



Agenda Date: 11/21/25

Agenda Item: 21

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF)	DECISION AND ORDER
ELIZABETHTOWN GAS COMPANY FOR APPROVAL)	APPROVING STIPULATION
OF A RATE ADJUSTMENT PURSUANT TO THE)	
INFRASTRUCTURE INVESTMENT PROGRAM ("IIP"))	DOCKET NO. GR25040222

Parties of Record:

Dominick DiRocco, Esq., Vice President, Rates & Regulatory Affairs, SJL Utilities, Inc.
Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On April 30, 2025, Elizabethtown Gas Company ("ETG" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board") seeking rate adjustments to recover annualized increases in the Company's revenue requirement associated with the Company's Infrastructure Investment Program Extension ("IIP Extension") ("Petition"). By this Decision and Order, the Board considers a stipulation of settlement ("Stipulation") executed by ETG, Board Staff ("Staff"), and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, "Parties") intended to resolve the Company's requests contained within the Petition.

BACKGROUND AND PROCEDURAL HISTORY

By Order dated July 24, 2024, the Board authorized ETG to invest up to \$120 million ("Program Cost Cap") in the Company's IIP Extension over an eighteen (18)-month period, from July 1, 2024 through December 31, 2025, to replace up to seventy-five (75) miles of cast iron and bare steel mains and related services, and install excess flow valves on new service lines ("IIP Extension Projects").¹ The Petition reflects investments associated with the in-service IIP Extension Projects during the first year of the IIP Extension which covers the period July 1, 2024 through June 30, 2025.

¹ In re the Petition of Elizabethtown Gas Company to Implement an Infrastructure Investment Program ("IIP") and Associated Recovery Mechanism Pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:3-2A, and In re the Petition of Elizabethtown Gas Company to Implement an Infrastructure Investment Program ("IIP") and Associated Recovery Mechanism Pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:3-2A, BPU Docket Nos. GR18101197 and GR23120882, Order dated July 24, 2024 ("IIP Extension Order").

Petition

By the Petition, the Company included actual IIP Extension investment data through March 31, 2025 and projected data through June 30, 2025. The Company sought to recover an IIP revenue requirement of approximately \$7.7 million, excluding Sales and Use Tax ("SUT"), associated with actual and projected IIP Extension investments of approximately \$67.0 million of plant in service, excluding Allowance for Funds Used During Construction ("AFUDC") and the cost of the IIP Independent Monitor.

The Company also proposed an update to the Margin Revenue Factor ("MRF") set forth in the Company's Weather Normalization Clause, or Rider B, to the Company's tariff. The MRF is used for purposes of calculating the weather-related portion of the Conservation Incentive Program rates in Rider G to the Company's tariff.

On July 15, 2025, the Company provided updated schedules with actual data through June 30, 2025 ("July 2025 Update"), thereby modifying the requested revenue requirement to approximately \$8.8 million, excluding SUT, associated with approximately \$76.5 million of plant in-service, excluding AFUDC and the cost of the IIP Independent Monitor.

Below is a chart setting forth the calculation of the \$8.8 million revenue requirement.

Revenue Requirement Roll In	
	Actuals through June 2025
Plant In Service (excluding AFUDC)	\$76,458,373
Monitor	\$63,000
AFUDC	\$427,708
Total Plant In Service	\$76,949,081
Book Depreciation, half year	-\$767,398
Deferred Income Tax	-\$595,424
Rate Base	\$75,586,259
Rate of Return- net of tax	6.93%
Return on Rate Base	\$5,238,128
O&M Reduction for Leak Repairs	-\$64,701
Depreciation Exp. net of tax	\$1,103,365
Allowable Net Income	\$6,276,792
Revenue Factor	1.407347
Revenue Requirement	\$8,833,624

Following publication of proper notice, two (2) virtual public hearings were held on August 28, 2025 at 4:30 p.m. and 5:30 p.m. One (1) member of the public attended, but did not provide comments. Additionally, the Board received no written comments in this matter.

STIPULATION

Following a review of the Petition, July 2025 Update and discovery responses, the Parties executed the Stipulation, which provides for the following:²

7. The Parties acknowledge that the Company's tariff will be updated to reflect the proposed IIP and MRF rates as shown in Appendix A attached to the Stipulation. The stipulated IIP and MRF rates are calculated in Appendix B attached to the Stipulation. The tariff rates will become effective upon Board approval and shall be provisional, subject to refund, as set forth in the IIP Extension Order. The prudence of the IIP Extension Projects placed in service during the period July 1, 2024 through June 30, 2025 will be reviewed by Staff and Rate Counsel in a future ETG base rate proceeding.

Effective Rates

8. Upon Board approval, the Company will implement its IIP and MRF rates as shown in Appendix A to the Stipulation and these rates shall remain in effect until changed by Order of the Board. The impact of the proposed rider rates for a residential customer using 100 therms per month, inclusive of SUT, will result in a monthly bill increase of \$2.28 from \$158.54 to \$160.82, or 1.4%, based upon rates in effect on July 1, 2025.

Future Filings

9. The Company's future Annual Filings for cost recovery shall continue to comply with the June 12, 2019 Order.³
10. The Parties agree to use a rate base earnings test as approved by the Board via Order dated August 17, 2022.⁴

All Issues Resolved

11. If the Board approves the Stipulation in its entirety, all issues concerning the Petition are deemed resolved for purposes of this proceeding but remain subject to audit by the Board and a prudence review in future base rate cases.

² Although summarized herein, should there be any contradiction between the terms of this summary and the terms of the Stipulation, the terms of the Stipulation control, subject to the findings and conclusions in this Order. Paragraphs are numbered to coincide with the Stipulation.

³ In re the Petition of Elizabethtown Gas Company to Implement an Infrastructure Investment Program ("IIP") and Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:3-2A, BPU Docket No. GR18101197, Order dated June 12, 2019.

⁴ In re 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, Order dated August 17, 2022.

DISCUSSION AND FINDINGS

The Board carefully reviewed the record in this proceeding, including the Petition, the July 2025 Update, and the Stipulation. The Board **HEREBY FINDS** the Stipulation to be reasonable, in the public interest and in accordance with the law. Therefore, the Board **HEREBY ADOPTS** the Stipulation in its entirety, and **HEREBY INCORPORATES** its terms and conditions as if fully set forth herein.

The Board **HEREBY APPROVES** the rates reflected in the Stipulation, on a provisional basis, subject to refund and review for prudence in a future base rate case, effective for services rendered on and after December 1, 2025.

As a result of the Stipulation, a typical residential customer using 100 therms will see an increase in their monthly bill of \$2.28.

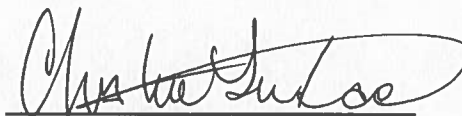
The Board **HEREBY ORDERS** the Company to file the appropriate revised tariff sheets consistent with the terms of this Order on or before November 28, 2025.

The Company's costs, including those related to the IIP Extension, remain subject to audit by the Board. This Decision and Order shall not preclude, nor prohibit, the Board from taking any actions determined to be appropriate as a result of any such audit.

This Board Order shall be effective on November 21, 2025.

DATED: November 21, 2025

BOARD OF PUBLIC UTILITIES
BY:


CHRISTINE GUHL-SADOVY
PRESIDENT


DR. ZENON CHRISTODOULOU
COMMISSIONER


MICHAEL BANGE
COMMISSIONER

ATTEST:


SHERRI L. LEWIS
BOARD SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the 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")

DOCKET NO. GR25040222

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November 3, 2025

Sherri Lewis, Board Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue
Trenton, NJ 08625

**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. GR25040222**

Dear Secretary Lewis:

Enclosed for filing in the above-referenced proceeding is a Stipulation executed by representatives of Elizabethtown Gas Company, the Staff of the Board of Public Utilities and the Division of Rate Counsel. It is respectfully requested that the Board consider the Stipulation at its November 21, 2025 agenda meeting.

Should you have any questions, please do not hesitate to contact me.

Respectfully submitted,

A handwritten signature in black ink that reads "Dominick DiRocco". The signature is fluid and cursive, with a horizontal line extending from the end.

Dominick DiRocco

DD:slp
Enclosures

cc: Service List

**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. GR25040222**

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**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. GR25040222**

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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	BPU Docket No. GR25040222 STIPULATION OF SETTLEMENT
	:	
	:	
	:	
	:	
	x	

APPEARANCES:

Dominick DiRocco, Esq., Vice President, Rates & Regulatory Affairs, SJJ Utilities, Inc. for Petitioner, Elizabethtown Gas Company

Maura Caroselli, Esq., Deputy Rate Counsel, and **Megan C. Lupo, Esq.**, Assistant Deputy Rate Counsel and **Andrew Kuntz, Esq.**, Assistant Deputy Rate Counsel, for the New Jersey Division of Rate Counsel (**Brian O. Lipman, Esq.**, Director)

Jordan K. Mitchell, Esq., Deputy Attorney General, for Staff of the New Jersey Board of Public Utilities (**Matthew J. Platkin**, Attorney General of the State of New Jersey)

TO THE HONORABLE COMMISSIONERS OF THE BOARD OF PUBLIC UTILITIES:

This Stipulation of Settlement (“Stipulation”) addresses the petition filed by Elizabethtown Gas Company (“Elizabethtown” or “Company”) with the New Jersey Board of Public Utilities (“Board” or “BPU”) on April 30, 2025 (“Petition”), and subsequently updated on July 15, 2025 (“July 2025 Update”), for rate adjustments related to the cost recovery associated with the Company’s Infrastructure Investment Program (“IIP”). By Order dated June 12, 2019, the Board approved the IIP.¹ By Order dated July 24, 2024, the Board extended the IIP.²

¹ *In re the Petition of Elizabethtown Gas Company to Implement an Infrastructure Investment Program (“IIP”) and Associated Recovery Mechanism Pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:3-2(a)*, BPU Docket No. GR18101197, Order dated June 12, 2019.

² *In re the Petition of Elizabethtown Gas Company to Implement an Infrastructure Investment Program (“IIP”) and Associated Recovery Mechanism Pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:3-2A*, BPU Docket Nos. GR18101197 and GR23120882, Order dated July 24, 2024 (“IIP Extension Order”).

I. PROCEDURAL HISTORY

1. By the IIP Extension Order, the Board authorized the Company to extend the IIP for eighteen (18) months commencing July 1, 2024 and continuing until December 31, 2025 (“Period”), except for close-out work. The IIP Extension Order authorized the Company to invest up to \$120 million excluding Accumulated Funds Used During Construction (“AFUDC”) and Independent Monitor costs, over the Period to replace at least seventy-five (75) miles of low-pressure cast iron pipe and/or steel pipe segments which have been identified as “high risk” in accordance with the Company’s Distribution Integrity Management Plan (“DIMP”) and associated services for all pipe replacement, as well as the installation of excess flow valves where gas service line replacements require them (“IIP Extension Projects”). The Board also approved an associated cost recovery mechanism effectuated by annual rate adjustment filings (“Annual Filings”) made in April of each year with “9&3 Schedules” through June 30 reporting nine (9) months of actual data and three (3) months of projected data; and with “12&0” updates filed by July 15th of each year including twelve (12) months of actual data.

2. On April 30, 2025, the Company filed the Petition, seeking approval of a rate adjustment to provide for the cost recovery associated with IIP Extension Projects placed in-service from July 1, 2024 through June 30, 2025, as well as certain IIP Extension non-construction expenditures, such as planning and engineering of IIP Extension Projects. By the Petition, the Company provided actual IIP Extension investment data for the period July 1, 2024 through March 31, 2025 and forecasted data for the period April 1, 2025 through June 30, 2025. The Company also proposed an update to the Margin Revenue Factor (“MRF”) set forth in the Company’s Weather Normalization Clause (“WNC”), or Rider B, to the Company’s tariff. The MRF is used

for purposes of calculating the weather-related portion of the Conservation Incentive Program (“CIP”) rates in Rider G to the Company’s tariff.

3. By the Petition, the Company sought Board authority to recover an IIP revenue requirement of approximately \$7.7 million, excluding Sales and Use Tax, associated with actual and projected IIP Extension Projects of approximately \$67.0 million of plant in service, excluding AFUDC and the cost of the Independent Monitor. The impact of the rates proposed in the Petition for a residential customer using 100 therms per month, inclusive of sales and use tax, amounted to a monthly bill increase of \$1.99, from \$156.28 to \$158.27, or 1.3%, compared to rates in effect on April 1, 2025. The IIP Extension Projects, revenue requirement, and rate adjustment were supported by the direct testimony of Thomas Kaufmann, Manager, Rates and Tariffs and Michael Scacifero, Senior Director, Engineering Services.

4. On July 10, 2025, the Company filed Direct Testimony of John Gruenling, Manager, Engineering Services for Elizabethtown Gas Company, which adopted the testimony, schedules and discovery responses of Michael P. Scacifero filed in this proceeding.

5. On July 15, 2025, the Company filed the 12&0 Update with a full year of actual IIP Extension investment data through June 30, 2025 that supported a revenue requirement of approximately \$8.8 million, excluding Sales and Use Tax, associated with approximately \$76.5 million of plant in service, excluding AFUDC and Independent Monitor costs. As a result of the 12&0 Update, the impact of the proposed rate for a residential customer using 100 therms per month, inclusive of sales and use tax, amounted to a monthly bill increase of \$2.28, from \$158.54 to \$160.82, or 1.4%, based upon rates in effect on July 1, 2025. The proposed MRF was also revised as part of the 12&0 Update.

6. Notices setting forth the requested rate change and date of the public hearings were placed in newspapers of general circulation within Elizabethtown's service territory and served upon the appropriate county officials and clerks of all municipalities within the Company's service territory. The public hearings were held virtually on August 28, 2025, at 4:30 p.m. and 5:30 p.m. One member of the public attended, but did not provide any comments, and the Board received no written comments regarding this matter.

II. STIPULATED MATTERS

7. Elizabethtown, Board Staff, and the New Jersey Division of Rate Counsel ("Rate Counsel") are the only parties to this proceeding (collectively, "Parties"). The Parties acknowledge that the Company's tariff will be updated to reflect the proposed IIP and MRF rates as shown in Appendix A attached hereto. The stipulated IIP and MRF rates are calculated in Appendix B attached hereto. The tariff rates will become effective upon Board approval and shall be provisional, subject to refund, as set forth in the IIP Extension Order.³ The prudence of the IIP Extension Projects placed in service during the period July 1, 2024 through June 30, 2025 will be reviewed by Board Staff and Rate Counsel in a future Elizabethtown base rate proceeding.

Effective Rates

8. Upon Board approval, the Company will implement its IIP and MRF rates as shown in Appendix A to this Stipulation and these rates shall remain in effect until changed by Order of the Board. The impact of the proposed rider rates for a residential customer using 100 therms per month, inclusive of Sales and Use Tax, will result in a monthly bill increase of \$2.28 from \$158.54 to \$160.82, or 1.4%, based upon rates in effect on July 1, 2025.

³ IIP Extension Order at 9.

Future Filings

9. The Company's future Annual Filings for cost recovery shall continue to comply with the IIP Order.

10. The Parties agree to use a rate base earnings test as approved by the Board via Order dated August 17, 2022.⁴

All Issues Resolved

11. If the Board approves this Stipulation in its entirety, all issues concerning the Petition are deemed resolved for purposes of this proceeding but remain subject to audit by the Board and a prudence review in future base rate cases.

Entirety of Stipulation

12. This Stipulation represents a mutual balancing of interests and, therefore, is intended to be accepted and approved in its entirety. If the Board does not adopt this Stipulation in its entirety by Order, any Party hereto is free to pursue its then-available legal remedies with respect to all issues in this Stipulation as though this Stipulation had not been signed.

Binding Effect

13. It is the intent of the Parties that the provisions hereof be approved by the Board as appropriate because they are in the public interest. The Parties further agree that they consider this Stipulation to be binding on them for all purposes herein.

General Reservation

14. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of this proceeding. Except

⁴ *In re 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, Order dated August 17, 2022 ("2021 Rate Case Order").

as expressly provided herein, the Parties shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein. This Stipulation shall not be cited as precedent except for the purpose of enforcing its terms. All rates remain subject to audit by the Board.

WHEREFORE, the Parties hereto do respectfully submit this Stipulation and request that the Board issue a Decision and Order approving it in its entirety, in accordance with the terms hereof.

ELIZABETHTOWN GAS COMPANY

**BRIAN O. LIPMAN,
DIRECTOR,
DIVISION OF RATE COUNSEL**



By: _____
Dominick DiRocco, Esq.
Vice President, Rates & Regulatory Affairs

By: Megan C. Lupo
Megan C. Lupo, Esq.
Assistant Deputy Rate Counsel

MATTHEW J. PLATKIN
ATTORNEY GENERAL OF THE STATE OF NEW JERSEY
Attorney for the Staff of the New Jersey Board of Public Utilities

By: Jordan K. Mitchell
Jordan K. Mitchell, Esq.
Deputy Attorney General

Dated: October 31, 2025

BPU Docket No. GR25040222

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 for purposes of calculating the weather-related portion of the CIP are as follows:

<u>Month</u>	<u>Base Number of Customers</u>	<u>Therms per Degree Day</u>
October	313,804	51,924
November	314,658	62,695
December	315,462	69,188
January	314,902	68,423
February	315,199	65,801
March	315,468	63,989
April	315,682	52,634
May	315,867	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 \$0.6096 per therm pre taxes 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

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	\$0.0402
SGS	Small General Service	\$0.0418
GDS	General Delivery Service	\$0.0301
GDS	Seasonal SP#1 May-Oct	\$0.0036
NGV	Natural Gas Vehicles	\$0.0232
LVD	Large Volume Demand	\$0.0118
EGF	Electric Generation	\$0.0301
GLS	Gas Lights	\$0.0384
	Firm Special Contracts	\$0.0012

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.

Cost recovery under the IIP is contingent on an earnings test. If the product of the earnings test calculation exceeds the Company's most recently approved ROE by fifty (50) basis points or more, cost recovery under the IIP shall not be allowed. Any disallowance resulting from the earnings test will not be charged to customers in a subsequent IIP filing period, but the Company may seek such recovery in a subsequent base rate case.

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

REDLINE

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 for purposes of calculating the weather-related portion of the CIP are as follows:

<u>Month</u>	<u>Base Number of Customers</u>	<u>Therms per Degree Day</u>
October	313,804	51,924
November	314,658	62,695
December	315,462	69,188
January	314,902	68,423
February	315,199	65,801
March	315,468	63,989
April	315,682	52,634
May	315,867	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.~~5656~~ 6096 per therm pre taxes for purposes of calculating the weather-related portion of the CIP.

Date of Issue: ~~November 26, 2024~~ XXX1Effective: Service Rendered
on and after ~~December 1,~~
2024XXX2Issued by: Christie McMullen, President
520 Green Lane
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities

Dated ~~November 21, 2024~~ XXX3 in Docket No. ~~GR24020158~~ XXX4

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	\$0.0402 \$0.0174
SGS	Small General Service	\$0.0418 \$0.0187
GDS	General Delivery Service	\$0.0301 \$0.0136
GDS	Seasonal SP#1 May-Oct	\$0.0036 \$0.0016
NGV	Natural Gas Vehicles	\$0.0232 \$0.0320
LVD	Large Volume Demand	\$0.0118 \$0.0049
EGF	Electric Generation	\$0.0301 \$0.0136
GLS	Gas Lights	\$0.0384 \$0.0164
	Firm Special Contracts	\$0.0012 \$0.0007

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.

Cost recovery under the IIP is contingent on an earnings test. If the product of the earnings test calculation exceeds the Company's most recently approved ROE by fifty (50) basis points or more, cost recovery under the IIP shall not be allowed. Any disallowance resulting from the earnings test will not be charged to customers in a subsequent IIP filing period, but the Company may seek such recovery in a subsequent base rate case.

Date of Issue: ~~November 26, 2024~~ ~~XXX1~~

Effective: Service Rendered
on and after ~~December 1,~~
~~2024~~ ~~XXX2~~

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

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~November 21, 2024~~ ~~XXX3~~ in Docket No. ~~GR24020158~~ ~~XXX4~~

ELIZABETHTOWN GAS COMPANY
Infrastructure Investment Program Extension ("IIP X")
Weather Normalization Clause ("WNC") Margin Revenue Factor ("MRF")
For Conservation Incentive Program (CIP) to Determine Weather and Non-Weather Amounts

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						
RDSH	\$0.6991	\$0.0434	\$0.6557	232,220,627	62.662%	\$0.4109
RDSNH	\$0.6991	\$0.0434	\$0.6557	6,800,640	1.835%	\$0.0120
RDS	\$0.6991	\$0.0434	\$0.6557	239,021,267	64.497%	\$0.4229
SGS	\$0.5562	\$0.0346	\$0.5216	23,125,180	6.240%	\$0.0325
GDS	\$0.3457	\$0.0215	\$0.3242	108,446,370	29.263%	\$0.0949
				370,592,817	100.00%	\$0.5503
IIP Rates						
RDSH	\$0.0402	\$0.0025	\$0.0377	232,220,627	62.662%	\$0.0236
RDSNH	\$0.0402	\$0.0025	\$0.0377	6,800,640	1.835%	\$0.0007
RDS	\$0.0402	\$0.0025	\$0.0377	239,021,267	64.497%	\$0.0243
SGS	\$0.0418	\$0.0026	\$0.0392	23,125,180	6.240%	\$0.0024
GDS	\$0.0301	\$0.0019	\$0.0282	108,446,370	29.263%	\$0.0083
				370,592,817	100.00%	\$0.0593
Total WNC- MRF						\$0.6096

* Per the Company's 2024 Rate Case in BPU Docket No. GR24020158, Order dated November 21, 2024, October through May.

ELIZABETHTOWN GAS COMPANY
Infrastructure Investment Program Extension (“IIP X”)
Proposed Rates - October 1, 2025

		Current Rates *	2024 Rate Case % of Base	Target Revenue	Revenue per Proof	2024 Rate Case Distribution	Pre Tax Rates	Sales Tax	Proposed Rates	Incremental Changes
		<u>w/ Tax</u>	<u>Revenues</u>			<u>Therms</u>	<u>per Proof</u>	<u>6.625%</u>	<u>w/ Tax</u>	<u>w/ Tax</u>
RDS	Residential	\$0.0174	66.256788%	\$9,972,695	\$9,975,670	264,606,623	\$0.0377	\$0.0025	\$0.0402	\$0.0228
SGS	Small General Service	\$0.0187	6.628081%	\$997,631	\$998,850	25,480,871	\$0.0392	\$0.0026	\$0.0418	\$0.0231
GDS	General Delivery Service	\$0.0136	23.315460%	\$3,509,346	\$3,505,304	124,301,572	\$0.0282	\$0.0019	\$0.0301	\$0.0165
GDS	GDS SP#1 May -Oct	\$0.0016	0.000435%	\$65	\$65	19,185	\$0.0034	\$0.0002	\$0.0036	\$0.0020
NGV	Natural Gas Vehicles **	\$0.0320	0.016891%	\$2,542	\$2,541	116,571	\$0.0218	\$0.0014	\$0.0232	(\$0.0088)
LVD	Large Volume Demand	\$0.0049	3.646968%	\$548,926	\$548,698	49,432,246	\$0.0111	\$0.0007	\$0.0118	\$0.0069
EGF	Electric Generation	\$0.0136	0.000000%	\$0	\$0	-	\$0.0282	\$0.0019	\$0.0301	\$0.0165
GLS	Gas Lights	\$0.0164	0.000550%	\$83	\$83	2,304	\$0.0360	\$0.0024	\$0.0384	\$0.0220
SPC	Firm Spec. Contracts	\$0.0007	0.134827%	\$20,294	\$20,180	18,345,133	\$0.0011	\$0.0001	\$0.0012	\$0.0005
				<u>\$15,051,582</u>	<u>\$15,051,391</u>	<u>482,304,505</u>				
				<i>difference</i>	<i>(\$191)</i>	-				

* 2024 Rate Case Docket No. GR24020158, Order Dated 11-21-24, rates effective 12-1-24.

** NGV rate movement due to adjusting the Revenue Allocation to only distribution revenues, see Schedule TK-3.

ELIZABETHTOWN GAS COMPANY
Infrastructure Investment Program Extension (“IIP X”)
Proof of Revenue - Rider F Rates
Proposed Rates - October 1, 2025
\$15,051,582

		2024 Rate Case		Proposed Rates and Revenue	
		<u>Therms</u>	<u>Target Revenue</u>	<u>Pre Tax Rates</u>	<u>Proof Revenue</u>
			<i>=Sch TK-3 Rev Alloc</i>	<i>=Target Rev/ Therms</i>	<i>=Therms * Rates</i>
RDS	Residential	264,606,623	\$9,972,695	\$0.0377	\$9,975,670
SGS	Small General Service	25,480,871	\$997,631	\$0.0392	\$998,850
GDS	General Delivery Service	124,301,572	\$3,509,346	\$0.0282	\$3,505,304
GDS	GDS SP#1 May - Oct	19,185	\$65	\$0.0034	\$65
NGV	Natural Gas Vehicles, Distribution	116,571	\$2,542	\$0.0218	\$2,541
LVD	Large Volume Demand	49,432,246	\$548,926	\$0.0111	\$548,698
EGF	Electric Generation	0	\$0	\$0.0282	\$0
GLS	Gas Lights	2,304	\$83	\$0.0360	\$83
SPC	Firm Special Contract(s)	18,345,133	\$20,294	\$0.0011	\$20,180
		<hr/>	<hr/>		<hr/>
		482,304,505	\$15,051,582		\$15,051,391
Non IIP Therms		<hr/>	<hr/>	Target	<hr/>
		61,768,895	-		\$15,051,582
		<hr/>		Difference	<hr/>
		544,073,400			(\$191)