



Agenda Date: 5/21/26
Agenda Item: 2E

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

REVENUE AND RATES

IN THE MATTER OF THE PETITION OF)
ELIZABETHTOWN GAS COMPANY TO REVIEW ITS)
PERIODIC BASIC GAS SUPPLY SERVICE RATE AND)
CONSERVATION INCENTIVE PROGRAM RATES)
FOR THE YEAR ENDED SEPTEMBER 30, 2026)

) DECISION AND ORDER
) APPROVING STIPULATION
)
) DOCKET NO. GR25050315
) OAL DOCKET NO. PUC 21339-25

Parties of Record:

Dominick DiRocco, Esq., Vice President, Rates & Regulatory Affairs, SJI Utilities, Inc. for Elizabethtown Gas Company
Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On May 30, 2025, Elizabethtown Gas Company (“Elizabethtown” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) seeking approval to: 1) modify its periodic Basic Gas Supply Service (“BGSS”) (“BGSS-P”) rate; 2) increase the rate of the monthly BGSS Capacity Cost Component (“CCC”), a component of the commodity charge for monthly BGSS customers; and 3) modify its Conservation Incentive Program (“CIP”) rates for the period October 1, 2025, through September 30, 2026 (“2025-26 BGSS/CIP Year”) (“Petition”). By this Decision and Order, the Board considers an Initial Decision executed by Administrative Law Judge (“ALJ”) Irene Jones and a stipulation of settlement (“Stipulation”) executed by Elizabethtown, Board Staff, and the New Jersey Division of Rate Counsel (“Rate Counsel”) (collectively, “Parties”) intended to resolve the Company’s requests related to the above-docketed matter.

BACKGROUND/PROCEDURAL HISTORY

By Order dated January 6, 2003, the Board directed each of New Jersey’s four (4) gas distribution companies (“GDCs”) to submit to the Board, by June 1, their annual BGSS gas cost filing for the BGSS year beginning October 1.¹ In addition, the January 2003 Order authorized each GDC to self-implement up to a five percent (5%) BGSS rate increase effective December 1 of the current year, and February 1 of the following year, with one (1) month advance notice to the Board and

¹ In re the Provision of Basic Gas Supply Service Pursuant to the Electric Discount and Energy Act, N.J.S.A. 48:3-49 *et seq.*, BPU Docket No. GX01050304, Order dated January 6, 2003 (“January 2003 Order”).

Rate Counsel, and implement a decrease in its BGSS rate at any time during the year upon five (5) days' notice to the Board and Rate Counsel.

PETITION

Pursuant to the January 2003 Order, by the Petition, the Company requested to increase its per-therm BGSS-P rate from \$0.5340 to \$0.6540.² The Company forecasted an under-recovery of approximately \$26 million on September 30, 2025, including an unamortized under-recovery with associated interest of \$10.7 million related to the Company's 2023-2024 BGSS year. Elizabethtown also indicated that, since its last filing, it has experienced a significant increase in commodity gas costs which are expected to remain at relatively high levels throughout the 2025-2026 BGSS/CIP Year. Specifically, the Company identified a 32.5% increase in the NYMEX Futures forward price curve for the BGSS year from October 2025 through September 2026. Elizabethtown also proposed to increase its per-therm Monthly BGSS CCC rate from \$0.2056 to \$0.2274, excluding taxes.

By Order dated November 17, 2023, the Board authorized the Company to recover carrying costs accrued on the September 30, 2024 balance over twelve (12) months and to continue to accrue such carrying costs until the BGSS-P under-recovery balance as of September 30, 2024 is fully recovered.³ By the Petition, Elizabethtown projected that the remaining under-recovery balance as of September 30, 2025 will be \$9,842,847, including \$894,115 related to carrying costs on the unamortized under-recovery balance. Elizabethtown proposed to recover this balance on a straight-line basis during the first six (6) months of the BGSS Year, with carrying costs on the September 30, 2024 under-recovery balance continuing to be accrued monthly until such balance is fully amortized. The Company would then include the accrued carrying costs in its next BGSS annual filing.

By the Petition, Elizabethtown identified that Transcontinental Gas Pipeline Company, LLC ("Transco") and Columbia Gas Transmission, LLC ("Columbia"), two (2) interstate pipeline system operators whose infrastructure the Company uses to transport natural gas, have pending rate cases before the Federal Energy Regulatory Commission ("FERC").⁴ The Company proposed to defer all increases related to the Transco and Columbia rate cases until September 30, 2026. The Company estimated that, if FERC approves final rates in the Transco and Columbia rate cases at fifty percent (50%) of their respective requested levels, the deferred balance related to these pipeline increases would be \$16.6 million, including carrying costs of \$1.3 million. The Company noted that it would propose an amortization into rates of the actual deferred balance for September 30, 2026, with accumulated carrying costs, in its 2026-27 BGSS/CIP filing.

² All rates quoted herein include applicable taxes unless otherwise stated.

³ In re the Petition of Elizabethtown Gas Company to Review its Periodic Basic Gas Supply Service Rate and its Conservation Incentive Program Rates for the Year Ended September 30, 2024, BPU Docket No. GR23060335, Order dated November 17, 2023 ("November 2023 Order").

⁴ Transcontinental Gas Pipeline Company, LLC, Petition, FERC Docket No. RP-24-1035, August 30, 2024 and Columbia Gas Transmission, LLC, Petition, FERC Docket No. RP-24-1103, September 30, 2024.

By the Petition, Elizabethtown also sought Board approval to implement the following per-therm CIP rates effective October 1, 2025:

- A rate of \$0.7071 for Residential Delivery Service (“RDS”)- Non-Heating (“RDS-NH”);
- A rate of \$0.0789 for Residential Delivery Service - Heating (“RDS-H”);
- A rate of \$0.0234 for Small General Service (“SGS”); and
- A rate of \$0.0046 for General Delivery Service (“GDS”).

On July 15, 2025, the Company filed an update to its per-therm CIP rates (“CIP Update”), thereby revising its CIP rates as follows:

- A combined CIP rate of \$0.0724 for RDS-NH and RDS-H customers into a single RDS rate to account for significant changes between the two (2) rates;
- A rate of \$0.0234 for SGS; and
- A rate of \$0.0046 for GDS.

On August 18, 2025, through discovery, the Company updated its proposed monthly BGSS CCC rate to \$0.2545 per therm excluding taxes.

Following publication of notice in newspapers of general circulation in the Company’s service territory, virtual public hearings were conducted 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 any comments, and the Board received no written comments related to the Petition.

On October 31, 2025, Elizabethtown filed a notice of its intent to self-implement a BGSS-P rate adjustment based on a five percent (5%) increase of the monthly bill of a typical residential customer using 100 therms to be effective December 1, 2025.

By Order dated November 21, 2025, the Board authorized Elizabethtown to implement the following CIP rates: \$0.0724 for all RDS; \$0.0234 for SGS; and a credit rate of \$0.0046 for GDS.⁵ As a result of the November 2025 Order, a typical residential heating customer using 100 therms was anticipated to experience a decrease of \$2.53 to their monthly bills.

The Board transferred this matter to the Office of Administrative Law as a contested case on November 26, 2025, where it was assigned to ALJ Irene Jones.

On December 31, 2025, Elizabethtown filed a second notice of its intent to implement a BGSS-P rate adjustment based on a five percent (5%) increase of the monthly bill of a typical residential customer using 100 therms to be effective February 1, 2026.

⁵ In re the Petition of Elizabethtown Gas Company to Review its Periodic Basic Gas Supply Service Rate and Conservation Incentive Program Rates for the Year Ended September 30, 2026, BPU Docket No. GR25050315; OAL Docket No. PUC 21339-25, Order dated November 21, 2025 (“November 2025 Order”).

STIPULATION

Following a complete review of the Petition, the updates thereto, and discussions, the Parties executed the Stipulation, which provides the following:⁶

28. The Company's provisional per-therm CIP noticed rates of \$0.0724 for Residential Delivery Service; \$0.0234 for Small General Service; and \$0.0046 for General Delivery Service are prudent and reasonable and should be made final as of the effective date of a Board Order approving the Stipulation in accordance with N.J.S.A. 48:2-40, or upon such date thereafter as the Board may specify ("Effective Date").
29. The self-implemented BGSS-P rate of \$0.6132 per therm made effective December 1, 2025 and the self-implemented BGSS-P rate of \$0.6962 per therm made effective February 1, 2026 shall remain in effect until further Board Order or further action by the Company in accordance with the January 2003 Order and will be reviewed in the Company's annual BGSS filing to be submitted by June 1, 2026.
30. As of the Effective Date, the Company will maintain the current BGSS-P rate of \$0.6962 per therm and the current per-therm CIP rates of \$0.0724 for Residential Delivery Service, \$0.0234 for Small General Service, and \$0.0046 for General Delivery Service.
31. The Company agrees that these rates provide adequate cost recovery under the Board-approved CIP mechanism and thus will not seek any further carrying costs as a result of implementing the lower-than-filed and noticed SGS and RDS CIP rates.
32. The Company withdraws its request to defer incremental increases related to the Transco Rate Case and the Columbia Rate Case, with carrying costs, for future recovery.
33. The Company's future annual BGSS gas cost filings shall continue to comply with the Annual BGSS Minimum Filing Requirements adopted by the Board as listed in the index contained in Appendix A to the Stipulation.
34. The Company will continue to provide, electronically, to the Parties in this proceeding, on a monthly basis, the following updated information: 1) the BGSS NYMEX update report (Appendix B to the Stipulation) and 2) a monthly report showing the calculation of net cost of gas per therm (Appendix C of the Stipulation). Appendix B to the Stipulation is to be completed using information from the first Friday of the month and submitted to the Parties the following Tuesday. Appendix C to the Stipulation is to be submitted to the Parties on approximately the 15th of the following month. After the annual BGSS proceeding is filed each year, the monthly reports filed with the Board thereafter shall be updated to reflect the current BGSS year and upcoming BGSS year. Monthly reports will continue to be filed with the Parties using the current BGSS year and upcoming BGSS year until the next annual BGSS filing occurs.

⁶ Although described at some length in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusion in this Order. Paragraphs are numbered to coincide with the Stipulation.

35. Upon Board approval of the BGSS-P and CIP rates reflected in the Stipulation, the Company will file with the Board tariff sheets to reflect the final BGSS-P and CIP per-therm rates agreed to in the Stipulation.

Initial Decision

On April 28, 2026, ALJ Jones issued the Initial Decision. By the Initial Decision, ALJ Jones found that: 1) the Parties have voluntarily agreed to the settlement; and 2) the settlement fully disposes of all issues in controversy and is consistent with the law.

DISCUSSION AND FINDINGS

The Board, having carefully reviewed the record in this proceeding, including the Petition, the November 2025 Order, ALJ Jones' Initial Decision, and the Stipulation, **HEREBY FINDS** that the Parties have voluntarily agreed to the Stipulation, and that the Stipulation fully disposes of all issues in this proceeding, and it is consistent with the law. Accordingly, the Board **HEREBY ADOPTS** the Stipulation in its entirety, and **HEREBY INCORPORATES** its terms and conditions as though fully set forth herein, subject to any terms and conditions set forth in this Order.

The Board **HEREBY APPROVES** the following CIP rates on a final basis:

- \$0.0724 for RDS customers;
- \$0.0234 for SGS customers; and
- \$0.0046 for GDS customers.

Additionally, the Company will maintain its self-implemented BGSS-P rate of \$0.6962 per therm.

The Company's October 31, 2025, self-implemented Periodic BGSS rate of \$0.6132 per therm and the Company's self-implemented December 31, 2025, Periodic BGSS rate of \$0.6962 per therm shall remain subject to review in Elizabethtown's next annual BGSS proceeding.

Any net over-recovered BGSS and CIP balance at the end of the BGSS period shall be subject to refund with interest.

Based upon the Stipulation, there are no additional impacts to customer bills.

The Board **HEREBY DIRECTS** Elizabethtown to file tariffs consistent with the Board's Order on or before June 1, 2026.

The Company's costs, including those related to BGSS and CIP, remain subject to audit. This Decision and Order shall not preclude or prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

The effective date of this Order is May 28, 2026.

DATED: May 21, 2026

BOARD OF PUBLIC UTILITIES
BY:

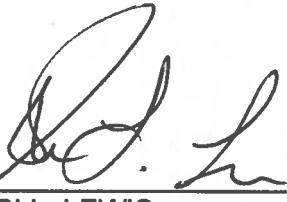

CHRISTINE GUHL-SADOVY
PRESIDENT


DR. ZENON CHRISTODOULOU
COMMISSIONER


MICHAEL BANGE
COMMISSIONER


EMMA REBHORN
COMMISSIONER


JOSEPH COVIELLO
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 TO REVIEW ITS PERIODIC BASIC
GAS SUPPLY SERVICE RATE AND CONSERVATION INCENTIVE PROGRAM RATES FOR THE YEAR ENDED
SEPTEMBER 30, 2026

DOCKET NO. GR25050315
OAL DOCKET NO. PUC 21339-25

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Elizabethtown Gas Company, cont'd

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State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION

SETTLEMENT

OAL DKT NO. PUC 21339-25

BPU DKT. NO. GR25050315

**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 FOR
THE YEAR ENDING SEPTEMBER 30, 2026.**

Dominick DiRocco, Esq., VP, Rates & Regulatory Affairs, and Sheree L. Kelly, Esq., Regulatory Affairs Counsel, for petitioner, Elizabethtown Gas Company

Jordan K. Mitchell, Esq., Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (Jennifer Davenport, Attorney General of the State of New Jersey)

Maura Caroselli, Esq., Managing Attorney Gas and Clean Energy, for the New Jersey Division of Rate Counsel (Brian O. Lipman, Esq., Director for Division of Rate Counsel)

Record Closed: April 23, 2026

Decided: April 28, 2026

BEFORE: **IRENE JONES, ALJ:**

STATEMENT OF THE CASE

On May 30, 2025, petitioner, Elizabethtown Gas Company (“petitioner” or “Company”) filed a petition with the Board of Public Utilities (“BPU”) seeking approval to increase the level of its Periodic Basic Gas Supply Service (“BGSS-P”) rate; and to modify its Conservation Incentive Program (“CIP”) rates for the period October 1, 2025 through September 30, 2026. On August 28, 2025, virtual public hearings were held at 4:30 p.m. and 5:30 p.m. wherein members of the public were given an opportunity to speak. Subsequently, the parties met and agreed to an interim provisional increase. Specifically, the parties entered into Provisional Stipulation agreeing to the proposed rate changes in the petition and updated CIP rates, subject to refund. By Order dated November 21, 2025, the Board approved the Provisional Stipulation of Settlement for the provisional BGSS rate increase, subject to refund.

On November 26, 2025, the matter was transmitted to the Office of Administrative Law for determination as a contested case pursuant to N.J.S.A. 52:14F-1 to 13. A telephone prehearing conference was held on January 16, 2026. The parties engaged in discovery and numerous conferences. Subsequently, the parties agreed to settle this matter and on April 23, 2026, the petitioner filed a Stipulation of Settlement with the undersigned.

The attached Stipulation of Settlement provides the agreed upon rates and is incorporated herein as if it were fully set forth herein.

I have reviewed the record and terms of the Stipulation of Settlement and **FIND:**

1. The parties have voluntarily agreed to the settlement as evidenced by the signatures of the parties or their representatives.

2. The settlement fully disposes of all issues in controversy and is consistent with law.

Therefore, it is **ORDERED** that the parties comply with the settlement terms and that these proceedings be and are hereby concluded.

I hereby **FILE** my initial decision with the **BOARD OF PUBLIC UTILITIES** for consideration. This recommended decision may be adopted, modified or rejected by the **BOARD OF PUBLIC UTILITIES**, which by law is authorized to make a final decision in this matter. If the Board of Public Utilities does not adopt, modify, or reject this decision within forty-five days and unless such time limit is otherwise extended, this recommended decision shall become a final decision in accordance with N.J.S.A. 52:14B-10.

Within thirteen days from the date on which this recommended decision was mailed to the parties, any party may file written exceptions with the **SECRETARY OF THE BOARD OF PUBLIC UTILITIES, 44 South Clinton Avenue, P.O. Box 350, Trenton, NJ 08625-0350**, marked "Attention: Exceptions." A copy of any exceptions must be sent to the judge and to the other parties.

April 28, 2026
DATE


IRENE JONES, ALJ

Date Received at Agency:

April 28 2026

Date Mailed to Parties:

April 28, 2026

IJ/Ir



520 Green Lane
Union, NJ 07083
T: (908) 536-0877
skelly@sjindustries.com

Sheree L. Kelly, Esq.
Regulatory Affairs Counsel

April 23, 2026

Via Electronic Mail

The Honorable Irene Jones, ALJ
Office of Administrative Law
33 Washington Street
Newark, NJ 07102

Re: I/M/O the Petition of Elizabethtown Gas Company to Review its Periodic Basic Gas Supply Service Rate and Conservation Incentive Program Rates for the Year Ended September 30, 2026

OAL Docket No. PUC 21339-25
BPU Docket No. GR25050315

Dear Judge Jones,

Enclosed please find a fully executed Stipulation of Settlement for Your Honor's consideration, with reference to the above-captioned matter. If same meets with Your Honor's approval, we respectfully request that an Initial Decision be issued and that this matter be returned to the Board of Public Utilities for disposition.

If you have any questions, please feel free to contact me directly.

Thanking the Court in advance for its courtesies,

Respectfully,

Elizabethtown Gas Company

A handwritten signature in cursive script that reads "Sheree L. Kelly".

Sheree L. Kelly, Esq.
Regulatory Affairs Counsel

Enclosure

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

-----X	:	BPU Docket No. GR25050315
In the Matter of the Petition of	:	OAL Docket No. PUC 21339-25
Elizabethtown Gas Company to Review its	:	
Periodic Basic Gas Supply Service Rate and	:	
Conservation Incentive Program Rates for the	:	STIPULATION REGARDING
Year Ended September 30, 2026	:	FINAL BGSS AND CIP RATES
-----X		

APPEARANCES:

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

Maura Caroselli, Esq., Managing Attorney, Gas and Clean Energy, and **Andrew Kuntz, Esq.**, Assistant Deputy Rate Counsel, for the Division of Rate Counsel (**Brian O. Lipman, Esq.**, Director)

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

TO THE HONORABLE IRENE JONES:

I. PROCEDURAL HISTORY

1. On May 30, 2025, Elizabethtown Gas Company (“ETG”, or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) seeking authorization to: 1) increase the level of its Periodic Basic Gas Supply Service (“BGSS-P”) rate; 2) increase the rate of the Monthly BGSS Capacity Cost Component (“CCC”), a component of the commodity charge for monthly BGSS customers; and 3) change its Conservation Incentive Program (“CIP”) rates for the period October 1, 2025 through September 30, 2026 (“Petition”).

2. By the Petition, ETG proposed to increase its current BGSS-P rate of \$0.5340 per-therm, to \$0.6540 per-therm.¹ As proposed, based upon rates in effect on July 1, 2025, the monthly

¹ All rates quoted herein include all applicable taxes unless otherwise noted.

bill of a residential heating customer using 100 therms of natural gas would increase by \$12.00 from \$158.54 to \$170.54, or 7.6%. The proposed BGSS-P rate changes would translate to an increase in annual BGSS-P recoveries of approximately \$30.4 million. By the Petition, ETG also sought approval to increase its Monthly BGSS CCC rate to \$0.2274 per-therm, excluding taxes.

3. By Order dated November 17, 2023, the Board permitted ETG to recover the carrying costs accrued on the September 30, 2024 BGSS-P under-recovery balance over twelve (12) months, from October 1, 2024 through September 30, 2025, and to continue to accrue such carrying costs until the September 30, 2024 BGSS-P under-recovery balance is fully recovered.² The November 2023 Order provided that carrying costs will be accrued monthly at an interest rate equal to the interest rate on two (2)-year constant maturity United States Treasury securities as published in the Federal Reserve Statistical Release on the first day of each month, or the closest day thereafter on which rates are published, plus sixty (60) basis points, but will not exceed the Company's overall rate of return as authorized by the Board. The calculation of carrying costs on the September 30, 2024 BGSS-P under-recovery balance is contained in the schedules included with the Petition. By Order dated April 23, 2025, the Board authorized the Company to recover its September 30, 2024 BGSS-P under-recovery balance on a straight-line basis over a period of eighteen (18) months, from October 1, 2024 through March 31, 2026.³

4. At the time ETG filed the Petition, Transcontinental Gas Pipeline Company, LLC ("Transco") and Columbia Gas Transmission, LLC ("Columbia"), two (2) interstate pipeline system operators whose infrastructure ETG uses to transport natural gas, had pending rate cases

² In re the Petition of Elizabethtown Gas Company to Review Its Periodic Basic Gas Supply Service Rate and Conservation Incentive Program Rates for the Year Ended September 30, 2024, BPU Docket No. GR23060335, Order dated November 17, 2023 ("November 2023 Order").

³ In re the Petition of Elizabethtown Gas Company to Review Its Periodic Basic Gas Supply Service Rate and Conservation Incentive Program Rates for the Year Ended September 30, 2025, BPU Docket No. GR24060371, Order dated April 23, 2025 ("April 2025 Order").

currently before the Federal Energy Regulatory Commission (“FERC”).⁴ Although interim rates higher than current rates became effective for Transco on March 1, 2025 and for Columbia on April 1, 2025 (updated on June 1, 2025), by the Petition, the Company proposed to defer all increases related to these rate cases until September 30, 2026, including carrying costs.⁵ Therefore, no incremental increases for Transco or Columbia demand charges were included in the Company’s Petition. The Company indicated that it would propose an amortization into rates of the actual deferred balance on September 30, 2026, with accumulated carrying costs, in its 2026-27 BGSS/CIP filing to be made no later than June 1, 2026.

5. Since the Company filed the Petition, the Transco Rate Case and the Columbia Rate Case both settled. On August 13, 2025, Columbia filed a stipulation and agreement with FERC (“Aug 13 Settlement”).⁶ On October 30, 2025, FERC approved the Aug 13 Settlement as proposed and directed Columbia to file actual tariff records, consistent with the terms of the Aug 13 Settlement. On October 29, 2025, Transco filed a stipulation and agreement with FERC (“Oct 29 Settlement”).⁷ On December 30, 2025, FERC approved the Oct 29 Settlement as proposed and directed Transco to file actual tariff records, consistent with the terms of the Oct 29 Settlement.

6. In addition, since the Company filed the Petition, NYMEX pricing decreased significantly from the NYMEX strip pricing as of May 8, 2025 included in the Petition. As a result, the Company updated its proposal through informal discovery requests ETG-INF-1 and ETG-INF-2, provided to the service list via electronic mail on August 18, 2025 (“Update”). The

⁴ Transcontinental Gas Pipeline Company, LLC, Petition, Docket No. RP-24-1035, August 30, 2024 (“Transco Rate Case”) and Columbia Gas Transmission, LLC, Petition, Docket No. RP-24-1103, September 30, 2024 (“Columbia Rate Case”).

⁵ Andrew Satten, Chief Administrative Law Judge, approved the interim rates in the matter of Columbia Gas Transmission LLC, 192 FERC ¶ 63,003 (2025).

⁶ Docket Nos. RP24-1103-000 and RP24-1103-004.

⁷ Docket Nos. RP24-1035-000 and RP24-1035-004.

Update includes: 1) actual data through June 2025; 2) NYMEX strip pricing as of August 5, 2025; and 3) forecasted increased demand charges for Transco and Columbia; 4) eliminating its proposal made in the Petition to defer incremental increases related to the pending Transco and Columbia rate cases, with carrying costs, for future recovery; and 5) the Company's updated proposed Monthly BGSS CCC rate of \$0.2545 per-therm, excluding taxes.

7. By the Petition, the Company further seeks Board approval to implement the following per-therm CIP rates effective October 1, 2025:

- A rate of \$0.7071 for Residential Delivery Service - Non-Heating;
- A rate of \$0.0789 for Residential Delivery Service - Heating;
- A rate of \$0.0234 for Small General Service; and
- A rate of \$0.0046 for General Delivery Service.

8. On July 15, 2025, the Company updated its per-therm CIP rates to reflect twelve (12) months of actual data ("CIP Update") and proposed a single Residential Delivery Service CIP rate by combining the RDS-Non Heat and RDS-Heat rates into a single RDS rate as follows:

- A rate of \$0.0724 for Residential Delivery Service;
- A rate of \$0.0307 for Small General Service; and
- A rate of \$0.0114 for General Delivery Service.

9. After the Company published Public Notice of hearings in this proceeding, the Company discovered that it inadvertently did not update the SGS and GDS rates presented on Tariff Schedule TK-1 and the Public Notice included with the CIP Update. As a result, the noticed rates included the updated RDS rates and the originally filed rates for SGS and GDS ("CIP Noticed"). Accordingly, the Company proposed that the following CIP Noticed rates be made effective October 1, 2025:

- A rate of \$0.0724 for Residential Delivery Service;
- A rate of \$0.0234 for Small General Service; and
- A rate of \$0.0046 for General Delivery Service.

10. The Company agrees that these rates provide adequate cost recovery under the Board-approved CIP mechanism and thus will not seek any further carrying costs as a result of implementing the lower noticed SGS and RDS rates.

11. As proposed, based upon CIP rates in effect July 1, 2025, the monthly bill of a residential heating customer using 100 therms of natural gas would decrease by \$2.53, from \$158.54 to \$156.01, or 1.6%. These proposed rate changes translate to a decrease in annual CIP recoveries of \$3.3 million.

12. By Order dated April 7, 2021, the Board authorized the Company to implement a CIP designed to recover lost revenues due to the Company's Energy Efficiency Program ("EEP").⁸ Pursuant to the EEP-CIP Order, recovery of any non-weather-related CIP deficiency requires passing both a Modified BGSS Savings Test and Variable Margin Test.

13. The Modified BGSS Savings Test requires the Company to achieve savings in its costs of providing BGSS to partially offset any recovery of the non-weather-related CIP margin deficiency. To recover non-weather-related CIP deficiencies, the Company must achieve BGSS savings of at least seventy-five percent (75%) of the non-weather-related deficiency. The BGSS savings may originate from any, or all, of the following categories: 1) permanent savings realized from permanent capacity releases or contract terminations; 2) additional BGSS gas cost savings

⁸ In re Implementation of L. 2018, C. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs and In re the Petition of Elizabethtown Gas Company for Approval of New Energy Efficiency Programs and Associated Cost Recovery Pursuant to the Clean Energy Act and the Establishment of a Conservation Incentive Program, BPU Docket Nos. QO19010040 and GO20090619, Order dated April 7, 2021 ("EEP-CIP Order").

from reductions of capacity on a long-term basis; and 3) avoided capacity costs to meet residential customer growth.

14. The Variable Margin Test limits the recovery on non-weather-related CIP deficiency so as not to exceed 6.5% of total variable margins for each twelve (12)-month period ending June 30, in accordance with the EEP-CIP Order.

15. In computing the non-weather-related CIP value, the margin impact of weather must first be deducted from the total CIP charge or credit. As noted in paragraph (10) above, the non-weather-related CIP component shall be subject to a dual eligibility test comprised of the Modified BGSS Savings Test and the Variable Margin Test. In order to be eligible for recovery, non-weather-related CIP impacts must pass both recovery tests. Amounts that do not pass either or both tests are still recoverable in future years. Based on the CIP Update, the Company indicated that its non-weather-related deficient margin was approximately \$16.9 million.

16. According to ETG's CIP Update: 1) its permanent BGSS savings associated with permanently released and/or terminated transportation capacity or storage assets that remain constant after the re-setting of the CIP benchmarks established in future base rate cases (Category One of the Modified BGSS Savings Test) total approximately \$5.0 million per year; 2) BGSS savings realized from gas cost savings from capacity reductions on a long-term basis, contract restructuring, and contract terminations not captured in Category One and reductions in commodity cost of gas supply through purchasing strategies (Category Two of the Modified BGSS Savings Test) total approximately \$0.3 million; and 3) the Company did not have any BGSS savings realized from avoided capacity costs to meet prospective residential customer growth (Category Three of the Modified BGSS Savings Test). Using these values, the total BGSS savings for the 12-month period ending September 30, 2025 is \$5.4 million.

17. Because the non-weather-related CIP amount is not a credit to customers, the Modified BGSS Savings Test and the Variable Margin Revenue Test are applicable. ETG's calculations of the test results show that \$15.3 million of the total \$16.9 million non-weather-related deficiency passes the Variable Margin Revenue test. However, only \$7.1 million of non-weather-related deficiency passes the BGSS Savings test. Application of the dual pronged test results in the inclusion of \$7.1 million of the non-weather-related deficiency in the amount proposed to be recovered in the current filing, and deferral of the remaining \$9.8 million non-weather-related deficiency to next year's filing.

18. Also pursuant to the EEP-CIP Order and based on the calculations provided by the Company, the CIP will not cause the Company to earn in excess of its allowed rate of return on common equity ("ROE") of 9.6% plus fifty (50) basis points for any twelve (12)-month period ending June 30. Based upon the Company's calculations, the ROE Test will not limit ETG's recovery of the CIP deficiency.

19. Based upon rates in effect July 1, 2025, the proposed BGSS-P and CIP Noticed rate changes would increase the monthly bill of a residential heating customer using 100 therms by \$9.47 from \$158.54 to \$168.01, or 6.0%, consisting of a proposed BGSS-P increase of \$12.00, or 7.6%, and a proposed CIP decrease of \$2.53, or 1.6%. Combining the BGSS and CIP recoveries results in a provisional annual recovery increase of \$27.1 million.

20. Following public notice published in newspapers of general circulation within ETG's service territory, two (2) virtual public hearings for the Petition were held 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.

21. By Order dated January 6, 2003, New Jersey’s four (4) gas distribution companies must submit to the Board, by June 1 each year, their annual BGSS gas cost filings for the BGSS year beginning in October.⁹ In addition, in accordance with the January 2003 Order, the Company may seek to implement provisional increases in its BGSS rate of up to five percent (5%) to be effective December 1, 2025, or February 1, 2026 with proper notice, if the Company determined that such increases are necessary to permit it to avoid a BGSS under-recovered balance as of September 30, 2026. The self-implementing increases would be provisional and subject to true-up in connection with the next annual BGSS filing. The Company is permitted to decrease its BGSS rate at any time upon five (5) days’ notice and the filing of supporting documentation with the Board and the New Jersey Division of Rate Counsel (“Rate Counsel”). Pursuant to the January 2003 Order, these provisions are outlined in the Company’s Tariff.

22. On October 31, 2025, ETG filed with the Board a notice of self-implementing BGSS-P rate increase effective December 1, 2025, in accordance with the January 2003 Order and the Company’s Tariff as described above. Such proposed increase represented a five percent (5%) increase of the monthly bill of a residential heating customer using 100 therms. Effective December 1, 2025, ETG self-implemented a provisional BGSS-P rate of \$0.6132 per-therm.

23. ETG, Board Staff and Rate Counsel, the only parties to this proceeding (collectively, “Parties”), agreed that additional time was needed to complete a comprehensive review of the Petition. On November 4, 2025, the Parties executed a stipulation of settlement for provisional rates (“Provisional Stipulation”), whereby the Parties agreed that the proposed per-therm CIP Noticed rates would be implemented on a provisional basis effective December 1, 2025,

⁹ In re the Provision of Basic Gas Supply Service Pursuant to the Electric Discount and Energy Competition Act N.J.S.A 48:3-49 et. seq. Order approving the BGSS Price Structure, BPU Docket No. GX01050304, Order dated January 6, 2003 (“January 2003 Order”).

subject to refund with interest, and subject to an opportunity for full review at the Office of Administrative Law (“OAL”), if necessary, and final approval by the Board.

24. By Order dated November 21, 2025 Order, the Board adopted the Provisional Stipulation in its entirety, and approved the per-therm CIP Noticed rates on a provisional basis, subject to refund with interest on any net over-recovered balance.¹⁰ The per-therm CIP Noticed rates approved by the November 2025 Order included a rate of \$0.0724 for Residential Delivery Service, \$0.0234 for Small General Service, and \$0.0046 for General Delivery Service, effective for services rendered on and after December 1, 2025.

25. This matter was transmitted to the OAL as a contested case on November 26, 2025, and assigned to Administrative Law Judge Irene Jones. On January 16, 2026, a pre-hearing conference was held telephonically.

26. On December 31, 2025, ETG filed with the Board a second notice of self-implementing BGSS-P rate increase effective February 1, 2026, in accordance with the January 2003 Order and the Company’s tariff as described above. Such proposed increase represented a five percent (5%) increase of the monthly bill of a residential heating customer using 100 therms. Effective February 1, 2026, ETG self-implemented a provisional BGSS-P rate of \$0.6962 per-therm.

27. The Parties engaged in discovery and resolved all issues in this proceeding in accordance with the Stipulation set forth below.

¹⁰ In re the Petition of Elizabethtown Gas Company to Review its Basic Gas Supply Service Rate and its Conservation Incentive Program Rates for the Year Ended September 30, 2026, BPU Docket No. GR25050315, Order dated November 21, 2025 (“November 2025 Order”).

II. STIPULATED TERMS

Based upon and subject to the terms and conditions set forth herein, the Parties stipulate and agree as follows:

28. The Company's provisional per-therm CIP Noticed rates of \$0.0724 for Residential Delivery Service; \$0.0234 for Small General Service; and \$0.0046 for General Delivery Service are prudent and reasonable and should be made final as of the effective date of a Board Order approving this Stipulation in accordance with N.J.S.A. 48:2-40, or upon such date thereafter as the Board may specify ("Effective Date").

29. The self-implemented BGSS-P rate of \$0.6132 per-therm made effective December 1, 2025 and the self-implemented BGSS-P rate of \$0.6962 per-therm made effective February 1, 2026 shall remain in effect until further Board Order or further action by the Company in accordance with the January 2003 Order and will be reviewed in the Company's annual BGSS filing to be submitted by June 1, 2026.

30. As of the Effective Date, the Company will maintain the current BGSS-P rate of \$0.6962 per-therm and the current per-therm CIP rates of \$0.0724 for Residential Delivery Service, \$0.0234 for Small General Service, and \$0.0046 for General Delivery Service.

31. The Company agrees that these rates provide adequate cost recovery under the board-approved CIP mechanism and thus will not seek any further carrying costs as a result of implementing the lower-than-filed and noticed SGS and RDS CIP rates.

32. The Company withdraws its request to defer incremental increases related to the Transco Rate Case and the Columbia Rate Case, with carrying costs, for future recovery.

33. The Company's future annual BGSS gas cost filings shall continue to comply with the Annual BGSS Minimum Filing Requirements adopted by the Board as listed in the index

contained in Appendix A.

34. The Company will continue to provide, electronically, to the Parties in this proceeding, on a monthly basis, the following updated information: 1) the BGSS NYMEX update report (also known as S-ECHART-1, an example of which is attached as Appendix B) and 2) a monthly report showing the calculation of net cost of gas per therm (known as S-ECHART-2, an example of which is attached as Appendix C). S-ECHART-1 is to be completed using information from the first Friday of the month and submitted to the Parties the following Tuesday. S-ECHART-2 is to be submitted to the Parties on approximately the 15th of the following month. After the annual BGSS proceeding is filed each year, the monthly reports filed with the Board thereafter shall be updated to reflect the current BGSS year and upcoming BGSS year. Monthly reports will continue to be filed with the Parties using the current BGSS year and upcoming BGSS year until the next annual BGSS filing occurs.

35. Upon Board approval of the BGSS-P and CIP rates reflected in this Stipulation, the Company will file with the Board tariff sheets to reflect the final BGSS-P and CIP per-therm rates agreed to in this Stipulation.

III. MISCELLANEOUS

36. If the Board approves this Stipulation in its entirety, all issues concerning the CIP and the costs recovered through the clause, as well as the two self-implemented BGSS-P rates made effective December 1, 2025 and February 1, 2026, respectively, are deemed resolved for purposes of this proceeding but remain subject to audit by the Board.

37. 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 in an Order, then 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.

38. It is the intent of the Parties that the provisions hereof be approved by the Board, as appropriate, as being in the public interest. The Parties consider the Stipulation to be binding on them for all purposes herein.


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

40. The Parties further acknowledge that, should a Board Order be entered approving this Stipulation, this Stipulation will become effective upon the service of said Board Order, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.


WHEREFORE, the Parties hereto do respectfully submit this Stipulation to the Board and request the Board to issue a Decision and Order approving this Stipulation in its entirety in accordance with the terms hereof, as soon as reasonably possible.

ELIZABETHTOWN GAS COMPANY

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

By: 

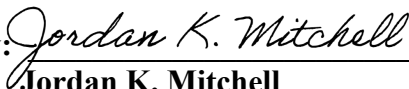
**Dominick DiRocco, Esq.
Vice President, Rates & Regulatory Affairs
SJI Utilities, Inc.**

By: 

**Andrew Kuntz, Esq.
Assistant Deputy Rate Counsel**

April 23, 2026

**JENNIFER DAVENPORT
ATTORNEY GENERAL OF THE STATE OF NEW JERSEY
Attorney for the Staff of the New Jersey Board of Public Utilities**

By: 

**Jordan K. Mitchell
Deputy Attorney General**

Dated: April 22, 2026

Elizabethtown Gas Company

MINIMUM FILING REQUIREMENT (MFR) INDEX

Minimum Filing Requirement	
1. Motion, Supporting Testimony & Tariff Modifications	In support of its filing, a GDC should provide supporting testimony which addresses any material events or major factors affecting either the prior period's deferred gas balance or its forecasted BGSS rate. In addition to the associated motion, redlined tariff sheets should be provided for all proposed tariff changes.
2. Computation of Proposed BGSS Rates	A summary schedule should show all of the forecasted BGSS cost components and applicable credits which comprise the basis for the proposed BGSS rates that are to become effective October 1st. The cost components and applicable credits should be provided with all material amounts broken out separately. A plain English explanation in narrative form regarding this summary schedule should be provided.
3. Public Notice with Proposed Impact on Bills	A copy of the Company's Public Notice should be provided with details concerning the impact of the proposed BGSS rates on typical gas bills at various winter therm utilization levels.
4. Actual and Forecasted Refund Amounts	Schedules should be provided which show actual and estimated supplier refund amounts for the reconciliation period as well as the estimated supplier refunds for the projected period beginning October 1st. The schedule should identify the supplier refunds by month and should provide associated information on the applicable FERC docket involved. A plain English explanation in narrative form should be provided.
5. Cost of Gas Sendout by Component	Monthly data showing the derivation of all cost components shown on the BGSS Computation Schedule should be provided for the reconciliation and projected periods. The monthly data should also provide detail on applicable volumes by customer classification.
6. BGSS Contribution and Credit Offsets	Monthly data showing the derivation of all BGSS cost offsets, including interruptible margins, capacity transactions, pipeline refunds and other credits should be provided for the reconciliation and projected periods. Any applicable FERC Orders will be included. All calculations showing how such offsets were determined should be included. A plain English explanation in narrative form should be provided regarding the BGSS contribution and Credit Offsets. In addition, the Company shall document through testimony for any non-bid releases and/or affiliate contracts, the decision-making process that the Company went through in each case to arrive at its determination to release capacity on a non-biddable basis or enter into any affiliate contract. Such testimony shall include documentation showing the impact that the non-biddable capacity release or affiliate contract was projected to have on total BGSS costs at the time the Company committed to the transaction. In addition, for each non-biddable capacity release, the Company shall determine whether the transaction could have been structured as an off-system sale, and, if so demonstrate that prior to releasing the capacity, the Company compared the benefit to Periodic BGSS customers of making the capacity release compared to the benefit that could have been achieved by structuring the transaction as an off-system sale and the Company shall provide documentation supporting this comparison in its filing.
7. Over/Under Recovery Comparisons	Schedules should be provided which show the derivation of the monthly over or under recoveries plus cumulative balances for the reconciliation and projected period. For the reconciliation period, a schedule should also show the calculation of the monthly actual or estimated accrued interest. These schedules should include prospective data shown for the projected period based on the prevailing BGSS rate and, alternatively, based on the requested BGSS rate.
8. Wholesale Gas Pricing Assumptions	The GDC should provide schedules which detail the monthly gas prices for the reconciliation and projected periods. The schedules should show the prices utilized in developing the existing BGSS rate and those utilized for projecting the proposed BGSS rate. To the degree third party price indexes or forecasts are the basis for such gas prices, associated documentation should also be provided. A plain English explanation in narrative form regarding these schedules should be provided.

Elizabethtown Gas Company

MINIMUM FILING REQUIREMENT (MFR) INDEX

Minimum Filing Requirement	
9. GCUA Recoveries and Balances	Schedules should be provided that show monthly data for the GCUA since its inception. The data should provide the unamortized balances, recoveries, and accrued interest by month with any associated workpapers.
10. Historical Service Interruptions	A schedule should be provided which details any service interruptions during the past 12 months. The schedule should show the dates of the interruptions, the service categories affected, the number of customers affected and whether each interruption was operational or economic in nature.
11. Gas Price Hedging Activities	The GDC should provide copies of its last four quarterly hedging reports as filed with the Board. It should also provide a schedule covering both the reconciliation and projected period which shows monthly gas purchases volume requirements and price hedged volumes broken down into discretionary and non-discretionary components which allow evaluation of compliance with the GDC's established hedging objectives. A plain English explanation in narrative form regarding these hedging activities should be provided. The Company shall include in all future its next annual BGSS filings testimony that reflects these goals/targets and how the Company managed to such goals/targets.
12. Storage Gas Volumes, Prices and Utilization	Schedules should be provided which show the GDC's monthly data for LNG, LPG, and pipeline storage volumes. The schedules should show volumes and dollars for balances, injections, and withdrawals with all data shown on a Dekatherm basis.
13. Affiliate Gas Supply Transactions	The GDC's filing should have disclosure of all gas supply and capacity transactions with any affiliates during the reconciliation or forecasted periods. The disclosure should provide the nature, terms, and conditions of any such transactions, the dates of the transactions, and evidence that the gas supply or capacity resources transactions were at market rates. It should also provide delivery points for all purchase and sale transactions and comparable daily or monthly price index information for purchase and sale transactions done at a fixed price.
14. Projected Supply and Demand Data with Design Peak Day	Schedules should be provided that show the GDC's firm requirements and gas supplies by component on an annual, heating season and non-heating season basis. The data should be provided for the reconciliation period and the two prior and two prospective annual periods.
15. Actual Peak Day Supply and Demand	The GDC should provide data for the five highest demand days for each of the last three years, showing date, temperature or heating degree day, firm and interruptible volumes and the sources of supply used to meet the associated volume requirement.
16. Capacity Contract Changes	The GDC filing should provide details concerning any changes to its interstate pipeline contracts (entitlements, storage capacities, daily deliverability, transportation, or associated costs) which have been made or occurred during the past 24 months or are planned for the next 12 months. To the degree any significant changes have been made or are planned, a narrative should discuss operational and cost consequences as well as the rationale for the changes.
17. FERC Pipeline Activities	The GDC's filing should provide details on any pending FERC dockets which should affect the cost of services received from the GDC's supplying pipelines. The GDC should also provide details concerning its participation in such dockets and a listing of any filings or testimony made by the GDC or on its behalf.
18. Changes to Firm Transportation and Storage Contracts	

S-ECHART-1
BGSS NYMEX Update Report
as of January 02, 2026

<u>Month</u>	<u>a</u> BGSS <i>(see note below)</i>	<u>b</u> NYMEX <i>(1/2/2026 Close)</i>	<u>c = b - a</u> Incr/ (Decr)	<u>% Chg</u>	<u>d</u> Sales forecast (dths)	<u>e</u> Hedged volume (dths)	<u>f = d - e</u> Unhedged volume (dths)	<u>g = c x f</u> Change in value unhedged
Oct-25	\$ 4.063	\$ 2.835	\$ (1.228)		773,779	331,500	442,279	(\$543,119)
Nov-25	\$ 4.364	\$ 3.376	\$ (0.988)		2,077,307	1,437,133	640,174	(\$632,492)
Dec-25	\$ 4.852	\$ 4.424	\$ (0.428)		3,795,284	2,845,602	949,682	(\$406,464)
Jan-26	\$ 5.139	\$ 4.687	\$ (0.452)		5,403,292	4,078,962	1,324,330	(\$598,597)
Feb-26	\$ 4.812	\$ 3.618	\$ (1.194)		5,308,892	3,741,742	1,567,150	(\$1,871,177)
Mar-26	\$ 4.262	\$ 3.043	\$ (1.219)		4,535,903	2,764,238	1,771,665	(\$2,159,660)
Apr-26	\$ 3.897	\$ 3.052	\$ (0.845)		3,320,129	1,550,200	1,769,929	(\$1,495,590)
May-26	\$ 3.889	\$ 3.126	\$ (0.763)		1,685,451	737,300	948,151	(\$723,439)
Jun-26	\$ 4.045	\$ 3.339	\$ (0.706)		790,604	270,700	519,904	(\$367,052)
Jul-26	\$ 4.219	\$ 3.585	\$ (0.634)		795,424	320,000	475,424	(\$301,419)
Aug-26	\$ 4.253	\$ 3.660	\$ (0.593)		822,038	331,800	490,238	(\$290,711)
Sep-26	\$ 4.207	\$ 3.633	\$ (0.574)		819,409	332,200	487,209	(\$279,658)
Avg Total \$	\$ 4.334	\$ 3.532	\$ (0.802)	-18.5%	30,127,512	18,741,377	11,386,135	(\$9,669,378)
Oct-26	\$ 4.248	\$ 3.681	\$ (0.567)		781,517	322,000	459,517	(\$260,546)
Nov-26	\$ 4.413	\$ 3.921	\$ (0.492)		2,098,081	1,427,133	670,948	(\$330,106)
Dec-26	\$ 4.770	\$ 4.394	\$ (0.376)		3,833,235	2,755,602	1,077,633	(\$405,190)
Jan-27	\$ 5.015	\$ 4.646	\$ (0.369)		5,457,324	3,988,962	1,468,362	(\$541,826)
Feb-27	\$ 4.567	\$ 4.229	\$ (0.338)		5,361,980	3,641,742	1,720,238	(\$581,440)
Mar-27	\$ 3.883	\$ 3.657	\$ (0.226)		4,581,263	2,424,238	2,157,025	(\$487,488)
Apr-27	\$ 3.405	\$ 3.382	\$ (0.023)		3,353,330	1,275,700	2,077,630	(\$47,785)
May-27	\$ 3.381	\$ 3.389	\$ 0.008		1,702,305	644,100	1,058,205	\$8,466
Jun-27	\$ 3.523	\$ 3.522	\$ (0.001)		798,512	345,500	453,012	(\$453)
Jul-27	\$ 3.692	\$ 3.685	\$ (0.007)		803,379	322,400	480,979	(\$3,367)
Aug-27	\$ 3.734	\$ 3.734	\$ -		830,259	297,700	532,559	\$0
Sep-27	\$ 3.695	\$ 3.708	\$ 0.013		827,603	257,300	570,303	\$7,414
Avg Total \$	\$ 4.027	\$ 3.829	\$ (0.198)	-4.9%	30,428,788	17,702,377	12,726,411	(\$2,642,322)

Footnotes:

a : Nymex rate used for annual BGSS periodic rate filing; Oct-2025 to Sept-2026 based on the **5-8-2025 Close** .

b: Nymex rate as of date of the report

c: Increase/Decrease in the Nymex rate compared to rate used for annual BGSS periodic rate filing

d: Sales forecast (includes fuel requirement) at a receipt point/wellhead equivalent volume

e: 'Hedged' volume consists of all fixed price contracts (financial or physical), purchased call option positions, and tentative storage withdrawal volumes (reduced by fuel required for delivery to citygate)

f: 'Unhedged' volume consists of sales volume forecast less 'hedged' volume

g: Not necessarily representative of a change in under/over-recovery value

S-ECHART-2
Elizabethtown Gas Company
Calculation of Net Cost of Gas Per Therm

	Actual	Actual	Actual	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	12 Month Weighted Average
	<u>Oct-25</u>	<u>Nov-25</u>	<u>Dec-25</u>	<u>Jan-26</u>	<u>Feb-26</u>	<u>Mar-26</u>	<u>Apr-26</u>	<u>May-26</u>	<u>Jun-26</u>	<u>Jul-26</u>	<u>Aug-26</u>	<u>Sep-26</u>		
1 NYMEX - 05/08/25 - Included in BGSS Filing	\$0.4063	\$0.4364	\$0.4852	\$0.5139	\$0.4812	\$0.4262	\$0.3897	\$0.3889	\$0.4045	\$0.4219	\$0.4253	\$0.4207		
2 NYMEX - Actual Settlement	\$0.2835	\$0.3376	\$0.4424											
<u>Breakdown of Gross Cost of Gas Per Therm:</u>														
13 Flowing Gas Cost	\$0.2119	\$0.5084	\$0.4510	\$0.1283	\$0.1506	\$0.1497	\$0.0495	-\$0.1564	-\$0.6213	-\$0.5699	-\$0.5904	-\$0.5576	\$0.1157	
14 Gas Withdrawn From Storage Cost	\$0.0227	\$0.0886	\$0.1115	\$0.1325	\$0.1072	\$0.0584	\$0.0004	\$0.0009	\$0.0024	\$0.0027	\$0.0028	\$0.0028	\$0.0740	
15 Hedged Volumes Delivered Cost	\$0.4689	\$0.1283	\$0.1066	\$0.1157	\$0.1287	\$0.1490	\$0.2396	\$0.3327	\$0.6166	\$0.5760	\$0.5972	\$0.5617	\$0.2004	
16 Pipeline Demand Cost	\$0.9197	\$0.3420	\$0.1567	\$0.1464	\$0.1409	\$0.1691	\$0.2242	\$0.4588	\$1.1229	\$1.1404	\$1.1408	\$1.1208	\$0.2970	
17 Storage Demand Cost	\$0.1869	\$0.0714	\$0.0327	\$0.0249	\$0.0238	\$0.0293	\$0.0391	\$0.0803	\$0.1960	\$0.2000	\$0.1997	\$0.1956	\$0.0537	
18 Peaking Cost	\$0.0000	\$0.0076	\$0.0035	\$0.0056	\$0.0039	\$0.0031	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0031	
19 Weighted Average Fuel Cost	\$0.0283	\$0.0210	\$0.0177	\$0.0031	\$0.0040	\$0.0037	\$0.0066	\$0.0159	\$0.0388	\$0.0440	\$0.0548	\$0.0502	\$0.0122	
20 Variable Pipeline Cost	\$0.0000	\$0.0000	\$0.0000	\$0.0227	\$0.0191	\$0.0150	\$0.0189	\$0.0416	\$0.1046	\$0.1103	\$0.1244	\$0.1194	\$0.0248	
21 Other Costs	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	
22 Total Gross Cost of Gas Per Therm	\$1.8384	\$1.1671	\$0.8797	\$0.5792	\$0.5783	\$0.5773	\$0.5784	\$0.7738	\$1.4600	\$1.5035	\$1.5292	\$1.4928	\$0.7809	

	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Weighted Average
	<u>Oct-24</u>	<u>Nov-24</u>	<u>Dec-24</u>	<u>Jan-25</u>	<u>Feb-25</u>	<u>Mar-25</u>	<u>Apr-25</u>	<u>May-25</u>	<u>Jun-25</u>	<u>Jul-25</u>	<u>Aug-25</u>	<u>Sep-25</u>		
23 NYMEX - Actual Settlement	\$0.2585	\$0.2346	\$0.3431	\$0.3514	\$0.3535	\$0.3906	\$0.3950	\$0.3170	\$0.3204	\$0.3261	\$0.3081	\$0.2867		
<u>Breakdown of Gross Cost of Gas Per Therm:</u>														
24 Flowing Gas Cost	\$0.0129	\$0.3417	\$0.2775	\$0.3899	\$0.1860	\$0.1083	-\$0.0483	-\$0.1060	-\$0.1955	-\$0.0852	-\$0.2623	-\$0.2763	\$0.1594	
25 Gas Withdrawn From Storage Cost	\$0.0261	\$0.1042	\$0.0960	\$0.0791	\$0.0591	\$0.0423	\$0.0129	\$0.0244	\$0.0413	\$0.0228	\$0.0042	\$0.0105	\$0.0572	
26 Hedged Volumes Delivered Cost	\$0.5619	\$0.1984	\$0.1361	\$0.1078	\$0.1260	\$0.1502	\$0.3052	\$0.3796	\$0.4481	\$0.6114	\$0.6952	\$0.6593	\$0.2131	
27 Pipeline Demand Cost	\$0.6870	\$0.3057	\$0.1601	\$0.0929	\$0.0923	\$0.1391	\$0.2381	\$0.4769	\$0.6597	\$0.9804	\$1.1570	\$1.0370	\$0.2422	
28 Storage Demand Cost	\$0.1521	\$0.0738	\$0.0313	\$0.0185	\$0.0185	\$0.0300	\$0.0485	\$0.0992	\$0.1506	\$0.2202	\$0.2581	\$0.2292	\$0.0520	
29 Peaking Cost	\$0.0000	\$0.0097	\$0.0041	\$0.0024	\$0.0025	\$0.0032	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0025	
30 Weighted Average Fuel Cost	\$0.0254	\$0.0157	\$0.0129	\$0.0151	\$0.0097	\$0.0082	\$0.0102	\$0.0154	\$0.0159	\$0.0315	\$0.0360	\$0.0253	\$0.0135	
31 Variable Pipeline Cost	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	
32 Other Costs	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	
33 Total Gross Cost of Gas Per Therm	\$1.4654	\$1.0491	\$0.7179	\$0.7056	\$0.4941	\$0.4812	\$0.5666	\$0.8894	\$1.1202	\$1.7811	\$1.8883	\$1.6851	\$0.7400	

Footnotes:

- Flowing Gas Cost = Gas purchased for delivery to city gate during month - not injected into storage
- Gas Withdrawn From Storage Cost = Gas withdrawn from storage - includes cost of injection, withdrawal, fees, line loss
- Hedged Volumes Delivered Cost = Hedged Volumes delivered to city gate - not injected into storage
- Pipeline Demand Cost = Fixed Pipeline costs
- Storage Demand Cost = Fixed Storage related costs
- Peaking Cost = Peaking Cost includes peaking services, LNG, Propane, etc...
- Weighted Average Fuel Cost = Commodity x fuel % for each pipeline - represents portion of gas shipped that is retained by pipeline
- Variable Pipeline Cost = Pipeline Charge per therm shipped

S-ECHART-2
Elizabethtown Gas Company
Calculation of Net Cost of Gas Per Therm

	Actual <u>Oct-25</u>	Actual <u>Nov-25</u>	Actual <u>Dec-25</u>	Estimate <u>Jan-26</u>	Estimate <u>Feb-26</u>	Estimate <u>Mar-26</u>	Estimate <u>Apr-26</u>	Estimate <u>May-26</u>	Estimate <u>Jun-26</u>	Estimate <u>Jul-26</u>	Estimate <u>Aug-26</u>	Estimate <u>Sep-26</u>	12 Month Weighted Average
<u>Credits, Refunds, & Recoveries Per Therm:</u>													
1 Asset Management Credits	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
2 Off-system sales	\$0.1915	\$0.0865	\$0.0737	\$0.0182	\$0.0183	\$0.0213	\$0.0279	\$0.0564	\$0.1400	\$0.1401	\$0.1401	\$0.1397	\$0.0490
3 Capacity release	\$0.0778	\$0.0351	\$0.0206	\$0.0034	\$0.0031	\$0.0114	\$0.0154	\$0.0312	\$0.0750	\$0.0380	\$0.0270	\$0.0270	\$0.0171
4 On System Credits to BGSS-P Customers	\$0.2047	\$0.1542	\$0.1611	\$0.1625	\$0.1456	\$0.1416	\$0.1407	\$0.1663	\$0.2327	\$0.2334	\$0.2466	\$0.2413	\$0.1612
5 Supplier Refunds	\$0.0019	\$0.0000	\$0.0294	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0041
6 Gas for Company Use	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
7 Line Loss	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
8 Transfer to Non BGSS-P Customers	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
9 Over / Under Recovery & Interest to Customers	\$0.8617	\$0.3906	\$0.0629	-\$0.1800	-\$0.1639	-\$0.1721	-\$0.1807	-\$0.0551	\$0.4372	\$0.5169	\$0.5405	\$0.5097	-\$0.0132
10 Other	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
11 Total Credits, Refunds, & Recoveries per Therm	\$1.3376	\$0.6664	\$0.3477	\$0.0041	\$0.0032	\$0.0022	\$0.0033	\$0.1987	\$0.8849	\$0.9284	\$0.9541	\$0.9177	\$0.2181
12 Total Net Cost Per Therm(Pg 1 Line 22 - Pg 2 Line 11)	\$0.5008	\$0.5007	\$0.5321	\$0.5751	\$0.5751	\$0.5751	\$0.5751	\$0.5751	\$0.5751	\$0.5751	\$0.5751	\$0.5751	\$0.5628

	Actual <u>Oct-24</u>	Actual <u>Nov-24</u>	Actual <u>Dec-24</u>	Actual <u>Jan-25</u>	Actual <u>Feb-25</u>	Actual <u>Mar-25</u>	Actual <u>Apr-25</u>	Actual <u>May-25</u>	Actual <u>Jun-25</u>	Actual <u>Jul-25</u>	Actual <u>Aug-25</u>	Actual <u>Sep-25</u>	Weighted Average
<u>Credits, Refunds, & Recoveries Per Therm:</u>													
13 Asset Management Credits	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
14 Off-system sales	\$0.0771	\$0.0729	\$0.0602	\$0.0794	\$0.0441	\$0.0393	\$0.0423	\$0.1025	\$0.2062	\$0.3210	\$0.2723	\$0.2352	\$0.0767
15 Capacity release	\$0.0845	\$0.0693	\$0.0063	\$0.0055	\$0.0052	\$0.0078	\$0.0213	\$0.0423	\$0.0770	\$0.0978	\$0.1096	\$0.0906	\$0.0223
16 On System Credits to BGSS-P Customers	\$0.1511	\$0.1380	\$0.1414	\$0.1272	\$0.1272	\$0.1327	\$0.1442	\$0.1383	\$0.1328	\$0.1709	\$0.1783	\$0.1649	\$0.1360
17 Supplier Refunds	\$0.0013	\$0.0000	\$0.0000	\$0.0003	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0006	\$0.0002	\$0.0062	\$0.0002
18 Gas for Company Use	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
19 Line Loss	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
20 Transfer to Non BGSS-P Customers	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
21 Over / Under Recovery & Interest to Customers	\$0.6675	\$0.2685	\$0.0095	-\$0.0075	-\$0.1836	-\$0.1996	-\$0.1420	\$0.1054	\$0.2034	\$0.6893	\$0.8308	\$0.6875	\$0.0044
22 Other	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
23 Total Credits, Refunds, & Recoveries per Therm	\$0.9814	\$0.5486	\$0.2173	\$0.2050	-\$0.0070	-\$0.0198	\$0.0658	\$0.3884	\$0.6193	\$1.2795	\$1.3912	\$1.1842	\$0.2396
24 Total Net Cost Per Therm (Pg 1 Line 33 - Pg 2 Line 23)	\$0.4840	\$0.5005	\$0.5006	\$0.5007	\$0.5010	\$0.5011	\$0.5008	\$0.5010	\$0.5008	\$0.5016	\$0.4970	\$0.5009	\$0.5004

Footnotes:

On System Credits to BGSS-P Customers = Interruptible Sales, Cogeneration, Electric Plant Transfers, Sayerville, Forked River, Ocean Power, etc...

Line Loss = Gross Cost of Gas per Therm x Line Loss Percentage

Indicate that Line 12 equals the projected BGSS-P rate or provide a calculation below that reconciles the two numbers.