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April 11, 2011

By Hand Delivery

Honorable Richard McGill, ALJ
Office of Administrative Law
33 Washington Street
Newark, NJ 07101

**Re: In the Matter of the Petitions of Pivotal Utilities Holdings to Revise its Weather Normalization, Societal Benefits, and On-System Margin Sharing Rates and Credits
BPU Docket No.: GR07080645
OAL Docket No.: PUC-1688-09**

**In the Matter of the Petitions of Pivotal Utilities Holdings to Revise its Weather Normalization, Societal Benefits, and On-System Margin Sharing Rates and Credits
BPU Docket No.: GR08090836
OAL Docket No.: PUC-1689-09**

**In the Matter of the Petitions of Pivotal Utilities Holdings to Revise its Weather Normalization, Societal Benefits, and On-System Margin Sharing Rates and Credits
BPU Docket No.: GR09080651
OAL Docket No.: PUC-11615-09**

Dear Judge McGill:

Enclosed please find an original and two copies of the testimony of Richard W. LeLash being filed on behalf of the Division of Rate Counsel in connection with the above referenced matter.

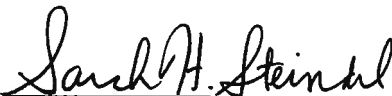
Copies of the testimony are being provided to the entire service list in this matter by electronic mail, and by hand delivery or UPS overnight mail.

We are enclosing one additional copy of the testimony. Please stamp and date the extra copy as "filed" and return it to our courier.

Thank you for your consideration and assistance.

Very truly yours,

STEFANIE A. BRAND
Director, Division of Rate Counsel

By: 
Sarah H. Steindel, Esq.
Assistant Deputy Rate Counsel

SHS/sm
c: Service List

**Petitions of Pivotal Utility Holdings, Inc.
d/b/a Elizabethtown Gas to (1) Revise its
Weather Normalization Clause Rate (2)
Revise its Societal Benefits Charge Rate (3)
Revise its on-system Margin Sharing Credit
BPU Docket Nos. GR07080645, GR08090836,
GR09080651**

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**STATE OF NEW JERSEY
OFFICE OF ADMINISTRATIVE LAW
BEFORE THE HONORABLE RICHARD MCGILL, ALJ**

**IN THE MATTER OF THE PETITIONS)
OF PIVOTAL UTILITIES HOLDINGS) BPU DOCKET No. GR07080645
TO REVISE ITS WEATHER) OAL DOCKET No. PUC-1688-09
NORMALIZATION, SOCIETAL)
BENEFITS, AND ON-SYSTEM MARGIN)
SHARING RATES AND CREDITS)**

**IN THE MATTER OF THE PETITIONS)
OF PIVOTAL UTILITIES HOLDINGS) BPU DOCKET No. GR08090836
TO REVISE ITS WEATHER) OAL DOCKET No. PUC-1689-09
NORMALIZATION, SOCIETAL)
BENEFITS, AND ON-SYSTEM MARGIN)
SHARING RATES AND CREDITS)**

**IN THE MATTER OF THE PETITIONS)
OF PIVOTAL UTILITIES HOLDINGS) BPU DOCKET No. GR09080651
TO REVISE ITS WEATHER) OAL DOCKET No. PUC 11615-09
NORMALIZATION, SOCIETAL)
BENEFITS, AND ON-SYSTEM MARGIN)
SHARING RATES AND CREDITS)**

**DIRECT TESTIMONY OF RICHARD W. LELASH
ON BEHALF OF THE
NEW JERSEY DIVISION OF RATE COUNSEL**

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FILED: April 11, 2011

PIVOTAL UTILITIES HOLDINGS, INC.
DOCKET NO. GR07080645 ET AL.
TESTIMONY OF RICHARD W. LELASH

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I. STATEMENT OF QUALIFICATIONS

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS FOR THE RECORD.

A. My name is Richard W. LeLash and my business address is 18 Seventy Acre Road, Redding, Connecticut.

Q. WHAT IS YOUR CURRENT BUSINESS AFFILIATION?

A. I am an independent financial and regulatory consultant working on behalf of several state public utility commissions and consumer advocates.

Q. PRIOR TO YOUR WORK AS AN INDEPENDENT CONSULTANT, WHAT WAS YOUR BUSINESS AFFILIATION, AND WHAT WAS YOUR REGULATORY EXPERIENCE?

A. I was a principal with the Georgetown Consulting Group for twenty years. During my affiliation with Georgetown, and continuing to date, I testified on regulatory issues in more than 300 regulatory proceedings. These testimonies were presented before the Philadelphia Gas Commission, the Federal Energy Regulatory Commission and in the following jurisdictions: Alabama, Arizona, Colorado, Delaware, District of Columbia, Georgia, Illinois, Kansas, Maine, Maryland,

Minnesota, Missouri, New Jersey, New Mexico, New York, Ohio, Oklahoma, Pennsylvania, Rhode Island, U.S. Virgin Islands, and Vermont.

Q. MR. LELASH, WHAT IS YOUR EDUCATIONAL BACKGROUND?

A. I graduated in 1967 from the Wharton School with a BS in Economics and in 1969 from the Wharton Graduate School with an MBA.

Q. DURING THE COURSE OF YOUR REGULATORY WORK, WHAT HAS BEEN YOUR EXPERIENCE WITH UTILITY POLICY AND REGULATORY ISSUES?

A. As a regulatory consultant, I have worked on matters involving natural gas, electric, telephone, transportation, and water utilities. My testimonies have addressed rate of return, revenue requirements, and various regulatory policy issues. In my Appendix there is a listing of the recent cases in which I have sponsored testimony.

Q. WHAT HAS BEEN YOUR SPECIFIC EXPERIENCE WITH THE REGULATORY TREATMENT IN NEW JERSEY CONCERNING THE RECOVERY OF EXPENSES RELATED TO THE REMEDIATION OF MANUFACTURED GAS PLANT FACILITIES?

A. I began working on manufactured gas plant (“MGP”) remediation and the initial regulatory treatment for the recovery of associated costs in 1991. At that time, I filed testimony in matters involving New Jersey Natural Gas Company (BRC Docket No. GR91081393J), Jersey Central Power & Light Company (BRC Docket No. ER91121820J) and Public Service Electric & Gas Company (BRC Docket No. ER91111698J).

Since 1991, I have worked on Remediation Adjustment Clause (“RAC”) filings in numerous proceedings involving the five New Jersey Utilities that are involved in MGP remediation. I have also worked on MGP remediation issues involving utilities in Pennsylvania, Georgia, Vermont, Rhode Island, and Delaware. With respect to Pivotal Utilities Holdings (“Elizabethtown” or “Company”), I have been the Division of Rate Counsel’s consultant on recent RAC filings and the audits conducted by both the Board’s Audit Staff and Liberty Consulting.

II. SCOPE AND PURPOSE OF TESTIMONY

Q. WOULD YOU PLEASE STATE THE SCOPE AND PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A. I was hired by the New Jersey Division of Rate Counsel (“Rate Counsel”) to review the 2007, 2008 and 2009 Societal Benefits Charge (“SBC”) filings made by Elizabethtown and evaluate various policy issues based on regulatory considerations. The Company’s SBC includes a RAC mechanism, which allows the Company to recover costs associated with the environmental remediation of former MGP sites. My review focused on the Company’s claims for the recovery of MGP remediation costs and the supporting data made available by the Company to support their recovery through the existing RAC cost recovery mechanism.

The purpose of my testimony is to present findings and recommendations to the New Jersey Board of Public Utilities (“Board” or “BPU”) concerning issues raised by the Company’s filings.

Q. IN PERFORMING YOUR REVIEW AND ANALYSIS, WHAT DATA SOURCES DID YOU UTILIZE?

A. My review and analysis encompassed the Company's filings, responses to discovery requests, meetings with Company personnel, and information obtained in various other regulatory proceedings.

Q. WERE THERE ANY LIMITATIONS PLACED ON YOUR REVIEW AND ANALYSIS OF THE COMPANY'S FILINGS?

A. As of the time this testimony was prepared, the Company had not provided sufficient data and information to properly document various aspects of its claimed RAC costs. Accordingly, I would like to reserve the right to amend or supplement this testimony if required.

Q. WAS THIS TESTIMONY PREPARED BY YOU OR UNDER YOUR DIRECT SUPERVISION?

A. Yes, this testimony was prepared by me.

III. OVERVIEW AND CONCLUSIONS

- Recovery Through the RAC Mechanism

Q. WHAT CIRCUMSTANCES GAVE RISE TO THE BOARD'S INSTITUTION OF THE RAC MECHANISM, AND WHAT WERE THE REQUIREMENTS FOR OBTAINING COST RECOVERY?

A. The first major decision on the recovery of RAC related costs involved Public Service Electric and Gas Company. I/M/O Public Service Electric and Gas Company, BRC Docket No. ER91111698J, (Sept. 15, 1993) ("PSE&G RAC Order"). Although two other New Jersey gas utilities, New Jersey Natural Gas Company and South Jersey Gas Company, had entered into prior stipulations concerning RAC cost recovery, the Public Service case effectively modified certain prior recovery provisions.

In the Board's Decision and Order in that case, RAC cost recovery was limited to reasonable and prudent costs related to the remediation of manufactured gas plant sites subject to comprehensive Board oversight of the implementation of environmental compliance plans (PSE&G RAC Order p.14). In assessing such costs, the Board considered descriptive details of the Company's remediation program and detailed support for the costs incurred in carrying out the program (PSE&G RAC Order p.19). The Board went on to note, "Going forward, an

essential part of the Board's decision is its directives requiring verification and audit of ongoing costs incurred in implementing the Company's remediation program" (PSE&G RAC Order p.20). The Board-approved Stipulation that first authorized the implementation of a RAC mechanism for Elizabethtown stated that the mechanism adopted for the Company was intended to be consistent with the mechanism previously approved by the Board for Public Service. I/M/O Petition of Elizabethtown Gas Co., a Division of NUI Corp. for Authority to Amend its Tariff for Gas Service to Include a Manufactured Gas Plant Remediation Clause, BPU Docket No. GR95090440, Order Adopting Stipulation, attached Stipulation, p. 4 (Aug. 1, 1996).

Q. BASED ON THE REFERENCED BOARD ORDER AND SUBSEQUENT PROCEEDINGS INVOLVING RAC COST RECOVERIES, WHAT ARE THE APPLICABLE STANDARDS ASSOCIATED WITH RECOVERING SUCH COSTS FROM RATEPAYERS?

A. I have been informed by counsel that when seeking recovery of expenses through rates, the Company has the burden of proof to show that the expenses are reasonable and were prudently incurred.

Q. WHAT EXPENSES ARE AT ISSUE IN THESE PROCEEDINGS, AND WHY WERE THEY NOT PREVIOUSLY EVALUATED AND APPROVED FOR RECOVERY IF APPROPRIATE?

A. The expenses at issue in these proceedings are RAC related expenditures. Several factors have contributed to the delay in making a final determination concerning Elizabethtown's RAC related expenditures. As part of the Stipulation resolving the Company's 2005 and 2006 SBC filings, the parties reserved their rights to challenge, for the 2004-2005 and 2005-2006 RAC recovery years, the Company's claims for Natural Resource Damage ("NRD") related costs and other costs potentially associated with out-of-state activities or other activities not recoverable through the RAC. I/M/O the Petition of Pivotal Utility Holding, Inc. d/b/a/ Elizabethtown Gas Co. to Revise its [1] Weather Normalization Clause Rates; [2] Societal Benefits Charge Rate; [3] Transportation Initiation Clause Rate; and [4] On-System Margin Sharing Credit, and to Make Changes in its Gas Tariffs Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1, BPU Docket Nos. GR05080730 and GR06080621, Order Adopting Settlement for Final Rate at 7 (July 30, 2008) ("2005-2006 RAC Order").

At the time the parties entered into that Stipulation, the Board's Audit Staff was conducting an audit review of costs for which recovery was sought through the RAC from October 1, 1987 through June 30, 2006. Id. That audit is still pending before the Board. In the three SBC proceedings that are the subject of

this testimony, the Company's Petitions were reviewed and discovery was propounded, but the resolution of the Company's claims was deferred pending the audit.

Q. WERE THERE OTHER EVENTS THAT HAD BEARING ON THE PENDING REVIEW OF THE 2005-2007 RAC EXPENDITURES?

A. In 2004 Elizabethtown was purchased by AGL Resources ("AGLR") and there were many changes made to the Company's operations. With respect to RAC related matters, management control, legal work, contracting and staffing were all transferred to AGLR's headquarters in Atlanta, Georgia. With the transfer, there were personnel changes, new remediation review procedures, and changes to how expenses were reviewed and charged to remediation. The transfer of personnel and new procedures also resulted in communication issues between the Atlanta personnel and the Company's environmental personnel in New Jersey as well as the other parties concerning the review and analysis of the MGP remediation programs and costs.

Finally, there was also a Board initiated external audit for both the management and operations as well as affiliate transactions for Elizabethtown. This external audit was conducted by the Liberty Consulting Group, and it also covered remediation activities and costs during the 2005-2007 period. I/M/O the Focused Audit of Affiliated Transactions and Management Audit of

Elizabethtown Gas Company by the Liberty Consulting Group, BPU Dkt. No. GA07100705.

Q. WHAT OTHER ISSUES HAVE ARISEN WITH RESPECT TO THE COMPANY'S HISTORICAL RAC EXPENDITURES AND THEIR RECOVERY?

A. There has been a continuing issue concerning whether certain RAC expenses relate to the Company's overall administration rather than to the actual MGP remediation efforts. Based on my experience, the utilities in New Jersey have routinely segregated remediation costs and have not sought to pass through ancillary expenses for RAC recovery. In contrast, as discussed below, my review of Elizabethtown's claimed RAC costs revealed several instances where inappropriate expenses were included within the claimed RAC recovery amounts. The Company's failure to identify and exclude such expenses is most clearly evident in instances where expenses involving other non-New Jersey MGP sites were included for recovery and apparently were never appropriately evaluated by either AGLR or Company personnel.

Q. BASED ON YOUR REVIEW OF THE CLAIMED RAC EXPENSES IN THE PENDING SBC DOCKETS, WHAT TYPES OF ACTIVITIES AND COSTS COULD BE EXCLUDED FROM REIMBURSEMENT?

A. Given their limited justification for recovery, the following issue areas were identified as problems:

1. Activities that relate to the Company's change in ownership, including AGLR's need to understand and evaluate the RAC program, the Company's need to comply with Sarbanes-Oxley ("SOX") reporting requirements, and non-RAC related administration activities.
2. Insurance related costs and recoveries which are subject to recovery restrictions and deferral. The costs of claims for insurance recovery are limited to 50% of expenditures related to each claim with the remainder of costs deferred and recovered only from actual recoveries related to each claim. The Company appears not to be tracking these costs on a claim-by-claim basis, has not provided documentation of its compliance with the Board's deferral requirements in its accounting records, and may not be accumulating all costs related to insurance claims.
3. NRD related costs that should not be recovered through the RAC mechanism. In the context of Elizabethtown's RAC, NRDs are defined as compensation sought by the State of New Jersey for alleged injury to the State's natural resources, above and beyond the costs necessary to

investigate and remediate the Company's former MGP sites. As the Company specifically agreed in the Stipulation resolving its 2005 and 2006 SBC filings, such costs are to be deferred (with interest) until the Board decides the related recovery issue. 2005-2006 RAC Order, Stipulation, par. D.1. As will be discussed in greater detail below, the information initially provided by the Company clearly omitted some costs that should have been deferred. The Company now acknowledges that additional NRD related costs were incurred, but to date, it has not provided a comprehensive review to identify NRD related costs that are subject to deferral under the Stipulation.

4. Legal expenses that relate to general corporate matters, legal research that had previously been conducted, duplication of work between law firms, and various law firm initiated special studies.
5. Expenses incurred by environmental firms involving unspecified tasks, models and model data, transition related work, concept documents, work concerning the Board Audit Staff review, strategic documents, and other inadequately defined activities.

6. Expenses related to non-New Jersey remediation activities. These expenses and their associated activities involved legal work and tasks performed by various remediation consultants.

- Summary of Findings and Recommendations

Q. BASED UPON YOUR REVIEW AND ANALYSIS OF THE COMPANY'S CLAIMED REMEDIATION COSTS, WHAT FINDINGS AND RECOMMENDATIONS DO YOU BELIEVE THE BOARD SHOULD ADOPT?

A. It is recommended that Your Honor and the Board adopt the following requirements for the Company applicable to both the claimed expenses in the three pending dockets and prospectively for current and future RAC expense reimbursements:

1. First and foremost, the Board should reiterate that the RAC recovery mechanism is an extraordinary procedure that allows annual adjustments to rates for mandated MGP related remediation. Moreover, with such a mechanism, there is also a requirement that the Company provide proof that all related remediation expenses are just and reasonable. Additionally, the required burden of proof is not met by providing summary schedules of

expenditures, limited descriptions of vendor activities, and inadequate evidence that the claimed expenditures have been fully reviewed and evaluated by the Company. In future SBC filings, the Company should be required to provide sufficient information about the nature of the activities for which recovery is sought to permit Rate Counsel and the Board to determine whether these activities are properly recovered in the RAC.

2. Before any of the RAC expenditures are approved for recovery in the three pending cases, the Company should be required to provide adequate proof that it has subjected its claimed RAC expenditures to thorough evaluation and has made adjustments to remove improper and inadequately justified expenditures identified in this proceeding.
3. In the envisioned evaluation by the Company, evidence should be provided showing that the Company has taken measures to assure that all applicable NRD and insurance expense claims have been subject to recovery limitations and been deferred in accordance with existing Board procedures.
4. The Company should be required to undertake an internal review to identify all claimed expenses in the three pending dockets that relate to

activities that may be outside the scope of RAC remediation cost recovery. Such activities would include those related to the Company's merger with AGLR, allocations to the Company by AGLR related to reorganization and changes in staffing and operation of remediation functions, charges associated with SOX compliance, MGP remediation effort for non-New Jersey MGP sites or activities, and other activities and expenses related to audits.

5. The documentation to justify expense recovery through the RAC mechanism should include details of the nature of work performed by major contractors. The current level of expense detail often fails to fully define the work and the allocation to New Jersey vs. non-New Jersey accounts.

6. In the current proceedings it was often impossible to determine the exact nature of work performed. As discussed later in this testimony, even the Company personnel responsible for providing information to Rate Counsel and the Board did not appear to have a full understanding of activities related to individual contractor activities. Such deficiencies and inadequate expense documentation must be remedied in the Company's future filings.

7. It should be recognized that with respect to MGP remediation for Elizabethtown, its ownership structure and the fact that all the personnel responsible for managing the Company's remediation activities are based in Atlanta limits the Company's and the parties' ability to perform full oversight and review.

IV. RAC EXPENDITURES LACKING SUFFICIENT JUSTIFICATION

- Remediation Insurance Recoveries

Q. DURING THE PAST SEVERAL YEARS THE COMPANY HAS SPENT CONSIDERABLE SUMS OF MONEY PURSUING REMEDIATION CLAIMS AGAINST VARIOUS INSURANCE COMPANIES. WHAT HAS BEEN THE OUTCOME OF THE COMPANY'S ATTEMPT TO OBTAIN REIMBURSEMENT FROM ITS CARRIERS?

A. During approximately the past 18 years, the Company has pursued insurance reimbursement from various carriers under policies that involve MGP liabilities. To date, the Company appears to have incurred legal expenses on insurance matters that may exceed recoveries, thus necessitating compliance with the Board's deferral requirements. In order to prevent utilities from pursuing frivolous legal actions against insurance carriers, the Board has limited insurance related expense recovery to 50% of actual costs for each insurance claim with the provision that the other 50% could be recovered from proceeds associated with each claim. Additionally, the Company has not apparently maintained records on insurance related legal expenses as required under Board adopted provisions.

Insurance related expenses and associated billing details have been obtained from Elizabethtown, but that data does not provide adequate information. For

example, the law firms do not bill their work on a claim by claim basis, nor do they or the Company track the cumulative charges for activities related to insurance reimbursement. Accordingly, the Company should be required to disclose details and applicable information on the following:

- What insurance related expenses have been incurred by all legal firms and what reimbursements have been received relative to each insurance carrier action?
- Why are there duplicative law firms involved in the Company's insurance recovery matters, and why are such firms charging fees for research on the related law that has previously been developed by the Company?

Many insurance carriers have become insolvent or have resorted to run off (liquidation) processes that often result in little, if any, reimbursement. As a result, utilities often have obtained settlements with sharing mechanisms to address future remediation costs that were not immediately quantifiable. The Company's lead insurance law firm, Covington & Burling ("C&B"), has appeared to have made little progress in obtaining recoveries, and since the Company's merger, AGLR's law firm which handles regulatory matters has also become involved in remediation insurance claims.

While such matters have been raised with the Company, few specific details have been provided concerning claimed remediation related expenses and the appropriateness of their recovery through the RAC mechanism (see Exhibit 1 for details from a sample of some legal charges).

- Merger Related Expenditures

Q. YOU REFERENCED CLAIMED RAC EXPENSES THAT APPEARED TO INVOLVE MERGER RATHER THAN REMEDIATION RELATED WORK. PLEASE PROVIDE SOME EXAMPLES OF SUCH EXPENDITURES.

A. The Company hired a former employee's consulting firm, LTM Environmental, as a consultant to assist it on several MGP related issues. However, a review of the consultant's underlying invoices shows charges related to a North Carolina site and activities related to the Board Staff Audit (see Exhibit 2 for details of the charges). The vast majority of the consulting charges involved work related to the audit and not ongoing MGP remediation work. Additionally, the nature of the work performed by LTM Environmental appears to involve corporate administration and merger requirements that are not properly recovered through the RAC recovery mechanism.

In addition, AGLR engaged its outside law firm, McKenna Long & Aldridge ("ML&A") to handle many of its RAC-related activities. Beginning in

2005, this firm was involved with an “environmental assessment of New Jersey sites.” Such work included legal research regarding applicable environmental law, review of previous corporate research for non-New Jersey MGP sites including the environmental liability and evaluation of Elizabeth City and Lexington Gas sites and potentially responsible parties (“PRPs”). Much of this work in 2005 appears to be duplicative of work previously performed by the Company and is reflective of merger-related activities. Additionally, the legal bills reflect that there was work involving an Augusta Extension, Penn & Southern coverage, cost estimates, SOX controls, DOT litigation, NRD estimates, and “concept documents” (see Exhibit 1 for some of these charges).

The Company has not provided additional data and explanations concerning such work by ML&A, and without such data it is currently not possible to determine if such costs are appropriate for recovery through the RAC mechanism.

- Environmental Consulting Charges

Q. YOU REFERENCED AN ML&A INITIATED ENVIRONMENTAL ASSESSMENT OF NEW JERSEY REMEDIATION SITES. WAS ALL OF THIS WORK DONE BY ML&A OR DID THAT FIRM CONTRACT WITH OUTSIDE REMEDIATION CONSULTING FIRMS?

A. Soon after the merger with AGLR, in 2004, a substantial amount of incremental work was performed by consulting firms concerning the Company's MGP remediation matters. These firms included the RETEC Group ("RETEC"), URS Corporation ("URS"), Environmental Resources Management ("ERM"), GEI Consultants ("GEI"), and Environmental Cost Management ("ECM"). Beginning with RETEC, its work involved considerable cost modeling. The nature and scope of such activities has never been adequately described or justified as being MGP remediation related. Such work involved a Monte-Carlo probability analysis of likely remediation costs where "limited information on the specific nature and extent of impact is not yet known, where regulatory agencies have not approximated a remedial plan and where engineering cost certainly has not been obtained." (Company Response RCR-51, Docket No. GR05080730) Despite the large sums of fees charged by RETEC (over \$1.0 million between 2005 and 2008) there was often no description of activities and the purpose of the work (see Exhibit 3 for contractor charges). There is also no justification to show that this work is MGP remediation related rather than merger related.

The Company also contracted with URS during the 2004-2005 period for the services of Ken Seborowski. Included with the work activities were numerous charges for NRD and insurance related work. The total charges included approximately \$8,000 for NRD related activities and \$10,000 for work on insurance matters. Since expenses for both NRD and insurance are subject to

deferral, the Company should have provided sufficient documentation as to whether such charges were included in RAC recoveries and the basis for such recovery.

Likewise, ERM provided substantial charges for NRD related activities. In April, 2005 alone, there appears to have been about \$17,000 charged to NRD related matters. These charges and others appear to have been incurred as part of RETEC's modeling activities. In addition to ERM's billing for NRD work, there was also about \$4,000 charged by GEI for NRD issues in October 2003. As for ECM, during 2006 it was retained by AGLR to work on Concept Documents for unspecified data and issues (see Exhibit 4 for NRD charges).

- RAC Administrative Charges

Q. OVERALL, DID YOUR REVIEW DETERMINE WHETHER THE COMPANY WAS ADEQUATELY CONTROLLING RAC EXPENSES AND ENSURING THAT ALL CHARGES TO RATEPAYERS WERE APPROPRIATE?

A. Based on my review, there were numerous instances where the Company failed to properly review and control RAC costs. With control over MGP remediation having been shifted to the Company's new parent, AGLR, anomalies began to arise as noted previously. There likewise was no evidence that the Atlanta as well

as New Jersey personnel were adhering to RAC recovery procedures established by the Board.

For example, it does not appear that the Company has been properly limiting insurance related costs as specified by the Board. In the Board's initial order concerning PSE&G's RAC recovery mechanism (BRC Docket No. ER91111698J), the Board noted that "costs incurred in pursuing insurance and third party recoveries under the provisions of the New Jersey Natural Gas Company and South Jersey Gas Company RACs, 50% would be amortized upon incurrence, and the remaining 50% only if the related recovery were successful" (PSE&G RAC Order p.13). Subsequently, the utilities in New Jersey have tracked and adhered to this provision concerning insurance cost recovery.

Based on the data supplied by the Company in these matters, it became clear that the Company has not been adhering to this recovery restriction, and in fact, it has not even maintained records concerning its insurance related expenditures. In addition to insurance related expenditures for work done by C&B and ML&A, there are also indications that some of the environmental consulting firms have also worked on matters associated with insurance related issues. Indeed, in the Company's schedules that detail charges from ML&A the Company did not even break out the insurance related amounts from the total billings to the Company (see Exhibit 1).

This issue is material since there are indications in billings from C&B that as of the end of 2005 C&B had charged about \$500,000 to the Company for its insurance related work. In comparison, to date the Company has obtained just one material recovery from its insurance carriers which constitutes about 70% of its total recoveries. Thus, the majority of its coverage (and its associated expenses) involve carriers that have yet to make any payments to the Company.

Q. WHAT OTHER REMEDIATION EXPENSES INVOLVE ACTIVITIES THAT DO NOT APPEAR TO QUALIFY FOR RECOVERY THROUGH THE RAC MECHANISM?

A. In addition, the Company has not been properly segregating NRD expenses despite the fact that such charges appear to be penalties rather than costs to clean up MGP remediation sites. Indeed, when questions were posed concerning the scope and status of NRD related costs, it became clear that the Company was not deferring the costs and indeed did not even know what level of NRD costs had been incurred.

In a supplemental discovery request (RCR-SBC-7) the Company was asked to explain why it only accounted for \$5,258 of NRD expenses when the billing detail appears to show a far greater level of expenditures. In response, the Company reaffirmed the stated amount for the periods after July 1, 2004. Unfortunately, the Company's response failed to include \$1,828 charged to NRD

by ML&A, \$13,024 charged by ERM, and an additional \$1,693 charged by GEI. In total, it appears that even after the NRD amount was challenged, the Company continued to understate the expense by about 80% (see Exhibit 4).

The Company also apparently ignored any quantification of charges by ML&A related to various administrative tasks that do not appear to be properly recovered through the RAC mechanism. A review of various ML&A invoices disclosed a variety of charges that should be further reviewed and possibly disallowed for recovery. A partial list of these activities (see Exhibit 1) in 2005 contain the following:

- NUI's liability for six non-New Jersey sites
- Legal research concerning NUI liability as owner/operator
- Research on the history of Elizabethtown Gas
- Legal research regarding corporate history for Elizabeth City and Lexington
- Legal research concerning NUI's connection to original gas companies
- Legal research on Towanda Iron & Metal and Pennsylvania Gas and Water
- Work on SOX certification, NRD claims and North Carolina counsel

Q. BASED ON YOUR REVIEW OF THE COMPANY'S FILINGS AND THE DOCUMENTATION PROVIDED CONCERNING THE MGP REMEDIATION

EXPENSES, WHAT FACTORS SHOULD THE ADMINISTRATIVE LAW JUDGE AND THE BOARD CONSIDER IN RESOLVING THIS CASE?

- A. As stated previously, given the overarching principle that the Company carries the burden of proof to show that its claimed expenses are appropriate for RAC recovery, Your Honor and the Board should deny recovery.

While it is understood that the Company, during the period involved, was undergoing material changes to its operation due to the purchase by AGLR, this fact does not excuse it from the need to adequately justify expenses charged to its ratepayers. The evidence shows that a material portion of the claimed expenditures were not subject to adequate review and documentation. The invoices and discovery responses I reviewed also show that inadequate procedures were in place for AGLR and the Company relative to the supervision and accounting for the extensive remediation activities that were underway.

As set forth herein and in the Exhibits to my testimony, there appear to be a number of areas where inappropriate costs were charged to the Company's remediation program based on inadequate documentation and review. It is also troublesome that subsequent actions by the Company appear to have obfuscated rather than corrected inappropriate expenses included for RAC recovery. It is the Company and not the other parties that are required to sort out and document expense claims, and this did not appear to be the case in these dockets. In

practice, the Company, unlike other utilities involved in MGP remediation in New Jersey, failed to provide sufficient justification for its claimed expenses.

Given the passage of time since these expenses were incurred and the Company's change in ownership and operations, it is recognized that there may be factors that impede resolution of certain expense uncertainties. However, the Company's position of "prove to us what is inappropriate" rather than "providing adequate justification" should not be allowed. Therefore, Your Honor and the Board should deny recovery of the sought-after expenses.

Q. MR. LELASH, DOES THIS CONCLUDE YOUR TESTIMONY IN THIS MATTER AT THIS TIME?

A. Yes, it does.

V. APPENDIX: PRIOR R.W. LELASH TESTIMONIES

R. W. LELASH'S REGULATORY TESTIMONIES
(2006 to Present)

282. New Jersey, Pivotal Utilities Holdings (Docket No. GR05040371) Pipeline Replacement Cost Recovery Testimony for the New Jersey Ratepayer Advocate (February, 2006).
283. New Jersey, Public Service Electric & Gas Company (Docket No. GR05050470) Gas Supply Requirements Testimony for the New Jersey Ratepayer Advocate (May, 2006).
284. New Jersey, Public Service Electric & Gas Company (Docket No. GR05100845) Base Rate Regulatory Policy Testimony for the New Jersey Ratepayer Advocate (June, 2006).
285. Vermont, Vermont Gas Systems (Docket No. 7109/7160) Report on Gas Price Hedging for Vermont Gas Systems (December, 2006).
286. Delaware, Chesapeake Utilities Corporation (Docket No. 06-287F) Report on Gas Price Hedging for Chesapeake Utilities Corporation (March 2007).
287. Delaware, Chesapeake Utilities Corporation (Docket No. 06-287F) Gas Procurement and Policy Testimony for the Delaware Public Service Commission (March, 2007).
288. Pennsylvania, Philadelphia Gas Works (Docket No. R-00061931) Base Rate Regulatory Policy Testimony for the Pennsylvania Office of Consumer Advocate (April, 2007).
289. Pennsylvania, Philadelphia Gas Works (Docket No. R-00072110) Gas Cost Rate Testimony for the Pennsylvania Office of Consumer Advocate (April 2007)
290. Pennsylvania, Philadelphia Gas Works (Docket No. R-00061931) Base Rate Rebuttal Testimony for the Pennsylvania Office of Consumer Advocate (May 2007).
291. Pennsylvania, Philadelphia Gas Works (Docket No. R-0001931) Base Rate Surrebuttal Testimony for the Pennsylvania Office of Consumer Advocate (May 2007).
292. Pennsylvania, PECO Energy Company (Docket No. R-00072331) Gas Procurement and Policy Testimony for the Pennsylvania Office of Consumer Advocate (July, 2007).
293. Georgia, Atlanta Gas Light Company (Docket No. 18437-U) Capacity Supply Plan Testimony for the Georgia Public Service Commission (August, 2007)
294. Delaware, Chesapeake Utilities Corporation (Docket No. 07-186) Gas Policy Testimony for the Delaware Public Service Commission (December, 2007).
295. Delaware, Chesapeake Utilities Corporation (Docket No. 07-246F) Gas Procurement and Policy Testimony for the Delaware Public Service Commission (April, 2008).
296. Pennsylvania, Philadelphia Gas Works (Docket No. R-2008-2021348) Gas Cost Rate Testimony for the Pennsylvania Office of Consumer Advocate (April, 2008).
297. New Jersey, New Jersey Natural Gas Company (Docket No. GR07110889) Base Rate Policy Testimony for the Division of Rate Counsel (April, 2008).

298. Georgia, Atmos Energy Corporation (Docket No. 27168) Gas Supply Plan Testimony for the Georgia Public Service Commission (August, 2008).
299. Pennsylvania, Philadelphia Gas Works (Docket No. R-2008-2073938) Emergency Rate Relief Testimony for the Pennsylvania Office of Consumer Advocate (December, 2008).
300. Delaware, Delmarva Power & Light Company (Docket No. 08-266F) Gas Procurement and Policy Testimony for the Delaware Public Service Commission (February, 2009).
301. Delaware, Chesapeake Utilities Corporation (Docket No. 08-269F) Gas Procurement and Policy Testimony for the Delaware Public Service Commission (March, 2009).
302. Pennsylvania, Philadelphia Gas Works (Docket No. R-2009-2088076) Gas Procurement and Policy Testimony for the Pennsylvania Office of Consumer Advocate (April, 2009).
303. Pennsylvania, PECO Energy Company (Docket No. R-2009-2108705) Gas Procurement and Policy Testimony for the Pennsylvania Office of Consumer Advocate (July, 2009).
304. Delaware, Chesapeake Utilities Corporation (Docket No. 08-269F, Phase II) Gas Policy Testimony for the Delaware Public Service Commission (August, 2009).
305. Georgia, Atmos Energy Corporation (Docket No. 29554) Gas Supply Plan Testimony for the Georgia Public Service Commission (August, 2009).
306. New Jersey, Pivotal Utilities Holdings (Docket No. GR09030195) Base Rate Policy Regulatory Testimony for the Division of Rate Counsel (August, 2009).
307. New Jersey, Public Service Electric & Gas Company (Docket No. GR09050422) Base Rate Regulatory Policy Testimony for the Division of Rate Counsel (November, 2009).
308. New Jersey, Gas and Electric Utilities (Docket No. EX00020091) Rate Recovery of Deferred USF Expenditures for the Division of Rate Counsel (January, 2010).
309. Delaware, Chesapeake Utilities Corporation (Docket No. 09-398F) Gas Procurement and Policy Testimony for the Delaware Public Service Commission (January, 2010).
310. Delaware, Delmarva Power and Light Company (Docket No. 09-385F) Gas Procurement and Policy Testimony for the Delaware Public Service Commission (February, 2010).
311. Pennsylvania, Philadelphia Gas Works (Docket No. R-2009-2139884) Base Rate Policy Testimony for the Pennsylvania Office of Consumer Advocate (March, 2010).
312. Pennsylvania, Philadelphia Gas Works (Docket No. R-2010-2157062) Gas Procurement and Policy Testimony for the Pennsylvania Office of Consumer Advocate (April, 2010).
313. Pennsylvania, Philadelphia Gas Works (Docket No. R-2009-2139884) Base Rate Rebuttal Testimony for the Pennsylvania Office of Consumer Advocate (April, 2010).
314. Pennsylvania, Philadelphia Gas Works (Docket No. R-2009-2139884) Base Rate Surrebuttal Testimony for the Pennsylvania Office of Consumer Advocate (May, 2010).

315. New Jersey, South Jersey Gas Company (Docket No. GR10010035) Base Rate Policy Testimony for the Division of Rate Counsel (May, 2010).
316. Pennsylvania, PECO Energy Company (Docket No. R-2010-2174034) Gas Procurement and Policy Testimony for the Pennsylvania Office of Consumer Advocate (July, 2010).
317. Georgia, Atmos Energy Corporation (Docket No. 31492) Gas Supply Plan Testimony for the Georgia Public Service Commission (August, 2010).
318. New Jersey, Public Service Electric & Gas Company (Docket No. EO10110835) Certification on Proposal to Disclose Individual Customers' Proprietary Information for the Division of Rate Counsel (October, 2010).
319. New Jersey, Generic Stakeholder Proceeding (Docket Nos. GR10100761 and ER10100762) Certification Standards for Gas Distribution Utility Rate Discounts for the Division of Rate Counsel (January, 2011).
320. Delaware, Delmarva Power and Light Company (Docket No. 010-295F) Gas Procurement and Policy Testimony for the Delaware Public Service Commission (February, 2011).
321. Delaware, Chesapeake Utilities Corporation (Docket No. 10-296F) Gas Procurement and Policy Testimony for the Delaware Public Service Commission (March, 2011).

VI. SUPPORTING EXHIBITS

EXHIBIT 1

Legal Bills

- McKenna, Long & Aldridge
- Smith, Anderson, Blount, Dorsett,
Mitchell & Jernigan, L.L.P.
- Covington & Burling

DESCRIPTION OF SERVICES

- 01/25/05 S Kazmarek .70 TELEPHONE CONFERENCE WITH S. GOODMAN.
- 01/26/05 S Kazmarek .80 TELEPHONE CONFERENCE WITH S. PARASCANDOLA.
- 01/27/05 S Kazmarek .50 WORK ON EMAIL.
- 02/09/05 S Kazmarek 12.50 TRAVEL TO NEW JERSEY; MEET WITH L. MORISI.
- 02/10/05 S Kazmarek 6.00 TRAVEL BACK TO ATLANTA.
- 02/11/05 S Kazmarek 2.00 SEND EMAIL TO J. BROWN REGARDING DISCLOSURE;
MEET TO DISCUSS DISCLOSURE ISSUES.
- 02/16/05 K Hale 3.70 MEETING WITH S. KAZMAREK REGARDING NUI'S
POTENTIAL ENVIRONMENTAL LIABILITY FOR FOUR
NON-NEW JERSEY SITES; REVIEW OF ENVIRONMENTAL
REPORTS AND PREVIOUS CORPORATE RESEARCH FOR
SAID SITES; LEGAL RESEARCH REGARDING
APPLICABLE ENVIRONMENTAL LAW.
- 02/17/05 K Hale 6.50 REVIEW OF ENVIRONMENTAL REPORTS AND PREVIOUS
CORPORATE RESEARCH FOR NON-NEW JERSEY MGP
SITES; LEGAL RESEARCH REGARDING APPLICABLE
ENVIRONMENTAL LAW; DRAFT MEMORANDUM REGARDING
CORPORATE HISTORY AS IT RELATES TO POTENTIAL
ENVIRONMENTAL LIABILITY AS AN OPERATOR OR
OWNER OF THESE SITES.
- 02/22/05 K Hale 6.10 ADDITIONAL LEGAL RESEARCH REGARDING
APPLICABLE ENVIRONMENTAL LAW; CONTINUE
ANALYZING AND DRAFTING MEMORANDUM REGARDING
POTENTIAL LIABILITY OF NUI AS OPERATOR AND
OWNER.

DESCRIPTION OF SERVICES

03/01/05	C Geiger	.70	WORK ON COST ESTIMATE PROPOSAL.
03/02/05	K Hale	1.00	LEGAL RESEARCH REGARDING HSRA.
03/03/05	C Geiger	.80	CRS CONTRACT REVIEW; REVISE MODIFICATION.
03/04/05	S Kazmarek	1.70	CONFERENCE CALL WITH SAUL GOODMAN.
03/09/05	S Kazmarek	1.00	REVIEW LEGAL LIABILITY MEMORANDUM; REVIEW AND REVISE SCOPE.
03/09/05	K Hale	4.20	<u>REVIEW RESEARCH REGARDING NON-NEW JERSEY MGP SITES FROM J. TOBIN; ADD NEW RESEARCH TO MEMO ON 6 SITES; RESEARCH AND DRAFT NEW MEMO ON NON-NEW JERSEY SITES INCLUDING ELIZABETH CITY AND LEXINGTON.</u>
03/10/05	K Hale	.80	RESEARCH HISTORY OF ELIZABETHTOWN GAS.
03/11/05	C Geiger	.60	REVIEW SCOPE AND DISSEMINATE SAME.
03/14/05	C Geiger	.60	REVIEW SCOPE OF WORK REGARDING FILE REVIEW.
03/15/05	C Geiger	.50	TELEPHONE CONFERENCE WITH ERM REGARDING UPCOMING WORK.
03/17/05	C Geiger	.80	WORK ON ERM COST PROPOSAL.
03/18/05	C Geiger	1.30	DRAFT CONTRACT WITH ERM.
03/22/05	S Kazmarek	.40	REVIEW TARIFF ISSUES.
03/23/05	S Kazmarek	1.00	TELEPHONE CONFERENCE WITH S. THIGPEN.
03/23/05	C Geiger	.80	EMAILS TO ERM REGARDING AGREEMENT FOR WORK.

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03/23/05 K Hale 4.20 LEGAL RESEARCH REGARDING CORPORATE HISTORY OF ELIZABETH CITY AND LEXINGTON GAS; DRAFT MEMO REGARDING SAID RESEARCH.

03/24/05 S Kazmarek 1.50 WORK ON MEMORANDUM TO S. THIGPEN.

03/24/05 C Geiger 2.90 PREPARE MEMORANDUM WITH S. KAZMAREK FOR UNDERWRITERS REGARDING MGP COST ESTIMATES PROCESS.

03/24/05 C Geiger .30 REVISE ERM CONTRACT.

03/24/05 K Hale 5.00 LEGAL RESEARCH REGARDING CORPORATE HISTORY OF MGP SITES; EDIT MEMORANDUM REGARDING SAID RESEARCH AND POTENTIALLY RESPONSIBLE PARTIES.

03/25/05 C Geiger .20 SEND EMAIL TO D. ROBINSON REGARDING SCOPE OF WORK.

03/30/05 C Geiger .80 CONFERENCE WITH S. KAZMAREK; TELEPHONE CONFERENCE CALL WITH S. KAZMAREK AND T. GOODSON REGARDING SCOPE OF WORK FOR ERM AND RETEC'S ROLE.

DESCRIPTION OF SERVICES

04/01/05 C Geiger .30 REVIEW ERM AGREEMENT.

04/04/05 S Kazmarek 1.80 PARTICIPATE IN CONFERENCE CALL; TELEPHONE CONFERENCE WITH DECOTIS FIRM REGARDING PIVOTAL UTILITY.

04/04/05 C Geiger .90 TELEPHONE CONFERENCE WITH T. GOODSON, S. KAZMAREK AND ERM; DISCUSS SCOPE OF WORK AND PROCESS.

04/05/05 C Geiger 1.00 FINALIZE ERM AGREEMENT AND EMAIL OUT; FURTHER CORRECTIONS TO AGREEMENT.

04/05/05 K Hale 3.50 CORPORATE RESEARCH AND RESEARCH ON POTENTIAL PRP'S.

04/06/05 K Hale 4.40 LEGAL RESEARCH REGARDING PRP'S AND CORPORATE CHAIN TO NUI; DRAFT MEMORANDA AND CREATE FLOW CHARTS FOR NUI'S CORPORATE CONNECTION TO ORIGINAL GAS COMPANIES.

04/07/05 K Hale 6.00 PRP RESEARCH; LEGAL RESEARCH REGARDING LIABILITY BETWEEN PARENT AND SUBSIDIARY; RESEARCH REGARDING NUI CONNECTION TO WAVERLY AND TOWANDA GAS PLANTS.

04/11/05 K Hale 5.70 LEGAL RESEARCH REGARDING PRP'S AND CORPORATE CHAIN TO NUI; DRAFT MEMORANDA AND CREATE FLOW CHARTS FOR NUI'S CORPORATE CONNECTION TO ORIGINAL GAS COMPANIES.

04/12/05 S Kazmarek 1.00 WORK ON MEMORANDUM FOR P. SHLANTA REGARDING NEW JERSEY LAW FIRMS.

04/14/05 S Kazmarek 1.10 REVIEW REMEDIATION SCENARIOS FOR LEGAL DISCLOSURE AND ACCOUNTING.

04/14/05 C Geiger 2.10 REVIEW ERM'S DRAFTS FOR COST ESTIMATES.

- 04/14/05 K Hale 6.40 LEGAL RESEARCH REGARDING ADDITIONAL PRP'S FOR ALL 6 SITES INCLUDING HISTORICAL RESEARCH; CONTINUE DRAFTING MEMO REGARDING NUI CONNECTION TO GAS COMPANIES AND OTHER PRP'S.
- 04/18/05 C Geiger .70 REVIEW ERM'S SPREADSHEETS.
- 04/19/05 C Geiger .80 PARTICIPATE IN CONFERENCE CALL WITH D. ROBINSON AND T. GOODSON REGARDING STATUS OF COST ESTIMATES; TELEPHONE CONFERENCE WITH S. KAZMAREK AND T. GOODSON REGARDING ERM.
- 04/19/05 K Hale 5.60 FURTHER CORPORATE RESEARCH ON LEXINGTON SITE; ADD TO MEMORANDUM ACCORDINGLY; ADD ADDITIONAL INFORMATION ON OTHER POTENTIAL PRP'S; COORDINATE WITH IT REGARDING FLOW CHARTS FOR NUI CONNECTION TO GAS COMPANIES.
- 04/20/05 S Kazmarek 3.30 CONTINUED REVIEW OF LEGAL STRATEGIES AND COST ESTIMATING PROCESSES; SEVERAL TELEPHONE CONVERSATIONS REVIEWING LEGAL REQUIREMENTS.
- 04/20/05 C Geiger .80 WORK ON ISSUES; TELEPHONE CONFERENCE WITH T. GOODSON AND S. KAZMAREK.
- 04/20/05 K Hale 3.50 LEGAL RESEARCH REGARDING TOWANDA IRON & METAL, PENNSYLVANIA GAS & WATER COMPANY AND OTHER PRP'S AT TOWANDA MGP SITE; EDIT MEMORANDUM ACCORDINGLY.
- 04/21/05 S Kazmarek 7.00 CONTINUED WORK ON REMEDIATION STRATEGIES AND LEGAL REQUIREMENTS FOR COST ESTIMATES/DISCLOSURES.
- 04/21/05 C Geiger 3.50 REVIEW COST SHEETS; CONFERENCE CALL WITH T. GRIFFIN AND S. KAZMAREK; REVIEW ERM WORK; CONFERENCE CALL WITH ERM AND S. KAZMAREK; CONFERENCE WITH S. KAZMAREK.
- 04/21/05 K Hale 1.00 ADDITIONAL RESEARCH REGARDING PRP'S; ORGANIZE PRP RESEARCH AS NECESSARY.
- 04/22/05 C Geiger 1.00 TELEPHONE CONFERENCE WITH T. GOODSON REGARDING ERM; REVIEW DOCUMENTS PREPARED BY ERM.

DESCRIPTION OF SERVICES

01/28/05 S Laseter	2.00 BEGIN REVIEW OF MATERIALS FROM S. GOODMAN REGARDING <u>NUI</u> INSURANCE.
01/31/05 S Laseter	3.00 CONTINUED REVIEW OF S. GOODMAN MATERIALS.
03/03/05 S Laseter	2.30 REVIEW ADDITIONAL MATERIALS FROM S. GOODMAN REGARDING <u>NUI</u> CLAIMS; WORK ON INSURANCE ISSUES WITH C. GEIGER REGARDING <u>AUGUSTA EXTENSION</u> .
03/04/05 S Laseter	2.50 CONFERENCE CAL WITH S. KAZMAREK AND S. GOODMAN REGARDING INSURANCE CLAIMS.
04/1/05 S Laseter	1.40 PHONE CALL S. GOODMAN; REVIEW CORRESPONDENCE FROM S. GOODMAN, <u>ALL REGARDING NUI</u> INSURANCE CLAIMS.
04/13/05 S Laseter	.40 PHONE CALL S. GOODMAN REGARDING LONDON INSURANCE SYNDICATE <u>RUN-OFF PLANS AS IT RELATES TO PENN & SOUTHERN COVERAGE</u> . ✓
04/18/05 S Laseter	1.20 WORK WITH S. GOODMAN AND D. SLOVENSKY CONCERNING PLAN OF LIQUIDATION FOR SOLVENT LONDON CARRIERS. ✓
05/03/05 C Geiger	.30 TELEPHONE CONFERENCE WITH T. GOODSON AND S. KAZMAREK REGARDING ERM.
05/04/05 S Kazmarek	1.00 WORK ON INSURANCE COVERAGE ISSUES; TELEPHONE CONFERENCE WITH S. BORNES; SEND FOLLOW-UP EMAIL TO S. BORNES.
05/05/05 C Geiger	2.50 WORK ON COST ESTIMATES, SCOPE AND TANKS; TELEPHONE CONFERENCE CALL WITH T. GOODSON, S. KAZMAREK, D. ROBINSON REGARDING WORK TO BE DONE; TELEPHONE CONFERENCE CALL WITH T. GOODSON, S. KAZMAREK AND R. MACKAY REGARDING WORK TO BE DONE.

05/10/05 C Geiger .40 PREPARE FOR ERM MEETING.

05/11/05 C Geiger 7.60 ATTEND MEETING WITH T. GOODSON, ERM AND RETEC TO DISCUSS THE SITES.

05/12/05 S Kazmarek 2.50 PREPARE DOCUMENTATION FOR SOX CONTROLS DO E-MAIL TO M. HARRIS REGARDING SAME; DO E-MAIL TO T. GOODSON REGARDING SUBSTITUTION OF CONSULTANTS.

05/12/05 C Geiger .80 CONFERENCE WITH S. KAZMAREK REGARDING MOVING FORWARD; WORK ON ERM MEMORANDUM.

05/16/05 C Geiger 3.60 WORK ON RETEC CONTRACT.

05/17/05 C Geiger 1.40 WORK ON CONTRACT AND SCOPE FOR COST ESTIMATES.

05/18/05 C Geiger 1.40 DRAFT AND REVISE CONTRACT.

05/19/05 C Geiger 1.30 TELEPHONE CONFERENCE WITH T. GOODSON REGARDING COST ESTIMATING WORK.

05/20/05 S Kazmarek .80 PREPARE SEVERAL E-MAILS TO M. HARRIS REGARDING SOX CERTIFICATION REQUIREMENTS AND SCOPE OF WORK FOR CH2M-HILL.

05/20/05 C Geiger 1.90 WORK ON RETEC CONTRACT, FINALIZE AND SEND OUT; REVIEW CH2M HILL INFORMATION.

05/24/05 S Kazmarek .30 PREPARATION OF E-MAIL TO J. BROWN REGARDING CHOICE OF NJ COUNSEL FOR MGP REVIEW.

05/26/05 S Kazmarek .50 TELEPHONE CONVERSATION WITH S. MONAGHAN AND L. COOPER REGARDING DOT LITIGATION.

05/26/05 C Geiger 1.50 ATTEND MEETING AT T. GOODSON'S OFFICE WITH C. HARRIS REGARDING COST ESTIMATES.

05/30/05 C Geiger .50 WORK ON CONTRACT FOR CH2M HILL.

DESCRIPTION OF SERVICES

06/02/05 S Kazmarek	.80	PREPARE SEPCO SUMMARY FOR UPDATE MEETING.
06/03/05 S Kazmarek	4.10	PREPARE FOR AGLC MEETING; PARTICIPATE IN REVIEW MEETING AT AGLC.
06/03/05 C Geiger	2.50	ATTEND MEETING AT AGLC WITH R. CLEVELAND, T. GOODSON AND SEVERAL OTHER INDIVIDUALS.
06/07/05 C Geiger	1.00	LEFT MESSAGE FOR B. SIEGEL REGARDING RETEC CONTRACT; TELEPHONE CONFERENCE WITH CHARLOTTE AND S. LASETER REGARDING INSURANCE ISSUES; CONFERENCE WITH A. BOOHER REGARDING RESEARCH; TELEPHONE CONFERENCE WITH J. BROWN REGARDING RESEARCH.
06/10/05 S Kazmarek	.50	WORK ON MNA REQUIREMENTS FOR SATISFYING LEGAL ELEMENTS OF CONSENT ORDER.
06/14/05 C Geiger	1.30	REVIEW GROUNDWATER PROPOSAL.
06/15/05 C Geiger	2.60	CONFERENCE WITH S. KAZMAREK REGARDING GROUNDWATER ISSUES AT MGP SITES; REVIEW GROUNDWATER PROPOSAL; REVISE CONTRACT.
06/16/05 S Laseter	1.90	MEET WITH C. GEIGER; REVIEW MATERIAL FROM RETEC; PHONE CALL WITH T. GOODSON; DRAFT DETAILED E-MAIL TO P. WAGNER; <u>ALL REGARDING INSURANCE FOR RETEC CONTRACTS.</u>
06/17/05 C Geiger	1.30	SEND EMAIL REGARDING INSURANCE ISSUE IN RETEC CONTRACT; WORK ON GROUNDWATER AND CH2M HILL CONTRACTS.
06/20/05 S Kazmarek	.50	PARTICIPATE IN WEEKLY CONFERENCE CALL.

DESCRIPTION OF SERVICES

06/02/05 S Kazmarek	1.00 WORK ON SCOPE AND <u>SOX CERTIFICATION</u> .
06/02/05 C Geiger	1.20 WORK ON RETEC CONTRACT; TELEPHONE CONFERENCE WITH T. GOODSON REGARDING CONTRACT AND INSURANCE CHANGE.
06/03/05 C Geiger	.20 RESPOND TO M. HARRIS REQUEST FOR INFORMATION.
06/07/05 C Geiger	.70 WORK ON CH2M HILL ISSUES.
0 8/05 C Geiger	1.00 WORK ON RETEC AGREEMENT.
06/09/05 S Kazmarek	2.80 WORK ON <u>COST ESTIMATES</u> .
06/09/05 C Geiger	2.40 TELEPHONE CONFERENCE CALL WITH RETEC REGARDING PACKAGE OF <u>COST ESTIMATES</u> .
06/11/05 S Kazmarek	4.30 REVIEW <u>COST ESTIMATES</u> .
06/12/05 C Geiger	3.00 REVIEW <u>COST ESTIMATES</u> .
06/13/05 S Kazmarek	8.00 WORK ON COSTS.
06/13/05 C Geiger	8.80 WORK ON CH2M HILL'S SCOPE; REVIEW COST ESTIMATES; MEETING REGARDING <u>COST ESTIMATES</u> WITH S. KAZMAREK AND T. GOODSON; TELEPHONE CONFERENCE CALL WITH RETEC, S. KAZMAREK AND T. GOODSON.
06/14/05 C Geiger	.20 WORK ON DOCUMENTS AND <u>COST ESTIMATES</u> .
06/15/05 C Geiger	1.50 TELEPHONE CONFERENCES WITH M. HARRIS; WORK ON CONTRACT WITH RETEC.
06/16/05 C Geiger	.30 CONFERENCE WITH S. <u>LASETER REGARDING RETEC INSURANCE ISSUE</u> .

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06/20/05 C Geiger 2.00 SEND EMAIL TO T. GOODSON REGARDING CONTRACT ISSUES; TELEPHONE CONFERENCE WITH T. GOODSON REGARDING CONTRACTS AND REVISE GROUNDWATER CONTRACT BASED ON CONFERENCE CALL; FURTHER WORK ON GROUNDWATER CONTRACT.

06/20/05 S Laseter *ETG* 1.20 PHONE CALL WITH S. GOODMAN REGARDING SOUTHERN AMERICAN CLAIM; REVIEW NUI INSURANCE STRATEGY. ✓

06/21/05 C Geiger 1.50 WORK ON GROUNDWATER CONTRACT; CONFERENCE CALL WITH J. OOSTERHOUDT AND CHARLOTTE (RETEC) REGARDING CONTRACT ISSUES.

06/22/05 C Geiger 1.20 REVIEW REQUEST FOR PROPOSAL AND RETEC'S PROPOSAL FOR TERMS IN CONTRACT; WORK ON CONTRACT.

06/23/05 S Laseter *ETG* 1.60 PHONE CALL WITH S. GOODMAN REGARDING VARIOUS NUI INSURANCE ISSUES; WORK ON MEMORANDUM REGARDING THE SAME.

06/24/05 C Geiger 1.00 WORK ON GROUNDWATER CONTRACT; TELEPHONE CONFERENCE WITH T. GOODSON.

06/24/05 S Laseter *ETG* .50 PHONE CALL WITH T. GOODSON; DRAFT E-MAIL TO S. GOODMAN; BOTH REGARDING NUI INSURANCE.

06/27/05 S Laseter *ETG* 3.80 PHONE CALL WITH T. GOODSON REGARDING NUI INSURANCE; PHONECALLS TO S. GOODMAN REGARDING THE SAME; FINALIZE RECOMMENDATION MEMORANDUM REGARDING NUI INSURANCE CLAIMS.

06/30/05 C Geiger .20 TELEPHONE CONFERENCE WITH J. OOSTERHOUDT REGARDING CONTRACTS.

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06/17/05 C Geiger .40 TELEPHONE CONFERENCE WITH M. HARRIS REGARDING
COST ESTIMATES.

06/20/05 C Geiger .70 WORK ON CONTRACT.

06/21/05 C Geiger .80 REVISE CONTRACT BASED ON M. HARRIS' COMMENTS;
SEND CONTRACT OUT TO ALL.

06/22/05 S Kazmarek 1.50 REVIEW APPLICABLE REGULATORY REQUIREMENTS.

06/22/05 C Geiger 1.80 WORK ON COST ESTIMATES.

06/23/05 S Kazmarek 2.30 ~~WORK ON NRD CLAIMS; TELEPHONE CALL WITH C.
DOWDY REGARDING NORTH CAROLINA COUNSEL;
CONFERENCE CALL WITH R. SCERBO.~~

06/28/05 C Geiger 1.00 REVIEW COST ESTIMATES.

06/30/05 C Geiger 1.70 REVIEW AND REVISE CONTRACT LANGUAGE FROM, T.
ZIMMER (RETEC COUNSEL); TELEPHONE CALL WITH
T. GOODSON REGARDING SAME AND COST ESTIMATE.

DESCRIPTION OF SERVICES

07/01/05 C Geiger .60 TELEPHONE CONFERENCE WITH T. ZIMMER REGARDING AGREEMENT FOR COST ESTIMATE WORK.

07/05/05 S Kazmarek 3.50 PREPARATION FOR CONFERENCE CALL; PARTICIPATE IN CONFERENCE CALL.

07/05/05 C Geiger 2.00 PARTICIPATE IN CONFERENCE CALL REGARDING COST ESTIMATES.

7/06/05 C Geiger .90 TELEPHONE CONFERENCE WITH T. GOODSON AND S. KAZMAREK REGARDING COST ESTIMATE ISSUES.

7/08/05 S Kazmarek 3.60 REVIEW R. SCERBO NRD ESTIMATES; SEND EMAIL TO J. BROWN; WORK WITH RETEC AND CH2M HILL TO FINALIZE COST ESTIMATES FOR AGLR ACCOUNTING; ATTEND COST ESTIMATES/DISCLOSURE MEETING. ✓

7/08/05 C Geiger 1.10 WORK ON CONTRACT WITH RETEC; EMAIL SAME TO T. ZIMMER; TELEPHONE CONFERENCE WITH T. ZIMMER; REVISE CONTRACT AND SEND OUT.

7/11/05 C Geiger .90 WORK ON AGREEMENT WITH RETEC; REVIEW EMAIL FROM M. KNUPP REGARDING SAME.

7/12/05 C Geiger .30 WORK ON CONTRACT WITH RETEC.

7/13/05 S Kazmarek .50 REVIEW M. HARRIS NRD ANALYSIS. 0

ELIZABETHTOWN GAS
MATTER NUMBER: 29355.1001
INVOICE NO.: 482525

April 27, 2006

PAGE 2

DESCRIPTION OF SERVICES

03/06/06 C Geiger	3.30	WORK ON <u>CONCEPT DOCUMENTS</u> REVIEW.
03/07/06 S Kazmarek	3.00	PREPARATION FOR MEETING; REVIEW <u>CONCEPT DOCUMENTS</u> .
03/07/06 C Geiger	1.50	CONFERENCE WITH S. KAZMAREK REGARDING <u>CONCEPT DOCUMENTS</u> .
03/08/06 S Kazmarek	9.00	ATTEND CONCEPT DOCUMENTS FINALIZATION MEETING.
03/09/06 S Kazmarek	1.40	WORK ON EMAIL REGARDING LEGAL ISSUE OF COST ESTIMATES; DISCUSS WITH C. GEIGER.
03/10/06 C Geiger	1.00	WORK ON <u>CONCEPT DOCUMENTS</u> .
03/13/06 S Kazmarek	1.10	WORK ON MEMORANDUM TO J. BROWN REGARDING COST ISSUE.
03/23/06 S Kazmarek	1.00	REVIEW AND REVISE COST MEMORANDUM.
03/27/06 S Kazmarek	.50	TELEPHONE CONFERENCE WITH JCH REGARDING <u>INSURANCE COVERAGE</u> .

SMITH, ANDERSON, BLOUNT, DORSETT, MITCHELL & JERNIGAN, L.L.P.

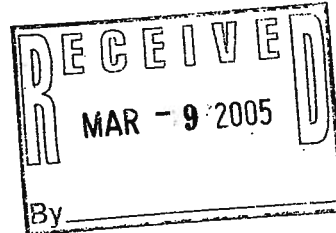
P.O. BOX 2611
RALEIGH, NC 27602-2611
FEDERAL TAX ID# 56-0402850
919-821-1220

Ms. Lilian Morisi
NUI Corporation
550 Route 202-206
P. O. Box 760
Bedminster, NJ 07921-0760

December 7, 2004
Invoice No.: 129852
Page 1
STP

Matter No: 008996.00001

RE: Pennsylvania and Southern Gas Company
and Suburban Gas Company



Fees for Professional Services
Expense Advances
Balance Due

\$ 4,355.00
39.12

PAID - \$ 4,394.12 *Jul Cooper*

----- SERVICES SUMMARY -----

Stephen T. Parascandola	15.25	\$260.00	3,965.00
Alison R. Pollock	3.00	\$130.00	390.00

dyh-UTILS. ~~XXXXXXXXXX~~

Jim Martin
2/8/05
J.H. Gordon
2/18/05

PAID
APR 12 2005

670 200 0457

~~XXXXXXXXXX~~

PO# 19480

cc: S. High
L. Cooper (ORIGINAL) *2/8/05*

Ms. Lillian Morisi
NUI Corporation
550 Route 202-206
P. O. Box 760
Bedminster, NJ 07921-0760

December 7, 2004
Invoice No.: 129852
Page 2
STP

Matter No: 008996.00001

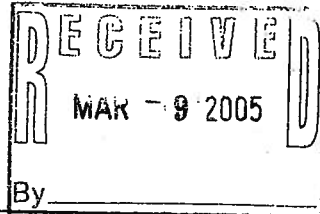
RE: Pennsylvania and Southern Gas Company
and Suburban Gas Company

DATE	ATTY		HOURS
11/01/04	ARP	Draft email to City of Lexington.	0.50
11/01/04	STP	Correspondence to and from City of Lexington personnel regarding records request; research regarding records request procedures; contact City Attorney regarding same; prepare list of documents to be obtained and reviewed.	2.25
11/02/04	ARP	Discussions with Ms. Burris and review documents regarding Lexington MGP site.	2.00
11/02/04	STP	Travel to and review NCDENR records regarding Lexington, Rocky Mount and Henderson; work on orphan site documentation for NCDENR; legal analysis.	4.50
11/03/04	ARP	Telephone conferences with Ms. Lanier at the City of Lexington.	0.50
11/11/04	STP	Prepare for and participate in conference call with Ms. Morisi regarding NCDENR disclosure matters; work on disclosure strategy and related documents; legal analysis.	1.50
11/17/04	STP	Consideration of possible disclosures for North Carolina environmental liabilities; finalization of letter to auditors regarding same; legal analysis.	1.50
11/19/04	STP	Several conferences with City of Lexington personnel and City Attorney regarding site history records and operational history; work on letter to NCDENR regarding same; legal analysis.	1.50
11/24/04	STP	Travel to and from NCDENR regarding orphan site research; conference with NCDENR personnel regarding same; work on Lexington facility operation records review.	2.25
11/30/04	STP	Meeting with NCDENR personnel regarding status of orphan site search and history of Lexington facilities; work on strategy for liability defense; lengthy conference call with Lillian Morisi regarding same; outline open issues.	1.75

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NEW YORK
LONDON
BRUSSELS
SAN FRANCISCO



INVOICE NUMBER
60352533
ACCOUNT NUMBER
024286.00102.
DATE
December 31, 2004

NUI Corporation

Insurance Coverage for Pennsylvania & Southern Gas Company

PAID
APR 2 2005

For professional services rendered in connection with the above referenced matter for the period November 1, 2004, through November 30, 2004, as follows:

<u>Date</u>	<u>Description</u>	<u>Hours</u>	<u>Timekeeper</u>
11/14/04	Review and revise insurer status report and appendix; review materials.	2.75	Saul B. Goodman
11/17/04	Review and revise status report and draft transmittal letter to insurers; draft response to audit letter.	1.50	Saul B. Goodman
11/18/04	Review of correspondence with carriers; updating address table for mailing.	0.50	Patricia Truitt
11/18/04	Review and revise status report and transmittal letter; review attachments; telephone calls with L. Morisi re insurer update.	2.50	Saul B. Goodman
11/19/04	Working on mailing to carriers re status update.	1.00	Patricia Truitt
11/19/04	Review and revise status report.	1.25	Saul B. Goodman
11/22/04	Working on mailing to carriers	1.25	Karen Clayton
11/22/04	Review and revise P&S update memo and transmittal letters to P&S insurers.	1.75	Saul B. Goodman
11/23/04	Telephone call with M. Wagner and P. Dalton and voicemails with other insurers re update; review materials.	0.75	Saul B. Goodman
11/29/04	Telephone calls with AEGIS and AIG claims representatives re site update.	0.25	Saul B. Goodman
	Total Hours:	13.50	

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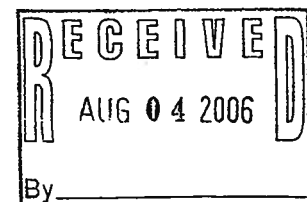
INVOICE NUMBER
60397241
ACCOUNT NUMBER
024286.00101
DATE
July 28, 2006

AGL Resources

Insurance Coverage for Elizabethtown Gas Company

For professional services rendered in connection with the above referenced matter for the period June 1, 2006, through June 30, 2006, as follows:

<u>Date</u>	<u>Description</u>	<u>Hours</u>	<u>Timekeeper</u>
6/2/06	Telephone call with S. Kazmarek re negotiation project; review materials re same.	1.75	Saul B. Goodman
6/5/06	Review Elizabethtown Gas materials in preparation for upcoming meeting; email re same.	1.25	Saul B. Goodman
6/7/06	<u>Review pivotal cost estimates</u> ; telephone call with S. Kazmarek re same; review AEGIS settlement files; organize remaining tasks re settlement negotiation project.	2.50	Saul B. Goodman
6/7/06	Call with S. Goodman re policy and site issues in preparation for AGL meeting.	0.25	Benedict M. Lenhart
6/8/06	Email to S. Kazmarek re EGC site reports; prepare for conference call.	0.75	Saul B. Goodman
6/9/06	Working on allocations showing different results using the latest Retec cost estimates; plotting coverage charts; emails re same.	2.00	Patricia Truitt
6/9/06	Prepare for conference call; email re agenda topics; review ReTec and <u>Environmental Cost Management Reports</u> .	1.75	Saul B. Goodman
6/11/06	Review AGL site reports and coverage charts.	0.25	Benedict M. Lenhart
6/11/06	Review materials for 6/12 conference call.	1.00	Andrew D. Johnson
6/12/06	<u>Review Retec and Environmental Cost Reports</u> ; telephone call with S. Kazmarek, S. Scruggs and others re cost estimates; follow up re same.	2.75	Saul B. Goodman



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NEW YORK
SAN FRANCISCO
LONDON
BRUSSELS

INVOICE NUMBER

60413826

ACCOUNT NUMBER

024286.00101

DATE

February 28, 2007

AGL Resources

Insurance Coverage for Elizabethtown Gas Company

For professional services rendered in connection with the above referenced matter for the period January 1, 2007, through January 31, 2007, as follows:

<u>Date</u>	<u>Description</u>	<u>Hours</u>	<u>Timekeeper</u>
1/15/07	Telephone call with M. Kennedy re Sentry inquiry; review materials re same; follow up email to P. Truitt.	0.75	Saul B. Goodman
1/24/07	Begin work on response to BPU interrogatory; assemble materials re work during audit year.	0.75	Saul B. Goodman
1/25/07	<u>Reviewing work on Elizabethtown Gas matters during audit year.</u>	0.25	Karen Clayton
1/26/07	<u>Work on response to audit inquiry.</u>	0.50	Saul B. Goodman
1/28/07	Review Elizabethtown Gas materials for response to BPU interrogatory; draft proposed response; follow up email re Sentry.	1.00	Saul B. Goodman
1/29/07	Creating New Jersey Owens-Illinois allocations to determine the amount of costs needed to reach <u>Great Southwest coverage</u> ; email re same.	1.00	Patricia Truitt
1/29/07	<u>Review Elizabethtown materials for audit inquiry</u> ; revise draft response to BPU; telephone calls with S. Cook re same; email re North Atlantic payment; follow up re AGL inquiries; email to B. Lenhart re proposed meeting.	2.50	Saul B. Goodman
1/30/07	Telephone call with B. Lenhart re settlement issues; follow up call with D. Brown.	0.50	Saul B. Goodman
1/31/07	Telephone call with S. Kazmarek re upcoming AGL meeting; follow up re same.	0.50	Saul B. Goodman
	Total Hours:	7.75	

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INVOICE NUMBER
60423511
ACCOUNT NUMBER
024286.00101
DATE
June 27, 2007

AGL Resources, Inc.

Insurance Coverage for Elizabethtown Gas Company

For professional services rendered in connection with the above referenced matter for the period May 1, 2007, through May 31, 2007, as follows:

<u>Date</u>	<u>Description</u>	<u>Hours</u>	<u>Timekeeper</u>
5/11/07	Analyzing allocations regarding Gen Re and North Star.	0.20	Patricia Truitt
5/11/07	Prepare cost chart for AGL.	0.80	Andrew D. Johnson
5/17/07	<u>Draft memo re options for pursuing coverage; review materials re same.</u>	1.30	Saul B. Goodman
5/17/07	Revise AGL cost charts and call with S. Goodman	0.60	Andrew D. Johnson
5/18/07	Review and revise draft memo re strategic options.	0.20	Saul B. Goodman
5/18/07	Revise AGL chart.	0.30	Andrew D. Johnson
5/20/07	Review and revise draft memo re options for pursuing coverage.	1.00	Saul B. Goodman
5/21/07	Review and revise draft memo re options for pursuing coverage; review materials re same.	0.80	Saul B. Goodman
5/23/07	Review and revise draft memo re options for pursuing coverage; review materials re same.	1.10	Saul B. Goodman
5/24/07	<u>Preparing summary of claims filed with insolvent insurers.</u> *	1.10	Karen Clayton
5/24/07	<u>Review and revise draft memo re options for pursuing coverage; telephone call with S. Laseter re same.</u>	0.80	Saul B. Goodman
5/24/07	Review and edit insurance work plan.	0.30	Benedict M. Lenhart
5/24/07	<u>Revising AGL proposal memorandum.</u>	1.30	Andrew D. Johnson
5/29/07	<u>Review and revise draft memo re insurance recovery strategy.</u>	0.50	Saul B. Goodman
	Total Hours:	10.30	

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SAN FRANCISCO
WASHINGTON

INVOICE NUMBER
60454432
ACCOUNT NUMBER
024286.00101
DATE
July 21, 2008

AGL Resources

Insurance Coverage for Elizabethtown Gas Company

For professional services rendered in connection with the above referenced matter for the period June 1, 2008, through June 30, 2008, as follows:

<u>Date</u>	<u>Description</u>	<u>Hours</u>	<u>Timekeeper</u>
6/10/08	Review strategic options memo and coverage materials; organize work to revise memo.	1.70	Saul B. Goodman
6/11/08	Review strategic options memo and coverage materials; organize work to revise memo.	2.30	Saul B. Goodman
6/25/08	<u>Researching choice of law and analyzing risk of preemptive litigation.</u>	0.50	Christopher Murray
6/26/08	Researching choice of law and analyzing risk of preemptive litigation.	1.70	Christopher Murray
6/27/08	Researching choice of law and analyzing risk of preemptive litigation.	1.50	Christopher Murray
6/29/08	Researching choice of law and analyzing risk of preemptive litigation.	2.90	Christopher Murray
6/30/08	Researching choice of law and analyzing risk of preemptive litigation.	3.20	Christopher Murray
	Total Hours:	13.80	

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 FAX 202.682.8291
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BEIJING
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 NEW YORK
 SAN FRANCISCO
 WASHINGTON

INVOICE NUMBER
 60455956
 ACCOUNT NUMBER
 024286.00101
 DATE
 August 8, 2008

AGL Resources

Insurance Coverage for Elizabethtown Gas Company

For professional services rendered in connection with the above referenced matter for the period July 1, 2008, through July 31, 2008, as follows:

<u>Date</u>	<u>Description</u>	<u>Hours</u>	<u>Timekeeper</u>
7/1/08	Researching choice of law and analyzing risk of preemptive litigation; updating research on specific coverage issues under <u>New Jersey law.</u>	1.90	Christopher Murray
7/2/08	Continue researching choice of law and analyzing risk of preemptive litigation; updating research on specific coverage issues under New Jersey law.	2.40	Christopher Murray
7/3/08	Researching choice of law and analyzing risk of preemptive litigation; updating research on specific coverage issues under New Jersey law.	1.20	Christopher Murray
7/7/08	<u>Updating research on specific coverage issues under New Jersey law.</u>	0.90	Christopher Murray
7/8/08	Updating research on specific coverage issues under New Jersey law.	2.00	Christopher Murray
7/9/08	Updating research on specific coverage issues under New Jersey law.	3.70	Christopher Murray
7/10/08	Updating research on specific coverage issues under New Jersey law.	3.10	Christopher Murray
7/11/08	Phone conferences with S. Cook, S. Kazmarek, and S. Goodman to coordinate revisions to carrier update reports.	0.20	Christopher Murray
7/16/08	Attending to carrier status report updates and related conversation with S. Goodman.	0.10	Christopher Murray
7/18/08	Review coverage analysis and related materials; meeting with C. Murray re same.	1.00	Saul B. Goodman

7/31

8/14
 8/25

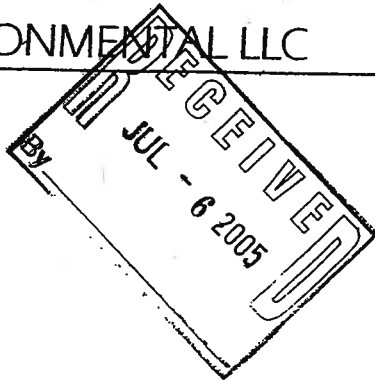
EXHIBIT 2

LTM Environmental, LLC Invoices

LTM ENVIRONMENTAL LLC

LTM ENVIRONMENTAL LLC
 128 Greenwood Avenue
 Madison, NJ 07940
 Tel: (973) 975-8308

Federal ID 20-2567599



Tim Goodson
 AGL Resources
 One Peachtree Place NE
 Atlanta, Georgia 30309

Invoice No. 05-0305001
 Invoice Date: 5/23/05

Performance Period: March 21 - May 21, 2005

<u>Date</u>	<u>Description</u>	<u>Quantity</u>	<u>Rate</u>	<u>Total</u>
03/31/05	L. Morisi (8 am - 4 pm) NJ MGP: Site Meeting (All Sites) NJ MGP Site Inspection (Erie, South St, Rahway, Perth Amboy)	8.00 hr	\$142	1,136.00
04/01/05	L. Morisi (9:30 am - 7 pm) NC MGP: Site Inspection (Elizabeth City)	9.50 hr	\$142	1,349.00
Labor Subtotal:				\$2,485.00
<u>Reimbursable Expenses:</u>				
Travel:	Mileage: Airfare/Taxi	40 mi	0.405	16.20 453.89
Expense Subtotal:				\$470.09

2,955

1349
 470
 1,819

PAY TOTAL:

\$2,955.09

chg to ESTG MGP
 TR Goodson
[Signature]

670210-0457

PO # 1203

per. ex # 5648
 9/2/05

Labor Detail:

<u>Date</u>	<u>Description</u>	<u>Quantity</u>	<u>Rate</u>	<u>Total</u>
	L. Morisi			
04/03/06	MGP RAC data collection (Union, NJ)	7.00 hr	\$ 150	1,050.00
04/04/06	Meet w/ NJBPU audit staff / MGP RAC data collection (Union, NJ)	6.00 hr	\$ 150	900.00
04/06/06	Same as above	4.00 hr	\$ 150	600.00
04/07/06	Same as above	3.50 hr	\$ 150	525.00
04/10/06	Same as above	8.00 hr	\$ 150	1,200.00
04/11/06	Same as above	5.50 hr	\$ 150	825.00
04/12/06	Same as above	5.00 hr	\$ 150	750.00
04/18/06	Same as above	4.00 hr	\$ 150	600.00
04/19/06	Same as above	4.50 hr	\$ 150	675.00
04/20/06	Same as above	4.50 hr	\$ 150	675.00
04/21/06	T/C Covington & Burling and SC	0.25 hr	\$ 150	37.50
04/24/06	T/C S. Cook; meet w/ NJBPU audit staff / MGP RAC data collection (Union, NJ)	5.50 hr	\$ 150	825.00
04/25/06	T/C S. Bornes & S. Cook	0.75 hr	\$ 150	112.50
04/26/06	MGP RAC data collection (Union, NJ).	5.00 hr	\$ 150	750.00
04/27/06	Meet w/ NJBPU audit staff / MGP RAC data collection (Union, NJ).	<u>4.50 hr</u>	\$ 150	<u>675.00</u>
		68.00	\$ 150	\$10,200.00
			Labor Subtotal:	\$10,200.00

Labor Detail:

<u>Date</u>	<u>Description</u>	<u>Quantity</u>	<u>Rate</u>	<u>Total</u>
	L. Morisi			
05/01/06	Meet w/ NJBPU audit staff; MGP data collection	5.00 hr	\$ 150	750.00
05/02/06	Meet w/ NJBPU audit staff; MGP data collection	8.00 hr	\$ 150	1,200.00
05/03/06	Meet w/ NJBPU audit staff; MGP data collection	6.50 hr	\$ 150	975.00
05/05/06	Meet w/ NJBPU audit staff; MGP data collection	4.50 hr	\$ 150	675.00
05/08/06	MGP data collection	5.00 hr	\$ 150	750.00
05/09/06	MGP data collection	5.00 hr	\$ 150	750.00
05/16/06	Meet w/ NJBPU audit staff; MGP data collection	4.50 hr	\$ 150	675.00
05/17/06	Meet w/ NJBPU audit staff; MGP data collection	4.50 hr	\$ 150	675.00
05/19/06	Meet w/ NJBPU audit staff; MGP data collection	4.25 hr	\$ 150	637.50
05/22/06	Meet w/ NJBPU audit staff; MGP data collection	4.50 hr	\$ 150	675.00
05/23/06	Meet w/ NJBPU audit staff; MGP data collection	6.00 hr	\$ 150	900.00
05/24/06	Meet w/ NJBPU audit staff; MGP data collection	3.75 hr	\$ 150	562.50
05/30/06	Meet w/ NJBPU audit staff; MGP data collection	4.00 hr	\$ 150	600.00
		65.50	\$ 150	\$9,825.00
		Labor Subtotal:		\$9,825.00

Labor Detail:

<u>Date</u>	<u>Description</u>	<u>Quantity</u>	<u>Rate</u>	<u>Total</u>
	L. Morisi			
06/01/06	Meet w/ NJBPU audit staff; MGP data collection	4.50 hr	\$150	675.00
06/02/06	Meet w/ NJBPU audit staff; MGP data collection	6.00 hr	\$150	900.00
06/06/06	Meet w/ NJBPU audit staff; MGP data collection	5.75 hr	\$150	862.50
06/07/06	Meet w/ NJBPU audit staff; MGP data collection	4.75 hr	\$150	712.50
06/08/06	Meet w/ NJBPU audit staff; MGP data collection	4.00 hr	\$150	600.00
06/12/06	Meet w/ NJBPU audit staff; MGP data collection	3.00 hr	\$150	450.00
06/14/06	Prep Butler St summary for MPK	2.00 hr	\$150	300.00
06/15/06	Meet w/ NJBPU audit staff; MGP data collection	3.25 hr	\$150	487.50
06/21/06	T/C S. Cook Butler St & audit update	0.50 hr	\$150	75.00
06/22/06	Meet w/ NJBPU audit staff; MGP data collection	2.75 hr	\$150	412.50
06/23/06	Meet w/ NJBPU audit staff; MGP data collection; & Prep Bulter Street bid documents.	4.00 hr	\$150	600.00
06/27/06	MGP data collection;	3.00 hr	\$150	450.00
06/29/06	Meet w/ NJBPU audit staff; MGP data collection;	3.00 hr	\$150	450.00
06/30/06	MGP data collection;	6.00 hr	\$150	900.00
		52.50	\$150	\$7,875.00
	Labor Subtotal:			\$7,875.00

Labor Detail:

<u>Date</u>	<u>Description</u>	<u>Quantity</u>	<u>Rate</u>	<u>Total</u>
	L. Morisi			
07/03/06	MGP data collection	1.00 hr	\$150	150.00
07/05/06	MGP data collection	2.50 hr	\$150	375.00
07/07/06	MGP data collection	3.00 hr	\$150	450.00
07/10/06	MGP data collection	2.00 hr	\$150	300.00
07/11/06	Meet w/ NJBPU audit staff; MGP data collection	5.00 hr	\$150	750.00
07/12/06	MGP data collection	4.00 hr	\$150	600.00
07/13/06	MGP data collection	8.00 hr	\$150	1,200.00
07/14/06	MGP data collection	4.00 hr	\$150	600.00
07/17/06	MGP data collection	6.00 hr	\$150	900.00
07/20/06	MGP data collection	4.50 hr	\$150	675.00
07/21/06	Meet w/ NJBPU audit staff; MGP data collection	5.00 hr	\$150	750.00
07/28/06	MGP data collection	4.00 hr	\$150	600.00
		49.00	\$150	\$7,350.00
		Labor Subtotal:		\$7,350.00

Labor Detail:

<u>Date</u>	<u>Description</u>	<u>Quantity</u>	<u>Rate</u>	<u>Total</u>
08/01/06	L Morisi T/C S. Cook re: audit	1.00 hr	\$150	150.00
08/02/06	MGP data collection	7.00 hr	\$150	1,050.00
08/03/06	Meet w/ NJBPU audit staff; MGP data collection	3.50 hr	\$150	525.00
08/07/06	Meet w/ NJBPU audit staff; site visit (Rahway & Perth Amboy); MGP data collection	8.00 hr	\$150	1,200.00
08/09/06	MGP data collection	3.50 hr	\$150	525.00
08/10/06	Meet w/ NJBPU audit staff; MGP data collection	4.25 hr	\$150	637.50
08/11/06	Butler St. appraisal; MGP data collection	8.00 hr	\$150	1,200.00
08/14/06	T/C S. Cook re: audit; MGP data collection	1.00 hr	\$150	150.00
08/15/06	Meet w/ NJBPU audit staff; MGP data collection	4.00 hr	\$150	600.00
08/17/06	Meet w/ NJBPU audit staff; MGP data collection	4.00 hr	\$150	600.00
08/21/06	Meet w/ NJBPU audit staff; MGP data collection	3.00 hr	\$150	450.00
08/23/06	Meet w/ NJBPU audit staff; MGP data collection	3.00 hr	\$150	450.00
08/24/06	Meet w/ NJBPU audit staff; MGP data collection	4.00 hr	\$150	600.00
08/29/06	Meet w/ NJBPU audit staff; MGP data collection	3.00 hr	\$150	450.00
08/30/06	Meet w/ NJBPU audit staff; MGP data collection	3.75 hr	\$150	562.50
		61.00	\$150	\$9,150.00
		Labor Subtotal:		\$9,150.00

Labor Detail:

<u>Date</u>	<u>Description</u>	<u>Quantity</u>	<u>Rate</u>	<u>Total</u>
	L. Morisi			
09/01/06	MGP data collection	4.00 hr	\$150	600.00
09/05/06	Meet w/ NJBPU audit staff; MGP data collection	4.00 hr	\$150	600.00
09/06/06	Meet w/ NJBPU audit staff; MGP data collection	4.50 hr	\$150	675.00
09/07/06	Meet w/ NJBPU audit staff; MGP data collection	3.00 hr	\$150	450.00
09/08/06	Meet w/ NJBPU audit staff; MGP data collection	2.50 hr	\$150	375.00
09/13/06	MGP data collection	4.00 hr	\$150	600.00
09/14/06	MGP data collection; T/C D. Franco re: Butler St	4.50 hr	\$150	675.00
09/15/06	MGP data collection	5.00 hr	\$150	750.00
09/18/06	MGP data collection	4.00 hr	\$150	600.00
09/19/06	Meet w/ NJBPU audit staff; MGP data collection	4.00 hr	\$150	600.00
09/20/06	Meet w/ NJBPU audit staff; MGP data collection	3.50 hr	\$150	525.00
09/21/06	MGP data collection	8.00 hr	\$150	1,200.00
09/22/06	T/C S.Cook	0.75 hr	\$150	112.50
09/25/06	MGP data collection	5.50 hr	\$150	825.00
		57.25	\$150	\$8,587.50
		Labor Subtotal:		\$8,587.50

Labor Detail:

<u>Date</u>	<u>Description</u>	<u>Quantity</u>	<u>Rate</u>	<u>Total</u>
	L. Morisi			
02/01/07	NJ RAC audit response	5.50 hr	\$150	825.00
02/02/07	NJ RAC audit response & Butler Street sale	4.00 hr	\$150	600.00
02/05/07	NJ RAC 05-06 Interrogatories	5.50 hr	\$150	825.00
02/06/07	NJ RAC audit & interrogatories	7.00 hr	\$150	1,050.00
02/07/07	NJ RAC audit	8.00 hr	\$150	1,200.00
02/08/07	NJ RAC audit	5.50 hr	\$150	825.00
02/09/07	NJ RAC audit	4.50 hr	\$150	675.00
02/19/07	NJ RAC 04-05 and 05-06 corrections	7.25 hr	\$150	1,087.50
02/20/07	NJ RAC 04-05 and 05-06 corrections	6.50 hr	\$150	975.00
02/21/07	NJ RAC 04-05 and 05-06 corrections	7.00 hr	\$150	1,050.00
02/22/07	NJ RAC 04-05 and 05-06 corrections	6.50 hr	\$150	975.00
02/23/07	NJ RAC corrections; MPK RAC finance	6.00 hr	\$150	900.00
		73.25	\$150	\$10,987.50
			Labor Subtotal:	\$10,987.50

Labor Detail:

<u>Date</u>	<u>Description</u>	<u>Quantity</u>	<u>Rate</u>	<u>Total</u>
	L. Morisi			
05/04/07	Review NJ BPU RAC audit letter, Telecon with MPK, SC, & KM re: NJ RAC audit	1.25 hr	\$150	187.50
05/07/07	NJBPU Mtg & response re: NJ RAC audit	5.50 hr	\$150	825.00
		6.75	\$150	\$1,012.50
		Labor Subtotal:		\$1,012.50

EXHIBIT 3

Contractor Invoices

- RETEC
- Environmental Cost Management, Inc.
- GEL Consultants, Inc.



The RETEC Group, Inc.
 300 Baker Avenue, Suite 302
 Concord, MA 01742
 (978) 371-1422 Phone • (978) 369-9279 Fax
 www.retec.com

Remit Address is:
 The RETEC Group, Inc.
 Dept. - CH 17249
 Palatine, IL 60055-7249

Invoice

Bill To:

Shijuana Bornes
 Pivotal Utility Holdings, Inc.
 c/o AGL Resources
 10 Peachtree Place, 9th Floor
 Atlanta, GA 30309

Project Name:

ETG MGP Site Liability Cos

Invoice Number:
 Invoice Date:

051897
 August 05, 2005

RECEIVED
 AUG 24 2005
 By _____

Invoice Total: *pay* **\$15,005.30**

Terms: Net 30 days

Project Manager: DiGnazio, Frank Joseph
 Phone: (412) 380-0140
 Billing Contact: Heitz, Denise L
 Phone: (978) 371-1422

ETG
model cost estimated development for remedial scenarios

RETEC Project No.: **PUH01-18942**

Period: 07/02/2005 through 07/29/2005

166065-0457 = \$11,005.30
166065-0749 = \$4000.00

Environmental Services	<i>1308</i>
PO #	<i>1161</i>
Account #	<i>166 065</i>
Dept ID	<i>0457/0749</i>
Approval Date	<i>8/24/05</i>
Approved By	<i>[Signature]</i>

T.H. Goodson

PAID AUG 2005



The RETEC Group, Inc.
 300 Baker Avenue, Suite 302
 Concord, MA 01742
 (978) 371-1422 Phone • (978) 369-9279 Fax
 www.retec.com

Remit Address is:
The RETEC Group, Inc.
 Dept. - CH 17249
 Palatine, IL 60055-7249

Invoice

Pivotal Utility Holdings, Inc.

Invoice Number: 051897
 Project: PUH01-18942

100 - Modeling Data Gathering

Reimbursable Expenses

		Cost	Mult	Amount
Phone Expense	Connex International, Inc.	138.00	1.10	151.80
	Reimbursable Expenses			151.80
Total for Task:	Modeling Data Gathering			151.80

200 - First Drafts of Models

Professional Services

		Hours	Rate	Amount
Leuschner, Alfred P		8.00	193.50	1,548.00
Olean, Timothy J		5.50	157.50	866.25
	Professional Services	13.50		2,414.25
Total for Task:	First Drafts of Models			2,414.25

400 - Review of Final Model Rpt.

Professional Services

		Hours	Rate	Amount
DiGnazio, Frank Joseph		34.00	112.50	3,825.00
Silverman, Donna L		42.00	76.50	3,213.00
Winslow, Laurie Vernieri		24.00	112.50	2,700.00
	Professional Services	100.00		9,738.00

Reimbursable Expenses

		Cost	Mult	Amount
Faxes / In-house Copies	Project Expense Pittsburgh	2,266.00	1.10	2,492.60
Delivery & Postage	FedEx 371461	189.68	1.10	208.65
	Reimbursable Expenses			2,701.25
Total for Task:	Review of Final Model Rpt.			12,439.25

Total Project ETG MGP Site Liability Cost 15,005.30

Total Amount Now Due: 15,005.30

The RETEC Group, Inc.
300 Baker Avenue, Suite 302
Concord, MA 01742



April 6, 2005

(978) 371-1422 Phone
(978) 371-3239 Fax
www.retec.com

Tim Goodson
Director, Environmental Services
AGL Resources
Ten Peachtree Place, 9th Floor
Atlanta, GA 30309

Dear Tim,

It was good to be a part of the team last week in New Jersey and North Carolina. I look forward to working with you on the development of strategies for site management going forward.

As you requested I am enclosing with this letter my expense report for the trip. You can have your accounts payable send the reimbursement to me here at RETEC in Concord. I have provided the standard RETEC Expense Report. If this should be done in another format please let me know.

I will be calling you soon to discuss the next steps in the process.

Sincerely,

The RETEC Group, Inc.

A handwritten signature in cursive script, appearing to read "AL".

Alfred P. Leuschner

AL/jrt

Enclosure

IN THE MATTER OF THE PETITION OF PIVOTAL UTILITY HOLDINGS INC.
D/B/A ELIZABETHTOWN GAS COMPANY TO (1) REVISE ITS WEATHER
NORMALIZATION CLAUSE RATE; (2) REVISE ITS SOCIETAL BENEFITS CHARGE
RATE; (3) REVISE ITS TRANSPORTATION INITIATION CLAUSE RATE;
AND (4) REVISE ITS ON-SYSTEM MARGIN SHARING CREDIT
BPU DOCKET NO. GR05080730

THG

RCR-51

Q. Please explain the GEI Consultants' services provided by Alfred Leuschner in March and April 2005, and by Corporate Environmental Solutions between June and December 2004.

A. Mr. Leuschner is with The RETEC Group, Inc. and is not affiliated with GEI. The work scope for Corporate Environmental Solutions and Mr. Leuschner was the same. Both were charged with providing the Company with a Monte-Carlo probability analysis of its likely remediation costs. Such cost-modeling is common for remediation where limited information on the specific nature and extent of impacts is not yet known, where regulatory agencies have not approved a remedial plan and where engineering cost certainty has not been attained.

Such a cost modeling effort takes in known information about a site, historical data, current regulatory and technical scenarios and possible remediation approaches. The model uses a Monte Carlo analysis to provide a range of costs for various remedial scenario outcomes.



The RETEC Group, Inc.
 300 Baker Avenue, Suite 302
 Concord, MA 01742
 (978) 371-1422 Phone • (978) 369-9279 Fax
 www.retec.com

Remit Address is:
 The RETEC Group, Inc.
 Dept. - CH 17249
 Palatine, IL 60055-7249

Invoice

Bill To:

Shijuana Bornes
 Pivotal Utility Holdings, Inc.
 c/o AGL Resources
 10 Peachtree Place, 9th Floor
 Atlanta, GA 30309

Project Name:

ETG MGP Site Liability Cost

Invoice Number:
 Invoice Date:

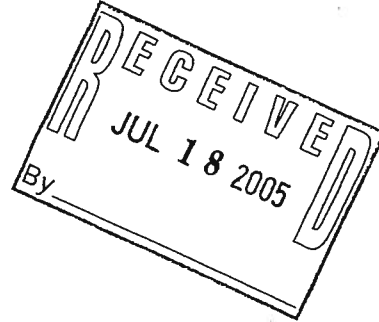
051523
 July 13, 2005

Invoice Total: *pm* **\$62,117.01**

15,005.

Terms: Net 30 days

Project Manager: DiGnazio, Frank Joseph
 Phone: (412) 380-0140
 Billing Contact: Heitz, Denise L
 Phone: (978) 371-1422



RETEC Project No.: PUH01-18942

Period: 05/28/2005 through 07/01/2005

Environmental Services	1308
PO #	991
Account #	see breakdown
Dept ID	
Approval Date	7/18/05
Approved By	<i>[Signature]</i>

T.H. Goodson

90%
 * → 166 065 - 0457 = 55,905.31
 166 065 - 0749 = \$6,211.70
 \$62,117.01

PAID AUG 2005



The RETEC Group, Inc.
 300 Baker Avenue, Suite 302
 Concord, MA 01742
 (978) 371-1422 Phone • (978) 369-9279 Fax
 www.retec.com

Remit Address is:
The RETEC Group, Inc.
 Dept. - CH 17249
 Palatine, IL 60055-7249

Invoice

Pivotal Utility Holdings, Inc.

Invoice Number: 051523
 Project: PUH01-18942

100 - Modeling Data Gathering

Professional Services

	Hours	Rate	Amount
Heitz, Denise L	1.00	67.50	67.50
Nakles, David V	11.00	193.50	2,128.50
Winslow, Laurie Vernieri	53.00	112.50	5,962.50
McNally, Paul J.	28.50	135.00	3,847.50
Grobe, Elizabeth A.	4.00	76.50	306.00
Parsons, Julia C.	45.00	76.50	3,442.50
Doyle, Brenda S.	22.50	85.50	1,923.75

Professional Services 165.00 **17,678.25**

Reimbursable Expenses

	Cost	Mult	Amount	
Phone Expense	Connex International, Inc.	41.89	1.10	46.08
In-house Copies	Project Expense Pittsburgh	71.00	1.10	78.10
Delivery & Postage	FedEx 371461	22.66	1.10	24.93
Travel and Meals	Brenda Doyle	353.70	1.10	389.07
Travel and Meals	Paul McNally	151.07	1.10	166.18
Travel and Meals	David V. Nakles	871.53	1.10	958.68

Reimbursable Expenses 1,663.04

Total for Task: Modeling Data Gathering 19,341.29

200 - First Drafts of Models

Professional Services

	Hours	Rate	Amount
Leuschner, Alfred P	27.00	193.50	5,224.50
Heitz, Denise L	0.50	67.50	33.75
DiGnazio, Frank Joseph	161.00	112.50	18,112.50
Silverman, Donna L	52.00	76.50	3,978.00
Winslow, Laurie Vernieri	16.00	112.50	1,800.00
Cleary, Maryanne V	1.50	67.50	101.25
Grobe, Elizabeth A.	83.00	76.50	6,349.50
Thompson, Janet R.	1.00	67.50	67.50
Sullivan, Anna F.	14.50	193.50	2,805.75
Bradley, Christopher J	1.50	135.00	202.50
Jansen, Paul C	2.00	157.50	315.00
Brenda S.	25.00	85.50	2,137.50

Professional Services 385.00 **41,127.75**



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 Concord, MA 01742
 (978) 371-1422 Phone • (978) 369-9279 Fax
 www.retec.com

Remit Address is:
The RETEC Group, Inc.
 Dept. - CH 17249
 Palatine, IL 60055-7249

Invoice

Pivotal Utility Holdings, Inc.

Invoice Number: 051523
 Project: PUH01-18942

200 - First Drafts of Models

<u>Reimbursable Expenses</u>	Cost	Mult	Amount
Faxes / In-house Copies	Project Expense Pittsburgh	779.50	1.10 857.45
Delivery & Postage	FedEx 371461	156.15	1.10 171.77
	Reimbursable Expenses		1,029.22
Total for Task:	First Drafts of Models		42,156.97

300 - First Model Iterations

<u>Professional Services</u>	Hours	Rate	Amount
Winslow, Laurie Vernieri	1.00	112.50	112.50
	Professional Services	1.00	112.50
Total for Task:	First Model Iterations		112.50

400 - Review of Final Model Rpt.

<u>Professional Services</u>	Hours	Rate	Amount
DiGnazio, Frank Joseph	4.50	112.50	506.25
	Professional Services	4.50	506.25
Total for Task:	Review of Final Model Rpt.		506.25

Total Project ETG MGP Site Liability Cost **62,117.01**

Total Amount Now Due: 62,117.01



Invoice Detail

Project Number: 10056

Task Number 002 NJ MGP Site Insurance Claim Support

Professional Services

<u>Personnel</u>	<u>Date</u>	<u>Description</u>	<u>Rate</u>	<u>Hours</u>	<u>Amount</u>
Middleton, Andrew C.					
Middleton, Andrew C.	10/04/2004	review of documents	150.00	0.50	75.00
Middleton, Andrew C.	10/05/2004	L.Morisi telecon	150.00	0.50	75.00
Middleton, Andrew C.	10/08/2004	review of documents	150.00	1.50	225.00
Middleton, Andrew C.	10/11/2004	review of documents	150.00	2.00	300.00
Middleton, Andrew C.	10/11/2004	J.Blaiden telecon	150.00	0.50	75.00
Total for Middleton, Andrew C.				5.00	750.00
Blayden, James					
Blayden, James	10/06/2004	Document review.	80.00	2.00	160.00
Blayden, James	10/07/2004	Document review.	80.00	5.00	400.00
Blayden, James	10/08/2004	Document review.	80.00	2.00	160.00
Blayden, James	10/11/2004	Document review / inputs analysis.	80.00	2.50	200.00
Total for Blayden, James				11.50	920.00

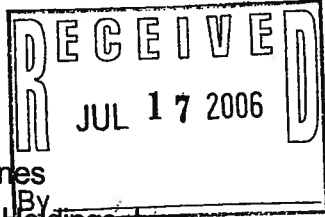
Professional Services Total: **1,670.00**

Total for Task 002: **1,670.00**



The RETEC Group, Inc.
 300 Baker Avenue, Suite 330
 Concord, MA 01742
 (978) 371-1422 Phone • (978) 369-9279 Fax
 www.retec.com

Remit Address is:
 The RETEC Group, Inc.
 Dept. - CH 17249
 Palatine, IL 60055-7249



Invoice

Bill To:
 Shijuana Bornes
 Pivotal Utility Holdings, Inc.
 c/o AGL Resources
 10 Peachtree Place, 17th Floor
 Atlanta, GA 30309

Project Name: Program Management

Invoice Number: 059989
Invoice Date: July 11, 2006

Invoice Total:	\$18,702.23
-----------------------	--------------------

Terms: Net 30 days

Project Manager: DiGnazio, Frank Joseph
 Phone: (412) 380-0140
Billing Contact: Heitz, Denise L
 Phone: (978) 371-1422

RETEC Project No.: PUH01-19616

Period: 05/27/2006 through 06/30/2006

Environmental Services	308
PO #	30548
Account #	223012
Dept ID	0745 = 12%
Approval Date	8/2/06
Approved By	<i>[Signature]</i>

166065-0457
 88%

T.A. Robinson

PAID AUG 10 2006
 CK# 3301

Split 12% \$2244.26 - 223012-0745
 88% \$16,457.97 - 166065-0457



The RETEC Group, Inc.
 300 Baker Avenue, Suite 330
 Concord, MA 01742
 (978) 371-1422 Phone • (978) 369-9279 Fax
 www.retec.com

Remit Address is:
The RETEC Group, Inc.
 Dept. - CH 17249
 Palatine, IL 60055-7249

Invoice

Pivotal Utility Holdings, Inc.

Invoice Number: 059989
 Project: PUH01-19616

006 - Cost Modeling

Professional Services

	Hours	Rate	Amount
Leuschner, Alfred P	12.00	193.50	2,322.00
Heitz, Denise L	0.50	67.50	33.75
DiGnazio, Frank Joseph	60.50	135.00	8,167.50
Silverman, Donna L	15.00	76.50	1,147.50
Mackay, Randal James	23.00	135.00	3,105.00
Grobe, Elizabeth A.	34.50	85.50	2,949.75
Ebbitt, Kacey	1.00	49.50	49.50
Professional Services	146.50		17,775.00

Reimbursable Expenses

	Cost	Mult	Amount	
Faxes / In-house Copies	Project Expense Pittsburgh	288.00	1.00	288.00
Travel and Meals	Frank J. DiGnazio	608.79	1.05	639.23
Reimbursable Expenses			927.23	

Total for Task: Cost Modeling 18,702.23

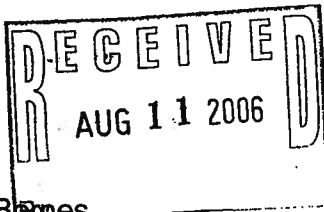
Total Project Program Management 18,702.23

Total Amount Now Due: 18,702.23



The RETEC Group, Inc.
 300 Baker Avenue, Suite 330
 Concord, MA 01742
 (978) 371-1422 Phone • (978) 369-9279 Fax
 www.retec.com

Remit Address is:
 The RETEC Group, Inc.
 Dept. - CH 17249
 Palatine, IL 60055-7249



Invoice

Bill To:

Shijuana Barnes
 Pivotal Utility Holdings, Inc.
 c/o AGL Resources
 10 Peachtree Place, 17th Floor
 Atlanta, GA 30309

Project Name:

Program Management

Invoice Number:
 Invoice Date:

060885
 August 08, 2006

Invoice Total:	\$17,826.44
-----------------------	--------------------

Terms: Net 30 days

Project Manager: DiGnazio, Frank Joseph
 Phone: (412) 380-0140
 Billing Contact: Heitz, Denise L
 Phone: (978) 371-1422

RETEC Project No.: **PUH01-19616**

Period: 07/01/2006 through 07/28/2006

PAID AUG 16 2006
 CK# 3470

Environmental Services	1308
PO #	1034
Account #	[REDACTED]
Dept ID	See breakdown
Approval Date	8/14/06
Approved By	[Signature]

All site cost estimate update

TH, Goodson

*Split = 12% \$2139.17 = 223012-0745
 88% - \$15,687.27 = 166065-045*



The RETEC Group, Inc.
 300 Baker Avenue, Suite 330
 Concord, MA 01742
 (978) 371-1422 Phone • (978) 369-9279 Fax
 www.retec.com

Remit Address is:
The RETEC Group, Inc.
 Dept. - CH 17249
 Palatine, IL 60055-7249

Invoice

Pivotal Utility Holdings, Inc.

Invoice Number: 060885
 Project: PUH01-19616

006 - Cost Modeling

Professional Services

	Hours	Rate	Amount
Leuschner, Alfred P	12.00	193.50	2,322.00
DiGnazio, Frank Joseph	52.00	135.00	7,020.00
Silverman, Donna L	26.00	76.50	1,989.00
Grobe, Elizabeth A.	19.50	85.50	1,667.25
Williams, Shante' Viondi	4.00	49.50	198.00
Ebbitt, Kacey	1.50	49.50	74.25
	<hr/>		<hr/>
Professional Services	115.00		13,270.50

Reimbursable Expenses

	Cost	Mult	Amount	
Phone Expense	Connex International, Inc.	9.25	1.05	9.71
Faxes / In-house Copies	Project Expense Pittsburgh	1,901.00	1.00	1,901.00
Faxes / In-house Copies	Project Expense Atlanta	129.90	1.00	129.90
Faxes / In-house Copies	Project Expense Chicago	11.00	1.00	11.00
Delivery & Postage	FedEx 371461	214.22	1.05	224.93
Delivery & Postage	Fedex - 94515	83.58	1.05	87.76
Travel and Meals	Frank J. DiGnazio	793.22	1.05	832.88
Travel and Meals	Elizabeth Grobe	696.40	1.05	731.22
Travel and Meals	Alfred P. Leuschner	597.66	1.05	627.54
			<hr/>	
	Reimbursable Expenses			4,555.94

Total for Task: **Cost Modeling** 17,826.44

Total Project Program Management 17,826.44

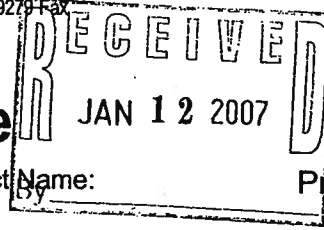
Total Amount Now Due: 17,826.44



The RETEC Group, Inc.
 300 Baker Avenue, Suite 302
 Concord, MA 01742
 (978) 371-1422 Phone • (978) 369-9279 Fax
 www.retec.com

Remit Address is:
The RETEC Group, Inc.
 Dept. - CH 17249
 Palatine, IL 60055-7249

Invoice



Bill To: *Requester*
~~Shitwana Barnes~~ *Brenice Taylor*
 Pivotal Utility Holdings, Inc.
 c/o AGL Resources
 10 Peachtree Place, 17th Floor
 Atlanta, GA 30309

Project Name: Program Management

Invoice Number: 064513
 Invoice Date: January 09, 2007

PAID FEB 07 2007
CK # 5233

Invoice Total: \$4,666.50

Terms: Net 30 days

Project Manager: MacKay, Randal James
 Phone # (773) 714-9900
 Billing Contact: Heitz, Denise L
 Phone # (978) 371-1422

RETEC Project No.: **PUH01-19616**

Period: 11/25/2006 through 12/29/2006

Cost Model / Estimating

	<i>\$ Amount</i>	<i>Acct #</i>	<i>Dept #</i>
<i>Eric St.</i>	<i>= 2,939.90</i>	<i>= 166063</i>	<i>- 0452</i>
<i>Rahway</i>	<i>= 326.66</i>	<i>= 166066</i>	<i>- 0453</i>
<i>South St.</i>	<i>= 279.99</i>	<i>= 166062</i>	<i>- 0456</i>
<i>Perth Amboy</i>	<i>= 140.00</i>	<i>= 166067</i>	<i>- 0455</i>
<i>Flamington</i>	<i>= 326.66</i>	<i>= 166060</i>	<i>- 0454</i>
<i>Newton</i>	<i>= 419.99</i>	<i>= 166064</i>	<i>- 0451</i>
<i>Eliz. City</i>	<i>= 233.30</i>	<i>= 166065</i>	<i>- 0745</i>

Environmental Services	<i>1308</i>
PO #	<i>3611</i>
Account #	
Dept ID	<i>see breakout list</i>
Approval Date	<i>1/23/07</i>
Approved By	<i>[Signature]</i>

7th Grade

Please apply each amount to the appropriate account number and dept. no.



The RETEC Group, Inc.
 300 Baker Avenue, Suite 302
 Concord, MA 01742
 (978) 371-1422 Phone • (978) 369-9279 Fax
 www.retec.com

Remit Address is:
The RETEC Group, Inc.
 Dept. - CH 17249
 Palatine, IL 60055-7249

Invoice

Pivotal Utility Holdings, Inc.

Invoice Number: 064513
 Project: PUH01-19616

006 - Cost Modeling

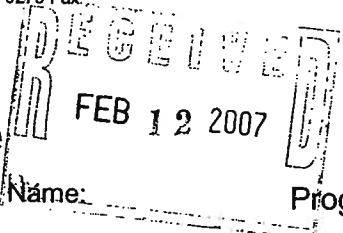
Professional Services

	Hours	Rate	Amount
Leuschner, Alfred P	1.00	193.50	193.50
Grobe, Elizabeth A.	21.50	99.00	2,128.50
Albert, Heather	25.50	76.50	1,950.75
Olean, Timothy J	2.50	157.50	393.75
	50.50		4,666.50
Total for Task:		Cost Modeling	4,666.50
Total	Project	Program Management	4,666.50
			Total Amount Now Due: 4,666.50



300 Baker Avenue
 Concord, MA 01742
 (978) 371-1422 Phone • (978) 369-9279 Fax
 www.retec.com

The RETEC Group, Inc.
 Dept. - CH 17249
 Palatine, IL 60055-7249



Invoice

Project Name: Program Management

Bill To:

Shijuana Bornes *Requester*
 Pivotal Utility Holdings, Inc.
 c/o AGL Resources
 10 Peachtree Place, 17th Floor
 Atlanta, GA 30309

Approver: Tim Goodson

Invoice Number: 065258
 Invoice Date: February 06, 2007

Invoice Total:	\$2,917.71
-----------------------	-------------------

Terms: Net 30 days

Project Manager: MacKay, Randal James
 Phone # (773) 714-9900

Billing Contact: Heitz, Denise L
 Phone # (978) 371-1422

RETEC Project No.: **PUH01-19616**

Period: 12/30/2006 through 01/26/2007

Environmental Services	<u>1308</u>
PO #	<u>3674</u>
Account #	<u>166065</u>
Dept ID	<u>0457</u>
Approval Date	<u>2/13/07</u>
Approved By	<u>[Signature]</u>

Tim Goodson

Invoice

Pivotal Utility Holdings, Inc.

Invoice Number: 065258
Project: PUJH01-19616

006 - Cost Modeling

Professional Services

	Hours	Rate	Amount
Leuschner, Alfred P	2.00	193.50	387.00
Heitz, Denise L	1.00	67.50	67.50
Cepko, Molly	3.50	67.50	236.25
Ebbitt, Kacey	10.00	49.50	495.00
Albert, Heather	14.50	76.50	1,109.25
			<hr/>
Professional Services	31.00		2,295.00

Reimbursable Expenses

	Cost	Mult	Amount	
Faxes / In-house Copies	Project Expense Pittsburgh	411.36	1.00	411.36
Faxes / In-house Copies	Project Expense Concord	6.00	1.00	6.00
Materials & Supplies	FedEx Kinko's Office & Print	50.82	1.05	53.36
Delivery & Postage	FedEx 371461	128.25	1.05	134.66
Delivery & Postage	Fedex - 94515	16.50	1.05	17.33
			<hr/>	
Reimbursable Expenses			622.71	

Total for Task: **Cost Modeling** 2,917.71

Total Project Program Management 2,917.71

Total Amount Now Due: 2,917.71

ECM

<u>Invoice #</u>	<u>Invoice date</u>	<u>Total bill</u>	<u>ETG allocation</u>	<u>non-NJ / O&M</u>	<u>SOX</u>	<u>Transition</u>	<u>Concept Documents</u>	<u>NRD</u>	<u>No support</u>	<u>Previously disallowed</u>
21236	1/16/2006	\$5,023.24	\$5,023.24				\$5,023.24			\$1,649.12
21316	4/26/2006	\$8,899.55	\$8,899.55				\$8,899.55			
21323	5/3/2006	\$8,912.50	\$8,912.50				\$7,375.00	\$57.50		
21361	6/12/2006	\$10,099.16	\$10,099.16		\$1,480.00		\$10,099.16			
21412	8/7/2006	\$6,971.04	\$6,971.04				\$6,971.04			
21462	9/14/2006	\$11,852.50	\$11,852.50				\$11,852.50			
21678	4/18/2007	\$8,657.45	\$8,599.95							
21682	4/23/2007	\$9,381.70	\$9,381.70							
21585	1/11/2007	\$8,427.50	\$8,427.50							
Grand Total			\$78,167.14	\$0.00	\$1,480.00	\$0.00	\$50,220.49	\$57.50	\$0.00	\$1,649.12

Timekeeper Summary

Name	Hours	Rate	Amount
Wallid M. Kazi	24.50	135.00	\$3,307.50
Herbert W. Ernst	48.00	115.00	\$5,520.00

Professional Services

Hours	Amount
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General Support - All Sites

1/3/2006	HWE	Review Butler St. materials for reference to associated site.	0.50	
1/5/2006	HWE	Call AGLR, send email re. Rahway and Butler St.	0.50	
	WMK	Read email re. Rahway and Butler St. from Herb; follow up with AGLR.	0.50	
1/9/2006	HWE	Phone call with Wallid on AGL review status.	0.50	
1/23/2006	HWE	Check status of document reviews, check project emails.	0.50	
1/30/2006	HWE	Phone call with Wallid regarding concept document review.	0.50	
	WMK	Meeting with AGLR to go over review of Site Conceptual documents and develop strategy and schedule going forward; review individual comment documents and summary comments for each site; develop list of tasks.	8.00	
	WMK	Phone call with Herb regarding <u>Concept Document review</u> .	0.50	
1/31/2006	HWE	Review project files received; phone call with Wallid regarding meeting, next steps.	1.00	
	WMK	Phone call with Herb regarding meeting, next steps.	1.00	
	WMK	Review information from AGLR on various sites.	1.00	
SUBTOTAL:			[14.50	1,887.50]

New Jersey - Erie Street

1/16/2006	HWE	Review Butler St. Cap Inspection report, provide comments to AGLR.	1.00	
	WMK	Review comments from Herb on Butler St. Cap Inspection report, ask Herb to send to AGLR.	0.50	
1/25/2006	HWE	Begin review of site concept document, copy figures, send to main office.	1.50	
	HWE	Review of site concept document, and figures,	0.50	
1/26/2006	HWE	Review of Site Concept Documents and Costs.	1.00	
	WMK	Review of Site Concept Documents.	1.00	
1/27/2006	HWE	Review Site Concept Document.	1.00	
1/30/2006	HWE	Review GEI Concept Document; prepare summary comments to Concept Document.	2.50	
SUBTOTAL:			[9.00	1,065.00]

New Jersey - Flemington

1/25/2006	HWE	Begin review of site concept document, copy figures, send to main office.	1.50	
	WMK	Review of Site Concept Document and figures.	0.50	
1/26/2006	HWE	Review of Site Concept Cost and Documents.	1.50	
1/27/2006	HWE	Review Site Concept Documents, prepare comments.	3.50	
	WMK	Review Site Concept documents comments from Herb; send to AGLR.	1.00	
1/30/2006	HWE	Review GEI Concept Document; prepare summary comments to Concept Document.	3.00	
	WMK	Review summary comments from Herb on GEI Concept document.	1.00	
SUBTOTAL:			[12.00	1,430.00]

		<u>Hours</u>	<u>Amount</u>
<u>New Jersey - Newton</u>			
1/31/2006	HWE	Begin review of Langan Concept Documents; forward document/maps to Wallid.	3.00
	WMK	Review of Langan Concept documents.	1.00
SUBTOTAL:			[4.00 480.00]
<u>New Jersey - Perth Amboy</u>			
1/18/2006	HWE	Review of Draft Site Concept Document for Perth Amboy.	0.50
	WMK	Review of Draft Site Concept document for Perth Amboy.	0.50
1/19/2006	HWE	Review Site Concept Document, photocopy portions of text and maps.	1.00
	WMK	Review Site Concept document.	0.50
1/20/2006	HWE	Review of Site Concept Document for Perth Amboy.	3.00
1/21/2006	HWE	Review of Site Concept Document for Perth Amboy.	2.00
1/23/2006	HWE	Review and comment on Perth Amboy Site Concept Document.	2.00
1/30/2006	HWE	Prepare summary comments on Langan Draft Site Concept Document.	1.00
SUBTOTAL:			[10.50 1,227.50]
<u>New Jersey - Rahway</u>			
1/3/2006	HWE	Send email to Wallid regarding review of Schoor DePalma proposal, data needs.	0.50
	WMK	Read email from Herb regarding review of Schoor DePalma proposal, data needs; send email to AGLR.	0.50
1/30/2006	HWE	Review Schoor Depalma Concept Document, prepare summary comments.	2.50
	WMK	Review summary comments from Herb on Schoor Depalma Concept Document; discuss, provide edits.	1.00
	WMK	Review and comment pre design workplan.	4.00
SUBTOTAL:			[8.50 1,087.50]
<u>New Jersey - South Street</u>			
1/17/2006	HWE	Begin review of Draft Site Concept Document for South Street Site.	2.00
1/18/2006	HWE	Review of Draft Site Concept Document for South Street.	4.00
	WMK	Review Draft Site Concept document for South Street.	1.00
1/19/2006	HWE	Review Site Concept Document, photocopy portions of text and maps.	1.00
1/20/2006	HWE	Complete review of Site Concept Document, provide comments to Wallid for review.	5.00
	WMK	Review of comments on Site Concept document from Herb.	1.00
SUBTOTAL:			[14.00 1,650.00]
For professional services rendered			72.50 \$8,827.50

Timekeeper Summary

Name	Hours	Rate	Amount
Wallid M. Kazi	23.00	135.00	\$3,105.00
Herbert W. Ernst	50.50	115.00	\$5,807.50

Professional Services

	Hours	Amount
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General Support - All Sites

2/1/2006	HWE	Check Concept Document files received from AGLR for review; call to confirm, check on others; call with Wallid.	1.50	
	WMK	Review Concept Document files received from AGLR; instruct Herb on review.	1.00	
2/6/2006	HWE	Emails to confirm status of submittals to AGLR on Concept Documents.	0.50	
2/7/2006	HWE	Phone call with Wallid, review status of Concept Document review, project issues.	0.50	
2/8/2006	HWE	<u>Review AGLR 2004 10-K report for environmental issues/content; provide email to Wallid re. 10-K.</u>	2.00	
	WMK	<u>Review AGLR 2004 10-K report for environmental issues/content; read email from Herb re. 10-K.</u>	1.00	
2/9/2006	HWE	Prepare draft concept document completion schedules for all sites.	1.50	
	WMK	Send email to Herb; review draft concept document completion schedules for all sites.	1.00	
2/10/2006	HWE	Preparation of draft Concept Document schedules, provide to Wallid.	1.50	
	WMK	Review revised draft Concept Document schedules.	0.50	
2/12/2006	WMK	General program status meeting.	2.00	
2/13/2006	HWE	<u>Review AGLR 2005 10-K environmental sections, provide comments/questions to Wallid.</u>	1.50	
	WMK	<u>Review AGLR 2005 10-K environmental sections, review comments/questions from Herb.</u>	0.50	
2/14/2006	HWE	Prepare schedule for Concept Document finalization, send to AGLR.	2.50	
	WMK	Review revised schedule for Concept Document finalization, ask Herb to send to AGLR.	1.00	
2/15/2006	HWE	Make corrections to Concept Document schedule per. AGLR comment.	0.50	
2/16/2006	HWE	<u>Review Hackettstown site materials and provide email summary to AGLR.</u>	0.50	
2/23/2006	HWE	Review NJ 'Re-opener' environmental legislation with regard to NJ sites, provide comments to Wallid.	1.00	
2/27/2006	HWE	Planning for 3/8 meeting; review AGLR comments consultant and ECM summaries.	2.50	
2/28/2006	HWE	Planning for 3/8 meeting; review AGLR comments consultant and ECM summaries.	1.00	
SUBTOTAL:			[24.00	2,900.00]

New Jersey - Erie Street

2/2/2006	WMK	Review comments and summary memo from Herb.	1.00	
	HWE	Review Concept Document, finalize comments and prepare summary memo on review.	4.00	
SUBTOTAL:			[5.00	595.00]

Timekeeper Summary

Name	Hours	Rate	Amount
Wallid M. Kazi	33.00	135.00	\$4,455.00
Herbert W. Ernst	40.50	115.00	\$4,657.50

Professional Services

Hours Amount

General Support - All Sites

3/3/2006	HWE	Review revised <u>Concept Documents from Consultants.</u>	0.50		
	WMK	Review revised <u>Concept Documents.</u>	0.50		
3/6/2006	HWE	Review consultant responses on Concept Documents, prepare for meeting.	2.00		
	WMK	Review <u>Concept Documents, prepare for meeting.</u>	1.00		
3/7/2006	HWE	Review files, prepare for 3/8 meeting.	3.00		
	HWE	Travel to ATL for meeting.	6.50		
	WMK	Review files, review agenda and tasks for 3/8 meeting.	1.50		
	WMK	Travel to ATL for meeting; meet with AGLR for planning.	8.00		
3/8/2006	HWE	Meeting with AGLR, RETEC, MACTEC to review <u>NJ Concept Documents</u>	9.00		
	HWE	Return travel from ATL.	5.50		
	WMK	Meeting with AGLR, RETEC, MACTEC to review NJ Concept Documents; travel back.	12.00		
3/9/2006	HWE	Review Final Draft Concept Documents for 6 NJ sites, check/clarify comments.	3.00		
	WMK	Review Herb's comments on Final Draft Concept Documents for 6 NJ sites.	1.00		
3/10/2006	HWE	Review information on Dakota Technologies for MGP sample screening - potential use at sites.	0.50		
3/16/2006	WMK	Review email from AGLR on detection limits.	0.50		
3/17/2006	HWE	Review concept documents submitted to consultants by AGLR for all sites.	0.50		
3/27/2006	HWE	Review emails on terminology for BPLM and variations provided by consultants.	0.50		
	WMK	Review emails on terminology for BPLM .	0.50		
3/28/2006	HWE	Review BPLM and product definitions provided, respond to AGLR with comments.	1.00		
SUBTOTAL:			[57.00	7,055.00]

New Jersey - Flemington

3/16/2006	HWE	Review consultant letter and AGLR mark-ups responding to DEP letter method detection limits, practical quant. limits and other analytical issues.	0.50		
SUBTOTAL:			[0.50	57.50]

New Jersey - Perth Amboy

3/28/2006	HWE	Review final draft CD, check that comments addressed, provide AGLR with comments.	2.50		
	WMK	Review final draft CD, provide AGLR with comments.	1.00		
SUBTOTAL:			[3.50	422.50]

Timekeeper Summary

Name	Hours	Rate	Amount
Wallid M. Kazi	15.00	135.00	\$2,025.00
Herbert W. Ernst	42.50	115.00	\$4,887.50

Professional Services

			Hours	Amount
<u>General Support - All Sites</u>				
4/3/2006	HWE	Discuss with Wallid; Respond to AGLR on use of <u>Concept Documents for summation for BPU audit.</u>	2.00	
	WMK	Discussion with Herb on response to AGLR on use of Concept Documents for summation for BPU audit.	1.00	
4/12/2006	HWE	Phone call /emails with Wallid to discuss AGLR management transitions; phone call to set up meeting with Steve Cook (AGLR) for coming week.	2.00	
	WMK	Phone call /emails with Herb to discuss AGLR management transitions.	1.00	
4/17/2006	WMK	Discuss and prepare Herb for meeting with S. Cook on multiple sites.	0.50	
	HWE	Review files and Concept Documents to prepare for meeting with S. Cook on multiple sites, discuss with Wallid.	1.50	
4/18/2006	HWE	Meet with S. Cook - discuss general issues/concept documents.	1.00	
4/19/2006	WMK	Discuss with Herb about call to Bill Lyon (Langan) re. Concept Document on multiple sites.	1.50	
4/20/2006	HWE	Provide BPLM definitions to Schoor DePalma, discuss NJ experience with terms; email AGLR regarding BPLM definition.	1.00	
	WMK	Review BPLM definitions, discuss with Herb.	0.50	
SUBTOTAL:			[12.00	1,470.00]
<u>New Jersey - Erie Street</u>				
4/13/2006	HWE	Review revised Erie Concept document to confirm 3/8 meeting comments had been addressed.	2.50	
	WMK	Review notes on revised Erie Concept document from Herb; discuss with Herb.	1.00	
4/18/2006	HWE	Site visit with S. Cook; discuss site issues / concept document.	1.00	
4/19/2006	HWE	Review available files; send concept documents and figures to S. Cook.	1.00	
4/20/2006	HWE	Review of latest Concept Document from GEI	1.00	
	WMK	Review latest Concept Document from GEI.	0.50	
4/25/2006	HWE	Review latest version of Concept Document, provide comments to AGLR and consultant.	2.50	
	WMK	Review latest version of Concept Document and discuss with Herb about comments to AGLR and consultant.	1.00	
SUBTOTAL:			[10.50	1,257.50]
<u>New Jersey - Flemington</u>				
4/14/2006	HWE	Review files, status of Concept Documents, prepare for meeting with S. Cook, discuss with Wallid.	1.50	
	WMK	Discuss Concept Document and prepare Herb for meeting with S. Cook.	0.50	
4/18/2006	HWE	Meet with S. Cook; discuss site issues / concept document for Flemington.	1.00	
4/19/2006	HWE	Review file, provide Concept Doc. materials and figures to S. Cook.	1.00	

Timekeeper Summary

Name	Hours	Rate	Amount
Wallid M. Kazi	32.00	135.00	\$4,320.00
Herbert W. Ernst	65.50	115.00	\$7,532.50

Professional Services

			Hours	Amount
<u>General Support - All Sites</u>				
5/5/2006	HWE	Phone call with Wallid regarding Concept Document and overall project status, discuss site visits, and questions for AGLR.	0.50	
	WMK	Phone call with Herb regarding Concept Document and project status.	0.50	
5/8/2006	HWE	Check status of all concept documents; send summary to AGLR; phone call with Shannon with questions on finalizing Erie / Rahway, various sites.	1.50	
5/10/2006	HWE	Follow-up final concept document status for remaining sites - Erie, Flemington, Rahway, Newton.	1.50	
5/12/2006	HWE	Review emails regarding concept document status and planning for site visits.	0.50	
5/15/2006	HWE	Review emails regarding scheduling of site visits and visits with consultants.	0.50	
5/17/2006	WMK	Phone call with herb regarding site visit schedule, questions on Rahway schedule/PDWP.	0.50	
	HWE	Review Final Concept Documents; purge electronic/hard copies of draft versions; phone call to Shannon regarding site visit schedule, questions on Rahway schedule/PDWP.	1.50	
5/18/2006	HWE	Phone call with Steven Cook re. Site Summary document; phone call with Wallid; email Shannon regarding document needs, review RETEC cash forecast, discuss Erie forecast with RETEC.	2.50	
	WMK	Phone call with Herb re. Site Summary document and Steve Cook; ask Herb to email Shannon regarding document needs, review RETEC cash forecast, ask Herb to discuss Erie forecast with RETEC.	2.50	
5/23/2006	HWE	Review /adjust RETEC cash forecasts for all sites, for use in summary document.	1.00	
5/24/2006	HWE	Set-up summary presentation including all NJ sites.	0.50	
5/25/2006	HWE	Email to Wallid re. Summary Document preparation and review status.	0.50	
	WMK	Review Summary Document status email from Herb; respond; review summary presentation format for all sites; discuss with Herb.	2.50	
5/30/2006	HWE	Prepare summary presentation on all sites; provide to Wallid for review.	6.50	
	WMK	Review summary presentation on all sites.	3.50	
5/31/2006	HWE	Revise and add to summary presentation per Wallid comments; finalize individual site summaries; distribute materials to AGLR.	7.50	
	WMK	Continue review of summary presentation on all sites; send comments and discuss with Herb.	2.50	
	WMK	Review revised summary presentation; ask Herb to finalize individual site summaries and distribute materials to AGLR.	1.50	

SUBTOTAL:

166065 = 0457

[38.00 (4,640.00)]

New Jersey - Erie Street

5/5/2006	HWE	Check status on finalizing concept document; send email to GEI and AGLR regarding final document.	0.50
5/22/2006	HWE	Preparation of Site Summary; provide to Wallid for review.	4.00
5/23/2006	HWE	Revise Erie Site Summary based on Wallid comments.	1.00

Timekeeper Summary

Name	Hours	Rate	Amount
Wallid M. Kazi	33.00	135.00	\$4,455.00
Herbert W. Ernst	40.50	115.00	\$4,657.50

Professional Services

Hours	Amount
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General Support - All Sites

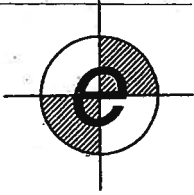
3/3/2006	HWE	Review revised Concept Documents from Consultants.	0.50		
	WMK	Review revised Concept Documents.	0.50		
3/6/2006	HWE	Review consultant responses on Concept Documents, prepare for meeting.	2.00		
	WMK	Review Concept Documents, prepare for meeting.	1.00		
3/7/2006	HWE	Review files, prepare for 3/8 meeting.	3.00		
	HWE	Travel to ATL for meeting.	6.50		
	WMK	Review files, review agenda and tasks for 3/8 meeting.	1.50		
	WMK	Travel to ATL for meeting; meet with AGLR for planning.	8.00		
3/8/2006	HWE	Meeting with AGLR, RETEC, MACTEC to review NJ Concept Documents	9.00		
	HWE	Return travel from ATL.	5.50		
	WMK	Meeting with AGLR, RETEC, MACTEC to review NJ Concept Documents; travel back.	12.00		
3/9/2006	HWE	Review Final Draft Concept Documents for 6 NJ sites, check/clarify comments.	3.00		
	WMK	Review Herb's comments on Final Draft Concept Documents for 6 NJ sites.	1.00		
3/10/2006	HWE	Review information on Dakota Technologies for MGP sample screening - potential use at sites.	0.50		
3/16/2006	WMK	Review email from AGLR on detection limits.	0.50		
3/17/2006	HWE	Review concept documents submitted to consultants by AGLR for all sites.	0.50		
3/27/2006	HWE	Review emails on terminology for BPLM and variations provided by consultants.	0.50		
	WMK	Review emails on terminology for BPLM .	0.50		
3/28/2006	HWE	Review BPLM and product definitions provided, respond to AGLR with comments.	1.00		
SUBTOTAL:			[57.00	7,055.00]

New Jersey - Flemington

3/16/2006	HWE	Review consultant letter and AGLR mark-ups responding to DEP letter method detection limits, practical quant. limits and other analytical issues.	0.50		
SUBTOTAL:			[0.50	57.50]

New Jersey - Perth Amboy

3/28/2006	HWE	Review final draft CD, check that comments addressed, provide AGLR with comments.	2.50		
	WMK	Review final draft CD, provide AGLR with comments.	1.00		
SUBTOTAL:			[3.50	422.50]



ENVIRONMENTAL COST MANAGEMENT, INC.
Managing Cost and Liability

660 Baker Street, Suite 253
Costa Mesa, California 92626
Main: (714) 662-2759 Fax: (714) 662-2758
www.ecostmanage.com

April 26, 2006

① Shawan
② Skojana

Invoice submitted to:

AGL Resources, Inc.
Ten Peachtree Place
Atlanta GA 30309
Mr. Tim Goodson



In Reference To: Program Management of MGP Sites in New Jersey

Invoice # 21316

SUMMARY OF CHARGES FOR THIS INVOICE

Total Charge for Environmental Cost Management Labor:
Total Charge for Other Charges:
TOTAL ALL CHARGES DUE:

\$8,827.50
\$72.05
\$8,899.55

Please pay as follows:

Environmental Services	1308
PO #	2540
Account #	See breakdown
Dept ID	
Approval Date	5-3-06
Approved By	

1166065-0457 = 1,959.55^v
 1166063-0452 = 1,065.00^{pd}
 1166060-0454 = 1,430.00^{pd}
 1166064-0451 = 480.00^{pd}
 1166067-0455 = 1,227.50^v
 1166066-0453 = 1,087.50^v
 1166062-0456 = 1,650.00^{pd}

\$ 8,899.55

Timekeeper Summary

Name	Hours	Rate	Amount
Wallid M. Kazi	15.00	135.00	\$2,025.00
Herbert W. Ernst	42.50	115.00	\$4,887.50

Professional Services

	Hours	Amount
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General Support - All Sites

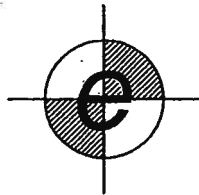
4/3/2006	HWE	Discuss with Wallid; Respond to AGLR on use of Concept Documents for summation for BPU audit.	2.00		
	WMK	Discussion with Herb on response to AGLR on use of Concept Documents for summation for BPU audit.	1.00		
4/12/2006	HWE	Phone call /emails with Wallid to discuss AGLR management transitions; phone call to set up meeting with Steve Cook (AGLR) for coming week.	2.00		
	WMK	Phone call /emails with Herb to discuss AGLR management transitions.	1.00		
4/17/2006	WMK	Discuss and prepare Herb for meeting with S. Cook on multiple sites.	0.50		
	HWE	Review files and Concept Documents to prepare for meeting with S. Cook on multiple sites, discuss with Wallid.	1.50		
4/18/2006	HWE	Meet with S. Cook - discuss general issues/concept documents.	1.00		
4/19/2006	WMK	Discuss with Herb about call to Bill Lyon (Langan) re. Concept Document on multiple sites.	1.50		
4/20/2006	HWE	Provide BPLM definitions to Schoor DePalma, discuss NJ experience with terms; email AGLR regarding BPLM definition.	1.00		
	WMK	Review BPLM definitions, discuss with Herb.	0.50		
SUBTOTAL:			[12.00	1,470.00]

New Jersey - Erie Street

4/13/2006	HWE	Review revised Erie Concept document to confirm 3/8 meeting comments had been addressed.	2.50		
	WMK	Review notes on revised Erie Concept document from Herb; discuss with Herb.	1.00		
4/18/2006	HWE	Site visit with S. Cook; discuss site issues / concept document.	1.00		
4/19/2006	HWE	Review available files; send concept documents and figures to S. Cook.	1.00		
4/20/2006	HWE	Review of latest Concept Document from GEI	1.00		
	WMK	Review latest Concept Document from GEI.	0.50		
4/25/2006	HWE	Review latest version of Concept Document, provide comments to AGLR and consultant.	2.50		
	WMK	Review latest version of Concept Document and discuss with Herb about comments to AGLR and consultant.	1.00		
SUBTOTAL:			[10.50	1,257.50]

New Jersey - Flemington

4/14/2006	HWE	Review files, status of Concept Documents, prepare for meeting with S. Cook, discuss with Wallid.	1.50	
	WMK	Discuss Concept Document and prepare Herb for meeting with S. Cook.	0.50	
4/18/2006	HWE	Meet with S. Cook; discuss site issues / concept document for Flemington.	1.00	
4/19/2006	HWE	Review file, provide Concept Doc. materials and figures to S. Cook.	1.00	



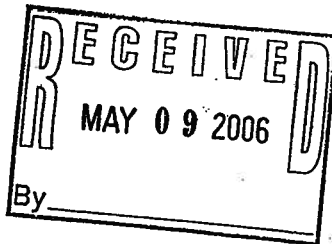
ENVIRONMENTAL COST MANAGEMENT, INC.
Managing Cost and Liability

660 Baker Street, Suite 253
Costa Mesa, California 92626
Main: (714) 662-2759 Fax: (714) 662-2758
www.ecostmanage.com

May 03, 2006

Invoice submitted to:

AGL Resources, Inc.
Ten Peachtree Place
Atlanta GA 30309
Mr. Tim Goodson



In Reference To: Program Management of MGP Sites in New Jersey

Invoice # 21323

SUMMARY OF CHARGES FOR THIS INVOICE

Total Charge for Environmental Cost Management Labor:	\$8,912.50
Total Charge for Other Charges:	\$0.00
TOTAL ALL CHARGES DUE:	\$8,912.50

@ Shannon Jennings
@ Shannon Jennings

Need to receive invoices in a more timely manner - Feb work in this invoice billed in May

Please pay as follows:

Environmental Services	1308
PO #	2540
Account #	See breakdown
Dept ID	→
Approval Date	5-9-06
Approved By	<i>[Signature]</i>

166065 - 0457 = 2900.00 ✓
 166063 - 0452 = 595.00 ✓
 166060 - 0454 = 1085.00 ✓
 166064 - 0451 = 1270.00 ✓
 166067 - 0455 = 950.00 ✓
 166066 - 0453 = 2057.50 ✓
 166062 - 0456 = 1055.00 ✓
 \$ 8,912.50

Timekeeper Summary

Name	Hours	Rate	Amount
Wallid M. Kazi	32.00	135.00	\$4,320.00
Herbert W. Ernst	65.50	115.00	\$7,532.50

Professional Services

			Hours	Amount
<u>General Support - All Sites</u>				
5/5/2006	HWE	Phone call with Wallid regarding Concept Document and overall project status, discuss site visits, and questions for AGLR.	0.50	
	WMK	Phone call with Herb regarding Concept Document and project status.	0.50	
5/8/2006	HWE	Check status of all concept documents; send summary to AGLR; phone call with Shannon with questions on finalizing Erie / Rahway, various sites.	1.50	
5/10/2006	HWE	Follow-up final concept document status for remaining sites - Erie, Flemington, Rahway, Newton.	1.50	
5/12/2006	HWE	Review emails regarding concept document status and planning for site visits.	0.50	
5/15/2006	HWE	Review emails regarding scheduling of site visits and visits with consultants.	0.50	
5/17/2006	WMK	Phone call with herb regarding site visit schedule, questions on Rahway schedule/PDWP.	0.50	
	HWE	Review Final Concept Documents; purge electronic/hard copies of draft versions; phone call to Shannon regarding site visit schedule, questions on Rahway schedule/PDWP.	1.50	
5/18/2006	HWE	Phone call with Steven Cook re. Site Summary document; phone call with Wallid; email Shannon regarding document needs, review RETEC cash forecast, discuss Erie forecast with RETEC.	2.50	
	WMK	Phone call with Herb re. Site Summary document and Steve Cook; ask Herb to email Shannon regarding document needs, review RETEC cash forecast, ask Herb to discuss Erie forecast with RETEC.	2.50	
5/23/2006	HWE	Review /adjust RETEC cash forecasts for all sites, for use in summary document.	1.00	
5/24/2006	HWE	Set-up summary presentation including all NJ sites.	0.50	
5/25/2006	HWE	Email to Wallid re. Summary Document preparation and review status.	0.50	
	WMK	Review Summary Document status email from Herb; respond; review summary presentation format for all sites; discuss with Herb.	2.50	
5/30/2006	HWE	Prepare summary presentation on all sites; provide to Wallid for review.	6.50	
	WMK	Review summary presentation on all sites.	3.50	
5/31/2006	HWE	Revise and add to summary presentation per Wallid comments; finalize individual site summaries; distribute materials to AGLR.	7.50	
	WMK	Continue review of summary presentation on all sites; send comments and discuss with Herb.	2.50	
	WMK	Review revised summary presentation; ask Herb to finalize individual site summaries and distribute materials to AGLR.	1.50	

SUBTOTAL:

166065 = 0457

[38.00 (4,640.00)]

New Jersey - Erie Street

5/5/2006	HWE	Check status on finalizing concept document; send email to GEI and AGLR regarding final document.	0.50	
5/22/2006	HWE	Preparation of Site Summary; provide to Wallid for review.	4.00	
5/23/2006	HWE	Revise Erie Site Summary based on Wallid comments.	1.00	

URS

<u>Invoice #</u>	<u>Invoice date</u>	<u>Total bill</u>	<u>ETG allocation</u>	<u>non-NJ / O&M</u>	<u>SOX</u>	<u>Transition</u>	<u>Concept Documents</u>	<u>NRD</u>	<u>No support</u>	<u>Previously disallowed</u>
1646426	4/6/2005	\$1,570.95	\$1,570.95							\$1,570.95
1596394	3/4/2005	\$13,430.50	\$13,430.50							\$186.00
1574143	2/22/2005	\$11,698.01	\$11,698.01							
1476847	1/11/2005	\$10,314.64	\$10,314.64							
1437739	12/8/2004	\$19,418.32	\$19,325.32					\$1,581.00		
1353396	10/26/2004	\$15,295.06	\$13,621.06							
1317956	9/23/2004	\$13,417.13	\$12,347.63							
1279815	8/26/2004	\$11,182.09	\$11,182.09							
1226450	7/28/2004	\$13,056.00	\$12,312.00							
1194561	6/30/2004	\$14,239.25	\$14,239.25							
1146882	6/8/2004	\$14,304.27	\$14,304.27							
1068913	5/7/2004	\$13,269.75	\$12,804.75							
Grand Total			\$147,150.47	\$0.00	\$0.00	\$0.00	\$0.00	\$3,627.00	\$0.00	\$1,756.95



Invoice Date 05/07/04
 Invoice 1068913
 Project 19683756
 Page 3

NUI Elizabethtown Gas
 Attn: Lillian Morisi
 1085 Morris Ave
 Union NJ 07083-7150

For: Nui Corporation

Professional Services for Period Ending 04/30/04

Job: 19683756 Nui Corporation

Task: 00001 Seconded Employee Services

LABOR	HOURS	RATE	AMOUNT
Seborowski, Kenneth D	142.00	93.00	13,206.00
Subtotal	142.00		13,206.00
Subtotal	142.00 ✓		13,206.00
Total Labor			13,206.00

TRAVEL	AMOUNT
Mileage	63.75
Total Travel	63.75 ✓

Total due this task 13,269.75

Total due this job 13,269.75

TOTAL THIS INVOICE \$ 13,269.75

Please contact Christine Arzrouni at 973 812-6816 or via email at Chris_Arzrouni@urscorp.com if you have any questions regarding this invoice.



Invoice Date 06/30/04
 Invoice 1194561
 Project 19683756
 Page 2

9023/100

NUI Elizabethtown Gas
 Attn: Lillian Morisi
 1085 Morris Ave
 Union NJ 07083-7150

For: Nui Corporation

Professional Services for Period Ending 06/25/04

Job: 19683756 NUI Corporation
 Task: 00001 Seconded Employee Services
 Total this job

TOTAL THIS INVOICE

<u>SERVICES</u>	<u>EXPENSES</u>	<u>TOTAL</u>
14,136.00	103.25	14,239.25
14,136.00	103.25	14,239.25
14,136.00	103.25	\$ 14,239.25

Handwritten signature and circle around total

02-182302-362 = \$ 5715.³⁸
 02-182303-362 = \$ 1958.¹²
 02-182304-362 = \$ 862.³⁸
 02-182305-362 = 0
 02-182306-362 = \$ 1979.¹²
 02-182307-362 = \$ 467.¹²
 02-182308-362 = 0
 02-182311-362 = \$ 2792.¹³
 02-182320-362 = \$ 465.²

Handwritten signature: Lillian Morisi 8/11/04

Handwritten note: NUI Total = \$ 1976.24

PROJECT ACTIVITY LOG

Kenneth Seborowski

Project:
Project No.
Week Ending

NUI Corporation
19683756 Task 00001
7/2/2004

Summary by Day

Date	Hours	Site	Activity
6/28/2004		Erie Street	
		Butler	
		South Street	
	8	Rahway	Review RIR.
		Perth Amboy	
		Newton	
		Flemington	
		All NJ MGP Sites	
		General NJ MGP	
		Other	

6/29/2004		Erie Street	
		Butler	
	1	South Street	Project administration.
	3	Rahway	Review draft RIR.
		Perth Amboy	
		Newton	
		Flemington	
		All NJ MGP Sites	
		General NJ MGP	
		Other	

6/30/2004	0.5	Erie Street	T/C with GEI.
		Butler	
	1	South Street	Project administration.
	6.5	Rahway	Review draft RI.
		Perth Amboy	
		Newton	
		Flemington	
		All NJ MGP Sites	
		General NJ MGP	
		Other	

7/1/2004	1	Erie Street	Project administration.
		Butler	
	1	South Street	T/C with S Monaghan and letters review.
		Rahway	
		Perth Amboy	
		Newton	
		Flemington	
		All NJ MGP Sites	
	6	General NJ MGP	NJ MGP insurance rec.
		Other	

7/2/2004		Erie Street	
		Butler	
	1	South Street	Project administration.
		Rahway	
		Perth Amboy	
		Newton	
		Flemington	
		All NJ MGP Sites	
	6	General NJ MGP	NJ MGP insurance rec.
1	Other	Non NJ insurance rec.	

Summary by Project

Hours	Project
1.50	Erie Street
0.00	Butler
4.00	South Street
17.50	Rahway
0.00	Perth Amboy
0.00	Newton
0.00	Flemington
12.00	General NJ MGP
1.00	Other
36	TOTAL HOURS

URS Signature
Date:

B. Salcedo 7/6/04
J. Monahan 7/12/04

NUI Signature
Date:

PROJECT ACTIVITY LOG

Kenneth Seborowski

Project:
Project No.
Week Ending

NUI Corporation
19683756 Task 00001
7/9/2004

Summary by Day

Date	Hours	Site	Activity
7/5/2004		Erie Street	
		Butler	
		South Street	
		Rahway	
		Perth Amboy	
		Newton	
		Flemington	
		All NJ MGP Sites	
		General NJ MGP	
		Other	No work Holiday

7/6/2004		Erie Street	
		Butler	
		South Street	
		Rahway	
		Perth Amboy	
		Newton	
		Flemington	
		All NJ MGP Sites	
	8	General NJ MGP	NJ MGP insurance rec.
		Other	

7/7/2004		Erie Street	
		Butler	
		South Street	
		Rahway	
		Perth Amboy	
		Newton	
		Flemington	
		All NJ MGP Sites	
		General NJ MGP	
		Other	No work sick day.

7/8/2004		Erie Street	
		Butler	
	1	South Street	T/C with Langan, NJDOT, and H&M.
		Rahway	
		Perth Amboy	
		Newton	
		Flemington	
	6	All NJ MGP Sites	SRIN meeting Re: NJ remediation issues.
		General NJ MGP	
	1	Other	Non NJ MGP insurance rec.

7/9/2004		Erie Street	
		Butler	
		South Street	
		Rahway	
		Perth Amboy	
		Newton	
		Flemington	
		All NJ MGP Sites	
	2	General NJ MGP	NJ MGP insurance rec.
	6	Other	Non NJ Insurance rec.

Summary by Project

Hours	Project
1.00	Erie Street
0.00	Butler
2.00	South Street
1.00	Rahway
1.00	Perth Amboy
1.00	Newton
1.00	Flemington
10.00	General NJ MGP
7.00	Other
24	TOTAL HOURS

URS Signature
Date:

K Seborowski 7/12/04

NUI Signature
Date:

[Signature] 7/12/04

Project:
 Project No.
 Week Ending

NUI Corporation
 19683756 Task 00001
 9/10/2004

Summary by Day

Date	Hours	Site	Activity
9/6/2004		Erie Street	
		Butler	
		South Street	
		Rahway	
		Perth Amboy	
		Newton	
		Flemington	
		All NJ MGP Sites	
		General NJ MGP	
		Other	Labor Day holiday
9/7/2004		Erie Street	
		Butler	
	7	South Street	NJDEP regulations, photolog and response to NJDEP comment letter.
		Rahway	
		Perth Amboy	
		Newton	
	1	Flemington	TIC's in potable water.
		All NJ MGP Sites	
9/8/2004		Erie Street	
		Butler	
	3	South Street	T/C with NJDEP, T/C with Langan and response to NJDEP comments.
	5	Rahway	Meeting with SD
		Perth Amboy	
		Newton	
		Flemington	
		All NJ MGP Sites	
9/9/2004	2	Erie Street	T/C with GEI and provide Phase I SRI revisions to NJDEP.
		Butler	
	1	South Street	Project administration.
		Rahway	
		Perth Amboy	
		Newton	
		Flemington	
		All NJ MGP Sites	
	5	Other	Non-NJ MGP Insurance Recovery.
9/10/2004		Erie Street	
		Butler	
		South Street	
		Rahway	
		Perth Amboy	
		Newton	
		Flemington	
		All NJ MGP Sites	
		General NJ MGP	
		Other	

Summary by Project

Hours	Project
2.00	Erie Street
0.00	Butler
11.00	South Street
5.00	Rahway
0.00	Perth Amboy
0.00	Newton
1.00	Flemington
0.00	General NJ MGP
5.00	Other
24	TOTAL HOURS

URS Signature
 Date:

NUI Signature
 Date:

D. Selwa 9/13/04
J. J. J. 9/13/04

Summary by Day

Date	Hours	Site	Activity
6/28/2004		Erie Street	
		Butler	
		South Street	
	8	Rahway	Review RIR.
		Perth Amboy	
		Newton	
		Flemington	
		All NJ MGP Sites	
		General NJ MGP	
		Other	
6/29/2004		Erie Street	
		Butler	
	1	South Street	Project administration.
	3	Rahway	Review draft RIR.
		Perth Amboy	
		Newton	
		Flemington	
		All NJ MGP Sites	
		General NJ MGP	
		Other	
6/30/2004	0.5	Erie Street	T/C with GEI.
		Butler	
	1	South Street	Project administration.
	6.5	Rahway	Review draft RI.
		Perth Amboy	
		Newton	
		Flemington	
		All NJ MGP Sites	
		General NJ MGP	
		Other	
7/1/2004	1	Erie Street	Project administration.
		Butler	
	1	South Street	T/C with S Monaghan and letters review.
		Rahway	
		Perth Amboy	
		Newton	
		Flemington	
		All NJ MGP Sites	
	6	General NJ MGP	NJ MGP insurance rec.
		Other	
7/2/2004		Erie Street	
		Butler	
	1	South Street	Project administration.
		Rahway	
		Perth Amboy	
		Newton	
		Flemington	
		All NJ MGP Sites	
	6	General NJ MGP	NJ MGP insurance rec.
1	Other	Non NJ insurance rec.	

Summary by Project

Hours	Project
1.50	Erie Street
0.00	Butler
4.00	South Street
17.50	Rahway
0.00	Perth Amboy
0.00	Newton
0.00	Flemington
12.00	General NJ MGP
1.00	Other
36	TOTAL HOURS

URS Signature
Date:

NUI Signature
Date:

B. Salanti 7/6/04
J. Monahan 7/12/04

Summary by Day

Date	Hours	Site	Activity
7/5/2004		Erie Street	
		Butler	
		South Street	
		Rahway	
		Perth Amboy	
		Newton	
		Flemington	
		All NJ MGP Sites	
		General NJ MGP	
		Other	No work Holiday
7/6/2004		Erie Street	
		Butler	
		South Street	
		Rahway	
		Perth Amboy	
		Newton	
		Flemington	
		All NJ MGP Sites	
	8	General NJ MGP	NJ MGP insurance rec.
		Other	
7/7/2004		Erie Street	
		Butler	
		South Street	
		Rahway	
		Perth Amboy	
		Newton	
		Flemington	
		All NJ MGP Sites	
		General NJ MGP	
		Other	No work sick day.
7/8/2004		Erie Street	
		Butler	
	1	South Street	T/C with Langan, NJDOT, and H&M.
		Rahway	
		Perth Amboy	
		Newton	
		Flemington	
	6	All NJ MGP Sites	SRIN meeting Re: NJ remediation issues.
		General NJ MGP	
	1	Other	Non NJ MGP insurance rec.
7/9/2004		Erie Street	
		Butler	
		South Street	
		Rahway	
		Perth Amboy	
		Newton	
		Flemington	
		All NJ MGP Sites	
	2	General NJ MGP	NJ MGP insurance rec.
	6	Other	Non NJ Insurance rec..

Summary by Project

Hours	Project
1.00	Erie Street
0.00	Butler
2.00	South Street
1.00	Rahway
1.00	Perth Amboy
1.00	Newton
1.00	Flemington
10.00	General NJ MGP
7.00	Other
24	TOTAL HOURS

URS Signature
Date:

B. Salemi 7/12/04

NUI Signature
Date:

P. Muni 7/12/04

PROJECT ACTIVITY LOG

Kenneth Seborowski

Project:
Project No.
Week Ending

NUI Corporation
19683756 Task 00001
10/1/2004

Summary by Day

Date	Hours	Site	Activity		
9/27/2004	3	Erie Street Butler	T/C w/NJDEP re oversight invoice and project administration.		
	5	South Street Rahway Perth Amboy Newton Flemington All NJ MGP Sites General NJ MGP Other	T/C w/Langan, T/C w/H&M and response letter to NJDEP		
	9/28/2004	2	Erie Street Butler	Review of NJDEP oversight.	
		5	South Street Rahway Perth Amboy	T/C w/Langan, site visit and project administration.	
		1	Newton Flemington All NJ MGP Sites General NJ MGP Other	Internal discussions re: soil disposal.	
		9/29/2004		Erie Street Butler	
			4	South Street Rahway Perth Amboy Newton Flemington	Mtg w/Langan re: NJDEP response letter; mtg w/H&M re: tar well removal invoice. Site visit.
			3	All NJ MGP Sites General NJ MGP Other	CIANJ Meeting: NJ remediation requirements.
9/30/2004				Erie Street Butler	
			4	South Street Rahway Perth Amboy Newton Flemington All NJ MGP Sites General NJ MGP Other	NJDEP response. Documentation review re: insurance recovery efforts.
	10/1/2004			Erie Street Butler	
			4	South Street Rahway Perth Amboy Newton Flemington All NJ MGP Sites General NJ MGP Other	NJDEP response and site visit. Non NJ MGP Insurance recovery.

Summary by Project

Hours	Project
5.50	Erie Street
0.00	Butler
22.50	South Street
1.50	Rahway
0.50	Perth Amboy
1.50	Newton
0.50	Flemington
4.00	General NJ MGP
6.00	Other
42	TOTAL HOURS

URS Signature
Date:

B. Seborowski
10/1/04

NUI Signature
Date:

Seborowski 10/1/04

Summary by Day

Date	Hours	Site	Activity
10/4/2004		Erie Street	
		Butler	
	8	South Street	Response to NJDEP comments.
		Rahway	
		Perth Amboy	
		Newton	
		Flemington	
		All NJ MGP Sites	
		General NJ MGP	
		Other	
10/5/2004		Erie Street	
		Butler	
	8	South Street	Response to NJDEP comments and T/C with NJDEP.
		Rahway	
		Perth Amboy	
		Newton	
		Flemington	
		All NJ MGP Sites	
		General NJ MGP	
		Other	
10/6/2004		Erie Street	
		Butler	
	3	South Street	Response to NJDEP comments and T/C with NJDEP.
		Rahway	
		Perth Amboy	
		Newton	
		Flemington	
		All NJ MGP Sites	
	1	General NJ MGP	NJ MGP Insurance recovery efforts
4	Other	Non NJ MGP Insurance recovery efforts.	
10/7/2004		Erie Street	
		Butler	
	8	South Street	Response to NJDEP comments.
		Rahway	
		Perth Amboy	
		Newton	
		Flemington	
		All NJ MGP Sites	
		General NJ MGP	
		Other	
10/8/2004		Erie Street	
		Butler	
	1	South Street	Response to NJDEP comments.
		Rahway	
		Perth Amboy	
		Newton	
		Flemington	
		All NJ MGP Sites	
		General NJ MGP	
		Other	

Summary by Project

Hours	Project
0.00	Erie Street
0.00	Butler
28.00	South Street
0.00	Rahway
0.00	Perth Amboy
0.00	Newton
0.00	Flemington
1.00	General NJ MGP
4.00	Other
33	TOTAL HOURS

URS Signature
Date:

B. Saleemli
10/11/04

NUI Signature
Date:

[Signature] 10/11/04



April 7, 2006
Project 051300

Geotechnical
Environmental and
Water Resources
Engineering

Ms. Shijuana Bornes
Director, Environmental Services
AGL Resources
Ten Peachtree Place, 9th Floor
Location 1311
Atlanta, GA 30309

RE: March 2006 Invoice
Invoice Period January 30, 2006 through March 26, 2006
Flemington & Erie Street Concept Documents & Strategic Consulting
AGL PO Number 1906

Dear Ms. Bornes:

Enclosed, please find GEI Consultants, Inc.'s March 2006 invoice for our work on the Flemington and Erie Street Strategy documents. During this period, we revised and expanded the strategy and planning documents in response to comments by AGL. We also conducted a file review at two NJDEP offices for the Butler Street property.

If you have any questions regarding this invoice, please contact me at (860) 368-5300.

Very truly yours,

GEI Consultants, Inc.

A handwritten signature in black ink, appearing to read "Brian J. McCarthy".

Brian J. McCarthy, P.E.
Senior Project Manager

BJM/amm
Enclosure

c: C. Dailey
H:\TECH\Project\ETG\Invoices\Mar 06 Invoice Strategy.doc



January 12, 2006
Project 051300

Geotechnical
Environmental and
Water Resources
Engineering

Ms. Shijuana Bornes
Director, Environmental Services
AGL Resources
Ten Peachtree Place, 9th Floor
Location 1311
Atlanta, GA 30309

**RE: December 2005 Invoice and Budget Tracking Report
Invoice Period November 28, 2005 through January 1, 2006
Flemington Site Briefing**


Dear Ms. Bornes:

Enclosed, please find GEI Consultants, Inc.'s December 2005 invoice for our work on the Flemington and Erie Street Strategy documents. During this period, we began preparing the draft site strategy and planning documents requested by AGL at our November 2005 meeting. Total project charges are \$4,619.57.

If you have any questions regarding this invoice, please contact me at (860) 368-5380.

Very truly yours,

GEI Consultants, Inc.


John A. Ripp
Program Manager

JAR/amm

Enclosure

c: C. Dailey

H:\TECH\Project\ETG\Invoices\Dec 05 Invoice and budget Report Strategy.doc



February 21, 2006
Project 051300

Geotechnical
Environmental and
Water Resources
Engineering

Ms. Shijuana Bornes
Director, Environmental Services
AGL Resources
Ten Peachtree Place, 9th Floor
Location 1311
Atlanta, GA 30309

**RE: January 2006 Invoice and Budget Tracking Report
Invoice Period January 2, 2006 through January 29, 2006
Flemington & Erie Street Site Briefings
AGL PO Number 1906**

Dear Ms. Bornes:

Enclosed, please find GEI Consultants, Inc.'s January 2006 invoice for our work on the Flemington and Erie Street Strategy documents. During this period, we completed the strategy and planning documents requested by AGL at our November 2005 meeting. The scope of work was described in our letter of December 23, 2005 and authorized by AGL in an email of the same date.

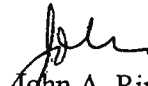
Completion of the documents required more effort than we had originally estimated. The documents, cost estimates, and figures available from previous investigations did not satisfy the requirements of the strategy documents, so additional engineering analysis and drafting time was required, as well as additional expense for producing the copies of the documents. We also expended some effort in contacting the NJDEP, which was not part of the original scope.

As stated in our December 23rd letter, the budget provided was an estimate, and the actual cost would depend upon the level of effort required to complete the work. Our total effort to complete the documents and other work resulted in \$8,100 more in labor and \$821 more in expenses than our estimate. Recognizing that this is a significant percentage of the total budget estimate, GEI will absorb approximately one-third of the labor effort beyond the budget, or \$2,720. The attached invoice reflects the absorption of those costs by us.

If you have any questions regarding this invoice, please contact me at (860) 368-5380.

Very truly yours,

GEI Consultants, Inc.


John A. Ripp
Program Manager

JAR/amm
Enclosure

c: C. Dailey
H:\TECH\Project\ETG\Invoices\Van 05 Invoice Strategy.doc

Goodson, Tim 11/27/2006 12/04/2006 Approved - 11/29/2006
 Palmer, William 11/29/2006 12/06/2006 Approved - 11/29/2006
 Brown, Jeff Bypassed - 11/29/2006
 Shlanta, Paul Bypassed - 11/29/2006

All | Fees | Expenses | Warnings | Adjustments

Show Warnings

All Line Item Details

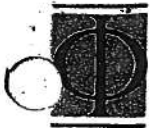
Description Start Date End Date

Timekeeper ID Task Code Activity Code

Currency = USD

Type	Date	TK	Task	Act	Description	Hrs/Units	Rate	Disc	Cash Adj	Net
Fee	10/3/2006	0258	P230		WORK ON <u>INSURANCE INDICATION</u> .	1.00	375.00	0.00	...	375.00
Fee	10/4/2006	0258	P230		FURTHER WORK ON <u>NEGOTIATING COVERAGE</u> .	0.50	375.00	0.00	...	187.50
Fee	10/12/2006	0258	P230		REVIEW LANGUAGE IN AQUILLA ACQUISITION DOCUMENTS PER E. KAZMAREK.	1.00	375.00	0.00	...	375.00
Fee	10/13/2006	3422	B250		TELEPHONE CONFERENCE WITH F. CAPACE REGARDING EXECUTED DRAFT OF PSA.	0.20	280.00	0.00	...	56.00
Exp	10/3/2006	3422	E101		COPY CHARGES	94.00	0.15	0.00	...	14.10
Exp	10/3/2006		E107		RCVD:GARRUBBO CAPECE D ARCANGELO MI/FRANK CAPECE TRACKING#:791561274809 FEDEX INV:845190667	1.00	22.23	0.00	...	22.23
Exp	10/12/2006		E105		LONG DISTANCE TELEPHONE 11:55 1(908)233-5575 74971	1.00	0.35	0.00	...	0.35
Exp	10/13/2006		E105		LONG DISTANCE TELEPHONE 10:20 1(908)233-5575 74971	1.00	0.35	0.00	...	0.35
Exp	10/16/2006		E107		RCVD:GARRUBBO CAPECE D ARCANGELO MI/FRANK CAPECE TRACKING#:790586154937 FEDEX INV:847807000	1.00	15.47	0.00	...	15.47
Exp	10/16/2006		E105		LONG DISTANCE TELEPHONE 09:49 1(908)233-4994 73877	1.00	0.25	0.00	...	0.25
Exp	10/16/2006	3422	E101		COPY CHARGES	8.00	0.15	0.00	...	1.20
Exp	10/20/2006	3422	E101		COPY CHARGES	1.00	0.15	0.00	...	0.15

Back



GEI Consultants, Inc.

188 Norwich Avenue
P.O. Box 297
Colchester, CT 06415
(860) 537-0751
(860) 537-6347 Fax

MS LILLIAN MORISI
ELIZABETHTOWN GAS COMPANY
ONE ELIZABETHTOWN PLAZA
P.O. BOX 3175
UNION, NJ 07083-1975

INV. DATE : 06/08/2001
INVOICE # : 805526
PROJECT # : 99047-0

CLIENT REF:

PROFESSIONAL SERVICES & EXPENSE DETAIL

PROFESSIONAL SERVICES

	HOURS	RATE	AMOUNT	
SENIOR PROFESSIONAL VII CHRISTOPHER F HUGHES	5.00	127.63	638.15	✓
ENGINEER GRADE VI KATHLEEN F SLIMON	15.00	98.43	1,476.45	✓
ENGINEER GRADE III CAROLYN A VERDON	46.50	64.90	3,017.85	✓
ENVIRONMENTAL SCIENTIST II CORINNE L HAESCHE	14.00	48.67	681.38	✓
TECH TYPIST/WORD PROCESSOR II/III JACQUELINE L SMITH	23.00	41.10	945.30	✓
OFFICE AIDE AMY E HUBLEY	1.00	36.40	36.40	✓
	-----		-----	
	104.50		6,795.53	✓

REIMBURSABLE EXPENSES

MATERIALS & RENTALS
JANE BARDENHEUER

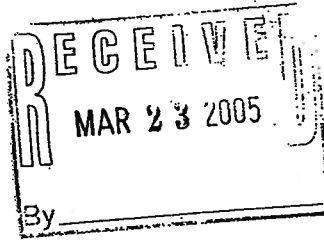
AMOUNT

84.80 ✓

Additional Offices Nationwide



Geotechnical
Environmental and
Water Resources
Engineering



March 17, 2005
Project 990470

Ms. Lillian Morisi
 Elizabethtown Gas Company – ETG
 One Elizabethtown Plaza
 P.O. Box 3175
 Union, NJ 07083-1975

Re: Payment of GEI Invoice No. 805526 dated June 8, 2001

Dear Ms. Morisi:

In July 2004, GEI completed its obligation to correct/update the draft report (“Remediation Cost Estimates: New Jersey”) prepared at the request of Elizabethtown Gas (ETG) counsel. As mutually agreed upon completion of this task, ETG would authorize/release payment (\$7,035.73) on GEI invoice No. 805526 dated June 8, 2001. ok ✓

GEI respectfully requests payment of this invoice at this time. If you have any comments or questions regarding this request, please contact me.

Sincerely,

GEI Consultants, Inc.

John Ripp
John Ripp
Program Manager

Pay => \$7035.⁷³

~~XXXXXXXXXX~~
Lillian Morisi
3/17/05

JR:gg
J:\WP\PROC\Project\etg\Invoices\Request to ETG 3-17-05.doc

Environmental Services	_____
PO #	_____
Account #	_____
Dept ID	_____
Approval Date	_____
Approved By	_____

Summary by Day

Date	Hours	Site	Activity
6/7/2004	2	Erie Street	Project administration.
		Butler	
	5	South Street	NJDEP response letter.
	1	Rahway	
		Perth Amboy	Project administration.
		Newton	
		Flemington	
		All NJ MGP Sites	
		General NJ MGP	
	Other		
6/8/2004		Erie Street	
		Butler	
	4	South Street	NJDEP response letter and site visit.
		Rahway	
		Perth Amboy	
		Newton	Potable sampling results.
	4	Flemington	
		All NJ MGP Sites	
		General NJ MGP	
	Other		
6/9/2004	0.25	Erie Street	NRD.
		Butler	
	5.75	South Street	NJDEP response letter and site visit.
	1.25	Rahway	
	0.25	Perth Amboy	NRD and project administration.
	0.25	Newton	
	0.25	Flemington	NRD.
		All NJ MGP Sites	
		General NJ MGP	
	Other		
6/10/2004		Erie Street	
		Butler	
		South Street	
		Rahway	
		Perth Amboy	Documentation compilation.
	2	Newton	
	2	Flemington	
		All NJ MGP Sites	
		General NJ MGP	
	Other	Potable well sampling results compilation.	
6/11/2004	0.25	Erie Street	File maintenance.
		Butler	
	3.5	South Street	T/C with Langan, NJDEP response letter and file maintenance.
	0.25	Rahway	
	0.25	Perth Amboy	File maintenance.
	2.5	Newton	
	1.25	Flemington	Documentation compilation and file maintenance.
		All NJ MGP Sites	
	4	General NJ MGP	
	Other	Documentation review re:insurance recovery efforts. (NJ)	

Summary by Project

Hours	Project
2.50	Erie Street
0.00	Butler
18.25	South Street
2.50	Rahway
0.50	Perth Amboy
4.75	Newton
7.50	Flemington
4.00	General NJ MGP
0.00	Other
40	TOTAL HOURS

URS Signature
Date:

NUI Signature
Date:

B. Seligson
6/14/04

Jim Davis 6/14/04

Summary by Day

Date	Hours	Site	Activity
6/21/2004		Erie Street	
		Butler	
	3	South Street	Project administration.
		Rahway	
	3	Perth Amboy	Project administration.
	2	Newton	NRD assessment.
		Flemington	
		All NJ MGP Sites	
		General NJ MGP	
		Other	
6/22/2004		Erie Street	
		Butler	
	4	South Street	Response to NJDEP and NRD assessment.
		Rahway	
	1	Perth Amboy	Project administration.
		Newton	
	3	Flemington	T/C w/GEI, GPU & NJDEP and review of TICs.
		All NJ MGP Sites	
		General NJ MGP	
		Other	
6/23/2004	3	Erie Street	NRD assessment.
		Butler	
	2	South Street	Tar well WP.
	1	Rahway	Project administration.
		Perth Amboy	
		Newton	
	2	Flemington	NRD assessment.
		All NJ MGP Sites	
		General NJ MGP	
		Other	
6/24/2004	5	Erie Street	Site Mtg w/GEI re: City work along Third Avenue.
		Butler	
		South Street	
	3	Rahway	Project administration.
		Perth Amboy	
		Newton	
		Flemington	
		All NJ MGP Sites	
		General NJ MGP	
		Other	
6/25/2004	1	Erie Street	City work along Third Avenue.
		Butler	
	2	South Street	Project administration.
	2	Rahway	Review draft RIR.
		Perth Amboy	
		Newton	
		Flemington	
	3	All NJ MGP Sites	Review of SRIN documentation re NJDEP requirements.
		General NJ MGP	
		Other	

Summary by Project

Hours	Project
9.50	Erie Street
0.00	Butler
11.50	South Street
6.50	Rahway
4.50	Perth Amboy
2.50	Newton
5.50	Flemington
0.00	General NJ MGP
0.00	Other
40	TOTAL HOURS

URS Signature
Date:

NUI Signature
Date:

R. Sciacca
6/29/04

[Signature] 7/12/04

Summary by Day

Date	Hours	Site	Activity
9/20/2004		Erie Street	
		Butler	
	3	South Street	Finalize WP for MW-13D, T/C with NJDOT, T/C with S. Monaghan and site inspection.
		Rahway	
		Perth Amboy	
		Newton	
		Flemington	
	4	All NJ MGP Sites	NJ NRD.
	4	General NJ MGP	NJ NRD.
		Other	
9/21/2004	1	Erie Street	Site mtg w/GEI re: river inspection.
		Butler	
	1	South Street	T/C with Langan.
		Rahway	
		Perth Amboy	
		Newton	
		Flemington	
	5	All NJ MGP Sites	NJ NRD.
	4	General NJ MGP	NJ NRD.
		Other	
9/22/2004		Erie Street	
		Butler	
	5	South Street	Project administration and T/C w/Langan.
	3	Rahway	Project administration.
		Perth Amboy	
		Newton	
		Flemington	
		All NJ MGP Sites	
		General NJ MGP	
		Other	
9/23/2004	2	Erie Street	Project administration and T/C w/GEI.
		Butler	
	6	South Street	Project administration.
		Rahway	
		Perth Amboy	
		Newton	
		Flemington	
		All NJ MGP Sites	
		General NJ MGP	
		Other	
9/24/2004	4	Erie Street	Project administration.
		Butler	
	2	South Street	Project administration.
	2	Rahway	Project administration.
		Perth Amboy	
		Newton	
		Flemington	
		All NJ MGP Sites	
		General NJ MGP	
		Other	

Summary by Project

Hours	Project
8.50	Erie Street
0.00	Butler
18.50	South Street
6.50	Rahway
1.50	Perth Amboy
1.50	Newton
1.50	Flemington
8.00	General NJ MGP
0.00	Other
46	TOTAL HOURS

URS Signature
Date:

[Signature]
9/24/04

NUI Signature
Date:

[Signature] 9/28/04

EXHIBIT 4

NRD – Related Charges

- Responses to RCR-SBC-7
(Original Response)
- Response to RCR-SBC-7
(Supplemental)
- URS invoices reflecting NRD-
related charges

**I/M/O The Petition of Pivotal Utility Holdings, Inc. d/b/a
Elizabethtown Gas To (1) Revise Its Weather Normalization Clause Rate
(2) Revise Its Societal Benefits Charge Rate and (3) Revise Its On-System Margin Credit
BPU Docket No. GR07080645, OAL Docket No. PUC 1688-09**

**I/M/O The Petition Of Pivotal Utility Holdings, Inc. d/b/a
Elizabethtown Gas To (1) Revise Its Weather Normalization Clause Rate
(2) Revise Its Societal Benefits Charge Rate and (3) Revise Its On-System Margin Credit
BPU Docket No. GR08090836, OAL Docket No. PUC 1689-09**

**I/M/O The Petition Of Pivotal Utility Holdings, Inc. d/b/a
Elizabethtown Gas To (1) Revise Its Weather Normalization Clause Rate
(2) Revise Its Societal Benefits Charge Rate and (3) Revise Its On-System Margin Credit
BPU Docket No. GR09080651, OAL Docket No. PUC 11615-09**

SLC

RCR-SBC-7

- Q. Please provide a detailed breakdown, by month of all costs incurred by the Company at any time related to Natural Resource Damage (“NRD”) claims. Please provide all documentation of such costs, and documentation that all such costs have been deferred. In the event any NRD-related costs have not been deferred, please provide a detailed explanation why such costs were not deferred.**
- A. Please see attachment RCR-SBC-7.1 for the summary table and attachment RCR-SBC-7.2 for the supporting invoices.**

ETG RAC Expenditures for Natural Resource Damages Issues July 2004 - June 2009

Date	Vendor	Amount
Aug-04	URS	\$279.00
Aug-04	URS	1,976.25
Aug-04	GEI	\$2,499.10
Dec-04	URS	\$418.50
Nov-05	Decotlis, FitzPatrick, Cole & Wisler	\$85.00
Total		\$5,257.85

**I/M/O The Petition of Pivotal Utility Holdings, Inc. d/b/a
Elizabethtown Gas To (1) Revise Its Weather Normalization Clause Rate
(2) Revise Its Societal Benefits Charge Rate and (3) Revise Its On-System Margin Credit
BPU Docket No. GR07080645, OAL Docket No. PUC 1688-09**

**I/M/O The Petition Of Pivotal Utility Holdings, Inc. d/b/a
Elizabethtown Gas To (1) Revise Its Weather Normalization Clause Rate
(2) Revise Its Societal Benefits Charge Rate and (3) Revise Its On-System Margin Credit
BPU Docket No. GR08090836, OAL Docket No. PUC 1689-09**

**I/M/O The Petition Of Pivotal Utility Holdings, Inc. d/b/a
Elizabethtown Gas To (1) Revise Its Weather Normalization Clause Rate
(2) Revise Its Societal Benefits Charge Rate and (3) Revise Its On-System Margin Credit
BPU Docket No. GR09080651, OAL Docket No. PUC 11615-09**

SLC

RCR-SBC-7 (Original Response)

- Q. Please provide a detailed breakdown, by month of all costs incurred by the Company at any time related to Natural Resource Damage (“NRD”) claims. Please provide all documentation of such costs, and documentation that all such costs have been deferred. In the event any NRD-related costs have not been deferred, please provide a detailed explanation why such costs were not deferred.**
- A. Please see attachment RCR-SBC-7.1 for the summary table and attachment RCR-SBC-7.2 for the supporting invoices.**

RCR-SBC-7 (12-10-10 Supplemental Response)

- Q. The NRD-related costs identified in the Company’s response total \$5,257.85. Since this amount is less than the amount of such costs that we have specifically identified in our review of a limited number of vendor invoices, the response is clearly incomplete. In addition the Company has not provided the requested documentation that NRD-related costs have been deferred.**
- A. The Company does not have a record of NRD-related vendor invoices totaling an amount greater than \$5,257.85 during RAC years commencing July 1, 2004. While the Company has a record of NRD-related vendor invoices greater than this amount for RAC years commencing before July 1, 2004, the Stipulation approved by the Board’s July 30, 2008 Order in BPU Docket Nos. GRO5080730 and GR06080621 limits the review of NRD-related costs only as far back as RAC years commencing July 1, 2004. To the extent Rate Counsel has identified vendor invoices that appear inconsistent with the Company’s records, if copies of those invoices are provided to the Company, it can work with the parties to determine if they fall within the period at issue in this proceeding and, if so, how to treat the associated costs. The NRD-related costs totaling approximately \$5,257.85 were not deferred because there is no requirement which obligates the Company to defer NRD-related costs.**

**I/M/O The Petition of Pivotal Utility Holdings, Inc. d/b/a
Elizabethtown Gas To (1) Revise Its Weather Normalization Clause Rate
(2) Revise Its Societal Benefits Charge Rate and (3) Revise Its On-System Margin Credit
BPU Docket No. GR07080645, OAL Docket No. PUC 1688-09**

**I/M/O The Petition Of Pivotal Utility Holdings, Inc. d/b/a
Elizabethtown Gas To (1) Revise Its Weather Normalization Clause Rate
(2) Revise Its Societal Benefits Charge Rate and (3) Revise Its On-System Margin Credit
BPU Docket No. GR08090836, OAL Docket No. PUC 1689-09**

**I/M/O The Petition Of Pivotal Utility Holdings, Inc. d/b/a
Elizabethtown Gas To (1) Revise Its Weather Normalization Clause Rate
(2) Revise Its Societal Benefits Charge Rate and (3) Revise Its On-System Margin Credit
BPU Docket No. GR09080651, OAL Docket No. PUC 11615-09**

SLC

RCR-SBC-7

- Q. Please provide a detailed breakdown, by month of all costs incurred by the Company at any time related to Natural Resource Damage (“NRD”) claims. Please provide all documentation of such costs, and documentation that all such costs have been deferred. In the event any NRD-related costs have not been deferred, please provide a detailed explanation why such costs were not deferred.**
- A. Please see attachment RCR-SBC-7.1 for the summary table and attachment RCR-SBC-7.2 for the supporting invoices.**

ETG RAC Expenditures for Natural Resource Damages Issues July 2004 - June 2009

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Aug-04	GEI	\$2,499.10
Dec-04	URS	\$418.50
Nov-05	Decottis, FitzPatrick, Cole & Wisler	\$85.00
Total		\$5,257.85

ETG RAC Cost Quantification
 BPU Dkt. Nos.: GR07080645, GR08090836, GR09080651

	<u>non-NJ /</u> <u>O&M</u>	<u>SOX</u>	<u>Transition</u>	<u>Concept</u> <u>Documents</u>	<u>NRD</u>	<u>No support</u>	<u>Total</u>	<u>Staff</u> <u>disallowance</u>
LTM	\$1,802.89	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,802.89	\$1,802.89
ERM	\$0.00	\$0.00	\$2,731.11	\$0.00	\$13,023.97	\$0.00	\$15,755.08	\$1,323.45
ECM	\$0.00	\$740.00	\$0.00	\$50,220.49	\$57.50	\$0.00	\$51,017.99	\$1,649.12
URS	\$0.00	\$0.00	\$0.00	\$0.00	\$3,627.00	\$0.00	\$3,627.00	\$1,756.95
GEI	\$1,610.10	\$3,517.87	\$0.00	\$47,212.19	\$4,191.75	\$568.00	\$57,099.91	\$0.00
RETEC/ENSR/AECOM	\$306.24	\$22,928.81	\$485.81	\$0.00	\$0.00	\$0.00	\$23,720.86	\$67,216.85
Total	\$3,719.23	\$27,186.67	\$3,216.92	\$97,432.68	\$20,900.22	\$568.00	\$153,023.72	\$73,749.26

\$79,274.46

Note: SOX reflects 50% of amount identified by vendor.

PROJECT ACTIVITY LOG

Kenneth Seborowski

Project:
Project No.
Week Ending

NUI Corporation
19683756 Task 00001
5/21/2004

Summary by Day

Date	Hours	Site	Activity
5/17/2004		Erie Street	
		Butler	
	4	South Street	Evaluation of CN soils data and project administration.
	4	Rahway	Evaluation of Hamilton Laundry site data.
		Perth Amboy	
		Newton	
		Flemington	
		All NJ MGP Sites	
		General NJ MGP	
		Other	
5/18/2004		Erie Street	
		Butler	
	2	South Street	Project administration.
	3	Rahway	RI data evaluation.
		Perth Amboy	
		Newton	
		Flemington	
	3	All NJ MGP Sites	NJDEP regulations re: NRD.
		General NJ MGP	
		Other	
5/19/2004		Erie Street	
		Butler	
	5	South Street	Reference search and review and internal discussions re supplemental activities.
		Rahway	
		Perth Amboy	
	1	Newton	File maintenance.
	2	Flemington	File maintenance.
		All NJ MGP Sites	
		General NJ MGP	
		Other	
5/20/2004	1	Erie Street	Remediation scenarios.
		Butler	
	6	South Street	T/C with Langan, site inspection and project administration.
	1	Rahway	Project administration.
		Perth Amboy	
		Newton	
		Flemington	
		All NJ MGP Sites	
		General NJ MGP	
		Other	
5/21/2004	2	Erie Street	File maintenance.
		Butler	
	3	South Street	Project administration.
	2	Rahway	Project administration.
		Perth Amboy	
	1	Newton	Soil disposal.
		Flemington	
		All NJ MGP Sites	
		General NJ MGP	
		Other	

Summary by Project

Hours	Project
3.50	Erie Street
0.00	Butler
20.50	South Street
10.50	Rahway
0.50	Perth Amboy
2.50	Newton
2.50	Flemington
0.00	General NJ MGP
0.00	Other
40	TOTAL HOURS

URS Signature
Date:

D. Saley
5/24/04

NUI Signature
Date:

John 5/27/04

PROJECT ACTIVITY LOG

Kenneth Seborowski

Project:

NUI Corporation

Project No.

19683756 Task 00001

Week Ending

6/11/2004

Summary by Day

Date	Hours	Site	Activity
6/7/2004	2	Erie Street	Project administration.
		Butler	
	5	South Street	NJDEP response letter.
	1	Rahway	Project administration.
		Perth Amboy	
		Newton	
		Flemington	
		All NJ MGP Sites	
		General NJ MGP	
		Other	
6/8/2004		Erie Street	
		Butler	
	4	South Street	NJDEP response letter and site visit.
		Rahway	
		Perth Amboy	
		Newton	
	4	Flemington	Potable sampling results.
		All NJ MGP Sites	
	General NJ MGP		
		Other	
6/9/2004	0.25	Erie Street	NRD.
		Butler	
	5.75	South Street	NJDEP response letter and site visit.
	1.25	Rahway	NRD and project administration.
	0.25	Perth Amboy	NRD.
	0.25	Newton	NRD.
	0.25	Flemington	NRD.
		All NJ MGP Sites	
	General NJ MGP		
		Other	
6/10/2004		Erie Street	
		Butler	
		South Street	
		Rahway	
		Perth Amboy	
	2	Newton	Documentation compilation.
	2	Flemington	Potable well sampling results compilation.
		All NJ MGP Sites	
	General NJ MGP		
		Other	
6/11/2004	0.25	Erie Street	File maintenance.
		Butler	
	3.5	South Street	T/C with Langan, NJDEP response letter and file maintenance.
	0.25	Rahway	File maintenance.
	0.25	Perth Amboy	File maintenance.
	2.5	Newton	Documentation compilation and file maintenance.
	1.25	Flemington	File maintenance.
		All NJ MGP Sites	
4	General NJ MGP	Documentation review re:insurance recovery efforts.	
		Other	

Summary by Project

Hours	Project
2.50	Erie Street
0.00	Butler
18.25	South Street
2.50	Rahway
0.50	Perth Amboy
4.75	Newton
7.50	Flemington
4.00	General NJ MGP
0.00	Other
40	TOTAL HOURS

URS Signature
Date:

B. Seborowski
6/14/04

NUI Signature
Date:

Jan J... 6/14/04

(NJ)

PROJECT ACTIVITY LOG

Kenneth Seborowski

Project:
Project No.
Week Ending

NUI Corporation
19683756 Task 00001
6/18/2004

Summary by Day

Date	Hours	Site	Activity
6/14/2004		Erie Street	
		Butler	
	3	South Street	Site meeting w/ Langan and contractor.
		Rahway	
		Perth Amboy	
		Newton	
	5	Flemington	File maintenance and T/C with JCP&L and GEI.
		All NJ MGP Sites	
		General NJ MGP	
		Other	
6/15/2004		Erie Street	
		Butler	
		South Street	
		Rahway	
		Perth Amboy	
		Newton	
	8	Flemington	Project administration.
		All NJ MGP Sites	
		General NJ MGP	
		Other	
6/16/2004	4	Erie Street	Data compilation.
		Butler	
		South Street	
	4	Rahway	Review RIR.
		Perth Amboy	
		Newton	
		Flemington	
		All NJ MGP Sites	
		General NJ MGP	
		Other	
6/17/2004	4	Erie Street	Site Mtg w/GEI and NRD assessment. 8
		Butler	
		South Street	
	2	Rahway	NRD assessment.
		Perth Amboy	
	2	Newton	NRD assessment.
		Flemington	
		All NJ MGP Sites	
		General NJ MGP	
		Other	
6/18/2004		Erie Street	
		Butler	
		South Street	
	3	Rahway	Review draft RIR.
		Perth Amboy	
		Newton	
	4	Flemington	Potable well sampling results review.
		All NJ MGP Sites	
1	General NJ MGP	File maintenance. (NJ INS. REC.)	
		Other	

Summary by Project

Hours	Project
8.00	Erie Street
0.00	Butler
3.00	South Street
9.00	Rahway
0.00	Perth Amboy
2.00	Newton
17.00	Flemington
1.00	General NJ MGP
0.00	Other
40	TOTAL HOURS

URS Signature
Date:

K. Seborowski
6/21/04

NUI Signature
Date:

[Signature] 6/21/04

PROJECT ACTIVITY LOG

Kenneth Seborowski

Project:
Project No.
Week Ending

NUI Corporation
19683756 Task 00001
6/25/2004

Summary by Day

Date	Hours	Site	Activity
6/21/2004		Erie Street	
		Butler	
	3	South Street	Project administration.
		Rahway	
	3	Perth Amboy	Project administration.
	2	Newton	NRD assessment.
		Flemington	
		All NJ MGP Sites General NJ MGP Other	
6/22/2004		Erie Street	
		Butler	
	4	South Street	Response to NJDEP and NRD assessment.
		Rahway	
	1	Perth Amboy	Project administration.
		Newton	
	3	Flemington	T/C w/GEI, GPU & NJDEP and review of TICs.
		All NJ MGP Sites General NJ MGP Other	
6/23/2004	3	Erie Street	NRD assessment. (9)
		Butler	
	2	South Street	Tar well WP.
	1	Rahway	Project administration.
		Perth Amboy	
		Newton	
	2	Flemington	NRD assessment.
		All NJ MGP Sites General NJ MGP Other	
6/24/2004	5	Erie Street	Site Mtg w/GEI re: City work along Third Avenue.
		Butler	
		South Street	
	3	Rahway	Project administration.
		Perth Amboy	
		Newton	
		Flemington	
		All NJ MGP Sites General NJ MGP Other	
6/25/2004	1	Erie Street	City work along Third Avenue.
		Butler	
	2	South Street	Project administration.
	2	Rahway	Review draft RIR.
		Perth Amboy	
		Newton	
		Flemington	
	3	All NJ MGP Sites	Review of SRIN documentation re NJDEP requirements.
	General NJ MGP Other		

Summary by Project

Hours	Project
9.50	Erie Street
0.00	Butler
11.50	South Street
6.50	Rahway
4.50	Perth Amboy
2.50	Newton
5.50	Flemington
0.00	General NJ MGP
0.00	Other
40	TOTAL HOURS

URS Signature
Date:

K Seborowski
6/28/04

NUI Signature
Date:

[Signature] 7/12/04

PROJECT ACTIVITY LOG

Kenneth Seborowski

Project:
Project No.
Week Ending

NUI Corporation
19683756 Task 00001
9/17/2004

Summary by Day

Date	Hours	Site	Activity		
9/13/2004	4	Erie Street Butler	Well abandonment correspondence and requirements.		
	2	South Street Rahway Perth Amboy Newton Flemington All NJ MGP Sites General NJ MGP	Project management.		
	2	Other	Non-NJ Insurance Recovery.		
	9/14/2004	3	Erie Street Butler	T/C with NJDEP and review of well abandonment correspondence and requirements	
		4.5	South Street Rahway Perth Amboy	Site visit, T/C with Langan, preparation of GWWP.	
		0.5	Newton Flemington All NJ MGP Sites General NJ MGP Other	T/C with GPU re soil disposal.	
		9/15/2004		Erie Street Butler	
			5	South Street Rahway Perth Amboy Newton Flemington	Site visit, discussions w/NJDOT and S. Monaghan, prepare GWWP.
1.5			All NJ MGP Sites General NJ MGP	NJ NRD.	
1.5			Other	Non-NJ NRD.	
9/16/2004				Erie Street Butler	
	4		South Street	Site visit, finalize GWWP and project management.	
	2		Rahway Perth Amboy Newton Flemington	Project management.	
	1		All NJ MGP Sites General NJ MGP	NJ NRD.	
	1	Other	Non-NJ NRD.		
	9/17/2004		Erie Street Butler		
		4	South Street Rahway Perth Amboy Newton Flemington	T/C w/H&M and Langan and prepare WP for 13D.	
		2	All NJ MGP Sites General NJ MGP	NJ NRD.	
2		Other	Non-NJ NRD		

Summary by Project

Hours	Project
7.75	Erie Street
0.00	Butler
20.25	South Street
2.75	Rahway
0.75	Perth Amboy
1.25	Newton
0.75	Flemington
0.00	General NJ MGP
6.50	Other
40	TOTAL HOURS

URS Signature
Date:

K Seborowski
9/20/04

NUI Signature
Date:

[Signature] 9/21/04

Project:
 Project No.
 Week Ending

NUI Corporation
 19683756 Task 00001
 9/24/2004

Summary by Day

Date	Hours	Site	Activity
9/20/2004		Erie Street	
		Butler	
	3	South Street	Finalize WP for MW-13D, T/C with NJDOT, T/C with S. Monaghan and site inspection.
		Rahway	
		Perth Amboy	
		Newton	
		Flemington	
	4	All NJ MGP Sites	NJ NRD.
	4	General NJ MGP	NJ NRD.
	Other		
9/21/2004	1	Erie Street	Site mtg w/GEI re: river inspection.
		Butler	
	1	South Street	T/C with Langan.
		Rahway	
		Perth Amboy	
		Newton	
		Flemington	
	5	All NJ MGP Sites	NJ NRD.
	4	General NJ MGP	NJ NRD.
	Other		
9/22/2004		Erie Street	
		Butler	
	5	South Street	Project administration and T/C w/Langan.
	3	Rahway	Project administration.
		Perth Amboy	
		Newton	
		Flemington	
		All NJ MGP Sites	
		General NJ MGP	
	Other		
9/23/2004	2	Erie Street	Project administration and T/C w/GEI.
		Butler	
	6	South Street	Project administration.
		Rahway	
		Perth Amboy	
		Newton	
		Flemington	
		All NJ MGP Sites	
		General NJ MGP	
	Other		
9/24/2004	4	Erie Street	Project administration.
		Butler	
	2	South Street	Project administration.
	2	Rahway	Project administration.
		Perth Amboy	
		Newton	
		Flemington	
		All NJ MGP Sites	
		General NJ MGP	
	Other		

Summary by Project

Hours	Project
8.50	Erie Street
0.00	Butler
18.50	South Street
6.50	Rahway
1.50	Perth Amboy
1.50	Newton
1.50	Flemington
8.00	General NJ MGP
0.00	Other
46	TOTAL HOURS

URS Signature
 Date:
 NUI Signature
 Date:

[Handwritten Signature]
 9/24/04
[Handwritten Signature]
 9/28/04