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State of New Jersey

DIVISION OF RATE COUNSEL

CASE MANACEMENT 140 EAST FRONT STREET, 4TH FL P. O. Box 003

TRENTON, NEW JERSEY 08625

November 19, 2014

Governor

KIM GUADAGNO

Lt. Governor

CHRIS CHRISTIE

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> NJ BPU MAILROOM

STEFANIE A. BRAND Director

Via Electronic Mail and US Regular Mail

Mary Patricia Keefe, Esq. Elizabethtown Gas Company 300 Connell Drive, Suite 3000 Berkeley Heights, NJ 307922

Re:

In the Matter of the Petition of Pivotal Utility Holdings, Inc. d/b/a

Elizabethtown Gas to Revise the Remediation Adjustment Clause

Component of its Societal Benefits Charge Rate

BPU Docket No. GR14101135

Dear Ms. Keefe:

Enclosed please find the Division of Rate Counsel's discovery requests RCR-A-1 through RCR-A-11 in the above-referenced matter.

Pursuant to N.J.A.C. 1:1-10.4, please respond to the requests and submit copies of the documents requested herein within fifteen (15) days or submit a schedule of reasonable compliance within fifteen (15) days from receipt of this letter.

Please note that all discovery requests are of a continuing nature and should be updated, if necessary, over the course of the proceeding. Also, provide a designation on each response identifying the witness sponsoring the answer and finally, please provide the response on three-hole punch paper.

Your prompt handling of this request is appreciated. If you have any questions, please call me at (609) 984-1460.

Very truly yours,

Stefanie A. Brand, Esq.

Henry M. Ogden, Esq.

Director Division of Rate Counsel

HMO/sm

c: Service List

Enclosure

By:

Assistant Deputy Rate Counsel

19(4)

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In the Matter of the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to Revise the Remediation Adjustment Clause Component of its Societal Benefits Charge Rate

BPU Docket No.: GR14101135

DIVISION OF RATE COUNSEL DISCOVERY REQUESTS

- RCR-A-1. Please provide a worksheet showing all of the calculations and calculation components in support of the Company's claim that the proposed RAC rate increase increases the monthly bill of a typical residential heating customer using 100 therms by \$0.17, from \$100.65 to \$100.82, or an increase of 0.2% as compared to the Company's currently effective rates.
- RCR-A-2. Please confirm that the total remediation expenses of \$3,984,044 shown on Schedule SLC-1 do not include any late fees or late charges that are associated with legal costs recovered through the RAC. If such fees or charges are included, please identify the amount and indicate where on SLC-1 they are reflected.
- RCR-A-3. With regard to any internal labor costs included in the total remediation expenses of \$3,984,044 shown on Schedule SLC-1, please provide the following information:
 - a. Identify the amount of such internal labor expenses and indicate where on SLC-1 they are reflected.
 - b. Indicate whether the internal labor expenses to be identified in response to part (a) include any incentive compensation expenses and, if so, quantify such incentive compensation.
 - c. Provide proof that the internal labor expenses to be identified in response to part (a) are indeed incremental to the labor expenses included in the Company's base rates.
 - d. Provide the Company's actual number of employees, in total and by employee category, for each of the months in 2014 through November.
 - e. Provide the average number of employees, in total and by employee category, that were included in the test year of the Company's most recent base rate case.
- RCR-A-4. Please provide a further update on the status of the Audit referenced in paragraph F of the Stipulation in the Company's prior RAC proceeding BPU Docket No. GR13090839 and provide a description of all RAC-related practices and procedures, if any, required by the Board or agreed upon by Board Staff and the Company in connection with the Audit.

I/M/O the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas to Revise The Remediation Adjustment Clause Component of Its Societal Benefits Charge Rate BPU Docket No.: GR14101135



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