



FOR IMMEDIATE RELEASE

**South Jersey Gas Receives NJBPU
Approval to Reduce Rates By 2.4%**

FOLSOM, NJ, September 23, 2016 – South Jersey Gas, a subsidiary of South Jersey Industries, Inc. (NYSE: SJI), received approval today from the New Jersey Board of Public Utilities for an overall rate reduction that will result in an annual savings of \$23.17, or 2.4 percent, for the typical residential customer beginning October 1, 2016.

This reduction is primarily driven by lower gas costs that are reflected as decreases to the company's Basic Gas Supply Service rate component. The BGSS serves as a method to pass along changes in wholesale gas costs directly to customers in response to decreases or increases in gas costs, on an annual basis.

“Consumers are benefiting from the advances in technology that have unlocked large supplies of natural gas in the neighboring Marcellus shale. South Jersey Gas has effectively managed its supply portfolio to bring this lower priced natural gas to its customers, resulting in lower rates,” said Jeffrey E. DuBois, president of South Jersey Gas. “The annual residential customer bills today are, on average, at their lowest levels in 15 years due to those combined reasons,” said DuBois.

In addition, South Jersey Gas received approval to change its Conservation Incentive Program rate component. The CIP encourages customers to use natural gas more efficiently, reduce consumption and also adjusts customer bills to account for weather-related changes in

usage. Since the CIP was introduced in 2006, South Jersey Gas' customers have reduced their natural gas use by 59.9 billion cubic feet and have saved \$598.7 million in energy costs.

The Company also received approval to adjust its base rates to reflect approximately \$34 million of investments made under its Storm Hardening and Reliability Program. The SHARP is a three-year program that was initially approved by the BPU in August 2014 and enables South Jersey Gas to invest in infrastructure upgrades along coastal communities to protect against future major storm events.

“Through our continued investments in SHARP, we are able to increase the reliability of our distribution system, specifically in barrier islands, to ensure that the potential impacts of severe storms that may affect our systems and, most importantly, our customers, are mitigated,” said DuBois.

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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