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Union, NJ 07083
908 289 5000 phone
www.elizabethtowngas.com

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Via FedEx & Electronic Mail

August 4, 2015

Irene Kim Asbury, Secretary
State of New Jersey
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office 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 (1) Revise Its Weather Normalization Clause Rate; (2) Maintain the Clean Energy Program Component Of Its Societal Benefits Charge Rate; and (3) Revise Its On-System Margin Sharing Credit - BPU Docket No. GR 15080866*

Dear Secretary Asbury:

Enclosed for filing are an original and ten copies of the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas (“Elizabethtown” or “Company”) to the Board of Public Utilities (“BPU” or “Board”) to (1) revise the Company's Weather Normalization Clause (“WNC”) rate, (2) maintain its Clean Energy Program (“CEP”) component of the Societal Benefits Charge (“SBC”) rate, and (3) revise its On-System Margin Sharing Credit (“OSMC”). Attached to and made part of the Petition are the testimony and supporting schedules of Company witness Thomas Kaufmann, marked as Exhibit P-1.

The WNC Rate

The Company proposes a WNC credit rate of (\$0.0412) per therm inclusive of applicable taxes and assessments, applicable to the Company's Residential Delivery, Small General and General Delivery Classifications for the period October 1, 2015 through May 31, 2016. The proposed WNC rate reflects the actual results for the 2014-2015 Winter Period as well as a prior year excess recovery balance. The

CMS
LEGAL
M. Lupo
DIAG
RPA

B. Tyndell
J. May
ENERGY(3)TOC

current year's revenue excess of \$7,570,392 reflects the overall colder than normal weather pattern during the 2014/2015 winter heating season. The calculation of the WNC rate and associated issues are addressed in Mr. Kaufmann's testimony.

The CEP Component of the SBC Rate

Elizabethtown's SBC was approved by the Board by an Order dated March 30, 2001 in BPU Docket No. GX99030121, *et al.* and November 21, 2001 in Docket No. EX00020091, *et al.* The SBC currently consists of four components: (1) the New Jersey Clean Energy Program ("CEP") component, (2) the Remediation Adjustment Clause ("RAC") component, (3) the Universal Service Fund ("USF") component, and (4) the Lifeline component. In this Petition, the Company is only addressing the CEP rate component of the SBC. Petitioner will subsequently be filing a separate petition to reconcile its RAC rate. The Company's June 19, 2015 filing to change its USF and Lifeline rates effective October 1, 2015 is pending in BPU Docket No. ER15060732.

The Company proposes to maintain the SBC-CEP rate of \$0.0244 per therm inclusive of applicable taxes and assessments. This proposed CEP rate is designed to enable Elizabethtown to recover approximately \$10.8 million during the period ending September 30, 2016.

The OSMC Rate

Elizabethtown's OSMC is the rate mechanism by which certain margins from on-system, non-firm sales and transportation services are flowed back to the Company's firm sales and residential transportation customers. The OSMC was established pursuant to the Board's Order dated March 30, 2001 in BPU Docket No. GX99030121, *et al.* In accordance with the mechanism approved by the Board in Docket No. GX99030121, *et al.*, Elizabethtown proposes an OSMC credit of (\$0.0175) per therm inclusive of applicable taxes and assessments, to be effective October 1, 2015.

Total Customer Impact

The proposed adjustments to the WNC, SBC-CEP and OSMC rates would decrease the monthly bill of a typical residential heating customer using 100 therms by \$5.05, from \$96.77 to \$91.72, or a decrease of 5.2%, as compared to the Company's currently approved rates. Please contact the

undersigned at (908) 662-8452 or Thomas Kaufmann at (908) 662-8461 if you have questions or require further information.

Yours truly,

/s/ Mary Patricia Keefe

Mary Patricia Keefe, Esq.
Vice President, Regulatory Affairs and Business
Support

cc: Richard S. Mroz, President
Upendra J. Chivukula, Commissioner
Joseph L. Fiordaliso, Commissioner
Mary-Anna Holden, Commissioner
Dianne Solomon, Commissioner
Paul Flanagan, Executive Director
Kenneth J. Sheehan, Chief of Staff
Jerome May, Director, Division of Energy
Robert Schultheis, Division of Energy
Stefanie A. Brand, Director, Rate Counsel
Alex Moreau, DAG
Service List (*Electronically*)

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

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In The Matter Of The Petition Of Pivotal Utility	:
Holdings, Inc. d/b/a Elizabethtown Gas To	: Docket No. GR
(1) Revise Its Weather Normalization Clause Rate	:
(2) Maintain The Clean Energy Program Component	:
Of Its Societal Benefits Charge Rate; and (3) Revise	: SUMMARY SHEET
Its On-System Margin Sharing Credit	:
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RECEIVED
STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES
OFFICE OF THE SECRETARY
TREASURY BUILDING
PO BOX 287
TRENTON, NJ 08646-0287
SEP 10 2014

This Petition presents the request of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas (“Petitioner”) that the Board of Public Utilities (“Board”) accept the filing of Petitioner’s revised Weather Normalization Clause (“WNC”), Clean Energy Program (“CEP”) Component of the Societal Benefits Charge (“SBC”), and On-System Margin Sharing Credit (“OSMC”) rates as noted below, which are inclusive of applicable taxes and assessments. The Petition proposes (1) a WNC credit rate of (\$0.0412) per therm effective October 1, 2015, (2) to maintain the current SBC-CEP rate of \$0.0244 per therm, and (3) an On-System Margin Sharing Credit of (\$0.0175) per therm effective October 1, 2015. The proposed filing would decrease the monthly bill of a typical residential heating customer using 100 therms by \$5.05 or 5.2% as compared to the Company’s currently approved rates.

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

-----X
In The Matter Of The Petition Of Pivotal Utility :
Holdings, Inc. d/b/a Elizabethtown Gas To : **Docket No. GR**
(1) Revise Its Weather Normalization Clause Rate; :
(2) Maintain The Clean Energy Program Component Of :
Its Societal Benefits Charge Rate; and (3) Revise Its :
On-System Margin Sharing Credit : **PETITION**
-----X

To The Honorable Board of Public Utilities:

Petitioner, Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas ("Petitioner"), a public utility corporation duly organized under the laws of the State of New Jersey subject to the jurisdiction of the Board of Public Utilities ("Board"), respectfully states:

1. Petitioner's principal business office is located at 520 Green Lane, Union, New Jersey 07083.
2. Communications and correspondence concerning these proceedings should be sent as follows:

Mary Patricia Keefe, Esq.
Vice President, Regulatory Affairs
and Business Support
Pivotal Utility Holdings, Inc.
d/b/a Elizabethtown Gas
520 Green Lane
Union, New Jersey 07083
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Fax No. (908) 662-8496
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1101 Fourteenth Street, N.W.
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Garden City, NY 11530
Tel. No. (516) 357-3878
Fax No. (516) 357-3792
dfranco@cullydyk.com

3. Petitioner is engaged in the business of transmission and distribution of natural and mixed gas to approximately 280,000 customers within its service territory located principally in Hunterdon, Mercer, Middlesex, Morris, Sussex, Union and Warren Counties.

4. The purpose of this filing is to revise the rates associated with Petitioner's Weather Normalization Clause ("WNC"), Clean Energy Program ("CEP") component of the Societal Benefits Charge ("SBC"), and On-System Margin Sharing Credit ("OSMC"), and to reconcile costs and cost recoveries associated with each clause for the periods in which the respective clauses are applicable.

5. Annexed hereto and made a part of this Petition is Exhibit P-1 which Petitioner suggests be marked as indicated. Exhibit P-1 is the testimony and supporting schedules of Thomas Kaufmann, Manager of Rates and Tariffs for Petitioner. The following Schedules, described in Mr. Kaufmann's testimony, are attached and referred to in Exhibit P-1:

- a. Tariff Schedule TK-1;
- b. Forecast Schedule TK-1;
- c. WNC Schedule TK-1 through TK-4;
- d. CEP Schedule TK-1 through TK-5; and
- e. OSMC Schedule TK-1 through TK-4.

Weather Normalization Clause

6. Pursuant to the WNC provisions contained in Petitioner's tariff as modified and approved by the Board by Order dated November 22, 2002 in Docket No. GR02040245, the Petitioner submits this filing concerning its WNC rate for the period October 1, 2015 through May 31, 2016 ("2016 Winter Period"). Petitioner's revised WNC rate reflects the overall colder than normal weather experienced in Petitioner's service territory during the period October 1,

2014 through May 31, 2015 (“2015 Winter Period”) as well as a prior year excess recovery balance. The 2014 WNC/SBC filing (Docket No. GR14070755) concerning the 2013-2014 Winter Period was approved by the Board on February 11, 2015 (“February 11 Order”). The February 11 Order approved a WNC rate of (\$0.0254) per therm effective February 23, 2015.

7. As addressed by Mr. Kaufmann, the WNC excess balance of \$7,570,392 presented on WNC Schedule TK-1 reflects the fact that the 2014 Winter Period was 408 degree days or 8.6% colder than normal. As reflected on WNC Schedule TK-1, the current period margin revenue excess of \$7,570,392 plus the prior year excess recovery balance of \$4,891,908 results in a Total Revenue Excess Balance of \$12,462,300, which, when divided by projected winter period therm volumes of 324,872,109 therms, produces a WNC credit rate of (\$0.0412) per therm inclusive of applicable taxes and assessments. The proposed WNC rate of (\$0.0412) per therm is an increase of \$0.0158 per therm from the (\$0.0254) per therm credit rate, inclusive of applicable taxes and assessments, in effect during the prior period.

The CEP Component of the SBC Rate

8. Petitioner’s SBC was approved by the Board by Orders dated March 30, 2001 in BPU Docket Nos. GX99030121, *et al.*, and November 21, 2001 in Docket Nos. EX00020091, *et al.* The SBC consists of four components: (1) the New Jersey Clean Energy Program (“CEP”) component, (2) the Remediation Adjustment Clause (“RAC”) component, (3) the Universal Service Fund (“USF”) component, and (4) the Lifeline component.

9. Petitioner is not proposing changes to the RAC, USF and Lifeline rates in this filing. In this Petition, Petitioner is only addressing the CEP rate component of the SBC. Petitioner will file a separate petition to reconcile its RAC rate. Petitioner’s June 19, 2015 filing

to change its USF and Lifeline rates effective October 1, 2015 is pending in BPU Docket No. ER15060732.

10. In accordance with the Board's Orders in Docket Nos. EX99050347, et al. and GX99030121, et al., Petitioner is making this filing to recover prior period costs, the net costs incurred to provide Board-approved CEP programs for the period ending June 30, 2015, a proposed refund and projected costs for the period ending June 30, 2016 totaling \$11,097,269. As discussed in Mr. Kaufmann's testimony, Petitioner incurred \$2,596,088 of CEP costs during the period beginning July 1, 2014 and ending June 30, 2015 and made payments to the CEP "fiscal agent" of \$7,834,797 during the period. In accordance with the Board's June 25, 2015 Order in Docket No. QO15040476, which established the statewide funding levels for CEP programs for Fiscal Year 2016, Petitioner has been allocated \$11,149,431 of CEP funding responsibility for the twelve months ending June 30, 2016. This level of spending, plus certain additional adjustments, inclusive of a proposed \$6,900,000 lump sum refund proposed by the Company on July 2, 2015 and discussed by Mr. Kaufmann, results in a calculated rate of \$0.0254 per therm inclusive of applicable taxes and assessments. Given this slight increase to the current rate of \$0.0244 per therm, the Petitioner is proposing to continue the current CEP rate of \$0.0244 per therm inclusive of applicable taxes and assessments as approved by the February 11 Order instead of revising it to \$0.0254 per therm. A final decision on the disposition of the CEP refund proposed by the July 2, 2015 letter awaits BPU approval.

11. The proposed retention of the CEP rate will result in no change to Petitioner's approved SBC rate of \$0.0413 per therm, to remain in effect on October 1, 2015. The SBC reflecting the current components and the proposed retention of the current CEP rate inclusive of applicable taxes and assessments are as follows:

	<u>Approved Rate</u>	<u>Proposed Rate</u>
CEP	\$0.0244 per therm	\$0.0244 per therm
RAC	\$0.0000 per therm	\$0.0000 per therm
USF	\$0.0110 per therm	\$0.0110 per therm
<u>Lifeline</u>	<u>\$0.0059 per therm</u>	<u>\$0.0059 per therm</u>
TOTAL	\$0.0413 per therm	\$0.0413 per therm

On-System Margin Sharing Credit

12. In accordance with the mechanisms approved by the Board in Docket Nos. GT8602131, GM9009049, TC94030057, GR9608574, et. al., GR97070552, et. al., and Docket Nos. GX99030121, et. al., margins from certain on-system sales and transportation services are shared between firm sales customers, certain firm transportation customers and Petitioner on an 80/20% basis through a credit, the OSMC, to the transportation rates charged to firm sales and Service Classification RDS customers. Petitioner proposes to increase its OSMC credit effective October 1, 2015 from the current level of (\$0.0082) per therm, inclusive of applicable taxes and assessments to (\$0.0175) per therm, inclusive of applicable taxes and assessments. The tariff sheets reflecting these changes are attached as Tariff Schedule TK-1 included with Mr. Kaufmann's testimony.

Overall Impact

13. The overall impact of Petitioner's filing in this proceeding is a proposed decrease in the monthly bill of a typical residential heating customer using 100 therms by \$5.05, from \$96.77 to \$91.72 or a decrease of 5.2% as compared to the Company's currently approved rates.

Miscellaneous

14. Petitioner is serving notice and a copy of this Petition, together with a copy of the exhibit and schedules annexed hereto upon Stefanie A. Brand, Director, Division of Rate Counsel ("Rate Counsel"), 140 East Front Street, 4th Floor, Trenton, New Jersey, upon the service list compiled in Petitioner's last WNC and SBC related proceedings, and as outlined in *N.J.A.C. 14:1-5.12*.

WHEREFORE, Petitioner respectfully requests that the Board (1) accept Petitioner's filing, (2) allow the proposed WNC, CEP, and OSMC rates and associated proposals to become effective October 1, 2015, (3) approve the WNC tariff modification and (4) grant such other relief as the Board may deem just and proper.

Respectfully submitted,

By: /s/ Mary Patricia Keefe

Mary Patricia Keefe, Esq.
Vice President, Regulatory Affairs and
Business Support
Pivotal Utility Holdings, Inc.
d/b/a Elizabethtown Gas
520 Green Lane
Union, New Jersey 07083
(908) 662-8452

Date: August 4, 2015


STATE OF NEW JERSEY)
 :
COUNTY OF UNION)

 ss:

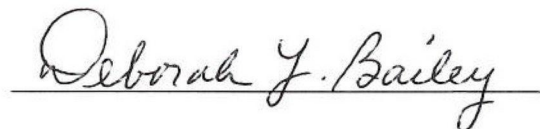
Thomas Kaufmann, being duly sworn according to law, upon his oath, deposes and says:

1. I am Manager of Rates and Tariffs of the Petitioner in the foregoing Petition and I am authorized to make this Affidavit on behalf of the Petitioner.

2. The statements made in the foregoing Petition and the Exhibits and Schedules submitted therewith to (1) revise the Company's Weather Normalization Clause ("WNC") rate, (2) maintain its Clean Energy Program ("CEP") component of the Societal Benefits Charge ("SBC") rate, and (3) revise its On-System Margin Sharing Credit ("OSMC") correctly portray the information set forth therein, to the best of my knowledge, information and belief.


Thomas Kaufmann
Manager, Rates and Tariffs

Sworn to and subscribed to before me this 4th day of AUGUST, 2015.



DEBORAH Y. BAILEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 8, 2015