

An AGL Resources Company

520 Green Lane Union, NJ 07083

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April 3, 2015

RECEIVED

VIA EMAIL AND FEDERAL EXPRESS

Honorable Kenneth Sheehan, Secretary New Jersey Board of Public Utilities 44 South Clinton Avenue, 9th Floor Trenton, New Jersey 08625-0350 APR 0 6 2015

BOARD OF PUBLIC UTILITIES
MAIL ROOM

Re: In the Matter of the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas for Approval of a Municipal Franchise in the Borough of Andover, Sussex County, New Jersey

BPU Docket No. GE14101230

Dear Secretary Sheehan:

Please accept for filing an original and ten copies of these comments submitted on behalf of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas ("Elizabethtown" or "the Company") in reply to the comments submitted by the New Jersey Division of Rate Counsel ("Rate Counsel") in this proceeding on March 4, 2015 ("March 4 Comments"). This proceeding concerns the Verified Petition ("Petition") of Elizabethtown filed on November 28, 2014 seeking approval pursuant to N.J.S.A. 48:2-14 and N.J.A.C. 14:1-5.5, of an ordinance ("ordinance") granting the Company consent to use the streets of the Borough of Andover, Sussex County ("Borough") pursuant to N.J.S.A. 48:3-15, and to construct and maintain pipes and related facilities in streets and other public areas within the Borough. As permitted by N.J.S.A. 48:3-15, the nonexclusive municipal consent granted by the Ordinance is limited to a term of twenty-five years.

The Company does not currently provide natural gas service to the Borough of Andover and as set forth in a December 17, 2014 letter sent to the New Jersey Board of Public Utilities

("NJBPU" or "Board") by Elizabethtown, there are potentially 241 residential customers and 15 commercial customers within the Borough. At a public hearing held on this Petition on December 16, 2014, Kim T. Verran, Elizabethtown Industrial Account Executive, testified that the Company has the capacity to meet the existing and future needs of the municipality. 9T:L23 to 10T:L4 (12/16/14). No member of the public appeared at the hearing.

As reflected in the March 4 Comments, Rate Counsel does not object to approval of the Company's Petition and recommends that the Board's Order specifically provide that its approval does not include authorization to include in rate base any specific assets to be included in rate base and any ratemaking impacts as a result of the municipal consent should be addressed in a future base rate or other appropriate proceeding. The March 4 Comments further recommends that any Board Order approving the Company's Petition contain the following language:

- 1. As required by N.J.S.A. 48:3-15, the municipal consent for the use of streets and other public places is limited to a term not exceeding fifty years, more specifically twenty-five years.
- 2. This Order shall not be construed as directly or indirectly fixing for any purposes whatsoever any value of any tangible or intangible assets now owned or hereafter to be owned by the Petitioner.
- 3. This Order shall not affect, nor in any way limit, the exercise of the authority of this Board or of this State, in any future Petition or in any proceedings with respect rates, franchises, service, financing, accounting, capitalization, depreciation, or in any other matter affecting the Petitioner.

Elizabethtown does not object to the recommendations of Rate Counsel contained in the March 4 Comments and respectfully requests that the Board grant the relief requested in the Petition on an expedited basis at the Board's next scheduled agenda meeting on April 15, 2015.

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Kenneth J. Sheehan, Secretary April 3, 2015

Enclosed is one additional copy. Please date stamp the copy as "filed" and return to us in the enclosed self-addressed, stamped envelope. Thank you for your consideration and attention to this matter.

Respectfully submitted,

M. Patricia Keefe

Vice President, Regulatory Affairs

M. Patricia Keefe

And Business Support

Service List cc:

In The Matter Of The Petition Of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas For Approval Of A Municipal Franchise In the Borough Of Andover, Sussex County BPU Docket No. GE14101230

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