



Agenda Date: 8/21/13
Agenda Item: 2D

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 FINAL STIPULATION
GAS FOR APPROVAL TO REVISE ITS BASE RATES)	
TO RECOVER THE COSTS OF ITS UTILITY)	DOCKET NOS. GR12100951,
INFRASTRUCTURE ENHANCEMENT PROGRAM AND)	GR11060360, GR10110836,
RELATED TARIFF REVISIONS)	GR09110925 and GR09030195

Parties of Record:

Deborah M. Franco Esq., for Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

By this Order, the New Jersey Board of Public Utilities ("Board") considers a stipulation ("Stipulation") entered in to by Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas ("Elizabethtown" or "Company"), Board Staff and the New Jersey Division of Rate Counsel ("Rate Counsel") resolving various petitions related to the Company's Utility Infrastructure Enhancement Program ("UIE Program").

BACKGROUND

Pursuant to N.J.S.A. 48:2-21 and 48:2-21.1, Elizabethtown filed a petition on January 20, 2009, requesting that the Board approve a UIE Program and Utility Infrastructure Enhancement Cost Recovery Rider ("UIE Rider") and establish an initial UIE Rider surcharge of \$0.0041 per therm to permit the recovery of costs for projects included within the Company's proposed UIE Program.

Subsequent to discovery and public hearings, the Company, Board Staff and Rate Counsel (collectively, the "Parties") executed, and submitted to the Board for its consideration, a stipulation dated April 13, 2009 ("April 13 Stipulation"), specifying the agreed-upon capital projects ("Qualifying Projects"), their attendant costs and revenue requirements, applicable rate recovery mechanisms, anticipated job creation and Company reporting and rate filing requirements. By Order dated April 28, 2009 ("April 28 Order") the Board adopted the April 13 Stipulation authorizing gas distribution infrastructure-related work that the Company represented is outside the scope of its projected normal capital budget at a projected cost of approximately \$60.4 million over the two year period from April 2009 through March 31, 2011. The Board



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Parties of Record:

Deborah M. Franco Esq., for Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

By this Order, the New Jersey Board of Public Utilities ("Board") considers a stipulation ("Stipulation") entered in to by Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas ("Elizabethtown" or "Company"), Board Staff and the New Jersey Division of Rate Counsel ("Rate Counsel") resolving various petitions related to the Company's Utility Infrastructure Enhancement Program ("UIE Program").

BACKGROUND

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Subsequent to discovery and public hearings, the Company, Board Staff and Rate Counsel (collectively, the "Parties") executed, and submitted to the Board for its consideration, a stipulation dated April 13, 2009 ("April 13 Stipulation"), specifying the agreed-upon capital projects ("Qualifying Projects"), their attendant costs and revenue requirements, applicable rate recovery mechanisms, anticipated job creation and Company reporting and rate filing requirements. By Order dated April 28, 2009 ("April 28 Order") the Board adopted the April 13 Stipulation authorizing gas distribution infrastructure-related work that the Company represented is outside the scope of its projected normal capital budget at a projected cost of approximately \$60.4 million over the two year period from April 2009 through March 31, 2011. The Board

noted that only capital projects which enhance the reliability, safety and security of a utility's distribution system are eligible under these programs as Qualifying Projects. The April 28 Order also required the Company to file an annual petition ("Annual Filing") to adjust its UIE Rider rate on or about January 1 of each year.

On November 10, 2009, the Company made its annual UIE Rider rate reconciliation filing ("2009 True-Up") in Docket No. GR09110925. The Board's December 22, 2009 Order issued in that proceeding, gave Elizabethtown the authority to provisionally increase the Company's UIE Rider rate from \$0.0037 per therm, including taxes, to \$0.0116 per therm, including taxes, effective January 1, 2010.

Pursuant to a December 17, 2009 Order ("2009 Base Rate Case Order") issued in BPU Docket No. GR09030195, the Board approved a November 29, 2009 Stipulation resolving most of the issues in the Company's last base rate case ("2009 Base Rate Case"). The 2009 Base Rate Case Order also established a Phase II of the 2009 Base Rate Case to consider certain remaining issues, including the modification of Elizabethtown's base delivery rates as needed to incorporate the costs associated with the Company's UIE Projects after Board approval. Phase II of the 2009 Base Rate Case remains open for this purpose.

Pursuant to a December 22, 2009 Board Order in Docket No. GR09110925 ("December 22 Order"), the Board authorized the Company to provisionally increase its UIE after-tax per therm Rider rate from \$0.0037 to \$0.0116 effective January 1, 2010.

On December 23, 2010, in BPU Docket Nos. GO10120969 and GR09030195, the Company filed a petition ("December 2010 Petition") to further extend its UIE Program. In an Order dated May 16, 2011, the Board approved a Stipulation dated May 5, 2011 among Elizabethtown, Board Staff and Rate Counsel authorizing Elizabethtown to extend the UIE Program at a total projected incremental cost of \$40.1 million for additional UIE Projects over the period May 2011 through October 31, 2012 ("UIE II Projects") as reflected in Appendix C of the Stipulation.

In accordance with the May 16, 2011 Order, Elizabethtown filed a petition on June 15, 2011 ("June 2011 Petition") in BPU Docket No. GR11060360 requesting authority to roll-in and recover the costs associated with the Company's UIE Projects through August 31, 2011 by increasing base distribution revenue by \$8,158,992. In a September 22, 2011 Order issued in BPU Docket No. GR11060360 ("September 22 Order"), the Board authorized Elizabethtown to increase base distribution rates revenue by \$8,158,992 effective October 1, 2011 on a provisional basis, as reflected in Appendices D and F of the Stipulation.

The May 16, 2011 Order had also directed that any UIE over or under-recovery balance accumulated through the date preceding the UIE revenue adjustment would continue to be credited or charged through Elizabethtown's UIE Rider rate until the balance of the UIE I Project costs were fully reconciled or a near zero balance was achieved. Thereafter, the UIE Rider rate would be terminated and any residual balance would be credited or charged to the Company's Periodic Basic Gas Supply Service ("BGSS-P") rate. In accordance with this requirement, the Company terminated the UIE Rider rate on February 1, 2012, and credited the BGSS-P rate with an over-recovery of \$615,037.

Also in accordance with the May 16, 2011 Order, Elizabethtown filed a petition on October 23, 2012 ("October 23 Petition") in BPU Docket No. GR12100951 requesting authority to roll-in and recover the costs associated with the Company's UIE Projects through October 31, 2012 by increasing base distribution revenue by \$2,107,910.

On December 5, 2012, the Company filed a supplemental petition to update the October 23 Petition for actual results. According to the Company, the updated information in the supplemental petition demonstrated that the Company's actual results through October 31, 2012 supported a revenue increase of \$231,495 more than the revenue increase presented in the October 23 Petition, and therefore requested a further increase to the base distribution rates revenue adjustment presented in the October 23 Petition, from \$2,107,910 to \$2,339,405 as reflected in Appendices E and F of the Stipulation.

The 2009 and 2010 True-Ups and the June 2011 and October 23 Petitions are pending before the Board.

Duly noticed hearings on the true-up filings and petitions were held as follows after publication of notice in newspapers in general circulation in the Company's service territory:

Docket No.	Issue	Public Hearing Dates	
		Flemington	Rahway
GR 09110925	2009 True-Up	12/29/09	12/29/09
GR 10110836	2010 True-Up	12/28/10	12/22/10
GR 11060360	2011 Petition	08/22/11	08/23/11
GR 12100951	2012 Petition	12/17/12	12/18/12

No members of the public attended any of the public hearings.

The following table summarizes final UIE related statistics:

Actual Program Expenditures [\$Mil.]			
	UIE I	UIE II	Total
Cast Iron Main Repl. - EP - [10 to 12 in.]	\$22.5	\$22.6	\$45.1
Cast Iron Main Repl. - LP - [4 in.]	\$19.4	\$4.8	\$24.2
Franklin / Sparta Interconnect	\$6.0	\$4.2	\$10.2
Washington / Newton Interconnect	\$20.5	\$0.0	\$20.5
'Electric Resistance Welded Steel' Main Repl.	\$0.0	\$7.4	\$7.4
Total Project Cost	\$68.4	\$39.0	\$107.4

Program Revenue Requirements [\$Mil.]			
- To-Date	\$6.6	\$3.9	\$10.5
- Prior Base Revenue Adjustments	\$6.6	\$1.6	\$8.2
- Board Approval Sought	\$0.0	\$2.3	\$2.3

Full-Time Equivalent Jobs Created	107.0	61.7	168.7
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Miles of New Main	73.8	22.4	96.2
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STIPULATION¹

On July 30, 2013 the Parties executed the Stipulation which is intended to resolve all issues associated with the Company's multi-year UIE Program.

The Parties stipulate and agree as follows:

The provisional rate adjustment implemented pursuant to the December 22 Order that authorized Elizabethtown to provisionally increase the Company's UIE Rider rate from \$0.0037 per therm to \$0.0116 per therm is deemed final.

The UIE Rider rate was terminated on February 1, 2012, and \$615,037 was credited to Elizabethtown's BGSS-P rate.

The provisional 2011 UIE revenue recovery of \$8,158,992 implemented pursuant to the September 22 Order is deemed final and the rates made effective thereunder shall remain in effect until changed by order of the Board.

As of the effective date, the Company will implement the final 2012 UIE revenue requirement by increasing base distribution revenues by \$2,339,405 or 1.6%. The Company will implement the recovery through a uniform percentage increase to the rates applicable to RDS, SGS, GDS, LVD, EGF, GLS and FTS rate classes, as well as certain firm Board-approved special contract customers served under the terms of the Company's firm rate classes. Attached to the Stipulation as Appendix A are proposed updated tariff sheets reflecting the base distribution rates, inclusive of all applicable assessments and sales and use taxes.

The annual bill impact on a typical residential heating customer using 1,000 therms is an increase of \$7.60 or 0.6% from \$1,205.90 to \$1,213.50.

All issues relating to the Company's recoverability of costs at issue in the Company's UIE proceedings are resolved.

DISCUSSION AND FINDING

After review of the Stipulation and exhibits, the Board **HEREBY FINDS** that, subject to the terms and conditions set forth below, the attached Stipulation is reasonable, in the public interest, and in accordance with law, as the infrastructure projects proposed under the UIE have been constructed and reviewed, and determined to be both prudent and reasonable. Accordingly, the Board **HEREBY ADOPTS** the Stipulation as its own, as if in set forth herein.

The Board **HEREBY ORDERS** that the Company adjusts base distribution rates through a uniform percentage increase effective August 31, 2013 sufficient to recover \$2.339 million per the up-dated tariff sheets attached to the Stipulation as Appendix A.

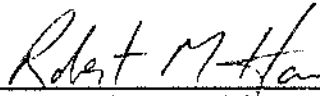
As there are no remaining issues to be reviewed within the Phase II of the 2009 Base Rate Case, the Board **HEREBY DIRECTS** Staff to take all actions necessary to close the 2009 Base Rate Case.

¹ Although summarized in this Order, the detailed terms of the Stipulation control, subject to the findings and conclusions of this Order.

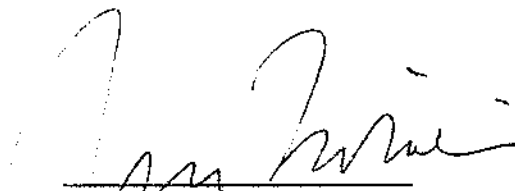
The Company's UIE recovery adjustments remain subject to audit.

DATED: 8/21/13

BOARD OF PUBLIC UTILITIES
BY:


ROBERT M. HANNA
PRESIDENT

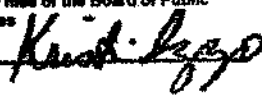

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MARYANNA HOLDEN
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DIANNE SOLOMON
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ATTEST: 
KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public
Utilities




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July 31, 2013

VIA ELECTRONIC MAIL AND FEDERAL EXPRESS

Honorable Kristi Izzo, 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 Its Utility Infrastructure Enhancement Program And Related Tariff Revisions, BPU Docket Nos. GR12100951, GR11060360, GR10110836, GR09110925 and GR09030195

Dear Secretary Izzo:

Enclosed for filing in the above proceedings is a Stipulation executed by representatives of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas, the Staff of the New Jersey Board of Public Utilities and the Division of Rate Counsel that is intended to resolve all issues associated with the above-referenced proceedings. It is respectfully requested that the Board approve this Stipulation in its entirety at the August 21, 2013 agenda meeting. 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 ITS UTILITY INFRASTRUCTURE ENHANCEMENT PROGRAM
AND RELATED TARIFF REVISIONS
BPU DOCKET NOS. GR12100951, GR11060360,
GR10110836, GR09110925 AND GR09030195**

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**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 ITS UTILITY INFRASTRUCTURE ENHANCEMENT PROGRAM
AND RELATED TARIFF REVISIONS
BPU DOCKET NOS. GR12100951, GR11060360,
GR10110836, GR09110925 AND GR09030195**

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**STATE OF NEW JERSEY
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 Its Utility Infrastructure Enhancement Program And Related Tariff Revisions : **BPU Docket No. GR12100951**
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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 Its Utility Infrastructure Enhancement Program And Related Tariff Revisions : **BPU Docket No. GR11060360**
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In The Matter Of The Petition Of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas To Revise Its Infrastructure Enhancement Rate : **BPU Docket No. GR10110836**
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In The Matter Of The Petition Of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas To Revise Its Utility Infrastructure Enhancement Rate : **BPU Docket No. GR09110925**
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In The Matter Of The Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas for Approval Of Increased Base Tariff Rates And Charges For Gas Service And Other Tariff Revisions : **BPU Docket No.: GR09030195**
:
:
: **FINAL STIPULATION**

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, **Henry M. Ogden, Esq. Sarah H. Steindel, Esq. and Maria Novas-Ruiz, Esq.**, Assistant Deputies Rate Counsel, Division of Rate Counsel (Stefanie A. Brand, Director, Division of Rate Counsel)

Alex Moreau and Marisa Slaten, Deputy Attorneys General, for the Staff of the New Jersey Board of Public Utilities (John Jay Hoffman, Acting Attorney General of New Jersey)

BACKGROUND

By Order dated April 28, 2009 ("April 28, 2009 Order") in Docket Nos. EO09010049 and GO09010053 *et al.*, the New Jersey Board of Public Utilities ("Board") approved a Stipulation dated April 13, 2009 among Pivotal Utilities Holding, Inc. d/b/a Elizabethtown Gas ("Elizabethtown" or "Company"), Board Staff, and the Division of Rate Counsel ("Rate Counsel") in which the parties agreed to the establishment of Elizabethtown's Utility Infrastructure Enhancement ("UIE") Program consisting of the accelerated investment by Elizabethtown in four capital projects ("UIE I Projects") as reflected in Appendix B. As reflected in the April 28, 2009 Order, the UIE I Projects involved gas distribution infrastructure-related work that was incremental to the Company's projected normal capital budget at a projected cost of approximately \$60.4 million over the two-year period commencing April, 2009 through March 31, 2011. The four UIE I Projects were developed in connection with the State's initiative to stimulate the economy, enhance the reliability, safety and system integrity of Elizabethtown's distribution system, promote energy efficiency and preserve the environment.

The April 28, 2009 Order also approved the establishment of Elizabethtown's initial UIE Rider rate of \$0.0037 per therm, inclusive of all applicable assessments and sales and use taxes. On November 11, 2009, the Company filed its annual UIE Rider rate reconciliation petition ("2009 True-Up") in BPU Docket No. GR09110925 and pursuant to a December 22, 2009 BPU Order ("December 22, 2009 Order") issued in that proceeding, Elizabethtown received authority to provisionally increase the Company's UIE Rider rate from \$0.0037 per therm to a rate of \$0.0116 per therm, inclusive of all applicable assessments and sales and use taxes effective January 1, 2010.

Pursuant to a December 17, 2009 Order ("December 17, 2009 Base Rate Case Order") issued in BPU Docket No. GR09030195, the Board approved a November 29, 2009 Stipulation resolving most of the issues in the Company's last base rate case ("2009 Base Rate Case"). The December 17, 2009 Base Rate Case Order also established a Phase II of the 2009 Base Rate Case to consider certain remaining issues, including the modification of Elizabethtown's base delivery rates as needed to incorporate the costs associated with the Company's UIE Projects after Board approval. Phase II of the 2009 Base Rate Case remains open for this purpose.

On November 12, 2010, the Company filed its annual UIE Rider rate reconciliation petition ("2010 True-Up") in BPU Docket No. GR10110836 and proposed to increase its UIE Rider rate ("UIE Rider") from \$0.0116 per therm to \$0.0186 per therm, inclusive of all assessments and sales and use taxes to be effective January 1, 2011. The 2010 True-Up also included an update to the Company's projected costs for the UIE I Projects, resulting in a total projected budget of \$68.6 million.

On December 23, 2010, in BPU Docket Nos. GO10120969 and GR09030195, the Company filed a Petition ("December 23, 2010 Petition") to further extend its UIE Program. The December 23, 2010 Petition resulted in the issuance of an Order dated May 16, 2011 ("May 16, 2011 Order"). In the May 16, 2011 Order, the Board approved a Stipulation dated May 5, 2011 among Elizabethtown, Board Staff and Rate Counsel authorizing Elizabethtown to extend the UIE Program at a total projected incremental cost of \$40.1 million for the UIE Projects over the period May 2011 through October 31, 2012 ("UIE II Projects") as reflected in Appendix C. As reflected in the May 16, 2011 Order, the UIE II Projects were incremental in relation to the Company's projected normal capital budget. As indicated by the Board in its May 16, 2011

Order, the successful completion of the UIE projects would increase employment in the State and enhance the reliability of Elizabethtown's distribution system.

In accordance with the May 16, 2011 Order, Elizabethtown filed a Petition on June 15, 2011 ("June 2011 Petition") in BPU Docket No. GR11060360 requesting authority to roll-in and recover the costs associated with the Company's UIE Projects through August 31, 2011 by increasing base distribution rates revenue by \$8,158,992. In a September 22, 2011 Board Order ("September 22, 2011 Order") issued in BPU Docket No. GR11060360, the Board authorized Elizabethtown to increase base distribution rates revenue by \$8,158,992 effective October 1, 2011 on a provisional basis ("2011 UIE Revenue Adjustment") as reflected in Appendices D and F.

The May 16, 2011 Order also directed that any UIE over or under-recovery balance accumulated through the date preceding the UIE Revenue Adjustment would continue to be credited or charged through Petitioner's UIE Rider rate until the balance of the UIE I Project costs was fully reconciled or a near zero balance was achieved. Thereafter, the UIE Rider rate would be terminated and any residual balance would be credited or charged to the Periodic Basic Gas Supply Service ("BGSS-P") rate. In accordance with this requirement, the Company terminated the UIE Rider rate on February 1, 2012, and credited the BGSS-P rate \$615,037.

In accordance with the May 16, 2011 Order, Elizabethtown filed a Petition on October 23, 2012 ("October 2012 Petition") in BPU Docket No. GR12100951 requesting authority to roll-in and recover the costs associated with the Company's UIE Projects through October 31, 2012 by increasing base distribution rates revenue by \$2,107,910. On December 5, 2012, the Company filed a Supplemental Petition ("December 2012 Supplemental Petition") to update for actual results. The Supplemental Petition contained updated information that demonstrated that

the Company's actual results through October 31, 2012 supported a revenue increase of \$231,495 more than the revenue increase presented in the October 23, 2012 Petition, and therefore requested to increase the base distribution rates revenue adjustment presented in the October 23, 2012 Petition from \$2,107,910 to \$2,339,405 ("2012 UIE Revenue Adjustment") as reflected in Appendices E and F.

The 2009 and 2010 True-Ups and the June 2011 and October 2012 Petitions are pending before the Board. Duly noticed public hearings regarding the 2009 True-Up were held on December 29, 2009 in Rahway, New Jersey and Flemington, New Jersey. Duly noticed public hearings regarding the 2010 True-Up were held in Rahway, New Jersey on December 22, 2010 and in Flemington, New Jersey on December 28, 2010. Duly noticed public hearings regarding the June 2011 Petition were held in Flemington, New Jersey on August 22, 2011 and in Rahway, New Jersey on August 23, 2011. Duly noticed public hearings regarding the October 2012 Petition were held in Flemington, New Jersey on December 17, 2012 and in Rahway, New Jersey on December 18, 2012. No members of the public attended any of the public hearings.

Board Staff, Rate Counsel and Elizabethtown (the "Stipulating Parties") have reached this Stipulation which is intended to resolve all issues associated with the 2009 and 2010 True-Ups and the June 2011 and October 2012 Petitions in the manner set forth below.

STIPULATED MATTERS

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

Effective Date

A. The Effective Date of this Stipulation will be the date on which a Board Order in these proceedings has been properly served on the parties of record 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. The provisional rate adjustment implemented pursuant to the December 22, 2009 Order that authorized Elizabethtown to provisionally increase the Company's UIE Rider rate from \$0.0037 per therm to \$0.0116 per therm is deemed final. As required by the May 16, 2011 Order, the UIE Rider rate was terminated on February 1, 2012 and a credit of \$615,037 was credited to Elizabethtown's BGSS-P rate.

C. The provisional 2011 UIE Revenue Adjustment of \$8,158,992 implemented pursuant to the September 22, 2011 Order is deemed final and the rates made effective thereunder shall remain in effect until changed by order of the Board.

D. As of the Effective Date, Elizabethtown will implement the 2012 UIE Revenue Adjustment as proposed in the October 2012 Petition and December 2012 Supplemental Petition and further reflected in Appendix F on a final basis by increasing base distribution rate revenues by \$2,339,405 or 1.6% from \$146,028,012 to \$148,367,417. Elizabethtown will implement the 2012 UIE Revenue Adjustment through a uniform percentage increase to base distribution rate revenues of 1.7% to the RDS, SGS, GDS, LVD, EGF, GLS and FTS classes, as well as certain firm Board-approved special contract customers served under the terms of the Company's firm rate classes. Attached as Appendix A are proposed updated tariff sheets reflecting the base distribution rates, inclusive of all applicable assessments and sales and use taxes that will be applicable to the affected service classes as a result of the implementation of the 2012 UIE Revenue Adjustment.

E. The base distribution rates established by virtue of the 2012 UIE Revenue Adjustments are deemed final and shall remain in effect until changed by order of the Board. Upon approval of these rates by the Board, the Company will propose and file with the Board

revised tariff sheets, consistent with the draft tariff sheets attached as Appendix A, that reflect the rates, inclusive of all applicable assessments and sales and use taxes, agreed to in this Stipulation.

Rate Impact

F. The annual bill impact of the stipulated base distribution rate changes on a typical residential heating customer using 1,000 therms, inclusive of all applicable assessments sales and use taxes, is an increase of \$7.60 from \$1,205.90 to \$1,213.50 or 0.6% as compared to the Company's currently effective rates. The rate adjustments authorized by this Stipulation will increase Elizabethtown's annual revenues by approximately \$2.3 million based on the Company's most recent therm forecast.

All Issues Resolved

G. This Stipulation provides for a final resolution of the proceedings involving the 2009 True-Up, the 2010 True-Up, the June 15, 2011 Petition and the October 23, 2012 Petition. The costs at issue in the 2009 True-Up, the 2010 True-Up, the June 15, 2011 Petition and the October 23, 2012 Petition that are deemed final and resolved by this Stipulation relate to UIE I and UIE II spending through October 31, 2012 as reflected in the 2011 and 2012 UIE Revenue Adjustments and the UIE Rider rate. All issues related to the prudence and recoverability of the costs at issue in the 2009 True-Up, the 2010 True-Up, the June 15, 2011 Petition and the October 23, 2012 Petition are deemed final and resolved.

Further Provisions

H. The following appendices are attached to and made part of this Stipulation:

Appendix A – Proposed Tariff Sheets;

Appendix B – UIE I Schedule MPS-1 – Project Timeline for Capital Spending,
Miles of Pipe and New Jobs;

Appendix C – UIE II Schedule MPS-1 – UIE Phase II Projects;

Appendix D – UIE I Schedule TK-1 – UIE Phase I Revenue Adjustment;

Appendix E – UIE II Schedule TK-1 – UIE Phase II Revenue Adjustment; and

Appendix F – UIE Revenue Allocation.

I. This Stipulation represents a mutual balancing of interests and, therefore, is intended to be accepted and approved in its entirety. In the event the Board does not adopt this Stipulation in its entirety in an Order, then any Stipulating 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.

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

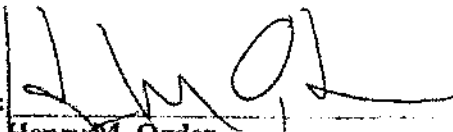
K. Except as expressly provided herein, Elizabethtown, Board Staff or Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein. This Stipulation shall not be cited as precedent except for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

WHEREFORE, the Stipulating 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.

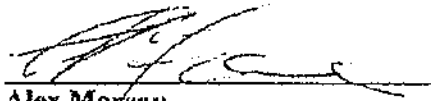
**PIVOTAL UTILITY HOLDINGS, INC.
D/B/A/ ELIZABETHTOWN GAS**

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

By: 
**Mary Patricia Keefe
Vice President, Regulatory Affairs
and Assistant Corporate Secretary**

By: 
**Henry M. Ogden
Assistant Deputy Rate Counsel**

**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: July 30, 2013

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

FIRST 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	\$0.33373413	\$0.33373413
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: ~~October 1, 2011~~

Effective: Service Rendered
on and after October 1, 2011

Issued by: Jodi Gidley
Sr. Vice President, Mid-Atlantic Operations
300 Connell Drive, Suite 3000
Berkeley Heights, New Jersey 07922

Filed Pursuant to Order of the Board of Public Utilities
Dated September 22, 2011 in Docket No. GR11060360

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

FIRST 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 \$0.2160-2236 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: ~~October 1, 2011~~

Effective: Service Rendered
on and after ~~October 1, 2011~~

Issued by: Jodi Gidley
Sr. Vice President, Mid-Atlantic Operations
300 Connell Drive, Suite 3000
Berkeley Heights, New Jersey 07922

Filed Pursuant to Order of the Board of Public Utilities
Dated September 22, 2011 in Docket No. GR11060360

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

SECOND

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	\$0.34453542
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: October 1, 2011

Effective: Service Rendered
on and after October 1, 2011

Issued by: Jodi Gidley
Sr. Vice President, Mid-Atlantic Operations
300 Connell Drive, Suite 3000
Berkeley Heights, New Jersey 07922

Filed Pursuant to Order of the Board of Public Utilities
Dated September 22, 2011 in Docket No. GR11060360

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

FIRST 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 \$0.4593 ~~1688~~ 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: ~~October 1, 2011~~

Effective: Service Rendered
on and after ~~October 1, 2011~~

Issued by: Jodi Gidley
Sr. Vice President, Mid-Atlantic Operations
300 Connell Drive, Suite 3000
Berkeley Heights, New Jersey 07922

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~September 22, 2011~~ in Docket No. GR11060360

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

FIRST 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	\$0.24262180	\$0.24262180
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: ~~October 1, 2011~~

Effective: Service Rendered
on and after ~~October 1, 2011~~

Issued by: Jodi Gidley
Sr. Vice President, Mid-Atlantic Operations
300 Connell Drive, Suite 3000
Berkeley Heights, New Jersey 07922

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~September 22, 2011~~ in Docket No. GR11060360

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

FIRST 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 ~~\$0.1298-1352~~ 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 ~~\$0.0608-0661~~ 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: ~~October 1, 2011~~

Effective: Service Rendered
on and after October 1, 2011

Issued by: Jodi Gidley,
Sr. Vice President, Mid-Atlantic Operations
300 Connell Drive, Suite 3000
Berkeley Heights, New Jersey 07922

Filed Pursuant to Order of the Board of Public Utilities
Dated September 22, 2011 in Docket No. GR11060369

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

~~FIRST~~ 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	\$0.04590484
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: ~~October 1, 2011~~

Effective: Service Rendered
on and after ~~October 1, 2011~~

Issued by: Jodi Gidley
Sr. Vice President, Mid-Atlantic Operations
300 Connell Drive, Suite 3000
Berkeley Heights, New Jersey 07922

Filed Pursuant to Order of the Board of Public Utilities
Dated September 22, 2011 in Docket No. GR11060360

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

FIRST 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	\$0.01470169	\$0.01570181
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: ~~October 1, 2011~~

Effective: Service Rendered
on and after ~~October 1, 2011~~

Issued by: Jodi Gidley
Sr. Vice President, Mid-Atlantic Operations
300 Connell Drive, Suite 3000
Berkeley Heights, New Jersey 07922

Filed Pursuant to Order of the Board of Public Utilities
Dated September 22, 2011 in Docket No. GR11060360

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

SECOND 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 ~~\$6.306~~.41 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: October 4, 2014

Effective: Service Rendered
on and after October 4, 2014

Issued by: Jodi Gidley
Sr. Vice President, Mid-Atlantic Operations
300 Connell Drive, Suite 3000
Berkeley Heights, New Jersey 07922

Filed Pursuant to Order of the Board of Public Utilities
Dated September 22, 2011 in Docket No. GR11060360

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

FIRST 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	\$0.06680691	\$0.07150739

*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: ~~October 1, 2011~~

Effective: Service Rendered
on and after ~~October 1, 2011~~

Issued by: Jodi Gidley
Sr. Vice President, Mid-Atlantic Operations
300 Connell Drive, Suite 3000
Berkeley Heights, New Jersey 07922

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~September 22, 2011~~ in Docket No. GR11060360

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

THIRD

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 \$0.2728-2792 per therm.

Date of Issue: September 26, 2012

Effective: Service Rendered
on and after September 24, 2012

Issued by: Jodi Gidley
Sr. Vice President, Mid-Atlantic Operations
300 Connell Drive, Suite 3000
Berkeley Heights, New Jersey 07922

Filed Pursuant to Order of the Board of Public Utilities
Dated August 10, 2012 in Docket No. GR11080470

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	\$0.3413	\$0.3413
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: Jodi Gidley
Sr. Vice President, Mid-Atlantic Operations
300 Connell Drive, Suite 3000
Berkeley Heights, New Jersey 07922

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 \$0.2236 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: Jodi Gidley
Sr. Vice President, Mid-Atlantic Operations
300 Connell Drive, Suite 3000
Berkeley Heights, New Jersey 07922

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	\$0.3542
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: Jodi Gidley
Sr. Vice President, Mid-Atlantic Operations
300 Connell Drive, Suite 3000
Berkeley Heights, New Jersey 07922

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 \$0.1688 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:

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on and after

Issued by: Jodi Gidley
Sr. Vice President, Mid-Atlantic Operations
300 Connell Drive, Suite 3000
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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	\$0.2180	\$0.2180
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:

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on and after

Issued by: Jodi Gidley
Sr. Vice President, Mid-Atlantic Operations
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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 \$0.1352 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 \$0.0661 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.

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Issued by: Jodi Gidley,
Sr. Vice President, Mid-Atlantic Operations
300 Connell Drive, Suite 3000
Berkeley Heights, New Jersey 07922

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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	\$0.0484
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: Jodi Gidley
Sr. Vice President, Mid-Atlantic Operations
300 Connell Drive, Suite 3000
Berkeley Heights, New Jersey 07922

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

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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	\$0.0169	\$0.0181
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.

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Issued by: Jodi Gidley
Sr. Vice President, Mid-Atlantic Operations
300 Connell Drive, Suite 3000
Berkeley Heights, New Jersey 07922

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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 \$6.41 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:

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on and after

Issued by: Jodi Gidley
Sr. Vice President, Mid-Atlantic Operations
300 Connell Drive, Suite 3000
Berkeley Heights, New Jersey 07922

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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	\$0.0691	\$0.0739

*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:

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on and after

Issued by: Jodi Gidley
Sr. Vice President, Mid-Atlantic Operations
300 Connell Drive, Suite 3000
Berkeley Heights, New Jersey 07922

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ELIZABETHTOWN GAS
B. P. U. NO. 14 – GAS
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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 \$0.2792 per therm.

Date of Issue:

Effective: Service Rendered
on and after

Issued by: Jodi Gidley
Sr. Vice President, Mid-Atlantic Operations
300 Connell Drive, Suite 3000
Berkeley Heights, New Jersey 07922

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

PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS
UTILITY INFRASTRUCTURE ENHANCEMENT ("UIE")Project Timeline for Capital Spending, Miles of Pipe and New Jobs
(\$Millions)

	<u>Original Mileage</u>	<u>Original Cost Millions</u>	<u>Actual Mileage</u>	<u>Actual Cost Millions</u>
1) The replacement of elevated pressure ten to twelve-inch cast iron main in Union and Middlesex counties:				
9 mos. 2009	16.7	\$14.5	3.4	\$3.7
2010	12.3	\$8.1	14.9	\$18.7
3 mos. 2011	<u>0.0</u>	<u>\$2.6</u>	<u>0.0</u>	<u>\$0.1</u>
Total	29.0	\$25.2	18.3	\$22.5
Estimated number of jobs to be created:				23.0
Number of Jobs created as of May 31, 2011				37.8
2) The replacement of low pressure four-inch cast iron main:				
9 mos. 2009	9.7	\$3.6	11.6	\$6.4
2010	32.2	\$9.6	19.4	\$13.0
3 mos. 2011	<u>0.0</u>	<u>\$2.4</u>	<u>0.0</u>	<u>\$0.0</u>
Total	41.9	\$15.6	31.0	\$19.4
Estimated number of jobs to be created:				15.0
Number of Jobs created as of May 31, 2011				35.1
3) The construction of a pipeline interconnect between Franklin Township and Sparta Township to eliminate a current one-way feed that serves 4,500 customers:				
9 mos. 2009	3.0	\$2.0	6.0	\$5.1
2010	3.0	\$2.8	0.0	\$0.9
3 mos. 2011	<u>0.0</u>	<u>\$0.0</u>	<u>0.0</u>	<u>\$0.0</u>
Total	6.0	\$4.8	6.0	\$6.0
Estimated number of jobs to be created:				12.0
Number of Jobs created as of May 31, 2011				6.9
4) The construction of a pipeline interconnect between Washington Township and the Town of Newton in order to eliminate the dependency of 7,500 customers on a single source of interstate natural gas pipeline supply:				
9 mos. 2009	0.0	\$0.1	0.0	\$4.4
2010	20.0	\$14.7	18.5	\$15.3
3 mos. 2011	<u>0.0</u>	<u>\$0.0</u>	<u>0.0</u>	<u>\$0.8</u>
Total	20.0	\$14.8	18.5	\$20.5
Estimated number of jobs to be created:				15.0
Number of Jobs created as of May 31, 2011				27.2
Number of Jobs created as of May 31, 2011				107.0
Total Original / Actual Costs		\$60.4		\$68.4

Appendix C

RCR-P-1.3
UIE II Schedule
MPS-1

Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas
UIE Phase II Projects
Total 2011 & 2012

	Original Projection					Actual				
	Capital Spending	New Main (Miles)	Jobs	Begin Date	End Date	Spending as of 10/31/12	Actual Miles (New Main) as of 10/31/12	Jobs as of 10/31/12	Begin Date	End Date
1) EP Cast Iron Projects	\$21.5	10.4	35	May-2011	Aug-2012	\$22.6	10.9	29.3	May-2011	Oct-2012
2) LP Cast Iron Projects	\$9.6	7.4	19	May-2011	Jun-2012	\$4.8	7.0	12.9	May-2011	Oct-2012
3) Franklin - Sparta Uprating	\$1.5	0	3	Jun-2011	Dec-2011	\$4.2	0	4.6	Jun-2011	Oct-2012
4) ERW Transmission	\$7.5	4.5	9	Aug-2011	Sep-2012	\$7.4	4.5	14.9	Aug-2011	Oct-2012
UIE II Total	\$40.1	22.3	66			\$39.0	22.4	61.7		
2011										
1) EP Cast Iron Projects	\$11.7	5.0	20			\$14.6	5.0	19.4		
2) LP Cast Iron Projects	\$5.6	4.5	12			\$3.8	4.5	11.8		
3) Franklin - Sparta Uprating	\$1.5	0	3			\$2.4	0	3.2		
4) ERW Transmission	\$0.9	0	0			\$0.1	0	0.8		
Total 2011	\$19.7	9.5	35			\$20.9	9.5	35.2		
2012										
1) EP Cast Iron Projects	\$9.8	5.4	15			\$8.0	5.9	9.9		
2) LP Cast Iron Projects	\$4.0	2.9	7			\$1.0	2.5	1.1		
3) Franklin - Sparta Uprating	\$0.0	0	0			\$1.8	0	1.4		
4) ERW Transmission	\$6.6	4.5	9			\$7.3	4.5	14.1		
Total 2012	\$20.4	12.8	31			\$18.1	12.9	26.5		

UIE Phase II Quarterly Spending Summary (including removals)

	Original Projection				Actual				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Total Cost
1) EP Cast Iron Projects	\$0	\$2,674,484	\$7,106,748	\$1,915,947	\$0	\$448,553	\$10,636,476	\$3,543,619	\$14,628,648
2) LP Cast Iron Projects	\$0	\$3,194,279	\$2,366,218	\$0	\$0	\$735,087	\$2,711,770	\$361,779	\$3,808,636
3) Franklin - Sparta Uprating	\$0	\$200,000	\$553,000	\$752,000	\$0	\$27,500	\$1,836,924	\$558,873	\$2,423,297
4) ERW Transmission	\$0	\$0	\$500,000	\$394,073	\$0	\$0	\$40,649	\$82,857	\$123,506
5) Projected WACC	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total 2011	\$0	\$6,068,763	\$10,525,966	\$3,062,020	\$0	\$1,211,140	\$15,225,819	\$4,547,128	\$20,984,087
1) EP Cast Iron Projects	\$400,000	\$5,505,331	\$3,913,629	\$0	\$1,225,112	\$3,682,283	\$1,346,836	\$1,761,581	\$8,015,812
2) LP Cast Iron Projects	\$475,582	\$3,536,474	\$0	\$0	\$824,290	\$63,612	\$63,073	\$31,727	\$982,702
3) Franklin - Sparta Uprating	\$0	\$0	\$0	\$0	\$647,946	\$163,900	\$359,908	\$662,558	\$1,834,312
4) ERW Transmission	\$0	\$3,000,000	\$3,595,927	\$0	\$148,608	\$570,253	\$3,751,444	\$2,808,495	\$7,278,800
5) Projected WACC	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total 2012	\$875,582	\$12,041,805	\$7,509,556	\$0	\$2,845,956	\$4,480,048	\$5,521,261	\$5,264,361	\$18,111,626
UIE II Total									\$39,095,713

Appendix D

RCR-P-1.2
Supplemental Same As PreliminaryPIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS
UTILITY INFRASTRUCTURE ENHANCEMENT ("UIE")
UIE I Schedule
TK-1**UIE Phase I Ending May 31, 2011 (UIE-I)****REVENUE ADJUSTMENT****October 1, 2011****(as Updated for Actuals on 8-20-12)**

Rate Base as of May 31, 2011, TK-2 *		\$49,815,597
Rate of Return - net of tax		<u>6.53%</u>
		\$3,252,958
Annual Depreciation Expense, see below	\$984,647	
Depreciation Exp, Tax / After Tax	<u>\$402,228</u>	<u>\$582,419</u>
Allowable Net Income		\$3,835,377
Revenue Factor, per UIE II Stipulation		<u>1.72431</u>
Revenue Requirement		<u><u>\$6,613,379</u></u>
Depreciable Balance, TK-3		\$65,643,150
Depreciation Rate		<u>1.500%</u>
Depreciation Expense		<u><u>\$ 984,647</u></u>

* Per RCR-A-12 after the October 3, 2011 Supplemental Filing changed September 2010 Bonus Depreciation rate from 75% to 50%.

Appendix E

RCR-P-1.3
 Supplemental
 UIE II Schedule
 TK-1

PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS
 UTILITY INFRASTRUCTURE ENHANCEMENT ("UIE")

UIE Phase II as of October 31, 2012 (UIE-II)

REVENUE ADJUSTMENT

	Amended Thru August 31, 2011	September 1, 2011 Thru October 31, 2012	Total Base Rate Adj January 1, 2013
Capitalizable Costs - CWIP thru August 31, 2011 (est) *	\$7,833,536	(\$7,833,536)	\$0
Capitalizable Costs - In Service August 31 (est) ** + ***	\$6,312,422	\$30,887,000	\$37,199,422
Accumulated Depreciation	(\$56,205)	(\$391,522)	(\$447,727)
In-Service CWIP AFUDC TK-4	\$38,351	\$651,190	\$689,541
	\$14,128,104	\$23,313,132	\$37,441,236
Deferred Income Tax Credits	(\$676,060)	(\$8,336,302)	(\$9,012,362)
Rate Base	\$13,452,044	\$14,976,830	\$28,428,874
Rate of Return - net of tax	6.53%	6.53%	6.53%
	\$878,418	\$977,987	\$1,856,405
Depreciation Exp, net of tax	\$66,490	\$330,191	\$396,681
Allowable Net Income	\$944,908	\$1,308,178	\$2,253,086
Revenue Factor, per UIE II Stipulation	1.72431	1.72431	1.72431
Revenue Requirement	\$1,629,314	\$2,255,704	\$3,885,018
Depreciation Expense			
Depreciable Balance as of 8/31/2011	\$6,312,422	\$30,887,000	\$37,199,422
In-Service CWIP AFUDC TK-4	\$38,351	\$651,190	\$689,541
Depreciable Balance	\$6,350,773	\$31,538,190	\$37,888,963
Composite Depreciation Rate, per May 16 Order	1.770%	1.77%	1.77%
Depreciation Expense	\$112,409	\$558,226	\$670,635

* Includes applicable AFUDC at FERC rates.

** Includes AFUDC at FERC rates prior to being in-service.

Appendix F

RCR-P-1.4
Supplemental
Revenue Allocation Schedule TK-1

PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS
UTILITY INFRASTRUCTURE ENHANCEMENT ("UIE")

UIE Revenue Allocation Based On Post Firm 2009 Rate Case Revenue %s
Proposed Rate Change January 1, 2013

	6/15/2011	1/1/2013	Total	2009 Post Rate Case plus 6-15-11 UIE			Proposed	
				Base	Overall	UIE	Revenues	% Chg
	Revenues	%	Revenues	Revenues	%	Allocation	Revenues	% Chg
UIE I thru 5-31-11 *	\$6,609,984	\$3,395	\$6,613,379	\$90,371,757	65.81538%	\$1,539,688	\$91,911,445	1.7%
UIE II thru 8-31-11 *	\$1,549,008	\$80,306	\$1,629,314	\$5,565,306	4.05307%	\$94,818	\$5,660,124	1.7%
UIE II 9-1-11 thru 10-31-12 **	\$0	\$2,255,704	\$2,255,704	\$35,937,161	26.17209%	\$612,271	\$36,549,432	1.7%
Total	\$8,158,992	\$2,339,405	\$10,498,397	\$45,252	0.03296%	\$771	\$46,023	1.7%
Residential				\$0	0.00000%	\$0	\$0	0.0%
Small General Service				\$4,414,502	3.21497%	\$75,211	\$4,489,713	1.7%
General Delivery Service				\$12,865	0.00937%	\$219	\$13,084	1.7%
Electric Generation				\$136,346,843	99.29784%	\$2,322,978	\$138,669,821	1.7%
Large Volume Demand								
Firm Transportation								
Gas Lights								
Firm Base Rate Revenues								
Special Contract Firm				\$964,168	0.70218%	\$16,427	\$980,595	1.7%
Total Firm Revenues	\$137,311,011	100.000020%		\$137,311,011	100.000020%	\$2,339,405	\$139,650,416	1.7%
Interruptible and Other Revenues not subject to UIE	\$8,717,001			\$8,717,001		\$0	\$8,717,001	0.0%
TOTAL REVENUES	\$146,028,012			\$146,028,012		\$2,339,405	\$148,367,417	1.6%

	Base	%	UIE	Proposed	
	Revenues		Allocation	Revenues	% Chg
Other Revenues					
Special Contracts, Firm					
A	\$90,761	9.41340%	\$1,546	\$92,307	1.7%
B	\$590,100	61.20303%	\$10,054	\$600,154	1.7%
C	\$283,307	28.38357%	\$4,827	\$288,134	1.7%
Total	\$964,168	100.00000%	\$16,427	\$980,595	

*Actualized results to the preliminary filing of 6-15-11 which were used to adjust base rates on 10-1-11.

** Actuals through October 31, 2012.