



Agenda Date: 2/11/15
Agenda Item: 2C

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF PIVOTAL)	DECISION AND ORDER
UTILITY HOLDINGS, d/b/a ELIZABETHTOWN GAS TO)	ADOPTING INITIAL DECISION
(1) REVISE ITS WEATHER NORMALIZATION CLAUSE)	AND APPROVING STIPULATION
RATE; (2) REVISE THE CLEAN ENERGY PROGRAM)	
COMPONENT OF ITS SOCIETAL BENEFITS CHARGE)	
RATE; AND (3) REVISE ITS ON-SYSTEM MARGIN)	DOCKET NO. GR14070755
SHARING CREDIT)	OAL DOCKET NO. PUC 16105-14

Parties of Record:

Mary Patricia Keefe, Esq., Vice President, Pivotal Utility Holdings, Inc. d/b/a
Elizabethtown Gas
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD¹:

BACKGROUND

Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas (“Elizabethtown” or “Company”) filed its annual petition (“2014 Petition”) with the New Jersey Board of Public Utilities (“Board”) on July 18, 2014, in Docket No. GR14070755, seeking to revise its: (1) Weather Normalization Clause (“WNC”) rate, (2) New Jersey Clean Energy Program (“CEP”) rate, and (3) On-System Margin Sharing Credit (“OSMC”) rate.

The WNC normalizes the financial impact of weather conditions on both the Company and its weather-sensitive ratepayers. An excess margin resulting from a colder than normal Winter Period, as defined below, is returned to ratepayers, while a deficit margin resulting from a warmer than normal Winter Period is recovered from ratepayers. Variances in actual degree days from normal for each day are measured and accumulated over the calendar month for each month in the Winter Period (i.e. October through May). The resulting cumulative degree

¹ Commissioner Upendra J. Chivukula recused himself due to a potential conflict of interest and as such took no part in the discussion or deliberation of this matter.

day variance determines the adjustment to customers' bills in the following Winter Period. The proposed WNC credit rate of \$0.0254 per therm reflects over-recovered revenues of \$7.127 million tied to the 2014 Winter Period which was 419 degree days (8.9%) colder than normal, and the return to ratepayers of the prior year's over-recovery of \$0.489 million.

The CEP was created through the Electric Discount and Energy Competition Act in an effort to promote energy efficiency and renewable energy programs by offering financial incentives, programs and services to New Jersey residents, business owners and local governments. The proposed reduction in the CEP rate from \$0.0385 per therm to \$0.0244 will reduce annual revenues by an estimated \$6.323 million.

The OSMC provides for 80% of the margins generated from certain on-system non-firm sales and transportation services to be flowed-back (credited) to firm customers. The proposed increase in the OSMC rate from a credit of \$0.0018 per therm to a credit of \$0.0064 per therm, will reduce annual revenues by an estimated \$1.713 million.

Collectively, the three rate adjustments proposed by the filing were designed to decrease the Company's revenues by \$15.652 million.

Public hearings concerning the proposed rates were not held as no rate increases were proposed by the 2014 Petition.

Elizabethtown, Board Staff and the Division of Rate Counsel (collectively "the Parties") engaged in discovery and reached a Stipulation on January 6, 2015 resolving all issues in this proceeding.

STIPULATION²

1. The following after-tax rates are to be set as of the effective date of the Board Order in this matter, and remain in effect until changed by further Order of the Board.

	<u>Stipulated Rates</u>
WNC	(\$0.0254)
CEP	\$0.0244
OSMC	(\$0.0082)

2. Elizabethtown represents that the labor allocation reflected in the Societal Benefits Charge-CEP rider rates proposed in the 2014 Petition did not include recovery of incentive compensation costs, and the rates agreed to in this Stipulation do not reflect recovery of such costs.

² Although described at some length in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusion in this Order.

3. Approval of this Stipulation will result in a total SBC rate of \$0.0783 per therm, inclusive of the currently effective RAC, Universal Service Fund and Lifeline rate components.
4. The annual bill impact of the stipulated WNC, SBC-CEP, and OSMC rates on a typical residential heating customer using 1000 therms is a decrease of \$43.54, from \$1,027.10 to \$983.56 or 4.2% as compared to the Company's current rates.

On January 22, 2015, Administrative Law Judge Moss issued her Initial Decision approving the Stipulation finding that the Parties voluntarily agreed to the Stipulation as evidenced by their signatures, and that the Stipulation fully disposes of all issues in controversy and is consistent with the law.

DISCUSSION AND FINDING

The Board reviewed the attached Initial Decision and Stipulation in their entirety and **HEREBY FINDS** that, subject to the terms and conditions set forth below, the attached Stipulation is reasonable, in the public interest, and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Initial Decision and Stipulation as its own, as if fully set forth herein.

The Board **HEREBY ORDERS** that the after-tax per therm WNC, SBC-CEP and OSMC rates, to become effective February 23, 2015, are as follows:

	<u>Stipulated Rates</u>
WNC	(\$0.0254)
CEP	\$0.0244
OSMC	(\$0.0082)

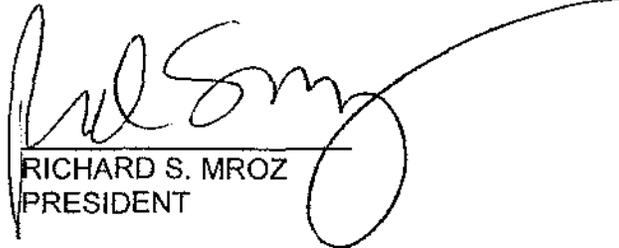
The Company is **HEREBY DIRECTED** to file the appropriate tariff sheets conforming to the terms and conditions of this Order within five (5) business days after the effective date of this Order.

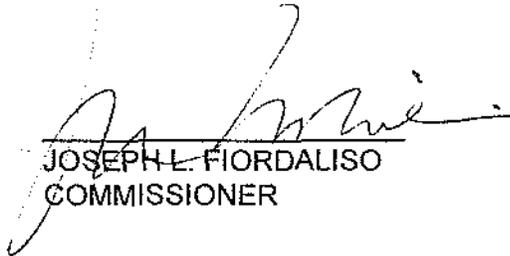
The Company's gas costs will remain subject to audit by the Board. This Decision and Order shall not preclude the Board from taking any such actions deemed to be appropriate as a result of any such audit.

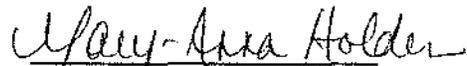
The effective date of this Order is February 23, 2015.

DATED: 2/11/15

BOARD OF PUBLIC UTILITIES
BY:

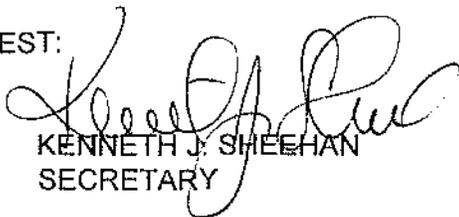

RICHARD S. MROZ
PRESIDENT

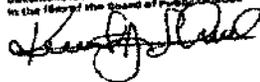

JOSEPH L. FIORDALISO
COMMISSIONER


MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER

ATTEST:


KENNETH J. SHEEHAN
SECRETARY

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


In the Matter of the Petition of Pivotal Utility Holdings d/b/a Elizabethtown Gas to (1) Revise its Weather Normalization Clause Rate; (2) Revise the Clean Energy Program Component of its Societal Benefits Charge Rate; and (3) Revise its On-System Margin Sharing Credit

DOCKET NO. GR14070755

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State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION

SETTLEMENT

OAL DKT. NO. PUC 16105-14N

AGENCY DKT. NO. GR14070755

IN THE MATTER OF THE PETITION OF PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS TO: (1) REVISE ITS WEATHER NORMALIZATION CLAUSE RATE (2) REVISE THE CLEAN ENERGY PROGRAM OF ITS SOCIETAL BENEFITS CHARGE RATE AND (3) REVISE ITS ON-SYSTEM MARGIN SHARING CREDIT

Deborah M. Franco, Esq., for petitioner Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas

Sarah H. Steindel, Esq., Assistant Deputy Rate Counsel and **James Glassen, Esq.**, Assistant Deputy Rate Counsel, for New Jersey Division of Rate Counsel (Stefanie A. Brand, Director)

Alex Moreau, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (John J. Hoffman, Acting Attorney General of New Jersey, attorney)

Record Closed: January 8, 2015

Decided: January 22, 2015

BEFORE: **KIMBERLY A. MOSS, ALJ:**

On December 3, 2014, this matter was transmitted to the Office of Administrative Law (OAL) for hearing as a contested case pursuant to N.J.S.A. 52:14B-1 to-15 and N.J.S.A. 52:14F 1 to- 13. The matter was scheduled for a telephone prehearing on January 22, 2014. Prior to the prehearing the parties conducted discovery and reached a Stipulation of Settlement which resolves all issues in dispute. An executed Stipulation of Settlement (Stipulation) was filed on January 8, 2015, on which date the record was closed. Attached herewith is a copy of the Stipulation.

I have reviewed the record and the settlement terms and I **FIND** that the parties have voluntarily agreed to the Stipulation as evidenced by their signatures and the Stipulation fully disposes of all issues in controversy and is consistent with the law.

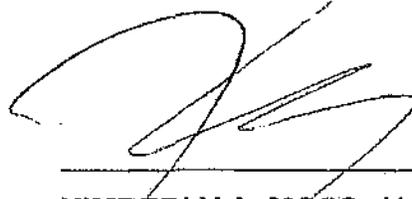
I **CONCLUDE** that the Stipulation meets the requirements of N.J.A.C. 1:1-19.1 and that it should be approved. It is hereby **ORDERED** that the Stipulation be and is hereby **APPROVED**, the rates reflected therein be effective on the effective date of approval by the BPU of the pertinent tariff sheets, and these proceedings be concluded.

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

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

1-22-15

DATE



KIMBERLY A. MOSS, ALJ

Date Received at Agency:

Date Mailed to Parties:

ljb



CULLEN and DYKMAN LLP

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2015 JAN - 8 P 4:13
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STATE OF NEW JERSEY
OFFICE OF PUBLIC UTILITIES

January 7, 2015

ORIGINAL

VIA FEDERAL EXPRESS
Honorable Kimberly Moss
Administrative Law Judge
Office of Administrative Law
33 Washington St
Newark, NJ 07102

**Re: In The Matter Of The Petition Of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas To (1) Revise Its Weather Normalization Clause Rate (2) Revise The Clean Energy Program Component Of Its Societal Benefits Charge Rate (3) Revise Its On-System Margin Sharing Credit
BPU Docket No. GR14070755, OAL Docket No. PUC 16105-2014**

Dear Judge Moss:

Enclosed for filing in the above proceeding are an original and ten copies of a Stipulation executed by representatives of Pivotal Utility Holdings Inc. d/b/a Elizabethtown Gas ("Elizabethtown"), the Staff of the Board of New Jersey Board of Public Utilities and the New Jersey Division of Rate Counsel.

Please contact the undersigned if you have questions or require further information.
Thank you.

Respectfully submitted,

/s/ Deborah M. Franco / KB
Deborah M. Franco
Of Counsel to
Pivotal Utility Holdings, Inc.
d/b/a Elizabethtown Gas

cc: Service List

**IN THE MATTER OF THE PETITION OF
PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS
TO (1) REVISE ITS WEATHER NORMALIZATION CLAUSE RATE
(2) REVISE THE CLEAN ENERGY PROGRAM COMPONENT OF ITS
SOCIETAL BENEFITS CHARGE RATE (3) REVISE ITS ON-SYSTEM MARGIN SHARING CREDIT**

BPU DOCKET NO. GR14070755

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

-----X
In The Matter Of The Petition Of Pivotal Utility :
Holdings, Inc. d/b/a Elizabethtown Gas To : BPU Docket No. GR14070755
(1) Revise its Weather Normalization Clause :
Rate; (2) Revise the Clean Energy Program : PUC 16105-2014
Component of its Societal Benefits Charge :
Rate; and (3) Revise its On-System Margin : STIPULATION
Sharing Credit :
-----X

APPEARANCES:

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

Felicia Thomas-Friel, Deputy Rate Counsel, **Sarah H. Steindel, Esq. and Christine M. Juarez, Esq.**, Assistant Deputy Rate Counsels, New Jersey Division of Rate Counsel (Stefanie A. Brand, Director)

Alex Moreau, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (John Jay Hoffman, Acting Attorney General of New Jersey)

To: Honorable Kimberly Moss

BACKGROUND

1. On July 18, 2014, Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas ("Elizabethtown" or "Company") filed a petition ("2014 Petition") with the New Jersey Board of Public Utilities ("BPU" or "Board") in BPU Docket No. GR14070755 to revise its: (1) Weather Normalization Clause ("WNC") rate, (2) New Jersey Clean Energy Program ("CEP") rate component of the Societal Benefits Charge ("SBC") rate, and (3) On-System Margin Sharing Credit ("OSMC") to be effective October 1, 2014. By Order dated May 21, 2014 issued in BPU Docket No. GR13080771 ("May 21 Order"), the Board approved a Stipulation among Board Staff, the New Jersey Division of Rate Counsel ("Rate Counsel") and the Company resolving all issues concerning the petitions to reconcile Elizabethtown's SBC and WNC for the 2012-2013

period and approving the Company's currently effective WNC, CEP and OSMC rates. The May 21 Order approved a WNC rate \$0.0300 per therm effective June 1, 2014 to the extent necessary to eliminate an under-recovery balance, however, since an under-recovery balance did not exist, this rate was not implemented and the standard summer rate of \$0.0000 was made effective June 1, 2014.

2. The 2014 Petition proposed a decrease in Elizabethtown's WNC rate of \$0.0300 per therm to a credit rate of (\$0.0254) per therm. The Company's WNC rate allows the Company to implement surcharges or credits to compensate for weather-related variations in customer usage. As set forth in the 2014 Petition, the proposed WNC credit rate of (\$0.0254) per therm reflected a revenue excess balance in the amount of \$7,616,114, as well as the fact that the 2014 Winter Period was 419 degree days or 8.9% colder than normal. The proposed WNC credit rate of (\$0.0254) per therm reflected the current revenue excess balance plus the prior period excess recovery balance associated with the 2012-2013 Winter Period of \$489,079 which when divided by the projected winter period therm volumes of 323,000,709 therms produced a WNC credit rate of (\$0.0254) per therm.

3. In addition, the 2014 Petition proposed a decrease in Elizabethtown's SBC-CEP rate of \$0.0385 per therm to \$0.0244 per therm. The CEP rate is designed to recover costs associated with the New Jersey Clean Energy Program ("NJCEP"). The NJCEP is a statewide program mandated by the Board that offers financial incentives, programs and services to New Jersey residents, business owners and local government. The objective of the NJCEP is to promote increased energy efficiency and the use of clean, renewable sources of energy in order to decrease pollution, lower costs and reduce the demand for energy. The Company collects the costs associated with the NJCEP through the CEP rate and provides the funds to the State.

4. The proposed SBC-CEP rate of \$0.0244 per therm was designed to recover \$10,867,954 in CEP-related costs inclusive of prior period under-recovery balances, the net costs incurred to provide Board approved CEP Programs for the period ending June 30, 2014 and projected costs for the period ending June 30, 2015. The costs included in the SBC-CEP rate include (i) expenses for the costs of administering NJCEP energy efficiency programs (ii) payments made to the renewable or grid supply program vendors at the direction of BPU Staff and (iii) payments made directly to the State's fiscal agent.

5. The 2014 Petition further proposed an OSMC credit rate of (\$0.0082) per therm, representing an increased credit of (\$0.0064) per therm from the existing credit rate of (\$0.0018). The OSMC is the rate mechanism by which margins from on-system non-firm sales and transportation services are flowed back to the Company's firm sales and residential transportation customers.

6. The 2014 Petition did not propose to adjust the Remediation Adjustment Clause ("RAC"), Universal Service Fund ("USF") and Lifeline rate components of the SBC.

7. Public hearings concerning the 2014 Petition were not held as no rate increases were proposed by the filing and the 2014 Petition was transferred to the Office of Administrative Law. Elizabethtown, Board Staff and Rate Counsel (the "Stipulating Parties") conducted discovery, the parties have reached this Stipulation which is intended to resolve all issues associated with the 2014 Petition in the manner set forth below.

STIPULATED MATTERS

The Stipulating Parties hereby **STIPULATE AND AGREE** as follows:

Effective Date

A. The Parties recommend that a Board Order approving this Stipulation become

effective on February 1, 2015, or on such other date as the Board may determine in accordance with N.J.S.A. 48:2-40.

Effective Rates

B. As of the Effective Date, Elizabethtown's effective WNC, SBC-CEP and OSMC rates will be as follows:

WNC	(\$0.0254) per therm
SBC - CEP	\$0.0244 per therm
OSMC	(\$0.0082) per therm

C. The Company represents that the labor allocation reflected in the SBC-CEP rider rate proposed in the 2014 Petition did not include recovery of incentive compensation costs and the rates agreed to in this Stipulation do not reflect recovery of such costs.

D. The WNC, SBC-CEP and OSMC rates established herein shall remain in effect until changed by order of the Board. Upon approval of these rates by the Board, the Company will propose and file with the Board revised tariff sheets to reflect the rates agreed to in this Stipulation. Draft tariff sheets are attached hereto as Appendix A.

E. The current USF rate of \$0.0110 per therm and Lifeline rate of \$0.0059 per therm approved by the Board in BPU Docket No. ER14060613 on September 30, 2014 and made effective October 1, 2014 are not affected by this Stipulation. The current RAC rate of \$0.0229 per therm approved by the Board in its December 18, 2013 Order in BPU Docket No. GR12100936 is not affected by this Stipulation. Approval of the CEP rate in this Stipulation will result in a total SBC rate of \$0.0783 per therm, inclusive of the currently effective RAC, USF and Lifeline rate components.

Rate Impact

F. The annual bill impact of the stipulated WNC, SBC-CEP and OSMC rates on a typical residential heating customer using 1,000 therms is an annual decrease of \$43.54 from \$1,027.10 to \$983.56 or 4.2% as compared to the Company's currently effective rates. The proposed rates will decrease Elizabethtown's annual revenues by approximately \$15.7 million based on the Company's most recent therm forecast. A breakdown of these revenues at current billing determinants is as follows:

	Revenue at Current Rates	Revenue at Stipulated Rates
CEP	\$17,191,421	\$10,867,954
OSMC	(\$485,794)	(\$2,198,397)
WNC	\$0	(\$7,616,114)
	<hr/>	<hr/>
	\$16,705,627	\$1,053,443

All Issues Resolved

G. Upon the Board's approval of this Stipulation, all issues concerning the WNC, SBC-CEP and OSMC and the costs recovered through these clauses are deemed resolved for purposes of this proceeding, but remain subject to audit by the Board. The WNC rate has been computed using the Degree Day Consumption Usage Factor submitted with the Company's 2014 Petition as reflected in attached Appendix B. Also set forth on Appendix B are the Degree Day Consumption Usage Factors being used during the 2014-2015 WNC period. This Stipulation resolves all issues with respect to the proposed Factors.

Further Provisions

H. This Stipulation is intended to be accepted and approved in its entirety. In the event any particular aspect of this Stipulation is not accepted and approved in its entirety by the Administrative Law Judge or the Board, then any Stipulating Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion. In the event this Stipulation is not adopted in its entirety by the Board in its Order in this matter, then any Stipulating Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation, as though this Stipulation had not been signed.

I. It is the intent of the Stipulating Parties that the provisions hereof be approved by the Board, as appropriate, as being in the public interest. The Stipulating Parties further agree that they consider this Stipulation to be binding on them for all purposes herein.

J. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and, except as otherwise expressly provided for herein, is intended to be binding only in this proceeding and only as to the matters specifically addressed herein.

WHEREFORE, the Stipulating Parties hereto do respectfully submit this Stipulation to the Presiding Administrative Law Judge and request (1) the Administrative Law Judge to issue an initial decision approving the Stipulation; and (2) the Board to issue a Decision and Order approving this Stipulation in its entirety in accordance with the terms hereof.

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

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

By: Mary Patricia Keefe/KB
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**JOHN JAY HOFFMAN
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Attorney for the Staff of the New Jersey Board of Public Utilities**

By: Alex Moreau
Alex Moreau, DAG

Dated: January 6, 2015

ELIZABETHTOWN GAS
B. P. U. NO. 14 – GAS
CANCELLING
B. P. U. NO. 13 – GAS

FOURTH FIFTH REVISED SHEET NO. 103

RIDER "B"

WEATHER NORMALIZATION CLAUSE ("WNC")

Applicable to all customers in service classifications RDS, SGS and GDS.

October 1, ~~2014~~2013 through May 31, ~~2015~~2014 ~~(\$0.0254)~~\$0.0300 per therm*

June 1 through September 30 of any year \$0.0000 per therm

~~*On May 21, 2014 in Docket No. GR13080771 the Board approved a rate of \$0.0300 per therm effective June 1, 2014 to the extent necessary to eliminate an under-recovery balance. In that an under-recovery did not exist, a rate of \$0.0000 was implemented.~~

In accordance with P.L. 1997, c. 162, the charges applicable under this Rider include provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein. In the winter months, October through May, a weather normalization charge shall be applied to the rate quoted in this Tariff under the service classifications shown above, except as may be otherwise provided for in the individual service classification. The weather normalization charge applied in each winter period shall be based on the differences between actual and normal weather during the preceding winter period.

METHOD OF DETERMINING WEATHER NORMALIZATION CHARGE:

The weather normalization charge shall be determined as follows:

I. Definition of Terms as Used Herein

1. Degree Days (DD) - the difference between 65°F and the twenty-four point average temperature for the day, as determined from the records of the National Oceanic and Atmospheric Administration (NOAA) at its weather observation station located at Newark International Airport, when such average falls below 65°F. A day is defined as a period corresponding with the Company's gas sendout day of 10 am to 10 am. The eight temperature observations for a day shall be 10 am, 1 pm, 4 pm, 7 pm, 10 pm, 1 am, 4 am, and 7 am.

Date of Issue: ~~June 1, 2014~~

Effective: Service Rendered
on and after June 1, 2014

Issued by: Brian MacLean, President ~~Jodi Gidley~~
~~Sr. Vice President, Mid-Atlantic Operations~~
300 Connell Drive, Suite 3000
Berkeley Heights, New Jersey 07922

Filed Pursuant to Order of the Board of Public Utilities

Dated ~~May 21, 2014~~ in Docket No. GR14070755 ~~GR13080771~~

ELIZABETHTOWN GAS
B. P. U. NO. 14 – GAS
CANCELLING
B. P. U. NO. 13 – GAS

FIFTH SIXTH REVISED SHEET NO. 108

RIDER "C"

ON-SYSTEM MARGIN SHARING CREDIT ("OSMC")

Applicable to all Service Classifications that pay the BGSS of Rider A and RDS customers that receive gas supply from a TPS in accordance with the Board's Order in Docket No. GO99030122.

The OSMC is subject to change to reflect the Company's actual recovery of such margins and shall be adjusted annually in its BGSS filing.

~~(\$0.0018)~~ (\$0.0082) per therm

In accordance with P.L. 1997, c. 162, the charges applicable under this Rider include provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein.

Determination of the OSMC

On or about July 31 of each year, the Company shall file with the Board an OSMC rate filing based on the credits generated from on-system margin sharing during the previous OSMC year July 1 through June 30.

The OSMC shall be calculated by taking the current year's credits, plus the prior year's OSMC over or under recovery balance and dividing the resulting sum by the annual forecasted volumes for the service classifications set forth above. The resulting rate shall be adjusted for all applicable taxes and assessments.

Date of Issue: ~~June 1, 2014~~

Effective: Service Rendered
on and after ~~June 1, 2014~~

Issued by: ~~Brian MacLean, President~~ Jodi Gidley
~~Sr. Vice President, Mid-Atlantic Operations~~
300 Connell Drive, Suite 3000
Berkeley Heights, New Jersey 07922

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~May 21, 2014~~ in Docket No. GR14070755 ~~GR13080774~~

ELIZABETHTOWN GAS
B. P. U. NO. 14 – GAS
CANCELLING
B. P. U. NO. 13 – GAS

~~THIRTEENTH~~ FOURTEENTH REVISED SHEET NO. 109

RIDER "D"

SOCIETAL BENEFITS CHARGE ("SBC")

Applicable to all tariff Service Classifications except those Customers under special contracts that explicitly do not permit the Company to apply increased charges or assessments as filed and approved by the NJBPU and those customers exempted pursuant to the Long-Term Capacity Agreement Pilot Program ("LCAPP"), P.L. 2011, c.9, codified as N.J.S.A. 48:3-60.1. See the LCAPP Exemption Procedures at the end of this Rider.

The SBC is designed to recover the (1) cost of Comprehensive Resource Analysis Programs that were approved by the Board pursuant to its Comprehensive Resource Analysis regulations prior to April 30, 1997, (2) cost of Manufactured Gas Plant Remediation, and (3) cost of Consumer Education and any other new programs which the Board determines should be recovered through the Societal Benefits Charge.

<u>SBC Rate Components:</u>		<u>Per Therm</u>
I.	New Jersey Clean Energy Program ("CEP")	\$0.0385 <u>\$0.0244</u>
II.	Remediation Adjustment Charge ("RAC")	\$0.0229
III.	<u>Universal Service Fund and Lifeline:</u>	
	1. Universal Service Fund ("USF")	\$0.0110
	2. Lifeline	<u>\$0.0059</u>
	TOTAL	\$0.0783 <u>\$0.0642</u>

In accordance with P.L. 1997, c. 162, the charges applicable under this Rider include provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein.

i. New Jersey Clean Energy Program Component ("CEP")

The Comprehensive Resource Analysis ("CRA") name was changed to the Clean Energy Program - CEP per Board Order dated January 22, 2003 in Docket No. EX99050347 *et.al*. The CEP is a mechanism that will (1) establish a rate to recover the costs of the Core and Standard Offer Programs in the Company's CEP Plan which was approved by the Board of Public Utilities ("BPU") in Docket No. GE92020104, and (2) compensate the Company for the revenue erosion resulting from conservation savings created by the Standard Offer Program. The annual recovery period for the CEP is from October 1 through September 30. The CEP recovers program costs and revenue erosion incurred during the previous CEP year ended June 30.

- CEP program costs include the costs of core programs, standard offer payments and any administrative costs not recovered directly from standard offer providers.

Date of Issue: ~~September 30, 2014~~

Effective: Service Rendered
on and after ~~October 1, 2014~~

Issued by: Brian MacLean, President
300 Connell Drive, Suite 3000
Berkeley Heights, New Jersey 07922

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~September 30, 2014~~ in Docket No. GR14070755 ER14060613

CLEAN

ELIZABETHTOWN GAS
B. P. U. NO. 14 – GAS
CANCELLING
B. P. U. NO. 13 – GAS

FIFTH REVISED SHEET NO. 103

RIDER "B"

WEATHER NORMALIZATION CLAUSE ("WNC")

Applicable to all customers in service classifications RDS, SGS and GDS.

October 1, 2014 through May 31, 2015 (\$0.0254) per therm

June 1 through September 30 of any year \$0.0000 per therm

In accordance with P.L. 1997, c. 162, the charges applicable under this Rider include provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein. In the winter months, October through May, a weather normalization charge shall be applied to the rate quoted in this Tariff under the service classifications shown above, except as may be otherwise provided for in the individual service classification. The weather normalization charge applied in each winter period shall be based on the differences between actual and normal weather during the preceding winter period.

METHOD OF DETERMINING WEATHER NORMALIZATION CHARGE:

The weather normalization charge shall be determined as follows:

I. Definition of Terms as Used Herein

1. Degree Days (DD) - the difference between 65°F and the twenty-four point average temperature for the day, as determined from the records of the National Oceanic and Atmospheric Administration (NOAA) at its weather observation station located at Newark International Airport, when such average falls below 65°F. A day is defined as a period corresponding with the Company's gas sendout day of 10 am to 10 am. The eight temperature observations for a day shall be 10 am, 1 pm, 4 pm, 7 pm, 10 pm, 1 am, 4 am, and 7 am.

Date of Issue:

Effective: Service Rendered
on and after

Issued by: Brian MacLean, President
300 Connell Drive, Suite 3000
Berkeley Heights, New Jersey 07922

Filed Pursuant to Order of the Board of Public Utilities
Dated in Docket No. GR14070755

ELIZABETHTOWN GAS
B. P. U. NO. 14 – GAS
CANCELLING
B. P. U. NO. 13 – GAS

SIXTH REVISED SHEET NO. 108

RIDER "C"

ON-SYSTEM MARGIN SHARING CREDIT ("OSMC")

Applicable to all Service Classifications that pay the BGSS of Rider A and RDS customers that receive gas supply from a TPS in accordance with the Board's Order in Docket No. GO99030122.

The OSMC is subject to change to reflect the Company's actual recovery of such margins and shall be adjusted annually in its BGSS filing.

(\$0.0082) per therm

In accordance with P.L. 1997, c. 162, the charges applicable under this Rider include provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein.

Determination of the OSMC

On or about July 31 of each year, the Company shall file with the Board an OSMC rate filing based on the credits generated from on-system margin sharing during the previous OSMC year July 1 through June 30.

The OSMC shall be calculated by taking the current year's credits, plus the prior year's OSMC over or under recovery balance and dividing the resulting sum by the annual forecasted volumes for the service classifications set forth above. The resulting rate shall be adjusted for all applicable taxes and assessments.

Date of Issue:

Effective: Service Rendered
on and after

Issued by: Brian MacLean, President
300 Connell Drive, Suite 3000
Berkeley Heights, New Jersey 07922

Filed Pursuant to Order of the Board of Public Utilities
Dated in Docket No. GR14070755

ELIZABETHTOWN GAS
B. P. U. NO. 14 – GAS
CANCELLING
B. P. U. NO. 13 – GAS

FOURTEENTH REVISED SHEET NO. 109

RIDER "D"

SOCIETAL BENEFITS CHARGE ("SBC")

Applicable to all tariff Service Classifications except those Customers under special contracts that explicitly do not permit the Company to apply increased charges or assessments as filed and approved by the NJBPU and those customers exempted pursuant to the Long-Term Capacity Agreement Pilot Program ("LCAPP"), P.L. 2011, c.9, codified as N.J.S.A. 48:3-60.1. See the LCAPP Exemption Procedures at the end of this Rider.

The SBC is designed to recover the (1) cost of Comprehensive Resource Analysis Programs that were approved by the Board pursuant to its Comprehensive Resource Analysis regulations prior to April 30, 1997, (2) cost of Manufactured Gas Plant Remediation, and (3) cost of Consumer Education and any other new programs which the Board determines should be recovered through the Societal Benefits Charge.

<u>SBC Rate Components:</u>		<u>Per Therm</u>
I.	New Jersey Clean Energy Program ("CEP")	\$0.0244
II.	Remediation Adjustment Charge ("RAC")	\$0.0229
III.	<u>Universal Service Fund and Lifeline:</u>	
	1. Universal Service Fund ("USF")	\$0.0110
	2. Lifeline	<u>\$0.0059</u>
	TOTAL	\$0.0642

In accordance with P.L. 1997, c. 162, the charges applicable under this Rider include provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein.

I. New Jersey Clean Energy Program Component ("CEP")

The Comprehensive Resource Analysis ("CRA") name was changed to the Clean Energy Program - CEP per Board Order dated January 22, 2003 in Docket No. EX99050347 *et.al*. The CEP is a mechanism that will (1) establish a rate to recover the costs of the Core and Standard Offer Programs in the Company's CEP Plan which was approved by the Board of Public Utilities ("BPU") in Docket No. GE92020104, and (2) compensate the Company for the revenue erosion resulting from conservation savings created by the Standard Offer Program. The annual recovery period for the CEP is from October 1 through September 30. The CEP recovers program costs and revenue erosion incurred during the previous CEP year ended June 30.

1. CEP program costs include the costs of core programs, standard offer payments and any administrative costs not recovered directly from standard offer providers.

Date of Issue:

Effective: Service Rendered
on and after

Issued by: Brian MacLean, President
300 Connell Drive, Suite 3000
Berkeley Heights, New Jersey 07922

Filed Pursuant to Order of the Board of Public Utilities
Dated in Docket No. GR14070755

**Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas
Weather Normalization Clause (WNC)**

Month	Actual Calendar Degree Days	Normal ^(a) Calendar Degree Days	(Warmer) / Colder Normal	% (Warmer) / Colder Normal	Season % (Warmer) / Colder Normal	Degree Day Deadband*	Degree Days After Deadband	Degree Day Consumption Factor ^(b)	Variance in Therms	Margin Revenue Excess / (Deficiency)
Oct-13	204	274	(70)	(25.55%)	(25.55%)	1	(69)	45,892	(3,166,548)	(\$884,100)
Nov	627	637	90	16.76%	2.47%	3	87	53,144	4,623,528	\$1,290,889
Dec	862	869	(7)	(0.81%)	0.77%	4	(3)	58,808	(176,424)	(\$49,258)
Jan-14	1,153	967	186	19.23%	7.52%	5	181	60,903	11,023,443	\$3,077,745
Feb	980	841	139	16.53%	9.69%	4	135	59,680	8,056,800	\$2,249,459
Mar	831	701	130	18.54%	11.17%	4	126	57,196	7,206,696	\$2,012,110
Apr	388	382	6	1.57%	10.37%	2	4	43,904	175,616	\$49,032
May	95	150	(55)	(36.67%)	8.88%	1	(54)	41,046	(2,216,484)	(\$616,842)
Total	5,140	4,721	419			24	407		25,526,627	\$7,127,035

Margin Revenue Factor (\$/Thm) ^(c)

\$0.2792

Summary: Weather Normalization Clause To Date

Variance in Therms (Warmer)/Colder

25,526,627

WNC Margin Revenue - Excess / (Deficiency)

\$7,127,035

^(a) Normal Degree Days as set forth in Tariff No. 14 - Rider B, Original Sheet No. 104

^(b) Degree Day Consumption Factor as filed in Docket No. GR13080771, WNC Schedule TK-4

^(c) Margin Revenue Factor as set forth in Tariff No. 14 - Rider B, Sheet No. 105

* Dead Band is 0.5% of the Monthly Normal Calendar Degree Days

**Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas
Weather Normalization Clause (WNC)**

**Development of the Degree Day Consumption Usage Factor
October 2014 - May 2015**

<u>Month</u> <u>a</u>	<u>Normalized Projected Heat Load¹ (therms)</u> <u>b</u>	<u>Base Number of Customers²</u> <u>c</u>	<u>Normalized Use in Therms Per Customer</u> <u>d=b/c</u>	<u>Number of Customers³</u> <u>e</u>	<u>Annualized Normalized Projected Heat Load (therms)</u> <u>f=d*e</u>	<u>Monthly Normal Heating Degree Days⁴</u> <u>g</u>	<u>Annualized Normalized Consumption in Therms Per Degree Day</u> <u>h=f/g</u>
October	12,215,528	270,827	45.10454	281,168	12,681,953	274	46,285
November	27,786,365	271,439	102.36689	281,168	28,782,294	537	53,588
December	49,912,468	272,283	183.31100	281,168	51,541,187	869	59,311
January	57,735,289	273,306	211.24779	281,168	59,396,119	967	61,423
February	49,317,791	273,936	180.03399	281,168	50,619,797	841	60,190
March	39,429,020	274,159	143.81808	281,168	40,437,042	701	57,685
April	16,477,951	273,907	60.15893	281,168	16,914,766	382	44,279
May	6,029,896	273,032	22.08494	281,168	6,209,578	150	41,397

¹ Adjusted for: a) LAUF as calculated and approved for the 2009 base rate case and
b) the normal heating degree day leap-year pattern for the the months of February - May.

² Base number of customers from the 2009 base rate case.

³ May 31, 2014 customer count for those classes subject to the WNC clause.

⁴ 20-year 1988-2008 monthly normal heating degree days (base 65°F); represents a non leap-year pattern.



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January 7, 2015

VIA FEDERAL EXPRESS
Honorable Kimberly Moss
Administrative Law Judge
Office of Administrative Law
33 Washington St
Newark, NJ 07102

**Re: In The Matter Of The Petition Of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas To (1) Revise Its Weather Normalization Clause Rate (2) Revise The Clean Energy Program Component Of Its Societal Benefits Charge Rate (3) Revise Its On-System Margin Sharing Credit
BPU Docket No. GR14070755, OAL Docket No. PUC 16105-2014**

Dear Judge Moss:

Enclosed for filing in the above proceeding are an original and ten copies of a Stipulation executed by representatives of Pivotal Utility Holdings Inc. d/b/a Elizabethtown Gas ("Elizabethtown"), the Staff of the Board of New Jersey Board of Public Utilities and the New Jersey Division of Rate Counsel.

Please contact the undersigned if you have questions or require further information.
Thank you.

Respectfully submitted,

/s/ Deborah M. Franco | *KB*

Deborah M. Franco
Of Counsel to
Pivotal Utility Holdings, Inc.
d/b/a Elizabethtown Gas

cc: Service List

**IN THE MATTER OF THE PETITION OF
PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS
TO (1) REVISE ITS WEATHER NORMALIZATION CLAUSE RATE
(2) REVISE THE CLEAN ENERGY PROGRAM COMPONENT OF ITS
SOCIETAL BENEFITS CHARGE RATE (3) REVISE ITS ON-SYSTEM MARGIN SHARING CREDIT**

BPU DOCKET NO. GR14070755

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

-----X
In The Matter Of The Petition Of Pivotal Utility :
Holdings, Inc. d/b/a Elizabethtown Gas To : **BPU Docket No. GR14070755**
(1) Revise its Weather Normalization Clause :
Rate; (2) Revise the Clean Energy Program : **PUC 16105-2014**
Component of its Societal Benefits Charge :
Rate; and (3) Revise its On-System Margin : **STIPULATION**
Sharing Credit :
-----X

APPEARANCES:

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

Mary Patricia Keefe, Vice President for Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas

Felicia Thomas-Friel, Deputy Rate Counsel, **Sarah H. Steindel, Esq. and Christine M. Juarez, Esq.**, Assistant Deputy Rate Counsels, New Jersey Division of Rate Counsel (Stefanie A. Brand, Director)

Alex Moreau, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (John Jay Hoffman, Acting Attorney General of New Jersey)

To: Honorable Kimberly Moss

BACKGROUND

1. On July 18, 2014, Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas (“Elizabethtown” or “Company”) filed a petition (“2014 Petition”) with the New Jersey Board of Public Utilities (“BPU” or “Board”) in BPU Docket No. GR14070755 to revise its: (1) Weather Normalization Clause (“WNC”) rate, (2) New Jersey Clean Energy Program (“CEP”) rate component of the Societal Benefits Charge (“SBC”) rate, and (3) On-System Margin Sharing Credit (“OSMC”) to be effective October 1, 2014. By Order dated May 21, 2014 issued in BPU Docket No. GR13080771 (“May 21 Order”), the Board approved a Stipulation among Board Staff, the New Jersey Division of Rate Counsel (“Rate Counsel”) and the Company resolving all issues concerning the petitions to reconcile Elizabethtown’s SBC and WNC for the 2012-2013

period and approving the Company's currently effective WNC, CEP and OSMC rates. The May 21 Order approved a WNC rate \$0.0300 per therm effective June 1, 2014 to the extent necessary to eliminate an under-recovery balance, however, since an under-recovery balance did not exist, this rate was not implemented and the standard summer rate of \$0.0000 was made effective June 1, 2014.

2. The 2014 Petition proposed a decrease in Elizabethtown's WNC rate of \$0.0300 per therm to a credit rate of (\$0.0254) per therm. The Company's WNC rate allows the Company to implement surcharges or credits to compensate for weather-related variations in customer usage. As set forth in the 2014 Petition, the proposed WNC credit rate of (\$0.0254) per therm reflected a revenue excess balance in the amount of \$7,616,114, as well as the fact that the 2014 Winter Period was 419 degree days or 8.9% colder than normal. The proposed WNC credit rate of (\$0.0254) per therm reflected the current revenue excess balance plus the prior period excess recovery balance associated with the 2012-2013 Winter Period of \$489,079 which when divided by the projected winter period therm volumes of 323,000,709 therms produced a WNC credit rate of (\$0.0254) per therm.

3. In addition, the 2014 Petition proposed a decrease in Elizabethtown's SBC-CEP rate of \$0.0385 per therm to \$0.0244 per therm. The CEP rate is designed to recover costs associated with the New Jersey Clean Energy Program ("NJCEP"). The NJCEP is a statewide program mandated by the Board that offers financial incentives, programs and services to New Jersey residents, business owners and local government. The objective of the NJCEP is to promote increased energy efficiency and the use of clean, renewable sources of energy in order to decrease pollution, lower costs and reduce the demand for energy. The Company collects the costs associated with the NJCEP through the CEP rate and provides the funds to the State.

4. The proposed SBC-CEP rate of \$0.0244 per therm was designed to recover \$10,867,954 in CEP-related costs inclusive of prior period under-recovery balances, the net costs incurred to provide Board approved CEP Programs for the period ending June 30, 2014 and projected costs for the period ending June 30, 2015. The costs included in the SBC-CEP rate include (i) expenses for the costs of administering NJCEP energy efficiency programs (ii) payments made to the renewable or grid supply program vendors at the direction of BPU Staff and (iii) payments made directly to the State's fiscal agent.

5. The 2014 Petition further proposed an OSMC credit rate of (\$0.0082) per therm, representing an increased credit of (\$0.0064) per therm from the existing credit rate of (\$0.0018). The OSMC is the rate mechanism by which margins from on-system non-firm sales and transportation services are flowed back to the Company's firm sales and residential transportation customers.

6. The 2014 Petition did not propose to adjust the Remediation Adjustment Clause ("RAC"), Universal Service Fund ("USF") and Lifeline rate components of the SBC.

7. Public hearings concerning the 2014 Petition were not held as no rate increases were proposed by the filing and the 2014 Petition was transferred to the Office of Administrative Law. Elizabethtown, Board Staff and Rate Counsel (the "Stipulating Parties") conducted discovery, the parties have reached this Stipulation which is intended to resolve all issues associated with the 2014 Petition in the manner set forth below.

STIPULATED MATTERS

The Stipulating Parties hereby **STIPULATE AND AGREE** as follows:

Effective Date

A. The Parties recommend that a Board Order approving this Stipulation become

effective on February 1, 2015, or on such other date as the Board may determine in accordance with N.J.S.A. 48:2-40.

Effective Rates

B. As of the Effective Date, Elizabethtown's effective WNC, SBC-CEP and OSMC rates will be as follows:

WNC	(\$0.0254) per therm
SBC - CEP	\$0.0244 per therm
OSMC	(\$0.0082) per therm

C. The Company represents that the labor allocation reflected in the SBC-CEP rider rate proposed in the 2014 Petition did not include recovery of incentive compensation costs and the rates agreed to in this Stipulation do not reflect recovery of such costs.

D. The WNC, SBC-CEP and OSMC rates established herein shall remain in effect until changed by order of the Board. Upon approval of these rates by the Board, the Company will propose and file with the Board revised tariff sheets to reflect the rates agreed to in this Stipulation. Draft tariff sheets are attached hereto as Appendix A.

E. The current USF rate of \$0.0110 per therm and Lifeline rate of \$0.0059 per therm approved by the Board in BPU Docket No. ER14060613 on September 30, 2014 and made effective October 1, 2014 are not affected by this Stipulation. The current RAC rate of \$0.0229 per therm approved by the Board in its December 18, 2013 Order in BPU Docket No. GR12100936 is not affected by this Stipulation. Approval of the CEP rate in this Stipulation will result in a total SBC rate of \$0.0783 per therm, inclusive of the currently effective RAC, USF and Lifeline rate components.

Rate Impact

F. The annual bill impact of the stipulated WNC, SBC-CEP and OSMC rates on a typical residential heating customer using 1,000 therms is an annual decrease of \$43.54 from \$1,027.10 to \$983.56 or 4.2% as compared to the Company's currently effective rates. The proposed rates will decrease Elizabethtown's annual revenues by approximately \$15.7 million based on the Company's most recent therm forecast. A breakdown of these revenues at current billing determinants is as follows:

	Revenue at Current Rates	Revenue at Stipulated Rates
CEP	\$17,191,421	\$10,867,954
OSMC	(\$485,794)	(\$2,198,397)
WNC	\$0	(\$7,616,114)
	<hr/>	<hr/>
	\$16,705,627	\$1,053,443

All Issues Resolved

G. Upon the Board's approval of this Stipulation, all issues concerning the WNC, SBC-CEP and OSMC and the costs recovered through these clauses are deemed resolved for purposes of this proceeding, but remain subject to audit by the Board. The WNC rate has been computed using the Degree Day Consumption Usage Factor submitted with the Company's 2014 Petition as reflected in attached Appendix B. Also set forth on Appendix B are the Degree Day Consumption Usage Factors being used during the 2014-2015 WNC period. This Stipulation resolves all issues with respect to the proposed Factors.

Further Provisions

H. This Stipulation is intended to be accepted and approved in its entirety. In the event any particular aspect of this Stipulation is not accepted and approved in its entirety by the Administrative Law Judge or the Board, then any Stipulating Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion. In the event this Stipulation is not adopted in its entirety by the Board in its Order in this matter, then any Stipulating Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation, as though this Stipulation had not been signed.

I. It is the intent of the Stipulating Parties that the provisions hereof be approved by the Board, as appropriate, as being in the public interest. The Stipulating Parties further agree that they consider this Stipulation to be binding on them for all purposes herein.

J. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and, except as otherwise expressly provided for herein, is intended to be binding only in this proceeding and only as to the matters specifically addressed herein.

WHEREFORE, the Stipulating Parties hereto do respectfully submit this Stipulation to the Presiding Administrative Law Judge and request (1) the Administrative Law Judge to issue an initial decision approving the Stipulation; and (2) the Board to issue a Decision and Order approving this Stipulation in its entirety in accordance with the terms hereof.

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

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

By: Mary Patricia Keefe/KB
Mary Patricia Keefe
Vice President, Regulatory Affairs
and Business Support

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

**JOHN JAY HOFFMAN
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the New Jersey Board of Public Utilities**

By: Alex Moreau
Alex Moreau, DAG

Dated: January 6, 2015

ELIZABETHTOWN GAS
B. P. U. NO. 14 – GAS
CANCELLING
B. P. U. NO. 13 – GAS

FOURTH FIFTH REVISED SHEET NO. 103

RIDER "B"

WEATHER NORMALIZATION CLAUSE ("WNC")

Applicable to all customers in service classifications RDS, SGS and GDS.

October 1, ~~2014~~2013 through May 31, ~~2015~~2014 ~~(\$0.0254)~~\$0.0308 per therm*

June 1 through September 30 of any year \$0.0000 per therm

**On May 21, 2014 in Docket No. GR13080771 the Board approved a rate of \$0.0300 per therm effective June 1, 2014 to the extent necessary to eliminate an under-recovery balance. In that an under-recovery did not exist, a rate of \$0.0000 was implemented.*

In accordance with P.L. 1997, c. 162, the charges applicable under this Rider include provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein. In the winter months, October through May, a weather normalization charge shall be applied to the rate quoted in this Tariff under the service classifications shown above, except as may be otherwise provided for in the individual service classification. The weather normalization charge applied in each winter period shall be based on the differences between actual and normal weather during the preceding winter period.

METHOD OF DETERMINING WEATHER NORMALIZATION CHARGE:

The weather normalization charge shall be determined as follows:

I. Definition of Terms as Used Herein

1. Degree Days (DD) - the difference between 65°F and the twenty-four point average temperature for the day, as determined from the records of the National Oceanic and Atmospheric Administration (NOAA) at its weather observation station located at Newark International Airport, when such average falls below 65°F. A day is defined as a period corresponding with the Company's gas sendout day of 10 am to 10 am. The eight temperature observations for a day shall be 10 am, 1 pm, 4 pm, 7 pm, 10 pm, 1 am, 4 am, and 7 am.

Date of Issue: ~~June 1, 2014~~

Effective: Service Rendered
on and after ~~June 1, 2014~~

Issued by: ~~Brian MacLean, President~~Jodi-Gidley
~~Sr. Vice President, Mid-Atlantic Operations~~
300 Connell Drive, Suite 3000
Berkeley Heights, New Jersey 07922

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~May 21, 2014~~ in Docket No. ~~GR14070755~~GR13080771

ELIZABETHTOWN GAS
B. P. U. NO. 14 – GAS
CANCELLING
B. P. U. NO. 13 – GAS

FIFTH SIXTH REVISED SHEET NO. 108

RIDER "C"

ON-SYSTEM MARGIN SHARING CREDIT ("OSMC")

Applicable to all Service Classifications that pay the BGSS of Rider A and RDS customers that receive gas supply from a TPS in accordance with the Board's Order in Docket No. GO99030122.

The OSMC is subject to change to reflect the Company's actual recovery of such margins and shall be adjusted annually in its BGSS filing.

~~(\$0.0018)~~ (\$0.0082) per therm

In accordance with P.L. 1997, c. 162, the charges applicable under this Rider include provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein.

Determination of the OSMC

On or about July 31 of each year, the Company shall file with the Board an OSMC rate filing based on the credits generated from on-system margin sharing during the previous OSMC year July 1 through June 30.

The OSMC shall be calculated by taking the current year's credits, plus the prior year's OSMC over or under recovery balance and dividing the resulting sum by the annual forecasted volumes for the service classifications set forth above. The resulting rate shall be adjusted for all applicable taxes and assessments.

Date of Issue: ~~June 1, 2014~~

Effective: Service Rendered
on and after ~~June 1, 2014~~

Issued by: ~~Brian MacLean, President~~ Jodi-Gidley
~~Sr. Vice-President, Mid-Atlantic Operations~~
300 Connell Drive, Suite 3000
Berkeley Heights, New Jersey 07922

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~May 21, 2014~~ in Docket No. GR14070755 ~~GR13080771~~

ELIZABETHTOWN GAS
B. P. U. NO. 14 – GAS
CANCELLING
B. P. U. NO. 13 – GAS

~~THIRTEENTH~~ FOURTEENTH REVISED SHEET NO. 109

RIDER "D"

SOCIETAL BENEFITS CHARGE ("SBC")

Applicable to all tariff Service Classifications except those Customers under special contracts that explicitly do not permit the Company to apply increased charges or assessments as filed and approved by the NJBPU and those customers exempted pursuant to the Long-Term Capacity Agreement Pilot Program ("LCAPP"), P.L. 2011, c.9, codified as N.J.S.A. 48:3-60.1. See the LCAPP Exemption Procedures at the end of this Rider.

The SBC is designed to recover the (1) cost of Comprehensive Resource Analysis Programs that were approved by the Board pursuant to its Comprehensive Resource Analysis regulations prior to April 30, 1997, (2) cost of Manufactured Gas Plant Remediation, and (3) cost of Consumer Education and any other new programs which the Board determines should be recovered through the Societal Benefits Charge.

<u>SBC Rate Components:</u>	<u>Per Therm</u>
I. New Jersey Clean Energy Program ("CEP")	\$0.0385 \$0.0244
II. Remediation Adjustment Charge ("RAC")	\$0.0229
III. <u>Universal Service Fund and Lifeline:</u>	
1. Universal Service Fund ("USF")	\$0.0110
2. Lifeline	\$0.0059
TOTAL	\$0.0783 \$0.0642

In accordance with P.L. 1997, c. 162, the charges applicable under this Rider include provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein.

I. New Jersey Clean Energy Program Component ("CEP")

The Comprehensive Resource Analysis ("CRA") name was changed to the Clean Energy Program - CEP per Board Order dated January 22, 2003 in Docket No. EX99050347 *et.al*. The CEP is a mechanism that will (1) establish a rate to recover the costs of the Core and Standard Offer Programs in the Company's CEP Plan which was approved by the Board of Public Utilities ("BPU") in Docket No. GE92020104, and (2) compensate the Company for the revenue erosion resulting from conservation savings created by the Standard Offer Program. The annual recovery period for the CEP is from October 1 through September 30. The CEP recovers program costs and revenue erosion incurred during the previous CEP year ended June 30.

1. CEP program costs include the costs of core programs, standard offer payments and any administrative costs not recovered directly from standard offer providers.

Date of Issue: ~~September 30, 2014~~

Effective: Service Rendered
on and after ~~October 1, 2014~~

Issued by: Brian MacLean, President
300 Connell Drive, Suite 3000
Berkeley Heights, New Jersey 07922

Filed Pursuant to Order of the Board of Public Utilities

Dated ~~September 30, 2014~~ in Docket No. GR14070755 ~~ER14060613~~

CLEAN

ELIZABETHTOWN GAS
B. P. U. NO. 14 – GAS
CANCELLING
B. P. U. NO. 13 – GAS

FIFTH REVISED SHEET NO. 103

RIDER "B"

WEATHER NORMALIZATION CLAUSE ("WNC")

Applicable to all customers in service classifications RDS, SGS and GDS.

October 1, 2014 through May 31, 2015 (\$0.0254) per therm

June 1 through September 30 of any year \$0.0000 per therm

In accordance with P.L. 1997, c. 162, the charges applicable under this Rider include provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein. In the winter months, October through May, a weather normalization charge shall be applied to the rate quoted in this Tariff under the service classifications shown above, except as may be otherwise provided for in the individual service classification. The weather normalization charge applied in each winter period shall be based on the differences between actual and normal weather during the preceding winter period.

METHOD OF DETERMINING WEATHER NORMALIZATION CHARGE:

The weather normalization charge shall be determined as follows:

I. Definition of Terms as Used Herein

1. Degree Days (DD) - the difference between 65°F and the twenty-four point average temperature for the day, as determined from the records of the National Oceanic and Atmospheric Administration (NOAA) at its weather observation station located at Newark International Airport, when such average falls below 65°F. A day is defined as a period corresponding with the Company's gas sendout day of 10 am to 10 am. The eight temperature observations for a day shall be 10 am, 1 pm, 4 pm, 7 pm, 10 pm, 1 am, 4 am, and 7 am.

Date of Issue:

Effective: Service Rendered
on and after

Issued by: Brian MacLean, President
300 Connell Drive, Suite 3000
Berkeley Heights, New Jersey 07922

Filed Pursuant to Order of the Board of Public Utilities
Dated in Docket No. GR14070755

ELIZABETHTOWN GAS
B. P. U. NO. 14 – GAS
CANCELLING
B. P. U. NO. 13 – GAS

SIXTH REVISED SHEET NO. 108

RIDER "C"

ON-SYSTEM MARGIN SHARING CREDIT ("OSMC")

Applicable to all Service Classifications that pay the BGSS of Rider A and RDS customers that receive gas supply from a TPS in accordance with the Board's Order in Docket No. GO99030122.

The OSMC is subject to change to reflect the Company's actual recovery of such margins and shall be adjusted annually in its BGSS filing.

(\$0.0082) per therm

In accordance with P.L. 1997, c. 162, the charges applicable under this Rider include provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein.

Determination of the OSMC

On or about July 31 of each year, the Company shall file with the Board an OSMC rate filing based on the credits generated from on-system margin sharing during the previous OSMC year July 1 through June 30.

The OSMC shall be calculated by taking the current year's credits, plus the prior year's OSMC over or under recovery balance and dividing the resulting sum by the annual forecasted volumes for the service classifications set forth above. The resulting rate shall be adjusted for all applicable taxes and assessments.

Date of Issue:

Effective: Service Rendered
on and after

Issued by: Brian MacLean, President
300 Connell Drive, Suite 3000
Berkeley Heights, New Jersey 07922

Filed Pursuant to Order of the Board of Public Utilities
Dated in Docket No. GR14070755

ELIZABETHTOWN GAS
B. P. U. NO. 14 – GAS
CANCELLING
B. P. U. NO. 13 – GAS

FOURTEENTH REVISED SHEET NO. 109

RIDER "D"

SOCIETAL BENEFITS CHARGE ("SBC")

Applicable to all tariff Service Classifications except those Customers under special contracts that explicitly do not permit the Company to apply increased charges or assessments as filed and approved by the NJBPU and those customers exempted pursuant to the Long-Term Capacity Agreement Pilot Program ("LCAPP"), P.L. 2011, c.9, codified as N.J.S.A. 48:3-60.1. See the LCAPP Exemption Procedures at the end of this Rider.

The SBC is designed to recover the (1) cost of Comprehensive Resource Analysis Programs that were approved by the Board pursuant to its Comprehensive Resource Analysis regulations prior to April 30, 1997, (2) cost of Manufactured Gas Plant Remediation, and (3) cost of Consumer Education and any other new programs which the Board determines should be recovered through the Societal Benefits Charge.

<u>SBC Rate Components:</u>		<u>Per Therm</u>
I.	New Jersey Clean Energy Program ("CEP")	\$0.0244
II.	Remediation Adjustment Charge ("RAC")	\$0.0229
III.	<u>Universal Service Fund and Lifeline:</u>	
	1. Universal Service Fund ("USF")	\$0.0110
	2. Lifeline	<u>\$0.0059</u>
	TOTAL	<u>\$0.0642</u>

In accordance with P.L. 1997, c. 162, the charges applicable under this Rider include provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein.

I. New Jersey Clean Energy Program Component ("CEP")

The Comprehensive Resource Analysis ("CRA") name was changed to the Clean Energy Program - CEP per Board Order dated January 22, 2003 in Docket No. EX99050347 *et.al*. The CEP is a mechanism that will (1) establish a rate to recover the costs of the Core and Standard Offer Programs in the Company's CEP Plan which was approved by the Board of Public Utilities ("BPU") in Docket No. GE92020104, and (2) compensate the Company for the revenue erosion resulting from conservation savings created by the Standard Offer Program. The annual recovery period for the CEP is from October 1 through September 30. The CEP recovers program costs and revenue erosion incurred during the previous CEP year ended June 30.

1. CEP program costs include the costs of core programs, standard offer payments and any administrative costs not recovered directly from standard offer providers.

Date of Issue:	Effective: Service Rendered on and after
Issued by: Brian MacLean, President 300 Connell Drive, Suite 3000 Berkeley Heights, New Jersey 07922	

Filed Pursuant to Order of the Board of Public Utilities
Dated in Docket No. GR14070755

**Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas
Weather Normalization Clause (WNC)**

Month	Actual Calendar Degree Days	Normal ^(a) Calendar Degree Days	(Warmer / Colder Normal	% (Warmer) / Colder Normal	Season % (Warmer) / Colder Normal	Degree Day Deadband*	Degree Days After Deadband	Degree Day Consumption Factor ^(b)	Variance in Therms	Margin Revenue Excess / (Deficiency)
Oct-13	204	274	(70)	(25.55%)	(25.55%)	1	(69)	45,892	(3,166,548)	(\$884,100)
Nov	627	537	90	16.76%	2.47%	3	87	53,144	4,623,528	\$1,290,889
Dec	862	869	(7)	(0.81%)	0.77%	4	(3)	58,808	(176,424)	(\$49,258)
Jan-14	1,153	967	186	19.23%	7.52%	5	181	60,903	11,023,443	\$3,077,745
Feb	980	841	139	16.53%	9.69%	4	135	59,680	8,056,800	\$2,249,459
Mar	831	701	130	18.54%	11.17%	4	126	57,196	7,206,696	\$2,012,110
Apr	388	382	6	1.57%	10.37%	2	4	43,904	175,616	\$49,032
May	<u>95</u>	<u>150</u>	<u>(55)</u>	<u>(36.67%)</u>	<u>8.88%</u>	<u>1</u>	<u>(54)</u>	<u>41,046</u>	<u>(2,216,484)</u>	<u>(\$618,842)</u>
Total	5,140	4,721	419			24	407		25,526,627	\$7,127,035

Margin Revenue Factor (\$/Thm) ^(c) \$0.2792

Summary: Weather Normalization Clause To Date

Variance In Therms (Warmer)/Colder 25,526,627
WNC Margin Revenue - Excess / (Deficiency) \$7,127,035

^(a) Normal Degree Days as set forth in Tariff No. 14 - Rider B, Original Sheet No. 104

^(b) Degree Day Consumption Factor as filed in Docket No. GR13080771, WNC Schedule TK-4

^(c) Margin Revenue Factor as set forth in Tariff No. 14 - Rider B, Sheet No. 105

* Dead Band is 0.5% of the Monthly Normal Calendar Degree Days

**Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas
Weather Normalization Clause (WNC)**

**Development of the Degree Day Consumption Usage Factor
October 2014 - May 2015**

<u>Month</u> <u>a</u>	<u>Normalized Projected Heat Load¹ (therms)</u> <u>b</u>	<u>Base Number of Customers²</u> <u>c</u>	<u>Normalized Use in Therms Per Customer</u> <u>d=b/c</u>	<u>Number of Customers³</u> <u>e</u>	<u>Annualized Normalized Projected Heat Load (therms)</u> <u>f=d*e</u>	<u>Monthly Normal Heating Degree Days⁴</u> <u>g</u>	<u>Annualized Normalized Consumption in Therms Per Degree Day</u> <u>h=f/g</u>
October	12,215,528	270,827	45.10454	281,168	12,681,953	274	46,285
November	27,786,365	271,439	102.36689	281,168	28,782,294	537	53,598
December	49,912,468	272,283	183.31100	281,168	51,541,187	869	59,311
January	57,735,289	273,306	211.24779	281,168	59,396,119	967	61,423
February	49,317,791	273,936	180.03399	281,168	50,619,797	841	60,190
March	39,429,020	274,159	143.81808	281,168	40,437,042	701	57,685
April	16,477,951	273,907	60.15893	281,168	16,914,766	382	44,279
May	6,029,896	273,032	22.08494	281,168	6,209,578	150	41,397

¹ Adjusted for: a) LAUF as calculated and approved for the 2009 base rate case and
b) the normal heating degree day leap-year pattern for the the months of February - May.

² Base number of customers from the 2009 base rate case.

³ May 31, 2014 customer count for those classes subject to the WNC clause.

⁴ 20-year 1988-2008 monthly normal heating degree days (base 65°F); represents a non leap-year pattern.