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**South Jersey Gas Receives Approval to Continue Accelerated
Infrastructure Investment Program; Announces \$10 Million Customer
Bill Credit**

*Accelerated safety and reliability improvements to continue through 2021;
Average residential customer to receive \$28 credit*

FOLSOM, NJ, October 31, 2016 – South Jersey Gas, a subsidiary of South Jersey Industries, Inc. (NYSE: SJI), received approval from the New Jersey Board of Public Utilities (NJBPU) today to continue its Accelerated Infrastructure Replacement Program (AIRP) and to adjust rates to reflect prior AIRP investments. Additionally, SJG notified the BPU that it will issue a \$10 million Basic Gas Service Supply (BGSS) bill credit in December, its second in 2016, primarily due to lower than expected wholesale gas costs. This means an average residential heating customer who buys their natural gas from SJG will receive a bill credit of approximately \$28 on their December bill.

Today's approval enables SJG to invest up to \$302.5 million over the next five years to continue the accelerated replacement of aging bare steel and cast iron mains with more durable plastic pipe. Within this time frame, SJG anticipates that it will replace all remaining bare steel and cast iron mains in its distribution system. The NJBPU's approval of SJG's continued infrastructure improvement program underscores the critically important value of this work.

"The AIRP has provided significant safety and reliability benefits for our customers and today's approval enables us to continue modernizing our system," said Jeffrey E. DuBois, president of South Jersey Gas. "Since the BPU first approved our accelerated infrastructure programs in 2009, SJG has invested over \$360 million and replaced over 600 miles of bare steel and cast iron mains. With this approval, SJG plans to complete the accelerated replacement of

bare steel and cast iron mains by 2021, accomplishing in 12 years what otherwise would have taken 50 years,” continued DuBois.

As part of the NJBPU’s approval, SJG will recover these investments through annual rate adjustments to take place on October 1 of each year of the program. The first rate adjustment will not take place until October 1, 2017.

The NJBPU also approved the recovery of \$74.5 million of AIRP safety and reliability investments not previously reflected in rates through a base rate adjustment that will take place on December 1, 2016. This rate change will result in an increase of \$3.02 for the typical residential heating customer using 100 therms of natural gas in a winter month. When combined with the \$10 million BGSS bill credit, the average residential heat customer will pay \$5.00 less on their bill in the upcoming year.

“Consistently lower natural gas prices, resulting from a dramatic increase in easily accessible gas supplies from nearby shale formations such as the Marcellus, allow SJG to pass on savings to our customers and underscores that this is the right time to continue the accelerated replacement of aging infrastructure through capital investments,” explained DuBois. “With this latest BGSS bill credit, customer bills today are, on average, at their lowest levels in 15 years.”

ABOUT SOUTH JERSEY GAS

South Jersey Gas, subsidiary of energy services holding company South Jersey Industries (NYSE:SJI), delivers clean, efficient natural gas and promotes energy efficiency to approximately 375,000 residential, commercial and industrial customers in Atlantic, Cape May, Cumberland, Salem, and significant portions of Gloucester, Burlington and Camden counties in New Jersey. Visit www.southjerseygas.com to learn more about South Jersey Gas and its programs.

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