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

April 29, 2022

Electronic Filing

Carmen D. Diaz, Acting Board Secretary
and Acting Custodian
New Jersey Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton, NJ 08625-0350

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

Dear Acting Board Secretary and Acting Custodian Diaz:

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 submitted 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 "Deb M. Franco", is written in a cursive style.

Deborah M. Franco

DMF:caj
Enclosures

cc: Stacy Peterson (via electronic mail)
Paul Lupo (via electronic mail)
Brian O. Lipman, Esq. (via electronic mail)
Maura Caroselli, Esq. (via electronic mail)
Terel Klein (via electronic mail)

**IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY TO
FOR APPROVAL OF A RATE ADJUSTMENT PURSUANT TO THE
INFRASTRUCTURE INVESTMENT PROGRAM (“IIP”)
BPU DOCKET NO. GR**

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**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 : : : : : : X	BPU DOCKET NO. _____ CASE SUMMARY
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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 3 of the IIP, which is the period July 1, 2021 through June 30, 2022.

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, 2021 through June 30, 2022, through a rate adjustment to take effect on October 1, 2022.

If approved by the Board, the impact of the proposed rate adjustment to rates in effect on April 1, 2022 for a residential customer using 100 therms is a monthly increase of \$1.92 from \$112.30 to \$114.22, an increase of 1.7%.

**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
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Sheree Kelly
Regulatory Affairs Counsel
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3. Petitioner is engaged in the business of transmission and distribution of natural and mixed gas to approximately 306,000 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 for rates to be effective on or before October 1, 2022.

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.

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. The Company's second IIP rate filing was made effective on October 1, 2021 by Board Order dated September 14, 2021 in BPU Docket No. GR21040747. Through this Petition, which represents the Company's third Annual Filing, Elizabethtown seeks Board approval to recover the revenue requirements associated with in-service IIP Projects for the period July 1, 2021 through June 30, 2022. The recoverable IIP investments projected to be in service during this period total approximately \$57.5 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, 2022 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, 2022 and projected data through June 30, 2022. The projected data for the period April 1, 2022 through June 30, 2022 will be replaced with actual data in a 12+0 update filing to be made with the Board no later than July 15, 2022.

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 to rates in effect on April 1, 2022 for a residential customer using 100 therms would be an increase of \$1.92 from \$112.30 to \$114.22, an increase of 1.7%.

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 submitted 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

A handwritten signature in dark ink, appearing to read "Deborah M. Franco". The signature is fluid and cursive, with the first name being the most prominent.

By: Deborah M. Franco
VP/Rates, Regulatory & Sustainability

DATED: April 29, 2022

VERIFICATION

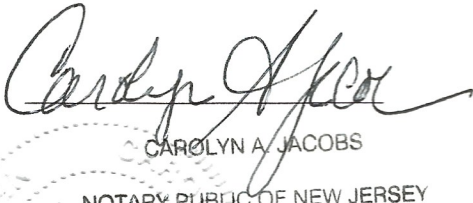
I, Deborah M. Franco, of full age, being duly sworn according to law, upon my oath, depose and say:

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

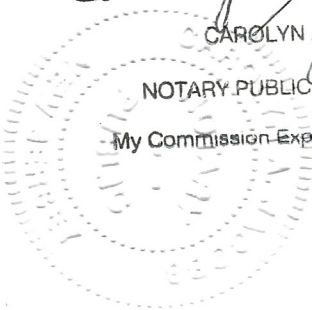
Sworn to and subscribed
before me this 29th day
of April 2022



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-13
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 closed 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 13
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. _____

PLEASE TAKE NOTICE that on April 29, 2022, Elizabethtown Gas Company (“Elizabethtown” or “Company”) filed a 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”) (“Petition”). 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 \$6.3 million of revenue requirements associated with approximately \$57.9 million of IIP Projects placed in-service from July 1, 2021 through June 30, 2022 with an October 1, 2022 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, 2022, 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	\$0.0427	\$0.0619	\$0.0192
SGS	Small General Service	\$0.0471	\$0.0685	\$0.0214
GDS	General Delivery Service	\$0.0280	\$0.0408	\$0.0128
GDS	Seasonal SP#1 May-Oct	\$0.0154	\$0.0223	\$0.0069
NGV	Natural Gas Vehicles	\$0.0761	\$0.1107	\$0.0346
LVD	Large Volume Demand	\$0.0134	\$0.0195	\$0.0061
EGF	Electric Generation	\$0.0088	\$0.0128	\$0.0040
GLS	Gas Lights, per mantel	\$0.0395	\$0.0575	\$0.0180
Firm Special Contracts		\$0.0022	\$0.0032	\$0.0010

The impact of the proposed rate increase to rates in effect on April 1, 2022 for a residential customer using 100 therms is to increase the customer's monthly bill by \$1.92 from \$112.30 to \$114.22, an increase of 1.7%.

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

PLEASE TAKE FURTHER NOTICE that due to the COVID-19 Pandemic, virtual-telephonic public hearings have been scheduled on the following date and times as noted below so that members of the public may present their views on the Company's Petition:

Date:

Hearing Times: 4:30 p.m. and 5:30 p.m.

Members of the public may present their views on the Petition during the public hearing by dialing the toll-free telephone number listed below, followed by entering the listed passcode when prompted.

Dial In:

Conference ID: followed by #

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

Representatives of the Company, Board Staff and the New Jersey Division of Rate Counsel will participate in the virtual-telephonic public hearings. Members of the public are invited to participate by utilizing the Dial-In Number and Conference ID set forth above and may express their views on this Petition. All comments will be made part of the final record of the proceeding and will 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 or listening assistance, 48 hours prior to the above hearings to the Board Secretary at board.secretary@bpu.nj.gov.

The Board will also accept written and/or electronic comments. While all comments will be given equal consideration and will be made part of the final record of this proceeding, the preferred method of transmittal is via the Board's Public Document Search tool. Search for the docket number listed above, and post by utilizing the "Post Comments" button. Emailed comments may also be filed with the Secretary of the Board, in pdf or Word format, to board.secretary@bpu.nj.gov.

Written comments may be submitted to the Acting Board Secretary, Carmen Diaz, at the Board of Public Utilities, 44 South Clinton Avenue, 1st Floor, P.O. Box 350, Trenton, New Jersey 08625-0350. All emailed or mailed comments should include the name of the Petition and the docket number.

All comments are considered "public documents" for purposes of the State's Open Public Records Act. Commenters may identify information that they seek to keep confidential by submitting them in accordance with the confidentiality procedures set forth in N.J.A.C. 14:1-12.3..

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 29, 2022

**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” or “BPU”) 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 adjustments, to the rates made effective by Board
17 Order dated September 14, 2021 in BPU Docket No. GR21040747, are proposed to
18 become effective on or before October 1, 2022. Such rate adjustments are based on
19 the revenue requirements associated with IIP investments made and anticipated for the
20 period July 1, 2021 through June 30, 2022. This testimony provides an overview of
21 the IIP cost recovery mechanism and the calculation of the associated revenue
22 requirement and rate design. It also addresses certain Minimum Filing Requirements
23 ("MFRs") as set forth in the 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 as Exhibit A. The MFRs were set forth in Appendix D to the May 29, 2019
7 Stipulation attached 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

1 **II. ANNUAL IIP FILING**

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

3 **A.** The Company’s annual IIP filing is being made in compliance with the IIP Order,
4 which authorizes Elizabethtown to seek cost recovery for completed IIP projects in
5 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

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

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

8 **A.** Consistent with the requirement contained in N.J.A.C. 14:3-2A.6(b), Elizabethtown is
9 permitted to make annual filings to recover IIP costs when eligible in-service amounts
10 exceed ten (10%) percent of the total proposed program spending, except however,
11 given the nature of the work, the Signatory Parties recognize that the April 2025 filing
12 may be less than 10% of total program spending as it will reflect residual spending
13 associated with restoration work occurring after June 30, 2024. Based on the total
14 approved program budget of \$300 million, the eligible in-service amounts must exceed
15 \$30 million to allow for the annual roll-in. As shown on Schedule TK-7, the Company
16 is currently projecting a total of approximately \$57.5 million (excluding the costs of
17 the Independent Monitor and Accumulated Funds Used During Construction,
18 (“AFUDC”) in service for the current twelve month period ending June 30, 2022.

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 main and service investments that are placed in service during the
6 period July 1, 2021 to June 30, 2022 totaling \$57.5 million plus the costs of the
7 Independent Monitor and AFUDC, with IIP Rider rate adjustments to be effective
8 October 1, 2022. Included with this filing is actual data for projects placed in service
9 through March 31, 2022 and projected data through June 30, 2022. The Company will
10 provide a 12+0 update filing with actual data through June 30, 2022 no later than July
11 15, 2022.

12 **Q. WHAT IS THE FORECASTED REVENUE REQUIREMENT PROPOSED**
13 **FOR THE IIP RATE ADJUSTMENTS TO TAKE PLACE ON OCTOBER 1,**
14 **2022?**

15 **A.** For the twelve month period ending June 30, 2022, the Company is proposing a
16 revenue requirement increase of approximately \$6.3 million, excluding Sales and Use
17 Tax (“SUT”). The calculation of the revenue requirement associated with the proposed
18 IIP Rider rate adjustments are provided in the attached Schedule TK-1. For rate making
19 purposes, this amount, combined with previously approved revenue requirements,
20 results in a total of approximately \$20.2 million, excluding SUT, as shown and
21 allocated to rate classes on Schedule TK-3.

22 **Q. HOW ARE THE REVENUE REQUIREMENTS ASSOCIATED WITH THE IIP**
23 **RATE ADJUSTMENTS CALCULATED?**

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

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

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

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

11 **Q. WHAT TYPES OF EXPENDITURES ARE INCLUDED IN THE IIP**
12 **INVESTMENT COSTS?**

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

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

20 **A.** In accordance with the IIP Order, the AFUDC rate applied to IIP projects is determined
21 by applying the Modified FERC Uniform System of Accounts methodology
22 (“Modified FERC Method”), including compounding of AFUDC on a monthly basis.
23 The Modified FERC Method is as follows: (a) if the Company's total Construction
24 Work in Progress (“CWIP”) balance, including all CWIP associated with IIP projects,

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

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

10 **A.** Depreciation expense is calculated as the IIP investments for the period by asset class
11 multiplied by the associated depreciation rate applied to the same asset in current base
12 rates established in the Company's most recent base rate case in Docket No.
13 GR19040486 ("2019 Base Rate Case"). The depreciation calculation and associated
14 depreciation rates are shown in Schedule TK-8.

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

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

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

1 **A.** Pursuant to the IIP Order, the return on IIP Rate Base proposed in this Annual Filing
2 is based on the WACC approved in the Company’s 2019 Base Rate Case, which was
3 calculated utilizing a 9.60% return on equity (“ROE”) and an equity level in the capital
4 structure of 51.50%. This results in a WACC of 7.131%, or 6.5165% on an after-tax
5 basis. This calculation is included in Schedule TK-9.

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

8 **A.** Pursuant to the IIP Order, the operations and maintenance (“O&M”) credit is \$90,000
9 per year, or \$64,701 net of tax. This credit reflects an O&M savings associated with
10 leak repair on facilities replaced in connection with the IIP. The total O&M credit of
11 \$64,701 is reflected in Schedule TK-1.

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

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

18 **Q. WHAT IS THE REVENUE FACTOR UTILIZED IN THE CALCULATION OF**
19 **THE REVENUE REQUIREMENT?**

20 **A.** The revenue factor adjusts the revenue requirement to reflect Federal and State income
21 taxes, as well as the costs associated with the Board and the Division of Rate Counsel
22 annual assessments (collectively Public Utility Assessment Tax), and Bad Debt.
23 Pursuant to the IIP Order, the Company is using the revenue factor that was utilized to

1 set rates in the Company's 2019 Base Rate Case, which is 1.406762. The calculation
2 of the revenue factor is reflected on Schedule TK-10.

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

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

6 **A.** The IIP Rider is assessed to all firm customers on a rate per service class to those served
7 under Service Classifications RDS, SGS, GDS, NGV, LVD, EGF, and GLS including
8 certain firm Board approved special contract customers served under the Company's
9 firm rate classes.

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

12 **A.** As shown on Schedule TK-3, and specified in the IIP Order, the Company is allocating
13 the revenue requirement for each applicable firm class and firm special contracts for
14 IIP based on the percentage of revenues approved in the Company's 2019 Base Rate
15 Case.

16 **Q. WHAT RATE DESIGN WAS UTILIZED FOR THE PROPOSED IIP RATE**
17 **ADJUSTMENT?**

18 **A.** Pursuant to the IIP Order, the IIP rate adjustment is effectuated by a volumetric
19 distribution charge calculated for each class utilizing the billing determinants used to
20 set rates in the Company's 2019 Base Rate Case. Schedule TK-3 sets forth the IIP
21 allocated revenue, which for rate making is made up previously approved IIP amounts
22 plus that proposed in this filing, to each class. These amounts are divided by the
23 respective therm billing determinants from the Company's 2019 Base Rate Case to
24 derive the proposed IIP rates, before SUT, shown on Schedule TK-4. The revenue

1 requirement allocation, proof of revenues and proposed IIP rates by class, inclusive of
2 taxes, are summarized on Schedule TK-2.

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

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

8 **A.** The bill impact of the proposed IIP rate adjustment to rates in effect on April 1, 2022
9 for a residential customer using 100 therms will be an increase of \$1.92 from \$112.30
10 to \$114.22, an increase of 1.7%.

11 **Q. IN THE COMPANY'S BASE RATE CASE PENDING IN BPU DOCKET NO.**
12 **GR21121254 ("2021 RATE CASE"), HAS ELIZABETHTOWN MADE A**
13 **PROPOSAL ON HOW TO TREAT IIP INVESTMENT COSTS THROUGH**
14 **JUNE 30, 2021?**

15 **A.** Yes, Elizabethtown has proposed to roll investments costs through June 30, 2021 that
16 were previously included in rates on a provisional basis in BPU Docket Nos.
17 GR20050327 and GR21040747, respectively, into the rates to be established in the
18 2021 Rate Case on a final basis.

19 **Q. WHAT WILL HAPPEN TO THE CURRENTLY APPROVED IIP RIDER F**
20 **TARIFF RATES IF BASE RATES BECOME EFFECTIVE PRIOR TO THE**
21 **RATES PROPOSED IN THIS PROCEEDING?**

22 **A.** The base rates under consideration in the 2021 Rate Case include IIP amounts
23 associated with Years 1 and 2. If the base rates proposed in the 2021 Rate case are
24 approved prior to the effective date of the rates proposed herein, the Years 1 and 2 IIP

1 rates in Rider F will be set to zero. In this case, only the revenue requirement from
2 Year 3 will be used in the derivation of the new IIP rates in Rider F. If the rates
3 proposed in this filing are approved prior to the effective date of rates in the 2021 Rate
4 Case, then such adjustments to Rider F would occur at the time the rate case is
5 approved. At either time Year 3 IIP rates will be recomputed using the most recent
6 approved rate case factors in computing the IIP class rates. In addition, at that time,
7 the Company would allocate revenue for IIP ratemaking purposes for the total GDS
8 class and no longer break out the May to October GDS SP#1 in Rider F. For NGV, the
9 Company will use the Distribution revenues and exclude Fueling and Facilities
10 revenues in determining the allocation of revenue for IIP ratemaking purposes. Also,
11 in that the EGF class in the 2021 Rate Case is projected to have zero usage, the
12 Company will apply the GDS rate to the EGF class.

13 **IV. EARNINGS TEST**

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

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

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

21 **A.** The calculated ROE is 6.35%, which meets the requirement of the IIP Order that the
22 calculated ROE be less than 10.10%, calculated as fifty (0.50%) basis points plus
23 9.60%, the ROE approved by the Board in the Company's 2019 Base Rate Case.

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

2 **Q. IN ADDITION TO THE SCHEDULES PREVIOUSLY REFERENCED IN**
3 **YOUR DIRECT TESTIMONY, ARE YOU SPONSORING ANY ADDITIONAL**
4 **SCHEDULES IN SUPPORT OF THE MFRS?**

5 **A.** Yes. Also attached to my Direct Testimony are the Company's Income Statement for
6 the 12 months ending December 31, 2021 and the Company's Balance Sheet as of
7 December 31, 2021. The information is attached hereto as Schedule TK-13 and
8 Schedule TK-14, respectively.

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

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

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

13 **A.** Yes, it does.

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

	June 2022
	Roll-In Oct 1
Plant In Service (excl AFUDC)	\$57,480,000
Monitor	\$60,000
Advanced Leak Detection (ALD) Report	\$0
AFUDC	\$357,486
Total Plant In Service	\$57,897,486
Book Depreciation, half year	(\$580,054)
Deferred Income Tax	(\$447,259)
Rate Base	\$56,870,173
Rate of Return - net of tax	6.5165%
	\$3,705,945
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	\$834,002
Allowable Net Income	\$4,475,246
Revenue Factor	1.406762
Current Revenue Requirement	\$6,295,606
Previously Approved	\$13,894,483
Cumulative Revenue Requirement	\$20,190,089
CBT Rate, see Sch 9	9.000%
FIT Rate, See Sch 9	21.000%
Net Tax Rate	28.110%
Average Book Depreciation Rate	2.00%
Tax Depreciation Rate	3.750%
Bonus Depreciation Rate	0%
Half Year Book Depreciation	\$580,054
Tax Bonus Depreciation	\$0
Tax Depreciation	\$2,171,156
Deferred Income Tax Credit, (Bk - Tax)* Tax Rate	(\$447,259)
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	\$0.0192
Annual Increase, w/tax	\$19.20
Current Bill as of Date	<u>4/1/2022</u>
1,000 Therm Bill at Current Rates	\$1,143.00
1,000 Therm Bill plus IIP Annual Increase	\$1,162.20
% Increase from Current Bill	1.7%

ELIZABETHTOWN GAS COMPANY
Infrastructure Investment Program (“IIP”)
Proposed Rates - Oct 1, 2022
Summary From Inception

	Current Rates w/ Tax	2019 Rate Case % of Base Revenues	From Inception Revenue Requirement	From Inception Revenue per Proof	2019 Rate Case Distribution Therms	Pre Tax Rates per Proof	Sales Tax 6.625%	Rates w/ Tax	Rate Change w/ Tax
Residential	\$0.0427	65.984294%	\$13,322,288	\$13,313,726	229,151,904	\$0.0581	\$0.0038	\$0.0619	\$0.0192
Small General Service	\$0.0471	6.352028%	\$1,282,480	\$1,281,931	19,967,772	\$0.0642	\$0.0043	\$0.0685	\$0.0214
General Delivery Service	\$0.0280	23.541991%	\$4,753,149	\$4,755,188	124,156,335	\$0.0383	\$0.0025	\$0.0408	\$0.0128
GDS SP#1 Service	\$0.0154	0.044284%	\$8,941	\$8,923	426,917	\$0.0209	\$0.0014	\$0.0223	\$0.0069
Natural Gas Vehicles	\$0.0761	0.089335%	\$18,037	\$18,035	173,750	\$0.1038	\$0.0069	\$0.1107	\$0.0346
Large Volume Demand	\$0.0134	3.771645%	\$761,498	\$759,946	41,527,129	\$0.0183	\$0.0012	\$0.0195	\$0.0061
Electric Generation	\$0.0088	0.007290%	\$1,472	\$1,466	122,163	\$0.0120	\$0.0008	\$0.0128	\$0.0040
Gas Lights	\$0.0395	0.007680%	\$1,551	\$1,552	28,800	\$0.0539	\$0.0036	\$0.0575	\$0.0180
Firm Spec. Contracts	\$0.0022	0.201453%	<u>\$40,674</u> \$20,190,090	<u>\$40,839</u> \$20,181,606	13,612,932	\$0.0030	\$0.0002	\$0.0032	\$0.0010

ELIZABETHTOWN GAS COMPANY
Infrastructure Investment Program ("IIP")
Revenue Requirement Allocation, Plant In-Service
June 2022

Schedule TK-3
9+3

Revenue Requirement, From Inception	\$20,190,089	Allocation per 2019 Rate Case		
		Base Revenues	Overall %	Allocation
Residential		\$124,740,797	65.984294%	\$13,322,288
Small General Service		\$12,008,268	6.352028%	\$1,282,480
General Delivery Service		\$44,505,238	23.541991%	\$4,753,149
GDS SP#1 Service		\$83,717	0.044284%	\$8,941
Natural Gas Vehicles, Distribution		\$168,885	0.089335%	\$18,037
Large Volume Demand		\$7,130,151	3.771645%	\$761,498
Electric Generation		\$13,782	0.007290%	\$1,472
Gas Lights		\$14,518	0.007680%	\$1,551
Firm Base Rate Revenues		\$188,665,356	99.798547%	\$20,149,416
Firm Special Contracts Avg.		\$380,840	0.201453%	\$40,674
Total Firm Revenues		\$189,046,196	100.000000%	\$20,190,090
Interruptible Revenues		\$6,911,221		
Other Revenues		\$1,587,043		
TOTAL REVENUES		\$197,544,460		\$20,190,090

(\$1)

Revenue Requirements:

June 2020	\$6,830,571	Docket No. GR20050327, Dated: 9-30-20, Effective on: 10-1-20
June 2021	\$7,063,912	Docket No. GR21040747, Dated: 9-14-21, Effective on : 10-1-21
June 2022	\$6,295,606	
June 2023	\$0	
June 2024	\$0	
June 2025	\$0	
Total	<u>\$20,190,089</u>	

June 2020 and 2021 proposed to be in base rates in the 12-28-21 rate case filing GR21121254. To be removed from IIP Rider when approved.

ELIZABETHTOWN GAS COMPANY
Infrastructure Investment Program ("IIP")

Proof of Revenue
From Inception - Approved and Proposed
\$20,190,089

Schedule TK-4
Consisting of 3 Pages
9+3

	Determinants per 2019 Rate Case		Approved Rider F Rates Pre Tax		Proposed Rider F Rates Pre Tax	
	<u>Amount</u>	<u>Units</u>	<u>Rates</u>	<u>Revenue</u>	<u>Rates</u>	<u>Revenue Proof</u>
Dkt. No. GR21040747, Eff. 10-1-21						
<u>Residential Service</u>	271,494	Customers	RDS		RDS	
Customer Charge	3,257,928	Bills	\$0.00	\$0	\$0.00	\$0
Rider F Charge	229,151,904	Therms	\$0.0400	\$9,166,076	\$0.0581	\$13,313,726
Total Base Rate Revenues				\$9,166,076		\$13,313,726
<hr/>						
<u>Small General Service</u>	16,054	Customers	SGS		SGS	
Customer Charge	192,648	Bills	\$0.00	\$0	\$0.00	\$0
Rider F Charge	19,967,772	Therms	\$0.0442	\$882,576	\$0.0642	\$1,281,931
Total Base Rate Revenues				\$882,576		\$1,281,931
<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
Rider F Charge	124,156,335	Therms	\$0.0263	\$3,265,312	\$0.0383	\$4,755,188
Rider F Charge (SP#1)	426,917	Seasonal May-Oct	\$0.0144	\$6,148	\$0.0209	\$8,923
Total Base Rate Revenues	124,583,252	Total Rider F Therms		\$3,271,460	class avg. \$0.0382	\$4,764,111
<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
Rider F Charge	122,163	Therms	\$0.0083	\$1,014	\$0.0120	\$1,466
Total Base Rate Revenues				\$1,014		\$1,466
<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
Rider F Charge	41,527,129	Therms	\$0.0126	\$523,242	\$0.0183	\$759,946
Total Base Rate Revenues				\$523,242		\$759,946

ELIZABETHTOWN GAS COMPANY
Infrastructure Investment Program ("IIP")
Proof of Revenue
From Inception - Approved and Proposed
\$20,190,089

Schedule TK-4
Consisting of 3 Pages
9+3

	Determinants per 2019 Rate Case		Approved Rider F Rates Pre Tax		Proposed Rider F Rates Pre Tax	
	<u>Amount</u>	<u>Units</u>	<u>Rates</u>	<u>Revenue</u>	<u>Rates</u>	<u>Revenue Proof</u>
Dkt. No. GR21040747, Eff. 10-1-21						
			NGV		NGV	
<u>Natural Gas Vehicles</u>	12 Customers 144 Bills					
Rider F Charge	173,750	Therms	\$0.0714	\$12,406	\$0.1038	\$18,035
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			\$0.0714	\$12,406	\$0.1038	\$18,035
			GLS		GLS	
<u>Gas Lights Service</u>	13 Customers 156 Bills					
Service Charge			\$0.27		\$0.79	
Rider F Charge	28,800	Therms	\$0.0370	\$1,066	\$0.0539	\$1,552
Total Base Rate Revenues				\$1,066		\$1,552
Total Firm Rate Class	415,554,770	Therms		\$13,857,840		\$20,140,767
			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
\$20,190,089

Schedule TK-4
Consisting of 3 Pages
9+3

Determinants per 2019 Rate Case			Approved Rider F Rates Pre Tax		Proposed Rider F Rates Pre Tax	
	<u>Amount</u>	<u>Units</u>	<u>Rates</u>	<u>Revenue</u>	<u>Rates</u>	<u>Revenue Proof</u>
			Dkt. No. GR21040747, Eff. 10-1-21			
			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 Transportation Service</u>	No Customers	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				\$13,857,840		\$20,140,767
<u>Other Revenues</u>						
Special Contracts Firm				\$28,587		\$40,839
Special Contracts Interruptible				\$0		\$0
Other Miscellaneous Revenues				\$0		\$0
Total Other Revenues				\$28,587		\$40,839
IIP REVENUES, per Approved and Proposed Rates			Previously Approved	Proposed	Total	
Target Change			\$13,886,427	\$6,295,179	\$20,181,606	
Difference			\$13,894,483	\$6,295,606	\$20,190,089	
			(\$8,056)	(\$427)	(\$8,483)	

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%	<u>\$0.0691</u>
				342,143,843	100.01%	\$0.3456
IIP Rates						
RDS	\$0.0619	\$0.0038	\$0.0581	213,931,646	62.53%	\$0.0363
SGS	\$0.0685	\$0.0043	\$0.0642	18,706,736	5.47%	\$0.0035
GDS	\$0.0408	\$0.0025	\$0.0383	109,505,461	32.01%	<u>\$0.0123</u>
				342,143,843	100.01%	\$0.0521
Total						<u><u>\$0.3977</u></u>

* Therms per 2019 Rate Case

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

	January-21	Through	December-21
Net Income:			
1 Net Income (including IIP and CIP margin revenue, net of tax)			\$51,315,139
less: non-recurring items, income / (loss) net of tax (1)			\$7,879,153
Net Income (including IIP and WNC margin revenue, net of tax)			\$43,435,986
2 Less:			
Non-firm Sales & Transportation margins, net of tax			\$163,806
Off-system Sales & Capacity Release, net of tax			\$67,420
Amort. of Pension/OPEB Regulatory Assets, net of tax ***			\$2,883,008
Energy Efficiency Program margins, net of tax			\$0
			\$3,114,234
3 Regulated Jurisdictional Net Income (L1-L2) **			\$40,321,752
4 Common Equity Balances, per Rate Base			
	<u>December-20</u>	<u>December-21</u>	
Rate Base	\$1,178,743,649	\$1,288,021,906	
Equity %	51.50%	51.50%	
Annual and Average Equity	<u>\$607,052,979</u>	<u>\$663,331,282</u>	\$635,192,131
5 ROE (L3/L4) *			6.35%
Rate of Return on Equity, 2019 Rate Case		9.60%	
ROE Test: Rate Case plus 50 Basis Points		0.50%	10.10%

* 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 rate base balances for the corresponding period shown on Schedule 6.1.

** 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.

(1) UTUA 2018 Extraordinary Item booked in September 2021.

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

<u>Line No.</u>	<u>2019 Rate Case Settlement</u>	<u>December-20</u>	<u>December-21</u>
1	Utility Plant In Service	\$1,506,452,511	\$1,733,681,792
2	Accumulated Depreciation, Utility Retirement WIP	(\$316,111,015)	(\$320,085,195)
3	Acquisition Adjustment	(\$160,000,000)	(\$160,000,000)
4	Amortization of Acquisition Adjustment	\$0	\$17,999,996
5	Net Utility Plant	\$1,030,341,496	\$1,271,596,593
6			
7	Pension/OPEB	\$35,934,019	\$35,498,063
8	Cash Working Capital ⁽¹⁾	\$21,348,848	\$21,348,848
9	Inventories ⁽²⁾		
10	Natural Gas Stored Underground and LNG	\$12,494,353	\$9,087,298
11	Materials & Supplies incl. Fleet Fuel and Propane Inv.	\$350,780	\$898,225
12	Customer Deposits ⁽²⁾	(\$3,603,624)	(\$3,954,978)
13	Customer Advances ⁽²⁾	(\$1,230,614)	(\$1,719,489)
14	Deferred Income Taxes:		
15	Excess Protected ADIT	(\$81,032,611)	(\$79,442,435)
16	Federal Income Tax	(\$17,468,836)	(\$50,014,001)
17	NJ CBT	(\$7,823,900)	(\$23,554,475)
18	Consolidated Tax Adjustment ⁽¹⁾	(\$1,000,000)	(\$1,000,000)
19			
20	Total Rate Base	\$988,309,911	\$1,178,743,649
			\$1,288,021,906

⁽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
9+3

	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-22	\$36,285,125	\$21,194,875	\$57,480,000	\$60,000	\$0	\$57,540,000	\$302,466	\$55,020	\$357,486	\$57,897,486
Monthly Spending:										
Jul-21	\$3,066,551	\$1,890,060	\$4,956,611	\$5,000		\$4,961,611	\$1,825	\$3,627	\$5,452	\$4,967,063
Aug-21	\$3,556,205	\$2,461,094	\$6,017,299	\$5,000		\$6,022,299	\$19,211	\$2,185	\$21,396	\$6,043,695
Sep-21	\$2,711,373	\$2,121,005	\$4,832,378	\$5,000		\$4,837,378	\$33,674	\$1,014	\$34,688	\$4,872,066
Oct-21	\$5,321,388	\$2,506,233	\$7,827,621	\$5,000		\$7,832,621	\$53,357	\$1,517	\$54,874	\$7,887,495
Nov-21	\$6,450,200	\$1,340,380	\$7,790,580	\$5,000		\$7,795,580	\$51,419	\$151	\$51,570	\$7,847,150
Dec-21	\$3,671,591	\$893,479	\$4,565,070	\$5,000		\$4,570,070	\$10,675	\$553	\$11,228	\$4,581,298
Jan-22	\$2,784,022	\$2,754,506	\$5,538,528	\$5,000		\$5,543,528	\$19,767	\$3,258	\$23,025	\$5,566,553
Feb-22	\$4,220,165	\$2,654,549	\$6,874,714	\$0		\$6,874,714	\$35,661	\$1,889	\$37,550	\$6,912,264
Mar-22	\$2,715,905	\$4,475,411	\$7,191,316	\$5,000		\$7,196,316	\$21,289	\$7,566	\$28,855	\$7,225,171
Apr-22	\$5,193,058	\$4,471,048	\$9,664,106	\$10,000		\$9,674,106	\$15,031	\$12,941	\$27,972	\$9,702,078
May-22	\$7,387,698	\$3,111,555	\$10,499,253	\$5,000		\$10,504,253	\$28,669	\$12,075	\$40,744	\$10,544,997
Jun-22	(\$10,793,031)	(\$7,484,445)	(\$18,277,476)	\$5,000		(\$18,272,476)	\$11,888	\$8,244	\$20,132	(\$18,252,344)

ELIZABETHTOWN GAS COMPANY
Infrastructure Investment Program (“IIP”)
Annualized Depreciation

Schedule TK-8
9+3

	Rates		In-Service Depreciation		Monitor	ALD Study	Depreciation Expense <u>Pre AFUDC</u>	<u>AFUDC Depreciation</u>		Full Year Depreciation Expense W/ AFUDC
	Mains	Services	Mains	Services				Mains	Services	
	376	380	376	380	376	376		376	380	
End Date										
Jun-22			580,561	572,262	960	0	1,153,783	4,840	1,485	1,160,108
Monthly Spending:										
Jul-21	1.60%	2.70%	49,065	51,032	80	0	100,177	29	98	100,304
Aug-21	1.60%	2.70%	56,899	66,450	80	0	123,429	307	59	123,795
Sep-21	1.60%	2.70%	43,382	57,267	80	0	100,729	539	27	101,295
Oct-21	1.60%	2.70%	85,142	67,668	80	0	152,890	854	41	153,785
Nov-21	1.60%	2.70%	103,203	36,190	80	0	139,473	823	4	140,300
Dec-21	1.60%	2.70%	58,745	24,124	80	0	82,949	171	15	83,135
Jan-22	1.60%	2.70%	44,544	74,372	80	0	118,996	316	88	119,400
Feb-22	1.60%	2.70%	67,523	71,673	0	0	139,196	571	51	139,818
Mar-22	1.60%	2.70%	43,454	120,836	80	0	164,370	341	204	164,915
Apr-22	1.60%	2.70%	83,089	120,718	160	0	203,967	240	349	204,556
May-22	1.60%	2.70%	118,203	84,012	80	0	202,295	459	326	203,080
Jun-22	1.60%	2.70%	(172,688)	(202,080)	80	0	(374,688)	190	223	(374,275)

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

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 \$0.3977 per therm for purposes of calculating the weather-related portion of the CIP.

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

2nd 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	\$0.0619
SGS	Small General Service	\$0.0685
GDS	General Delivery Service	\$0.0408
GDS	Seasonal SP#1 May-Oct	\$0.0223
NGV	Natural Gas Vehicles	\$0.1107
LVD	Large Volume Demand	\$0.0195
EGF	Electric Generation	\$0.0128
GLS	Gas Lights	\$0.0575
Firm Special Contracts		\$0.0032

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

ELIZABETHTOWN GAS COMPANY

B. P. U. NO. 17 – GAS

~~2nd~~3rd REVISED SHEET NO. 111

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>
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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 \$~~0.3814~~0.3977 per therm for purposes of calculating the weather-related portion of the CIP.

Date of Issue: ~~September 22, 2021~~XXX1Effective: Service Rendered
on and after ~~October 1,~~
~~2021~~XXX2Issued by: Christie McMullen, President
520 Green Lane
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities

Dated ~~September 14, 2021~~XXX3 in Docket No. ~~GR21040747~~XXX4

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

~~1st~~^{2nd} 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	\$0.0619 \$0.0427
SGS	Small General Service	\$0.0685 \$0.0471
GDS	General Delivery Service	\$0.0408 \$0.0280
GDS	Seasonal SP#1 May-Oct	\$0.0223 \$0.0154
NGV	Natural Gas Vehicles	\$0.1107 \$0.0761
LVD	Large Volume Demand	\$0.0195 \$0.0134
EGF	Electric Generation	\$0.0128 \$0.0088
GLS	Gas Lights	\$0.0575 \$0.0395
Firm Special Contracts		\$0.0022 \$0.0032

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: ~~September 22, 2021~~XXX1

Effective: Service Rendered
on and after ~~October 1, 2021~~XXX2

Issued by: Christie McMullen, President

520 Green Lane
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities

Dated ~~September 14, 2021~~XXX3 in Docket No. ~~GR21040747~~XXX4

Schedule TK-13

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

		<u>2021</u>
<u>Utility Operating Income</u>		
400	Gas Operating Revenues	\$ 360,024,163
Operating Expenses		
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>
Other Income (Deductions)		
415-421.1	Other Income	1,760,467
426.1-426.5	Miscellaneous Income Deductions	(664,226)
408.2-420	Income Taxes	<u>(3)</u>
	Net Other Income (Deductions)	1,096,238
Interest Charges		
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-	<u>(1,164,908)</u>
	Net Interest Charges	34,155,387
Extraordinary Items		
409	Income Taxes, Extraordinary Items	3,080,859
434	Extraordinary Income	<u>(10,960,013)</u>
	Total Extraordinary Items	(7,879,154)
Net Income (Loss)		<u><u>\$ 50,741,624</u></u>

Schedule TK-14

Elizabethtown Gas Company
Balance Sheet
At December 31.

		<u>2021</u>
Assets and Other Debits		
<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.	(318,790,639)
	Net Utility Plant	<u>1,750,654,889</u>
<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	12,711,702
	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	2,949,669
	Total Deferred Debits	<u>902,142,598</u>
Total Assets and Other Debits		<u>\$ 2,788,470,496</u>
Liabilities and Other Credits		
<u>Proprietary Capital</u>		
208-211	Other Paid-In Capital	\$1,183,797,343
215,215.1,216	Retained Earnings	127,292,778
	Total Proprietary Capital	<u>1,311,090,121</u>
<u>Long-Term Debt</u>		
224	Other Long-Term Debt	925,000,000
	Total Long-Term Debt	<u>925,000,000</u>
<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	125,404,955
	Total Other Non-Current Liabilities	<u>122,220,590</u>
<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	195,641
	Total Current and Accrued Liabilities	<u>175,415,843</u>
<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	471,407
	Total Deferred Credits	<u>254,743,942</u>
Total Liabilities and Other Credits		<u>\$ 2,788,470,496</u>

**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 29, 2022

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, 2022 and those which are projected to be
6 made from April 1, 2022 through June 30, 2022 as part of the Company's Infrastructure
7 Investment Program ("IIP") approved by the New Jersey Board of Public Utilities
8 ("BPU" or the "Board") by order dated June 12, 2019 in Docket No. GR18101197
9 ("IIP Order"). In accordance with the IIP Order, the Company will provide a 12+0
10 update by July 15, 2022 that contains actual in-service investments through June 30,
11 2022. My testimony also provides certain information responsive to the Minimum
12 Filing Requirements ("MFRs") required to be provided in this filing by the IIP Order.

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

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

16 Schedule MPS-1: Elizabethtown's actual baseline capital spending for the
17 recovery period July 1, 2019 through June 30, 2022
18 (MFR Number 3);

19 Schedule MPS-2: Elizabethtown's overall approved IIP capital budget,
20 including Construction Work In Progress ("CWIP") and
21 In-Service amounts, broken down by major categories,
22 including both budgeted and actual amounts (MFR
23 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 3 of the IIP, which is the period July 1, 2021 through June 30, 2022.

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 THREE IIP PROJECTS THAT**
3 **ELIZABETHTOWN ANTICIPATES WILL BE PLACED IN-SERVICE BY**
4 **JUNE 30, 2022.**

5 **A.** With respect to Year Three IIP Projects, as of March 31, 2022, the Company invested
6 \$62.4 million in CWIP, and \$55.6 million was placed in-service, excluding AFUDC.
7 As of March 31, 2022 the Company has placed in service 26.9 miles of main, 4,283
8 services and 4,260 EFVs on new service lines. The Company anticipates that by June
9 30, 2022 it will have placed in service a total of \$89.4 million of IIP mains and services,
10 inclusive of amounts in excess of the program cap of \$1.2 million. It also anticipates
11 that it will have placed in service 47.9 miles of main and an estimated 6,017 of
12 associated services and 5,994 EFVs by June 30, 2022. See Schedules MPS-2 and MPS-
13 3 for IIP budget information, expenditures incurred to date for eligible in-service IIP
14 mains and services and IIP Year 3 Project completion dates.

15 As required by the IIP Order, the IIP Projects and amounts are incremental to
16 the Company's normal capital spending budget. The Company's actual baseline
17 capital spending for IIP Program Years 1 through 3 is reflected in Schedule MPS-1.

18 **Q. DO THE IN-SERVICE AMOUNTS REFLECTED IN THIS FILING EXCEED**
19 **\$30 MILLION AS REQUIRED BY THE IIP ORDER?**

20 **A.** Yes. Under the IIP Order, Elizabethtown shall make annual filings to recover IIP costs
21 when eligible in-service amounts exceed 10% of total program spending.¹

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 Elizabethtown projects a total of \$57.5 million of eligible in-service IIP main and
2 service amounts as of June 30, 2022.

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

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

10 **IV. PRIORITIZATION OF PROJECTS**

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

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

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

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

1 methane leak survey. As authorized by the IIP Order, the costs of the survey are
2 reflected in the cost recovery sought by this filing and supported by Company witness
3 Thomas Kaufmann.

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

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

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

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

14 **A.** As reflected above and in Schedule MPS-3, as of March 31, 2022, Elizabethtown has
15 installed 145.9 miles of mains and just over 17,287 services and EFVs inclusive of
16 CWIP projects not yet in service. In accordance with the intent of the IIP, the
17 replacement of these facilities has and will enhance the Company’s distribution system
18 safety and reliability to the benefit of Elizabethtown’s customers. The IIP work will
19 also support the environment by helping to reduce Elizabethtown’s open leak inventory
20 as discussed below and will facilitate economic development and employment in New
21 Jersey.

22 **Q. HAS THE COMPANY ENGAGED AN INDEPENDENT MONITOR THAT**
23 **REVIEWS AND REPORTS ON THE EFFECTIVENESS OF THE IIP TO**
24 **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 2021, the Independent Monitor has completed
4 nine (9) 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. Thereafter, 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, 2022, the Company must demonstrate a two (2) 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. As shown on Schedule MPS-4 as of March 31st
21 the Company has satisfied the 2022 leak reduction target requirement contained in the
22 IIP Order.

23

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 \$332 million for the total IIP Program through June 30, 2022, with new
24 business spend at the cap of \$10 million as of June 30, 2022.

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 THREE?**

8 **A.** Yes. As reflected on Schedule MPS-1, the Company anticipates IIP Baseline Spend of
9 \$8.2 million as of June 30, 2022.

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 Years Ending June 30, 2022

	Program Year 1 Actuals²	Program Year 2 Actuals	Program Year 3 Forecast (9+3)
<u>Major Categories</u>	7/1/2019 - 6/30/2020	7/1/2020 - 6/30/2021	7/1/2021 - 6/30/2022
IIP Baseline Spend in excess of \$6M per IIP Year ¹	\$ 466,273	\$ 757,334	\$ 2,228,325
New Business Investment IIP Cap	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000
Facilities (no breakout)	\$ 1,293,618	\$ 642,514	\$ 2,265,337
Fleet (no breakout)	\$ 2,662,783	\$ 1,031,049	\$ 1,413,922
Measurement Operations (SCADA, Measurement, Controls)	\$ 1,906,227	\$ 2,038,804	\$ 1,855,661
Peaking Ops	\$ 3,452,580	\$ 18,117,842	\$ 29,607,067
IT (Base Business)	\$ 53,551,094	\$ 10,864,378	\$ 9,473,085
Mandatory (no breakout)	\$ 3,151,396	\$ 3,014,849	\$ 2,950,949
Strategic (CNG Stations) - Not itemized	\$ -	\$ -	\$ -
Strategic (Other)	\$ -	\$ 114,359	\$ 1,637,084
Distribution Integrity Mgmt Pgm (DIMP)	\$ 26,905,901	\$ 17,065,135	\$ 18,908,065
DIMP-LD	\$ 81,162	\$ 1,053,667	\$ 14,297,557
DIMP-STIM	\$ -	\$ 6,509,686	\$ 6,618,023
Transmission Integrity Mgmt Pgm (TIMP) (General)	\$ 2,035,157	\$ 1,645,738	\$ 36,476
Renewals (incl. Relo, Marta, excl. DIMP & TRIMP)	\$ -	\$ -	\$ -
DOT	\$ 908,622	\$ 447,417	\$ 416,819
Periodic Testing (PT) Meter	\$ 2,079,362	\$ 3,558,349	\$ 4,559,796
Pressure Improvement (PRIM)	\$ 2,573,450	\$ 4,441,454	\$ 6,999,815
Corrosion Work	\$ 451,500	\$ 532,452	\$ 262,650
Relocation	\$ 82,471	\$ 332,669	\$ 214,663
Operations (Field) - Blk svcs, bollards, ert repl, etc.	\$ 407,257	\$ -	\$ -
Regulator Station (incl Vaults, Tin Whistles)	\$ 294,965	\$ -	\$ -
Security	\$ -	\$ 638,096	\$ 71,892
Tools, incl blanket tools (NB, Field & Con Ops)	\$ 53,766	\$ 57,950	\$ 346,196
Rate Base Accruals	\$ (81,009)	\$ -	\$ -
RBI Overheads & AFUDC	\$ 5,238,418	\$ 5,659,984	\$ 11,324,826
Infrastructure Investment Program - Base Spend (AFUDC)	\$ 37,367	\$ 59,155	\$ 10,626
Total	\$ 117,552,360	\$ 88,582,881	\$ 125,498,833

	Program Year 1 Actuals	Program Year 2 Actuals	Program Year 3 Forecast (9+3)
IIP Baseline Spend			
<u>Major Categories</u>	7/1/2019 - 6/30/2020	7/1/2020 - 6/30/2021	7/1/2021 - 6/30/2022
Infrastructure Investment Program - Base Spend (No AFUDC)	\$ 6,466,273	\$ 6,757,334	\$ 8,228,325
IIP Baseline Spend in excess of \$6M per IIP Year.	\$ 466,273	\$ 757,334	\$ 2,228,325
IIP Baseline Spend Requirement	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000

	Program Year 1 Actuals	Program Year 2 Actuals	Program Year 3 Forecast (9+3)
New Business Capital ³			
<u>Major Categories</u>	7/1/2019 - 6/30/2020	7/1/2020 - 6/30/2021	7/1/2021 - 6/30/2022
New Business	\$ 30,305,171	\$ 40,663,731	\$ 35,011,996

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 Years Ending June 30

	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 Actuals as of March 31, 2022			CWIP Forecast (April 1, 2022 thru June 30, 2022)			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	\$ 33,706,483	\$ 33,985,297	\$ 67,691,780	\$ -	\$ -	\$ -	\$ 67,691,780
Program Year 3	\$ 41,328,842	\$ 21,033,708	\$ 62,362,550	\$ 11,403,030	\$ 12,906,018	\$ 24,309,048	\$ 86,671,598
Program Year 4							
Program Year 5							
Post Program Year 5							
	\$ 124,284,402	\$ 75,122,706	\$ 199,407,108	\$ 11,403,030	\$ 12,906,018	\$ 24,309,048	\$ 223,716,156

	In-Service Actuals as of March 31, 2022			In-Service Forecast (April 1, 2022 thru June 30, 2022)			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	\$ 34,649,135	\$ 34,408,745	\$ 69,057,880	\$ -	\$ -	\$ -	\$ 69,057,880
Program Year 3	\$ 34,497,400	\$ 21,096,717	\$ 55,594,117	\$ 21,012,657	\$ 12,748,740	\$ 33,761,397	\$ 89,355,514
Program Year 4							
Program Year 5							
Post Program Year 5							
	\$ 112,427,942	\$ 75,059,174	\$ 187,487,116	\$ 21,012,657	\$ 12,748,740	\$ 33,761,397	\$ 221,248,513

	Rate Base Expenditures Amount over \$1.2 M/Mile			Rate Base Expenditures Amount over \$1.2 M/Mile Forecast (April 1, 2022 thru June 30, 2022)			Total
	Mains	Services	Sub-Total	Mains	Services	Sub-Total	
Program Year 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Program Year 2	\$ 3,113,251	\$ 2,155,749	\$ 5,269,000	\$ -	\$ -	\$ -	\$ 5,269,000
Program Year 3	\$ 13,998,028	\$ 9,268,088	\$ 23,266,116	\$ 5,226,904	\$ 3,382,494	\$ 8,609,398	\$ 31,875,514
Program Year 4							
Program Year 5							
Post Program Year 5							
	\$ 17,111,279	\$ 11,423,837	\$ 28,535,116	\$ 5,226,904	\$ 3,382,494	\$ 8,609,398	\$ 37,144,514

	Recoverable In-Service Actuals in Program as of March 31, 2022			Recoverable In-Service Actuals in Program Forecast (April 1, 2022 thru June 30, 2022)			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	\$ 31,535,884	\$ 32,252,996	\$ 63,788,880	\$ -	\$ -	\$ -	\$ 63,788,880
Program Year 3	\$ 20,499,372	\$ 11,828,629	\$ 32,328,001	\$ 15,785,753	\$ 9,366,246	\$ 25,151,999	\$ 57,480,000
Program Year 4							
Program Year 5							
Post Program Year 5							
	\$ 95,316,663	\$ 63,635,337	\$ 158,952,000	\$ 15,785,753	\$ 9,366,246	\$ 25,151,999	\$ 184,103,999

	In-Service Actuals as of March 31, 2022		In-Service Forecast (April 1, 2022 thru June 30, 2022)		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	35.43	In-Service Miles of Main		35.43
	In-Service Number of Service	7,610	In-Service Number of Services		7,610
	In-Service Number of EFVs	7,579	In-Service Number of EFVs		7,579
Program Year 3	In-Service Miles of Main	26.94	In-Service Miles of Main	20.96	47.90
	In-Service Number of Service	4,283	In-Service Number of Services	1,734	6,017
	In-Service Number of EFVs	4,260	In-Service Number of EFVs	1,734	5,994
Total	TOTAL In-Service Miles of Main	132.46	TOTAL In-Service Miles of Main	20.96	153.42
	TOTAL In-Service Number of Service	17,287	TOTAL In-Service Number of Service	1,734	19,021
	TOTAL In-Service Number of EFVs	17,220	TOTAL In-Service Number of EFVs	1,734	18,954

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
9-3

Construction Work In Progress ("CWIP")
IIP Programs and Projects
as of March 31, 2022

Geographic Program Area Information					Project Budgets w/ AFUDC			Project Actuals to Date w/AFUDC			Miles of Main	Number of Services	Number of EFVs	Est. or Actual Completion Date
A/E	IIP Geographic Program Area	Status	Status		Mains	Services	Total	Mains	Services	Total				
			Mains % Complete	Services % Complete										
168913	Chilton St., Cherry St., and Westfield Ave - Phase 3	Complete	100%	100%	\$ 974,092	\$ 441,105	\$ 1,415,197	\$ 1,176,736	\$ 802,954	\$ 1,979,691	1.01	126	126	9/30/19
169229	North Ave (Riverside Dr to Newark Ave)	Construction	99%	100%	\$ 790,731	\$ 347,233	\$ 1,137,964	\$ 831,469	\$ 131,194	\$ 962,664	0.66	40	40	7/6/22
169283	Salem Ave (Conant St to Ridgeway Ave)	Complete	100%	100%	\$ 1,737,104	\$ 1,301,789	\$ 3,038,893	\$ 1,939,748	\$ 1,262,759	\$ 3,202,507	1.92	362	362	12/31/19
169317	Sweetland Ave and Eastern Pky	Complete	100%	100%	\$ 1,371,574	\$ 1,063,744	\$ 2,435,318	\$ 1,437,661	\$ 1,323,742	\$ 2,761,402	2.24	420	420	7/2/20
169333	W Milton Ave and Bryant Ave, Ph 2	Complete	100%	100%	\$ 950,380	\$ 475,628	\$ 1,426,008	\$ 897,576	\$ 685,648	\$ 1,583,224	0.97	143	142	8/12/21
169604	S Union Ave	Complete	100%	100%	\$ 197,992	\$ 187,221	\$ 385,213	\$ 387,959	\$ 392,196	\$ 780,155	0.42	72	72	5/31/20
169803	Hory St and Ludlow St	Construction	97%	0%	\$ 427,013	\$ 186,343	\$ 613,356	\$ 306,959	\$ -	\$ 306,959	0.52	0	0	5/31/22
171369	Orange Ave and S 21st St	Complete	100%	100%	\$ 1,550,413	\$ 872,985	\$ 2,423,398	\$ 1,590,777	\$ 1,032,468	\$ 2,623,244	2.53	363	363	4/30/20
172043	Westfield Ave (Grove St to Highland Ave)	Complete	100%	100%	\$ 873,962	\$ 217,833	\$ 1,091,796	\$ 544,117	\$ 352,182	\$ 896,299	0.74	47	47	4/23/20
172420	N Main St (NJ 29)	Complete	100%	100%	\$ 325,561	\$ 68,970	\$ 394,531	\$ 394,684	\$ 97,997	\$ 492,681	0.09	11	11	7/7/21
172642	Center St EP DI Replacement	Restoration	100%	100%	\$ 399,176	\$ 111,581	\$ 510,757	\$ 561,302	\$ 64,123	\$ 625,426	0.30	7	7	10/8/21
173001	South Ave (NJ 28) and Hetfield Ave	Complete	100%	100%	\$ 1,938,470	\$ 794,763	\$ 2,733,233	\$ 2,741,522	\$ 1,130,561	\$ 3,872,084	2.60	282	281	12/31/19
173438	Salem Rd, Ph. 3	Complete	100%	100%	\$ 978,120	\$ 821,588	\$ 1,799,708	\$ 960,774	\$ 578,209	\$ 1,538,984	1.70	203	203	10/31/19
173491	High St and Rector St	Complete	100%	100%	\$ 1,747,566	\$ 842,006	\$ 2,589,572	\$ 1,563,351	\$ 1,136,497	\$ 2,699,848	1.40	209	209	5/12/21
173738	Brookside Pl and 4th Ave	Complete	100%	100%	\$ 565,554	\$ 274,514	\$ 840,068	\$ 948,293	\$ 277,314	\$ 1,225,607	0.97	111	111	6/30/20
173843	Birchwood Ave EP DI Replacement	Complete	100%	100%	\$ 97,524	\$ 33,976	\$ 131,500	\$ 176,763	\$ 833	\$ 177,597	0.31	1	1	7/15/19
173886	Stiles St	Complete	100%	100%	\$ 123,386	\$ 131,585	\$ 254,971	\$ 358,493	\$ 261,358	\$ 619,852	0.05	47	47	12/31/19
173993	Park Ave and Coolidge Rd	Complete	100%	100%	\$ 609,432	\$ 295,320	\$ 904,752	\$ 701,214	\$ 281,446	\$ 982,660	0.65	72	72	3/19/21
174000	2nd Ave and 3rd Ave	Complete	100%	100%	\$ 1,306,955	\$ 763,216	\$ 2,070,171	\$ 1,081,725	\$ 782,753	\$ 1,864,477	1.70	242	241	9/18/20
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	2/29/20
174280	Browning Ave and Edgewood Rd	Complete	100%	100%	\$ 1,134,940	\$ 632,492	\$ 1,767,432	\$ 1,262,137	\$ 621,569	\$ 1,883,706	1.13	163	163	7/14/21
174471	Birch Hill Rd and Knollwood Rd	Complete	100%	100%	\$ 1,915,368	\$ 496,441	\$ 2,411,809	\$ 1,598,597	\$ 871,291	\$ 2,469,888	2.22	191	190	9/8/20
174533	Coffax Ave and Maplewood Ave	Restoration	100%	100%	\$ 2,181,028	\$ 1,069,325	\$ 3,250,353	\$ 1,442,859	\$ 1,409,701	\$ 2,852,559	2.65	323	321	7/19/21
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	2/29/20
174716	Salem Rd, Ph. 4	Complete	100%	100%	\$ 391,746	\$ 349,037	\$ 740,783	\$ 562,260	\$ 248,548	\$ 810,808	0.71	95	95	6/30/20
174755	Bender Ave and Sheridan Ave	Complete	100%	100%	\$ 1,081,490	\$ 910,494	\$ 1,991,984	\$ 1,022,672	\$ 997,791	\$ 2,020,463	1.35	300	299	10/19/20
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	0.10	1	1	6/30/20
175254	Columbus Ave	Complete	100%	100%	\$ 976,314	\$ 503,537	\$ 1,479,851	\$ 790,217	\$ 620,264	\$ 1,410,481	1.15	163	161	10/16/20
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	1.27	170	170	10/19/20
175350	Main St	Complete	100%	100%	\$ 757,702	\$ 441,039	\$ 1,198,741	\$ 1,205,379	\$ 646,286	\$ 1,851,664	1.13	155	155	6/30/20
175428	W Curtis St and Militoria St	Restoration	100%	100%	\$ 1,177,821	\$ 603,606	\$ 1,781,427	\$ 999,441	\$ 525,873	\$ 1,525,314	1.57	174	174	6/30/20
175675	Grand Street	Complete	100%	100%	\$ 213,669	\$ 215,849	\$ 429,518	\$ 227,623	\$ 130,594	\$ 358,217	0.43	48	48	7/24/19
175728	Walnut St and E 7th Ave	Complete	100%	100%	\$ 1,169,361	\$ 643,251	\$ 1,812,612	\$ 1,017,011	\$ 905,943	\$ 1,922,954	1.30	194	194	10/28/20
175940	Wilbur Ave	Complete	100%	100%	\$ 704,272	\$ 328,413	\$ 1,032,685	\$ 893,470	\$ 402,312	\$ 1,295,783	0.79	100	100	10/16/20
175987	W Curtis St and W Gibbons St	Complete	100%	100%	\$ 582,175	\$ 346,143	\$ 928,318	\$ 650,682	\$ 339,739	\$ 990,420	0.70	90	89	10/15/20
176009	Burkley Pl	Complete	100%	100%	\$ 488,287	\$ 347,506	\$ 835,793	\$ 551,663	\$ 401,811	\$ 953,474	0.94	132	131	10/15/20
176015	Cook Ave and Mountain Ave	Complete	100%	100%	\$ 1,098,465	\$ 783,324	\$ 1,881,790	\$ 1,579,446	\$ 1,040,300	\$ 2,619,746	1.59	273	273	10/23/20
176044	Elmwood Ave	Complete	100%	100%	\$ 802,194	\$ 292,046	\$ 1,094,240	\$ 843,293	\$ 356,787	\$ 1,200,081	0.73	69	69	4/16/20
176053	N. Union St and Elm St	Complete	100%	100%	\$ 817,117	\$ 522,084	\$ 1,339,201	\$ 989,410	\$ 661,350	\$ 1,650,760	0.76	145	144	10/4/21
176067	Mountain Ave and Parkway	Complete	100%	100%	\$ 229,150	\$ 68,467	\$ 297,617	\$ 447,938	\$ 54,495	\$ 502,432	0.26	17	17	10/31/19
176075	Lawrence Ave and Roanoke Rd	Complete	100%	100%	\$ 1,312,301	\$ 314,734	\$ 1,627,035	\$ 1,242,381	\$ 469,970	\$ 1,712,351	1.23	86	86	12/9/20
176079	Fairway Dr	Complete	100%	100%	\$ 1,184,393	\$ 620,554	\$ 1,804,947	\$ 1,293,908	\$ 775,869	\$ 2,069,776	1.95	200	199	9/18/20
176115	Vauxhall Rd and Gustov Ave	Complete	100%	100%	\$ 716,780	\$ 307,219	\$ 1,023,998	\$ 624,462	\$ 337,091	\$ 961,554	0.86	101	101	12/31/20
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	0.90	47	47	4/30/20
176394	Vauxhall Rd and Brookfall Ave	Complete	100%	100%	\$ 729,047	\$ 353,419	\$ 1,082,466	\$ 889,896	\$ 369,323	\$ 1,259,219	0.94	118	117	11/12/20
176447	Vauxhall Rd (Highland Ave to Faltoute Ave)	Complete	100%	100%	\$ 766,198	\$ 328,905	\$ 1,095,103	\$ 718,359	\$ 468,256	\$ 1,186,615	0.95	107	107	12/15/20
176479	Savitt Pl and Brighton St	Complete	100%	100%	\$ 824,303	\$ 458,484	\$ 1,282,787	\$ 1,017,368	\$ 462,214	\$ 1,479,582	1.11	138	138	8/3/20
176824	Highland Ave and Birch Ave	Complete	100%	100%	\$ 2,144,583	\$ 580,546	\$ 2,725,130	\$ 1,876,384	\$ 495,870	\$ 2,372,254	1.83	146	145	10/30/20
176826	Lake Avenue	Complete	100%	100%	\$ 69,035	\$ 42,266	\$ 111,301	\$ 82,088	\$ 39,354	\$ 121,442	0.17	9	9	9/30/19
176840	Route 22 Eastbound	Complete	100%	100%	\$ 246,907	\$ 52,292	\$ 299,199	\$ 277,258	\$ 186,421	\$ 463,679	0.28	8	8	7/2/20
177009	Hillside Ave and Mountainview Dr	Complete	100%	100%	\$ 893,883	\$ 289,081	\$ 1,182,964	\$ 804,283	\$ 347,586	\$ 1,151,869	1.21	78	78	3/24/21
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	1.53	338	338	10/20/20
177350	E. Price St and Maple Ave	Complete	100%	100%	\$ 929,146	\$ 636,245	\$ 1,565,392	\$ 1,067,091	\$ 884,618	\$ 1,951,708	0.97	166	166	11/25/20
177352	Congress St Phase II	Complete	100%	100%	\$ 1,108,730	\$ 422,869	\$ 1,531,599	\$ 1,106,477	\$ 467,858	\$ 1,574,335	1.57	187	187	12/31/19
177548	Durham Ave and Central Ave	Restoration	100%	100%	\$ 129,166	\$ 72,282	\$ 201,448	\$ 318,770	\$ 59,937	\$ 378,707	0.23	22	22	6/30/20
500022	W. Baltimore Ave and Lincoln St	Complete	100%	100%	\$ 1,113,767	\$ 657,159	\$ 1,770,926	\$ 1,335,049	\$ 1,120,848	\$ 2,455,897	1.64	234	234	8/10/20
500025	Monmouth Rd and Princeton Rd	Construction	99%	100%	\$ 2,177,709	\$ 1,447,513	\$ 3,625,222	\$ 1,403,896	\$ 1,763,900	\$ 3,167,796	2.97	369	367	4/14/22
500031	Aldene Rd and W. 3rd Ave	Complete	100%	100%	\$ 1,374,971	\$ 776,363	\$ 2,151,334	\$ 1,496,874	\$ 1,165,002	\$ 2,661,877	1.87	235	234	3/10/21
500034	Robin Rd EP DI Replacement	Restoration	100%	100%	\$ 222,013	\$ 48,709	\$ 270,721	\$ 55,358	\$ 96,513	\$ 151,870	0.13	10	10	9/2/20
500037	Central Ave and Maple Ave	Complete	100%	100%	\$ 2,287,959	\$ 1,051,864	\$ 3,339,822	\$ 1,919,732	\$ 1,336,393	\$ 3,256,125	2.4			

ELIZABETHTOWN GAS COMPANY
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Geographic Program Area Information					Project Budgets w/ AFUDC			Project Actuals to Date w/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										
500080	Gordon St and Market St	Construction	100%	100%	\$ 1,559,067	\$ 1,206,115	\$ 2,765,182	\$ 1,015,257	\$ 100,959	\$ 1,116,216	1.09	19	19	8/5/22
500083	Main St	Complete	100%	100%	\$ 41,367	\$ 21,855	\$ 63,222	\$ 28,487	\$ 10,062	\$ 38,549	0.05	3	3	10/31/19
500086	Walnut St and Wheatshear Rd	Complete	100%	100%	\$ 417,255	\$ 320,937	\$ 738,192	\$ 718,837	\$ 438,973	\$ 1,157,810	0.75	95	95	9/11/20
500096	Pierce St and New Brunswick Ave	Complete	100%	100%	\$ 576,132	\$ 309,809	\$ 885,941	\$ 642,870	\$ 567,375	\$ 1,210,245	0.77	100	100	10/16/20
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	9/16/20
500102	Center St and Hazel Ave	Complete	100%	100%	\$ 896,211	\$ 461,592	\$ 1,357,802	\$ 794,640	\$ 553,259	\$ 1,347,899	1.36	162	156	10/28/20
500105	Richfield Ave and Summit Ave	Restoration	100%	100%	\$ 925,665	\$ 360,159	\$ 1,285,824	\$ 377,736	\$ 476,842	\$ 854,578	0.94	138	138	8/5/21
500108	Arthur Terr and Kingston Ave	Restoration	100%	100%	\$ 820,963	\$ 413,751	\$ 1,234,714	\$ 461,948	\$ 473,698	\$ 935,646	0.85	122	122	12/2/20
500111	Harrison Ave and Mercer Ave	Complete	100%	100%	\$ 1,247,080	\$ 687,076	\$ 1,934,156	\$ 778,195	\$ 855,094	\$ 1,633,290	1.12	194	194	10/21/20
500114	Pine St and Ripley Ave	Complete	100%	100%	\$ 1,618,808	\$ 685,084	\$ 2,303,892	\$ 1,424,866	\$ 676,278	\$ 2,101,145	1.59	198	192	7/26/21
500117	McCandless St and Bower St	Complete	100%	100%	\$ 1,144,476	\$ 499,558	\$ 1,644,034	\$ 881,682	\$ 631,798	\$ 1,513,480	1.30	141	141	12/3/20
500120	Clinton St	Restoration	100%	100%	\$ 1,190,959	\$ 532,926	\$ 1,723,885	\$ 843,953	\$ 603,309	\$ 1,447,262	1.23	117	117	10/22/21
500123	Rahway Ave	Restoration	100%	100%	\$ 1,142,631	\$ 311,715	\$ 1,454,345	\$ 906,018	\$ 406,662	\$ 1,312,680	0.72	72	70	10/26/20
500128	Middlesex Ave (NJ 27) and Main St	Restoration	100%	100%	\$ 2,490,262	\$ 862,310	\$ 3,352,572	\$ 1,596,656	\$ 1,030,642	\$ 2,627,298	1.33	154	152	11/17/21
500131	Gless Ave and High St	Complete	100%	100%	\$ 762,321	\$ 540,019	\$ 1,302,341	\$ 627,924	\$ 551,855	\$ 1,179,779	0.71	122	122	8/6/21
500134	Oakland Terr and Stanley Terr	Complete	100%	100%	\$ 1,104,875	\$ 636,373	\$ 1,741,247	\$ 989,434	\$ 826,146	\$ 1,815,580	0.96	165	165	3/10/21
500137	Hawthorne Ave and Leslie St	Restoration	100%	100%	\$ 847,975	\$ 449,592	\$ 1,297,567	\$ 302,084	\$ 485,705	\$ 787,790	0.93	136	136	7/19/21
500142	Gelb Ave EP DI Replacement	Restoration	100%	100%	\$ 104,015	\$ 27,356	\$ 131,370	\$ 62,660	\$ 12,250	\$ 74,910	0.05	1	1	2/23/21
500145	Westfield Ave EP DI Replacement	Pre-Construction	0%	0%	\$ 298,592	\$ 183,008	\$ 481,600	\$ 15,578	\$ -	\$ 15,578	0.00	0	0	6/23/22
500149	Vauxhall Rd (Private Rd) EP DI Replacement	Complete	100%	100%	\$ 180,542	\$ 41,294	\$ 221,836	\$ 237,143	\$ 9,703	\$ 246,846	0.23	2	2	3/14/21
500152	Commerce Dr EP DI Replacement	Restoration	100%	100%	\$ 809,221	\$ 191,558	\$ 1,000,779	\$ 1,095,385	\$ 223,858	\$ 1,319,243	1.03	19	13	7/28/21
500155	Hamilton St and Seminary Ave	Complete	100%	100%	\$ 1,184,131	\$ 579,823	\$ 1,763,954	\$ 1,055,529	\$ 831,961	\$ 1,887,490	1.01	149	148	5/24/21
500158	Lincoln Ave E and Walnut Ave	Restoration	100%	100%	\$ 942,500	\$ 568,305	\$ 1,510,805	\$ 631,572	\$ 603,500	\$ 1,235,072	0.69	149	149	6/15/21
500169	Grove Ave	Complete	100%	100%	\$ 356,573	\$ 95,135	\$ 451,708	\$ 547,197	\$ 186,038	\$ 733,235	0.42	23	22	9/10/20
500175	Coffax Ave and W. Lincoln Ave	Restoration	100%	100%	\$ 1,100,358	\$ 553,626	\$ 1,653,984	\$ 705,763	\$ 635,876	\$ 1,341,639	1.11	138	138	3/15/21
500178	Knopf St and Laurita St	Complete	100%	100%	\$ 1,001,817	\$ 600,515	\$ 1,602,333	\$ 703,007	\$ 619,043	\$ 1,322,050	0.87	138	138	10/14/20
500181	Bonna Villa Ave and Victory St	Complete	100%	100%	\$ 945,762	\$ 519,100	\$ 1,464,863	\$ 960,647	\$ 565,890	\$ 1,526,537	1.00	117	117	3/22/21
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	7/31/20
500242	Florida St and Geneva St	Restoration	100%	100%	\$ 815,847	\$ 567,394	\$ 1,383,242	\$ 457,064	\$ 784,647	\$ 1,241,711	0.47	176	176	12/13/21
500245	Myrtle Ave and Oak St	Complete	100%	100%	\$ 864,302	\$ 612,264	\$ 1,476,566	\$ 909,451	\$ 694,137	\$ 1,603,588	1.09	178	178	6/30/21
500255	Kimball Ave and Canterbury Rd	Restoration	100%	100%	\$ 1,678,943	\$ 672,441	\$ 2,351,384	\$ 984,255	\$ 679,718	\$ 1,663,973	1.62	140	140	12/13/21
500258	Globe Ave and Winfield Terr	Complete	100%	100%	\$ 965,694	\$ 537,767	\$ 1,503,462	\$ 917,580	\$ 571,450	\$ 1,489,030	1.12	140	140	4/23/21
500261	Colonial Arms Rd and Nixon Rd	Complete	100%	100%	\$ 985,576	\$ 574,079	\$ 1,559,655	\$ 617,163	\$ 594,911	\$ 1,212,074	1.09	160	158	11/6/20
500264	Rose St and Newman St	Construction	98%	100%	\$ 312,487	\$ 196,385	\$ 508,871	\$ 286,647	\$ 176,705	\$ 463,352	0.48	43	43	4/20/22
500267	Essex Ave and Spring St	Construction	95%	100%	\$ 1,685,100	\$ 371,709	\$ 2,056,809	\$ 789,154	\$ 166,523	\$ 955,677	0.68	45	45	4/29/22
500287	Smith St and New Brunswick Ave	Construction	97%	0%	\$ 1,971,180	\$ 1,070,954	\$ 3,042,134	\$ 1,158,804	\$ 45,290	\$ 1,204,094	1.17	0	0	8/12/22
500290	Thompson Ave and Sheridan Ave	Restoration	100%	100%	\$ 1,332,316	\$ 783,030	\$ 2,115,346	\$ 749,347	\$ 814,999	\$ 1,564,346	1.38	182	181	7/27/21
500293	Jefferson Ave and Walnut St	Construction	100%	100%	\$ 1,428,937	\$ 840,570	\$ 2,269,507	\$ 987,086	\$ 832,706	\$ 1,819,791	0.95	156	156	4/14/22
500296	Bloy St and Rt 22	Pre-Construction	0%	0%	\$ 277,611	\$ 90,362	\$ 367,972	\$ 47,024	\$ 3,677	\$ 50,702	0.00	0	0	4/25/22
500299	Jagues Ave and Minna St	Restoration	100%	100%	\$ 292,123	\$ 100,611	\$ 392,734	\$ 423,047	\$ 121,091	\$ 544,138	0.25	20	20	12/7/21
500302	Westfield Ave and Washington St	Restoration	100%	100%	\$ 1,507,804	\$ 673,458	\$ 2,181,262	\$ 633,569	\$ 609,302	\$ 1,242,871	1.24	127	127	11/11/21
500305	Locust St and 4th Ave	Restoration	100%	100%	\$ 1,266,828	\$ 679,074	\$ 1,945,902	\$ 944,313	\$ 759,912	\$ 1,704,225	1.26	148	147	11/10/21
500308	E. 2nd Ave and Linden Rd	Construction	100%	100%	\$ 1,436,313	\$ 781,642	\$ 2,217,955	\$ 1,128,147	\$ 832,831	\$ 1,960,978	1.36	162	161	3/21/22
500314	W. Lincoln Ave W. and Elm St	Construction	96%	0%	\$ 1,619,982	\$ 924,810	\$ 2,544,791	\$ 916,692	\$ 9,700	\$ 926,392	1.27	0	0	7/22/22
500317	Trotting Rd and Gates Terr	Restoration	100%	100%	\$ 693,969	\$ 368,659	\$ 1,062,629	\$ 453,864	\$ 397,154	\$ 851,018	0.53	65	65	3/8/22
500320	S. Broad St and Garden St	Restoration	100%	100%	\$ 754,899	\$ 531,989	\$ 1,286,888	\$ 451,300	\$ 793,883	\$ 1,245,183	0.38	115	113	10/14/21
500323	McCandless St	Complete	100%	100%	\$ 373,924	\$ 153,116	\$ 527,040	\$ 307,649	\$ 193,600	\$ 501,250	0.23	34	34	12/28/20
500333	Centennial Ave and Lincoln Ave E	Restoration	100%	100%	\$ 1,269,882	\$ 796,967	\$ 2,066,849	\$ 717,677	\$ 812,651	\$ 1,530,328	1.66	213	211	6/25/21
500336	Cranford Ave and Garden St	Complete	100%	100%	\$ 394,456	\$ 205,956	\$ 600,413	\$ 421,600	\$ 209,658	\$ 631,258	0.51	55	55	4/19/21
500339	Edgar Rd and E. Linden Ave	Construction	97%	100%	\$ 1,727,270	\$ 913,568	\$ 2,640,837	\$ 973,724	\$ 878,434	\$ 1,852,158	1.14	154	154	4/7/22
500351	Clark St and Maple Ave	Complete	100%	100%	\$ 1,057,839	\$ 638,936	\$ 1,696,775	\$ 1,093,945	\$ 683,746	\$ 1,777,691	1.19	143	143	6/4/21
500353	Forest Dr and Huntington Rd	Complete	100%	100%	\$ 1,220,525	\$ 738,316	\$ 1,958,841	\$ 963,758	\$ 870,105	\$ 1,833,862	1.52	200	200	11/15/21
500355	Burroughs Terr and Thoreau Terr	Complete	100%	100%	\$ 1,364,483	\$ 833,563	\$ 2,198,046	\$ 1,082,630	\$ 811,536	\$ 1,894,166	1.69	205	204	9/24/21
500360	Chandler Ave and E. Henry St.	Construction	100%	100%	\$ 1,314,473	\$ 824,733	\$ 2,139,206	\$ 878,171	\$ 960,697	\$ 1,838,868	1.23	180	178	3/30/22
500362	Faltoute Ave	Construction	100%	100%	\$ 1,517,885	\$ 704,278	\$ 2,222,163	\$ 1,233,881	\$ 454,224	\$ 1,688,104	1.31	87	87	5/16/22
500364	W. Webster Ave and Willow Ave	Construction	98%	70%	\$ 921,135	\$ 528,983	\$ 1,450,117	\$ 596,012	\$ 315,975	\$ 911,987	0.72	76	76	8/29/22
500366	US Rt 22 and Locust Ave	Pre-Construction	0%	0%	\$ 727,926	\$ 446,148	\$ 1,174,074	\$ 210,702	\$ -	\$ 210,702	0.00	0	0	9/27/22
500368	Willow Ave and Center St	Construction	99%	100%	\$ 1,303,482	\$ 860,308	\$ 2,163,790	\$ 592,509	\$ 884,134	\$ 1,476,643	0.94	180	180	4/6/22
500372	Chandler Ave and E. Henry St., Phase 2	Construction	97%	100%	\$ 1,463,374	\$ 896,906	\$ 2,360,280	\$ 1,500,610	\$ 981,154	\$ 2,481,764	2.02	202	201	4/5/22
500374	Thorn St and E. Lake Ave	Construction	20%	0%	\$ 1,067,216	\$ 837,976	\$ 1,905,192	\$ 189,280	\$ -	\$ 189,280	0.28	0	0	9/27/22
500376	S. Main St and Jefferson St	Construction	99%	91%	\$ 1,697,892	\$ 801,931	\$ 2,499,823	\$ 1,154,416	\$ 825,380	\$ 1,979,797	1.11	166	166	4/29/22
500378	Bloy St and Harvard Ave	Construction	51%	0%	\$ 1,214,777	\$ 855,1								

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as of March 31, 2022

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
A/E	IIP Geographic Program Area	Status	Mains % Complete	Services % Complete	Mains	Services	Total	Mains	Services	Total				
500473	Liberty St	Design	0%	0%	\$ 173,600	\$ 106,400	\$ 280,000	\$ 34,438	\$ -	\$ 34,438	0.00	0	0	3/8/23
500475	Laurel St	Design	0%	0%	\$ 100,688	\$ 61,712	\$ 162,400	\$ 42,326	\$ -	\$ 42,326	0.00	0	0	11/7/22
500479	Linden Pl (N Union Ave to Orange Ave)	Complete	100%	100%	\$ 227,848	\$ 126,659	\$ 354,507	\$ 298,941	\$ 128,727	\$ 427,668	0.31	30	30	10/7/21
500481	Vauxhall Rd (Valley St to Burnet Ave)	Complete	100%	100%	\$ 364,127	\$ 235,607	\$ 599,734	\$ 477,729	\$ 462,915	\$ 940,644	0.25	54	54	6/30/21
500483	S Wood Ave (E11th St to Route 1)	Complete	100%	100%	\$ 190,153	\$ 63,268	\$ 253,422	\$ 181,543	\$ 106,823	\$ 288,366	0.11	9	9	3/23/21
500486	Allen Ave and Carlton Ter	Complete	100%	100%	\$ 358,416	\$ 205,086	\$ 563,502	\$ 310,613	\$ 205,624	\$ 516,237	0.35	53	53	7/13/21
500488	Doris Ave and Center St	Complete	100%	100%	\$ 621,830	\$ 417,996	\$ 1,039,826	\$ 513,616	\$ 398,004	\$ 911,620	0.83	107	107	7/13/21
500490	Kay Ave and Camden Ct	Complete	100%	100%	\$ 240,072	\$ 193,157	\$ 433,229	\$ 250,140	\$ 148,540	\$ 398,680	0.22	39	39	6/25/21
500492	Springfield Ave (Vauxhall Rd to Valley St)	Restoration	100%	100%	\$ 241,564	\$ 122,552	\$ 364,115	\$ 251,352	\$ 141,398	\$ 392,750	0.24	23	22	10/6/21
500494	Newark Ave	Pre-Construction	0%	0%	\$ 90,272	\$ 55,328	\$ 145,600	\$ 42,380	\$ -	\$ 42,380	0.00	0	0	5/6/22
500496	Monroe Ave	Design	0%	0%	\$ 69,440	\$ 42,560	\$ 112,000	\$ 30,034	\$ -	\$ 30,034	0.00	0	0	11/7/22
500505	Chestnut St	Complete	100%	100%	\$ 777,563	\$ 387,366	\$ 1,164,929	\$ 1,202,095	\$ 427,572	\$ 1,629,668	0.71	71	71	9/14/21
500516	Warren St (Anderson St to Center St)	Restoration	100%	100%	\$ 344,408	\$ 102,425	\$ 446,833	\$ 196,987	\$ 80,355	\$ 277,342	0.25	19	19	8/31/21
500549	Tyler St and Balmoral Ave	Pre-Construction	0%	0%	\$ 685,364	\$ 431,362	\$ 1,116,726	\$ 40,745	\$ (535)	\$ 40,210	0.00	0	0	8/19/22
500551	Green St and E Park Ave	Design	0%	0%	\$ 892,439	\$ 546,978	\$ 1,439,417	\$ 110,056	\$ -	\$ 110,056	0.00	0	0	9/28/22
500553	Main St and Brook St	Design	0%	0%	\$ 366,241	\$ 224,471	\$ 590,712	\$ 86,491	\$ -	\$ 86,491	0.00	0	0	2/1/23
500555	Main St and Broad St	Pre-Construction	0%	0%	\$ 638,828	\$ 391,540	\$ 1,030,368	\$ 27,417	\$ -	\$ 27,417	0.00	0	0	9/19/22
500557	Mine St and Bonnell St	Design	0%	0%	\$ 517,441	\$ 317,142	\$ 834,583	\$ 25,311	\$ -	\$ 25,311	0.00	0	0	3/22/23
500558	Whittier St and Linden Ave	Construction	17%	0%	\$ 1,714,651	\$ 601,585	\$ 2,316,236	\$ 130,051	\$ -	\$ 130,051	0.13	0	0	6/16/22
500560	Pearl St	Construction	99%	100%	\$ 802,014	\$ 358,268	\$ 1,160,282	\$ 557,321	\$ 282,290	\$ 839,612	0.77	58	58	4/1/22
500562	W Scott Ave and Linden Ave	Pre-Construction	0%	0%	\$ 544,808	\$ 333,914	\$ 878,722	\$ 59,229	\$ -	\$ 59,229	0.00	0	0	8/17/22
500564	Pierpont St	Pre-Construction	0%	0%	\$ 1,890,719	\$ 704,525	\$ 2,595,245	\$ 48,413	\$ -	\$ 48,413	0.00	0	0	7/28/22
500566	Westminster Ave and Parker Rd	Pre-Construction	0%	0%	\$ 869,798	\$ 533,102	\$ 1,402,900	\$ 34,938	\$ -	\$ 34,938	0.00	0	0	11/16/22
500568	Stiles St (W Blanke St to Elizabeth Ave)	Cancelled	0%	0%	\$ 135,047	\$ 82,770	\$ 217,817	\$ 11,736	\$ -	\$ 11,736	0.00	0	0	N/A - Cancelled
500576	N Broad St	Construction	99%	0%	\$ 636,480	\$ 390,101	\$ 1,026,581	\$ 330,987	\$ -	\$ 330,987	0.46	0	0	7/5/22
500578	Michigan Ave	Construction	99%	0%	\$ 860,229	\$ 296,133	\$ 1,156,362	\$ 688,844	\$ -	\$ 688,844	0.67	0	0	4/29/22
500580	Central Ave	Construction	40%	0%	\$ 988,083	\$ 215,304	\$ 1,203,387	\$ 216,964	\$ -	\$ 216,964	0.20	0	0	4/27/22
500587	Orange Ave and Stetcher Ave	Pre-Construction	0%	0%	\$ 592,581	\$ 363,195	\$ 955,776	\$ 84,295	\$ -	\$ 84,295	0.00	0	0	8/8/22
500593	Raritan Rd EP DI	Design	0%	0%	\$ 613,800	\$ 376,200	\$ 990,000	\$ 15,299	\$ -	\$ 15,299	0.00	0	0	3/9/23
500597	North Ave	Pre-Construction	0%	0%	\$ 3,360,350	\$ 1,041,972	\$ 4,402,322	\$ 282,139	\$ -	\$ 282,139	0.00	0	0	7/22/22
500603	South Ave (Elizabeth Ave to Westfield Ave)	Pre-Construction	0%	0%	\$ 2,958,350	\$ 555,985	\$ 3,514,335	\$ 131,643	\$ -	\$ 131,643	0.00	0	0	6/15/22
500606	Warren St and Heckman St	Construction	93%	0%	\$ 918,829	\$ 563,153	\$ 1,481,982	\$ 628,213	\$ 997	\$ 629,210	1.14	0	0	8/2/22
500608	Mercer St and S Main St	Design	0%	0%	\$ 431,243	\$ 264,310	\$ 695,553	\$ 87,007	\$ -	\$ 87,007	0.00	0	0	5/24/23
500612	Morris St	Design	0%	0%	\$ 708,628	\$ 434,320	\$ 1,142,948	\$ 44,593	\$ -	\$ 44,593	0.00	0	0	5/18/23
500615	Atlantic St to Spencer St (1st Ave to 3rd Ave)	Design	0%	0%	\$ 1,608,668	\$ 985,958	\$ 2,594,626	\$ 83,670	\$ -	\$ 83,670	0.00	0	0	3/27/23
500618	E Jersey St (Jacques St to 5th St)	Design	0%	0%	\$ 1,330,511	\$ 815,475	\$ 2,145,986	\$ 45,927	\$ -	\$ 45,927	0.00	0	0	2/28/23
500620	Hagel Ave and Cedar Ave	Design	0%	0%	\$ 1,741,357	\$ 1,067,283	\$ 2,808,640	\$ 74,767	\$ -	\$ 74,767	0.00	0	0	3/21/23
500630	Bailey Ave	Design	0%	0%	\$ 470,366	\$ 288,289	\$ 758,655	\$ 27,094	\$ -	\$ 27,094	0.00	0	0	1/5/23
500632	Ainsworth St and Helen St	Pre-Construction	0%	0%	\$ 594,481	\$ 364,360	\$ 958,841	\$ 27,950	\$ -	\$ 27,950	0.00	0	0	10/5/22
500634	Van Buren Ave to E Curtis St	Design	0%	0%	\$ 856,339	\$ 524,853	\$ 1,381,192	\$ 23,298	\$ -	\$ 23,298	0.00	0	0	1/11/23
500636	Locust St and W Grant Ave	Design	0%	0%	\$ 1,487,649	\$ 911,785	\$ 2,399,434	\$ 80,279	\$ -	\$ 80,279	0.00	0	0	2/7/23
500810	Lawrence Ave (Roanoke Ave to Walnut St)	Design	0%	0%	\$ 847,011	\$ 519,136	\$ 1,366,147	\$ 36,146	\$ -	\$ 36,146	0.00	0	0	3/3/23
500812	1st St and Hyslip Ave	Design	0%	0%	\$ 1,086,265	\$ 665,776	\$ 1,752,041	\$ 51,073	\$ -	\$ 51,073	0.00	0	0	4/6/23
500814	Westfield Ave and Park St	Pre-Construction	0%	0%	\$ 1,237,387	\$ 758,398	\$ 1,995,785	\$ 18,921	\$ -	\$ 18,921	0.00	0	0	11/15/22
500816	Summit Ave (Park St to Clifton St)	Design	0%	0%	\$ 784,309	\$ 480,705	\$ 1,265,014	\$ 5,719	\$ -	\$ 5,719	0.00	0	0	4/27/23
500824	W 2nd Ave and W 3rd Ave	Design	0%	0%	\$ 1,076,978	\$ 660,084	\$ 1,737,062	\$ 920	\$ -	\$ 920	0.00	0	0	1/20/23
500826	E 2nd Ave and E 3rd Ave	Design	0%	0%	\$ 1,258,740	\$ 771,486	\$ 2,030,226	\$ 11,132	\$ -	\$ 11,132	0.00	0	0	3/16/23
500837	Clermont Ter	Pre-Construction	0%	0%	\$ 71,029	\$ 24,568	\$ 95,598	\$ 4,870	\$ -	\$ 4,870	0.00	0	0	8/17/22
500839	W Cofax Ave and Locust St	Design	0%	0%	\$ 1,637,071	\$ 1,003,366	\$ 2,640,437	\$ 571	\$ -	\$ 571	0.00	0	0	4/19/23
590035	Clover St and Linden Ave	Construction	97%	100%	\$ 1,627,779	\$ 1,062,425	\$ 2,690,204	\$ 1,287,489	\$ 411,972	\$ 1,699,461	1.27	111	111	5/23/22
590037	Salem Ave and North Ave	Pre-Construction	0%	0%	\$ 584,916	\$ 358,497	\$ 943,413	\$ 65,032	\$ -	\$ 65,032	0.00	0	0	10/17/22
590039	5th Ave and Robins St	Pre-Construction	0%	0%	\$ 1,349,036	\$ 826,828	\$ 2,175,864	\$ 63,454	\$ -	\$ 63,454	0.00	0	0	1/23/23
Totals					\$ 178,340,800	\$ 93,606,472	\$ 271,947,272	\$ 124,284,402	\$ 75,122,706	\$ 199,407,108	145.87	17,287	17,220	

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	1,912	1,370
2022	3,315	2%	3,249	1,563	1,686	-	-
2023	3,315	3%	3,216	-	-	-	-
2024	3,315	4%	3,183	-	-	-	-

	<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