

**ORDER NO. 88535**

IN THE MATTER OF THE APPLICATION * OF SOUTH JERSEY INDUSTRIES, INC., * ELKTON ACQUISITION CORP. AND * PIVOTAL UTILITIES HOLDINGS, INC. * d/b/a ELKTON GAS FOR AUTHORITY TO * SELL AND TRANSFER SUBSTANTIALLY * ALL OF ELKTON GAS’S ASSETS * INCLUDING NATURAL GAS * FRANCHISES TO ELKTON ACQUISITION * CORP. AND FOR ALL RELATED * AUTHORIZATIONS AND APPROVALS * <hr/>	BEFORE THE PUBLIC SERVICE COMMISSION OF MARYLAND  _____ CASE NO. 9475 _____
--	---

**Issued: January 18, 2018**

On January 16, 2018, pursuant to §§ 5-201, 5-202, 6-101, and 6-105 of the Public Utilities Article, *Annotated Code of Maryland* (“PUA”), South Jersey Industries, Inc. (“SJI”), SJI Utilities, Inc., Elkton Acquisition Corp., and Pivotal Utilities Holdings, Inc. (“Pivotal”) d/b/a Elkton Gas (“Elkton Gas”) (collectively, the “Joint Applicants”) filed, with the Public Service Commission (“Commission”), an application requesting authorization for SJI to acquire the power to exercise substantial influence over the policies and actions of Elkton Gas (“Application”).<sup>1</sup> The Joint Applicants also filed supporting testimony and exhibits.

According to the Application, under an Asset Purchase Agreement (“APA”) dated October 15, 2017, South Jersey Industries, Inc. through its subsidiary and assignee Elkton Acquisition Corp., agreed to purchase from Pivotal Utilities Holdings, Inc. d/b/a Elkton

---

<sup>1</sup> Applicants also seek Commission approval of: (1) the transfer of various franchises from Pivotal to Elkton Acquisition Corp., (2) the exercise of the various transferred, existing franchises by Elkton Acquisition Corp., (3) the ability of SJI, SJI Utilities, and Elkton Acquisition Corp. to exercise substantial influence over the policies and actions of Elkton Gas, and (4) such other relief as shall be necessary and appropriate in this matter.

Gas substantially all of the assets of Elkton Gas, whereby Elkton Gas, a public service company operating in Maryland, will become part of the family of SJI natural gas distribution utilities operating in the Mid-Atlantic region (“Acquisition”). Elkton Gas, a gas company operating in the State, is a subsidiary of Southern Company Gas, a wholly owned subsidiary of Southern Company. Consequently, the Commission’s approval is required under § 6-105 of the PUA because the acquisition will result in SJI acquiring the power to exercise substantial influence over the policies and actions of Elkton Gas.

Pursuant § 6-105(g)(6) of the Public Utility Companies Article, *Annotated Code of Maryland*, unless the Commission finds, based on good cause, that the 180-day period by which the Commission is required to issue an order with respect to the Joint Applicant’s application in this matter should be extended for an additional 45 days, a failure by the Commission to issue its order within the 180-day period is considered to be an approval of the underlying acquisition by the Commission. Based on the Application and that this matter is delegated to the Public Utility Law Judge Division to conduct the proceedings, the Commission finds that the proceedings cannot be completed within the 180-day period from the filing of the application. Accordingly, the Commission extends the 180-day period by an additional 45 days, or until August 29, 2018.

**IT IS, THEREFORE,** this 18<sup>th</sup> day of January in the year Two Thousand Eighteen, by the Public Service Commission of Maryland,

**ORDERED:** (1) That pursuant to § 6-105(g) of the Public Utilities, *Annotated Code of Maryland*, a proceeding is hereby initiated by the Commission for examination and investigation of the Application and for the issuance of an Order concerning the transaction after hearings in this matter have been conducted;

(2) That this matter is hereby delegated to the Public Utility Law Judge Division to conduct the proceedings; and

(3) That, pursuant to §6-105(g)(6) of the Public Utility Article, *Annotated Code of Maryland*, for good cause, the 180-day period is hereby extended by 45 days, or until August 29, 2018.

By Direction of the Commission,

*/s/ David J. Collins*

David J. Collins  
Executive Secretary