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VP/Rates, Regulatory & Sustainability

April 30, 2021

Electronic Filing

Aida Camacho-Welch, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350

**Re: IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY
FOR APPROVAL OF A RATE ADJUSTMENT PURSUANT TO THE
INFRASTRUCTURE INVESTMENT PROGRAM ("IIP")
BPU Docket No. _____**

Dear Secretary Camacho-Welch:

Enclosed please find a Petition and supporting documents of Elizabethtown Gas Company which have been filed electronically today through the Board's e-filing program. Due to the pandemic, and in accordance with the New Jersey Board of Public Utilities ("BPU") March 19, 2020 and May 20, 2020 Orders issued in BPU Docket No. EO20030254, hard copies are not being provided at this time, but can be provided at a later time, as needed.

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

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Deborah M. Franco", is written above the printed name.

Deborah M. Franco

DMF:caj
Enclosures

cc: Stacy Peterson (via electronic mail)
Stefanie Brand (via electronic mail)
Felicia Thomas-Friel (via electronic mail)
Matko Ilic (via electronic mail)

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

<p>-----X</p> <p>IN THE MATTER OF THE PETITION OF</p> <p>ELIZABETHTOWN GAS COMPANY FOR</p> <p>APPROVAL OF A RATE ADJUSTMENT</p> <p>PURSUANT TO THE INFRASTRUCTURE</p> <p>INVESTMENT PROGRAM (“IIP”)</p> <p>-----X</p>	<p>X</p> <p>:</p> <p>:</p> <p>:</p> <p>:</p> <p>:</p>	<p>BPU DOCKET NO. _____</p> <p>CASE SUMMARY</p>
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Elizabethtown Gas Company ("Elizabethtown" or the "Company") files this Petition for approval of a rate adjustment pursuant to the Company’s Infrastructure Investment Program (“IIP”), which was approved by the New Jersey Board of Public Utilities (“BPU”) on June 12, 2019 in BPU Docket No. GR18101197. With the IIP, Elizabethtown is authorized to invest up to \$300 million in the Company’s gas distribution system over the five (5) year period, July 1, 2019 through June 30, 2024, to replace up to 250 miles of cast iron and bare steel mains and related services, as well as the installation of excess flow valves on new service lines (“IIP Projects”). This filing reflects investments associated with in-service IIP Projects during Year 2 of the IIP, which is the period July 1, 2020 through June 30, 2021.

Cost recovery for IIP Projects is effectuated by an annual rate adjustment effective on October 1. The present Petition seeks Board approval to recover the revenue requirements associated with IIP Projects placed in service during the period July 1, 2020 through June 30, 2021, through a rate adjustment to take effect on October 1, 2021.

If approved by the Board, the impact of the proposed rate adjustment on the bill of a residential customer using 100 therms is a monthly increase of \$2.22 from \$100.77 to \$102.99, an increase of 2.2%, as compared to the Company’s present rates.

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

IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY FOR APPROVAL OF A RATE ADJUSTMENT PURSUANT TO THE INFRASTRUCTURE INVESTMENT PROGRAM ("IIP")	: : : : : X	BPU DOCKET NO. _____ VERIFIED PETITION
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To The Honorable Board of Public Utilities:

Petitioner, Elizabethtown Gas Company ("Elizabethtown" or "Company"), a public utility corporation duly organized under the laws of the State of New Jersey subject to the jurisdiction of the Board of Public Utilities ("Board"), respectfully states:

I. INTRODUCTION

1. Petitioner's principal business office is located at 520 Green Lane, Union, NJ, 07083.

2. Communications and correspondence concerning these proceedings should be sent as follows:

Deborah M. Franco
VP/Rates, Regulatory & Sustainability
SJI Utilities, Inc.
520 Green Lane
Union, New Jersey 07083
Tel. No. (908) 662-8448
dfranco@sjindustries.com

Cindy Capozzoli
Director, Rates
SJI Utilities, Inc.
1 South Jersey Place
Atlantic City, New Jersey 08401
Tel. No. (609) 561-9000 x 4352
ccapozzoli@sjindustries.com

3. Petitioner is engaged in the business of transmission and distribution of natural and mixed gas to approximately 303,000 customers within its service territory located principally in Hunterdon, Mercer, Middlesex, Morris, Sussex, Union and Warren Counties.

4. Elizabethtown is filing this Petition to seek approval of a rate adjustment to provide for cost recovery associated with the Company's Infrastructure Investment Program ("IIP") as

approved by a Board Order dated June 12, 2019 in BPU Docket No. GR18101197 (“IIP Order”). The IIP Order adopted a Stipulation (“Stipulation”) that established an IIP cost recovery process that is effectuated by annual rate adjustment filings (“Annual Filings”) made in April of each year. The IIP Order and Stipulation authorizes this Annual Filing on April 30, 2021 for rates to be effective on or before October 1, 2021.

II. BACKGROUND

5. The IIP Order and Stipulation authorized Elizabethtown to implement the IIP which includes accelerated capital investment in Elizabethtown’s gas distribution system and related cost recovery.

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

7. As reflected in the Stipulation, the IIP Projects are intended to enhance distribution safety and reliability to the benefit of Elizabethtown’s customers, to help support the environment, and to facilitate economic development and employment in New Jersey. The IIP Projects and amounts are incremental to the Company’s normal capital spending budget.

III. REQUEST FOR COST RECOVERY OF IIP PROJECT INVESTMENTS

8. The Company’s first IIP rate filing was made effective on October 1, 2020 by Board

Order dated September 23, 2020 in BPU Docket No. GR20050327. Through this Petition, which represents the Company's second Annual Filing, Elizabethtown seeks Board approval to recover the revenue requirements associated with in-service IIP Projects for the period July 1, 2020 through June 30, 2021. The IIP investments projected to be in service during this period total approximately \$65.1 million, excluding AFUDC and the costs of the IIP Independent Monitor. The Company further proposes that the IIP rate adjustment take place on October 1, 2021 as authorized by the IIP Order and Stipulation. The Schedules attached to the Direct Testimony of Thomas Kaufmann, Manager, Rates and Tariffs, set forth the calculation of the revenue requirement, which is calculated in accordance with the IIP Order and Stipulation.

9. With this Annual Filing, the Company includes actual data through March 31, 2021 and projected data through June 30, 2021. The projected data for the period April 1, 2021 through June 30, 2021 will be replaced with actual data in a 12+0 update filing to be made with the Board no later than July 15, 2021.

10. The IIP rate adjustment sought herein and authorized by the IIP Order and Stipulation are subject to the requirements that: (1) this rate filing includes plant in-service additions during the filing period in excess of \$30 million; and (2) the Company's calculated return on equity ("ROE") not exceed the allowed ROE from its last base rate case by 50 basis points or more. These requirements have been satisfied for this Annual Filing as set forth in testimony of Mr. Kaufmann and Mr. Michael P. Scacifero. Elizabethtown is also required to comply with certain baseline capital spending requirements, which as discussed by Mr. Scacifero have also been satisfied.

11. Pursuant to the IIP Order and Stipulation, the rate adjustment proposed herein is based on the rate design methodology utilized to set base rates in the Company's most recent base rate case in BPU Docket No. Docket No. GR19040486.

12. The impact of the proposed IIP rate adjustment on a residential customer using 100

therms would be an increase of \$2.22 from \$100.77 to \$102.99, an increase of 2.2%, as compared to the Company's present rates.

IV. SUPPORTING TESTIMONY

13. Attached hereto and incorporated herein is the testimony of:

- Thomas Kaufmann, Manager, Rates and Tariffs, Elizabethtown Gas Company;
and
- Michael P. Scacifero, Director, Engineering Services, Elizabethtown Gas Company.

V. MINIMUM FILING REQUIREMENTS

14. In accordance with the IIP Order and Stipulation, Elizabethtown is required to provide in its Annual Filings information responsive to certain Minimum Filing Requirements ("MFRs"). A summary of the MFRs and their location in this Annual Filing is attached hereto as Exhibit A.

VI. PUBLIC NOTICE

15. Elizabethtown will provide notice of the filing of this Petition for the IIP rate adjustment and modification of its Tariff to all of its customers through the publication of a public notice in newspapers of general circulation within the Company's service territory. A copy of the proposed Public Notice is attached as hereto as Exhibit B.

16. The municipalities and counties served by Elizabethtown will be further notified of the filing of this Petition by letter to be mailed upon publication of the Public Notice.

VII. MISCELLANEOUS

17. The Company is serving notice of this Petition and supporting documentation on the Director, Division of Rate Counsel (“Rate Counsel”) via electronic mail in lieu of providing hard copies. Due to the pandemic, and in accordance with the BPU’s March 19, 2020 and May 20, 2020 Orders issued in BPU Docket No. EO20030254, hard copies cannot be provided at this time, but can be provided at a later time, as needed.

18. Similarly, Elizabethtown has also served notice on the Department of Law and Public Safety (“Department of Law”) via electronic mail in lieu of providing hard copies, but hard copies can be provided at a later time, as needed.

19. To the extent necessary, Elizabethtown respectfully requests a waiver of the need to provide hard copies of this Petition and supporting documentation to the Board, Rate Counsel and the Department of Law subject to copies being provided at a later time, as needed.

VIII. CONCLUSION

20. **WHEREFORE**, Elizabethtown respectfully requests that the Board retain jurisdiction of this matter and issue and final decision and order:

- i. finding that Elizabethtown is authorized to effectuate the IIP rate adjustment sought by this Petition;
- ii. granting a waiver, as necessary, of the requirement to provide hard copies of this Petition and supporting documentation to the Board, Rate Counsel and the Department of Law subject to the condition that hard copies be provided at a later time, as needed; and
- iii. granting such other and further relief as the Board shall deem just, lawful and proper.

Respectfully submitted,

ELIZABETHTOWN GAS COMPANY



By: Deborah M. Franco
Vice President, Rates, Regulatory & Sustainability

DATED: April 30, 2021

VERIFICATION

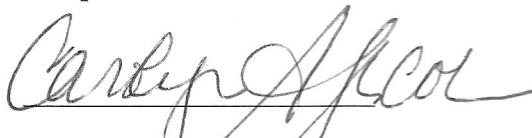
I, Deborah M. Franco, of full age, being duly sworn according to law, upon my oath, depose and say:

1. I am VP/Rates, Regulatory & Sustainability 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.



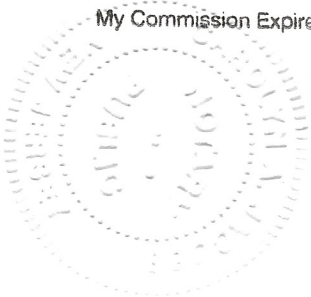
Deborah M. Franco
VP/Rates, Regulatory & Sustainability

Sworn to and subscribed
before me this 30th day
of April 2021


CAROLYN A. JACOBS

NOTARY PUBLIC OF NEW JERSEY

My Commission Expires **October 28, 2023**



**IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY FOR
APPROVAL OF A RATE ADJUSTMENT PURSUANT TO THE
INFRASTRUCTURE INVESTMENT PROGRAM (“IIP”)**

BPU Docket No. _____

MINIMUM FILING REQUIREMENTS (MFRs) INDEX

	Minimum Filing Requirements	Schedule
1.	Elizabethtown’s income statement for the most recent 12 month period ended on a quarter, as filed with the Board.	TK-12
2.	Elizabethtown’s balance sheet for the most recent quarter, as filed with the Board.	TK-14
3.	Elizabethtown’s actual baseline capital spending for both the recovery period and the prior program year.	MPS-1
4.	Elizabethtown’s overall approved IIP capital budget broken down by major categories, both budgeted and actual amounts.	MPS-2
5.	For each IIP project: a. The original project budget; b. Expenditures incurred to date; c. Work completed, including identified tasks completed, e.g. design phase, material procurement, permit gathering, phases of construction, etc.; d. Anticipated project timeline, including estimated completion date, with updates and expected and unanticipated changes, along with an explanation of the reasons for any changes; and e. A narrative discussion of the effectiveness of the project in improving system performance; including identification of improved facilities including specific feeders), where appropriate.	MPS-3 (items a. through c.) Direct Testimony of Michael Scacifero at pages 5-8
6.	Consistent with the methodology set out in Appendix B of the Stipulation approved in the Board Order dated June 12, 2019 in BPU Docket No. GR18101197, a calculation of the proposed revenue requirements related to the IIP projects included in Plant-in-Service in that rate recovery period. The calculation should show the actual capital expenditure for the period for which the filing is made, as well as supporting calculations.	TK-1 to 10
7.	A calculation of the associated depreciation expense, based on those projects close to Plant-in-Service during the period.	TK-8
8.	A list of any and all funds or credits received from the United States government, the State of New Jersey, a county or a municipality, for work related to any of the IIP projects, such as relocation, reimbursement, or stimulus money, and an explanation of the financial treatment associated with the receipt of the government funds or credits.	Direct Testimony of Thomas Kaufmann at page 12
9.	Pursuant to N.J.A.C. 14:3-2A.6(h), the results of an earnings test calculation where ROE shall be determined based on the actual net income of the Company for the most recent 12-month period ended on a calendar quarter	TK-6 and TK-6.1

**IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY FOR
APPROVAL OF A RATE ADJUSTMENT PURSUANT TO THE
INFRASTRUCTURE INVESTMENT PROGRAM (“IIP”)**

BPU Docket No. _____

MINIMUM FILING REQUIREMENTS (MFRs) INDEX

	divided by the average of the beginning and ending common equity balances for the corresponding period.	
10.	<p>The earnings test calculation described in Paragraph 9 immediately above is a requirement under the IIP regulations and is used to determine if it is appropriate for the Company to recover, or continue to recover, IIP costs. The following information shall be provided to the Board Staff and Rate Counsel with each earnings review:</p> <p>a. The earnings test shall contain information from the Company’s official books and records, and shall be consistent with the Company’s independently audited results of operations and its most recent annual report to the Board, and shall include the most recent 12 months of actual financial information ended on a calendar quarter (i.e., net income and rate of return on the average balance of common equity, per books); and</p> <p>b. Rate base (completed IIP net plant additions that have been deemed used and useful but are not yet included in rate base), revenues (including approved IIP revenues not yet in base revenues), expenses, taxes, capital structure, weighted average cost of capital, approved net IIP plant additions not yet in rate base, and other such relevant financial information as may be known to the Company in determining the calculation in Paragraph 10 (a) above</p>	TK-6 and TK-6.1

NOTICE OF PUBLIC HEARINGS

IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY FOR APPROVAL OF A RATE ADJUSTMENT PURSUANT TO THE INFRASTRUCTURE INVESTMENT PROGRAM (“IIP”) BPU Docket No. _____

NOTICE IS HEREBY GIVEN that, on April 30, 2021, Elizabethtown Gas Company (“Elizabethtown” or “Company”) filed a petition (Petition) with the New Jersey Board of Public Utilities (“Board”) seeking Board approval to increase rates associated with the Company’s Infrastructure Investment Program (“IIP”). The Board approved the IIP and the associated cost recovery mechanism on June 12, 2019 in Docket No. GR18101197 (“Order”). The Order authorized the Company to invest up to \$300 million, over a five-year period commencing July 1, 2019 and ending June 30, 2024, to replace up to 250 miles of cast iron and bare steel mains and related services, as well as the installation of excess flow valves on new service lines (“IIP Projects”). The Order also authorized the Company to make annual filings with the Board to recover the costs associated with the IIP Projects investments and to earn a return on and a return of those investments through annual adjustments to rates. This Petition seeks Board approval to recover \$7.2 million of revenue requirements associated with approximately \$65.3 million of IIP Projects placed in-service from July 1, 2020 through June 30, 2021 with an October 1, 2021 rate effective date. The IIP Projects are intended to enhance distribution safety and reliability to the benefit of Elizabethtown’s customers, to help support the environment, and to facilitate economic development and employment in New Jersey.

If the proposed rate increase is approved by the Board, effective October 1, 2021, the per therm rates, inclusive of taxes, to all firm customers served under Service Classifications RDS, SGS, GDS, NGV, LVD, EGF, and GLS including certain firm, Board approved special contract customers served under the Company's firm rate classes would be as follows:

		Current Rates per Therm	Proposed Rates per Therm	Change per Therm
RDS	Residential	\$0.0210	\$0.0432	\$0.0222
SGS	Small General Service	\$0.0231	\$0.0477	\$0.0246
GDS	General Delivery Service	\$0.0139	\$0.0284	\$0.0145
GDS	Seasonal SP#1 May-Oct	\$0.0076	\$0.0156	\$0.0080
NGV	Natural Gas Vehicles	\$0.0374	\$0.0770	\$0.0396
LVD	Large Volume Demand	\$0.0066	\$0.0136	\$0.0070
EGF	Electric Generation	\$0.0044	\$0.0090	\$0.0046
GLS	Gas Lights, per mantel	\$0.0194	\$0.0400	\$0.0206
Firm Special Contracts		\$0.0011	\$0.0022	\$0.0011

The impact of the proposed rate increase to the residential heating customer using 100 therms is to increase the customer's monthly bill by \$2.22 from \$100.77 to \$102.99, an increase of 2.2% compared to the Company's present rates.

The Board has the statutory and regulatory authority to approve and establish these tariff classifications and charges at levels it finds just and reasonable. Therefore, the Board may determine and establish these charges at levels other than those proposed by Elizabethtown.

Any assistance required by customers in ascertaining the impact of the proposed rate increase will be provided by the Company upon request.

Copies of the Petition are available online at Elizabethtown's website: www.elizabethtowngas.com/rates-and-tariff under Regulatory Information.

PLEASE TAKE NOTICE that, due to the COVID-19 pandemic, a telephonic public hearing will be conducted on the following day and times so that members of the public may present their views on the Company's filing.

Date:

Hearing Times: 4:30 pm and 5:30 pm

Dial-In:

Conference ID: followed by #

To attend or participate in the telephonic public hearing, please dial the "Dial In" number above. When prompted, enter the "Conference ID" number listed above

Representatives from the Company, Board Staff, and Rate Counsel will participate in the telephonic public hearing. Members of the public are invited to participate by utilizing the Dial-In and Conference ID information set forth above and may express their views on this filing. Such comments will be made part of the final record of the proceeding to be considered by the Board. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, such as interpreters, listening devices, or mobility assistance, 48 hours prior to the above hearings to the Board's Secretary at board.secretary@bpu.nj.gov.

The Board will also accept email/written comments. Members of the public may file comments with the Secretary of the Board, whether via email in PDF or Word format, to board.secretary@bpu.nj.gov or through the Board's External Access Portal after obtaining a MyNewJersey Portal ID. Once an account is established, you will need an authorization code, which can be obtained upon request by emailing the Board's IT Helpdesk at ITHELPDESK@bpu.nj.gov. Detailed instructions for e-Filing can be found on the Board's home page at <https://www.nj.gov/bpu/agenda/efiling>. Written comments may also be submitted to the Board Secretary, Aida Camacho, at the Board of Public Utilities, 44 South Clinton Avenue, 9th Floor, P.O. Box 350, Trenton, NJ 08625-0350. All comments should include the name of the petition and the docket number. While all comments are given equal consideration and will be

made part of the final record of the proceeding, the recommended method for the submission of comments is via email or the portal to ensure timely receipt while the Board continues to work remotely due to the COVID-19 pandemic.

Hearings will continue, if necessary, on such additional dates and times as the Board may designate, to ensure that all interested persons are heard.

Elizabethtown Gas Company
Christie McMullen, President and Chief Operating Officer

**BEFORE THE
NEW JERSEY BOARD OF PUBLIC UTILITIES**

**DIRECT TESTIMONY
OF
THOMAS KAUFMANN
Manager, Rates and Tariffs**

**On Behalf Of
Elizabethtown Gas Company**

April 30, 2021

**ELIZABETHTOWN GAS COMPANY
DIRECT TESTIMONY OF
THOMAS KAUFMANN**

1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 **A.** My name is Thomas Kaufmann. My business address is 520 Green Lane, Union, New
4 Jersey 07083.

5 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6 **A.** I am employed by Elizabethtown Gas Company (“Elizabethtown” or “Company”) as
7 Manager of Rates and Tariffs.

8 **Q. PLEASE DESCRIBE YOUR PROFESSIONAL RESPONSIBILITIES.**

9 **A.** I am responsible for designing and developing rates and rate schedules for regulatory
10 filings with the New Jersey Board of Public Utilities (“Board”) and internal
11 management purposes. I also oversee daily rate department functions, including tariff
12 administration, monthly parity pricing, competitive analyses and preparation of
13 management reports.

14 **Q. PLEASE SUMMARIZE YOUR EDUCATIONAL AND PROFESSIONAL**
15 **BACKGROUND.**

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

20 My professional responsibilities have encompassed financial analysis,
21 accounting, planning, and pricing in manufacturing and energy services companies in

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

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

11 **A.** The purpose of my testimony is to support Elizabethtown's proposed Rider rates
12 related to the investments made pursuant to the Company's Infrastructure Investment
13 Program ("IIP"), which was approved by Board Order dated June 12, 2019 in BPU
14 Docket No. GR18101197 (the "IIP Order"). Pursuant to the IIP Order, cost recovery
15 for IIP projects is effectuated by an annual adjustment to the Company's tariff Rider
16 "F" ("IIP Rider"). The proposed rate adjustment, to the rates made effective by Board
17 Order dated September 23, 2020 in BPU Docket No. GR20050327, are proposed to
18 become effective on October 1, 2021 which are based on the revenue requirements
19 associated with IIP investments made and anticipated for the period July 1, 2020
20 through June 30, 2021. This testimony provides an overview of the IIP cost recovery
21 mechanism and the calculation of the associated revenue requirement and rate design.
22 It also addresses certain Minimum Filing Requirements ("MFRs") as set forth in the
23 IIP Order.

24

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

2 **A.** Yes. My testimony includes schedules supporting the development of proposed IIP
3 rates, and proposed tariff sheets that were prepared by me or under my direction and
4 supervision as well as Company financial statements. These schedules contain
5 information responsive to MFRs as referenced in the MFR Index attached to the
6 Petition. The MFRs were set forth in Appendix D to the May 29 Stipulation attached
7 to the IIP Order. The schedules are as follows:

8 Schedule TK-1: Revenue Requirement and Residential Bill Impact

9 Schedule TK-2: Summary of Schedules TK-3, TK-4 and the Proposed Rider F
10 IIP Rates inclusive of sales tax

11 Schedule TK-3: Revenue Requirement Allocation

12 Schedule TK-4: Proof of Revenue

13 Schedule TK-5: Weather Normalization Clause (“WNC”) Margin Revenue
14 Factor

15 Schedule TK-6: Earnings Test

16 Schedule TK-6.1 Earnings Test Rate Base

17 Schedule TK-7: In-Service amounts by month

18 Schedule TK-8: Depreciation Calculation

19 Schedule TK-9: Weighted Average Cost of Capital (“WACC”)

20 Schedule TK-10: Revenue Expansion Factor

21 Schedule TK-11: Proposed Tariff sheets – clean

22 Schedule TK-12: Proposed Tariff sheets - redline

23 Schedule TK-13: Income Statement

24 Schedule TK-14: Balance Sheet

II. ANNUAL IIP FILING

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

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

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

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

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

A. Consistent with the requirement contained in N.J.A.C. 14:3-2A.6(b), Elizabethtown is permitted to make annual filings to recover IIP costs when eligible in-service amounts exceed ten (10%) percent of the total proposed program spending, except however, given the nature of the work, the Signatory Parties recognize that the April 2025 filing may be less than 10% of total program spending as it will reflect residual spending associated with restoration work occurring after June 30, 2024. Based on the total approved program budget of \$300 million, the eligible in-service amounts must exceed \$30 million to allow for the annual roll-in. As shown on Schedule TK-7, the Company is currently projecting a total of approximately \$65.1 million (excluding the costs of the Independent Monitor and Accumulated Funds Used During Construction, “AFUDC”) in service for the current twelve month period ending June 30, 2021.

1 **Q. PLEASE DESCRIBE THE IIP COST RECOVERY MECHANISM APPROVED**
2 **BY THE BOARD.**

3 **A.** The IIP cost recovery process is effectuated by annual rate adjustment filings (“Annual
4 Filings”) made in April of each year. With this Annual Filing, Elizabethtown is seeking
5 cost recovery of IIP investments that are placed in service during the period July 1,
6 2020 to June 30, 2021 totaling \$65.1 million (excluding the independent monitor and
7 AFUDC), with a Rider rate adjustment to be effective October 1, 2021. Included with
8 this filing is actual data for projects placed in service through March 31, 2021, and
9 projected data through June 30, 2021. The Company will provide an updated filing
10 with actual data through June 30, 2021 no later than July 15, 2021.

11 **Q. WHAT IS THE FORECASTED REVENUE REQUIREMENT PROPOSED**
12 **FOR THE IIP RATE ADJUSTMENT TO TAKE PLACE ON OCTOBER 1,**
13 **2021?**

14 **A.** For the twelve month period ending June 30, 2021, the Company is proposing a
15 revenue requirement increase of approximately \$7.2 million, excluding Sales and Use
16 Tax (“SUT”). The calculation of the revenue requirement associated with the proposed
17 IIP Rate Adjustment is provided in the attached Schedule TK-1. For rate making
18 purposes, this amount, combined with previously approved revenue requirements,
19 results in a total of approximately \$14.0 million, excluding SUT, as shown and
20 allocated to rate classes on Schedule TK-3.

21 **Q. HOW ARE THE REVENUE REQUIREMENTS ASSOCIATED WITH THE IIP**
22 **RATE ADJUSTMENT CALCULATED?**

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

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

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

5 **A.** IIP Rate Base is calculated as the gross IIP Investment Costs for the IIP projects placed
6 in-service during the program period, plus the costs of an Independent Monitor, a
7 methane leak study if conducted and AFUDC, less depreciation expense and applicable
8 deferred income taxes.

9 **Q. WHAT TYPES OF EXPENDITURES ARE INCLUDED IN THE IIP**
10 **INVESTMENT COSTS?**

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

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

18 **A.** In accordance with the IIP Order, the AFUDC rate applied to IIP projects is determined
19 by applying the Modified FERC Uniform System of Accounts methodology
20 ("Modified FERC Method"), including compounding of AFUDC on a monthly basis.
21 The Modified FERC Method is as follows: (a) if the Company's total CWIP balance,
22 including all CWIP associated with IIP projects is less than or equal to the Company's
23 outstanding short-term debt ("S/T debt") balance at each month-end, the applicable
24 AFUDC rate is equal to the Company's monthly cost of S/T debt; (b) if the Company's

1 total CWIP balance, including all CWIP associated with IIP projects, is greater than
2 the Company's outstanding S/T debt balance, the applicable AFUDC rate for IIP
3 projects is a monthly AFUDC calculation based on a blend of the S/T debt balance and
4 the Company's WACC rate; or (c) if the Company has no short-term debt balance at
5 month end, the AFUDC rate used is the adjusted WACC rate.

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

7 **A.** Depreciation expense is calculated as the IIP Investments for the period by asset class
8 multiplied by the associated depreciation rate applied to the same asset in current base
9 rates established in the Company's 2019 base rate case in Docket No. GR19040486,
10 the most recent base rate case. The depreciation calculation and associated
11 depreciation rates are shown in Schedule TK-8.

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

13 **A.** Deferred taxes are calculated by multiplying the difference in the Company's book and
14 tax depreciation expense for the plant subject to the IIP by the effective income tax rate
15 for the period. The tax rate used in the calculation of the deferred tax benefit for
16 Elizabethtown is 28.11% and includes Corporate Business Tax. The Company's
17 deferred income tax calculation and related factors are shown in Schedule TK-1.

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

20 **A.** Pursuant to the IIP Order, the return on IIP Rate Base proposed in this Annual Filing
21 is based on the WACC approved in the Company's most recent base rate case, which
22 was calculated utilizing a 9.60% return on equity ("ROE") and an equity level in the
23 capital structure of 51.50%. This results in a WACC of 7.131%, or 6.5165% on an
24 after-tax basis. This calculation is included in Schedule TK-9.

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

3 **A.** Pursuant to the IIP Order, the operations and maintenance (“O&M”) credit is \$90,000
4 per year, or \$64,701 net of tax. This credit reflects an O&M savings associated with
5 leak repair on facilities replaced in connection with the IIP. The total O&M credit of
6 \$64,701 is reflected in Schedule TK-1.

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

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

13 **Q. WHAT IS THE REVENUE FACTOR UTILIZED IN THE CALCULATION OF**
14 **THE REVENUE REQUIREMENT?**

15 **A.** The revenue factor adjusts the revenue requirement to reflect Federal and State income
16 taxes, as well as the costs associated with the Board and the Division of Rate Counsel
17 annual assessments (collectively Public Utility Assessment Tax), and Bad Debt.
18 Pursuant to the IIP Order, the Company is using the revenue factor that was utilized to
19 set rates in the Company’s most recent base rate case, which is 1.406762. The
20 calculation of the revenue factor is reflected on Schedule TK-10.

21 **III. RATE DESIGN AND CUSTOMER BILL IMPACTS**

22 **Q. WHAT CUSTOMER CLASSES AND CUSTOMERS WILL THE IIP RIDER BE**
23 **APPLIED TO?**

24 **A.** The IIP Rider is assessed to all firm customers on a rate per service class to those served

1 under Service Classifications RDS, SGS, GDS, NGV, LVD, EGF, and GLS including
2 certain firm Board approved special contract customers served under the Company's
3 firm rate classes.

4 **Q. HOW IS THE REVENUE REQUIREMENT BEING ALLOCATED TO FIRM**
5 **RATE CLASSES AND FIRM SPECIAL CONTRACT CUSTOMERS?**

6 **A.** As shown on Schedule TK-3, and specified in the IIP Order, the Company is allocating
7 the revenue requirement for each applicable firm class and firm special contracts for
8 IIP based on the percentage of revenues approved in the Company's most recent base
9 rate case.

10 **Q. WHAT RATE DESIGN WAS UTILIZED FOR THE PROPOSED IIP RATE**
11 **ADJUSTMENT?**

12 **A.** Pursuant to the IIP Order, the IIP Rate Adjustment is effectuated by a volumetric
13 distribution charge calculated for each class utilizing the billing determinants used to
14 set rates in the Company's most recent base rate case. Schedule TK-3 sets forth the
15 IIP allocated revenue, which for rate making is made up previously approved IIP
16 amounts plus that proposed in this filing, to each class. These amounts are divided by
17 the respective therm billing determinants from the Company's most recent base rate
18 case to derive the proposed IIP rates, before sales and use tax, shown on Schedule TK-
19 4. The revenue requirement allocation, proof of revenues and proposed IIP rates by
20 class inclusive of taxes are summarized on Schedule TK-2.

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

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

3 **A.** The bill impact of the proposed IIP rate adjustment for a residential customer using 100
4 therms will be an increase of 2.22 from \$100.77 to \$102.99, an increase of 2.2%, as
5 compared to the Company's present rates.

6 **IV. EARNINGS TEST**

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

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

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

14 **A.** The calculated ROE is 8.04%, which meets the requirement of the IIP Order that the
15 calculated ROE be less than 10.10%, calculated as fifty (0.50%) basis points plus
16 9.60%, the ROE approved by the Board in the Company's most recent base rate case.

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

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

21 **A.** Yes. Also attached to my Direct Testimony are the Company's Income Statement for
22 the 12 months ending December 31, 2020 and the Company's Balance Sheet as of

1 December 31, 2020. The information is attached hereto as Schedule TK-13 and TK-
2 14, respectively.

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

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

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

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

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

	June 2021
	Roll-In Oct 1
Plant In Service (excl AFUDC)	\$65,083,851
Monitor	\$60,000
Advanced Leak Detection (ALD) Report	\$0
AFUDC	\$130,343
Total Plant In Service	\$65,274,194
Book Depreciation, half year	(\$709,796)
Deferred Income Tax	(\$488,548)
Rate Base	\$64,075,850
Rate of Return - net of tax	6.5165%
	\$4,175,503
O&M Red. for Leak Repairs - per Stip, net of tax	(\$64,701)
Advanced Leak Detection expense, net of tax, if any	\$0
Depreciation Exp, net of tax	\$1,020,544
Allowable Net Income	\$5,131,346
Revenue Factor	1.406762
Current Revenue Requirement	\$7,218,583
Previously Approved	\$6,830,571
Cumulative Revenue Requirement	\$14,049,154
CBT Rate, see Sch 9	9.000%
FIT Rate, See Sch 9	21.000%
Net Tax Rate	28.110%
Average Book Depreciation Rate	2.17%
Tax Depreciation Rate	3.750%
Bonus Depreciation Rate	0%
Half Year Book Depreciation	\$709,796
Tax Bonus Depreciation	\$0
Tax Depreciation	\$2,447,782
Deferred Income Tax Credit, (Bk - Tax)* Tax Rate	(\$488,548)
O&M Red. for Leak Repairs - per Stip	(\$90,000)
Advanced Leak Detection expense	\$0
<u>Residential 1,000 Therm Current Period Bill Impact:</u>	
Rate Per Therm w/ SUT, Schedule TK-2	\$0.0222
Annual Increase, w/tax	\$22.20
Current Bill as of Date	4/1/2021
1,000 Therm Bill at Current Rates	\$1,026.11
1,000 Therm Bill plus IIP Annual Increase	\$1,048.31
% Increase from Current Bill	2.2%

ELIZABETHTOWN GAS COMPANY
Infrastructure Investment Program ("IIP")
Proposed Rates - Oct 1, 2021
Summary From Inception

	<u>Current Rates w/ Tax</u>	<u>2019 Rate Case % of Base Revenues</u>	<u>From Inception Revenue Requirement</u>	<u>From Inception Revenue per Proof</u>	<u>2019 Rate Case Distribution Therms</u>	<u>Pre Tax Rates per Proof</u>	<u>Sales Tax 6.625%</u>	<u>Rates w/ Tax</u>	<u>Rate Change w/ Tax</u>
Residential	\$0.0210	65.984294%	\$9,270,235	\$9,280,652	229,151,904	\$0.0405	\$0.0027	\$0.0432	\$0.0222
Small General Service	\$0.0231	6.352028%	\$892,406	\$892,559	19,967,772	\$0.0447	\$0.0030	\$0.0477	\$0.0246
General Delivery Service	\$0.0139	23.541991%	\$3,307,451	\$3,302,559	124,156,335	\$0.0266	\$0.0018	\$0.0284	\$0.0145
GDS Seasonal SP#1 <i>May-Oct</i>	\$0.0076	0.044284%	\$6,222	\$6,233	426,917	\$0.0146	\$0.0010	\$0.0156	\$0.0080
Natural Gas Vehicles	\$0.0374	0.089335%	\$12,551	\$12,545	173,750	\$0.0722	\$0.0048	\$0.0770	\$0.0396
Large Volume Demand	\$0.0066	3.771645%	\$529,884	\$531,547	41,527,129	\$0.0128	\$0.0008	\$0.0136	\$0.0070
Electric Generation	\$0.0044	0.007290%	\$1,024	\$1,026	122,163	\$0.0084	\$0.0006	\$0.0090	\$0.0046
Gas Lights	\$0.0194	0.007680%	\$1,079	\$1,080	28,800	\$0.0375	\$0.0025	\$0.0400	\$0.0206
Firm Spec. Contracts	\$0.0011	0.201453%	<u>\$28,302</u>	<u>\$28,587</u>	13,612,932	\$0.0021	\$0.0001	\$0.0022	\$0.0011
			\$14,049,154	\$14,056,788					

ELIZABETHTOWN GAS COMPANY
Infrastructure Investment Program ("IIP")
Revenue Requirement Allocation, Plant In-Service
June 2021

Schedule TK-3

Revenue Requirement, From Inception	\$14,049,154	Allocation per 2019 Rate Case		
		Base Revenues	Overall %	Allocation
Residential		\$124,740,797	65.984294%	\$9,270,235
Small General Service		\$12,008,268	6.352028%	\$892,406
General Delivery Service		\$44,505,238	23.541991%	\$3,307,451
General Delivery Service SP#1 May - Oct		\$83,717	0.044284%	\$6,222
Natural Gas Vehicles		\$168,885	0.089335%	\$12,551
Large Volume Demand Combined with FTS, 2019 Rate Case		\$7,130,151	3.771645%	\$529,884
Electric Generation		\$13,782	0.007290%	\$1,024
Gas Lights		\$14,518	0.007680%	\$1,079
Firm Base Rate Revenues		\$188,665,356	99.798547%	\$14,020,852
Firm Special Contracts Avg.		\$380,840	0.201453%	\$28,302
Total Firm Revenues		\$189,046,196	100.000000%	\$14,049,154
Interruptible Revenues		\$6,911,221		
Other Revenues		\$1,587,043		
TOTAL REVENUES		\$197,544,460		\$14,049,154

\$0

Revenue Requirement From Inception:

June 2020	\$6,830,571	Docket No. GR20050327, Dated: 9-30-20, Effective on: 10-1-20 Proposed
June 2021	\$7,218,583	
June 2022	\$0	
June 2023	\$0	
June 2024	\$0	
June 2025	\$0	
Total	<u><u>\$14,049,154</u></u>	

ELIZABETHTOWN GAS COMPANY
Infrastructure Investment Program ("IIP")
Proof of Revenue
From Inception - Approved and Proposed
\$14,049,154

	<u>Determinants per 2019 Rate Case</u>	<u>Amount</u>	<u>Units</u>	<u>Present Rates</u>	<u>Present Revenue</u>	<u>Proposed Rider F Rates Pre Tax</u>	<u>Rates</u>	<u>Revenue Proof</u>
<u>Residential Service</u>	271,494 Customers				RDS		RDS	
Customer Charge	3,257,928 Bills			\$0.00	\$0	\$0.00		\$0
Distribution Charge	229,151,904 Therms			\$0.0197	\$4,514,293	\$0.0405		\$9,280,652
Total Base Rate Revenues					\$4,514,293			\$9,280,652
<hr/>								
<u>Small General Service</u>	16,054 Customers				SGS		SGS	
Customer Charge	192,648 Bills			\$0.00	\$0	\$0.00		\$0
Distribution & Demand, combined	19,967,772 Therms			\$0.0217	\$433,301	\$0.0447		\$892,559
Total Base Rate Revenues					\$433,301			\$892,559
<hr/>								
<u>General Delivery Service</u>	6,935 Customers				GDS		GDS	
Customer Charge	83,220 Bills			\$0.00	\$0	\$0.00		\$0
Demand Charge	16,495,116 Therms			\$0.000	\$0	\$0.000		\$0
Distribution Charge	124,156,335 Therms			\$0.0130	\$1,614,032	\$0.0266		\$3,302,559
Distribution Charge SP-1	May-Oct 426,917 Therms			May-Oct \$0.0071	\$3,031	May-Oct \$0.0146		\$6,233
Total Base Rate Revenues	124,583,252 Total Therms				\$1,617,063			\$3,308,792
<hr/>								
<u>Electric Generation Firm Service</u>	4 Customers				EGF		EGF	
Customer Charge	48 Bills			\$0.00	\$0	\$0.00		\$0
Demand Charge	9,300 Therms			\$0.000	\$0	\$0.000		\$0
Distribution Charge, tariff rate	122,163 Therms			\$0.0041	\$501	\$0.0084		\$1,026
Total Base Rate Revenues					\$501			\$1,026
<hr/>								
<u>Large Volume Demand</u>	50 Customers				LVD		LVD	
Customer Charge	600 Bills			\$0.00	\$0	\$0.00		\$0
Demand Charge	4,228,944 Therms			\$0.000	\$0	\$0.000		\$0
Distribution Charge	41,527,129 Therms			\$0.0062	\$257,468	\$0.0128		\$531,547
Total Base Rate Revenues					\$257,468			\$531,547

ELIZABETHTOWN GAS COMPANY
Infrastructure Investment Program ("IIP")
Proof of Revenue
From Inception - Approved and Proposed
\$14,049,154

	Determinants per 2019 Rate Case		Present	Present	Proposed Rider F Rates Pre Tax	
	Amount	Units	Rates	Revenue	Rates	Revenue Proof
	12 Customers			NGV		NGV
<u>Natural Gas Vehicles</u>	144 Bills					
Distribution Charge	173,750	Therms	\$0.0351	\$6,099	\$0.0722	\$12,545
Fueling Charge	173,750	Therms	\$0.0000	\$0	\$0.0000	\$0
Facilities Charge	173,750	Therms	\$0.0000	\$0	\$0.0000	\$0
Total Base Rate Revenues			\$0.0351	\$6,099	\$0.0722	\$12,545
	13 Customers			GLS		GLS
<u>Gas Lights Service</u>	156 Bills					
Service Charge			\$0.27		\$0.55	
Distribution Charge	28,800	Therms	\$0.0182	\$524	\$0.0375	\$1,080
Total Base Rate Revenues				\$524		\$1,080
Total Firm Rate Class	415,554,770	Therms		\$6,829,249		\$14,028,201
				CSI		CSI
<u>Closed Tariff 2 Kean Meters Left</u>						
<u>Interruptible Cogeneration Sales Service</u>						
Service Charge	24	Bills	\$0.00	\$0	\$0.00	\$0
Distribution Charge, retain 20%	1,236	Therms	\$0.0000		\$0.0000	
Total Base Rate Revenues				\$0		\$0
				IS		IS
<u>Interruptible Sales Service</u>						
Service Charge	0	Bills	\$0.00	\$0	\$0.00	\$0
Demand Charge	127,560	Therms	\$0.000	\$0	\$0.000	\$0
Distribution Charge, retain 20%	0	Therms	\$0.0000		\$0.0000	
Total Base Rate Revenues				\$0		\$0

ELIZABETHTOWN GAS COMPANY
Infrastructure Investment Program ("IIP")

Proof of Revenue
From Inception - Approved and Proposed
\$14,049,154

Determinants per 2019 Rate Case		Present	Present	Proposed Rider F Rates Pre Tax	
Amount	Units	Rates	Revenue	Rates	Revenue Proof
		ITS-IS		ITS-IS	
<u>Interruptible Transportation Service</u>	13 Customers				
Service Charge	156 Bills	\$0.00	\$0	\$0.00	\$0
Demand Chg., retain 1st \$0.08/ 20% thereafter	274,704 Therms	\$0.000	\$0 *	\$0.000	\$0
Distribution Charge, retain 20%	2,123,735 Therms	\$0.0000		\$0.0000	
Total Base Rate Revenues			\$0		\$0
*Amount is the 1st \$0.08 per therm					
		ITS-CSI		ITS-CSI	
<u>Interruptible Cogeneration</u>	No Customers				
<u>Transportation Service</u>	0 Customers				
Service Charge	0 Bills	\$0.00	\$0	\$0.00	\$0
Demand Charge, retain 20%	0 Therms	\$0.000		\$0.000	
Distribution Charge, retain 20%	0 Therms	\$0.0000		\$0.0000	
Total Base Rate Revenues			\$0		\$0
		ITS-LVD		ITS-LVD	
<u>Interruptible LVD Sales Service</u>	40 Customers				
Service Charge	480 Bills	\$0.00	\$0	\$0.00	\$0
Demand Charge	4,578,708 Therms	\$0.000	\$0	\$0.000	\$0
Distribution Charge	38,783,827 Therms	\$0.0000	\$0	\$0.0000	\$0
Tariff Flex Revenues	333,212 Therms	\$0.0000	\$0	\$0.0000	\$0
Total Base Rate Revenues	39,117,039 Total Therms		\$0		\$0
Total Interruptible Rate Class Revenues			\$0		\$0
TOTAL SYSTEM BASE DISTRIBUTION REVENUES			\$6,829,249		\$14,028,201
Other Revenues					
Special Contracts Firm			\$13,613		\$28,587
Special Contracts Interruptible			\$0		\$0
Other Miscellaneous Revenues			\$0		\$0
Total Other Revenues			\$13,613		\$28,587
IIP REVENUES, per Approved and Proposed Rates		Previously Approved	Proposed	Total	
		\$6,842,862	\$7,213,926	\$14,056,788	
Target Change		\$6,830,571	\$7,218,583	\$14,049,154	
Difference		\$12,291	(\$4,657)	\$7,634	

ELIZABETHTOWN GAS COMPANY
Infrastructure Investment Program ("IIP")
Weather Normalization Clause ("WNC") Margin Revenue Factor

Classes	Distribution Charge, including taxes (\$/ therm) a	less SUT tax 6.625% b	Margin Revenue, Distribution Charge excluding taxes, (\$/ therm) c = a - b	Class Sales for period October through May (therms) * d	Ratio of Class Sales to Total Sales for Period e= d / sum of d	Weighted Margin Revenue in Distribution Rate (\$/ therm) f = c * e
Base Rates						
RDS	\$0.4382	\$0.0272	\$0.4110	213,931,646	62.53%	\$0.2570
SGS	\$0.3807	\$0.0237	\$0.3570	18,706,736	5.47%	\$0.0195
GDS	\$0.2301	\$0.0143	\$0.2158	109,505,461	32.01%	\$0.0691
				<u>342,143,843</u>	100.01%	<u>\$0.3456</u>
IIP Rates						
RDS	\$0.0432	\$0.0027	\$0.0405	213,931,646	62.53%	\$0.0253
SGS	\$0.0477	\$0.0030	\$0.0447	18,706,736	5.47%	\$0.0024
GDS	\$0.0284	\$0.0018	\$0.0266	109,505,461	32.01%	\$0.0085
				<u>342,143,843</u>	100.01%	<u>\$0.0362</u>
Total						<u><u>\$0.3818</u></u>

* Therms per 2019 Rate Case

ELIZABETHTOWN GAS COMPANY
Infrastructure Investment Program ("IIP")
Earnings Test

	January-20	Through	December-20
<u>Net Income:</u>			
1 Net Income (including IIP and WNC margin revenue, net of tax)			\$47,732,581
less: non-recurring items, net of tax			\$0
Net Income (including IIP and WNC margin revenue, net of tax)			<u>\$47,732,581</u>
2 Less:			
Non-firm Sales & Transportation margins, net of tax			\$113,928
Off-system Sales & Capacity Release, net of tax			\$57,585
Amort. of Pension/OPEB Regulatory Assets, net of tax ***			\$2,883,008
Other income (expense), net of tax			\$0
Energy Efficiency Program margins, net of tax			<u>\$136,086</u>
			\$3,190,607
3 Regulated Jurisdictional Net Income (L1-L2) **			<u><u>\$44,541,974</u></u>
4 Equity Balances			
	<u>December-19</u>	<u>December-20</u>	
Rate Base	\$974,069,531	\$1,178,743,649	
Equity %	51.50%	51.50%	
Annual and Average Equity	<u>\$501,645,808</u>	<u>\$607,052,979</u>	<u>\$554,349,394</u>
5 ROE (L3/L4) *			<u><u>8.04%</u></u>
Rate of Return on Equity, 2019 Rate Case		9.60%	
ROE Test: Rate Case plus 50 Basis Points		<u>0.50%</u>	<u>10.10%</u>

* Required earnings test, where Return on Equity (ROE) is determined based on the actual net income a 12-month period divided by the average of the beginning and ending common equity balances for the corresponding period.

** Net Income is adjusted to exclude non-jurisdictional allocated income taxes and to exclude interest and related income tax amounts of non-jurisdictional acquisition adjustment amounts.

*** Represents the amortization of the Pension and Other Post-Employment Benefits regulatory assets consistent with the BPU Order Amounts Per BPU Order 6-30-17 GR16090826 and Stipulated to in 2019 Rate Case Per BPU Order 11-13-19 GR19040486. The amortization was not recorded in the books and records consistent with Generally Accepted Accounting Principles and therefore is included as an adjustment above to reflect the expense for regulatory reporting purposes.

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

<u>Line No.</u>	<u>2019 Rate Case Settlement</u>	<u>December-19</u>	<u>December-20</u>
1	Utility Plant In Service	\$1,506,452,511	\$1,493,557,125
2	Accumulated Depreciation, Utility Retirement WIP	(\$316,111,015)	(\$309,107,131)
3	Acquisition Adjustment	(\$160,000,000)	(\$160,000,000)
4	Amortization of Acquisition Adjustment	\$0	\$2,000,000
5	Net Utility Plant	\$1,030,341,496	\$1,026,449,994
6			
7	Pension/OPEB	\$35,934,019	\$36,376,027
8	Cash Working Capital ⁽¹⁾	\$21,348,848	\$21,348,848
9	Inventories ⁽²⁾		
10	Natural Gas Stored Underground and LNG	\$12,494,353	\$12,865,370
11	Materials & Supplies incl. Fleet Fuel and Propane In'	\$350,780	\$384,974
12	Customer Deposits ⁽²⁾	(\$3,603,624)	(\$3,609,316)
13	Customer Advances ⁽²⁾	(\$1,230,614)	(\$1,448,820)
14	Deferred Income Taxes:		
15	Excess Protected ADIT	(\$81,032,611)	(\$80,963,643)
16	Federal Income Tax	(\$17,468,836)	(\$24,700,850)
17	NJ CBT	(\$7,823,900)	(\$11,633,053)
18	Consolidated Tax Adjustment ⁽¹⁾	(\$1,000,000)	(\$1,000,000)
19			
20	Total Rate Base	\$988,309,911	\$974,069,531
			\$1,178,743,649

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

⁽²⁾ Represents thirteen month averages of account balances

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

Schedule TK-7

	In-Service			In-Service			In-Service			In-Service
Periods:	Mains	Services	IIP Program	Monitor	ALD Study	In-Service Pre AFUDC	AFUDC Mains	AFUDC Services	AFUDC Total	Total with AFUDC
12 mos Ending										
Jun-21	\$31,014,015	\$34,069,836	\$65,083,851	\$60,000	\$0	\$65,143,851	\$90,255	\$40,088	\$130,343	\$65,274,194
Monthly Spending:										
Jul-20	\$1,667,811	\$3,733,114	\$5,400,925	\$5,000		\$5,405,925	\$3,462	\$685	\$4,147	\$5,410,072
Aug-20	\$2,107,727	\$3,221,237	\$5,328,964	\$5,000		\$5,333,964	\$10,379	\$2,781	\$13,160	\$5,347,124
Sep-20	\$3,547,341	\$3,869,817	\$7,417,158	\$5,000		\$7,422,158	\$11,452	\$3,682	\$15,134	\$7,437,292
Oct-20	\$3,971,275	\$3,198,089	\$7,169,364	\$5,000		\$7,174,364	\$8,302	\$2,640	\$10,942	\$7,185,306
Nov-20	\$2,614,806	\$1,822,655	\$4,437,461	\$5,000		\$4,442,461	\$2,126	\$2,297	\$4,423	\$4,446,884
Dec-20	\$2,700,109	\$4,213,873	\$6,913,982	\$0		\$6,913,982	\$9,582	\$10,207	\$19,789	\$6,933,771
Jan-21	\$2,639,848	\$3,471,371	\$6,111,219	\$10,000		\$6,121,219	\$17,323	\$2,492	\$19,815	\$6,141,034
Feb-21	\$417,058	\$758,744	\$1,175,802	\$5,000		\$1,180,802	\$281	\$33	\$314	\$1,181,116
Mar-21	\$1,363,656	\$2,469,487	\$3,833,143	\$5,000		\$3,838,143	\$6,817	\$267	\$7,084	\$3,845,227
Apr-21	\$2,968,766	\$2,652,142	\$5,620,908	\$5,000		\$5,625,908	\$4,362	\$3,897	\$8,259	\$5,634,167
May-21	\$4,388,338	\$1,754,403	\$6,142,741	\$5,000		\$6,147,741	\$9,592	\$3,835	\$13,427	\$6,161,168
Jun-21	\$2,627,280	\$2,904,904	\$5,532,184	\$5,000		\$5,537,184	\$6,577	\$7,272	\$13,849	\$5,551,033

ELIZABETHTOWN GAS COMPANY
Infrastructure Investment Program ("IIP")
Annualized Depreciation

Schedule TK-8

	Rates		In-Service Depreciation		Monitor	ALD Study	Depreciation Expense <u>Pre AFUDC</u>	<u>AFUDC Depreciation</u>		Full Year Depreciation Expense W/ AFUDC
	Mains 376	Services 380	Mains 376	Services 380				Mains 376	Services 380	
End Date										
Jun-21			496,223	919,885	960	0	1,417,068	1,442	1,081	1,419,591
Monthly Spending:										
Jul-20	1.60%	2.70%	26,685	100,794	80	0	127,559	55	18	127,632
Aug-20	1.60%	2.70%	33,724	86,973	80	0	120,777	166	75	121,018
Sep-20	1.60%	2.70%	56,757	104,485	80	0	161,322	183	99	161,604
Oct-20	1.60%	2.70%	63,540	86,348	80	0	149,968	133	71	150,172
Nov-20	1.60%	2.70%	41,837	49,212	80	0	91,129	34	62	91,225
Dec-20	1.60%	2.70%	43,202	113,775	0	0	156,977	153	276	157,406
Jan-21	1.60%	2.70%	42,238	93,727	160	0	136,125	277	67	136,469
Feb-21	1.60%	2.70%	6,673	20,486	80	0	27,239	4	1	27,244
Mar-21	1.60%	2.70%	21,818	66,676	80	0	88,574	109	7	88,690
Apr-21	1.60%	2.70%	47,500	71,608	80	0	119,188	70	105	119,363
May-21	1.60%	2.70%	70,213	47,369	80	0	117,662	153	104	117,919
Jun-21	1.60%	2.70%	42,036	78,432	80	0	120,548	105	196	120,849

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

Rate Case 2019			CBT at FIT at	9% 21%
	Capitalization Ratios	Rate	Cost %	After Tax
				28.110%
Long Term Debt	48.50%	4.510%	2.187%	1.5722%
Short Term Debt	0.00%	0.000%	0.000%	0.0000%
Common Equity	51.50%	9.600%	4.944%	4.9440%
Total Capitalization	100.00%		7.131%	6.5162%
Settlement Adjustment				0.0003%
After Tax Black Box Settlement				6.5165%

Schedule TK-10

**ELIZABETHTOWN GAS COMPANY
Infrastructure Investment Program ("IIP")
Revenue Expansion Factor**

	Rate Case 11/15/2019
Revenue Increase	<u>100.000%</u>
BPU Assessments / BPU & RC	0.265%
RC Assessments	
Uncollectible Accounts Percentage	<u>0.855%</u>
Income before Corporate Business Tax	98.88000%
NJ Corporate Business Tax @	9.0% <u>8.8992%</u>
Income before Federal Income Taxes	89.9808%
Federal Income Taxes @	21.0% <u>18.896%</u>
Return	71.0848%
Revenue Factor (100% / Return %)	1.406771
Rounding to Settlement Factor	<u>(0.000009)</u>
Settlement Revenue Factor	<u>1.406762</u>

RIDER "B"

WEATHER NORMALIZATION CLAUSE ("WNC") (continued)METHOD OF DETERMINING WEATHER NORMALIZATION CHARGE: (continued)I. Definition of Terms as Used Herein (continued)

6. Degree Day Consumption Factor ("DDCF") - the variable component (use per degree day) of the gas sendout for each month of the winter period normalized for weather and adjusted for lost and unaccounted for gas. The DDCF shall be updated annually in the Company's WNC reconciliation filing annualizing to reflect the change in number of customers that has occurred since the base rate proceeding that established the initial degree day consumption factor in base rate cases. The base number of customers used to establish the normalized use in therms per Customer and the calculated DDCF approved in the Company's most recent base rate case are as follows:

<u>Month</u>	<u>Base Number of Customers</u>	<u>Therms per Degree Day</u>
October	293,159	51,818
November	293,834	62,593
December	,294,633	69,064
January	295,059	68,081
February	295,322	67,808
March	295,477	63,693
April	295,126	52,489
May	294,483	54,279

7. Margin Revenue Factor - the weighted average of the Distribution Charges as quoted in the individual service classes to which this clause applies net of applicable taxes and other similar charges and any other revenue charge not retained by the Company that these rates may contain in the future. The weighted average shall be determined by multiplying the margin revenue component of the Distribution Charges from each service class to which this clause applies by each class's percentage of total consumption of all the classes to which this clause applies for the winter period and summing this result for all the classes to which this clause applies. The Margin Revenue Factor shall be redetermined each time base rates or IIP rates are adjusted. The current Margin Revenue Factor is \$0.3818 per therm.

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
B. P. U. NO. 17 – GAS

1st REVISED SHEET NO. 125.1

RIDER "F"

INFRASTRUCTURE INVESTMENT PROGRAM ("IIP")

Applicable to all RDS, SGS, GDS, NGV, LVD, EGF and GLS classes and Firm Special Contract customers receiving service through the Company's distribution system. The IIP rate shall be collected on a per therm basis and shall remain in effect until changed by order of the NJBPU.

		Per Therm
RDS	Residential	\$0.0432
SGS	Small General Service	\$0.0477
GDS	General Delivery Service	\$0.0284
GDS	Seasonal SP#1 May-Oct	\$0.0156
NGV	Natural Gas Vehicles	\$0.0770
LVD	Large Volume Demand	\$0.0136
EGF	Electric Generation	\$0.0090
GLS	Gas Lights	\$0.0400
Firm Special Contracts		\$0.0022

The charges applicable under this Rider include provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein.

The IIP is a five-year program to modernize and enhance the reliability and safety of the Company's gas distribution system by replacing its vintage, at-risk facilities which include aging cast iron mains, unprotected and bare steel mains and services, ductile iron and vintage plastic mains and vintage plastic and copper services. As part of the IIP, Elizabethtown is upgrading its legacy low pressure system to an elevated pressure system, and installing excess flow valves and retiring district regulators that are presently required to operate the existing low pressure system. The costs recovered through the IIP Rider rate include the Company's after-tax weighted average cost of capital as adjusted upward for the revenue expansion factor, depreciation expense and applicable taxes.

Date of Issue: xxx1

Effective: Service Rendered
on and after xxx2

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

Filed Pursuant to Order of the Board of Public Utilities
Dated xxx3 in Docket No. xxx4

RIDER "B"

WEATHER NORMALIZATION CLAUSE ("WNC") (continued)METHOD OF DETERMINING WEATHER NORMALIZATION CHARGE: (continued)I. Definition of Terms as Used Herein (continued)

6. Degree Day Consumption Factor ("DDCF") - the variable component (use per degree day) of the gas sendout for each month of the winter period normalized for weather and adjusted for lost and unaccounted for gas. The DDCF shall be updated annually in the Company's WNC reconciliation filing annualizing to reflect the change in number of customers that has occurred since the base rate proceeding that established the initial degree day consumption factor in base rate cases. The base number of customers used to establish the normalized use in therms per Customer and the calculated DDCF approved in the Company's most recent base rate case are as follows:

<u>Month</u>	<u>Base Number of Customers</u>	<u>Therms per Degree Day</u>
October	293,159	51,818
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May	294,483	54,279

7. Margin Revenue Factor - the weighted average of the Distribution Charges as quoted in the individual service classes to which this clause applies net of applicable taxes and other similar charges and any other revenue charge not retained by the Company that these rates may contain in the future. The weighted average shall be determined by multiplying the margin revenue component of the Distribution Charges from each service class to which this clause applies by each class's percentage of total consumption of all the classes to which this clause applies for the winter period and summing this result for all the classes to which this clause applies. The Margin Revenue Factor shall be redetermined each time base rates or IIP rates are adjusted. The current Margin Revenue Factor is \$0.~~3633~~3818 per therm.

Date of Issue: ~~September 25, 2020~~xxx1Effective: Service Rendered
on and after ~~October 1, 2020~~xxx2Issued by: Christie McMullen, President
520 Green Lane
Union, New Jersey 07083Filed Pursuant to Order of the Board of Public Utilities
Dated ~~September 23, 2020~~xxx3 in Docket No. ~~GR20050327~~xxx4

ELIZABETHTOWN GAS COMPANY
B. P. U. NO. 17 – GAS

~~ORIGINAL~~ 1st REVISED SHEET
NO. 125.1

RIDER "F"

INFRASTRUCTURE INVESTMENT PROGRAM ("IIP")

Applicable to all RDS, SGS, GDS, NGV, LVD, EGF and GLS classes and Firm Special Contract customers receiving service through the Company's distribution system. The IIP rate shall be collected on a per therm basis and shall remain in effect until changed by order of the NJBPU.

		Per Therm
		\$0.0432
RDS	Residential	\$0.0210
		\$0.0477
SGS	Small General Service	\$0.0231
		\$0.0284
GDS	General Delivery Service	\$0.0139
		\$0.0156
GDS	Seasonal SP#1 May-Oct	\$0.0076
		\$0.0770
NGV	Natural Gas Vehicles	\$0.0374
		\$0.0136
LVD	Large Volume Demand	\$0.0066
		\$0.0090
EGF	Electric Generation	\$0.0044
		\$0.0400
GLS	Gas Lights	\$0.0194
		\$0.0022
	Firm Special Contracts	\$0.0011

The charges applicable under this Rider include provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein.

The IIP is a five-year program to modernize and enhance the reliability and safety of the Company's gas distribution system by replacing its vintage, at-risk facilities which include aging cast iron mains, unprotected and bare steel mains and services, ductile iron and vintage plastic mains and vintage plastic and copper services. As part of the IIP, Elizabethtown is upgrading its legacy low pressure system to an elevated pressure system, and installing excess flow valves and retiring district regulators that are presently required to operate the existing low pressure system. The costs recovered through the IIP Rider rate include the Company's after-tax weighted average cost of capital as adjusted upward for the revenue expansion factor, depreciation expense and applicable taxes.

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520 Green Lane
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~September 23, 2020~~xxx3 in Docket No.
~~GR20050327~~xxx4

**BEFORE THE
NEW JERSEY BOARD OF PUBLIC UTILITIES**

**DIRECT TESTIMONY
OF
MICHAEL P. SCACIFERO
Director of Engineering Services**

**On Behalf Of
Elizabethtown Gas Company**

April 30, 2021

1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME, AFFILIATION AND BUSINESS ADDRESS.**

3 **A.** My name is Michael P. Scacifero and I am the Director of Engineering Services for
4 Elizabethtown Gas Company (“Elizabethtown” or the “Company”). My business
5 address is 520 Green Lane, Union, New Jersey 07083.

6 **Q. PLEASE DESCRIBE YOUR PROFESSIONAL RESPONSIBILITIES.**

7 **A.** As Director of Engineering Services for Elizabethtown, I oversee engineering planning
8 design and budgeting for all of Elizabethtown’s distribution system improvements,
9 renewals, pressure improvements, Department of Transportation projects and large
10 new business projects. I am responsible for conducting system modeling and analysis
11 and providing engineering support to Field Operations and Construction Operations. I
12 am also involved with the development of Elizabethtown’s capital budget and I am
13 familiar with its components.

14 **Q. WHAT ARE YOUR PROFESSIONAL AND EDUCATIONAL**
15 **QUALIFICATIONS?**

16 **A.** I received a B.S. in Civil Engineering from the New Jersey Institute of Technology in
17 1988. I am a Licensed Professional Engineer in the State of New Jersey. I have been
18 employed by Elizabethtown for 30 years in Engineering and Operations. Two of those
19 years were spent as a Project Engineer, five years as a Division Engineer, and fourteen
20 years as Manager of Engineering, Manager of Operations and, currently, Director of
21 Engineering Services. Prior to joining Elizabethtown, I was a Project Engineer for four
22 years with Johnson Engineering Inc. specializing in highway and infrastructure design.
23 Prior to that, I was employed for three years by the Township of Warren, New Jersey

1 as a Staff Engineer specializing in municipal engineering. I am a member of the New
2 Jersey Utilities Association.

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

4 **A.** My testimony provides the status of both the actual in-service investments that were
5 made from July 1, 2019 through March 31, 2021 and those which are projected to be
6 made from April 1, 2021 through June 30, 2021 as part of the Company's
7 Infrastructure Investment Program ("IIP") approved by the New Jersey Board of Public
8 Utilities ("BPU" or the "Board") by order dated June 12, 2019 in Docket No.
9 GR18101197 ("IIP Order"). In accordance with the IIP order, the Company will
10 provide a 12+0 update by July 15, 2021 that contains actual in-service investments
11 through June 30, 2021. My testimony also provides certain information responsive to
12 the Minimum Filing Requirements ("MFRs") required to be provided in this filing by
13 the IIP Order.

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

15 **A.** Yes. My testimony includes the following schedules that were prepared by me or under
16 my direction and supervision:

17 Schedule MPS-1: Elizabethtown's actual baseline capital spending for the
18 recovery period July 1, 2019 through June 30, 2021
19 (MFR Number 3);

20 Schedule MPS-2: Elizabethtown's overall approved IIP capital budget,
21 including Construction Work In Progress ("CWIP") and
22 In-Service amounts, broken down by major categories,
23 including both budgeted and actual amounts (MFR
24 Number 4);

Schedule MPS-3: IIP Project information, including the budget, CWIP expenditures incurred to date, status of construction work completed to date, and estimated or actual construction completion date. (MFR Number 5.a.b.c.); and

Schedule MPS-4: Leak Metric Requirements.

II. OVERVIEW OF IIP

Q. PLEASE PROVIDE AN OVERVIEW OF THE COMPANY'S IIP.

A. Under the IIP, the Company is authorized to invest up to \$300 million ("Program Cost Cap") in the Company's gas distribution system over the five (5) year period, beginning July 1, 2019 through June 30, 2024, to replace up to 250 miles of cast iron and bare steel mains and related services, as well as the installation of excess flow valves ("EFVs") on new service lines ("IIP Projects"). This filing reflects investments associated with in-service IIP Projects during Year 2 of the IIP, which is the period July 1, 2020 through June 30, 2021.

Q. WHAT IS THE DERIVATION OF THE PROGRAM COST CAP?

A. The Program Cost Cap is derived by applying a cost per mile cap of \$1.2 million per mile to the IIP mileage cap of 250 miles over the five (5) year term of the IIP. The \$300 million Program Cost Cap excludes Allowance for Funds Used During Construction ("AFUDC") and the costs of the IIP Independent Monitor and the methane leak study, discussed further below.

1 **III. STATUS OF IIP PROJECTS**

2 **Q. PLEASE DESCRIBE THE YEAR TWO IIP PROJECTS THAT**
3 **ELIZABETHTOWN ANTICIPATES WILL BE PLACED IN-SERVICE BY**
4 **JUNE 30, 2021.**

5 **A.** With respect to Year Two IIP Projects, as of March 31, 2021, the Company invested
6 \$48.5 million in CWIP, and \$47.8 million was placed in-service, excluding AFUDC.
7 As of March 31, 2021 the Company has placed in service 22 miles of main, 5,789
8 services and 5,780 EFVs on new service lines. The Company anticipates that by June
9 30, 2021 it will have placed in service a total of \$65.1 million, excluding AFUDC, and
10 will have placed in service 35.2 miles of main and an estimated 7,371 of associated
11 services and 7,362 EFVs. See Schedules MPS-2 and MPS-3 for IIP budget
12 information, expenditures incurred to date for In-Service and IIP Year 2 Project
13 completion dates.

14 As required by the IIP Order, the IIP Projects and amounts are incremental to
15 the Company's normal capital spending budget. The Company's actual baseline
16 capital spending for both IIP Program Years 1 and 2 is reflected in Schedule MPS-1.

17 **Q. DO THE IN SERVICE AMOUNTS REFLECTED IN THIS FILING EXCEED**
18 **\$30 MILLION AS REQUIRED BY THE IIP ORDER?**

19 **A.** Yes. Under the IIP Order, Elizabethtown shall make annual filings to recover IIP costs
20 when eligible in-service amounts exceed 10% of total program spending.¹ As noted
21 above, Elizabethtown projects a total of \$65.1 million IIP plant-in-service as of June
22 30, 2021.

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

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

4 **A.** As noted above, the IIP timeline is from July 1, 2019 through June 30, 2024. All IIP
5 Projects are expected to be completed by June 30, 2024. Elizabethtown does not
6 anticipate any changes to the IIP Projects at this time. See Schedule MPS-3 for further
7 information regarding IIP Years 1 and 2 project status and completion dates.

8 **IV. PRIORITIZATION OF PROJECTS**

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

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

17 **Q. HAS THE COMPANY COMPLETED A METHANE LEAK SURVEY FOR**
18 **ELIZABETHTOWN'S TARGETED IIP MILES USING ALD**
19 **TECHNOLOGY?**

20 **A.** Yes. In compliance with the IIP Order, that survey was completed on October 31,
21 2019, thereby satisfying the deadline of December 2019. Under the IIP Order,
22 investments in years two (2) and five (5) of the IIP are subject to completion of the
23 methane leak survey. As authorized by the IIP Order, the costs of the survey are

1 reflected in the cost recovery sought by this filing and supported by Company witness
2 Thomas Kaufmann.

3 **Q. DID THE COMPANY FILE THE METHANE LEAK SURVEY**
4 **INFORMATION WITH THE BOARD?**

5 **A.** Yes. In compliance with the IIP Order, the methane leak survey accompanied the first
6 semi-annual IIP status report that the Company submitted to the Board on February 18,
7 2020. Copies were also provided to Board Staff, Division of Rate Counsel (“Rate
8 Counsel”) and the Environmental Defense Fund.

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

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

13 **A.** As reflected above and in Schedule MPS-3, as of March 31, 2021, Elizabethtown has
14 installed 92.09 miles of mains and just over 11,000 services and EFVs inclusive of
15 CWIP projects not yet in service. In accordance with the intent of the IIP, the
16 replacement of these facilities has and will enhance the Company’s distribution system
17 safety and reliability to the benefit of Elizabethtown’s customers. The IIP work will
18 also support the environment by helping to reduce Elizabethtown’s open leak inventory
19 as discussed below and will facilitate economic development and employment in New
20 Jersey.

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

1 **A.** Yes, as required by the IIP Order, following consultation with Board Staff and Rate
2 Counsel, in December 2019, Elizabethtown retained Jerry May to serve as the IIP
3 Independent Monitor. As of December 2020, the Independent Monitor has completed
4 four (4) reports and found that the IIP investments were effective in meeting IIP
5 objectives and that they were cost effective and efficient. The Independent Monitor's
6 results were reported to Board Staff and Rate Counsel. As discussed by Mr. Kaufmann,
7 the Independent Monitor costs are reflected in the cost recovery sought by this filing
8 as authorized by the IIP Order.

9 **Q. PLEASE ADDRESS THE COMPANY'S OPEN LEAK INVENTORY**
10 **REQUIREMENT AS REFLECTED IN THE IIP ORDER?**

11 **A.** The IIP Order requires that the Company reduce its year-end open leak inventory by
12 one (1) percent for each year of the IIP, except for certain extraordinary
13 circumstances. This open leak reduction metric includes all post-approval open leaks
14 subject to a cap for each year of the IIP. The cap for Year 1 of the IIP is 3,315, which
15 is the average number of year-end open leaks the Company has experienced during the
16 last five (5) calendar years. Hereafter, the cap will be reduced by one (1) percent for
17 each of the remaining four (4) years of the IIP as set forth in the IIP Order. In other
18 words, by June 30, 2021, the Company must demonstrate a one (1) percent reduction
19 in the 3,315 cap. Subsequent years must be reduced by one (1) percent per year
20 measured against the previous year. Thus, for purposes of this filing, the Company has
21 satisfied the open leak target requirement contained in the IIP Order by establishing
22 the cap. In any event, as of March 31, 2021, the Company's actual open leak inventory
23 is 2,138. Please see Schedule MPS-4 for further information concerning
24 Elizabethtown's leak metric requirements.

1 **VI. BASELINE CAPITAL SPENDING**

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

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

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

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

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

22 **A.** Yes. As reflected on Schedule MPS-1, the Company anticipates Total Capital Baseline
23 Spend of \$212 million for the total IIP Program through June 30, 2021, with new
24 business spend at the cap of \$10 million as of June 30, 2021.

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

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

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

8 **A.** Yes. As reflected on Schedule MPS-1, the Company anticipates IIP Baseline Spend of
9 \$6.1 million as of June 30, 2021.

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

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

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

	Program Year 1 Actuals ²	Program Year 2 Actual & Forecast (9 + 3)
<u>Major Categories</u>	7/1/2019 - 6/30/2020	7/1/2020 - 6/30/2021
IIP Baseline Spend in excess of \$6M per IIP Year ¹	\$ 466,273	\$ 135,698
New Business Investment IIP Cap	\$ 10,000,000	\$ 10,000,000
Facilities (no breakout)	\$ 1,293,618	\$ 1,991,830
Fleet (no breakout)	\$ 2,662,783	\$ 953,712
Measurement Operations (SCADA, Measurement, Controls)	\$ 1,906,227	\$ 1,899,674
Peaking Ops	\$ 3,452,580	\$ 22,297,067
IT (Base Business)	\$ 53,551,094	\$ 11,236,017
Mandatory (no breakout)	\$ 3,151,396	\$ 3,075,292
Strategic (CNG Stations) - Not itemized		\$ -
Strategic (Other)		\$ -
Distribution Integrity Mgmt Pgm (DIMP)	\$ 26,905,901	\$ 16,325,816
DIMP-LD	\$ 81,162	\$ 2,851,523
DIMP-STIM		\$ 7,309,433
Transmission Integrity Mgmt Pgm (TIMP) (General)	\$ 2,035,157	\$ 1,520,397
Renewals (incl. Relo, Marta, excl. DIMP & TRIMP)		\$ -
DOT	\$ 908,622	\$ 448,151
Periodic Testing (PT) Meter	\$ 2,079,362	\$ 3,315,263
Pressure Improvement (PRIM)	\$ 2,573,450	\$ 4,636,972
Corrosion Work	\$ 451,500	\$ 218,139
Relocation	\$ 82,471	\$ 313,709
Operations (Field) - Blk svcs, bollards, ert repl, etc.	\$ 407,257	\$ -
Regulator Station (incl Vaults, Tin Whistles)	\$ 294,965	\$ -
Security	\$ -	\$ 778,573
Tools, incl blanket tools (NB, Field & Con Ops)	\$ 53,766	\$ 67,427
Rate Base Accruals	\$ (81,009)	\$ -
RBI Overheads & AFUDC	\$ 5,238,418	\$ 5,455,039
Infrastructure Investment Program - Base Spend (AFUDC)	\$ 37,367	\$ 43,343
Total	\$ 117,552,360	\$ 94,873,075

IIP Baseline Spend	Actuals	Actual & Forecast
<u>Major Categories</u>	7/1/2019 - 6/30/2020	7/1/2020 - 6/30/2021
Infrastructure Investment Program - Base Spend (No AFUDC)	\$ 6,466,273	\$ 6,135,698
IIP Baseline Spend in excess of \$6M per IIP Year.	\$ 466,273	\$ 135,698
IIP Baseline Spend Requirement	\$ 6,000,000	\$ 6,000,000

Total New Business Capital ³	Actuals	Actual & Forecast
<u>Major Categories</u>	7/1/2019 - 6/30/2020	7/1/2020 - 6/30/2021
New Business	\$ 30,305,171	\$ 38,758,921

1 IIP Baseline Spend in excess of \$6M per IIP Year.

2 The 2020 amounts by category have been re-categorized from that submitted June 30th report.

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

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

Schedule MPS-2
Consisting of 1 Page

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

	CWIP Actual as of March 31, 2021			CWIP Forecast (April 1, 2021 thru June 30, 2021)			Total
	Mains	Services	Sub-Total	Mains	Services	Sub-Total	
Program Year 1	\$ 49,249,077	\$ 20,103,701	\$ 69,352,778	\$ -	\$ -	\$ -	\$ 69,352,778
Program Year 2	\$ 20,991,098	\$ 27,491,874	\$ 48,482,972	\$ 11,262,768	\$ 5,822,914	\$ 17,085,682	\$ 65,568,654
Program Year 3							
Program Year 4							
Program Year 5							
Post Program Year 5							
	\$ 70,240,175	\$ 47,595,575	\$ 117,835,750	\$ 11,262,768	\$ 5,822,914	\$ 17,085,682	\$ 134,921,432

	In-Service Actual as of March 31, 2021			In-Service Forecast (April 1, 2021 thru June 30, 2021)			Total
	Mains	Services	Sub-Total	Mains	Services	Sub-Total	
Program Year 1	\$ 43,281,407	\$ 19,553,712	\$ 62,835,119	\$ -	\$ -	\$ -	\$ 62,835,119
Program Year 2	\$ 21,029,631	\$ 26,758,387	\$ 47,788,018	\$ 9,984,384	\$ 7,311,449	\$ 17,295,833	\$ 65,083,851
Program Year 3							
Program Year 4							
Program Year 5							
Post Program Year 5							
	\$ 64,311,038	\$ 46,312,099	\$ 110,623,137	\$ 9,984,384	\$ 7,311,449	\$ 17,295,833	\$ 127,918,970

	In-Service Actual as of March 31, 2021		In-Service Forecast (April 1, 2021 thru June 30, 2021)		Total
Program Year 1	In-Service Miles of Main	70.09	In-Service Miles of Main		70.09
	In-Service Number of Service	5,394	In-Service Number of Services		5,394
	In-Service Number of EFVs	5,381	In-Service Number of EFVs		5,381
Program Year 2	In-Service Miles of Main	22.00	In-Service Miles of Main	13.19	35.19
	In-Service Number of Service	5,789	In-Service Number of Services	1,582	7,371
	In-Service Number of EFVs	5,780	In-Service Number of EFVs	1,582	7,362
Total	TOTAL In-Service Miles of Main	92.09	TOTAL In-Service Miles of Main	13.19	105.28
	TOTAL In-Service Number of Service	11,183	TOTAL In-Service Number of Service	1,582	12,765
	TOTAL In-Service Number of EFVs	11,161	TOTAL In-Service Number of EFVs	1,582	12,743

Note: Amounts exclude the costs for a program monitor, methane leak study and AFUDC.
Cost for 12 months ending June 30, 2025 represents spending to the extent it reflects residual spending associated with restoration work occurring after June 30, 2024.

ELIZABETHTOWN GAS COMPANY
Infrastructure Investment Program ("IIP")

Schedule MPS-3
Consisting of 3 Pages

Construction Work In Progress ("CWIP")
IIP Programs and Projects
as of March 31, 2021

Reference Number	Geographic Program Area Information					Project Budgets wo/ AFUDC			Project Actuals to Date wo/AFUDC			Miles of Main	Number of Services	Number of EFVs	Est. or Actual Completion Date
	AFE	IIP Geographic Program Area	Status	Status		Mains	Services	Total	Mains	Services	Total				
				Mains % Complete	Services % Complete										
1	168913	Chilton St., Cherry St., and Westfield Ave - Phase 3	Complete	100%	100%	\$ 974,092	\$ 441,105	\$ 1,415,197	\$ 1,176,324	\$ 802,954	\$ 1,979,278	1.01	126	126	10/18/19
2	169229	North Ave (Riverside Dr to Newark Ave)	Pre-Construction	0%	0%	\$ 562,464	\$ 344,736	\$ 907,200	\$ 218,718	\$ -	\$ 218,718	0.00	0	0	4/4/22
3	169283	Salem Ave (Conant St to Ridgeway Ave)	Complete	100%	100%	\$ 1,737,104	\$ 1,301,789	\$ 3,038,893	\$ 1,939,516	\$ 1,262,759	\$ 3,202,275	1.92	362	362	5/18/20
4	169317	Sweetland Ave and Eastern Pky	Complete	100%	100%	\$ 1,371,574	\$ 1,063,744	\$ 2,435,318	\$ 1,434,437	\$ 1,323,742	\$ 2,758,179	2.24	420	420	10/14/20
5	169333	W Milton Ave and Bryant Ave, Ph 2	Construction	100%	0%	\$ 950,380	\$ 475,628	\$ 1,426,008	\$ 536,188	\$ 98	\$ 536,286	0.97	0	0	5/13/22
6	169604	S Union Ave	Complete	100%	100%	\$ 197,992	\$ 187,221	\$ 385,213	\$ 387,893	\$ 392,196	\$ 780,089	0.42	72	72	6/1/20
7	169803	Hory St and Ludlow St	Design	0%	0%	\$ 341,516	\$ 209,316	\$ 550,832	\$ 38,610	\$ -	\$ 38,610	0.00	0	0	8/2/22
8	171369	Orange Ave and S 21st St	Complete	100%	100%	\$ 1,550,413	\$ 872,985	\$ 2,423,398	\$ 1,581,128	\$ 1,032,468	\$ 2,613,596	2.53	363	363	5/6/20
9	172043	Westfield Ave (Grove St to Highland Ave)	Restoration	100%	100%	\$ 873,962	\$ 217,833	\$ 1,091,795	\$ 544,117	\$ 352,182	\$ 896,299	0.74	47	47	11/22/19
10	172420	N Main St (NJ 29)	Construction	100%	45%	\$ 325,561	\$ 68,970	\$ 394,531	\$ 273,385	\$ 26,260	\$ 299,645	0.09	5	5	6/15/21
11	172642	Center St EP DI Replacement	Pre-Construction	0%	0%	\$ 418,742	\$ 256,648	\$ 675,390	\$ 86,887	\$ 2,748	\$ 89,635	0.00	0	0	9/15/21
12	173001	South Ave (NJ 28) and Hetfield Ave	Complete	100%	100%	\$ 1,938,470	\$ 794,763	\$ 2,733,233	\$ 2,742,445	\$ 1,130,561	\$ 3,873,006	2.60	282	281	4/29/20
13	173438	Salem Rd, Ph. 3	Complete	100%	100%	\$ 978,120	\$ 821,588	\$ 1,799,708	\$ 960,774	\$ 578,209	\$ 1,538,983	1.70	203	203	10/9/19
14	173491	High St and Rector St	Construction	100%	70%	\$ 1,747,566	\$ 842,006	\$ 2,589,572	\$ 684,625	\$ 770,204	\$ 1,454,829	1.40	146	146	8/9/21
15	173738	Brookside Pl and 4th Ave	Complete	100%	100%	\$ 565,554	\$ 274,514	\$ 840,068	\$ 949,704	\$ 277,314	\$ 1,227,018	1.02	111	111	6/24/20
16	173843	Birchwood Ave EP DI Replacement	Complete	100%	100%	\$ 97,524	\$ 33,976	\$ 131,500	\$ 176,761	\$ 833	\$ 177,594	0.31	1	1	10/18/19
17	173886	Stiles St	Complete	100%	100%	\$ 123,386	\$ 131,585	\$ 254,971	\$ 358,493	\$ 261,358	\$ 619,851	0.05	47	47	5/27/20
18	173993	Park Ave and Coolidge Rd	Restoration	100%	100%	\$ 609,432	\$ 295,320	\$ 904,752	\$ 535,155	\$ 303,396	\$ 838,551	0.65	72	72	4/16/21
19	174000	2nd Ave and 3rd Ave	Restoration	100%	100%	\$ 1,306,955	\$ 763,216	\$ 2,070,171	\$ 704,791	\$ 782,753	\$ 1,487,544	1.70	242	241	4/22/21
20	174185	W Munsell Ave and W Stimpson Ave	Complete	100%	100%	\$ 953,278	\$ 639,667	\$ 1,592,945	\$ 1,128,259	\$ 806,132	\$ 1,934,391	1.23	203	201	6/17/20
21	174280	Browning Ave and Edgewood Rd	Construction	30%	0%	\$ 1,134,940	\$ 632,492	\$ 1,767,432	\$ 260,153	\$ -	\$ 260,153	0.34	0	0	6/10/22
22	174471	Birch Hill Rd and Knollwood Rd	Complete	100%	100%	\$ 1,915,368	\$ 496,441	\$ 2,411,809	\$ 1,598,265	\$ 871,291	\$ 2,469,556	2.22	191	190	12/4/20
23	174533	Colfax Ave and Maplewood Ave	Construction	100%	65%	\$ 2,181,028	\$ 1,069,325	\$ 3,250,353	\$ 1,299,513	\$ 912,951	\$ 2,212,464	2.65	211	210	4/14/22
24	174624	4th St and 5th St	Complete	100%	100%	\$ 1,726,688	\$ 1,249,783	\$ 2,976,471	\$ 2,318,142	\$ 1,476,262	\$ 3,794,404	1.79	329	328	6/10/20
25	174716	Salem Rd, Ph. 4	Complete	100%	100%	\$ 391,746	\$ 349,037	\$ 740,783	\$ 562,260	\$ 248,548	\$ 810,808	0.71	95	95	6/29/20
26	174755	Bender Ave and Sheridan Ave	Complete	100%	100%	\$ 1,081,490	\$ 910,494	\$ 1,991,984	\$ 1,022,936	\$ 997,791	\$ 2,020,727	1.35	300	299	11/2/20
27	174901	South Wood Ave (Tremley Point Rd) EP DI Replacement	Complete	100%	100%	\$ 305,011	\$ 58,550	\$ 363,561	\$ 272,534	\$ 2,454	\$ 274,988	0.14	1	1	8/18/20
28	175254	Columbus Ave	Restoration	100%	100%	\$ 976,314	\$ 503,537	\$ 1,479,851	\$ 672,650	\$ 620,264	\$ 1,292,914	1.15	163	161	8/13/21
29	175326	Sheridan Ave and E 7th Ave	Complete	100%	100%	\$ 1,181,366	\$ 551,318	\$ 1,732,684	\$ 1,055,922	\$ 634,767	\$ 1,690,689	1.29	170	170	11/18/20
30	175350	Main St	Complete	100%	100%	\$ 757,702	\$ 441,039	\$ 1,198,741	\$ 1,205,379	\$ 646,286	\$ 1,851,665	1.13	155	155	9/30/20
31	175428	W Curtis St and Miltonia St	Restoration	100%	100%	\$ 1,177,821	\$ 603,606	\$ 1,781,427	\$ 999,441	\$ 525,873	\$ 1,525,314	1.55	174	174	5/3/21
32	175675	Grand Street	Complete	100%	100%	\$ 213,669	\$ 215,849	\$ 429,518	\$ 227,623	\$ 130,594	\$ 358,217	0.43	48	48	10/14/19
33	175728	Walnut St and E 7th Ave	Restoration	100%	100%	\$ 1,169,361	\$ 643,251	\$ 1,812,612	\$ 770,196	\$ 905,943	\$ 1,676,139	1.30	194	194	6/10/21
34	175940	Wilbur Ave	Restoration	100%	100%	\$ 704,272	\$ 328,413	\$ 1,032,685	\$ 575,760	\$ 402,313	\$ 978,073	0.79	100	100	8/13/21
35	175987	W Curtis St and W Gibbons St	Restoration	100%	100%	\$ 582,175	\$ 346,143	\$ 928,318	\$ 620,749	\$ 339,739	\$ 960,488	0.70	90	89	4/29/21
36	176009	Burkley Pl	Complete	100%	100%	\$ 488,287	\$ 347,506	\$ 835,793	\$ 548,870	\$ 401,811	\$ 950,681	0.95	133	132	10/15/20
37	176015	Cook Ave and Mountain Ave	Restoration	100%	100%	\$ 1,098,465	\$ 783,324	\$ 1,881,789	\$ 669,681	\$ 1,002,435	\$ 1,672,116	1.59	273	273	6/15/21
38	176044	Elmwood Ave	Complete	100%	100%	\$ 802,194	\$ 292,046	\$ 1,094,240	\$ 843,293	\$ 356,787	\$ 1,200,080	0.72	69	69	5/19/20
39	176053	N. Union St and Elm St	Construction	100%	0%	\$ 817,117	\$ 522,084	\$ 1,339,201	\$ 468,189	\$ 18,831	\$ 487,020	0.76	0	0	6/14/22
40	176067	Mountain Ave and Parkway	Complete	100%	100%	\$ 229,150	\$ 68,467	\$ 297,617	\$ 447,412	\$ 54,495	\$ 501,907	0.13	17	17	9/17/20
41	176075	Lawrence Ave and Roanoke Rd	Restoration	100%	100%	\$ 1,312,301	\$ 314,734	\$ 1,627,035	\$ 673,000	\$ 469,970	\$ 1,142,970	1.23	86	86	6/8/21
42	176079	Fairway Dr	Complete	100%	100%	\$ 1,184,393	\$ 620,554	\$ 1,804,947	\$ 1,290,830	\$ 775,869	\$ 2,066,699	1.95	200	199	9/29/20
43	176115	Vauxhall Rd and Gustov Ave	Complete	100%	100%	\$ 716,780	\$ 307,219	\$ 1,023,999	\$ 626,871	\$ 330,610	\$ 957,481	0.86	101	101	3/24/21
44	176344	Spring St (US Route 1) (E Jersey St to North Ave) Phase II	Complete	100%	100%	\$ 776,494	\$ 373,232	\$ 1,149,726	\$ 1,187,625	\$ 264,402	\$ 1,452,027	0.88	47	47	6/4/20
45	176394	Vauxhall Rd and Brookfall Ave	Complete	100%	100%	\$ 729,047	\$ 353,419	\$ 1,082,466	\$ 702,803	\$ 359,191	\$ 1,061,994	0.94	118	117	12/23/20
46	176447	Vauxhall Rd (Highland Ave to Faltoute Ave)	Complete	100%	100%	\$ 766,198	\$ 328,905	\$ 1,095,103	\$ 577,104	\$ 459,067	\$ 1,036,171	0.95	107	107	12/23/20
47	176479	Savitt Pl and Brighton St	Complete	100%	100%	\$ 824,303	\$ 458,484	\$ 1,282,787	\$ 1,018,671	\$ 462,214	\$ 1,480,885	1.10	138	147	8/4/20
48	176824	Highland Ave and Birch Ave	Restoration	100%	100%	\$ 2,144,583	\$ 580,546	\$ 2,725,129	\$ 1,022,853	\$ 495,870	\$ 1,518,723	1.83	146	145	4/30/21
49	176826	Lake Avenue	Complete	100%	100%	\$ 69,035	\$ 42,266	\$ 111,301	\$ 82,088	\$ 39,354	\$ 121,442	0.17	9	9	8/27/19
50	176840	Route 22 Eastbound	Complete	100%	100%	\$ 246,907	\$ 52,292	\$ 299,199	\$ 277,258	\$ 186,421	\$ 463,679	0.28	8	8	9/28/20
51	177009	Hillside Ave and Mountainview Dr	Restoration	100%	100%	\$ 893,883	\$ 289,081	\$ 1,182,964	\$ 418,276	\$ 347,731	\$ 766,007	1.21	78	78	10/4/21
52	177266	Cross Ave and Alina St	Complete	100%	100%	\$ 2,019,981	\$ 1,285,938	\$ 3,305,919	\$ 1,650,291	\$ 1,780,408	\$ 3,430,699	1.57	337	337	12/9/20
53	177350	E. Price St and Maple Ave	Restoration	100%	100%	\$ 929,146	\$ 636,245	\$ 1,565,391	\$ 938,771	\$ 930,516	\$ 1,869,287	0.97	166	166	4/6/21
54	177352	Congress St Phase II	Complete	100%	100%	\$ 1,108,730	\$ 422,869	\$ 1,531,599	\$ 1,106,477	\$ 467,858	\$ 1,574,335	1.54	187	187	11/6/19
55	177548	Durham Ave and Central Ave	Restoration	100%	100%	\$ 129,166	\$ 72,282	\$ 201,448	\$ 315,499	\$ 58,998	\$ 374,497	0.21	22	22	4/7/21
56	500022	W. Baltimore Ave and Lincoln St	Complete	100%	100%	\$ 1,113,767	\$ 657,159	\$ 1,770,926	\$ 1,331,167	\$ 1,120,848	\$ 2,452,015	1.65	234	234	10/28/20
57	500025	Monmouth Rd and Princeton Rd	Pre-Construction	0%	0%	\$ 2,000,117	\$ 1,225,878	\$ 3,225,995	\$ 87,289	\$ -	\$ 87,289	0.00	0	0	7/19/22
58	500031	Aldene Rd and W. 3rd Ave	Restoration	100%	100%	\$ 1,374,971	\$ 776,363	\$ 2,151,334	\$ 760,454	\$ 1,165,002	\$ 1,925,456	1.87	235	234	5/18/21
59	500034	Robin Rd EP DI Replacement	Restoration	100%	100%	\$ 222,013	\$ 48,709	\$ 270,722	\$ 55,358	\$ 96,513	\$ 151,871	0.13			

ELIZABETHTOWN GAS COMPANY
Infrastructure Investment Program ("IIP")

Schedule MPS-3
Consisting of 3 Pages

Construction Work In Progress ("CWIP")
IIP Programs and Projects
as of March 31, 2021

Reference Number	Geographic Program Area Information					Project Budgets wo/ AFUDC			Project Actuals to Date wo/AFUDC			Miles of Main	Number of Services	Number of EFVs	Est. or Actual Completion Date
	AFE	IIP Geographic Program Area	Status	Status		Mains	Services	Total	Mains	Services	Total				
				Mains % Complete	Services % Complete										
67	500071	W. Chestnut Street	Complete	100%	100%	\$ 429,029	\$ 249,698	\$ 678,727	\$ 643,835	\$ 490,774	\$ 1,134,609	0.73	69	68	7/7/20
68	500074	W. Grand Street	Restoration	100%	100%	\$ 594,082	\$ 239,463	\$ 833,545	\$ 537,364	\$ 378,705	\$ 916,069	0.44	70	70	4/20/21
69	500077	Halsted Rd and Hillside Rd	Construction	100%	100%	\$ 1,673,399	\$ 837,090	\$ 2,510,489	\$ 1,377,494	\$ 972,852	\$ 2,350,346	1.81	278	278	4/19/21
70	500080	Gordon St and Market St	Pre-Construction	0%	0%	\$ 586,229	\$ 359,301	\$ 945,530	\$ 151,480	\$ -	\$ 151,480	0.00	0	0	4/6/22
71	500083	Main St	Complete	100%	100%	\$ 41,367	\$ 21,855	\$ 63,222	\$ 28,487	\$ 10,062	\$ 38,549	0.05	3	3	10/16/19
72	500086	Walnut St and Wheatshaf Rd	Complete	100%	100%	\$ 417,255	\$ 320,937	\$ 738,192	\$ 718,837	\$ 438,973	\$ 1,157,810	0.75	95	95	10/19/20
73	500096	Pierce St and New Brunswick Ave	Complete	100%	100%	\$ 576,132	\$ 309,809	\$ 885,941	\$ 628,370	\$ 567,375	\$ 1,195,745	0.77	100	100	11/14/20
74	500099	Montgomery St and E. Scott Ave	Complete	100%	100%	\$ 409,607	\$ 157,648	\$ 567,255	\$ 352,403	\$ 283,216	\$ 635,619	0.40	52	52	11/14/20
75	500102	Center St and Hazel Ave	Restoration	100%	100%	\$ 896,211	\$ 461,592	\$ 1,357,803	\$ 430,276	\$ 550,032	\$ 980,308	1.36	160	154	5/25/21
76	500105	Richfield Ave and Summit Ave	Construction	100%	85%	\$ 925,665	\$ 360,159	\$ 1,285,824	\$ 353,984	\$ 405,519	\$ 759,503	0.94	117	117	7/19/21
77	500108	Arthur Terr and Kingston Ave	Restoration	100%	100%	\$ 820,963	\$ 413,751	\$ 1,234,714	\$ 450,133	\$ 473,698	\$ 923,831	0.85	122	122	4/20/21
78	500111	Harrison Ave and Mercer Ave	Restoration	100%	100%	\$ 1,247,080	\$ 687,076	\$ 1,934,156	\$ 582,926	\$ 855,094	\$ 1,438,020	1.12	194	194	5/20/21
79	500114	Pine St and Ripley Ave	Construction	98%	98%	\$ 1,618,808	\$ 685,084	\$ 2,303,892	\$ 635,009	\$ 669,617	\$ 1,304,626	1.59	196	190	5/12/22
80	500117	McCandless St and Bower St	Restoration	100%	100%	\$ 1,144,476	\$ 499,558	\$ 1,644,034	\$ 625,635	\$ 596,402	\$ 1,222,037	1.30	141	141	4/8/21
81	500120	Clinton St	Construction	100%	0%	\$ 1,190,959	\$ 532,926	\$ 1,723,885	\$ 735,408	\$ 1,621	\$ 737,029	1.17	0	0	5/16/22
82	500123	Rahway Ave	Restoration	100%	100%	\$ 1,142,631	\$ 311,715	\$ 1,454,346	\$ 662,959	\$ 406,663	\$ 1,069,622	0.72	71	70	4/6/21
83	500128	Middlesex Ave (NJ 27) and Main St	Pre-Construction	0%	0%	\$ 990,673	\$ 607,187	\$ 1,597,860	\$ 264,544	\$ -	\$ 264,544	0.00	0	0	6/17/22
84	500131	Gless Ave and High St	Construction	100%	0%	\$ 762,321	\$ 540,019	\$ 1,302,340	\$ 468,120	\$ -	\$ 468,120	0.71	0	0	9/2/21
85	500134	Oakland Terr and Stanley Terr	Restoration	100%	100%	\$ 1,104,875	\$ 636,373	\$ 1,741,248	\$ 511,269	\$ 712,651	\$ 1,223,920	0.96	165	165	9/13/21
86	500137	Hawthorne Ave and Leslie St	Construction	95%	99%	\$ 847,975	\$ 449,592	\$ 1,297,567	\$ 290,341	\$ 458,497	\$ 748,838	0.93	135	135	7/8/21
87	500142	Gelb Ave EP DI Replacement	Restoration	100%	100%	\$ 104,015	\$ 27,356	\$ 131,371	\$ 62,181	\$ 12,250	\$ 74,431	0.05	1	1	4/13/21
88	500145	Westfield Ave EP DI Replacement	Pre-Construction	0%	0%	\$ 437,119	\$ 267,911	\$ 705,030	\$ 15,578	\$ -	\$ 15,578	0.00	0	0	7/7/22
89	500149	Vauxhall Rd (Private Rd) EP DI Replacement	Restoration	100%	100%	\$ 210,403	\$ 128,957	\$ 339,360	\$ 198,346	\$ 9,921	\$ 208,267	0.23	2	2	7/26/21
90	500152	Commerce Dr EP DI Replacement	Pre-Construction	0%	0%	\$ 117,354	\$ 71,926	\$ 189,280	\$ 49,220	\$ 36,081	\$ 85,301	0.00	0	0	6/14/22
91	500155	Hamilton St and Seminary Ave	Construction	100%	69%	\$ 1,184,131	\$ 579,823	\$ 1,763,954	\$ 643,075	\$ 600,363	\$ 1,243,438	1.01	110	109	7/8/21
92	500158	Lincoln Ave E and Walnut Ave	Construction	100%	13%	\$ 942,500	\$ 568,305	\$ 1,510,805	\$ 262,017	\$ 46,850	\$ 308,867	0.69	20	20	7/30/21
93	500169	Grove Ave	Complete	100%	100%	\$ 356,573	\$ 95,135	\$ 451,708	\$ 547,197	\$ 186,038	\$ 733,235	0.42	23	22	11/4/20
94	500178	Knopf St and Laurita St	Restoration	100%	100%	\$ 1,001,817	\$ 600,515	\$ 1,602,332	\$ 437,181	\$ 619,043	\$ 1,056,224	0.87	138	138	4/27/21
95	500181	Bonna Villa Ave and Victory St	Restoration	100%	100%	\$ 945,762	\$ 519,100	\$ 1,464,862	\$ 674,943	\$ 561,521	\$ 1,236,464	1.00	117	117	5/13/21
96	500175	Colfax Ave and W. Lincoln Ave	Construction	100%	99%	\$ 1,100,358	\$ 553,626	\$ 1,653,984	\$ 691,341	\$ 624,472	\$ 1,315,813	1.11	138	138	7/13/21
97	500239	Dowd Ave and York St	Complete	100%	100%	\$ 422,044	\$ 85,003	\$ 507,047	\$ 442,107	\$ 98,474	\$ 540,581	0.44	9	9	7/20/20
98	500242	Florida St and Geneva St	Construction	0%	0%	\$ 593,597	\$ 363,818	\$ 957,415	\$ 40,271	\$ 1,654	\$ 41,925	0.00	0	0	6/17/22
99	500245	Myrtle Ave and Oak St	Construction	100%	88%	\$ 864,302	\$ 612,264	\$ 1,476,566	\$ 405,395	\$ 560,889	\$ 966,284	1.07	158	158	4/14/22
100	500261	Colonial Arms Rd and Nixon Rd	Restoration	100%	100%	\$ 985,576	\$ 574,079	\$ 1,559,655	\$ 443,773	\$ 594,911	\$ 1,038,684	1.09	160	158	4/12/21
101	500267	Essex Ave and Spring St	Pre-Construction	0%	0%	\$ 526,020	\$ 322,400	\$ 848,420	\$ 85,212	\$ -	\$ 85,212	0.00	0	0	7/27/22
102	500258	Globe Ave and Winfield Terr	Construction	99%	94%	\$ 965,694	\$ 537,767	\$ 1,503,461	\$ 577,807	\$ 580,421	\$ 1,158,228	1.11	132	132	6/17/21
103	500255	Kimball Ave and Canterbury Rd	Pre-Construction	0%	0%	\$ 1,148,373	\$ 703,842	\$ 1,852,215	\$ 47,465	\$ -	\$ 47,465	0.00	0	0	7/22/22
104	500264	Rose St and Newman St	Pre-Construction	0%	0%	\$ 304,733	\$ 186,772	\$ 491,505	\$ 33,003	\$ -	\$ 33,003	0.00	0	0	7/25/22
105	500308	E. 2nd Ave and Linden Rd	Pre-Construction	0%	0%	\$ 894,316	\$ 548,129	\$ 1,442,445	\$ 83,744	\$ -	\$ 83,744	0.00	0	0	8/1/22
106	500299	Jaques Ave and Minna St	Pre-Construction	0%	0%	\$ 207,508	\$ 127,182	\$ 334,690	\$ 43,164	\$ -	\$ 43,164	0.00	0	0	4/12/22
107	500293	Jefferson Ave and Walnut St	Pre-Construction	0%	0%	\$ 548,505	\$ 336,180	\$ 884,685	\$ 46,035	\$ -	\$ 46,035	0.00	0	0	7/8/22
108	500305	Locust St and 4th Ave	Pre-Construction	0%	0%	\$ 854,081	\$ 523,469	\$ 1,377,550	\$ 65,758	\$ -	\$ 65,758	0.00	0	0	5/18/22
109	500287	Smith St and New Brunswick Ave	Pre-Construction	0%	0%	\$ 713,933	\$ 437,572	\$ 1,151,505	\$ 66,575	\$ -	\$ 66,575	0.00	0	0	8/17/22
110	500290	Thompson Ave and Sheridan Ave	Pre-Construction	0%	0%	\$ 1,332,316	\$ 783,030	\$ 2,115,346	\$ 49,807	\$ -	\$ 49,807	0.00	0	0	5/31/22
111	500302	Westfield Ave and Washington St	Pre-Construction	0%	0%	\$ 1,507,804	\$ 673,458	\$ 2,181,262	\$ 100,596	\$ 4,265	\$ 104,861	0.00	0	0	6/2/22
112	500323	McCandless St	Restoration	100%	100%	\$ 373,924	\$ 153,116	\$ 527,040	\$ 188,361	\$ 193,652	\$ 382,013	0.23	34	34	4/9/21
113	500296	Bloy St and Rt 22	Design	0%	0%	\$ 115,487	\$ 70,783	\$ 186,270	\$ 24,265	\$ -	\$ 24,265	0.00	0	0	8/27/21
114	500314	W. Lincoln Ave W. and Elm St	Pre-Construction	0%	0%	\$ 909,311	\$ 557,319	\$ 1,466,630	\$ 100,891	\$ -	\$ 100,891	0.00	0	0	4/29/22
115	500320	S. Broad St and Garden St	Pre-Construction	0%	0%	\$ 245,966	\$ 150,754	\$ 396,720	\$ 86,564	\$ -	\$ 86,564	0.00	0	0	7/5/22
116	500353	Forest Dr and Huntington Rd	Pre-Construction	0%	0%	\$ 819,265	\$ 502,130	\$ 1,321,395	\$ 108,236	\$ -	\$ 108,236	0.00	0	0	6/7/22
117	500317	Trotting Rd and Gates Terr	Pre-Construction	0%	0%	\$ 346,183	\$ 212,177	\$ 558,360	\$ 31,899	\$ -	\$ 31,899	0.00	0	0	8/4/22
118	500355	Burroughs Terr and Thoreau Terr	Pre-Construction	0%	0%	\$ 863,018	\$ 528,947	\$ 1,391,965	\$ 107,469	\$ -	\$ 107,469	0.00	0	0	6/8/22
119	500360	Chandler Ave and E. Henry St.	Pre-Construction	0%	0%	\$ 1,153,676	\$ 707,091	\$ 1,860,767	\$ 88,251	\$ -	\$ 88,251	0.00	0	0	6/28/22
120	500336	Cranford Ave and Garden St	Construction	100%	93%	\$ 394,456	\$ 205,956	\$ 600,412	\$ 221,766	\$ 185,489	\$ 407,255	0.51	51	51	5/21/21
121	500333	Centennial Ave and Lincoln Ave E	Construction	29%	0%	\$ 1,160,739	\$ 711,421	\$ 1,872,160	\$ 200,596	\$ 3,386	\$ 203,982	0.46	0	0	5/27/21
122	500372	Chandler Ave and E. Henry St., Phase 2	Pre-Construction	0%	0%	\$ 1,501,141	\$ 920,054	\$ 2,421,195	\$ 129,606	\$ -	\$ 129,606	0.00	0	0	7/14/22
123	500351	Clark St and Maple Ave	Construction	100%	61%	\$ 1,057,839	\$ 638,936	\$ 1,696,775	\$ 644,657	\$ 476,116	\$ 1,120,773	1.19	90	90	9/14/21
124	500339	Edgar Rd and E. Linden Ave	Pre-Construction	0%	0%	\$ 901,638	\$ 552,617	\$ 1,454,255	\$ 84,018	\$ -	\$ 84,018	0.00	0	0	7/13/22
125	500368	Willow Ave and Center St	Pre-Construction	0%	0%	\$ 821,619	\$ 503,573	\$ 1,325,192	\$ 32,351	\$ -	\$ 32,351	0.00	0	0	7/1/22
126	500362	Faltoute Ave	Pre-Construction	0%	0%	\$ 730,469	\$ 447,707	\$ 1,178,176	\$ 76,017	\$ -	\$ 76,017	0.00	0	0	5/3/22
127	500364	W. Webster Ave and Willow Ave	Pre-Construction	0%	0%	\$ 516,479	\$ 316,552	\$ 833,031	\$ 37,733	\$ -	\$ 37,733	0.00	0	0	7/18/22
128	500378	Bloy St and Harvard Ave	Design	0%	0%	\$ 896,082	\$ 549,212	\$ 1,445,294	\$ 36,918	\$ -	\$ 36,918	0.00	0	0	4/25/22
129	500380	S. Chestnut St and Lenox Ave Phase 1	Design	0%	0%	\$ 1,125,421	\$ 689,774	\$ 1,815,195	\$ 69,076	\$ -	\$ 69,076	0.00	0	0	4/26/22
130	500374	Thorn St and E. Lake Ave	Pre-Construction	0%	0%	\$ 1,175,642	\$ 720,555	\$ 1,896,197	\$ 35,957	\$ -	\$ 35,957	0.00	0	0	8/4/22
131	500366	US Rt 22 and Locust Ave	Design	0%	0%	\$ 727,927	\$ 446,149	\$ 1,174,076	\$ 30,898	\$ -	\$ 30,898				

ELIZABETHTOWN GAS COMPANY
Infrastructure Investment Program ("IIP")

Schedule MPS-3
Consisting of 3 Pages

Construction Work In Progress ("CWIP")
IIP Programs and Projects
as of March 31, 2021

Reference Number	Geographic Program Area Information					Project Budgets wo/ AFUDC			Project Actuals to Date wo/AFUDC			Miles of Main	Number of Services	Number of EFVs	Est. or Actual Completion Date
	AFE	IIP Geographic Program Area	Status	Status		Mains	Services	Total	Mains	Services	Total				
				Mains % Complete	Services % Complete										
133	500384	E Elizabeth Ave, Adams St, & Pennsylvania Ave EP DI Project	Pre-Construction	0%	0%	\$ 411,260	\$ 252,062	\$ 663,322	\$ 18,887	\$ -	\$ 18,887	0.00	0	0	5/16/22
134	500382	S. Chestnut St and Lenox Ave Phase 2	Design	0%	0%	\$ 1,047,282	\$ 641,883	\$ 1,689,165	\$ 59,245	\$ -	\$ 59,245	0.00	0	0	9/1/22
135	590035	Clover St and Linden Ave	Design	0%	0%	\$ 958,369	\$ 587,387	\$ 1,545,756	\$ 20,158	\$ -	\$ 20,158	0.00	0	0	4/27/22
136	590037	Salem Ave and North Ave	Design	0%	0%	\$ 584,916	\$ 358,497	\$ 943,413	\$ 5,764	\$ -	\$ 5,764	0.00	0	0	4/12/22
137	590039	5th Ave and Robins St	Design	0%	0%	\$ 1,349,036	\$ 826,828	\$ 2,175,864	\$ 21,950	\$ -	\$ 21,950	0.00	0	0	4/7/23
138	500469	Cherry St	Design	0%	0%	\$ -	\$ -	\$ -	\$ 7,300	\$ -	\$ 7,300	0.00	0	0	4/15/23
139	500471	Lafayette Pl	Design	0%	0%	\$ -	\$ -	\$ -	\$ 6,763	\$ -	\$ 6,763	0.00	0	0	4/15/23
140	500475	Laurel St	Design	0%	0%	\$ -	\$ -	\$ -	\$ 4,906	\$ -	\$ 4,906	0.00	0	0	4/15/23
141	500401	Earl St and Oakland Ave	Design	0%	0%	\$ 846,852	\$ 519,038	\$ 1,365,890	\$ 23,308	\$ -	\$ 23,308	0.00	0	0	9/6/22
142	500473	Liberty St	Design	0%	0%	\$ -	\$ -	\$ -	\$ 5,637	\$ -	\$ 5,637	0.00	0	0	4/15/23
143	500479	Linden Pl (N Union Ave to Orange Ave)	Pre-Construction	0%	0%	\$ 208,412	\$ 127,736	\$ 336,148	\$ 30,844	\$ -	\$ 30,844	0.00	0	0	5/19/21
144	500490	Kay Ave and Camden Ct	Pre-Construction	0%	0%	\$ 147,969	\$ 90,691	\$ 238,660	\$ 13,027	\$ -	\$ 13,027	0.00	0	0	4/11/22
145	500481	Vauxhall Rd (Valley St to Burnet Ave)	Pre-Construction	0%	0%	\$ 231,763	\$ 142,048	\$ 373,811	\$ 23,760	\$ -	\$ 23,760	0.00	0	0	8/25/21
146	500483	S Wood Ave (E11th St to Route 1)	Restoration	100%	100%	\$ 190,153	\$ 63,268	\$ 253,421	\$ 95,815	\$ 78,480	\$ 174,295	0.11	9	9	4/7/21
147	500486	Allen Ave and Carlton Ter	Pre-Construction	0%	0%	\$ 225,657	\$ 138,306	\$ 363,963	\$ 20,545	\$ -	\$ 20,545	0.00	0	0	8/6/21
148	500488	Doris Ave and Center St	Pre-Construction	0%	0%	\$ 531,161	\$ 325,550	\$ 856,711	\$ 54,480	\$ -	\$ 54,480	0.00	0	0	9/29/21
149	500492	Springfield Ave (Vauxhall Rd to Valley St)	Design	0%	0%	\$ 203,598	\$ 124,786	\$ 328,384	\$ 8,600	\$ -	\$ 8,600	0.00	0	0	12/2/21
150	500494	Newark Ave	Design	0%	0%	\$ -	\$ -	\$ -	\$ 1,249	\$ -	\$ 1,249	0.00	0	0	4/15/23
151	500496	Monroe Ave	Design	0%	0%	\$ -	\$ -	\$ -	\$ 2,497	\$ -	\$ 2,497	0.00	0	0	4/15/23
		Totals				\$ 121,145,132	\$ 65,893,167	\$ 187,038,299	\$ 70,240,175	\$ 47,595,575	\$ 117,835,750	96.52	11,646	11,618	

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

- Work completed, including identified tasks completed, e.g. design phase, material procurement, permit gathering, phases of construction, etc.;
- Anticipated project timeline, including estimated completion date, with updates and expected and unanticipated changes, along with an explanation of the reasons for any changes; and
- A narrative discussion of the effectiveness of the project in improving system performance; including identification of improved facilities including specific feeders), where appropriate

ELIZABETHTOWN GAS COMPANY
Infrastructure Investment Program (“IIP”)

Leak Metrics

	<u>5 Yr Avg</u>	<u>Reduction</u>	<u>Target</u>	April Filing Actual <u>March-31</u>	Fav / (Un-Fav) <u>to Target</u>	July Filing Actual <u>June-30</u>	Fav / (Un-Fav) <u>to Target</u>
2020	3,315	0%	3,315	1,732	1,583	2,279	1,036
2021	3,315	1%	3,282	2,138	1,144	-	-
2022	3,315	2%	3,249	-	-	-	-
2023	3,315	3%	3,216	-	-	-	-
2024	3,315	4%	3,182	-	-	-	-

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