

NOTICE OF FILING OF PETITION OF SOUTH JERSEY GAS COMPANY FOR
APPROVAL OF INCREASED BASE TARIFF RATES AND CHARGES FOR GAS
SERVICE, CHANGES TO DEPRECIATION RATES AND OTHER TARIFF REVISIONS
OAL Docket No. PUC 04830-20
BPU Docket No. GR20030243

PLEASE TAKE NOTICE that on March 13, 2020, South Jersey Gas Company (“South Jersey” or “Company”), pursuant to N.J.S.A. 48:2-21, N.J.S.A. 48:2-21.1, N.J.S.A. 48:2-18, and N.J.A.C. 14:1-5.12, and other relevant statutes and regulations, filed a petition with the New Jersey Board of Public Utilities (“Board”) for approval of an increase in South Jersey’s charges for gas service, changes to depreciation rates, and certain other tariff revisions (“Petition”). On May 15, 2020, the Company filed an update to the Petition and exhibits with the Board. The Company intends to file an additional update to the Petition on August 14, 2020. The Company believes that the increase is necessary for it to continue to provide safe, adequate and proper service to its customers and to prevent the impairment of its financial integrity. Specifically, the Company is requesting an increase in base rate revenues of \$75.7 million, or approximately 13.1% above the adjusted annual level of revenues for the test year period ending June 30, 2020.

PLEASE TAKE FURTHER NOTICE that due to the COVID-19 pandemic, virtual public comment hearings will be conducted on the following days and times so that members of the public may present their views on the Company’s filing. Information provided at the public hearings will become part of the record of this case.

Tuesday, August 25, 2020, 4:30-5:30 p.m.

1. Call in ONE of these numbers: (646) 558-8656, (312) 626-6799 or (301) 715-8592.
2. Enter the meeting ID of 840 1087 2407#
3. Enter # as second time (in response to the second electronic prompt).
4. Enter the password: 267811#.
5. All callers will then be placed on HOLD until the hearing begins.
6. Please MUTE your telephone. Additional instructions will be given when the hearing starts!

Thank you for your participation!

If you get disconnected, please call back—the lines will stay open for callers for the full hour!

Tuesday, August 25, 2020, 5:30-6:30 p.m.

1. Call in ONE of these numbers: (646) 558-8656, (312) 626-6799 or (301) 715-8592.
2. Enter the meeting ID of 821 8966 5549#.
3. Enter # as second time (in response to the second electronic prompt).
4. Enter the password: 284250#.
5. All callers will then be placed on HOLD until the hearing begins.
6. Please MUTE your telephone. Additional instructions will be given when the hearing starts!

Thank you for your participation!

If you get disconnected, please call back—the lines will stay open for callers for the full hour!

The Honorable Tricia M. Caliguire from the Office of Administrative Law will preside over the virtual public hearings. Representatives from the Company, Board Staff, and the Division of Rate Counsel will participate in the virtual public hearings. Members of the public are invited to

participate and express their views regarding the filing by utilizing the above information. Such comments will be made part of the final record and will be taken into consideration by the Board and the Administrative Law Judge.

The Office of Administrative Law is also accepting written comments. Written comments should be submitted to the Honorable Tricia M. Caliguire, ALJ, The Office of Administrative Law, P.O. Box 49, Trenton, NJ 08625-0049.

Please include the name of the petition and the OAL and BPU docket numbers when submitting comments. The OAL and BPU docket numbers are OAL Docket No. PUC 04830-20 and BPU Docket No. GR20030243. Hearings will continue, if necessary, on such additional dates and at such locations as the Board may designate, to ensure that all interested persons are heard.

In order to encourage full participation in this opportunity for public comment, please submit any requests for special accommodations, including interpreters or listening devices, at least 48 hours prior to this hearing by contacting Deborah M. Franco, at 908-662-8448.

THE COMPANY'S RATE PROPOSAL

The changes set forth in the Company's Petition were proposed to become effective for service rendered on or after April 13, 2020, or at such later date as the Board may determine. Pursuant to an Order issued April 6, 2020, the Board suspended the proposed changes until August 13, 2020. By a subsequent Order issued July 15, 2020, the Board further suspended the proposed changes until December 13, 2020, unless prior to that date the Board makes a determination disposing of the Petition or enters an Order further suspending the proposed changes. Based on the Company's total projected operating revenues for the 12 months ending June 30, 2020, the new rates proposed herein would yield additional operating revenues of approximately \$75.7 million or 13.1% (after giving effect to: (1) the roll-in of the Company's Conservation Incentive Program ("CIP") revenues; and (2) the roll-ins to base rates for the Company's Storm Hardening and Reliability Program ("SHARP II") and Accelerated Infrastructure Replacement Program ("AIRP II") to take place on October 1, 2020, outside of this base rate case).

The actual percent increase to specific customers will vary according to the applicable rate schedule and the level of the customer's usage. The rate changes proposed in the Petition will result in a rate increase for a typical residential customer using 100 therms of gas per month of \$19.85 or 13.7%. The typical commercial customer using 500 therms of gas per month would receive a decrease of \$11.25 or 1.8%. Moreover, any rate relief found by the Board to be just and reasonable may be allocated by the Board and applied by the Company to any class or classes of customers or any rate schedule or rate schedules as the Board may determine so that final rates approved by the Board in this proceeding for any specific customer class or rate schedule may be higher or lower than those set forth herein.

The chart below demonstrates the impact of the proposed rates on select customer classes experiencing rate changes to which an allocation of base revenue has been proposed. The chart below compares the rates proposed in the company's Petition to those that would otherwise be in effect on October 1, 2020, after giving effect to the Company's CIP, SHARP II and AIRP II roll-ins in accordance with the Board Orders approving these programs outside of this base rate case:

Customer Class	Therm Level	Rates		Change	
		Oct. 1, 2020	Proposed	Amount	Percentage
Residential Heat	100	\$145.11	\$164.96	\$19.85	13.7%
General Service	500	\$638.95	627.70	(\$11.25)	-1.8%

In addition to actual rate changes, the Company is proposing other changes and additions to its Tariff. These changes include changes to the Terms and Conditions regarding extensions of mains and services and the charge in the amount for a turn on charge.

PLEASE TAKE FURTHER NOTICE that any relief determined by the Board to be just and reasonable may be allocated by the Board to any class or classes of customers of the Company in such manner and, in such amounts or percentages, as the Board may deem appropriate. The Board may choose to impose a greater portion of the increase on any present or future class or classes, group or groups of customers, may exclude from any increase any of the foregoing, or may vary the amount of percentage increase applicable to any of the foregoing.

PLEASE TAKE FURTHER NOTICE that the complete schedules for the proposed rates are part of the Petition filed with the Board, which was served upon the Director of the Division of Rate Counsel. Notice of the filing of the Petition was also served on the clerks of municipalities in the service areas of the Company. Further information and copies of the petition (including all exhibits and testimony) may be found on the South Jersey website at www.southjerseygas.com/About-South-Jersey-Gas/Regulatory-Compliance-Tariff-Information.aspx.

SOUTH JERSEY GAS COMPANY
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