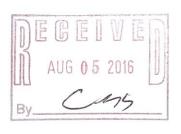


An AGL Resources Company

520 Green Lane Union, NJ 07083

908 289 5000 phone www.elizabethtowngas.com

Via FedEx & Electronic Mail



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AUG 0 5 2016

BOARD OF PUBLIC UTILITIES MAIL ROOM

August 4, 2016

Irene Kim Asbury, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
P.O. Box 350
Trenton, New Jersey 08625-0350

William P. Agee, Esq. New Jersey Board of Public Utilities 44 South Clinton Avenue, 3rd Floor, Suite 314 P.O. Box 350 Trenton, New Jersey 08625-0350

Re: In the Matter of the 2016/2017 Annual Compliance Filings for a Change in the Statewide Electric and Gas Permanent Universal Service Fund Program Factors Within the Electric and Gas Societal Benefits Charge Rates BPU Docket No. ER16060536

In the Matter of the Petition of Pivotal Utilities Holdings, Inc. d/b/a Elizabethtown Gas To Review Its Periodic Basic Gas Supply Service Rate BPU Docket No. GR16060485

Dear Secretary Asbury and Mr. Agee:

Enclosed is proof of service of the Notices of the Public Hearings in the above mentioned proceedings to the municipalities and counties in the Elizabethtown Gas service territory. Proof of publication in local newspapers of general circulation will be supplied at the Public Hearings.

Yours truly,

|s| Mary Patricia Keefe

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

CIVO

cc: Clerk, Office of Administrative Law

Electronically:

Megan Lupo Jerome May Robert Schultheis Felicia Thomas-Friel Alex Moreau

STATE OF NEW JERSEY)		
)	ss:	AFFIDAVIT
COUNTY OF UNION)		

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

- 1. I hereby certify that on the 2nd day of August 2016, copies of the Notices of Public Hearings in the Matters of the Petitions in BPU Docket Nos. ER16060536 and GR16060485 for Pivotal Utility Holdings, Inc., d/b/a Elizabethtown Gas, were served on the 83 municipalities and 7 counties in which Elizabethtown Gas provides service. (See Municipal Service List attached.)
- 2. A copy of each Notice was placed in an envelope and mailed to their last known address or sent electronically to those providing an e-mail address.

Thomas Kaufmann

Sworn to and subscribed to before me this

day of August 2016.

Deborah Y. Bailey Notary Public New Jersey

My Commission Expires 09-08-2020

George Wagner
Interim County Administrator
Hunterdon County Administration Building
P.O. Box 2900
Flemington, NJ 08822-2900

John Pulomena Middlesex County Administrator County Administration Building P.O. Box 871 New Brunswick, NJ 08901

*Ron Tappan
Sussex County Administrator
Sussex County Administrative Center
One Spring Street
Newton, NJ 07860
rtappan@sussex.nj.us

Steve Marvin Warren County Administrator Wayne Dumont Jr. Administration Building 165 County Road 519 South Belvidere, NJ 07823-1949

Jerlene Worthy, Clerk Mercer County Board of Chosen Freeholders County Administration Building P.O. Box 8068 Trenton, NJ 08650-0068

Diane Ketchum, Clerk Morris County Board of Chosen Freeholders County Administration & Records Building P.O. Box 900 Morristown, NJ 07963-0900

James Pellettiere, Clerk Union County Board of Chosen Freeholders County Administration Building 10 Elizabethtown Plaza Elizabeth, NJ 07207 Brian Hughes Mercer County Executive County Administration Building P.O. Box 8068 Trenton, NJ 08650-0068

*John Bonanni
Morris County Administrator
County Administration & Records Building
P.O. Box 900
Morristown, NJ 07963-0900
ksossin@co.morris.nj.us

Alfred Faella
Union County Manager
Union County Administration Building
10 Elizabethtown Plaza
Elizabeth, NJ 07207

Denise Doolan, Clerk Hunterdon County Board of Chosen Freeholders P.O. Box 2900 Flemington, NJ 08822-2900

Margaret Pemberton, Clerk Middlesex County Board of Chosen Freeholders County Administration Building P.O. Box 871 New Brunswick, NJ 08901

*Catherine Williams, Clerk
Sussex County Board of Chosen Freeholders
Sussex County Administrative Center
One Spring Street
Newton, NJ 07860
cwilliams@sussex.nj.us

Steve Marvin, Clerk Warren County Board of Chosen Freeholders Wayne Dumont, Jr. Administration Building 165 County Road 519 South Belvidere, NJ 07823-1949 Michele Bobrowski, Municipal Clerk Township of Alexandria 782 Frenchtown Road Milford, NJ 08848

Lisa Burd, Municipal Clerk Borough of Bloomsbury 91 Brunswick Avenue Bloomsbury, NJ 08804

Cecilia Covino, Municipal Clerk Town of Clinton P.O. Box 5194 Clinton, NJ 08809

Judith Allen, Municipal Clerk Township of Delaware P.O. Box 500 Sergeantsville, NJ 08557

Rebecca Newman, Municipal Clerk Borough of Flemington 38 Park Avenue Flemington, NJ 08822

Brenda Shepard, Municipal Clerk Borough of Frenchtown 29 Second Street Frenchtown, NJ 08825

Cathy Drummond, Municipal Clerk Borough of Hampton P.O. Box 418 Hampton, NJ 08827

Catherine Miller, Municipal Clerk Township of Holland 61 Church Road Milford, NJ 08848

Cynthia Ege, Municipal Clerk City of Lambertville 18 York Street Lambertville, NJ 08530

Karen Sandorse, Municipal Clerk Township of Lebanon 530 West Hill Road Glen Gardner, NJ 08826 Christine Dispenza, Municipal Clerk Township of Bethlehem 405 Mine Road Asbury, NJ 08802-1107

Laura Eidsvaag, Municipal Clerk Borough of Califon 39 Academy Street Califon, NJ 07830

Donna Burham, Municipal Clerk Township of Clinton 1225 Route 31 South, Suite 411 Lebanon, NJ 08833

Teresa Stahl, Municipal Clerk Township of East Amwell 1070 Route 202/31 Ringoes, NJ 08551-1051

Ursula Stryker, Municipal Clerk Township of Franklin 202 Sidney Road Pittstown, NJ 08867

Judy Bass, Municipal Clerk Borough of Glen Gardner P.O. Box 307 Glen Gardner, NJ 08826

*Adam Young, Deputy Clerk Borough of High Bridge 71 Main Street High Bridge, NJ 08829 czappa@highbridge.org administrator@highbridge.org

Mary MacConnell, Municipal Clerk Township of Kingwood P.O. Box 199 Baptistown, NJ 08803-0199

Karen Romano, Municipal Clerk Borough of Lebanon 6 High Street Lebanon, NJ 08833

Karen Dysart, Municipal Clerk Borough of Milford P.O. Box 507 Milford, NJ 08848 Rose Sollena, Municipal Clerk Township of Raritan One Municipal Drive Flemington, NJ 08822

Michele Hovan, Municipal Clerk Borough of Stockton P.O. Box M Stockton, NJ 08559

Lora Olsen, Municipal Clerk Township of West Amwell 150 Rocktown-Lambertville Road Lambertville, NJ 08530-3509

Laurie Gompf, Municipal Clerk Township of Hopewell 201 Washington Crossing-Pennington Road Titusville, NJ 08560

Elizabeth Sterling, Municipal Clerk Borough of Pennington 30 North Main Street Pennington, NJ 08534-0095

Cheryl Russomanno, Municipal Clerk Township of Edison 100 Municipal Boulevard Edison, NJ 08817

*Elaine Jasko, Municipal Clerk City of Perth Amboy 260 High Street Perth Amboy, NJ 08861 ejasko@perthamboynj.org

Lisa Lashway, Municipal Clerk Township of Mount Olive P.O. Box 450 Budd Lake, NJ 07828

Vita Thompson, Municipal Clerk Township of Andover 134 Newton Sparta Road Newton, NJ 07860

Robin Hough, Municipal Clerk Borough of Franklin 46 Main Street Franklin, NJ 07416 Vita Mekovetz, Municipal Clerk Township of Readington 509 Route 523 Whitehouse Station, NJ 08889

Ella Ruta, Municipal Clerk Township of Union 140 Pertyville Road Hampton, NJ 08827

Michele Hovan, Municipal Clerk Borough of Hopewell 88 East Broad Street Hopewell, NJ 08525

Kathleen Norcia, Municipal Clerk Township of Lawrence P.O. Box 6006 Lawrenceville, NJ 08648

Kathleen Barney, Municipal Clerk Borough of Carteret 61 Cooke Avenue Carteret, NJ 07008

Kathryn Harris, Municipal Clerk Borough of Metuchen 500 Main Street Metuchen, NJ 08840

John Mitch, Municipal Clerk Township of Woodbridge One Main Street Woodbridge, NJ 07095

*Nina DiGregorio, Municipal Clerk Township of Washington 43 Schooley's Mountain Road Long Valley, NJ 07853 ndigregorio@wtmorris.net acoppola@wtmorris.net

Patti Bussow, Acting, Municipal Clerk Township of Frankford 151 State Highway 206 Augusta, NJ 07822

Joanne Charner, Municipal Clerk Township of Fredon 443 Route 94 Newton, NJ 07860 Linda Peralta, Municipal Clerk Township of Green P.O. Box 65 150 Kennedy Road Tranquility, NJ 07879

Kathleen Armstrong, Municipal Clerk Township of Hampton 1 Rumsey Way Newton, NJ 07860

Anna Rose Fedish, Municipal Clerk Township of Lafayette 33 Morris Farm Road Lafayette, NJ 07848

Phyllis Drouin, Municipal Clerk Borough of Ogdensburg 14 Highland Avenue Ogdensburg, NJ 07439

Mark Zschack, Municipal Clerk Borough of Sussex Two Main Street Sussex, NJ 07461

James Doherty, Municipal Clerk Township of Wantage 888 State Highway 23 Wantage, NJ 07461

*Tara Rowley, Municipal Clerk Township of Cranford 8 Springfield Avenue Cranford, NJ 07016 T-Rowley@cranfordnj.org

Eleanor McGovern, Municipal Clerk Borough of Fanwood 75 North Martine Avenue Fanwood, NJ 07023

Rayna Harris, Municipal Clerk Township of Hillside 1409 Liberty Avenue Hillside, NJ 07205

Joseph Bodek, Municipal Clerk City of Linden 301 North Wood Avenue Linden, NJ 07036

Linden, NJ 07036

Doreen Schott, Municipal Clerk Borough of Hamburg 16 Wallkill Avenue Hamburg, NJ 07419

Jane Bakalarczyk, Municipal Clerk Township of Hardyston 149 Wheatsworth Road, Suite A Hardyston, NJ 07419

*Lorraine Read, Municipal Clerk Town of Newton 39 Trinity Street Newton, NJ 07860 lread@newtontownhall.com

Mary Coe, Municipal Clerk Township of Sparta 65 Main Street Sparta, NJ 07871

Lauren Kirkman, Municipal Clerk Township of Vernon 21 Church Street Vernon, NJ 07462

*Edith Merkel, Municipal Clerk Township of Clark 430 Westfield Avenue Clark, NJ 07066 clerk@ourclark.com

Yolanda Roberts, Municipal Clerk City of Elizabeth 50 Winfield Scott Plaza Elizabeth, NJ 07201

*Christina Ariemma, Municipal Clerk Borough of Garwood 403 South Avenue Garwood, NJ 07027 c-ariemma@garwood.org

Laura Reinertsen, Municipal Clerk Borough of Kenilworth 567 Boulevard Kenilworth, NJ 07033

Martha Lopez, Municipal Clerk Borough of Mountainside 1385 U.S. Highway 22 East Mountainside, NJ 07092 *Jeffrey Jotz, Municipal Clerk City of Rahway One City Hall Plaza Rahway, NJ 07065 dpartesi@cityofrahway.com

Doreen Cali, Municipal Clerk Borough of Roselle Park 110 East Westfield Avenue Roselle Park, NJ 07204

Eileen Birch, Municipal Clerk Township of Union 1976 Morris Avenue Union, NJ 07083

Laura Reinertsen, Municipal Clerk Township of Winfield 12 Gulfstream Avenue Winfield, NJ 07036

Laurie Barton, Municipal Clerk Borough of Alpha 1001 East Boulevard Alpha, NJ 08865

Denise Becton, Municipal Clerk Township of Franklin 2093 Route 57 P.O. Box 547 Broadway, NJ 08808-0547

William Kuster, Jr., Municipal Clerk Town of Hackettstown 215 Stiger Street Hackettstown, NJ 07840

*Deborah Hrebenak, Municipal Clerk Township of Independence 286-B Route 46 P.O. Box 164 Great Meadows, NJ 07838 dhrebenak@independencenj.com

Dena Hrebenak, Municipal Clerk Township of Mansfield 100 Port Murray Road Port Murray, NJ 07865 Lydia Agbejimi, Municipal Clerk Borough of Roselle 210 Chestnut Street Roselle, NJ 07203

Bozena Lacina, Municipal Clerk Township of Scotch Plains 430 Park Avenue Scotch Plains, NJ 07076

Claire Gray, Municipal Clerk Town of Westfield 425 East Broad Street Westfield, NJ 07090

Anne Marie Tracy, Municipal Clerk Township of Allamuchy 292 Alphano Road P.O. Box A Allamuchy, NJ 07820

Teresa DeMont, Municipal Clerk Town of Belvidere 691 Water Street Belvidere, NJ 07823

Kim Viscomi, Municipal Clerk Township of Greenwich 321 Greenwich Street Stewartsville, NJ 08886

Kelley Smith, Municipal Clerk Township of Harmony 3003 Belvidere Road Phillipsburg, NJ 08865

Margaret Dilts, Municipal Clerk Township of Lopatcong 232 S. Third Street, Morris Park Phillipsburg, NJ 08865

Sheila Oberly, Municipal Clerk Township of Oxford 11 Green Street Oxford, NJ 07863 *Victoria Kleiner, Municipal Clerk Town of Phillipsburg 675 Corliss Avenue Phillipsburg, NJ 08865 vkleiner@phillipsburgnj.org

Kristine Blanchard, Municipal Clerk Borough of Washington 100 Belvidere Avenue Washington, NJ 07882-1426

Kathleen Reinalda, Municipal Clerk Township of White 555 County Road 519 Belvidere, NJ 07823 Wanda Kutzman, Municipal Clerk Township of Pohatcong 50 Municipal Drive Phillipsburg, NJ 08865

Anna Godfrey, Municipal Clerk Township of Washington 211 Route 31 North Washington, NJ 07882

USF

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

NOTICE OF PUBLIC HEARINGS

In the Matter of the 2016/2017 Annual Compliance Filings For A Change In
The Statewide Electric And Gas Permanent Universal Service Fund Program Factors
Within The Electric And Gas Societal Benefits Charge Rates
BPU Docket No. ER16060536

AUG 0 5 2016

TO OUR CUSTOMERS:

BOARD OF PUBLIC UTILITIES

TAKE NOTICE that, pursuant to the New Jersey Board of Public Utilities' (Board) Orders dated April 30, 2003, July 16, 2003, June 30, 2004 and June 22, 2005, the State's electric and gas public utilities' Societal Benefits Charges include recovery of funding for the Universal Service Fund (USF) and Lifeline programs through uniform statewide rates. The USF program was established by the Board, pursuant to the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49, et seq., to provide funds to assist qualifying low-income individuals in paying their energy bills.

In its July 16, 2003 Order the Board established statewide rates through which funds for the USF and Lifeline programs are collected from customers of all of the electric and natural gas public utilities in the State through uniform rates, which rates became effective on August 1, 2003. The rates currently in effect were approved by the Board in its Order dated September 11, 2015.

Based upon the results known to date for the 2015/2016 USF program year and the available estimates for the 2016/2017 USF program year, it is anticipated that the USF gas rate should be set to collect approximately \$33.6 million from gas customers on a statewide basis. The July 16, 2003 Order also established the collection of funds to supplement Lifeline based on gas and electric utilities jurisdictional usages. The proposed statewide Lifeline gas rate is based on collecting approximately \$22.4 million from gas customers on a statewide basis for 2016/2017, which incorporates funds for the Work First NJ program.

The changes in rates inclusive of taxes and assessments are as follows: (i) the USF program charge will increase from \$0.0051 to \$0.0076 per therm and (ii) the Lifeline charge will decrease from \$0.0057 to \$0.0051 per therm for a total net increase of \$0.0019 per therm. The revenues received under the proposed USF charge are designed to permit the Company to recover its costs for the USF program only. Actual program costs will be reconciled with the revenues received through the USF program charge in the next scheduled filing to be made no later than July 1, 2017. The revenues received under the proposed Lifeline charge are remitted to the New Jersey Department of Treasury for use in funding the Lifeline and Work First NJ programs. The State of New Jersey's Department of Community Affairs is the Administrator of the USF program and the New Jersey Department of Human Services is the Administrator of the Lifeline and Work First NJ programs and authorizes the disbursement of benefits to eligible customers in the respective programs. The above request will not result in any profit to the Company.

The proposed statewide rates inclusive of taxes and assessments for customers are as follows:

Universal Service/Lifeline Fund Components of the Societal Benefits Charge

	Present	Proposed
USF	\$0.0051	\$0.0076
Lifeline	\$0.0057	\$0.0051

If approved by the Board, the impact of the proposed rate changes on typical monthly residential gas bills for customers taking gas service under the Residential Delivery Service tariff is illustrated below:

Rate Impacts

Consumption in Therms	Present Bill*	Proposed Bill	Change in <u>Bill</u>	<u>Percent</u> <u>Change</u>
10	\$15.89	\$15.91	\$0.02	0.1%
50	\$47.46	\$47.55	\$0.09	0.2%
100	\$86.91	\$87.10	\$0.19	0.2%
250	\$205.28	\$205.75	\$0.47	0.2%

^{*}For rates in effect on June 1, 2016 inclusive of taxes and assessments.

Stated another way, based on this filing, the bill of a typical residential gas customer using 100 therms per month would increase from \$86.91 to \$87.10, or \$0.19 or 0.2%.

The Board has the statutory authority to establish the USF and Lifeline charges at levels it finds just and reasonable. Therefore, the Board may establish the USF and Lifeline charges at levels other than those proposed by Elizabethtown.

Copies of the Company's June 23, 2016 filing are available for inspection at the Company offices located at 520 Green Lane, Union, New Jersey, or online at Elizabethtown's website: www.elizabethtowngas.com, or at the Board of Public Utilities, 44 South Clinton Avenue, 3rd Floor, Suite 314, Trenton, NJ.

The following dates, times and locations for public hearings have been scheduled on the above filing so that members of the public may present their views:

August 23, 2016 – 4:30 p.m. and 5:30 p.m. Liberty Hall Corporate Center, 1085 Morris Avenue Union, New Jersey 07083

August 25, 2016 – 4:30 p.m. and 5:30 p.m. Hunterdon County Complex, Building #1, 314 State Route 12 Flemington, New Jersey 08822

The public is invited to attend and interested persons will be permitted to testify and/or make a statement of their views on the proposed rates. Information provided at the public hearings will become part of the record of this case and will be considered by the Board in making its decision. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, including interpreter, listening devices or mobility assistance, 48 hours prior to the hearing. In addition, members of the public may submit written comments concerning the petition to the Board of Public Utilities regardless of whether they attend the hearing by addressing them to: Irene Kim Asbury, Secretary, Board of Public Utilities, 44 South Clinton Avenue, 3rd Floor, Suite 314, P. O. Box 350, Trenton, NJ 08625-0350. Hearings will continue, if necessary, on such additional dates and at such locations as the Office of Administrative Law may designate in order to ensure that all interested persons may be heard.

Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas Brian MacLean -President 520 Green Lane Union, NJ 07083

908 289 5000 phone www.elizabethtowngas.com

Via FedEx & Electronic Mail

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AUG 0 5 2016

BOARD OF PUBLIC UTILITIES MAIL ROOM

June 23, 2016

Irene Kim Asbury, Secretary State of New Jersey Board of Public Utilities 44 South Clinton Avenue 3rd Floor, Suite 314 Trenton, NJ 08625-0350

Re: In the Matter of the 2016/2017 Annual Compliance Filing for the Universal Service Fund and Lifeline Program Components Within the Societal Benefits Charge Rate Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:-21.1 Submitted by Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas - BPU Docket No. ______

Dear Secretary Asbury:

Kindly accept for filing in letter form an original and ten copies of the Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas ("Elizabethtown" or "Company") 2016/2017 filing for the Company's Universal Service Fund ("USF") and Lifeline components of its Societal Benefits Charge ("SBC") rate. This filing is made in compliance with the New Jersey Board of Public Utilities' ("Board") Orders in Docket No. EX00020091 dated April 30, 2003, July 16, 2003, June 30, 2004 and June 22, 2005. The change in rates inclusive of taxes and assessments are as follows: (i) the USF gas rate is proposed to increase from \$0.0051 to \$0.0076 per therm, and (ii) the Lifeline gas rate is proposed to decrease from \$0.0057 to \$0.0051 per therm, resulting in a combined USF/Lifeline factor of \$0.0127 per therm, for a total net increase of \$0.0019 per therm. The current rates, effective October 1, 2015, were approved by the Board in its Order dated September 11, 2015 in Docket No. ER15060732.

Based upon the actual results known to date for the 2015/2016 program year and the available estimates for the 2016/2017 program year, the proposed USF gas rate is designed to recover approximately \$33.6 million statewide. The proposed Lifeline gas rate is designed to recover approximately \$22.4 million statewide. The proposed rates are based on available gas jurisdictional usage estimates for 2016/2017. Attachment A of the PSE&G Compliance Filing, in this proceeding, presents the combined data of each of the State's utilities used to develop the proposed USF and Lifeline gas rates. Note that Elizabethtown's therms used to compute statewide rates exclude therms for wholesale sales used to generate electricity per the Senate Bill 2381, P.L. 2011 c.9 ("LCAPP Legislation") signed into law on January 28, 2011.

The Company has appended proposed tariff sheets to reflect the proposed gas USF and Lifeline rates noted above as Attachment A. The proposed rates are designed to recover Elizabethtown's portion of the above-referenced 2016/2017 statewide total USF and Lifeline programs. Also enclosed is a proposed form of Notice of Public Hearings as Attachment B.

The proposed statewide rate changes inclusive of taxes and assessments are as follows:

	Present	Proposed
USF	\$0.0051	\$0.0076
Lifeline	\$0.0057	\$0.0051

The impact of the proposed rate changes on typical monthly residential gas bills for customers taking gas service under the Residential Delivery Service tariff are as follows:

Consumption in Therms	Present Bill*	Proposed Bill	Change in Bill	Percent Change
10	\$15.89	\$15.91	\$0.02	0.1%
50	\$47.46	\$47.55	\$0.09	0.2%
100	\$86.91	\$87.10	\$0.19	0.2%
250	\$205.28	\$205.75	\$0.47	0.2%

^{*}For rates in effect on June 1, 2016 inclusive of taxes and assessments.

Accordingly, the Company respectively requests that the Board issue an Order approving the proposed statewide gas USF and Lifeline rates as shown in the proposed tariff sheets appended hereto as Attachment A effective for gas service rendered on and after October 1, 2016.

If you have any questions concerning the above, please contact Thomas Kaufmann at 908-662-8461.

Respectfully submitted,

|s| Mary Patricia Keefe

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

cc: Service List (electronically)

PIVOTAL UTILITY HOLDINGS, INC. D/B/A ELIZABETHTOWN GAS 2016/2017 ANNUAL COMPLIANCE FILING FOR THE UNIVERSAL SERVICE FUND AND LIFELINE PROGRAM COMPONENTS WITHIN THE SOCIETAL BENEFITS CHARGE RATE BPU DOCKET NO. ________

SERVICE LIST

ACE

Joseph Janocha Atlantic City Electric Co. – 63ML38 5100 Harding Highway Atlantic Regional Office Mays Landing NJ 08330 (609) 625-5868 joseph.janocha@pepcoholdings.com

ACE

Roger E. Pedersen Atlantic City Electric Co. - 63ML38 5100 Harding Highway Mays Landing NJ 08330 (609) 625-5820 roger.pedersen@pepcoholdings.com

AGL/Elizabethtown

Mary Patricia Keefe Elizabethtown Gas 520 Green Lane Union NJ 07083 (908) 662-8452 mkeefe@aglresources.com

<u>BPU</u>

William Agee Esq.
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 292-1616
william.agee@bpu.nj.gov

BPU

Julie Ford-Williams
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
julie.ford@bpu.nj.gov

BPU

Jerome May
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 292-3960
jerome.may@bpu.nj.gov

ACE

Morgan O'Donnell Pepco Holdings - EP9020 701 9th Street NW Washington DC 20068-001 modonnell@pepcoholdings.com

AGL/Elizabethtown

Deborah M. Franco
Cullen and Dykman LLP
Garden City Center
100 Quentin Roosevelt Blvd.
Garden City NY 11530-4850
(516) 357-3878
dfranco@cullenanddykman.com

AGL/Elizabethtown

Susan Potanovich
Elizabethtown Gas
520 Green Lane
Union NJ 07083
(908) 662-8462
spotanov@aglresources.com

BPU

Alice Bator
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 943-5805
alice.bator@bpu.nj.gov

BPU

Eric Hartsfield
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 777-3300
eric.hartsfield@bpu.nj.gov

<u>BPU</u>

Stacy Peterson
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 292-4517
stacy.peterson@bpu.nj.gov

ACE

Philip J. Passanante Esq.
Atlantic City Electric Company - 92DC42
500 N. Wakefield Drive
P.O. Box 6066
Newark DE 19714-6066
philip.passanante@pepcoholdings.com

AGL/Elizabethtown

Thomas Kaufmann
Elizabethtown Gas
520 Green Lane
Union NJ 07083
(908) 662-8461
tom.kaufmann@aglresources.com

<u>BPU</u>

Irene Kim Asbury, Secretary Board of Public Utilities 44 South Clinton Avenue 3rd Floor, Suite 314 P.O. Box 350 Trenton NJ 08625-0350 (609) 292-1599 irene.asbury@bpu.nj.gov

BPU

Maureen Clerc
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 292-4219
maureen.clerc@bpu.nj.gov

BPU

Peter Hilerio Board of Public Utilities 44 South Clinton Avenue 3rd Floor, Suite 314 P.O. Box 350 Trenton NJ 08625-0350 (609) 292-4136 peter.hilerio@bpu.nj.gov

BPU

Andrea Reid Board of Public Utilities 44 South Clinton Avenue 3rd Floor, Suite 314 P.O. Box 350 Trenton NJ 08625-0350 (609) 292-4518 andrea.reid@bpu.nj.gov

PIVOTAL UTILITY HOLDINGS, INC. D/B/A ELIZABETHTOWN GAS 2016/2017 ANNUAL COMPLIANCE FILING FOR THE UNIVERSAL SERVICE FUND AND LIFELINE PROGRAM COMPONENTS WITHIN THE SOCIETAL BENEFITS CHARGE RATE BPU DOCKET NO.

SERVICE LIST

BPU

Robert Schultheis
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 984-9633
robert.schultheis@bpu.nj.gov

DAG

Geoffrey Gersten
NJ Dept. of Law & Public Safety
Division of Law
124 Halsey Street, 5th Flr.
P.O. Box 45029
Newark NJ 07101
(973) 648-3510
geoffrey.gersten@dol.lps.state.nj.us

JCP&L

Michael J. Connolly Windels Marx Lane & Mittendorf, LLP One Giralda Farms Madison NJ 07940 973-966-3244 mconnolly@windelsmarx.com

JCP&L

Mark Mader
Jersey Central Power & Light Co.
300 Madison Avenue
P.O. Box 1911
Morristown NJ 07962-1911
(973) 401-8697
mamader@firstenergycorp.com

NJNG

Tina Trebino
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall NJ 07719
(732) 938-7331
ttrebino@njng.com

PSE&G

Matthew M. Weissman Esq. PSEG Services Corporation 80 Park Plaza, T5 P.O. Box 570 Newark NJ 07102 (973) 430-7052 matthew.weissman@pseg.com

BPU

Albert Weierman
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 292-1682
albert.weierman@bpu.nj.gov

DAG

Patricia A. Krogman DAG
NJ Dept of Law & Public Safety
Division of Law
124 Halsey Street, 5th Flr.
P.O. Box 45029
Newark NJ 07101
(973) 648-3441
patricia.krogman@dol.lps.state.nj.us

JCP&L

Gabrielle A. Figueroa
Windels Marx Lane & Mittendorf, LLP
One Giralda Farms
Madison NJ 07940
(973) 966-3214
gfigueroa@windelsmarx.com

NJNG

Andrew K Dembia Esq.
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall NJ 07719
(732) 938-1073
adembia@njng.com

PSE&G

Connie E. Lembo PSEG Services Corporation 80 Park Plaza, T5 P.O. Box 570 Newark NJ 07102 (973) 430-6273 constance.lembo@pseg.com

PSE&G

Caitlyn White PSEG Services Corporation 80 Park Plaza, T-8 P.O. Box 570 Newark NJ 07102 (973)-430-5659 caitlyn.white@pseg.com

BPU

John Zarzycki
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton NJ 08625-0350
(609) 341-5738
john.zarzycki@bpu.nj.gov

JCP&L

Sally J. Cheong
Jersey Central Power & Light Co.
300 Madison Avenue
P.O. Box 1911
Morristown NJ 07962-1911
(973) 401-8699
scheong@firstenergycorp.com

JCP&L

Lauren M. Lepkoski Esq. First Energy Corporation 2800 Pottsville Pike Reading PA 19612-6001 (610) 921-6213 llepkoski@firstenergycorp.com

NJNG

Marianne Harrell
New Jersey Natural Gas Company
1415 Wyckoff Road
P.O. Box 1464
Wall NJ 07719
732-938-1257
mharrell@njng.com

PSE&G

Tracy Morgan
PSEG Services Corporation
80 Park Plaza, T8
P.O. Box 570
Newark NJ 07102
(973) 430-6420
tracy.morgan@pseg.com

Rate Counsel

Stefanie A. Brand
Division of Rate Counsel
140 East Front Street, 4th Flr.
P.O. Box 003
Trenton NJ 08625
(609) 984-1460
sbrand@rpa.state.nj.us

PIVOTAL UTILITY HOLDINGS, INC. D/B/A ELIZABETHTOWN GAS 2016/2017 ANNUAL COMPLIANCE FILING FOR THE UNIVERSAL SERVICE FUND AND LIFELINE PROGRAM COMPONENTS WITHIN THE SOCIETAL BENEFITS CHARGE RATE BPU DOCKET NO.

SERVICE LIST

Rate Counsel

Lisa Gurkas
Division of Rate Counsel
140 East Front Street, 4th Flr.
P.O. Box 003
Trenton NJ 08625
(609) 984-1460
lgurkas@rpa.state.nj.us

Rate Counsel

Sarah Steindel
Division of Rate Counsel
140 East Front Street, 4th Flr.
P.O. Box 003
Trenton NJ 08625
(609) 984-1460
ssteinde@rpa.state.nj.us

RECO

William A. Atzl Jr.
Rockland Electric Company
4 Irving Place
Room 515-S
New York NY 10003
(212) 460-3308
atzlw@coned.com

RECO

Margaret Comes Consolidated Edison Co. of NY Law Dept 4 Irving Place New York NY 10003 (212) 460-3013 comesm@coned.com

SJG

Kenneth J. Barcia South Jersey Gas Company One South Jersey Plaza Route 54 Folsom NJ 08037 (609) 561-9000 x4983 kbarcia@sjindustries.com

Rate Counsel

Brian O. Lipman
Division of Rate Counsel
140 East Front Street, 4th Fir.
P.O. Box 003
Trenton NJ 08625
(609) 984-1460
brian.lipman@rpa.state.nj.us

Rate Counsel

Felicia Thomas-Friel
Division of Rate Counsel
140 East Front Street, 4th Flr.
P.O. Box 003
Trenton NJ 08625
(609) 984-1460
fthomas@rpa.state.nj.us

RECO

Robert Beerley Rockland Electric Company 4 Irving Place 2nd Floor East New York NY 10003 (212)-460-4839 beerleyn@coned.com

<u>RECO</u>

Tineesha McMullen Rockland Electric Company One Blue Hill Plaza Pearl River NY 10965 (845) 577-3816 mcmullent@oru.com

SJG

Carolyn Jacobs South Jersey Gas Company One South Jersey Plaza Route 54 Folsom NJ 08037 (609) 561-9000 X4212 cjacobs@sjindustries.com

Rate Counsel

Ami Morita
Division of Rate Counsel
140 East Front Street, 4th Flr.
P.O. Box 003
Trenton NJ 08625
(609) 984-1460
amorita@rpa.state.nj.us

Rate Counsel Consultant

David E. Peterson Chesapeak Regulatory Consultants, Inc. 10351 Southern Maryland Blvd. Suite 202 Dunkirk MD 20754-9500 (410) 286-9500 davep@chesapeake.net

RECO

John L. Carley Esq.
Consolidated Edison Co. of NY
Law Dept.
4 Irving Place, Room 1815-S
New York NY 10003
(212) 460-2097
carleyj@coned.com

RECO

Cheryl M. Ruggiero Rockland Electric Company 4 Irving Place 2nd Floor East New York NY 10003 (212) 460-3189 ruggieroc@coned.com

BGSS-P

PIVOTAL UTILITY HOLDINGS, INC. D/B/A ELIZABETHTOWN GAS NOTICE OF PUBLIC HEARINGS

TO OUR CUSTOMERS:

On May 31, 2016, Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas ("the Company" or "Elizabethtown"), filed a Petition with the New Jersey Board of Public Utilities ("BPU" or "Board") in Docket No. GR16060485 to review its Periodic Basic Gas Supply Service ("BGSS-P") rate. The Company has petitioned the BPU to decrease its current BGSS-P rate from \$0.4203 per therm to \$0.3954 per therm, inclusive of applicable taxes, a decrease of \$0.0249 per therm or 2.9% to the typical residential customer using 100 therms based on rates in effect June 1, 2016.

The proposed rates are subject to BPU approval and may be higher or lower depending on the Board's final determination and the date on which such rates are made effective. The overall percentage change in the affected rate schedule is as follows:

Rate Schedule	Percentage Change
Residential Service	(2.9%)

The effect of the Company's filing on typical residential gas bills is illustrated below:

Consumption in				
Therms	Present Bill	Proposed Bill	Proposed Change	Percent Change
10	\$15.89	\$15.64	(\$0.25)	(1.6%)
50	\$47.46	\$46.21	(\$1.25)	(2.6%)
100	\$86.91	\$84.42	(\$2.49)	(2.9%)
250	\$205.28	\$199.05	(\$6.23)	(3.0%)

These proposed rates may be subject to a self-implementing rate increase of up to 5% on December 1, 2016 and another 5% increase on February 1, 2017, upon 30 days written notice by Elizabethtown to the BPU and the Division of Rate Counsel. Should it become necessary to apply the self-implementing increase, the impact of this increase on December 1st on a typical residential customer using 100 therms per month would be an incremental increase of \$4.22, increasing the proposed bill from \$84.42 to \$88.64. Should it become necessary to apply a second self-implementing increase on February 1st, the incremental increase to a typical residential customer using 100 therms per month would be \$4.43, increasing the proposed bill from \$88.64 to \$93.07. Any assistance required by Customers in ascertaining the impact of the proposed rate increase will be provided by the Company on request.

The Board has the statutory authority to establish Elizabethtown's rates at levels it finds just and reasonable as well as to establish the effective date of such rates. Therefore, the BPU may establish the rates at levels and/or an effective date other than those proposed by Elizabethtown.

Copies of the Petition are available for inspection at the Company offices located at 520 Green Lane, Union, New Jersey, online at Elizabethtown's website: www.elizabethtowngas.com, and at the Board of Public Utilities, 44 South Clinton Avenue, 3rd Floor, Suite 314, Trenton, New Jersey.

PLEASE TAKE NOTICE that Public Hearings have been scheduled on the above mentioned Petition at the following times and places:

August 23, 2016 – 4:30 p.m. and 5:30 p.m. Liberty Hall Corporate Center, 1085 Morris Avenue, Union, New Jersey 07083

August 25, 2016 – 4:30 p.m. and 5:30 p.m. Hunterdon County Complex, Building #1, 314 State Route 12, Flemington, New Jersey 08822

The public is invited to attend and interested persons will be permitted to testify and/or make a statement of their views on the proposed rates. Information provided at the public hearings will become part of the record of this case and will be considered by the Board in making its decision. In order to encourage full participation in this opportunity for public comment, please submit requests for needed accommodations, including interpreter, listening devices and/or mobility assistance, 48 hours prior to the hearing. In addition, members of the public may submit written comments concerning the Petition to the BPU regardless of whether they attend the hearing by addressing them to: Irene Kim Asbury, Secretary, Board of Public Utilities, 44 South Clinton Avenue, 3rd Floor, Suite 314, P.O. Box 350, Trenton, New Jersey 08625-0350. Hearings will continue, if necessary, on such additional dates and at such locations as the Office of Administrative Law may designate in order to ensure that all interested persons may be heard.

Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas Brian MacLean – President



An AGL Resources Company

520 Green Lane Union, NJ 07083

908 289 5000 phone www.elizabethtowngas.com

Via FedEx & Electronic Mail

RECEIVED

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May 31, 2016 BOARD OF PUBLIC UTILITIES MAIL ROOM

Irene Kim Asbury, Secretary State of New Jersey Board of Public Utilities 44 South Clinton Avenue 3rd Floor, Suite 314 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.

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 revise its Periodic Basic Gas Supply Service ("BGSS-P") rate, as discussed below. Attached to and made part of the Petition are the testimony and supporting schedules of Company witnesses Thomas Kaufmann and Leonard J. Willey.

The Petition concerns the period October 1, 2016 through September 30, 2017 ("the BGSS Year"). Elizabethtown proposes to decrease its currently effective BGSS-P rate from \$0.4203 per therm to \$0.3954 per therm, inclusive of all taxes.

As discussed in the testimony attached to Elizabethtown's Petition, the proposed decrease in the BGSS-P rate is due primarily to (i) lower gas costs and (ii) credits provided to the Company's firm customers as a result of the Company's outsourcing of its gas supply and upstream capacity management to Sequent Energy Management L.P. Elizabethtown projects that it will begin the BGSS Year with a gas cost underrecovery balance of approximately \$2.8 million.

Elizabethtown proposes an effective date of October 1, 2016 for the proposed rate change which will decrease the monthly bill of a typical residential customer using 100 therms by \$2.49 from \$86.91 to \$84.42, a decrease of 2.9% based on rates in effect June 1, 2016. In accordance with the terms of Elizabethtown's BGSS clause, the Company reserves the right to seek to implement provisional increases in its BGSS-P rate of up to 5% of a 100 therm residential total bill to be effective December 1, 2016 and February 1, 2017, if the Company determines that such increases are necessary to permit Elizabethtown to avoid a BGSS underrecovery balance at September 30, 2017.

Please contact the undersigned if you have any questions.

Respectfully submitted,

/s/ Mary Patricia Keefe

Mary Patricia Keefe Vice President, Regulatory Affairs and Business Support

cc: Richard Mroz, President
Upendra Chivukula, Commissioner
Joseph L. Fiordaliso, Commissioner
Mary-Anna Holden, Commissioner
Dianne Solomon, Commissioner
Jerome May, Director, Division of Energy
Robert Schultheis, Division of Energy
Stefanie A. Brand, Director, Rate Counsel
Attached Service List

STATE OF NEW JERSEY BOARD OF PUBLIC UTILITIES



____x AUG 0 5 2016

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. GRARD OF PUBLIC UTILITIES MAIL ROOM

SUMMARY SHEET

This Petition presents the request of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas ("Petitioner") that the Board of Public Utilities approve Petitioner's Periodic Basic Gas Supply Service ("BGSS-P") charge, and grant such other and further relief as described in the Petition.

The Petition proposes to decrease the BGSS-P rate from \$0.4203 per therm to \$0.3954 per therm.

The proposed BGSS-P rate will decrease the bill of a residential heating customer using 100 therms by \$2.49 from \$86.91 to \$84.42, a decrease of 2.9% based on rates in effect June 1, 2016.

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. GR

SERVICE LIST

Mary Patricia Keefe, Esq. Elizabethtown Gas 520 Green Lane Union, NJ 07083 pkeefe@aglresources.com

Susan Potanovich
Elizabethtown Gas
520 Green Lane
Union, NJ 07083
spotanov@aglresources.com

Timothy Sherwood

AGL Resources
Ten Peachtree Place
Atlanta, GA 30309

tsherwoo@aglresources.com

Irene Kim Asbury, Secretary
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
Irene.Asbury@bpu.state.nj.us

Henry Rich
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
Henry.Rich@bpu.state.nj.us

Beverly Tyndell

Board of Public Utilities

44 South Clinton Avenue

3rd Floor, Suite 314

P.O. Box 350

Trenton, NJ 08625-0350

Beverly Tyndell@bpu.state.nj.us

Kurt S. Lewandowski, Esq. Division of Rate Counsel 140 East Front Street, 4th Floor P.O. Box 003
Trenton, NJ 08625
klewando@rpa.state.nj.us

Thomas Kaufmann
Elizabethtown Gas
520 Green Lane
Union, NJ 07083
Tom.Kaufmann@aglresources.com

Diane Rojek
Elizabethtown Gas
520 Green Lane
Union, NJ 07083
drojek@aglresources.com

Erica McGill, Esq.

AGL Resources
Ten Peachtree Place
Atlanta, GA 30309
emcgill@aglresources.com

Megan Lupo, Esq.

Board of Public Utilities

44 South Clinton Avenue

3rd Floor, Suite 314

P.O. Box 350

Trenton, NJ 08625-0350

Megan.Lupo@bpu.state.nj.us

Robert Schultheis

Board of Public Utilities

44 South Clinton Avenue

3rd Floor, Suite 314

P.O. Box 350

Trenton, NJ 08625-0350

Robert.Schultheis@bpu.state.nj.us

Stefanie A. Brand, Director **Division of Rate Counsel**140 East Front Street, 4th Floor
P.O. Box 003

Trenton, NJ 08625

<u>smassey@rpa.state.nj.us</u>

Brian Lipman, Litigation Manager **Division of Rate Counsel** 140 East Front Street, 4th Floor P.O. Box 003 Trenton, NJ 08625 blipman@rpa.state.nj.us Leonard J. Willey
Elizabethtown Gas
520 Green Lane
Union, NJ 07083
lwilley@aglresources.com

David Weaver

AGL Resources
Ten Peachtree Place
Atlanta, GA 30309
dweaver@aglresources.com

Kenneth Yagelski
AGL Resources
544 S. Independence Blvd
Virginia Beach, VA 23452
kyagelsk@aglresources.com

Jerome May

Board of Public Utilities

44 South Clinton Avenue

3rd Floor, Suite 314

P.O. Box 350

Trenton, NJ 08625-0350

Jerome.May@bpu.state.ni.us

Scott Sumliner

Board of Public Utilities

44 South Clinton Avenue

3rd Floor, Suite 314

P.O. Box 350

Trenton, NJ 08625-0350

Scott.Sumliner@bpu.state.nj.us

Maura Caroselli, Esq.

Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
mcaroselli@rpa.state.nj.us

Felicia Thomas-Friel, Esq.

Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625

thomas@rpa.state.nj.us

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. GR_____

SERVICE LIST

Patricia A. Krogman, DAG

Department of Law & Public Safety

Division of Law
124 Halsey Street
P.O. Box 45029

Newark, NJ 07101

Patricia.Krogman@dol.lps.state.nj.us

Kenneth T. Maloney, Esq. **Cullen and Dykman**1101 14th Street, NW, Suite 750
Washington, DC 20005
kmaloney@cullenanddykman.com

Alex Moreau, DAG

Department of Law & Public Safety

Division of Law

124 Halsey Street

P.O. Box 45029

Newark, NJ 07101

Alex.Moreau@dol.lps.state.nj.us

Deborah Franco, Esq.

Cullen and Dykman

Garden City Center

100 Quentin Roosevelt Blvd.

Garden City, NY 11530

DFranco@cullenanddykman.com