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*Via FedEx & Electronic Mail*

June 23, 2017

Irene Kim Asbury, Secretary  
State of New Jersey  
Board of Public Utilities  
44 South Clinton Avenue, 3rd Floor, Suite 314  
P.O. Box 350  
Trenton, NJ 08625-0350

**Re: In the Matter of the 2017/2018 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. \_\_\_\_\_**

Dear Secretary Asbury:

Kindly accept for filing in letter form an original and ten copies of the Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas ("Elizabethtown" or "Company") 2017/2018 filing for the Company's Universal Service Fund ("USF") and Lifeline components of its Societal Benefits Charge ("SBC") rate. This filing is made in compliance with the New Jersey Board of Public Utilities' ("Board") Orders in Docket No. EX00020091 dated April 30, 2003, July 16, 2003, June 30, 2004 and June 22, 2005. The change in rates inclusive of taxes are as follows: (i) the USF gas rate is proposed to decrease from \$0.0076 to \$0.0042 per therm, and (ii) the Lifeline gas rate is proposed to decrease from \$0.0051 to \$0.0049 per therm, resulting in a combined USF/Lifeline factor of \$0.0091 per therm, for a total net decrease of \$0.0036 per therm. The current rates, effective October 1, 2016, were approved by the Board in its Order dated September 23, 2016 in Docket No. ER16060536.

Based upon the actual results and available estimates known to date for the 2016/2017 program year and the available estimates for the 2017/2018 program year, the proposed USF gas rate is designed to recover approximately \$18.1 million statewide. The proposed Lifeline gas rate is designed to recover approximately \$21.6 million statewide. The proposed rates are based on available gas jurisdictional usage estimates for 2017/2018. Attachment A of the PSE&G Compliance Filing, in this proceeding, presents the combined data of each of the State's utilities used to develop the proposed USF and Lifeline gas rates. Note that Elizabethtown's therms used to compute statewide rates exclude therms for wholesale sales used to generate electricity per the Senate Bill 2381, P.L. 2011 c.9 ("LCAPP Legislation") signed into law on January 28, 2011.

The Company has appended proposed tariff sheets 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 2017/2018 statewide total USF and Lifeline programs. Because of the decreases in the statewide USF and Lifeline rates, there is no need for public hearings with respect to the 2017/2018 USF compliance filing.

The proposed statewide rate changes inclusive of taxes are as follows:

	Present	Proposed
USF	\$0.0076	\$0.0042
Lifeline	\$0.0051	\$0.0049

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:

Consumption in Therms	Present Bill*	Proposed Bill	Change in Bill	Percent Change
10	\$15.37	\$15.34	(\$0.03)	(0.2%)
50	\$44.91	\$44.73	(\$0.18)	(0.4%)
100	\$81.82	\$81.46	(\$0.36)	(0.4%)
250	\$192.57	\$191.67	(\$0.90)	(0.5%)

\*For rates in effect on June 1, 2017 inclusive of taxes and assessments.

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, 2017.

If you have any questions concerning the above, please contact Thomas Kaufmann at 908-662-8461.

Thank you.

Sincerely,

*/s/ Mary Patricia Keefe*

Mary Patricia Keefe

cc: Service List (*electronically*)

**PIVOTAL UTILITY HOLDINGS, INC. D/B/A ELIZABETHTOWN GAS**  
**2017/2018 ANNUAL COMPLIANCE FILING FOR THE UNIVERSAL SERVICE FUND AND LIFELINE PROGRAM**  
**COMPONENTS WITHIN THE SOCIETAL BENEFITS CHARGE RATE**  
**BPU DOCKET NO. \_\_\_\_\_**

**SERVICE LIST**

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<p><b><u>ACE</u></b>  Roger E. Pedersen  Atlantic City Electric Co. - 63ML38  5100 Harding Highway  Mays Landing NJ 08330  (609) 625-5820  roger.pedersen@pepcoholdings.com</p>	<p><b><u>BPU</u></b>  William Agee Esq.  Board of Public Utilities  44 South Clinton Avenue  3rd Floor, Suite 314  P.O. Box 350  Trenton NJ 08625-0350  (609) 292-1616  william.agee@bpu.nj.gov</p>	<p><b><u>BPU</u></b>  Alice Bator  Board of Public Utilities  44 South Clinton Avenue  3rd Floor, Suite 314  P.O. Box 350  Trenton NJ 08625-0350  (609) 943-5805  alice.bator@bpu.nj.gov</p>
<p><b><u>BPU</u></b>  Maureen Clerc  Board of Public Utilities  44 South Clinton Avenue  3rd Floor, Suite 314  P.O. Box 350  Trenton NJ 08625-0350  (609) 292-4219  maureen.clerc@bpu.nj.gov</p>	<p><b><u>BPU</u></b>  William Foley  Board of Public Utilities  44 South Clinton Avenue  3rd Floor, Suite 314  P.O. Box 350  Trenton NJ 08625-0350  william.foley@bpu.nj.gov</p>	<p><b><u>BPU</u></b>  Julie Ford-Williams  Board of Public Utilities  44 South Clinton Avenue  3rd Floor, Suite 314  P.O. Box 350  Trenton NJ 08625-0350  julie.ford@bpu.nj.gov</p>
<p><b><u>BPU</u></b>  Eric Hartsfield  Board of Public Utilities  44 South Clinton Avenue  3rd Floor, Suite 314  P.O. Box 350  Trenton NJ 08625-0350  (609) 777-3300  eric.hartsfield@bpu.nj.gov</p>	<p><b><u>BPU</u></b>  Peter Hilerio  Board of Public Utilities  44 South Clinton Avenue  3rd Floor, Suite 314  P.O. Box 350  Trenton NJ 08625-0350  (609) 292-4136  peter.hilerio@bpu.nj.gov</p>	<p><b><u>BPU</u></b>  Stacy Peterson  Board of Public Utilities  44 South Clinton Avenue  3rd Floor, Suite 314  P.O. Box 350  Trenton NJ 08625-0350  (609) 292-4517  stacy.peterson@bpu.nj.gov</p>
<p><b><u>BPU</u></b>  Andrea Reid  Board of Public Utilities  44 South Clinton Avenue  3rd Floor, Suite 314  P.O. Box 350  Trenton NJ 08625-0350  (609) 292-4518  andrea.reid@bpu.nj.gov</p>	<p><b><u>DAG</u></b>  Geoffrey Gersten  NJ Dept. of Law &amp; Public Safety  Division of Law  124 Halsey Street, 5th Flr.  P.O. Box 45029  Newark NJ 07101  (973) 648-3510  geoffrey.gersten@dol.lps.state.nj.us</p>	<p><b><u>DAG</u></b>  Emma Xiao, DAG  NJ Dept. of Law &amp; Public Safety  Division of Law  124 Halsey Street, 2nd Flr.  P.O. Box 45029  Newark NJ 07101  (973) 648-3762  emma.xiao@dol.lps.state.nj.us</p>
<p><b><u>Elizabethtown</u></b>  Deborah M. Franco  Cullen and Dykman LLP  One Riverfront Plaza  Newark, New Jersey 07102  (973) 849-9005  dfranco@cullenanddykman.com</p>	<p><b><u>Elizabethtown</u></b>  Thomas Kaufmann  Elizabethtown Gas  520 Green Lane  Union NJ 07083  (908) 662-8461  tkaufman@southernco.com</p>	<p><b><u>Elizabethtown</u></b>  Mary Patricia Keefe  Elizabethtown Gas  520 Green Lane  Union NJ 07083  (908) 662-8452  pkeefe@southernco.com</p>

**PIVOTAL UTILITY HOLDINGS, INC. D/B/A ELIZABETHTOWN GAS**  
**2017/2018 ANNUAL COMPLIANCE FILING FOR THE UNIVERSAL SERVICE FUND AND LIFELINE PROGRAM**  
**COMPONENTS WITHIN THE SOCIETAL BENEFITS CHARGE RATE**  
**BPU DOCKET NO. \_\_\_\_\_**

**SERVICE LIST**

<p><b><u>Elizabethtown</u></b>  Susan Potanovich  Elizabethtown Gas  520 Green Lane  Union NJ 07083  (908) 662-8462  spotanov@southernco.com</p>	<p><b><u>JCP&amp;L</u></b>  Sally J. Cheong  Jersey Central Power &amp; Light Co.  300 Madison Avenue  P.O. Box 1911  Morristown NJ 07962-1911  (973) 401-8699  scheong@firstenergycorp.com</p>	<p><b><u>JCP&amp;L</u></b>  Michael J. Connolly  Windels Marx Lane &amp; Mittendorf, LLP  One Giralda Farms  Madison NJ 07940  973-966-3244  mconnolly@windelsmarx.com</p>
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<p><b><u>NJNG</u></b>  Marianne Harrell  New Jersey Natural Gas Company  1415 Wyckoff Road  P.O. Box 1464  Wall NJ 07719  732-938-1257  mharrell@njng.com</p>	<p><b><u>NJNG</u></b>  Tina Trebino  New Jersey Natural Gas Company  1415 Wyckoff Road  P.O. Box 1464  Wall NJ 07719  (732) 938-7331  ttrebino@njng.com</p>	<p><b><u>PSE&amp;G</u></b>  Michele Falcao  PSEG Services Corporation  80 Park Plaza, T5  P.O. Box 570  Newark NJ 07102  (973) 430-6119  michele.falcao@pseg.com</p>
<p><b><u>PSE&amp;G</u></b>  Tracy Morgan  PSEG Services Corporation  80 Park Plaza, T8  P.O. Box 570  Newark NJ 07102  (973) 430-6420  tracy.morgan@pseg.com</p>	<p><b><u>PSE&amp;G</u></b>  Matthew M. Weissman Esq.  PSEG Services Corporation  80 Park Plaza, T5  P.O. Box 570  Newark NJ 07102  (973) 430-7052  matthew.weissman@pseg.com</p>	<p><b><u>PSE&amp;G</u></b>  Caitlyn White  PSEG Services Corporation  80 Park Plaza, T-8  P.O. Box 570  Newark NJ 07102  (973)-430-5659  caitlyn.white@pseg.com</p>
<p><b><u>Rate Counsel</u></b>  Stefanie A. Brand  Division of Rate Counsel  140 East Front Street, 4th Flr.  P.O. Box 003  Trenton NJ 08625  (609) 984-1460  sbrand@rpa.state.nj.us</p>	<p><b><u>Rate Counsel</u></b>  Lisa Gurkas  Division of Rate Counsel  140 East Front Street, 4th Flr.  P.O. Box 003  Trenton NJ 08625  (609) 984-1460  lgurkas@rpa.state.nj.us</p>	<p><b><u>Rate Counsel</u></b>  Brian O. Lipman  Division of Rate Counsel  140 East Front Street, 4th Flr.  P.O. Box 003  Trenton NJ 08625  (609) 984-1460  brian.lipman@rpa.state.nj.us</p>
<p><b><u>Rate Counsel</u></b>  Sarah Steindel  Division of Rate Counsel  140 East Front Street, 4th Flr.  P.O. Box 003  Trenton NJ 08625  (609) 984-1460  ssteinde@rpa.state.nj.us</p>	<p><b><u>Rate Counsel Consultant</u></b>  David E. Peterson  Chesapeake Regulatory Consultants, Inc.  10351 Southern Maryland Blvd.  Suite 202  Dunkirk MD 20754-9500  (410) 286-9500  davep@chesapeake.net</p>	<p><b><u>RECO</u></b>  William A. Atzl Jr.  Rockland Electric Company  4 Irving Place  Room 515-S  New York NY 10003  (212) 460-3308  atzlw@coned.com</p>

**PIVOTAL UTILITY HOLDINGS, INC. D/B/A ELIZABETHTOWN GAS**  
**2017/2018 ANNUAL COMPLIANCE FILING FOR THE UNIVERSAL SERVICE FUND AND LIFELINE PROGRAM**  
**COMPONENTS WITHIN THE SOCIETAL BENEFITS CHARGE RATE**  
**BPU DOCKET NO. \_\_\_\_\_**

**SERVICE LIST**

<p><b><u>RECO</u></b>          John L. Carley Esq.          Consolidated Edison Co. of NY          Law Dept.          4 Irving Place, Room 1815-S          New York NY 10003          (212) 460-2097          carleyj@coned.com</p>	<p><b><u>RECO</u></b>          Margaret Comes          Consolidated Edison Co. of NY          Law Dept.          4 Irving Place          New York NY 10003          (212) 460-3013          comesm@coned.com</p>	<p><b><u>RECO</u></b>          Chauncey Davis          Rockland Electric Company          4 Irving Place          2nd Floor East          New York NY 10003          212-460-3301          davisvc@coned.com</p>
<p><b><u>RECO</u></b>          Tineesha McMullen          Rockland Electric Company          One Blue Hill Plaza          Pearl River NY 10965          (845) 577-3816          mcmullent@oru.com</p>	<p><b><u>RECO</u></b>          Cheryl M. Ruggiero          Rockland Electric Company          4 Irving Place          2nd Floor East          New York NY 10003          (212) 460-3189          ruggieroc@coned.com</p>	<p><b><u>SJG</u></b>          Kenneth J. Barcia          South Jersey Gas Company          One South Jersey Plaza          Route 54          Folsom NJ 08037          (609) 561-9000 x4983          kbarcia@sjindustries.com</p>
<p><b><u>SJG</u></b>          Carolyn Jacobs          South Jersey Gas Company          One South Jersey Plaza          Route 54          Folsom NJ 08037          (609) 561-9000 X4212          cjacobs@sjindustries.com</p>	<p><b><u>SJG</u></b>          Stacy Mitchel          South Jersey Gas Company          One South Jersey Plaza          Route 54          Folsom NJ 08037          (609)-561-9000 x4364          smitchell@sjindustries.com</p>	

ELIZABETHTOWN GAS  
B. P. U. NO. 14 – GAS  
CANCELLING  
B. P. U. NO. 13 – GAS

REVISED SHEET NO. 109

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 and those customers exempted pursuant to the Long-Term Capacity Agreement Pilot Program ("LCAPP"), P.L. 2011, c.9, codified as N.J.S.A. 48:3-60.1. See the LCAPP Exemption Procedures at the end of this Rider.

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")	\$0.0244
II.	Remediation Adjustment Charge ("RAC")	(\$0.0016)
III.	<u>Universal Service Fund and Lifeline:</u>	
	1. Universal Service Fund ("USF")	\$0.0042
	2. Lifeline	<u>\$0.0049</u>
	TOTAL	\$0.0319

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: Brian MacLean, President  
520 Green Lane  
Union, New Jersey 07083

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

ELIZABETHTOWN GAS  
B. P. U. NO. 14 – GAS  
CANCELLING  
B. P. U. NO. 13 – GAS

~~NINETEENTH~~ REVISED SHEET NO. 109

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I. New Jersey Clean Energy Program ("CEP")	\$0.0244
II. Remediation Adjustment Charge ("RAC")	(\$0.0016)
III. <u>Universal Service Fund and Lifeline:</u>	
1. Universal Service Fund ("USF")	\$ <del>0.0042</del> <u>0076</u>
2. Lifeline	<u>\$0.0049</u> <del>0051</del>
TOTAL	<u>\$0.0319</u> <del>0355</del>

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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: ~~October 4, 2016~~

Effective: Service Rendered  
on and after ~~October 3, 2016~~

Issued by: Brian MacLean, President  
520 Green Lane  
Union, New Jersey 07083

Filed Pursuant to Order of the Board of Public Utilities  
Dated ~~September 23, 2016~~ in Docket No. ~~ER16060536~~