

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

**IN THE MATTER OF THE PETITION OF
ELIZABETHTOWN GAS COMPANY TO ISSUE : PETITION
LONG-TERM DEBT AND SECURITY THEREFOR :
AND FOR AUTHORITY TO ISSUE AND SELL : DOCKET NO.
SHORT-TERM INDEBTEDNESS, ALL THROUGH :
DECEMBER 31, 2025**

TO THE HONORABLE COMMISSIONERS OF THE BOARD OF PUBLIC UTILITIES:

Petitioner, Elizabethtown Gas Company (sometimes hereinafter referred to as “Elizabethtown,” “Petitioner” or the “Company”), a public utility corporation of the State of New Jersey, with its principal office at 520 Green Lane, Union, New Jersey 07083, hereby petitions this Honorable Board (sometimes hereinafter referred to as the “Board”) for authorization through December 31, 2025, on an expedited basis no later than April 2023:

(i) to make, execute and deliver pursuant to N.J.S.A. 48:3-7 a Supplemental Mortgage Indenture and any such additional Supplemental Mortgage Indentures as may be advisable providing for the issuance of a First Mortgage Bond or First Mortgage Bonds, with a maturity or maturities of not more than forty (40) years from the respective dates of issuance, in an aggregate principal amount of not more than \$1,400,000,000 (the “Financing Cap”) less the aggregate principal amount of any other long-term indebtedness issued pursuant to this Petition payable in more than twelve (12) months from the date or dates thereof that is issued pursuant to

(iii) below;

(ii) to issue and sell Bonds (whether First Mortgage Bonds or unsecured Bonds) with a maturity of not more than forty (40) years from the respective dates of issuance, in an aggregate principal amount of not more than the Financing Cap less the aggregate principal amount of any other indebtedness payable in more than twelve (12) months from the date or dates thereof that is issued pursuant to (iii) below;

(iii) to issue other evidence of indebtedness, including credit agreements or notes, payable more than twelve (12) months from the date or dates thereof;

(iv) to redeem, refinance (without regard to and unaffected by the Financing Cap), or defease any or all of its outstanding long-term indebtedness or long-term debt securities as long as the redemption, refinancing or defeasance is financially advantageous to Petitioner; and

(v) to issue, renew or extend, prior to December 31, 2025, unsecured notes and/or other evidence of indebtedness payable not more than 12 months after the date(s) thereof (“Short-Term Debt”). For the reasons set forth herein, Petitioner hereby requests an aggregate principal amount of Short-Term Debt obligations outstanding at any one time not to exceed \$300,000,000.

In support thereof, Petitioner states as follows:

1. Elizabethtown is engaged in the transmission, distribution, transportation, and sale of natural gas within its defined service territory within the State of New Jersey. Said service territory includes all or portions of the following Counties: Hunterdon; Mercer; Middlesex; Morris; Sussex; Union; and Warren. Within its service territory, Elizabethtown serves more than 300,000 customers.

I LONG-TERM DEBT

2. By this Petition, the Company seeks authorization through December 31, 2025 to engage in a transaction or series of transactions, the net result of which will be the issuance and sale of up to the Financing Cap in aggregate principal amount of Bonds plus any other evidence of indebtedness payable more than twelve (12) months from the date or dates thereof. The net proceeds of this transaction or series of transactions will be utilized to retire short-term debt (including short-term bridge loan(s)) issued as a result of change-in-control redemptions of certain long-term bonds resulting from the Board-approved acquisition of

South Jersey Industries, Inc. (“SJI”) by NJ Boardwalk Holdings LLC (“Boardwalk”), which was consummated on February 1, 2023; to fund capital expenditure requirements; to fund gas supply acquisitions; for other general corporate purposes; and, potentially, to redeem, refinance (without regard to and unaffected by the Financing Cap) or defease any or all of the Company’s indebtedness or debt securities as long as such redemption, refinancing or defeasance is financially advantageous to Petitioner.

3. Petitioner’s construction program is financed, in part, by Short-Term Debt on an interim basis, and periodically Petitioner is required to retire such Short-Term Debt. To be clear, Petitioner’s overall plan is to finance construction with long-term debt.

4. The Bonds may be issued as part of one series, or as part of several series, and may be issued on a secured or on an unsecured basis. Bonds may be issued with maturities from one to forty years and with various specified conditions, including redemption provisions. The Bonds will be sold at 100% of principal amount, at a discount, or at a premium.

5. The Company may issue secured Bonds as First Mortgage bonds under a Supplemental Indenture supplementing Petitioner’s First Mortgage Indenture dated as of July 2, 2018 (as amended and supplemented from time to time, the “Mortgage Indenture”) from Petitioner to Wilmington Trust, NA as Mortgage Trustee (the “Mortgage Trustee”). Bonds issued under the Mortgage Indenture will be issued pursuant to one or more supplemental indentures under the Mortgage Indenture. As a result, it may be necessary for Petitioner to make, execute and deliver multiple supplemental indentures to the Mortgage Indenture.

6. In addition to being issued in various series, Petitioner proposes that Bonds may be issued at various times, and have differing maturity dates and may bear interest at different rates, and may contain other terms that vary from series to series. Any series of Bonds may be issued in one or more offerings that may be registered under the Securities Act

of 1933 (the “Securities Act”) or in one or more offerings that may be exempt from registration under the Securities Act. If a Bond offering is not registered under the Securities Act, the Company intends to sell the Bonds either to or through from one to four agents, in any such case to purchasers that will be accredited investors, as defined in rules adopted by the Securities and Exchange Commission (“SEC”), or to other purchasers as may be permitted under applicable securities regulations with respect to the exemption from registration on which the Company relies for such issuance. The successful bidder or bidders may, in turn, resell the Bonds to qualified institutional buyers, pursuant to Rule 144A under the Securities Act, or to other eligible purchasers under an applicable exemption from the Securities Act. This type of sale, in an unregistered offering, will be made to or through the agent or agents whose bid or bids will, in the judgment of the Company, yield a financially advantageous result for the Company. The agent or agents to be utilized by the Company may change from offering to offering.

7. Petitioner proposes to issue Bonds within the following yield spreads over U.S. Treasury securities; provided, however, that if market conditions require a yield spread over U.S. Treasury securities greater than as set forth below, Petitioner will notify the Office of the Economist of the Board at least seven (7) days prior to pricing of the Bonds and if Petitioner does not receive any objection in writing from the Office of the Economist of the Board within seven (7) days of receipt of such notice, the Maturity Yield Spread Table shall be deemed amended as set forth in such notice:

MARKET YIELD SPREAD TABLE

Range of Maturities	Maximum Coupon Spread Over U.S. Treasury Securities (Basis Points)
1 Yr. to less than 18 Mos.	260
18 Mos. to less than 2 Yrs.	260
2 Yrs. to less than 3 Yrs.	260
3 Yrs. to less than 4 Yrs.	275
4 Yrs. to less than 5 Yrs.	285
5 Yrs. to less than 7 Yrs.	300
7 Yrs. to less than 10 Yrs.	320
10 Yrs. to less than 15 Yrs.	335
15 Yrs. to less than 20 Yrs.	320
20 Yrs. to 40 Yrs.	365

8. In order to provide Petitioner with the opportunity to take advantage of changing money market conditions and advantageously manage its cost of capital and meet competitive conditions, Petitioner requests authority, as appropriate market opportunities arise, to issue and sell Bonds in one or more offerings or to issue other evidence of long-term indebtedness. The terms of the proposed Bonds or other long-term indebtedness cannot be determined at this time, as they will be dependent upon market and other conditions at the time of issuance and sale. However, Petitioner will select the form of instrument which in the judgment of Petitioner would allow the issuance and sale of Bonds or other evidence of indebtedness in a financially advantageous manner.

9. Petitioner also intends to, if market conditions dictate, take advantage of the opportunity to issue evidence of indebtedness in forms other than Bonds. It may do so through a one or more credit facilities not yet negotiated, which would allow for the issuance of evidence of indebtedness payable more than twelve (12) months after the date or dates of

each such respective evidence of indebtedness. By way of example, and not exclusion, Petitioner may enter into a credit agreement or credit agreements providing for notes payable in two, three or four years from the dates of such notes. Petitioner will only do so if market conditions are favorable, leading to a beneficial cost of embedded debt to the Petitioner. Petitioner may at a later date issue Bonds to replace said credit agreement or credit agreements (the “Replacement Bonds”), which Replacement Bonds will be issued without regard to and unaffected by the Financing Cap and will not be applied against the Financing Cap.

10. By Order dated March 24, 2021 in Docket No. GF20120749, the Board approved an \$700,000,000 long-term debt program for Petitioner. Authorization for that program expires December 31, 2023. As of the date of this Petition, Elizabethtown has issued an aggregate of \$125,000,000 of evidence of long-term indebtedness under that authorization, consisting of a combination of Bond issuances. A number of Petitioner’s existing long-term debt securities contain change-in-control provisions, which allow the bond holders to redeem the securities if there is a change of control. As a result of the acquisition of SJI by Boardwalk, Elizabethtown expects that many bond holders will exercise their options to redeem the long-term bonds. Elizabethtown will use short-term bridge loans as an interim measure for such redemptions. However, Petitioner will need to refinance such short-term bridge loans with long-term debt. Therefore, both to refinance such short-term bridge loans and to finance capital expenditures in the near-term, Elizabethtown requires an Order authorizing the issuance of \$1,400,000,000 of long-term debt. Petitioner plans to refinance such interim short-term debt with long-term debt as soon as possible. Accordingly, Elizabethtown requests that the Board review this petition on an expedited basis and issue an Order no later than April 2023. This \$1,400,000,000 authorization, once approved, will replace and supersede the current \$700,000,000 authorization.

11. Additionally, Petitioner requests authority to engage in redemptions, refinancings (without regard to and unaffected by the Financing Cap) or defeasances of any of its outstanding long-term indebtedness or long-term debt securities, at any time through December 31, 2025, that, in the judgment of the Company, are financially advantageous to the Company. Specifically, Petitioner requests authority to redeem, refinance or defease at its option, all or any of the outstanding principal balance of any of its remaining outstanding long-term indebtedness or long-term debt securities which are eligible to be redeemed at their previously approved redemption prices, including any premium, plus interest thereon to the date of redemption, if doing so is financially advantageous to the Company.

12. Petitioner anticipates that it will issue First Mortgage Bonds in the principal amount of \$1.08 billion in 2023, and will make, execute, and deliver a new Supplemental Indenture to secure such First Mortgage Bonds and issue such First Mortgage Bonds thereunder.

13. Petitioner proposes to amortize the issuance cost of the new Bonds by monthly charges to account number 429 Amortization of Debt Discount and Expense. The Projected cost for such issuance is \$10.0 million. A schedule of projected issuance costs for such First Mortgage Bonds is attached hereto as Exhibit A.

14. Elizabethtown's service territory continues to mature, and, in recent years, to meet the needs of its service territory and ensure pipeline integrity and safety, Petitioner has been making large construction expenditures. For the years 2020, 2021 and 2022 through 9/30/2022, construction expenditures amounted to \$200.3 million, \$225.5 million and \$241.3 million, respectively. The level of construction expenditures anticipated for 2023 is \$264.9 million.

15. In a Board Order dated June 12, 2019 in BPU Docket No. GR18101197,

the Board authorized the Company to implement a \$300 million, five-year infrastructure investment program (“IIP”) effective July 1, 2019 through June 30, 2024. The IIP authorizes the Company to replace up to 250 miles of vintage cast iron and bare steel mains and related services and to install excess flow valves on new service lines and to recover the costs related to the IIP through future rate adjustments. In addition, the Company must maintain the following baseline capital spending levels that are not recoverable through the IIP: (1) \$6 million or \$30 million over the 5-year period on projects similar to those eligible for recovery under the IIP; and (2) an average annual amount of \$79 million per year, or \$395 million over the 5-year period on all capital expenditures within the Company’s discretion. Elizabethtown’s projected capital spending through 2025, inclusive of these baseline capital spending requirements, is \$738.7 million.

16. The IIP is initially funded through internally generated funds or short-term debt, which is then typically replaced by long-term debt.

17. It is also the Company’s policy to initially finance its general construction program with internally generated funds and short-term debt. Periodically, the Company pays down its short-term debt, to prevent balances from becoming too high, with the proceeds from the sale of long-term debt, such as Bonds, or from equity infusions. At September 30, 2022, the Company’s short-term debt balance, was \$107.8 million.

18. Petitioner’s short-term debt as of September 30, 2022 was \$107.8 million or 4.5% of total capitalization. Long-term debt was \$917.9 million or 38.2% of total capitalization, and equity (common stock) was 57.4% of total capitalization. A capital table as of September 30, 2022 is attached hereto as Exhibit C.

19. Petitioner hereby incorporates herein by reference thereto and makes a part hereof, the following information contained in Petitioner’s Annual Report to the Board

of Public Utilities for the year ended December 31, 2021 (referenced to herein as Exhibit D-1 but not attached):

- (a) Balance Sheets as of the beginning and the end of 2021, pages 110-113
- (b) Gas Plant in Service by accounts as of the beginning and the end of 2021, pages 204-209.
- (c) Additions to and retirements from Gas Plant in Service for the year 2021, pages 204-209.
- (d) Statement of Cash Flows for the year 2021, pages 120-120a.
- (e) As to each class of capital stock of Petitioner, authorized, issued and outstanding shares at December 31, 2021, pages 250-251.
- (f) As to each issue or series of long-term indebtedness of Petitioner outstanding as of December 31, 2021, the principal amount authorized to be issued, date of issue, date of maturity, rate of interest and principal amount outstanding as of December 31, 2021, pages 256-257.

Since December 31, 2021 there have been no bonds redeemed.

- (g) The amount of interest charged to income and the rates thereof during the year ended December 31, 2021, page 257.
- (h) The amount of dividends paid upon each class of stock during the year ended December 31, 2021, pages 118-119.
- (i) A detailed statement of income for the year ended December 31, 2021, pages 114-116.

20. Information relating to the current financial condition of Petitioner, as required by N.J.A.C. 14:1-5.9(a)(9), is as follows (as of September 30, 2022):

(a) CAPITAL STOCK

Common stock, \$0.001 par value;

AMOUNT (000's)

1,000 shares authorized;

100 issued and outstanding	\$0
Premium on capital stock	\$1,233,797
Retained Earnings	<u>\$146,061</u>
Total Common Equity:	\$1,379,858

(b) FIRST MORTGAGE BONDS (FMBs)
OUTSTANDING

Coupon Rate	Series	Issue Date	Maturity Date	Authorized (000's)	Outstanding (000'S)
4.020%	FMBs	12/20/2018	12/20/2028	\$ 50,000	\$ 50,000
4.220%	FMBs	12/20/2018	12/20/2033	\$ 55,000	\$ 55,000
4.290%	FMBs	12/20/2018	12/20/2038	\$ 150,000	\$ 150,000
4.370%	FMBs	12/20/2018	12/20/2048	\$ 200,000	\$ 200,000
4.520%	FMBs	12/20/2018	12/20/2058	\$ 75,000	\$ 75,000
2.840%	FMBs	9/27/2019	9/27/2029	\$ 40,000	\$ 40,000
2.840%	FMBs	10/29/2019	10/29/2029	\$ 35,000	\$ 35,000
2.940%	FMBs	11/26/2019	11/26/2031	\$ 25,000	\$ 25,000
2.940%	FMBs	12/27/2019	12/27/2031	\$ 45,000	\$ 45,000
3.280%	FMBs	11/10/2020	11/10/2050	\$ 75,000	\$ 75,000
3.380%	FMBs	11/10/2020	11/10/2060	\$ 50,000	\$ 50,000
2.260%	FMBs	6/15/2021	6/15/2031	\$ 50,000	\$ 50,000
3.080%	FMBs	6/15/2021	6/15/2041	\$ 25,000	\$ 25,000
3.360%	FMBs	6/15/2021	6/15/2051	\$ 50,000	\$ 50,000

Total Long-Term Debt Outstanding (in 000's) **\$ 925,000**

The Mortgage Indenture creates a first lien upon virtually all of Petitioner's real and personal property except certain items such as cash, investments, inventories, accounts receivable and transportation equipment. The trustee under the Mortgage Indenture is Wilmington Trust, NA.

(c) OTHER INDEBTEDNESS

Short-term Notes Payable to banks

(average rate 3.87%)

\$107,800,000

(d) INTEREST CHARGED TO INCOME

The amount of interest charged to income during the third quarter of 2022, by interest rate, is set forth on Exhibit D(2) attached hereto.

(e) DIVIDENDS PAID

No dividends were paid on Common Stock during 2022 through September 30, 2022.

(f) FINANCIAL STATEMENTS

Comparative Financial Statements for September 30, 2022 and the fiscal years ended December 31, 2020 and 2021, including balance sheets at each date, and the related statements of income and retained earnings and of cash flows for the years then ended are attached hereto as Exhibit D(1).

21. To be supplied at a later date, as Exhibit F, will be a certified copy of the Corporate Resolutions of Petitioner's Board of Directors authorizing the forthcoming proposed Bond transaction.

II. SHORT-TERM DEBT

22. Petitioner is engaged in the improvement of its physical plant and facilities necessary to provide safe, adequate and proper public utility service to the public. Permanent financing and refinancing for such continuing improvement programs are provided through the issuance of long-term debt and by internally generated cash and equity contributions. In addition, Petitioner has a need to fund its utility obligations and corporate transactions, including working capital, purchase of natural gas, the payment of state income and other taxes, temporary funding of long-term debt including maturities and obligations and to manage timing differences which may occur between its cash receipts, including collections from customers, and its cash outflows.

In order to employ internally generated cash efficiently and to provide the flexibility necessary to effectively manage cash flows and meet continued cash needs, it is necessary for Petitioner to have authority to issue and sell Short-Term Debt obligations, not exceeding \$300,000,000 aggregate principal amount at any one time outstanding, through December 31, 2025.

23. South Jersey Industries, Inc. (“SJI”), South Jersey Gas Company (“SJG”) Petitioner’s affiliate, and Petitioner are currently parties to a single five-year revolving credit agreement under which Petitioner may make individual short-term loans, all payable within 365 days in aggregate amounts not to exceed \$300,000,000 outstanding at any time. Because these evidences of indebtedness must be repaid within 365 days, they will not require advance approval from the Board. However, to the extent that any such notes or other evidences of indebtedness issued after the initial issuances of notes may be deemed renewals or extensions, Petitioner seeks approval for such renewals or extensions. Petitioner also plans for the issuance of other Short-Term Debt obligations prior to December 31, 2025.

24. Therefore, Petitioner seeks authority to issue and sell its Short-Term Debt obligations consisting of borrowings from banks, trust companies, insurance companies or other lenders and of promissory notes (including commercial paper) not exceeding \$300,000,000 aggregate principal amount at any one time outstanding through December 31, 2025, including in each case renewals or extensions thereof.

25. Although Short-Term Debt obligations issued pursuant to N.J.S.A. 48:3-9 are due and payable in less than twelve months from issue and approval from the Board is not required for issuance, to the extent that any Short-Term Debt obligation is a renewal or extension of a Short-Term Debt obligation heretofore issued, such renewal or extension could be payable later than twelve months after the date of the original instrument. Petitioner contemplates that, within said limitation of \$300,000,000 aggregate principal amount at any one time outstanding,

such Short-Term Debt obligations will be issued, extended or renewed from time to time through December 31, 2025 without further application to or approval of this Honorable Board.

26. The interest or discount rate applicable to a Short-Term Debt obligation will be the best rate obtainable by Petitioner for the type of transaction involved. In the case of borrowings from banks and trust companies, such rate, in each instance, will normally be referenced to one of the following: the Prime Rate, the Federal Funds Rate, or the Secured Overnight Financing Rate (SOFR), as the case may be. In the case of commercial paper, the rate will normally be the market rate or discount rate for commercial paper of comparable quality and maturity.

27. In accordance with instructions contained in the applicable Uniform Systems of Accounts prescribed by the Board, the principal amount of each Short-Term Debt obligation will be credited to Notes Payable. The proceeds from the issuance of each Short-Term Debt obligation will be added to the general funds of Petitioner and will be used by it for its utility purposes, including working capital, interim financing of state income and other tax obligations, purchase of natural gas, and temporary funding of long-term debt maturities and obligations and payment of other current utility obligations.

28. In support of the Long-Term Debt portion of this Petition, the following exhibits are annexed hereto:

- (a) Exhibit A - Schedule of Estimated Issuance Costs.
- (b) Exhibit B - Copy of Petitioner's 2023 estimated Construction Budget, showing total projected construction costs of \$264.9 million.
- (c) Exhibit C - Capital Structure as of September 30, 2022.
- (d) Exhibit D(1) - Petitioner's Financial Statements for September 30, 2022 and the years ended December 31, 2020 and 2021.

- (e) Exhibit D(2) - Schedule of Interest charged to Income during fiscal quarter ended September 30, 2022.
- (f) Exhibit E - Timetable demonstrating the closing of the Bond transaction currently contemplated on or about April 2023.

29. No franchise or right is proposed to be capitalized, directly or indirectly, by the Company, as a result of this Petition. It is the intention of Petitioner, in good faith, to use the proceeds of the Bonds to be issued as a result of this Petition for the purposes set forth in this Petition.

WHEREFORE, Petitioner respectfully prays that this Honorable Board approve Petitioner's request: (i) to make, execute and deliver pursuant to N.J.S.A. 48:3-7 a Supplemental Mortgage Indenture and any such additional Supplemental Mortgage Indentures as may be advisable providing for the issuance of a First Mortgage Bond or First Mortgage Bonds, with a maturity or maturities of not more than forty (40) years from the respective dates of issuance, in an aggregate principal amount of not more than \$1,400,000,000 (the "Financing Cap") less the aggregate principal amount of any other indebtedness issued pursuant to this Petition payable in more than twelve (12) months from the date or dates thereof that is issued pursuant to (iii); (ii) to issue and sell Bonds (whether First Mortgage Bonds or unsecured Bonds) with a maturity of not more than forty (40) years from the respective dates of issuance, in an aggregate principal amount of not more than the Financing Cap less the aggregate principal amount of any other indebtedness payable in more than twelve (12) months from the date of dates thereof that is issued pursuant to (iii); (iii) to issue other evidence of indebtedness, including credit agreements or notes, payable more than twelve (12) months from the date or dates thereof; (iv) to redeem, refinance (without regard to and unaffected by the Financing Cap), or defease any or all of its outstanding long-term indebtedness or long-term debt securities as long as the redemption, refinancing or defeasance is financially

advantageous to Petitioner; and (v) to issue, renew or extend, prior to December 31, 2025, unsecured notes and/or other evidence of indebtedness payable not more than 12 months after the date(s) thereof. Petitioner hereby requests an aggregate principal amount of Short-Term Debt obligations outstanding at any one time not to exceed \$300,000,000.

As discussed above, Elizabethtown also requests that the Board review and act on this Petition on an expedited basis. Petitioner plans to refinance the short-term debt associated with the change-in-control redemptions with long-term debt as soon as possible. Accordingly, Elizabethtown requests that the Board review this petition on an expedited basis and issue an Order no later than April 2023.

Respectfully submitted,

ELIZABETHTOWN GAS COMPANY
By: COZEN O'CONNOR



Gregory Eisenstark

Dated: February 6, 2023

Communications addressed to Petitioner in this case are sent to:

COZEN O'CONNOR

Attn: Gregory Eisenstark, Esquire
1010 Kings Highway South
Cherry Hill, NJ 08034
973-200-7411
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Deborah M. Franco
Vice President, Rates, Regulatory &
Sustainability 520 Green Lane
Union, NJ 07083
908-662-8448
dfranco@sjindustries.com

VERIFICATION

I, Steven R. Cocchi, of full age, being duly sworn according to law, upon my oath, depose and say:

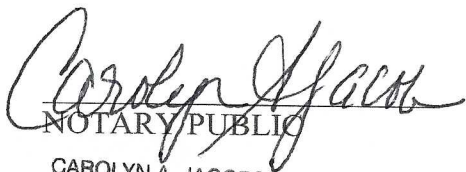
1. I am Senior Vice President and Chief Financial Officer of South Jersey Industries, Inc. and am authorized to make this Verification on behalf of Elizabethtown Gas Company.

2. I have reviewed the foregoing petition and the information contained herein is true according to the best of my knowledge, information and belief.



Steven R. Cocchi

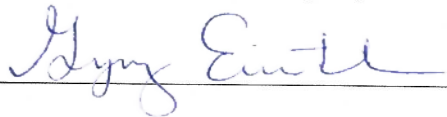
Sworn to and subscribed
before me on this 12th day
of February, 2023



NOTARY PUBLIC
CAROLYN A. JACOBS

NOTARY PUBLIC OF NEW JERSEY
My Commission Expires October 28, 2023

This Verification is being submitted in facsimile form because the affiant is not available to sign the Verification. The undersigned attorney, Gregory Eisenstark, certifies that the affiant electronically acknowledged the genuineness of the signature and that the Verification or a copy with an original signature affixed will be filed if requested by the Board of Public Utilities or a party to this proceeding.



Gregory Eisenstark, Esq.

Exhibit A

**Elizabethtown Gas Company
Schedule of Estimated Issuance Costs**

Proposed Private Placement Bond of \$1.4 Billion

Issuer and Agent Legal Fees	\$	1,420,000
Placement Fee	\$	8,490,000
Administrative Fee	\$	80,000
Total	<u>\$</u>	<u>9,990,000</u>

Exhibit B

Elizabethtown Gas Company
Estimated 2023 Construction Budget (in thousands)

	YTD Total
	264,934
	106,061
Infrastructure Investment Program (No OH, No AFUDC)	88,874
Infrastructure Investment Program (OH)	8,887
Infrastructure Investment Program (AFUDC)	137
Infrastructure Investment Program - Base Spend (No OH, No AFUDC)	7,407
Infrastructure Investment Program - Base Spend (OH)	740
Infrastructure Investment Program - Base Spend (AFUDC)	15
	49,471
Core New Business	35,887
Large Strategic	6,574
NB Overheads	6,948
NB AFUDC	63
	109,402
Facility	3,264
Fleet	2,902
Gas Ops	3,760
LNG	20,292
IT	12,513
Mandatory	5,192
DIMP	23,407
DIMP-STIM	600
DIMP-LD	18,825
TIMP	0
DOT	2,078
PT Meter	0
PRIM	5,440
Corrosion	760
Relocation	0
Security	272
Strategic	2,500
Tools, incl blanket tools (NB, Field & Con Ops)	0
RBI Overheads	6,787
RBI AFUDC	812

Exhibit C

Elizabethtown Gas Company
Capitalization Structure
(in thousands)

	9/30/2022
	<u>Actual</u>
<u>CAPITALIZATION:</u>	
Amount of Capital without Short-Term Debt	
Long-Term Debt	917,859
Common Equity	1,379,858
Total	<u>\$ 2,297,717</u>
Amount of Capital with Short-Term Debt	
Short-Term Debt	107,800
Long-Term Debt	917,859
Common Equity	1,379,858
Total	<u>\$ 2,405,517</u>
<u>TOTAL CAPITALIZATION RATIOS:</u>	
Percent of Capital with Short-Term Debt	
Short-Term Debt	4.5%
Long-Term Debt	38.2%
Common Equity	57.4%
	<u>100.0%</u>

Exhibit D(1)

Elizabethtown Gas Company
Statement of Income (Unaudited)
(In Thousands)

	Nine Months Ended September 30, 2022	Year Ended December 31, 2021	Year Ended December 31, 2020
Operating Revenues:	\$ 279,733	\$ 360,024	\$ 349,392
Operating Expenses:			
Cost of Natural Gas (Excluding Depreciation and Amortization)	112,090	125,536	120,798
Operations and Maintenance	70,060	99,692	94,229
Depreciation	36,761	45,399	40,300
Impairment Charges	7,212	-	-
Energy and Other Taxes	4,087	(6,112)	4,427
Total Operating Expenses:	<u>230,210</u>	<u>264,515</u>	<u>259,754</u>
Operating Income	\$ 49,523	\$ 95,509	\$ 89,638
Operating Income and Expenses	1,806	4,441	557
Interest Charges	(26,599)	(34,155)	(29,997)
Income (Loss) Before Income Taxes	\$ 24,731	\$ 65,795	\$ 60,198
Income Taxes	(5,962)	(15,053)	(12,849)
Net Income (Loss)	<u>\$ 18,768</u>	<u>\$ 50,742</u>	<u>\$ 47,349</u>

Exhibit D(1)

Elizabethtown Gas Company
Balance Sheet (Unaudited)
(In Thousands)

	Nine Months Ended September 30, 2022	Year Ended December 31, 2021	Year Ended December 31, 2020
Assets:			
Property, Plant and Equipment:			
Utility Plant, at original cost	\$ 2,235,625	\$ 2,069,446	\$ 1,877,830
Accumulated Depreciation	(337,860)	(318,791)	(307,196)
Nonutility Property and Equipment	11	-	-
Property, Plant and Equipment - Net	<u>1,897,775</u>	<u>1,750,655</u>	<u>1,570,634</u>
Investments:			
Restricted	-	-	2,858
Total Investments	<u>-</u>	<u>-</u>	<u>2,858</u>
Current Assets:			
Cash and Cash Equivalents	569	21	566
Accounts Receivable	41,753	63,723	62,501
Receivable from Affiliated Company	5,723	1,150	-
Unbilled Revenues	6,483	35,900	36,086
Provision for Uncollectibles	(15,442)	(16,597)	(13,127)
Natural Gas in Storage, average cost	51,302	18,503	9,956
Materials and Supplies, average cost	442	447	1,942
Derivatives - Energy Related Assets	36,382	12,712	2,234
Prepaid Taxes	11,325	-	-
Other Prepayments and Current Assets	11,116	19,815	6,767
Total Current Assets	<u>149,652</u>	<u>135,674</u>	<u>106,925</u>
Regulatory and Other Noncurrent Assets:			
Regulatory Assets	193,081	189,671	178,909
Derivatives - Energy Related Assets	4,745	2,950	513
Goodwill	700,227	700,227	700,227
Deferred Income Taxes - Net	-	-	12,441
Receivable From Affiliated Company	-	-	2,125
Contract Receivables	889	-	-
Other Noncurrent Assets	10,428	9,288	700
Regulatory and Other Noncurrent Assets	<u>909,369</u>	<u>902,136</u>	<u>894,915</u>
Total Assets	<u>2,956,797</u>	<u>2,788,465</u>	<u>2,575,332</u>

<u>Capitalization and Liabilities:</u>	Nine Months Ended	Year Ended	Year Ended
Equity:	September 30, 2022	December 31, 2021	December 31, 2020
Common Stock, par value \$0.001 per share			
Authorized - 1,000 shares			
Outstanding - 100 shares			
Paid-in Capital	1,233,797	1,183,797	1,183,797
Retained Earnings	146,061	127,294	76,552
Total Equity	1,379,858	1,311,091	1,260,349
Long-Term Debt	917,859	917,540	792,456
Total Capitalization	2,297,718	2,228,631	2,052,805
Current Liabilities:			
Notes Payable	107,800	83,000	73,900
Accounts Payable	75,065	47,379	26,400
Payable to Affiliated Companies	28,394	20,803	14,595
Customer Deposits and Credit Balances	17,888	14,999	11,580
Environmental Remediation Costs	15,769	13,226	22,097
Interest Accrued	10,030	2,008	1,387
Taxes Accrued	(1)	1,225	1,877
Derivatives - Energy Related Liabilities	132	196	1,037
Other Current Liabilities	1,743	2,939	2,574
Total Current Liabilities	256,819	185,775	155,447
Deferred Credits and Other Noncurrent Liabilities:			
Deferred Income Taxes - Net	13,671	5,496	-
Environmental Remediation Costs	59,738	60,423	69,740
Derivatives - Energy Related Liabilities	661	471	442
Asset Retirement Obligations	124,855	125,405	112,604
Regulatory Liabilities	198,273	176,540	175,216
Other Noncurrent Liabilities	5,062	5,724	9,078
Total Deferred Credits and Other Noncurrent Liabilities	402,259	374,059	367,080
Total Capitalization and Liabilities:	\$ 2,956,797	\$ 2,788,465	\$ 2,575,332

Exhibit D(1)

Elizabethtown Gas Company
Statements of Comprehensive Income (Loss) (Unaudited)
(In Thousands)

	Nine Months Ended September 30, 2022	Year Ended December 31, 2021	Year Ended December 31, 2020
Net Income (Loss)	\$ 18,768	\$ 50,742	\$ 47,349
Other Comprehensive Income (Loss), Net of Tax	-	-	-
Comprehensive Income (Loss)	<u>\$ 18,768</u>	<u>\$ 50,742</u>	<u>\$ 47,349</u>

Exhibit D(1)

Elizabethtown Gas Company
Condensed Statement of Cash Flow (Unaudited)
(In Thousands)

	Nine Months Ended September 30, 2022	Year Ended December 31, 2021	Year Ended December 31, 2020
Cash Flows from Operating Activities:			
Net Income (Loss)	\$ 18,768	\$ 50,742	\$ 47,349
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided By (Used in) Operating Activities:			
Depreciation and Amortization	48,676	70,643	57,967
Non-Cash Impairment	7,181	-	-
Provision for Losses on Accounts Receivable	1,856	2,370	3,185
Deferred Gas Costs and Energy Related Derivatives - Net of Recoveries	1,889	(207)	13,193
Stock Based Compensation Expense	184	176	146
Deferred and Noncurrent Income Taxes - Net	5,962	15,053	12,849
Gain from Tax Settlement	-	(10,960)	-
Environmental Remediation Costs - Net of Recoveries	(3,779)	(15,732)	7,899
Gas Plant Cost of Removal	(5,385)	(6,650)	(8,316)
Societal Benefit Cost	(11,549)	(10,074)	(11,258)
Changes in:			
Accounts Receivable	42,816	(11,046)	(24,343)
Accounts Payable and Other Accrued Liabilities	26,851	15,570	7,524
Other Assets and Liabilities	(36,801)	(16,329)	(2,108)
Net Cash Provided by (Used in) Operating Activities	<u>96,669</u>	<u>83,556</u>	<u>104,087</u>
Cash Flows from Investing Activities:			
Capital Expenditures	(169,985)	(218,529)	(202,136)
Investment in Contract Receivables	(948)	(98)	-
Proceeds from Contract Receivables	18	-	-
Net Cash Used in Investing Activities	<u>(170,915)</u>	<u>(218,627)</u>	<u>(202,136)</u>
Cash Flows from Financing Activities:			
Net Borrowings from Short-Term Credit Facilities	24,800	9,100	(29,800)
Proceeds from Issuance of Long-Term Debt	-	125,000	125,000
Capital Contributions from Parent Company	50,000	-	-
Payment of Financing Costs	(6)	(2,432)	(2,343)
Net Cash Provided by Financing Activities	<u>74,794</u>	<u>131,668</u>	<u>92,857</u>
Net Change in Cash, Cash Equivalents and Restricted Cash	548	(3,403)	(5,192)
Cash, Cash Equivalents, and Restricted Cash at Beginning of Period	21	3,424	8,616
Cash, Cash Equivalents, and Restricted Cash at End of Period	569	21	3,424

Exhibit D(2)

Elizabethtown Gas Company
Schedule of Interest Charged to Income

The amount of interest charged (\$000's) against income during the fiscal quarter ended September 30, 2022 on each kind of indebtedness and the applicable rate per annum were as follows:

Coupon Rate	Issue Date	Maturity Date	Authorized (000's)	Outstanding (000'S)	Interest Charged (000's)
4.020%	12/20/2018	12/20/2028	\$ 50,000	\$ 50,000	\$ 556
4.220%	12/20/2018	12/20/2033	\$ 55,000	\$ 55,000	\$ 612
4.290%	12/20/2018	12/20/2038	\$ 150,000	\$ 150,000	\$ 1,669
4.370%	12/20/2018	12/20/2048	\$ 200,000	\$ 200,000	\$ 2,225
4.520%	12/20/2018	12/20/2058	\$ 75,000	\$ 75,000	\$ 834
2.840%	9/27/2019	9/27/2029	\$ 40,000	\$ 40,000	\$ 275
2.840%	10/29/2019	10/29/2029	\$ 35,000	\$ 35,000	\$ 251
2.940%	11/26/2019	11/26/2031	\$ 25,000	\$ 25,000	\$ 185
2.940%	12/27/2019	12/27/2031	\$ 45,000	\$ 45,000	\$ 333
3.280%	11/10/2020	11/10/2050	\$ 75,000	\$ 75,000	\$ 620
3.380%	11/10/2020	11/10/2060	\$ 50,000	\$ 50,000	\$ 426
2.260%	6/15/2021	6/15/2031	\$ 50,000	\$ 50,000	\$ 285
3.080%	6/15/2021	6/15/2041	\$ 25,000	\$ 25,000	\$ 194
3.360%	6/15/2021	6/15/2051	\$ 50,000	\$ 50,000	\$ 423

Total Indebtedness (in 000's)	\$ 925,000	\$ 8,890
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Short-term Notes Payable to bank (in 000's)	\$ 107,800
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(Rate of 3.87% average as of 9/30/2022)

Exhibit E

Elizabethtown Gas Company
Estimated Financing Timetable

The timetable below reflects our current best estimates of executing the proposed financing transactions and is subject to change as market conditions evolve.

February 2023							March 2023							April 2023						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4				1	2	3	4							1
5	6	7	8	9	10	11	5	6	7	8	9	10	11	2	3	4	5	6	7	8
12	13	14	15	16	17	18	12	13	14	15	16	17	18	9	10	11	12	13	14	15
19	20	21	22	23	24	25	19	20	21	22	23	24	25	16	17	18	19	20	21	22
26	27	28					26	27	28	29	30	31		23	24	25	26	27	28	29
														30						

- 1 - Federal & NJ State, or SJI Holiday
- 2 - BPU meeting
- 3 - Acquisition closing date
- 4 - CiC debt: 2/22 Offer to purchase, 4/5 Prepayment date
- 5 - Financing transactions: 3/29 Launching, 4/13 Pricing, 4/28 Closing