

December 21, 2017

BOARD OF PUBLIC UTILITIES

Ira G. Megdal

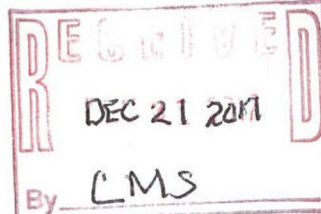
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VIA HAND DELIVERY

DEC 21 2017

Irene Kim Asbury, Secretary
New Jersey Board of Public Utilities
44 South Clinton Ave.
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PO Box 350
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MAIL RECEIVED



BOARD OF PUBLIC UTILITIES

DEC 21 2017

Re: In the Matter of the Acquisition of Elizabethtown Gas, a Division of Pivotal Utility Holdings, Inc. by ETG Acquisition Corp., a Subsidiary of South Jersey Industries, Inc. and Related Transactions
BPU Docket No. _____

GIM17121309

Dear Secretary Asbury:

On behalf of South Jersey Industries, Inc. ("SJI"), ETG Acquisition Corp., South Jersey Resources Group, LLC ("SJR")¹ and Pivotal Utility Holdings, Inc. ("Pivotal") ("Joint Petitioners"), enclosed for filing please find an original and ten copies of a Verified Joint Petition ("Joint Petition") and accompanying testimony and exhibits that initiate the above-captioned proceeding. Also enclosed is an electronic copy of the filing on disk, as well as an extra hard copy. Kindly stamp that extra hard copy "filed" and return it to our messenger.

In this matter, the Joint Petitioners are seeking approval from the New Jersey Board of Public Utilities ("Board") for the acquisition of control by ETG Acquisition Corp. of Pivotal's New Jersey utility operating division, Elizabethtown Gas ("Elizabethtown"), including the sale of substantially all of Elizabethtown's assets (the "Acquisition"). As reflected in the Joint Petition, the Acquisition will result in the ultimate ownership of Elizabethtown by SJI, thereby returning a storied and historic New Jersey gas utility to New Jersey-based ownership and control. Through its operating utility, South Jersey Gas, SJI has been engaged in the provision of safe and reliable utility service in the State for over 100 years. By the Acquisition, SJI will expand its utility operations in New Jersey through ownership of both Elizabethtown and South Jersey Gas -- two utilities with reputations for exceptional corporate cultures and strong records of safety and reliability, operational excellence and quality customer service.

As reflected in the Joint Petition and the accompanying testimony, the Acquisition will yield several positive benefits to Elizabethtown's customers and the State, and will have no adverse impacts on competition, rates, the provision of safe, adequate and reliable service, nor employees of Elizabethtown. Some of the benefits associated with the Acquisition include the provision of a \$5 million credit to Elizabethtown's Basic Gas Supply Service customers,

¹ ETG Acquisition Corp. and SJRG are wholly owned subsidiaries of SJI.

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significant job creation in New Jersey, providing an important benefit of job growth in the State, and opportunities for enhanced utility safety and reliability. SJJ is also making a number of significant employee and operational commitments. The benefits and various commitments that SJJ is making in connection with the Acquisition are discussed in detail in the filing.

The Joint Petitioners also seek various related approvals including the approval of certain affiliate service agreements, a transfer of stock to effectuate a reorganization in connection with the Acquisition, the discontinuance by Pivotal of the provision of utility service, the corresponding adoption of the existing Elizabethtown Tariff by the post-Acquisition Elizabethtown entity, certain accounting authorizations and a request that the Board disclaim jurisdiction over the sale by Pivotal of the assets of Elkton Gas, Pivotal's Maryland utility operating division, or in the alternative, approve the sale. For the reasons set forth in the Joint Petition, these associated requests are in the public interest and should be granted.

Taken together, the benefits and commitments associated with the proposed Acquisition fully demonstrate that the Acquisition is in the public interest and should be expeditiously approved so that the benefits may begin to be realized. To that end, the Joint Petitioners respectfully request that the Board retain this matter and appoint a Commissioner to preside over the disposition of the case so that a pre-hearing conference can be scheduled as soon as practicable and a final decision can be rendered by May of 2018. Given the importance of the Acquisition to Elizabethtown, its customers and the State of New Jersey, the Joint Petitioners believe the Commissioners should have the opportunity to hear first-hand from the Joint Petitioners and to decide this matter promptly.

Copies of the Joint Petition, supporting exhibits and testimony have been served as listed below and on the attached service list. A proposed procedural schedule that contemplates the issuance of a final decision in this matter by May of 2018 and a proposed Non-Disclosure Agreement are among the exhibits attached to the Joint Petition.

The Joint Petitioners look forward to working diligently with the Board, its Staff and the New Jersey Division of Rate Counsel to resolve this matter in a timely and equitable manner.

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

Respectfully,

COZEN O'CONNOR, PC

By:  Ira G. Megdal

IGM:kn
Enclosure

cc: Honorable Richard Mroz, President (by hand delivery)
Honorable Upendra Chivukula, Commissioner (by hand delivery)
Honorable Joseph L. Fiordaliso, Commissioner (by hand delivery)
Honorable Mary-Anna Holden, Commissioner (by hand delivery)
Honorable Dianne Solomon, Commissioner (by hand delivery)
Stefanie A. Brand, Director, Division of Rate Counsel (by hand delivery)
Paul Flanagan, Executive Director, Board Staff (by hand delivery)
Tom Walker, Director, Division of Energy (by hand delivery)
Mark Beyer, Director, Office of the Economist (by hand delivery)
Stacy Peterson, Division of Energy (by hand delivery)
Attached Service List

**IN THE MATTER OF THE ACQUISITION OF
ELIZABETHTOWN GAS, A DIVISION OF PIVOTAL UTILITY HOLDINGS, INC.
BY ETG ACQUISITION CORP., A SUBSIDIARY OF SOUTH JERSEY INDUSTRIES, INC.
AND RELATED TRANSACTIONS**

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AND RELATED TRANSACTIONS**

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