



Agenda Date: 12/16/15
Agenda Item: 2D

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, INC. D/B/A ELIZABETHTOWN)	APPROVING STIPULATION
GAS TO (1) REVISE ITS WEATHER NORMALIZATION)	
CLAUSE RATE; (2) MAINTAIN THE CLEAN ENERGY)	
PROGRAM COMPONENT OF ITS SOCIETAL)	
BENEFITS CHARGE RATE; AND (3) REVISE ITS ON-)	
SYSTEM MARGIN SHARING CREDIT)	DOCKET NO. GR15080866

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 BOARD:¹

BACKGROUND

Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas (“Elizabethtown” or “Company”) filed its annual petition (“2015 Petition”) with the New Jersey Board of Public Utilities (“Board”) on August 4, 2015, in Docket No. GR15080866 seeking to (1) revise its Weather Normalization Clause (“WNC”) rate, (2) maintain its New Jersey Clean Energy Program (“CEP”) rate, and (3) revise its 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 day variance determines the adjustment to customers’ bills in the following Winter Period. The

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. Commissioner Joseph L. Fiordaliso was not present at the December 16, 2015 agenda meeting.

proposed WNC credit rate of \$0.0412 per therm reflects over-recovered revenues of \$7.570 million tied to the 2015 Winter Period which was 408 degree days (8.6%) colder than normal, and the return to ratepayers of the prior year's over-recovery of \$4.892 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 Board annually sets each energy utility's share of the CEP costs to be collected from customers and transferred to the Board as funding for those programs. The Company proposes no change in the CEP rate from its current rate of \$0.0244 per therm.²

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 2015 Petition proposed an increase in the OSMC rate credit from a credit of \$0.0082 per therm to a credit of \$0.0175 per therm.

Collectively, the three rate adjustments proposed by the filing will decrease the Company's revenues by \$14.806 million, based on the Company's most recent therm forecast.

Public hearings concerning the proposed rates were not held as no rate increases were proposed by the 2015 Petition.

STIPULATION³

Elizabethtown, Board Staff and the Division of Rate Counsel (collectively "the Parties") engaged in discovery and executed a stipulation on December 1, 2015 ("Stipulation") resolving all issues in this proceeding.

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	(\$0.0412)
CEP	\$0.0244
OSMC	(\$0.0175)

2. Elizabethtown represents that the labor allocation reflected in the Societal Benefits Charge-CEP rider rates proposed in the 2015 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 Elizabethtown's calculated CEP rate is \$0.0254 per therm; however, given the slight increase, the Company is proposing to continue the current rate of \$0.0244 per therm.

³ Although described at some length in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation are controlling, subject to the findings and conclusion in this Order.

3. Approval of this Stipulation will result in a total SBC rate of \$0.0352 per therm, inclusive of the pending Petition to reconcile the RAC component and the currently effective Universal Service Fund and Lifeline rate components.
4. Based on rates in effect on October 1, 2015, the annual bill impact of the stipulated WNC, SBC-CEP, and OSMC rates on a typical residential heating customer using 1,000 therms is a decrease of \$50.50, from \$894.40 to \$843.90 or 5.6% as compared to the Company's current rates.

DISCUSSION AND FINDING

The Board has reviewed the attached Stipulation and the 2015 Petition, and **HEREBY FINDS** that, subject to the terms and conditions set forth below, it is reasonable, in the public interest, and in accordance with the law as the Board is persuaded that there has been a thorough review of the costs reflected in the 2015 Petition. Accordingly, the Board **HEREBY ADOPTS** the 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 be effective for service rendered on and after January 1, 2016, are as follows:

	<u>Stipulated Rates</u>
WNC	(\$0.0412)
CEP	\$0.0244
OSMC	(\$0.0175)

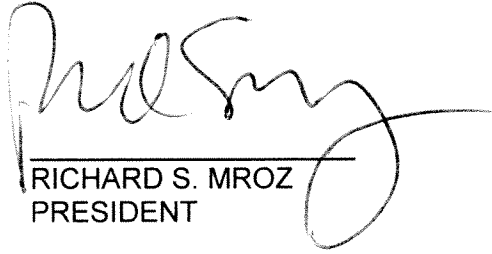
The Company is **HEREBY DIRECTED** to file the appropriate tariff sheets conforming to the terms and conditions of this Order within five (5) business days after the effective date of this Order.

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 December 26, 2015.

DATED: 12/16/15

BOARD OF PUBLIC UTILITIES
BY:



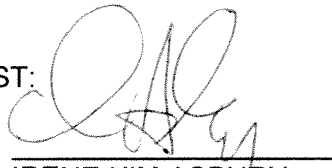
RICHARD S. MROZ
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER

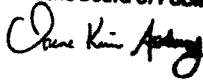


DIANNE SOLOMON
COMMISSIONER

ATTEST: 

IRENE KIM ASBURY
SECRETARY

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



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

DOCKET NO. GR15080866

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December 2, 2015

VIA ELECTRONIC MAIL AND FEDERAL EXPRESS

Honorable Irene Kim Asbury, Secretary
State of New Jersey
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton, New Jersey 08625-0350

Re: In The Matter Of The Petition Of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas To (1) Revise Its Weather Normalization Clause Rate; (2) Maintain The Clean Energy Program Component Of Its Societal Benefits Charge Rate; And (3) Revise Its On-System Margin Sharing Credit BPU Docket No. GR15080866

Dear Secretary Asbury:

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 Public Utilities and the Department of the Public Advocate, Division of Rate Counsel. Elizabethtown requests that the Board consider and adopt the Stipulation as expeditiously as possible.

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

Respectfully submitted,

/s/ Deborah M. Franco

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) MAINTAIN THE CLEAN ENERGY PROGRAM COMPONENT OF ITS SOCIETAL BENEFITS
CHARGE RATE (3) REVISE ITS ON-SYSTEM MARGIN SHARING CREDIT
BPU DOCKET NO. GR15080866
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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. GR15080866**
(1) Revise its Weather Normalization Clause :
Rate; (2) Maintain the Clean Energy Program : **STIPULATION**
Component of its Societal Benefits Charge :
Rate; and (3) Revise its On-System Margin :
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, Esq., Deputy Rate Counsel, **Kurt S. Lewandowski, Esq., and Maura Caroselli, Esq.**, Assistant Deputy Rate Counsels, New Jersey Division of Rate Counsel (Stefanie A. Brand, Director)

Patricia A. Krogman and Alex Moreau, Deputy Attorneys General, for the Staff of the New Jersey Board of Public Utilities (John Jay Hoffman, Acting Attorney General of New Jersey)

BACKGROUND

1. On August 4, 2015, Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas (“Elizabethtown” or “Company”) filed a petition (“2015 Petition”) with the New Jersey Board of Public Utilities (“BPU” or “Board”) in BPU Docket No. GR15080866 to: (1) revise its Weather Normalization Clause (“WNC”) rate, (2) maintain its New Jersey Clean Energy Program (“CEP”) rate component of the Societal Benefits Charge (“SBC”) rate, and (3) revise its On-System Margin Sharing Credit (“OSMC”), to be effective October 1, 2015. By Order dated February 11, 2015 issued in BPU Docket No. GR14070755 (“February 11 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 2013-2014 period and approving the Company’s

currently effective WNC, CEP and OSMC rates. The February 11 Order approved a WNC credit rate of (\$0.0254) per therm effective February 23, 2015.

2. The 2015 Petition proposed an increase in Elizabethtown's WNC credit rate from (\$0.0254) per therm to (\$0.0412) 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 2015 Petition, the proposed WNC credit rate of (\$0.0412) per therm reflected a revenue excess balance in the amount of \$7,570,392, as well as the fact that the 2014 Winter Period was 408 degree days or 8.6% colder than normal. The proposed WNC credit rate of (\$0.0412) per therm reflected the current revenue excess balance plus the prior period excess recovery balance associated with the 2013-2014 Winter Period of \$4,891,908 which when divided by the projected winter period therm volumes of 324,872,109 therms produced a WNC credit rate of (\$0.0412) per therm.

3. In addition, the 2015 Petition proposed to maintain Elizabethtown's SBC-CEP rate of \$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. Moreover, in accordance with the Board's Orders in Docket Nos. EX99050347, *et al.* and GX99030121, *et al.*, the Company submitted the 2015 Petition in order to recover prior period costs, the net costs incurred to provide Board-approved CEP programs for the period

ending June 30, 2015, a proposed refund and projected costs for the period ending June 30, 2016 totaling \$11,097,269. The 2015 Petition indicated that the Company incurred \$2,596,088 of CEP costs during the period beginning July 1, 2014 and ending June 30, 2015 and made payments to the CEP “fiscal agent” of \$7,834,797 during the period. The 2015 Petition further indicated that in accordance with the Board’s June 25, 2015 Order in Docket No. QO15040476, which established the statewide funding levels for CEP Programs for Fiscal Year 2016, the Company was allocated \$11,149,431 of CEP funding responsibility for the twelve months ending June 30, 2016, which when combined with certain adjustments and a \$6,900,000 lump sum refund previously provided to customers in accordance with the Board’s August 19, 2015 order in BPU Docket No. GR15070769 resulted in a calculated rate of \$0.0254 per therm inclusive of applicable taxes and assessments. Given this slight increase to the current rate of \$0.0244 per therm, the Company instead proposed to maintain its current CEP rate of \$0.0244 per therm.

5. The 2015 Petition further proposed an OSMC credit rate of (\$0.0175) per therm, representing an increased credit of (\$0.0093) per therm from the existing credit rate of (\$0.0082). 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 2015 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 2015 Petition were not held as no rate increases were proposed by the filing. 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 2015 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 January 1, 2016, 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	(\$0.0412) per therm
SBC - CEP	\$0.0244 per therm
OSMC	(\$0.0175) per therm

C. The Company represents that the labor allocation reflected in the SBC-CEP rider rate proposed in the 2015 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 \$0.0051 per therm and Lifeline rate of \$0.0057 per therm approved by the Board in BPU Docket No. ER15060732 on September 11, 2015 and made effective October 1, 2015 are not affected by this Stipulation. The current RAC rate of \$0.0000 per therm approved by the Board in its June 18, 2015 Order in BPU Docket No. GR14101135 is not affected by this Stipulation. Approval of continuing the currently effective CEP rate will

result in a total SBC rate of \$0.0352 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 \$50.50 from \$894.40 to \$843.90 or 5.6% as compared to the Company’s currently effective rates. The proposed rates will decrease Elizabethtown’s annual revenues by approximately \$14.8 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	\$10,792,936	\$10,792,936
OSMC	(\$2,071,673)	(\$4,415,499)
WNC	(\$0)	(\$12,462,300)
	\$8,721,263	(\$6,084,863)

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 2015 Petition as reflected in attached Appendix B. Also set forth on Appendix B are the Degree Day Consumption Usage Factors being used during the 2015-2016 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.

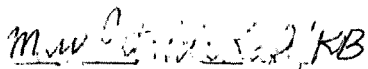
I. It is the intent of the Stipulating Parties that the provisions hereof be approved by the Board, as appropriate, as being in the public interest. The Stipulating Parties further agree that they consider this Stipulation to be binding on them for all purposes herein.


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 Board and request that the Board 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**

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**Mary Patricia Keefe
Vice President, Regulatory Affairs
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By: 
**Kurt Lewandowski
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Attorney for the Staff of the New Jersey Board of Public Utilities**

By: 
Alex Moreau, DAG

Dated: December 1, 2015

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

~~SIXTH~~FIFTH REVISED SHEET NO. 103

RIDER "B"

WEATHER NORMALIZATION CLAUSE ("WNC")

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

~~February 23, 2015 through May 31, 2015 (\$0.0254) per therm~~

~~October 1, 2015 through May 31, 2016 (\$0.0412) 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: ~~March 2, 2015~~

Effective: Service Rendered
on and after ~~February 23, 2015~~

Issued by: Brian MacLean, President
520 Green Lane
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities

Dated ~~February 11, 2015~~ in Docket No. GR15080866GR14070755

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

~~SEVENTH~~^{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.

~~(\$0.0175)~~^(\$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.

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~~SEVENTEENTH~~~~SIXTEENTH~~ 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 <i>(Proposed to Retain)</i>
II. Remediation Adjustment Charge ("RAC")	\$0.0000
III. <u>Universal Service Fund and Lifeline:</u>	
1. Universal Service Fund ("USF")	\$0.0051
2. Lifeline	<u>\$0.0057</u>
TOTAL	\$0.0352

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 25, 2015	Effective: Service Rendered on and after October 1, 2015
Issued by: Brian MacLean, President 520 Green Lane Union, New Jersey 07083	

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~September 11, 2015~~ in Docket No. ~~GR15080866~~~~ER15060732~~

CLEAN

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

SIXTH REVISED SHEET NO. 103

RIDER "B"

WEATHER NORMALIZATION CLAUSE ("WNC")

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

October 1, 2015 through May 31, 2016 (\$0.0412) 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
520 Green Lane
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities
Dated in Docket No. GR15080866

ELIZABETHTOWN GAS
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SEVENTH 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.

(\$0.0175) 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

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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.

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SEVENTEENTH 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")	\$0.0000
III.	<u>Universal Service Fund and Lifeline:</u>	
	1. Universal Service Fund ("USF")	\$0.0051
	2. Lifeline	<u>\$0.0057</u>
	TOTAL	\$0.0352

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.

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Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities
Dated in Docket No. GR15080866

**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-14	191	274	(83)	(30.29%)	(30.29%)	1	(82)	46,285	(3,795,370)	(\$1,059,667)
Nov	632	537	95	17.69%	1.48%	3	92	53,598	4,931,016	\$1,376,740
Dec	792	869	(77)	(8.86%)	(3.87%)	4	(73)	59,311	(4,329,703)	(\$1,208,853)
Jan-15	1,123	967	156	16.13%	3.44%	5	151	61,423	9,274,873	\$2,589,545
Feb	1,166	841	325	38.64%	11.93%	4	321	60,190	19,320,990	\$5,394,420
Mar	844	701	143	20.40%	13.34%	4	139	57,685	8,018,215	\$2,238,686
Apr	318	382	(64)	(16.75%)	10.83%	2	(62)	44,279	(2,745,298)	(\$766,487)
May	<u>63</u>	<u>150</u>	<u>(87)</u>	<u>(58.00%)</u>	<u>8.64%</u>	<u>1</u>	<u>(86)</u>	<u>41,397</u>	<u>(3,560,142)</u>	<u>(\$993,992)</u>
Total	5,129	4,721	408			24	400		27,114,581	\$7,570,392

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

Summary: Weather Normalization Clause To Date

Variance In Therms (Warmer)/Colder 27,114,581
WNC Margin Revenue - Excess / (Deficiency) \$7,570,392

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

^(b) Degree Day Consumption Factor as approved in Docket No. GR14070755, 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 Normalized Degree Day Consumption Usage Factor
October 2015 through May 2016**

<u>Month</u> a	<u>Projected Heat Load¹ (therms)</u> b	<u>Base Number of Customers²</u> c	<u>Therms Per Customer</u> d=b/c	<u>Number of Customers³</u> e	<u>Annualized Projected Heat Load (therms)</u> f=d*e	<u>Monthly Normal Heating Degree_Days ("HDD")⁴</u> g	<u>Annualized Consumption Therms Per HDD</u> h=f/g
Oct-15	12,215,528	270,827	45.10454	283,316	12,778,838	274	46,638
Nov	27,786,365	271,439	102.36689	283,316	29,002,178	537	54,008
Dec	49,912,468	272,283	183.31100	283,316	51,934,939	869	59,764
Jan-16	57,735,289	273,306	211.24779	283,316	59,849,879	967	61,892
Feb	50,783,838	273,936	185.38578	283,316	52,522,758	866	60,650
Mar	38,979,045	274,159	142.17678	283,316	40,280,957	693	58,125
Apr	16,003,455	273,907	58.42660	283,316	16,553,191	371	44,618
May	5,828,900	273,032	21.34878	283,316	6,048,451	145	41,713

- 1) Adjusted for a) LAUF as calculated and approved for the 2009 base rate case and a leap-year HDD pattern for the months of February - May.
- 2) Base number of customers from the 2009 base rate case.
- 3) May 31, 2015 customer count for those classes subject to the WNC clause.
- 4) 20-year 1988-2008 monthly normal heating degree days (base 65°F); per a leap-year pattern.