

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

TO OUR CUSTOMERS:

On February 5, 2009, Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas ("Elizabethtown"), filed a Petition with the New Jersey Board of Public Utilities ("BPU") in Docket No. GR09010060 pursuant to N.J.S.A. 48:3-98.1, 48:2-21.1 and 48:2-21 seeking approval to implement its Energy Efficiency Programs and also seeking approval of an associated cost recovery mechanism in the form of a Tariff Rider. Under the proposed Tariff Rider, Elizabethtown would be permitted to make annual filings to recover capital costs, increased depreciation expense, operating and maintenance costs and certain related carrying costs associated with the following energy efficiency programs: (1) Initial "Whole House" Energy Efficiency Program; (2) Initial Residential Expanded HVAC/Water Heater Program; (3) Small Commercial Customer Program; (4) Large Commercial Customer Program; (5) Combined Heat & Power Program; (6) Gas Cooling Program; (7) Base "Whole House" Energy Efficiency Program; and (8) Base Residential Expanded HVAC/Water Heater Program. These programs will provide customers with increased incentives to reduce their natural gas consumption.

Elizabethtown's proposed Energy Efficiency Programs are being filed in connection with the State's Regional Greenhouse Gas Initiative legislation and directly support Governor Corzine's Economic Stimulus Plan and New Jersey's Energy Master Plan. The Energy Efficiency Programs comprise six (6) initial programs to be offered for a two-year period and two (2) base programs to be offered on a longer-term basis. The total amount costs to be recovered in connection with these programs total approximately \$14.7 million over a two year period.

The proposed Tariff Rider seeks to recover (1) a \$0.0036 per therm surcharge to be assessed to the Company's residential service classification customers effective April 1, 2009; and (2) a \$0.0010 per therm surcharge to be assessed to the Company's firm commercial and industrial service classification customers effective April 1, 2009. These surcharges shall apply to all firm customers, including the RDS, SGS, GDS, MFS, TC, LVD, IPF, EGF, GLS and FTS service classes, except for firm customers served under special contracts previously approved by and filed with the Board. The Company will file an annual reconciliation Petition every February 1 reflecting a true-up for actual costs and recoveries for the previous years and projected revenue requirements for the upcoming year. Petitioner proposes to recover no more than its actual costs of providing the Energy Efficiency Programs.

The effect of the Company's filing on typical residential gas bills is illustrated below:

<u>Consumption in Therms</u>	<u>Present Bill</u>	<u>Proposed Bill</u>	<u>Change in Bill</u>	<u>Percent Change</u>
10	\$24.59	\$24.63	\$0.04	0.2%
50	\$91.22	\$91.40	\$0.18	0.2%
100	\$171.37	\$171.73	\$0.36	0.2%
250	\$411.82	\$412.72	\$0.90	0.2%

Any assistance required by Customers in ascertaining the impact of the proposed tariff rider will be provided by the Company on request.

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

Copies of the Petition are available for inspection at the Company offices located at 300 Connell Drive, Suite 3000, Berkeley Heights, New Jersey or online at Elizabethtown's website: www.elizabethtowngas.com or at the Board of Public Utilities, Two Gateway Center, Newark, New Jersey, 07102.

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

March 3, 2009, 3:30 and 5:30 P.M.
Hunterdon County Complex, Route 12, Building #1, Flemington, New Jersey 08822

March 11, 2009, 3:30 and 5:30 P.M.
Rahway Municipal Council, Court Chambers, City Hall Plaza, Rahway, New Jersey 07065

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 increases. In order to encourage full participation in this opportunity for public comment, please submit requests for needed accommodations, including interpreter, listening devices and/or mobility assistance, 48 hours prior to this hearing. 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: Honorable Kristi Izzo, Secretary, Board of Public Utilities, Two Gateway Center, Newark, New Jersey, 07102.

Hearings will continue, if necessary, on such additional dates and at such locations as the Board of Public Utilities may designate in order to ensure that all interested persons may be heard.

**Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas
Donald Carter – Vice President of Operations**