



STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF
PIVOTAL UTILITY HOLDINGS INC., d/b/a)
ELIZABETHTOWN GAS COMPANY TO REVISE)
ITS PERIODIC BASIC GAS)
SUPPLY SERVICE RATE)

ORDER ADOPTING
INITIAL DECISION AND
FINAL STIPULATION

DOCKET NO GR09060431

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

Henry M. Ogden, Esq. and Sarah H. Steindel, Esq., Assistant Deputy Public Advocates, on
behalf of the New Jersey Division of Rate Counsel (Stefanie A. Brand, Director)

Alex Moreau, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities
(Paula T. Dow, Attorney General of New Jersey)

(SERVICE LIST ATTACHED)

BY THE BOARD:

Per the generic Order of the New Jersey Board of Public Utilities ("Board") dated January 6, 2003, in Docket No. GX01050304 ("January BGSS Order"), each of New Jersey's four gas distribution companies ("GDCs") submits to the Board, by June 1, 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 of the current year and February 1 of the following year with one month's advance notice to the Board and the Division of Rate Counsel ("Rate Counsel").

In accordance with the above noted Order, on June 1, 2009, Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas Company ("Elizabethtown" or "Company") filed a petition with the Board requesting authorization to decrease its then current Periodic Basic Gas Supply Service rate ("BGSS-P") from \$1.2801 per therm (including tax) to \$0.8031 per therm, (including tax), to be effective October 1, 2009. As proposed the request would result in a decrease of approximately \$107.2 million (inclusive of all applicable taxes) or 27.8% in Elizabethtown's BGSS-P revenues due primarily to projected decreases in natural gas costs during the 2009-2010 BGSS year (October 1, 2009 through September 30, 2010). Elizabethtown also reserved the right to self-implement increases in the BGSS-P rate on December 1, 2009 and February 1, 2010, respectively pursuant to the mechanism established in the January BGSS Order.

After publication of notice in newspapers of general circulation in Elizabethown's service territory, two public hearings in this matter were held in Rahway, New Jersey and Flemington, New Jersey on August 19 and August 27, 2009, respectively. The public notice also advised customers that the Board's January BGSS Order granted the Company the discretion to self-implement an increase in its BGSS rates to be effective December 1, 2009 and/or February 1, 2010 after prior notice to the Board and Rate Counsel, with each increase capped at 5% of the total residential bill. The public notice also stated that the Company is permitted to decrease its BGSS rate at any time upon two weeks notice to the Board and Rate Counsel. No members of the public appeared to provide comments related to the Company's filing.

Following a review by and subsequent discussions among representatives of the Company, BPU Staff, and Rate Counsel, the only parties to this proceeding (collectively the "Parties"), entered into a Stipulation for Provisional BGSS-P Rates dated September 4, 2009 recognizing that additional time was needed for a complete review of the of Company's 2009 BGSS filing. The Parties recommended that the Board approve the requested BGSS-P rate of \$0.8031 per therm, inclusive of all applicable taxes, on a provisional basis, subject to refund with interest on any net BGSS over recoveries. By Order dated September 16, 2009 the Board approved the provisional BGSS-P rate.

On October 28, 2009, the Company's filing was transmitted to the Office of Administrative Law ("OAL") as a contested case.

Following further review and discussions, the Parties entered into the attached Stipulation for Final BGSS Rates ("Final Stipulation") dated September 15, 2010 that provides for the Company's previously approved provisional BGSS rates to be made final and permanent. The Parties also agreed that the Company will provide electronically to Board Staff and Rate Counsel on a monthly basis the following updated information: 1) the BGSS NYMEX Update Report ("S-ECHART-1"- "Exhibit A") and 2) the Cost of Gas per Therm ("S-ECHART-2"- "Exhibit B")¹. Each of the above reports is to be completed using information available the first Friday of the month and will be submitted to Board Staff and Rate Counsel the following Tuesday.

On September 28, 2010, ALJ Mumtaz Bari-Brown issued her Initial Decision adopting the Final Stipulation finding that the Parties voluntarily agreed to the Final Stipulation as evidenced by their signatures and that the Final Stipulation fully disposes of all issues in controversy and is consistent with the law.

DISCUSSION AND FINDINGS

The Board, having carefully reviewed the Initial Decision and the Final Stipulation, HEREBY FINDS that subject to the terms and conditions set forth below, the Initial Decision and Final Stipulation are reasonable, in the public interest and in accordance with the law. Accordingly, the Board HEREBY ADOPTS the Initial Decision and Final Stipulation in their entirety and HEREBY INCORPORATES their terms and conditions as though fully set herein.

Accordingly, the Board HEREBY DIRECTS that the decrease in the Company's after-tax per therm BGSS-P rate to \$0.8031 per therm, (including tax), be made final, effective for service on and after the date of this Order.

The Board HEREBY DIRECTS the Company to provide electronically to Board Staff and Rate Counsel, on a monthly basis, the following updated information: 1) the BGSS NYMEX Update

¹ This chart will reflect costs on a two month lag basis.

Report (also known as S-ECHART-1) and 2) the Cost of Gas per Therm (also known as S-ECHART-2). Each of the above reports is to be completed using information available the first Friday of the month, and submitted to Board Staff and Rate Counsel the following Tuesday.

Finally, the Board HEREBY DIRECTS the Company to file the appropriate tariff sheets conforming to the terms and conditions of this Order within five (5) business days from the date of this Order.

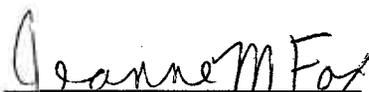
The Company's BGSS rates remain subject to audit. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit. These changes shall become effective upon the date of the issuance of a written Board Order in this matter.

The Company is HEREBY DIRECTED to file tariff sheets that conform to the terms and conditions of this Order within five (5) days from the date of this Order.

DATED: 11/10/10

BOARD OF PUBLIC UTILITIES
BY:


LEE A. SOLOMON
PRESIDENT

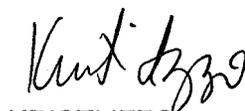

JEANNE M. FOX
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER

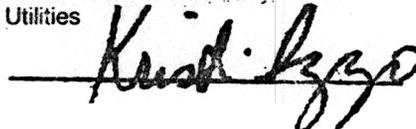

NICHOLAS ASSELTA
COMMISSIONER


ELIZABETH RANDALL
COMMISSIONER

ATTEST:


KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities



In the Matter of the Petition of Pivotal Utility Holdings Inc., d/b/a Elizabethtown Gas Company to
Reconcile its Periodic Basic Gas Supply Service Rate
Docket No. GR09060431

SERVICE LIST

Mary Patricia Keefe, Esq.
Elizabethtown Gas Company
One Elizabethtown Plaza
P.O. Box 3175
Union, NJ 07083-1975

Kenneth T. Maloney, Esq.
Cullen & Dykman
1101 14th Street, NW, Suite 550
Washington, DC 20005

Henry Ogden, Esq.
Division of Rate Counsel
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, NJ 07101

Felicia Thomas-Friel, Esq.
Division of Rate Counsel
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, NJ 07101

Alex Moreau, DAG
Department of Law & Public Safety
124 Halsey Street, 5th Floor
P.O. Box 45029
Newark, NJ 07101

Babette Tenzer, DAG
Department of Law & Public Safety
124 Halsey Street, 5th Floor
P.O. Box 45029
Newark, NJ 07101

Sheila DeLucia, Bureau Chief
NJ Board of Public Utilities
Division of Energy
Two Gateway Center
Newark, NJ 07102

Jerome May, Director
NJ Board of Public Utilities
Division of Energy
Two Gateway Center
Newark, NJ 07102

Henry Rich, Administrative Analyst 1
NJ Board of Public Utilities
Division of Energy
Two Gateway Center
Newark, NJ 07102

Edward Beslow, Esq.
Legal Specialist
Division of Energy
Two Gateway Center
Newark, NJ 07102

Jacqueline Galka
NJ Board of Public Utilities
Division of Energy
Two Gateway Center
Newark, NJ 07102

Marcel Moreau
NJ Board of Public Utilities
Division of Energy
Two Gateway Center
Newark, NJ 07102

CMS
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TCPL
MOREAU
TENZER
ENERGY



State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION

SETTLEMENT

OAL DKT. NO. PUC 13359-09

AGENCY DKT. NO. GR09060431

IN THE MATTER OF THE PETITION OF
PIVOTAL UTILITY HOLDINGS, INC. D/B/A
ELIZABETHTOWN GAS TO REVISE ITS
PERIODIC BASIC GAS SUPPLY SERVICE
RATE.

Kenneth T. Maloney, Esq., for petitioner, Pivotal Utility Holdings, Inc. (Cullen and Dykman, LLP, attorneys)

Henry M. Ogden, Assistant Deputy Public Advocate, Department of the Public Advocate, Division of Rate Counsel (Ronald K. Chen, Public Advocate, Stefanie A. Brand, Director)

Alex Moreau, Deputy Attorney General, for the staff of the New Jersey Board of Public Utilities (Paula T. Dow, Attorney General of the State of New Jersey, attorney)

Record Closed: September 17, 2010

Decided: September 28, 2010

BEFORE MUMTAZ BARI-BROWN, ALJ

This matter was transmitted to the Office of Administrative Law (OAL) on November 19, 2009, for resolution as a contested case pursuant to N.J.S.A. 52:14B-1 to -15 and N.J.S.A. 52:14F1 to -13.

A hearing was scheduled for June 27, 2011. Prior to the date of hearing the parties settled the matter. The attached Final Stipulation was submitted on September 17, 2010, indicating the terms of agreement which are incorporated herein by reference.

Having reviewed the record and the settlement terms, **FIND:**

1. The parties have voluntarily agreed to the settlement as evidenced by their signatures and/or the signatures of their representatives.
2. The settlement fully disposes of all issues in controversy and is consistent with the law.

I **CONCLUDE** that this agreement meets the requirements of N.J.A.C. 1:1-19.1 and that the settlement should be approved. I approve the settlement and, therefore, **ORDER** that the parties comply with the settlement terms and that these proceedings be concluded.

hereby **FILE** my initial decision with the **BOARD OF PUBLIC UTILITIES** for consideration.

This recommended decision may be adopted, modified or rejected by the **BOARD OF PUBLIC UTILITIES**, which by law is authorized to make a final decision in this matter. If the Board of Public Utilities does not adopt, modify or reject this decision within forty-five days and unless such time limit is otherwise extended, this recommended decision shall become a final decision in accordance with N.J.S.A. 52:14B-10.

Sept. 28, 2010
DATE

Mumtaz Bar Brown
MUMTAZ BAR BROWN, ALJ

Date Received at Agency: 10-7-10
FXD
Date Mailed to Parties: SEP 30 2010
dr

9-30-10
Aurora Sanders
DIRECTOR AND
CHIEF ADMINISTRATIVE LAW JUDGE

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

-----X
In The Matter Of The Petition Of Pivotal Utility : **BPU Docket No. GR09060431**
Holdings, Inc. d/b/a Elizabethtown Gas To : **OAL Docket No. PUCRL 13359-2009N**
Revise Its Periodic Basic Gas Supply :
Service Rate : **FINAL STIPULATION**
-----X

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

Henry M. Ogden, Esq. and Sarah H. Steindel, Esq., Assistant Deputy Rate Counsel, Division of
Rate Counsel (Stefanie A. Brand, Director, Division of Rate Counsel)

Alex Moreau, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities
(Paula T. Dow, Attorney General of New Jersey)

To: Honorable Mumtaz Bari-Brown
Administrative Law Judge

BACKGROUND

On June 1, 2009, Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas (“Elizabethtown” or
“Company”) filed a Petition (“June 1 Petition”) with the New Jersey Board of Public Utilities (“Board” or
“BPU”), which was assigned BPU Docket No. GR09060431, requesting a decrease of approximately
\$107.2 million (inclusive of all applicable taxes) or 37.3% in its Basic Gas Supply Service for Residential
Service (“BGSS”) revenues due primarily to projected decreases in natural gas costs during the 2009-2010
BGSS year (October 1, 2009 through September 30, 2010).

In its June 1 Petition, Elizabethtown proposed to decrease its then current BGSS-P rate from
\$1.2801 per therm inclusive of all applicable taxes to \$0.8031 per therm inclusive of all applicable taxes to
become effective October 1, 2009.

Elizabethtown also reserved the right to implement self-implementing increases in the BGSS-P rate on December 1, 2009 and February , 2010, respectively, if the Company determined that such increases would be necessary to permit Elizabethtown to avoid a BGSS underrecovery balance at September 30, 2010.

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 in the Company's service territory. Public hearings concerning the Company's Petition were held in Rahway, New Jersey on August 19, 2009 and Flemington, New Jersey on August 27, 2009. No one from the public attended the hearings. Elizabethtown, Board Staff, and the Division of Rate Counsel ("Rate Counsel") (collectively, "the Parties") discussed certain matters at issue in this docket. During the discussions, the Parties determined that additional time would be needed to complete a review of the Company's proposed BGSS rate. However, the Parties also agreed that a change in the Company's BGSS rate, on a provisional basis, was reasonable and in the public interest. The Parties therefore asked the Board to implement the BGSS filed rate as close to October , 2009 as possible. Following the public hearings, the Parties on September 4, 2009 executed a "Stipulation for Provisional Rates" ("Provisional Stipulation"). Pursuant to the Provisional Stipulation, the Parties agreed that the Company would decrease its BGSS-P rate to \$0.8031 per therm inclusive of all applicable taxes, on a provisional basis, subject to refund with interest on any net BGSS overrecoveries. The Provisional Stipulation was approved by the Board by Order dated September 16, 2009 ("September 16 Order"). In accordance with that Order, Elizabethtown implemented its decreased BGSS-P rate of \$0.8031 per therm, inclusive of all taxes, as of September 16, 2009. The Company's filing was then transmitted to the Office of Administrative Law as a contested case, as directed by the September 16 Order.

The Parties engaged in discovery and discussed the remaining matters at issue in this proceeding. As a result of those discussions, the Parties have resolved all remaining issues in this proceeding in accordance with the Stipulation set forth below.

STIPULATION

Based upon and subject to the terms and conditions set forth herein, the Parties stipulate as follows:

1. **Rates.** The Company's BGSS-P rate of \$0.8031 per therm shall become final and shall remain in effect until revised in accordance with applicable laws and regulations. The Company agrees to provide electronically to Board Staff and Rate Counsel on a monthly basis the following updated information: 1) the BGSS NYMEX Update Report (also known as S-ECHART-1) (attached hereto as Exhibit A); and 2) the Cost of Gas per Therm (also known as S-ECHART-2)¹ (attached hereto as Exhibit B). Each of the above reports is to be completed using information available the first Friday of the month and will be submitted to Board Staff and Rate Counsel the following Tuesday.

2. **Reservation of Rights.** This Stipulation reflects the Parties' agreement that the Board should issue an Order closing Docket No. GR09060431 ("2009 BGSS") and that issues related to Elizabethtown's BGSS and BGSS recoverable costs for the BGSS year ending September 30, 2009 are resolved subject to the requirement that any 2009 BGSS gas supply and related costs issues which may be reviewed in the Board's pending proceeding entitled *In the Matter of the Focused Audit of Affiliated Transactions and Management Audit of Elizabethtown Gas*, BPU Docket No. GA07100795 shall be addressed in the manner determined by the Board. This Stipulation is not intended to affect the Board's authority in BPU Docket No. GA07100795 or any other audit conducted by or ordered by the Board. This Stipulation also is not intended to affect the rights of Rate Counsel to pursue the relief sought in its comments filed August 13, 2010 in BPU Docket No. GA07100795

¹ This chart will reflect costs on a two month lag basis.

3. **Entirety Of Stipulation.** 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.

4. **Binding Effect.** 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.

5. **General Reservation.** 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. This Stipulation shall not be cited as precedent except for the purpose of enforcing its terms. All rates remain subject to audit by the Board as noted above in Paragraph 2.

WHEREFORE, the Parties hereto do respectfully submit this Stipulation to the Presiding Administrative Law Judge and the Board of Public Utilities and request (i) the Presiding Administrative Law Judge to issue an initial decision approving this Stipulation, and (ii) 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**

By: 
Mary Patricia Keefe
Vice President, Regulatory Affairs
and Assistant Corporate Secretary

**STEFANIE A. BRAND
DIRECTOR, DIVISION OF
RATE COUNSEL**

By: 
Henry M. Ogden
Assistant Deputy Rate Counsel

**PAULA T. DOW
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the New Jersey Board of Public Utilities**

By: 
Alex Moreau, DAG

Dated: September 5, 2010

S-ECHART-1
BGSS NYMEX Update Report
as of July 2, 2010

Month	a		b		c = b - a		d	e	f = d - e	g = c x f
	BGSS	NYMEX	Incr/	% Chg	Sales	Hedged	Unhedged	Change in		
	(see note below)	(07/02/10 Close)	(Decr)		forecast (dths)	volume (dths)	volume (dths)	value unhedged		
Oct-09	\$ 4.717	\$ 3.730	\$ (0.987)		1,681,124	560,000	1,121,124	(\$1,106,549)		
Nov-09	\$ 5.377	\$ 4.289	\$ (1.088)		2,733,765	1,037,910	1,695,855	(\$1,845,090)		
Dec-09	\$ 6.067	\$ 4.486	\$ (1.581)		4,558,160	3,347,982	1,210,178	(\$1,913,292)		
Jan-10	\$ 6.365	\$ 5.814	\$ (0.551)		5,235,367	3,948,380	1,286,987	(\$709,130)		
Feb-10	\$ 6.393	\$ 5.274	\$ (1.119)		4,123,236	3,157,651	965,585	(\$1,080,490)		
Mar-10	\$ 6.338	\$ 4.816	\$ (1.522)		3,259,834	2,080,224	1,179,610	(\$1,795,367)		
Apr-10	\$ 6.133	\$ 3.842	\$ (2.291)		1,641,099	813,968	827,131	(\$1,894,956)		
May-10	\$ 6.178	\$ 4.271	\$ (1.907)		888,905	470,000	418,905	(\$798,852)		
Jun-10	\$ 6.278	\$ 4.155	\$ (2.123)		601,024	340,000	261,024	(\$554,154)		
Jul-10	\$ 6.403	\$ 4.717	\$ (1.686)		683,977	400,000	283,977	(\$478,785)		
Aug-10	\$ 6.486	\$ 4.687	\$ (1.799)		692,964	330,000	362,964	(\$652,972)		
Sep-10	\$ 6.526	\$ 4.717	\$ (1.809)		791,906	670,000	121,906	(\$220,528)		
Avg Total \$	\$ 6.105	\$ 4.567	\$ (1.539)	-25.2%	26,891,361	17,156,115	9,735,246	(\$13,050,165)		
Oct-10	\$ 4.638	\$ 4.795	\$ 0.157		1,622,268	920,000	702,268	\$110,256		
Nov-10	\$ 5.014	\$ 5.040	\$ 0.026		2,633,160	1,375,407	1,257,753	\$32,702		
Dec-10	\$ 5.409	\$ 5.291	\$ (0.118)		4,593,513	3,169,764	1,423,749	(\$168,002)		
Jan-11	\$ 5.623	\$ 5.451	\$ (0.172)		5,190,926	4,029,187	1,161,739	(\$199,819)		
Feb-11	\$ 5.585	\$ 5.421	\$ (0.164)		4,067,721	3,004,227	1,063,494	(\$174,413)		
Mar-11	\$ 5.483	\$ 5.322	\$ (0.161)		3,228,502	2,087,382	1,141,120	(\$183,720)		
Apr-11	\$ 5.308	\$ 5.090	\$ (0.218)		1,647,074	831,055	816,019	(\$177,892)		
May-11	\$ 5.331	\$ 5.108	\$ (0.223)		879,698	470,000	409,698	(\$91,363)		
Jun-11	\$ 5.379	\$ 5.153	\$ (0.226)		612,679	350,000	262,679	(\$59,366)		
Jul-11	\$ 5.444	\$ 5.218	\$ (0.226)		611,849	380,000	231,849	(\$52,398)		
Aug-11	\$ 5.496	\$ 5.262	\$ (0.234)		621,032	320,000	301,032	(\$70,441)		
Sep-11	\$ 5.526	\$ 5.292	\$ (0.234)		763,834	370,000	393,834	(\$92,157)		
Avg Total \$	\$ 5.353	\$ 5.204	\$ (0.149)	-2.8%	26,472,256	17,307,021	9,165,235	(\$1,126,614)		

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

Footnotes:

a : Nymex rate used for annual BGSS periodic rate filing; Oct-09 to Sept-10 based on 5/8/09 Close and Oct-10 to Sept-11 based on 5/14/10 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 consists of sales volume forecast less 'hedged' volume

g: Not necessarily representative of a change in under/over-recovery value

Elizaethtown Gas Company
Calculation of Net Cost of Gas Per Therm

	Estimate	12 Month Weighted Average												
	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10		

NYMEX - MM/DD/YY - Included in BGSS Filing
NYMEX - Actual Settlement

Breakdown of Gross Cost of Gas Per Therm:

13	Flowing Gas Cost													
14	Gas Withdrawn From Storage Cost													
15	Hedged Volumes Delivered Cost													
16	Pipeline Demand Cost													
17	Storage Demand Cost													
18	Peaking Cost													
19	Weighted Average Fuel Cost													
20	Variable Pipeline Cost													
21	Other Costs													
22	Total Gross Cost of Gas Per Therm	\$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
		Actual	Actual	Actual	Actual	Actual	Actual	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Weighted
		Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Average

3 NYMEX - Actual Settlement

Breakdown of Gross Cost of Gas Per Therm:

24	Flowing Gas Cost													
25	Gas Withdrawn From Storage Cost													
26	Hedged Volumes Delivered Cost													
27	Pipeline Demand Cost													
28	Storage Demand Cost													
29	Peaking Cost													
30	Weighted Average Fuel Cost													
31	Variable Pipeline Cost													
32	Other Costs													
33	Total Gross Cost of Gas Per Therm	\$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

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, withdrawal, 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

Name of Company
Calculation of Net Cost of Gas Per Therm

	Estimate Oct-09	Estimate Nov-09	Estimate Dec-09	Estimate Jan-10	Estimate Feb-10	Estimate Mar-10	Estimate Apr-10	Estimate May-10	Estimate Jun-10	Estimate Jul-10	Estimate Aug-10	Estimate Sep-10	12 Month Weighted Average
<u>Credits, Refunds, & Recoveries Per Therm:</u>													
1 Asset Management Credits													
2 Off-system sales													
3 Capacity release													
4 On System Credits to BGSS-P Customers													
5 Supplier Refunds													
6 Gas for Company Use													
7 Line Loss													
8 Transfer to Non BGSS-P Customers													
9 Over / Under Recovery & Interest to Customers													
10 Other													
11 Total Credits, Refunds, & Recoveries per Therm	\$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
12 Total Net Cost Per Therm (Pg 1 Line 22 - Pg 2 Line 11)	\$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
	Actual Oct-08	Actual Nov-08	Actual Dec-08	Actual Jan-09	Actual Feb-09	Actual Mar-09	Actual Apr-09	Estimate May-09	Estimate Jun-09	Estimate Jul-09	Estimate Aug-09	Estimate Sep-09	Weighted Average

Credits, Refunds, & Recoveries Per Therm:

13 Asset Management Credits													
14 Off-system sales													
15 Capacity release													
16 On System Credits to BGSS-P Customers													
17 Supplier Refunds													
18 Gas for Company Use													
19 Line Loss													
20 Transfer to Non BGSS-P Customers													
21 Over / Under Recovery & Interest to Customers													
22 Other													
23 Total Credits, Refunds, & Recoveries per Therm	\$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
24 Total Net Cost Per Therm (Pg 1 Line 33 - Pg 2 Line 23)	\$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

Footnotes:

On System Credits to BGSS-P Customers = Interruptible 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.



State of New Jersey
 OFFICE OF ADMINISTRATIVE LAW
 33 Washington Street
 Newark, NJ 07102
 (973) 648-7139
 Fax (973) 648-6058

10 OCT -5 PM 3:54
 BOARD OF PUBLIC UTILITIES
 NEWARK, N.J.
 Robert J. Giordano, ALJ &
 Manager of Organizational Development

Laura Sanders
 Director & Chief ALJ

Support Services
973-648-7143

EDWARD D. BESLOW, ESQ.
BOARD OF PUBLIC UTILITIES
TWO GATEWAY CENTER – 8TH FLOOR
NEWARK, N.J. 07102
973-648-3242

Re: TRANSMITTAL OF FILES

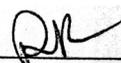
We are hereby forwarding to you our complete file jacket(s) for the matter(s) listed via Lawyers Service.

Should a listed jacket not be included in this batch, please call or e-mail the undersigned.

PUC

13359-09 I/M/O THE PETITION OF PIVOTAL UTILITY HOLDINGS, INC. D/B/A ELIZABETHTOWN GAS TO REVISE ITS PERIODIC BASIC GAS SUPPLY SEVICE RATE

October 4, 2010
 DATE

S. WILSON (DR.) 
 SANDRA A. WILSON, OFFICE SUPERVISOR
 OFFICE OF ADMINISTRATIVE LAW
SANDRA.WILSON@OAL.STATE.NJ.US

DATE

AGENCY RECEIPT



State of New Jersey
OFFICE OF ADMINISTRATIVE LAW
33 Washington Street
Newark, NJ 07102
(973) 648-6008

judge's decision is enclosed.

This decision was mailed to the parties

on SEP 30 2010

Docket No. GR09060431 – In the Matter of the Petition of Pivotal Utility Holdings Inc., d/b/a Elizabethtown Gas Company to Revise its Periodic Basic Gas Supply Service Rates

Jerome May, Director, Division of Energy, presented this matter.

BACKGROUND AND DISCUSSION: On June 1, 2009, The Pivotal Utility Holdings, Inc. d/b/a Elizabeth Gas Company (“Elizabethtown”) filed a petition with the Board seeking to decrease its then currently effective BGSS-P rate from \$1.2801 per therm to \$0.8031 per therm inclusive of all applicable taxes effective October 1, 2009.

On September 4, 2009, the Company, Board Staff and Rate Counsel (collectively, the “Parties”), to this proceeding entered into a Stipulation for Provisional BGSS Rates. The Board, by Order dated September 16, 2009, approved the Provisional Stipulation.

On September 15, 2010, the Parties executed a stipulation that would make final the Company’s previously approved provisional BGSS-P rate of \$0.8031 per therm (including taxes). On September 28, 2010 Administrative Law Judge Mumtaz Bari-Brown issued an Initial Decision approving the Stipulation to make the Company’s BGSS-P rate final. Approval of this stipulation does not result in any changes to the Company’s current BGSS rates.

The Board adopted staff’s recommendation to approve the Initial Decision and stipulation in their entirety.