



Agenda Date: 10/15/15
Agenda Item: 21

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF PIVOTAL)	DECISION AND ORDER
UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN)	APPROVING STIPULATION
GAS FOR APPROVAL TO REVISE ITS BASE RATES)	
TO RECOVER THE COST OF THE ELIZABETHTOWN)	
NATURAL GAS DISTRIBUTION UTILITY)	
REINFORCEMENT EFFORT PROGRAM AND)	
RELATED TARIFF REVISIONS)	DOCKET NO. GR15060656

Parties of Record:

Mary Patricia Keefe, Vice President, Regulatory Affairs, Pivotal Utility Holdings, Inc.
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:¹

On September 3, 2013, Elizabethtown Gas (“the Company”) filed a petition with supporting testimony, schedules, and exhibits for approval of the Elizabethtown Natural Gas Distribution Utility Reinforcement Effort (“ENDURE”) program (“ENDURE Program”) with authority to invest \$15.0 million in its natural gas infrastructure and related facilities and communication planning over a one (1) year period commencing on January 1, 2014 and ending December 31, 2014. According to the petition, implementation of the ENDURE Program would allow the Company, to harden and protect its infrastructure against damage from Major Storm Events² and assist the Company in developing a more robust capability to effectively communicate with customers and public officials during and after weather-related emergencies.³

By Order dated July 23, 2014 in Docket Nos. AX13030826 and GO13090826 (“July 23 Order”) the Board approved a stipulation (“2014 Stipulation”) executed by the Company, the Division of Rate Counsel (“Rate Counsel”), and Board Staff (collectively, “Parties”) which provided for the following:

¹ Commissioner Upendra J. Chivukula recused himself due to a potential conflict of interest and as such took no part in the discussion or deliberation in this matter.

² “Major Storm Event” is defined as sustained impact on or interruption of utility service resulting from conditions beyond the control of the utility that affect at least ten percent of the customers in area.

³ The proposed expenditures consist of approximately \$14.9 million for infrastructure replacements and enhancements and \$100,000 for a consultant to assist the Company in developing enhanced communication capabilities.

(i.) The Company would invest up to \$14.9 million, exclusive of the cost of removal, in incremental natural gas infrastructure and related facilities investments during the term of the ENDURE Program as follows:

- a. The replacement and upgrading to elevated pressure of approximately twelve (12) miles of low pressure cast iron main and associated facilities located within a designated Federal Emergency Management Agency flood zone ("LP cast iron main projects") at a projected cost of approximately \$9.2 million, including the costs related to the relocation of the meter, but not the cost of the meter equipment;
- b. The relocation, elevation and hardening of the building located at the Erie Street property in Elizabeth along with related work ("Erie Street project") at a projected cost of \$5.4 million;
- c. The hardening and elevation of three (3) gate station facilities to protect the SCADA system equipment located at these sites ("gate station projects") at a projected cost of \$275,000; and
- d. The Company will be permitted to spend up to \$100,000 to engage a consultant during the term of the program to assist the Company with evaluating the need to expand and enhance its current communication channels during major storm events ("communications project").

(ii.) On June 1, 2015, the Company would petition ("June filing") the Board for authorization to adjust its base rates to recover the return on up to \$14.9 million of ENDURE expenditures plus Allowance for Funds Used During Construction;

(iii.) The ENDURE revenue requirement adjustment ("ENDURE Revenue Adjustment") reflected in the filing will have a proposed effective date of November 1, 2015 and reflect actual data through April 30, 2015 and projected data from May 1, 2015 through August 31, 2015;

(iv.) The June filing will be updated for actual ENDURE costs through August 31, 2015 by September 22, 2015 for projects completed and placed in service;

(v.) The Company will have the opportunity to recover any ENDURE return not included in the November 1, 2015 ENDURE Revenue Adjustment in the Company's next base rate case to be filed by September 1, 2016 ("Next Base Rate Case").

(vi.) The review of the prudence of all costs undertaken in the ENDURE Program will occur in the Company's Next Base Rate Case. The ENDURE Revenue Adjustment shall be provisional and subject to refund only if the Board finds that the Company imprudently incurred capital expenditures under the ENDURE Program;

(vii.) ENDURE Program cost, investment, and return-related rate definitions are as detailed in item seventeen (17) of the 2014 Stipulation. Nothing in the 2014 Stipulation will preclude any party from raising any objection in the Next Base Rate Case that could have been raised in the June Filing; and

(viii.) The Company's Next Base Rate Case filing will be based on three (3) months of actual data and nine (9) months of projected data for the test year which test year will be updated through the course of the proceeding for twelve (12) months of actual data.

STATUS OF ENDURE PROJECTS:

In compliance with the Board's July 23 Order, on June 3, 2015, the Company petitioned the Board to recover the incremental return on ENDURE expenditures with a base rate adjustment to be effective on November 1, 2015. The Company also filed an update to the petition on September 22, 2015 ("Supplemental Petition") to include the updated actual ENDURE Program costs through August 31, 2015.

According to the June filing, the Company expects the LP cast iron main and gate station projects to be in service as of August 31, 2015 at an estimated cost of \$11.5 million (\$2.3 million over its original estimate of \$9.2 million). The Company further represented that the Erie Street project, at the estimated cost of \$5.4 million, would not be in service prior to September 1, 2015, due to delays tied to permitting and bid-related issues, and is not included in the scheduled November 1, 2015 ENDURE Revenue Adjustment.

Rev. Req. [\$000] - Actual Through 08/31/15	
Capital Expenditures	\$11,469
Accum. Depre./ Def. ITC	(\$391)
Projected Rate Base	\$11,078
Rate of Return - net of tax	6.05%
Return	\$670
Depreciation Exp. [After Tax]	\$112
Allowable Net Income	\$782
Revenue Factor	1.71565
Revenue Requirement	\$1,342

Public hearings were conducted in this matter, after publication of notice in newspapers of general circulation in the Company's service territory, in Rahway, New Jersey on August 26, 2015 and in Flemington, New Jersey on August 27, 2015. No members of the public attended the public hearings and the Board did not receive any written comments on the ENDURE Program.

On August 3, 2015, the New Jersey Large Energy Users Coalition ("NJEUC") filed a motion to participate in this matter, as well as a motion for the admission *pro hac vice* of Paul F. Forshay, Esq. The motions were granted by the Board by Order dated September 11, 2015. Throughout the course of this matter, the Parties have engaged in discovery.

STIPULATION⁴

Following the review of discovery, the Parties met to discuss the issues in this matter. As a result of those discussions, on October 9, 2015, the Parties reached a stipulation (“Stipulation”) agreeing to the following:

- 1) Elizabethtown will implement the ENDURE Revenue Adjustment in the amount of \$1,341,849 to be effective as of November 1, 2015 on a provisional basis, subject to refund, pending a prudence review of the ENDURE Program project costs reflected in the ENDURE Revenue Adjustment in the Next Base Rate Case. The ENDURE program project costs included in the ENDURE Revenue Adjustment include the LP cast iron main projects for actual and projected for amounts filed in the June filing as placed in service on August 31, 2015 in the amount of \$11,193,750, the gate station projects placed in service as of August 31, 2015 in the amount of \$275,000 totaling \$11,468,750. The cost of the communications project is not included. The ENDURE Revenue Adjustment agreed to in the Stipulation Petition which also does not include the \$57,013 of update actual ENDURE costs reflected in the Supplemental Petition which the Company instead will be permitted to seek recovery of in the Next Base Rate Case. In addition, as authorized by the July 23 Order, the Company will be permitted to seek recovery of costs related to other ENDURE Program projects that were not placed in service as of August 31, 2015 and not reflected in the ENDURE Revenue Adjustment, including the costs associated with the Erie Street project.
- 2) The ENDURE Revenue Adjustment of \$1,341,849 will be applied as a uniform percentage increase in firm base rate revenues of 1.0% to the Company's Residential Delivery Service, Small General Service, General Delivery Service, Large Volume Demand, Electric General Firm, Gas Light Service, and Firm Transportation Service classes, as well as certain firm rate classes. The Company will submit tariff sheets in the form attached as Exhibit A within five (5) days of the effective date of the Board's Order approving this Stipulation.
- 3) Regarding the methodology relating to the accumulated depreciation reserve and associated deferred income tax reserve balances used by the Company to determine the ENDURE Revenue Adjustment, the Parties agree to reflect the accumulated depreciation reserve and associated deferred income tax reserve balances calculated by the Company for purposes of this ENDURE Revenue Adjustment proceeding only. The Parties agree to address the methodology relating to the accumulated depreciation reserve and associated deferred income tax reserve balances methodology to be used prospectively after this ENDURE Revenue Adjustment proceeding in the Company's Next Base Rate Case, to be filed on or before September 1, 2016. The Parties agreement to reflect the current methodology utilized by the Company for purposes of this cost recovery filing does not affect the rights of any Party to propose alternative methodologies or take any position it deems appropriate in the upcoming Next Base Rate Case filing.

⁴ Although summarized in this Order, the detailed terms of the Stipulation control, subject to the findings and conclusions of this Order

- 4) The monthly bill impact of the stipulated base distribution rate changes on a typical residential heating customer using 100 therms, inclusive of all applicable assessments sales and use taxes, is an increase of \$0.44 from \$87.40 to \$87.84 or 0.5% as compared to the Company's currently effective rates to be effective on October 1, 2015. The rate adjustments authorized by this Stipulation will increase Elizabethtown's annual revenues by approximately \$1.3 million based on the Company's most recent therm forecast.

DISCUSSION AND FINDINGS

The Parties agree that the natural gas infrastructure, related facilities investments and associated costs proposed by the ENDURE Program are appropriate and in the public interest as these investments, if properly implemented, are expected to increase the resiliency of the Company's infrastructure to future Major Storm Events. The program provides for reporting by the Company and oversight by Staff and Rate Counsel, with improvements to be made where found to be needed based on the effectiveness of the methods, plans and processes used by the Company before, during and after a qualifying event.

As noted above, the July 23 Order allows the Company to recover the revenue requirements associated with ENDURE projects placed in service on a provisional basis pending the filing of the Next Base Rate Case where the ENDURE projects will be subject to prudence review.

The Board has reviewed the June filing, as well as the Supplemental Petition which reflected updated actual information for the revenue requirements associated with the ENDURE investments for all expenditures related to the ENDURE projects that have been completed and placed in service as of August 31, 2015.

Based on the Board's careful review and consideration of the record in this proceeding, the Board **HEREBY FINDS** the Stipulation to be reasonable and in accordance with the law, striking an appropriate balance between the needs of customers and of the Company.

Accordingly, the Board **HEREBY ADOPTS** the Stipulation in its entirety, and **HEREBY INCORPORATES** its terms and conditions as though fully set forth herein and **HEREBY APPROVES** the Company's implementation on a provisional basis of base tariff rates associated with an annualized increase in its revenue requirement of \$1,341,849, the amount that was publically noticed, to become effective for service rendered on and after November 1, 2015.

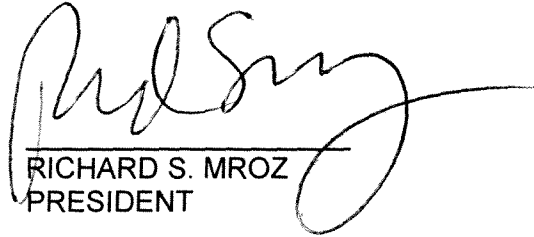
The annual impact of these rates on the typical residential hearing customer using 1,000 therms annually is \$4.40 or a 0.5% increase over rates in effect on October 1, 2015.

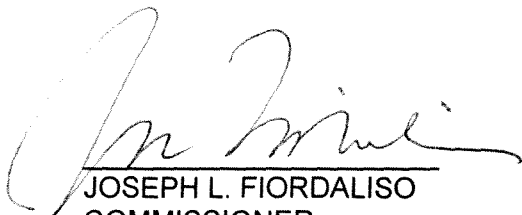
The Company's costs remain subject to audit by the Board. This Decision and Order shall not preclude, nor prohibit, the Board from taking any actions determined to be appropriate as a result of any such audit.

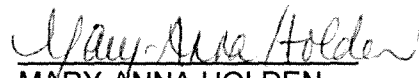
This Order shall be effective on November 1, 2015.

DATED: *October 15, 2015*

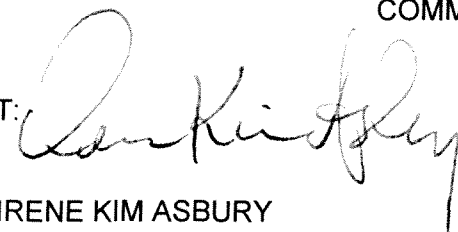
BOARD OF PUBLIC UTILITIES
BY:


RICHARD S. MROZ
PRESIDENT

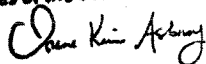

JOSEPH L. FIORDALISO
COMMISSIONER


MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER

ATTEST: 
IRENE KIM ASBURY
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 PIVOTAL UTILITY HOLDINGS, INC. d/b/a
ELIZABETHTOWN GAS FOR APPROVAL TO REVISE ITS BASE RATES TO RECOVER THE
COSTS OF THE ELIZABETHTOWN NATURAL GAS DISTRIBUTION UTILITY
REINFORCEMENT EFFORT PROGRAM AND RELATED TARIFF REVISIONS
Docket No. GR15060656

SERVICE LIST

Elizabethtown:

Regulatory Affairs & Business Support
Elizabethtown Gas
520 Green Lane
Union, NJ 07083

Mary Patricia Keefe, Esq.
pkeefe@aglresources.com

Thomas Kaufmann
tom.kaufmann@aglresources.com

Kenneth T. Maloney, Esq.
Cullen and Dykman
1101 14th Street, NW, Suite 550
Washington, DC 20005
kmaloney@cullenanddykman.com

Deborah Franco, Esq.
Cullen and Dykman
Garden City Center
100 Quentin Roosevelt Blvd.
Garden City, NY 11530
dfranco@cullenanddykman.com

Rate Counsel:
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0350

Stefanie Brand, Esq., Director
sbrand@rpa.state.nj.us

Shelly Massey
smassey@rpa.state.nj.us

Brian Lipman, Litigation Manager
blipman@rpa.state.nj.us

Felicia Thomas-Friel, Esq.
ftomas@rpa.state.nj.us

Board of Public Utilities:

44 South Clinton Avenue, 9th floor
Post Office Box 350
Trenton, NJ 08625-0350

Jerome May, Director
jerome.may@bpu.state.nj.us

Robert Schultheis, Bureau Chief
robert.schultheis@bpu.state.nj.us

Beverly Tyndell
beverly.tyndell@bpu.state.nj.us

Megan Lupo, Esq.
megan.lupo@bpu.state.nj.us

Deputy Attorneys General:

Division of Law
124 Halsey Street
Post Office Box 45029
Newark, New Jersey 07101-45029

Alex Moreau, DAG
alex.moreau@dol.lps.state.nj.us

Babette Tenzer, DAG
babette.tenzer@dol.lps.state.nj.us

Patricia Krogman, DAG
patricia.krogman@dol.lps.state.nj.us

Henry M. Ogden, Esq.
hogden@rpa.state.nj.us

NJLEUC:

Steven S. Goldenberg, Esq.
Fox Rothschild, LLP
997 Lenox Drive, Building 3
Lawrenceville, NJ 08548
sgoldenberg@foxrothschild.com

Paul F. Forshay, Esq.
Sutherland, Asbill & Brennan, LLP
700 Sixth Street, N.W., Suite 700
Washington, D.C. 20001-3980
paul.forshay@sutherland.com



CULLEN and DYKMAN LLP

Garden City Center
100 Quentin Roosevelt Boulevard
Garden City, New York 11530-4850

NAME: DEBORAH M. FRANCO, ESQ.
TITLE: PARTNER
DIRECT DIAL: 516-357-3878
DIRECT FAX: 516-357-3792
DFRANCO@CULLENANDDYKMAN.COM

October 9, 2015

VIA ELECTRONIC MAIL AND FEDERAL EXPRESS

Honorable Irene Kim Asbury, Secretary
State of New Jersey
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton, New Jersey 08625-0350

Re: *In the Matter of the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas for Approval to Revise Its Base Rates to Recover the Costs of the Elizabethtown Natural gas Distribution Utility Reinforcement Effort Program and Related Tariff Revisions BPU Docket No. GR15060656*

Dear Secretary Asbury:

Enclosed for filing in the above proceeding are an original and ten copies of a Stipulation executed by representatives of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas ("Elizabethtown"), the Staff of the Board of Public Utilities and the Department of the Public Advocate, Division of Rate Counsel. Elizabethtown requests that the Board consider and adopt the Stipulation at the next scheduled Board agenda meeting.

Please contact the undersigned if you have questions or require further information. Thank you.

Respectfully submitted,

/s/ Deborah M. Franco

Deborah M. Franco

Of Counsel to
Pivotal Utility Holdings, Inc.
d/b/a Elizabethtown Gas

cc: Service List

**IN THE MATTER OF THE PETITION OF
PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS
FOR APPROVAL TO REVISE ITS BASE RATES TO RECOVER THE COSTS OF THE
ELIZABETHTOWN NATURAL GAS DISTRIBUTION UTILITY REINFORCEMENT EFFORT
PROGRAM AND RELATED TARIFF REVISIONS
BPU DOCKET NO. GR15060656**

SERVICE LIST

Brian MacLean
Elizabethtown Gas
300 Connell Drive, Suite 3000
Berkeley Heights, NJ 07922
bmaclean@aglfresources.com

Diane Rojek
Elizabethtown Gas
300 Connell Drive, Suite 3000
Berkeley Heights, NJ 07922
drojek@aglfresources.com

Michael Morley
AGL Resources
Ten Peachtree Place
Atlanta, GA 30309
mmorley@aglfresources.com

Nanik Aswani
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350
Nanik.Aswani@bpu.state.nj.us

Christine Lin
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350
Christine.Lin@bpu.state.nj.us

Jackie O'Grady
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350
Jackie.Ogrady@bpu.state.nj.us

Michael Stonack
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350
Michael.Stonack@bpu.state.nj.us

Mary Patricia Keefe, Esq.
Elizabethtown Gas
300 Connell Drive, Suite 3000
Berkeley Heights, NJ 07922
pkeefe@aglfresources.com

Michael Scacifero
Elizabethtown Gas
300 Connell Drive, Suite 3000
Berkeley Heights, NJ 07922
msscacife@aglfresources.com

David Weaver
AGL Resources
Ten Peachtree Place
Atlanta, GA 30309
dweaver@aglfresources.com

Mark Beyer
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350
Mark.Beyer@bpu.state.nj.us

Megan Lupo
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350
Megan.Lupo@bpu.state.nj.us

Henry Rich
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350
Henry.Rich@bpu.state.nj.us

Beverly Tyndell
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350
Beverly.Tyndell@bpu.state.nj.us

Thomas Kaufmann
Elizabethtown Gas
300 Connell Drive, Suite 3000
Berkeley Heights, NJ 07922
Tom.Kaufmann@aglfresources.com

Erica McGill, Esq.
AGL Resources
Ten Peachtree Place
Atlanta, GA 30309
emcgill@aglfresources.com

Irene Kim Asbury, Secretary
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350
Irene.Asbury@bpu.state.nj.us

Joseph Costa
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350
Joseph.Costa@bpu.state.nj.us

Jerome May
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350
Jerome.May@bpu.state.nj.us

Robert Schultheis
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350
Robert.Schultheis@bpu.state.nj.us

Stefanie A. Brand, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
smassey@rpa.state.nj.us

**IN THE MATTER OF THE PETITION OF
PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS
FOR APPROVAL TO REVISE ITS BASE RATES TO RECOVER THE COSTS OF THE
ELIZABETHTOWN NATURAL GAS DISTRIBUTION UTILITY REINFORCEMENT EFFORT
PROGRAM AND RELATED TARIFF REVISIONS
BPU DOCKET NO. GR15060656**

SERVICE LIST

Maura Caroselli, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
mcaroselli@rpa.state.nj.us

Kurt S. Lewandowski, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
klewando@rpa.state.nj.us

Felicia Thomas-Friel, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
ftomas@rpa.state.nj.us

Babette Tenzer
Department of Law & Public Safety
Division of Law
124 Halsey Street, 5th Floor
P.O. Box 45029
Newark, NJ 07101
babette.tenzer@dol.lps.state.nj.us

Kenneth T. Maloney, Esq.
Cullen and Dykman LLP
1101 14th Street, NW, Suite 550
Washington, DC 20005
kmaloney@cullenanddykman.com

Robert J. Henkes
Henkes Consulting
7 Sunset Road
Old Greenwich, CT 06870
rhenkes@optonline.net

Kim Dismukes
Acadian Consulting Group
5800 One Perkins Place Drive, Suite 5-F
Baton Rouge, LA 70808
kimdismukes@acadianconsulting.com

Christine Juarez, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
cjuarez@rpa.state.nj.us

Henry M. Ogden, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
hogden@rpa.state.nj.us

Patricia Krogman, DAG
Department of Law & Public Safety
Division of Law
124 Halsey Street, 5th Floor
P.O. Box 45029
Newark, NJ 07101
Patricia.Krogman@dol.lps.state.nj.us

Caroline Vachier, DAG
Department of Law & Public Safety
Division of Law
124 Halsey Street, 5th Floor
P.O. Box 45029
Newark, NJ 07101
Caroline.Vachier@dol.lps.state.nj.us

Paul F. Forshay, Esq.
Sutherland, Asbill & Brennan, LLP
700 Sixth Street, N.W., Suite 700
Washington, D.C. 2001-3980
paul.forshay@sutherland.com

Alex Aguila
Acadian Consulting Group
5800 One Perkins Place Drive, Suite 5-F
Baton Rouge, LA 70808
alexaguila@acadianconsulting.com

David E. Peterson
Chesapeake Regulatory Consultants, Inc.
10351 Southern Maryland Blvd.
Suite 202
Dunkirk, MD 20754-9500
davep@chesapeake.net

Brian Lipman, Litigation Manager
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
blipman@rpa.state.nj.us

Sarah Steindel
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
ssteinde@rpa.state.nj.us

Alex Moreau, DAG
Department of Law & Public Safety
Division of Law
124 Halsey Street, 5th Floor
P.O. Box 45029
Newark, NJ 07101
Alex.Moreau@dol.lps.state.nj.us

Deborah Franco, Esq.
Cullen and Dykman LLP
100 Quentin Roosevelt Blvd.
Garden City, NY 11530
dfranco@cullenanddykman.com

Steven S. Goldenberg, Esq.
Fox Rothschild LLP
997 Lenox Drive, Bldg. 3
Lawrenceville, NJ 08648
sgoldenberg@foxrothschild.com

David E. Dismukes
Acadian Consulting Group
5800 One Perkins Place Drive, Suite 5-F
Baton Rouge, LA 70808
daviddismukes@acadianconsulting.com

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

-----X
In The Matter Of The Petition Of Pivotal Utility : **BPU Docket No. GR15060656**
Holdings, Inc. d/b/a Elizabethtown Gas For :
Approval To Revise Its Base Rates To Recover : **STIPULATION**
The Costs Of The Elizabethtown Natural gas :
Distribution Utility Reinforcement Effort :
Program and Related Tariff Revisions :
-----X

APPEARANCES:

Kenneth T. Maloney and Deborah M. Franco (Cullen and Dykman LLP), Attorneys for the Petitioner, Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas

Mary Patricia Keefe, Vice President for Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas

Felicia Thomas-Friel, Managing Attorney Gas, Division of Rate Counsel, **Maura Caroselli, Esq.**, Assistant Deputy Rate Counsel, and **Kurt S. Lewandowski, Esq.**, Assistant Deputy Rate Counsel, Division of Rate Counsel (Stefanie A. Brand, Director, Division of Rate Counsel)

Patricia A. Krogman and Alex Moreau, Deputy Attorneys General, for the Staff of the New Jersey Board of Public Utilities (John Jay Hoffman, Acting Attorney General of New Jersey)

1. On September 3, 2013, Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas, (“Elizabethtown” or “Company”) filed a petition (“September 3 Petition”) in response to a New Jersey Board of Public Utilities (“Board” or “BPU”) March 20, 2013 Order issued in BPU Docket No. AK130330197 which invited the submission of proposals for infrastructure upgrades designed to protect the State’s utility infrastructure from future major storm events. In the September 3 Petition, the Company proposed to undertake the Elizabethtown Natural gas Distribution Utility Reinforcement Effort (“ENDURE”) Program pursuant to which the Company would invest approximately \$15 million in Elizabethtown’s natural gas infrastructure and communication planning over a one-year period in order to harden and protect the Company’s infrastructure against damage from future major storm events and to assist the

Company in developing a more robust capability to effectively communicate with customers and public officials during and after weather-related emergencies.

2. By Order dated July 23, 2014 in BPU Docket No. AX130330197 and GO13090826 (“July 23 Order”), the Board approved a Stipulation dated June 18, 2014 among, Board Staff and the Division of Rate Counsel (“Rate Counsel”) in which those parties agreed that Elizabethtown should implement the ENDURE Program and invest a projected amount of up to \$14.9 million, exclusive of the cost of removal, in the following three incremental capital projects:

(a) The replacement and upgrading to elevated pressure of approximately 12 miles of low pressure (“LP”) cast iron main and associated facilities located within a designated FEMA flood zone at a projected cost of approximately \$9.2 million including costs related to the relocation of the meter, but not the cost of the meter equipment (“LP Cast Iron Main Projects”);

(b) the relocation, elevation and hardening of the building located at the Erie Street property in Elizabeth along with related work at a projected cost of \$5.4 million (“Erie Street Project”); and

(c) the hardening and elevation of three gate station facilities to protect the SCADA system equipment located at these sites at a projected cost of \$275,000 (“Gate Station Project”).

The July 23 Order further authorized Elizabethtown to spend up to \$100,000 to engage a consultant during the term of the program to assist the Company with evaluating the need to expand and enhance its current communications channels during major storm events (“Communications Project”).

3. The July 23 Order also authorized the Company to make a filing with the Board on or about June 1, 2015 (“June 2015 Filing”) to request authorization to make an adjustment to base distribution rates (“ENDURE Revenue Adjustment”) to enable Elizabethtown to recover the costs associated with the ENDURE Program for projects placed in service as of August 31, 2015. The July 23 Order directed that the ENDURE Revenue Adjustment include a proposed effective date of November 1, 2015 and reflect actual data through April 30, 2015 and projected data from May 1, 2015 through August 31, 2015 with an update for actual costs to be filed by September 22, 2015 for projects placed in service as of August 31, 2015. The July 23 Order further authorized the Company to have the opportunity to recover any ENDURE Program costs not included in the ENDURE Revenue Adjustment in the Company’s next base rate case to be filed by September 1, 2016 (“Next Base Rate Case”). In addition, the June 23 Order directed that the review of the prudence of all projects undertaken in the ENDURE Program would not take place in the proceeding involving the June 2015 Filing and instead ENDURE Program costs would be subject to prudence review in the Next Base Rate Case.

4. On June 3, 2015, the Company filed a Petition (“June 3 Petition”) with the Board in BPU Docket No. GR15060656 proposing to implement an ENDURE Revenue Adjustment by which Elizabethtown would increase base distribution revenues by \$1,341,849 or 0.9% from \$148,377,841 to \$149,719,690 effective November 1, 2015 to enable the Company to roll into and recover through base rates the costs associated with the ENDURE Program projects placed in service as of August 31, 2015. The June 3 Petition reflected actual and projected costs through August 31, 2015. The June 3 Petition proposed that the Revenue Adjustment be applied as a uniform percentage increase in firm base rate revenues of 1.0% to the Company’s RDS, SGS, GDS, LVD, EGF, GLS and FTS service classes, as well as certain firm rate classes.

5. In accordance with the July 23 Order, on September 22, 2015, the Company filed a Supplemental Petition providing the Company's actual cost results through August 31, 2015. The schedules submitted in the Supplemental Petition demonstrated that the Company's actual results through August 31, 2015 supported a revenue increase of \$57,013 more than the revenue increase presented in the June 3 Petition. Accordingly, the Supplemental Petition updated the ENDURE Revenue Adjustment to \$1,398,862, an increase of 0.9% increase over the current base distribution revenue.

6. The ENDURE Revenue Adjustment proposed in the June 3 Petition, as updated by the Supplemental Petition, included the costs associated with the LP Cast Iron Main Projects placed in service as of August 31, 2015 in the amount of \$11,646,590, the Gate Station Projects placed in service as of August 31, 2015 in the amount of \$317,626, and an AFUDC credit adjustment of \$10,833 for a total of ENDURE in-service capital expenditures as of August 31, 2015 of \$11,953,383. The Supplemental Petition Revenue Adjustment does not include the costs associated with Communications Project in the amount of \$50,000. As indicated in the June 3 Petition, the ENDURE Revenue Adjustment did not include the costs associated with the Erie Street Project which was not placed in service by August 31, 2015 as a result of delays associated with permitting and bidding; the Company indicated that the costs of the Erie Street Project would instead be addressed in the Next Base Rate Case in accordance with the July 23 Order.

7. Notices setting forth the requested rate change and the dates of the public hearings were placed in newspapers having circulation within Elizabethtown's service territory and served on the county executives and clerks of all municipalities within the Company's service territory. Public hearings concerning the Company's Petition were held in Rahway, New Jersey on August

26, 2015 and Flemington, New Jersey on August 27, 2015. No members of the public attended the public hearings.

8. Elizabethtown, the Board's Staff and Rate Counsel, the only parties to this proceeding (collectively "the Parties") have engaged in discovery and have reached this Stipulation which is intended to resolve all issues associated with the June 3 Petition and the Supplemental Petition in the manner set forth below.

STIPULATED MATTERS

The Parties hereby **STIPULATE AND AGREE** as follows:

Effective Date

A. The Effective Date of this Stipulation will be the effective date of a Board Order approving this Stipulation. A Board Order approving 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.

Effective Rates

B. As of the Effective Date, Elizabethtown will implement the ENDURE Revenue Adjustment in the amount of \$1,341,849 to be effective as of November 1, 2015 on a provisional basis, subject to refund, pending a prudence review of the ENDURE Program project costs reflected in the ENDURE Revenue Adjustment in the Next Base Rate Case. The ENDURE Program project costs included in the ENDURE Revenue Adjustment include the LP Cast Iron Main Projects for actual and projected for amounts filed in the June 3 Petition as placed in service on August 31, 2015 in the amount of \$11,193,750, the Gate Station Projects placed in service as of August 31, 2015 in the amount of \$275,000 totaling \$11,468,750. The cost of the Communications Project is not included. The ENDURE Revenue Adjustment agreed to in this

Stipulation also does not include the \$57,013 of updated actual ENDURE costs reflected in the September 22, 2015 Supplemental Petition which the Company instead will be permitted to seek recovery of in the Next Base Rate Case. In addition, as authorized by the July 23 Order, the Company will be permitted to seek recovery of costs related to other ENDURE Program projects that were not placed in service as of August 31, 2015 and not reflected in the ENDURE Revenue Adjustment, including the costs associated with the Erie Street Project. The ENDURE Revenue Adjustment of \$1,341,849 will be applied as a uniform percentage increase in firm base rate revenues of 1.0% to the Company's RDS, SGS, GDS, LVD, EGF, GLS and FTS service classes, as well as certain firm rate classes. The Company will submit tariff sheets in the form attached as Exhibit A within five (5) days of the effective date of the Board's Order approving this Stipulation.

Accumulated Depreciation Reserve

C. Regarding the methodology relating to the accumulated depreciation reserve and associated deferred income tax reserve balances used by the Company to determine the ENDURE Revenue Adjustment, the Parties agree to reflect the accumulated depreciation reserve and associated deferred income tax reserve balances calculated by the Company for purposes of this ENDURE Revenue Adjustment proceeding only. The parties agree to address the methodology relating to the accumulated depreciation reserve and associated deferred income tax reserve balances methodology to be used prospectively after this ENDURE Revenue Adjustment proceeding in the Company's upcoming rate case, to be filed on or before September 1, 2016. The parties' agreement to reflect the current methodology utilized by the Company for purposes of this cost recovery filing does not affect the rights of any Party to propose alternative methodologies or take any position it deems appropriate in the upcoming rate case.

Rate Impact

D. The monthly bill impact of the stipulated base distribution rate changes on a typical residential heating customer using 100 therms, inclusive of all applicable assessments sales and use taxes, is an increase of \$0.44 from \$87.40 to \$87.84 or 0.5% as compared to the Company's currently effective rates to be effective on October 1st. The rate adjustments authorized by this Stipulation will increase Elizabethtown's annual revenues by approximately \$1.3 million based on the Company's most recent therm forecast.

All Issues Resolved

E. This Stipulation provides for a final resolution of the June 3 Petition and the Supplemental Petition, with all issues related to the prudence and final recoverability of the costs associated with these Petitions subject to consideration in the Next Base Rate Case.

Further Provisions

F. This Stipulation represents a mutual balancing of interests and therefore is intended to be accepted and approved in its entirety. In the event that 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.

G. 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 further agree that they consider the Stipulation to be binding on them for all purposes herein.

H. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of this proceeding. Except as expressly provided herein, Elizabethtown, Board Staff, or Rate Counsel shall not be deemed to

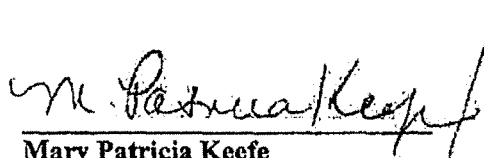
have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein. All rates are subject to audit by the Board.

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

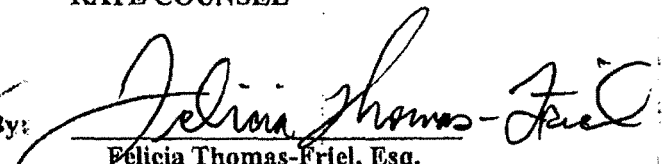
**PIVOTAL UTILITY HOLDINGS, INC.
D/B/A ELIZABETHTOWN GAS**

**STEFANIE A. BRAND
DIRECTOR, DIVISION OF
RATE COUNSEL**

By:



Mary Patricia Keefe
Vice President, Regulatory Affairs
and Business Support

By:


Felicia Thomas-Friel, Esq.
Managing Attorney - Gas

**JOHN JAY HOFFMAN
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the New Jersey Board of Public Utilities**

By:


Alex Moreau
Deputy Attorney General

Dated: October 8, 2015

ELIZABETHTOWN GAS
B. P. U. NO. 14 – GAS
CANCELLING
B. P. U. NO. 13 – GAS

SECOND

REVISED SHEET NO. 36

SERVICE CLASSIFICATION – RESIDENTIAL DELIVERY SERVICE (RDS)

APPLICABLE TO USE OF SERVICE FOR:

All residential purposes in individual residences and in individual flats, individual apartments in multiple family buildings, only where each individual flat or individual apartment is served through its own separate meter and religious institutions where the total rated input capacity of all gas utilization equipment does not exceed 500,000 BTU per hour. The rate is not available for hotels, nor for recognized rooming or boarding houses where the number of rented bedrooms is more than twice the number of bedrooms used by Customer. This rate is not applicable for industrial or commercial use of gas. In residential premises, use for purposes other than residential will be permitted only where such use is incidental to Customer's own residential use. Service for heating and/or cooling of premises will be rendered at this rate. Service to detached outbuildings or outside appliances appurtenant to the residence will be included in this rate provided Customer installs the necessary piping so that the gas used in such facilities may be measured by the meter located at the residence.

Service will be provided if Gas Company's facilities are suitable.

CHARACTER OF SERVICE:

Continuous, however, customers may either purchase gas supply from a Third Party Supplier ("TPS") or the Company's Rider "A", Basic Gas Supply Service ("BGSS")

*CHARGES PER MONTH:

	<u>Gas Supply from BGSS</u>	<u>Gas Supply from TPS</u>
Service Charge	\$8.00	\$8.00
Distribution Charge per Therm	\$0.3413 <u>\$0.3457</u>	\$0.3413 <u>\$0.3457</u>
Commodity Charge	Per Rider "A"	Per TPS Agreement

* The charges set forth in this Service Classification include sales and use tax and assessments and will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company. A customer that receives gas supply from a TPS will be charged for commodity according to any agreement between the customer and the TPS.

Date of Issue: ~~August 28, 2013~~

Effective: Service Rendered
on and after ~~August 31, 2013~~

Issued by: Brian MacLean, President
520 Green Lane
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~August 21, 2013~~ in Docket No. ~~GR12100951~~

ELIZABETHTOWN GAS
B. P. U. NO. 14 – GAS
CANCELLING
B. P. U. NO. 13 – GAS

SECOND

REVISED SHEET NO. 37

SERVICE CLASSIFICATION – RESIDENTIAL DELIVERY SERVICE (RDS)

(continued)

MINIMUM MONTHLY CHARGE:

Service Charge.

TERM OF PAYMENT:

All bills are due upon presentation.

TERM OF CONTRACT:

One year, and thereafter until terminated by five (5) days written notice.

STANDARD TERMS AND CONDITIONS:

This Service Classification is subject to the Standard Terms and Conditions of this Tariff.

SPECIAL PROVISIONS I & II:

I. SPECIAL PROVISIONS, APPLICABLE TO ALL CUSTOMERS RECEIVING SERVICE UNDER THIS SERVICE CLASSIFICATION

1. Gas Air Conditioning and Distributive Generation

Upon separate application, Customers who have installed and are using gas air conditioning equipment, having a rated capacity of not less than 2 tons of refrigeration, and or who have installed a separate meter for distributed generation equipment shall be billed a Distribution Charge of ~~\$0-2236~~\$0.2265 per therm in the period extending from Customer's meter reading taken in the ordinary course of business in May through October.

Where, in Gas Company's opinion, it is impractical to provide separate metering for distributed generation equipment, Gas Company may estimate the use of gas for Distributive Generation during the foregoing period of May to October. During all other periods, the Distribution Charge per therm stated in this service classification shall apply.

Date of Issue: ~~August 28, 2013~~

Effective: Service Rendered
on and after ~~August 31, 2013~~

Issued by: Brian MacLean, President
520 Green Lane
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~August 21, 2013~~ in Docket No. ~~GR12100051~~

ELIZABETHTOWN GAS
B. P. U. NO. 14 – GAS
CANCELLING
B. P. U. NO. 13 – GAS

THIRD

REVISED SHEET NO. 40

SERVICE CLASSIFICATION – SMALL GENERAL SERVICE (SGS)

APPLICABLE TO USE OF SERVICE FOR:

Small General Service is available to those customers whose annual weather normalized usage as determined by the Company is less than 3,000 therms per year and where Gas Company's facilities are suitable and the quantity of gas is available for the service desired. In August of each year the Company shall re-determine each customer's eligibility based on their annual normalized usage.

CHARACTER OF SERVICE:

Continuous.

*CHARGES PER MONTH:

Service Charge	\$16.15
Distribution Charge per Therm	\$0.3542 \$0.3596
Commodity Charge	Per Rider "A"

* The charges set forth in this Service Classification include sales and use tax and assessments and will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company.

MINIMUM MONTHLY CHARGE:

The Service Charge.

TERM OF PAYMENT:

All bills are due upon presentation. Should the Customer fail to make payment in full, the Company may, within the time period specified in and in accordance with Section 7.10 of the Standard Terms and Conditions of this Tariff, assess late payment charges.

TERM OF CONTRACT:

One year, and thereafter until terminated by five (5) days written notice.

Date of Issue: ~~August 28, 2013~~

Effective: Service Rendered
on and after ~~August 31, 2013~~

Issued by: Brian MacLean, President
520 Green Lane
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~August 21, 2013~~ in Docket No. ~~GR12100951~~

ELIZABETHTOWN GAS
B. P. U. NO. 14 – GAS
CANCELLING
B. P. U. NO. 13 – GAS

SECOND

REVISED SHEET NO. 41

SERVICE CLASSIFICATION – SMALL GENERAL SERVICE (SGS)
(continued)

STANDARD TERMS AND CONDITIONS:

This Service Classification is subject to the Standard Terms and Conditions of this Tariff.

I. SPECIAL PROVISIONS, APPLICABLE TO ALL CUSTOMERS RECEIVING SERVICE UNDER THIS SERVICE CLASSIFICATION

1. Gas Cooling & Refrigeration and Distributed Generation Under 12kW

Upon separate application, Customers who have installed a separate meter for gas cooling equipment having a rated capacity of not less than two (2) tons but less than ten (10) tons of refrigeration and or distributed generation equipment having a rated capacity under twelve (12) kW will be separately metered for such service and will be billed at the above rates, except that the applicable Distribution Charges will be billed at a rate of ~~\$0.1688~~\$0.1714 per therm in the period extending from Customer's meter reading taken in the ordinary course of business in May through October. Where, in the Gas Company's opinion, it is impractical to provide separate metering, Gas Company may estimate the use of gas for other than distributed generation and water heating during the foregoing period of May to October. During all other periods, the Distribution Charge per therm stated in this service classification shall apply.

2. Economic Development Service (EDS)

Any new customer employing a minimum of ten (10) employees, who locates in or expands a new or vacant building within the Company's service territory and enters into a GDS service agreement and (2) any existing customer who expands into a new or vacant building within the Company's service territory and is a party to a GDS service agreement shall be eligible for an EDS discount. For new customers, this building must be new or have been vacant for a minimum of three (3) months. For existing customers, the space utilized for operations must expand by more than 5,000 square feet. Gas used subject to the EDS discount for existing customers will be calculated by the Company and will be based solely on the customer's incremental usage. This service is offered to any eligible customer for a period of five (5) years from the date of the initial Service Agreement under this service. The EDS Customers shall receive a fifty (50) percent pre tax discount in this Service Class's Distribution Charge during the period of eligibility.

Date of Issue: ~~August 28, 2013~~

Effective: Service Rendered
on and after ~~August 31, 2013~~

Issued by: Brian MacLean, President
520 Green Lane
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~August 21, 2013~~ in Docket No. ~~GR12100951~~

ELIZABETHTOWN GAS
B. P. U. NO. 14 – GAS
CANCELLING
B. P. U. NO. 13 – GAS

SECOND

REVISED SHEET NO. 42

SERVICE CLASSIFICATION – GENERAL DELIVERY SERVICE (GDS)

APPLICABLE TO USE OF SERVICE FOR:

General Delivery Service where Gas Company's facilities are suitable and the quantity of gas is available for the service desired.

CHARACTER OF SERVICE:

Continuous, however, customers may either purchase gas supply from a Third Party Supplier ("TPS") or the Company's Rider "A", Basic Gas Supply Service ("BGSS").

*CHARGES PER MONTH:

	<u>Gas Supply from BGSS</u>	<u>Gas Supply from TPS</u>
Service Charge	\$20.00	\$20.00
Demand Charge per DCQ	\$0.811	\$0.811
Distribution Charge per Therm	\$0.2180 \$0.2210	\$0.2180 \$0.2210
Commodity Charge	Per Rider "A"	Per TPS Agreement

* The charges set forth in this Service Classification include sales and use tax and assessments and will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company. A customer that receives gas supply from a TPS will be charged for commodity according to any agreement between the customer and the TPS.

DETERMINATION OF THE DEMAND CHARGE QUANTITY (DCQ)

The DCQ will be determined by the Customer's maximum daily requirements in terms of therm units per day. The DCQ level shall be the highest actual daily metered consumption registered from an approved automatic meter reading device at Customer's premises within a period of not less than two years, but up to three years immediately preceding the Customer obtaining service or renewing a Service Agreement under this Service Classification if such information is available. Otherwise DCQ shall be set equal to the product of (1) the highest winter monthly consumption for the most recent winter (October through April), normalized for weather, divided by the applicable number of days in the respective billing month, and (2) 1.36, provided that DCQ shall not be less than the highest non-winter month consumption divided by the applicable number of days in the respective billing month. For process loads, the Company may base the DCQ on historical consumption. If historical consumption information is not available,

Date of Issue: ~~August 28, 2013~~

Effective: Service Rendered
on and after ~~August 31, 2013~~

Issued by: Brian MacLean, President
520 Green Lane
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~August 21, 2013~~ in Docket No. ~~GR12100951~~

ELIZABETHTOWN GAS
B. P. U. NO. 14 – GAS
CANCELLING
B. P. U. NO. 13 – GAS

SECOND

REVISED SHEET NO. 44

SERVICE CLASSIFICATION – GENERAL DELIVERY SERVICE (GDS)
(continued)

SPECIAL PROVISIONS SECTIONS I & II:

I. SPECIAL PROVISIONS, APPLICABLE TO ALL CUSTOMERS RECEIVING SERVICE UNDER THIS SERVICE CLASSIFICATION

1. Distributive Generation Under 12 kW and Gas Cooling & Refrigeration, 2 tons to under 10 Tons

Upon separate application, Customers who have installed a separate meter for distributed generation equipment having a rated capacity under twelve (12) kW and/or gas cooling equipment having a rated capacity of not less than two (2) tons but less than ten (10) tons of refrigeration will be separately metered for such service and will be billed at the above rates, except that the applicable Distribution Charges will be billed at a rate of ~~\$0.1352~~\$0.1371 per therm in the period extending from Customer's meter reading taken in the ordinary course of business in May through October. Where, in the Gas Company's opinion, it is impractical to provide separate metering, Gas Company may estimate the use of gas for other than distributed generation and water heating during the foregoing period of May to October. During all other periods, the Distribution Charge per therm stated in this service classification shall apply.

2. Distributed Generation of 12 kW or More and Gas Cooling & Refrigeration of 10 Tons or More

Under separate application Customers who are using gas for distributive generation with a rated capacity of twelve (12) kW or more, and/or gas cooling equipment with a rated capacity of ten (10) tons or more, and where gas consumed is separately metered, will be billed at the above rates, except that the applicable Distribution Charges will be billed at a rate of ~~\$0.0664~~\$0.0670 per therm commencing with the first meter reading taken in the ordinary course of business in May and concluding with the meter reading taken in the ordinary course of business in October. During all other periods, the Distribution and Commodity Charge per therm stated in this service classification shall apply.

Date of Issue: ~~August 28, 2013~~

Effective: Service Rendered
on and after ~~August 31, 2013~~

Issued by: Brian MacLean, President,
520 Green Lane
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~August 21, 2013~~ in Docket No. ~~GR12100961~~

ELIZABETHTOWN GAS
B. P. U. NO. 14 – GAS
CANCELLING
B. P. U. NO. 13 – GAS

SECOND

REVISED SHEET NO. 50

SERVICE CLASSIFICATION – LARGE VOLUME DEMAND (LVD)

The signing of a service agreement is a condition precedent to receiving service under this classification. The Service Agreement will include the Customer's Demand Charge Quantity (DCQ).

APPLICABLE TO USE OF SERVICE FOR:

Applicable to Commercial and Industrial Users, when daily demand is not less than 2,000 therms per day up to the maximum daily demands as set forth in the Service Agreement, provided that all firm gas service is supplied under this rate, Gas Company's facilities are suitable, and the required quantity of gas is available for the service desired. The consumption of gas in different locations will not be combined for billing purposes.

CHARACTER OF SERVICE:

Continuous.

*CHARGE PER MONTH:

Service Charge	\$481.86
Demand Charge per DCQ	\$1.036
Distribution Charge per Therm	\$0.0484 \$0.0498
Commodity Charge	Per Rider "A"

*The charges set forth in this Service Classification include sales and use tax and assessments and will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company.

DETERMINATION OF THE DEMAND CHARGE QUANTITY ("DCQ"):

The DCQ will be determined by the Customer's maximum daily requirements in terms of therms per day and included in the Service Agreement.

The DCQ level shall be the highest actual daily metered consumption registered from an approved automatic meter reading device at Customer's premises within a period of not less than two years, but up to three years immediately preceding the Customer obtaining service or renewing a Service Agreement under this Service Classification if such information is available. Otherwise DCQ shall be set equal to the product of (1) the highest winter monthly consumption for the most recent winter (October through April), normalized for weather, divided by the applicable

Date of Issue: ~~August 28, 2013~~

Effective: Service Rendered
on and after ~~August 31, 2013~~

Issued by: Brian MacLean, President
520 Green Lane
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities

Dated ~~August 21, 2013~~ in Docket No. ~~GR12100951~~

ELIZABETHTOWN GAS
B. P. U. NO. 14 – GAS
CANCELLING
B. P. U. NO. 13 – GAS

SECOND

REVISED SHEET NO. 53

SERVICE CLASSIFICATION – ELECTRIC GENERATION FIRM SERVICE (EGF)

All customers must sign a Service Agreement. Service will be restricted to the maximum annual and hourly requirements, and the location and equipment specified in the Agreement.

APPLICABLE TO USE OF SERVICE FOR:

Available to customers who utilize natural gas for Qualifying Cogeneration, as defined below, Distributive Generation, Micro Turbine and Fuel Cells at facilities with a rated production of over 500 Kilowatts (kW). Customers have the option of taking service under this Service Classification or negotiating a sales and/or transportation service contract which will be filed with the New Jersey Board of Public Utilities.

A Qualifying Cogeneration Facility is one that meets the Federal Energy Regulatory Commission (FERC) certification of qualifying status for the sequential production of electrical and/or mechanical energy and useful thermal energy from the same fuel source by a facility as defined in Section 201 of the Regulatory Policies Act of 1978.

CHARACTER OF SERVICE:

Continuous

*CHARGE PER MONTH:

	<u>Tax-Exempt ⁽¹⁾</u>	<u>Taxable ⁽²⁾</u>
Service Charge	\$52.37	\$56.04
Demand Charge per DCQ	\$0.741	\$0.793
Distribution Charge per Therm	\$0.0169 \$0.0182	\$0.0181 \$0.0195
Commodity Charge	Per Rider "A"	Per Rider "A"

* The charges set forth in this Service Classification include sales and use tax, unless noted tax-exempt and assessments and will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company.

- (1) Tax-Exempt rates apply to cogeneration facilities that are in compliance with the terms of N.J.S.A. 54:30A-50.
- (2) Taxable rates apply to customers, unless specifically exempted by law, entering Service Agreements with the Company after 3/10/97.

Date of Issue: ~~August 28, 2013~~

Effective: Service Rendered
on and after ~~August 31, 2013~~

Issued by: Brian MacLean, President
520 Green Lane
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~August 21, 2013~~ in Docket No. ~~GR12100951~~

ELIZABETHTOWN GAS
B. P. U. NO. 14 – GAS
CANCELLING
B. P. U. NO. 13 – GAS

THIRD

REVISED SHEET NO. 56

SERVICE CLASSIFICATION – GAS LIGHT SERVICE (GLS)

This Service Classification is limited to un-metered Gas Lights whose cost of maintenance and repair shall be the responsibility of Customer.

APPLICABLE TO USE OF SERVICE FOR:

Customers who have the gas supply for their outdoor lighting fixtures connected directly to the gas service pipe without being metered.

CHARACTER OF SERVICE:

Continuous.

CHARGE PER MONTH:

The Distribution Charge for this service shall be at the flat rate of ~~\$8.41~~\$6.47 per Mantel Equivalent, inclusive of taxes and assessments, for each .02 therms of hourly input rating of the lighting fixtures. Input ratings shall be those of the manufacturer of the gas lighting fixtures or as determined by actual test or calculation made by Gas Company. The rate set forth above will be adjusted for the Periodic Basic Gas Supply Service Charge (BGSS-P) of this Tariff as well as all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company. Per Therm charges shall be determined by the Company using the following factors times the applicable rates noted above:

Mantel Equivalents = fixture input rating / .02 therms of hourly input
Un Metered Billing Therms = Mantel Equivalents * .02 * 24 hours * 365 / 12

MINIMUM MONTHLY CHARGE:

Flat rate as shown above.

TERM OF PAYMENT:

All bills are due upon presentation. Should a non-residential GLS Customer fail to make payment in full, the Company may, within the time period specified in and in accordance with Section 7.10 of the Standard Terms and Conditions of this Tariff, assess late payment charges.

Date of Issue: ~~August 28, 2013~~

Effective: Service Rendered
on and after ~~August 31, 2013~~

Issued by: Brian MacLean, President
520 Green Lane
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~August 21, 2013~~ in Docket No. ~~GR12100951~~

~~E~~LIZABETHTOWN GAS
~~B~~. P. U. NO. 14 – GAS
~~C~~ANCELLING
~~B~~. P. U. NO. 13 – GAS

~~SECOND~~

~~REVISED SHEET NO. 76~~

SERVICE CLASSIFICATION – FIRM TRANSPORTATION SERVICE (FTS)

The signing of a Service Agreement and possession by the Customer of a fully executed contract to purchase gas from a third party are conditions precedent to receiving service under this Service Classification.

APPLICABLE TO USE OF SERVICE FOR:

Customers with a Demand Charge Quantity (DCQ) in excess of 2,000 therms per day.

CHARACTER OF SERVICE:

This service will be offered on a Firm basis subject to curtailment provisions as set forth in Section 17 of the Standard Terms and Conditions of this Tariff.

The availability of service to be offered for contract under this Service Classification shall be determined at the sole discretion of the Company and will be offered on a first come first served basis.

*CHARGE PER MONTH:

	<u>Tax-Exempt</u>	<u>Taxable</u>
Service Charge	\$175.17	\$187.43
Demand Charge per DCQ	\$0.758	\$0.811
Distribution Charge per Therm	\$0.0694 \$0.0704	\$0.0739 \$0.0753

*The charges set forth above include sales and use tax, unless noted tax exempt, and assessments, and will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company.

DETERMINATION OF THE DEMAND CHARGE QUANTITY (DCQ):

The DCQ will be determined by the Customer's maximum daily requirements in terms of therms per day and included in the Service Agreement.

The DCQ level shall be the highest actual daily metered consumption registered from an approved automatic meter reading device at Customer's premises within a period of not less than two years, but up to three years immediately preceding the Customer obtaining service or renewing a Service Agreement under this Service Classification if such information is available. Otherwise Daily Contract Demand shall be set equal to the product of (1) the highest winter monthly consumption for the most recent winter (October through April) divided by the applicable

Date of Issue: ~~August 23, 2013~~

Effective: Service Rendered
on and after ~~August 31, 2013~~

Issued by: Brian MacLean, President
520 Green Lane
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~August 21, 2013~~ in Docket No. GR12100951

ELIZABETHTOWN GAS
B. P. U. NO. 14 – GAS
CANCELLING
B. P. U. NO. 13 – GAS

FOURTH

REVISED SHEET NO. 105

RIDER "B"

WEATHER NORMALIZATION CLAUSE ("WNC") (continued)

METHOD OF DETERMINING WEATHER NORMALIZATION CHARGE: (continued)

I. Definition of Terms as Used Herein (continued)

6. Degree Day Consumption Factor ("DDCF") - the variable component (use per degree day) of the gas sendout for each month of the winter period normalized for weather and adjusted for lost and unaccounted for gas. The DDCF shall be updated annually in the Company's WNC reconciliation filing annualizing to reflect the change in number of customers that has occurred since the base rate proceeding that established the initial degree day consumption factor in base rate cases. The base number of customers used to establish the normalized use in therms per customer and the calculated DDCF approved in the Company's most recent base rate case are as follows:

<u>Month</u>	<u>Base Number of Customers</u>	<u>Therms per Degree Day</u>
October	270,827	45,255
November	271,439	52,406
December	272,283	57,992
January	273,306	60,057
February	273,936	58,851
March	274,159	56,402
April	273,907	43,295
May	273,032	40,476

7. Margin Revenue Factor - the weighted average of the Distribution Charges as quoted in the individual service classes to which this clause applies net of applicable taxes and assessments and any other revenue charge not retained by the Company that these rates may contain in the future. The weighted average shall be determined by multiplying the margin revenue component of the Distribution Charges from each service class to which this clause applies by each class's percentage of total consumption of all the classes to which this clause applies for the winter period and summing this result for all the classes to which this clause applies. The Margin Revenue Factor shall be redetermined each time base rates are adjusted. The current Margin Revenue Factor is ~~\$0.2792~~ \$0.2829 per therm.

Date of Issue: ~~August 28, 2013~~

Effective: Service Rendered
on and after ~~August 31, 2013~~

Issued by: Brian MacLean, President
520 Green Lane
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~August 21, 2013~~ in Docket No. ~~GR12100951~~

CLEAN

ELIZABETHTOWN GAS
B. P. U. NO. 14 – GAS
CANCELLING
B. P. U. NO. 13 – GAS

REVISED SHEET NO. 36

SERVICE CLASSIFICATION – RESIDENTIAL DELIVERY SERVICE (RDS)

APPLICABLE TO USE OF SERVICE FOR:

All residential purposes in individual residences and in individual flats, individual apartments in multiple family buildings, only where each individual flat or individual apartment is served through its own separate meter and religious institutions where the total rated input capacity of all gas utilization equipment does not exceed 500,000 BTU per hour. The rate is not available for hotels, nor for recognized rooming or boarding houses where the number of rented bedrooms is more than twice the number of bedrooms used by Customer. This rate is not applicable for industrial or commercial use of gas. In residential premises, use for purposes other than residential will be permitted only where such use is incidental to Customer's own residential use. Service for heating and/or cooling of premises will be rendered at this rate. Service to detached outbuildings or outside appliances appurtenant to the residence will be included in this rate provided Customer installs the necessary piping so that the gas used in such facilities may be measured by the meter located at the residence.

Service will be provided if Gas Company's facilities are suitable.

CHARACTER OF SERVICE:

Continuous, however, customers may either purchase gas supply from a Third Party Supplier ("TPS") or the Company's Rider "A", Basic Gas Supply Service ("BGSS")

*CHARGES PER MONTH:

	<u>Gas Supply from BGSS</u>	<u>Gas Supply from TPS</u>
Service Charge	\$8.00	\$8.00
Distribution Charge per Therm	\$0.3457	\$0.3457
Commodity Charge	Per Rider "A"	Per TPS Agreement

* The charges set forth in this Service Classification include sales and use tax and assessments and will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company. A customer that receives gas supply from a TPS will be charged for commodity according to any agreement between the customer and the TPS.

Date of Issue:

Effective: Service Rendered
on and after

Issued by: Brian MacLean, President
520 Green Lane
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities
Dated in Docket No.

ELIZABETHTOWN GAS
B. P. U. NO. 14 – GAS
CANCELLING
B. P. U. NO. 13 – GAS

REVISED SHEET NO. 37

SERVICE CLASSIFICATION – RESIDENTIAL DELIVERY SERVICE (RDS)
(continued)

MINIMUM MONTHLY CHARGE:

Service Charge.

TERM OF PAYMENT:

All bills are due upon presentation.

TERM OF CONTRACT:

One year, and thereafter until terminated by five (5) days written notice.

STANDARD TERMS AND CONDITIONS:

This Service Classification is subject to the Standard Terms and Conditions of this Tariff.

SPECIAL PROVISIONS I & II:

I. SPECIAL PROVISIONS, APPLICABLE TO ALL CUSTOMERS RECEIVING SERVICE UNDER THIS SERVICE CLASSIFICATION

1. Gas Air Conditioning and Distributive Generation

Upon separate application, Customers who have installed and are using gas air conditioning equipment, having a rated capacity of not less than 2 tons of refrigeration, and or who have installed a separate meter for distributed generation equipment shall be billed a Distribution Charge of \$0.2265 per therm in the period extending from Customer's meter reading taken in the ordinary course of business in May through October.

Where, in Gas Company's opinion, it is impractical to provide separate metering for distributed generation equipment, Gas Company may estimate the use of gas for Distributive Generation during the foregoing period of May to October. During all other periods, the Distribution Charge per therm stated in this service classification shall apply.

Date of Issue:

Effective: Service Rendered
on and after

Issued by: Brian MacLean, President
520 Green Lane
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities
Dated in Docket No.

ELIZABETHTOWN GAS
B. P. U. NO. 14 – GAS
CANCELLING
B. P. U. NO. 13 – GAS

REVISED SHEET NO. 40

SERVICE CLASSIFICATION – SMALL GENERAL SERVICE (SGS)

APPLICABLE TO USE OF SERVICE FOR:

Small General Service is available to those customers whose annual weather normalized usage as determined by the Company is less than 3,000 therms per year and where Gas Company's facilities are suitable and the quantity of gas is available for the service desired. In August of each year the Company shall re-determine each customer's eligibility based on their annual normalized usage.

CHARACTER OF SERVICE:

Continuous.

*CHARGES PER MONTH:

Service Charge	\$16.15
Distribution Charge per Therm	\$0.3596
Commodity Charge	Per Rider "A"

* The charges set forth in this Service Classification include sales and use tax and assessments and will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company.

MINIMUM MONTHLY CHARGE:

The Service Charge.

TERM OF PAYMENT:

All bills are due upon presentation. Should the Customer fail to make payment in full, the Company may, within the time period specified in and in accordance with Section 7.10 of the Standard Terms and Conditions of this Tariff, assess late payment charges.

TERM OF CONTRACT:

One year, and thereafter until terminated by five (5) days written notice.

Date of Issue:

Effective: Service Rendered
on and after

Issued by: Brian MacLean, President
520 Green Lane
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities
Dated in Docket No.

ELIZABETHTOWN GAS
B. P. U. NO. 14 – GAS
CANCELLING
B. P. U. NO. 13 – GAS

REVISED SHEET NO. 41

SERVICE CLASSIFICATION – SMALL GENERAL SERVICE (SGS)
(continued)

STANDARD TERMS AND CONDITIONS:

This Service Classification is subject to the Standard Terms and Conditions of this Tariff.

I. SPECIAL PROVISIONS, APPLICABLE TO ALL CUSTOMERS RECEIVING SERVICE UNDER THIS SERVICE CLASSIFICATION

1. Gas Cooling & Refrigeration and Distributed Generation Under 12kW

Upon separate application, Customers who have installed a separate meter for gas cooling equipment having a rated capacity of not less than two (2) tons but less than ten (10) tons of refrigeration and or distributed generation equipment having a rated capacity under twelve (12) kW will be separately metered for such service and will be billed at the above rates, except that the applicable Distribution Charges will be billed at a rate of \$0.1714 per therm in the period extending from Customer's meter reading taken in the ordinary course of business in May through October. Where, in the Gas Company's opinion, it is impractical to provide separate metering, Gas Company may estimate the use of gas for other than distributed generation and water heating during the foregoing period of May to October. During all other periods, the Distribution Charge per therm stated in this service classification shall apply.

2. Economic Development Service (EDS)

Any new customer employing a minimum of ten (10) employees, who locates in or expands a new or vacant building within the Company's service territory and enters into a GDS service agreement and (2) any existing customer who expands into a new or vacant building within the Company's service territory and is a party to a GDS service agreement shall be eligible for an EDS discount. For new customers, this building must be new or have been vacant for a minimum of three (3) months. For existing customers, the space utilized for operations must expand by more than 5,000 square feet. Gas used subject to the EDS discount for existing customers will be calculated by the Company and will be based solely on the customer's incremental usage. This service is offered to any eligible customer for a period of five (5) years from the date of the initial Service Agreement under this service. The EDS Customers shall receive a fifty (50) percent pre tax discount in this Service Class's Distribution Charge during the period of eligibility.

Date of Issue:

Effective: Service Rendered
on and after

Issued by: Brian MacLean, President
520 Green Lane
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities
Dated in Docket No.

ELIZABETHTOWN GAS
B. P. U. NO. 14 – GAS
CANCELLING
B. P. U. NO. 13 – GAS

REVISED SHEET NO. 42

SERVICE CLASSIFICATION – GENERAL DELIVERY SERVICE (GDS)

APPLICABLE TO USE OF SERVICE FOR:

General Delivery Service where Gas Company's facilities are suitable and the quantity of gas is available for the service desired.

CHARACTER OF SERVICE:

Continuous, however, customers may either purchase gas supply from a Third Party Supplier ("TPS") or the Company's Rider "A", Basic Gas Supply Service ("BGSS").

*CHARGES PER MONTH:

	<u>Gas Supply from BGSS</u>	<u>Gas Supply from TPS</u>
Service Charge	\$20.00	\$20.00
Demand Charge per DCQ	\$0.811	\$0.811
Distribution Charge per Therm	\$0.2210	\$0.2210
Commodity Charge	Per Rider "A"	Per TPS Agreement

* The charges set forth in this Service Classification include sales and use tax and assessments and will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company. A customer that receives gas supply from a TPS will be charged for commodity according to any agreement between the customer and the TPS.

DETERMINATION OF THE DEMAND CHARGE QUANTITY (DCQ)

The DCQ will be determined by the Customer's maximum daily requirements in terms of therm units per day. The DCQ level shall be the highest actual daily metered consumption registered from an approved automatic meter reading device at Customer's premises within a period of not less than two years, but up to three years immediately preceding the Customer obtaining service or renewing a Service Agreement under this Service Classification if such information is available. Otherwise DCQ shall be set equal to the product of (1) the highest winter monthly consumption for the most recent winter (October through April), normalized for weather, divided by the applicable number of days in the respective billing month, and (2) 1.36, provided that DCQ shall not be less than the highest non-winter month consumption divided by the applicable number of days in the respective billing month. For process loads, the Company may base the DCQ on historical consumption. If historical consumption information is not available,

Date of Issue:

Effective: Service Rendered
on and after

Issued by: Brian MacLean, President
520 Green Lane
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities
Dated in Docket No.

ELIZABETHTOWN GAS
B. P. U. NO. 14 – GAS
CANCELLING
B. P. U. NO. 13 – GAS

REVISED SHEET NO. 44

SERVICE CLASSIFICATION – GENERAL DELIVERY SERVICE (GDS)
(continued)

SPECIAL PROVISIONS SECTIONS I & II:

I. SPECIAL PROVISIONS, APPLICABLE TO ALL CUSTOMERS RECEIVING SERVICE UNDER THIS SERVICE CLASSIFICATION

1. Distributive Generation Under 12 kW and Gas Cooling & Refrigeration, 2 tons to under 10 Tons

Upon separate application, Customers who have installed a separate meter for distributed generation equipment having a rated capacity under twelve (12) kW and/or gas cooling equipment having a rated capacity of not less than two (2) tons but less than ten (10) tons of refrigeration will be separately metered for such service and will be billed at the above rates, except that the applicable Distribution Charges will be billed at a rate of \$0.1371 per therm in the period extending from Customer's meter reading taken in the ordinary course of business in May through October. Where, in the Gas Company's opinion, it is impractical to provide separate metering, Gas Company may estimate the use of gas for other than distributed generation and water heating during the foregoing period of May to October. During all other periods, the Distribution Charge per therm stated in this service classification shall apply.

2. Distributed Generation of 12 kW or More and Gas Cooling & Refrigeration of 10 Tons or More

Under separate application Customers who are using gas for distributive generation with a rated capacity of twelve (12) kW or more, and/or gas cooling equipment with a rated capacity of ten (10) tons or more, and where gas consumed is separately metered, will be billed at the above rates, except that the applicable Distribution Charges will be billed at a rate of \$0.0670 per therm commencing with the first meter reading taken in the ordinary course of business in May and concluding with the meter reading taken in the ordinary course of business in October. During all other periods, the Distribution and Commodity Charge per therm stated in this service classification shall apply.

Date of Issue:

Effective: Service Rendered
on and after

Issued by: Brian MacLean, President,
520 Green Lane
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities
Dated in Docket No.

ELIZABETHTOWN GAS
B. P. U. NO. 14 – GAS
CANCELLING
B. P. U. NO. 13 – GAS

REVISED SHEET NO. 50

SERVICE CLASSIFICATION – LARGE VOLUME DEMAND (LVD)

The signing of a service agreement is a condition precedent to receiving service under this classification. The Service Agreement will include the Customer's Demand Charge Quantity (DCQ).

APPLICABLE TO USE OF SERVICE FOR:

Applicable to Commercial and Industrial Users, when daily demand is not less than 2,000 therms per day up to the maximum daily demands as set forth in the Service Agreement, provided that all firm gas service is supplied under this rate, Gas Company's facilities are suitable, and the required quantity of gas is available for the service desired. The consumption of gas in different locations will not be combined for billing purposes.

CHARACTER OF SERVICE:

Continuous.

*CHARGE PER MONTH:

Service Charge	\$481.86
Demand Charge per DCQ	\$1.036
Distribution Charge per Therm	\$0.0498
Commodity Charge	Per Rider "A"

*The charges set forth in this Service Classification include sales and use tax and assessments and will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company.

DETERMINATION OF THE DEMAND CHARGE QUANTITY ("DCQ"):

The DCQ will be determined by the Customer's maximum daily requirements in terms of therms per day and included in the Service Agreement.

The DCQ level shall be the highest actual daily metered consumption registered from an approved automatic meter reading device at Customer's premises within a period of not less than two years, but up to three years immediately preceding the Customer obtaining service or renewing a Service Agreement under this Service Classification if such information is available. Otherwise DCQ shall be set equal to the product of (1) the highest winter monthly consumption for the most recent winter (October through April), normalized for weather, divided by the applicable

Date of Issue:

Effective: Service Rendered
on and after

Issued by: Brian MacLean, President
520 Green Lane
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities
Dated in Docket No.

ELIZABETHTOWN GAS
B. P. U. NO. 14 – GAS
CANCELLING
B. P. U. NO. 13 – GAS

REVISED SHEET NO. 53

SERVICE CLASSIFICATION – ELECTRIC GENERATION FIRM SERVICE (EGF)

All customers must sign a Service Agreement. Service will be restricted to the maximum annual and hourly requirements, and the location and equipment specified in the Agreement.

APPLICABLE TO USE OF SERVICE FOR:

Available to customers who utilize natural gas for Qualifying Cogeneration, as defined below, Distributive Generation, Micro Turbine and Fuel Cells at facilities with a rated production of over 500 Kilowatts (kW). Customers have the option of taking service under this Service Classification or negotiating a sales and/or transportation service contract which will be filed with the New Jersey Board of Public Utilities.

A Qualifying Cogeneration Facility is one that meets the Federal Energy Regulatory Commission (FERC) certification of qualifying status for the sequential production of electrical and/or mechanical energy and useful thermal energy from the same fuel source by a facility as defined in Section 201 of the Regulatory Policies Act of 1978.

CHARACTER OF SERVICE:

Continuous

*CHARGE PER MONTH:

	<u>Tax-Exempt ⁽¹⁾</u>	<u>Taxable ⁽²⁾</u>
Service Charge	\$52.37	\$56.04
Demand Charge per DCQ	\$0.741	\$0.793
Distribution Charge per Therm	\$0.0182	\$0.0195
Commodity Charge	Per Rider "A"	Per Rider "A"

* The charges set forth in this Service Classification include sales and use tax, unless noted tax-exempt and assessments and will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company.

(1) Tax-Exempt rates apply to cogeneration facilities that are in compliance with the terms of N.J.S.A. 54:30A-50.

(2) Taxable rates apply to customers, unless specifically exempted by law, entering Service Agreements with the Company after 3/10/97.

Date of Issue:

Effective: Service Rendered
on and after

Issued by: Brian MacLean, President
520 Green Lane
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities
Dated in Docket No.

ELIZABETHTOWN GAS
B. P. U. NO. 14 – GAS
CANCELLING
B. P. U. NO. 13 – GAS

REVISED SHEET NO. 56

SERVICE CLASSIFICATION – GAS LIGHT SERVICE (GLS)

This Service Classification is limited to un-metered Gas Lights whose cost of maintenance and repair shall be the responsibility of Customer.

APPLICABLE TO USE OF SERVICE FOR:

Customers who have the gas supply for their outdoor lighting fixtures connected directly to the gas service pipe without being metered.

CHARACTER OF SERVICE:

Continuous.

CHARGE PER MONTH:

The Distribution Charge for this service shall be at the flat rate of \$6.47 per Mantel Equivalent, inclusive of taxes and assessments, for each .02 therms of hourly input rating of the lighting fixtures. Input ratings shall be those of the manufacturer of the gas lighting fixtures or as determined by actual test or calculation made by Gas Company. The rate set forth above will be adjusted for the Periodic Basic Gas Supply Service Charge (BGSS-P) of this Tariff as well as all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company. Per Therm charges shall be determined by the Company using the following factors times the applicable rates noted above:

Mantel Equivalents = fixture input rating / .02 therms of hourly input
Un Metered Billing Therms = Mantel Equivalents * .02 * 24 hours * 365 / 12

MINIMUM MONTHLY CHARGE:

Flat rate as shown above.

TERM OF PAYMENT:

All bills are due upon presentation. Should a non-residential GLS Customer fail to make payment in full, the Company may, within the time period specified in and in accordance with Section 7.10 of the Standard Terms and Conditions of this Tariff, assess late payment charges.

Date of Issue:

Effective: Service Rendered
on and after

Issued by: Brian MacLean, President
520 Green Lane
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities
Dated in Docket No.

ELIZABETHTOWN GAS
B. P. U. NO. 14 – GAS
CANCELLING
B. P. U. NO. 13 – GAS

REVISED SHEET NO. 76

SERVICE CLASSIFICATION – FIRM TRANSPORTATION SERVICE (FTS)

The signing of a Service Agreement and possession by the Customer of a fully executed contract to purchase gas from a third party are conditions precedent to receiving service under this Service Classification.

APPLICABLE TO USE OF SERVICE FOR:

Customers with a Demand Charge Quantity (DCQ) in excess of 2,000 therms per day.

CHARACTER OF SERVICE:

This service will be offered on a Firm basis subject to curtailment provisions as set forth in Section 17 of the Standard Terms and Conditions of this Tariff.

The availability of service to be offered for contract under this Service Classification shall be determined at the sole discretion of the Company and will be offered on a first come first served basis.

*CHARGE PER MONTH:

	<u>Tax-Exempt</u>	<u>Taxable</u>
Service Charge	\$175.17	\$187.43
Demand Charge per DCQ	\$0.758	\$0.811
Distribution Charge per Therm	\$0.0704	\$0.0753

*The charges set forth above include sales and use tax, unless noted tax exempt, and assessments, and will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company.

DETERMINATION OF THE DEMAND CHARGE QUANTITY (DCQ):

The DCQ will be determined by the Customer's maximum daily requirements in terms of therms per day and included in the Service Agreement.

The DCQ level shall be the highest actual daily metered consumption registered from an approved automatic meter reading device at Customer's premises within a period of not less than two years, but up to three years immediately preceding the Customer obtaining service or renewing a Service Agreement under this Service Classification if such information is available. Otherwise Daily Contract Demand shall be set equal to the product of (1) the highest winter monthly consumption for the most recent winter (October through April) divided by the applicable

Date of Issue:

Effective: Service Rendered
on and after

Issued by: Brian MacLean, President
520 Green Lane
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities
Dated in Docket No.

ELIZABETHTOWN GAS
B. P. U. NO. 14 – GAS
CANCELLING
B. P. U. NO. 13 – GAS

REVISED SHEET NO. 105

RIDER "B"

WEATHER NORMALIZATION CLAUSE ("WNC") (continued)

METHOD OF DETERMINING WEATHER NORMALIZATION CHARGE: (continued)

I. Definition of Terms as Used Herein (continued)

6. Degree Day Consumption Factor ("DDCF") - the variable component (use per degree day) of the gas sendout for each month of the winter period normalized for weather and adjusted for lost and unaccounted for gas. The DDCF shall be updated annually in the Company's WNC reconciliation filing annualizing to reflect the change in number of customers that has occurred since the base rate proceeding that established the initial degree day consumption factor in base rate cases. The base number of customers used to establish the normalized use in therms per customer and the calculated DDCF approved in the Company's most recent base rate case are as follows:

<u>Month</u>	<u>Base Number of Customers</u>	<u>Therms per Degree Day</u>
October	270,827	45,255
November	271,439	52,406
December	272,283	57,992
January	273,306	60,057
February	273,936	58,851
March	274,159	56,402
April	273,907	43,295
May	273,032	40,476

7. Margin Revenue Factor - the weighted average of the Distribution Charges as quoted in the individual service classes to which this clause applies net of applicable taxes and assessments and any other revenue charge not retained by the Company that these rates may contain in the future. The weighted average shall be determined by multiplying the margin revenue component of the Distribution Charges from each service class to which this clause applies by each class's percentage of total consumption of all the classes to which this clause applies for the winter period and summing this result for all the classes to which this clause applies. The Margin Revenue Factor shall be redetermined each time base rates are adjusted. The current Margin Revenue Factor is \$0.2829 per therm.

Date of Issue:

Effective: Service Rendered
on and after

Issued by: Brian MacLean, President
520 Green Lane
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities
Dated in Docket No.