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July 27, 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 to Review Its Basic Gas Supply Service Rate and Its Conservation Incentive Program Rates
BPU Docket No. GR22060366**

Dear Acting Board Secretary and Acting Custodian Diaz:

With regard to the above-referenced matter, enclosed herewith is the submission of Elizabethtown Gas Company's Conservation Incentive Program 12&0 Update Schedules.

In accordance with the New Jersey Board of Public Utilities ("BPU") March 19, 2020 and June 10, 2020 Orders issued in BPU Docket No. EO20030254, hard copies are not being submitted at this time, but can be provided later, if needed.

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Deborah M. Franco", is written over a light blue horizontal line.

Deborah M. Franco

DMF:slp
Enclosures

cc: Service list (electronically)

**IN THE MATTER OF THE PETITION OF ELIZABETHTOWN GAS COMPANY
TO REVIEW ITS PERIODIC BASIC GAS SUPPLY SERVICE RATE AND
ITS CONSERVATION INCENTIVE PROGRAM RATES
BPU DOCKET NO. GR22060366**

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ELIZABETHTOWN GAS COMPANY
Conservation Incentive Program ("CIP")

CIP Schedule TK-1
12+0 Update

Calculation of the CIP Rates

	RDS	SGS	GDS	Total
1 Non-Weather:				
Current Period - Margin Revenue Excess / (Deficiency), (TK-2)	\$3,469,283	\$1,275,617	\$2,019,923	6,764,823
Prior Year Non-Weather Test Deferral Carry Forward, if applicable	\$0	\$0	\$0	\$0
Current Period - Margin Revenue Excess / (Deficiency), (TK-2)	\$3,469,283	\$1,275,617	\$2,019,923	6,764,823
Greater of the BGSS or Variable Test Deferral, if applicable (TK-4 or TK-5)	\$0	\$0	\$0	\$0
Total Non-Weather	\$3,469,283	\$1,275,617	\$2,019,923	\$6,764,823
2 Weather: Current Period - Margin Revenue Excess / (Deficiency), (TK-2)	(\$6,610,409)	(\$497,559)	(\$1,776,991)	(\$8,884,959)
3 Total Current Year Weather and Non-Weather, pre ROE disallowance if any (L1+L2)	(\$3,141,126)	\$778,058	\$242,932	(\$2,120,136)
4 Current Year ROE Earnings Test Disallowance, if applicable (TK-6)	0	0	0	\$0
5 Current Year Total (L3+L4)	(\$3,141,126)	\$778,058	\$242,932	(\$2,120,136)
6 Prior Year Recovery / (Refund) Results:				
WNC 2021-2022, Final True-Up Roll-In to CIP (TK-3)	(\$47,938)	(\$3,608)	(\$12,886)	(\$64,432)
Prior Period - True-Up Balance, Excess / (Deficient), (TK-2)	\$0	\$0	\$0	\$0
Current Period Recovered / (Refunded), (TK-2)	\$0	\$0	\$0	\$0
Prior Year Excess / (Deficiency) Balances Carry Over	(\$47,938)	(\$3,608)	(\$12,886)	(\$64,432)
7 Total CIP Revenue Excess / (Deficiency) Balance (L5+L6)	(\$3,189,064)	\$774,450	\$230,046	(\$2,184,568)
8 Projected Normalized Sales and Services (Forecast Sch. TK-1 CIP)	241,272,344	23,506,444	119,096,803	therms
9 CIP Charge - Recoverable / (Credit - Refundable) Rate, before tax $\frac{\text{rate sign multiplier}}{(L7 / L8) * -1}$	\$0.0132	(\$0.0329)	(\$0.0019)	/therm
10 Plus Sales Tax	6.625%	\$0.0009	(\$0.0022)	(\$0.0001)
11 CIP Charge - Recoverable / (Credit - Refundable) Rate (L9+L10)	\$0.0141	(\$0.0351)	(\$0.0020)	/therm

ELIZABETHTOWN GAS COMPANY
Conservation Incentive Program ("CIP")
Actual vs. CIP Base Therm Use per Customer and Margin Excess / (Deficiency)
Residential Delivery Service

CIP Schedule TK-2
Consisting of 3 pages
12+0 Update

a	Actual	Actual	Actual	Base Use	Therm	Pre-Tax	Total	Break Out of Total Margin:		Current	True-Up
	Accounting	Customer *	Therms	Per Cust.	Excess/	Distribution	Margin	TK-3 Weather	Non-Weather	Period	Balance
	Therms	Count	Per Cust.	(BUC)	(Deficiency)	& IIP Rates	Excess/	Excess /	Excess /	Recovery	Excess/
	<u>b</u>	<u>c</u>	<u>d=b/c</u>	<u>e</u>	<u>f=d-e</u>	<u>g=c*f</u>	<u>h=c*f*g</u>	<u>i</u>	<u>j=h-i</u>	<u>(Refund) **</u>	<u>(Deficiency)</u>
Beginning Balance >>>											
Jul-21	4,391,968	278,779	15.8	14.1	1.7	\$0.4307	\$204,119		\$204,119	\$0	\$0
Aug-21	4,468,542	279,761	16.0	14.1	1.9	\$0.4307	\$228,937		\$228,937	\$0	\$0
Sep-21	4,851,197	279,607	17.4	15.1	2.3	\$0.4307	\$276,981		\$276,981	\$0	\$0
Oct-21	8,137,780	279,373	29.1	39.0	(9.9)	\$0.4510	(\$1,247,373)	(\$2,474,972)	\$1,227,599	\$0	\$0
Nov-21	28,162,780	280,575	100.4	85.4	15.0	\$0.4510	\$1,898,090	\$182,294	\$1,715,796	\$0	\$0
Dec-21	31,992,346	281,162	113.8	140.2	(26.4)	\$0.4510	(\$3,347,627)	(\$4,022,832)	\$675,205	\$0	\$0
Jan-22	51,617,195	282,208	182.9	174.8	8.1	\$0.4510	\$1,030,934	\$2,656,892	(\$1,625,958)	\$0	\$0
Feb-22	38,052,419	282,203	134.8	149.6	(14.8)	\$0.4510	(\$1,883,649)	(\$651,687)	(\$1,231,962)	\$0	\$0
Mar-22	29,166,910	283,034	103.1	118.5	(15.4)	\$0.4510	(\$1,965,784)	(\$1,650,930)	(\$314,854)	\$0	\$0
Apr-22	17,926,808	283,387	63.3	57.9	5.4	\$0.4510	\$690,161	\$30,573	\$659,588	\$0	\$0
May-22	8,024,485	284,159	28.2	22.5	5.7	\$0.4510	\$730,488	(\$679,747)	\$1,410,235	\$0	\$0
Jun-22	4,178,621	284,277	14.7	12.8	1.9	\$0.4510	\$243,597		\$243,597	\$0	\$0
Total	230,971,051		819.5	844.0	(24.5)		(\$3,141,126)	(\$6,610,409)	\$3,469,283	\$0	\$0

* Customer counts are based on monthly accounting report, adjusted to include counts of meters flowing gas without a current customer of record.

** Individual customer billings at the tariff rate yields the dollars recovered, inclusive of rate proration or cancel/rebills, if any.

ELIZABETHTOWN GAS COMPANY
Conservation Incentive Program ("CIP")
Actual vs. CIP Base Therm Use per Customer and Margin Excess / (Deficiency)
Small General Service - SGS

CIP Schedule TK-2
Consisting of 3 pages
12+0 Update

<u>a</u>	<u>Actual Accounting</u>	<u>Actual Customer *</u>	<u>Actual</u>	<u>Base Use</u>	<u>Therm</u>	<u>Pre-Tax</u>	<u>Total</u>	<u>Break Out of Total Margin:</u>		<u>Current</u>	<u>True-Up</u>
	<u>Therms</u>	<u>Count</u>	<u>Therms</u>	<u>Per Cust.</u>	<u>Excess/</u>	<u>Margin</u>	<u>Margin</u>	<u>TK-3 Weather</u>	<u>Non-Weather</u>	<u>Period</u>	<u>Balance</u>
	<u>b</u>	<u>c</u>	<u>d=b/c</u>	<u>e</u>	<u>f=d-e</u>	<u>g=c*f</u>	<u>h=c*f*g</u>	<u>i</u>	<u>j=h-i</u>	<u>Recovery</u>	<u>Excess/</u>
										<u>(Refund) **</u>	<u>(Deficiency)</u>
Beginning Balance >>>		Relink to new "March" margin report									
Jul-21	241,634	17,088	14.1	17.5	(3.4)	\$0.3787	(\$22,002)		(\$22,002)	\$0	\$0
Aug-21	355,454	17,033	20.9	18.0	2.9	\$0.3787	\$18,706		\$18,706	\$0	\$0
Sep-21	304,639	17,001	17.9	23.3	(5.4)	\$0.3787	(\$34,767)		(\$34,767)	\$0	\$0
Oct-21	639,495	17,045	37.5	54.5	(17.0)	\$0.4012	(\$116,254)	(\$186,288)	\$70,034	\$0	\$0
Nov-21	2,456,989	17,144	143.3	117.0	26.3	\$0.4012	\$180,896	\$13,721	\$167,175	\$0	\$0
Dec-21	3,448,565	17,198	200.5	217.5	(17.0)	\$0.4012	(\$117,297)	(\$302,794)	\$185,497	\$0	\$0
Jan-22	5,801,557	17,257	336.2	277.7	58.5	\$0.4012	\$405,025	\$199,981	\$205,044	\$0	\$0
Feb-22	4,355,844	17,270	252.2	231.4	20.8	\$0.4012	\$144,117	(\$49,052)	\$193,169	\$0	\$0
Mar-22	2,915,719	17,236	169.2	164.0	5.2	\$0.4012	\$35,958	(\$124,264)	\$160,222	\$0	\$0
Apr-22	1,750,091	17,164	102.0	71.3	30.7	\$0.4012	\$211,406	\$2,301	\$209,105	\$0	\$0
May-22	579,480	17,082	33.9	31.8	2.1	\$0.4012	\$14,392	(\$51,164)	\$65,556	\$0	\$0
Jun-22	478,848	16,972	28.2	19.7	8.5	\$0.4012	\$57,878		\$57,878	\$0	\$0
Total	<u>23,328,315</u>		<u>1,355.9</u>	<u>1,243.7</u>	<u>112.2</u>		<u>\$778,058</u>	<u>(\$497,559)</u>	<u>\$1,275,617</u>	<u>\$0</u>	<u>\$0</u>

* Customer counts are based on monthly accounting report.

** Individual customer billings at the tariff rate yields the dollars recovered, inclusive of rate proration or cancel/rebills, if any.

ELIZABETHTOWN GAS COMPANY
Conservation Incentive Program ("CIP")
Actual vs. CIP Base Therm Use per Customer and Margin Excess / (Deficiency)
General Delivery Service - GDS

CIP Schedule TK-2
Consisting of 3 pages
12+0 Update

a	Actual	Actual	Actual	Base Use	Therm	Pre-Tax	Total	Break Out of Total Margin:		Current	True-Up
	Accounting	Customer *	Therms	Per Cust.	Excess/	Distribution	Margin	TK-3 Weather	Non-Weather	Period	Balance
	Therms	Count	Per Cust.	(BUC)	(Deficiency)	& IIP Rates	Excess/	Excess /	Excess /	Recovery	Excess/
	b	c	d=b/c	e	f=d-e	g=c*f	h=c*f*g	i	j=h-i	(Refund) **	(Deficiency)
Beginning Balance >>>											
Jul-21	3,393,070	6,383	531.6	526.5	5.1	\$0.2288	\$7,448		\$7,448	\$0	\$0
Aug-21	3,268,848	6,384	512.0	531.2	(19.2)	\$0.2288	(\$28,045)		(\$28,045)	\$0	\$0
Sep-21	3,480,600	6,384	545.2	602.0	(56.8)	\$0.2288	(\$82,965)		(\$82,965)	\$0	\$0
Oct-21	4,653,200	6,428	723.9	1,143.8	(419.9)	\$0.2421	(\$653,456)	(\$665,315)	\$11,859	\$0	\$0
Nov-21	12,858,581	6,479	1,984.7	1,801.4	183.3	\$0.2421	\$287,518	\$49,004	\$238,514	\$0	\$0
Dec-21	15,400,784	6,499	2,369.7	2,670.3	(300.6)	\$0.2421	(\$472,966)	(\$1,081,406)	\$608,440	\$0	\$0
Jan-22	23,862,006	6,523	3,658.1	3,201.7	456.4	\$0.2421	\$720,755	\$714,218	\$6,537	\$0	\$0
Feb-22	17,806,767	6,564	2,712.8	2,700.7	12.1	\$0.2421	\$19,229	(\$175,185)	\$194,414	\$0	\$0
Mar-22	14,622,791	6,562	2,228.4	2,198.0	30.4	\$0.2421	\$48,295	(\$443,798)	\$492,093	\$0	\$0
Apr-22	10,238,139	6,564	1,559.7	1,292.9	266.8	\$0.2421	\$423,984	\$8,219	\$415,765	\$0	\$0
May-22	4,898,397	6,545	748.4	781.5	(33.1)	\$0.2421	(\$52,448)	(\$182,728)	\$130,280	\$0	\$0
Jun-22	3,461,559	6,523	530.7	514.5	16.2	\$0.2421	\$25,583		\$25,583	\$0	\$0
Total	117,944,742		18,105.2	17,964.5	140.7		\$242,932	(\$1,776,991)	\$2,019,923	\$0	\$0

* Customer counts are based on monthly accounting report plus, per the Tariff, adjustment for large customers added after the most recent rate case

** Individual customer billings at the tariff rate yields the dollars recovered, inclusive of rate proration or cancel/rebills, if any.

ELIZABETHTOWN GAS COMPANY
Weather Normalization Margin Calculation for CIP use
Without The Dead Band *

CIP Schedule TK-3
Consisting of 3 pages
12+0 Update

Month	Actual	Normal ^(a)	% (Warmer)		Season %	Degree	Variance	Margin	Margin	Allocation per 2019 Rate Case to :		
	Calendar	Calendar	(Warmer)	(Warmer)	(Warmer)	Day			Revenue	RDS	SGS	GDS
	Degree	Degree	/ Colder	/ Colder	/ Colder	Consumption	in Therms	Revenue	Excess /	74.4%	5.6%	20.0%
	Days	Days	Normal	Normal	Normal	Factor ^(b)		Factor ^(c)	(Deficiency)			
Oct-21	80	244	(164)	(67.2%)	(67.2%)	53,183	(8,722,012)	\$0.3814	(\$3,326,575)	(\$2,474,972)	(\$186,288)	(\$665,315)
Nov	526	516	10	1.9%	(20.3%)	64,242	642,420	\$0.3814	\$245,019	\$182,294	\$13,721	\$49,004
Dec	628	828	(200)	(24.2%)	(22.3%)	70,884	(14,176,800)	\$0.3814	(\$5,407,032)	(\$4,022,832)	(\$302,794)	(\$1,081,406)
Jan-22	1,132	998	134	13.4%	(8.5%)	69,874	9,363,116	\$0.3814	\$3,571,092	\$2,656,892	\$199,981	\$714,218
Feb	796	829	(33)	(4.0%)	(7.4%)	69,594	(2,296,602)	\$0.3814	(\$875,924)	(\$651,687)	(\$49,052)	(\$175,185)
Mar	600	689	(89)	(12.9%)	(8.3%)	65,371	(5,818,019)	\$0.3814	(\$2,218,992)	(\$1,650,930)	(\$124,264)	(\$443,798)
Apr	357	355	2	0.6%	(7.6%)	53,871	107,742	\$0.3814	\$41,093	\$30,573	\$2,301	\$8,219
May	<u>77</u>	<u>120</u>	<u>(43)</u>	<u>(35.8%)</u>	<u>(8.4%)</u>	<u>55,709</u>	<u>(2,395,487)</u>	<u>\$0.3814</u>	<u>(\$913,639)</u>	<u>(\$679,747)</u>	<u>(\$51,164)</u>	<u>(\$182,728)</u>
Total	4,196	4,579	(383)				<u>(23,295,642)</u>		<u>(\$8,884,958)</u>	(\$6,610,409)	(\$497,559)	(\$1,776,991)

(a) Degree Days as set forth in Tariff.

(b) Degree Day Consumption Factor from the prior year calculation on Sch. TK-4.

(c) Margin Revenue Factor as set forth in Tariff.

*For CIP the Dead Band is 0.0% of the Monthly Normal Calendar Degree Days

ELIZABETHTOWN GAS COMPANY
Weather Normalization Therms per HDD for CIP use

Development of the Normalized Degree Day Consumption Usage Factor
October 2022 through May 2023

<u>Month</u>	<u>Normalized Projected Heat Load (1) (therms)</u>	<u>Base Number of Customers (2)</u>	<u>Therms Per Customer</u>	<u>Number of Customers (3)</u>	<u>Annualized Projected Heat Load (therms)</u>	<u>Normal HDDs (4)</u>	<u>Annualized Consumption Therms Per HDD</u>
<u>a</u>	<u>b</u>	<u>c</u>	<u>d=b/c</u>	<u>e</u>	<u>f=d*e</u>	<u>g</u>	<u>h=f/g</u>
				Estimate May 2022			
Oct-22	12,586,818	293,159	42.93512	306,000	13,138,147	244	53,845
Nov	32,226,642	293,834	109.67635	306,000	33,560,963	516	65,041
Dec	57,214,418	294,633	194.18876	306,000	59,421,761	828	71,765
Jan-23	68,077,503	295,059	230.72505	306,000	70,601,865	998	70,743
Feb	56,372,689	295,322	190.88550	306,000	58,410,963	829	70,460
Mar	44,032,417	295,477	149.02147	306,000	45,600,570	689	66,184
Apr	18,674,159	295,126	63.27521	306,000	19,362,214	355	54,541
May	6,513,470	294,483	22.11832	306,000	6,768,206	120	56,402

1) Based on determinants used in the calculation of Therms per Degree Day approved in the 2019 base rate case, with a non-leap year HDD pattern for the months of February through May.

2) Base number of customers as approved in the 2019 base rate case.

3) Current Year May 31st customer count for those classes subject to the WNC clause.

4) 20-year 1999-2019 monthly normal heating degree days (base 65°F); represents a non leap-year pattern.

ELIZABETHTOWN GAS COMPANY
Weather Normalization Clause (WNC) True-Up for CIP use

Calculation of Prior Year Recovery Balance
June 30, 2022

1	Prior Year Excess / (Deficient) Revenues at June 30, 2021				(\$5,347,919)
2	Prior Year Excess / (Deficient) Balance				(\$162,002)
3	Adjusted Excess / (Deficient) Revenues (L1+L2)				<u>(\$5,509,921)</u>
4	Current Recovery / (Refund) to RDS , SGS and GDS Customer Classes:				
		<u>Therms*</u>	<u>Rate w/o Tax*</u>		
	July-21	-	-	\$	\$4,260
	August-21	-	-	\$	\$6,686
	September-21	-	-	\$	\$2,352
	October-21	10,211,866	0.0091	\$	\$92,967
	November-21	22,543,813	0.0160	\$	\$360,050
	December-21	48,601,444	0.0159	\$	\$775,049
	January-22	65,066,621	0.0160	\$	\$1,040,542
	February-22	71,269,101	0.0160	\$	\$1,139,496
	March-22	58,150,863	0.0160	\$	\$928,660
	April-22	38,837,286	0.0159	\$	\$618,914
	May-22	23,303,295	0.0158	\$	\$369,318
	June-22	-	-	\$	\$107,195
		<u>337,984,289</u>			<u>\$5,445,489</u>
5	Total Excess / (Deficient) Revenues (L3+L4)				<u><u>(\$64,432)</u></u>

* Therms and Rates are shown when a WNC rate is in effect. The WNC rate, when approved, is not in effect during the non-winter months of June - September, however, activity can occur in all periods for customer billing adjustments and in the case of June recoveries/(refunds) from pro-rating and billing May consumption in June when a rate is in effect. The rate presented is derived from dividing that amount by the therms in months when a WNC rate is in effect, as such rounding differences to the tariff / billing rate may result.

ELIZABETHTOWN GAS COMPANY
Conservation Incentive Program ("CIP")

CIP Schedule TK-4
12+0 Update

BGSS Savings Test
Applicable to Non-Weather Margin Revenue Deficiencies

	Total
BGSS Savings (Schedule LJW-18 <i>times</i> -1)	<u><u>(\$3,051,292)</u></u>
Non-Weather: Current Period - Margin Revenue Excess / (Deficiency), (TK-1)	\$6,764,823
BGSS Saving per 75% Factor:	<u>75%</u>
Current Period - Margin Revenue Excess / (Deficiency), (TK-2)	<u>\$5,073,617</u>
BGSS Savings Test Disallowance, applicable for Deficiency Only	<u><u>\$0</u></u>

ELIZABETHTOWN GAS COMPANY
Conservation Incentive Program ("CIP")

Variable Margin Test Per Base Use per Customer
Applicable to Non-Weather Margin Revenue Deficiencies

	RDS	SGS	GDS	Total
Variable Margins: customer count * BUC * pre-tax margin rates:				
Jul-21	\$1,692,989	\$113,246	\$768,917	\$2,575,152
Aug-21	\$1,698,952	\$116,107	\$775,902	\$2,590,961
Sep-21	\$1,818,444	\$150,012	\$879,317	\$2,847,773
Oct-21	\$4,913,892	\$372,696	\$1,780,003	\$7,066,591
Nov-21	\$10,806,458	\$804,746	\$2,825,615	\$14,436,819
Dec-21	\$17,777,929	\$1,500,715	\$4,201,471	\$23,480,115
Jan-22	\$22,247,811	\$1,922,658	\$5,056,183	\$29,226,652
Feb-22	\$19,040,124	\$1,603,307	\$4,291,802	\$24,935,233
Mar-22	\$15,126,328	\$1,134,074	\$3,491,875	\$19,752,277
Apr-22	\$7,400,056	\$490,986	\$2,054,605	\$9,945,647
May-22	\$2,883,503	\$217,935	\$1,238,322	\$4,339,760
Jun-22	\$1,641,074	\$134,141	\$812,508	\$2,587,723
Total	\$107,047,560	\$8,560,623	\$28,176,520	\$143,784,703
	74.4%	6.0%	19.6%	

Margin Revenue Test Variable, Percentage Cap:	(4.00%)
Margin Revenue Test Recovery Cap, on Non-Weather CIP Deficiency	(\$5,751,388)

Non-Weather: Current Period - Margin Revenue (Deficiency Only), (TK-1)	\$0
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Margin Revenue Test Deferral, if applicable deferred for future recovery.	\$0
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Allocation of Test Deferral to a future Period, if any:	\$0	\$0	\$0	\$0
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Variable Margin calculations per Board Order Dated April 7, 2021 in Docket Nos. QO19010040 and GO20090619.

ELIZABETHTOWN GAS COMPANY
Conservation Incentive Program ("CIP")
Earnings Test

	July-21	Actual Through	June-22	
1 Regulated Jurisdictional Net Income Excess / (Deficiency):				
Net Income (including Booked CIP margin revenue, net of tax)			\$50,943,412	
less: non-recurring items, income / (loss) net of tax (1)			\$7,879,153	
less: CIP Booked Accrual for Margin Revenue Excess / (Deficiency) net of tax			<u>(\$1,524,166)</u>	
Net Income after adjustments			\$44,588,425	
2 Less:				
Non-firm Sales & Transportation margins, net of tax			\$174,772	
Off-system Sales & Capacity Release, net of tax			\$78,064	
Energy Efficiency Program margins, net of tax			<u>\$1,295,984</u>	
			\$1,548,820	
3 Regulated Jurisdictional Net Income				\$43,039,605
4 Equity Balances, per rate case methodology:				
		<u>June-21</u>	<u>June-22</u>	
Rate Base		\$1,238,297,088	\$1,418,962,466	
Equity %		51.50%	51.50%	
Annual and Average Equity		<u>\$637,723,000</u>	<u>\$730,765,670</u>	<u>\$684,244,335</u>
5 Rate of Return on Equity, 2019 Rate Case, plus 50 basis points			<u>10.10%</u>	
6 Allowed Return (L4*L5)				<u>\$69,108,678</u>
7 Regulated Jurisdictional Net Income Excess / (Deficiency) (L7-L 3)				<u>(\$26,069,073)</u>
<u>Net Booked CIP Margin Revenue Excess / (Deficiency):</u>				
8 Total of RDS, SGS & GDS Margin Revenues			(\$2,120,136)	
9 Less: Corporate Business Tax		9.0%	(\$190,812)	
10 Federal Income Tax		21.0%	<u>(\$405,158)</u>	
11 Net CIP Margin Revenue Excess / (Deficiency) (L8-L9-L10)				<u>(\$1,524,166)</u>
<u>Revenue Disallowance:</u>				
12 Net Income Disallowance, (L7-L11)				\$0
{Occurs when a Deficiency on L12 exceeds a Deficiency on L8.}				
13 Tax Gross Up Factor				28.11%
14 Grossed Up Net Income Disallowance, (L12/(1-L13))				<u>\$0</u>
15 CIP Revenue Disallowance, (smaller of absolute (L8 and L14))				<u>\$0</u>

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

ELIZABETHTOWN GAS COMPANY
Conservation Incentive Program ("CIP")
Statement of Rate Base

Line No.	2019 Rate Case Settlement	June-21	June-22
1	Utility Plant In Service	\$1,506,452,511	\$1,802,791,803
2	Accumulated Depreciation, Utility Retirement WIP	(\$316,111,015)	(\$337,159,602)
3	Acquisition Adjustment	(\$160,000,000)	(\$160,000,000)
4	Amortization of Acquisition Adjustment	\$0	\$41,999,990
5	Net Utility Plant	\$1,030,341,496	\$1,566,235,380
6			
7	Pension/OPEB	\$35,934,019	\$29,249,746
8	Cash Working Capital ⁽¹⁾	\$21,348,848	\$21,348,848
9	Inventories ⁽²⁾		
10	Natural Gas Stored Underground and LNG	\$12,494,353	\$15,132,498
11	Materials & Supplies incl. Fleet Fuel and Propane Inv.	\$350,780	\$499,901
12	Customer Deposits ⁽²⁾	(\$3,603,624)	(\$4,713,886)
13	Customer Advances ⁽²⁾	(\$1,230,614)	(\$1,787,735)
14	Deferred Income Taxes:		
15	Excess Protected ADIT	(\$81,032,611)	(\$78,110,318)
16	Federal Income Tax	(\$17,468,836)	(\$86,944,697)
17	NJ CBT	(\$7,823,900)	(\$40,947,271)
18	Consolidated Tax Adjustment ⁽¹⁾	(\$1,000,000)	(\$1,000,000)
19			
20	Total Rate Base	\$988,309,911	\$1,418,962,466

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

⁽²⁾ Represents thirteen month averages of account balances