

**NOTICE OF FILING OF PETITION
PROPOSING TO CHANGE EXISTING RATE
LEVELS AND OF PUBLIC HEARING**

**IN THE MATTER OF SOUTH JERSEY GAS COMPANY'S 2020/2021 ANNUAL
COMPLIANCE FILING FOR THE UNIVERSAL SERVICE FUND AND LIFELINE
RATES WITHIN THE SOCIETAL BENEFITS CHARGE
BPU DOCKET NO. EX00020091 and ER20060392**

NOTICE IS HERE BY GIVEN that, pursuant to the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49, *et seq.*, the Universal Service Fund ("USF") program was established by the New Jersey Board of Public Utilities ("Board"), to provide funds to assist qualifying low-income individuals in paying their energy bills. Pursuant to Board Orders dated April 30, 2003, July 16, 2003, June 30, 2004, and June 22, 2005, South Jersey Gas Company's ("South Jersey" or "Company") Societal Benefits Charge ("SBC") includes recovery of funding for the USF program through uniform statewide rates. The SBC also includes funding for the Lifeline program which incorporates funds for the Work First NJ program.

The State of New Jersey's Department of Consumer Affairs is the Administrator of the USF Program. The New Jersey Department of Human Services is the Administrator of the Lifeline programs and authorizes the disbursement of benefits to eligible customers in the respective programs.

The Company made a compliance filing with the Board on June 25, 2020, requesting a decrease related to the statewide USF/Lifeline program charge, as described below, to become effective on October 1, 2020 ("Filing"). Based upon the results and available estimates known to date for the 2019/2020 USF program year, and the available estimates for the 2020/2021 USF program year, it is anticipated that the USF rates will be set to collect \$125.6 million, of which, \$100.2 million would be recovered through electric rates with the remaining \$25.4 million recovered through gas rates on a statewide basis. The Lifeline rates are anticipated to collect \$74.6 million, of which \$50.0 million would be recovered through electric rates with the remaining \$24.6 million recovered through gas rates on a statewide basis.

The current after-tax USF/Lifeline program charge for natural gas customers is \$0.0121 per therm. The changes in rates inclusive of taxes are as follows: (i) the USF program charge will decrease from \$0.0066 to \$0.0059 per therm or (\$0.0007) per therm and (ii) the Lifeline charge will increase from \$0.0055 to \$0.0057 per therm or \$0.0002 per therm for a total net decrease of (\$0.0005) per therm. The proposed after-tax USF/Lifeline program charge will decrease to \$0.0116 per therm. The above request will not result in any profit to the Company. The revenues received under the proposed USF charge are designed to permit the Company to recover only its costs for the USF and Lifeline program. Actual program costs will be reconciled with the revenues received through the USF program charge in the next scheduled filing to be made no later than July 1, 2021.

If approved by the Board, the impact of the proposed changes in the USF and Lifeline Charges on typical Residential and General Service customers using less than 5,000 therms per year is estimated to be as follows:

Residential Service (RSG)

Therm Level	Bill as of June 25, 2020	Bill as of October 1, 2020	Dollar Decrease	Percent Decrease
25	\$43.22	\$43.21	(\$0.01)	(0.02%)
100	\$142.48	\$142.43	(\$0.05)	(0.04%)
200	\$274.83	\$274.73	(\$0.10)	(0.04%)

General Service (GSG) (Using less than 5,000 therms per year)

Therm Level	Bill as of June 25, 2020	Bill as of October 1, 2020	Dollar Decrease	Percent Decrease
500	\$629.85	\$629.60	(\$0.25)	(0.04%)
1,000	\$1,227.73	\$1,227.23	(\$0.50)	(0.04%)
2,000	\$2,423.51	\$2,422.51	(\$1.00)	(0.04%)

Based upon this filing, the bill of a typical residential service gas customer using 100 therms per month would see a decrease in their monthly bill from \$142.48 to \$142.43, or (\$0.05) or approximately 0.04%.

The Board has the statutory authority to establish the USF and Lifeline charges at levels it finds just and reasonable. Therefore, the Board may establish the USF and Lifeline charges at levels other than those proposed by South Jersey.

Copies of the Company's Filing are available for inspection at the Company offices located at One South Jersey Place, Atlantic City, New Jersey 08401, or online at South Jersey's Website at www.southjerseygas.com/About-South-Jersey-Gas/Regulatory-Compliance-Tariff-Information.aspx.

PLEASE TAKE FURTHER NOTICE that due to the COVID-19 pandemic, a telephonic public hearing will be conducted on the following date and times so that members of the public may present their views on the Company's Filing:

Date: August 19, 2020

Public Hearing 1: 4:30 pm

Public Hearing 2: 5:30 pm

Dial In: 1-866-984-3164

Access Code: 737 882 129#

A hearing officer designated by the Board will preside over the telephonic public hearing. Representatives of the Company, Board's Staff, and the New Jersey Division of Rate Counsel will also participate via phone in the public hearing. Members of the public are invited to listen and participate, by phone via the above designated dial-in number and passcode, and may express their views on this Filing. Any comments made will be part of the final record of the proceeding to be considered by the Board. In order to encourage full participation in

this opportunity for public comment, please submit any requests for needed accommodations, such as interpreters or listening devices, 48 hours prior to the above hearings to the Board's Secretary at board.secretary@bpu.nj.gov. The Board is also accepting written and/or emailed comments. Although both will be given equal consideration, the preferred method of transmittal is via email to ensure timely receipt while the Board continues to work remotely due to the COVID-19 pandemic. Written comments may be submitted to the Board Secretary, Aida Camacho, at the Board of Public Utilities, 44 South Clinton Avenue, 9th Floor, P.O. Box 350, Trenton, NJ 08625-0350. Email comments should be submitted to: board.secretary@bpu.nj.gov. Please include the name of the petition and the docket number when submitting comments.

SOUTH JERSEY GAS COMPANY

**By: Melissa Orsen,
President and Chief Operations Officer**