

Agenda Date: 10/16/13

Agenda Item: 2C

ENERGY

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/

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IN THE MATTER OF THE PETITION OF PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS TO REVIEW ITS PERIODIC BASIC GAS SUPPLY SERVICE RATE))))	DECISION AND ORDER APPROVING STIPULATION FOR PROVISIONAL BGSS-F RATES DOCKET NO. GR13050433

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:

BACKGROUND

Per the generic Order of the Board of Public Utilities ("Board" or "BPU") dated January 6, 2003, in Docket No GX01050304 ("January BGSS Order"), each of New Jersey's four gas distribution companies ("GDCs"), by June 1, submits to the Board its annual Basic Gas Supply Service ("BGSS") gas cost filing for the BGSS year beginning October 1. In addition, the January BGSS Order authorizes, each GDC to self-implement up to a 5% BGSS increase effective December 1 and February 1, with one month's advance notice to the Board and the New Jersey Division of Rate Counsel ("Rate Counsel"). Each GDC may implement a decrease in its BGSS rates at any time, without prior Board approval after notice to the Board and Rate Counsel.

In accordance with the January BGSS Order, Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas Company ("Elizabethtown" or "Company"), filed a petition with the Board on June 1 2013 seeking to decrease its Periodic Basic Gas Supply Service ("BGSS-P") per therm after-tax rate from \$0.6663 to \$0.6241 with the new rate to be effective October 1, 2013. The after-tax per therm rate of \$0.6241 is projected to result in a revenue decrease of \$9.7 million for the BGSS year ending September 30, 2014.

After publication of notices in newspapers in general circulation in the Company's service territory, public hearings were held in Flemington and Rahway on August 26 and 28, 2013, respectively. No one from the public attended the proceedings.

On September 26, 2013, the Company notified the Board and Rate Counsel of its intent to decrease its periodic per therm BGSS rate from \$0.6663 to \$0.6241 effective October 1, 2013. With the self-implemented rate change, the Company projected that its anticipated over-recovered balance at September 30, 2013 of \$4.0 million would be eliminated by September 30, 2014. Based on this BGSS rate change, the monthly bill of a typical residential heating customer using 100 therms would be reduced by \$4.22 from \$119.75 to \$115.53 or by 3.5%.

Stipulation for Provisional BGSS Rates¹

Following discussions, the Company, Board Staff and Rate Counsel (collectively, "the Parties") executed a Stipulation for Provisional BGSS Rates on October 2, 2013 ("Stipulation"), agreeing that it would be both reasonable and in the public interest for the Board to authorize the Company to maintain its self-implemented per therm periodic BGSS rate of \$0.6241, subject to refund with interest on any net over-recovered BGSS balance. A final rate will be determined after an opportunity for a full review of the Company's filing in this proceeding at the Office of Administrative Law.

The Company will submit tariff sheets in the form attached to the stipulation as Exhibit A within five days of the effective date of a Board order approving the Stipulation.

The Company will continue to provide electronically to Board Staff and Rate Counsel, on a monthly basis, the following update information: 1) the BGSS NYMEX Update Report (also known as S-E CHART-1), attached to the stipulation as Exhibit B; and 2) a monthly report showing the cost of gas per therm (also known as S-ECHART-2), attached to the stipulation as Exhibit C. The S-E Chart-1 is to be completed using information from the first Friday of the month and submitted to the Parties the following Tuesday. S-E Chart-2 is to be submitted to the Parties on or about the 15th of the following month.

DISCUSSION AND FINDING

The Board has carefully reviewed the record to date in this proceeding and the attached Stipulation. The Board <u>FINDS</u> that the Stipulation is reasonable, in the public interest, and in accordance with the law. Accordingly, the Board <u>HEREBY ADOPTS</u> the Stipulation as its own, as if fully set forth herein, and <u>HEREBY APPROVES</u> on a provisional basis, subject to refund with interest on any over-recovered BGSS balance, the Company's maintenance of its current BGSS-P rate at \$0.6241 per therm inclusive of all applicable taxes.

The Board <u>HEREBY DIRECTS</u> that this matter be transmitted to the Office of Administrative Law for review and evidentiary hearings, if necessary.

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 gas costs will remain subject to audit by the Board. This Decision and Order shall not preclude the Board from taking any actions deemed to be appropriate as a result of any such audit.

DATED: 10/16/13

BOARD OF PUBLIC UTILITIES

PRESIDENT

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

ATTEST:

KRISTI IZZO **SECRETARY**

3

In the Matter of the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas To Review its Periodic Basic Gas Supply Service Rate - Docket No. GR13050433

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October 2, 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 To Review Its Periodic Basic Gas Supply Service Rate BPU Docket No. GR13050433

Dear Secretary Izzo:

Enclosed for filing in the above proceeding are an original and ten copies of a Stipulation Regarding Provisional BGSS Rates 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 as expeditiously as possible.

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 TO REVIEW ITS PERIODIC BASIC GAS SUPPLY SERVICE RATE BPU DOCKET NO.GR13050433

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IN THE MATTER OF THE PETITION OF PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS TO REVIEW ITS PERIODIC BASIC GAS SUPPLY SERVICE RATE BPU DOCKET NO.GR13050433

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STATE OF NEW JERSEY BOARD OF PUBLIC UTILITIES

In The Matter Of The Petition Of Pivotal Utility:

BPU Docket No. GR13050433

Holdings, Inc. d/b/a Elizabethtown Gas To

STIPULATION REGARDING

Review Its Periodic Basic Gas Supply Service Rate

PROVISIONAL BGSS RATES

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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, and Kurt S. Lewandowski, Esq., Assistant Deputy 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)

- 1. On May 30, 2013, Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas, ("Elizabethtown" or "Company") filed a Petition ("May 30 Petition") with the New Jersey Board of Public Utilities ("Board" or "BPU") in BPU Docket No. GR13050433 to revise its Periodic Basic Gas Supply Service ("BGSS-P") rate for the period October 1, 2013 through September 30, 2014.
- 2. In its May 30 Petition, Elizabethtown proposed to decrease its current BGSS-P rate from \$0.6663 per therm inclusive of all applicable taxes to \$0.6241 per therm inclusive of all applicable taxes to become effective October 1, 2013. As reflected in the May 30 Petition, the estimated overrecovery balance as of September 30, 2013 amounts to approximately \$4.0 million. The rate of \$0.6241 per therm is designed to bring the BGSS balance to approximately zero as of September 30, 2014. The rate of \$0.6241 per therm provides a decrease to the monthly bill of a typical residential heating customer using 100 therms by \$4.22 from \$119.75 to \$115.53, a decrease

of 3.5% or \$42.20 annually for a typical residential heating customer using 1,000 therms per year, as compared to the BGSS-P rate of \$0.6663 per therm. The projected impact of the BGSS-P rate of \$0.6241 per therm is a decrease in gas cost recoveries of approximately \$9.0 million before taxes and assessments in the year ending September 30, 2014 than would otherwise be recovered by Elizabethtown under the BGSS-P rate of \$0.6663 per therm. Based on the Company's current volume forecast, under the rate of \$0.6663 per therm, Elizabethtown would collect approximately \$141.3 million before taxes and assessments. Based on the Company's current volume forecast, under the rate of \$0.6241 per therm, Elizabethtown would collect approximately \$132.3 million before taxes and assessments.

- 3. 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 Flemington, New Jersey on August 26, 2013 and Rahway, New Jersey on August 28, 2013. No members of the public attended.
- In accordance with the authority reflected in the Board's January 6, 2003 order issued in BPU Docket No. GX01050304 ("Generic Order"), by letter dated September 26, 2013 ("September 26 Letter"), Elizabethtown submitted a notification to the Board and the parties to BPU Docket No. GR13050433, of its intent to provisionally decrease its then current BGSS-P rate from \$0.6663 per therm inclusive of all applicable taxes to \$0.6241 per therm inclusive of all applicable taxes to become effective October 1, 2013. As indicated in the September 26 Letter, this rate decrease is consistent with the proposed rate decrease reflected in the May 30 Petition. The Company implemented the BGSS-P rate of \$0.6241 per therm effective October 1, 2013, which as reflected in the May 30 Petition, resulted in a 3.5 percent decrease for a residential heating customer

using 100 therms per month or 1000 therms annually.

- 5. Elizabethtown, the Board's Staff and the Division of Rate Counsel ("Rate Counsel") are the only parties to this proceeding (collectively "the Parties"). The Parties agree that additional time is needed to complete a comprehensive review of the Company's filing and that the continuation of Elizabethtown's provisional BGSS rate, subject to refund with interest on any net-overrecovered BGSS balance, is reasonable to continue to provide customers with the benefit of the rate decrease proposed in the May 30 Petition, while permitting Elizabethtown to timely collect BGSS costs while additional review of the Company's filing takes place.
- 6. The Parties have determined and hereby STIPULATE AND AGREE that, pending the conclusion of any further review and discussions among the Parties and a final determination by the Board, and pursuant to N.J.S.A. 48:2-21.1, it would be both reasonable and in the public interest for the Board to authorize Elizabethtown to maintain its current provisional BGSS-P rate of \$0.6241 per therm, as filed in its May 30 Petition, inclusive of all applicable taxes, subject to refund with interest on any net BGSS overrecoveries. A final rate will be implemented after an opportunity for a full review of the Company's filing in this proceeding at the Office of Administrative Law, if necessary, and final Board approval. The Company may seek to implement provisional increases in its BGSS-P rate of up to 5% to be effective December 1, 2013 and February 1, 2014, in accordance with the procedures specified in the Board's Generic Order, if the Company determines that such increases are necessary to permit it to avoid a BGSS underrecovery balance at September 1, 2014.
- 7. 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.
- 8. The Company agrees to continue to provide electronically to the Parties in this proceeding, on a monthly basis, the following updated information: 1) the BGSS NYMEX update

report (also known as S-E Chart-1, attached as Exhibit B); and 2) a monthly report showing the calculation of net gas per therm (also known as S-E Chart-2, attached as Exhibit C). S-E Chart-1 is to be completed using information from the first Friday of the month and submitted to the Parties the following Tuesday. S-E Chart-2 is to be submitted to the Parties on approximately the 15th of the following month.

- 9. 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.
- 10. 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.
- 11. 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.
- 12. The Parties further acknowledge that 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.

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 Batricia Keefe

Vice President, Regulatory Affairs and Assistant Corporate Secretary Kurt S. Lewandowski, Esq, 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

Rv:

Marian Slaten, DAG

Dated: September 30, 2013

PARIS AND REVISED SHEET NO. 98

RIDER "A"

BASIC GAS SUPPLY SERVICE CHARGE ("BGSS")

This Rider sets forth the method of determining the BGSS which shall be calculated to four (4) decimal places on a per therm basis established in accordance with the Board Order in Docket No. GX01050304 dated January 6, 2003. The BGSS charge is either BGSS-Monthly ("BGSS-M") or BGSS-Periodic ("BGSS-P") and will be applied to a Customer's Service Classification as follows:

- 1. The BGSS-M shall be applicable to all GDS, LVD, and EGF customers receiving gas supply from the Company effective on the first of each month as determined below.
- 2. The BGSS-P shall be applicable to all RDS, SGS, and GLS customers receiving gas supply from the Company.

The BGSS Charge, as defined herein, is designed to recover the cost to the Company of purchased gas or fuel used as a substitute for or supplemental to purchased gas including the cost of storing or transporting said gases or fuel, the cost of financial instruments employed to stabilize gas costs, other charges or credits as may result from the operation of other tariff provisions, and taxes and assessments in connection with the purchase and sale of gas.

BGSS per therm rates:

	BGSS-M	BGSS-P
Effective Date	per therm	per therm
September 1, 2012	\$0.5035	\$0.6924
October 1, 2012	\$0.5641	\$0.6663
November 1, 2012	\$0.6141	\$0.6663
December 1, 2012	\$0.6391	\$0.6663
January 1, 2013	\$0,6009	\$0.6663
February 1, 2013	\$0.5867	\$0.6663
March 1, 2013	\$0.6090	\$0.6663
April 1, 2013	\$0.6705	\$0.6663
May 1, 2013	\$0.6902	\$0.6663
June 1, 2013	\$0.6848	\$0.6663
July 1, 2013	\$0.6357	\$0.6663
August 1, 2013	\$0.6082	\$0.6663
September 1, 2013	\$0.6202	\$0.6663
October 1, 2013	\$0.6126	\$0.6241

Date of Issue:

Effective: Service Rendered on and after Management

Issued by:

Jodi Gidlev

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 who are a local in Docket No. 0.60 hours and 44.60 hours

PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS

S-ECHART-1 BGSS NYMEX Update Report as of August 02, 2013

g=cxf	Change in	value unhedged	\$211,966	\$451,192	\$436,566	(\$247,935)	(\$360,221)	(\$108,227)	\$331,396	\$265,267	\$136,136	\$22,502	(\$57,188)	(\$117,964)	\$963,491	(\$281,904)	(\$484,620)	(\$559,191)	(\$547,228)	(\$319,988)	(\$258,502)	(\$129,345)	(\$77,779)	(\$53,879)	(\$53,967)	(\$54,870)	(\$57,655)	(\$2,878,927)
f=0-e	Unhedged	volume (dths)	796,866	1,030,119	1,355,794	1,449,913	1,154,553	1,163,731	696,210	430,629	241,376	300,028	299,415	385,503	9,304,137	892,101	1,509,719	1,659,320	1,524,313	981,558	897,577	823,850	495,408	343,178	331,085	334,572	353,714	10,146,395
Φ	Hedged	volume (dths)	746,200	1,519,307	3,152,715	3,661,472	3,023,420	1,887,722	682,646	397,100	217,100	287,100	277,100	267,100	16,118,982	747,100	1,063,948	2,937,355	3,618,656	3,076,732	2,273,599	728,526	460,100	310,100	310,100	340,100	353,300	16,219,616
σ	Sales	forecast (dths)	1,543,066	2,549,426	4,508,509	5,111,385	4,177,973	3,051,453	1,378,856	827,729	458,476	587,128	576,515	652,603	25,423,119	1,639,201	2,573,667	4,596,675	5,142,969	4,058,290	3,171,176	1,552,376	955,508	653,278	641,185	674,672	707,014	26,366,011
		% Cha													4.1%													-6.2%
c=b-a	Incr/	(Decr)	0.266	0.438	0.322	(0.171)	(0.312)	(0.093)	0.476	0.616	0.564	0.075	(0.191)	(0.306)	0.140	(0.316)	(0.321)	(0.337)	(0.359)	(0.326)	(0.288)	(0.157)	(0.157)	(0.157)	(0.163)	(0.164)	(0.163)	(0.242)
			₩	₩	€7	69	(/)	G)	(7)	↔	↔	()	(1)	€9	69	(c)	₩	69	69	69	64)	₩	ക	₩	₩	₩	63	69
đ	NYMEX	(8/2/2013 Close)	3.023	3.471	3.696	3.354	3.226	3,427	3.976	4.152	4.148	3,707	3.459	3.347	3.582	3.375	3,482	3.668	3.758	3.763	3.734	3.684	3,703	3.735	3.769	3.787	3.790	3.687
		(8/2	69	69	\$9	69	69	69	69	6-3	69	69	69	₩	59	649	€9	· vi	(A)	69	€	மு	₍	_G	(A)	ω	G	\$9
æ	BGSS	(see note below)	2.757	3.033	3.374	3.525	3.538	3.520	3,500	3,536	3.584	3.632	3.650	3.653	3.442	3.691	3.803	4.005	4.117	4.089	4.022	3.841	3.860	3.892	3.932	3.951	3,953	3.930
		es)	69	49	69	69	w	63	₩	69	69	₩	69	ெ	69	63	• 69	e e e	60	· 69	69	· W	G	69	(/s	e/s	€9-	69
		Month	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	Mav-13	Jun-13	Jul-13	Aug-13	Sep-13	Avg Total \$	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	Mav-14	Jun-14	Jul-14	Aug-14	Sep-14	Avg Total \$

Footpotes

a : Nymex rate used for annual BGSS periodic rate filing; Oct-12 to Sept-14 based on 05/10/2012 Close.

b: Nymex rate as of date of the report

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

d: Sales forecast (includes fuel requirement) at a receipt point/wellhead equivalent volume
 e: 'Hedged' volume consists of all fixed price contracts (financial or physical), purchased call option positions,

and tentative storage withdrawal volumes (reduced by fuel required for delivery to citygate) f: 'Unhedged' volume

g: Not necessarily representative of a change in underfover-recovery value

S-ECHART-2

PIVOTAL UTILITY HOLDINGS, Inc. d/b/a ELIZABETHTOWN GAS

	Elizabethtown Gas	own Gas	(0 1	E :	į								Page I
	Caleutanon o	n ot ivet t	II Net COSt of Gas Fef Thefin	rer ine									12 Month
	Actual	Actual	Actual	Actual		Actual	Actual	Actual	Actual	Actual	Estimate	Estimate	Weighted
1 NVMEX - 05/10/12 - Included in BGSS Filino	Oct-12 \$0.2757	Nov-12 \$0.3033	Dec-12 \$0.3374	Jan-13 \$0.3525	Feb-13 \$0,3538	Mar-13 \$0,3520	Apr-13 \$0 3500	May-13 \$0,3536	50.3584	Jul-13 \$0.3632	30.3650	Sep-13 \$0 3653	Average
2 NYMEX - Actual Settlement	\$0.3023	\$0.3471	9696.08	\$0 3354	\$0.3226	\$0,3427	\$0.3976	\$0.4152	\$0.4148	\$0.3707			
Breakdown of Gross Cost of Gas Per Therm:											4	(((
13 Flowing Gas Cost	-\$0.1962	\$0.3830	\$0.1347	\$0.2300	\$0.2023	\$0.1996	\$0.0738	50.0549	-50.1743	-50.2214	-\$0.0062	\$0.0753	\$0.1465
14 Gas Withdrawn From Storage Cost	\$0,0172	\$0.2122	\$0.2042	50.1734	50.1343	\$0.0967	\$0.0136	\$0.0373	\$0.0146	30.0286	\$0.003	\$0.0031	\$0.1150
15 Hedged Volumes Delivered Cost	\$1.0332	\$0.3516	\$0.2126	\$0.1594	\$0.1043	\$0.1177	\$0.2074	\$0.3707	50.4788	\$0.7373	\$0.5978	\$0.5309	50.2421
16 Pipeline Demand Cost	\$0.5207	\$0.2212	\$0.1154	\$0.0969	\$0.0746	\$0.0849	\$0.1354	\$0.3033	\$0.4872	\$0.7223	\$0.8364	\$0.8325	\$0.1856
17 Storage Demand Cost	\$0.1253	\$0.0541	\$0.0289	\$0.0241	\$0.0175	\$0.0212	\$0.0305	50.0703	\$0.1113	\$0.1644	\$0.2236	\$0.2225	\$0.0452
18 Peaking Cost	\$0.0000	\$0.0091	\$0.0094	\$0.0042	\$0.0035	\$0.0037	\$0.0007	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0038
19 Weighted Average Fuc! Cost	\$0.0646	\$0.0343	\$0.0163	\$0.0179	\$0.0142	\$0.0150	\$0.0197	\$0.0381	\$0.0439	\$0.0636	\$0,1147	\$0.0968	\$0.0257
20 Variable Pipeline Cost	\$0,000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	20,0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0442	\$0.0370	\$0.0017
21 Other Costs	\$0,0000	\$0.0000	\$0.0000	\$0,0000	\$0.0000	\$0,000	\$0.0000	\$0.0000	\$0.0000	20.0000	\$0.0000	\$0.0000	\$0.0000
22 Total Gross Cost of Gas Per Therm	\$1.5648	\$1.2654	\$0.7216	\$0.7059	\$0.5505	\$0.5388	\$0.4811	\$0.8746	\$0.9616	\$1.4947	\$1.8136	\$1.7980	\$0.7637
						•	-			-	-		111-1-1-1
	Actual	Actual	Actual	Actual		Actual	Actual	Actual	Actual	Actual	Actual	Actual	weigned
	<u>0et-11</u>	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	Mav-12	.Iun-12	Jul-12	Aug-12	Sep-12	Average
23 NYMEX - Actual Settlement	\$0.3759	\$0.3524	\$0 3364	\$0.3084	\$0.2678	\$0.2446	\$0.2191	\$0.2036	\$0.2429	\$0.2774	\$0.3010	\$0.2634	
Breakdown of Gross Cost of Gas Per Therm:													
24 Flowing Gas Cost	\$0.0142	\$0.1821	\$0.1757	\$0.1646	\$0.1148	\$0.0191	-\$0.0318	-\$0.0758	-\$0.0981	-\$0.0580	-\$0.0346	-\$0.1101	\$0.0759
25 Gas Withdrawn From Storage Cost	\$0.0779	\$0.1889	\$0.3362	\$0.2426	\$0.2745	\$0.2290	\$0.0802	\$0.0073	\$0.0194	\$0.0402	\$0.0240	\$0.0116	\$0.1974
26 Hedged Volumes Delivered Cost	\$1.2428	\$0.3864	\$0.3078	\$0.1735	\$0.1256	\$0.1814	\$0.4475	\$0.4839	\$0.7276	80,9100	\$0.9877	\$1.0387	\$0.3536
27 Pipefine Demand Cost	\$0.5442	\$0.2136	\$0.1470	\$0.0931	\$0.0932	\$0.1201	\$0,2094	\$0.3111	\$0.5264	20,6960	\$0.7195	\$0.6936	\$0.2102
28 Storage Demand Cost	\$0,1266	\$0.0494	\$0.0359	\$0.0230	\$0.0229	\$0.0290	\$0.0509	\$0.0739	\$0.1269	50,1455	\$0.1729	S0.1666	\$0.0500
29 Peaking Cost	\$0.0000	\$0.0000	\$0.0011	\$0.0007	\$0.0046	\$0.0196	\$0.0016	\$0.0000	\$0.0000	\$0.0000	\$0,0000	\$0.0000	\$0.0042
30 Weighted Average Fuel Cost	\$0.0936	\$0.0262	\$0.0229	\$0.0158	\$0.0111	\$0.0096	\$0.0256	\$0,0292	\$0.0513	\$0.0688	\$0.0892	\$0.0762	\$0.0257
31 Variable Pipeline Cost	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
32 Other Costs	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	20.0000	\$0.000	\$0.0000
33 Total Gross Cost of Gas Per Therm	\$2.0992	\$1.0466	\$1,0267	\$0.7133	\$0.6468	\$0.6080	\$0.7834	\$0.8294	\$1.3535	\$1.8026	\$1.9586	\$1.8766	\$0.9169

Footnotes:

Flowing Gas Cost = Gas purchased for delivery to city gate during month - not injected into storage

Gas Withdrawn From Storage Cost = Gas withdrawn from storage - includes cost of injection, withdrawl, fees, line loss

Hedged Volumes Delivered Cost = Hedged Volumes delivered to city gate - not injected into storage

Pipeline Demand Cost = Fixed Pipeline costs

Storage Demand Cost = Fixed Storage related costs

Peaking Cost = Peaking Cost includes peaking services, LNG, Propane, etc...

Weighted Average Fuel Cost = Commodity x fuel % for each pipeline - represents portion of gas shipped that is retained by pipeline

Variable Pipeline Cost = Pipeline Charge per therm shipped

Exhibit C

S-ECHART-2

PIVOTAL UTILITY HOLDINGS, Inc. d/b/a ELIZABETHTOWN GAS

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	Actual Oct-12	Actual Nov-12	Actual Dec-12	Actual Jan-13	Actual Feb-13	Actual Mar-13	Actual Apr-13	Actual May-13	Actual Jun-13	Actual Jul-13	Aug-13	Sep-13	12 Month Weighted Average
Credits. Refunds, & Recoveries Per Therm:													
1 Asset Management Credits	\$0,0000	\$0.0000	\$0.0446	\$0.0000	\$0.0000	\$0.0327	\$0.0000	\$0.0949	\$0.1763	\$0.0000	\$0,0000	\$0,2623	\$0.0272
2 Off-system sales	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0,0000	\$0.0000
3 Capacity release	\$0.0052	\$0.0023	\$0.0012	\$0.0009	\$0.0008	\$0.0008	\$0.0011	\$0.0027	\$0.0043	\$0.0063	\$0.0069	50.0067	50.0017
4 On System Credits to BGSS-P Customers	\$0.2143	\$0.1668	50.1707	50.1576	50.1539	50.1560	50.1583	50.2082	50,2515	\$0.2767	\$0.2674	\$0.2568	\$0.1732
S Supplier Retuinds	20.0000	30.0000	20.000	30.0000	20,0000	20.0082	20.0000	\$0.0000 \$0.0000	\$0.000	1000.0¢	30.0000	\$0.0000	\$0,0014
6 Gas for Company Use	\$0.0000	20.0000	\$0.0000	\$0,000	\$0.0000	20.0000	80.0000	\$0.0000	\$0,000	\$0,000	\$0.000	\$0.0000	20.0000
7 Enter Euss 8 Transfer to Non BGSC-D Customers	\$0.0000 \$0.0000	\$0.0000	SO 0000	\$0.000	\$0,0000	50.0000	\$0,000	\$0,000	\$0,000	\$0,000	50 0000	\$0.0000	\$0,000
9 Over / Under Recovery & Interest to Customers	50.7342	\$0.4750	-\$0.1121	-\$0.0757	-\$0,2260	-\$0,2757	-\$0,2961	-\$0.0417	-\$0.1076	\$0.5854	\$0.9180	\$0.6508	-\$0.0595
10 Other	\$0.0000	\$0.0000	\$0,0000	\$0.0000	\$0,0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
11 Total Credits, Refunds, & Recoveries per Therm	\$0.9537	\$0.6440	\$0.1044	\$0.0828	-50.0714	-\$0.0779	-\$0.1367	\$0.2640	\$0.3245	\$0.8685	\$1.1923	\$1.1767	\$0.1439
12 Total Net Cost Per Therm(Pg. 1 Line 22 - Pg. 2 Line 11).	\$0.6110	\$0.6215	\$0.6172	\$0.6231	\$0.6219	\$0.6168	\$0.6178	\$0.6106	\$0.6371	\$0.6262	\$0.6213	\$0.6213	8619.08
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Weighted
	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	<u>Jun-12</u>	<u>Jul-12</u>	Aug-12	Sep-12	Average
Credits, Refunds, & Recoveries Per Therm:		;	4	6	6	,	6	6		4	6		6
13 Asset Management Credits	\$0,000	\$0.0000	\$0.0559	\$0.0000	\$0.000	50.0450	\$0.0000	20.0000	\$0,2067	\$0.000	20.0000	\$0.2713	50.0268
14 Off-system sales	\$0.000	30.000	30.000	30.0000	\$0.000	30.000	20.0000	30,000	30.000	30.000	30.000	30.000	\$0.0000
15 Capacity release	\$0.0033	\$0.0021	\$0.0015	\$0.0009	20.0010	\$0.0012	50.0028	\$0.0031	\$0.0054	20.0067	\$0.0071	50.0071	\$0.0021
16 On System Credits to BGSS-P Customers	\$0.3025	\$0.2220	50.1880	50.1614	\$0.1562	50.1417	50.1509	50.1584	50.2141	20.2811	20.2950	20.2607	\$0.1799
17 Supplier Netwins 18 Confor Common 1150	50.0248	20.0000	20,000	80,000	50,000	50.0000	\$0.000	\$0.000	\$0,000	\$0.000	\$0.000	\$0.000	\$0,002
19 Cas fol Company Casc 19 Une Loss	\$0.000	\$0,000	\$0,0000	S0.0000	\$0.000	\$0.000	\$0.0000	20,0000	\$0.000 \$0.0000	\$0.000	\$0,000	\$0.000	\$0.0000
20 Transfer to Non BGSS-P Customers	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	20.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.000
21 Over / Under Recovery & Interest to Customers	\$1.0625	\$0.1680	\$0.1372	-\$0.0945	-\$0.1452	-\$0.1792	-\$0.0200	\$0.0162	\$0.2750	\$0.8758	\$1.0066	\$0.6368	\$0,0658
22 Other	\$0.0000	\$0.0000	\$0.0000	\$0,0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0,0000	\$0.0000	\$0.0000	\$0.0000
23 Total Credits, Refunds, & Recoveries per Therm	\$1.3950	\$0.3920	\$0.3826	\$0.0678	\$0.0165	\$0.0087	\$0.1487	\$0.1777	\$0.7012	\$1.1637	\$1.3087	\$1.1758	\$0.2775
24 Total Net Cost Per Therm (Pg 1 Line 33 - Pg 2 Line 23).	\$0.7041	\$0.6546	\$0.6441	\$0.6455	\$0.6303	\$0.5994	\$0.6347	\$0.6517	\$0.6523	\$0.6389	\$0.6498	\$0.7008	\$0,6394

On System Credits to BGSS-P Customers ** Interuptible Sales, Cogeneration. Electric Plant Transfers, Sayerville, Forked River. Ocean Power, etc...
Line Loss ** Gross Cost of Gas per Therm x Line Loss Percentage
Indicate that Line 12 equals the projected BGSS-P rate or provide a calculation below that reconciles the two numbers.