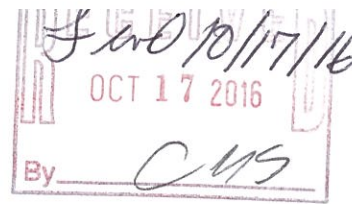




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October 14, 2016

VIA ELECTRONIC MAIL AND FEDERAL EXPRESS

Irene Kim Asbury, Secretary
State of New Jersey
Board of Public Utilities
44 South Clinton Avenue
3rd Floor, Suite 314
P.O. Box 350
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OCT 17 2016

BOARD OF PUBLIC UTILITIES
MAIL ROOM

**Re: In The Matter Of The Petition Of Pivotal Utility Holdings, Inc. d/b/a
Elizabethtown Gas For Authority To Extend The Term Of Energy Efficiency
Programs With Certain Modifications and Approval Of Associated Cost
Recovery Mechanism
BPU Docket Nos. GR16070618 and GR15050504**

Dear Secretary Asbury:

Enclosed for filing in the above proceedings are an original and ten copies of a Stipulation executed by representatives of Pivotal Utility Holdings Inc. d/b/a Elizabethtown Gas ("Elizabethtown"), the Staff of the Board of Public Utilities and the Department of the Public Advocate, Division of Rate Counsel. Elizabethtown respectfully requests that Commissioner Solomon consider and approve this Stipulation as expeditiously as possible.

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

Respectfully submitted,

/s/ Deborah M. Franco

Deborah M. Franco
Of Counsel to
Pivotal Utility Holdings, Inc.
d/b/a Elizabethtown Gas

cc: Service List ✓
Commissioner, Dianne Solomon

Case mgmt

**IN THE MATTER OF THE PETITION OF
PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS
FOR AUTHORITY TO EXTEND THE TERM OF ENERGY EFFICIENCY
PROGRAMS WITH CERTAIN MODIFICATIONS AND
APPROVAL OF ASSOCIATED COST RECOVERY MECHANISM
BPU DOCKET NO. GR16070618**

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**IN THE MATTER OF THE PETITION OF
PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS
FOR AUTHORITY TO EXTEND THE TERM OF ENERGY EFFICIENCY
PROGRAMS WITH CERTAIN MODIFICATIONS AND
APPROVAL OF ASSOCIATED COST RECOVERY MECHANISM
BPU DOCKET NO. GR16070618**

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STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

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OCT 17 2016

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In the Matter of the Petition of Pivotal : BPU Docket No. GR16070618
Utility Holdings, Inc. d/b/a Elizabethtown :
Gas for Authority to Extend the Term of :
Energy Efficiency Programs with Certain :
Modifications and Approval of Associated :
Cost Recovery Mechanism :
:
In the Matter of the Petition of Pivotal : BPU Docket No. GO15050504
Utility Holdings, Inc. d/b/a Elizabethtown :
Gas for Authority to Extend the Term of : STIPULATION TO EXTEND
Energy Efficiency Programs with Certain : 180-DAY REVIEW PERIOD
Modifications and Approval of Associated : AND ENERGY EFFICIENCY
Cost Recovery Mechanism : PROGRAMS
:
-----X

APPEARANCES:

Kenneth T. Maloney and Deborah M. Franco (Cullen and Dykman LLP), Attorneys for the Petitioner, Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas
Mary Patricia Keefe, Vice President for Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas

Felicia Thomas-Friel, Esq. Managing Attorney – Gas, Division of Rate Counsel,
Maura Caroselli, Esq., Sarah H. Steindel, Esq., and Kurt S. Lewandowski, Esq., Assistant Deputy Rate Counsels, Division of Rate Counsel (Stefanie A. Brand, Director, Division of Rate Counsel)

Alex Moreau and Renee Greenberg, Deputy Attorneys General, for the Staff of the New Jersey Board of Public Utilities (Christopher S. Porrino, Attorney General of New Jersey)

TO THE NEW JERSEY BOARD OF PUBLIC UTILITIES:

1. Pursuant to the New Jersey Regional Greenhouse Gas Initiative (“RGGI”) legislation, an electric or natural gas utility can offer and invest in regulated energy efficiency and conservation programs within its service territory. *N.J.S.A. 48:3-98.1.*

Furthermore, utilities are authorized to seek approval from the New Jersey Board of Public Utilities (“Board”) for recovery of costs related to such programs. *Id.*

2. On July 1, 2016, Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas (“Elizabethtown” or “Company”) filed a petition (“Petition” or “July 1 Petition”) in BPU Docket No. GO16070618 to extend the term of the energy-efficiency programs (“EE Programs”) made available to Elizabethtown’s customers pursuant to *N.J.S.A.* 48:3-98.1 for a four year period effective January 1, 2017. Elizabethtown’s existing EE Programs, described more fully below, were first authorized by an August 3, 2009 Board Order (“August 3 Order”) in Docket Nos. EO09010056 and GO09010060 *et al.*, which approved a Stipulation (“Stipulation”) among Elizabethtown, Board Staff and the Division of Rate Counsel (“Rate Counsel”). In that Stipulation, the parties agreed to the implementation of the EE Programs and the establishment of a surcharge to enable the Company to recover the costs associated with its EE Programs. The Board subsequently authorized a number of extensions of Elizabethtown’s EE Programs in BPU Docket Nos. GO11070399, GO12100946 and GO15050504. The currently effective EE Programs, which were authorized in GO15050504 by BPU Order dated December 16, 2015 (“December 16 Order”), are effective through December 31, 2016. These programs are described below. Recovery of the costs necessary to deliver these programs, including grants, incentives, incremental O&M expenses and carrying costs is provided through Rider G to the Company’s Tariff.

3. By Order dated July 29, 2016 (“July 29 Order”), the Board designated Commissioner Dianne Solomon as the presiding officer who is authorized to rule on all motions and modify schedules. The July 29 Order further authorized Commissioner Solomon to render a decision on a stipulation to extend the 180-day review period

applicable to these proceedings to the extent the stipulation is signed by all parties and it is limited to a single extension of the 180-day review period, with any further extension to be directed by the Board. The parties to this proceeding are the Company, Board Staff and Rate Counsel (“Parties”). By Order dated August 17, 2016 (“August 17 Order”), Commissioner Solomon approved a procedural schedule applicable to this proceeding which the Parties requested by held in abeyance to allow the development of a new schedule as reflected in this Stipulation. On September 15, 2016, Public Service Electric and Gas Company moved to participate in this proceeding, which by letter dated September 16, 2016, Elizabethtown indicated it did not oppose. Discovery is ongoing in this proceeding and public hearings are scheduled to be held on October 17, 2016 in Flemington, New Jersey and October 19, 2016 in Union, New Jersey.

STIPULATION

4. The Parties agree that additional time is needed to complete a comprehensive review of Elizabethtown’s July 1 Petition. Through this Stipulation, the Parties agree that Elizabethtown shall extend its existing Board approved EE Programs, with the exception of the Dashboard, through no later than March 31, 2017, consistent in all other respects with the Board’s December 16 Order, or until the date set in the instant proceeding by a Board Order authorizing the implementation of revised or new Elizabethtown EE programs. The existing EE Programs as approved by the December 16 Order include the Residential Gas Heating Ventilation and Air Conditioning and Gas Hot Water Heater Incentive Program, Commercial Customer Energy Efficiency Program and Customer Education and Outreach Program.

5. Elizabethtown is not seeking approval of any additional funding for the EE Programs, including grants, incentives, incremental O&M expenses and carrying

costs during this extension. Approximately \$304,000 remains in Elizabethtown's overall budget¹ which the Company will continue to utilize to fund its existing EE Programs and related O&M expenses.

6. The Parties agree to engage in settlement discussions in good faith in order to reach a timely resolution of this proceeding.

7. The Parties further agree that Rate Counsel shall have until November 22, 2016 to file its direct testimony and the Parties propose the amended procedural schedule attached hereto as Attachment A.

8. The Parties also agree to extend the 180-day RGGI review period applicable to the July 1 Petition to allow for a Board determination by the first scheduled Board agenda meeting in March, 2017.

9. This Stipulation represents a mutual balancing of interests, contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event any particular aspect of this Stipulation is not accepted and approved in its entirety by the Board, any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion. More particularly, in the event this Stipulation is not adopted in its entirety by the Board, in any applicable Order(s), then any Party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed.

¹ The amount of \$304,000 reflects Elizabethtown's remaining budget as of August 31, 2016 adjusted downward from \$335,000 to reflect rebates that were processed in September, 2016.

10. It is the intent of the Parties that the provisions hereof be approved by the Board as being in the public interest. The Parties further agree that they consider the Stipulation to be binding on them for all purposes herein.

11. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, Elizabethtown, Board Staff and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein and, in total or by specific item. This Stipulation is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation.

WHEREFORE, the Parties hereto do respectfully submit this Stipulation and request that the Board issue a Decision and Order approving it in its entirety, in accordance with the terms hereof, as soon as reasonably possible.

PIVOTAL UTILITY HOLDINGS, INC.
D/B/A ELIZABETHTOWN GAS

STEFANIE A. BRAND,
DIRECTOR, DIVISION OF
RATE COUNSEL

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Mary Patricia Keefe, Esq.
Vice President, Regulatory
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By: Kurt S. Lewandowski
Kurt S. Lewandowski, Esq.
Assistant Deputy Rate Counsel

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ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the New Jersey Board of Public Utilities

By: Alex Moreau
Alex Moreau
Deputy Attorney General
10/13/2016

Dated: October 14, 2016

Attachment A

In the Matter of the Petition of Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas for Authority to Extend the Term of Energy Efficiency Programs with Certain Modifications and Approval of Associated Cost Recovery Mechanism

Docket Number GR16070618

Proposed Procedural Schedule

<i>Board designates a Presiding Commissioner</i>	<i>July 29, 2016</i>
<i>Discovery Requests on Initial Testimony+</i>	<i>August 12, 2016</i>
<i>Responses to Discovery on Initial Testimony</i>	<i>August 25, 2016</i>
<i>Motions to Intervene/Participate Due</i>	<i>August 23, 2016</i>
<i>Opposition to Intervention/Participation Motions due</i>	<i>August 30, 2016</i>
Second Round of Discovery Due	October 14, 2016
Responses to Second Round of Discovery Due	October 28, 2016
Discovery/Settlement Conference (Tentative)	[Week of 10/30 or 11/7]
Public Hearings	October 17 and 19 ,2016
Intervener/ Respondent Testimony Due	November 22, 2016
Settlement Conference (Tentative)	[Week of December 5, 2016]
Discovery on Intervener/Respondent Testimony	December 2, 2016
Responses to Discovery on Intervener/Respondent Testimony	December 16, 2016
Rebuttal Testimony	December 23, 2016
Discovery on Rebuttal Testimony	January 4, 2017
Responses to Discovery on Rebuttal Testimony	January 18, 2017
Evidentiary Hearings (if necessary)*	TBD from January 30 through Feb 2]
Initial Briefs due	February 10, 2017
Reply Briefs	February 24, 2017
Anticipated Board Action	March Agenda (date TBD)

+ - Petitioner agrees that discovery is ongoing and will endeavor to answer all discovery within seven business days of service.

* - Subject to Presiding Commissioner's availability. Intervenors/respondents may present oral surrebuttal at evidentiary hearings.