

NOTICE OF FILING OF PETITION AND OF PUBLIC HEARING

IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR APPROVAL OF BASE RATE ADJUSTMENTS PURSUANT TO THE ACCELERATED INFRASTRUCTURE REPLACEMENT PROGRAM (AIRP II)

B.P.U. Docket No. GR20050326

NOTICE IS HEREBY GIVEN that, on April 30, 2020, as modified on July 15, 2020, South Jersey Gas Company (“South Jersey” or “Company”) filed a petition (“Petition”) with the New Jersey Board of Public Utilities (“Board”) seeking Board approval to increase base rates associated with the Company’s Accelerated Infrastructure Replacement Program (“AIRP II”). The purpose of the AIRP II program is to continue to eliminate aging and leak prone materials and enhance the reliability and safety of the Company’s gas distribution system. The Board approved the AIRP II and the associated cost recovery mechanism on October 31, 2016 in Docket No. GR16020175 (“Order”). The Order authorized the Company to invest \$302.5 million, over a five-year period commencing October 1, 2016 and ending September 30, 2021, to replace cast iron and unprotected bare steel mains and associated services. The Order also authorized the Company to make annual filings with the Board to recover the costs associated with AIRP II project investments and to earn a return on and a return of those investments through annual adjustments to base rates. This Petition seeks Board approval to recover the revenue requirements associated with approximately \$58.8 million AIRP II projects placed in-service from July 1, 2019 through June 30, 2020 with an October 1, 2020 rate effective date.

If the proposed increase is approved by the Board, the bill impacts on typical Residential and General Service customers using less than 5,000 therms per year is estimated to be as follows:

Residential Service (RSG)

Monthly Therm Level	Monthly Bill as of June 1, 2020⁽¹⁾	Monthly Bill as of October 1, 2020⁽²⁾	Dollar Increase	Percent Increase
25	\$43.22	\$43.66	\$0.44	1.0%
100	\$142.48	\$144.26	\$1.78	1.2%
200	\$274.83	\$278.40	\$3.57	1.3%

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

Monthly Therm Level	Monthly Bill as of June 1, 2020⁽¹⁾	Monthly Bill as of October 1, 2020⁽²⁾	Dollar Increase	Percent Increase
500	\$629.85	\$636.92	\$7.07	1.1%
1,000	\$1,227.73	\$1,241.89	\$14.16	1.2%
2,000	\$2,423.51	\$2,451.82	\$28.31	1.2%

(1) Based upon current Delivery Rates and Basic Gas Supply Service (“BGSS”) charges in effect October 1, 2019 and assumes that the customer receives BGSS service from South Jersey.

(2) Same as (1) except includes base rate changes associated with AIRP II.

The following Rate Schedules will also be affected by the Company’s proposed base rate increase: General Service – Large Volume (GSG-LV), Comprehensive Firm Transportation Service (CTS), Large Volume

Service (LVS), Electric Generation Service (EGS), Electric Generation Service – Large Volume (EGS-LV), Natural Gas Vehicle Service (NGV), Yard Lights Service (YLS) and Street Lights Service (SLS).

The effect of the proposed increase would be an increase of \$1.78 or 1.2% for a residential customer using one hundred (100) therms of gas during the winter months.

Pursuant to N.J.S.A. 48:3-1, any relief determined by the Board to be just and reasonable may be allocated to customers in such manner, and in such amounts or percentages, as the Board may deem appropriate. The Board may authorize an increase on any customer class or group or may exclude from increase any customer class or group, varying the percentage increase applicable. Therefore, the Board may approve an AIRP II base rate adjustment that is different than the rate proposed by South Jersey.

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

Date: August 19, 2020

Time 1: 4:30pm

Time 2: 5:30pm

Dial In: 1-866-984-3164

Conference ID: 737 882 129#

The Company's filing may be viewed on the South Jersey Gas website at www.southjerseygas.com/About-South-Jersey-Gas/Regulatory-Compliance-Tariff-Information.aspx.

Representatives of the Company, Board Staff and Rate Counsel will participate in the telephonic public hearing. Members of the public are invited to participate by utilizing the Dial In and Conference ID set forth above, and may express their views on this filing. Such comments will be made part of the final record of the proceeding to be considered by the Board. The Board is also accepting written and 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. Written and emailed comments will be provided the same weight as statements made at the hearings.

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.

SOUTH JERSEY GAS COMPANY

By: Melissa Orsen, President and Chief Operations Officer