



Elizabethtown Gas™

An AGL Resources Company

520 Green Lane
Union, NJ 07083

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www.elizabethtowngas.com

RECEIVED

JUN 22 2015

BOARD OF PUBLIC UTILITIES
MAIL ROOM

Via FedEx & Electronic Mail

June 19, 2015

Irene Kim Asbury, Secretary
State of New Jersey
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Trenton, NJ 08625-0350

Re: In the Matter of the 2015/2016 Annual Compliance Filing for the Universal Service Fund and Lifeline Program Components Within the Societal Benefits Charge Rate Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:-21.1 Submitted by Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas - BPU Docket No. ER15060732

Dear Secretary Asbury:

Kindly accept for filing in letter form an original and ten copies of the Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas ("Elizabethtown" or "Company") 2015/2016 filing for the Company's Universal Service Fund ("USF") and Lifeline components of its Societal Benefits Charge ("SBC") rate. This filing is made in compliance with the New Jersey Board of Public Utilities' ("Board") Orders in Docket No. EX00020091 dated April 30, 2003, July 16, 2003, June 30, 2004 and June 22, 2005. The change in rates inclusive of taxes and assessments are as follows: (i) the USF gas rate is proposed to decrease from \$0.0110 to \$0.0051 per therm, and (ii) the Lifeline gas rate is proposed to decrease from \$0.0059 to \$0.0057 per therm, resulting in a combined USF/Lifeline factor of \$0.0108 per therm, for a total net decrease of \$0.0061 per therm. The current rates, effective October 1, 2014, were approved by the Board in its Order dated September 30, 2014 in Docket No. ER14060613.

Based upon the actual results known to date for the 2014/2015 program year and the available estimates for the 2015/2016 program year, the proposed USF gas rate is designed to recover approximately \$21.9 million statewide. The proposed Lifeline gas rate is designed to recover approximately \$24.5 million statewide. The proposed rates are based on available gas jurisdictional usage estimates for 2015/2016. Attachment A of the PSE&G Compliance Filing, in this proceeding, presents the combined data of each of the State's utilities used to develop the proposed USF and Lifeline gas rates. Note that Elizabethtown's therms used to compute statewide rates exclude therms for wholesale sales used to generate electricity per the Senate Bill 2381, P.L. 2011 c.9 ("LCAPP Legislation") signed into law on January 28, 2011.

CMS
Legal
DAE
RPA
A. Lick
S. Peterson
J. May
P. Hilerio
Energy TOC

The Company has appended proposed tariff sheets to reflect the proposed gas USF and Lifeline rates noted above as Attachment A. The proposed rates are designed to recover Elizabethtown's portion of the above-referenced 2015/2016 statewide total USF and Lifeline programs. Also enclosed is a proposed form of Notice of Public Hearings as Attachment B.

The proposed statewide rate changes inclusive of taxes and assessments are as follows:

	Present	Proposed
USF	\$0.0110	\$0.0051
Lifeline	\$0.0059	\$0.0057

The impact of the proposed rate changes on typical monthly residential gas bills for customers taking gas service under the Residential Delivery Service tariff are as follows:

Consumption in Therms	Present Bill*	Proposed Bill	Change in Bill	Percent Change
10	\$17.19	\$17.13	(\$0.06)	(0.3%)
50	\$53.97	\$53.67	(\$0.30)	(0.6%)
100	\$99.94	\$99.33	(\$0.61)	(0.6%)
250	\$237.85	\$236.33	(\$1.52)	(0.6%)

*For rates in effect on June 1, 2015 inclusive of taxes and assessments.

Accordingly, the Company respectfully requests that the Board issue an Order approving the proposed statewide gas USF and Lifeline rates as shown in the proposed tariff sheets appended hereto as Attachment A effective for gas service rendered on and after October 1, 2015.

If you have any questions concerning the above, please contact Thomas Kaufmann at 908-662-8461.

Respectfully submitted,

/s/ Mary Patricia Keefe

Mary Patricia Keefe, Esq.
Vice President, Regulatory Affairs and
Business Support

cc: Service List (*electronically*)

**PIVOTAL UTILITY HOLDINGS, INC. D/B/A ELIZABETHTOWN GAS
2015/2016 ANNUAL COMPLIANCE FILING FOR THE UNIVERSAL SERVICE FUND AND LIFELINE
PROGRAM COMPONENTS WITHIN THE SOCIETAL BENEFITS CHARGE RATE
BPU DOCKET NO. _____**

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JUN 22 2015

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PIVOTAL UTILITY HOLDINGS, INC. D/B/A ELIZABETHTOWN GAS
2015/2016 ANNUAL COMPLIANCE FILING FOR THE UNIVERSAL SERVICE FUND AND LIFELINE
PROGRAM COMPONENTS WITHIN THE SOCIETAL BENEFITS CHARGE RATE
BPU DOCKET NO. _____

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RIDER "D"

SOCIETAL BENEFITS CHARGE ("SBC")

Applicable to all tariff Service Classifications except those Customers under special contracts that explicitly do not permit the Company to apply increased charges or assessments as filed and approved by the NJBPU and those customers exempted pursuant to the Long-Term Capacity Agreement Pilot Program ("LCAPP"), P.L. 2011, c.9, codified as N.J.S.A. 48:3-60.1. See the LCAPP Exemption Procedures at the end of this Rider.

The SBC is designed to recover the (1) cost of Comprehensive Resource Analysis Programs that were approved by the Board pursuant to its Comprehensive Resource Analysis regulations prior to April 30, 1997, (2) cost of Manufactured Gas Plant Remediation, and (3) cost of Consumer Education and any other new programs which the Board determines should be recovered through the Societal Benefits Charge.

<u>SBC Rate Components:</u>		<u>Per Therm</u>
I.	New Jersey Clean Energy Program ("CEP")	\$0.0244
II.	Remediation Adjustment Charge ("RAC")	\$0.0317
III.	<u>Universal Service Fund and Lifeline:</u>	
	1. Universal Service Fund ("USF")	\$0.0051
	2. Lifeline	<u>\$0.0057</u>
	TOTAL	\$0.0669

In accordance with P.L. 1997, c. 162, the charges applicable under this Rider include provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein.

I. New Jersey Clean Energy Program Component ("CEP")

The Comprehensive Resource Analysis ("CRA") name was changed to the Clean Energy Program - CEP per Board Order dated January 22, 2003 in Docket No. EX99050347 *et.al*. The CEP is a mechanism that will (1) establish a rate to recover the costs of the Core and Standard Offer Programs in the Company's CEP Plan which was approved by the Board of Public Utilities ("BPU") in Docket No. GE92020104, and (2) compensate the Company for the revenue erosion resulting from conservation savings created by the Standard Offer Program. The annual recovery period for the CEP is from October 1 through September 30. The CEP recovers program costs and revenue erosion incurred during the previous CEP year ended June 30.

1. CEP program costs include the costs of core programs, standard offer payments and any administrative costs not recovered directly from standard offer providers.

Date of Issue:

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 "D"

SOCIETAL BENEFITS CHARGE ("SBC")

Applicable to all tariff Service Classifications except those Customers under special contracts that explicitly do not permit the Company to apply increased charges or assessments as filed and approved by the NJBPU and those customers exempted pursuant to the Long-Term Capacity Agreement Pilot Program ("LCAPP"), P.L. 2011, c.9, codified as N.J.S.A. 48:3-60.1. See the LCAPP Exemption Procedures at the end of this Rider.

The SBC is designed to recover the (1) cost of Comprehensive Resource Analysis Programs that were approved by the Board pursuant to its Comprehensive Resource Analysis regulations prior to April 30, 1997, (2) cost of Manufactured Gas Plant Remediation, and (3) cost of Consumer Education and any other new programs which the Board determines should be recovered through the Societal Benefits Charge.

<u>SBC Rate Components:</u>	<u>February 23, 2015</u>	<u>March 1, 2015</u>
	<u>Per Therm</u>	<u>Per Therm</u>
I. New Jersey Clean Energy Program ("CEP")	\$0.0244	\$0.0244
II. Remediation Adjustment Charge ("RAC")	\$0.0229	\$0.0317
III. <u>Universal Service Fund and Lifeline:</u>		
1. Universal Service Fund ("USF")	\$0.0110	\$0.0051 \$0.0110
2. Lifeline	\$0.0059	\$0.0057 \$0.0059
TOTAL	\$0.0642	\$0.0669 \$0.0730

In accordance with P.L. 1997, c. 162, the charges applicable under this Rider include provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein.

I. New Jersey Clean Energy Program Component ("CEP")

The Comprehensive Resource Analysis ("CRA") name was changed to the Clean Energy Program - CEP per Board Order dated January 22, 2003 in Docket No. EX99050347 *et al.* The CEP is a mechanism that will (1) establish a rate to recover the costs of the Core and Standard Offer Programs in the Company's CEP Plan which was approved by the Board of Public Utilities ("BPU") in Docket No. GE92020104, and (2) compensate the Company for the revenue erosion resulting from conservation savings created by the Standard Offer Program. The annual recovery period for the CEP is from October 1 through September 30. The CEP recovers program costs and revenue erosion incurred during the previous CEP year ended June 30.

- 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: ~~March 2, 2015~~

Effective: Service Rendered on and after ~~February 23, 2015~~ and ~~March 1, 2015~~

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

Filed Pursuant to Orders of the Board of Public Utilities Dated ~~Dated February 11, 2015~~ in Docket No. ~~GR14070755 (WNC-OSMC-CEP-SBC) 2-23-15~~ ~~February 11, 2015 in Docket No. GR13090839 (RAC-SBC) 3-1-15~~

PIVOTAL UTILITY HOLDINGS, INC. D/B/A ELIZABETHTOWN GAS
NOTICE OF PUBLIC HEARINGS

**In the Matter of the 2015/2016 Annual Compliance Filing for the Universal Service Fund and Lifeline
Program Components Within the Societal Benefits Charge Rate Pursuant to
N.J.S.A. 48:2-21 and N.J.S.A. 48:-21.1 Submitted by Pivotal Utility Holdings, Inc.
d/b/a Elizabethtown Gas
BPU Docket No. _____**

TO OUR CUSTOMERS:

TAKE NOTICE that, pursuant to the New Jersey Board of Public Utilities' (Board) Orders dated April 30, 2003, July 16, 2003, June 30, 2004 and June 22, 2005, the State's electric and gas public utilities' Societal Benefits Charges include recovery of funding for the Universal Service Fund (USF) and Lifeline programs through uniform statewide rates. The USF program was established by the Board, pursuant to the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49, et seq., to provide funds to assist qualifying low-income individuals in paying their energy bills.

In its July 16, 2003 Order the Board established statewide rates through which funds for the USF and Lifeline programs are collected from customers of all of the electric and natural gas public utilities in the State through uniform rates, which rates became effective on August 1, 2003. The rates currently in effect were approved by the Board in its Order dated September 30, 2014.

Based upon the results known to date for the 2014/2015 USF program year and the available estimates for the 2015/2016 USF program year, it is anticipated that the USF gas rate should be set to collect approximately \$21.9 million from gas customers on a statewide basis. The July 16, 2003 Order also established the collection of funds to supplement Lifeline based on gas and electric utilities jurisdictional usages. The proposed statewide Lifeline gas rate is based on collecting approximately \$24.5 million from gas customers on a statewide basis for 2015/2016, which incorporates funds for the Work First NJ program.

The changes in rates inclusive of taxes and assessments are as follows: (i) the USF program charge will decrease from \$0.0110 to \$0.0051 per therm and (ii) the Lifeline charge will decrease from \$0.0059 to \$0.0057 per therm for a total net decrease of \$0.0061 per therm. The revenues received under the proposed USF charge are designed to permit the Company to recover its costs for the USF program only. Actual program costs will be reconciled with the revenues received through the USF program charge in the next scheduled filing to be made no later than July 1, 2016. The revenues received under the proposed Lifeline charge are remitted to the New Jersey Department of Treasury for use in funding the Lifeline and Work First NJ programs. The State of New Jersey's Department of Community Affairs is the Administrator of the USF program and the New Jersey Department of Human Services is the Administrator of the Lifeline and Work First NJ programs and authorizes the disbursement of benefits to eligible customers in the respective programs. The above request will not result in any profit to the Company.

The proposed statewide rates inclusive of taxes and assessments for customers are as follows:

**Universal Service/Lifeline Fund Components of the
Societal Benefits Charge**

	Present	Proposed
USF	\$0.0110	\$0.0051
Lifeline	\$0.0059	\$0.0057

If approved by the Board, the impact of the proposed rate changes on typical monthly residential gas bills for customers taking gas service under the Residential Delivery Service tariff is illustrated below:

Rate Impacts

<u>Consumption in Therms</u>	<u>Present Bill*</u>	<u>Proposed Bill</u>	<u>Change in Bill</u>	<u>Percent Change</u>
10	\$17.19	\$17.13	(\$0.06)	(0.3%)
50	\$53.97	\$53.67	(\$0.30)	(0.6%)
100	\$99.94	\$99.33	(\$0.61)	(0.6%)
250	\$237.85	\$236.33	(\$1.52)	(0.6%)

*For rates in effect on June 1, 2015 inclusive of taxes and assessments.

Stated another way, based on this filing, the bill of a typical residential gas customer using 100 therms per month would decrease from \$99.94 to \$99.33, or (\$0.61) or (0.6%).

The Board has the statutory authority to establish the USF and Lifeline charges at levels it finds just and reasonable. Therefore, the Board may establish the USF and Lifeline charges at levels other than those proposed by Elizabethtown.

Copies of the Company's June 19, 2015 filing are available for inspection at the Company offices located at 520 Green Lane, Union, New Jersey, or online at Elizabethtown's website: www.elizabethtowngas.com, or at the Board of Public Utilities, 44 South Clinton Avenue, 9th Floor, Trenton, NJ.

The following dates, times and locations for public hearings have been scheduled on the above filing so that members of the public may present their views:

_____, 2015
Rahway Municipal Council, Court Chambers, City Hall Plaza, Rahway, New Jersey 07065

_____, 2015
Hunterdon County Route 12 County Complex, Building #1, Flemington, New Jersey 08822

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 any requests for needed accommodations, including interpreter, listening devices or mobility assistance, 48 hours prior to the hearing. In addition, members of the public may submit written comments concerning the petition to the Board of Public Utilities regardless of whether they attend the hearing by addressing them to: Irene Kim Asbury, Secretary, Board of Public Utilities, 44 South Clinton Avenue, 9th Floor, P. O. Box 350, Trenton, NJ 08625-0350. Hearings will continue, if necessary, on such additional dates and at such locations as the Office of Administrative Law may designate in order to ensure that all interested persons may be heard.

Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas
Brian MacLean –President