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

July 31, 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 (1) Revise the Clean Energy Program Component of its Societal Benefits Charge Rate and (2) Revise Its On-System Margin Sharing Credit
BPU Docket No. _____**

Dear Secretary Golden:

Enclosed herewith is Elizabethtown Gas Company's Petition To (1) Revise the Clean Energy Program Component of its Societal Benefits Charge Rate; and (2) Revise Its On-System Margin Sharing Credit, which has been filed electronically today utilizing the Board's e-filing Program. 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.

Please do not hesitate to contact me with any questions you may have. Thank you for your attention to this matter.

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 (1) REVISE THE CLEAN ENERGY PROGRAM COMPONENT OF ITS SOCIETAL BENEFITS
CHARGE RATE AND (2) REVISE ITS ON-SYSTEM MARGIN SHARING CREDIT
BPU DOCKET NO. _____**

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

IN THE MATTER OF THE PETITION OF :
ELIZABETHTOWN GAS COMPANY :
TO (1) REVISE THE CLEAN ENERGY : **BPU DOCKET NO. _____**
PROGRAM COMPONENT OF ITS :
SOCIETAL BENEFITS CHARGE RATE AND :
(2) REVISE ITS ON-SYSTEM MARGIN :
SHARING CREDIT :

CASE SUMMARY, VERIFIED PETITION, TESTIMONY AND SCHEDULES

July 31, 2024

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

-----X
In The Matter Of The Petition Of Elizabethtown Gas :
Company To (1) Revise The Clean Energy Program : **Docket No. _____**
Component Of Its Societal Benefits Charge Rate and :
(2) Revise Its On-System Margin Sharing Credit : **CASE SUMMARY**
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This Petition presents the request of Elizabethtown Gas Company (“Petitioner”) that the Board of Public Utilities (“Board” or “BPU”) accept the filing of Petitioner’s revised rates associated with the Clean Energy Program (“CEP”) component of the Societal Benefits Charge (“SBC”) and On-System Margin Sharing Credit (“OSMC”) as noted below, which are inclusive of taxes. The Petition proposes the following per therm rates to be effective on October 1, 2024: a CEP rate of \$0.0312 and an OSMC credit rate of \$0.0026. The proposed rate changes will increase the monthly bill of a residential heating customer using 100 therms by \$0.61 from \$138.93 to \$139.54, an increase of 0.4% based on rates in effect July 1, 2024.

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

-----X
In The Matter Of The Petition Of Elizabethtown Gas Company To (1) Revise The Clean Energy Program Component Of Its Societal Benefits Charge Rate and (2) Revise Its On-System Margin Sharing Credit :
: **Docket No. GR_____**
: **VERIFIED PETITION**
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To The Honorable Board of Public Utilities:

Petitioner, Elizabethtown Gas Company (“Petitioner”), 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 (“BPU” or “Board”), respectfully states:

1. Petitioner’s principal business office is located at 520 Green Lane, Union, New Jersey 07083.

2. 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.

3. The purpose of this filing is to revise the rates associated with Petitioner’s Clean Energy Program (“CEP”) component of the Societal Benefits Charge (“SBC”) and On-System Margin Sharing Credit (“OSMC”), and to reconcile costs and cost recoveries associated with each clause for the periods in which the respective clauses are applicable.

4. Annexed hereto and made a part of this Petition is Exhibit P-1 which Petitioner suggests be marked as indicated. Exhibit P-1 is the testimony and supporting schedules of Thomas Kaufmann, Manager of Rates and Tariffs for Petitioner. The following Schedules, described in Mr. Kaufmann’s testimony, are attached and referred to in Exhibit P-1:

- a. Tariff Schedule TK-1;
- b. Forecast Schedule TK-1;
- c. CEP Schedule TK-1 through TK-5; and
- d. OSMC Schedule TK-1 through TK-4.

Rate and Order Background

5. The current rates in effect for CEP and OSMC were approved on a final basis in Petitioner’s 2023 CEP/OSMC proceeding in BPU Docket No. GR23070476 per Board Order dated January 31, 2024. The following table sets forth the current CEP and OSMC rates and the CEP and OSMC rates proposed in this filing. All rates quoted in this Petition are inclusive of taxes.

	Current	Proposed
CEP	\$0.0270	\$0.0312
OSMC	<u>(\$0.0045)</u>	<u>(\$0.0026)</u>
Total	\$0.0225	\$0.0286

The CEP Component of the SBC Rate

6. Petitioner’s SBC was approved by the Board’s Orders dated March 30, 2001 in BPU Docket No. GX99030121, *et al.*, and November 21, 2001 in Docket No. EX00020091, *et al.* The SBC consists of four components: (1) the CEP component, (2) the Remediation Adjustment Clause (“RAC”) component, (3) the Universal Service Fund (“USF”) component, and (4) the Lifeline component. In this Petition, Petitioner is only addressing the CEP component of the SBC.

7. In accordance with the Board’s Orders in Docket Nos. EX99050347, *et al.* and GX99030121, *et al.*, Petitioner is making this filing to recover prior period costs, the net actual costs incurred to provide Board-approved CEP programs and carrying costs for the period ending June 30, 2024, and projected costs for the period ending June 30, 2025 for a total of \$15,751,896 as shown on CEP Schedule TK-1. As shown on CEP Schedule TK-5, in accordance with the Board’s Order dated June 27, 2024 in BPU Docket No. QO24040223 which established the statewide funding levels for CEP programs for Fiscal Year 2025, Petitioner has been allocated \$14,313,179 of CEP funding responsibility for the twelve months ending June 30, 2025. As noted on this schedule, only the amounts projected to be paid to the Fiscal Agent during the projected CEP period are included on CEP Schedule TK-1. This level of spending, plus certain additional adjustments shown on CEP Schedule TK-1, produces a proposed CEP rate of \$0.0312 per therm.

On-System Margin Sharing Credit

8. In accordance with the mechanisms approved by the Board's Orders in Docket Nos. GT8602131, GM9009049, TC94030057, GR9608574, et. al., GR97070552, et. al., and Docket No. GX99030121, et. al., margins from certain on-system sales and transportation services are shared between firm sales customers, certain firm transportation customers and Petitioner on an 80/20% basis through a credit, the OSMC, to the transportation rates charged to firm sales and Service Classification RDS customers. These sharing amounts, plus certain additional adjustments shown on OSMC Schedule TK-1, produces a proposed OSMC credit rate of \$0.0026 per therm.

Overall Impact

9. The overall impact of Petitioner's proposed CEP and OSMC rates in this proceeding is an increase in the monthly bill of a residential heating customer using 100 therms of \$0.61, from \$138.93 to \$139.54, or an increase of 0.4% as compared to the currently effective rates as of July 1, 2024.

Miscellaneous

10. Petitioner is serving notice and a copy of this Petition, together with a copy of the exhibits and schedules annexed hereto on the Director, New Jersey Division of 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.

11. Similarly, Petitioner is also serving this notice and a copy of this Petition on the Department of Law and Public Safety via electronic mail in lieu of submitting hard copies which can be provided at a later time, if needed.

WHEREFORE, Petitioner respectfully requests that the Board (1) accept Petitioner's filing, (2) allow the proposed CEP and OSMC rates and associated proposals to become effective October 1, 2024, and (3) grant such other relief as the Board may deem just and proper.

Respectfully submitted,



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

Date: July 31, 2024

Communications addressed to the Petitioner
in this case are to be sent to:

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NOTICE OF PUBLIC HEARINGS

**IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY TO (1) REVISE THE CLEAN ENERGY PROGRAM COMPONENT OF ITS SOCIETAL BENEFITS CHARGE RATE AND (2) REVISE ITS ON-SYSTEM MARGIN SHARING CREDIT
BPU Docket No. GR_____**

PLEASE TAKE NOTICE that on July 31, 2024, Elizabethtown Gas Company (“Elizabethtown” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“BPU” or “Board”) in BPU Docket No. GR_____ to revise its Clean Energy Program (“CEP”) component of its Societal Benefit Charge (“SBC”), and its On-System Margin Sharing Credit (“OSMC”) (“Petition”). In the Petition, the Company proposed to establish a CEP rate of \$0.0312 per therm to recover CEP cost responsibility amounting to approximately \$15.8 million, and an OSMC credit rate of \$0.0026 per therm for an adjustment to margin contributions amounting to approximately \$0.9 million, to be effective October 1, 2024. The CEP rate component of the SBC recovers the costs of statewide energy efficiency and renewable energy programs mandated by the Board. The OSMC rate component is designed to flow back to the Company’s firm customers the margins received from on-system sales and transportation services. The proposed rates are subject to BPU approval and may be higher or lower depending on the Board’s final determination and the date on which such rates are made effective by the Board. A comparison of the Company’s current versus proposed rates, all of which are inclusive of taxes, is as follows:

	Current Rates per Therm	Proposed Rates per Therm
CEP	\$0.0270	\$0.0312
OSMC	<u>(\$0.0045)</u>	<u>(\$0.0026)</u>
Total	\$0.0225	\$0.0286

If approved, the combined effect of the Company's Petition on the monthly bill of a residential heating customer using 100 therms on a monthly basis as compared to rates in effect as of July 1, 2024 is illustrated below:

<u>Consumption in Therms</u>	<u>Present Monthly Bill July 1, 2024</u>	<u>Proposed Monthly Bill</u>	<u>Proposed Monthly Increase</u>	<u>Percent Change</u>
100	\$138.93	\$139.54	\$0.61	0.4%

The Board has the statutory authority to establish Elizabethtown’s rates at levels it finds just and reasonable as well as to establish the effective date of such rates. Therefore, the BPU may establish the rates at levels and/or an effective date other than those proposed by Elizabethtown.

PLEASE TAKE FURTHER NOTICE that virtual public hearings will be held on following date and times so that members of the public may present their views on the Petition:

VIRTUAL PUBLIC HEARING
DATE: TBD

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

LOCATION: Microsoft Teams Meeting
ID: TBD
PASSCODE: TBD

(Access the Microsoft Teams App or Microsoft Teams on the web. On the left side of the screen, click the “Teams” icon. Select “Join or ‘create a team’”. Press “Join” and enter the Meeting ID and Passcode when prompted.)

or

Dial In: 866-984-3163
Conference ID: TBD 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. A copy of the Petition can be viewed on the Company's website at: www.elizabethtowngas.com under regulatory information. The Petition is also available to review online on the Board's website at <https://publicaccess.bpu.state.nj.us>, where you can search by the above-captioned docket number. The Petition and Board file may also be reviewed at the Board located at 44 South Clinton Avenue, 1st Floor, Trenton, NJ, with an appointment. To make an appointment, please call (609) 913-6298.

Representatives from the Company, Board Staff and the New Jersey Division of Rate Counsel will participate in the virtual public hearings. Members of the public may use the Microsoft Teams meeting link or the dial-in number and conference ID to express their views on this matter. All comments will be part of the final record of the proceeding and will be considered by the Board. To encourage full participation in this opportunity for public comment, please submit any requests for needed 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 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 public documents 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 such 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:

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

VERIFICATION

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

1. I am Regulatory Affairs Counsel – Principal 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.

Sheree L. Kelly

Sheree L. Kelly, Esq.
Regulatory Affairs Counsel - Principal

Sworn to and subscribed
before me this 31st day
of July 2024

Carolyn A. Jacobs



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 TO (1) REVISE THE CLEAN ENERGY
PROGRAM COMPONENT OF ITS SOCIETAL BENEFITS CHARGE RATE
AND (2) REVISE ITS ON-SYSTEM MARGIN SHARING CREDIT**

BPU DOCKET NO. _____

DIRECT TESTIMONY

OF

THOMAS KAUFMANN

**On Behalf Of
Elizabethtown Gas Company**

Exhibit P-1

July 31, 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. WHAT IS THE SCOPE OF YOUR DUTIES AT ELIZABETHTOWN?

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 (“BPU” or “Board”) and internal
11 management purposes. I also oversee daily rate department functions, including tariff
12 administration, competitive analyses and preparation of management reports.

13 Q. PLEASE DESCRIBE YOUR PROFESSIONAL QUALIFICATIONS AND
14 BUSINESS EXPERIENCE.

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

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

1 Chemical Corp. as a staff accountant. In 1980, I was employed by Celanese Corp. as
2 a financial analyst. In 1981, I was employed by Suburban Propane as a Strategic
3 Planning Analyst, promoted to Manager of Rates and Pricing in 1986 and to Director
4 of Acquisitions and Business Analysis in 1990. In 1993, I was employed by
5 Concurrent Computer as a Manager, Pricing Administration. In 1996, I joined NUI
6 Corporation (“NUI”) as a Rate Analyst, was promoted to Manager of Regulatory
7 Support in August 1997 and Manager of Regulatory Affairs in February 1998, and
8 named Manager of Rates and Tariffs in July 1998. NUI was acquired by AGL
9 Resources Inc. (“AGL”) in November 2004. AGL was acquired by Southern Company
10 in July 2016. SJI acquired Elizabethtown Gas on July 1, 2018.

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

12 **A.** I will support Elizabethtown’s proposed rate for the Clean Energy Program (“CEP”)
13 component of the Societal Benefits Charge (“SBC”) and its On-System Margin Sharing
14 Credit (“OSMC”) rate for the twelve month period ending September 30, 2025 (“2025
15 Recovery Year”).

16 **Q. WHAT EFFECTIVE DATE DOES THE COMPANY PROPOSE IN THIS**
17 **FILING?**

18 **A.** The Company is proposing that the final rates and associated changes proposed in this
19 filing take effect on October 1, 2024.

20 **Q. WHEN WERE THE COMPANY’S CEP AND OSMC RATES LAST REVISED?**

21 **A.** The current rates in effect for CEP and OSMC were revised effective February 15,
22 2024 by the Board’s Order dated January 31, 2024 in BPU Docket No. GR23070476
23 (“January 31 Order”). The January 31 Order resolved the Company’s annual
24 CEP/OSMC reconciliation filing and approved the Company’s CEP rate of \$0.0270

1 per therm and OSMC credit rate of \$0.0045 per therm, inclusive of taxes, on a final
2 basis.

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

4 **A.** Yes. My testimony includes schedules and proposed tariff sheets that were prepared
5 under my direction and supervision. The schedules are as follows:

6 **(1) Tariff Schedule TK-1** consists of revised tariff sheets in redlined and clean form
7 which reflect the revised rates for the CEP component of the SBC rider and the
8 OSMC rider, as well as certain housekeeping items.

9 **(2) Forecast Schedule TK-1** provides the level of forecasted sales and services for
10 the 2025 Recovery Year, which was utilized in the calculation of the proposed
11 CEP and OSMC rates.

12 **(3) CEP Schedule TK-1** sets forth the calculation of the proposed CEP rate for the
13 2025 Recovery Year.

14 **(4) CEP Schedule TK-2** sets forth the calculation of carrying costs on the CEP
15 balance for the twelve months ended June 30, 2024.

16 **(5) CEP Schedule TK-3** sets forth actual and projected CEP Fiscal Agent Payments
17 for the twelve months ended June 30, 2024.

18 **(6) CEP Schedule TK-4** sets forth actual and projected CEP recoveries for the
19 twelve months ended June 30, 2024.

20 **(7) CEP Schedule TK-5** sets forth the projected total amounts that the Company
21 will either spend on the CEP or that will be paid to the fiscal agent during the
22 twelve month period ended June 30, 2024.

23 **(8) OSMC Schedule TK-1** presents a calculation of the proposed OSMC rate per
24 therm for the 2025 Recovery Year.

1 **(9)** **OSMC Schedule TK-2** presents the projected customer portion of the margin
2 sharing credits forecast to be generated during the twelve month period ended
3 June 30, 2025.

4 **(10)** **OSMC Schedule TK-3** sets forth the balance to be trued-up for the margin
5 sharing credits generated versus credits disbursed to customers for the twelve
6 month period ended June 30, 2024.

7 **(12)** **OSMC Schedule TK-4** presents the actual OSMC disbursements to sales
8 customers taking BGSS service and residential transportation customers for the
9 twelve month period ended June 30, 2024.

10 **II. REVENUE FORECAST**

11 **Q. WHAT IS THE METHODOLOGY USED TO PROJECT FIRM SALES AND**
12 **SERVICES FOR THE RECOVERY YEAR IN ORDER TO DERIVE THE**
13 **COMPANY’S PROPOSED CEP AND OSMC RATES?**

14 **A.** The methodology used is the same as that used in the demand forecast which supports
15 Elizabethtown’s Basic Gas Supply Service (“BGSS”) rates. A summary of the forecast
16 of normalized sales and services is set forth on Forecast Schedule TK-1.

17 **Q. WHAT PERIOD IS COVERED BY THE DEMAND FORECAST?**

18 **A.** The gas sales demand forecast as set forth on Forecast Schedule TK-1 is for the twelve
19 month period ended September 2025, also referred to as the 2025 Recovery Year.

20 **Q. WERE THE COMPANY'S FIRM AND NON-FIRM SALES AND**
21 **TRANSPORTATION REVENUE FORECASTS PREPARED USING THE**
22 **SAME METHODOLOGY USED BY THE COMPANY IN PREPARING LAST**
23 **YEAR'S REVENUE FORECASTS?**

1 A. Yes. The Company continues to use regression equations based on actual historical
2 sales demand data as well as any known customer changes to develop the forecast
3 demand.

4 **III. SOCIETAL BENEFITS CHARGE**

5 **Q. PLEASE DESCRIBE THE SBC.**

6 A. The SBC currently consists of the following components: (1) the CEP component, (2)
7 the Remediation Adjustment Clause (“RAC”) component, (3) the Universal Service
8 Fund (“USF”) charge, and (4) the Lifeline charge. As discussed in the accompanying
9 Petition, Petitioner is not proposing changes to the RAC, USF and Lifeline rates in this
10 filing. These rates have been or will be addressed in separate filings. My testimony is
11 limited to addressing the CEP component of the SBC rate.

12 **IV. SBC – CEP COMPONENT**

13 **Q. DESCRIBE THE PURPOSE OF THE CEP.**

14 A. The CEP was created as a result of the Electric Discount and Energy Competition Act
15 of 1999 and the Board’s Order dated March 9, 2001 in BPU Docket No. EX99050347,
16 *et al.*, at which time it was known as the Comprehensive Resource Analysis (“CRA”)
17 Program. The programs described below were developed after consultation between
18 the BPU and the Department of Environmental Protection to promote both energy
19 efficiency and Class 1 renewable energy programs for the State of New Jersey and its
20 energy consumers.

21 **Q. WERE ALL APPROVED CEP FUNDS COLLECTED BY ELIZABETHTOWN**
22 **SPENT ON PROGRAMS ADMINISTERED BY ELIZABETHTOWN AND/OR**
23 **THE FISCAL AGENT?**

1 **A.** Yes. Elizabethtown expends program funds in the following three ways: (i) expenses
2 for the costs of administering CEP Energy Efficiency Programs, (ii) payments made to
3 renewable or grid supply program vendors at the direction of BPU Staff, and (iii)
4 payments made directly to the fiscal agent, which are equal to the difference between
5 the Board-approved funding and the Company's administrative costs and payments to
6 vendors.

7 **Q. PLEASE EXPLAIN HOW THE CEP COMPONENT OF THE SBC WAS**
8 **CALCULATED.**

9 **A.** The CEP component is calculated by determining the sum of (i) the total of the current
10 year's expenditures and fiscal agent payments, less recoveries, plus carrying costs as
11 shown on CEP Schedule TK-2, (ii) the prior year's over or under-recovery shown as
12 the opening balance on CEP Schedule TK-2, and (iii) the projected CEP costs for the
13 twelve month period ended June 30, 2025, which are adjusted for costs in excess of the
14 CEP Budget as of June 30, 2024, if any. The net total represents the costs to be
15 recovered in the 2025 Recovery Year, as shown on CEP Schedule TK-1. This total is
16 then divided by the sales and transportation volumes projected for the 2025 Recovery
17 Year for the service classes shown on Forecast Schedule TK-1, with the resulting
18 quotient being adjusted for taxes to arrive at a CEP rate of \$0.0312 per therm.

19 **Q. WHAT ARE THE CEP PROGRAM COSTS FOR THE YEAR ENDED JUNE**
20 **30, 2024 AS REFLECTED IN THE COMPANY'S FILING?**

21 **A.** CEP Schedule TK-2 reflects actual Company Program Costs of \$2,227,453 and Fiscal
22 Agent Payments of \$10,118,011 for the twelve months ended June 30, 2024.

1 **Q. WHAT ARE THE RESULTS OF THE PRIOR YEAR RECOVERY AND**
2 **CURRENT YEAR ACTIVITIES?**

3 **A.** As of June 30, 2024, the Company's CEP component resulted in an under recovery of
4 \$1,682,476. As shown on CEP Schedule TK-1 line 6, this amount consists of the
5 beginning balance at June 30, 2024, the current year Company Program Costs, Fiscal
6 Agent Payments, Recoveries and Carrying Costs for the twelve months ended June 30,
7 2024.

8 **Q. WHAT LEVEL OF COSTS IS THE PROPOSED CEP RATE DESIGNED TO**
9 **RECOVER?**

10 **A.** This year, the proposed CEP component is designed to recover \$15,751,896 as set forth
11 on CEP Schedule TK-1, line 8, resulting in a per therm rate of \$0.0312, inclusive of
12 taxes. This amount is made up of the net CEP under-recovery balance as described
13 above and shown on CEP Schedule TK-1, line 6, and projected fiscal agent payments
14 to be remitted during the next twelve months of \$14,069,420 as shown on CEP
15 Schedule TK-1 line 7. The twelve months of fiscal agent payments are based on prior
16 period payable amounts plus next year's CEP funding responsibility for the months of
17 July through May, which are those anticipated to be remitted by June 30th. These
18 amounts are per the Board's Order dated June 27, 2024 in BPU Docket No.
19 QO24040223. As shown on CEP Schedule TK-5, the Company has been allocated
20 \$14,313,179 of CEP funding responsibility for the twelve months ending June 30,
21 2025.

22 **Q. ARE CARRYING COSTS INCLUDED IN THE CEP CALCULATION?**

23 **A.** Yes. In accordance with the Board's Order dated March 30, 2001 in BPU Docket No.
24 GX99030121 *et al.*, the Company applies carrying costs on its CEP balance. The

1 Company accrues carrying costs on the net monthly balance as shown on CEP Schedule
2 TK-2. Carrying costs are not compounded monthly.

3 **Q. WHAT IS THE PROPOSED CEP RATE?**

4 **A.** The proposed CEP rate is \$0.0312 per therm, inclusive of taxes, as presented on CEP
5 Schedule TK-1.

6 **V. OSMC RATE**

7 **Q. PLEASE BRIEFLY DESCRIBE THE OSMC AND THE CUSTOMERS TO**
8 **WHICH IT APPLIES.**

9 **A.** The OSMC was originally approved by the Board's Order dated March 30, 2001 in
10 BPU Docket No. GX99030121, *et al.*, as the rate mechanism to be used to refund to
11 firm sales customers taking BGSS service and residential transportation customers
12 portions of the margins derived by the Company from the rendition of certain non-firm
13 sales and transportation services.

14 **Q. WHAT IS THE PROPOSED OSMC RATE?**

15 **A.** The proposed OSMC credit rate is \$0.0026 per therm, inclusive of taxes, as presented
16 on OSMC Schedule TK-1.

17 **Q. PLEASE EXPLAIN HOW THE OSMC RATE WAS CALCULATED.**

18 **A.** As shown on OSMC Schedule TK-1, the derivation of the OSMC credit rate is based
19 on the projected level of margins from certain non-firm sales and transportation
20 services for the twelve month period ended June 30, 2025 and the prior year's over or
21 under-recovery of margins generated, less margins credited to customers as more fully
22 described below, divided by the applicable projected volumes.

23 **Q. PLEASE EXPLAIN HOW MARGIN SHARING AMOUNTS REFLECTED ON**
24 **OSMC SCHEDULE TK-2 HAVE BEEN CALCULATED.**

1 **A.** Margins from the distribution element of non-firm sales customers and certain
 2 transportation customers are shared 80% to customers and 20% to the Company. In
 3 addition, also included in the sharing formula are demand margins from certain
 4 transportation customers.

5 **VI. CONCLUSION**

6 **Q. PLEASE SUMMARIZE THE PROPOSED CHANGES TO THE CEP AND**
 7 **OSMC RATE COMPONENTS.**

8 **A.** A comparison of current rates as of July 1, 2024 and the rates proposed in this filing,
 9 all of which are inclusive of taxes, are as follows:

	Current	Proposed
CEP	\$0.0270	\$0.0312
OSMC	<u>(\$0.0045)</u>	<u>(\$0.0026)</u>
Total	\$0.0225	\$0.0286

10 **Q. WHAT IS THE IMPACT OF THE PROPOSED CHANGES IN THESE RATES**
 11 **ON TYPICAL RESIDENTIAL HEATING CUSTOMERS?**

12 **A.** The overall impact of the proposed adjustments to the CEP and OSMC rates as
 13 reflected in this filing would increase the monthly bill of a residential heating customer
 14 using 100 therms by \$0.61, from \$138.93 to \$139.54, or an increase of 0.4%, as
 15 compared to the currently effective rates as of July 1, 2024.

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

17 **A.** Yes, it does.

ELIZABETHTOWN GAS COMPANY
B. P. U. NO. 18 – GAS

~~3rd~~ REVISED SHEET NO. 114

RIDER "C"

ON-SYSTEM MARGIN SHARING CREDIT ("OSMC")

Applicable to all Firm Service Classifications that pay the BGSS of Rider A and RDS customers that receive gas supply from a TPS in accordance with the Board's Order in Docket No. GO99030122.

The OSMC is subject to change to reflect the Company's actual recovery of such margins and shall be adjusted annually in its BGSS filing.

(~~\$0.00450.0026~~) per therm

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.

Determination of the OSMC

On or about July 31 of each year, the Company shall file with the Board an OSMC rate filing based on the credits generated from on-system margin sharing during the previous OSMC year July 1 through June 30.

The OSMC shall be calculated by taking the current year's credits, plus the prior year's OSMC over or under recovery balance and dividing the resulting sum by the annual forecasted volumes for the service classifications set forth above. The resulting rate shall be adjusted for all applicable taxes and other similar charges.

Date of Issue: ~~February 9, 2024xxx1~~

Effective: Service Rendered
on and after ~~February 15,~~
~~2024xxx2~~

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

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~January 31, 2024xxx3~~ in Docket No. ~~GR23070476xxx4~~

RIDER "D"

SOCIETAL BENEFITS CHARGE ("SBC")

Applicable to all tariff Service Classifications except those Customers under special contracts that explicitly do not permit the Company to apply increased charges as filed and approved by the BPU and those customers exempted pursuant to the Long-Term Capacity Agreement Pilot Program ("LCAPP"), P.L. 2011, c.9, codified as N.J.S.A. 48:3-60.1. See the LCAPP Exemption Procedures at the end of this Rider.

The SBC is designed to recover the components listed below and any other new programs which the Board determines should be recovered through the Societal Benefits Charge.

<u>SBC Rate Components:</u>		<u>Per Therm</u>
I.	Clean Energy Program ("CEP")	\$0.02700 .0312
II.	Remediation Adjustment Charge ("RAC")	\$0.0225
III.	<u>Universal Service Fund and Lifeline:</u>	
	1. Universal Service Fund ("USF")	\$0.0115
	2. Lifeline	<u>\$0.0062</u>
	TOTAL	\$0.06720 .0714

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.

I. Clean Energy Program Component ("CEP")

The Comprehensive Resource Analysis ("CRA") name was changed to the Clean Energy Program - CEP per Board Order dated January 22, 2003 in Docket No. EX99050347 *et.al*. The CEP is a mechanism that will (1) establish a rate to recover the costs of the Core and Standard Offer Programs in the Company's CEP Plan which was approved by the BPU" in Docket No. GE92020104, and (2) compensate the Company for the revenue erosion resulting from conservation savings created by the Standard Offer Program. The annual recovery period for the CEP is from October 1 through September 30. The CEP recovers program costs and revenue erosion incurred during the previous CEP year ended June 30.

1. CEP program costs include the costs of core programs, standard offer payments and any administrative costs not recovered directly from standard offer providers.

Date of Issue: ~~February 9, 2024~~xxx1

Effective: Service Rendered on and after ~~February 15, 2024~~xxx2

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

Filed Pursuant to Orders of the Board of Public Utilities

Dated ~~January 31, 2024~~xxx3 in Docket Nos. ~~GR23070476 and GR23070477~~xxx4

CLEAN

RIDER "C"

ON-SYSTEM MARGIN SHARING CREDIT ("OSMC")

Applicable to all Firm Service Classifications that pay the BGSS of Rider A and RDS customers that receive gas supply from a TPS in accordance with the Board's Order in Docket No. GO99030122.

The OSMC is subject to change to reflect the Company's actual recovery of such margins and shall be adjusted annually in its BGSS filing.

(\$0.0026) per therm

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.

Determination of the OSMC

On or about July 31 of each year, the Company shall file with the Board an OSMC rate filing based on the credits generated from on-system margin sharing during the previous OSMC year July 1 through June 30.

The OSMC shall be calculated by taking the current year's credits, plus the prior year's OSMC over or under recovery balance and dividing the resulting sum by the annual forecasted volumes for the service classifications set forth above. The resulting rate shall be adjusted for all applicable taxes and other similar charges.

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 "D"

SOCIETAL BENEFITS CHARGE ("SBC")

Applicable to all tariff Service Classifications except those Customers under special contracts that explicitly do not permit the Company to apply increased charges as filed and approved by the BPU and those customers exempted pursuant to the Long-Term Capacity Agreement Pilot Program ("LCAPP"), P.L. 2011, c.9, codified as N.J.S.A. 48:3-60.1. See the LCAPP Exemption Procedures at the end of this Rider.

The SBC is designed to recover the components listed below and any other new programs which the Board determines should be recovered through the Societal Benefits Charge.

<u>SBC Rate Components:</u>		<u>Per Therm</u>
I.	Clean Energy Program ("CEP")	\$0.0312
II.	Remediation Adjustment Charge ("RAC")	\$0.0225
III.	<u>Universal Service Fund and Lifeline:</u>	
	1. Universal Service Fund ("USF")	\$0.0115
	2. Lifeline	<u>\$0.0062</u>
	TOTAL	<u>\$0.0714</u>

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.

I. Clean Energy Program Component ("CEP")

The Comprehensive Resource Analysis ("CRA") name was changed to the Clean Energy Program - CEP per Board Order dated January 22, 2003 in Docket No. EX99050347 *et.al*. The CEP is a mechanism that will (1) establish a rate to recover the costs of the Core and Standard Offer Programs in the Company's CEP Plan which was approved by the BPU" in Docket No. GE92020104, and (2) compensate the Company for the revenue erosion resulting from conservation savings created by the Standard Offer Program. The annual recovery period for the CEP is from October 1 through September 30. The CEP recovers program costs and revenue erosion incurred during the previous CEP year ended June 30.

1. CEP program costs include the costs of core programs, standard offer payments and any administrative costs not recovered directly from standard offer providers.

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

ELIZABETHTOWN GAS COMPANY
FORECASTED SALES VOLUME - THERMS
RECOVERY YEAR - 2025

	SBC (CEP) *	OSMC
Residential	258,560,408	258,560,408
Commercial	89,311,169	89,311,169
Industrial	12,259,712	12,259,712
Interruptible	-	
Total Sales	360,131,289	360,131,289
Residential	2,898,654	2,898,654
Commercial	62,650,415	
Industrial	54,666,045	
Interruptible	57,872,585	
Total Transportation	178,087,699	2,898,654
Total Sales and Transportation	538,218,988	363,029,943

* Excludes LCAPP therms used for wholesale electric generation.

ELIZABETHTOWN GAS COMPANY
SOCIETAL BENEFITS CHARGE (SBC)
CLEAN ENERGY PROGRAM (CEP)

CALCULATION OF THE CEP COMPONENT OF THE SBC
October 1, 2024 through September 30, 2025
RECOVERY YEAR - 2025

1	Prior Year Balance, (over) / under (Sch. TK-2)		\$1,235,429
2	Current Year Company Program Costs (Sch. TK-2, col c)		\$2,227,453
3	Current Year and Carry Over Fiscal Agent Payments (Sch. TK-2, col d&e)		\$10,118,011
4	Current Year Recoveries (Sch. TK-4)		(\$11,843,993)
5	Current Year Carrying Costs (Sch. TK-2)		<u>(\$54,424)</u>
6	Current Year Ending Balance - Under Collection (Sum L1-L5)		\$1,682,476
	<u>Projected Fiscal Agent Payments:</u>		
7	Prior Period Payable (Sch. TK-3, col h)	\$311,689	
	Next Year's Scheduled Payments July - May (Sch. TK-5)	<u>\$13,757,731</u>	<u>\$14,069,420</u>
8	Total Proposed Recoveries (L6+L7)		\$15,751,896
9	Projected Normalized Sales and Services (Forecast Sch. TK-1)		538,218,988 therms
10	CEP COMPONENT, before taxes (L8/L9)		\$0.0293
11	Sales & Use Tax @ 6.625%		<u>\$0.0019</u>
12	CEP COMPONENT (L10+L11)		<u><u>\$0.0312</u></u> /therm

ELIZABETHTOWN GAS COMPANY
SOCIETAL BENEFITS CHARGE (SBC)
CLEAN ENERGY PROGRAM (CEP)

Carrying Costs
12 Months Ended
June-24

	Beginning Balance	Program Costs * TK-3	Current Fiscal Agent Payments * TK-3	Recoveries TK-4	Ending Balance f=b+c+d-e	Average Balance g=(b+f)2	Interest Rate ** h	Carrying Costs i=g*h/12	Ending Balance plus Cumulative Interest j=f+ cum of i (Over) / Under
a	b	c	d	e					
Beginning Balance									
Jul-23	\$1,235,429	\$121,780	\$300,829	\$434,180	\$1,223,858	\$1,229,644	4.05%	\$4,150	\$1,228,008
Aug-23	\$1,223,858	\$16,962	\$130,612	\$426,173	\$945,259	\$1,084,559	4.05%	\$3,660	\$953,069
Sep-23	\$945,259	\$122,887	\$379,991	\$439,243	\$1,008,894	\$977,077	5.45%	\$4,438	\$1,021,142
Oct-23	\$1,008,894	\$181,820	\$445,623	\$554,185	\$1,082,152	\$1,045,523	5.45%	\$4,748	\$1,099,148
Nov-23	\$1,082,152	\$377,302	\$203,458	\$902,903	\$760,009	\$921,081	5.45%	\$4,183	\$781,188
Dec-23	\$760,009	\$154,849	\$203,458	\$1,417,649	(\$299,333)	\$230,338	5.45%	\$1,046	(\$277,108)
Jan-24	(\$299,333)	\$103,106	\$127,941	\$1,816,124	(\$1,884,410)	(\$1,091,872)	5.45%	(\$4,959)	(\$1,867,144)
Feb-24	(\$1,884,410)	\$188,711	\$0	\$1,856,344	(\$3,552,043)	(\$2,718,227)	5.45%	(\$12,345)	(\$3,547,122)
Mar-24	(\$3,552,043)	\$151,742	\$707,295	\$1,497,308	(\$4,190,314)	(\$3,871,179)	5.45%	(\$17,582)	(\$4,202,975)
Apr-24	(\$4,190,314)	\$164,002	\$0	\$1,222,402	(\$5,248,714)	(\$4,719,514)	5.45%	(\$21,434)	(\$5,282,809)
May-24	(\$5,248,714)	\$34,211	\$3,251,394	\$756,939	(\$2,720,048)	(\$3,984,381)	5.45%	(\$18,096)	(\$2,772,239)
Jun-24	(\$2,720,048)	\$610,081	\$4,367,410	\$520,543	\$1,736,900	(\$491,574)	5.45%	(\$2,233)	\$1,682,476
Total pre adjustment		<u>\$2,227,453</u>	<u>\$10,118,011</u>	<u>\$11,843,993</u>				<u>(\$54,424)</u>	-

Notes:

* Per the "MOA" of May 5, 2004 the costs will be netted against the program budget to determine the fiscal agent payments, see CEP Schedule TK-3.

** Interest rate based on two year constant maturity Treasuries closest to August 31 of each year plus 60 basis points per the Board's Order in

Docket No. GR21121254. www.federalreserve.gov/releases/h15/

ELIZABETHTOWN GAS COMPANY
SOCIETAL BENEFITS CHARGE (SBC)
CLEAN ENERGY PROGRAM (CEP)

Fiscal Agent Payments
12 Months Ended
June-24

<u>a</u>	<u>b</u> Company Portion of Statewide CEP Funding	<u>c</u> <i>less</i> Program Costs Offsets	<u>d</u> Prior Year Payable / (Deferred)	<u>e = b-c+d</u> Fiscal Agent Payable (1)	<u>f</u> Payment For	<u>g</u> Amount Paid (1)	<u>h=b-c+d-g</u> Fiscal Agent Payable /(Deferred) Per Month (2)	<u>i= Cum of h</u> Monthly Fiscal Agent Payable /(Deferred)
<u>Prior Year Payable / (Deferred)</u>								
Jul-23	\$478,134	\$121,780	\$95,461	\$451,815	May-23	\$300,829	\$150,986	\$150,986
Aug-23	\$462,585	\$16,962	\$0	\$445,623	Jun-23	\$130,612	\$315,011	\$465,997
Sep-23	\$472,493	\$122,887	\$0	\$349,606	Jul-23	\$379,991	(\$30,385)	\$435,612
Oct-23	\$527,897	\$181,820	\$0	\$346,077	Aug-23	\$445,623	(\$99,546)	\$336,066
Nov-23	\$923,280	\$377,302	\$0	\$545,978	Sep-23	\$203,458	\$342,520	\$678,586
Dec-23	\$1,579,400	\$154,849	\$0	\$1,424,551	Sep-23	\$203,458	\$1,221,093	\$1,899,679
Jan-24	\$1,929,949	\$103,106	\$0	\$1,826,843	Oct-23	\$127,941	\$1,698,902	\$3,598,581
Feb-24	\$1,973,777	\$188,711	\$0	\$1,785,066	n/a	\$0	\$1,785,066	\$5,383,647
Mar-24	\$1,637,428	\$151,742	\$0	\$1,485,686	Nov-23	\$707,295	\$778,391	\$6,162,038
Apr-24	\$1,260,660	\$164,002	\$0	\$1,096,658	n/a	\$0	\$1,096,658	\$7,258,696
May-24	\$771,882	\$34,211	\$0	\$737,671	Dec and Jan	\$3,251,394	(\$2,513,723)	\$4,744,973
Jun-24	\$544,207	\$610,081	\$0	(\$65,874)	Feb, Mar, Apr	\$4,367,410	(\$4,433,284)	\$311,689
Total	\$12,561,692	\$2,227,453	\$95,461	\$10,429,700		\$10,118,011	\$311,689	

Notes:

(1) Fiscal Agent Payable is based on Program Cost Offsets on a paid basis while the Amount Paid to the Fiscal Agent is based on paid and accrued program costs.

(2) Fiscal Agent Payable net of current Program Costs and prior month deferred offset costs if in excess of the Company's portion of the Statewide Funding. The Fiscal Agent payments are generally made on a two month lag.

ELIZABETHTOWN GAS COMPANY
SOCIETAL BENEFITS CHARGE (SBC)
CLEAN ENERGY PROGRAM (CEP)

Cost Recoveries
12 Months Ended
June-24

	<u>Therms</u>	<u>Rate w/o tax *</u>	<u>Recovery</u>
Jul-23	17,784,936	0.0244	\$434,180
Aug-23	17,455,551	0.0244	\$426,173
Sep-23	17,992,565	0.0244	\$439,243
Oct-23	22,704,948	0.0244	\$554,185
Nov-23	36,999,012	0.0244	\$902,903
Dec-23	58,098,553	0.0244	\$1,417,649
Jan-24	74,426,315	0.0244	\$1,816,124
Feb-24	75,561,912	0.0246	\$1,856,344
Mar-24	59,447,054	0.0252	\$1,497,308
Apr-24	48,318,216	0.0253	\$1,222,402
May-24	29,920,429	0.0253	\$756,939
Jun-24	20,583,058	0.0253	\$520,543
Total	<u>479,292,549</u>		<u>\$11,843,993</u>

* Individual customer billings at the tariff rate yields the dollars recovered, inclusive of rate proration or cancel/rebills, if any. The rate presented is derived from dividing that amount by the therms, as such rounding differences to the tariff / billing rate may result.

ELIZABETHTOWN GAS COMPANY
SOCIETAL BENEFITS CHARGE (SBC)
CLEAN ENERGY PROGRAM (CEP)

BPU Directed Spending *

12 Months Ending

June-25

Jul-24	\$554,580
Aug-24	\$557,076
Sep-24	\$542,590
Oct-24	\$570,639
Nov-24	\$1,043,459
Dec-24	\$1,778,270
Jan-25	\$2,233,267
Feb-25	\$2,267,067
Mar-25	\$1,894,915
Apr-25	\$1,458,526
May-25	\$857,342
Jun-25	\$555,448

Total	<u>\$14,313,179</u>
-------	---------------------

Total July - May to TK-1 **	<u>\$13,757,731</u>
-----------------------------	---------------------

* Approved in the 6/27/2024 Board Order in Docket No. QO24040223

** Assumes one month payment lag

ELIZABETHTOWN GAS COMPANY
CALCULATION OF THE ON-SYSTEM MARGIN SHARING CREDIT (OSMC)

October 2024 through September 2025
Disbursement Year 2025

1	Projected OSMC Margin Contributions for Disbursement (Sch. TK-2)		\$620,228
2	Prior Year Balance, (Over) / Under Disbursement (Sch. TK-3)		\$667,435
3	Current Year Balance, (Over) / Under Disbursement (Sch. TK-3)		<u>(\$400,323)</u>
4	Total OSMC Customer Credits / (Charge) (L1+L2+L3)		\$887,340
5	Projected Therm Volumes (Forecast Sch. TK-1)		
	- RDS and GLS	261,459,062	
	- SGS, GDS and NGV	89,311,169	
	- LVD and EGF	<u>12,259,712</u>	363,029,943
6	OSMC Rate, before taxes (L4/L5)		\$0.0024
7	Sales & Use Tax @ 6.625%		<u>\$0.0002</u>
8	OSM Credit / (Charge) per therm, (L6+L7)		<u><u>\$0.0026</u></u>

ELIZABETHTOWN GAS COMPANY

Projected Customer Portion of On-System Margin Sharing

July-2024 through June-2025
Disbursement Year 2025

Projected Margin Contribution

Jul-24	\$169,291
Aug-24	\$51,560
Sep-24	\$60,630
Oct-24	\$57,989
Nov-24	\$42,795
Dec-24	\$33,488
Jan-25	\$40,872
Feb-25	\$38,423
Mar-25	\$32,760
Apr-25	\$26,802
May-25	\$30,626
Jun-25	\$34,992
Total	<u>\$620,228</u>

Based on prior year actuals, column a, OSMC Schedule TK-3

ELIZABETHTOWN GAS COMPANY
Margin Sharing Generated and Disbursements to Customers
July 2023 Through June 2024

	Margin Sharing Generated	Adjustments	Net Margin Sharing for Disbursement	Disbursements to Customers Sch. TK-4	Monthly (Over) / Under Credited	Cumulative (Over) / Under Credited Balance
	a	b	c=a+b	d	e=c-d	f=prior cum bal.+ e
Prior Period						\$667,435
Jul-23	\$169,291	\$0	\$169,291	\$21,799	\$147,492	\$814,927
Aug-23	\$51,560	\$0	\$51,560	\$19,294	\$32,266	\$847,193
Sep-23	\$60,630	\$0	\$60,630	\$20,063	\$40,567	\$887,760
Oct-23	\$57,989	\$0	\$57,989	\$28,404	\$29,585	\$917,345
Nov-23	\$42,795	\$0	\$42,795	\$64,810	(\$22,015)	\$895,330
Dec-23	\$33,488	\$0	\$33,488	\$118,122	(\$84,634)	\$810,696
Jan-24	\$40,872	\$0	\$40,872	\$156,110	(\$115,238)	\$695,458
Feb-24	\$38,423	\$0	\$38,423	\$170,874	(\$132,451)	\$563,007
Mar-24	\$32,760	\$0	\$32,760	\$167,756	(\$134,996)	\$428,011
Apr-24	\$26,802	\$0	\$26,802	\$140,541	(\$113,739)	\$314,272
May-24	\$30,626	\$0	\$30,626	\$73,318	(\$42,692)	\$271,580
Jun-24	\$34,992	\$0	\$34,992	\$39,460	(\$4,468)	\$267,112
	<u>\$620,228</u>	<u>\$0</u>	<u>\$620,228</u>	<u>\$1,020,551</u>	<u>(\$400,323)</u>	

ELIZABETHTOWN GAS COMPANY
ON-SYSTEM MARGIN SHARING CREDITS
July 2023 Through June 2024

ACTUAL CREDITS DISBURSED

<u>a</u>	OSM	Sales Customers		Transportation Customers		Total
	<u>Rate pre tax *</u>	<u>Therms</u>	<u>Credits</u>	<u>RDS</u>	<u>RDS</u>	
	<u>b=g/(c+e)</u>	<u>c</u>	<u>d</u>	<u>Therms</u>	<u>Credits</u>	<u>Credits</u>
				<u>e</u>	<u>f=b*e</u>	<u>g=d+f</u>
Jul-23	\$0.0029	7,521,479	\$21,587	73,428	\$212	\$21,799
Aug-23	\$0.0029	6,676,674	\$14,658	66,255	\$190	\$19,294
Sep-23	\$0.0029	6,935,015	\$19,881	63,400	\$182	\$20,063
Oct-23	\$0.0029	9,759,343	\$28,127	95,923	\$277	\$28,404
Nov-23	\$0.0029	22,177,940	\$50,743	203,766	\$590	\$64,810
Dec-23	\$0.0029	40,379,100	\$117,021	380,195	\$1,101	\$118,122
Jan-24	\$0.0029	53,358,203	\$154,641	506,473	\$1,469	\$156,110
Feb-24	\$0.0030	55,643,444	\$169,374	495,768	\$1,500	\$170,874
Mar-24	\$0.0040	41,691,309	\$166,258	370,276	\$1,498	\$167,756
Apr-24	\$0.0042	33,203,733	\$139,304	294,328	\$1,237	\$140,541
May-24	\$0.0042	17,369,056	\$72,712	144,307	\$606	\$73,318
Jun-24	\$0.0041	9,449,997	\$39,137	76,920	\$323	\$39,460
		304,165,293	\$993,443	2,771,039	\$9,185	\$1,020,551

* Individual customer billing credits at the tariff rate yields the dollars recovered, inclusive of rate proration or cancel/rebills, if any. The rate presented is derived from dividing that amount by the therms, as such rounding differences to the tariff / billing rate may result.