



One South Jersey Place
Atlantic City, NJ 08401

T: 609 561-9000 x4262

ddirocco@sjindustries.com

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

July 16, 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 to Review Its Periodic Basic Gas Supply Service Rate and Conservation Incentive Program Rates For The Year Ended September 30, 2025
BPU Docket No. GR24060371**

Dear Secretary Golden:

With regard to the above-referenced matter, enclosed is the submission of Elizabethtown Gas Company's Conservation Incentive Program 12&0 Update Schedules for the year ended June 30, 2024.

In accordance with the New Jersey Board of Public Utilities ("BPU") March 19, 2020 and June 10, 2020 Orders issued in BPU Docket No. EO20030254, hard copies are not being submitted at this time, but can be provided later, if needed.

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

Respectfully submitted,

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

Dominick DiRocco

Enclosures
cc: Service List (electronically)

**IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY
TO REVIEW ITS PERIODIC BASIC GAS SUPPLY SERVICE RATE AND
CONSERVATION INCENTIVE PROGRAM RATES FOR THE YEAR ENDED
SEPTEMBER 30, 2025
BPU DOCKET NO. GR24060371**

SERVICE LIST

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

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

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

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

Stacy Peterson
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton, NJ 08625-0350
Stacy.Peterson@bpu.nj.gov

Michael Hunter
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton, NJ 08625-0350
Michael.Hunter@bpu.nj.gov

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

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

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

Gary Akmentins
Elizabethtown Gas Company
One South Jersey Place
Atlantic City, NJ 08401
gakmentins@sjindustries.com

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

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

Cindy Bianco
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton, NJ 08625-0350
Cindy.Bianco@bpu.nj.gov

Kyle Felton
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton, NJ 08625-0350
Kyle.Felton@bpu.nj.gov

Andrew Gold, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
agold@rpa.nj.gov

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

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

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

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

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

Jacqueline Galka
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton, NJ 08625-0350
Jacqueline.Galka@bpu.nj.gov

Heather Weisband
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton, NJ 08625-0350
Heather.Weisband@bpu.nj.gov

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

Mamie W. Purnell, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
mpurnell@rpa.nj.gov

**IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY
TO REVIEW ITS PERIODIC BASIC GAS SUPPLY SERVICE RATE AND
CONSERVATION INCENTIVE PROGRAM RATES FOR THE YEAR ENDED
SEPTEMBER 30, 2025
BPU DOCKET NO. GR24060371**

SERVICE LIST

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

ELIZABETHTOWN GAS COMPANY
Conservation Incentive Program ("CIP")

CIP Schedule TK-1
12+0

Calculation of the CIP Rates

	RDS-NH	RDS-H	SGS	GDS	Total
1 Non-Weather:					
Current Period - Margin Revenue Excess / (Deficiency), (TK-2)	(\$622,799)	(\$2,319,485)	\$1,074,507	\$5,367,448	\$3,499,671
Prior Year Non-Weather Test Deferral Carry Forward, if applicable	\$0	\$0	\$0	\$0	\$0
Current Period - Margin Revenue Excess / (Deficiency), (TK-2)	(\$622,799)	(\$2,319,485)	\$1,074,507	\$5,367,448	\$3,499,671
Greater of the BGSS or Variable Test Deferral, if applicable (TK-4 or TK-5)	\$0	\$0	\$0	\$0	\$0
Total Non-Weather	(\$622,799)	(\$2,319,485)	\$1,074,507	\$5,367,448	\$3,499,671
2 Weather: Current Period - Margin Revenue Excess / (Deficiency), (TK-2)	(\$465,174)	(\$15,269,829)	(\$1,173,047)	(\$3,316,890)	(\$20,224,940)
3 Total Current Year Weather and Non-Weather, pre ROE disallowance if any (L1+L2)	(\$1,087,973)	(\$17,589,314)	(\$98,540)	\$2,050,558	(\$16,725,269)
4 Current Year ROE Earnings Test Disallowance, if applicable (TK-6)	\$0	\$0	\$0	\$0	\$0
5 Current Year Total (L3+L4)	(\$1,087,973)	(\$17,589,314)	(\$98,540)	\$2,050,558	(\$16,725,269)
6 Prior Year Recovery / (Refund) Results:					
Prior Period - True-Up Balance, Excess / (Deficient), (TK-2)	(\$126,835)	(\$19,687,989)	(\$468,793)	\$864,137	(\$19,419,480)
Current Period Recovered / (Refunded), (TK-2)	\$73,048	\$14,034,371	\$155,049	(\$659,463)	\$13,603,005
Prior Year Excess / (Deficiency) Balances Carry Over	(\$53,787)	(\$5,653,618)	(\$313,744)	\$204,674	(\$5,816,475)
7 Total CIP Revenue Excess / (Deficiency) Balance (L5+L6)	(\$1,141,760)	(\$23,242,932)	(\$412,284)	\$2,255,232	(\$22,541,744)
8 Projected Normalized Sales and Services (Forecast Sch. TK-1 CIP)	7,588,760	253,868,382	25,889,456	125,985,328	therms
9 CIP Charge - Recoverable / (Credit - Refundable) Rate, before tax $\frac{\text{rate sign multiplier}}{(L7/L8)*-1}$	\$0.1505	\$0.0916	\$0.0159	(\$0.0179)	/therm
10 Plus Sales Tax	6.625%	\$0.0100	\$0.0061	\$0.0011	(\$0.0012)
11 CIP Charge - Recoverable / (Credit - Refundable) Rate (L9+L10)	\$0.1605	\$0.0977	\$0.0170	(\$0.0191)	/therm
Allocations for Partial Disallowances Goes to those with Deficiencies					
BGSS or Variable Test Deferral Allocation %'s, if a Deficiency above	(\$622,799)	(\$2,319,485)	\$0	\$0	(\$2,942,284)
BGSS or Variable Test Deferral Allocation %'s, if applicable	21.16720%	78.83280%	0.00000%	0.00000%	
ROE Earnings Test Disallowance Allocation %'s, if a Deficiency above	(\$1,087,973)	(\$17,589,314)	(\$98,540)	\$0	(\$18,775,827)
ROE Earnings Test Disallowance Allocation %'s, For Deficiencies applicable	5.79454%	93.68064%	0.52482%	0.00000%	
WNC 2021-2022 Roll-In %'s	2.3%	75.5%	5.8%	16.4%	100.0%

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

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

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

a	Actual	Actual	Actual	Base Use	Therm	Pre-Tax	Total	Break Out of Total Margin:		Current	True-Up
	Accounting	Customer	Therms	Per Cust.	Excess/	Margin	Margin	TK-3 Weather	Non-Weather	Period	Balance
	Therms	Count	Per Cust.	(BUC)	(Deficiency)	& IIP Rates	(Deficiency)	Excess /	Excess /	(Refund) *	Excess/
	b	c	d=b/c	e	f=d-e	g=c*f	h=c*f*g	i	j=h-i		m=prior+h+i
<u>Beginning Balance >>></u>							0				(\$126,835)
Jul-23	251,562	34,536	7.3	9.2	(1.9)	\$0.5618	(\$36,864)		(\$36,864)	\$3,796	(\$159,903)
Aug-23	332,928	30,561	10.9	8.4	2.5	\$0.5618	\$42,923		\$42,923	\$3,469	(\$113,511)
Sep-23	203,655	30,558	6.7	9.3	(2.6)	\$0.5618	(\$44,635)		(\$44,635)	\$2,561	(\$155,585)
Oct-23	300,627	30,572	9.8	14.0	(4.2)	\$0.5766	(\$74,037)	(\$34,058)	(\$39,979)	\$3,079	(\$226,543)
Nov-23	550,885	30,550	18.0	25.1	(7.1)	\$0.5766	(\$125,067)	\$17,507	(\$142,574)	\$4,778	(\$346,832)
Dec-23	640,167	30,697	20.9	32.8	(11.9)	\$0.5766	(\$210,629)	(\$150,726)	(\$59,903)	\$7,852	(\$549,609)
Jan-24	803,400	30,682	26.2	41.0	(14.8)	\$0.5766	(\$261,830)	(\$105,367)	(\$156,463)	\$10,790	(\$800,649)
Feb-24	690,888	30,672	22.5	35.6	(13.1)	\$0.5766	(\$231,680)	(\$102,077)	(\$129,603)	\$11,225	(\$1,021,104)
Mar-24	557,746	30,648	18.2	21.6	(3.4)	\$0.5766	(\$60,084)	(\$127,677)	\$67,593	\$8,981	(\$1,072,207)
Apr-24	430,996	30,606	14.1	13.5	0.6	\$0.5766	\$10,588	(\$15,329)	\$25,917	\$7,825	(\$1,053,794)
May-24	288,969	30,511	9.5	11.8	(2.3)	\$0.5766	(\$40,463)	\$52,553	(\$93,016)	\$5,097	(\$1,089,160)
Jun-24	228,723	30,456	7.5	10.7	(3.2)	\$0.5766	(\$56,195)		(\$56,195)	\$3,595	(\$1,141,760)
Total	<u>5,280,546</u>		<u>171.6</u>	<u>233.0</u>	<u>(61.4)</u>		<u>(\$1,087,973)</u>	<u>(\$465,174)</u>	<u>(\$622,799)</u>	<u>\$73,048</u>	<u>(\$1,141,760)</u>

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

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

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

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

	Actual Accounting Therms	Actual Customer Count	Actual Therms Per Cust.	Base Use Per Cust. (BUC)	Therm Excess/ (Deficiency)	Pre-Tax Margin Distribution & IIP Rates	Total Margin Excess/ (Deficiency)	Break Out of Total Margin:		Current Period Recovery (Refund) *	m=prior+h+l True-Up Balance Excess/ (Deficiency)
a	b	c	d=b/c	e	f=d-e	g=c*f	h=c*f*g	i	j=h-i	l	m=prior+h+l
								TK-3 Weather Excess / (Deficiency)	Non-Weather Excess / (Deficiency)		
Beginning Balance >>>							0				(\$19,687,989)
Jul-23	4,558,876	254,733	17.9	19.8	(1.9)	\$0.5618	(\$271,907)		(\$271,907)	\$68,719	(\$19,891,177)
Aug-23	6,069,323	258,959	23.4	18.6	4.8	\$0.5618	\$698,319		\$698,319	\$58,477	(\$19,134,381)
Sep-23	5,396,720	259,243	20.8	22.0	(1.2)	\$0.5618	(\$174,771)		(\$174,771)	\$61,574	(\$19,247,578)
Oct-23	10,620,656	259,869	40.9	45.2	(4.3)	\$0.5766	(\$644,314)	(\$1,117,991)	\$473,677	\$87,667	(\$19,804,225)
Nov-23	28,634,680	260,295	110.0	109.9	0.1	\$0.5766	\$15,009	\$574,698	(\$559,689)	\$206,118	(\$19,583,098)
Dec-23	32,346,289	260,798	124.0	161.7	(37.7)	\$0.5766	(\$5,669,180)	(\$4,947,760)	(\$721,420)	\$1,177,193	(\$24,075,085)
Jan-24	44,619,652	261,131	170.9	193.3	(22.4)	\$0.5766	(\$3,372,726)	(\$3,458,780)	\$86,054	\$3,092,874	(\$24,354,937)
Feb-24	35,593,576	261,369	136.2	158.1	(21.9)	\$0.5766	(\$3,300,448)	(\$3,350,794)	\$50,346	\$3,275,298	(\$24,380,087)
Mar-24	26,617,550	261,462	101.8	127.7	(25.9)	\$0.5766	(\$3,904,658)	(\$4,191,133)	\$286,475	\$2,454,248	(\$25,830,497)
Apr-24	17,081,757	261,378	65.4	63.6	1.8	\$0.5766	\$271,279	(\$503,189)	\$774,468	\$1,985,236	(\$23,573,982)
May-24	7,694,827	261,487	29.4	31.8	(2.4)	\$0.5766	(\$361,856)	\$1,725,120	(\$2,086,976)	\$1,039,837	(\$22,896,001)
Jun-24	4,347,849	261,360	16.6	22.4	(5.8)	\$0.5766	(\$874,061)		(\$874,061)	\$527,130	(\$23,242,932)
Total	<u>223,581,755</u>		<u>857.3</u>	<u>974.1</u>	<u>(116.8)</u>		<u>(\$17,589,314)</u>	<u>(\$15,269,829)</u>	<u>(\$2,319,485)</u>	<u>\$14,034,371</u>	<u>(\$23,242,932)</u>

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

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

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

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

a	Actual	Actual	Actual	Base Use	Therm	Pre-Tax	Total	Break Out of Total Margin:		Current	True-Up	
	Accounting	Customer	Therms	Per Cust.	Excess/	Margin	Margin	TK-3 Weather	Non-Weather			Period
	Therms	Count	Per Cust.	(BUC)	(Deficiency)	& IIP Rates	(Deficiency)	Excess /	Excess /	Recovery	Excess/	
	b	c	d=b/c	e	f=d-e	g=c*f	h=c*f*g	i	j=h-i	l	m=prior+h+l	
										(Refund) *	(Deficiency)	
Beginning Balance >>>												(\$468,793)
Jul-23	422,382	17,309	24.4	23.8	0.6	\$0.4441	\$4,612		\$4,612	(\$15,723)	(\$479,904)	
Aug-23	662,200	17,266	38.4	23.9	14.5	\$0.4441	\$111,184		\$111,184	(\$14,901)	(\$383,621)	
Sep-23	525,261	17,297	30.4	23.9	6.5	\$0.4441	\$49,930		\$49,930	(\$15,044)	(\$348,735)	
Oct-23	1,064,214	17,359	61.3	60.5	0.8	\$0.4593	\$6,378	(\$85,885)	\$92,263	(\$23,430)	(\$365,787)	
Nov-23	2,877,102	17,464	164.7	122.9	41.8	\$0.4593	\$335,287	\$44,149	\$291,138	(\$50,552)	(\$81,052)	
Dec-23	3,893,312	17,575	221.5	230.0	(8.5)	\$0.4593	(\$68,614)	(\$380,093)	\$311,479	(\$33,382)	(\$183,048)	
Jan-24	5,079,108	17,631	288.1	304.4	(16.3)	\$0.4593	(\$131,996)	(\$265,708)	\$133,712	\$83,824	(\$231,220)	
Feb-24	4,113,950	17,627	233.4	270.5	(37.1)	\$0.4593	(\$300,365)	(\$257,412)	(\$42,953)	\$87,197	(\$444,388)	
Mar-24	2,891,376	17,622	164.1	176.7	(12.6)	\$0.4593	(\$101,982)	(\$321,968)	\$219,986	\$62,515	(\$483,855)	
Apr-24	1,612,568	17,548	91.9	84.9	7.0	\$0.4593	\$56,419	(\$38,656)	\$95,075	\$46,885	(\$380,551)	
May-24	543,374	17,428	31.2	28.5	2.7	\$0.4593	\$21,613	\$132,526	(\$110,913)	\$20,438	(\$338,500)	
Jun-24	231,007	17,291	13.4	23.6	(10.2)	\$0.4593	(\$81,006)		(\$81,006)	\$7,222	(\$412,284)	
Total	23,915,854		1,362.8	1,373.6	(10.8)		(\$98,540)	(\$1,173,047)	\$1,074,507	\$155,049	(\$412,284)	

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

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

a	Actual	Actual	Actual	Base Use	Therm	Pre-Tax	Total	Break Out of Total Margin:		Current	True-Up
	Accounting	Customer	Therms	Per Cust.	Excess/	Margin	Margin	TK-3 Weather	Non-Weather		
	Therms	Count	Per Cust.	(BUC)	(Deficiency)	& IIP Rates	(Deficiency)	Excess /	Excess /	Recovery	Excess/
	b	c	d=b/c	e	f=d-e	g=c*f	h=c*f*g	i	j=h-i	l	m=prior+h+l
										(Refund) *	(Deficiency)
Beginning Balance >>>											\$864,137
Jul-23	3,181,459	6,288	506.0	511.0	(5.0)	\$0.2834	(\$8,910)		(\$8,910)	(\$6,056)	\$849,171
Aug-23	3,980,090	6,283	633.5	512.3	121.2	\$0.2834	\$215,809		\$215,809	(\$5,921)	\$1,059,059
Sep-23	3,824,976	6,293	607.8	512.7	95.1	\$0.2834	\$169,605		\$169,605	(\$6,201)	\$1,222,463
Oct-23	6,353,211	6,319	1,005.4	980.5	24.9	\$0.2973	\$46,778	(\$242,848)	\$289,626	(\$8,848)	\$1,260,393
Nov-23	13,402,390	6,349	2,110.9	1,767.1	343.8	\$0.2973	\$648,942	\$124,835	\$524,107	(\$18,883)	\$1,890,452
Dec-23	15,570,213	6,392	2,435.9	2,524.8	(88.9)	\$0.2973	(\$168,940)	(\$1,074,745)	\$905,805	(\$77,523)	\$1,643,989
Jan-24	20,339,704	6,418	3,169.2	3,109.8	59.4	\$0.2973	\$113,339	(\$751,311)	\$864,650	(\$137,383)	\$1,619,945
Feb-24	17,359,657	6,465	2,685.2	2,804.6	(119.4)	\$0.2973	(\$229,492)	(\$727,855)	\$498,363	(\$135,587)	\$1,254,866
Mar-24	13,494,301	6,474	2,084.4	2,048.1	36.3	\$0.2973	\$69,867	(\$910,392)	\$980,259	(\$104,533)	\$1,220,200
Apr-24	9,039,673	6,461	1,399.1	1,075.1	324.0	\$0.2973	\$622,357	(\$109,302)	\$731,659	(\$81,771)	\$1,760,786
May-24	4,891,349	6,463	756.8	508.6	248.2	\$0.2973	\$476,904	\$374,728	\$102,176	(\$45,787)	\$2,191,903
Jun-24	3,971,557	6,513	609.8	561.1	48.7	\$0.2973	\$94,299		\$94,299	(\$30,970)	\$2,255,232
Total	115,408,580		18,004.0	16,915.7	1,088.3		\$2,050,558	(\$3,316,890)	\$5,367,448	(\$659,463)	\$2,255,232

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

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

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

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

Month	Actual	Normal ^(a)	% (Warmer)		Season %	Degree Day Deadband		Degree Day	Variance in Therms	Margin Revenue	Margin Revenue	Allocation - per 2021 Rate Case, Distribution Rate Revenues May - October.			
	Calendar Degree	Calendar Degree	/ Colder	/ Colder	/ Colder	Day	Days	Consumption		Excess /	Factor ^(c)	Revenue	RDS-NH	RDS-H	SGS
	Days	Days	Normal	Normal	Normal	Deadband *	After	Factor ^(b)		(Deficiency)		2.3%	75.5%	5.8%	16.4%
Oct-23	163	212	(49)	(23.1%)	(23.1%)	0	(49)	63,381	(3,105,669)	\$0.4768	(\$1,480,783)	(\$34,058)	(\$1,117,991)	(\$85,885)	(\$242,848)
Nov	540	516	24	4.7%	(3.4%)	0	24	66,519	1,596,456	\$0.4768	\$761,190	\$17,507	\$574,698	\$44,149	\$124,835
Dec	633	818	(185)	(22.6%)	(13.6%)	0	(185)	74,294	(13,744,390)	\$0.4768	(\$6,553,325)	(\$150,726)	(\$4,947,760)	(\$380,093)	(\$1,074,745)
Jan-24	860	992	(132)	(13.3%)	(13.5%)	0	(132)	72,789	(9,608,148)	\$0.4768	(\$4,581,165)	(\$105,367)	(\$3,458,780)	(\$265,708)	(\$751,311)
Feb	726	860	(134)	(15.6%)	(14.0%)	0	(134)	69,464	(9,308,176)	\$0.4768	(\$4,438,138)	(\$102,077)	(\$3,350,794)	(\$257,412)	(\$727,855)
Mar	520	693	(173)	(25.0%)	(15.9%)	0	(173)	67,298	(11,642,554)	\$0.4768	(\$5,551,170)	(\$127,677)	(\$4,191,133)	(\$321,968)	(\$910,392)
Apr	316	340	(24)	(7.1%)	(15.2%)	0	(24)	58,242	(1,397,808)	\$0.4768	(\$666,475)	(\$15,329)	(\$503,189)	(\$38,656)	(\$109,302)
May	88	52	36	69.2%	(14.2%)	0	36	133,117	4,792,212	\$0.4768	\$2,284,927	<u>\$52,553</u>	<u>\$1,725,120</u>	<u>\$132,526</u>	<u>\$374,728</u>
Total	3,846	4,483	(637)			0	(637)		<u>(42,418,077)</u>		<u>(\$20,224,939)</u>	(\$465,174)	(\$15,269,829)	(\$1,173,047)	(\$3,316,890)

(a) Degree Days as set forth in Tariff.

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

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

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

ELIZABETHTOWN GAS COMPANY
Weather Normalization Therms per HDD for CIP use

Development of the Normalized Degree Day Consumption Usage Factor
October 2024 through May 2025

<u>Month</u>	<u>Normalized Projected Heat Load (1) (therms)</u>	<u>Base Number of Customers (2)</u>	<u>Therms Per Customer</u>	<u>Number of Customers (3)</u>	<u>Annualized Projected Heat Load (therms)</u>	<u>Normal HDDs (4)</u>	<u>Annualized Consumption Therms Per HDD</u>
<u>a</u>	<u>b</u>	<u>c</u>	<u>d=b/c</u>	<u>e</u>	<u>f=d*e</u>	<u>g</u>	<u>h=f/g</u>
Oct-24	12,586,818	293,159	42.93512	315,889	13,562,732	212	63,975
Nov	32,226,642	293,834	109.67635	315,889	34,645,553	516	67,143
Dec	57,214,418	294,633	194.18876	315,889	61,342,093	818	74,990
Jan-25	68,077,503	295,059	230.72505	315,889	72,883,505	992	73,471
Feb	56,372,689	295,322	190.88550	315,889	60,298,630	834	72,301
Mar	44,032,417	295,477	149.02147	315,889	47,074,243	693	67,928
Apr	18,674,159	295,126	63.27521	315,889	19,987,943	340	58,788
May	6,513,470	294,483	22.11832	315,889	6,986,934	52	134,364
						<u>4,457</u>	

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

ELIZABETHTOWN GAS COMPANY
Conservation Incentive Program ("CIP")

CIP Schedule TK-4
12+0

BGSS Savings Test
Applicable to Non-Weather Margin Revenue Deficiencies

	<u>Total</u>
Source Schedule LJW-18 * -1	
Category 1 BGSS Savings permanent releases	(\$2,188,818)
Category 2 BGSS Savings terminations and long term releases	(\$3,965,712)
Total BGSS Savings	<u>(\$6,154,530)</u>
Non-Weather: Current Period - Margin Revenue Excess / (Deficiency), (TK-1)	\$3,499,671
BGSS Saving per 75% Factor:	<u>75%</u>
Current Period - Margin Revenue Excess / (Deficiency), (TK-2)	<u>\$2,624,753</u>
BGSS Savings Test Disallowance, applicable for Deficiency Only Grossed up by % Factor	<u><u>\$0</u></u>

ELIZABETHTOWN GAS COMPANY
Conservation Incentive Program ("CIP")

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

	RDS-NH	RDS-H	SGS	GDS	Total
<u>Variable Margins: customer count *Tariff BUC * pre-tax margin rates:</u>					
Jul-23	\$178,501	\$2,833,558	\$182,949	\$910,612	\$4,105,620
Aug-23	\$144,221	\$2,705,987	\$183,261	\$912,203	\$3,945,672
Sep-23	\$159,658	\$3,204,140	\$183,590	\$914,368	\$4,461,756
Oct-23	\$246,789	\$6,772,789	\$482,366	\$1,842,005	\$9,343,949
Nov-23	\$442,140	\$16,494,462	\$985,807	\$3,335,503	\$21,257,912
Dec-23	\$580,556	\$24,315,820	\$1,856,605	\$4,797,982	\$31,550,963
Jan-24	\$725,341	\$29,104,820	\$2,465,006	\$5,933,720	\$38,228,887
Feb-24	\$629,603	\$23,826,518	\$2,189,990	\$5,390,566	\$32,036,677
Mar-24	\$381,707	\$19,251,923	\$1,430,172	\$3,942,019	\$25,005,821
Apr-24	\$238,240	\$9,585,191	\$684,277	\$2,065,112	\$12,572,820
May-24	\$207,593	\$4,794,594	\$228,133	\$977,249	\$6,207,569
Jun-24	\$187,902	\$3,375,684	\$187,425	\$1,086,466	\$4,837,477
Total	<u>\$4,122,251</u>	<u>\$146,265,486</u>	<u>\$11,059,581</u>	<u>\$32,107,805</u>	<u>\$193,555,123</u>
Deferral Allocation %'s, if any	2.1%	75.6%	5.7%	16.6%	
Margin Revenue Test Variable, Percentage Cap:					<u>(6.50%)</u>
Margin Revenue Test Recovery Cap, on Non-Weather CIP Deficiency					<u>(\$12,581,083)</u>
Non-Weather: Current Period - Margin Revenue (Deficiency Only), (TK-1)					<u>\$0</u>
Margin Revenue Test Deferral, if applicable deferred for future recovery.					<u>\$0</u>
Allocation of Variable Test Deferral to a future Period, if any:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

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

July-23 Actual
 Through June-24

1 <u>Regulated Jurisdictional Net Income Excess / (Deficiency):</u>			
Net Income (including Booked CIP margin revenue, net of tax)			\$52,081,118
less: non-recurring items, income / (loss) net of tax (1)			\$0
add-back: CIP Booked Accrual for Margin Revenue per (Deficiency) net of tax			<u>(\$12,023,796)</u>
Net Income after adjustments			\$40,057,322
2 Less:			
Non-firm Sales & Transportation margins, net of tax			\$111,469
Off-system Sales & Capacity Release, net of tax			\$490,457
Energy Efficiency Program margins, net of tax			<u>\$3,626,206</u>
			\$4,228,132
3 Regulated Jurisdictional Net Income			\$35,829,190
4 Equity Balances, per rate case methodology:			
	<u>June-23</u>	<u>June-24</u>	<u>Average</u>
Rate Base	\$1,623,821,895	\$1,818,873,251	\$1,721,347,573
Equity %			<u>52.00%</u>
Average Equity			<u>\$895,100,738</u>
5 Rate Case Return on Equity plus 50 basis points		9.60%	<u>10.10%</u>
6 Allowed Return (L4*L5)			<u>\$90,405,175</u>
7 Regulated Jurisdictional Net Income Excess / (Deficiency) (L3-L6)			<u>(\$54,575,985)</u>
<u>Net Booked CIP Margin Revenue (Deficiency):</u>			
8 Total of RDS, SGS & GDS Margin Revenues			(\$16,725,269)
9 Less: Corporate Business Tax		9.0%	(\$1,505,274)
10 Federal Income Tax		21.0%	<u>(\$3,196,199)</u>
11 Net CIP Margin Revenue (Deficiency) (L8-L9-L10)			<u>(\$12,023,796)</u>
<u>Revenue Disallowance:</u>			
12 Net Income Disallowance, (L7-L11) (Occurs when a Deficiency on L11 exceeds a Deficiency on L7.)			\$0
13 Tax Gross Up Factor			28.11%
14 Grossed Up Net Income Disallowance, (L12/(1-L13))			<u>\$0</u>
15 CIP Revenue Disallowance, (smaller of absolute (L8 and L14))			<u>\$0</u>

(1) no adjustments.

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

<u>Line No.</u>	<u>June-23</u>	<u>12+0 June-24</u>	
1	Utility Plant In Service	\$2,251,011,915	\$2,506,307,956
2	Accumulated Depreciation, Utility Retirement WIP	(\$372,575,759)	(\$408,139,831)
3	Acquisition Adjustment	(\$160,000,000)	(\$160,000,000)
4	Amortization of Acquisition Adjustment	\$57,999,986	\$73,999,982
5	Net Utility Plant	\$1,776,436,142	\$2,012,168,107
6			
7	Pension/OPEB	\$26,001,118	\$21,246,383
8	Cash Working Capital ⁽¹⁾	\$28,234,763	\$28,234,763
9	Inventories ⁽²⁾		
10	Natural Gas Stored Underground and LNG	\$28,353,898	\$10,666,780
11	Materials & Supplies incl. Fleet Fuel and Propane Inv.	\$436,597	\$436,453
12	Customer Deposits ⁽²⁾	(\$4,866,520)	(\$4,967,643)
13	Customer Advances ⁽²⁾	(\$1,731,424)	(\$1,667,035)
14	Deferred Income Taxes:		
15	Excess Protected ADIT	(\$77,075,837)	(\$75,581,450)
16	Federal Income Tax	(\$103,311,502)	(\$116,701,598)
17	NJ CBT	(\$48,655,340)	(\$54,961,509)
18	Consolidated Tax Adjustment ⁽¹⁾	\$0	\$0
19			
20	Total Rate Base	\$1,623,821,895	\$1,818,873,251

⁽¹⁾ June 2023 and June 2024 equal the approved level in Docket No. GR21121254

⁽²⁾ Represents thirteen month averages of account balances