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CC: Adm. 4/18/16 [illegible]

Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas
Notice of Public Hearings

TO OUR CUSTOMERS:

On September 22, 2015, Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas ("the Company" or "Elizabethtown") filed a Petition with the New Jersey Board of Public Utilities ("Board" or "BPU") in BPU Docket No. GR15091090 seeking approval of a safety, modernization and reliability program and a related rider to the Company's Tariff – the Safety, Modernization and Reliability Tariff – to permit Elizabethtown to recover the costs of the proposed program (collectively the program and proposed Tariff rider will be referred to as "the SMART Program").

Elizabethtown has facilities on its system that were installed prior to calendar year 1900. Elizabethtown seeks Board approval to implement the SMART Program over a ten-year period to modernize and enhance the reliability and safety of its gas distribution system by replacing its vintage, at-risk facilities which include aging cast iron mains, unprotected and bare steel mains and services, ductile iron, copper and vintage plastic mains and vintage plastic and copper services. Elizabethtown also proposes to relocate inside meter sets outside, to upgrade its legacy low pressure system to an elevated pressure system, and, as a consequence, to install excess flow valves and retire district regulators that are presently required to operate the low pressure system.

The total expenditures associated with the SMART Program are projected to approximate $1.1 billion in 2014 dollars. Elizabethtown projects that these expenditures will enable the Company to replace approximately 630 miles of main and approximately 67,000 services.

In conjunction with the implementation of the SMART Program, Elizabethtown is seeking Board approval to implement a Tariff rider that will enable it to recover, on a provisional basis, certain costs incurred in connection with the SMART Program beyond the test period of the Company's next base rate case, which is required to be filed no later than September 1, 2016. Specifically, Elizabethtown anticipates that the proposed Tariff rider would first take effect on or about April 1, 2017 and would recover projected SMART Program costs for the twelve months ending March 31, 2018. The Company proposes that once the SMART Program rider takes effect, the Company would submit an annual petition to the Board no later than January 1 of each year that would propose a revised SMART Program rate to be effective April 1 of the same year. The Company's annual SMART Program rider filing would reconcile actual SMART Program costs and cost recoveries for the then-current April 1 through March 31 SMART Program year and seek recovery of projected SMART Program costs for the next succeeding April 1 through March 31 SMART Program year. The SMART Program rider rate would be assessed to all of the Company's firm customers under Service Classifications RDS, SGS, GDS, LVD, EGF, GLS, NGV and FTS.

Elizabethtown is not seeking to increase rates to recover SMART Program costs at this time. Nonetheless, Elizabethtown forecasts that the initial SMART Program rider rate anticipated to take effect April 1, 2017 would be designed to recovery $5,462,665 of SMART Program costs through a proposed rider rate of $0.0144 per therm. This rate would increase the annual bill of a residential heating customer using 1,000 therms by $14.38 or 1.4% as compared to an estimated total annual bill of $1,048.83.

Based on current projections and assuming implementation of the SMART Program as proposed by the Company, the subsequent estimated SMART Program rider rates and their impact on a residential customer using 1,000 therms annually are estimated as follows:

Effective Date	SMART Rate Per Therm	Annual Increase	% Change
4/1/18	$0.0455	$31.13	2.9%
4/1/19	$0.0809	$35.41	3.2%
4/1/20	$0.1164	$35.49	3.1%
4/1/21	$0.1512	$34.76	3.0%
4/1/22	$0.1849	$33.76	2.8%
4/1/23	$0.2176	$32.67	2.6%
4/1/24	$0.2492	$31.61	2.5%
4/1/25	$0.2802	$30.96	2.4%

These rates are only estimates. The actual proposed rates would be subject to BPU approval and could be higher or lower depending on the Board's final determination and the date on which such rates are made effective.

The Board has the statutory authority to establish Elizabethtown's rates at levels it finds just and reasonable as well as to establish the effective date of such rates. Therefore, the BPU may establish the rates at levels and/or an effective date other than those proposed by Elizabethtown.

Copies of the Petition are available for inspection at the Company offices located at 520 Green Lane, Union, New Jersey, and at the Board of Public Utilities, 44 South Clinton Avenue, Office of Case Management, 2nd Floor, Trenton, New Jersey. The Petition can also be viewed on Elizabethtown's website at https://www.elizabethtowngas.com/-/media/Files/ETG/Rates-Tariff/2015_SMART_Filing_9-22-15.pdf.

PLEASE TAKE NOTICE that Public Hearings have been scheduled on the above mentioned Petition at the following times and places:

April 25, 2016 – 4:30 p.m. and 5:30 p.m.
Hunterdon County Complex, Building #1, 314 State Route 12
Flemington, New Jersey 08822

April 28, 2016 – 4:30 p.m. and 5:30 p.m.
Liberty Hall Corporate Center, 1085 Morris Avenue
Union, New Jersey 07083

The public is invited to attend and interested persons will be permitted to testify and/or make a statement of their views on the proposed rates. Information provided at the public hearings will become part of the record of this case and will be considered by the Board in making its decision. In order to encourage full participation in this opportunity for public comment, please submit requests for needed accommodations, including an interpreter, listening devices and/or mobility assistance, 48 hours prior to these Hearings. In addition, members of the public may submit written comments concerning the Petition to the BPU regardless of whether they attend the hearing by addressing them to: Irene Kim Asbury, Secretary, Board of Public Utilities, 44 South Clinton Avenue, 3rd Floor, Suite 314, P.O. Box 350, Trenton, New Jersey, 08625-0350. Hearings will continue, if necessary, on such additional dates and at such locations as the Board may designate in order to ensure that all interested persons may be heard.

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George Wagner
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Flemington, NJ 08822-2900

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Wayne Dumont Jr. Administration Building
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Ringoes, NJ 08551-1051

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Elizabethtown Gas™
An AGL Resources Company

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www.elizabethtowngas.com

September 22, 2015

Irene Kim Asbury
Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue
9th Floor
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 For Approval Of A Safety, Modernization And Reliability Program And Associated Cost Recovery Mechanism
BPU Docket No. _____

Dear Secretary Asbury:

Enclosed for filing are an original and ten copies of the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas ("Elizabethtown" or "Company") for approval of a safety, modernization and reliability program and a related rider to the Company's tariff – the Safety, Modernization and Reliability Tariff – to permit the Company to recover the costs of the program. Collectively, the proposed program and Tariff rider will be referred to as the SMART Program. The Company's Petition is accompanied by the testimony and supporting schedules of the following witnesses:

1. Brian MacLean – President of Elizabethtown
2. Michael P. Scacifero – Elizabethtown's Director of Engineering Services
3. Thomas Kaufmann – Elizabethtown's Manager of Rates and Tariffs
4. Salvatore D. Marano – Jacobs Consultancy
5. Daniel P. Yardley – Yardley Associates

Under the SMART Program, Elizabethtown proposes over a ten-year period to modernize and enhance the safety and reliability of its gas distribution system by replacing its vintage, at-risk facilities which include aging cast iron mains, unprotected and bare steel mains and services, ductile iron, copper and vintage plastic mains and vintage plastic and copper services. Elizabethtown also proposes to locate inside meter sets outside, to upgrade its legacy low pressure system to an elevated pressure system and, as a consequence, to install excess flow

valves and to retire district regulators that are presently required to operate the low pressure system. The total expenditures associated with the SMART Program are projected to approximate $1,102 million in 2014 dollars. Elizabethtown projects that these expenditures will enable the Company to replace approximately 630 miles of main and approximately 67,000 services.

Elizabethtown is not proposing a rate change at this time to recover the costs of the SMART Program and there is no immediate rate impact associated with this Petition. Elizabethtown is proposing to include a rider to its Tariff that will enable the Company to obtain timely recovery of its SMART Program costs when those costs are incurred. The rates to be established under the rider will be determined in future proceedings before the Board.

Elizabethtown respectfully requests the Board to retain this matter and to establish a procedural schedule that will permit the Board to issue a final order in this proceeding no later than March 31, 2016.

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

Respectfully submitted,

s. Mary Patricia Keefe

Mary Patricia Keefe
Vice President, Regulatory Affairs
And Business Support

Enclosures

cc: Richard Mroz, President
Upendra Chivukula, Commissioner
Joseph L. Fiordaliso, Commissioner
Mary-Anna Holden, Commissioner
Dianne Solomon, Commissioner
Paul Flanagan, Executive Director
Jerome May, Division of Energy
Stefanie A. Brand, Director, Rate Counsel
Felicia Thomas-Friel, Division of Rate Counsel (6 copies)

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

In the Matter of the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas For Approval Of A Safety, Modernization And Reliability Program And Associated Cost Recovery Mechanism	:	**Docket No.**
	:	**SUMMARY SHEET**

This Petition presents the request of Pivotal Utility Holdings, Ind. d/b/a Elizabethtown Gas ("Elizabethtown" or "Company") for approval by the Board of Public Utilities ("Board") of a safety, modernization and reliability construction program and a related rider to the Company's Tariff – the Safety, Modernization and Reliability Tariff – to permit Elizabethtown to recover the costs of the proposed program (collectively the program and proposed Tariff rider will be referred to as "the SMART Program"). Under the SMART Program, Elizabethtown proposes, over a ten-year period, to modernize and enhance the reliability and safety of its gas distribution system by replacing its vintage, at-risk facilities which include aging cast iron mains, unprotected and bare steel mains and services, ductile iron, copper and vintage plastic mains and vintage plastic and copper services. Elizabethtown also proposes to relocate inside meter sets outside, to upgrade its legacy low pressure system to an elevated pressure system and, as a consequence, to install excess flow valves and retire district regulators that are presently required to operate the existing low pressure system. The total expenditures associated with the SMART Program are projected to approximate $1,102 million in 2014 dollars. Elizabethtown projects that these expenditures will enable the Company to replace approximately 630 miles of main and approximately 67,000 services.

Elizabethtown is not proposing a rate change at this time and therefore there is no immediate rate impact associated with this Petition. Elizabethtown is proposing to include a rider to its Tariff that will enable the Company to obtain timely recovery of its SMART Program costs when those costs are incurred. The rates to be established under the rider will be determined in future proceedings before the Board.