

Based on the proposed BGSS-P rate change, the monthly bill of a typical residential heating customer using 100 therms would be reduced by \$11.96 from \$118.44 to \$106.48 or by 10.1% based on rates in effect at the time the petition was filed.

After publication of notices in newspapers in general circulation in the Company's service territory, public hearings were held in Flemington and Rahway on August 18 and 20, 2014, respectively. No members of the public attended the hearings.

STIPULATION FOR PROVISIONAL BGSS RATES¹

Following discussions, the Company, Board Staff and Rate Counsel (collectively, the "Parties") executed a Stipulation for Provisional BGSS Rates ("Stipulation") on September 10, 2014, agreeing that it would be both reasonable and in the public interest for the Board to authorize Elizabethtown to decrease its per therm after-tax BGSS-P rate to \$0.5045 subject to refund with interest on any net over-recovered BGSS balance. The Parties agree that implementation of the agreed upon provisional BGSS-P rate should be made effective October 1, 2014. A final rate will be implemented after an opportunity for a full review of the Company's filing in this proceeding at the Office of Administrative Law and final Board approval.

The Company will submit tariff sheets in the form attached to the Stipulation as Exhibit A within 5 days of the effective date of the Board Order approving the Stipulation.

Elizabethtown may seek to implement provisional increases in its BGSS-P rate of up to 5% to be effective December 1, 2014 and February 1, 2015, should the Company determine that such increases are necessary to permit it to avoid a BGSS under-recovery balance at September 30, 2015.

Elizabethtown will continue to provide electronically to the Parties the following reports on a monthly basis, with the following update information: 1) the BGSS NYMEX Update Report (also known as S-E CHART-1), attached to the stipulation as Exhibit B; and 2) a monthly report showing the cost of gas per therm (also known as S-ECHART-2), attached to the stipulation as Exhibit C. The S-E Chart-1 is to be completed using information from the first Friday of the month and submitted to the Parties the following Tuesday. S-E Chart-2 is to be submitted to the Parties on or about the 15th of the following month.

DISCUSSION AND FINDING

The Board has carefully reviewed the record to date in this proceeding and the attached Stipulation. The Board **FINDS** that the Stipulation is reasonable, in the public interest, and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Stipulation as its own, as though fully set forth herein, and **HEREBY APPROVES** on a provisional basis, subject to refund with interest on any over-recovered BGSS balance, the Company's implementation of a decrease in its BGSS-P rate to \$0.5045 per therm inclusive of all applicable taxes, effective the later of the date of service of this Order and October 1, 2014.

¹ Although summarized in this Order, the detailed terms of the stipulation control, subject to the findings and conclusions of this Order.

The Board **HEREBY DIRECTS** that this matter be transmitted to the Office of Administrative Law for review and evidentiary hearings, if necessary.

The Board **HEREBY DIRECTS** that the Company file the appropriate tariff sheets conforming to the terms and conditions of this Order within five (5) business days after the service of this Order.

The Company's gas costs will remain subject to audit by the Board. This Decision and Order shall not preclude the Board from taking any actions deemed to be appropriate as a result of any such audit.

DATED: 9/30/14

BOARD OF PUBLIC UTILITIES
BY:


DIANNE SOLOMON
PRESIDENT

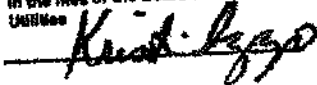

JOSEPH L. FIORDALISO
COMMISSIONER


MARY-ANNA HOLDEN
COMMISSIONER

ATTEST:


KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities



IN THE MATTER OF THE PETITION OF PIVOTAL UTILITY HOLDINGS, INC. D/B/A
ELIZABETHTOWN GAS TO REVIEW ITS PERIODIC BASIC GAS SUPPLY SERVICE RATE
DOCKET NO. GR14060538

SERVICE LIST

Thomas Kaufmann
Elizabethtown Gas Company
300 Connell Drive, Suite 3000
Berkeley Heights, NJ 07922

Mary Patricia Keefe, Esq.
Elizabethtown Gas Company
300 Connell Dr., Suite 3000
Berkeley Heights, NJ 07922

Deborah M. Franco, Esq.
Cullen and Dykman, LLP
Garden City Center
100 Quentin Roosevelt Blvd.
Garden City, NY 11530

Kenneth T. Maloney, Esq.
Cullen and Dykman, LLP
Garden City Center
100 Quentin Roosevelt Blvd.
Garden City, NY 11530

Stefanie A. Brand, Esq., Director
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003

Felicia Thomas-Friel, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003

Brian Lipman, Litigation Manager
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003

Paul Flanagan, Esq.
Executive Director
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Kristi Izzo
Secretary of the Board
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Jerome May, Director
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Robert Schultheis, Chief
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Megan Lupo, Esq.
Counsel's Office
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Alex Moreau, DAG
Department of Law & Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029

Kurt Lewandowski, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003

James Glassen, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003

Babette Tenzer, DAG
Department of Law & Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029



CULLEN and DYKMAN LLP

NAME: KENNETH T. MALONEY
Title: Partner
kmaloney@cullenanddykman.com

1101 14th Street, N.W.
Suite 550
Washington, D.C. 20005-5600
Telephone: 202-223-8890 • Fax: 202-457-1405

September 10, 2014

VIA ELECTRONIC MAIL AND FEDERAL EXPRESS

Honorable Kristi Izzo, Secretary
State of New Jersey
Board of Public Utilities
44 South Clinton Avenue
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 To Review Its Periodic Basic Gas
Supply Service Rate
BPU Docket No. GR14060538**

Dear Secretary Izzo:

Enclosed for filing in the above proceeding are an original and ten copies of a Stipulation Regarding Provisional BGSS Rates 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 requests that the Board consider and adopt the Stipulation as expeditiously as possible.

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

Respectfully submitted,

/s/ Kenneth T. Maloney
Kenneth T. Maloney

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

cc: Service List

**IN THE MATTER OF THE PETITION OF
PIVOTAL UTILITY HOLDINGS, INC. d/b/a ELIZABETHTOWN GAS
TO REVIEW ITS PERIODIC BASIC GAS SUPPLY SERVICE RATE
BPU DOCKET NO. GR14060538**

SERVICE LIST

Mary Patricia Keefe, Esq.
Elizabethtown Gas
300 Connell Drive, Suite 3000
Berkeley Heights, NJ 07922
pkeefe@agresources.com

Susan Potanovich
Elizabethtown Gas
300 Connell Drive, Suite 3000
Berkeley Heights, NJ 07922
spotanov@agresources.com

Timothy Sherwood
AGL Resources
Ten Peachtree Place
Atlanta, GA 30309
tsherwoo@aglresources.com

Beverly Tyndell
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350
Beverly.Tyndell@bpu.state.nj.us

Henry Rich
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350
Henry.Rich@bpu.state.nj.us

Scott Sumliner
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350
Scott.Sumliner@bpu.state.nj.us

Kurt S. Lewandowski, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
Trenton, NJ 08625
klewando@rpa.state.nj.us

Babette Tenzer, DAG
Department of Law & Public Safety
Division of Law
124 Halsey Street
P.O. Box 45029
Newark, NJ 07101
Babette.Tenzer@dol.lps.state.nj.us

Deborah Franco, Esq.
Cullen and Dykman
Garden City Center
100 Quentin Roosevelt Blvd.
Garden City, NY 11530
DFranco@cullenanddykman.com

Thomas Kaufmann
Elizabethtown Gas
300 Connell Drive, Suite 3000
Berkeley Heights, NJ 07922
Tom.Kaufmann@agresources.com

Diane Rojek
Elizabethtown Gas
300 Connell Drive, Suite 3000
Berkeley Heights, NJ 07922
drojek@aglresources.com

Erica McGill, Esq.
AGL Resources
Ten Peachtree Place
Atlanta, GA 30309
emcgill@aglresources.com

Jerome May
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350
Jerome.May@bpu.state.nj.us

Megan Lupo
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350
Megan.Lupo@bpu.state.nj.us

James W. Glassen, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
Trenton, NJ 08625
jglassen@rpa.state.nj.us

Felicia Thomas-Friel, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
Trenton, NJ 08625
ffhomas@rpa.state.nj.us

Alex Moreau, DAG
Department of Law & Public Safety
Division of Law
124 Halsey Street
P.O. Box 45029
Newark, NJ 07101
Alex.Moreau@dol.lps.state.nj.us

Kenneth T. Maloney, Esq.
Cullen and Dykman
1101 14th Street, NW, Suite 550
Washington, DC 20005
kmaloney@cullenanddykman.com

Leonard J. Willey
Elizabethtown Gas
300 Connell Drive, Suite 3000
Berkeley Heights, NJ 07922
lwilley@agresources.com

Scott Carter
AGL Resources
Ten Peachtree Place
Atlanta, GA 30309
scarter@aglresources.com

Kristi Izzo, Secretary
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350
Kristi.Izzo@bpu.state.nj.us

Dennis Moran
Board of Public Utilities
44 South Clinton Ave. 9th Fl.
PO Box 350
Trenton, NJ 08625-0350
Dennis.Moran@bpu.state.nj.us

Robert Schultheis
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350
Robert.Schultheis@bpu.state.nj.us

Stefanie A. Brand, Director
Division of Rate Counsel
140 East Front Street, 4th Floor
Trenton, NJ 08625
smassey@rpa.state.nj.us

Brian Lipman, Litigation Manager
Division of Rate Counsel
140 East Front Street, 4th Floor
Trenton, NJ 08625
blipman@rpa.state.nj.us

Robert Henkes
Henkes Consulting
7 Sunset Road
Old Greenwich, CT 06870
rhenkes@optonline.net

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

-----X	
In The Matter Of The Petition Of Pivotal Utility :	BPU Docket No. GR14060538
Holdings, Inc. d/b/a Elizabethtown Gas To :	
Review Its Periodic Basic Gas Supply :	STIPULATION REGARDING
Service Rate :	PROVISIONAL BGSS RATES
-----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, Managing Attorney Gas, Division of Rate Counsel, James Glassen, Esq., Assistant Deputy Rate Counsel, and **Kurt S. Lewandowski, Esq.**, Assistant Deputy Rate Counsel, Division of Rate Counsel (Stefanie A. Brand, Director, Division of Rate Counsel)

Alex Moreau, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (John Jay Hoffman, Acting Attorney General of New Jersey)

1. On May 30, 2014, Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas, ("Elizabethtown" or "Company") filed a Petition ("May 30 Petition") with the New Jersey Board of Public Utilities ("Board" or "BPU") in BPU Docket No. GR14060538 to revise its Periodic Basic Gas Supply Service ("BGSS-P") rate for the period October 1, 2014 through September 30, 2015.

2. In its May 30 Petition, Elizabethtown proposed to decrease its current BGSS-P rate from \$0.6241 per therm inclusive of all applicable taxes to \$0.5045 per therm inclusive of all applicable taxes to become effective October 1, 2014. As set forth in the May 30 Petition, the Company projected that it would have an estimated overrecovery balance as of September 30, 2014 of approximately \$6.6 million. The proposed BGSS-P rate of \$0.5045 per therm is designed to bring the BGSS balance to approximately zero as of September 30, 2015, and, at the

time of filing, would have decreased the monthly bill of a typical residential heating customer using 100 therms by \$11.96 from \$118.44 to \$106.48, a decrease of 10.1%.¹ The projected impact of the BGSS-P rate of \$0.5045 per therm is a decrease in gas cost recoveries of approximately \$26 million before taxes and assessments in the year ending September 30, 2015 as compared to the amount that would otherwise be recovered by Elizabethtown under the current BGSS-P rate of \$0.6241 per therm. Based on the Company's current volume forecast, under the BGSS-P rate of \$0.6241 per therm, Elizabethtown would collect approximately \$175.4 million before taxes and assessments. In contrast, under the proposed BGSS-P rate of \$0.5045 per therm, Elizabethtown would collect approximately \$149.6 million before taxes and assessments.

3. Notices setting forth the requested rate change and the dates of the public hearings were placed in newspapers having circulation within Elizabethtown's service territory and served on the county executives and clerks of all municipalities within the Company's service territory. Public hearings concerning the Company's Petition were held in Flemington, New Jersey on August 18, 2014 and Rahway, New Jersey on August 20, 2014. No members of the public attended.

4. Elizabethtown, the Board's Staff and the Division of Rate Counsel ("Rate Counsel") are the only parties to this proceeding (collectively "the Parties"). The Parties agree that additional time is needed to complete a comprehensive review of the Company's filing and that permitting Elizabethtown's proposed BGSS-P rate to become effective on a provisional basis is reasonable to provide customers with the benefit of the rate decrease proposed in the May 30

¹ Based on updated bills reflecting rate adjustments since the BGSS-P filing was made on May 30, 2014, the proposed BGSS-P rate would decrease the monthly bill of a typical residential heating customer using 100 therms by \$11.96 from \$112.18 to \$100.22, a decrease of 10.7%.

Petition while also permitting Elizabethtown to timely collect BGSS costs as additional review of the Company's filing takes place.

5. The Parties have determined and hereby **STIPULATE AND AGREE** that, pending the conclusion of any further review and discussions among the Parties and a final determination by the Board, and pursuant to N.J.S.A. 48:2-21.1, it would be both reasonable and in the public interest for the Board to authorize Elizabethtown to implement a provisional BGSS-P rate of \$0.5045 per therm to be effective as October 1, 2014, as filed in its May 30 Petition, inclusive of all applicable taxes. A final rate will be implemented after an opportunity for a full review of the Company's filing in this proceeding at the Office of Administrative Law and final Board approval. In accordance with the Board's January 6, 2003 Order in BPU Docket No. GX01050304, the Company may seek to implement provisional increases in its BGSS-P rate of up to 5% to be effective December 1, 2014 and February 1, 2015, if the Company determines that such increases are necessary to permit it to avoid a BGSS underrecovery balance at September 30, 2015.

6. The Company will submit tariff sheets in the form attached as Exhibit A within five (5) days of the effective date of the Board's Order approving this Stipulation.

7. The Company agrees to continue to provide electronically to the Parties in this proceeding, on a monthly basis, the following updated information: 1) the BGSS NYMEX update report (also known as S-E Chart-1, attached as Exhibit B); and 2) a monthly report showing the calculation of net gas per therm (also known as S-E Chart-2, attached as Exhibit C). S-E Chart-1 is to be completed using information from the first Friday of the month and submitted to the Parties the following Tuesday. S-E Chart-2 is to be submitted to the Parties on approximately the 15th of the following month.

8. This Stipulation represents a mutual balancing of interests and therefore is intended to be accepted and approved in its entirety. In the event that the Board does not adopt this Stipulation in its entirety in an Order, then any Party hereto is free to pursue its then available legal remedies with respect to all issues in this Stipulation as though this Stipulation had not been signed.

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

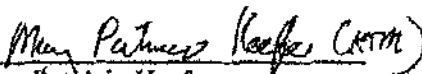
10. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of this proceeding. Except as expressly provided herein, Elizabethtown, Board Staff, or Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein.

11. The Parties further acknowledge that a Board Order approving this Stipulation will become effective upon the service of said Board Order, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.

WHEREFORE, the Parties hereto do respectfully submit this Stipulation to the Board of Public Utilities and request the Board to issue a Decision and Order approving this Stipulation in its entirety in accordance with the terms hereof.

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

STEFANIE A. BRAND
DIRECTOR, DIVISION OF
RATE COUNSEL

By: 
Mary Patricia Keefe
Vice President, Regulatory Affairs
and Assistant Corporate Secretary

By: 
Kurt S. Lewandowski, Esq,
Assistant Deputy Rate Counsel

JOHN JAY HOFFMAN
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the New Jersey Board of Public Utilities

By: 
Alex Moreau, DAG

Dated: September 10, 2014

RIDER "A"

BASIC GAS SUPPLY SERVICE CHARGE ("BGSS")

This Rider sets forth the method of determining the BGSS which shall be calculated to four (4) decimal places on a per therm basis established in accordance with the Board Order in Docket No. GX01050304 dated January 6, 2003. The BGSS charge is either BGSS-Monthly ("BGSS-M") or BGSS-Periodic ("BGSS-P") and will be applied to a Customer's Service Classification as follows:

1. The BGSS-M shall be applicable to all GDS, NGV, LVD, and EGF customers receiving gas supply from the Company effective on the first of each month as determined below.
2. The BGSS-P shall be applicable to all RDS, SGS, and GLS customers receiving gas supply from the Company.

The BGSS Charge, as defined herein, is designed to recover the cost to the Company of purchased gas or fuel used as a substitute for or supplemental to purchased gas including the cost of storing or transporting said gases or fuel, the cost of financial instruments employed to stabilize gas costs, other charges or credits as may result from the operation of other tariff provisions, and taxes and assessments in connection with the purchase and sale of gas.

BGSS per therm rates:

<u>Effective Date</u>	<u>BGSS-M per therm</u>	<u>BGSS-P Per therm</u>
August 1, 2013	\$0.6082	\$0.6663
September 1, 2013	\$0.6202	\$0.6663
October 1, 2013	\$0.6126	\$0.6241
November 1, 2013	\$0.6050	\$0.6241
December 1, 2013	\$0.6406	\$0.6241
January 1, 2014	\$0.7062	\$0.6241
February 1, 2014	\$0.8341	\$0.6241
March 1, 2014	\$0.7560	\$0.6241
April 1, 2014	\$0.7259	\$0.6241
May 1, 2014	\$0.7496	\$0.6241
June 1, 2014	\$0.7264	\$0.6241
July 1, 2014	\$0.7022	\$0.6241
August 1, 2014	\$0.6371	\$0.6241
September 1, 2014	*	\$0.6241
October 1, 2014	*	\$0.5045

**To be determined*

Date of Issue:

Effective: Service Rendered
on and after

Issued by: Brian MacLean
 Vice President, Operations
 300 Connell Drive, Suite 3000
 Berkeley Heights, New Jersey 07922

Filed Pursuant to Order of the Board of Public Utilities
 Dated in Docket No. GR14060538

RIDER "A"

BASIC GAS SUPPLY SERVICE CHARGE ("BGSS")

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1. The BGSS-M shall be applicable to all GDS, NGV, LVD, and EGF customers receiving gas supply from the Company effective on the first of each month as determined below.
2. The BGSS-P shall be applicable to all RDS, SGS, and GLS customers receiving gas supply from the Company.

The BGSS Charge, as defined herein, is designed to recover the cost to the Company of purchased gas or fuel used as a substitute for or supplemental to purchased gas including the cost of storing or transporting said gases or fuel, the cost of financial instruments employed to stabilize gas costs, other charges or credits as may result from the operation of other tariff provisions, and taxes and assessments in connection with the purchase and sale of gas.

BGSS per therm rates:

<u>Effective Date</u>	<u>BGSS-M per therm</u>	<u>BGSS-P Per therm</u>
July 1, 2013	\$0.6357	\$0.6663
August 1, 2013	\$0.6082	\$0.6663
September 1, 2013	\$0.6202	\$0.6663
October 1, 2013	\$0.6126	\$0.6241
November 1, 2013	\$0.6050	\$0.6241
December 1, 2013	\$0.6406	\$0.6241
January 1, 2014	\$0.7062	\$0.6241
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June 1, 2014	\$0.7264	\$0.6241
July 1, 2014	\$0.7022	\$0.6241
August 1, 2014	\$0.6371	\$0.6241
September 1, 2014		\$0.6241
October 1, 2014		\$0.6015

Date of Issue: August 1, 2014

Effective: Service Rendered
 on and after August 1, 2014

Issued by: Juan Rodriguez
 Vice President, Operations & Service President, Elizabethtown Gas
 300 Connell Drive, Suite 3000
 Berkeley Heights, New Jersey 07922

Filed Pursuant to Order of the Board of Public Utilities

Dated July 23, 2014 in Docket No. GX01050304

S-ECHART-1
BGSS NYMEX Update Report
as of August 01, 2014

Month	a	b	c = b - a		d	e	f = d - e	g = c x f
	BGSS (see note below)	NYMEX (8/1/2014 Close)	Incr/ (Decr)	% Cha	Sales forecast (dths)	Hedged volume (dths)	Unhedged volume (dths)	Change in value unhedged
Oct-13	\$ 4.081	\$ 3.498	\$ (0.583)		1,471,426	747,100	724,326	(\$422,282)
Nov-13	\$ 4.165	\$ 3.497	\$ (0.668)		2,541,219	1,147,376	1,393,843	(\$931,087)
Dec-13	\$ 4.339	\$ 3.818	\$ (0.521)		5,065,879	3,024,793	2,041,086	(\$1,063,406)
Jan-14	\$ 4.423	\$ 4.407	\$ (0.016)		5,468,048	3,690,537	1,777,511	(\$28,440)
Feb-14	\$ 4.399	\$ 5.557	\$ 1.158		3,832,847	3,019,266	813,581	\$942,127
Mar-14	\$ 4.336	\$ 4.855	\$ 0.519		3,106,215	2,100,025	1,006,190	\$522,213
Apr-14	\$ 4.106	\$ 4.584	\$ 0.478		1,671,357	721,100	950,257	\$454,223
May-14	\$ 4.104	\$ 4.795	\$ 0.691		849,854	461,100	388,754	\$268,629
Jun-14	\$ 4.135	\$ 4.619	\$ 0.484		634,803	311,100	323,703	\$156,672
Jul-14	\$ 4.168	\$ 4.400	\$ 0.232		578,029	311,100	266,929	\$61,928
Aug-14	\$ 4.189	\$ 3.808	\$ (0.381)		585,763	341,100	244,663	(\$93,217)
Sep-14	\$ 4.188	\$ 3.798	\$ (0.390)		628,085	341,100	286,985	(\$111,924)
Avg Total \$	\$ 4.219	\$ 4.303	\$ 0.084	2.0%	26,433,525	16,215,697	10,217,828	(\$244,565)
Oct-14	\$ 4.422	\$ 3.822	\$ (0.600)		1,459,614	781,100	678,514	(\$407,108)
Nov-14	\$ 4.467	\$ 3.885	\$ (0.582)		2,453,640	1,619,089	834,551	(\$485,709)
Dec-14	\$ 4.573	\$ 3.967	\$ (0.606)		4,764,346	3,379,394	1,384,952	(\$839,281)
Jan-15	\$ 4.640	\$ 4.039	\$ (0.601)		5,291,977	3,487,736	1,804,241	(\$1,084,349)
Feb-15	\$ 4.614	\$ 4.031	\$ (0.583)		3,918,789	2,548,843	1,369,946	(\$798,678)
Mar-15	\$ 4.519	\$ 3.965	\$ (0.554)		3,033,286	2,158,370	874,916	(\$484,703)
Apr-15	\$ 4.072	\$ 3.738	\$ (0.334)		1,413,434	751,100	662,334	(\$221,220)
May-15	\$ 4.046	\$ 3.728	\$ (0.318)		771,506	471,100	300,406	(\$95,529)
Jun-15	\$ 4.064	\$ 3.762	\$ (0.302)		695,791	321,100	374,691	(\$113,157)
Jul-15	\$ 4.088	\$ 3.797	\$ (0.291)		560,128	311,100	249,028	(\$72,467)
Aug-15	\$ 4.083	\$ 3.607	\$ (0.276)		538,596	351,100	187,496	(\$51,749)
Sep-15	\$ 4.068	\$ 3.794	\$ (0.274)		575,141	330,400	244,741	(\$67,059)
Avg Total \$	\$ 4.305	\$ 3.861	\$ (0.443)	-10.3%	25,476,248	16,510,433	8,965,815	(\$4,721,009)

Footnotes:

a : Nymex rate used for annual BGSS periodic rate filing; Oct-2013 to Sept-2014 based on 05/8/2013 Close and Oct-2014 to Sept-2015 based on 05/12/2014 Close.

b : Nymex rate as of date of the report

c : Increase/Decrease in the Nymex rate compared to rate used for annual BGSS periodic rate filing

d : Sales forecast (includes fuel requirement) at a receipt point/wellhead equivalent volume

e : 'Hedged' volume consists of all fixed price contracts (financial or physical), purchased call option positions, and tentative storage withdrawal volumes (reduced by fuel required for delivery to citygate)

f : 'Unhedged' volume consists of sales volume forecast less 'hedged' volume

g : Not necessarily representative of a change in under/over-recovery value

S-ECHART-2

Exhibit C

Page 1

Elizabethtown Gas
Calculation of Net Cost of Gas Per Therm

	Actual Oct-13	Actual Nov-13	Actual Dec-13	Actual Jan-14	Actual Feb-14	Actual Mar-14	Actual Apr-14	Actual May-14	Actual Jun-14	Actual Jul-14	Estimate Aug-14	Estimate Sep-14	12 Month Weighted Average
1 NYMEX - 05/8/13 - Included in BGSS Filing	\$0.4081	\$0.4165	\$0.4339	\$0.4423	\$0.4399	\$0.4336	\$0.4106	\$0.4104	\$0.4135	\$0.4168	\$0.4189	\$0.4188	
2 NYMEX - Actual Settlement	\$0.3498	\$0.3497	\$0.3818	\$0.4407	\$0.5557	\$0.4855	\$0.4584	\$0.4795	\$0.4619	\$0.4400			
Breakdown of Gross Cost of Gas Per Therm:													
13 Flowing Gas Cost	-\$0.0662	\$0.4113	\$0.2816	\$0.5399	\$0.4671	\$0.3603	\$0.0695	-\$0.1052	-\$0.3277	-\$0.1281	-\$0.0609	\$0.0570	\$0.2994
14 Gas Withdrawn From Storage Cost	\$0.0543	\$0.1851	\$0.2011	\$0.1945	\$0.1360	\$0.1274	\$0.0382	\$0.0025	\$0.0057	\$0.0064	\$0.0036	\$0.0034	\$0.1261
15 Hedged Volumes Delivered Cost	\$0.8544	\$0.2825	\$0.1448	\$0.1028	\$0.0665	\$0.0752	\$0.1825	\$0.3024	\$0.5520	\$0.7178	\$0.6618	\$0.5901	\$0.1855
16 Pipeline Demand Cost	\$0.5921	\$0.2346	\$0.1064	\$0.0818	\$0.0672	\$0.0828	\$0.1099	\$0.2366	\$0.5073	\$0.6646	\$0.8366	\$0.8198	\$0.1626
17 Storage Demand Cost	\$0.1356	\$0.0529	\$0.0254	\$0.0189	\$0.0159	\$0.0185	\$0.0283	\$0.0571	\$0.1186	\$0.1525	\$0.2025	\$0.1986	\$0.0383
18 Peaking Cost	\$0.0000	\$0.0000	\$0.0120	\$0.0034	\$0.0029	\$0.0033	\$0.0004	\$0.0002	\$0.0183	\$0.0000	\$0.0000	\$0.0000	\$0.0038
19 Weighted Average Fuel Cost	\$0.0628	\$0.0309	\$0.0187	\$0.0277	\$0.0234	\$0.0187	\$0.0178	\$0.0236	\$0.0371	\$0.0490	\$0.1121	\$0.1201	\$0.0275
20 Variable Pipeline Cost	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0339	\$0.0353	\$0.0012
21 Other Costs	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
22 Total Gross Cost of Gas Per Therm	\$1.6331	\$1.1974	\$0.7901	\$0.9690	\$0.7788	\$0.6864	\$0.4466	\$0.5173	\$0.9112	\$1.4621	\$1.7894	\$1.8242	\$0.8443
	Actual Oct-12	Actual Nov-12	Actual Dec-12	Actual Jan-13	Actual Feb-13	Actual Mar-13	Actual Apr-13	Actual May-13	Actual Jun-13	Actual Jul-13	Actual Aug-13	Actual Sep-13	Weighted Average
23 NYMEX - Actual Settlement	\$0.3023	\$0.3471	\$0.3696	\$0.3354	\$0.3226	\$0.3427	\$0.3976	\$0.4152	\$0.4148	\$0.3707	\$0.3459	\$0.3567	
Breakdown of Gross Cost of Gas Per Therm:													
24 Flowing Gas Cost	-\$0.1962	\$0.3830	\$0.1347	\$0.2300	\$0.2023	\$0.1996	\$0.0738	\$0.0549	-\$0.1743	-\$0.2214	-\$0.2007	-\$0.0707	\$0.1393
25 Gas Withdrawn From Storage Cost	\$0.0172	\$0.2122	\$0.2042	\$0.1734	\$0.1343	\$0.0967	\$0.0136	\$0.0373	\$0.0146	\$0.0286	\$0.0293	\$0.0147	\$0.1138
26 Hedged Volumes Delivered Cost	\$1.0332	\$0.3516	\$0.2126	\$0.1594	\$0.1043	\$0.1177	\$0.2074	\$0.3707	\$0.4788	\$0.7373	\$0.7385	\$0.6720	\$0.2482
27 Pipeline Demand Cost	\$0.5207	\$0.2212	\$0.1154	\$0.0969	\$0.0746	\$0.0849	\$0.1354	\$0.3033	\$0.4872	\$0.7223	\$0.7509	\$0.6979	\$0.1809
28 Storage Demand Cost	\$0.1253	\$0.0541	\$0.0289	\$0.0241	\$0.0175	\$0.0212	\$0.0305	\$0.0703	\$0.1113	\$0.1644	\$0.1713	\$0.1599	\$0.0427
29 Peaking Cost	\$0.0000	\$0.0091	\$0.0094	\$0.0042	\$0.0035	\$0.0037	\$0.0007	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0038
30 Weighted Average Fuel Cost	\$0.0646	\$0.0343	\$0.0163	\$0.0179	\$0.0142	\$0.0150	\$0.0197	\$0.0381	\$0.0439	\$0.0636	\$0.0631	\$0.0651	\$0.0239
31 Variable Pipeline Cost	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
32 Other Costs	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
33 Total Gross Cost of Gas Per Therm	\$1.5648	\$1.2654	\$0.7216	\$0.7059	\$0.5505	\$0.5388	\$0.4811	\$0.8746	\$0.9616	\$1.4947	\$1.5523	\$1.5388	\$0.7526

Footnotes:

- Flowing Gas Cost = Gas purchased for delivery to city gate during month - not injected into storage
- Gas Withdrawn From Storage Cost = Gas withdrawn from storage - includes cost of injection, withdrawal, fees, line loss
- Hedged Volumes Delivered Cost = Hedged Volumes delivered to city gate - not injected into storage
- Pipeline Demand Cost = Fixed Pipeline costs
- Storage Demand Cost = Fixed Storage related costs
- Peaking Cost = Peaking Cost includes peaking services, LNG, Propane, etc...
- Weighted Average Fuel Cost = Commodity x fuel % for each pipeline - represents portion of gas shipped that is retained by pipeline
- Variable Pipeline Cost = Pipeline Charge per therm shipped

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

S-ECHART-2

Exhibit C

Page 2

Elizabethtown Gas
Calculation of Net Cost of Gas Per Therm

	Actual Oct-13	Actual Nov-13	Actual Dec-13	Actual Jan-14	Actual Feb-14	Actual Mar-14	Actual Apr-14	Actual May-14	Actual Jun-14	Actual Jul-14	Actual Aug-14	Actual Sep-14	12 Month Weighted Average
Credits, Refunds, & Recoveries Per Therm:													
1 Asset Management Credits	\$0.0000	\$0.0000	\$0.0390	\$0.0000	\$0.0000	\$0.0287	\$0.0000	\$0.5876	\$0.1664	\$0.0000	\$0.0000	\$0.2876	\$0.0505
2 Off-system sales	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
3 Capacity release	\$0.0052	\$0.0021	\$0.0009	\$0.0007	\$0.0006	\$0.0007	\$0.0011	\$0.0024	\$0.0051	\$0.0065	\$0.0072	\$0.0069	\$0.0015
4 On System Credits to BGSS-P Customers	\$0.2528	\$0.1868	\$0.1715	\$0.1813	\$0.2008	\$0.2131	\$0.1870	\$0.2001	\$0.2619	\$0.2886	\$0.3005	\$0.2972	\$0.2012
5 Supplier Refunds	\$0.0000	\$0.0010	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.2031	\$0.0000	-\$0.0008	\$0.0000	\$0.0000	\$0.0109
6 Gas for Company Use	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
7 Line Loss	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
8 Transfer to Non BGSS-P Customers	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
9 Over / Under Recovery & Interest to Customers	\$0.7688	\$0.4269	\$0.0016	\$0.2199	\$0.0061	-\$0.1345	-\$0.3401	-\$1.0411	-\$0.1510	\$0.5770	\$0.8999	\$0.6506	\$0.0015
10 Other	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
11 Total Credits, Refunds, & Recoveries per Therm	\$1.0268	\$0.6168	\$0.2131	\$0.4018	\$0.2076	\$0.1080	-\$0.1519	-\$0.0480	\$0.2823	\$0.8714	\$1.2076	\$1.2424	\$0.2656
12 Total Net Cost Per Therm (Pg 1 Line 22 - Pg 2 Line 11)	\$0.6063	\$0.5806	\$0.5770	\$0.5671	\$0.5712	\$0.5783	\$0.5985	\$0.5653	\$0.6289	\$0.5908	\$0.5819	\$0.5819	\$0.5787

	Actual Oct-12	Actual Nov-12	Actual Dec-12	Actual Jan-13	Actual Feb-13	Actual Mar-13	Actual Apr-13	Actual May-13	Actual Jun-13	Actual Jul-13	Actual Aug-13	Actual Sep-13	Weighted Average
Credits, Refunds, & Recoveries Per Therm:													
13 Asset Management Credits	\$0.0000	\$0.0000	\$0.0446	\$0.0000	\$0.0000	\$0.0327	\$0.0000	\$0.0949	\$0.1763	\$0.0000	\$0.0000	\$0.2533	\$0.0272
14 Off-system sales	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
15 Capacity release	\$0.0052	\$0.0023	\$0.0012	\$0.0009	\$0.0008	\$0.0008	\$0.0011	\$0.0027	\$0.0043	\$0.0063	\$0.0065	\$0.0062	\$0.0017
16 On System Credits to BGSS-P Customers	\$0.2143	\$0.1668	\$0.1707	\$0.1576	\$0.1539	\$0.1560	\$0.1583	\$0.2082	\$0.2515	\$0.2767	\$0.2719	\$0.2865	\$0.1739
17 Supplier Refunds	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0082	\$0.0000	\$0.0000	\$0.0000	\$0.0001	\$0.0003	\$0.0000	\$0.0014
18 Gas for Company Use	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
19 Line Loss	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
20 Transfer to Non BGSS-P Customers	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
21 Over / Under Recovery & Interest to Customers	\$0.7342	\$0.4750	-\$0.1121	-\$0.0757	-\$0.2260	-\$0.2757	-\$0.2961	-\$0.0417	-\$0.1076	\$0.5854	\$0.6711	\$0.3781	-\$0.0708
22 Other	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
23 Total Credits, Refunds, & Recoveries per Therm	\$0.9537	\$0.6440	\$0.1044	\$0.0828	-\$0.0714	-\$0.0779	-\$0.1367	\$0.2640	\$0.3245	\$0.8685	\$0.9498	\$0.9242	\$0.1334
24 Total Net Cost Per Therm (Pg 1 Line 33 - Pg 2 Line 23)	\$0.6110	\$0.6215	\$0.6172	\$0.6231	\$0.6219	\$0.6168	\$0.6178	\$0.6106	\$0.6371	\$0.6262	\$0.6025	\$0.6146	\$0.6192

Footnotes:

On System Credits to BGSS-P Customers = Interruptible Sales, Cogeneration, Electric Plant Transfers, Sayerville, Forked River, Ocean Power, etc...

Line Loss = Gross Cost of Gas per Therm x Line Loss Percentage

Indicate that Line 12 equals the projected BGSS-P rate or provide a calculation below that reconciles the two numbers.

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