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May 15, 2024

Electronic Filing

Sherril L. Golden
Board Secretary
NJ Board of Public Utilities
44 South Clinton Avenue, 1st Floor
P. O. Box 350
Trenton, NJ 08625-0350

Re: In the Matter of the Petition of Elizabethtown Gas Company for Approval of Increased Base Tariff Rates and Charges for Gas Service, Changes to Depreciation Rates and Other Tariff Revisions

BPU Docket No. GR24020158

Dear Secretary Golden,

Enclosed for filing in the above-referenced matter, please find Elizabethtown Gas Company's 9+3 Update in the referenced matter.

In accordance with the BPU's March 19, 2020 and June 10, 2020 Orders issued in Docket No. EO20030254, hard copies are not being submitted at this time, but can be provided at a later time, if needed.

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

Respectfully submitted,

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

Dominick DiRocco

Enclosures

cc: Service List (Electronic Mail)

**IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY FOR APPROVAL OF
INCREASED BASE TARIFF RATES AND CHARGES FOR GAS SERVICE, CHANGES TO DEPRECIATION
RATES AND OTHER TARIFF REVISIONS**

BPU DOCKET NO. GR24020158

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RATES AND OTHER TARIFF REVISIONS**

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**IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY FOR APPROVAL OF
INCREASED BASE TARIFF RATES AND CHARGES FOR GAS SERVICE, CHANGES TO DEPRECIATION
RATES AND OTHER TARIFF REVISIONS**

BPU DOCKET NO. GR24020158

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*Public Copies Only

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF :
ELIZABETHTOWN GAS COMPANY FOR :
APPROVAL OF INCREASED BASE TARIFF :
RATES AND CHARGES FOR GAS SERVICE, : BPU DOCKET NO. GR24020158
CHANGES TO DEPRECIATION RATES AND :
OTHER TARIFF REVISIONS :

9+3 Update
Schedules

May 15, 2024

9+3 UPDATE

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c. JLH-5 through JLH-9

9+3 UPDATE

Schedules

Of

Thomas Kaufmann

ELIZABETHTOWN GAS COMPANY
REVENUE REQUIREMENT

<u>Line</u>			<u>REFERENCE</u>
1	Adjusted Rate Base	\$1,860,003,924	TK-2
2	Rate of Return	<u>8.31%</u>	
3	Required Operating Income	154,566,326	
4	Adjusted Net Operating Income	<u>99,371,311</u>	TK-3
5	Income Deficiency	55,195,015	
6	Revenue Factor	<u>1.407347</u>	TK-6
7	Operating Revenue Adjustment to Base Rates	<u><u>\$77,678,539</u></u>	

ELIZABETHTOWN GAS COMPANY
STATEMENT OF RATE BASE

Line No.	G/L Accounts	9 MONTHS ACTUAL BALANCES		12 MONTH	POST	ADJUSTED	REFERENCE TO	
		AS OF Mar-24	TEST YEAR ADJUSTMENT	RATE BASE 6/30/2024	TEST YEAR ADJUSTMENT	RATE BASE 12/30/2024	RATEMAKING ADJUSTMENTS	
1	Utility Plant In Service	10100, 10110	\$2,401,261,387	(\$1,241,910)	\$2,400,019,477	\$141,445,404	\$2,541,464,881	EP-1
2	Accumulated Depreciation & Amortization	10800, 10810, 10820, 10830, 10850, 29110, Acq Adj.	(\$489,511,333)	(\$3,680,527)	(\$493,191,860)	(\$8,680,912)	(\$501,872,772)	JLH-5
3	Net Utility Plant		\$1,911,750,054	(\$4,922,437)	\$1,906,827,617	\$132,764,492	\$2,039,592,109	
4	Pension/OPEB	Reg Asset: 16120 Accrued: 27500, 27510	\$22,058,540	(\$812,157)	\$21,246,383	(\$1,624,314)	\$19,622,069	JLH-9
5	Cash Working Capital		\$0	\$38,534,685	\$38,534,685	\$11,296,478	\$49,831,163	TK-17
6	Inventory Average Balances	14600, 14610	\$0	\$11,291,550	\$11,291,550	(\$169,319)	\$11,122,231	TK-18
7	Customer Deposits ⁽¹⁾	22000	(\$4,955,398)	(\$13,226)	(\$4,968,624)	(\$47,310)	(\$5,015,934)	TK-16
8	Customer Advances ⁽¹⁾	29430	(\$1,671,811)	\$0	(\$1,671,811)	\$0	(\$1,671,811)	
9	Deferred Income Taxes:							
10	Excess Protected ADIT	28110 Reg Liability	(\$76,472,651)	\$891,207	(\$75,581,444)	\$891,206	(\$74,690,238)	WP-1 TY Def Tax
11	Federal Income Tax	27000	(\$111,193,659)	(\$5,222,631)	(\$116,416,290)	(\$5,127,433)	(\$121,543,723)	JLH-6
12	NJ CBT	27000	(\$52,367,500)	(\$2,459,638)	(\$54,827,138)	(\$2,414,804)	(\$57,241,942)	JLH-7
13	Consolidated Tax Adjustment		\$0	\$0	\$0	\$0	\$0	Exhibit P-1 Sch-E
14	Total Rate Base		\$1,687,147,575	\$37,287,353	\$1,724,434,928	\$135,568,996	\$1,860,003,924	

⁽¹⁾ Represents Thirteen Month Averages of Account Balances

ELIZABETHTOWN GAS COMPANY
OPERATING INCOME STATEMENT

Line No.	9 MONTHS ACTUAL Mar-2024	3 MONTHS PROJECTED DATA	TEST YEAR 12 MOS ENDED 6/30/2024	TEST & POST TEST YR. PRO FORMA ADJUSTMENTS	ANNUALIZATION & NORMALIZATION ADJUSTMENTS	POST TEST YEAR ENDED 3/31/2025	REVENUE DEFICIENCY	POST TEST YEAR 12 MOS ENDED 3/31/2025	
1	Operating Revenues	\$340,116,320	\$87,693,054	\$427,809,374	(\$22,795,318)	\$55,666,734	\$460,680,790	\$77,678,539	\$538,359,329
2	Cost of Sales-Rider Revenue Offsets *	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Cost of Sales Purchased Gas	(\$99,060,597)	(\$34,194,134)	(\$133,254,731)	\$0	(\$36,262,401)	(\$169,517,132)	\$0	(\$169,517,132)
4	Operating Margin Revenues	\$241,055,723	\$53,498,920	\$294,554,643	(\$22,795,318)	\$19,404,333	\$291,163,658	\$77,678,539	\$368,842,197
5	Operating Expenses:								
6	Operation & Maintenance Exps.	\$64,348,571	\$30,018,144	\$94,366,715	(\$1,177,840)	\$495,378	\$93,684,253	\$691,261	\$94,375,514
7	Depreciation Expense	\$49,712,793	\$17,436,483	\$67,149,276	5,895,343	\$0	\$73,044,619	\$0	\$73,044,619
8	Amortization Expense *	\$16,490,876	\$6,439,600	\$22,930,476	(\$19,499,362)	\$0	\$3,431,114	\$0	\$3,431,114
9	Taxes Other Than Income Taxes	\$4,130,495	\$1,336,058	\$5,466,553	\$149,895	\$150,634	\$5,767,082	\$210,198	\$5,977,280
10	Federal Income Taxes & NJ CBT	\$19,541,565	(\$3,810,904)	\$15,730,661	\$1,684,774	\$5,272,964	\$22,688,399	\$21,582,037	\$44,270,436
11	Excess Deferred Tax Amortization	(\$1,048,784)	(\$445,604)	(\$1,494,388)	(\$891,206)	\$0	(\$2,385,594)	\$0	(\$2,385,594)
12	Total Operating Expenses	\$153,175,516	\$50,973,777	\$204,149,293	(\$13,838,396)	\$5,918,976	\$196,229,873	\$22,483,496	\$218,713,369
13	Net Operating Income	\$87,880,207	\$2,525,143	\$90,405,350	(\$8,956,922)	\$13,485,357	\$94,933,785	\$55,195,043	\$150,128,828
14	Rate-making Adjustment - After Tax:								
15	Interest on Customer Deposits AT	\$66,452	\$45,376	\$111,828	\$72,525	\$0	\$184,353	\$0	\$184,353
16	CIC Rate Credit Adjustment AT	\$0	\$0	\$0	(\$4,621,879)	\$0	(\$4,621,879)	\$0	(\$4,621,879)
17	Adjusted Net Operating Income	\$87,813,755	\$2,479,767	\$90,293,522	(\$4,407,568)	\$13,485,357	\$99,371,311	\$55,195,043	\$154,566,354
18	Total Rate Base			\$1,724,434,928			\$1,860,003,924		\$1,860,003,924
19	Return on Rate Base			5.24%			5.34%		8.31%
20	Adjusted Net Income			\$52,700,841			\$58,823,225		\$114,018,268
21	Return on Equity			5.36%			5.55%		10.75%

* Rider Offsets were previously in Cost of Sales, now in Depreciation & Amortization.

ELIZABETHTOWN GAS COMPANY
PRO FORMA ADJUSTMENTS TO JUNE 30, 2024 OPERATING INCOME

	Test & Post Test Year Pro Forma Adjustments
1. Rider Operating Revenue Adjustments	
(a) Remove Rider Revenues Adjustments (TK-7)	\$ (35,833,666)
(b) IIF Bill Credit January 2024 (TK-7)	\$ 13,038,348
	<u>(22,795,318)</u>
2. Operation and Maintenance expenses	
(a) Annualization of Payroll (TK-9)	\$ 2,355,116
(b) Annualization of Benefits (TK-10)	\$ 366,940
(c) Annualization of Allocated Service Company Salaries & Benefits (TK-11)	\$ (822,948)
(d) Amortization of Rate Case expenses (TK-12)	\$ 429,333
(e) Non-Recoverable and Other Expense Adjustments (TK-13)	\$ (5,156,304)
(f) Inflation Adjustment (TK-14)	\$ 1,650,023
	<u>(1,177,840)</u>
3. Depreciation Expense	
(a) Annualize Test Year Depreciation Expense (JLH-5)	\$ (1,312,405)
(b) Annualize Post Test Year Depreciation Expense (JLH-5)	\$ 3,952,122
(c) Test Year Income Statement Adj. to WP-1 Depreciation TY @ Current Rates	\$ 3,255,626
	<u>5,895,343</u>
4. Amortization Expense	
(d) Rider Revenue Offsets (TK-7) *	\$ (19,499,362)
	<u>(19,499,362)</u>
5. Taxes Other Than Income	
(a) FICA Payroll Tax Adjustment (TK-9)	\$ 180,166
(b) Adjustment for PUA (TK-15)	\$ (30,271)
(c) Extraordinary Item, if any	\$ -
	<u>149,895</u>
6. Excess Deferred Tax Amortization	
(a) Excess Deferred Tax Amortization	\$ (891,206)
	<u>(891,206)</u>
7. Taxes - Income - Current, Increase / (decrease)	
(a) Interest Synchronization Tax Expense Change (JLH-8)	\$ 3,979,493
(b) Income Tax effect of adjustments 1 - 5 times tax rate	\$ (2,294,719)
	<u>1,684,774</u>

* Previously in Cost of Sales - Rider Revenue Offsets

ELIZABETHTOWN GAS COMPANY
PRO FORMA ADJUSTMENTS TO JUNE 30, 2024 OPERATING INCOME
POST TEST YEAR REVENUE & COST OF GAS ADJUSTMENTS
ANNUALIZATION & NORMALIZATION ADJUSTMENTS

Line No.		TK-7 Revenue	Annualization & Normalization Adjustments	Net of Adjustments
1	Income Statement	<u>Test Year</u>	<u>Adjustments</u>	<u>Adjustments</u>
2	Operating Revenues	\$427,809,374	(\$22,795,318)	\$460,680,790
3	Cost of Sales-Rider Revenue Offsets	\$0		\$0
4	Cost of Sales Purchased Gas	(\$133,254,731)	(\$36,262,401)	(\$169,517,132)
5	Operating Margin Revenues	<u>\$294,554,643</u>	<u>(\$22,795,318)</u>	<u>\$291,163,658</u>
		\$0	\$0	\$0
6	<u>Test Year per Annulaized and Normalized Determinants at Current Rates plus IIP Roll-In:</u>			Present <u>Proof Revenues</u>
7	Total System Base Distribution Revenue including Other Revenues			\$278,654,921
8	IIP Revenue Requirement from Rider F to Base Rates			<u>\$12,508,737</u> TK-8 IIP Yrs 3&4
				<u>\$291,163,658</u> HSG-2-2 Present w/ IIP
9	<u>Net of Operating Margin Revenue Adjustments:</u>			
10	On-System Margin Sharing Credit (“OSMC”) Revenue		(\$162,611)	
11	Energy Efficiency Program (“EEP”) Revenue		(\$8,324,913)	
12	Remediation Adjustment Clause (“RAC”) Revenue		(\$4,232,227)	
13	Clean Energy Program (“CEP”) Revenue		(\$11,927,253)	
14	Infrastructure Investment Program (“IIP”) Billed Revenue - Rider to Base Rates		(\$11,186,662)	
15	IIF Bill Credit January 2024		<u>\$13,038,348</u>	
			<u>(\$22,795,318)</u>	
			-	
16	<u>Annualization and Normalization Adjustments:</u>			
17	IIP Approved Revenue Requirement from Rider F to Base Rates (TK-8)		\$12,508,737	
18	Annualization Normalization		\$6,895,596	
19	Gas Sales Revenue, Increase / (Decrease)		<u>\$36,262,401</u>	
20	Operating Revenues		<u>\$55,666,734</u>	
21	Purchase Gas Cost, (Increase) / Decrease		<u>(\$36,262,401)</u>	(Increase) / Decrease to Gas
			<u>\$19,404,333</u>	
			-	

ELIZABETHTOWN GAS COMPANY
DERIVATION OF REVENUE EXPANSION FACTOR

Line
No.

1	Additional Required Revenue Percentage		100.0000%
2	Percentage Adjustment for Uncollectibles		0.8899%
3	BPU Assessments		0.2197%
4	Rate Counsel Assessments		<u>0.0509%</u>
5	Percentage of Income Before State Income Tax		98.8395%
6	State Income Tax Percentage	9.00%	<u>8.8956%</u>
7	Percentage of Income Before Federal Income Tax		89.9439%
8	Federal Income Tax Percentage	21.00%	<u>18.8882%</u>
9	Revenue Expansion Factor - Percent		<u>71.0557%</u>
10	Revenue Expansion Factor - Whole Number		<u><u>1.407347</u></u>

ELIZABETHTOWN GAS COMPANY
PRO FORMA ADJUSTMENTS TO JUNE 30, 2024 OPERATING INCOME
RIDER and OTHER ADJUSTMENTS

<u>Line No.</u>		<u>TOTAL</u>
1	On-System Margin Sharing Credit (“OSMC”) Revenue	\$162,611
2	Energy Efficiency Program (“EEP”) Revenue	\$8,324,913
3	Remediation Adjustment Clause (“RAC”) Revenue	\$4,232,227
4	Clean Energy Program (“CEP”) Revenue	\$11,927,253
5	Infrastructure Investment Program (“IIP”) Billed Revenue - Rider to Base Rates	\$11,186,662
6	Total Rider Revenue Adjustments	\$35,833,666
7	IIF Bill Credit January 2024	(\$13,038,348)
8	Net Revenue Adjustment	\$22,795,318

ELIZABETHTOWN GAS COMPANY
INFRASTRUCTURE INVESTMENT PROGRAM (“IIP”)

SUMMARY OF APPROVED AND PROPOSED REVENUE REQUIREMENTS
FROM RIDER "F" TO BASE RATES

	Filing Date		YEARS 3 and 4	12 Months Ending	In-Service Capital *	Revenue Requirement **
Approved	07/15/22	Docket. No. GR22040316, Dated	9-28-22 Effective on: 10-1-22	Jun-22	\$58,167,862	\$6,300,195
Approved	07/17/23	Docket. No. GR23040270, Dated	9-27-23 Effective on: 10-1-23	Jun-23	\$58,402,300	\$6,208,542
IIP Revenue Requirement from Rider F to Base Rates					\$116,570,162	\$12,508,737

* In-Service Capital consists of Mains and Services, capped at a \$1.2 M mile, Monitor, Methane Leak Survey in year 1 and applicable AFUDC amounts.

** When base rates inclusive of the previously approved Revenue Requirements become effective, this amount will be removed from the computation in resetting the Rider F IIP rates, which may be zero if this case settles before year 5 IIP rates go into effect, which remain in Rider F until a future case.

ELIZABETHTOWN GAS COMPANY
PRO FORMA ADJUSTMENTS TO JUNE 30, 2024 OPERATING INCOME
PAYROLL EXPENSE

Line No.		<u>Test Year</u>	<u>Annualized Post Test Year *</u>	<u>Adjustment To Test Year</u>
1	<u>Payroll Expenses:</u>			
2	<u>Gross Expenses:</u>			
3	Fixed Payroll	\$38,593,685	\$42,397,043	\$3,803,358
4	Variable Compensation	\$2,052,114	\$2,052,114	\$0
5	Total Compensation	<u>\$40,645,799</u>	<u>\$44,449,157</u>	<u>\$3,803,358</u>
6	<u>Capitalized Payroll Expenses</u>			
7	Direct Payroll	(\$14,671,872)	(\$16,120,114)	(\$1,448,242)
8	Variable Compensation	(\$780,137)	(\$780,137)	\$0
9	Capitalized Compensation	<u>(\$15,452,009)</u>	<u>(\$16,900,251)</u>	<u>(\$1,448,242)</u>
10	Net Compensation Expense	\$25,193,790	\$27,548,906	\$2,355,116
11	Other Adjustment	\$0	\$0	\$0
12	Pro Forma Payroll Adjustment (O&M)	<u>\$25,193,790</u>	<u>\$27,548,906</u>	<u>\$2,355,116</u>
13	FICA Tax Rate			7.65%
14	Pro Forma FICA Payroll Tax Adjustment - Sch. TK-3 Taxes Other than Income			<u><u>\$180,166</u></u>
15	<u>Lead Lag Test Year and Post Year:</u>			
16	Regular Payroll	\$23,921,813	\$26,276,929	\$2,355,116
17	Variable Compensation & Other Adj.	\$1,271,977	\$1,271,977	\$0
18	Net Compensation Expense	<u>\$25,193,790</u>	<u>\$27,548,906</u>	<u>\$2,355,116</u>

*Additional Post Test Year months include a 4% merit increase effective March 1, 2024.

ELIZABETHTOWN GAS COMPANY
PRO FORMA ADJUSTMENTS TO JUNE 30, 2024 OPERATING INCOME
EMPLOYEE BENEFITS EXPENSE

<u>Line</u> <u>No.</u>	<u>Test Year</u>	<u>Annualized</u> <u>Post Test Year</u>	<u>Adjustment To</u> <u>Test Year</u>
<u>Employee Benefits Expenses:</u>			
1	\$7,988,713	\$8,596,223	\$607,510
2	(\$3,163,475)	(\$3,404,045)	(\$240,570)
3	\$4,825,238	\$5,192,178	\$366,940

ELIZABETHTOWN GAS COMPANY
PRO FORMA ADJUSTMENTS TO JUNE 30, 2024 OPERATING INCOME
ALLOCATED SALARIES & BENEFITS EXPENSE TO ETG

Line

No.

<u>Allocated Service Company Salaries & Benefits Expenses:</u>			
1	Annualized Post Test Year Expenses	\$3,810,165	
2	Less: Test Year Expenses	(\$4,633,113)	
3	Pro Forma Allocated Expense Adjustment		<u><u>(\$822,948)</u></u>

**ELIZABETHTOWN GAS COMPANY
PRO FORMA ADJUSTMENTS TO JUNE 30, 2024 OPERATING INCOME
RATE CASE EXPENSES**

Line No.	Category	Expense
1	Legal Expenses	\$900,000
2	Consultant Expenses	\$215,000
3	Newspaper Notices	\$900
4	Court Reporting	\$600
5	Postage & Office Supplies	\$0
6	Miscellaneous Expenses	\$1,500
7	Contingency/Rebuttal Witnesses	<u>\$170,000</u>
8	Total Rate Case Expenses	<u><u>\$1,288,000</u></u>
9	Pro Forma Adjustment per Amortization Period	3 <u><u>\$429,333</u></u>

ELIZABETHTOWN GAS COMPANY
PRO FORMA ADJUSTMENTS TO JUNE 30, 2024 OPERATING INCOME
NON-RECOVERABLE AND OTHER EXPENSE ADJUSTMENTS

Line No.		<u>Proposed In This Case</u>	<u>Adjustment to Test Year</u>
1	<u>Management Fee Expense, Adjustments per 12 Mos December 2023</u>		
2	Membership Dues & Subscriptions	(\$295,112)	
3	Advertising	(\$77,378)	
3	Conferences and Seminars	(\$135,181)	
4	Travel Expense	(\$129,225)	
5	Entertainment Non-Deductible	(\$74,347)	
5	Meals and Entertainment	(\$147,718)	(\$858,961)
6	<u>Company Expense, Adjustments</u>		
7	51350 - Membership Dues & Subscriptions	(\$188,917)	
8	51410 - Charitable Contributions	(\$624,397)	
9	51420 - Travel and Entertainment	(\$118,506)	
10	51390 - Advertising Expense	(1,924,830)	
11	EE O&M Expense	(1,654,972)	
12	51130 Awards and Bonus - IIF Acq. Accrual of the Residual Retention Bonus	(\$113,424)	
13	51350 Subscription related to developing Third Party Supplier Cash Outs	\$10,168	(\$4,614,878)
14	<u>BPU Energy and Water Benchmarking Docket No. QO21071023 *</u>		
15	Deferred Development & Implementation Costs, not capitalized	\$12,500	
16	Deferred Subscription Fees, 4/23 - 3/24	\$68,297	
17	Deferred Amount	\$80,797	
18	Proposed Recovery Years	3	\$26,932
19	9 Mos. Of Year 2 PTY Expenses 7/24 -3/25		\$51,223
20	<u>Transmission Integrity Management Program (TIMP) *</u>		
21	Deferred Expenses	\$0	
22	Proposed Recovery Years	3	\$0
23	<u>BPU Management Audit *</u>		
24	Deferred BPU Contract Total	\$718,140	
25	Proposed Recovery Years	3	\$239,380
26	Total Pro Forma Adjustment - Other O&M Expense		<u>(\$5,156,304)</u>

* See the Direct Testimony of J. Houseman.

**ELIZABETHTOWN GAS COMPANY
PRO FORMA ADJUSTMENTS TO JUNE 30, 2024 OPERATING INCOME
O&M INFLATION ADJUSTMENT**

<u>Line No.</u>	<u>Description</u>	<u>Index</u>
1	<u>Calculation of Inflation Rate</u>	
2	GDPIPD Index Value at the Midpoint of the Test Year:	
3	December 1, 2023	123.3
4	January 1, 2024	123.8
5	Average	123.6
6	GDPIPD Index Value at the End of the Post-Test Year:	
7	March 1, 2025	127.3
8	April 1, 2025	127.5
9	Average	127.4
10	Projected Inflation Rate	3.0744%
11	<u>Calculation of O&M Inflation Adjustment</u>	
12	Post-Test Year Total O&M Expenses	\$93,684,253
13	Less: Normalizing Adjustments	
14	Annualization of Payroll (TK-9)	\$27,548,906
15	Annualization of Benefits (TK-10)	\$5,192,178
16	Annualization of Allocated Service Company Costs (TK-11)	\$3,810,165
17	Amortization of Rate Case expenses (TK-12)	\$429,333
18	Other Operations and Maintenance Expenses (TK-13)	(\$5,156,304)
19	Total Normalizing Adjustments	\$31,824,278
20	Less: Items Not Subject to Inflation	
21	Pension / OBEP (TK-17.2)	(\$1,372,485)
22	Uncollectibles (TK-17.2)	\$9,562,696
23	Total Items Not Subject to Inflation	\$8,190,211
24	Residual O&M Expenses	\$53,669,764
25	Inflation Rate	3.0744%
26	Pro Forma Adjustment to O&M Expense	\$1,650,023

ELIZABETHTOWN GAS COMPANY
PRO FORMA ADJUSTMENTS TO JUNE 30, 2024 OPERATING INCOME
REVENUE TAXES - TAXES OTHER THAN INCOME

<u>Line</u> <u>No.</u>		
1	<u>PUA Adjustments</u>	
2	Removed IIP Rider Revenues (TK-7) *	(\$11,186,662)
3	Other	<u>\$0</u>
4	Total Revenue Adjustment	(\$11,186,662)
5	PUA Tax Rate, sum of the BPU and RC Assessment Factors	<u>0.2706%</u>
6	Pro Forma Adjustment to PUA	<u><u>(\$30,271)</u></u>

* Removed PUA per its replacement with IIP amount on Schedule TK-8 which includes PUA.

ELIZABETHTOWN GAS COMPANY
PRO FORMA ADJUSTMENTS TO JUNE 30, 2024 OPERATING INCOME
CUSTOMER DEPOSITS

Line No.	Month	Actual and Projected Data	Number of Customers	Number of Customers with Deposits	Percentage of Customers with Deposits	Average Deposit Per Customer	Rate Base for Customer Deposits	Customer Deposit Rate	Monthly Interest	13 Month Avg. Rate Base for Customer Deposits	
1	Dec-22	Actual	309,896	30,453	9.83%	\$157	\$4,783,297	0.06%	\$206		
2	Jan-23	Actual	310,772	30,587	9.84%	\$159	\$4,869,903	1.40%	\$5,610		
3	Feb-23	Actual	311,905	30,624	9.82%	\$159	\$4,869,086	1.40%	\$5,529		
4	Mar-23	Actual	312,360	30,790	9.86%	\$161	\$4,948,404	1.40%	\$5,101		
5	Apr-23	Actual	312,583	30,657	9.81%	\$161	\$4,926,911	1.40%	\$5,664		
6	May-23	Actual	312,594	30,639	9.80%	\$162	\$4,962,851	1.40%	\$5,737		
7	Jun-23	Actual	312,565	30,371	9.72%	\$163	\$4,949,550	1.40%	\$5,815		
TY	Jul-23	Actual	312,637	29,823	9.54%	\$165	\$4,916,631	1.40%	\$5,684		
2	Aug-23	Actual	312,870	29,590	9.46%	\$166	\$4,920,483	1.40%	\$5,801		
3	Sep-23	Actual	313,200	29,314	9.36%	\$167	\$4,894,513	1.40%	\$4,794		
4	Oct-23	Actual	313,910	29,042	9.25%	\$169	\$4,917,619	1.40%	\$5,739		
5	Nov-23	Actual	314,761	28,924	9.19%	\$172	\$4,963,521	1.40%	\$5,963		
6	Dec-23	Actual	315,569	28,713	9.10%	\$174	\$5,004,847	1.40%	\$5,093	\$4,917,509	
7	Jan-24	Actual	315,969	28,755	9.10%	\$175	\$5,035,954	5.06%	\$21,901	\$4,936,944	
8	Feb-24	Actual	316,240	28,811	9.11%	\$172	\$4,967,770	5.06%	\$20,916	\$4,944,472	
9	Mar-24	Actual	316,313	28,775	9.10%	\$174	\$5,011,116	5.06%	\$16,544	\$4,955,398	
10	Apr-24	Projected	315,793	28,737	9.10%	\$174	\$5,000,238	5.06%	\$20,796	\$4,959,385	
11	May-24	Projected	315,978	28,754	9.10%	\$174	\$5,003,196	5.06%	\$21,501	\$4,965,253	
12	Jun-24	Projected	316,200	28,774	9.10%	\$174	\$5,006,676	5.06%	\$20,822	\$4,968,624	
PTY	Jul-24	Projected	316,444	28,796	9.10%	\$174	\$5,010,504	5.06%	\$21,533	\$4,973,313	
2	Aug-24	Projected	316,724	28,822	9.10%	\$174	\$5,015,028	5.06%	\$21,552	\$4,980,882	
3	Sep-24	Projected	317,102	28,856	9.10%	\$174	\$5,020,944	5.06%	\$20,882	\$4,988,610	
4	Oct-24	Projected	317,836	28,923	9.10%	\$174	\$5,032,602	5.06%	\$21,628	\$4,999,232	
5	Nov-24	Projected	318,602	28,993	9.10%	\$174	\$5,044,782	5.06%	\$20,981	\$5,009,014	
6	Dec-24	Projected	319,154	29,043	9.10%	\$174	\$5,053,482	5.06%	\$21,718	\$5,015,934	
7	Jan-25	Projected	319,491	29,074	9.10%	\$174	\$5,058,876	5.06%	\$21,741	\$5,020,090	
8	Feb-25	Projected	319,789	29,101	9.10%	\$174	\$5,063,574	5.06%	\$19,655	\$5,022,214	
9	Mar-25	Projected	320,062	29,126	9.10%	\$174	\$5,067,924	5.06%	\$21,780	\$5,029,919	
Post-Test Year Annualization of Interest											
10	Mar-25	Projected	320,062	29,126	9.10%	\$174	\$5,067,924	5.06%	\$256,437		
Rate Base Test Year Adjustment											
			Rate Base PTY Pro-Forma Adjustment			Income Statement Interest Pro-Forma Adjustment			After Tax		
									Pre Tax	71.89%	
									Actual	\$92,435	\$66,452
									Projected	\$63,119	\$45,376
11	Actual Ending	Mar-24	<i>13 mo average</i>	TY ending	Jun-24	<i>13 mo average</i>		Test Year Interest	\$155,554	\$111,828	
12	TY ending	Jun-24	\$4,968,624	To BS PTY Ending	Dec-24	\$5,015,934		Post Test Year Annualized Interest	<u>\$256,437</u>	\$184,353	
13	Test Year Adjustment		<u>\$13,226</u>	Pro-Forma PTY Adjustment		<u>\$47,310</u>		Pro-Forma Adjustment	<u>\$100,883</u>	<u>\$72,525</u>	

**ELIZABETHTOWN GAS COMPANY
LEAD-LAG STUDY
WORKING CAPITAL REQUIREMENT
TEST YEAR**

Line	Description	Test Year Expenses	Average Daily Expenses	Revenue Lag Days	Ref.	Expense Lead Days	Ref.	Net (Lead)/Lag Days	Working Capital Requirement
1	Gas Costs and O&M Expenses								
2	Purchased Gas Costs	\$ 133,254,731	365,081	58.65	A	(40.22)	B	18.4300	\$ 6,728,443
3	Regular Payroll	23,921,813	65,539	58.65	A	(9.92)	C	48.7300	3,193,715
4	Variable Compensation	1,271,977	3,485	58.65	A	(251.29)	C	(192.6400)	(671,350)
5	Pension/OPEB	(1,372,485)	(3,760)	58.65	A	-		58.6500	(220,524)
6	Retirement Savings Plan	1,633,759	4,476	58.65	A	(23.59)	C	35.0600	156,929
7	Group Insurance	3,809,256	10,436	58.65	A	(42.91)	C	15.7400	164,263
8	Uncollectible Expense	8,871,435	24,305	58.65	A	(274.24)	C	(215.5900)	(5,239,915)
9	Service Company Charges	29,179,079	79,943	58.65	A	(42.88)	C	15.7700	1,260,701
10	Other Third-Party O&M Expenses	27,051,881	74,115	58.65	A	(39.15)	C	19.5000	1,445,243
11	Total Gas Costs and O&M Expenses	\$ 227,621,446				.			\$ 6,817,505
12	Income Taxes								
13	Excess Deferred Tax Amortization	\$ (1,494,388)	(4,094)	58.65		-		58.6500	\$ (240,113)
14	Federal Income Taxes	21% 10,694,163	29,299	58.65	A	(37.00)	D	21.6500	634,323
15	State Income Tax	9% 5,036,498	13,799	58.65	A	(37.00)	D	21.6500	298,748
16	Total Income Taxes	\$ 14,236,273							\$ 692,958
17	Taxes Other Than Income Taxes	\$ 5,466,553	14,977	58.65	A	(17.82)	E	40.8300	\$ 611,511
18	Depreciation Expense	\$ 67,149,276	183,971	58.65	A	-		58.6500	\$ 10,789,899
19	Amortization Expense	\$ 22,930,476	62,823	58.65	A	-		58.6500	\$ 3,684,569
20	Interest Expense								
21	Interest on Long-Term Debt	\$ 39,272,444	107,596	58.65	A	-	F	58.6500	\$ 6,310,505
22	Interest on Short-Term Debt	-	-	58.65	A	-	F	58.6500	-
23	Interest on Customer Deposits	111,828	306	58.65	A	(250.43)	F	(191.7800)	(58,685)
24	Total Interest Expense	\$ 39,384,272							\$ 6,251,820
25	Return	\$ 51,021,078	139,784	58.65	A	-		58.6500	\$ 8,198,332
26	Other Adjustments								
27	Incidental collections								\$ 1,985,982
28	Employee deductions								(497,891)
29	Total Other Adjustments	\$ -	\$ -						\$ 1,488,091
30	Total	\$ 427,809,374	\$ 338,732						\$ 38,534,685

**ELIZABETHTOWN GAS COMPANY
LEAD-LAG STUDY
WORKING CAPITAL REQUIREMENT
POST TEST YEAR**

Line	Description	Adjusted Test		Average Daily Expenses	Revenue Lag Days	Expense Lead			Net (Lead)/Lag Days	Working Capital Requirement
		Adjustments to Test Year Expenses	Year to Post Test Year Expenses			Ref.	Days	Ref.		
1	Gas Costs and O&M Expenses									
2	Purchased Gas Costs	\$36,262,401	\$ 169,517,132	464,430	58.65	A	(40.22)	B	18.4300	\$ 8,559,445
3	Regular Payroll	2,355,116	26,276,929	71,992	58.65	A	(9.92)	C	48.7300	3,508,170
4	Variable Compensation	-	1,271,977	3,485	58.65	A	(251.29)	C	(192.6400)	(671,350)
5	Pension/OPEB	0	(1,372,485)	(3,760)	58.65	A	-		58.6500	(220,524)
6	Retirement Savings Plan	0	1,633,759	4,476	58.65	A	(23.59)	C	35.0600	156,929
7	Group Insurance	366,940	4,176,196	11,442	58.65	A	(42.91)	C	15.7400	180,097
8	Uncollectible Expense	691,261	9,562,696	26,199	58.65	A	(274.24)	C	(215.5900)	(5,648,242)
9	Service Company Charges	(822,948)	28,356,131	77,688	58.65	A	(42.88)	C	15.7700	1,225,140
10	Other Third-Party O&M Expenses	(2,581,570)	24,470,311	67,042	58.65	A	(39.15)	C	19.5000	1,307,319
11	Total Gas Costs and O&M Expenses	-	\$ 263,892,646							\$ 8,396,984
12	Income Taxes									
13	Excess Deferred Tax Amortization		\$ (2,385,594)	(6,536)	58.65		-		58.6500	\$ (383,336)
14	Federal Income Taxes	21.00%	30,173,674	82,668	58.65	A	(37.00)	D	21.6500	1,789,762
15	State Income Tax	9.00%	14,210,521	38,933	58.65	A	(37.00)	D	21.6500	842,899
16	Total Income Taxes		\$ 41,998,601							\$ 2,249,325
17	Taxes Other Than Income Taxes		\$ 5,977,280	16,376	58.65	A	(17.82)	E	40.8300	\$ 668,632
18	Depreciation Expense		\$ 73,044,619	200,122	58.65	A	-		58.6500	\$ 11,737,155
19	Amortization Expense		\$ 3,431,114	9,400	58.65	A	-		58.6500	\$ 551,310
20	Interest Expense									
21	Interest on Long-Term Debt		\$ 34,118,987	93,477	58.65	A	-	F	58.6500	\$ 5,482,426
22	Interest on Short-Term Debt		-	-	58.65	A	-	F	58.6500	-
23	Interest on Customer Deposits		184,353	505	58.65	A	(250.43)	F	(191.7800)	(96,849)
24	Total Interest Expense		\$ 34,303,340							\$ 5,385,577
25	Return		\$ 120,447,339	329,993	58.65	A	-		58.6500	\$ 19,354,089
26	Other Adjustments									
27	Incidental collections									\$ 1,985,982
28	Employee deductions									(497,891)
29	Total Other Adjustments		\$ -	\$ -						\$ 1,488,091
30	Total		\$ 543,094,939	\$ 546,491						\$ 49,831,163

ELIZABETHTOWN GAS COMPANY
CASH WORKING CAPITAL
GAS INVENTORIES AND MATERIALS & SUPPLIES
TEST YEAR AND POST TEST YEAR 13 MONTH AVERAGES

<u>Line</u>		<u>Test Year</u>	<u>Post Test Year</u>
1	LNG & Gas Stored Underground	\$10,851,600	\$10,682,281
2	Materials and Supplies *	\$439,950	\$439,950
3	Total	\$11,291,550	\$11,122,231

* Based on 13 Mo. through: Mar-24

9+3 UPDATE

Schedules

Of

The Engineering Panel

Michael P. Scacifero

Ian Azar

ELIZABETHTOWN GAS COMPANY
STATEMENT OF RATE BASE
UTILITY PLANT IN SERVICE (UPIS)

<u>Line</u> <u>No.</u>		<u>Reference</u>
1	Actual UPIS at 3/31/2024	\$2,400,782,941
2	UPIS Year 5 IIP Removal 7/1/2023 - 3/31/2024	(\$59,177,979)
3	Projected Test Year Plant Additions	\$32,029,373 EP-2
4	Projected Test Year Large Projects	\$36,305,842 EP-2.1
5	Projected Test Year Plant Retirements	<u>(\$9,920,700)</u>
6	Projected Test Year Ending UPIS at 6/30/2024	\$2,400,019,477
7	Projected Post Test Year Plant Additions	\$76,604,443 EP-3
8	Projected Post Test Year Large Projects	\$84,682,361 EP-4 & EP-2.1 PTY, if any
9	Projected Post Test Year Plant Retirements	<u>(\$19,841,400)</u>
10	Projected Post Test Year Ending UPIS at 12/30/2024	<u><u>\$2,541,464,881</u></u>

**ELIZABETHTOWN GAS COMPANY
TEST YEAR PLANT ADDITIONS
12 MONTHS ENDING 6/30/2024
Includes OH and AFUDC - Excluding Large Projects**

WP-2 #s	Jul-23 Actual	Aug-23 Actual	Sep-23 Actual	Oct-23 Actual	Nov-23 Actual	Dec-23 Actual	Jan-24 Actual	Feb-24 Actual	Mar-24 Actual	Apr-24 Projected	May-24 Projected	Jun-24 Projected	Test Year
1 New Business	5,103,905	5,706,339	4,460,324	5,093,834	6,591,800	4,591,745	4,376,493	4,551,573	3,520,363	4,383,056	2,883,540	4,053,061	55,316,033
2 Facilities	436,003	463,621	298,786	505,009	341,811	287,403	(104,920)	76,087	51,592	337,234	381,883	548,339	3,622,848
3 Fleet	937,819	9,478	71,057	164,394	256,373	390,371	28,945	127,619	27,302	1,009	441,705	301,062	2,757,134
4 Measurement Operations	7,597	213,159	1,117,077	271,336	200,313	864,811	432,663	155,771	141,283	225,703	919,421	416,542	4,965,676
5 LNG	20,801	45,880	11,527	2,273	4,383	36,263	906	19,110	174,140	14,686	20,956	2,037	352,962
6 Information Technology (IT)	271,203	394,654	399,794	396,431	590,126	1,414,059	381,518	239,431	215,786	524,846	764,002	999,878	6,591,728
7 Mandatory	502,552	402,310	685,368	46,800	635,391	647,333	609,233	473,578	634,884	530,988	530,328	589,623	6,288,388
8 Distribution Integrity Management (DIMP)	2,355,100	2,440,619	1,659,699	2,357,240	1,978,239	1,441,037	1,544,543	2,020,195	2,144,880	2,877,313	3,727,850	3,878,728	28,425,443
9 Distribution Integrity Management (DIMP-LD)	-	292,323	12,496	-	16,597	253	28,439	8,226	12,647	446	446	446	372,319
10 Transmission Integrity Mgt Prog (TIMP)	858	865	874	2,844	896	903	243	244	245	996	826	511	10,305
11 DOT	20,969	32,214	13,171	163,519	84,449	34,395	15,172	33,336	262,338	199,659	6,106	197,557	1,062,885
12 Periodic Testing (PT) Meter	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Pressure Improvement (PRIM)	41,961	57,078	75,610	1,400,799	396,228	(92,012)	57,406	727	5,840	93	93	93	1,943,916
14 Corrosion Work	1,977	37,525	24,624	7,328	9	10,309	939	102,368	(45,414)	46,913	46,670	46,131	279,379
15 Relocation	9,334	505	(3)	-	-	(2,973)	-	(2,886)	-	-	-	-	3,977
16 Security	21	13,529	7,600	330	-	31,181	(4)	-	-	7,721	8,015	7,721	76,114
17 Tools and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
18 IIP Base Spending	502,992	908,034	552,408	939,905	401,430	184,754	15,925	64,403	(24,762)	693,231	1,334,134	77,775	5,650,229
TOTAL ETG PLANT ADDITIONS	10,213,092	11,018,133	9,390,412	11,352,042	11,498,045	9,839,832	7,387,501	7,869,782	7,121,124	9,843,894	11,065,975	11,119,504	117,719,336

Note Excludes IIP Year 5 amounts remaining under IIP, to be filed for under Rider F in 2024.

ELIZABETHTOWN GAS COMPANY
TEST YEAR LARGE CAPITAL PROJECTS
Not Included on Schedules EP-2, EP-3 or EP-4

FERC	Project Name	Type	Projected	Test Year (Includes Pre Test Year)			Post Test Year If Any Projected	Total At Dec-24
			In Service Date	Actual	Projected	Jun-24 Total		
37600	Whittier Street to W. Elizabeth Avenue-Mains	DIMP-LD	Aug-23	\$ 5,108,258	\$ -	\$ 5,108,258	\$ -	\$ 5,108,258
38210	Whittier Street to W. Elizabeth Avenue-Meter Installation	DIMP-LD	Aug-23	\$ 30,546	\$ -	\$ 30,546	\$ -	\$ 30,546
38000	Whittier Street to W. Elizabeth Avenue-Services	DIMP-LD	Aug-23	\$ 436,063	\$ -	\$ 436,063	\$ -	\$ 436,063
37600	Colonial -Mains	DIMP-LD	Sep-23	\$ 5,465,793	\$ -	\$ 5,465,793	\$ -	\$ 5,465,793
38210	Colonial-Meter Installation	DIMP-LD	Sep-23	\$ 61,507	\$ -	\$ 61,507	\$ -	\$ 61,507
38000	Colonial-Services	DIMP-LD	Sep-23	\$ 773,365	\$ -	\$ 773,365	\$ -	\$ 773,365
39100	Tracking & Traceability ETG	IT	Apr-24	\$ -	\$ 3,744,114	\$ 3,744,114	\$ 89,006	\$ 3,833,120
36320	Vaporizing Project	LNG	Apr-24	\$ -	\$ 30,829,098	\$ 30,829,098	\$ 189,838	\$ 31,018,936
37600	Vaporizing Project-Mains	LNG	Apr-24	\$ -	\$ 467,630	\$ 467,630	\$ 2,564	\$ 470,194
38300	Edison Reliability-HS Regulator	PRIM	Jan-24	\$ (7,020)	\$ -	\$ (7,020)	\$ 321	\$ (6,699)
37600	Edison Reliability-Mains	PRIM	Jan-24	\$ 7,837,358	\$ 550,000	\$ 8,387,358	\$ 550,000	\$ 8,937,358
39000	Erie Street Upgrades-Gas Ops	Gas Ops	Jun-24	\$ -	\$ 715,000	\$ 715,000	\$ 955	\$ 715,955
Totals				\$ 19,705,870	\$ 36,305,842	\$ 56,011,712	\$ 832,684	\$ 56,844,396

**ELIZABETHTOWN GAS COMPANY
POST-TEST YEAR PLANT ADDITIONS
6 MONTHS ENDING 12/30/2024
Includes OH and AFUDC - Excluding Large Projects**

WP-2 #s		Jul-24 Projected	Aug-24 Projected	Sep-24 Projected	Oct-24 Projected	Nov-24 Projected	Dec-24 Projected	Post-Test Year
1	New Business	3,725,147	3,848,268	4,156,836	7,735,069	6,746,610	4,974,835	31,186,765
2	Facilities	986,097	779,350	850,628	650,638	574,375	673,260	4,514,348
3	Fleet	151,866	600,661	1,083,000	661,170	540,905	431,386	3,468,988
4	Measurement Operations	1,022,926	843,478	495,994	321,075	622,380	299,209	3,605,062
5	LNG	1,487	937	937	1,061	1,956	1,458	7,836
6	Information Technology (IT)	544,477	479,315	540,703	429,807	1,343,232	472,033	3,809,567
7	Mandatory	589,624	605,942	605,942	605,784	605,786	605,829	3,618,907
8	Distribution Integrity Management (DIMP)	3,198,304	3,196,288	3,230,881	3,377,793	3,231,986	2,768,266	19,003,518
9	Distribution Integrity Management (DIMP-LD)	446	446	446	446	446	446	2,676
10	Transmission Integrity Mgt Prog (TIMP)	302	22,242	55,241	61,841	241	241	140,108
11	DOT	4,013	195,988	195,464	194,943	194,425	193,910	978,743
12	Periodic Testing (PT) Meter	-	-	-	-	-	-	-
13	Pressure Improvement (PRIM)	93	93	93	93	93	93	558
14	Corrosion Work	155,837	155,837	155,837	136,917	45,837	45,837	696,102
15	Relocation	-	-	-	-	-	-	-
16	Security	7,721	7,721	90,221	117,721	7,721	7,721	238,826
17	Tools and Equipment	-	-	-	-	-	-	-
18	IIP Base Spending	780,721	778,490	855,119	936,597	1,230,403	751,109	5,332,439
TOTAL ETG PLANT ADDITIONS		11,169,061	11,515,056	12,317,342	15,230,955	15,146,396	11,225,633	76,604,443

Note IIP 2 amounts and notes are included on EP-4.

**ELIZABETHTOWN GAS COMPANY
POST TEST YEAR LARGE CAPITAL PROJECTS
Not Included on Schedules EP-2, EP-2.1 or EP-3**

FERC	Project Name	TYPE	Projected	Test Year (Includes Pre Test Year)			6 Months Post Test Year Projected	Total At Dec-24
			In Service Date	Actual	Spending Projected	Total		
37600	Springfield Ave and Kenilworth-Mains	DIMP-LD	Dec-24	\$ 540,842	\$ 4,285,322	\$ 4,826,164	\$ 10,366,480	\$ 15,192,644
38000	Springfield Ave and Kenilworth-Services	DIMP-LD	Dec-24	\$ -	\$ 15,485	\$ 15,485	\$ 1,701,068	\$ 1,716,553
37600	DOT-Bridge Replacements	DOT	Dec-24	\$ 11,629	\$ 2,504	\$ 14,133	\$ 994,301	\$ 1,008,434
39100	SJI Server Blade Refresh - Shared	IT	Nov-24	\$ -	\$ 765,709	\$ 765,709	\$ 32,802	\$ 798,511
39100	SJI-TSA SD Major Projects	IT	Dec-24	\$ 468,723	\$ 167,812	\$ 636,535	\$ 250,765	\$ 887,300
37600	Tamarack Rd Area - Byram	Large Strategic	Jul-24	\$ 144,604	\$ 1,813,317	\$ 1,957,921	\$ 506,014	\$ 2,463,935
37600	Forest Lake - Byram	Large Strategic	Dec-24	\$ 56,403	\$ 34,611	\$ 91,014	\$ 4,137,748	\$ 4,228,762
37900	Pennington Gate Station Upgrades -ETG	PRIM	Oct-24	\$ 801,255	\$ 8,102	\$ 809,357	\$ 1,457,173	\$ 2,266,530
37600	S443 WASHINGTON 10 PSIG SYSTEM	PRIM	Dec-24	\$ 314,672	\$ 27,444	\$ 342,116	\$ 3,202,299	\$ 3,544,415
39000	Erie Street M&R Project	Facility	Dec-24	\$ -	\$ 500,000	\$ 500,000	\$ 2,700,000	\$ 3,200,000
37600	IIP 2 Post Test Year Mains	IIP	Jul - Dec 24	\$ -	\$ -	\$ -	\$ 29,125,556	\$ 29,125,556
38000	IIP 2 Post Test Year Services	IIP	Jul - Dec 24	\$ -	\$ -	\$ -	\$ 19,417,037	\$ 19,417,037
Totals				\$ 2,338,128	\$ 7,620,306	\$ 9,958,434	\$ 73,891,243	\$ 83,849,677

Notes:

- 1) PTY IIP 2 is based on projected CWIP spending with a 60% Mains 40% Services split and lagged a month as a proxy for In-Service amounts in the PTY.
- 2) The IP 2 amounts in this filing's Post Test Year that will be removed if the Company's IIP 2 filing made on December 11, 2023 is approved prior to the Board's approval of this case. If not, then the IIP 2 amounts in this case identified in Settlement from July 2024 through December 2025 will be excluded from IIP 2 when approved.

9+3 UPDATE

Schedules

Of

John L. Houseman

ELIZABETHTOWN GAS COMPANY
PRO FORMA ADJUSTMENTS TO JUNE 30, 2024 OPERATING INCOME AND RATE BASE
DEPRECIATION EXPENSE AND ACCUMULATED DEPRECIATION

Line No.	Utility Plant in Service	Depreciation Expense (Proposed Rates)
1	<u>Depreciation Expense:</u>	
2	\$2,400,019,477	\$69,092,497
3		\$70,404,902
4		(\$1,312,405)
5	\$141,445,404	\$3,952,122
6	<u>\$2,541,464,881</u>	<u>\$2,639,717</u>
7		
8	<u>Accumulated Depreciation & Amortization Balance at Current Rates</u>	
9		(\$399,511,316)
10		(\$90,000,017) (1)
11		(\$489,511,333)
12		
13	<u>Accumulated Depreciation Test Year Adjustments per 3 Months of Projections</u>	
14		(\$17,601,226)
15		\$3,999,999 (2)
16		\$9,920,700
17		\$0
18		<u>(\$493,191,860)</u>
19		
20	<u>Accumulated Depreciation Changes plus 6 Months of Post Test Year Adjustments:</u>	
21		(\$1,976,061)
22		(\$34,546,249)
23		\$7,999,998 (3)
24		\$19,841,400
25		\$0
26		<u>(\$501,872,772)</u>

Notes:

2019 rate case in Docket No. GR19040486 in Order dated 11/13/19 effective 11/15/19 having a 10 Year Amortization:

Start Date and as of Dates:	Months	Monthly Amort.	Adj. & Balances
11/15/2019	120	\$1,333,333	(\$160,000,000)
3/31/2024	52.5	\$1,333,333	\$69,999,983
(1) Acquisition Adjustment Balance as of 3/31/2024			(\$90,000,017)
<u>Balance Reductions Test Year and Post Test Year ending:</u>			
(2) 6/30/2024	3.0	\$1,333,333	\$3,999,999
(3) 12/30/2024	6.0	\$1,333,333	\$7,999,998
Acquisition Adjustment Balance as of 12/30/2024			<u>(\$78,000,020)</u>

**ELIZABETHTOWN GAS COMPANY
CALCULATION OF ADJUSTED TEST YEAR
DEFERRED FEDERAL INCOME TAX (DFIT) INCLUDED IN RATE BASE**

<u>Line No.</u>	<u>POST TEST YEAR ADDITIONS</u>	<u>ADDED TAX DEPRECIATION</u>	<u>DFIT IN RATE BASE</u>
1			(116,416,290)
2	<u>Adjustments to DFIT Through 12/30/2024:</u>		
3	34,546,249		
4	1,976,061		
5	36,522,310		
6	(63,353,462)		
7		(26,831,152)	
8	21%		(5,634,542)
9	2,414,804	21%	507,109
10	<u>Adjusted DFIT Rate Base Balance 12/30/2024:</u>		<u>(121,543,723)</u>

**ELIZABETHTOWN GAS COMPANY
CALCULATION OF ADJUSTED TEST YEAR
DEFERRED NJ CORPORATE BUSINESS TAX (CBT) INCLUDED IN RATE BASE**

<u>Line No.</u>	<u>POST TEST YEAR ADDITIONS</u>	<u>ADDED TAX DEPRECIATION</u>	<u>DCBT IN RATE BASE</u>
1	DCBT Rate Base Balance 6/30/2024		(54,827,138)
2	<u>Adjustments to DCBT Through 12/30/2024:</u>		
3	Test Year Book Depreciation at Proposed Rates	34,546,249	
4	Post Test Year Book Depreciation at Proposed Rates	<u>1,976,061</u>	
5	Sum of Test and Post Test Year Book Depreciation	36,522,310	
6	Tax Depreciation-Federal	<u>(63,353,462)</u>	
7	Federal Tax Depreciation Over Book		(26,831,152)
8	Pro Forma Adjustment - Deferred NJ CBT @	9.00%	<u>(2,414,804)</u>
9	<u>Adjusted DCBT Rate Base Balance 12/30/2024:</u>		<u><u>(57,241,942)</u></u>

**ELIZABETHTOWN GAS COMPANY
PRO FORMA ADJUSTMENTS TO JUNE 30, 2024 OPERATING INCOME**

INCOME TAXES - INTEREST SYNCHRONIZATION

Line No.

1	Annualized Rate Base Interest Expense:		
2	Adjusted Rate Base	\$1,860,003,924	
3	Total Weighted Cost of Long Term Debt	2.18%	\$40,548,086
4	CIC Rate Credit Adjustment *		(\$6,429,099)
5	Adjusted Annualized Rate Base Interest Expense		\$34,118,987
6	Less: 70100 Test Year Interest Expense		\$48,680,532
7	70100 - Removal of Debt Issuance Cost Amort. **	(\$724,140)	
8	70100 - Add Back Pre IIF Acq. Debt Issuance Cost Amort. **	\$319,452	(\$404,688)
9	Interest Expense Higher / (Lower) (L3-L4)		(\$14,156,857)
10	Income Tax Rate		28.11%
11	Income Tax Expense (Increase) due to Lower Interest Expense		(\$3,979,493)

* per clause 35(ii) of the Board's Order in BPU Docket No. GM22040270

**ELIZABETHTOWN GAS COMPANY
PRO FORMA ADJUSTMENTS TO RATE BASE
PENSION AND OPEB REGULATORY ASSETS**

<u>Line No.</u>		
1	Pension and OPEB as of 3/31/2024	\$22,058,540
2	Adjusted for amortization expense and net periodic benefit costs	<u>(\$812,157)</u>
3	Projected / Actual Pension and OPEB as of 6/30/2024	\$21,246,383
4	Adjusted for amortization expense and net periodic benefit costs	<u>(\$1,624,314)</u>
5	Projected Pension and OPEB as of 12/30/2024	\$19,622,069