Public Utilities
9 ("BPU" or the "Board") by order dated June 12, 2019 in Docket No. GR18101197
10 ("IIP Order"). In accordance with the IIP Order, the Company will provide a 12+0
11 update by July 15, 2024 that contains actual in-service investments through June 30,
12 2024. My testimony also provides certain information responsive to the Minimum
13 Filing Requirements ("MFRs") required to be provided in this filing by the IIP 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 capital budget,
20 including Construction Work In Progress ("CWIP") and
21 In-Service amounts, broken down by major categories,
22 including budgeted, actual and forecasted amounts
23 (MFR Number 4);

1 **III. STATUS OF IIP PROJECTS**

2 **Q. PLEASE DESCRIBE THE YEAR FIVE IIP PROJECTS THAT**
3 **ELIZABETHTOWN ANTICIPATES WILL BE PLACED IN-SERVICE BY**
4 **JUNE 30, 2024.**

5 **A.** With respect to Year Five IIP Projects, as of March 31, 2024, the Company invested
6 \$68.2 million in CWIP, and \$58.8 million was placed in-service, excluding AFUDC
7 and the costs of the IIP Independent Monitor. As of March 31, 2024 the Company has
8 placed in service 20.31 miles of main, 4,601 services and 4,588 EFVs on new service
9 lines. The Company anticipates that by June 30, 2024 it will have placed in service a
10 total of \$109.0 million of IIP mains and services, inclusive of amounts in excess of the
11 program cap of \$1.2 million. It also anticipates that it will have placed in service 48.01
12 miles of main and an estimated 8,341 of associated services and 8,328 EFVs by June
13 30, 2024. See Schedules MPS-2 and MPS-3 for IIP budget information, expenditures
14 incurred to date for eligible in-service IIP mains and services and IIP Year 5 Project
15 completion dates.

16 As required by the IIP Order, the IIP Projects and amounts are incremental to
17 the Company's normal capital spending budget. The Company's actual and forecast
18 baseline capital spending for IIP Program Years 1 through 5 is reflected in Schedule
19 MPS-1.

20 **Q. DO THE IN-SERVICE AMOUNTS REFLECTED IN THIS FILING EXCEED**
21 **\$30 MILLION AS REQUIRED BY THE IIP ORDER?**

1 A. Yes. Under the IIP Order, Elizabethtown shall make annual filings to recover IIP costs
2 when eligible in-service amounts exceed 10% of total program spending.¹
3 Elizabethtown projects a total of \$57.6 million at June 30, 2024 of recoverable in-
4 service IIP main and service amounts in this proceeding.

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

8 A. As noted above, the IIP timeline is from July 1, 2019 through June 30, 2024. All IIP
9 Projects are expected to be in-service by June 30, 2024. Elizabethtown does not
10 anticipate any changes to the IIP Projects at this time. See Schedule MPS-3 for further
11 information regarding IIP Years 1 through 5 project status and completion dates.

12 **IV. PRIORITIZATION OF PROJECTS**

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

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

¹ There is an exception to this requirement -- the April 2025 filing may be less than 10% of total program spending to the extent it reflects residual spending associated with restoration work occurring after June 30, 2024.

1 **Q. HAS THE COMPANY COMPLETED A METHANE LEAK SURVEY FOR**
2 **ELIZABETHTOWN’S TARGETED IIP MILES USING ALD**
3 **TECHNOLOGY?**

4 **A.** Yes. In compliance with the IIP Order, that survey was completed on October 31,
5 2019, thereby satisfying the deadline of December 2019.

6 **Q. DID THE COMPANY FILE THE METHANE LEAK SURVEY**
7 **INFORMATION WITH THE BOARD?**

8 **A.** Yes. In compliance with the IIP Order, the methane leak survey accompanied the first
9 semi-annual IIP status report that the Company submitted to the Board on February 18,
10 2020. Copies were also provided to Board Staff, Division of Rate Counsel (“Rate
11 Counsel”) and the Environmental Defense Fund.

12 **V. EFFECTIVENESS OF IIP AND OPEN LEAK INVENTORY REDUCTION**

13 **Q. IN ACCORDANCE WITH MFR NUMBER 5.e., PLEASE DISCUSS THE**
14 **EFFECTIVENESS OF THE IIP IN IMPROVING SYSTEM PERFORMANCE,**
15 **INCLUDING IDENTIFICATION OF IMPROVED FACILITIES.**

16 **A.** As reflected above and in Schedule MPS-3, as of March 31, 2024, Elizabethtown has
17 installed 233.28 miles of mains, 29,093 services and 28,989 EFVs inclusive of CWIP
18 projects. In accordance with the intent of the IIP, the replacement of these facilities
19 has and will enhance the Company’s distribution system safety and reliability to the
20 benefit of Elizabethtown’s customers. The IIP work will also support the environment
21 by helping to reduce Elizabethtown’s open leak inventory as discussed below and will
22 facilitate economic development and employment in New Jersey.

1 **Q. HAS THE COMPANY ENGAGED AN INDEPENDENT MONITOR THAT**
2 **REVIEWS AND REPORTS ON THE EFFECTIVENESS OF THE IIP TO**
3 **BOARD STAFF AND RATE COUNSEL?**

4 **A.** Yes, as required by the IIP Order, following consultation with Board Staff and Rate
5 Counsel, in December 2019, Elizabethtown retained Jerry May to serve as the IIP
6 Independent Monitor. As of March 2024, the Independent Monitor has completed
7 seventeen (17) reports and found that the IIP investments were effective in meeting IIP
8 objectives and that they were cost effective and efficient. The Independent Monitor’s
9 results were reported to Board Staff and Rate Counsel. As discussed by Mr. Kaufmann,
10 the Independent Monitor costs are reflected in the cost recovery sought by this filing
11 as authorized by the IIP Order.

12 **Q. PLEASE ADDRESS THE COMPANY’S OPEN LEAK INVENTORY**
13 **REQUIREMENT AS REFLECTED IN THE IIP ORDER.**

14 **A.** The IIP Order requires that the Company reduce its year-end open leak inventory by
15 one (1) percent for each year of the IIP, except for certain extraordinary
16 circumstances. This open leak reduction metric includes all post-approval open leaks
17 subject to a cap for each year of the IIP. The cap for Year 1 of the IIP is 3,315, which
18 is the average number of year-end open leaks the Company has experienced during the
19 last five (5) calendar years. Thereafter, the cap will be reduced by one (1) percent for
20 each of the remaining four (4) years of the IIP as set forth in the IIP Order. In other
21 words, by June 30, 2024, the Company must demonstrate a four (4) percent reduction
22 in the 3,315 cap. As shown on Schedule MPS-4 as of March 31st the Company has
23 satisfied the 2024 leak reduction target requirement contained in the IIP Order.

24

1 **VI. BASELINE CAPITAL SPENDING**

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

4 **A.** Pursuant to the IIP Order, the Company is required to maintain Baseline Capital
5 Spending amounts consisting of (1) a Total Capital Baseline Spend and (2) an IIP
6 Baseline Spend. These Baseline Capital Spending amounts are not recoverable through
7 the IIP recovery mechanism, but Elizabethtown shall seek recovery of these Baseline
8 Capital Spending amounts in a base rate case.

9 **Q. PLEASE DESCRIBE THE TOTAL CAPITAL BASELINE SPEND**
10 **REQUIREMENT.**

11 **A.** Under the IIP Order, the Total Capital Baseline Spend must equal an average annual
12 amount of \$79 million per IIP year or \$395 million over the five (5) year IIP investment
13 period beginning July 1, 2019 through June 30, 2024. The specific capital investments
14 made by the Company as part of the Total Capital Baseline Spend are within the
15 discretion of Elizabethtown and include certain investments that are excluded from the
16 IIP, such as vintage plastic mains and associated services and relocation of meters,
17 amongst other costs, as well as costs in excess of the \$1.2 million per mile cap. The
18 Company may also include up to \$10 million in new business expenditures in Total
19 Capital Baseline Spend.

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

22 **A.** Yes. As reflected on Schedule MPS-1, the Company anticipates Total Capital Baseline
23 Spend of \$533.8 million for the total IIP Program through June 30, 2024, with new
24 business spend at the cap of \$10 million per year as of June 30, 2024.

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

2 **A.** The IIP Baseline Spend will be equal to \$6 million per IIP year or \$30 million over the
3 five (5) year IIP investment period beginning July 1, 2019 through June 30, 2024. The
4 IIP Baseline Spend consists of expenditures on projects similar to those eligible for
5 recovery under the IIP.

6 **Q. IS THE COMPANY IN COMPLIANCE WITH THE IIP BASELINE SPEND**
7 **REQUIREMENT FOR THE 5-YEAR PROGRAM?**

8 **A.** Yes. As reflected on Schedule MPS-1, the Company anticipates the total IIP Baseline
9 Spend of \$32.6 million as of June 30, 2024, for an annual average of \$6.5 million

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

11 **A.** Yes, it does.

ELIZABETHTOWN GAS COMPANY
Infrastructure Investment Program ("IIP")
IIP Capital for 12 Months Ending June 30th

	Program Year 1 Actuals	Program Year 2 Actuals	Program Year 3 Actuals	Program Year 4 Actuals	Program Year 5 Actuals (9&3)
Major Categories	7/1/2019 - 6/30/2020	7/1/2020 - 6/30/2021	7/1/2021 - 6/30/2022	7/1/2022 - 6/30/2023	7/1/2023 - 6/30/2024
New Business Investment IIP Cap	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000
Facilities (no breakout)	\$ 1,293,618	\$ 642,514	\$ 2,485,005	\$ 4,027,704	\$ 3,350,632
Fleet (no breakout)	\$ 2,662,783	\$ 1,031,049	\$ 610,035	\$ 899,985	\$ 2,716,540
Measurement Operations (SCADA, Measurement, Controls)	\$ 1,906,227	\$ 2,038,804	\$ 1,616,541	\$ 3,973,368	\$ 5,218,948
Peaking Ops	\$ 3,452,580	\$ 18,117,842	\$ 29,122,553	\$ 19,346,995	\$ 9,309,904
IT (Base Business)	\$ 53,551,094	\$ 10,864,378	\$ 8,946,961	\$ 7,717,743	\$ 8,581,599
Mandatory (no breakout)	\$ 3,151,396	\$ 3,014,849	\$ 2,996,139	\$ 4,638,161	\$ 5,670,674
Strategic (CNG Stations) - Not itemized	\$ -	\$ -	\$ -	\$ -	\$ -
Strategic (Other)	\$ -	\$ 114,359	\$ 643,452	\$ (104,079)	\$ 48,122
Distribution Integrity Mgmt Pgm (DIMP)	\$ 26,905,901	\$ 17,065,135	\$ 17,695,506	\$ 23,597,633	\$ 25,826,690
DIMP-LD	\$ 81,162	\$ 1,053,667	\$ 8,698,795	\$ 19,553,977	\$ 10,730,567
DIMP-STIM	\$ -	\$ 6,509,686	\$ 6,879,224	\$ 583,189	\$ -
Transmission Integrity Mgmt Pgm (TIMP) (General)	\$ 2,035,157	\$ 1,645,738	\$ 126,921	\$ 239,423	\$ 1,793
Renewals (incl. Relo, Marta, excl. DIMP & TRIMP)	\$ -	\$ -	\$ -	\$ -	\$ -
DOT	\$ 908,622	\$ 447,417	\$ 621,527	\$ 2,287,069	\$ 941,417
Periodic Testing (PT) Meter	\$ 2,079,362	\$ 3,558,349	\$ 5,314,132	\$ 2,104,128	\$ -
Pressure Improvement (PRIM)	\$ 2,573,450	\$ 4,441,454	\$ 6,735,056	\$ 5,209,822	\$ 8,705,963
Corrosion Work	\$ 451,500	\$ 532,452	\$ 241,910	\$ 194,050	\$ 245,239
Relocation	\$ 82,471	\$ 332,669	\$ 224,814	\$ 619,217	\$ 3,456
Operations (Field) - Blk svcs, bollards, ert repl, etc.	\$ 407,257	\$ -	\$ -	\$ -	\$ -
Regulator Station (incl. Vaults, Tin Whistles)	\$ 294,965	\$ -	\$ -	\$ -	\$ -
Security	\$ -	\$ 638,096	\$ 52,124	\$ 28,684	\$ 132,152
Tools, incl blanket tools (NB, Field & Con Ops)	\$ 53,766	\$ 57,950	\$ 346,196	\$ -	\$ -
Rate Base Accruals	\$ (81,009)	\$ -	\$ -	\$ -	\$ -
RBI Overheads & AFUDC	\$ 5,238,418	\$ 5,659,984	\$ 11,318,232	\$ 8,317,484	\$ 9,388,700
Infrastructure Investment Program - Base Spend (AFUDC)	\$ 37,367	\$ 59,155	\$ 29,244	\$ 26,048	\$ 30,935
Total	\$ 117,086,087	\$ 87,825,547	\$ 114,704,367	\$ 113,260,601	\$ 100,903,330

	Program Year 1 Actuals	Program Year 2 Actuals	Program Year 3 Actuals	Program Year 4 Actuals	Program Year 5 Actuals
Major Categories	7/1/2019 - 6/30/2020	7/1/2020 - 6/30/2021	7/1/2021 - 6/30/2022	7/1/2022 - 6/30/2023	7/1/2023 - 6/30/2024
IIP Baseline Spend²					
Infrastructure Investment Program - Base Spend (No AFUDC)	\$ 6,466,273	\$ 6,757,334	\$ 7,614,704	\$ 7,180,019	\$ 4,630,010

	Program Year 1 Actuals	Program Year 2 Actuals	Program Year 3 Actuals	Program Year 4 Actuals	Program Year 5 Actuals
Major Categories	7/1/2019 - 6/30/2020	7/1/2020 - 6/30/2021	7/1/2021 - 6/30/2022	7/1/2022 - 6/30/2023	7/1/2023 - 6/30/2024
New Business Capital¹					
New Business	\$ 30,305,171	\$ 40,663,731	\$ 34,086,612	\$ 44,953,829	\$ 47,276,475

1 New Business Capital for program year totaled over \$10M, however, per the stipulation NB IIP Total Capital Baseline Spend can not exceed \$10M.

2 Note that IIP Baseline rows indicating the program year average spend have been removed as program to date spend has consistently exceeded \$6M per program year and the requirement of \$30M in total spend over the life of the program is on track to be achieved in Program Year 5

ELIZABETHTOWN GAS COMPANY
Infrastructure Investment Program ("IIP")
IIP Capital for Years Ending June 30th

	Budget		
	Mains	Services	Total
Program Year 1	\$ 37,200,000	\$ 22,800,000	\$ 60,000,000
Program Year 2	\$ 37,200,000	\$ 22,800,000	\$ 60,000,000
Program Year 3	\$ 37,200,000	\$ 22,800,000	\$ 60,000,000
Program Year 4	\$ 37,200,000	\$ 22,800,000	\$ 60,000,000
Program Year 5	\$ 37,200,000	\$ 22,800,000	\$ 60,000,000
Post Program Year 5			\$ -
	\$ 186,000,000	\$ 114,000,000	\$ 300,000,000

	CWIP Actuals as of March 31, 2024			CWIP Forecast (April 1, 2024 thru June 30, 2024)			
	Mains	Services	Sub-Total	Mains	Services	Sub-Total	Total
Program Year 1	\$ 49,249,077	\$ 20,103,701	\$ 69,352,778	\$ -	\$ -	\$ -	\$ 69,352,778
Program Year 2	\$ 33,706,483	\$ 33,985,297	\$ 67,691,780	\$ -	\$ -	\$ -	\$ 67,691,780
Program Year 3	\$ 54,189,087	\$ 29,201,986	\$ 83,391,073	\$ -	\$ -	\$ -	\$ 83,391,073
Program Year 4	\$ 62,616,755	\$ 34,924,355	\$ 97,541,110	\$ -	\$ -	\$ -	\$ 97,541,110
Program Year 5	\$ 39,945,038	\$ 28,220,735	\$ 68,165,773	\$ 19,207,913	\$ 19,459,359	\$ 38,667,272	\$ 106,833,045
Post Program Year 5							
	\$ 239,706,440	\$ 146,436,074	\$ 386,142,514	\$ 19,207,913	\$ 19,459,359	\$ 38,667,272	\$ 424,809,786

	In-Service Actuals as of March 31, 2024			In-Service Forecast (April 1, 2024 thru June 30, 2024)			
	Mains	Services	Sub-Total	Mains	Services	Sub-Total	Total
Program Year 1	\$ 43,281,407	\$ 19,553,712	\$ 62,835,119	\$ -	\$ -	\$ -	\$ 62,835,119
Program Year 2	\$ 34,649,135	\$ 34,408,745	\$ 69,057,880	\$ -	\$ -	\$ -	\$ 69,057,880
Program Year 3	\$ 55,215,798	\$ 29,279,839	\$ 84,495,637	\$ -	\$ -	\$ -	\$ 84,495,637
Program Year 4	\$ 64,475,014	\$ 34,941,287	\$ 99,416,301	\$ -	\$ -	\$ -	\$ 99,416,301
Program Year 5	\$ 30,613,610	\$ 28,195,053	\$ 58,808,663	\$ 30,679,389	\$ 19,516,797	\$ 50,196,186	\$ 109,004,849
Post Program Year 5							
	\$ 228,234,964	\$ 146,378,636	\$ 374,613,600	\$ 30,679,389	\$ 19,516,797	\$ 50,196,186	\$ 424,809,786

	Rate Base Expenditures Amount over \$1.2 M/Mile			Rate Base Expenditures Amount over \$1.2 M/Mile Forecast (April 1, 2024 thru June 30, 2024)			
	Mains	Services	Sub-Total	Mains	Services	Sub-Total	Total
Program Year 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Program Year 2	\$ 3,113,251	\$ 2,155,748	\$ 5,268,999	\$ -	\$ -	\$ -	\$ 5,268,999
Program Year 3	\$ 16,467,964	\$ 10,295,672	\$ 26,763,636	\$ -	\$ -	\$ -	\$ 26,763,636
Program Year 4	\$ 25,897,068	\$ 15,487,235	\$ 41,384,303	\$ -	\$ -	\$ -	\$ 41,384,303
Program Year 5	\$ 20,231,992	\$ 14,204,670	\$ 34,436,662	\$ 11,091,076	\$ 5,865,111	\$ 16,956,187	\$ 51,392,849
Post Program Year 5							
	\$ 65,710,275	\$ 42,143,325	\$ 107,853,600	\$ 11,091,076	\$ 5,865,111	\$ 16,956,187	\$ 124,809,787

	Recoverable In-Service Actuals in Program as of March 31, 2024			Recoverable In-Service Actuals in Program Forecast (April 1, 2024 thru June 30, 2024)			
	Mains	Services	Sub-Total	Mains	Services	Sub-Total	Total
Program Year 1	\$ 43,281,407	\$ 19,553,712	\$ 62,835,119	\$ -	\$ -	\$ -	\$ 62,835,119
Program Year 2	\$ 31,535,884	\$ 32,252,997	\$ 63,788,881	\$ -	\$ -	\$ -	\$ 63,788,881
Program Year 3	\$ 38,747,833	\$ 18,984,167	\$ 57,732,000	\$ -	\$ -	\$ -	\$ 57,732,000
Program Year 4	\$ 38,577,945	\$ 19,454,054	\$ 58,031,999	\$ -	\$ -	\$ -	\$ 58,031,999
Program Year 5	\$ 10,381,618	\$ 13,990,383	\$ 24,372,001	\$ 19,588,314	\$ 13,651,686	\$ 33,240,000	\$ 57,612,001
Post Program Year 5							
	\$ 162,524,687	\$ 104,235,313	\$ 266,760,000	\$ 19,588,314	\$ 13,651,686	\$ 33,240,000	\$ 300,000,000

	In-Service Actuals as of March 31, 2024		In-Service Forecast (April 1, 2024 thru June 30, 2024)		Total
Program Year 1	In-Service Miles of Main	70.09	In-Service Miles of Main		70.09
	In-Service Number of Service	5,394	In-Service Number of Services		5,394
	In-Service Number of EFVs	5,381	In-Service Number of EFVs		5,381
Program Year 2	In-Service Miles of Main	35.43	In-Service Miles of Main		35.43
	In-Service Number of Service	7,610	In-Service Number of Services		7,610
	In-Service Number of EFVs	7,579	In-Service Number of EFVs		7,579
Program Year 3	In-Service Miles of Main	48.11	In-Service Miles of Main		48.11
	In-Service Number of Service	5,543	In-Service Number of Services		5,543
	In-Service Number of EFVs	5,513	In-Service Number of EFVs		5,513
Program Year 4	In-Service Miles of Main	48.36	In-Service Miles of Main		48.36
	In-Service Number of Service	5,945	In-Service Number of Services		5,945
	In-Service Number of EFVs	5,928	In-Service Number of EFVs		5,928
Program Year 5	In-Service Miles of Main	20.31	In-Service Miles of Main	27.70	48.01
	In-Service Number of Service	4,601	In-Service Number of Services	3,740	8,341
	In-Service Number of EFVs	4,588	In-Service Number of EFVs	3,740	8,328
Total	TOTAL In-Service Miles of Main	222.30	TOTAL In-Service Miles of Main	27.70	250.0
	TOTAL In-Service Number of Service	29,093	TOTAL In-Service Number of Service	3,740	32,833
	TOTAL In-Service Number of EFVs	28,989	TOTAL In-Service Number of EFVs	3,740	32,729

Note: Amounts exclude the costs for a program monitor, methane leak study and AFUDC.

ELIZABETHTOWN GAS COMPANY
Infrastructure Investment Program ("IIP")

Schedule MPS-3
Consisting of 5 Pages
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Construction Work In Progress ("CWIP")
IIP Programs and Projects
as of March 31, 2024

AFE	IIP Geographic Program Area	Geographic Program Area Information			Project Budgets wo/ AFUDC			Project Actuals to Date wo/AFUDC			Miles of Main	Number of Services	Number of EFVs	Est. or Actual Completion Date
		Status	Status		Mains	Services	Total	Mains	Services	Total				
			Mains % Complete	Services % Complete										
200130	Magie Ave (Green Ln to Elmora Ave)	Complete	100%	100%	\$ 1,021,382	\$ 457,669	\$ 1,479,051	\$ 1,128,903	\$ 517,400	\$ 1,646,303	0.50	86	86	11/9/23
200134	Amboy Ave (Route 27 to Pierson Ave)	Restoration	100%	100%	\$ 1,934,936	\$ 790,163	\$ 2,725,099	\$ 788,956	\$ 827,000	\$ 1,615,956	1.51	159	159	10/30/23
200223	Linden Pl and N Union Ave	Restoration	100%	100%	\$ 1,203,740	\$ 565,698	\$ 1,769,438	\$ 618,433	\$ 574,621	\$ 1,193,054	1.04	126	126	10/18/23
200276	Chestnut St and E 11th Ave EP DI Replacement	Restoration	100%	100%	\$ 350,136	\$ 109,046	\$ 459,182	\$ 306,713	\$ 38,163	\$ 344,876	0.16	6	6	8/30/23
200333	Hudson St and Washington St	Construction	100%	100%	\$ 522,946	\$ 308,943	\$ 831,889	\$ 416,413	\$ 357,750	\$ 774,163	0.44	51	51	4/19/24
200335	Route 94	Restoration	100%	100%	\$ 2,433,041	\$ 456,041	\$ 2,889,082	\$ 2,287,506	\$ 323,713	\$ 2,611,219	0.91	57	57	10/26/23
200397	Birch Dr and Holly Dr	Complete	100%	100%	\$ 629,330	\$ 328,311	\$ 957,641	\$ 573,724	\$ 427,350	\$ 1,001,074	0.53	77	77	5/15/23
200399	E 6th Ave and Poplar St	Restoration	100%	100%	\$ 1,373,198	\$ 698,870	\$ 2,072,068	\$ 1,077,928	\$ 674,696	\$ 1,752,624	1.31	167	167	9/20/23
200401	Leslie St to Franklin St	Restoration	100%	100%	\$ 911,662	\$ 827,412	\$ 1,739,074	\$ 676,172	\$ 1,077,945	\$ 1,754,117	0.78	195	195	9/21/23
200404	Myrtle St EP DI Replacement	Restoration	100%	100%	\$ 725,159	\$ 317,281	\$ 1,042,440	\$ 578,737	\$ 426,783	\$ 1,005,520	0.51	52	52	8/3/23
200406	Stercho Rd EP DI Replacement	Restoration	100%	100%	\$ 72,241	\$ 44,276	\$ 116,517	\$ 69,119	\$ 11,528	\$ 80,647	0.09	2	2	8/24/23
200408	Bryant St	Restoration	100%	100%	\$ 3,199,163	\$ 1,047,539	\$ 4,246,702	\$ 1,064,229	\$ 1,875,168	\$ 2,939,397	1.60	187	187	10/30/23
200410	E and W Grand Ave	Restoration	100%	100%	\$ 1,867,545	\$ 748,824	\$ 2,616,369	\$ 1,358,437	\$ 631,732	\$ 1,990,169	1.18	95	93	10/19/23
200416	Clark St and Tuttle Pky	Complete	100%	100%	\$ 1,354,203	\$ 472,812	\$ 1,827,015	\$ 1,670,018	\$ 568,852	\$ 2,238,870	1.01	93	92	7/24/23
200418	Coolidge St and Cranford Ave	Restoration	100%	100%	\$ 1,756,272	\$ 780,369	\$ 2,536,641	\$ 773,705	\$ 829,705	\$ 1,603,410	1.69	180	180	2/20/24
200529	Broad St and Emerson Ave	Complete	100%	100%	\$ 1,630,316	\$ 599,655	\$ 2,229,971	\$ 1,149,071	\$ 805,325	\$ 1,954,396	1.09	111	111	6/26/23
200531	Madison Ave and Magnolia Ave	Restoration	100%	100%	\$ 1,295,201	\$ 612,243	\$ 1,907,444	\$ 718,989	\$ 610,471	\$ 1,329,460	0.65	87	86	2/15/24
200533	Pennsylvania Ave	Construction	99%	100%	\$ 831,498	\$ 412,304	\$ 1,243,802	\$ 604,442	\$ 332,585	\$ 937,027	0.70	59	59	5/1/24
200535	Vine St	Complete	100%	100%	\$ 1,391,506	\$ 1,058,882	\$ 2,450,388	\$ 1,338,586	\$ 1,485,789	\$ 2,824,375	0.65	212	211	9/29/23
200537	W Henry St	Restoration	100%	100%	\$ 981,415	\$ 501,132	\$ 1,482,547	\$ 630,656	\$ 604,667	\$ 1,235,323	0.79	103	103	1/26/24
200539	Burnet Ave and Hilton Ave	Restoration	100%	100%	\$ 840,767	\$ 408,611	\$ 1,249,378	\$ 639,822	\$ 470,625	\$ 1,110,447	0.48	95	95	10/4/23
200599	Hudson St (Miller St to Warren St)	Complete	100%	100%	\$ 216,414	\$ 104,001	\$ 320,415	\$ 196,487	\$ 94,380	\$ 290,867	0.16	20	20	6/19/23
200601	Caroline Ave (Park Ave to Garfield St)	Complete	100%	100%	\$ 258,453	\$ 96,518	\$ 354,971	\$ 228,109	\$ 67,343	\$ 295,452	0.25	19	18	6/19/23
200615	Burnet Ave and Grove Rd	Restoration	100%	100%	\$ 757,444	\$ 427,153	\$ 1,184,597	\$ 604,297	\$ 524,118	\$ 1,128,415	0.70	98	98	9/27/23
200620	Brower Ave	Restoration	100%	100%	\$ 84,835	\$ 46,476	\$ 131,311	\$ 36,280	\$ 33,929	\$ 70,209	0.09	9	9	7/12/23
200777	Liberty Ave and Burwell St	Complete	100%	100%	\$ 403,180	\$ 150,782	\$ 553,962	\$ 340,441	\$ 132,701	\$ 473,142	0.28	19	19	8/28/23
200779	Carpenter Pl, Clark Pl, and Scott Ct	Complete	100%	100%	\$ 501,383	\$ 239,276	\$ 740,659	\$ 352,674	\$ 251,998	\$ 604,672	0.34	60	60	12/8/23
200795	Hickory Ave and Beech Ave	Restoration	100%	100%	\$ 1,029,800	\$ 578,854	\$ 1,608,654	\$ 552,969	\$ 542,141	\$ 1,095,110	0.86	108	108	4/2/24
200814	Hillside Avenue (Bloy St to Highland Ave)	Construction	99%	100%	\$ 1,190,248	\$ 713,616	\$ 1,903,864	\$ 760,880	\$ 716,435	\$ 1,477,315	0.62	111	111	3/19/24
200816	Shadownlawn Dr and Hyslip Ave	Restoration	100%	100%	\$ 743,136	\$ 394,689	\$ 1,137,825	\$ 426,589	\$ 491,391	\$ 917,980	0.64	88	88	2/7/24
200818	E Lincoln Ave and E Colfax Ave	Restoration	100%	100%	\$ 2,681,091	\$ 1,301,332	\$ 3,982,423	\$ 1,437,518	\$ 1,346,769	\$ 2,784,287	1.57	232	232	1/22/24
200820	Lidgerwood Ave and Grove St	Construction	100%	100%	\$ 978,879	\$ 591,690	\$ 1,570,569	\$ 827,463	\$ 748,533	\$ 1,575,996	0.74	114	114	4/5/24
200822	Livingston St (2nd St to Division St)	Construction	98%	100%	\$ 641,519	\$ 408,919	\$ 1,050,438	\$ 354,429	\$ 461,194	\$ 815,623	0.36	78	78	4/5/24
200855	E Curtis St and E Henry St	Construction	99%	100%	\$ 1,337,305	\$ 871,189	\$ 2,208,494	\$ 717,914	\$ 44,006	\$ 761,920	1.07	7	7	4/8/24
200856	Pennsylvania Ave, Linden	Construction	99%	100%	\$ 546,720	\$ 225,916	\$ 772,636	\$ 292,849	\$ 231,081	\$ 523,930	0.49	39	39	4/11/24
200858	Whitewood Rd and Durham Ct	Complete	100%	100%	\$ 989,574	\$ 500,877	\$ 1,490,451	\$ 728,439	\$ 544,152	\$ 1,272,591	0.80	103	103	2/22/24
200860	Amboy Ave, Edison Phase 2 (north of Amboy Ave)	Construction	100%	100%	\$ 2,289,114	\$ 1,185,362	\$ 3,474,476	\$ 1,306,687	\$ 845,025	\$ 2,151,712	2.15	140	139	6/11/24
200862	Chestnut St, Roselle	Construction	99%	100%	\$ 1,095,778	\$ 433,937	\$ 1,529,715	\$ 757,762	\$ 340,535	\$ 1,098,297	0.98	47	47	4/19/24
200888	Lincoln Hwy (Rt 27)	Restoration	100%	100%	\$ 889,469	\$ 90,742	\$ 980,211	\$ 196,953	\$ 12,463	\$ 209,416	0.20	1	1	3/15/24
200890	Elston St	Restoration	100%	100%	\$ 365,331	\$ 59,028	\$ 424,359	\$ 195,671	\$ 40,343	\$ 236,014	0.15	5	5	12/4/23
200892	Springfield Ave (Easement near Home Depot)	Restoration	100%	100%	\$ 227,043	\$ 42,618	\$ 269,661	\$ 162,879	\$ 14,922	\$ 177,801	0.18	3	0	2/12/24
200978	Cacciola Pl and Livingston St	Restoration	100%	100%	\$ 470,598	\$ 319,895	\$ 790,493	\$ 261,062	\$ 350,668	\$ 611,730	0.29	67	67	3/13/24
200980	2nd Ave (Niles St to S 7th St)	Construction	99%	1%	\$ 1,618,372	\$ 944,731	\$ 2,563,103	\$ 1,037,229	\$ 29,355	\$ 1,066,584	0.76	1	1	6/26/24
200992	Washington St	Construction	100%	100%	\$ 1,600,801	\$ 806,640	\$ 2,407,441	\$ 761,463	\$ 894,803	\$ 1,656,266	1.14	152	152	4/16/24
200997	Firth St and Heckman St	Construction	96%	100%	\$ 1,094,658	\$ 679,820	\$ 1,765,578	\$ 925,881	\$ 290,558	\$ 1,216,439	0.86	58	58	6/7/24
201029	Jefferson Ave (Elizabeth Ave to E Jersey St)	Restoration	100%	100%	\$ 269,540	\$ 120,950	\$ 399,390	\$ 238,347	\$ 132,788	\$ 371,135	0.14	20	20	10/5/23
201031	Broad St and South St	Construction	100%	100%	\$ 372,080	\$ 205,326	\$ 577,406	\$ 366,179	\$ 37,547	\$ 403,726	0.30	6	6	4/11/24
201035	E Clay Ave (Chestnut St to Walnut St)	Complete	100%	100%	\$ 198,413	\$ 107,493	\$ 305,906	\$ 139,429	\$ 102,805	\$ 242,234	0.13	19	18	8/15/23
201037	Murray St and Dehart Pl	Construction	99%	100%	\$ 1,047,253	\$ 591,440	\$ 1,638,693	\$ 629,546	\$ 81,530	\$ 711,076	0.59	6	6	5/30/24
201039	Linwood Ave and Liberty St	Restoration	100%	100%	\$ 592,531	\$ 261,096	\$ 853,627	\$ 502,448	\$ 255,014	\$ 757,462	0.68	54	54	2/10/24
201109	Marion St, Vauxhall Rd and Burnet Ave	Construction	99%	100%	\$ 537,743	\$ 287,635	\$ 825,378	\$ 327,031	\$ 213,505	\$ 540,536	0.29	47	46	4/15/24
201112	Caldwell Ave and Van Buren Pl	Restoration	100%	100%	\$ 622,746	\$ 268,464	\$ 891,210	\$ 464,857	\$ 336,368	\$ 801,225	0.55	54	54	2/6/24
201160	Wood Ave	Pre-Construction	0%	0%	\$ 1,542,178	\$ 675,112	\$ 2,217,290	\$ 123,611	\$ -	\$ 123,611	0.00	0	0	5/10/24
201164	Salem Ave, Aberdeen Rd and Clinton Pl	Construction	99%	86%	\$ 740,454	\$ 425,571	\$ 1,166,025	\$ 302,499	\$ 328,510	\$ 631,009	0.19	51	51	5/16/24
201166	Main St Railway	Construction	99%	100%	\$ 1,414,625	\$ 492,387	\$ 1,907,012	\$ 835,822	\$ 68,173	\$ 903,995	0.48	7	7	5/10/24
201168	Route 22 and Harding Ter	Pre-Construction	0%	0%	\$ 1,093,123	\$ 263,619	\$ 1,356,742	\$ 155,002	\$ -	\$ 153,002	0.00	0	0	5/14/24
201172	Essex Ave and Grant St	Construction	99%	100%	\$ 1,236,694	\$ 715,576	\$ 1,952,270	\$ 614,834	\$ 824,143	\$ 1,438,977	1.39	159	159	5/8/24
201212	E Clay Ave (Walnut St to Hemlock Ave)	Construction	97%	100%	\$ 1,873,761	\$ 982,133	\$ 2,855,894	\$ 1,171,248	\$ 613,170	\$ 1,784,418	1.14	85	85	5/31/24
201214	W 4th Ave and Wheatsheaf Rd	Construction	99%	100%	\$ 1,163,219	\$ 619,902	\$ 1,783,121	\$ 797,990	\$ 600,076	\$ 1,398,066	0.82	118	118	3/22/24
201251	2nd Ave, 3rd Ave and South St	Construction	99%	0%	\$ 2,350,657	\$ 1,487,615	\$ 3,838,272	\$ 1,458,546	\$ -	\$ 1,458,546	1.29	0	0	9/24/24
201288	Summit Ave and Fillmore St	Construction	69%	0%	\$ 1,708,726	\$ 1,081,047	\$ 2,789,773	\$ 939,789	\$ 391	\$ 940,180	0.83	0	0	9/20/24
201290	Boulevard and Carleton Rd	Pre-Construction	0%	0%	\$ 1,130,714	\$ 693,019	\$ 1,823,733	\$ 72,421	\$ -	\$ 72,421	0.00	0	0	5/17/24

ELIZABETHTOWN GAS COMPANY
Infrastructure Investment Program ("IIP")

Schedule MPS-3
Consisting of 5 Pages
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Construction Work In Progress ("CWIP")
IIP Programs and Projects
as of March 31, 2024

Geographic Program Area Information					Project Budgets wo/ AFUDC			Project Actuals to Date wo/AFUDC			Miles of Main	Number of Services	Number of EFVs	Est. or Actual Completion Date
AFE	IIP Geographic Program Area	Status	Mains % Complete	Services % Complete	Mains	Services	Total	Mains	Services	Total				
201293	1st Ave	Pre-Construction	0%	0%	\$ 547,626	\$ 335,642	\$ 883,268	\$ 57,810	\$ -	\$ 57,810	0.00	0	0	7/15/24
201295	Colonial Ave and Whitewood Rd	Pre-Construction	0%	0%	\$ 987,419	\$ 605,192	\$ 1,592,611	\$ 108,256	\$ 11,407	\$ 119,663	0.00	0	0	7/23/24
201297	Amboy Ave, Edison Phase 3 (south of Amboy Ave)	Construction	10%	0%	\$ 1,837,226	\$ 1,248,353	\$ 3,085,579	\$ 243,217	\$ -	\$ 243,217	0.15	0	0	12/23/24
201299	Benson Pl and Wells St	Construction	99%	100%	\$ 2,091,686	\$ 1,282,001	\$ 3,373,687	\$ 1,063,007	\$ 20,615	\$ 1,083,622	2.28	3	3	6/21/24
201301	Clark St and Compton Ter	Construction	99%	100%	\$ 906,717	\$ 741,726	\$ 1,648,443	\$ 520,813	\$ 443,496	\$ 964,309	0.87	49	49	5/8/24
201303	E Broad St and Chestnut St	Pre-Construction	0%	0%	\$ 873,977	\$ 535,664	\$ 1,409,641	\$ 71,909	\$ -	\$ 71,909	0.00	0	0	7/12/24
201305	E Milton Ave	Pre-Construction	0%	0%	\$ 510,683	\$ 312,999	\$ 823,682	\$ 19,723	\$ -	\$ 19,723	0.00	0	0	9/30/24
201334	St Georges Ave, Rahway Ave and Elmora Ave	Pre-Construction	0%	0%	\$ 662,171	\$ 405,847	\$ 1,068,018	\$ 113,709	\$ -	\$ 113,709	0.00	0	0	8/19/24
201336	Westfield Ave and Colonia Rd	Pre-Construction	0%	0%	\$ 772,542	\$ 473,493	\$ 1,246,035	\$ 97,331	\$ -	\$ 97,331	0.00	0	0	7/26/24
201340	Caldwell Ave and Pennsylvania Ave	Pre-Construction	0%	0%	\$ 867,431	\$ 531,651	\$ 1,399,082	\$ 76,835	\$ -	\$ 76,835	0.00	0	0	7/5/24
201342	Winans Ave	Construction	47%	0%	\$ 993,598	\$ 867,771	\$ 1,861,369	\$ 153,775	\$ -	\$ 153,775	0.27	0	0	4/29/24
201344	Locust St RR Crossing	Construction	0%	100%	\$ 411,875	\$ 87,558	\$ 499,433	\$ 48,024	\$ 15,701	\$ 63,725	0.00	2	2	3/28/24
201351	Fillmore St and Lewis St	Pre-Construction	0%	0%	\$ 1,126,233	\$ 703,496	\$ 1,829,729	\$ 107,418	\$ -	\$ 107,418	0.00	0	0	11/25/24
201353	Washington St and Halsted St	Pre-Construction	0%	0%	\$ 128,386	\$ 78,688	\$ 207,074	\$ 31,018	\$ -	\$ 31,018	0.00	0	0	6/13/24
201355	Rahway Ave and Trinity Pl	Pre-Construction	0%	0%	\$ 367,064	\$ 224,975	\$ 592,039	\$ 44,832	\$ -	\$ 44,832	0.00	0	0	6/18/24
201357	Walnut St to Chestnut St	Pre-Construction	0%	0%	\$ 450,265	\$ 275,969	\$ 726,234	\$ 58,590	\$ -	\$ 58,590	0.00	0	0	5/16/24
201359	Summer Ave and Walnut Ave	Pre-Construction	0%	0%	\$ 1,279,224	\$ 784,040	\$ 2,063,264	\$ 158,179	\$ -	\$ 158,179	0.00	0	0	10/8/24
201364	W Curtis St, W Gibbons St and E Elm St	Pre-Construction	0%	0%	\$ 373,057	\$ 228,648	\$ 601,705	\$ 39,985	\$ -	\$ 39,985	0.00	0	0	5/22/24
201366	Lawrence St and Essex St	Pre-Construction	0%	0%	\$ 953,444	\$ 572,487	\$ 1,525,931	\$ 37,755	\$ -	\$ 37,755	0.00	0	0	8/28/24
201386	Lincoln Ave RR Crossing	Pre-Construction	0%	0%	\$ 123,412	\$ 75,640	\$ 199,052	\$ 37,039	\$ -	\$ 37,039	0.00	0	0	6/19/24
201388	Dill Ave and Garfield St	Pre-Construction	0%	0%	\$ 1,161,439	\$ 711,850	\$ 1,873,289	\$ 42,222	\$ -	\$ 42,222	0.00	0	0	8/1/24
201629	Jaques Ave, Rahway	Construction	1%	0%	\$ 1,287,794	\$ 494,214	\$ 1,782,008	\$ 140,803	\$ -	\$ 140,803	0.00	0	0	7/11/24
500022	W. Baltimore Ave and Lincoln St	Complete	100%	100%	\$ 1,113,767	\$ 657,159	\$ 1,770,926	\$ 1,335,049	\$ 1,120,848	\$ 2,455,897	1.64	234	234	8/10/20
500025	Monmouth Rd and Princeton Rd	Complete	100%	100%	\$ 2,177,709	\$ 1,447,513	\$ 3,625,222	\$ 2,460,203	\$ 1,810,131	\$ 4,270,334	2.97	370	368	5/13/22
500031	Aldene Rd and W. 3rd Ave	Complete	100%	100%	\$ 1,374,971	\$ 776,363	\$ 2,151,334	\$ 1,496,874	\$ 1,165,002	\$ 2,661,876	1.87	236	235	3/10/21
500034	Robin Rd EP DI Replacement	Complete	100%	100%	\$ 222,013	\$ 48,709	\$ 270,722	\$ 123,362	\$ 96,513	\$ 219,875	0.13	10	10	9/2/20
500037	Central Ave and Maple Ave	Complete	100%	100%	\$ 2,287,959	\$ 1,051,864	\$ 3,339,823	\$ 1,919,732	\$ 1,336,393	\$ 3,256,125	2.49	308	308	3/19/21
500040	Irvington Ave and Riverside Dr	Complete	100%	100%	\$ 1,436,907	\$ 707,476	\$ 2,144,383	\$ 1,801,893	\$ 865,190	\$ 2,667,083	2.16	211	209	4/29/21
500043	Rose St and N. 4th St	Complete	100%	100%	\$ 1,258,496	\$ 383,097	\$ 1,641,593	\$ 1,023,001	\$ 336,928	\$ 1,359,929	0.68	73	73	5/17/22
500052	Progress St EP DI Replacement	Complete	100%	100%	\$ 251,227	\$ 72,758	\$ 323,985	\$ 264,035	\$ 70,220	\$ 334,255	0.29	9	9	1/20/22
500055	E Linden Ave EP DI Replacement	Complete	100%	100%	\$ 136,876	\$ 48,747	\$ 185,623	\$ 227,664	\$ 71,618	\$ 299,282	0.16	7	7	6/30/20
500065	W. Broad St	Complete	100%	100%	\$ 579,034	\$ 238,080	\$ 817,114	\$ 594,129	\$ 372,416	\$ 966,545	0.63	85	84	9/2/20
500068	Downer St and Palsted Ave	Complete	100%	100%	\$ 1,395,350	\$ 801,266	\$ 2,196,616	\$ 1,231,310	\$ 802,996	\$ 2,034,306	1.28	240	239	9/9/21
500071	W. Chestnut Street	Complete	100%	100%	\$ 429,029	\$ 249,698	\$ 678,727	\$ 643,835	\$ 490,774	\$ 1,134,609	0.73	69	68	7/7/20
500074	W. Grand Street	Complete	100%	100%	\$ 594,082	\$ 239,463	\$ 833,545	\$ 564,236	\$ 378,705	\$ 942,941	0.44	70	70	9/3/20
500077	Halsted Rd and Hillside Rd	Complete	100%	100%	\$ 1,673,399	\$ 837,090	\$ 2,510,489	\$ 1,782,211	\$ 972,855	\$ 2,755,066	1.81	279	278	3/23/21
500080	Gordon St and Market St	Complete	100%	100%	\$ 1,559,067	\$ 1,206,115	\$ 2,765,182	\$ 2,725,698	\$ 1,712,037	\$ 4,437,735	1.09	260	260	11/10/22
500083	Main St	Complete	100%	100%	\$ 41,367	\$ 21,855	\$ 63,222	\$ 28,487	\$ 10,062	\$ 38,549	0.05	3	3	10/31/19
500086	Walnut St and Wheatstear Rd	Complete	100%	100%	\$ 417,255	\$ 320,937	\$ 738,192	\$ 718,837	\$ 438,973	\$ 1,157,810	0.75	95	95	9/11/20
500096	Pierce St and New Brunswick Ave	Complete	100%	100%	\$ 576,132	\$ 309,809	\$ 885,941	\$ 642,870	\$ 567,375	\$ 1,210,245	0.77	100	100	10/16/20
500099	Montgomery St and E. Scott Ave	Complete	100%	100%	\$ 409,607	\$ 157,648	\$ 567,255	\$ 352,403	\$ 283,216	\$ 635,619	0.40	52	52	9/16/20
500102	Center St and Hazel Ave	Complete	100%	100%	\$ 896,211	\$ 461,592	\$ 1,357,803	\$ 794,640	\$ 553,847	\$ 1,348,487	1.36	162	156	10/28/20
500105	Richfield Ave and Summit Ave	Complete	100%	100%	\$ 925,665	\$ 360,159	\$ 1,285,824	\$ 561,720	\$ 476,842	\$ 1,038,562	0.94	138	138	8/5/21
500108	Arthur Terr and Kingston Ave	Complete	100%	100%	\$ 820,963	\$ 413,751	\$ 1,234,714	\$ 769,976	\$ 473,698	\$ 1,243,674	0.85	122	122	12/2/20
500111	Harrison Ave and Mercer Ave	Complete	100%	100%	\$ 1,247,080	\$ 687,076	\$ 1,934,156	\$ 778,195	\$ 855,094	\$ 1,633,289	1.12	194	194	10/21/20
500114	Pine St and Ripley Ave	Complete	100%	100%	\$ 1,618,808	\$ 685,084	\$ 2,303,892	\$ 1,424,866	\$ 676,649	\$ 2,101,515	1.59	198	192	7/26/21
500117	McCandless St and Bower St	Complete	100%	100%	\$ 1,144,476	\$ 499,558	\$ 1,644,034	\$ 881,682	\$ 631,798	\$ 1,513,480	1.30	141	141	12/3/20
500120	Clinton St	Complete	100%	100%	\$ 1,190,959	\$ 532,926	\$ 1,723,885	\$ 1,177,702	\$ 604,113	\$ 1,781,815	1.23	117	117	10/22/21
500123	Rahway Ave	Complete	100%	100%	\$ 1,142,631	\$ 311,715	\$ 1,454,346	\$ 906,018	\$ 406,662	\$ 1,312,680	0.72	72	70	10/26/20
500128	Middlesex Ave (NJ 27) and Main St	Complete	100%	100%	\$ 2,490,262	\$ 862,310	\$ 3,352,572	\$ 2,328,034	\$ 1,031,095	\$ 3,359,129	1.33	154	152	11/17/21
500131	Gless Ave and High St	Complete	100%	100%	\$ 762,321	\$ 540,019	\$ 1,302,340	\$ 627,924	\$ 551,855	\$ 1,179,779	0.71	122	122	8/6/21
500134	Oakland Terr and Stanley Terr	Complete	100%	100%	\$ 1,104,875	\$ 636,373	\$ 1,741,248	\$ 980,613	\$ 826,146	\$ 1,806,759	0.96	165	165	3/10/21
500137	Hawthorne Ave and Leslie St	Complete	100%	100%	\$ 847,975	\$ 449,592	\$ 1,297,567	\$ 469,609	\$ 493,376	\$ 962,985	0.93	136	136	7/19/21
500142	Gelb Ave EP DI Replacement	Complete	100%	100%	\$ 104,015	\$ 27,356	\$ 131,371	\$ 62,660	\$ 12,250	\$ 74,910	0.05	1	1	2/23/21
500145	Westfield Ave EP DI Replacement	Complete	100%	100%	\$ 1,689,046	\$ 456,060	\$ 2,145,106	\$ 685,843	\$ 329,848	\$ 1,015,691	0.55	55	54	8/24/22
500149	Vauxhall Rd (Private Rd) EP DI Replacement	Complete	100%	100%	\$ 180,542	\$ 41,294	\$ 221,836	\$ 237,143	\$ 9,703	\$ 246,846	0.23	2	2	3/14/21
500152	Commerce Dr EP DI Replacement	Complete	100%	100%	\$ 809,221	\$ 191,558	\$ 1,000,779	\$ 1,216,985	\$ 204,950	\$ 1,421,935	1.03	19	13	7/28/21
500155	Hamilton St and Seminary Ave	Complete	100%	100%	\$ 1,184,131	\$ 579,823	\$ 1,763,954	\$ 1,055,529	\$ 831,961	\$ 1,887,490	1.01	149	148	5/24/21
500158	Lincoln Ave E and Walnut Ave	Complete	100%	100%	\$ 942,500	\$ 568,305	\$ 1,510,805	\$ 745,582	\$ 609,984	\$ 1,355,566	0.69	149	149	6/15/21
500169	Grove Ave	Complete	100%	100%	\$ 356,573	\$ 95,135	\$ 451,708	\$ 547,197	\$ 186,038	\$ 733,235	0.42	23	22	9/10/20
500175	Coffax Ave and W. Lincoln Ave	Complete	100%	100%	\$ 1,100,358	\$ 553,626	\$ 1,653,984	\$ 1,103,184	\$ 635,876	\$ 1,739,060	1.11	138	138	3/15/21
500178	Knopf St and Laurita St	Complete	100%	100%	\$ 1,001,817	\$ 600,515	\$ 1,602,332	\$ 703,007	\$ 619,043	\$ 1,322,050	0.87	138	138	10/14/20

ELIZABETHTOWN GAS COMPANY
Infrastructure Investment Program ("IIP")

Schedule MPS-3
Consisting of 5 Pages
9+3

Construction Work In Progress ("CWIP")
IIP Programs and Projects
as of March 31, 2024

Geographic Program Area Information				Project Budgets wo/ AFUDC			Project Actuals to Date wo/AFUDC			Miles of Main	Number of Services	Number of EFVs	Est. or Actual Completion Date	
AFE	IIP Geographic Program Area	Status	Mains % Complete	Services % Complete	Mains	Services	Total	Mains	Services					Total
500560	Pearl St	Complete	100%	100%	\$ 802,014	\$ 358,268	\$ 1,160,282	\$ 843,253	\$ 549,236	\$ 1,392,489	0.77	73	73	5/10/22
500562	W Scott Ave and Linden Ave	Complete	100%	100%	\$ 931,774	\$ 399,433	\$ 1,331,207	\$ 940,298	\$ 519,522	\$ 1,459,820	0.45	84	84	10/10/22
500564	Pierpont St	Complete	100%	100%	\$ 1,890,719	\$ 704,525	\$ 2,595,244	\$ 1,275,428	\$ 1,545,277	\$ 2,820,705	1.24	134	134	11/9/22
500566	Westminster Ave and Parker Rd	Complete	100%	100%	\$ 852,869	\$ 646,187	\$ 1,499,056	\$ 1,286,343	\$ 783,068	\$ 2,069,411	0.92	129	129	7/10/23
500576	N Broad St	Restoration	100%	100%	\$ 800,473	\$ 414,289	\$ 1,214,762	\$ 861,631	\$ 637,276	\$ 1,498,907	0.47	57	57	7/20/22
500578	Michigan Ave	Complete	100%	100%	\$ 860,229	\$ 296,133	\$ 1,156,362	\$ 716,570	\$ 346,988	\$ 1,063,558	0.67	51	51	7/21/22
500580	Central Ave	Complete	100%	100%	\$ 988,083	\$ 215,304	\$ 1,203,387	\$ 739,569	\$ 169,515	\$ 909,084	0.45	22	17	7/25/22
500587	Orange Ave and Stecher Ave	Complete	100%	100%	\$ 583,610	\$ 364,722	\$ 948,332	\$ 675,534	\$ 292,007	\$ 967,541	0.49	68	68	2/27/23
500593	Raritan Rd EP DI	Restoration	100%	100%	\$ 751,143	\$ 324,486	\$ 1,075,629	\$ 627,693	\$ 217,646	\$ 845,339	0.79	37	36	3/19/24
500597	North Ave	Complete	100%	100%	\$ 3,360,350	\$ 1,041,972	\$ 4,402,322	\$ 1,802,402	\$ 2,524,727	\$ 4,327,129	1.42	152	151	8/19/22
500603	South Ave (Elizabeth Ave to Westfield Ave)	Complete	100%	100%	\$ 2,958,350	\$ 555,985	\$ 3,514,335	\$ 971,900	\$ 817,363	\$ 1,789,263	0.83	92	92	7/21/22
500606	Warren St and Heckman St	Complete	100%	100%	\$ 1,343,109	\$ 794,150	\$ 2,137,259	\$ 1,528,698	\$ 946,755	\$ 2,475,453	1.27	193	193	11/16/22
500608	Mercer St and S Main St	Restoration	100%	100%	\$ 539,218	\$ 314,539	\$ 853,757	\$ 811,967	\$ 443,346	\$ 1,255,313	0.42	76	76	11/6/23
500612	Morris St	Construction	100%	100%	\$ 1,405,889	\$ 526,872	\$ 1,932,761	\$ 1,245,220	\$ 708,170	\$ 1,953,390	1.07	112	112	4/4/24
500615	Atlantic St to Spencer St (1st Ave to 3rd Ave)	Restoration	100%	100%	\$ 2,221,914	\$ 1,364,689	\$ 3,586,603	\$ 933,033	\$ 2,044,017	\$ 2,977,050	1.29	305	305	11/1/23
500618	E Jersey St (Jacques St to 5th St)	Complete	100%	100%	\$ 1,322,130	\$ 1,078,308	\$ 2,400,438	\$ 1,593,732	\$ 1,619,986	\$ 3,213,718	1.15	232	231	7/3/23
500620	Hagel Ave and Cedar Ave	Complete	100%	100%	\$ 1,316,180	\$ 1,092,057	\$ 2,408,237	\$ 1,302,535	\$ 1,326,159	\$ 2,628,694	1.73	272	271	6/16/23
500630	Bailey Ave	Complete	100%	100%	\$ 617,836	\$ 389,096	\$ 1,006,932	\$ 418,067	\$ 400,010	\$ 818,077	0.40	79	79	2/1/23
500632	Ainsworth St and Helen St	Restoration	100%	100%	\$ 684,097	\$ 391,279	\$ 1,075,376	\$ 602,943	\$ 453,764	\$ 1,056,707	0.54	81	81	2/7/23
500634	Van Buren Ave to E Curtis St	Complete	100%	100%	\$ 1,089,039	\$ 600,754	\$ 1,689,793	\$ 929,462	\$ 672,427	\$ 1,601,889	0.90	116	114	2/8/23
500636	Locust St and W Grant Ave	Complete	100%	100%	\$ 1,523,045	\$ 1,100,771	\$ 2,623,816	\$ 1,159,971	\$ 1,344,703	\$ 2,504,674	1.32	242	241	2/15/23
500810	Lawrence Ave (Roanoke Ave to Walnut St)	Complete	100%	100%	\$ 1,497,847	\$ 464,621	\$ 1,962,468	\$ 1,437,333	\$ 474,617	\$ 1,911,950	1.00	67	67	4/24/23
500812	1st St and Hyslip Ave	Complete	100%	100%	\$ 1,133,862	\$ 705,511	\$ 1,839,373	\$ 1,261,887	\$ 699,014	\$ 1,960,901	1.00	168	168	3/22/23
500814	Westfield Ave and Park St	Complete	100%	100%	\$ 1,260,610	\$ 683,559	\$ 1,944,169	\$ 1,377,092	\$ 748,799	\$ 2,125,891	1.13	161	161	3/9/23
500816	Summit Ave (Park St to Clifton St)	Restoration	100%	100%	\$ 925,074	\$ 487,586	\$ 1,412,660	\$ 632,700	\$ 557,086	\$ 1,189,786	0.77	116	116	2/24/23
500824	W 2nd Ave and W 3rd Ave	Complete	100%	100%	\$ 1,263,774	\$ 803,585	\$ 2,067,359	\$ 1,875,115	\$ 1,033,224	\$ 2,908,339	1.16	207	207	4/21/23
500826	E 2nd Ave and E 3rd Ave	Complete	100%	100%	\$ 1,371,108	\$ 890,663	\$ 2,261,771	\$ 2,036,637	\$ 1,126,121	\$ 3,162,758	1.18	209	209	6/13/23
500833	2nd St EP DI Replacement	Complete	100%	100%	\$ 124,647	\$ 19,773	\$ 144,420	\$ 139,882	\$ 5,676	\$ 145,558	0.03	1	1	3/7/23
500837	Clermont Ter	Complete	100%	100%	\$ 71,029	\$ 24,568	\$ 95,597	\$ 109,150	\$ 14,280	\$ 123,430	0.06	4	4	4/19/22
500839	W Colfax Ave and Locust St	Complete	100%	100%	\$ 1,854,361	\$ 1,089,366	\$ 2,943,727	\$ 1,532,239	\$ 1,286,171	\$ 2,818,410	1.62	225	224	3/21/23
500841	Route 519 and Clinton St	Restoration	100%	100%	\$ 477,235	\$ 206,742	\$ 683,977	\$ 381,870	\$ 217,532	\$ 599,402	0.51	48	46	5/5/23
500843	Colonial Ave and Crawford Ter	Complete	100%	100%	\$ 616,657	\$ 471,708	\$ 1,088,365	\$ 560,377	\$ 428,908	\$ 989,285	0.54	87	87	4/27/23
500845	Louisa St and Madison Ave	Complete	100%	100%	\$ 1,117,023	\$ 651,999	\$ 1,769,022	\$ 1,075,071	\$ 583,662	\$ 1,658,733	0.93	132	132	6/22/23
500847	E Grant Ave and Hemlock St	Complete	100%	100%	\$ 1,533,975	\$ 962,444	\$ 2,496,419	\$ 1,547,488	\$ 888,098	\$ 2,435,586	1.40	191	191	7/14/23
590035	Clover St and Linden Ave	Complete	100%	100%	\$ 1,627,779	\$ 1,062,425	\$ 2,690,204	\$ 2,174,862	\$ 1,132,081	\$ 3,306,943	1.27	245	245	7/25/22
590037	Salem Ave and North Ave	Restoration	100%	100%	\$ 1,104,177	\$ 607,334	\$ 1,711,511	\$ 829,834	\$ 548,436	\$ 1,378,270	0.86	117	117	2/27/23
590039	5th Ave and Robins St	Restoration	100%	100%	\$ 1,726,499	\$ 1,132,706	\$ 2,859,205	\$ 1,359,822	\$ 1,280,076	\$ 2,639,898	1.88	250	249	7/24/23
590041	E. Broad St and Harrison Ave Phase 1	Construction	99%	100%	\$ 1,288,443	\$ 596,315	\$ 1,884,758	\$ 676,777	\$ 549,933	\$ 1,226,710	1.01	117	117	4/24/24
<i>math line insert above</i>														
Totals					\$ 281,088,259	\$ 144,065,951	\$ 425,154,210	\$ 239,664,248	\$ 146,436,074	\$ 386,100,322	233.28	29,093	28,989	

Please See Appendix A to Testimony Information pertaining to the following for the above projects:

- Work completed, including identified tasks completed, e.g. design phase, material procurement, permit gathering, phases of construction, etc.;
- 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
- A narrative discussion of the effectiveness of the project in improving system performance; including identification of improved facilities including specific feeders), where appropriate.

ELIZABETHTOWN GAS COMPANY
Infrastructure Investment Program (“IIP”)

Leak Metrics (Active Leaks)

	<u>5 Yr Avg</u>	<u>Reduction</u>	<u>Target</u>	April Filing Actual <u>March-31</u>	Fav / (Un-Fav) <u>to Target</u>	July Filing Actual <u>June-30</u>	Fav / (Un-Fav) <u>to Target</u>
2020	3,315	0%	3,315	1,732	1,583	2,279	1,036
2021	3,315	1%	3,282	2,138	1,144	1,912	1,370
2022	3,315	2%	3,249	1,563	1,686	1,242	2,007
2023	3,315	3%	3,216	852	2,364	810	2,406
2024	3,315	4%	3,183	414	2,769	-	-

	<u>Dec. Yr. End</u>
2015	3,933
2016	3,190
2017	3,531
2018	4,330
2019	<u>1,592</u>
5 Yr Avg	3,315