



Agenda Date: 3/24/10
Agenda Item: 2A

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) ORDER
GAS CONCERNING ITS PROPOSED CAPACITY)
MANAGEMENT PLAN) DOCKET NO. GM07100752

Kenneth T. Maloney and **Deborah M. Franco** (Cullen and Dykman LLP), Attorneys for the
Petitioner, Pivotal Holdings, Inc. d/b/a Elizabethtown Gas
Mary Patricia Keefe, Esq. for Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas

Felicia Thomas-Friel, Esq., Deputy Public Advocate; **Henry M. Ogden**, **Judith B. Appel**,
Sarah H. Steindel, **Kurt Lewandowski** and **Maria Novas-Ruiz**, Assistant Deputy Public
Advocates, Division of Rate Counsel (**Stefanie A. Brand**, Acting Public Advocate)

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

BY THE BOARD:

On March 19, 2008 in BPU Docket GM07100752, the New Jersey Board of Public Utilities ("Board") authorized Pivotal Utility Holdings Inc., d/b/a Elizabethtown Gas ("Elizabethtown", or "Company") to extend its gas supply and capacity asset management agreement with its affiliate, Sequent Energy Management L.P. ("Sequent") for a three-year term ending March 31, 2010. As a condition of the extension, Elizabethtown was required to make a filing with the Board either to competitively bid its asset management and gas supply arrangements or to propose some alternative asset management / gas supply arrangement by no later than March 31, 2010.

On March 11, 2010, Elizabethtown filed a letter with the Board requesting a thirty (30) day extension of the March 31, 2010 deadline for Elizabethtown to make a filing proposing either to competitively bid its asset management and gas supply arrangements or to make other arrangements as required by the March 19, 2008 Order in this docket. The proposed new deadline for the Company's filing is April 30, 2010.

By Order dated December 17, 2009 in BPU Docket GR09030195¹, the Board approved a stipulation that resolved most of the issues in Elizabethtown's base rate proceedings, and established a Phase II to consider certain remaining issues, including the Company's proposal to establish an Efficiency and Usage Adjustment ("EUA") tariff that would replace the Company's existing Weather Normalization Clause. Since the issuance of the Board's December 17 Order,

¹ In the Matter of the Petition of Pivotal Utility Holdings, Inc. d/b/a/ Elizabethtown Gas for Approval of Increased Base Tariff Rates and Charges for Gas Services and Other Tariff Revisions, Dkt No. GR09030195.

representatives of the Company, Board's Staff and the Department of the Public Advocate, Division of Rate Counsel ("Rate Counsel"), the only active parties to the base rate case, have discussed ways to resolve issues associated with the proposed EUA. According to the Company's March 11 letter, it has become apparent that there may be a relationship between the EUA and the Company's asset management and gas supply arrangements.

Therefore, Elizabethtown is now requesting an extension of the deadline by which the Company must submit proposals for its future asset management and gas supply activities in order to continue discussions about how those activities may be affected by, and may affect, the Company's EUA proposals.

By letter dated March 16, 2010, Rate Counsel stated that it does not oppose this extension. Rate Counsel also indicated that it expected the April 30 filing to include proposals for addressing Phase II issues as well as asset management.

DISCUSSION AND FINDING

Based on the Company's representation that a short delay in the filing of the asset management proposal will facilitate discussions of the proposed EUA, the recommendation of Board Staff, and hearing no opposition from Rate Counsel, the Board FINDS that the 30 day extension is reasonable. No party will be prejudiced by this extension because Elizabethtown's current agreement with Sequent does not expire until March 31, 2011, and a 30-day extension of the filing deadline at this time will not adversely affect the ability of the Board or any party to fully consider any alternative asset management and gas supply proposals before the expiration of the current agreement.

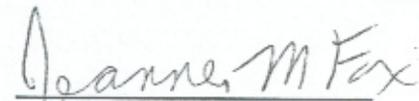
Accordingly, the Board HEREBY AUTHORIZES an extension of the deadline by which Elizabethtown must submit proposals for its future asset management and gas supply activities until April 30, 2010.

DATED: 3/24/10

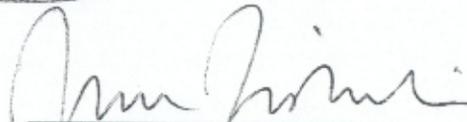
BOARD OF PUBLIC UTILITIES
BY:



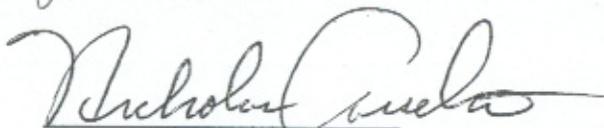
LEE A. SOLOMON
PRESIDENT



JEANNE M. FOX
COMMISSIONER



JOSEPH L. FIORDALISO
COMMISSIONER

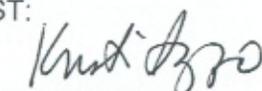


NICHOLAS ASSELTA
COMMISSIONER



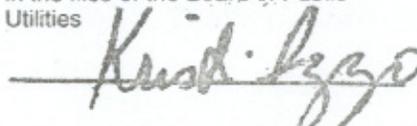
ELIZABETH RANDALL
COMMISSIONER

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 CONCERNING ITS PROPOSED CAPACITY
MANAGEMENT PLAN
Docket No. GR10010035

Kristi Izzo, Secretary
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

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

Eric Hartsfield, Director
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Mark Beyer
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Sheila Iannaccone
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Alice Bator
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

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

Edward Beslow, Esq.
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Henry Rich
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Babette Tenzer, Esq.
Deputy Attorney General
124 Halsey Street, 5th Fl
P.O. Box 45029
Newark, NJ 07101

Alex Moreau, Esq.
Deputy Attorney General
124 Halsey Street, 5th Fl
P.O. Box 45029
Newark, NJ 07101

Victoria Fisher
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Felicia Thomas-Friel, Esq.
Division of Rate Counsel
31 Clinton Street, 11th Fl
Newark, NJ 07101

Stefanie A. Brand, Esq.
Division of Rate Counsel
31 Clinton Street, 11th Fl
Newark, NJ 07101

Henry Ogden, Esq.
Division of Rate Counsel
31 Clinton, Street, 11th Fl
Newark, NJ 07101

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

Mary Patricia Keefe, Esq.
Elizabethtown Gas
300 Connell Drive, Suite 3000
Berkeley Heights, NJ 07922

Caroline Vachier, Esq.
Division of Law
124 Halsey Street, 5th Fl
P.O. Box 45029



State of New Jersey
DEPARTMENT OF THE PUBLIC ADVOCATE
DIVISION OF RATE COUNSEL
31 CLINTON STREET, 11TH FL.
P. O. BOX 46005
NEWARK, NEW JERSEY 07101

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

STEFANIE A. BRAND
*Acting Public Advocate
Director - Rate Counsel*

March 16, 2010

Via Hand Delivery

Honorable Kristi Izzo, Secretary
State of New Jersey
Board of Public Utilities
Two Gateway Center
Newark, New Jersey 07102

**Re: I/M/O The Petition Of Pivotal Utility Holdings Inc. d/b/a
Elizabethtown Gas Company Concerning Its Proposed Capacity
Management Plan
BPU Docket No. GM07100752**

Dear Secretary Izzo:

Please accept this letter and (10) copies in response to the correspondence submitted by Pivotal Utility Holdings d/b/a Elizabethtown Gas Company dated March 11, 2010 in the above-mentioned matter. Kindly date-stamp one copy and return with the messenger.

On behalf of the Department of the Public Advocate, Division of Rate Counsel ("Rate Counsel"), please be advised that our office does not oppose the request to extend the deadline from March 31, 2010 to April 30, 2010 to file a proposal concerning competitive bidding of Elizabethtown Gas Company's assets.

It is also Rate Counsel's understanding that the April 30th filing will contain a proposal addressing the Phase II issues outlined in the Stipulation of the base rate case adopted by the Board in its December 17, 2009 Order, Docket No.GR09030195.

Very truly yours,

STEFANIE A. BRAND
Acting Public Advocate &
Director, Division of Rate Counsel

By: *Felicia Thomas-Friel*
Felicia Thomas-Friel
Deputy Public Advocate

FTF/be
cc: Service list (via electronic mail)