



Elizabethtown Gas™

An AGL Resources Company

300 Connell Drive, Suite 3000
Berkeley Heights, NJ 07922

908 289 5000 phone
www.elizabethtowngas.com

September 6, 2013

Kristi Izzo, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350

**Re: I/M/O The Board's Review Of The Applicability And Calculation Of A
Consolidated Tax Adjustment
BPU Docket No. EO12121072**

Dear Secretary Izzo:

In accordance with the Board of Public Utilities' ("Board") Notice dated July 25, 2013 ("July 25 Notice"), Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas ("Elizabethtown" or "Company") hereby submits an preliminary public copy of the information requested by the Board concerning consolidated income taxes in the above proceeding.

The information enclosed herein is also being submitted in electronic format as required by the July 25 Notice. Please note that Elizabethtown considers portions of its response to the July 25 Notice to be confidential and is submitting a confidential version of this response in accordance with the Board's confidentiality regulations, *N.J.A.C. 14-1-12 et seq.*

Kindly acknowledge receipt and filing of the enclosures by date stamping the enclosed copy of this letter and returning it to us in the enclosed self-addressed and stamped envelope. Please contact the undersigned if you have any questions.

Respectfully submitted,

Mary Patricia Keefe
Vice President, Regulatory Affairs

Enclosures

cc: Tricia Caliguire, Chief Counsel, BPU
Jerry May, Director, Division of Energy, BPU
Dennis Moran, Division of Audits, BPU
Jackie Galka, Division of Energy, BPU
Eric Hartsfield, Director, Division of Customer Assistance, BPU
Jake Gertsman, Legal Specialist, BPU
Babette Tenzer, DAG
Stefanie Brand, Esq., Rate Counsel

**IN THE MATTER OF THE BOARD'S REVIEW OF THE APPLICABILITY AND
CALCULATION OF A CONSOLIDATED TAX ADJUSTMENT
GENERIC PROCEEDING
BPU DOCKET NO. E012121072**

**Response Of
Pivotal Utility Holdings, Inc.
d/b/a Elizabethtown Gas
To The Board Of Public Utilities'
Information Requests**

In response to the Board of Public Utilities ("Board") July 25, 2013 Notice in the above-referenced matter, set forth below are Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas' ("Elizabethtown") responses to the Board's information requests.

- a. A copy of any tax sharing agreement relating to the filing of a consolidated income tax return.

Attached as Attachment 1 is the Amended and Restated Tax Allocated Agreement among the Members of the AGL Resources Inc. Affiliated Group. Elizabethtown considers the agreement to be confidential.

- b. The year in which the utility was first included in a consolidated tax return.

Elizabethtown was included in the consolidated group of NUI Corporation and Subsidiaries for tax years 9/30/1991 - 11/30/2004. For tax years ended 12/31/2004 - 12/31/2011, Elizabethtown was included in the consolidated group of AGL Resources and Subsidiaries.

- c. The total amount paid by the utility to its parent company for federal income taxes in each year since 1991.

Attached as Attachment 2 are Forms 1120, separate company federal income tax returns for Elizabethtown for tax years 2008 - 2011. Elizabethtown considers this information to be confidential. Information for tax years 1991-2007 was provided in the Elizabethtown Gas' last rate proceeding. Please refer to S-RREV-70 and attachments in BPU Docket No. GR09030195.

- d. The total amount paid by all members of the consolidated tax income tax group to the parent company relating to federal income taxes, in each year since 1991.

Attached as Attachment 3 is confidential tax return information for AGL Resources Inc. for the years 2008 - 2011. Information for tax years 1991-2007 was provided in the Elizabethtown Gas' last rate proceeding. Please refer to S-RREV-70 and attachments in BPU Docket No. GR09030195.

**IN THE MATTER OF THE BOARD'S REVIEW OF THE APPLICABILITY AND
CALCULATION OF A CONSOLIDATED TAX ADJUSTMENT
GENERIC PROCEEDING
BPU DOCKET NO. E012121072**

- e. The amount paid to each loss company by the parent, in each year since 1991.

Attached as Attachment 3 is confidential tax return information for AGL Resources for 2008-2011. Information for tax years 1991-2007 was provided in the Elizabethtown Gas' last rate proceeding. Please refer to S-RREV-71 and attachments in BPU Docket No. GR09030195.

- f. The total amount paid by the consolidated entity to the IRS for federal income taxes in each year since 1991.

Elizabethtown considers this information to be confidential. Information for tax years 1991-2007 was provided in the Elizabethtown's last rate proceeding. Information for tax years 2008 to 2011 is attached as Attachment 4.

- g. The amount of bonus depreciation taken by each member of the consolidated income tax group in each year since 1991.

Attached as Attachment 5 is a schedule of bonus depreciation taken by the consolidated group for the years 2002 - 2011. Elizabethtown considers this information to be confidential.

- h. The amount of Alternative Minimum Taxes paid by the consolidated income tax group in each year since 1991.

Elizabethtown considers this information to be confidential. Information for tax years 1991-2007 was provided in the Elizabethtown Gas' last rate proceeding. Please refer to S-RREV-71 and attachments in BPU Docket No. GR09030195. Information for tax year 2008 - 2011 is attached as Attachment 6.

- i. The amount of any tax loss carryforward available to the consolidated group and the period(s) over which these tax loss carryforwards are available to be used by the consolidated group.

This information is provided in Attachment 7. Elizabethtown considers this information to be confidential.

**IN THE MATTER OF THE BOARD'S REVIEW OF THE APPLICABILITY AND
CALCULATION OF A CONSOLIDATED TAX ADJUSTMENT
GENERIC PROCEEDING
BPU DOCKET NO. E012121072**

- j. A brief description of each company included in the consolidated income tax group since 1991, along with an indication of whether each company is regulated or non-regulated.

A list of the current companies included in AGL Resources Inc.'s consolidated tax group is included in Attachment 1. Attached as Attachment 8 is a copy of AGL Resources Inc.'s 2012 Annual Report which sets forth information for the entities identified in Attachment 1. Atlanta Gas Light Company, Northern Illinois Gas Company, Pivotal Utility Holdings, Inc., Chattanooga Gas Company, Virginia Gas Company Pivotal Jefferson Island Storage and Hub LLC, Golden Triangle Storage, Inc. Nicor Horizon, Inc. and Nicor Energy Ventures Company are pervasively regulated utilities. Other entities listed in Attachment 1 may be partially regulated or completely unregulated.

- k. The reason why a company that was previously included in the consolidated income tax group is no longer included in the group.

The reasons why a company that was previously included in the consolidated income tax group is no longer included in the group are that the entity was either sold or dissolved.

- l. All workpapers and calculations relating to the calculation of the CTA as requested in the Notice.

Elizabethtown's previous base rate case in BPU Docket No. GR09030195 was resolved pursuant to a stipulation that did not include a specified consolidated tax adjustment. Elizabethtown presented a consolidated tax adjustment in S-RREV-73 and attachments in BPU Docket No. GR09030195.

- m. The federal income taxes (both current and deferred) reported by the consolidated income tax group on the parent company's Annual Report, by year since 1991.

Attached as Attachment 9 are excerpts from the Footnotes to the Financial Statements included in AGL Resources annual report which show current and deferred income taxes by year for 2004-2012, the years in which Elizabethtown Gas was included in the AGL Resources consolidated income tax group. Prior to 2004, Elizabethtown Gas was owned by NUI Corporation. Information for NUI Corporation is not readily available.

- n. The federal income taxes (both current and deferred) by the utility, by year since 1991.

Elizabethtown does not know what this request is seeking.