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May 2, 2022

ELECTRONICALLY FILED

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

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

**BPU Docket No. GR21121254
OAL Docket No. PUC 00872-22**

Dear Acting Board Secretary and Acting Custodian Diaz:

Enclosed for filing in the above-referenced matter, please find Elizabethtown Gas Company's 12+0 Update. The revenue requirement proposed in the update schedules would increase the Company's annual revenues by approximately \$77.3 million. The proposed revenue increase is a \$4.4 million increase compared to the increase proposed in the Company's 9+3 update and an increase of approximately \$0.9 million compared to the increase proposed in the Company's initial filing. The primary reasons for the increase in the Company's proposed revenue increase include:

- (a) an update to actual and projected plant in service through the post-test year of \$1.99 billion, as shown on Schedules TK-2 and MPS-1, representing an increase of \$22.9 million compared to the actual and projected plant in service through the post-test year in the 9+3 update and \$552,000 compared to the initial filing. Approximately \$6.9 million of the increase compared to the 9+3 update is related to major projects on Schedule MPS-4; and
- (b) additional operation and maintenance expenses shown on Schedule TK-13 that have been updated since the initial filing and 9+3 Update, including approximately \$573,000 in union employee expenses and \$455,000 in expenses related to the Erie Street Liquefaction facility.

Due to the pandemic, and in accordance with the New Jersey Board of Public Utilities (“BPU”) March 19, 2020 and May 20, 2020 Orders issued in BPU Docket No. EO20030254, hard copies are not being submitted at this time, but can be provided at a later time, if needed.

Respectfully,

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

Deborah M. Franco

Enclosures

cc: Service List (Electronic Mail)

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

BPU DOCKET NO. GR21121254

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12+0 UPDATE

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Updated Schedules (12+0)

- a. TK-1 through TK-18
- b. MPS-1 through MPS-4
- c. JLH-5 through JLH-9

12+0 UPDATE

Schedules

of

Thomas Kaufmann

Schedule TK-1
12+0

ELIZABETHTOWN GAS COMPANY
REVENUE REQUIREMENT

<u>Line</u>			<u>REFERENCE</u>
1	Adjusted Rate Base	\$1,394,434,443	TK-2
2	Rate of Return	<u>7.63%</u>	
3	Required Operating Income	106,395,348	
4	Adjusted Net Operating Income	<u>51,349,629</u>	TK-3
5	Income Deficiency	55,045,719	
6	Revenue Factor	<u>1.404475</u>	TK-6
7	Operating Revenue Adjustment to Base Rates	<u><u>\$77,310,336</u></u>	

ELIZABETHTOWN GAS COMPANY
STATEMENT OF RATE BASE

Line No.	G/L Accounts	12 MONTHS ACTUAL BALANCES		12 MONTH	POST	ADJUSTED	REFERENCE TO	
		AS OF Mar-22	TEST YEAR ADJUSTMENT	RATE BASE 3/31/2022	TEST YEAR ADJUSTMENT	RATE BASE 9/30/2022	RATEMAKING ADJUSTMENTS	
1	Utility Plant In Service	10100, 10110	\$1,923,133,432	(\$55,905,188)	\$1,867,228,244	\$124,284,433	\$1,991,512,677	MPS-1
2	Accumulated Depreciation & Amortization	10800, 10810, 10820, 10830, 10850, 29110, Acq Adj.	(\$453,651,003)	\$0	(\$453,651,003)	(\$12,755,908)	(\$466,406,911)	JLH-5
3	Net Utility Plant		<u>\$1,469,482,429</u>	<u>(\$55,905,188)</u>	<u>\$1,413,577,241</u>	<u>\$111,528,525</u>	<u>\$1,525,105,766</u>	
4	Pension/OPEB	Reg Asset: 16120 Accrued: 27510, 27500	\$35,540,379	\$267,286	\$35,807,665	\$4,017	\$35,811,682	JLH-9
5	Cash Working Capital		\$0	\$18,843,067	\$18,843,067	\$13,120,038	\$31,963,105	TK-17
6	Inventory Average Balances	14600, 14610	\$0	\$13,127,095	\$13,127,095	\$3,751,910	\$16,879,005	TK-18
7	Customer Deposits ⁽¹⁾	22000	(\$4,595,608)	\$0	(\$4,595,608)	(\$172,530)	(\$4,768,138)	TK-16
8	Customer Advances ⁽¹⁾	29430	(\$1,789,142)	\$0	(\$1,789,142)	\$0	(\$1,789,142)	
9	Deferred Income Taxes:							
10	Excess Protected ADIT	28110 Reg Liability	(\$78,584,397)	\$226,346	(\$78,358,051)	\$452,692	(\$77,905,359)	ADF-3
11	Federal Income Tax	27000	(\$78,548,494)	(\$3,799,493)	(\$82,347,987)	(\$6,616,151)	(\$88,964,138)	JLH-6
12	NJ CBT	27000	(\$36,993,011)	(\$1,789,400)	(\$38,782,411)	(\$3,115,927)	(\$41,898,338)	JLH-7
13	Consolidated Tax Adjustment		\$0	\$0	\$0	\$0	\$0	ADF-2
14	Total Rate Base		<u>\$1,304,512,156</u>	<u>(\$29,030,287)</u>	<u>\$1,275,481,869</u>	<u>\$118,952,574</u>	<u>\$1,394,434,443</u>	

⁽¹⁾ Represents Thirteen Month Averages of Account Balances

ELIZABETHTOWN GAS COMPANY
OPERATING INCOME STATEMENT

Line No.	12 MONTHS ACTUAL Mar-2022	0 MONTHS PROJECTED DATA	TEST YEAR 12 MOS ENDED 3/31/2022	TEST & POST TEST YR. PRO FORMA ADJUSTMENTS	ANNUALIZATION & NORMALIZATION ADJUSTMENTS	POST TEST YEAR ENDED 12/31/2022	REVENUE DEFICIENCY	POST TEST YEAR 12 MOS ENDED 12/31/2022	
1	Operating Revenues	\$378,714,859	\$0	\$378,714,859	(\$27,717,330)	\$59,856,616	\$410,854,145	\$77,310,336	\$488,164,481
2	Cost of Sales-Rider Revenue Offsets	\$14,905,676	\$0	\$14,905,676	(\$14,905,676)	\$0	\$0	\$0	\$0
3	Cost of Sales Purchased Gas	\$146,148,262	\$0	\$146,148,262	\$0	\$38,561,118	\$184,709,380	\$0	\$184,709,380
4	Operating Margin Revenues	\$217,660,921	\$0	\$217,660,921	(\$12,811,654)	\$21,295,498	\$226,144,765	\$77,310,336	\$303,455,101
6	Operating Expenses:								
7	Operation & Maintenance Exps.	\$81,044,215	\$0	\$81,044,215	\$6,177,345	\$410,497	\$87,632,057	\$530,194	\$88,162,251
8	Depreciation Expense	\$45,823,617	\$0	\$45,823,617	\$14,659,351	\$0	\$60,482,968	\$0	\$60,482,968
9	Taxes Other Than Income Taxes	(\$5,980,393)	\$0	(\$5,980,393)	\$11,033,887	\$163,229	\$5,216,723	\$210,825	\$5,427,548
10	Federal Income Taxes & NJ CBT	\$27,203,028	\$0	\$27,203,028	(\$9,338,724)	\$5,824,890	\$23,689,194	\$21,523,635	\$45,212,829
11	Excess Deferred Tax Amortization	(\$1,603,398)	\$0	(\$1,603,398)	(\$624,496)	\$0	(\$2,227,894)	\$0	(\$2,227,894)
12	Total Operating Expenses	\$146,487,069	\$0	\$146,487,069	\$21,907,363	\$6,398,616	\$174,793,048	\$22,264,654	\$197,057,702
14	Net Operating Income	\$71,173,852	\$0	\$71,173,852	(\$34,719,017)	\$14,896,882	\$51,351,717	\$55,045,682	\$106,397,399
15	Ratemaking Adjustment - After Tax:								
16	Interest on Customer Deposits	\$16,824	\$0	\$16,824	(\$14,736)	\$0	\$2,088	\$0	\$2,088
17	Adjusted Net Operating Income	\$71,157,028	\$0	\$71,157,028	(\$34,704,281)	\$14,896,882	\$51,349,629	\$55,045,682	\$106,395,311
18	Total Rate Base			\$1,275,481,869			\$1,394,434,443		\$1,394,434,443
19	Return on Rate Base			5.5788%			3.6825%		7.6300%
20	Adjusted Net Income			\$49,091,192			\$27,225,913		\$82,271,595
21	Return on Equity			7.01%			3.56%		10.75%

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

	Test & Post Test Year Pro Forma Adjustments
1. Operating Revenues	
(a) Remove Rider Revenues (TK-7)	\$ (27,717,330)
	<u>(27,717,330)</u>
2. Cost of Sales-Rider Revenue Offsets	
(a) Cost of Sales-Rider Revenue Offsets (TK-7)	\$ (14,905,676)
	<u>(14,905,676)</u>
3. Operation and Maintenance expenses	
(a) Annualization of Payroll (TK-9)	\$ 1,390,915
(b) Annualization of Benefits (TK-10)	\$ 117,657
(c) Annualization of Allocated Service Company Salaries & Benefits (TK-11)	\$ 1,308,375
(d) Amortization of Rate Case expenses (TK-12)	\$ 251,164
(e) Other Operations and Maintenance Expenses (TK-13)	\$ 2,239,387
(f) Inflation Adjustment (TK-14)	\$ 1,367,273
(g) Remove Charitable & Civic Contribution Expense	\$ (497,426)
	<u>6,177,345</u>
4. Depreciation and Amortization Expense	
(a) Annualize Test Year Depreciation Expense (JLH-5)	\$ 10,093,026
(b) Annualize Post Test Year Depreciation Expense (JLH-5)	\$ 3,437,482
(c) Test Year Income Statement Adj. to WP-1 Depreciation TY @ Current Rates	\$ 1,128,843
(d) Add back ETG Endur Allocation from SJES not included on WP-1 Depreciation	\$ 162,417
	<u>14,659,351</u>
5. Taxes Other Than Income	
(a) FICA Payroll Tax Adjustment (TK-9)	\$ 106,405
(b) Adjustment for PUA (TK-15)	\$ (32,531)
(c) 55130 - 2018 Pre-Paid Sales Tax - Sept 2021 Extraordinary Item *	\$ 10,960,013
	<u>11,033,887</u>
6. Excess Deferred Tax Amortization	
(a) Excess Deferred Tax Amortization	\$ (624,496)
	<u>(624,496)</u>
7. Taxes - Income - Current	
(a) Interest Synchronization (JLH-8)	\$ 3,221,453
(b) Income Tax effect of adjustments 1 - 5 times tax rate	\$ (12,560,177)
	<u>(9,338,724)</u>

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

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

Line No.		TK-7 Rider	Annualization & Normalization	Net of Adjustments
	<u>Test Year</u>	<u>Adjustments</u>	<u>Adjustments</u>	<u>Adjustments</u>
1	Income Statement			
2	Operating Revenues	\$378,714,859	(\$27,717,330)	\$410,854,145
3	Cost of Sales-Rider Revenue Offsets	\$14,905,676	(\$14,905,676)	
4	Cost of Sales Purchased Gas	\$146,148,262	\$38,561,118	\$184,709,380
5	Operating Margin Revenues	<u>\$217,660,921</u>	<u>(\$12,811,654)</u>	<u>\$226,144,765</u>
6		-	-	-
7				Present
8			<u>Margin Details</u>	<u>Proof Revenues</u>
9	<u>Test Year per Annulaized and Normalized Determinants at Current Rates plus IIP Roll-In:</u>			
10	Total System Base Distribution Revenue including Other Revenues			\$212,250,282 DPY-2 at Current Rates
11	IIP Revenue Requirement from Rider F to Base Rates			<u>\$13,894,483</u> TK-8 IIP
12				<u>\$226,144,765</u> DPY-3 Total
13	<u>Net of Operating Margin Revenue Adjustments:</u>			
14	On-System Margin Sharing Credit ("OSMC") Revenue	(\$233,082)		
15	Removal of IIP Rider F Booked Revenues (TK-7)	(\$11,929,405)		
16	Net EEP Actual / Projected Allowed Revenue Requirement	<u>(\$649,167)</u>		
17		<u>(\$12,811,654)</u>		
18	IIP Approved Revenue Requirement from Rider F to Base Rates (TK-8)	-	\$13,894,483	
19	Annualization Normalization		\$7,401,015	
20	Gas Sales Revenue, Increase / (Decrease)		<u>\$38,561,118</u>	
21	Operating Revenues		\$59,856,616	
22	Purchase Gas Cost, Increase / (Decrease)		<u>\$38,561,118</u>	
23			<u>\$21,295,498</u>	

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

<u>Line No.</u>			
1	Additional Required Revenue Percentage		100.0000%
2	Percentage Adjustment for Uncollectibles		0.6858%
3	BPU Assessments		0.2189%
4	Rate Counsel Assessments		<u>0.0538%</u>
5	Percentage of Income Before State Income Tax		99.0415%
6	State Income Tax Percentage	9.00%	<u>8.9137%</u>
7	Percentage of Income Before Federal Income Tax		90.1278%
8	Federal Income Tax Percentage	21.00%	<u>18.9268%</u>
9	Revenue Expansion Factor - Percent		<u>71.2010%</u>
10	Revenue Expansion Factor - Whole Number		<u><u>1.404475</u></u>

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

Line No.		<u>TOTAL</u>
1	On-System Margin Sharing Credit (“OSMC”) Revenue	\$233,082
2	Energy Efficiency Program (“EEP”) Revenue	\$2,875,963
3	Remediation Adjustment Clause (“RAC”) Revenue	(\$131,834)
4	Clean Energy Program (“CEP”) Revenue	\$12,810,714
5	Infrastructure Investment Program (“IIP”) Billed Revenue, moving from Rider to Base Rates	\$11,929,405
6	Total Revenue	<u>\$27,717,330</u>
7	EEP Rider Amortization	\$2,226,796
8	RAC Rider Revenue Offset	(\$131,834)
9	CEP Rider Revenue Offset	\$12,810,714
10	Cost of Sales Revenue Offsets	<u>\$14,905,676</u>
11	Net Margin Adjustment	<u>\$12,811,654</u>

ELIZABETHTOWN GAS COMPANY
INFRASTRUCTURE INVESTMENT PROGRAM ("IIP")

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

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

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

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

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

Line No.		<u>Test Year</u>	<u>Annualized Post Test Year *</u>	<u>Adjustment To Test Year</u>
1	<u>Payroll Expenses:</u>			
2	<u>Gross Expenses:</u>			
3	Fixed Payroll	\$37,658,916	\$40,505,548	\$2,846,632
4	Variable Compensation	\$2,129,142	\$2,129,142	\$0
5	Total Compensation	<u>\$39,788,058</u>	<u>\$42,634,690</u>	<u>\$2,846,632</u>
6	<u>Capitalized Payroll Expenses</u>			
7	Direct Payroll	(\$12,875,338)	(\$14,331,055)	(\$1,455,717)
8	Variable Compensation	(\$727,940)	(\$727,940)	\$0
9	Capitalized Compensation	<u>(\$13,603,278)</u>	<u>(\$15,058,995)</u>	<u>(\$1,455,717)</u>
10	Net Compensation Expense	\$26,184,780	\$27,575,695	\$1,390,915
11	Retention Bonus Adjustment	\$0	\$0	\$0
12	Pro Forma Payroll Adjustment (O&M)	<u>\$26,184,780</u>	<u>\$27,575,695</u>	<u>\$1,390,915</u>
			\$827,271	
13	FICA Tax Rate 2022			7.65%
14	Pro Forma FICA Payroll Tax Adjustment - Sch. TK-3 Taxes Other than Income			<u><u>\$106,405</u></u>
15	<u>Lead Lag Test Year and Post Year:</u>			
16	Regular Payroll	\$24,783,578	\$26,174,493	\$1,390,915
17	Variable Compensation	\$1,401,202	\$1,401,202	\$0
18	Net Compensation Expense	<u>\$26,184,780</u>	<u>\$27,575,695</u>	<u>\$1,390,915</u>

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

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

Line
No.

	<u>Test Year</u>	<u>Annualized Post Test Year</u>	<u>Adjustment To Test Year</u>
<u>Employee Benefits Expenses:</u>			
1 Employee Benefits Expense	\$7,975,077	\$8,184,958	\$209,881
2 less: Capitalized Benefits	(\$3,504,335)	(\$3,596,559)	(\$92,224)
3 Pro Forma Benefits Adjustment	<u>\$4,470,742</u>	<u>\$4,588,399</u>	<u>\$117,657</u>

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

Line
No.

<u>Allocated Service Company Salaries & Benefits Expenses:</u>		
1	Annualized Post Test Year Expenses	\$4,347,862
2	Less: Test Year Expenses	<u>\$3,039,487</u>
3	Pro Forma Allocated Expense Adjustment	<u><u>\$1,308,375</u></u>

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

Line No.	Category	Expense
1	Legal Expenses	\$250,000
2	Consultant Expenses	\$250,000
3	Newspaper Notices	\$863
4	Court Reporting	\$630
5	Postage & Office Supplies	\$0
6	Miscellaneous Expenses	\$2,000
7	Contingency/Rebuttal Witnesses	<u>\$250,000</u>
8	Total Rate Case Expenses	<u><u>\$753,493</u></u>
9	Pro Forma Adjustment per Amortization Period	3 <u><u>\$251,164</u></u>

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

Line No.	Proposed <u>In This Case</u>	Adjustment to <u>Test Year</u>
1	<u>Bring Gas Supply Function In-House *</u>	
2	\$307,452	
3	\$64,008	
4	\$89,143	\$89,143
5	\$6,534	\$6,534
6	\$6,429	\$6,429
7	\$1,609	\$1,609
8	\$475,175	\$103,715
9		
10	<u>Proposed Erie Street Regulatory Asset **</u>	
11	Book Balance	
11	\$6,751,219	
12	37.2	\$181,484
13		
14		\$455,000
15		
16	<u>Solar Panel Electricity k/WH - Expense Adjustment ***</u>	
17		
18	\$109,156	
19	\$59,366	(\$49,790)
20		
21	<u>Management Fee Expense, Adjustments per 12 Mos Dec 2021 ****</u>	
22	(\$224,061)	
23	(\$23,479)	
24	(\$21,080)	
25	(\$709)	(\$269,329)
26		
27	<u>Union Employee Expenses</u>	
28	\$480,000	
29	\$621,622	
30	\$56,667	\$1,158,289
31		
32	<u>TSA Cyber Security **</u>	
33	\$1,677,300	
34	39.35%	
35	\$660,018	
36	\$0	\$660,018
37		
38		\$2,239,387

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

** See Testimony of J. Houseman.

*** See Testimony of C. McMullen

**** Updated in 12+0 to 2021

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

<u>Line No.</u>	<u>Description</u>	<u>Index</u>
1	<u>Calculation of Inflation Rate</u>	
2	GDPIPD Index Value at the Midpoint of the Test Year:	
3	September 1, 2021	119.2
4	October 1, 2021	120.3
5	Average	119.8
6	GDPIPD Index Value at the End of the Post-Test Year:	
7	December 1, 2022	123.7
8	January 1, 2023	123.9
9	Average	123.8
10	Projected Inflation Rate	3.3389%
11	<u>Calculation of O&M Inflation Adjustment</u>	
12	Post-Test Year Total O&M Expenses	\$87,632,057
13	Less: Normalizing Adjustments	
14	Annualization of Payroll (TK-9)	\$27,575,695
15	Annualization of Benefits (TK-10)	\$4,588,399
16	Annualization of Allocated Service Company Costs (TK-11)	\$4,347,862
17	Amortization of Rate Case expenses (TK-12)	\$251,164
18	Other Operations and Maintenance Expenses (TK-13)	\$2,239,387
19	Total Normalizing Adjustments	\$39,002,507
20	Less: Items Not Subject to Inflation	
21	Pension / OBEP (TK-17.2)	\$4,814,891
22	Uncollectibles (TK-17.2)	\$2,864,853
23	Total Items Not Subject to Inflation	\$7,679,744
24	Residual O&M Expenses	\$40,949,806
25	Inflation Rate	3.3389%
26	Pro Forma Adjustment to O&M Expense	\$1,367,273

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

Line No.		
1	<u>PUA Adjustments</u>	
2	Removed IIP Rider Revenues (TK-7) *	(\$11,929,405)
3	Other	<u>\$0</u>
4	Total Revenue Adjustment	(\$11,929,405)
5	PUA Tax Rate, sum of the BPU and RC Assessment Factors	<u>0.2727%</u>
6	Pro Forma Adjustment to PUA	<u><u>(\$32,531)</u></u>

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

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

Line No.	Month	Actual and Projected Data	Number of Customers	Number of Customers with Deposits	Percentage of Customers with Deposits	Average Deposit Per Customer	Rate Base for Customer Deposits	Customer Deposit Rate	Monthly Interest	13 Month Avg. Rate Base for Customer Deposits
1	Sep-20	Actual	298,972	28,857	9.65%	\$144	\$4,165,541	2.33%	\$7,752	
2	Oct-20	Actual	299,465	29,646	9.90%	\$145	\$4,286,271	2.33%	\$8,253	
3	Nov-20	Actual	300,687	30,310	10.08%	\$144	\$4,350,311	2.33%	\$8,281	
4	Dec-20	Actual	301,613	30,411	10.08%	\$146	\$4,437,685	2.33%	\$8,578	
5	Jan-21	Actual	302,327	30,401	10.06%	\$147	\$4,464,489	0.75%	\$2,457	
6	Feb-21	Actual	302,968	31,291	10.33%	\$146	\$4,557,562	0.75%	\$2,799	
7	Mar-21	Actual	302,593	30,198	9.98%	\$152	\$4,575,909	0.75%	\$2,369	
TY	Apr-21	Actual	302,007	29,680	9.83%	\$145	\$4,308,838	0.75%	\$2,670	
2	May-21	Actual	302,349	29,723	9.83%	\$146	\$4,335,057	0.75%	\$2,683	
3	Jun-21	Actual	302,478	30,108	9.95%	\$146	\$4,397,008	0.75%	\$2,752	
4	Jul-21	Actual	302,358	30,474	10.08%	\$147	\$4,478,302	0.75%	\$2,815	
5	Aug-21	Actual	302,287	30,628	10.13%	\$148	\$4,544,299	0.75%	\$2,470	
6	Sep-21	Actual	302,028	30,491	10.10%	\$150	\$4,565,995	0.75%	\$2,154	\$4,420,559
7	Oct-21	Actual	302,953	30,419	10.04%	\$151	\$4,593,667	0.75%	\$2,075	\$4,453,492
8	Nov-21	Actual	303,731	30,433	10.02%	\$152	\$4,634,942	0.75%	\$2,505	\$4,480,313
9	Dec-21	Actual	304,314	30,459	10.01%	\$155	\$4,717,248	0.75%	\$2,608	\$4,508,539
10	Jan-22	Actual	305,064	30,468	9.99%	\$155	\$4,736,166	0.06%	\$232	\$4,531,499
11	Feb-22	Actual	305,461	30,480	9.98%	\$160	\$4,886,948	0.06%	\$229	\$4,563,995
12	Mar-22	Actual	306,016	30,574	9.99%	\$163	\$4,968,530	0.06%	\$210	\$4,595,608
PTY	Apr-22	Projected	293,373	29,308	9.99%	\$163	\$4,777,204	0.06%	\$236	\$4,611,093
2	May-22	Projected	294,115	29,382	9.99%	\$163	\$4,789,266	0.06%	\$244	\$4,648,049
3	Jun-22	Projected	295,232	29,494	9.99%	\$163	\$4,807,522	0.06%	\$237	\$4,684,392
4	Jul-22	Projected	296,394	29,610	9.99%	\$163	\$4,826,430	0.06%	\$246	\$4,717,425
5	Aug-22	Projected	297,056	29,676	9.99%	\$163	\$4,837,188	0.06%	\$246	\$4,745,031
6	Sep-22	Projected	297,516	29,722	9.99%	\$163	\$4,844,686	0.06%	\$239	\$4,768,138
7	Oct-22	Projected	297,881	29,758	9.99%	\$163	\$4,850,554	0.06%	\$247	\$4,790,027
8	Nov-22	Projected	297,783	29,749	9.99%	\$163	\$4,849,087	0.06%	\$239	\$4,809,675
9	Dec-22	Projected	297,351	29,705	9.99%	\$163	\$4,841,915	0.06%	\$247	\$4,825,596

Post-Test Year Annualization of Interest

10	Dec-22	Projected	297,351	29,705	9.99%	\$163	\$4,841,915	0.06%	\$2,905
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Rate Base Test Year Adjustment

Rate Base PTY Pro-Forma Adjustment

Income Statement Interest Pro-Forma Adjustment

After Tax

		13 mo average		13 mo average	Pre Tax	71.89%
11	Actual Ending	Mar-22	\$4,595,608	TY ending	Mar-22	\$4,595,608
12	TY ending	Mar-22	\$4,595,608	BS PTY Ending	Sep-22	\$4,768,138
13	Test Year Adjustment		<u>\$0</u>	Pro-Forma PTY Adjustment		<u>\$172,530</u>
					Actual	\$23,403
					Projected	\$0
					Test Year Interest	\$23,403
					Post Test Year Annualized Interest	\$2,905
					Pro-Forma Adjustment	(\$20,498)
						\$16,824
						\$0
						\$16,824
						\$2,088
						(\$14,736)

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

Line	Description	Test Year Expenses	Average Daily Expenses	Revenue Lag Days	Ref.	Expense Lead Days	Ref.	Net (Lead)/Lag Days	Working Capital Requirement
1	Gas Costs & Operations and Maintenance Expenses								
2	Purchased Gas Costs & Other Riders	\$ 161,053,938	441,244	57.23	A	(40.24)	B	16.9900	\$ 7,496,736
3	Regular Payroll	24,783,578	67,900	57.23	A	(9.77)	C	47.4600	3,222,534
4	Variable Compensation	1,401,202	3,839	57.23	A	(253.42)	C	(196.1900)	(753,173)
5	Pension/OPEB	4,814,891	13,191	57.23	A	-		57.2300	754,921
6	Retirement Savings Plan	1,298,680	3,558	57.23	A	(19.63)	C	37.6000	133,781
7	Group Insurance	3,937,055	10,786	57.23	A	(40.16)	C	17.0700	184,117
8	Uncollectible Expense	2,334,659	6,396	57.23	A	(990.73)	C	(933.5000)	(5,970,666)
9	Service Company Charges	23,587,146	64,622	57.23	A	(37.86)	C	19.3700	1,251,728
10	Other Third-Party O&M Expenses	18,887,004	51,745	57.23	A	(37.88)	C	19.3500	1,001,266
11	Total O&M Expenses	\$ 242,098,153							\$ 7,321,244
12	Income Taxes								
13	Excess Deferred Tax Amortization	\$ (1,603,398)	(4,393)	57.23		-		57.2300	(251,411)
14	Federal Income Taxes	21% 18,493,414	50,667	57.23	A	(37.24)	D	19.9900	1,012,833
15	State Income Tax	9% 8,709,614	23,862	57.23	A	(37.24)	D	19.9900	477,001
16	Total Federal Income Taxes	\$ 25,599,630							\$ 1,238,423
17	Taxes Other Than Income Taxes	\$ (5,980,393)	(16,385)	57.23	A	(10.58)	E	46.6500	\$ (764,360)
18	Depreciation and Amortization Expense	\$ 45,823,617	125,544	57.23	A	-		57.2300	\$ 7,184,883
19	Interest Expense								
20	Interest on Long-Term Debt	\$ 35,583,884	97,490	57.23	A	(90.00)	F	(32.7700)	\$ (3,194,747)
21	Interest on Short-Term Debt	-	-	57.23	A	(3.94)	F	53.2900	-
22	Interest on Customer Deposits	16,824	46	57.23	A	(234.62)	F	(177.3900)	(8,160)
23	Total Interest Expense	\$ 35,600,708							\$ (3,202,907)
24	Return	\$ 35,573,144	97,461	57.23	A	-		57.2300	\$ 5,577,693
25	Other Adjustments								
26	Incidental collections								\$ 1,985,982
27	Employee deductions								(497,891)
28	Total Other Adjustments	\$ -	\$ -						\$ 1,488,091
29	Total	\$ 378,714,859	\$ 206,620						\$ 18,843,067

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

Line	Description	Adjusted Test		Average Daily Expenses	Revenue Lag Days	Expense Lead		Net (Lead)/Lag Days	Working Capital Requirement		
		Adjustments to Test Year Expenses	Year to Post Test Year Expenses			Ref.	Days			Ref.	Days
1	Gas Costs & Operations and Maintenance Expenses										
2	Purchased Gas Costs & Riders	\$38,561,118	\$ 199,615,056	546,891	57.23	A	(40.24)	B	16.9900	\$ 9,291,678	
3	Regular Payroll	1,390,915	\$ 26,174,493	71,711	57.23	A	(9.77)	C	47.4600	3,403,404	
4	Variable Compensation	-	\$ 1,401,202	3,839	57.23	A	(253.42)	C	(196.1900)	(753,173)	
5	Pension/OPEB	0	\$ 4,814,891	13,191	57.23	A	-		57.2300	754,921	
6	Retirement Savings Plan	0	\$ 1,298,680	3,558	57.23	A	(19.63)	C	37.6000	133,781	
7	Group Insurance	117,657	\$ 4,054,712	11,109	57.23	A	(40.16)	C	17.0700	189,631	
8	Uncollectible Expense	530,194	\$ 2,864,853	7,849	57.23	A	(990.73)	C	(933.5000)	(7,327,042)	
9	Service Company Charges	1,308,375	\$ 24,895,521	68,207	57.23	A	(37.86)	C	19.3700	1,321,170	
10	Other Third-Party O&M Expenses	3,770,895	\$ 22,657,899	62,076	57.23	A	(37.88)	C	19.3500	1,201,171	
11	Total Gas and O&M Expenses	(14,905,676)	\$ 287,777,307							\$ 8,215,541	
12	Income Taxes										
13	Excess Deferred Tax Amortization		\$ (2,227,894)	(6,104)	57.23		-		57.2300	(349,332)	
14	Federal Income Taxes	21.00%	review cells	21,088,048	57,775	57.23	A	(37.24)	D	19.9900	1,154,922
15	State Income Tax	9.00%		9,931,577	27,210	57.23	A	(37.24)	D	19.9900	543,928
16	Total Federal Income Taxes		\$ 28,791,731							\$ 1,349,518	
17	Taxes Other Than Income Taxes		\$ 5,427,548	14,870	57.23	A	(10.58)	E	46.6500	\$ 693,686	
18	Depreciation and Amortization Expense		\$ 60,482,968	165,707	57.23	A	-		57.2300	\$ 9,483,412	
19	Interest Expense										
20	Interest on Long-Term Debt		\$ 24,123,716	66,092	57.23	A	(90.00)	F	(32.7700)	\$ (2,165,835)	
21	Interest on Short-Term Debt		-	-	57.23	A	(3.94)	F	53.2900	-	
22	Interest on Customer Deposits		2,088	6	57.23	A	(234.62)	F	(177.3900)	(1,064)	
23	Total Interest Expense		\$ 24,125,804							\$ (2,166,899)	
24	Return		\$ 82,271,632	225,402	57.23	A	-		57.2300	\$ 12,899,756	
25	Other Adjustments										
26	Incidental collections									\$ 1,985,982	
27	Employee deductions									(497,891)	
28	Total Other Adjustments		\$ -	\$ -						\$ 1,488,091	
29	Total		\$ 488,876,990	\$ 405,979						\$ 31,963,105	

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

<u>Line</u>		<u>Test Year</u>	<u>Post Test Year</u>
1	LNG & Gas Stored Underground	\$12,501,030	\$16,252,940
2	Materials and Supplies *	\$626,065	\$626,065
3	Total	\$13,127,095	\$16,879,005

* Based on 13 Mo. through: Mar-22

12+0 UPDATE

Schedules

of

Michael P. Scacifero

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

<u>Line No.</u>			<u>Reference</u>
1	Actual UPIS at 03/31/2022	\$1,923,130,999	
2	UPIS Year 3 IIP Removal 7/1/2021 - 03/31/2022	(\$55,902,755)	
3	Projected Test Year Plant Additions	\$0	MPS-2
4	Projected Test Year Major Capital Projects	\$0	MPS-4
5	Projected Test Year Plant Retirements	<u>\$0</u>	
6	Projected Test Year Ending UPIS at 3/31/2022	\$1,867,228,244	
7	Projected Post Test Year Plant Additions	\$54,237,914	MPS-3
8	Projected Post Test Year Major Capital Projects	\$79,532,097	MPS-4
9	Projected Post Test Year Plant Retirements	<u>(\$9,485,578)</u>	
10	Projected Post Test Year Ending UPIS at 9/30/2022	<u><u>\$1,991,512,677</u></u>	

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

WP-2 #s	Apr-21 Actual	May-21 Actual	Jun-21 Actual	Jul-21 Actual	Aug-21 Actual	Sep-21 Actual	Oct-21 Actual	Nov-21 Actual	Dec-21 Actual	Jan-22 Actual	Feb-22 Actual	Mar-22 Actual	Test Year
1 New Business	4,180,419	3,391,408	2,146,927	5,018,662	4,784,836	4,180,415	4,283,838	3,082,521	3,950,910	3,188,732	2,827,211	3,398,348	44,434,227
2 Facilities	235,068	472,506	(287,581)	64,004	306,316	132,159	220,016	54,776	311,573	115,943	17,684	147,445	1,789,909
3 Fleet	119,910	4,930	231,497	27,420	-	121,907	187,582	-	-	14,475	(27,447)	125,924	806,198
4 Measurement Operations	136,482	184,284	12,592	174,784	137,416	218,513	132,335	149,102	130,383	217,954	(23,205)	99,509	1,570,149
5 LNG	255,171	185,649	149,963	354,225	258,749	36,096	5,369	11,561	15,453	(10,854)	15,982	17,541	1,294,905
6 Information Technology (IT)	407,204	2,264,153	785,249	249,668	899,037	847,016	824,534	1,290,164	954,978	433,404	553,880	601,677	10,110,964
7 Mandatory	293,073	303,697	300,470	142,640	227,429	392,550	472,304	209,256	175,560	334,086	220,779	246,221	3,318,065
8 Distribution Integrity Management (DIMP)	3,379,761	3,416,953	4,507,623	3,601,606	3,125,574	2,023,707	2,864,299	3,063,171	3,406,239	2,583,257	1,170,235	2,252,798	35,395,223
9 Transmission Integrity Mgt Prog (TIMP)	47,537	100,393	18,064	8,935	24,048	7,710	24,310	(6,520)	15,898	1,827	2,190	3,304	247,696
10 DOT	23,952	64,094	19,649	255,286	11,595	(25,280)	8,929	46,963	17,436	8,995	4,836	18,231	454,686
11 Periodic Testing (PT) Meter	305,322	428,657	302,740	614,799	309,292	702,520	644,706	718,806	188,372	509,700	403,317	304,250	5,432,481
12 Pressure Improvement (PRIM)	18,124	121,706	(3,354)	298,863	969,001	437,434	178,139	243,357	367,243	(2,343)	395,893	196,205	3,220,268
13 Corrosion Work	233,621	103,418	5,146	11,280	12,272	5,389	7,540	5,994	44,465	1,420	1,702	11,846	444,093
14 Relocation	1,765	1,693	18,677	3,032	1,100	5,612	45,273	182,570	13,565	(7,253)	(199,536)	190,330	256,828
15 Security	326	290	5,453	(2,618)	1,405	1,990	785	14,588	32,922	1,248	1,376	9,279	67,044
16 Tools and Equipment	-	-	-	-	-	-	(17,963)	-	-	-	-	-	(17,963)
17 IIP Base Spending	1,044,649	1,624,785	508,849	698,730	1,196,139	923,280	837,021	138,441	356,830	420,970	370,921	1,309,663	9,430,278
WP-5 IIP in excess of \$1.2 Mill. Per Mile Cap			5,276,017										5,276,017
WP-5 Excludes IIP Program Spend July-21 Forward	6,449,553	4,315,067	5,311,697										16,076,317
TOTAL ETG PLANT ADDITIONS	17,131,937	16,983,683	19,309,678	11,521,316	12,264,209	10,011,018	10,719,017	9,204,750	9,981,827	7,811,561	5,735,818	8,932,571	139,607,385

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

WP-2 #s	Apr-22 Projected	May-22 Projected	Jun-22 Projected	Jul-22 Projected	Aug-22 Projected	Sep-22 Projected	Post-Test Year
1 New Business	3,250,054	3,010,768	4,051,552	3,803,313	3,897,735	4,086,945	22,100,367
2 Facilities	209,721	360,305	411,598	902,110	651,306	651,142	3,186,182
3 Fleet	376,584	309,381	278,905	39,905	29,198	29,198	1,063,171
4 Measurement Operations	220,040	27,508	27,514	412,509	82,502	192,504	962,577
5 LNG	19,013	28,494	32,861	44,563	43,451	-	168,382
6 Information Technology (IT)	712,279	604,441	459,677	425,873	371,885	219,190	2,793,345
7 Mandatory	289,463	289,500	289,558	290,550	290,550	290,550	1,740,171
8 Distribution Integrity Management (DIMP)	2,686,322	1,723,138	2,331,006	3,295,752	3,262,689	1,870,635	15,169,542
9 Transmission Integrity Mgt Prog (TIMP)	1,686	1,990	2,474	1,305	111,307	110,002	228,764
10 DOT	69	81	110,157	440,182	588,064	1,291	1,139,844
11 Periodic Testing (PT) Meter	143,026	143,044	385,196	385,008	385,008	385,008	1,826,290
12 Pressure Improvement (PRIM)	16	19	24	13	13	-	85
13 Corrosion Work	-	110,034	110,056	110,002	110,002	-	440,094
14 Relocation	-	-	-	-	-	-	-
15 Security	6,876	6,877	6,878	6,875	6,875	6,875	41,256
16 Tools and Equipment	-	-	-	-	-	-	-
17 IIP Base Spending	581,493	384,365	412,251	36,766	991,490	971,479	3,377,844
WP-5 IIP in excess of \$1.2 Mill. Per Mile Cap							-
WP-5 Excludes IIP Program Spend July-21 Forward							-
TOTAL ETG PLANT ADDITIONS	8,496,642	6,999,945	8,909,707	10,194,726	10,822,075	8,814,819	54,237,914

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

FERC	Project Name	Projected In Service Date	Projected	Projected	Projected
			Test Year Ending Mar-22	Post Test Year Beginning Apr-22	TY and PTY Total
36320	Erie Street Project	Jul-22	\$0	\$ 49,063,047	\$ 49,063,047
36900	New Village RNG Project	Sep-22	\$0	\$ 2,724,234	\$ 2,724,234
37600	Elmora Ave Project-Mains	Jul-22	\$0	\$ 9,535,374	\$ 9,535,374
38000	Elmora Ave Project-Services	Aug-22	\$0	\$ 451,989	\$ 451,989
37600	Phase 2 Westfield Yard to Nomahegan Park 16" EP CI Replacement-Mains	Aug-22	\$0	\$ 8,216,398	\$ 8,216,398
38000	Phase 2 Westfield Yard to Nomahegan Park 16" EP CI Replacement-Services	Sep-22	\$0	\$ 791,953	\$ 791,953
37600	Oxford-Independence HP Interconnect	Sep-22	\$0	\$ 7,621,490	\$ 7,621,490
39000	Gas Supply In-House - Structures & Improvements	Sep-22	\$0	\$ 550,012	\$ 550,012
39100	Gas Supply In-House- Office Furniture & Equipment	Sep-22	\$0	\$ 550,099	\$ 550,099
39110	Gas Supply In-House - OFE - Software Non-Enterprise	Sep-22	\$0	\$ 27,501	\$ 27,501
Total Pro Forma Adjustment			\$ -	\$ 79,532,097	\$ 79,532,097

12+0 UPDATE

Schedules

of

John L. Houseman

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

Line No.	Utility Plant in Service	Depreciation Expense (Proposed Rates)
1	Depreciation Expense:	
2	\$1,867,228,244	\$57,045,486
3		\$46,952,460
4		\$10,093,026
5	\$124,284,433	\$3,437,482
6	\$1,991,512,677	\$13,530,508
7		
8	Accumulated Depreciation & Amortization Balance at Current Rates	
9		(\$331,650,994)
10		(\$122,000,009) (1)
11		(\$453,651,003)
12		
13	Accumulated Depreciation Test Year Adjustments per 0 Months of Projections	
14		\$0
15		\$0 (2)
16		\$0
17		\$0
18		(\$453,651,003)
19		
20	Accumulated Depreciation Changes plus 6 Months of Post Test Year Adjustments:	
21		(\$1,718,741)
22		(\$28,522,743)
23		\$7,999,998 (3)
24		\$9,485,578
25		\$0
26		(\$466,406,911)

Notes:

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

Start Date and as of Dates:	Months	Monthly Amort.	Adj. & Balances
11/15/2019	120	\$1,333,333	(\$160,000,000)
03/31/2022	28.5	\$1,333,333	\$37,999,991
(1) Acquisition Adjustment Balance as of 03/31/2022			(\$122,000,009)
<u>Balance Reductions Test Year and Post Test Year ending:</u>			
(2) 3/31/2022	0.0	\$1,333,333	\$0
(3) 9/30/2022	6.0	\$1,333,333	\$7,999,998
Acquisition Adjustment Balance as of 9/30/2022			(\$114,000,011)

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

<u>Line No.</u>	<u>POST TEST YEAR ADDITIONS</u>	<u>ADDED TAX DEPRECIATION</u>	<u>DFIT IN RATE BASE</u>
1			(82,347,987)
2	<u>Adjustments to DFIT Through 9/30/2022:</u>		
3	28,522,743		
4	1,718,741		
5	30,241,484		
6	(64,862,895)		
7		(34,621,411)	
8	21%		(7,270,496)
9	3,115,927	21%	654,345
10			<u>(88,964,138)</u>

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

<u>Line No.</u>	<u>POST TEST YEAR ADDITIONS</u>	<u>ADDED TAX DEPRECIATION</u>	<u>DFIT IN RATE BASE</u>
1			(38,782,411)
2	<u>Adjustments to DCBT Through 9/30/2022:</u>		
3	28,522,743		
4	1,718,741		
5	30,241,484		
6	(64,862,895)		
7		(34,621,411)	
8	9.00%		(3,115,927)
9	<u>Adjusted DCBT Rate Base Balance 9/30/2022:</u>		<u>(41,898,338)</u>

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

Line No.

1	Adjusted Rate Base	\$1,394,434,443
2	Total Weighted Cost of Long Term Debt	<u>1.7300%</u>
3	Annualized Interest Expense	\$24,123,716
4	Less: Test Year Interest Expense	<u>(\$35,583,884)</u>
5	Net Interest Expense	<u>(\$11,460,168)</u>
6	Income Tax Rate	<u>28.11%</u>
7	Total (Increase)/Decrease to test year income taxes	<u><u>(\$3,221,453)</u></u>

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

Line
No.

1	Pension and OPEB as of 03/31/2022	\$35,540,379
2	Adjusted for amortization expense and net periodic benefit costs	<u>\$267,286</u>
3	Projected / Actual Pension and OPEB as of 3/31/2022	\$35,807,665
4	Adjusted for amortization expense and net periodic benefit costs	<u>\$4,017</u>
5	Projected Pension and OPEB as of 9/30/2022	<u>\$35,811,682</u>