

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

REVISED SHEET NO. 36

SERVICE CLASSIFICATION – RESIDENTIAL DELIVERY SERVICE (RDS)

APPLICABLE TO USE OF SERVICE FOR:

All residential purposes in individual residences and in individual flats, individual apartments in multiple family buildings, only where each individual flat or individual apartment is served through its own separate meter and religious institutions where the total rated input capacity of all gas utilization equipment does not exceed 500,000 BTU per hour. The rate is not available for hotels, nor for recognized rooming or boarding houses where the number of rented bedrooms is more than twice the number of bedrooms used by Customer. This rate is not applicable for industrial or commercial use of gas. In residential premises, use for purposes other than residential will be permitted only where such use is incidental to Customer's own residential use. Service for heating and/or cooling of premises will be rendered at this rate. Service to detached outbuildings or outside appliances appurtenant to the residence will be included in this rate provided Customer installs the necessary piping so that the gas used in such facilities may be measured by the meter located at the residence.

Service will be provided if Gas Company's facilities are suitable.

CHARACTER OF SERVICE:

Continuous, however, customers may either purchase gas supply from a Third Party Supplier ("TPS") or the Company's Rider "A", Basic Gas Supply Service ("BGSS")

*CHARGES PER MONTH:

	<u>Gas Supply from BGSS</u>	<u>Gas Supply from TPS</u>
Service Charge	\$8.00	\$8.00
Distribution Charge per Therm	\$0.3457	\$0.3457
Commodity Charge	Per Rider "A"	Per TPS Agreement

* The charges set forth in this Service Classification include sales and use tax and assessments and will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company. A customer that receives gas supply from a TPS will be charged for commodity according to any agreement between the customer and the TPS.

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.

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REVISED SHEET NO. 37

SERVICE CLASSIFICATION -- RESIDENTIAL DELIVERY SERVICE (RDS)
(continued)

MINIMUM MONTHLY CHARGE:

Service Charge.

TERM OF PAYMENT:

All bills are due upon presentation.

TERM OF CONTRACT:

One year, and thereafter until terminated by five (5) days written notice.

STANDARD TERMS AND CONDITIONS:

This Service Classification is subject to the Standard Terms and Conditions of this Tariff.

SPECIAL PROVISIONS I & II:

I. SPECIAL PROVISIONS, APPLICABLE TO ALL CUSTOMERS RECEIVING SERVICE UNDER THIS SERVICE CLASSIFICATION

1. Gas Air Conditioning and Distributive Generation

Upon separate application, Customers who have installed and are using gas air conditioning equipment, having a rated capacity of not less than 2 tons of refrigeration, and or who have installed a separate meter for distributed generation equipment shall be billed a Distribution Charge of \$0.2265 per therm in the period extending from Customer's meter reading taken in the ordinary course of business in May through October.

Where, in Gas Company's opinion, it is impractical to provide separate metering for distributed generation equipment, Gas Company may estimate the use of gas for Distributive Generation during the foregoing period of May to October. During all other periods, the Distribution Charge per therm stated in this service classification shall apply.

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REVISED SHEET NO. 40

SERVICE CLASSIFICATION – SMALL GENERAL SERVICE (SGS)

APPLICABLE TO USE OF SERVICE FOR:

Small General Service is available to those customers whose annual weather normalized usage as determined by the Company is less than 3,000 therms per year and where Gas Company's facilities are suitable and the quantity of gas is available for the service desired. In August of each year the Company shall re-determine each customer's eligibility based on their annual normalized usage.

CHARACTER OF SERVICE:

Continuous.

*CHARGES PER MONTH:

Service Charge	\$16.15
Distribution Charge per Therm	\$0.3596
Commodity Charge	Per Rider "A"

* The charges set forth in this Service Classification include sales and use tax and assessments and will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company.

MINIMUM MONTHLY CHARGE:

The Service Charge.

TERM OF PAYMENT:

All bills are due upon presentation. Should the Customer fail to make payment in full, the Company may, within the time period specified in and in accordance with Section 7.10 of the Standard Terms and Conditions of this Tariff, assess late payment charges.

TERM OF CONTRACT:

One year, and thereafter until terminated by five (5) days written notice.

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REVISED SHEET NO. 41

SERVICE CLASSIFICATION – SMALL GENERAL SERVICE (SGS)

(continued)

STANDARD TERMS AND CONDITIONS:

This Service Classification is subject to the Standard Terms and Conditions of this Tariff.

1. SPECIAL PROVISIONS, APPLICABLE TO ALL CUSTOMERS RECEIVING SERVICE UNDER THIS SERVICE CLASSIFICATION

1. Gas Cooling & Refrigeration and Distributed Generation Under 12kW

Upon separate application, Customers who have installed a separate meter for gas cooling equipment having a rated capacity of not less than two (2) tons but less than ten (10) tons of refrigeration and or distributed generation equipment having a rated capacity under twelve (12) kW will be separately metered for such service and will be billed at the above rates, except that the applicable Distribution Charges will be billed at a rate of \$0.1714 per therm in the period extending from Customer's meter reading taken in the ordinary course of business in May through October. Where, in the Gas Company's opinion, it is impractical to provide separate metering, Gas Company may estimate the use of gas for other than distributed generation and water heating during the foregoing period of May to October. During all other periods, the Distribution Charge per therm stated in this service classification shall apply.

2. Economic Development Service (EDS)

Any new customer employing a minimum of ten (10) employees, who locates in or expands a new or vacant building within the Company's service territory and enters into a GDS service agreement and (2) any existing customer who expands into a new or vacant building within the Company's service territory and is a party to a GDS service agreement shall be eligible for an EDS discount. For new customers, this building must be new or have been vacant for a minimum of three (3) months. For existing customers, the space utilized for operations must expand by more than 5,000 square feet. Gas used subject to the EDS discount for existing customers will be calculated by the Company and will be based solely on the customer's incremental usage. This service is offered to any eligible customer for a period of five (5) years from the date of the initial Service Agreement under this service. The EDS Customers shall receive a fifty (50) percent pre tax discount in this Service Class's Distribution Charge during the period of eligibility.

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REVISED SHEET NO. 42

SERVICE CLASSIFICATION – GENERAL DELIVERY SERVICE (GDS)

APPLICABLE TO USE OF SERVICE FOR:

General Delivery Service where Gas Company's facilities are suitable and the quantity of gas is available for the service desired.

CHARACTER OF SERVICE:

Continuous, however, customers may either purchase gas supply from a Third Party Supplier ("TPS") or the Company's Rider "A", Basic Gas Supply Service ("BGSS").

*CHARGES PER MONTH:

	<u>Gas Supply from BGSS</u>	<u>Gas Supply from TPS</u>
Service Charge	\$20.00	\$20.00
Demand Charge per DCQ	\$0.811	\$0.811
Distribution Charge per Therm	\$0.2210	\$0.2210
Commodity Charge	Per Rider "A"	Per TPS Agreement

* The charges set forth in this Service Classification include sales and use tax and assessments and will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company. A customer that receives gas supply from a TPS will be charged for commodity according to any agreement between the customer and the TPS.

DETERMINATION OF THE DEMAND CHARGE QUANTITY (DCQ)

The DCQ will be determined by the Customer's maximum daily requirements in terms of therm units per day. The DCQ level shall be the highest actual daily metered consumption registered from an approved automatic meter reading device at Customer's premises within a period of not less than two years, but up to three years immediately preceding the Customer obtaining service or renewing a Service Agreement under this Service Classification if such information is available. Otherwise DCQ shall be set equal to the product of (1) the highest winter monthly consumption for the most recent winter (October through April), normalized for weather, divided by the applicable number of days in the respective billing month, and (2) 1.36, provided that DCQ shall not be less than the highest non-winter month consumption divided by the applicable number of days in the respective billing month. For process loads, the Company may base the DCQ on historical consumption. If historical consumption information is not available,

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REVISED SHEET NO. 44

SERVICE CLASSIFICATION – GENERAL DELIVERY SERVICE (GDS)
(continued)

SPECIAL PROVISIONS SECTIONS I & II:

I. SPECIAL PROVISIONS, APPLICABLE TO ALL CUSTOMERS RECEIVING SERVICE UNDER THIS SERVICE CLASSIFICATION

1. Distributive Generation Under 12 kW and Gas Cooling & Refrigeration, 2 tons to under 10 Tons

Upon separate application, Customers who have installed a separate meter for distributed generation equipment having a rated capacity under twelve (12) kW and/or gas cooling equipment having a rated capacity of not less than two (2) tons but less than ten (10) tons of refrigeration will be separately metered for such service and will be billed at the above rates, except that the applicable Distribution Charges will be billed at a rate of \$0.1371 per therm in the period extending from Customer's meter reading taken in the ordinary course of business in May through October. Where, in the Gas Company's opinion, it is impractical to provide separate metering, Gas Company may estimate the use of gas for other than distributed generation and water heating during the foregoing period of May to October. During all other periods, the Distribution Charge per therm stated in this service classification shall apply.

2. Distributed Generation of 12 kW or More and Gas Cooling & Refrigeration of 10 Tons or More

Under separate application Customers who are using gas for distributive generation with a rated capacity of twelve (12) kW or more, and/or gas cooling equipment with a rated capacity of ten (10) tons or more, and where gas consumed is separately metered, will be billed at the above rates, except that the applicable Distribution Charges will be billed at a rate of \$0.0670 per therm commencing with the first meter reading taken in the ordinary course of business in May and concluding with the meter reading taken in the ordinary course of business in October. During all other periods, the Distribution and Commodity Charge per therm stated in this service classification shall apply.

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REVISED SHEET NO. 50

SERVICE CLASSIFICATION – LARGE VOLUME DEMAND (LVD)

The signing of a service agreement is a condition precedent to receiving service under this classification. The Service Agreement will include the Customer's Demand Charge Quantity (DCQ).

APPLICABLE TO USE OF SERVICE FOR:

Applicable to Commercial and Industrial Users, when daily demand is not less than 2,000 therms per day up to the maximum daily demands as set forth in the Service Agreement, provided that all firm gas service is supplied under this rate, Gas Company's facilities are suitable, and the required quantity of gas is available for the service desired. The consumption of gas in different locations will not be combined for billing purposes.

CHARACTER OF SERVICE:

Continuous.

*CHARGE PER MONTH:

Service Charge	\$481.86
Demand Charge per DCQ	\$1.036
Distribution Charge per Therm	\$0.0498
Commodity Charge	Per Rider "A"

*The charges set forth in this Service Classification include sales and use tax and assessments and will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company.

DETERMINATION OF THE DEMAND CHARGE QUANTITY ("DCQ"):

The DCQ will be determined by the Customer's maximum daily requirements in terms of therms per day and included in the Service Agreement.

The DCQ level shall be the highest actual daily metered consumption registered from an approved automatic meter reading device at Customer's premises within a period of not less than two years, but up to three years immediately preceding the Customer obtaining service or renewing a Service Agreement under this Service Classification if such information is available. Otherwise DCQ shall be set equal to the product of (1) the highest winter monthly consumption for the most recent winter (October through April), normalized for weather, divided by the applicable

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REVISED SHEET NO. 53

SERVICE CLASSIFICATION – ELECTRIC GENERATION FIRM SERVICE (EGF)

All customers must sign a Service Agreement. Service will be restricted to the maximum annual and hourly requirements, and the location and equipment specified in the Agreement.

APPLICABLE TO USE OF SERVICE FOR:

Available to customers who utilize natural gas for Qualifying Cogeneration, as defined below, Distributive Generation, Micro Turbine and Fuel Cells at facilities with a rated production of over 500 Kilowatts (kW). Customers have the option of taking service under this Service Classification or negotiating a sales and/or transportation service contract which will be filed with the New Jersey Board of Public Utilities.

A Qualifying Cogeneration Facility is one that meets the Federal Energy Regulatory Commission (FERC) certification of qualifying status for the sequential production of electrical and/or mechanical energy and useful thermal energy from the same fuel source by a facility as defined in Section 201 of the Regulatory Policies Act of 1978.

CHARACTER OF SERVICE:

Continuous

*CHARGE PER MONTH:

	<u>Tax-Exempt ⁽¹⁾</u>	<u>Taxable ⁽²⁾</u>
Service Charge	\$52.37	\$56.04
Demand Charge per DCQ	\$0.741	\$0.793
Distribution Charge per Therm	\$0.0182	\$0.0195
Commodity Charge	Per Rider "A"	Per Rider "A"

* The charges set forth in this Service Classification include sales and use tax, unless noted tax-exempt and assessments and will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company.

- (1) Tax-Exempt rates apply to cogeneration facilities that are in compliance with the terms of N.J.S.A. 54:30A-50.
- (2) Taxable rates apply to customers, unless specifically exempted by law, entering Service Agreements with the Company after 3/10/97.

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REVISED SHEET NO. 56

SERVICE CLASSIFICATION – GAS LIGHT SERVICE (GLS)

This Service Classification is limited to un-metered Gas Lights whose cost of maintenance and repair shall be the responsibility of Customer.

APPLICABLE TO USE OF SERVICE FOR:

Customers who have the gas supply for their outdoor lighting fixtures connected directly to the gas service pipe without being metered.

CHARACTER OF SERVICE:

Continuous.

CHARGE PER MONTH:

The Distribution Charge for this service shall be at the flat rate of \$6.47 per Mantel Equivalent, inclusive of taxes and assessments, for each .02 therms of hourly input rating of the lighting fixtures. Input ratings shall be those of the manufacturer of the gas lighting fixtures or as determined by actual test or calculation made by Gas Company. The rate set forth above will be adjusted for the Periodic Basic Gas Supply Service Charge (BGSS-P) of this Tariff as well as all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company. Per Therm charges shall be determined by the Company using the following factors times the applicable rates noted above:

Mantel Equivalents = fixture input rating / .02 therms of hourly input
Un Metered Billing Therms = Mantel Equivalents * .02 * 24 hours * 365 / 12

MINIMUM MONTHLY CHARGE:

Flat rate as shown above.

TERM OF PAYMENT:

All bills are due upon presentation. Should a non-residential GLS Customer fail to make payment in full, the Company may, within the time period specified in and in accordance with Section 7.10 of the Standard Terms and Conditions of this Tariff, assess late payment charges.

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REVISED SHEET NO. 76

SERVICE CLASSIFICATION – FIRM TRANSPORTATION SERVICE (FTS)

The signing of a Service Agreement and possession by the Customer of a fully executed contract to purchase gas from a third party are conditions precedent to receiving service under this Service Classification.

APPLICABLE TO USE OF SERVICE FOR:

Customers with a Demand Charge Quantity (DCQ) in excess of 2,000 therms per day.

CHARACTER OF SERVICE:

This service will be offered on a Firm basis subject to curtailment provisions as set forth in Section 17 of the Standard Terms and Conditions of this Tariff.

The availability of service to be offered for contract under this Service Classification shall be determined at the sole discretion of the Company and will be offered on a first come first served basis.

*CHARGE PER MONTH:

	<u>Tax-Exempt</u>	<u>Taxable</u>
Service Charge	\$175.17	\$187.43
Demand Charge per DCQ	\$0.758	\$0.811
Distribution Charge per Therm	\$0.0704	\$0.0753

*The charges set forth above include sales and use tax, unless noted tax exempt, and assessments, and will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company.

DETERMINATION OF THE DEMAND CHARGE QUANTITY (DCQ):

The DCQ will be determined by the Customer's maximum daily requirements in terms of therms per day and included in the Service Agreement.

The DCQ level shall be the highest actual daily metered consumption registered from an approved automatic meter reading device at Customer's premises within a period of not less than two years, but up to three years immediately preceding the Customer obtaining service or renewing a Service Agreement under this Service Classification if such information is available. Otherwise Daily Contract Demand shall be set equal to the product of (1) the highest winter monthly consumption for the most recent winter (October through April) divided by the applicable

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REVISED SHEET NO. 105

RIDER "B"

WEATHER NORMALIZATION CLAUSE ("WNC") (continued)

METHOD OF DETERMINING WEATHER NORMALIZATION CHARGE: (continued)

I. Definition of Terms as Used Herein (continued)

6. Degree Day Consumption Factor ("DDCF") - the variable component (use per degree day) of the gas sendout for each month of the winter period normalized for weather and adjusted for lost and unaccounted for gas. The DDCF shall be updated annually in the Company's WNC reconciliation filing annualizing to reflect the change in number of customers that has occurred since the base rate proceeding that established the initial degree day consumption factor in base rate cases. The base number of customers used to establish the normalized use in therms per customer and the calculated DDCF approved in the Company's most recent base rate case are as follows:

<u>Month</u>	<u>Base Number of Customers</u>	<u>Therms per Degree Day</u>
October	270,827	45,255
November	271,439	52,406
December	272,283	57,992
January	273,306	60,057
February	273,936	58,851
March	274,159	56,402
April	273,907	43,295
May	273,032	40,476

7. Margin Revenue Factor - the weighted average of the Distribution Charges as quoted in the individual service classes to which this clause applies net of applicable taxes and assessments and any other revenue charge not retained by the Company that these rates may contain in the future. The weighted average shall be determined by multiplying the margin revenue component of the Distribution Charges from each service class to which this clause applies by each class's percentage of total consumption of all the classes to which this clause applies for the winter period and summing this result for all the classes to which this clause applies. The Margin Revenue Factor shall be redetermined each time base rates are adjusted. The current Margin Revenue Factor is \$0.2829 per therm.

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PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS

ENDURE

Base Rate Change Per Balances As Of: Apr Act / Aug Esti
August 31, 2015

Capitalizable Costs		\$11,468,750
Carry Cost, not applicable for ENDURE		\$0
		\$11,468,750
Accumulated Depreciation		(\$58,426)
Deferred Income Tax Credits		(\$332,787)
Projected Rate Base		\$11,077,537
Rate of Return - net of tax		6.05%
		\$670,191
Annual Depreciation Expense, see below	\$189,234	
Depreciation Exp, Tax / After Tax	\$77,302	\$111,932
Allowable Net Income		\$782,123
Revenue Factor, see Testimony		1.71565
Revenue Requirement		\$1,341,849
Depreciable Balance		\$11,468,750
Depreciation Rate		1.650%
Depreciation Expense		\$ 189,234

ENDURE

Accumulated Deferred Income Tax Credit

	Y	M	Period	Monthly Eligible Investment	Cumulative Eligible Investment	Monthly Book Depreciation @ 1.65%	Monthly Tax Depreciation	Difference	Deferred Income Taxes @ 40.85%	Accumulated Deferred Income Taxes
Aug-14				\$0	\$0	\$0	\$0	\$0	-	\$0
Aug-15				\$11,468,750	\$11,468,750	\$58,426	\$873,085	\$814,659	\$332,787	\$332,787
Total				\$11,468,750		\$58,426	\$873,085	\$814,659	\$332,787	
Jan-14	1	1	1	\$0	\$0	\$0	\$0	-	-	-
Feb-14	1	2	2	\$0	\$0	\$0	\$0	-	-	-
Mar-14	1	3	3	\$0	\$0	\$0	\$0	-	-	-
Apr-14	1	4	4	\$0	\$0	\$0	\$0	-	-	-
May-14	1	5	5	\$0	\$0	\$0	\$0	-	-	-
Jun-14	1	6	6	\$0	\$0	\$0	\$0	-	-	-
Jul-14	1	7	7	\$0	\$0	\$0	\$0	-	-	-
Aug-14	1	8	8	\$0	\$0	\$0	\$0	-	-	-
Sep-14	1	9	9	\$0	\$0	\$0	\$0	-	-	-
Oct-14	1	10	10	\$782,362	\$782,362	\$2,151	\$135,283	133,132	54,384	54,384
Nov-14	1	11	11	\$0	\$782,362	\$2,151	\$135,283	133,132	54,384	108,768
Dec-14	1	12	12	\$551,909	\$1,334,271	\$6,705	\$421,587	414,882	169,479	278,247
Jan-15	2	1	13	\$1,475,390	\$2,809,661	\$2,849	\$8,625	5,776	2,359	280,606
Feb-15	2	2	14	\$0	\$2,809,661	\$2,849	\$8,625	5,776	2,359	282,965
Mar-15	2	3	15	\$214,204	\$3,023,865	\$3,026	\$9,428	6,402	2,615	285,580
Apr-15	2	4	16	\$654,850	\$3,678,715	\$3,626	\$12,156	8,530	3,485	289,065
May-15	2	5	17	\$620,000	\$4,298,715	\$4,265	\$15,063	10,798	4,411	293,476
Jun-15	2	6	18	\$1,700,000	\$5,998,715	\$6,269	\$24,170	17,901	7,313	300,789
Jul-15	2	7	19	\$2,700,000	\$8,698,715	\$9,982	\$41,045	31,063	12,689	313,478
Aug-15	2	8	20	\$2,770,035	\$11,468,750	\$14,553	\$61,820	47,267	19,309	332,787

(1) Book Depreciation is calculated based on each month's in-service expenditures using the Board approved average depreciation rate for this filing and the Company's half year methodology, for the first year when placed in service. The first year's depreciation is booked over the months remaining in the year.

(2) Tax Depreciation is based on Depreciable property times the applicable Modified Accelerated Cost Recovery System (MACRS) rate and Bonus Depreciation in 2014.

PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS
ENDURE

ENDURE Schedule
TK-3

AIR Actual / Projected Capitalized In-Service Expenditures (1)

	Actual / Projected CWIP Capitalizable Spending							Actual / Projected In-Service Capitalizable Expenditures						
	Project 1 LP	Project 2 Gate S	Project 3 Erle S. *	Project 4 Comm **	Before Carry Cost	Carry Cost NA ***	Capitalizable Spending	Project 1 LP	Project 2 Gate S.	Project 3 Erle S. *	Project 4 Comm **	Before Carry Cost	Carry Cost NA ***	In-Service
Aug-14	\$10,576	\$0	\$4,588	\$0	\$15,164	\$0	\$15,164	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Aug-15	\$11,183,174	\$275,000	\$2,695,642	\$0	\$14,153,816	\$0	\$14,153,816	\$11,193,750	\$275,000	\$0	\$0	\$11,468,750	\$0	\$11,468,750
Total	\$11,193,750	\$275,000	\$2,700,230	\$0	\$14,168,980	\$0	\$14,168,980	\$11,193,750	\$275,000	\$0	\$0	\$11,468,750	\$0	\$11,468,750
Jan-14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Feb-14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Mar-14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Apr-14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
May-14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Jun-14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Jul-14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Aug-14	\$10,576	\$0	\$4,588	\$0	\$15,164	\$0	\$15,164	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sep-14	\$215,722	\$0	\$14,912	\$0	\$230,634	\$0	\$230,634	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Oct-14	\$1,034,313	\$0	\$36,960	\$0	\$1,071,273	\$0	\$1,071,273	\$782,362	\$0	\$0	\$0	\$782,362	\$0	\$782,362
Nov-14	\$604,063	\$0	\$35,004	\$0	\$639,067	\$0	\$639,067	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dec-14	\$359,906	\$0	\$29,258	\$0	\$389,164	\$0	\$389,164	\$551,909	\$0	\$0	\$0	\$551,909	\$0	\$551,909
Jan-15	\$767,732	\$0	\$51,153	\$0	\$818,885	\$0	\$818,885	\$1,475,390	\$0	\$0	\$0	\$1,475,390	\$0	\$1,475,390
Feb-15	\$578,267	\$39	\$107,530	\$0	\$785,836	\$0	\$785,836	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Mar-15	\$193,819	\$2	\$130,377	\$0	\$324,198	\$0	\$324,198	\$214,204	\$0	\$0	\$0	\$214,204	\$0	\$214,204
Apr-15	\$455,702	\$50,799	\$290,448	\$0	\$796,949	\$0	\$796,949	\$654,850	\$0	\$0	\$0	\$654,850	\$0	\$654,850
May-15	\$2,000,000	\$50,000	\$500,000	\$0	\$2,550,000	\$0	\$2,550,000	\$620,000	\$0	\$0	\$0	\$620,000	\$0	\$620,000
Jun-15	\$2,000,000	\$50,000	\$500,000	\$0	\$2,550,000	\$0	\$2,550,000	\$1,700,000	\$0	\$0	\$0	\$1,700,000	\$0	\$1,700,000
Jul-15	\$2,000,000	\$50,000	\$500,000	\$0	\$2,550,000	\$0	\$2,550,000	\$2,700,000	\$0	\$0	\$0	\$2,700,000	\$0	\$2,700,000
Aug-15	\$573,650	\$74,160	\$500,000	\$0	\$1,447,810	\$0	\$1,447,810	\$2,495,035	\$275,000	\$0	\$0	\$2,770,035	\$0	\$2,770,035
Sep-15	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Oct-15	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Nov-15	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dec-15	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Costs	\$11,193,750	\$275,000	\$2,700,230	\$0	\$14,168,980	\$0	\$14,168,980	\$11,193,750	\$275,000	\$0	\$0	\$11,468,750	\$0	\$11,468,750

(1) Actual amounts through April 30, 2015 and Projected through August 31, 2015.

* Erle Street project is not projected to be in-service by August 31st.

** Communications consultant costs are being treated as O&M.

*** Carrying Costs are not applicable to ENDURE, CWIP AFUDC is included in the actual in-service amounts.

PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS

ENDURE Schedule
TK-4

ENDURE BOOK DEPRECIATION - COMPOSITE RATE																		
a	In-Service b	c	Depr on Monthly Capital Half Year -b*c/2	1st Month Divisor	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Total	
					Jan-14	\$0	1.65%	\$0	12	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Feb-14	\$0	1.65%	\$0	11		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Mar-14	\$0	1.65%	\$0	10			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Apr-14	\$0	1.65%	\$0	9				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
May-14	\$0	1.65%	\$0	8					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Jun-14	\$0	1.65%	\$0	7						\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Jul-14	\$0	1.65%	\$0	6							\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Aug-14	\$0	1.65%	\$0	5								\$0	\$0	\$0	\$0	\$0	\$0	
Sep-14	\$0	1.65%	\$0	4									\$0	\$0	\$0	\$0	\$0	
Oct-14	\$782,362	1.65%	\$6,454	3										\$2,151	\$2,151	\$2,152	\$6,454	
Nov-14	\$0	1.65%	\$0	2											\$0	\$0	\$0	
Dec-14	\$551,909	1.65%	\$4,553	1												\$4,553	\$4,553	
	<u>\$1,334,271</u>																	
Current Year Half Year Depr - Calc. to per Books					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,151	\$2,151	\$6,705	\$11,007	
Monthly Depreciation - Full Year per Prior Year In-Service Balance					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,151	\$2,151	\$6,705	\$11,007	

Dec-14 \$1,334,271
Annual Dep \$22,015
2015 \$1,835 Monthly

a	b	c	-b*c/2		Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Total
Jan-15	\$1,475,390	1.65%	\$12,172	12	\$1,014	\$1,014	\$1,014	\$1,014	\$1,014	\$1,014	\$1,014	\$1,014					\$8,112
Feb-15	\$0	1.65%	\$0	11		\$0	\$0	\$0	\$0	\$0	\$0	\$0					\$0
Mar-15	\$214,204	1.65%	\$1,767	10			\$177	\$177	\$177	\$177	\$177	\$177					\$1,062
Apr-15	\$654,850	1.65%	\$5,403	9				\$600	\$600	\$600	\$600	\$600					\$3,000
May-15	\$620,000	1.65%	\$5,115	8					\$639	\$639	\$639	\$639					\$2,556
Jun-15	\$1,700,000	1.65%	\$14,025	7						\$2,004	\$2,004	\$2,004					\$6,012
Jul-15	\$2,700,000	1.65%	\$22,275	6							\$3,713	\$3,713					\$7,426
Aug-15	\$2,770,035	1.65%	\$22,853	5								\$4,571					\$4,571
Sep-15	\$0	1.65%	\$0	4													\$0
Oct-15	\$0	1.65%	\$0	3													\$0
Nov-15	\$0	1.65%	\$0	2													\$0
Dec-15	\$0	1.65%	\$0	1													\$0
	<u>\$5,470,035</u>		<u>\$45,128</u>														
Current Year Half Year Depr - Calc. to per Books					\$1,014	\$1,014	\$1,191	\$1,791	\$2,430	\$4,434	\$8,147	\$12,718					\$32,739
Monthly Depreciation - Full Year per Prior Year In-Service Balance					\$1,835	\$1,835	\$1,835	\$1,835	\$1,835	\$1,835	\$1,835	\$1,835					\$14,680
					\$2,849	\$2,849	\$3,026	\$3,626	\$4,265	\$6,269	\$9,982	\$14,553	\$0	\$0	\$0	\$0	\$47,419

Total ENDURE Book Depreciation

\$58,426

PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS
ENDURE

Revenue Allocation Schedule
TK-1

Estimated Revenue Summary by Class August 2015

August-15 TK-1	\$11,468,750	\$1,341,849	2009 Post Rate Case plus UIE		ENDURE Allocation	Proposed	
			Base Revenues	Overall %		Revenues	% Chg
Residential			\$91,919,380	65.81614%	\$883,153	\$92,802,533	1.0%
Small General Service			\$5,660,153	4.05278%	\$54,382	\$5,714,535	1.0%
General Delivery Service			\$36,553,425	26.17300%	\$351,202	\$36,904,627	1.0%
Electric Generation			\$46,013	0.03295%	\$442	\$46,455	1.0%
Large Volume Demand			\$0	0.00000%	\$0	\$0	0.0%
Firm Transportation			\$4,488,190	3.21364%	\$43,122	\$4,531,312	1.0%
Gas Lights			\$13,084	0.00937%	\$126	\$13,210	1.0%
Firm Base Rate Revenues			\$138,680,245	99.29788%	\$1,332,427	\$140,012,672	1.0%
Special Contract Firm			\$980,595	0.70213%	\$9,422	\$990,017	1.0%
Total Firm Revenues			\$139,660,840	100.00010%	\$1,341,849	\$141,002,689	1.0%
Interruptible and Other Revenues not subject to ENDURE			\$8,717,001		\$0	\$8,717,001	0.0%
TOTAL REVENUES			\$148,377,841		\$1,341,849	\$149,719,690	0.9%

Other Revenues	Base Revenues	%	ENDURE Allocation	Proposed Revenues	% Chg
Special Contracts, Firm					
A	\$90,761	9.41340%	\$887	\$91,648	1.0%
B	\$590,100	61.20303%	\$5,767	\$595,867	1.0%
C	\$283,307	29.38357%	\$2,768	\$302,502	6.8%
Total	\$964,168	100.00000%	\$9,422	\$990,017	

PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS
ENDURE

Proof of Revenues Schedule
TK-1
Consisting of 4 Pages

Proof of Revenues
Estimated Rate Change November 1, 2015

Base Rate Revenues at Present and Proposed Rates

Component	Rate Case 12-17-09		Includes UIE 8-31-13		Proposed Rates		
	Amount	Units	Rate	Revenue	Rate	Revenue Proof	Increase
RDS							
<u>Residential Service</u>							
Customer Charge	3,026,052	Bills	\$7.47	\$22,604,608	\$7.47	\$22,604,608	
Distribution Charge	217,953,367	Therms	\$0.3184	\$69,396,352	\$0.3225	\$70,289,961	
Distribution Charge (Air Conditioning)	21,633	Therms	\$0.2086	\$4,513	\$0.2113	\$4,571	
Revenue Adjustment				(\$86,093)		(\$86,093)	
Total Base Rate Revenues				\$91,919,380		\$92,813,047	1.0%
SGS							
<u>Small General Service</u>							
Customer Charge	142,108	Bills	\$15.06	\$2,140,146	\$ 15.06	\$2,140,146	
Distribution Charge	10,657,000	Therms	\$0.3303	\$3,520,007	\$0.3354	\$3,574,358	
Distribution Charge (Air Conditioning)	0	Therms	\$0.1575	\$0	\$0.1599	\$0	
Total Base Rate Revenues				\$5,660,153		\$5,714,504	1.0%
GDS							
<u>General Delivery Service</u>							
Customer Charge	111,465	Bills	\$18.65	\$2,078,822	\$18.65	\$2,078,822	
Demand Charge	12,456,805	Therms	\$0.756	\$9,417,345	\$0.756	\$9,417,345	
Distribution Charge	123,252,529	Therms	\$0.2033	\$25,057,239	\$0.2061	\$25,402,346	
Distribution Charge (Sm. A/C, Dist. Gen.)	0	Therms	\$0.1261	\$0	\$0.1278	\$0	
Distribution Charge (Lg. A/C, Dist. Gen.)	305	Therms	\$0.0617	\$19	\$0.0625	\$19	
Total Base Rate Revenues				\$36,553,425		\$36,898,532	1.0%
EGF							
<u>Electric Generation Firm Service</u>							
Customer Charge	60	Bills	\$52.27	\$3,136	\$52.27	\$3,136	
Demand Charge	50,040	Therms	\$0.740	\$37,030	\$0.740	\$37,030	
Distribution Charge, tariff rate	345,968	Therms	\$0.0169	\$5,847	\$0.0182	\$6,297	
Total Base Rate Revenues				\$46,013		\$46,463	1.0%

PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS
ENDURE

Proof of Revenues Schedule
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Consisting of 4 Pages

Proof of Revenues
Estimated Rate Change November 1, 2015

Base Rate Revenues at Present and Proposed Rates

Component	Rate Case 12-17-09		Includes UIE 8-31-13		Proposed Rates		
	Amount	Units	Rate	Revenue	Rate	Revenue Proof	Increase
LVD							
<u>Large Volume Demand</u>							
Customer Charge	0	Bills	\$449.44	\$0	\$449.44	\$0	
Demand Charge	0	Therms	\$0.966	\$0	\$0.966	\$0	
Distribution Charge	0	Therms	\$0.0451	\$0	\$0.0464	\$0	
Total Base Rate Revenues				\$0		\$0	
FTS							
<u>Firm Transportation Service</u>							
Customer Charge	522	Bills	\$174.82	\$91,256	\$174.82	\$91,256	
Demand Charge	2,891,904	Therms	\$0.756	\$2,186,279	\$0.756	\$2,186,279	
Distribution Charge	32,038,468	Therms	\$0.0690	\$2,210,655	\$0.0703	\$2,252,304	
Total Base Rate Revenues				\$4,488,190		\$4,529,839	1.0%
GLS							
<u>Gas Lights Service</u>							
Service Charge	2,188	Mantles	\$5.98	\$13,084	\$6.04	\$13,216	
Distribution Charge	31,939	Therms	\$0.00	\$0	\$0.00	\$0	
Total Base Rate Revenues				\$13,084		\$13,216	1.0%
Total Firm Rate Class Revenues	384,300,904	Therms		\$138,680,245		\$140,015,601	1.0%
IS							
<u>Interruptible Sales Service</u>							
Service Charge	24	Bills	\$333.13	\$7,995	\$333.13	\$7,995	
Demand Charge	136,296		\$0.076	\$10,358	\$0.076	\$10,358	

PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS
ENDURE

Proof of Revenues Schedule
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Consisting of 4 Pages

Proof of Revenues
Estimated Rate Change November 1, 2015

Base Rate Revenues at Present and Proposed Rates

Component	Rate Case 12-17-09		Includes UIE 8-31-13		Proposed Rates		
	Amount	Units	Rate	Revenue	Rate	Revenue Proof	Increase
Distribution Charge		0 Therms	\$0.0000	\$0	\$0.0000	\$0	
Total Base Rate Revenues				\$18,353		\$18,353	0.0%
<hr/>							
IS-CSI							
<u>Interruptible Cogeneration Sales Service</u>							
Service Charge		12 Bills	\$101.20	\$1,214	\$101.20	\$1,214	
Demand Charge		0	\$0.000	\$0	\$0.000	\$0	
Distribution Charge		0 Therms	\$0.0000	\$0	\$0.0000	\$0	
Total Base Rate Revenues				\$1,214		\$1,214	0.0%
<hr/>							
ITS-IS							
<u>Interruptible Transportation Service</u>							
Service Charge		206 Bills	\$589.50	\$121,437	\$589.50	\$121,437	
Demand Charge		522,468	\$0.076	\$39,708	\$0.076	\$39,708	
Distribution Charge		0 Therms	\$0.0000	\$0	\$0.0000	\$0	
Total Base Rate Revenues				\$161,145		\$161,145	0.0%
<hr/>							
ITS-CSI							
<u>Interruptible Cogeneration Transportation Service</u>							
Service Charge		0 Bills	\$589.50	\$0	\$589.50	\$0	
Demand Charge		0	\$0.000	\$0	\$0.000	\$0	
Distribution Charge		0 Therms	\$0.0000	\$0	\$0.0000	\$0	
Total Base Rate Revenues				\$0		\$0	
<hr/>							
ITS-LVD							
<u>Interruptible LVD Sales Service</u>							
Service Charge		496 Bills	\$589.50	\$292,392	\$589.50	\$292,392	
Demand Charge		5,147,520 Therms	\$0.293	\$1,508,223	\$0.293	\$1,508,223	
Distribution Charge		31,557,205 Therms	\$0.0791	\$2,496,175	\$0.0791	\$2,496,175	
Special Contract Revenues		Therms		<u>\$1,592,830</u>		<u>\$1,592,830</u>	

PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS
ENDURE

Proof of Revenues Schedule
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Consisting of 4 Pages

Proof of Revenues
Estimated Rate Change November 1, 2015

Base Rate Revenues at Present and Proposed Rates

<u>Component</u>	<u>Rate Case 12-17-09</u>		<u>Includes UIE 8-31-13</u>		<u>Proposed Rates</u>		
	<u>Amount</u>	<u>Units</u>	<u>Rate</u>	<u>Revenue</u>	<u>Rate</u>	<u>Revenue Proof</u>	<u>Increase</u>
Total Base Rate Revenues				\$5,889,620		\$5,889,620	0.0%
Total Interruptible Rate Class Revenues				\$6,070,332		\$6,070,332	0.0%
				\$0			
TOTAL SYSTEM BASE DISTRIBUTION REVENUES				<u>\$144,750,577</u>		<u>\$146,085,933</u>	<u>0.9%</u>
<u>Other Revenues</u>							
Special Contracts, Firm			per customer	\$980,595	per customer	\$990,017	1.0%
Special Contracts, Interruptible				\$70,200		\$70,200	
Special Contracts				\$1,050,795		\$1,060,217	0.9%
Service Charges				\$2,576,469		\$2,576,469	
Total Other Revenues				<u>\$3,627,264</u>		<u>\$3,636,686</u>	
TOTAL SYSTEM INCLUDING OTHER REVENUES				<u>\$148,377,841</u>		<u>\$149,722,619</u>	<u>0.9%</u>
				INCREASE FROM JUNE 15, 2011		\$1,344,778	
				TARGET INCREASE		\$1,341,849	
				Difference		<u>\$2,929</u>	

PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS
ENDURE

Distribution Rate Schedule
TK-1

Distribution Rates
Estimated Rate Change November 1, 2015

	<u>Proposed Pre Tax & Assess.</u>	<u>Rate Case Assess. 0.20%</u>	<u>Margin pre SUT w/assess.</u>	<u>Sales Tax 7.00%</u>	<u>ENDURE Distribution Charge</u>	<u>8/31/2013 Distribution Charge</u>	<u>ENDURE Change</u>
Residential	\$0.3225	\$0.0006	\$0.3231	\$0.0226	\$0.3457	\$0.3413	\$0.0044
Small General Service	\$0.3354	\$0.0007	\$0.3361	\$0.0235	\$0.3596	\$0.3542	\$0.0054
General Delivery Service	\$0.2061	\$0.0004	\$0.2065	\$0.0145	\$0.2210	\$0.2180	\$0.0030
Electric Generation	\$0.0182	\$0.0000	\$0.0182	\$0.0013	\$0.0195	\$0.0181	\$0.0014
Large Volume Demand *	\$0.0464	\$0.0001	\$0.0465	\$0.0033	\$0.0498	\$0.0484	\$0.0014
Firm Transportation	\$0.0703	\$0.0001	\$0.0704	\$0.0049	\$0.0753	\$0.0739	\$0.0014
Gas Lights --- per Mantel	\$6.04	\$0.01	\$6.05	\$0.42	\$6.47	\$6.41	\$0.060
Residential AC	\$0.2113	\$0.0004	\$0.2117	\$0.0148	\$0.2265	\$0.2236	\$0.0029
SGS AC	\$0.1599	\$0.0003	\$0.1602	\$0.0112	\$0.1714	\$0.1688	\$0.0026
GDS Small AC	\$0.1278	\$0.0003	\$0.1281	\$0.0090	\$0.1371	\$0.1352	\$0.0019
GDS Large AC	\$0.0625	\$0.0001	\$0.0626	\$0.0044	\$0.0670	\$0.0661	\$0.0009

* LVD has a rate but no rate case customers / revenue. The rate is being updated by the total percentage change in revenue to the applicable classes

<u>Other Revenues</u>	<u>ENDURE</u>		<u>Proposed Pre Tax & Assess. Rate Adder</u>
<u>Special Contracts, Firm</u>	<u>Allocation</u>	<u>Therms</u>	
A	\$887	4,732,500	\$0.0002
B	\$5,767	20,096,000	\$0.0003
C	\$2,768	463,200	\$0.0060
Total	<u>\$9,422</u>		

**PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS
ENDURE**

**Weather Normalization Margin Revenue Factor
Estimated Revenue Summary by Class August 2015**

Classes	Distribution Charge, including taxes and assessments (\$/ therm) a	less SUT tax and assessments 7.2% b	Margin Revenue, Distribution Charge excluding (\$/ therm) c = a - b	Class Sales for period October through May (therms) * d	Ratio of Class Sales to Total Sales for Period e = d / sum of d	Weighted Margin Revenue in Distribution Rate (\$/ therm) f = c * e
<u>Rate Case 12-17-09:</u>						
RDS	\$0.3074	\$0.0207	\$0.2867	197,832,100	62.54%	\$0.1793
SGS	\$0.3114	\$0.0210	\$0.2904	9,830,300	3.11%	\$0.0090
GDS S&T / TC	\$0.1941	\$0.0131	\$0.1810	102,482,837	32.40%	\$0.0586
MFS **	\$0.1941	\$0.0131	\$0.1810	<u>6,165,700</u>	<u>1.95%</u>	<u>\$0.0035</u>
				316,310,937	100.00%	<u>\$0.2504</u>
<u>Adjusted for UIE I & II ***:</u>						
RDS	\$0.3413	\$0.0229	\$0.3184	197,832,100	62.54%	\$0.1991
SGS	\$0.3542	\$0.0239	\$0.3303	9,830,300	3.11%	\$0.0103
GDS	\$0.2180	\$0.0147	\$0.2033	<u>108,648,537</u>	<u>34.35%</u>	\$0.0698
				316,310,937	100.00%	<u>\$0.2792</u>
<u>Adjusted for ENDURE:</u>						
RDS	\$0.3457	\$0.0232	\$0.3225	197,832,100	62.54%	\$0.2017
SGS	\$0.3596	\$0.0242	\$0.3354	9,830,300	3.11%	\$0.0104
GDS	\$0.2210	\$0.0149	\$0.2061	<u>108,648,537</u>	<u>34.35%</u>	<u>\$0.0708</u>
				316,310,937	100.00%	<u>\$0.2829</u>

* Therms per December 17, 2009 Rate Case

** Merged with GDS in December 17, 2009 Rate Case

*** Rates effective approved per Board Order in Docket No. GR12100951 Dated August 21, 2013.

Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas
Three Year Comparative Income Statement
For Year Ended December 31

	2014	2013	2012
Utility Operating Income			
400 Gas Operating Revenues	\$ 395,035,523	\$ 388,814,030	\$ 332,097,568
Utility Operating Expenses			
401 Operation Expenses	297,400,809	293,581,289	234,770,815
402 Maintenance Expenses	7,478,911	6,546,878	6,408,728
403 Depreciation Expense	24,397,021	22,363,682	21,949,909
404-405 Amort. & Depl. of Utility Plant	19,549	19,549	19,549
408.1 Taxes Other Than Income Taxes	2,715,579	7,237,709	8,220,384
409.1 Income Taxes - Federal	10,380,021	11,471,950	8,102,444
409.1 Income Taxes - Other	5,202,480	3,332,749	3,257,718
410.1 Provision for Deferred Income Taxes	9,768,813	5,807,761	9,414,522
411.4 Investment Tax Credit Adj. - Net	(187,290)	(218,328)	(231,468)
Total Utility Operating Expenses	357,175,694	350,143,237	291,912,601
Net Operating Income (Loss)	37,859,829	38,670,792	40,184,966
Other Income (Deductions)			
415-421.1 Other Income, Net	1,501,099	1,907,281	1,344,580
426.1-426.5 Miscellaneous Income Deductions	(164,240)	(85,447)	(131,480)
409.2 Total Taxes on Other Inc. and Ded.	(674,508)	(744,219)	(959,113)
Net Other Income (Deductions)	662,351	1,077,615	253,988
Interest Charges			
427 Interest on Long-Term Debt	1,558,213	1,736,910	2,326,971
428 Amort. of Debt Disc. and Expense	67,997	69,745	52,326
428.1 Amortization of Loss on Reacquired Debt	504,278	611,718	509,851
430 Interest on Debt to Assoc. Companies	14,187,599	4,569,929	6,370,046
431 Other Interest Expense	540,725	1,083,972	2,955,603
432 (Less) Allow. for Borrowed Funds Used During Construction-Cr.	(432,371)	(669,970)	(309,659)
Net Interest Charges	16,426,440	7,422,305	11,905,138
Net Income (Loss)	\$ 22,095,740	\$ 32,326,102	\$ 28,533,816

Please note that minor adjustments have been made to some FERC amounts previously reported in FERC Form ff filings in order to more appropriately align the accounts within the FERC account classification.

Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas
Three Year Comparative Balance Sheet
Balance As of December 31

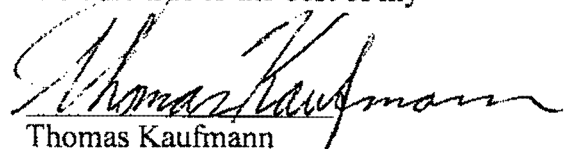
	2014	2013	2012	
Assets and Other Debits				
<u>Utility Plant</u>				
101-106, 114	Utility Plant	\$ 1,084,225,482	\$ 1,006,333,390	\$ 977,173,987
107	Construction Work in Progress	35,420,416	49,369,363	49,684,104
108,111,115	(Less) Accum. Prov. for Depr. Amort. Depl. Net Utility Plant	(321,094,887)	(301,867,005)	(299,525,897)
		<u>808,551,032</u>	<u>753,835,748</u>	<u>727,332,194</u>
176	Long-Term Portion of Derivative Assets-Hedges	-	58,525	65,355
	Total Other Property and Investments	-	58,525	65,355
<u>Current and Accrued Assets</u>				
142	Customer Accounts Receivable	63,009,192	72,151,285	56,663,652
143	Other Accounts Receivable	33,600,489	1,013,745	789,626
144	(Less) Accum. Prov. for Uncollectible Acct.-Credit	(5,544,827)	(4,804,332)	(4,678,046)
154	Plant Materials and Operating Supplies	271,293	296,317	258,915
164.1	Gas Stored Underground - Current	28,243,054	30,671,815	18,231,613
164.2-164.3	Liquefied Natural Gas Stored and Held for Processing	1,913,530	420,368	631,507
165	Prepayments	12,226,567	11,379,898	11,112,138
176	Derivative Instrument Assets-Hedges	-	1,331,945	7,405,400
176	(less) Long-Term Portion of Derivative Assets-Hedges	-	(58,525)	(65,355)
	Total Current and Accrued Assets	<u>133,719,318</u>	<u>112,402,519</u>	<u>90,349,452</u>
<u>Deferred Debits</u>				
181	Unamortized Debt Expense	818,860	684,656	354,287
182.3	Other Regulatory Assets	89,958,074	202,382,200	198,895,348
186	Miscellaneous Deferred Debits	45,614	65,162	84,711
189	Unamortized Loss on Reacquired Debt	4,731,778	5,166,255	5,292,578
190	Accumulated Deferred Income Taxes	15,753,918	-	-
	Total Deferred Debits	<u>111,308,044</u>	<u>208,498,274</u>	<u>204,626,923</u>
Total Assets and Other Debits				
	\$ 1,063,578,393	\$ 1,074,795,065	\$ 1,022,373,922	
Liabilities and Other Credits				
<u>Proprietary Capital</u>				
208-211	Other Paid-In Capital	\$ 57,853,646	\$ 77,718,368	\$ 91,939,801
215,215.1,218	Retained Earnings	254,745,248	257,546,888	248,462,470
219	Accumulated Other Comprehensive Income	(20,539,609)	(13,410,396)	(18,429,694)
	Total Proprietary Capital	<u>291,859,285</u>	<u>321,854,860</u>	<u>321,972,577</u>
<u>Long-Term Debt</u>				
223	Advances from Associated Companies	107,264,535	124,008,896	128,181,470
224	Other Long-Term Debt	180,100,000	180,100,000	180,100,000
226	(Less) Unamortized Discount on Long-Term Debt-Dr.	(135,580)	(143,193)	(150,796)
	Total Long-Term Debt	<u>287,228,945</u>	<u>303,965,704</u>	<u>308,130,674</u>
<u>Other Noncurrent Liabilities</u>				
228.2	Accumulated Provision for Injuries and Damages	-	500,000	-
228.3	Accumulated Provision for Pensions and Benefits	31,898,224	19,442,767	28,147,695
228.4	Accumulated Miscellaneous Operating Provisions	344,534	363,830	-
245	Long-Term Portion of Derivative Instrument Lia.-Hedges	-	58,525	65,355
	Total Other Noncurrent Liabilities	<u>32,242,758</u>	<u>20,365,122</u>	<u>28,213,050</u>
<u>Current and Accrued Liabilities</u>				
232	Accounts Payable	9,382,878	7,098,664	8,115,793
234	Accounts Payable to Associated Companies	55,595,518	59,730,069	42,141,026
235	Customer Deposits	10,699,245	10,205,163	10,129,442
236	Taxes Accrued	14,671,710	12,483,507	8,767,973
237	Interest Accrued	187,040	186,288	517,091
241	Tax Collections Payable	3,289,246	3,780,924	4,485,270
242	Miscellaneous Current and Accrued Liabilities	4,210,725	3,562,874	1,706,281
243	Obligations Under Capital Leases-Current	-	26,437	-
245	Derivative Instrument Liabilities-Hedges	16,313,140	1,331,945	7,405,400
245	(less) Long-Term Portion of Derivative Instrument Lia.-Hedges	-	(58,525)	(65,355)
	Total Current and Accrued Liabilities	<u>114,339,501</u>	<u>98,317,367</u>	<u>83,202,921</u>
<u>Deferred Credits</u>				
252	Customer Advances for Construction	1,010,951	948,229	694,384
253	Other Deferred Credits	117,897,961	145,438,286	122,040,202
254	Other Regulatory Liabilities	24,844,823	20,446,261	4,017,609
255	Accumulated Deferred Investment Tax Credits	419,187	606,477	824,805
281 - 282	Accumulated Deferred Federal Income Taxes	183,735,181	151,388,985	137,821,204
283	Accumulated Deferred Other Income Taxes	-	11,465,774	15,658,495
	Total Deferred Credits	<u>327,907,903</u>	<u>330,292,011</u>	<u>280,854,700</u>
Total Liabilities and Other Credits				
	\$ 1,053,578,393	\$ 1,074,795,065	\$ 1,022,373,922	

VERIFICATION


STATE OF NEW JERSEY)
)
COUNTY OF UNION) ss:

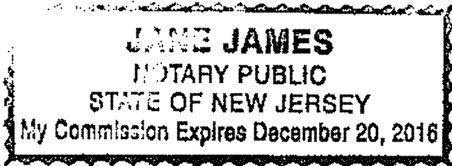
THOMAS KAUFMANN, being duly sworn according to law, upon his oath, deposes and says:

1. I am Manager of Rates and Tariffs for the Petitioner and I am authorized to make this affidavit.
2. The statements made in the foregoing Petition are true to the best of my knowledge, information and belief.


Thomas Kaufmann
Manager of Rates and Tariffs

Sworn to and subscribed to before me
This 28th day of May, 2015.


Notary Public



PIVOTAL UTILITY HOLDINGS, INC.
d/b/a ELIZABETHTOWN GAS
DIRECT TESTIMONY OF
MICHAEL P. SCACIFERO

1 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

2 A. My name is Michael P. Scacifero. My business
3 address is 520 Green Lane, Union, New Jersey 07083.

4 Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

5 A. I am employed by Pivotal Utility Holdings, Inc.
6 d/b/a Elizabethtown Gas ("Elizabethtown" or "Company") as
7 Director of Engineering Services.

8 Q. PLEASE DESCRIBE YOUR PROFESSIONAL RESPONSIBILITIES.

9 A. As Director of Engineering Services for
10 Elizabethtown, I oversee the following activities;
11 engineering planning design and budgeting of all
12 Elizabethtown's distribution system improvements
13 including the Elizabethtown Natural gas Distribution
14 Utility Reinforcement Effort ("ENDURE") program, the
15 Company's Accelerated Infrastructure Replacement ("AIR")
16 program, Elizabethtown's previous Utility Infrastructure
17 Enhancement ("UIE") programs, renewals, pressure
18 improvements, Department of Transportation projects and
19 large new business projects. I am responsible for
20 conducting system modeling and analysis and providing
21 engineering support to Field Operations and Construction

1 Operations. In addition, I oversee Elizabethtown's
2 corrosion monitoring activities. I am also involved with
3 the development of Elizabethtown's capital budget and am
4 familiar with its components.

5 **Q. WHAT ARE YOUR PROFESSIONAL AND EDUCATION QUALIFICATIONS?**

6 **A.** I received a B.S. in Civil Engineering from New
7 Jersey Institute of Technology in 1988. I am a Licensed
8 Professional Engineer in the State of New Jersey. I have
9 been employed by Elizabethtown for 21 years in
10 Engineering and Operations. Two of those years were
11 spent as a Project Engineer, five years as a Division
12 Engineer, and fourteen years as Manager of Engineering,
13 Manager of Operations and, currently, Director of
14 Engineering Services. Prior to joining Elizabethtown, I
15 was a Project Engineer for four years with Johnson
16 Engineering, Inc. specializing in highway and
17 infrastructure design. Prior to that, I was employed for
18 three years by the Township of Warren, New Jersey as a
19 Staff Engineer specializing in municipal engineering.

20 I am a member of American Society of Civil Engineers
21 and the New Jersey Utilities Association.

22 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

23 **A.** The purpose of my testimony is to provide support
24 for Elizabethtown's petition in this proceeding to roll

1 into and recover through base rates the costs of the
2 Company's ENDURE Program in compliance with the Board of
3 Public Utilities' ("Board" or "BPU") July 23, 2014 Order
4 ("July 23 Order") that approved the June 18, 2014
5 Stipulation ("June 18 Stipulation") in BPU Docket Nos.
6 AX13030197 and GO13090826. Specifically, I will focus on
7 the ENDURE low pressure ("LP") cast iron main and Gate
8 Station projects discussed below.

9 **Q. DO YOU SPONSOR ANY SCHEDULES AS PART OF YOUR TESTIMONY?**

10 **A.** Yes. My testimony includes two schedules prepared
11 under my direction and supervision. These schedules
12 contain information responsive to the Minimum Filing
13 Requirements ("MFRs") as set forth in the MFR Index
14 attached to the Petition and required by the July 23
15 Order. The schedules are as follows:

16

17 **(a)** Schedule MPS-1 contains a description of each of the
18 ENDURE LP and Gate Station Projects including
19 projected and actual miles of pipe abandoned and
20 replaced as of April 30, 2015, actual costs as of
21 April 30, 2015 and projected costs to completion,
22 along with actual and estimated project completion
23 dates; and

1 (b) Schedule MPS-2 contains budgeted vs. actual ENDURE
2 Capital Spending as of April 30, 2015 and actual
3 /projected to August 31, 2015 for the LP cast iron
4 main and Gate Station equipment projects.

5 **Q. WHAT ARE THE ENDURE PROJECTS?**

6 **A.** In accordance with a Board Order dated July 23, 2014
7 ("July 23 Order"), the Company undertook three
8 incremental ENDURE Program projects ("ENDURE Projects")
9 which were outside the scope of the Company's projected
10 normal capital expenditures.

11 **Q. PLEASE IDENTIFY THESE ENDURE PROJECTS.**

12 **A.** The ENDURE Projects authorized by the July 23 Order
13 were as follows:

14 (1) The replacement and upgrading to elevated pressure
15 of approximately 12 miles of LP cast iron main and
16 associated facilities located within a designated
17 FEMA flood zone. This project includes the costs
18 related to the relocation of the meter, but not the
19 cost of the meter equipment;

20 (2) The relocation, elevation and hardening of the
21 building located at the Erie Street property in
22 Elizabeth along with related work; and

1 (3) The hardening and elevation of three Gate Station
2 facilities to protect the SCADA system equipment
3 located at these sites.

4 My testimony addresses the status and costs associated
5 with the LP cast iron main and Gate Station projects.
6 The status and costs associated with Erie Street are
7 discussed by Company witness Brian MacLean.

8 **Q. PLEASE DESCRIBE THE STATUS OF THE LP CAST IRON MAIN**
9 **PROJECT APPROVED BY THE JULY 23 ORDER.**

10 **A.** As of August 31, 2015, consistent with the July 23
11 Order, Elizabethtown expects to have 12.2 miles of LP
12 cast iron main installed and in service. Some trailing
13 work such as service replacements, district regulator
14 abandonments and hard and soft surface restoration may
15 remain unfinished.

16 **Q. WHAT WERE THE TOTAL CAPITAL EXPENDITURES FOR THE ENDURE**
17 **LP PROJECTS AS OF APRIL 30, 2015?**

18 **A.** As reflected on Schedule MPS-2, actual total capital
19 spending for the ENDURE LP projects as of April 30, 2015
20 amounted to \$4,320,099, excluding the cost of removal.
21 Projected costs as of August 31, 2015 total \$11,193,750,
22 excluding the cost of removal compared to the originally
23 anticipated amount of approximately \$9.2 million. Total
24 estimated costs to completion as shown on Schedule MPS-1

1 are \$11,975,750 which includes \$782,000 of restoration
2 costs that will be incurred after August 31, 2015.

3 **Q. PLEASE EXPLAIN HOW AND WHY CAPITAL SPENDING RESULTS FOR**
4 **THE ENDURE LP PROJECTS VARIED FROM THE COMPANY'S ORIGINAL**
5 **PROJECTIONS.**

6 **A.** The Company experienced increases in the costs of
7 the ENDURE LP projects from what was originally
8 projected. These cost increases were primarily
9 attributed to (i) higher actual per mile LP replacement
10 costs than the historical costs used to set projected LP
11 costs under ENDURE, (ii) greater-than-anticipated costs
12 imposed by local, county and state authorities, and (iii)
13 costs associated with project modifications and costs
14 imposed by state, county and/or local authorities and
15 weather-related issues.

16 **Q. PLEASE EXPLAIN THE INCREASE IN LP REPLACEMENT COSTS.**

17 **A.** The Company believes that these higher costs were,
18 in large part, attributable to the fact that the
19 historical run rate used to project the ENDURE costs
20 proved to be lower than the actual costs associated with
21 the ENDURE LP replacement projects. At the time of the
22 filing of the ENDURE Program, projected costs were
23 approximately \$800,000/mile. Actual current costs are
24 approximately \$1,000,000/mile. This is primarily due to

1 extensive milling and paving work on LP projects that has
2 become the norm instead of the exception on projects of
3 this size. Also, during the design phase, the Company
4 determined that an additional 2,490 ft of main needed to
5 be replaced that was not incorporated into the initial
6 estimates.

7 **Q. PLEASE DESCRIBE THE GREATER-THAN-ANTICIPATED COSTS**
8 **IMPOSED BY LOCAL, COUNTY AND STATE AUTHORITIES.**

9 **A.** There were a number of final restoration
10 requirements imposed by various governmental authorities
11 that went beyond "normal" trench restoration and were in
12 excess of the restoration required under the UIE
13 Programs. These greater than usual roadway improvement
14 requirements increased project costs. In addition, the
15 inclement weather experienced over the winter drove down
16 productivity and increased overall costs. Finally, work
17 on two of the LP projects unexpectedly was required to be
18 performed at night which also drove up costs.

19 **Q. WAS IT NECESSARY FOR THE COMPANY TO INCUR THESE COST**
20 **INCREASES IN ORDER TO MEET THE OBJECTIVES OF THE PROGRAM?**

21 **A.** Yes. It would have been impossible to complete
22 these projects without incurring these costs. To
23 complete these projects, the Company utilized a variety
24 of New Jersey-based construction contractors that were

1 very experienced and familiar with what was necessary to
2 complete the work, having worked on our other
3 infrastructure projects as well as those of other
4 utilities.

5 **Q. PLEASE DESCRIBE THE STATUS OF THE GATE STATION PROJECTS.**

6 **A.** By August 31, 2015, Elizabethtown expects to fully
7 complete the hardening and elevation of three Gate
8 Station facilities to protect the SCADA system equipment
9 located at these sites.

10 **Q. WHAT WERE THE TOTAL CAPITAL EXPENDITURES FOR THE GATE**
11 **STATION PROJECTS AS OF APRIL 30, 2015?**

12 **A.** As reflected on Schedule MPS-1, actual total capital
13 spending for the projects as of April 30, 2015 total
14 \$50,841. The Company estimates that the total cost of
15 these projects that will be incurred before August 31,
16 2015 will be \$275,000 which is consistent with the
17 Company's original estimate.

18 **Q. WHAT ARE THE TOTAL PROJECTED CAPITAL EXPENDITURES FOR LP**
19 **AND GATE STATION PROJECT EXPENDITURES?**

20 **A.** As set forth in Schedule MPS-2, the total capital
21 expenditures through August 31, 2015 are projected to be
22 approximately \$11.5 million. The Company has already
23 incurred \$4.4 million for these projects as of April 30,
24 2015.

1 Q. DOES THE COMPANY EXPECT TO COMPLETE THE ENDURE PROJECTS
2 IN A MANNER CONSISTENT WITH THE ORIGINAL PROJECTIONS AS
3 SET FORTH IN THE JULY 23 ORDER?

4 A. At this time, the Company expects a variation from
5 the original cost projections but anticipates that the
6 ENDURE LP and Gate Station projects will be completed by
7 August 31, 2015 to harden and protect the Company's
8 infrastructure against damage from future major storm
9 events. Project details, including projected capital
10 spending are reflected on Schedules MPS-1 and MPS-2.

11 Q. HAS THE COMPANY RECEIVED ANY FUNDS OR CREDITS, SUCH AS
12 ECONOMIC STIMULUS FUNDS, RELATED TO THE ENDURE LP AND
13 GATE STATION PROJECTS FROM ANY GOVERNMENTAL AUTHORITY?

14 A. No, it has not and does not anticipate receiving any
15 such funds or credits through August 2015 or beyond.

16 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

17 A. Yes, it does.

Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas
Capital Expenditures and Project Metrics in Connection with the ENDURE LP Cast Iron and Gate Station Program
Actuals as of April 30, 2015 and Total Estimated Costs to Completion

Infrastructure Projects	Major Tasks	Project Type	Est. Ft. of Main To Be Abandoned	Actual Ft. of Main Abandoned	Est. Ft. of Main To Be Replaced	Actual Ft. of Main Replaced To Date	% of Main Replaced To Date	Approved Program Costs	Actual Cost To Date	Total Est. Costs to Completion	% of Actual Cost To Date	In-Service Date	All Pipe Work Completion Date	Restoration Completion Date
(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
Heming Ave, Cranford	Completed	LP	8,254	8,074	6,194	5,996	100.0%	\$ 797,750	\$912,185	\$ 858,800	106.2%	Sep-14	Nov-14	*
Front St (Marshall St-Elizabeth River), Elizabeth	Completed	LP	2,112	2,112	1,473	1,547	106.0%	\$ 334,250	\$340,981	\$ 342,000	99.7%	Aug-14	Sep-14	*
Main St, Rahway	Completed	LP	374	374	0	0		\$ 40,000	\$42,728	\$ 43,000	99.4%		Nov-14	Dec-14
W 12th St, Linden	Completed	LP	1,162	1,165	573	575	100.3%	\$ 112,000	\$119,266	\$ 167,600	71.2%	Nov-14	Nov-14	*
Forest Ave and N Union Ave, Cranford	Completed	LP	6,453	6,371	4,304	4,136	100.0%	\$ 587,000	\$473,847	\$ 713,000	66.5%	Sep-14	Dec-14	*
Central Ave and Orange Ave, Cranford	Completed	LP	9,098	9,131	6,951	6,971	100.3%	\$ 743,875	\$785,847	\$ 984,000	79.8%	Nov-14	Dec-14	*
High St, Cranford	Completed	LP	6,282	6,270	7,100	7,068	99.5%	\$ 809,625	\$691,570	\$ 1,139,200	60.7%	Jan-15	Apr-15	*
Willow St, Cranford	Construction	LP	1,987		4,307		0.0%	\$ 647,550	\$8,579	\$ 694,500	1.2%	May-15	Jun-15	*
W Holly St, Cranford	Completed	LP	5,038	4,777	3,654	3,642	99.7%	\$ 491,875	\$480,448	\$ 626,300	76.7%	Jan-15	Feb-15	*
Water St and Front St, Perth Amboy	Construction	LP	6,946		8,167	6,114	74.9%	\$ 1,150,500	\$367,968	\$ 1,395,300	26.4%	May-15	Jun-15	*
River St and W Scott Ave, Rahway	Construction	LP	4,391		6,124	6,124	100.0%	\$ 698,500	\$36,820	\$ 1,270,500	2.9%	May-15	Jun-15	*
E Milton Ave (Essex St to Park St), Rahway	Pending Constr	LP	3,378		3,183		0.0%	\$ 359,450	\$22,767	\$ 527,700	4.3%	Jun-15	Jul-15	After Aug '15
Woodbridge Ave and S Robert St, Sewaren	Pending Constr	LP	3,531		4,336		0.0%	\$ 1,195,500	\$9,296	\$ 1,016,000	0.9%	Jul-15	Aug-15	After Aug '15
North Ave, Cranford	Design	LP	2,782		3,985		0.0%	\$ 742,350	\$22,218	\$ 1,195,500	1.9%	Jul-15	Aug-15	After Aug '15
Springfield Ave and Eastman St, Cranford	Pending Constr	LP	7,212		4,242		0.0%	\$ 542,000	\$5,779	\$ 1,002,350	0.6%	Jun-15	Aug-15	After Aug '15
LP Subtotal			68,998	38,274	64,593	42,173	65.3%	\$9,252,225	\$4,320,099	\$11,975,750				
		(m)	13.1	7.2	12.2	8.0								
Linden Gate Station								\$75,000	\$45	\$75,000		Aug-15		
State Street Gate Station								\$75,000	\$67	\$75,000		Aug-15		
North Avenue Gate Station								\$125,000	\$50,729	\$125,000		Aug-15		
Gate Station Subtotal								\$275,000	\$50,841	\$275,000				

* Restoration expected to be completed by 8/31/15.

Notes: Column (d)-Major tasks to be completed (e.g. planning, design, pre-construction, construction etc.)
Column (f,g,h & i)-Support Schedules for breakout of footage by material type & diameter provided quarterly
Column (n)-In Service Date represents the date when gas is introduced into the new replacement main

Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas
 ENDURE Program Budget vs. Actual Expenditures as of April 30 and Projected to August 31, 2015

<u>Projects</u>	<u>Budget</u>	<u>Actual as of April 30, 2015</u>	<u>Total Actual & Projected to August 31, 2015</u>
Replacement & Upgrading of Low Pressure Cast Iron Main	\$9,252,225	\$4,320,099	\$11,193,750
Hardening and elevation of three Gate Station facilities	<u>\$275,000</u>	<u>\$50,841</u>	<u>\$275,000</u>
TOTAL	\$9,527,225	\$4,370,940	\$11,468,750

VERIFICATION

STATE OF NEW JERSEY)
)
COUNTY OF UNION)

ss:

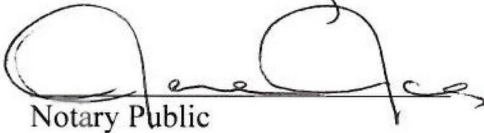
MICHAEL P. SCACIFERO, being duly sworn according to law, upon his oath, deposes and says:

1. I am Director of Engineering Services for the Petitioner and I am authorized to make this affidavit.
2. The statements made in the foregoing Petition are true to the best of my knowledge, information and belief.

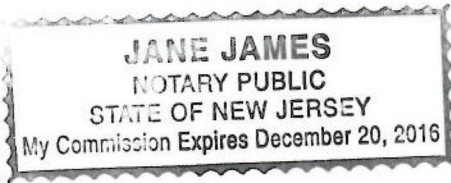


Michael P. Scacifero
Director of Engineering Services

Sworn to and subscribed to before me
This 28th day of May, 2015.



Notary Public



PIVOTAL UTILITY HOLDINGS, INC.
d/b/a ELIZABETHTOWN GAS
DIRECT TESTIMONY OF
BRIAN MACLEAN

1 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

2 A. My name is Brian MacLean. My business address is
3 520 Green Lane, Union, New Jersey 07083.

4 Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

5 A. I am employed by Pivotal Utility Holdings, Inc.
6 d/b/a Elizabethtown Gas ("Elizabethtown" or "Company") as
7 President.

8 Q. PLEASE DESCRIBE YOUR PROFESSIONAL RESPONSIBILITIES.

9 A. As President of Elizabethtown, I am responsible for
10 the day-to-day operations of Elizabethtown including
11 ensuring safety, compliance, operational excellence and
12 financial integrity. I currently oversee the
13 Elizabethtown Natural gas Distribution Utility
14 Reinforcement Effort ("ENDURE") program and the Company's
15 Accelerated Infrastructure Replacement ("AIR") program.

16 Q. PLEASE DESCRIBE YOUR PROFESSIONAL QUALIFICATIONS AND
17 BUSINESS EXPERIENCE.

18 A. I have been employed by AGL Resources Inc. ("AGL
19 Resources") Elizabethtown's parent company, for more than
20 19 years. Prior to assuming my current position, I served
21 as the Vice President of Operations for Elizabethtown. In

1 that role, I was responsible for all aspects of local
2 operations, including managing distribution, field
3 service and meter reading functions. Prior to that, I
4 served as Region Manager for Elizabethtown. With a focus
5 on safety, compliance and operational quality, I was
6 responsible for all aspects of local operations,
7 including distribution. Prior to that, I served as a
8 Managing Director, Business Process Improvement and
9 Business Systems Support for AGL Resources. In this
10 capacity I was responsible for identifying and
11 implementing process improvement initiatives designed to
12 decrease operating expenses while improving safety and
13 customer service. Earlier I served as Managing Director,
14 Operations Management for AGL Resources. My
15 responsibilities included providing support for AGL
16 Resources' utilities in six states in areas such as
17 preventative and corrective maintenance programs for
18 transmission and distribution systems, and the
19 development of safety, risk management and total quality
20 programs. I began my career with AGL Resources by
21 working in various roles at Virginia Natural Gas,
22 including Region Manager, Southern Operations.
23 I earned my undergraduate degree from the University of
24 Prince Edward Island. I also completed an Electrical

1 Engineering Technology Co-Op program at NASA Langley
2 Research Center. I also hold multiple professional
3 certifications in corrosion control, process control &
4 instrumentation and information technology from NACE
5 International, the Instrument Society of America and
6 Microsoft.

7 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

8 **A.** The purpose of my testimony is to explain why the
9 ENDURE Erie Street project has been delayed beyond August
10 31, 2015, the date the Company was originally expected to
11 complete this project in accordance with June 18, 2014
12 Stipulation approved by the Board of Public Utilities'
13 ("Board" or "BPU") July 23, 2014 Order ("July 23 Order")
14 in BPU Docket Nos. AX13030197 and G013090826.

15 **Q. DO YOU SPONSOR ANY SCHEDULES AS PART OF YOUR TESTIMONY?**

16 **A.** No.

17 **Q. PLEASE DESCRIBE THE ENDURE ERIE STREET PROJECT.**

18 **A.** The Erie Street Project is one of the three
19 incremental capital projects approved in the July 23
20 Order. The Erie Street project involved the relocation,
21 elevation and hardening of the building located at the
22 Company's Erie Street property in Elizabeth along with
23 related work.

24 **Q. PLEASE DESCRIBE THE STATUS OF THE ERIE STREET PROJECT.**

1 **A.** Completion of the work at Erie Street has been
2 delayed beyond August 31, 2015 for the reasons discussed
3 below.

4 **Q. PLEASE EXPLAIN WHY THE ERIE STREET PROJECT WILL NOT BE**
5 **COMPLETED UNTIL AFTER AUGUST 31, 2015.**

6 **A.** The Erie Street Project is located on a former
7 manufactured gas plant site and work at the site was
8 delayed largely due to permitting and bidding-related
9 issues. The Company expects to obtain all permits within
10 the next few weeks, but the bid solicitation process will
11 take more time to complete.

12 **Q. PLEASE EXPLAIN WHY THE BID SOLICITATION PROCESS REMAINS**
13 **PENDING.**

14 **A.** While the Company has issued several bids for the
15 ENDURE Erie Street Project, except for one bidder, the
16 bidding contractors either declined to submit a bid due
17 to unavailability or did not respond at all. The one bid
18 received by the Company was much higher than the costs
19 originally projected and in the interest of prudence,
20 Elizabethtown wants to re-issue the bids for this
21 project.

22 **Q. DOES THE COMPANY EXPECT THE COSTS TO COMPLETE THE ERIE**
23 **STREET PROJECT TO VARY FROM THE COMPANY'S ORIGINAL**
24 **PROJECTION?**

1 A. While the final costs of this project await the
2 completion of the re-bidding process, certain issues have
3 arisen that may result in higher costs to complete the
4 project than was originally anticipated. For example,
5 since the original projection, there was an unexpected
6 change in FEMA-related requirements at the Erie Street
7 Site Drainage and Water Works sub-project, as well as a
8 further change by the Army Corps of Engineers that
9 requires the Company to increase the amount of fill from
10 what was initially projected in order to meet flood
11 elevation requirements. This will result in the Company
12 having to add an additional 2 feet to the grade elevation
13 site, which could contribute to cost increases. Further
14 cost increases may also arise with the Control Room/MCC
15 Equipment and SCADA sub-projects due to certain design
16 modifications needed to ensure safety, reliability and
17 efficiency of the equipment being installed that were not
18 apparent until the completion of the design phase.
19 Finally, there may be increases in the sub-projects
20 involving the Generator, Fire Pump, Instrument Air System
21 and Truck Scale based on the equipment bids that have
22 come in higher than originally anticipated. However,
23 final costs to complete the Erie Street Project will
24 depend on the final bids and the Company cannot say with

1 certainty whether and to what extent the costs to
2 complete these projects will vary from the original
3 projections.

4 **Q. HAS THE COMPANY RECEIVED ANY FUNDS OR CREDITS, SUCH AS**
5 **ECONOMIC STIMULUS FUNDS, RELATED TO THE ENDURE ERIE**
6 **STREET PROJECT FROM ANY GOVERNMENTAL AUTHORITY?**

7 **A.**No, it has not and does not anticipate receiving any
8 such funds or credits through August 2015 or beyond.

9 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

10 **A.**Yes, it does.

VERIFICATION

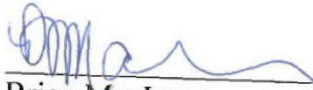
STATE OF NEW JERSEY)

COUNTY OF UNION)

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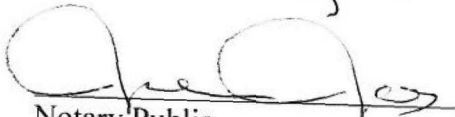
BRIAN MACLEAN, being duly sworn according to law, upon his oath, deposes and says:

1. I am President of the Petitioner and I am authorized to make this affidavit.
2. The statements made in the foregoing Petition are true to the best of my knowledge, information and belief.



Brian MacLean
President

Sworn to and subscribed to before me
This 28th day of May, 2015.



Notary Public

