

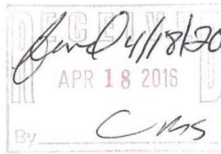


Elizabethtown Gas™

An AGL Resources Company

520 Green Lane
Union, NJ 07083

908 289 5000 phone
www.elizabethtowngas.com



RECEIVED

APR 18 2016

BOARD OF PUBLIC UTILITIES
MAIL ROOM

Via FedEx & Electronic Mail

April 15, 2016

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

William P. Agee, Esq.
New Jersey Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
P.O. Box 350
Trenton, New Jersey 08625-0350

**Re: In the Matter of the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas
For Approval of a Safety, Modernization and Reliability Program and Associated
Cost Recovery Mechanism - BPU Docket No. GR15091090**

Dear Secretary Asbury and Mr. Agee:

Enclosed is proof of service of the Notice of the Public Hearings in the above mentioned proceeding to the municipalities and counties in the Elizabethtown Gas service territory. Proof of publication in local newspapers of general circulation will be supplied at the Public Hearings.

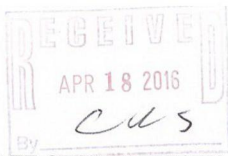
Yours truly,

/s/ Mary Patricia Keefe

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

cc: Clerk, Office of Administrative Law
Electronically: Megan Lupo
Jerome May
Robert Schultheis
Felicia Thomas-Friel
Alex Moreau

*Case mgmt
list copied*



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APR 18 2016

STATE OF NEW JERSEY)
)
COUNTY OF UNION)


ss:

AFFIDAVIT

BOARD OF PUBLIC UTILITIES
MAIL ROOM

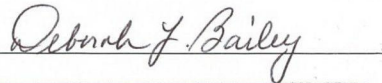
Thomas Kaufmann, being duly sworn according to law, upon his oath deposes and says:

1. I hereby certify that on the 15th day of April 2016, copies of the Notice of Public Hearings in the Matter of the Petition in BPU Docket No. GR15091090 for Pivotal Utility Holdings, Inc., d/b/a Elizabethtown Gas, was served on the 83 municipalities and 7 counties in which Elizabethtown Gas provides service. (See Municipal Service List attached.)
2. A copy of each Notice was placed in an envelope, postage paid, and placed in the U.S. mail addressed to his/her last known address.



 Thomas Kaufmann

Sworn to and subscribed to before me this 15th day of April 2016.



Deborah Y. Bailey
Notary Public
New Jersey
My Commission Expires 09-08-2020

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APR 18 2016

BOARD OF PUBLIC UTILITIES
MAIL ROOM

George Wagner
Interim County Administrator
Hunterdon County Administration Building
P.O. Box 2900
Flemington, NJ 08822-2900

Brian Hughes
Mercer County Executive
County Administration Building
P.O. Box 8068
Trenton, NJ 08650-0068

John Pulomena
Middlesex County Administrator
County Administration Building
P.O. Box 871
New Brunswick, NJ 08901

John Bonanni
Morris County Administrator
County Administration & Records Building
P.O. Box 900
Morristown, NJ 07963-0900

John Eskilson
Sussex County Administrator
Sussex County Administrative Center
One Spring Street
Newton, NJ 07860

Alfred Faella
Union County Manager
Union County Administration Building
10 Elizabethtown Plaza
Elizabeth, NJ 07207

Steve Marvin
Warren County Administrator
Wayne Dumont Jr. Administration Building
165 County Road 519 South
Belvidere, NJ 07823-1949

Denise Doolan, Clerk
Hunterdon County Board of Chosen Freeholders
P.O. Box 2900
Flemington, NJ 08822-2900

Jerlene Worthy, Clerk
Mercer County Board of Chosen Freeholders
County Administration Building
P.O. Box 8068
Trenton, NJ 08650-0068

Margaret Pemberton, Clerk
Middlesex County Board of Chosen Freeholders
County Administration Building
P.O. Box 871
New Brunswick, NJ 08901

Diane Ketchum, Clerk
Morris County Board of Chosen Freeholders
County Administration & Records Building
P.O. Box 900
Morristown, NJ 07963-0900

John Eskilson, Clerk
Sussex County Board of Chosen Freeholders
County Administration Building
One Spring Street
Newton, NJ 07860

James Pelletiere, Clerk
Union County Board of Chosen Freeholders
County Administration Building
10 Elizabethtown Plaza
Elizabeth, NJ 07207

Steve Marvin, Clerk
Warren County Board of Chosen Freeholders
Wayne Dumont, Jr. Administration Building
165 County Road 519 South
Belvidere, NJ 07823-1949

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APR 18 2016

BOARD OF PUBLIC UTILITIES
MAIL ROOM

Michele Bobrowski, Municipal Clerk
Township of Alexandria
782 Frenchtown Road
Milford, NJ 08848

Christine Dispenza, Municipal Clerk
Township of Bethlehem
405 Mine Road
Asbury, NJ 08802-1107

Lisa Burd, Municipal Clerk
Borough of Bloomsbury
91 Brunswick Avenue
Bloomsbury, NJ 08804

Laura Eidsvaag, Municipal Clerk
Borough of Califon
39 Academy Street
Califon, NJ 07830

Cecilia Covino, Municipal Clerk
Town of Clinton
P.O. Box 5194
Clinton, NJ 08809

Donna Burham, Municipal Clerk
Township of Clinton
1225 Route 31 South, Suite 411
Lebanon, NJ 08833

Judith Allen, Municipal Clerk
Township of Delaware
P.O. Box 500
Sergeantsville, NJ 08557

Teresa Stahl, Municipal Clerk
Township of East Amwell
1070 Route 202/31
Ringoes, NJ 08551-1051

Rebecca Newman, Municipal Clerk
Borough of Flemington
38 Park Avenue
Flemington, NJ 08822

Ursula Stryker, Municipal Clerk
Township of Franklin
202 Sidney Road
Pittstown, NJ 08867

Brenda Shepard, Municipal Clerk
Borough of Frenchtown
29 Second Street
Frenchtown, NJ 08825

Judy Bass, Municipal Clerk
Borough of Glen Gardner
P.O. Box 307
Glen Gardner, NJ 08826

Cathy Drummond, Municipal Clerk
Borough of Hampton
P.O. Box 418
Hampton, NJ 08827

Diane Seals, Municipal Clerk
Borough of High Bridge
71 Main Street
High Bridge, NJ 08829

Catherine Miller, Municipal Clerk
Township of Holland
61 Church Road
Milford, NJ 08848

Mary MacConnell, Municipal Clerk
Township of Kingwood
P.O. Box 199
Baptistown, NJ 08803-0199

Cynthia Ege, Municipal Clerk
City of Lambertville
18 York Street
Lambertville, NJ 08530

Karen Romano, Municipal Clerk
Borough of Lebanon
6 High Street
Lebanon, NJ 08833

Karen Sandorse, Municipal Clerk
Township of Lebanon
530 West Hill Road
Glen Gardner, NJ 08826

Karen Dysart, Municipal Clerk
Borough of Milford
P.O. Box 507
Milford, NJ 08848

Rose Sollena, Municipal Clerk
Township of Raritan
One Municipal Drive
Flemington, NJ 08822

Michele Hovan, Municipal Clerk
Borough of Stockton
P.O. Box M
Stockton, NJ 08559

Lora Olsen, Municipal Clerk
Township of West Amwell
150 Rocktown-Lambertville Road
Lambertville, NJ 08530-3509

Laurie Gompf, Municipal Clerk
Township of Hopewell
201 Washington Crossing-Pennington Road
Titusville, NJ 08560

Elizabeth Sterling, Municipal Clerk
Borough of Pennington
30 North Main Street
Pennington, NJ 08534-0095

Cheryl Russomanno, Municipal Clerk
Township of Edison
100 Municipal Boulevard
Edison, NJ 08817

Elaine Jasko, Municipal Clerk
City of Perth Amboy
260 High Street
Perth Amboy, NJ 08861

Lisa Lashway, Municipal Clerk
Township of Mount Olive
P.O. Box 450
Budd Lake, NJ 07828

Vita Thompson, Municipal Clerk
Township of Andover
134 Newton Sparta Road
Newton, NJ 07860

Robin Hough, Municipal Clerk
Borough of Franklin
46 Main Street
Franklin, NJ 07416

Vita Mekovetz, Municipal Clerk
Township of Readington
509 Route 523
Whitehouse Station, NJ 08889

Ella Ruta, Municipal Clerk
Township of Union
140 Perryville Road
Hampton, NJ 08827

Michele Hovan, Municipal Clerk
Borough of Hopewell
88 East Broad Street
Hopewell, NJ 08525

Kathleen Norcia, Municipal Clerk
Township of Lawrence
P.O. Box 6006
Lawrenceville, NJ 08648

Kathleen Barney, Municipal Clerk
Borough of Carteret
61 Cooke Avenue
Carteret, NJ 07008

Kathryn Harris, Municipal Clerk
Borough of Metuchen
500 Main Street
Metuchen, NJ 08840

John Mitch, Municipal Clerk
Township of Woodbridge
One Main Street
Woodbridge, NJ 07095

Nina DiGregorio, Municipal Clerk
Township of Washington
43 Schooley's Mountain Road
Long Valley, NJ 07853

Parti Bussow, Acting, Municipal Clerk
Township of Frankford
151 State Highway 206
Augusta, NJ 07822

Joanne Charner, Municipal Clerk
Township of Fredon
443 Route 94
Newton, NJ 07860

Linda Peralta, Municipal Clerk
Township of Green
P.O. Box 65
150 Kennedy Road
Tranquility, NJ 07879

Kathleen Armstrong, Municipal Clerk
Township of Hampton
1 Rumsey Way
Newton, NJ 07860

Anna Rose Fedish, Municipal Clerk
Township of Lafayette
33 Morris Farm Road
Lafayette, NJ 07848

Phyllis Drouin, Municipal Clerk
Borough of Ogdensburg
14 Highland Avenue
Ogdensburg, NJ 07439

Mark Zschack, Municipal Clerk
Borough of Sussex
Two Main Street
Sussex, NJ 07461

James Doherty, Municipal Clerk
Township of Wantage
888 State Highway 23
Wantage, NJ 07461

Tara Rowley, Municipal Clerk
Township of Cranford
8 Springfield Avenue
Cranford, NJ 07016

Eleanor McGovern, Municipal Clerk
Borough of Fanwood
75 North Martine Avenue
Fanwood, NJ 07023

Rayna Harris, Municipal Clerk
Township of Hillside
1409 Liberty Avenue
Hillside, NJ 07205

Joseph Bodek, Municipal Clerk
City of Linden
301 North Wood Avenue
Linden, NJ 07036

Doreen Schott, Municipal Clerk
Borough of Hamburg
16 Wallkill Avenue
Hamburg, NJ 07419

Jane Bakalarczyk, Municipal Clerk
Township of Hardyston
149 Wheatsworth Road, Suite A
Hardyston, NJ 07419

Lorraine Read, Municipal Clerk
Town of Newton
39 Trinity Street
Newton, NJ 07860

Mary Coe, Municipal Clerk
Township of Sparta
65 Main Street
Sparta, NJ 07871

Lauren Kirkman, Municipal Clerk
Township of Vernon
21 Church Street
Vernon, NJ 07462

Edie Merkel, Municipal Clerk
Township of Clark
430 Westfield Avenue
Clark, NJ 07066

Yolanda Roberts, Municipal Clerk
City of Elizabeth
50 Winfield Scott Plaza
Elizabeth, NJ 07201

Christina Ariemma, Municipal Clerk
Borough of Garwood
403 South Avenue
Garwood, NJ 07027

Laura Reinertsen, Municipal Clerk
Borough of Kenilworth
567 Boulevard
Kenilworth, NJ 07033

Martha Lopez, Municipal Clerk
Borough of Mountainside
1385 U.S. Highway 22 East
Mountainside, NJ 07092

Jeffrey Jotz, Municipal Clerk
City of Rahway
One City Hall Plaza
Rahway, NJ 07065

Doreen Cali, Municipal Clerk
Borough of Roselle Park
110 East Westfield Avenue
Roselle Park, NJ 07204

Eileen Birch, Municipal Clerk
Township of Union
1976 Morris Avenue
Union, NJ 07083

Laura Reinertsen, Municipal Clerk
Township of Winfield
12 Gulfstream Avenue
Winfield, NJ 07036

Laurie Barton, Municipal Clerk
Borough of Alpha
1001 East Boulevard
Alpha, NJ 08865

Denise Becton, Municipal Clerk
Township of Franklin
2093 Route 57
P.O. Box 547
Broadway, NJ 08808-0547

William Kuster, Jr., Municipal Clerk
Town of Hackettstown
215 Stiger Street
Hackettstown, NJ 07840

Deborah Hrebenak, Municipal Clerk
Township of Independence
286-B Route 46
P.O. Box 164
Great Meadows, NJ 07838

Dena Hrebenak, Municipal Clerk
Township of Mansfield
100 Port Murray Road
Port Murray, NJ 07865

Michele Broubalow, Municipal Clerk
Town of Phillipsburg
675 Corliss Avenue
Phillipsburg, NJ 08865

Lydia Agbejimi, Municipal Clerk
Borough of Roselle
210 Chestnut Street
Roselle, NJ 07203

Bozena Lacina, Municipal Clerk
Township of Scotch Plains
430 Park Avenue
Scotch Plains, NJ 07076

Claire Gray, Municipal Clerk
Town of Westfield
425 East Broad Street
Westfield, NJ 07090

Anne Marie Tracy, Municipal Clerk
Township of Allamuchy
292 Alphano Road
P.O. Box A
Allamuchy, NJ 07820

Teresa DeMont, Municipal Clerk
Town of Belvidere
691 Water Street
Belvidere, NJ 07823

Kim Viscomi, Municipal Clerk
Township of Greenwich
321 Greenwich Street
Stewartsville, NJ 08886

Kelley Smith, Municipal Clerk
Township of Harmony
3003 Belvidere Road
Phillipsburg, NJ 08865

Margaret Dilts, Municipal Clerk
Township of Lopatcong
232 S. Third Street, Morris Park
Phillipsburg, NJ 08865

Sheila Oberly, Municipal Clerk
Township of Oxford
11 Green Street
Oxford, NJ 07863

Wanda Kutzman, Municipal Clerk
Township of Pohatcong
50 Municipal Drive
Phillipsburg, NJ 08865

Kristine Blanchard, Municipal Clerk
Borough of Washington
100 Belvidere Avenue
Washington, NJ 07882-1426

Anna Godfrey, Municipal Clerk
Township of Washington
211 Route 31 North
Washington, NJ 07882

Kathleen Reinalda, Municipal Clerk
Township of White
555 County Road 519
Belvidere, NJ 07823

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

TO OUR CUSTOMERS:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



Elizabethtown Gas™

An AGL Resources Company

520 Green Lane
Union, NJ 07983

908 289 5000 phone
www.elizabethtowngas.com

September 22, 2015

Irene Kim Asbury
Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue
9th Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

Re: In The Matter Of The Petition Of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas For Approval Of A Safety, Modernization And Reliability Program And Associated Cost Recovery Mechanism BPU Docket No. _____

Dear Secretary Asbury:

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

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

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

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

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

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

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

Respectfully submitted,

s. Mary Patricia Keefe

Mary Patricia Keefe
Vice President, Regulatory Affairs
And Business Support

Enclosures

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

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

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

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

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