



520 Green Lane  
Union, NJ 07083

T: (908) 662-8448  
F: (908) 662-8496

dfranco@sjindustries.com

Deborah M. Franco, Esq.  
VP/Rates, Regulatory & Sustainability

February 18, 2022

**ELECTRONICALLY FILED**

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

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

**BPU Docket No. GR21121254**

Dear Secretary Camacho-Welch,

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

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 submitted at this time, but can be provided at a later time, if needed.

Respectfully,

A handwritten signature in black ink, appearing to read "Deborah M. Franco".

Deborah M. Franco

Enclosures

cc: Service List (Electronic Mail)

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

**BPU DOCKET NO. GR21121254**

**SERVICE LIST**

Deborah M. Franco, Esq.  
**SJI Utilities, Inc.**  
520 Green Lane  
Union, NJ 07083  
[dfranco@sjindustries.com](mailto:dfranco@sjindustries.com)

Sheree Kelly  
**SJI Utilities, Inc.**  
520 Green Lane  
Union, NJ 07083  
[skelly@sjindustries.com](mailto:skelly@sjindustries.com)

Cindy Capozzoli  
**SJI Utilities, Inc.**  
1 South Jersey Place  
Atlantic City, NJ 08401  
[ccapozzoli@sjindustries.com](mailto:ccapozzoli@sjindustries.com)

Carolyn A. Jacobs  
**SJI Utilities, Inc.**  
1 South Jersey Place  
Atlantic City, NJ 08401  
[cjacobs@sjindustries.com](mailto:cjacobs@sjindustries.com)

Gary Akmentins  
**Elizabethtown Gas Company**  
520 Green Lane  
Union, NJ 07083  
[gakmentins@sjindustries.com](mailto:gakmentins@sjindustries.com)

John Houseman  
**South Jersey Industries, Inc.**  
1 South Jersey Plaza  
Hammonton, NJ 08037  
[jhouseman@sjindustries.com](mailto:jhouseman@sjindustries.com)

Thomas Kaufmann  
**Elizabethtown Gas Company**  
520 Green Lane  
Union, NJ 07083  
[tkaufmann@sjindustries.com](mailto:tkaufmann@sjindustries.com)

James Madden  
**SJI Utilities, Inc.**  
215 Cates Road  
Egg Harbor Twp., NJ 08234  
[jmadden@sjindustries.com](mailto:jmadden@sjindustries.com)

Susan Potanovich  
**Elizabethtown Gas Company**  
520 Green Lane  
Union, NJ 07083  
[spotanovich@sjindustries.com](mailto:spotanovich@sjindustries.com)

Michael Scacifero  
**Elizabethtown Gas Company**  
520 Green Lane  
Union, NJ 07083  
[mscacifero@sjindustries.com](mailto:mscacifero@sjindustries.com)

Len Willey  
**Elizabethtown Gas Company**  
520 Green Lane  
Union, NJ 07083  
[lwilley@sjindustries.com](mailto:lwilley@sjindustries.com)

William Barkasy  
**Board of Public Utilities**  
44 South Clinton Ave  
P.O. Box 350  
Trenton, NJ 08625-0350  
[William.barkasy@bpu.nj.gov](mailto:William.barkasy@bpu.nj.gov)

Cindy Bianco  
**Board of Public Utilities**  
44 South Clinton Ave  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Cindy.Bianco@bpu.nj.gov](mailto:Cindy.Bianco@bpu.nj.gov)

Robert Brabston  
**Board of Public Utilities**  
44 South Clinton Ave  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Robert.Brabston@bpu.nj.gov](mailto:Robert.Brabston@bpu.nj.gov)

Joseph Costa  
**Board of Public Utilities**  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Joseph.Costa@bpu.nj.gov](mailto:Joseph.Costa@bpu.nj.gov)

Jason Forsythe  
**Board of Public Utilities**  
44 South Clinton Ave  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Jason.forsythe@bpu.nj.gov](mailto:Jason.forsythe@bpu.nj.gov)

Julie Ford-Williams  
**Board of Public Utilities**  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Julie.Ford@bpu.nj.gov](mailto:Julie.Ford@bpu.nj.gov)

Jacqueline Galka  
**Board of Public Utilities**  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Jacqueline.Galka@bpu.nj.gov](mailto:Jacqueline.Galka@bpu.nj.gov)

Bart Kilar  
**Board of Public Utilities**  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Bart.Kilar@bpu.nj.gov](mailto:Bart.Kilar@bpu.nj.gov)

Son-Lin Lai  
**Board of Public Utilities**  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Son.Lai@bpu.nj.gov](mailto:Son.Lai@bpu.nj.gov)

Paul Lupo  
**Board of Public Utilities**  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Paul.Lupo@bpu.nj.gov](mailto:Paul.Lupo@bpu.nj.gov)

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

**BPU DOCKET NO. GR21121254**

**SERVICE LIST**

Sri Medicherla  
**Board of Public Utilities**  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Sri.medicherla@bpu.nj.gov](mailto:Sri.medicherla@bpu.nj.gov)

Ryan Moran  
**Board of Public Utilities**  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Ryan.Moran@bpu.nj.gov](mailto:Ryan.Moran@bpu.nj.gov)

Jackie O'Grady  
**Board of Public Utilities**  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[jackie.ogrady@bpu.nj.gov](mailto:jackie.ogrady@bpu.nj.gov)

Christopher Oprysk  
**Board of Public Utilities**  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Christopher.Oprysk@bpu.nj.gov](mailto:Christopher.Oprysk@bpu.nj.gov)

Stacy Peterson  
**Board of Public Utilities**  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Stacy.Peterson@bpu.nj.gov](mailto:Stacy.Peterson@bpu.nj.gov)

Scott Sumliner  
**Board of Public Utilities**  
44 South Clinton Avenue  
P. O. Box 350  
Trenton, NJ 08625-0350  
[scott.sumliner@bpu.nj.gov](mailto:scott.sumliner@bpu.nj.gov)

Dean Taklif  
**Board of Public Utilities**  
44 South Clinton Avenue  
P. O. Box 350  
Trenton, NJ 08625-0350  
[Dean.taklif@bpu.nj.gov](mailto:Dean.taklif@bpu.nj.gov)

Heather Weisband  
**Board of Public Utilities**  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Heather.Weisband@bpu.nj.gov](mailto:Heather.Weisband@bpu.nj.gov)

Benjamin Witherell  
**Board of Public Utilities**  
44 South Clinton Avenue  
P.O. Box 350  
Trenton, NJ 08625-0350  
[Benjamin.witherell@bpu.nj.gov](mailto:Benjamin.witherell@bpu.nj.gov)

Brian Lipman, Director  
**Division of Rate Counsel**  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625  
[blipman@rpa.nj.gov](mailto:blipman@rpa.nj.gov)

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

Kurt Lewandowski, Esq.  
**Division of Rate Counsel**  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625  
[klewando@rpa.nj.gov](mailto:klewando@rpa.nj.gov)

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

Sarah H. Steindel, Esq.  
**Division of Rate Counsel**  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625  
[ssteinde@rpa.nj.gov](mailto:ssteinde@rpa.nj.gov)

Karen Forbes  
**Division of Rate Counsel**  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625  
[kforbes@rpa.nj.gov](mailto:kforbes@rpa.nj.gov)

Bethany Rocque-Romaine, Esq.  
**Division of Rate Counsel**  
140 East Front Street, 4<sup>th</sup> Floor  
P.O. Box 003  
Trenton, NJ 08625  
[bromaine@rpa.nj.gov](mailto:bromaine@rpa.nj.gov)

Brian Weeks, Esq.  
**Division of Rate Counsel**  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625  
[bweeks@rpa.nj.gov](mailto:bweeks@rpa.nj.gov)

Matko Ilic, DAG  
**NJ Dept of Law & Public Safety**  
Richard J. Hughes Justice Complex  
Public Utilities Section  
25 Market Street, P.O. Box 112  
Trenton, NJ 08625  
[Matko.Ilic@law.njoag.gov](mailto:Matko.Ilic@law.njoag.gov)

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

**BPU DOCKET NO. GR21121254**

**SERVICE LIST**

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

Kenneth T. Maloney  
**Cullen and Dykman**  
1101 14<sup>th</sup> Street, NW  
Suite 750  
Washington, DC 20005  
[kmaloney@cullenllp.com](mailto:kmaloney@cullenllp.com)

Terrence Regan  
**Cullen and Dykman**  
44 Wall Street  
New York, NY 10005  
[tregan@cullenllp.com](mailto:tregan@cullenllp.com)

Gregory Eisenstark, Esq.  
**Cozen O'Connor**  
One Gateway Center  
Suite 910  
Newark, NJ 07102  
[geisenstark@cozen.com](mailto:geisenstark@cozen.com)

Alan D. Felsenthal  
**PricewaterhouseCoopers LLP**  
One North Wacker Drive  
Chicago, Illinois 60606  
[alan.d.felsenthal@pwc.com](mailto:alan.d.felsenthal@pwc.com)

Paul Moul  
**P. Moul & Associates**  
251 Hopkins Road  
Haddonfield, NJ 08033  
[prmoul@verizon.net](mailto:prmoul@verizon.net)

Timothy S. Lyons  
**ScottMadden, Inc.**  
1900 West Park Drive  
Suite 250  
Westborough, MA 01581  
[tlyons@scottmadden.com](mailto:tlyons@scottmadden.com)

Dane A. Watson  
**Alliance Consulting Group**  
101 E. Park Blvd  
Plano, Texas 75074  
[dwatson@alliancecgc.net](mailto:dwatson@alliancecgc.net)

Daniel P. Yardley  
**Yardley Associates**  
2409 Providence Hills Drive  
Matthews, NC 28105  
[dan@yardleyassociates.com](mailto:dan@yardleyassociates.com)

Susan M. Baldwin  
**SM Baldwin Consulting**  
45 Acorn Path  
Groton, MA 01450  
[smbaldwinconsulting@gmail.com](mailto:smbaldwinconsulting@gmail.com)

David S. Habr, Principal  
**Habr Economics**  
213 Cornuta Way  
Nipomo, CA 93444-5020  
[David.habr@harbeconomics.com](mailto:David.habr@harbeconomics.com)

David Dismukes, Ph.D.  
**Acadian Consulting Group**  
5800 One Perkins Place Drive  
Building 5, Suite F  
Baton Rouge, LA 70808  
[daviddismukes@acadianconsulting.com](mailto:daviddismukes@acadianconsulting.com)

Michael Deupree  
**Acadian Consulting Group**  
5800 One Perkins Place Drive  
Building 5, Suite F  
Baton Rouge, LA 70808  
[michaekdeupree@acadianconsulting.com](mailto:michaekdeupree@acadianconsulting.com)

Mr. Taylor Deshotels  
**Acadian Consulting Group**  
5800 One Perkins Place Drive  
Building 5, Suite F  
Baton Rouge, LA 70808  
[TaylorDeshotels@acadianconsulting.com](mailto:TaylorDeshotels@acadianconsulting.com)

Ms. Emily Mouch  
**Acadian Consulting Group**  
5800 One Perkins Place Drive  
Building 5, Suite F  
Baton Rouge, LA 70808  
[emilymouch@acadianconsulting.com](mailto:emilymouch@acadianconsulting.com)

Jeremy Walker  
**Rod Walker and Associates  
Consultancy**  
201 Cherokee Blvd.  
Suite 101  
Chattanooga, TN 37405  
[jwalker@rwalkerconsultancy.com](mailto:jwalker@rwalkerconsultancy.com)

Rod Walker  
**Rod Walker and Associates  
Consultancy**  
201 Cherokee Blvd.  
Suite 101  
Chattanooga, TN 37405  
[rwalker@rwalkerconsultancy.com](mailto:rwalker@rwalkerconsultancy.com)

David E. Peterson, Senior Consultant  
**Chesapeake Regulatory Consultants,  
Inc.**  
1815 Fenwicke Ct.  
Huntingtown, MD 20639  
[davep@chesapeake.net](mailto:davep@chesapeake.net)

Michael J. Majoros, Jr., President  
**Snavelly King Majoros &  
Associates, Inc.**  
3 Larbo Road  
Millersville, MD 21108  
[mmajoros@snavelly-king.com](mailto:mmajoros@snavelly-king.com)

James S. Garren  
**Snavelly King Majoros &  
Associates, Inc.**  
3 Larbo Road  
Millersville, MD 21108  
[jgarren@snavelly-king.com](mailto:jgarren@snavelly-king.com)

STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF :  
ELIZABETHTOWN GAS COMPANY FOR :  
APPROVAL OF INCREASED BASE TARIFF :  
RATES AND CHARGES FOR GAS SERVICE, : BPU DOCKET NO. GR21121254  
CHANGES TO DEPRECIATION RATES AND :  
OTHER TARIFF REVISIONS :

---

9+3 Update  
Schedules

---

February 18, 2022

9+3 UPDATE

**TABLE OF CONTENTS**

A. Updated Schedules (9+3)

a. TK-1 through TK-18

b. MPS-1 through MPS-4

c. JLH-1 through JLH-9

9+3 UPDATE

Schedules

of

Thomas Kaufmann

Schedule TK-1  
9+3

ELIZABETHTOWN GAS COMPANY  
REVENUE REQUIREMENT

<u>Line</u>			<u>REFERENCE</u>
1	Adjusted Rate Base	\$1,371,341,530	TK-2
2	Rate of Return	<u>7.63%</u>	
3	Required Operating Income	104,633,359	
4	Adjusted Net Operating Income	<u>52,695,566</u>	TK-3
5	Income Deficiency	51,937,793	
6	Revenue Factor	<u>1.404423</u>	TK-6
7	Operating Revenue Adjustment to Base Rates	<u><u>\$72,942,631</u></u>	



ELIZABETHTOWN GAS COMPANY  
STATEMENT OF RATE BASE

Line No.	G/L Accounts	9 MONTHS ACTUAL BALANCES		12 MONTH	POST	ADJUSTED	REFERENCE TO	
		AS OF Dec-2021	TEST YEAR ADJUSTMENT	RATE BASE 3/31/2022	TEST YEAR ADJUSTMENT	RATE BASE 9/30/2022	RATEMAKING ADJUSTMENTS	
1	Utility Plant In Service	10100, 10110	\$1,870,024,103	(\$19,209,783)	\$1,850,814,320	\$117,763,652	\$1,968,577,972	MPS-1
2	Accumulated Depreciation & Amortization	10800, 10810, 10820, 10830, 10850, 29110, Acq Adj.	(\$450,383,922)	(\$4,088,471)	(\$454,472,393)	(\$12,221,733)	(\$466,694,126)	JLH-5
3	Net Utility Plant		<u>\$1,419,640,181</u>	<u>(\$23,298,254)</u>	<u>\$1,396,341,927</u>	<u>\$105,541,919</u>	<u>\$1,501,883,846</u>	
4	Pension/OPEB	Reg Asset: 16120 Accrued: 27510, 27500	\$35,540,379	(\$61,924)	\$35,478,455	(\$123,847)	\$35,354,608	JLH-9
5	Cash Working Capital		\$0	\$18,559,878	\$18,559,878	\$13,055,982	\$31,615,860	TK-17
6	Inventory Average Balances	14600, 14610	\$0	\$13,125,146	\$13,125,146	\$3,751,910	\$16,877,056	TK-18
7	Customer Deposits <sup>(1)</sup>	22000	(\$4,508,539)	(\$18,063)	(\$4,526,602)	(\$67,709)	(\$4,594,311)	TK-16
8	Customer Advances <sup>(1)</sup>	29430	(\$1,788,930)	\$0	(\$1,788,930)	\$0	(\$1,788,930)	
9	Deferred Income Taxes:							
10	Excess Protected ADIT	28110 Reg Liability	(\$78,584,397)	\$226,346	(\$78,358,051)	\$452,692	(\$77,905,359)	ADF-3
11	Federal Income Tax	27000	(\$78,548,494)	(\$3,452,303)	(\$82,000,797)	(\$6,445,830)	(\$88,446,627)	JLH-6
12	NJ CBT	27000	(\$36,993,011)	(\$1,625,889)	(\$38,618,900)	(\$3,035,713)	(\$41,654,613)	JLH-7
13	Consolidated Tax Adjustment		\$0	\$0	\$0	\$0	\$0	ADF-2
14	Total Rate Base		<u>\$1,254,757,189</u>	<u>\$3,454,937</u>	<u>\$1,258,212,126</u>	<u>\$113,129,404</u>	<u>\$1,371,341,530</u>	

<sup>(1)</sup> Represents Thirteen Month Averages of Account Balances

**ELIZABETHTOWN GAS COMPANY  
OPERATING INCOME STATEMENT**

Line No.	9 MONTHS ACTUAL Dec-2021	3 MONTHS PROJECTED DATA	TEST YEAR 12 MOS ENDED 3/31/2022	TEST & POST TEST YR. PRO FORMA ADJUSTMENTS	ANNUALIZATION & NORMALIZATION ADJUSTMENTS	POST TEST YEAR ENDED 12/31/2022	REVENUE DEFICIENCY	POST TEST YEAR 12 MOS ENDED 12/31/2022
1	\$202,478,777	\$165,909,648	\$368,388,425	(\$30,052,583)	\$67,926,814	\$406,262,656	\$72,942,631	\$479,205,287
2	\$10,286,473	\$6,954,231	\$17,240,704	(\$17,240,704)	\$0	\$0	\$0	\$0
3	\$67,232,243	\$65,309,439	\$132,541,682	\$0	\$47,576,209	\$180,117,891	\$0	\$180,117,891
4	\$124,960,061	\$93,645,978	\$218,606,039	(\$12,811,879)	\$20,350,605	\$226,144,765	\$72,942,631	\$299,087,396
6	<b>Operating Expenses:</b>							
7	\$59,947,460	\$20,691,957	\$80,639,417	\$5,650,267	\$465,842	\$86,755,526	\$500,241	\$87,255,767
8	\$34,183,356	\$12,067,974	\$46,251,330	\$13,163,286	\$0	\$59,414,616	\$0	\$59,414,616
9	(\$7,458,148)	\$1,253,224	(\$6,204,924)	\$11,085,156	\$182,655	\$5,062,887	\$196,143	\$5,259,030
10	\$10,762,587	\$16,748,451	\$27,511,038	(\$8,608,005)	\$5,538,263	\$24,441,296	\$20,308,420	\$44,749,716
11	(\$1,193,670)	(\$409,728)	(\$1,603,398)	(\$624,496)	\$0	(\$2,227,894)	\$0	(\$2,227,894)
12	\$96,241,585	\$50,351,878	\$146,593,463	\$20,666,208	\$6,186,760	\$173,446,431	\$21,004,804	\$194,451,235
14	\$28,718,476	\$43,294,100	\$72,012,576	(\$33,478,087)	\$14,163,845	\$52,698,334	\$51,937,827	\$104,636,161
15	<b>Ratemaking Adjustment:</b>							
16	\$22,732	\$676	\$23,408	(\$20,640)	\$0	\$2,768	\$0	\$2,768
17	\$28,695,744	\$43,293,424	\$71,989,168	(\$33,457,447)	\$14,163,845	\$52,695,566	\$51,937,827	\$104,633,393
18	<b>Total Rate Base</b>		\$1,258,212,126			\$1,371,341,530	\$1,371,341,530	
19	<b>Return on Rate Base</b>		5.7215%			3.8426%	7.6300%	
20	<b>Adjusted Net Income</b>		\$50,222,098			\$28,971,358	\$80,909,185	
21	<b>Return on Equity</b>		7.27%			3.85%	10.75%	

ELIZABETHTOWN GAS COMPANY  
PRO FORMA ADJUSTMENTS TO MARCH 31, 2022 OPERATING INCOME

	Test & Post Test Year Pro Forma Adjustments
1. Operating Revenues	
(a) Remove Rider Revenues (TK-7)	\$ (30,052,583)
	<u><b>(30,052,583)</b></u>
2. Cost of Sales-Rider Revenue Offsets	
(a) Cost of Sales-Rider Revenue Offsets (TK-7)	\$ (17,240,704)
	<u><b>(17,240,704)</b></u>
3. Operation and Maintenance expenses	
(a) Annualization of Payroll (TK-9)	\$ 1,738,463
(b) Annualization of Benefits (TK-10)	\$ 25,842
(c) Annualization of Allocated Service Company Salaries & Benefits (TK-11)	\$ 1,328,569
(d) Amortization of Rate Case expenses (TK-12)	\$ 470,488
(e) Other Operations and Maintenance Expenses (TK-13)	\$ 1,214,082
(f) Inflation Adjustment (TK-14)	\$ 1,357,844
(g) Remove Charitable & Civic Contribution Expense	\$ (485,021)
	<u><b>5,650,267</b></u>
4. Depreciation and Amortization Expense (TK-5)	
(a) Annualize Test Year Depreciation Expense (JLH-5)	\$ 9,882,037
(b) Annualize Post Test Year Depreciation Expense (JLH-5)	\$ 3,346,001
(c) Test Year Income Statement Forecast Adjustment to WP-1 Depreciation	\$ (64,752)
	<u><b>13,163,286</b></u>
5. Taxes Other Than Income	
(a) FICA Payroll Tax Adjustment (TK-9)	\$ 156,462
(b) Adjustment for PUA (TK-15)	\$ (31,319)
(c) 55130 - 2018 Pre-Paid Sales Tax - Sept 2021 Extraordinary Item *	\$ 10,960,013
	<u><b>11,085,156</b></u>
6. Interest (TK-16)	
(a) Adjust Interest on Customer Deposits	\$ (20,640)
	<u><b>(20,640)</b></u>
7. Excess Deferred Tax Amortization	
(a) Excess Deferred Tax Amortization	\$ (624,496)
	<u><b>(624,496)</b></u>
8. Taxes - Income - Current	
(a) Interest Synchronization (JLH-8)	\$ 3,392,139
(b) Income Tax effect of adjustments 1 - 6 times tax rate	\$ (12,000,144)
	<u><b>(8,608,005)</b></u>

\* This item was not included in the 6+6 Income Statement used in preparing the 12-28-21 rate case filing. It is included in the 9+3 Income Statement update and removed as an one-time Extraordinary Item on this schedule.

**ELIZABETHTOWN GAS COMPANY**  
**PRO FORMA ADJUSTMENTS TO MARCH 31, 2022 OPERATING INCOME**  
**POST TEST YEAR REVENUE & COST OF GAS ADJUSTMENTS**  
**ANNUALIZATION & NORMALIZATION ADJUSTMENTS**

Line No.		TK-7 Rider	Annualization & Normalization	Net of
	<u>Test Year</u>	<u>Adjustments</u>	<u>Adjustments</u>	<u>Adjustments</u>
1	Income Statement			
2	Operating Revenues	\$368,388,425	(\$30,052,583)	\$67,926,814
3	Cost of Sales-Rider Revenue Offsets	\$17,240,704	(\$17,240,704)	
4	Cost of Sales Purchased Gas	\$132,541,682		\$47,576,209
5	<b>Operating Margin Revenues</b>	<u>\$218,606,039</u>	<u>(\$12,811,879)</u>	<u>\$20,350,605</u>
6		-	-	-
7				Present
8			<u>Margin Details</u>	<u>Proof Revenues</u>
9	<u>Test Year per Annulaized and Normalized Determinants at Current Rates plus IIP Roll-In:</u>			
10	Total System Base Distribution Revenue including Other Revenues			\$212,250,282 DPY-2 at Current Rates
11	IIP Revenue Requirement from Rider F to Base Rates			\$13,894,483 TK-8 IIP
12				<u>\$226,144,765</u> DPY-3 Total
13	<u>Net of Operating Margin Revenue Adjustments:</u>			
14	On-System Margin Sharing Credit ("OSMC") Revenue	(\$228,294)		
15	Removal of IIP Rider F Booked Revenues (TK-7)	(\$11,647,063)		
16	Net EEP Actual / Projected Allowed Revenue Requirement	<u>(\$936,522)</u>		
17		<u>(\$12,811,879)</u>		
18	IIP Approved Revenue Requirement from Rider F to Base Rates (TK-8)	-	\$13,894,483	
19	Annualization Normalization		\$6,456,122	
20	Gas Sales Revenue, Increase / (Decrease)		<u>\$47,576,209</u>	
21	Operating Revenues		\$67,926,814	
22	Purchase Gas Cost, Increase / (Decrease)		<u>\$47,576,209</u>	
23			<u>\$20,350,605</u>	

**ELIZABETHTOWN GAS COMPANY  
DERIVATION OF REVENUE EXPANSION FACTOR**

**Line  
No.**

1	Additional Required Revenue Percentage		100.0000%
2	Percentage Adjustment for Uncollectibles		0.6858%
3	BPU Assessments		0.2154%
4	Rate Counsel Assessments		<u>0.0535%</u>
5	Percentage of Income Before State Income Tax		99.0453%
6	State Income Tax Percentage	9.00%	<u>8.9141%</u>
7	Percentage of Income Before Federal Income Tax		90.1312%
8	Federal Income Tax Percentage	21.00%	<u>18.9276%</u>
9	Revenue Expansion Factor - Percent		<u>71.2036%</u>
10	Revenue Expansion Factor - Whole Number		<u><u>1.404423</u></u>

ELIZABETHTOWN GAS COMPANY  
PRO FORMA ADJUSTMENTS TO MARCH 31, 2022 OPERATING INCOME  
RIDER ADJUSTMENTS

Line No.		<u>TOTAL</u>
1	On-System Margin Sharing Credit (“OSMC”) Revenue	\$228,294
2	Energy Efficiency Program (“EEP”) Revenue	\$3,182,896
3	Remediation Adjustment Clause (“RAC”) Revenue	\$2,414,774
4	Clean Energy Program (“CEP”) Revenue	\$12,579,556
5	Infrastructure Investment Program (“IIP”) Billed Revenue, moving from Rider to Base Rates	\$11,647,063
6	<b>Total Revenue</b>	<b><u>\$30,052,583</u></b>
7	EEP Rider Amortization	\$2,246,374
8	RAC Rider Revenue Offset	\$2,414,774
9	CEP Rider Revenue Offset	\$12,579,556
10	<b>Cost of Sales Revenue Offsets</b>	<b><u>\$17,240,704</u></b>
11	Net Margin Adjustment	<b><u>\$12,811,879</u></b>

ELIZABETHTOWN GAS COMPANY  
INFRASTRUCTURE INVESTMENT PROGRAM (“IIP”)

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

	Filing Date		12 Months <u>Ending</u>	In-Service <u>Capital *</u>	Revenue <u>Requirement **</u>
Approved	07/15/20	Docket No. GR20050327, Dated: 9-30-20, Effective on: 10-1-20	06/30/20	\$63,310,031	\$6,830,571
Approved	07/15/21	Docket No. GR21040747, Dated: 9-14-21, Effective on: 10-1-21	06/30/21	\$64,004,144	\$7,063,912
IIP Revenue Requirement from Rider F to Base Rates				<b>\$127,314,175</b>	<b>\$13,894,483</b>

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

\*\* When base rates inclusive of the previously approved Revenue Requirements become effective, this amount will be removed from the computation in resetting the Rider F IIP rates, which may be zero if this case settles before year 3 IIP rates go into effect.

**ELIZABETHTOWN GAS COMPANY**  
**PRO FORMA ADJUSTMENTS TO MARCH 31, 2022 OPERATING INCOME**  
**PAYROLL EXPENSE**

Line No.		<u>Test Year</u>	<u>Annualized Post Test Year *</u>	<u>Adjustment To Test Year</u>
1	Payroll Expenses:			
2	<u>Gross Expenses:</u>			
3	Fixed Payroll	\$37,739,016	\$40,933,196	\$3,194,180
4	Variable Compensation	\$1,837,458	\$1,837,458	\$0
5	Total Compensation	<u>\$39,576,474</u>	<u>\$42,770,654</u>	<u>\$3,194,180</u>
6	<u>Capitalized Payroll Expenses</u>			
7	Direct Payroll	(\$13,261,081)	(\$14,716,798)	(\$1,455,717)
8	Variable Compensation	(\$645,663)	(\$645,663)	\$0
9	Capitalized Compensation	<u>(\$13,906,744)</u>	<u>(\$15,362,461)</u>	<u>(\$1,455,717)</u>
10	Net Compensation Expense	\$25,669,730	\$27,408,193	\$1,738,463
11	Retention Bonus Adjustment	\$0	\$0	\$0
12	<b>Pro Forma Payroll Adjustment (O&amp;M)</b>	<u>\$25,669,730</u>	<u>\$27,408,193</u>	<u>\$1,738,463</u>
13	State Income Tax Percentage			9.00%
14	<b>Pro Forma FICA Payroll Tax Adjustment - Sch. TK-3 Taxes Other than Income</b>			<u>\$156,462</u>
15	<u>Lead Lag Test Year and Post Year:</u>			
16	Regular Payroll	\$24,477,935	\$26,216,398	\$1,738,463
17	Variable Compensation	\$1,191,795	\$1,191,795	\$0
18	Net Compensation Expense	<u>\$25,669,730</u>	<u>\$27,408,193</u>	<u>\$1,738,463</u>

\* Includes a 3% merit increase effective March 1, 2022.



**ELIZABETHTOWN GAS COMPANY**  
**PRO FORMA ADJUSTMENTS TO MARCH 31, 2022 OPERATING INCOME**  
**EMPLOYEE BENEFITS EXPENSE**

---

Line  
No.

	<u>Test Year</u>	<u>Annualized Post Test Year</u>	<u>Adjustment To Test Year</u>
<u>Employee Benefits Expenses:</u>			
1 Employee Benefits Expense	\$8,011,559	\$8,058,960	\$47,401
2 less: Capitalized Benefits	(\$3,643,820)	(\$3,665,379)	(\$21,559)
3 <b>Pro Forma Benefits Adjustment</b>	<u>\$4,367,739</u>	<u>\$4,393,581</u>	<u>\$25,842</u>

ELIZABETHTOWN GAS COMPANY  
PRO FORMA ADJUSTMENTS TO MARCH 31, 2022 OPERATING INCOME  
ALLOCATED SERVICE COMPANY SALARIES & BENEFITS EXPENSE

---

Line  
No.

Allocated Service Company Salaries & Benefits Expenses:

1	Annualized Post Test Year Expenses	\$4,610,427	
2	Less: Test Year Expenses	\$3,281,858	
3	<b>Pro Forma Allocated Expense Adjustment</b>		<b><u><u>\$1,328,569</u></u></b>

**ELIZABETHTOWN GAS COMPANY  
PRO FORMA ADJUSTMENTS TO MARCH 31, 2022 OPERATING INCOME  
RATE CASE EXPENSES**

Line No.	Category	Expense
1	Legal Expenses	\$950,000
2	Consultant Expenses	\$210,000
3	Newspaper Notices	\$835
4	Court Reporting	\$630
5	Postage & Office Supplies	\$0
6	Miscellaneous Expenses	\$0
7	Contingency/Rebuttal Witnesses	<u>\$250,000</u>
8	Total Rate Case Expenses	<u><u>\$1,411,465</u></u>
9	<b>Pro Forma Adjustment per Amortization Period</b>	<b>3</b> <u><u>\$470,488</u></u>

**ELIZABETHTOWN GAS COMPANY  
PRO FORMA ADJUSTMENTS TO MARCH 31, 2022 OPERATING INCOME  
OTHER ANNUALIZED O&M EXPENSE**

Line No.	<b>Proposed In This Case</b>	<b>Adjustment to Test Year</b>
1	<b><u>Bring Gas Supply Function In-House *</u></b>	
2	\$307,452	
3	\$62,532	
4	\$89,143	\$89,143
5	\$6,534	\$6,534
6	\$6,429	\$6,429
7	\$1,609	\$1,609
8	\$473,699	\$103,715
9		
10	<b><u>Proposed Erie Street Regulatory Asset **</u></b>	
	Book Balance	
11	\$6,751,219	
12	37.2	\$181,484
13		
14	<b><u>Solar Panel Electricity k/WH - Expense Adjustment ***</u></b>	
15	Annual Electric Costs 12 Months	
16	\$109,156	
17	\$59,366	(\$49,790)
18		
19	<b><u>Management Fee Expense, Adjustments per 12 Mos Dec 2020 ***</u></b>	
20	(\$184,883)	
21	(\$17,933)	
22	(\$15,067)	
23	(\$48,848)	(\$266,731)
24		
25	<b><u>Customer Service Expenses per Employee Unionization ***</u></b>	
26	\$585,386	
27	\$0	\$585,386
28		
29	<b><u>TSA Cyber Security **</u></b>	
30	\$1,677,300	
31	39.35%	
32	\$660,018	
33	\$0	\$660,018
34		
35	<b>Total Pro Forma Adjustment - Other O&amp;M Expense</b>	
		<b>\$1,214,082</b>

\* See Testimony of J. Madden and L. Willey.

\*\* See Testimony of J. Houseman.

\*\*\* See Testimony of C. McMullen.

\*\*\* To be updated in 12+0 to 2021

**ELIZABETHTOWN GAS COMPANY  
PRO FORMA ADJUSTMENTS TO MARCH 31, 2022 OPERATING INCOME  
O&M INFLATION ADJUSTMENT**

<u>Line No.</u>	<u>Description</u>	<u>Index</u>
1	<u>Calculation of Inflation Rate</u>	
2	GDPIPD Index Value at the Midpoint of the Test Year:	
3	September 1, 2021	119.2
4	October 1, 2021	120.3
5	Average	119.8
6	GDPIPD Index Value at the End of the Post-Test Year:	
7	December 1, 2022	123.7
8	January 1, 2023	123.9
9	Average	123.8
10	Projected Inflation Rate	3.3389%
11	<u>Calculation of O&amp;M Inflation Adjustment</u>	
12	Post-Test Year Total O&M Expenses	\$86,755,526
13	Less: Normalizing Adjustments	
14	Annualization of Payroll (TK-9)	\$27,408,193
15	Annualization of Benefits (TK-10)	\$4,393,581
16	Annualization of Allocated Service Company Costs (TK-11)	\$4,610,427
17	Amortization of Rate Case expenses (TK-12)	\$470,488
18	Other Operations and Maintenance Expenses (TK-13)	\$1,214,082
19	Total Normalizing Adjustments	\$38,096,771
20	Less: Items Not Subject to Inflation	
21	Pension / OBEP (TK-17.2)	\$5,156,463
22	Uncollectibles (TK-17.2)	\$2,834,900
23	Total Items Not Subject to Inflation	\$7,991,363
24	Residual O&M Expenses	\$40,667,392
25	Inflation Rate	3.3389%
26	Pro Forma Adjustment to O&M Expense	\$1,357,844

ELIZABETHTOWN GAS COMPANY  
PRO FORMA ADJUSTMENTS TO MARCH 31, 2022 OPERATING INCOME  
REVENUE TAXES - TAXES OTHER THAN INCOME

Line No.		
1	<b><u>PUA Adjustments</u></b>	
2	Removed IIP Rider Revenues (TK-7) *	(\$11,647,063)
3	Other	<u>\$0</u>
4	Total Revenue Adjustment	(\$11,647,063)
5	PUA Tax Rate, sum of the BPU and RC Assessment Factors	<u>0.2689%</u>
6	<b>Pro Forma Adjustment to PUA</b>	<b><u><u>(\$31,319)</u></u></b>

\* Removed PUA per its replacement with IIP amount on Schedule TK-8 with PUA applied on Schedule TK-3.

ELIZABETHTOWN GAS COMPANY  
PRO FORMA ADJUSTMENTS TO MARCH 31, 2022 OPERATING INCOME  
CUSTOMER DEPOSITS

Line No.	Month	Actual and Projected Data	Number of Customers	Number of Customers with Deposits	Percentage of Customers with Deposits	Average Deposit Per Customer	Rate Base for Customer Deposits	Customer Deposit Rate	Monthly Interest	13 Month Avg. Rate Base for Customer Deposits
1	Sep-20	Actual	298,972	28,857	9.65%	\$144	\$4,165,541	2.33%	\$7,752	
2	Oct-20	Actual	299,465	29,646	9.90%	\$145	\$4,286,271	2.33%	\$8,253	
3	Nov-20	Actual	300,687	30,310	10.08%	\$144	\$4,350,311	2.33%	\$8,281	
4	Dec-20	Actual	301,613	30,411	10.08%	\$146	\$4,437,685	2.33%	\$8,578	
5	Jan-21	Actual	302,327	30,401	10.06%	\$147	\$4,464,489	0.75%	\$2,457	
6	Feb-21	Actual	302,968	31,291	10.33%	\$146	\$4,557,562	0.75%	\$2,799	
7	Mar-21	Actual	302,593	30,198	9.98%	\$152	\$4,575,909	0.75%	\$2,369	
TY	Apr-21	Actual	302,007	29,680	9.83%	\$145	\$4,308,838	0.75%	\$2,670	
2	May-21	Actual	302,349	29,723	9.83%	\$146	\$4,335,057	0.75%	\$2,683	
3	Jun-21	Actual	302,478	30,108	9.95%	\$146	\$4,397,008	0.75%	\$2,752	
4	Jul-21	Actual	302,358	30,474	10.08%	\$147	\$4,478,302	0.75%	\$2,815	
5	Aug-21	Actual	302,287	30,628	10.13%	\$148	\$4,544,299	0.75%	\$2,470	
6	Sep-21	Actual	302,028	30,491	10.10%	\$150	\$4,565,995	0.75%	\$2,154	\$4,420,559
7	Oct-21	Actual	302,953	30,419	10.04%	\$151	\$4,593,667	0.75%	\$2,075	\$4,453,492
8	Nov-21	Actual	303,731	30,433	10.02%	\$152	\$4,634,942	0.75%	\$2,505	\$4,480,313
9	Dec-21	Actual	304,314	30,459	10.01%	\$155	\$4,717,248	0.75%	\$2,608	\$4,508,539
10	Jan-22	Projected	294,186	29,448	10.01%	\$155	\$4,564,440	0.06%	\$233	\$4,518,289
11	Feb-22	Projected	294,160	29,445	10.01%	\$155	\$4,563,975	0.06%	\$210	\$4,525,942
12	Mar-22	Projected	294,295	29,459	10.01%	\$155	\$4,566,145	0.06%	\$233	\$4,526,602
PTY	Apr-22	Projected	293,373	29,367	10.01%	\$155	\$4,551,885	0.06%	\$224	\$4,524,754
2	May-22	Projected	294,115	29,441	10.01%	\$155	\$4,563,355	0.06%	\$233	\$4,544,332
3	Jun-22	Projected	295,232	29,553	10.01%	\$155	\$4,580,715	0.06%	\$226	\$4,563,229
4	Jul-22	Projected	296,394	29,669	10.01%	\$155	\$4,598,695	0.06%	\$234	\$4,578,743
5	Aug-22	Projected	297,056	29,735	10.01%	\$155	\$4,608,925	0.06%	\$235	\$4,588,791
6	Sep-22	Projected	297,516	29,781	10.01%	\$155	\$4,616,055	0.06%	\$228	\$4,594,311
7	Oct-22	Projected	297,881	29,818	10.01%	\$155	\$4,621,790	0.06%	\$236	\$4,598,603
8	Nov-22	Projected	297,783	29,808	10.01%	\$155	\$4,620,240	0.06%	\$228	\$4,600,647
9	Dec-22	Projected	297,351	29,765	10.01%	\$155	\$4,613,575	0.06%	\$235	\$4,599,003
<b>Post-Test Year Annualization of Interest</b>										
10	Dec-22	Projected	297,351	29,765	10.01%	\$155	\$4,613,575	0.06%	\$2,768	
<b>Rate Base Test Year Adjustment</b>			<b>Rate Base PTY Pro-Forma Adjustment</b>			<b>Income Statement Interest Pro-Forma Adjustment</b>				
						Actual \$22,732				
						Projected \$676				
11	Actual Ending	Dec-21	\$4,508,539	13 mo average	TY ending	Mar-22	\$4,526,602	13 mo average	<b>Test Year Interest</b>	<b>\$23,408</b>
12	TY ending	Mar-22	\$4,526,602		BS PTY Ending	Sep-22	\$4,594,311		<b>Post Test Year Annualized Interest</b>	<b>\$2,768</b>
13	Test Year Adjustment		<u>\$18,063</u>		Pro-Forma PTY Adjustment		<u>\$67,709</u>		<b>Pro-Forma Adjustment</b>	<b>(\$20,640)</b>

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

Line	Description	Test Year Expenses	Average Daily Expenses	Revenue Lag Days	Ref.	Expense Lead Days	Ref.	Net (Lead)/Lag Days	Working Capital Requirement
1	Gas Costs & Operations and Maintenance Expenses								
2	Purchased Gas Costs & Other Riders	\$ 149,782,386	410,363	57.23	A	(40.24)	B	16.9900	\$ 6,972,067
3	Regular Payroll	24,477,935	67,063	57.23	A	(9.77)	C	47.4600	3,182,810
4	Variable Compensation	1,191,795	3,265	57.23	A	(253.42)	C	(196.1900)	(640,560)
5	Pension/OPEB	5,156,463	14,127	57.23	A	-		57.2300	808,488
6	Retirement Savings Plan	1,227,528	3,363	57.23	A	(19.63)	C	37.6000	126,449
7	Group Insurance	4,002,307	10,965	57.23	A	(40.16)	C	17.0700	187,173
8	Uncollectible Expense	2,334,659	6,396	57.23	A	(990.73)	C	(933.5000)	(5,970,666)
9	Service Company Charges	22,811,091	62,496	57.23	A	(37.86)	C	19.3700	1,210,548
10	Other Third-Party O&M Expenses	19,437,639	53,254	57.23	A	(37.88)	C	19.3500	1,030,465
11	Total O&M Expenses	\$ 230,421,803							\$ 6,906,774
12	Income Taxes								
13	Excess Deferred Tax Amortization	\$ (1,603,398)	(4,393)	57.23		-		57.2300	(251,411)
14	Federal Income Taxes	21% 18,702,808	51,241	57.23	A	(37.24)	D	19.9900	1,024,308
15	State Income Tax	9% 8,808,230	24,132	57.23	A	(37.24)	D	19.9900	482,399
16	Total Federal Income Taxes	\$ 25,907,640							\$ 1,255,296
17	Taxes Other Than Income Taxes	\$ (6,204,924)	(17,000)	57.23	A	(10.58)	E	46.6500	\$ (793,050)
18	Depreciation and Amortization Expense	\$ 46,251,330	126,716	57.23	A	-		57.2300	\$ 7,251,957
19	Interest Expense								
20	Interest on Long-Term Debt	\$ 35,791,582	98,059	57.23	A	(90.00)	F	(32.7700)	\$ (3,213,393)
21	Interest on Short-Term Debt	-	-	57.23	A	(3.94)	F	53.2900	-
22	Interest on Customer Deposits	23,408	64	57.23	A	(234.62)	F	(177.3900)	(11,353)
23	Total Interest Expense	\$ 35,814,990							\$ (3,224,746)
24	Return	\$ 36,197,586	99,171	57.23	A	-		57.2300	\$ 5,675,556
25	Other Adjustments								
26	Incidental collections								\$ 1,985,982
27	Employee deductions								(497,891)
28	Total Other Adjustments	\$ -	\$ -						\$ 1,488,091
29	Total	\$ 368,388,425	\$ 208,887						\$ 18,559,878



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

Line	Description	Adjustments to Test Year Expenses	Adjusted Test Year to Post Test Year Expenses	Average Daily Expenses	Revenue Lag Days	Ref.	Expense Lead Days	Ref.	Net (Lead)/Lag Days	Working Capital Requirement	
1	Gas Costs & Operations and Maintenance Expenses										
2	Purchased Gas Costs & Riders	\$47,576,209	\$ 197,358,595	540,708	57.23	A	(40.24)	B	16.9900	\$ 9,186,629	
3	Regular Payroll	1,738,463	\$ 26,216,398	71,826	57.23	A	(9.77)	C	47.4600	3,408,862	
4	Variable Compensation	-	\$ 1,191,795	3,265	57.23	A	(253.42)	C	(196.1900)	(640,560)	
5	Pension/OPEB	0	\$ 5,156,463	14,127	57.23	A	-		57.2300	808,488	
6	Retirement Savings Plan	0	\$ 1,227,528	3,363	57.23	A	(19.63)	C	37.6000	126,449	
7	Group Insurance	25,842	\$ 4,028,149	11,036	57.23	A	(40.16)	C	17.0700	188,385	
8	Uncollectible Expense	500,241	\$ 2,834,900	7,767	57.23	A	(990.73)	C	(933.5000)	(7,250,495)	
9	Service Company Charges	1,328,569	\$ 24,139,660	66,136	57.23	A	(37.86)	C	19.3700	1,281,054	
10	Other Third-Party O&M Expenses	3,023,235	\$ 22,460,874	61,537	57.23	A	(37.88)	C	19.3500	1,190,741	
11	Total Gas and O&M Expenses	(17,240,704)	\$ 284,614,362							\$ 8,299,553	
12	Income Taxes										
13	Excess Deferred Tax Amortization		\$ (2,227,894)	(6,104)	57.23		-		57.2300	(349,332)	
14	Federal Income Taxes	21.00%	review cells	20,292,967	55,597	57.23	A	(37.24)	D	19.9900	1,111,384
15	State Income Tax	9.00%		9,557,127	26,184	57.23	A	(37.24)	D	19.9900	523,418
16	Total Federal Income Taxes		\$ 27,622,200							\$ 1,285,470	
17	Taxes Other Than Income Taxes		\$ 5,259,030	14,408	57.23	A	(10.58)	E	46.6500	\$ 672,133	
18	Depreciation and Amortization Expense		\$ 59,414,616	162,780	57.23	A	-		57.2300	\$ 9,315,899	
19	Interest Expense										
20	Interest on Long-Term Debt		\$ 23,724,208	64,998	57.23	A	(90.00)	F	(32.7700)	\$ (2,129,984)	
21	Interest on Short-Term Debt		-	-	57.23	A	(3.94)	F	53.2900	-	
22	Interest on Customer Deposits		2,768	8	57.23	A	(234.62)	F	(177.3900)	(1,419)	
23	Total Interest Expense		\$ 23,726,976							\$ (2,131,403)	
24	Return		\$ 80,909,151	221,669	57.23	A	-		57.2300	\$ 12,686,117	
25	Other Adjustments										
26	Incidental collections									\$ 1,985,982	
27	Employee deductions									(497,891)	
28	Total Other Adjustments		\$ -	\$ -						\$ 1,488,091	
29	Total		\$ 481,546,335	\$ 398,857						\$ 31,615,860	

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

<u>Line</u>		<u>Test Year</u>	<u>Post Test Year</u>
1	LNG & Gas Stored Underground	\$12,240,699	\$15,992,609
2	Materials and Supplies *	\$884,447	\$884,447
3	<b>Total</b>	<b>\$13,125,146</b>	<b>\$16,877,056</b>

\* Based on 13 Mo. through: Dec-21

9+3 UPDATE

Schedules

of

Michael P. Scacifero

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

<u>Line No.</u>			<u>Reference</u>
1	<b>Actual UPIS at 12/31/2021</b>	<b>\$1,870,022,622</b>	
2	UPIS Year 3 IIP Removal 7/1/2021 - 12/31/2021	(\$36,198,767)	
3	Projected Test Year Plant Additions	\$20,448,640	MPS-2
4	Projected Test Year Major Capital Projects	\$0	MPS-4
5	Projected Test Year Plant Retirements	<u>(\$3,458,175)</u>	
6	<b>Projected Test Year Ending UPIS at 3/31/2022</b>	<b>\$1,850,814,320</b>	
7	Projected Post Test Year Plant Additions	\$54,580,268	MPS-3
8	Projected Post Test Year Major Capital Projects	\$72,668,962	MPS-4
9	Projected Post Test Year Plant Retirements	<u>(\$9,485,578)</u>	
10	<b>Projected Post Test Year Ending UPIS at 9/30/2022</b>	<b><u><u>\$1,968,577,972</u></u></b>	

**ELIZABETHTOWN GAS COMPANY**  
**TEST YEAR PLANT ADDITIONS**  
**12 MONTHS ENDING 3/31/2022**  
**Includes OH and AFUDC**

WP-2 #s	Apr-21 Actual	May-21 Actual	Jun-21 Actual	Jul-21 Actual	Aug-21 Actual	Sep-21 Actual	Oct-21 Actual	Nov-21 Actual	Dec-21 Actual	Jan-22 Projected	Feb-22 Projected	Mar-22 Projected	Test Year
1 New Business	4,180,419	3,391,408	2,146,927	5,018,662	4,784,836	4,180,415	4,283,838	3,082,521	3,950,910	2,512,229	3,021,315	2,637,307	43,190,787
2 Facilities	235,068	472,506	(287,581)	64,004	306,316	132,159	220,016	54,776	311,573	1,556	126,624	774,573	2,411,590
3 Fleet	119,910	4,930	231,497	27,420	-	121,907	187,582	-	-	200,109	275,368	275,667	1,444,390
4 Measurement Operations	136,482	184,284	12,592	174,784	137,416	218,513	132,335	149,102	130,383	-	-	-	1,275,891
5 LNG	255,171	185,649	149,963	354,225	258,749	36,270	5,369	11,561	15,453	-	-	-	1,272,410
6 Information Technology (IT)	407,204	2,264,153	785,249	249,668	899,037	847,016	824,534	1,290,164	954,978	891,516	857,670	601,748	10,872,937
7 Mandatory	293,073	303,697	300,470	142,640	227,429	392,550	472,304	209,256	175,560	268,865	268,865	280,774	3,335,483
8 Distribution Integrity Management (DIMP)	3,379,761	3,416,953	4,507,623	3,601,606	3,125,574	2,023,707	2,864,299	3,063,171	3,406,239	1,225,088	1,616,399	1,529,374	33,759,794
9 Transmission Integrity Mgt Prog (TIMP)	47,537	100,393	18,064	8,935	24,048	7,710	24,310	(6,520)	15,898	-	-	-	240,375
10 DOT	23,952	64,094	19,649	255,286	11,595	(25,280)	8,929	46,963	17,436	2	2	2	422,630
11 Periodic Testing (PT) Meter	305,322	428,657	302,740	614,799	309,292	702,520	644,706	718,806	188,372	377,891	377,891	377,891	5,348,887
12 Pressure Improvement (PRIM)	18,124	121,706	(3,354)	298,863	969,001	437,434	178,139	243,357	367,243	217,557	217,557	-	3,065,627
13 Corrosion Work	233,621	103,418	5,146	11,280	12,272	5,389	7,540	5,994	44,465	-	-	-	429,125
14 Relocation	1,765	1,693	18,677	3,032	1,100	5,612	45,273	182,570	13,565	-	-	-	273,287
15 Security	326	290	5,453	(2,618)	1,405	1,990	785	14,588	32,922	6,748	6,748	6,748	75,385
16 Tools and Equipment	-	-	-	-	-	-	(17,963)	-	-	-	-	-	(17,963)
17 IIP Base Spending	1,044,649	1,624,785	508,849	698,730	1,196,139	923,280	837,021	138,441	356,830	506,126	629,064	359,366	8,823,280
WP-5 IIP in excess of \$1.2 Mill. Per Mile Cap			5,276,017										5,276,017
WP-5 Excludes IIP Program Spend July-21 Forward	6,449,553	4,315,067	5,311,697										16,076,317
<b>TOTAL ETG PLANT ADDITIONS</b>	<b>17,131,937</b>	<b>16,983,683</b>	<b>19,309,678</b>	<b>11,521,316</b>	<b>12,264,209</b>	<b>10,011,192</b>	<b>10,719,017</b>	<b>9,204,750</b>	<b>9,981,827</b>	<b>6,207,687</b>	<b>7,397,503</b>	<b>6,843,450</b>	<b>137,576,249</b>

**ELIZABETHTOWN GAS COMPANY  
POST-TEST YEAR PLANT ADDITIONS  
6 MONTHS ENDING 9/30/2022  
Includes OH and AFUDC**

WP-2 #s	Apr-22 Projected	May-22 Projected	Jun-22 Projected	Jul-22 Projected	Aug-22 Projected	Sep-22 Projected	Post-Test Year
1 New Business	3,309,392	3,082,649	3,830,750	3,593,735	3,682,695	3,861,678	21,360,899
2 Facilities	935,996	854,259	566,174	652,340	475,002	324,757	3,808,528
3 Fleet	376,320	309,124	128,086	39,883	29,182	29,182	911,777
4 Measurement Operations	215,972	27,000	27,005	431,875	80,977	161,953	944,782
5 LNG	-	16,740	2,735	39,430	38,372	-	97,277
6 Information Technology (IT)	657,602	668,683	593,846	503,113	478,284	415,190	3,316,718
7 Mandatory	280,819	280,854	280,911	281,886	281,886	281,886	1,688,242
8 Distribution Integrity Management (DIMP)	2,885,559	2,239,968	2,383,734	2,255,560	2,232,790	2,541,858	14,539,469
9 Transmission Integrity Mgt Prog (TIMP)	-	-	-	-	107,969	107,969	215,938
10 DOT	3	3	108,026	431,995	685,112	217,271	1,442,410
11 Periodic Testing (PT) Meter	377,951	377,999	378,075	377,891	377,891	377,891	2,267,698
12 Pressure Improvement (PRIM)	238,649	-	235,487	107,969	97,172	106	679,383
13 Corrosion Work	-	108,000	108,021	107,969	107,969	-	431,959
14 Relocation	-	-	-	-	-	-	-
15 Security	6,749	6,750	6,751	6,748	6,748	6,748	40,494
16 Tools and Equipment	-	-	-	-	-	-	-
17 IIP Base Spending	176,762	31,810	29,745	156,776	1,014,239	1,425,362	2,834,694
WP-5 IIP in excess of \$1.2 Mill. Per Mile Cap							-
WP-5 Excludes IIP Program Spend July-21 Forward							-
<b>TOTAL ETG PLANT ADDITIONS</b>	<b>9,461,774</b>	<b>8,003,839</b>	<b>8,679,346</b>	<b>8,987,170</b>	<b>9,696,288</b>	<b>9,751,851</b>	<b>54,580,268</b>

**ELIZABETHTOWN GAS COMPANY  
PRO FORMA ADJUSTMENTS  
MAJOR CAPITAL PROJECTS -IN-SERVICE AMOUNTS**

FERC	Project Name	Projected In Service Date	Projected	Projected	Projected
			Test Year Ending Mar-22	Post Test Year Beginning Apr-22	TY and PTY Total
36320	Erie Street Project	Jul-22	\$0	\$43,786,838	\$ 43,786,838
36900	New Village RNG Project	Sep-22	\$0	\$2,633,935	\$ 2,633,935
37600	Elmora Ave Project-Mains	Jun-22	\$0	\$6,692,941	\$ 6,692,941
38000	Elmora Ave Project-Services	Jul-22	\$0	\$2,384,446	\$ 2,384,446
37600	Phase 2 Westfield Yard to Nomahegan Park 16" EP CI Replacement-Mains	Aug-22	\$0	\$5,931,021	\$ 5,931,021
38000	Phase 2 Westfield Yard to Nomahegan Park 16" EP CI Replacement-Services	Sep-22	\$0	\$2,073,427	\$ 2,073,427
37600	Oxford-Independence HP Interconnect	Sep-22	\$0	\$8,550,932	\$ 8,550,932
39000	Gas Supply In-House - Structures & Improvements	Sep-22	\$0	\$539,844	\$ 539,844
39100	Gas Supply In-House- Office Furniture & Equipment	Sep-22	\$0	\$53,984	\$ 53,984
39110	Gas Supply In-House - OFE - Software Non-Enterprise	Sep-22	\$0	\$21,594	\$ 21,594
Total Pro Forma Adjustment			\$ -	\$ 72,668,962	\$ <b>72,668,962</b>

9+3 UPDATE

Schedules

of

John L. Houseman



Elizabethtown Gas Company  
Balance Sheet  
At December 31,

Schedule JLH-1 Update  
Page 4 of 4  
Sept 2021 to Dec 2021

		<u>2021</u>
<b>Assets and Other Debits</b>		
<u>Utility Plant</u>		
101-106, 114	Utility Plant	\$ 1,991,802,291
107	Construction Work in Progress	77,643,237
108, 111, 115	(Less) Accum. Prov. for Depr. Amort. Depl. Net Utility Plant	<u>(318,790,639)</u> 1,750,654,889
<u>Other Property and Investments</u>		
124	Other Investments	-
	Total Other Property and Investments	<u>-</u>
<u>Current and Accrued Assets</u>		
131	Cash	20,984
142	Customer Accounts Receivable	98,703,679
143	Other Accounts Receivable	918,941
144	(Less) Accum. Prov. for Uncollectible Acct.-Credit	(16,596,774)
146	Accounts Receivable from Associated Companies	1,150,191
154	Plant Materials & Operating Supplies	446,605
164.1	Gas Stored Underground - Current	17,362,300
164.2	Liquefied Natural Gas Stored and Held for Processing	1,140,765
165	Prepayments	19,814,616
175	Derivative Instrument Assets	<u>12,711,702</u>
	Total Current and Accrued Assets	<u>135,673,009</u>
<u>Deferred Debits</u>		
181	Unamortized Debt Expense	7,459,626
182.3	Other Regulatory Assets	187,047,332
183.2	Preliminary Survey & Investigation Costs	146,101
186	Miscellaneous Deferred Debits	701,916,688
189	Unamortized Loss on Reacquired Debt	2,623,182
190	Accumulated Deferred Income Taxes	-
191	Unrecovered Purchased Gas Costs	-
175	Derivative Instrument Assets	<u>2,949,669</u>
	Total Deferred Debits	<u>902,142,598</u>
<b>Total Assets and Other Debits</b>		<b><u>\$ 2,788,470,496</u></b>
<b>Liabilities and Other Credits</b>		
<u>Proprietary Capital</u>		
208-211	Other Paid-In Capital	\$1,183,797,343
215,215.1,216	Retained Earnings	<u>127,292,778</u>
	Total Proprietary Capital	1,311,090,121
<u>Long-Term Debt</u>		
224	Other Long-Term Debt	<u>925,000,000</u>
	Total Long-Term Debt	925,000,000
<u>Other Non-Current Liabilities</u>		
228.2	Accumulated Provision for Injuries and Damages	668,654
228.3	Accumulated Provision for Pensions and Benefits	(3,853,019)
228.4	Accumulated Miscellaneous Operating Provisions	
230	Asset Retirement Obligation	<u>125,404,955</u>
	Total Other Non-Current Liabilities	122,220,590
<u>Current and Accrued Liabilities</u>		
231	Notes Payable	83,000,000
232	Accounts Payable	25,493,196
234	Accounts Payable to Associated Companies	24,337,708
235	Customer Deposits	14,999,266
236	Taxes Accrued	471,719
237	Interest Accrued	2,008,427
241	Tax Collections Payable	753,212
242	Miscellaneous Current and Accrued Liabilities	24,156,674
244	Derivative Instrument Liabilities	<u>195,641</u>
	Total Current and Accrued Liabilities	175,415,843
<u>Deferred Credits</u>		
252	Customer Advances for Construction	1,787,296
253	Other Deferred Credits	73,984,265
254	Other Regulatory Liabilities	173,004,865
255	Accumulated Deferred Investment Tax Credits	
282	Accumulated Deferred Income Taxes - Other Property	
283	Accumulated Deferred Income Taxes - Other	5,496,109
244	Derivative Instrument Liabilities	<u>471,407</u>
	Total Deferred Credits	254,743,942
<b>Total Liabilities and Other Credits</b>		<b><u>\$ 2,788,470,496</u></b>

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

Schedule JLH-2  
 Supplement  
 December 31, 2021

2021

<u>Utility Operating Income</u>		
400	Gas Operating Revenues	\$ 360,024,163
<u>Operating Expenses</u>		
401	Operation Expenses	218,659,828
402	Maintenance Expenses	4,505,676
403	Depreciation Expense	45,120,480
404-405	Amortization and Depletion of Utility Plant	-
408.1	Taxes Other Than Income Taxes	3,844,666
409.1	Income Taxes - Federal	-
409.1	Income Taxes - Other	-
410.1	Provision for Deferred Income Taxes	11,971,894
411.4	Investment Tax Credit Adjustment - Net	-
	Total Operating Expenses	<u>284,102,544</u>
	Net Operating Income (Loss)	<u>75,921,619</u>
<u>Other Income (Deductions)</u>		
415-421.1	Other Income	1,760,467
426.1-426.5	Miscellaneous Income Deductions	(664,226)
408.2-420	Income Taxes	(3)
	Net Other Income (Deductions)	<u>1,096,238</u>
<u>Interest Charges</u>		
427	Interest on Long-Term Debt	33,644,966
428	Amort. of Debt Disc. and Expense	906,471
428.1	Amortization of Loss on Reacquired Debt	-
430	Interest on Debt to Assoc. Companies	-
431	Other Interest Expense	768,858
432	(Less) Allow. for Borrowed Funds Used During Construction-Cr.	(1,164,908)
	Net Interest Charges	<u>34,155,387</u>
<u>Extraordinary Items</u>		
409	Income Taxes, Extraordinary Items	3,080,859
434	Extraordinary Income	(10,960,013)
	Total Extraordinary Items	<u>(7,879,154)</u>
<b>Net Income (Loss)</b>		<b><u>\$ 50,741,624</u></b>

**Elizabethtown Gas Company**  
**Statement of Gas Operating Revenues**  
**For the Twelve Months Ending December 31, 2021**

	<u>Jurisdictional</u>	<u>Non-Jurisdictional</u>	<u>Total</u>
<u>Sales of Gas</u>			
480 Residential	\$ 226,531,775		\$ 226,531,775
481 Commercial and Industrial	82,379,196		82,379,196
Total Sales of Gas	<u>308,910,971</u>	<u>-</u>	<u>308,910,971</u>
 <u>Other Gas Revenue</u>			
480-495 Miscellaneous	565,789		565,789
489 Revenue From Transportation of Gas of Others	50,547,404		50,547,404
Total Other Gas Revenues	<u>51,113,193</u>	<u>-</u>	<u>51,113,193</u>
 <b>Total Revenues</b>	 <b><u>\$ 360,024,163</u></b>	 <b><u>\$ -</u></b>	 <b><u>\$ 360,024,163</u></b>

**Elizabethtown Gas Company**  
**Payments and Accruals to Affiliates**  
**For the Twelve Months Ended December 31, 2021**

Description	Amount
<u>Payment and Accrual to Affiliate for Services Provided to Elizabethtown</u>	
<u>South Jersey Industries, Inc.</u>	
Management Fee and Intercompany Payroll Allocations	\$ 19,030,213 *
Allocation of Shared Asset Depreciation	98,223 *
Capitalization of O&M Costs	3,846,285
	<u>22,974,721</u>
<u>SJI Utilities, Inc.</u>	
Management Fee	3,121,512 *
Capitalization of O&M Costs	2,670,042
	<u>5,791,554</u>
<u>South Jersey Gas Company</u>	
Intercompany Payroll Allocation	-
	<u>-</u>
Total Costs for Services Provided to Elizabethtown	<u>\$ 28,766,275</u>
<u>Payment and Accrual to Affiliate for Flowthrough Costs</u>	
<u>South Jersey Industries, Inc.</u>	
Medical and Benefit Costs Allocation	\$ 7,134,774
Accounts Payable Reimbursements (Primarily insurance policy and miscellaneous expenses)	4,073,560
Accounts Payable Reimbursements (Primarily shared IT and debt issuance costs)	13,600,192
	<u>24,808,526</u>
<u>South Jersey Resources Group, Inc</u>	
Gas Purchases, net of asset management fees	152,950,889
	<u>152,950,889</u>
<u>South Jersey Gas Company</u>	
Medical and Benefit Costs Allocation	5,238,609
Accounts Payable Reimbursements (Primarily shared IT and utilities costs)	277,573
	<u>5,516,182</u>
Total Flowthrough Costs	<u>\$ 183,275,598</u>

\* These costs are equivalent to the costs that would have been allocated to Pivotal by affiliates had the acquisition of Pivotal's assets not occurred.

**ELIZABETHTOWN GAS COMPANY**  
**PRO FORMA ADJUSTMENTS TO MARCH 31, 2022 OPERATING INCOME AND RATE BASE**  
**DEPRECIATION EXPENSE AND ACCUMULATED DEPRECIATION**

Line No.		Utility Plant in Service	Depreciation Expense (Proposed Rates)
1	<b><u>Depreciation Expense:</u></b>		
2	Test Year Utility Plant In Service-UPIS and Depr. Exp. at Proposed Rates at 3/31/2022	\$1,850,814,320	\$56,068,615
3	Test Year Depreciation Expense at Current Rates		<u>\$46,186,578</u>
4	Test Year Difference of Annual Depreciation Expense Current to Proposed Rates		\$9,882,037
5	Post Test Year UPIS Change and Depreciation Expense for UPIS Additions	<u>\$117,763,652</u>	<u>\$3,346,001</u>
6	<b>Total Pro Forma Adjustment to Depreciation Expense (Income Statement)</b>	<b><u>\$1,968,577,972</u></b>	<b><u>\$13,228,038</u></b>
7			
8	<b><u>Accumulated Depreciation &amp; Amortization Balance at Current Rates</u></b>		
9	Accumulated Depreciation & Amortization Balance at 12/31/2021		(\$324,383,914)
10	Acquisition Adjustment Balance as of 12/31/2021		<u>(\$126,000,008)</u> (1)
11	Adjusted Balance at 12/31/2021		(\$450,383,922)
12			
13	<b><u>Accumulated Depreciation Test Year Adjustments per 3 Months of Projections</u></b>		
14	UPIS Depreciation Expense per Remaining Projected Months at Current Rates		(\$11,546,645)
15	Acquisition Adjustment Amortization, Balance Reduction		\$3,999,999 (2)
16	Retirements		\$3,458,175
17	Cost of Removal		<u>\$0</u>
18	<b>Test Year Balance as of 3/31/2022</b>		<b>(\$454,472,393)</b>
19			
20	<b><u>Accumulated Depreciation Changes plus 6 Months of Post Test Year Adjustments:</u></b>		
21	Incremental UPIS Additions Depreciation Expense at Proposed Rates		(\$1,673,001)
22	UPIS Post Test Year Depreciation Expense Proposed Rates		(\$28,034,308)
23	Acquisition Adjustment Amortization, Balance Reduction		\$7,999,998 (3)
24	Retirements		\$9,485,578
25	Cost of Removal		<u>\$0</u>
26	<b>Post Test Year Balance as of 9/30/2022</b>		<b><u>(\$466,694,126)</u></b>

**Notes:**

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

Start Date and as of Dates:	Months	Monthly Amort.	Adj. & Balances
11/15/2019	120	<b>\$1,333,333</b>	(\$160,000,000)
12/31/2021	25.5	\$1,333,333	\$33,999,992
(1) Acquisition Adjustment Balance as of 12/31/2021			<u>(\$126,000,008)</u>
<u>Balance Reductions Test Year and Post Test Year ending:</u>			
(2) 3/31/2022	3.0	\$1,333,333	\$3,999,999
(3) 9/30/2022	6.0	\$1,333,333	\$7,999,998
Acquisition Adjustment Balance as of 9/30/2022			<u>(\$114,000,011)</u>

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

<u>Line No.</u>	<u>POST TEST YEAR ADDITIONS</u>	<u>ADDED TAX DEPRECIATION</u>	<u>DFIT IN RATE BASE</u>
1			(82,000,797)
2	<b><u>Adjustments to DFIT Through 9/30/2022:</u></b>		
3	28,034,308		
4	1,673,001		
5	29,707,309		
6	(63,437,452)		
7		(33,730,143)	
8	21%		(7,083,330)
9	3,035,713	21%	637,500
10			<b><u>(88,446,627)</u></b>

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

<u>Line No.</u>	<u>POST TEST YEAR ADDITIONS</u>	<u>ADDED TAX DEPRECIATION</u>	<u>DFIT IN RATE BASE</u>
1	DCBT Rate Base Balance 3/31/2022		(38,618,900)
2	<b><u>Adjustments to DCBT Through 9/30/2022:</u></b>		
3	Test Year Book Depreciation at Proposed Rates	28,034,308	
4	Post Test Year Book Depreciation at Proposed Rates	<u>1,673,001</u>	
5	Sum of Test and Post Test Year Book Depreciation	29,707,309	
6	Tax Depreciation-Federal	<u>(63,437,452)</u>	
7	Federal Tax Depreciation Over Book		(33,730,143)
8	Pro Forma Adjustment - Deferred NJ CBT @	9.00%	<u>(3,035,713)</u>
9	<b><u>Adjusted DCBT Rate Base Balance 9/30/2022:</u></b>		<b><u>(41,654,613)</u></b>

**ELIZABETHTOWN GAS COMPANY**  
**PRO FORMA ADJUSTMENTS TO MARCH 31, 2022 OPERATING INCOME**  
**INCOME TAXES - INTEREST SYNCHRONIZATION**

Line No.

1	Adjusted Rate Base	\$1,371,341,530
2	Total Weighted Cost of Long Term Debt	<u>1.7300%</u>
3	Annualized Interest Expense	\$23,724,208
4	Less: Test Year Interest Expense	<u>(\$35,791,582)</u>
5	Net Interest Expense	<u>(\$12,067,374)</u>
6	Income Tax Rate	<u>28.11%</u>
7	<b>Total (Increase)/Decrease to test year income taxes</b>	<b><u><u>(\$3,392,139)</u></u></b>



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

Line  
No.

1	Pension and OPEB as of 12/31/2021	<b>\$35,540,379</b>
2	Adjusted for amortization expense and net periodic benefit costs	<u>(\$61,924)</u>
3	Projected / Actual Pension and OPEB as of 3/31/2022	<b>\$35,478,455</b>
4	Adjusted for amortization expense and net periodic benefit costs	<u>(\$123,847)</u>
5	Projected Pension and OPEB as of 9/30/2022	<b><u>\$35,354,608</u></b>