



Agenda Date: 9/22/17
Agenda Item: 2G

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

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; AND (3) REVISE ITS ON-)
SYSTEM MARGIN SHARING CREDIT)

DECISION AND ORDER
APPROVING STIPULATION
FOR PROVISIONAL RATES

DOCKET NO. GR17080874

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:

On August 11, 2017, Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas ("Elizabethtown" or "Company") filed a petition ("2017 Petition") with the New Jersey Board of Public Utilities seeking approval to modify its rates relating to the review and true up of its Weather Normalization Clause ("WNC") rate, the New Jersey Clean Energy Program ("CEP") component of its Societal Benefits Charge ("SBC"),¹ and its On-System Margin Sharing Credit ("OSMC"). By this Decision and Order, the Board considers a Stipulation Regarding Provisional WNC, CEP, and OSMC Rates ("Stipulation") executed by Elizabethtown, the New Jersey Division of Rate Counsel ("Rate Counsel") and Board Staff ("Staff") (collectively, the "Parties") which requests that the Board approve changes in the WNC, CEP, and OSMC rates on a provisional basis, subject to refund with interest.

BACKGROUND AND PROCEDURAL HISTORY

The WNC normalizes the financial impact of the weather conditions on both the Company and its weather-sensitive ratepayers. An excess margin resulting from a colder than normal Winter

¹ Elizabethtown's SBC currently consists of four (4) components: 1) the CEP; 2) the Remediation Adjustment Clause; 3) the Universal Service Fund; and 4) Lifeline. Only the CEP is addressed in this matter. The other components are addressed in separate filings.

Period² 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. The resulting cumulative degree-day variance determines the adjustment to customers' bills in the following Winter Period.

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 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.

By Order dated July 26, 2017, the Board issued an Order in Docket No. GR16080786 ("July 26 Order"), approving new WNC, CEP, and OSMC rates in the Company's 2016 WNC/CEP/OSMC proceeding. The new CEP and OSMC rates became effective September 1, 2017. The new WNC rate is to be effective October 1, 2017.

2017 PETITION

On August 11, 2017, Elizabethtown filed the 2017 Petition and accompanying exhibits, including pre-filed direct testimony. The 2017 Petition sought to revise the WNC, SBC-CEP, and OSMC for the period October 1, 2017 through September 30, 2018.

WNC

With respect to the proposed WNC, the increase of \$0.0232 per therm was designed to recover a deficiency balance associated with the 2017 Winter Period (October 1, 2016 through May 31, 2017) that was attributable to warmer than normal weather experienced in the Company's service territory, as well as a prior period deficiency. According to the 2017 Petition, the temperature for the 2017 Winter Period was 443 or 9.4% degree-days warmer than normal.

The Company also proposed to modify its WNC Tariff to update the common equity percentage used for the earnings test percentage shown on Sheet No. 114 of Elizabethtown's Tariff from 10.3% to 9.6% to reflect the common equity percentage approved by the Board in the Company's most recent base rate case in Docket No. GR16090826.

The current recoverable margin deficiency of \$6.846 million increased by the prior year excess recovery of \$8.013 million, results in a \$14.859 million net revenue deficiency. The Company would recover \$7.303 million over the 2017-2018 Winter Period, with the remaining deficiency of \$7.556 million to be recovered over the 2018-2019 Winter Period. After ceiling restrictions, the Company proposes a WNC rate increase of \$0.0232³ per therm.

² Winter Period refers to the months of October through May.

³ All rates quoted herein include Sales and Use Tax ("SUT").

CEP

For Elizabethtown, projected CEP costs for the period ending June 30, 2018 total \$10.637 million. In addition, the 2017 Petition indicated that the Company incurred \$2.135 million of CEP costs during the period July 1, 2016 through June 30, 2017. Elizabethtown's proposed CEP rate of \$0.0251 per therm would recover approximately \$11.376 million from customers.

OSMC

The 2017 Petition proposed a decrease in the OSMC credit to customers from a credit of \$0.0135 per therm to a credit of \$0.0047 per therm. The Company's total OSMC customer credit would be \$1.300 million.

Collectively, the three (3) rate adjustments proposed in the 2017 Petition would increase the Company's revenues by \$17.378 million, based on the Company's most recent forecast.

After publication of notice in newspapers of general circulation in the Company's service territory, public hearings were scheduled and conducted in Union and Flemington, New Jersey on September 13, 2017 and September 14, 2017, respectively. One member of the public attended the Flemington public hearing to comment about natural gas supplies and the increase in gas rates.

STIPULATION

Following an initial review and discussions, the Parties determined that additional time is needed to complete a review of the Company's 2017 Petition. Accordingly, on September 18, 2017, the Parties executed the Stipulation. The key terms of the Stipulation are as follows:⁴

10. The Parties have determined that, pending the conclusion of any further review, including at the Office of Administrative Law, if necessary, and discussions among the Parties and a final determination by the Board, and pursuant to N.J.S.A. 48:2-21.1, it would be both reasonable and in the public interest for the Board to authorize Elizabethtown to implement: (1) a provisional WNC rate of \$0.0232 per therm to be effective as of October 1, 2017, inclusive of all applicable taxes and to update the common equity percentage used for the earnings test percentage shown on Sheet No. 114 of the Company's tariff from 10.3% to 9.6 %; (2) a provisional CEP component of the SBC rate of \$0.0251 per therm to be effective as of October 1, 2017, inclusive of all applicable taxes; and (3) a provisional OSMC credit rate of \$0.0047 inclusive of all applicable taxes. The total provisional WNC/CEP/OSMC rate of \$0.0436 will increase the monthly bill of a typical residential heating customer using 100 therms by \$0.90 from \$90.24 to \$91.14, an increase of 1.0%, as compared to the Company's rates that will be in effect as of October 1, 2017 pursuant to the Board's July 26, 2017 Order in BPU Docket No. GR16080786. There will be an opportunity for full review of the WNC rate, the CEP component of the SBC, and the OSMC at the Office of Administrative Law, if necessary, and final approval by the Board.

⁴ 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.

DISCUSSION AND FINDINGS

The Board has reviewed the record in this matter to date, including the 2017 Petition and the Stipulation and **FINDS** it to be reasonable, in the public interest, and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Stipulation as its own, as if fully set forth herein.

The Board **HEREBY APPROVES**, on a provisional basis, subject to refund with interest on any net over-recovered balance, the after-tax per therm WNC rate of \$0.0232, SBC-CEP per therm rate of \$0.0251 and the OSMC per therm credit of \$0.0047 effective for service rendered on and after October 1, 2017. For an average residential heating customer using approximately 100 therms in a winter month, the cumulative impact of these changes represents an increase of approximately \$0.90 or 1.0% on the monthly bill, based on the rates that would be otherwise effective on October 1, 2017.

The Company is **HEREBY DIRECTED** to file the appropriate tariff sheets conforming to the terms and conditions of this Order by October 1, 2017.

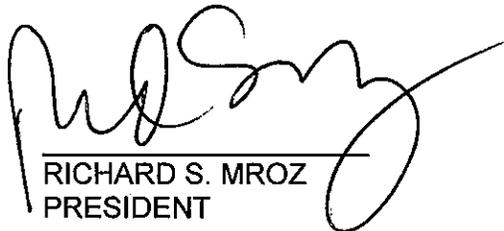
The Company's costs, including those related to the clauses reviewed in this docket, will remain subject to audit by the Board. This Decision and Order shall not preclude the Board from taking any such actions deemed to be appropriate as a result of any such audit.

The effective date of this Order is September 29, 2017.

DATED: 9/22/17

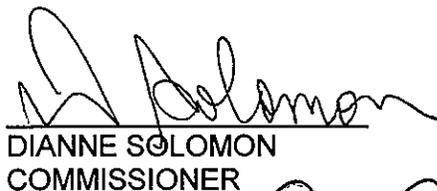
BOARD OF PUBLIC UTILITIES

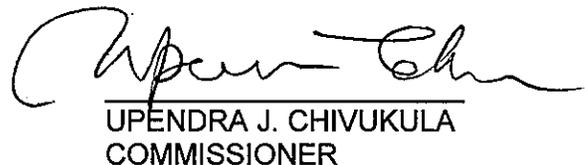
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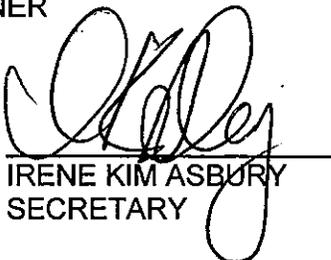

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MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
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UPENDRA J. CHIVUKULA
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) Revise the Clean Energy Program Component of its Societal Benefits Charge Rate; and (3) Revise its On-System Margin Sharing Credit
Docket No. GR17080874

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September 19, 2017

Via Email and FedEx

Honorable Irene Kim Asbury, Secretary
State of New Jersey
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
Trenton, New Jersey 08625-0350

Re: I/M/O The Petition Of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas To (1) Revise Its Weather Normalization Clause Rate; (2) Revise the Clean Energy Program Component Of Its Societal Benefits Charge Rate; and (3) Revise Its On-System Margin Sharing Credit BPU Docket No. GR17080874

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) REVISE THE CLEAN ENERGY PROGRAM COMPONENT OF ITS SOCIETAL BENEFITS
CHARGE RATE (3) REVISE ITS ON-SYSTEM MARGIN SHARING CREDIT
BPU DOCKET NO. GR16080786**

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**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. GR16080786**

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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 (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 : **BPU Docket No. GR17080874**
:
:
: **STIPULATION REGARDING**
: **PROVISIONAL WNC, CEP,**
: **AND OSMC RATES**
-----X

APPEARANCES:

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

Brian O. Lipman, Esq., Litigation Manager, **Felicia Thomas-Friel**, Managing Attorney Gas, Division of Rate Counsel, **Kurt S. Lewandowski, Esq.**, Assistant Deputy Rate Counsel, Division of Rate Counsel (Stefanie A. Brand, Director, Division of Rate Counsel)

Alex Moreau and Patricia Krogman, Deputy Attorneys Generals, for the Staff of the New Jersey Board of Public Utilities (Christopher S. Porrino, Attorney General of New Jersey)

1. On August 11, 2017, Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas, (“Elizabethtown” or “Company”) filed a Petition (“August 2017 Petition”) with the New Jersey Board of Public Utilities (“Board” or “BPU”) in BPU Docket No. GR17080874 to revise its Weather Normalization Clause (“WNC”) rate, the Clean Energy Program (“CEP”) component of the Societal Benefits Charge (“SBC”) rate, and its On-System Margin Sharing Credit (“OSMC”) for the period October 1, 2017 through September 30, 2018.

2. In its August 2017 Petition, Elizabethtown stated that current rates in effect for the WNC, CEP and OSMC were approved by the Board in Elizabethtown’s 2015 WNC/CEP/OSMC proceeding in BPU Docket No. GR15080866 on December 15, 2016 and made effective January 1, 2016. Additionally, the Board approved new WNC, CEP and OSMC rates in an Order dated July 26, 2017 in BPU Docket No. GR16080786 (“July 26 Order”). Under

the July 26 Order, the CEP and OSMC rates took effect September 1, 2017, and the WNC rate will take effect October 1, 2017.¹

3. In the August 2017 Petition, Elizabethtown proposed to increase its current WNC rate from \$0.000 per therm (or \$0.0229, effective October 1, 2017, pursuant to the July 26 Order) inclusive of all applicable taxes to \$0.0232 per therm inclusive of all applicable taxes to become effective October 1, 2017. As set forth in the August 2017 Petition, the rate was designed to recover a deficiency balance associated with the period October 1, 2016 through May 31, 2017 (“2017 Winter Period”) that was attributable to overall warmer than normal weather experienced in the Company’s service territory during that period, as well as a prior period deficiency balance. As stated in the August 2017 Petition, the net income limitation imposed by Elizabethtown’s tariff showed that the regulated jurisdictional net income for the projected period ending September 30, 2017 is lower than the allowed return on common equity resulting in no net income disallowance. Therefore, the Company stated the current recoverable margin revenue deficiency equaled the deficiency balance resulting from the 2017 Winter Period, \$6,845,725, and the prior period excess recovery balance, \$8,013,329, or \$14,859,054. The Company stated that although the total balance would produce a WNC charge of \$0.0472 per therm, the proposed WNC rate of \$0.0232 per therm reflects the rate based on the residential rate cap limitations set forth in the Company’s Board approved tariff, and the resulting revenue deficiency is recovered in a future period.

4. Petitioner also proposed to make a housekeeping change to update the common equity percentage used for the earnings test percentage shown on Sheet No. 114 of Petitioner’s tariff from 10.3% to 9.6 % to reflect the common equity percentage approved by the Board in Petitioner’s most recent base rate case in BPU Docket No GR16090826.

¹ The WNC rate is only effective between October 1 and May 31.

5. In the August 2017 Petition, Elizabethtown proposed to modify its current CEP component of the SBC rate from \$0.0244 per therm (and \$0.0252 per therm, pursuant to the July 26 Order) inclusive of all applicable taxes to \$0.0251 per therm inclusive of all applicable taxes to become effective October 1, 2017. As set forth in the August 11 Petition, the Company stated the rate was designed to recover prior period costs, the net costs incurred to provide Board-approved CEP programs for the period ending June 30, 2017, and projected costs for the period ending June 30, 2018, totaling \$11,375,888. Based on the Fiscal Year 2018 CEP level of spending of \$10,637,123, and certain other additional adjustments described in the Petition, Elizabethtown proposed a CEP rate of \$0.0251 per therm inclusive of all taxes.

6. In the August 2017 Petition, Elizabethtown proposed to modify its current OSMC from a credit of \$0.0175 per therm (a credit of \$0.0135 per therm, effective September 1, 2017, pursuant to the July 26 Order) inclusive of all applicable taxes to a credit of \$0.0047 per therm inclusive of all applicable taxes to become effective October 1, 2017. The rate is set in accordance with the mechanisms approved by the Board in Docket Nos. GT8602131, GM9009049, TC94030057, GR9608574, GR97070552 et al., and Docket Nos. GX99030121, et al., under which margins from certain on-system sales and transportation services are shared between firm sales customers, certain firm transportation customers and Petitioner on an 80%/20% basis through a credit, the OSMC, to the transportation rates charged to firm sales and Service Classification RDS customers.

7. As stated in the August 2017 Petition, the overall impact of the proposed adjustments to the WNC, CEP and OSMC rates as reflected in the August 2017 Petition would increase the monthly bill of a typical residential heating customer using 100 therms by \$3.19, from \$87.95 to \$91.14, or an increase of 3.6%, as compared to the rates that will be in effect as

of September 1, 2017 pursuant to the July 26 Order, excluding the WNC rate which will not apply until October 1, 2017. A 100 therm bill comparison to rates effective October 1, 2017 when the WNC rate approved in the July 26 Order would apply, would be an increase of \$0.90 from \$90.24 to \$91.14, an increase of 1.0%.

8. Notices setting forth the requested rate changes and the dates of the public hearings were placed in newspapers of circulation within Elizabethtown's service territory and served on the county executives and clerks of all municipalities within the Company's service territory. Public hearings concerning the Company's Petition were held in Union, New Jersey on September 13, 2017 and Flemington, New Jersey on September 14, 2017. One member of the public attended the September 14, 2017 public hearing to comment about natural gas supplies and the increase in gas rates.

9. Elizabethtown, Board Staff, and the New Jersey Division of Rate Counsel ("Rate Counsel") are the only parties to this proceeding (collectively "the Parties"). The Parties agree that additional time is needed to complete a comprehensive review of the Company's filing and that permitting a WNC rate, CEP component of the SBC rate, and OSMC to become effective on a provisional basis is reasonable to permit Elizabethtown to timely collect WNC and CEP costs, credit OSMC amounts, and to mitigate the impact of further potential increases in the underrecovery balance as additional review of the Company's filing takes place.

10. The Parties have determined and hereby **STIPULATE AND AGREE** that, pending the conclusion of any further review, including at the Office of Administrative Law, if necessary, and discussions among the Parties and a final determination by the Board, and pursuant to N.J.S.A. 48:2-21.1, it would be both reasonable and in the public interest for the Board to authorize Elizabethtown to implement: (1) a provisional WNC rate of \$0.0232 per

therm to be effective as of October 1, 2017, inclusive of all applicable taxes and to update the common equity percentage used for the earnings test percentage shown on Sheet No. 114 of Petitioner's tariff from 10.3% to 9.6 %; (2) a provisional CEP component of the SBC rate of \$0.0251 per therm to be effective as of October 1, 2017, inclusive of all applicable taxes; and (3) a provisional OSMC of (\$0.0047) inclusive of all applicable taxes. The total provisional WNC/CEP/OSMC rate of \$0.0436 will increase the monthly bill of a typical residential heating customer using 100 therms by \$0.90 from \$90.24 to \$91.14, an increase of 1.0%, as compared to the Company's rates that will be in effect as of October 1, 2017 pursuant to the Board's July 26, 2017 order in BPU Docket No. GR16080786. There will be an opportunity for full review of the WNC rate, the CEP component of the SBC, and the OSMC at the Office of Administrative Law, if necessary, and final approval by the Board.

11. The Company will submit tariff sheets in the form attached as Exhibit A within five (5) days of the effective date of the Board's Order approving this Stipulation.

12. This Stipulation represents a mutual balancing of interests and therefore is intended to be accepted and approved in its entirety. In the event that the Board does not adopt this Stipulation in its entirety in an Order, then any Party hereto is free to pursue its then available legal remedies with respect to all issues in this Stipulation as though this Stipulation had not been signed.

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

14. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of this proceeding. Except as expressly provided herein, Elizabethtown, Board Staff, or Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein.

15. The Parties further acknowledge that a Board Order approving this Stipulation will become effective upon the service of said Board Order, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.

WHEREFORE, the Parties hereto do respectfully submit this Stipulation to the Board of Public Utilities and request 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**

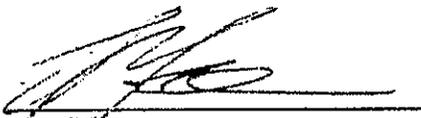
**STEFANIE A. BRAND
DIRECTOR, DIVISION OF
RATE COUNSEL**

By: 
Mary Patricia Keefe

By: 
Kurt S. Lewandowski, Esq.
Assistant Deputy Rate Counsel

**Vice President, External Affairs
and Business Support**

**CHRISTOPHER S. PORRINO
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the New Jersey Board of Public Utilities**

By: 
Alex Moreau
Deputy Attorney General

Dated: September 18, 2017

ELIZABETHTOWN GAS
B. P. U. NO. 15 – GAS

4th REVISED SHEET NO. 111

RIDER "B"

WEATHER NORMALIZATION CLAUSE ("WNC")

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

October 1, 2017 through May 31, 2018 ~~\$0.0232~~\$0.0229 per therm

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

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.

Date of Issue: ~~August 7, 2017~~

Effective: Service Rendered
on and after ~~September 1, 2017~~

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

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~July 26, 2017~~ in Docket No. ~~GR16080786~~

RIDER "B"

WEATHER NORMALIZATION CLAUSE ("WNC")
(continued)METHOD OF DETERMINING WEATHER NORMALIZATION CHARGE (continued)I. Definition of Terms as Used Herein (continued)

8. Annual Period: shall be the 12 consecutive months from October 1 of one calendar year through September 30 of the following calendar year.
9. Average 13 month common equity balance: shall be the common equity balance at the beginning of the Annual Period (i.e. October 1) and the month ending balances for each of the twelve months in the Annual Period divided by thirteen (13).

II. Determination of the Weather Normalization Rate

At the end of the Winter Period during the Annual Period, a calculation shall be made that determines for all months of the Winter Period the level by which margin revenues differed from what would have resulted if normal weather (as determined by reference to the Degree Day Dead Band) occurred.

The monthly calculation is made by multiplying the Degree Day Consumption Factor by the difference between Normal Calendar Month Degree Days as adjusted for the monthly Degree Day Dead Band, and Actual Calendar Month Degree Days and, in turn, multiplying the result by the Margin Revenue Factor. To the extent the Actual Calendar Month Degree Days exceeds Normal Calendar Month Degree Days as adjusted for the Degree Day Dead Band, an excess of margin revenues exist. To the extent Actual Calendar Month Degree Days were less than Normal Calendar Month Degree Days as adjusted for the Degree Day Dead Band, a deficiency of marginal revenue exists. In addition, the weather normalization clause shall not operate to permit the Company to recover any portion of a margin revenue deficiency that will cause the Company to earn in excess of ~~9.6%~~10.3% for the Annual Period; any portion which is not recovered shall not be deferred. For purposes of this section, the Company's rate of return on common equity shall be calculated by dividing the Company's regulated jurisdictional net income for the Annual Period by the Company's average 13-month common equity balance for such Annual Period, all as reflected in the Company's monthly reports to the BPU. The Company's regulated jurisdictional net income shall be calculated by subtracting from total net income (1) margins

Date of Issue: ~~June 30, 2017~~Effective: Service Rendered
on and after July 1, 2017Issued by: Brian MacLean, President
520 Green Lane
Union, New Jersey 07083Filed Pursuant to Order of the Board of Public Utilities
Dated ~~June 30, 2017~~ in Docket No. GR16090826

ELIZABETHTOWN GAS
B. P. U. NO. 15 – GAS

1st REVISED SHEET NO. 116

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.

~~(\$0.0135)~~ (\$0.0047) per therm

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 other similar charges.

Date of Issue: ~~August 7, 2017~~

Effective: Service Rendered
on and after ~~September 1, 2017~~

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

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~July 26, 2017~~ in Docket No. ~~GR16080786~~

ELIZABETHTOWN GAS
B. P. U. NO. 15 – GAS

4th REVISED SHEET NO. 117

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 as filed and approved by the BPU 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 t components listed below 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")	\$0.0251 \$0.0252
II.	Remediation Adjustment Charge ("RAC")	(\$0.0016)
III.	<u>Universal Service Fund and Lifeline:</u>	
	1. Universal Service Fund ("USF")	\$0.0076
	2. Lifeline	<u>\$0.0051</u>
	TOTAL	\$0.0362 \$0.0363

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 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: ~~August 7, 2017~~

Effective: Service Rendered
on and after ~~September 1, 2017~~

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

Filed Pursuant to Order of the Board of Public Utilities
Dated ~~July 26, 2017~~ in Docket No. ~~GR16080786~~

CLEAN

ELIZABETHTOWN GAS
B. P. U. NO. 15 – GAS

REVISED SHEET NO. 111

RIDER "B"

WEATHER NORMALIZATION CLAUSE ("WNC")

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

October 1, 2017 through May 31, 2018 \$0.0232 per therm

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

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.

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.

RIDER "B"

WEATHER NORMALIZATION CLAUSE ("WNC")
(continued)METHOD OF DETERMINING WEATHER NORMALIZATION CHARGE (continued)I. Definition of Terms as Used Herein (continued)

8. Annual Period: shall be the 12 consecutive months from October 1 of one calendar year through September 30 of the following calendar year.
9. Average 13 month common equity balance: shall be the common equity balance at the beginning of the Annual Period (i.e. October 1) and the month ending balances for each of the twelve months in the Annual Period divided by thirteen (13).

II. Determination of the Weather Normalization Rate

At the end of the Winter Period during the Annual Period, a calculation shall be made that determines for all months of the Winter Period the level by which margin revenues differed from what would have resulted if normal weather (as determined by reference to the Degree Day Dead Band) occurred.

The monthly calculation is made by multiplying the Degree Day Consumption Factor by the difference between Normal Calendar Month Degree Days as adjusted for the monthly Degree Day Dead Band, and Actual Calendar Month Degree Days and, in turn, multiplying the result by the Margin Revenue Factor. To the extent the Actual Calendar Month Degree Days exceeds Normal Calendar Month Degree Days as adjusted for the Degree Day Dead Band, an excess of margin revenues exist. To the extent Actual Calendar Month Degree Days were less than Normal Calendar Month Degree Days as adjusted for the Degree Day Dead Band, a deficiency of marginal revenue exists. In addition, the weather normalization clause shall not operate to permit the Company to recover any portion of a margin revenue deficiency that will cause the Company to earn in excess of 9.6% for the Annual Period; any portion which is not recovered shall not be deferred. For purposes of this section, the Company's rate of return on common equity shall be calculated by dividing the Company's regulated jurisdictional net income for the Annual Period by the Company's average 13-month common equity balance for such Annual Period, all as reflected in the Company's monthly reports to the BPU. The Company's regulated jurisdictional net income shall be calculated by subtracting from total net income (1) margins

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.

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.

(\$0.0047) per therm

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 other similar charges.

Date of Issue:

Effective: Service Rendered
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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.

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 as filed and approved by the BPU 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 components listed below 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")	\$0.0251
II.	Remediation Adjustment Charge ("RAC")	(\$0.0016)
III.	<u>Universal Service Fund and Lifeline:</u>	
	1. Universal Service Fund ("USF")	\$0.0076
	2. Lifeline	<u>\$0.0051</u>
	TOTAL	\$0.0362

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.

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