



Elizabethtown Gas™

An **AGL Resources** Company

300 Connell Drive, Suite 3000
Berkeley Heights, NJ 07922

908 289 5000 phone
www.elizabethtowngas.com

July 1, 2009

Honorable Kristi Izzo, Secretary
State of New Jersey
Board of Public Utilities
Two Gateway Center
Newark, New Jersey 07102

Re: In the Matter of the 2009/2010 Annual Compliance Filing for the Universal Service Fund and Lifeline Program Components Within the Societal Benefits Charge Rate Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:-21.1 Submitted by Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas - BPU Docket No. EX00020091

Dear Secretary Izzo:

Kindly accept for filing in letter form an original and ten copies of Pivotal Utility Holdings, Inc., d/b/a Elizabethtown Gas ("Elizabethtown" or "Company") 2009/2010 filing for its Universal Service Fund ("USF") and Lifeline components of its Societal Benefits Charge ("SBC") rate. This filing is in compliance with the New Jersey Board of Public Utilities' ("Board") Orders, under the above-referenced Docket, dated April 30, 2003, July 16, 2003, June 30, 2004 and June 22, 2005. The (i) USF gas rate is proposed to decrease from \$0.217 to \$0.0125 per therm inclusive of taxes, and (ii) the Lifeline gas rate is proposed to decrease from \$0.0059 to \$0.0057 per therm inclusive of taxes, for a total net decrease of \$0.0094 per therm inclusive of taxes. The rates currently in effect were approved by the Board in its Order dated October 21, 2008 in Docket No. ER08060455.

Based upon the actual results known to date for the 2008/2009 program year and the available estimates for the 2009/2010 program year, the proposed USF electric and gas rates are designed to recover \$182.3 million statewide. The proposed Lifeline gas and electric rates are designed to recover \$76.8 million statewide. These proposed rates are based on available gas and electric jurisdictional usage estimates for 2009/2010. Attachment A to the Compliance Filing being made by Public Service Electric & Gas in this proceeding presents the combined data of each of the State's electric and gas public utilities used to develop the proposed USF and Lifeline statewide electric and gas rates.

The Company has appended proposed tariff sheets, effective October 1, 2009, to reflect the proposed gas USF and Lifeline rates noted above as Attachment A. The proposed rates are designed to recover Elizabethtown's portion of the above-referenced 2009/2010 statewide total USF and Lifeline programs. The Company will not be conducting public hearings since both the proposed USF and Lifeline rates reflect decreases.

The proposed statewide rate changes are as follows:

	Present	Proposed
USF	\$0.0217	\$0.0125
Lifeline	\$0.0059	\$0.0057

The impact of the proposed rate changes on typical monthly residential gas bills for customers taking gas service under the Residential Delivery Service tariff are as follows:

<u>Consumption in Therms</u>	<u>Present Bill *</u>	<u>Proposed Bill</u>	<u>Change in Bill</u>	<u>Percent Change</u>
10	\$24.62	\$24.53	(\$0.09)	(0.4%)
50	\$91.40	\$90.93	(\$0.47)	(0.5%)
100	\$171.73	\$170.79	(\$0.94)	(0.5%)
250	\$412.74	\$410.39	(\$2.35)	(0.6%)

*For Rates in effect on June 1, 2009

Accordingly, the Company respectfully requests that the Board issue an Order approving the proposed statewide gas USF and Lifeline rates as shown in the proposed tariff sheets appended hereto as Attachment A effective for gas service rendered on and after October 1, 2009.

If you have any questions concerning the above, please contact Thomas Kaufmann at 908-771-8225

Respectfully submitted,

/s/ Mary Patricia Keefe

Mary Patricia Keefe, Esq.
Vice President, Regulatory Affairs

cc: Service List

RIDER "D"

SOCIETAL BENEFITS CHARGE ("SBC")

Applicable to all tariff Service Classifications except those Customers under special contracts that explicitly do not permit the Company to apply increased charges or assessments as filed and approved by the NJBPU.

The SBC is designed to recover the (1) cost of Comprehensive Resource Analysis Programs that were approved by the Board pursuant to its Comprehensive Resource Analysis regulations prior to April 30, 1997, (2) cost of Manufactured Gas Plant Remediation, and (3) cost of Consumer Education and any other new programs which the Board determines should be recovered through the Societal Benefits Charge.

<u>SBC Rate Components:</u>		<u>Per Therm</u>
I.	New Jersey Clean Energy Program ("CEP")	\$0.0158
II.	Remediation Adjustment Charge ("RAC")	(\$0.0020)
III.	<u>Universal Service Fund and Lifeline:</u>	
	1. Universal Service Fund ("USF")	\$0.0125
	2. Lifeline	\$0.0057
	TOTAL	<u>\$0.0320</u>

In accordance with P.L. 1997, c. 162, the charges applicable under this Rider include provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein.

I. New Jersey Clean Energy Program Component ("CEP")

The Comprehensive Resource Analysis ("CRA") name was changed to the Clean Energy Program - CEP per Board Order dated January 22, 2003 in Docket No. EX99050347 *et.al*. The CEP is a mechanism that will (1) establish a rate to recover the costs of the Core and Standard Offer Programs in the Company's CEP Plan which was approved by the Board of Public Utilities ("BPU") in Docket No. GE92020104, and (2) compensate the Company for the revenue erosion resulting from conservation savings created by the Standard Offer Program. The annual recovery period for the CEP is from October 1 through September 30. The CEP recovers program costs and revenue erosion incurred during the previous CEP year ended June 30.

1. CEP program costs include the costs of core programs, standard offer payments and any administrative costs not recovered directly from standard offer providers.

Date of Issue:

Effective: Service Rendered
on and after

Issued by: Jodi Gidley
Sr. Vice President, Mid-Atlantic 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. _____

ELIZABETHTOWN GAS
 B. P. U. NO. 13 – GAS
 CANCELLING
 B. P. U. NO. 12 – GAS

SECTION II
 TENTH REVISED SHEET NO. 93
 SUPERSEDING
 NINTH REVISED SHEET NO. 93

RIDER "D"

SOCIETAL BENEFITS CHARGE ("SBC")

Applicable to all tariff Service Classifications except those Customers under special contracts that explicitly do not permit the Company to apply increased charges or assessments as filed and approved by the NJBPU.

The SBC is designed to recover the (1) cost of Comprehensive Resource Analysis Programs that were approved by the Board pursuant to its Comprehensive Resource Analysis regulations prior to April 30, 1997, (2) cost of Manufactured Gas Plant Remediation, and (3) cost of Consumer Education and any other new programs which the Board determines should be recovered through the Societal Benefits Charge.

<u>SBC Rate Components:</u>		<u>Per Therm</u>
I.	New Jersey Clean Energy Program ("CEP")	\$0.0158
II.	Remediation Adjustment Charge ("RAC")	(\$0.0020)
III.	<u>Universal Service Fund and Lifeline:</u>	
	1. Universal Service Fund ("USF")	<u>\$0.0125</u> \$0.0217
	2. Lifeline	<u>\$0.0057</u> \$0.0059
	TOTAL	<u>\$0.0320</u> \$0.0414

In accordance with P.L. 1997, c. 162, the charges applicable under this Rider include provision for the New Jersey Sales and Use Tax, and when billed to customers exempt from this tax shall be reduced by the amount of such tax included therein.

I. New Jersey Clean Energy Program Component ("CEP")

The Comprehensive Resource Analysis ("CRA") name was changed to the Clean Energy Program - CEP per Board Order dated January 22, 2003 in Docket No. EX99050347 *et.al*. The CEP is a mechanism that will (1) establish a rate to recover the costs of the Core and Standard Offer Programs in the Company's CEP Plan which was approved by the Board of Public Utilities ("BPU") in Docket No. GE92020104, and (2) compensate the Company for the revenue erosion resulting from conservation savings created by the Standard Offer Program. The annual recovery period for the CEP is from October 1 through September 30. The CEP recovers program costs and revenue erosion incurred during the previous CEP year ended June 30.

- CEP program costs include the costs of core programs, standard offer payments and any administrative costs not recovered directly from standard offer providers.

Date of Issue: ~~October 24, 2008~~

Effective: Service Rendered
on and after October 24, 2008

Issued by: Jodi Gidley
 Sr. Vice President, Mid-Atlantic Operations
 300 Connell Drive, Suite 3000
 Berkeley Heights, New Jersey 07922

Filed Pursuant to Order of the Board of Public Utilities
 Dated ~~October 24, 2008~~ in Docket No. ER08060455

**PIVOTAL UTILITY HOLDINGS, INC. D/B/A ELIZABETHTOWN GAS
2009/2010 ANNUAL COMPLIANCE FILING FOR THE UNIVERSAL SERVICE FUND AND
LIFELINE PROGRAM COMPONENTS WITHIN THE SOCIETAL BENEFITS CHARGE RATE
BPU DOCKET NO. EX00020091**

SERVICE LIST

BPU

Alice Bator
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Robert Catona
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Maureen Clerc
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Matthew Davey
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Victoria Fisher
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Eliosa Flores
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Julie Ford-Williams
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Eric Hartsfield
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Peter Hilerio, Esq.
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Sheila Iannaccone
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Kristi Izzo, Secretary
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Jerome May
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Dennis Moran
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Dan Sussman
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Albert Weierman
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

DIVISION OF LAW

Ann Marie Shatto, DAG
Department of Law & Public Safety
Division of Law
124 Halsey Street, 5th Floor
P.O. Box 45029
Newark, NJ 07101

RATE COUNSEL

Stefanie A. Brand, Esq.
Division of Rate Counsel
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, NJ 07101

Paul Flanagan
Division of Rate Counsel
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, NJ 07101

Lisa Gurkas
Division of Rate Counsel
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, NJ 07101

Ami Morita, Esq.
Division of Rate Counsel
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, NJ 07101

Sarah Steindel, Esq.
Division of Rate Counsel
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, NJ 07101

Felicia Thomas-Friel, Esq.
Division of Rate Counsel
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, NJ 07101

Richard W. LeLash
Financial & Regulatory Consultant
18 Seventy Acre Road
W. Redding, CT 06896

ATLANTIC CITY ELECTRIC

Stacy Hertzfeld
PHI Rates & Technical Services
New Castle Regional Office
401 Eagle Run Road
Newark, DE 19702

Joseph Janocha, P.E.
PHI Rates & Technical Services
Atlantic Regional Office
5100 Harding Highway
Mays Landing, NJ 08330

Philip J. Passanante, Esq.
Pepco Holdings/Atlantic City
Electric Company
800 King Street, 5th Floor
P.O. Box 231
Wilmington, DE 19899-0231

Roger E. Pedersen
Atlantic City Electric Company
5100 Harding Highway
Mays Landing, NJ 08330

PIVOTAL UTILITY HOLDINGS, INC. D/B/A ELIZABETHTOWN GAS
2009/2010 ANNUAL COMPLIANCE FILING FOR THE UNIVERSAL SERVICE FUND AND
LIFELINE PROGRAM COMPONENTS WITHIN THE SOCIETAL BENEFITS CHARGE RATE
BPU DOCKET NO. EX00020091

SERVICE LIST

ELIZABETHTOWN GAS

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

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

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

Kenneth T. Maloney, Esq.
Cullen & Dykman
1101 14th Street NW, Suite 550
Washington, DC 20005

JCP&L

Sally J. Cheong
Jersey Central Power & Light Co.
300 Madison Avenue
Morristown, NJ 07962

Michael J. Filippone
Jersey Central Power & Light Co.
300 Madison Avenue
Morristown, NJ 07962

Susan D. Marano
Jersey Central Power & Light Co.
300 Madison Avenue
Morristown, NJ 07962

Michael J. Connolly
Thelen Reid Brown Raysman &
Steiner, LLP
200 Campus Drive, Suite 210
Florham Park, NJ 07932

N. J. NATURAL GAS

Anne-Marie Peracchio
New Jersey Natural Gas
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

Tina Sinks
New Jersey Natural Gas
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

Tracey Thayer, Esq.
New Jersey Natural Gas
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719

PSE&G

Mally Becker
Public Service Electric & Gas Co.
80 Park Plaza
P.O. Box 570
Newark, NJ 07101

Andrew K. Dembia, Esq.
Public Service Electric & Gas Co.
80 Park Plaza
P.O. Box 570
Newark, NJ 07101

Tracy Morgan
Public Service Electric & Gas Co.
80 Park Plaza
P.O. Box 570
Newark, NJ 07101

Francis I. Sundheim
Public Service Electric & Gas Co.
80 Park Plaza
P.O. Box 570
Newark, NJ 07101

ROCKLAND ELECTRIC

William A. Atzl, Jr.
Rockland Electric Company
Room 515-S
4 Irving Place
New York, NY 10003

John L. Carley, Esq.
Consolidated Edison Co. of NY
Law Dept., Room 1815-S
4 Irving Place
New York, NY 10003

John Pultz
Rockland Electric Company
4 Irving Place
New York, NY 10003

Rick Struck
Orange & Rockland Utilities, Inc.
Energy Services
390 West Route 59
Spring Valley, NY 10977-5320

SOUTH JERSEY GAS

Stacey Barnes
South Jersey Gas Company
One South Jersey Plaza
Route 54
Folsom, NJ 08037

James Fredericks
South Jersey Gas Company
One South Jersey Plaza
Route 54
Folsom, NJ 08037

Ira G. Megdal, Esq.
Cozen O'Connor
457 Haddonfield Road, Suite 300
Cherry Hill, NJ 08002

Samuel A. Pignatelli
South Jersey Gas Company
One South Jersey Plaza
Route 54
Folsom, NJ 08037