



**SOUTH JERSEY
GAS®**

**Third Party Supplier
Operating Manual**

**Version 14.3
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Third Party Supplier

Operating Manual

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Introduction

South Jersey Gas (SJG) serves customers in 112 municipalities spanning over one-third of the geographic area of New Jersey, in which one-eighth of its population resides. The service area includes all of Atlantic, Cape May, Cumberland and Salem counties and parts of Burlington, Camden and Gloucester counties. Since January 2000, all natural gas customers in New Jersey have been able to choose an alternate supplier other than their current utility. As part of the deregulation process, natural gas customers have the option to purchase gas from their utility or a non-utility natural gas supplier, or marketer. This change was directed by regulators in hopes of replacing regulated utility serve with a competitive retail marketplace where the utility would continue to provide the delivery of natural gas through its pipeline system but where customers would be free to purchase their natural gas supply from a competitive supplier. While much has changed in the gas industry as a result of deregulation, SJG's commitment to providing reliable supplies of natural gas, ensuring the safe delivery of that gas and offering exceptional customer service has not. SJG continues to assist customers in managing their gas bill by offering energy-saving tips, payment assistance and payment options.

Section 1. General Statement

It is the intention of SJG to have, and make available to licensed natural gas suppliers, a comprehensive Third Party Supplier Support Operating Manual on its website. This manual comports with the edicts proffered in "Electronic Data Exchange and Protocol Process Flows for Gas Deregulation in The State of New Jersey" (New Jersey EDI Protocols) and may be downloaded by parties interested in offering natural gas commodity sales service to customers in SJG's service territory.

Any conflicts between the guidelines detailed in this manual and the provisions of SJG's Tariff for Gas Service (Tariff) and/or the agreement(s) entered into with the Third Party Supplier (TPS), the Tariff and/or the agreement(s) shall control.

For information on becoming a licensed natural gas supplier in New Jersey, please access the [New Jersey Board of Public Utilities \(NJBP\) web site](#).

Section 2. SJG Transportation Department Contact Information

Mailing Address:

South Jersey Gas Company
Transportation Services
215 Cates Road
Egg Harbor Township, NJ 08234

Main Phone Number: 609-561-9000

Web Address: www.southjerseygas.com

Current members of SJG's Transportation Department's team are listed below along with their position title, email address, main phone number extension and cell phone number:

Lynda S. Truitt	Senior Project Consultant, Gas Supply & Transportation Services ltruitt@sjindustries.com Ext. 4591	Cell 609-335-1858
Joanne Mozitis	Senior Transportation Analyst jmozitis@sjindustires.com Ext. 6589	Cell 609-668-9548
Keith Schairer	Transportation Analyst kschairer@sjindustries.com Ext. 6516	Cell 609-864-2332
David Bechtel	Transportation Analyst dbechtel@sjindustries.com Ext. 6585	Cell 609-351-9754
Svetlana (Lana) Grebenschikov	Transportation EDI Specialist sgrebenschikov@sjindustries.com Ext.6531	Cell 609-914-5619

Section 3. TPS License and Agreement Requirements

SJG currently affords business entities licensed by the State of New Jersey to provide natural gas commodity sales service to customers being served by its distribution system.

Upon obtaining the above mentioned license, TPS should review SJG's Tariff for information regarding the transportation of gas on its system. Contained in said tariff (sheets 157 through 162) is a document entitled AGGREGATOR/MARKETER'S AGREEMENT (A/M Agreement) (see [Exhibit I](#)). The A/M Agreement will facilitate the scheduling and delivery of natural gas to an identified group of customers served under a single rate schedule. It will also allow for the balancing of gas among customers in said group and enable SJG to track, for those customers, imbalances between gas consumed and gas delivered. Please complete and execute duplicate originals of the A/M Agreement and forward same to the following address:

South Jersey Gas
Transportation Services
215 Cates Road
Egg Harbor Township, NJ 08234

However, prior to doing so, we ask that you contact SJG's Transportation Services Department (TSD) at transportation@sjindustries.com to ensure completeness of application package.

In addition, before a TPS can conduct business on our system, SJG also requires the following:

- 1.) Copy of NJBPU Third Party Supplier License
- 2.) NJ Sales Tax Form ST-3 Resale Certificate
- 3.) Full name of corporation, mailing address and website address
- 4.) All relevant employee names, telephone numbers and e-mail addresses
- 5.) Credit contact person, telephone number and e-mail address
- 6.) Financial statements for the most recent two year period (audited preferred)
- 7.) Two (2) business references, contact persons and telephone numbers
- 8.) Bank name and bank telephone number
- 9.) DUNS number
- 10.) Customer rate class(s) intended to be served.
- 11.) Billing Services Agreement (see Section 8 below)

12.) Retail Choice Partner EDI Registration Form

13.) Collateral Requirement (if applicable as determined by our Risk Mgt. Dept.)

Section 4. EDI Overview

TPSs selling natural gas in SJG's territory are required to utilize the applicable natural gas industry EDI and New Jersey EDI Protocols.

What is EDI?

EDI is the computer to computer exchange of business documents using machine-readable ASC X12 standards. The use of standard formats will allow all parties to develop the business processes and automated systems needed to facilitate the exchange of business information in the restructured natural gas industry.

Proven benefits of EDI include:

Uniform communications with trading partners

Reduces errors, improved error detection

Better audit ability and control

More timely communications

Rapid exchange of business information

Reduced paperwork and associated costs

One time data entry

On-line data storage

Faster management reporting

Reduce clerical workload

Commonly Used EDI Abbreviations

GAA (814)	General Account Administration
USG (867)	Usage
APA (824)	Application Advice
FAM (820)	Financial Account Maintenance
GAAE (814E)	Enrollment/Request Response
GAAC (814C)	Change/Request Response
GAAH (814HU)	Historical Usage/Request Response
GAAD (814D)	Drop / Request Response
GAAR (814R)	Reinstatement/Request Response
USGM (867MU)	Monthly Usage
USGH (867HU)	Historical Usage
INVL (810)	Rate Ready Invoice from SJG
APAE (824)	Application Advice from Supplier
FAMP (820)	Remittance/Payment Advice

A succinct summary of each of the standard business rules, system requirements, contact information and EDI test plans are offered below.

TPSs are also required to complete the Retail Choice Partner Registration Form ([see Exhibit II](#)). Once this information has been submitted, Energy Services Group, Inc. (ESG), SJG's current EDI consultant, will contact the TPS regarding: 1.) connectivity information and 2.) exchange information. ESG was chosen by SJG to manage the transition to EDI. ESG assumes the responsibility for managing the testing process for new TPSs. ESG assumes translation and transportation responsibility of all choice-related transactions, including enrollments, monthly usage and invoices. ESG's compliance guarantee assumes that EDI transactions will comply with current and future marketplace standards.

ESG will contact the TPSs regarding:

- connectivity and any other information needed for certification test plan completion of internal set-ups and completion of connectivity test

- exchange transactions based on test plan scenarios

Once certification testing is complete, ESG will notify SJG and will also forward certification notification to the TPS. A production date will be determined and production connectivity test will then be completed.

Standard Business Rules:

- As noted in Section 9 below, SJG will offer the "purchase of receivables" option to TPSs who elect to use SJG's UCB alternative. The POR will be discounted by the applicable fees detailed in Section 9.
- Billing Options:
 - Dual Bill or UCB (as explained in Section 8)
 - SJG does not offer a TPS originated consolidated bill option
- The customer classifications identified as participants in the EDI exchange are RSG Firm Transportation Service (RSGFT), GSG Firm Transportation Service (GSGFT), GSGLVFT, EGSFT, EGSLVFT and NGVFT under Rider J. The following customer classification tariff rate schedules are excluded from participation in the EDI process: all firm sales service rate schedules, GSGFT Service utilizing Rider I: CTS, GSGFT, GSGLVFT, EGS, EGSLVFT, LVSFT, LVCS, ITS and FES.
- SJG is utilizing EDI as the method of communicating enrollment and billing information.
- SJG's responses to requests for historical usage from the TPS will be limited to the past 12 months of usage providing 12 months of history exists.
- TPS customer enrollments will only be accepted if they are originated by the TPS. Customers contacting SJG for a TPS will be supplied a list of TPSs licensed in the State of New Jersey
- SJG can reject an enrollment request from a TPS should the TPS attempt to:
 - Enroll a customer who is in arrears and the age of customer's debt is older than 120 days.
 - Enroll a customer with a credit rating of account which is less than threshold value (the Company's customer service software keeps track of credit ratings and updates them on a predefined schedule).

- SJG will accept customer initiated TPS drop requests.
- Customers will be enrolled at the account level, not the meter level. This means all meters associated with an account are switched and that a TPS cannot enroll a single meter on combined accounts. The Service Agreement ID (SAID) will be communicated as SJG's Account Number (LDC Account Number) to both TPSs and customers participating in New Jersey Choice Program.
- Customer enrollments will become effective following (a 7 day rescission period) with the first meter read date after enrollment is received. For example:

<u>10/20/yy</u>	<u>10/27/yy</u>	<u>11/02/yy</u>	<u>12/02/yy</u>
Enrollment received	End of the rescission of period	First TPS meter read date	Billing

- The Start date for new enrollments is identified as the first meter reading date following the 7 day rescission period and it is conceivable that an enrollment could occur within the same month as the enrollment request is received.
- Meter Read schedules and business days will be posted on the SJI web site for access by licensed TPSs.
- When multiple TPS enrollments are received during the 7 day rescission period, the latest "enrollment received" will determine the TPS with whom the customer is enrolled.
- SJG's Transportation EDI Specialist will serve as the local EDI Administrator to interface with the internet EDI and the TPSs. (See Section 2 for contact information).
- EDI transactions from the TPS will be retrieved by 3:00 pm on scheduled business days and processed that night.
- If provided on the enrollment, SJG will store the TPS account number.

Section 5. EDI Transactions

The following processes, as identified in the New Jersey EDI Protocols, are required to implement EDI transactions. All elements defined here are considered the minimal requirements which must be in place by the implementation date.

- **Customer Contacts TPS to Initiate Enrollment** - The TPS will initiate the enrollment with an 814 enrollment request transaction. These are the most complicated of the processes due to the number of possible scenarios. If the customer is not receiving service from another provider and has no pending enrollments, SJG will respond with an 814 enrollment response indicating the anticipated start date. SJG will follow with a confirmation letter to the customer within one business day of accepting the enrollment request.
 - In the case where there are multiple TPS enrollments received during the 7 day rescission period, the latest "enrollment received" will determine the TPS with whom the customer is enrolled.

- **Customer Contacts New TPS to Switch TPS** - The new TPS may initiate the enrollment with an 814 enrollment request transaction for a customer who is currently enrolled with another TPS or has service pending with another TPS. SJG will respond with an 814 enrollment response indicating the anticipated start date to the new TPS and send a confirmation letter to the customer within one business day of accepting the enrollment request. SJG will also send an 814 drop request to the old TPS. The contract date will be used to determine if the enrollment request is acceptable. Unacceptable requests will be rejected with an 814 reject response transaction to the originator of the 814 enrollment.

- **Customer Contacts SJG to Reverse TPS Selection** (within 7 day rescission period)
 - If a customer wishes to reverse a TPS selection during the 7 day rescission period, they should contact SJG or TPS.
 - **Rescission** - If there is no previous pending TPS, the customer will be returned to the SJG system. SJG will drop the customer and send the TPS an 814D drop request transaction. Upon receipt, the TPS will send SJG an 814D drop response transaction. SJG will return the customer to the appropriate SJG rate schedule and send the customer a confirmation letter.
 - **Reversal** - If there is a previously pending TPS and the customer wants to be reinstated with that TPS, SJG will switch the customer to the previous TPS provided it is within the previous TPS's 7 day rescission period. Otherwise, the customer will be returned to the SJG bundled rate.
 - To reinstate the customer, SJG will send an 814D drop request transaction to the pending TPS and an 814R reinstatement request to the previous pending TPS.

- **Customer Contacts SJG to Drop TPS** - the customer can initiate a drop of a TPS by contacting SJG. SJG will drop the customer from the transportation program by sending the TPS an 814D drop request transaction. Upon receipt, the TPS will send SJG an 814D drop response transaction. SJG will return the customer to the appropriate SJG rate schedule and send the customer a confirmation letter.
- **Customer Contacts TPS to Drop TPS** - For the customer initiated drop of a TPS, the customer contacts the TPS. The TPS will drop the customer by sending SJG an 814D drop request transaction. Upon receipt, SJG will send the TPS an 814D drop response transaction. SJG will return the customer to the appropriate SJG rate schedule and send the customer a confirmation letter.
- **TPS Drops Customer** - The TPS initiates the drop of a customer by sending SJG an 814D drop request transaction. Upon receipt, SJG will send the TPS an 814D drop response transaction. SJG will return the customer to the appropriate SJG rate schedule and send the customer a confirmation letter.
- **Once an Initiated Drop is made final it cannot be Reversed.**
- **Customer Billing**
 - SJG's "Rate Ready" Consolidated Billing - SJG transmits the meter usage data to the TPS via an 867MU transaction. SJG will consolidate the TPS charges with their portion of the charges and issue an invoice to the customer. The invoice 810 transaction will be sent to TPS.
 - Bad meter readings failed by SJG will not be forwarded to the TPS until corrected.
 - Dual Billing - SJG transmits the meter usage data to the TPS via an 867MU transaction. Both SJG and TPS will issue a separate invoice for their respective portions of the bill to the customer.
 - Bad meter readings failed by SJG will not be forwarded to the TPS until corrected.

Payments Due to TPS

- For TPSs selecting SJG's consolidated bill option, the payment (820 Transaction) will reflect the entire amount of the TPSs billing for payments made on behalf of residential and commercial rate class customers. Discounts (i.e. bill presentation and POR fees) will be applied against the POR amount due the TPS, with the TPS receiving the net result.

- For TPSs selecting SJG's consolidated bill option, the actual payments will be made to the TPSs twice per month for residential and commercial rate class customers. The first batch of 820 transactions will be sent on the next business day after the 15th day of the month; the second batch of 820 transactions will be sent on the next business day after the last day of the month.

- **Payments due to SJG**

Payments due SJG should only be sent from accounts of the TPS which SJG has on file.

- **Historical Usage**

- The TPS will initiate the request for historical data via an 814 historical usage request. SJG will respond with 814 historical usage response and 867 historical usage data transactions.

- **Functional Acknowledgments**

Provide verification of receipt of transactions that comply with the EDI standards. These transactions will be generated by SJG's EDI agent.

- **Customer Account Maintenance**

- Customer contacts SJG to Final Account - Regardless of the reason for finaling, once SJG issues a final bill on an account, they will notify the TPS with an 814D drop request transaction.
- Customer's data changes from SJG - SJG is required to notify the TPS of the following changes by transmitting to the TPC an 814C, Change Transaction.
 - Change in SJG account number
 - Change in Customer name
 - Change in customer metering or billing cycle
 - Change in Rate class.
 - Change in Service Period Start Date
 - Change in Service Period End Date
- Customer Data Changes from TPS - TPS is required to transmit to SJG changes in the following using the 814C Change transaction.

- Change in the TPS Rate Amount
- Change in the TPS Bill Option

SJG’s Primary EDI Contact:

Svetlana (Lana) Grebenschikov – Transportation EDI Specialist – 609-561-9000 Ext. 6581

Email: sgrebenschikov@sjindustries.com

SJG Secondary EDI Contact:

Lynda S. Truitt - Senior Project Consultant, Gas Supply & Transportation Services – 609-561-9000 Ext. 4591

Email: ltruitt@sjindustries.com

Section 6. EDI Testing

The following details the test plan to be used by TPS that wish to transport gas in SJG’s service territory utilizing EDI protocols. SJG’s EDI Test Plan elaborates on the New Jersey Gas Certification Test Plan where applicable and provides information specific to operation in SJG environment. The goal of the test plan is to define objective criteria for SJG and TPS to validate that the EDI transactions conform to the standards as defined in the New Jersey EDI Protocols.

The NJBPU may moderate the testing and has final ruling on all disputes between SJG and the TPS.

EDI Testing Requirements:

	TPS	SJG
Prior to Testing	<ul style="list-style-type: none"> - Licensed in State of NJ - Completes a Retail Choice Partner registration form - Provide automated test system - Understands SJG Standard Business Rules 	<ul style="list-style-type: none"> - Provide test environment - Provide test account numbers - Establish a test schedule - Provide trading partner information to TPS - Read and understand the EDI implementation guidelines and data dictionaries

	- Read and understand the EDI implementation guidelines and data dictionaries	
During Testing	- Keep the test schedule as established by SJG - Maintain availability and participation in testing calls	- Communicate testing exceptions - Coordination of periodic testing status calls
After Testing	- Notify SJG of major changes to EDI related environments	- Notification to TPS of Level 2 certifications - Notify trading partners of major changes to EDI related environments

Levels of Certification:

- **Level 1** - Certifies the communication of sample transactions between SJG and the TPS via EDI over the Internet. This entails a preliminary review of sample EDI transactions that comply with the X12 format. Level 1 certification must be attained prior to the beginning of level 2 testing.
- **Level 2** - Certifies testing between SJG and the TPS are completed according to the New Jersey EDI Protocols to allow for the accurate exchange of data. Completion of Level 2 certification testing represents the minimum test requirements to achieve production exchange with the utility. Level 2 testing will take place over several weeks as the various test scenarios are transmitted, evaluated, corrected and re-tested.

EDI Testing Process

SJG is able to offer testing to a maximum of three (3) TPSs in any given test period. Therefore, it is imperative for the TPS to comport with the planned schedule and not allow the schedule to lag. TPSs that fall behind may be dropped from the current test period and rescheduled at a later date.

Indicative EDI Testing Protocol

Level 1 Certification Testing

- TPS must complete their internal system EDI testing (see the New Jersey Gas Certification Testing Plan for EDI for specific test scenarios that the TPS should be capable of handling)
- TPS should contact SJG to notify them of interest to participate in EDI process

- TPS will complete the Retail Choice Partner Registration Form and return it to SJG
- SJG schedules certification testing and notifies TPS of testing period
- SJG to kick off testing with TPS and SJG's EDI Agent (ESG)
- SJG supplies test account information to the TPS
- TPS begins Level 1 certification with an exchange of sample transactions with ESG
- SJG notifies TPS of Level 1 certification acceptance or failure
- TPSs not achieving Level 1 certification will not move on the Level 2 testing and must be rescheduled for Level 1 certification.

Level 2 Certification Testing

- TPS begins Level 2 certification with SJG
- TPS sends transactions according to test schedule (see [Exhibit III](#) for test frames)
- SJG and TPS communicate testing results
- SJG notifies TPSs of Level 2 certification acceptance or failure
- SJG will notify those TPSs attaining Level 2 certification of a start date. TPS not attaining Level 2 certification must be rescheduled for Level 2 certification

A test frame represents an activity that must be completed by the trading partners. Each frame typically ends with a set of transactions being exchanged between trading partners. A test frame should take no longer than two days to complete. All TPS's being certified (at most 3 at one time) will move from test frames together when all test frames have been completed.

Section 7. Business Partner Relationship

The relationships described herein, are intended to serve as a general guide for the purpose of establishing informational standards. In order to establish a set of mutually agreed upon standards, there must first be a mutual understanding of the business relationships to which the standards will be applied in accordance with the NJBPU's Orders. The following represents the current understanding of these relationships.

It should be noted that in an effort to remain consistent with the Utility Industry Group's terminology, and for the purposes of this document, the term enrollment is used for the transaction involving a customer signing up or canceling gas supply service from a TPS.

Customer will:

1. Give authorization for enrollment.
2. Be responsible for evaluating and securing services from TPS
3. Be responsible for notifying the TPS and/or SJG for any concerns regarding energy supply
4. Notify SJG of move or disconnect
5. Notify TPS of bill option

TPS will:

1. Obtain authorization from customers for customer enrollment
2. Obtain authorization from customers for release of historical usage information
3. Exchange information electronically with SJG for enrollment, changes or discontinuance of service, etc.
4. Render bills for service when a customer selects to receive separate bills from SJG and the TPS.
5. When applicable, provide SJG with the necessary billing information when the customer selects to receive one bill from SJG
6. When applicable, resolve customer payment problems for relevant TPS and/or SJG charges
7. When applicable, maintain records on customer payments and fees
8. Participate in electronic systems testing as defined herein.
9. Provide a point of contact to facilitate business and technical communications
10. Abide by applicable rules issued by the NJBPU
11. Implement and maintain data transmission standards as recommended within this document
12. Communicate and resolve customer disputes

SJG will:

1. Provide customers with the NJBPU's list of licensed TPS as per its Orders
2. Provide information electronically to TPS for enrollment, changes or discontinuance of service, customer information, etc.
3. Maintain an internet site for customer choice information for access by licensed suppliers
4. Release historical usage information and other customer information to TPSs upon TPS receiving appropriate customer authorization

5. Provide billing information to TPSs
6. Provide eligible customers with the bill option that has been communicated by the TPSs provided the TPS has met all necessary regulatory requirements
7. Provide a point of contact to facilitate business and technical communications
8. Implement and maintain data transmission standards as recommended within this document
9. Provide beginning and ending meter readings as well as gas consumption and demand information to the TPS (if applicable)
10. Provide customer payment data on behalf of the TPS to the TPS when not assuming receivables (if applicable)
11. Forward funds collected on behalf of the TPS to the TPS in accordance with each SJG supplier agreement, and/or TPS Customer Account Services Master Service Agreement (SA) (if applicable)
12. Communicate and resolve customer disputes

Section 8. TPS Billing Options to Customers

TPSs are also required to enter into a Billing Services Agreement (BSA) ([Exhibit IV](#)) with SJG. The BSA offers TPSs the option by which they may present invoices to their customers:

- 1.) Utility Consolidated Billing (UCB) – where SJG is “Rate Ready” and will consolidate the TPS charges with its own portion of the bill and issue a single invoice to the customer. In addition, a TPS who chooses this option will also need to complete a Schedule 1.0 ([Exhibit V](#)), in addition to a BSA.

The BSA is the legal document naming SJG as the billing agent; Schedule 1.0 outlines the fees associated with this service.

- 2.) Dual Billing - where both the TPS and SJG issue separate invoices to the customer for their portion of the bill.

SJG does not support “Bill Ready” Consolidated Billing.

TPSs may change their Billing Option for its customer(s) upon submittal of an 814C - Change Bill Option Request - transaction.

Section 9. SJK Purchase of Receivables

SJG offers TPSs the Purchase of Receivables (POR) for firm residential and commercial rate class customers billed under the UCB option. The following fees are assessed to TPSs for POR services:

- 1.) **POR Fee** of \$.90 fee per bill per month
- 2.) **Bill Presentment and Mailing Fee** of \$.075 per bill per month.

SJG's UCB service not only presents the TPS's commodity charges and distribution (transportation) service charges on one bill, but also offers the option to present the TPS logo (including company name and phone number) on the bill SJG issues to the customer. There is a one-time fee of \$600 associated with presenting TPS information on SJG's bill.

The TPS logo must be presented to SJG in the following format:

- .tif
- black & white
- 300 dpi
- exact size
- The size parameters for a logo are 1½ inches long by 5/16 of an inch high.

Section 10. Supplier License Renewal

The NJBPU requires that each TPS apply for renewal of their gas supplier license no later than 30 days prior to the expiration date of their current license (see [Exhibit VI](#)).

The renewal application must include a list of the TPS customers, identifying the number of customers in each rate class.

Please see [Exhibit VII](#) for a list of SJG's rate classes.

Section 11. Sales Tax Resale Certificates

In order for TPSs to be exempt from paying sales tax on cash-out charges for deficiency imbalances, each marketer is required to present a Sales Tax Form ST-3 Resale Certificate to SJG (see [Exhibit VIII](#)).

Section 12. Energy Consultant Requirements

For information regarding the requirements necessary to become a registered Energy Consultant (EC) in the State of New Jersey, please access the NJBPU web site.

Subsequent to registering with the NJBPU, the EC must complete and submit to SJG both a Retail Choice Energy Consultant Application (EC Application, see [Exhibit IX](#)) and an Energy Consultant Agreement (EC Agreement) ([Exhibit X](#)). (We ask that you contact the Transportation Department at transportation@sjindustries.com prior to submitting your completed agreements to ensure completeness of the application package.)

Subsequent to contacting the transportation team, please execute the EC Application along with **executed duplicative originals** of the EC Agreement and forward same to:

South Jersey Gas
Transportation Services Department
215 Cates Road
Egg Harbor Township, NJ 08234

Moreover, in order to finalize the pre-authorization process, all the information and documentation as detailed in both the EC Application and the EC Agreement (including the Insurance information requested in Appendix B of same) must be submitted to and approved by SJG, along with a copy of the State of NJBPU Energy Agent registration certificate. Subsequent to the review and approval of the above by SJG, a fully executed duplicate original of the EC Agreement will be returned to the EC.

Section 13. Daily Gas Nominations on the SJG System

Residential (RSGFT) and Commercial (GSGFT, GSGLVFT, EGSFT, EGSLVFT & NGVFT) firm transportation customers are aggregated into groups. On or by the 25th of each month, SJG's TSD will communicate the estimated Daily Delivery Requirement (DDR) for each marketer's group(s) and communicate it in advance of the prompt month. The quantity of gas expected for delivery to SJG as noted in the DDR is constant for each day of the stated month. The DDR for commercial customers is calculated using historical usage information, and residential customers using an average daily therm use per customer. The monthly excess or deficiency imbalance of each group is accumulated seasonally and settled seasonally. SJG requires TPSs to communicate

expected delivery of gas supplies intended for their customers on a day-ahead basis. The confirmation of the scheduled delivery of the gas into SJG's distribution system is provided by the TSD personnel on a day-ahead basis, an intra-day basis, a day-after basis and an end-of-month basis. This confirmation is accomplished utilizing the web sites of both Transcontinental Gas Pipe Line (Transco) and Columbia Gas Transmission (TCO). Any variation between the TPS's expected quantity and that of Transco is communicated by TSD personnel to the TPS. Inquiries are made regarding over or under deliveries regardless of magnitude.

All daily nominations will be processed through the marketer portal. For information regarding allocating and nominating gas on the SJG system please see the "**Marketer Portal's Automated Allocation and Nomination Guidelines**" attached as [Exhibit XI](#).

Please note that SJG's deadline for Timely daily nominations is **2:30 pm, Monday through Friday**. Moreover, ESG has a cut off time of 3:00 pm for processing EDI transactions, as such, any nomination not submitted to ESG by 3:00 pm will be processed the next day.

If you have a change over the weekend or after hours during the weekday, please follow the procedure provided below:

To request an intra-day change in gas deliveries to effect a reduction and/or an addition of same a request must be submitted in advance by sending an email to signom@sjindustries.com requesting same.

SJG will require that the email includes:

- Amount of gas in dekatherms (both the original amount nominated, the new amount nominated and the changed in nomination)
- Contract #
- Pipeline
- Gas date

We will send an email reply advising whether or not the request is approved.

Please follow the procedure below for after hour changes to your gas deliveries on the weekdays and weekends:

Send an email notification to: signom@sjindustries.com; Mckeecity@sjindustries.com; ltruitt@sjindustries.com; acaporale@sjindustries.com; mmendoza@sjindustries.com; jmozitis@sjindustries.com; kschailer@sjindustries.com; dbechtel@sjindustries.com

Allocations Desk at 609-646-1561 or 609-646-3179

Marketer portal login instructions are below:

Go to the marketer portal at <https://marketer.sjindustries.com>

Your username is your marketer number preceded by the letter M, example M000

The default password is snowyday123!

Log into the portal using this password and update with the below specifications:

New password must be a minimum of 9 characters.

New password should contain:

- One or more of these special characters @\$%!&
- Alphabets A to Z /a to z
- Numbers 1 to 9

Section 14. TPS Package IDs on Interstate Pipelines

Due to ongoing system integrations, SJG would like to emphasize both the importance and necessity of using the correct package ID on all nominations. As of August 1, 2015, all gas coming to SJG's city gates (Transco #1006583, Columbia #109) must be packaged using the required identifying components:

Marketer number + rank number

For example, if the marketer number is 1111 and the gas nominated on a particular contract is for residential customers, the package ID should be 111121. Listed below are the ranking codes for all rate classes.

If you are unsure of your marketer number, please let us know and we will confirm it for you.

SJG Ranking Codes on Columbia & Transco

Rate Class	Rank
RSGFT - Residential DDR Accounts	21
GSGFT - Small Commercial DDR Accounts	24
GSLVFT - Large Commercial DDR Accounts	24
EGSFT - DDR Accounts	24
EGSLVFT - DDR Accounts	24
NGVFT - DDR Accounts	24
CTS - Industrial Accounts	24

GSGFT - Commercial Industrial Accounts	24
GSGLVFT - Large Commercial Industrial Accounts	24
EGSFT - Industrial Accounts	25
EGSLVFT - Industrial Accounts	25
LVSFT - Industrial Accounts	24
NGVFT - Industrial Accounts	24
LVCS - Industrial Accounts	25
FES - Industrial Accounts	25
ITS - Industrial Accounts	29

Section 15. Balancing Provisions

SJG’s Balancing Service Clause-General Service (BSC-GS) (Rider “J”) is applicable to commercial transportation customers (GSGFT, GSGLVFT, EGS, EGSLVFT & NGVFT) and residential transportation customers (RSGFT). Details regarding Rider “J” can be found on sheets 94 through 98 of SJG’s tariff. Balancing Service Clause-Large Volume (BSC-LV) (Rider “I”) is applicable to GSGFT, GSGLVFT, EGSFT, EGSLVFT, CTS, LVSFT, NGVFT, ITS and FES customers. Details regarding Rider “I” can be found on sheets 88 through 93 of same. Rider I customers are cashed out on a monthly basis at a rate equal to a percentage of Transco’s Zone 6 Non-New York daily midpoint average, as posted in Gas Daily, times a System Impact Charge (SIC) plus other charges where applicable which are explained in detail below.

A commercial customer is engaged primarily in providing a service for the sale of goods or services. An industrial customer, however, is engaged primarily in the processing or changing of raw or unfinished materials into another form or product. SJG offers a diversified rate structure for commercial and industrial customers utilizing Balancing Service Clause-Large Volume (BSC-LV) (Rider “I”).

Brief Description of SJG’s Customer Classifications under Rider I

GSGFT – A commercial or industrial customer who would not qualify for any other rate schedule.

GSGLVFT – A commercial or industrial customer who would not qualify for any other rate schedule with an annualized usage of 100,000 therms or more.

EGS – A commercial or industrial electric generation facility; all prime movers and all engine-driven equipment, whether or not used for electric generation, with a firm contract demand of less than 200 Thousand Cubic Feet (Mcf) per day. Customer may elect Rider J or Rider I.

EGSLVFT – A commercial or industrial electric generation facility; all prime movers and all engine driven equipment, whether or not used for electric generation, with a firm contract demand of 200 Mcf/day or more.

CTS – A commercial or industrial customer having a firm contract demand and an average annual daily firm use of 100 Mcf/day or more.

LVSFT – A commercial or industrial customer with a contract demand and a minimum annualized average use of 200 Mcf/day for equipment without an alternate fuel capability.

NGVFT - A commercial or industrial customer who will utilize natural gas for the purpose of providing vehicle fuel. Customer may elect Rider J or Rider I.

ITS - A commercial or industrial customer with an alternate fuel capability.

FES – customers purchasing or transporting gas to generate electricity with a winter contact demand of 1,000 Mcf/day or more, or a summer daily contract demand of 2,000 Mcf/day or more, or both.

Industrial Balancing Under Rider I

Industrial customers may also be aggregated into groups. The quantity of gas delivered by a TPS on behalf of the customers within an aggregated group is determined based on the aggregate consumption of the customers. The daily requirements for gas delivery to industrial customers are not dictated by SJG. Instead, TPSs are expected to maintain a variance relationship of consumption and delivery to industrial customer groups that does not exceed a parameter of plus or minus 7.5%. This imbalance condition is monitored by SJG personnel on a daily basis. In the event that the imbalance exceeds plus or minus 7.5%, the imbalance is considered an “Imbalance Requiring Action”(IRA). Upon determining that an IRA exists, SJG Transportation Department personnel will notify the TPS and require that they develop a plan of action to remediate the imbalance to a level of less than 7.5% for the group in question prior to the end of the calendar month. Failure by the TPS to effectuate the agreed to plan will subject the TPS to the consequence referenced in SJG’s tariff under Balancing Rider “I”.

At month's end, TPSs with industrial customer groups are either charged or compensated for gas imbalances for their aggregated group(s). The derivation of the "cash out" price for gas imbalances can also be found in tariff sheet Balancing Rider "I". Depending on the percentage of imbalance the cash out rate can be impacted by a multiplier, or the SIC, which serves as a disincentive to TPSs intentionally creating imbalances on SJG's system.

Net Monthly Deficiency Imbalances will be cashed out follows:

Customers with a net monthly deficiency imbalance shall be charged for service provided during such month, an amount equal to the product of (i) the net monthly imbalance quantity times (ii) one hundred and ten percent (110%) of the simple average of daily postings of Transco's Zone 6 Daily Midpoint reported each day during the month in which the deficiency imbalance occurred, in the Daily Price Survey in the Gas Daily, times (iii) a SIC. The SIC is determined as follows:

- If monthly gas consumption exceeds monthly receipts by 7.5% of gas consumption or less, the SIC will be one (1)
- If monthly gas consumption exceeds monthly receipts by more than 7.5% but less than 15%, the SIC will be one and three tenths (1.3)
- If monthly gas consumption exceeds monthly receipts by 15% or more, the SIC will be two (2)

Net Monthly Excess Imbalances will be cashed out follows:

Customers with a net monthly excess imbalance shall receive, for service provided during such month, a credit equal to the product of (i) the Net Monthly Imbalance quantity times (ii) ninety percent (90%) of the simple average of daily postings of Transco's Zone 6 Daily Midpoint reported each day during the month in which the excess imbalance occurred, in the Daily Price Survey in the Gas Daily, less (iii) a capacity charge factor of \$.0050 per therm, times (iv) a SIC.

- If monthly receipts exceed monthly gas consumption by 7.5% of gas consumption or less, the SIC will be one (1)
- If monthly receipts exceed monthly gas consumption by more than 7.5% but less than 15%, the SIC will be two-thirds (2/3)
- If monthly receipts exceed monthly gas consumption by 15% or more, the SIC will be one-half (1/2)

Section 16. Daily Delivery Requirement Report for Rider J Customers

Residential (RSGFT) and commercial (GSGFT, GSGLVFT, EGSFT, EGSLVFT & NGVFT) firm transportation customers may be aggregated into groups by rate class. On or by the 25th of each month, SJG's Transportation Department will communicate or make available on its marketer portal, the estimated DDR for each of the TPS rate class group in advance of the prompt month. The DDR represents the quantity of gas expected to be delivered to SJG for the specified group each day of the month. The DDR for commercial customers is calculated using historical usage, while the DDR for residential customers is based on an average therm use per customer.

The DDR information made available on SJG's marketer portal is provided in separate files for both residential and commercial rate classes.

For marketer's who have not accessed the marketer portal, please follow the instructions below.

Go to the marketer portal at <https://marketer.sjindustries.com>

Your username is your marketer number preceded by the letter M, example M000

The default password is snowyday123!

Log into the portal using this password and update with the below specifications:

New password must be a minimum of 9 characters.

New password should contain:

- One or more of these special characters @#\$%!&
- Alphabets A to Z / a to z
- Numbers 1 to 9

In order to use the "Forget My Password" feature on the marketer portal, you will need to provide SJG's Transportation Department with a default contact. Please provide only one email per marketer. If your account is locked a temporary password will be emailed to you using the "Default Password" provided.

Section 17. Enrollments for Industrial Customers

Notification of enrollments or drops of industrial rate class customers can be sent to the Transportation Department up to last day of the month prior to the start or end of the

enrollment. Please send an email notification to transportation@sjindustries.com regarding the pending enrollment or drop with the customer's name, account ID and the requested date.

Section 18. Reports Available to TPSs via the Marketer Portal

Allocations Report

The Allocations Report on the marketer portal shows all the approved allocations by pipeline. Marketers submit nominations via the marketer portal. These allocations are either approved or rejected by SJG. When approved, SJG's system will automatically display these volumes and the TPSs can view them using this report. There is a date range available to the marketers to render the report in.

In addition, the report displays details of all nominations by delivery date, rate class, aggregated group, account information and totals on Transco and Columbia pipelines.

ALLOCATIONS REPORT						
Reporting Date Range	7/1/2015	To	7/2/2015			
Marketer Name	SAMPLE MARKETER					
Marketer Number	1111					
Account Number	Delivery Date	Customer Name	Rate Class	Group Number	Delivery On Transco (dth/d)	Delivery On Columbia (dth/d)
1111111111	7/2/2015	CUSTOMER 1	ITS	0002	0	290
2222222222	7/2/2015	CUSTOMER 2	LVSFT	0044	200	400
1111111111	7/1/2015	CUSTOMER 1	ITS	0002	0	160
2222222222	7/1/2015	CUSTOMER 2	LVSFT	0044	150	400

Cumulative Daily Data Report

The Cumulative Daily Data report on the marketer portal shows the billing data for industrial customers. It provides the TPSs with a date range to extract billing data. The report, when rendered, shows the transportation total, firm and interruptible metered usage, and the daily imbalance calculations and curtailment codes for industrial customers for each day in the chosen date range.

Regarding CTS customers, their imbalance at the start of each month is displayed in this report as well.

In addition, a total transportation and usage calculation, across all days for industrial customers served by each TPS is offered. These totals are used to calculate the imbalances across the date range.

Reporting Date Range 7/1/2015 To 7/3/2015
 Marketer Number 1111

		Transportation Volumes				Metered Volumes								
Account ID	Customer Name	Prev Mo Imbal MCF (For CTSFT customers only)	Report Date	Rate Class	FCD MCF/Day	Trans DTHS	Trans MCF	Line Loss MCF	Firm Usage MCF	Interr Usage MCF	Total Usage MCF	Daily Imbalance MCF	Daily Imbalance %	Curtailment Code
1111111111	CUSTOMER 1	500.00	7/3/2015	CTSFT	200	436.0	415.2	6.2	200.0	228.0	428.0	-19.0	-4.4%	1
			7/2/2015	CTSFT	200	436.0	414.4	6.0	200.0	217.0	417.0	-8.6	-2.1%	1
			7/1/2015	CTSFT	200	436.0	412.1	5.5	200.0	179.0	379.0	27.6	7.3%	1
		Total:					1,308.0	1,241.7	17.7	600.0	624.0	1,224.0	0.0	0%
2222222222	CUSTOMER 2	6,000.00	7/3/2015	CTSFT	100	122.0	116.2	2.0	100.0	36.0	136.0	-21.8	-16.0%	1
			7/2/2015	CTSFT	100	122.0	116.0	1.8	100.0	24.0	124.0	-9.8	-7.9%	1
			7/1/2015	CTSFT	100	122.0	115.3	1.8	100.0	27.0	127.0	-13.5	-10.6%	1
		Total:					366.0	347.5	5.6	300.0	377.0	-46.1	-12%	

Cumulative Daily Data by Customer Report

This report is customer specific. It mimics the Cumulative Daily Data Report (outlined above) in design with the exception of an additional drop down menu to view for a particular industrial customer.

Reporting Date Range 7/1/2015 To 7/3/2015 Marketer 1111
 Customer Name CUSTOMER 3

		Transportation Volumes				Metered Volumes								
Account ID	Customer Name	Report Date	Rate Class	FCD MCF/Day	Trans DTHS	Trans MCF	Line Loss MCF	Firm Usage MCF	Interr Usage MCF	Total Usage MCF	Daily Imbalance MCF	Daily Imbalance %	Curtailment Code	
33333333	CUSTOMER 3	7/3/2015	ITS	0	290.0	276.2	0.2	0.0	14.0	14.0	262.0	1871.4%	1	
		7/2/2015	ITS	0	290.0	275.7	0.4	0.0	30.0	30.0	245.3	817.7%	1	
		7/1/2015	ITS	0	290.0	274.1	6.6	0.0	452.0	452.0	-184.5	-40.8%	1	
		Total:				870.0	826.0	7.2	0.0	496.0	496.0	322.8	65%	
Total:					870.0	826.0	7.2	0.0	496.0	496.0	322.8			

Cumulative Daily Data by Aggregated Groups Summary Report

This is an aggregated version of the Cumulative Daily Data Report on the marketer portal. The aggregation on this report works two ways; billing data for industrial customers rolled up by rate class, and billing data rolled up by aggregated group. This report provides the TPSs with a date range to extract aggregated billing data in. The report, when rendered, shows the transportation total, firm and interruptible metered usage, and the daily imbalance calculations for all industrial customers for each day in the chosen date range rolled up by rate class and the corresponding customer.

Also, displayed below is a view of the same data rolled up by aggregated account number for every day in the date range since many TPSs nominate and deliver for an aggregated group of customers as well as for an individual customer.

By Industrial Rate Class

Reporting Date Range 7/1/2015 To 7/3/2015
 Marketer Number 1111

		Transportation Volumes				Metered Volumes								
Aggr Account Number	Customer Name	Report Date	Rate Class	FCD MCF/Day	Trans DTHS	Trans MCF	Line Loss MCF	Firm Usage MCF	Interr Usage MCF	Total Usage MCF	Daily Imbalance MCF	Daily Imbalance %	Curtailment Code	
ITS	CUSTOMER 1	7/3/2015	ITS	0	290.0	276.2	0.2	0.0	14.0	14.0	262.0	1871.4%	1	
		7/2/2015	ITS	0	290.0	275.7	0.4	0.0	30.0	30.0	245.3	817.7%	1	
		7/1/2015	ITS	0	290.0	274.1	6.6	0.0	452.0	452.0	-184.5	-40.8%	1	
	CUSTOMER 2	7/3/2015	ITS	0	161.0	153.3	0.1	0.0	5.0	5.0	148.2	2964.0%	1	
		7/2/2015	ITS	0	161.0	153.0	0.4	0.0	30.0	30.0	122.6	408.7%	1	
		7/1/2015	ITS	0	161.0	152.2	3.4	0.0	237.0	237.0	-88.2	-37.2%	1	
		Total:				1,353.0	1,284.5	11.1	0.0	768.0	768.0	505.4	66%	
LVSFT	CUSTOMER 3	7/3/2015	LVSFT	500	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1
		7/2/2015	LVSFT	500	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1
		7/1/2015	LVSFT	500	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1
	CUSTOMER 4	7/3/2015	LVSFT	600	212.0	201.9	1.6	108.0	0.0	108.0	0.0	92.3	85.5%	1
		7/2/2015	LVSFT	600	212.0	201.5	3.0	210.0	0.0	210.0	0.0	-11.5	-5.5%	1
7/1/2015	LVSFT	600	212.0	200.4	3.3	226.0	0.0	226.0	0.0	-28.9	-12.8%	1		

By Aggregated Group Number

Aggr Account Number	Report Date	FCD MCF/Day	Trans DTHS	Trans MCF	Line Loss MCF	Firm Usage MCF	Interr Usage MCF	Total Usage MCF	Daily Imbalance MCF	Daily Imbalance %
42091234567	7/3/2015	0	451.0	429.5	0.3	0.0	19.0	19.0	410.2	2158.9%
	7/2/2015	0	451.0	428.7	0.8	0.0	60.0	60.0	367.9	613.2%
	7/1/2015	0	451.0	426.3	10.0	0.0	689.0	689.0	-272.7	-39.6%
	TOTAL:			1,353.0	1,284.5	11.1	0.0	768.0	768.0	505.4
42097654321	7/3/2015	13578	8,547.0	8,140.0	30.3	6,218.0	0.0	6,218.0	1,891.7	30.4%
	7/2/2015	13578	8,547.0	8,124.5	37.8	6,700.0	0.0	6,700.0	1,386.7	20.7%
	7/1/2015	13578	8,547.0	8,078.4	49.0	7,408.0	15.0	7,423.0	606.4	8.2%
	TOTAL:			25,841.0	24,342.9	117.1	20,326.0	15.0	20,341.0	3,884.8

Daily Meter Reading Report

The Daily Meter Reading Report on the marketer portal shows the total usage across each meter registered against each industrial customer. The metered usage is fed directly by the Metretek.

Marketers are provided with the option of selecting the end of any gas day to view the metered data. The report, when rendered, shows the selected customers for the selected dates for each meter registered under that customer, along with the calculated and converted meter usage to MCF.

Start Read Date	6/30/2015	End Read Date	7/1/2015
Marketer Number	1111		

Account #	Customer Name	End Read Date	Meter	Start Read	End Read	Usage MCF
1111111111	CUSTOMER 1	7/1/2015	734123	27635	27655	200
1111111111	CUSTOMER 1	7/1/2015	434456	193957	194107	150
1111111111	CUSTOMER 1	7/1/2015	234789	18818	18837	19
1111111111	CUSTOMER 1	7/1/2015	345754	22387	22413	26
2222222222	CUSTOMER 2	7/1/2015	834425	19578	19610	32
2222222222	CUSTOMER 2	7/1/2015	945365	57465	57570	105

Daily Meter Reading by Customer Report

This report is customer specific. It mimics the Daily Meter Reading Report (outlined above) in design with the exception of an additional drop down menu to view for a particular industrial customer. In addition, this report shows the "main" customer name to select in the drop down list since in some cases, a customer may be broken down into multiple sub customers.

Start Read Date	6/30/2015	End Read Date	7/1/2015
Customer Name	CUSTOMER 7	Marketer Number	1111

Account #	Customer Name	End Read Date	Meter Number	Start Read	End Read	Usage MCF
7777777777	CUSTOMER 7	7/1/2015	46765754	6171	6171	0
7777777777	CUSTOMER 7	7/1/2015	74567546	104688	105329	641

Daily Delivery Requirement Commercial Report

The Daily Delivery Requirement (DDR) Commercial Report on the marketer portal displays the DDR across all retail commercial customers falling into the groups listed under the TPS for the prompt month. Consequently, the TPS receives a breakdown of the amount of gas to purchase or reserve for commercial customers. The total is estimated by analyzing the usage trend across all customers served by the TPS over the last couple of years and the new usage is estimated accordingly. Any new customers lacking the historical trend will be added by the SJG Transportation Analyst based on the usage of other customers falling under the same genre. This report, when rendered, displays the total DDR for every commercial group listed under the TPS. Also, the seasonal imbalance is applied to each group, if applicable.

Daily Delivery Requirement Residential Report

The Daily Delivery Requirement (DDR) Residential Report on the marketer portal displays the DDR across all retail residential customers falling under heat and non-heat and belonging to groups listed under the TPS for the prompt month. Consequently, the TPS can determine the amount of gas to purchase or reserve for residential customers. Unlike the calculation for commercial DDR customers whereby the usage trend is analyzed, the residential DDR is calculated using each TPS's number of residential customers times the corresponding heat and non-heat factor the count is associated with. The heat and non-heat factors are internal to SJG. This report, when rendered, displays the total number of heat and non-heat customers for each residential group listed under the TPS and the corresponding DDR. Also, the seasonal imbalance is applied to each group, if applicable.

DDR MONTH	August 2015	MARKETER NAME	SAMPLE MARKETER		
		MARKETER NUMBER	1111		
		MARKETER DUNS NUMBER	123456789		
		HEAT FACTOR	1.4		
		NON HEAT FACTOR	1.2		
		LINE LOSS	1.43%		
		TOTAL GAS HEATING	13		
		TOTAL NON GAS HEATING CUSTOMERS			

SEASONAL IMBALANCE APPLIED			DDR RESIDENTIAL GROUP SUMMARY					
Group Number	Monthly Seasonal Imbalance	Daily Seasonal Imbalance dth/d	Group Number	Total Customer Count	Unadjusted DDR dth/mo	Monthly Seasonal Imbalance dth/mo	Adjusted Monthly DDR dth/mo	Net DDR dth/d
6999	0	0	6999	13	-18.5	0	-18.5	-1
6111	0	0			-18.5		-18.5	-1

Marketer Number	Group Number	Status	Customer Count	Unadjusted Monthly DDR(dth/mo)
1111	6999	HEAT	13	-18.5
TOTAL				-18.5

Daily CTS Imbalance Report

The Daily CTS Imbalance Report on the marketer portal displays the daily CTS imbalance for all CTS customers served under the TPS. The TPSs can select a particular month via a drop down list. This report, when rendered, offers the cumulative imbalance over all days in a month. The imbalance that is reflected after the daily update is the result of the total transportation versus consumption and line loss. This report enables the TPS to track their cumulative imbalance on a daily basis.

DAILY CTS IMBALANCE REPORT FROM 7/1/2015 To 7/20/2015								
MARKETER NAME	SAMPLE MARKETER							
MARKETER NUMBER	8888							
MARKETER DUNS NUMBER	65843658344							
Account Name	SAID	Firm Contract Demand (Mcf/Day)	Bill Days	Previous Month Imbalance (Mcf)	Delivered Quantity (Mcf)	Consumed Quantity (Mcf)	Line Loss (Mcf)	Current Month To Date Imbalance (Mcf)
CUSTOMER 67	36356536	450	20	176.1	7,256.0	7,635.0	110.7	(313.6)
CUSTOMER 68	86473560	315	20	2,052.3	3,894.2	5,080.0	73.7	792.9
CUSTOMER 69	24417436	135	20	1,456.2	0.0	0.0	0.0	1,456.2
CUSTOMER 70	36535654	300	20	(189.4)	5,125.5	4,673.0	67.8	195.3
CUSTOMER 71	46745632	100	20	525.9	0.0	460.0	6.7	59.2
CUSTOMER 72	47243865	350	20	70.6	4,011.9	4,295.0	62.3	(274.7)
SERVICE PROVIDER TOTAL				4,091.7	20,287.6	22,143.0	321.2	1,915.3
MARKETER TOTAL				4,091.7	20,287.6	22,143.0	321.2	1,915.3

Daily Rider I Imbalance Report

The Daily Rider I Imbalance Report on the marketer portal displays the daily imbalance for all rider I customers (other than CTS rate class) served under the TPS. The TPSs can select a particular month via a drop down list. This report, when rendered, offers the cumulative imbalance over all days in a month. The imbalance that is reflected after the daily update is the result of the total transportation versus consumption and line loss. This report enables the TPS to track their cumulative imbalance on a daily basis.

IMBALANCE REPORT FOR RIDER I CUSTOMERS EXCLUDING CTS RATE CLASS CUSTOMERS									
IRA DAILY DATA REPORT FROM 4/1/2016 THROUGH 4/26/2016									
MARKETER NAME	Sample								
MARKETER NUMBER	1111								
MARKETER DUNS NUMBER	1111111111								
Interruptible Transportation Service									
Rate Class	SAID	Customer Name	Line-Loss Percent(%)	FCD (mcf/d)	Transportation MCF	Consumption MCF	Line Loss MCF	Imbalance MCF	Percent Imbalance
ITS	11111111	Customer 1	1.43	0	0	0	0	0	0
TOTAL:				0	0	0	0	0	0
Large Volume Service FT									
Rate Class	SAID	Customer Name	Line-Loss Percent(%)	FCD (mcf/d)	Transportation MCF	Consumption MCF	Line Loss MCF	Imbalance MCF	Percent Imbalance
LVSFT	11111111	Customer 2	1.43	415	10,008.30	9,318.30	135.2	554.9	6
TOTAL:				415	10,008.30	9,318.30	135.2	554.8	6

For marketer's who have not accessed the marketer portal, please follow the instructions below.

Go to the marketer portal at <https://marketer.sjindustries.com>

Your username is your marketer number preceded by the letter M, example M000

The default password is snowyday123!

Log into the portal using this password and update with the below specifications:

New password must be a minimum of 9 characters.

New password should contain:

- One or more of these special characters @\$%!&
- Alphabets A to Z / a to z
- Numbers 1 to 9

In order to use the “Forget My Password” feature on the marketer portal, you will need to provide SJG’s Transportation Department with a default contact. Please provide only one email per marketer. If your account is locked a temporary password will be emailed to you using the “Default Password” provided.

For more information regarding allocating and nominating gas on the SJG system please see [Exhibit XI](#).

Section 19. Rider J End of Month Reports

The ends of month reports available to TPSs via the marketer portal are the **End of Month DDR Imbalance Report** and the **End of Month Seasonal Imbalance Report**. The DDR Imbalance Report offers the TPS a summary of delivered quantities versus calendar month consumption for each rider J group. The Seasonal Imbalance Report tracks the application of the prior season’s balance, in addition to the cumulative balance of the current season’s imbalance.

Monthly Imbalance Report for DDR Groups																
Market Name		Market Name														
Month		April 2016														
Retail DTU Factor		1.037														
Market Number	Group Number	Unbilled Consumption April 2016 (dth/mo)	Unbilled Consumption March 2016 (dth/mo)	Unbilled Variance April 2016 compared to March 2016 (dth/mo)	Bill Cycle Consumption March 2016 / April 2016 (dth/mo)	Calendar Month Consumption April 2016 (dth/mo)	Projected Usage Unadjusted DDR (before line loss) April 2016 (dth/mo)	Line Loss April 2016 (dth/mo)	Unadjusted DDR (after line loss) April 2016 (dth/mo)	Variance Unadjusted DDR (after line loss) to Net Calendar Month Consumption April 2016 (dth/mo)	Variance Unadjusted DDR (after line loss) to Net Calendar Month Consumption April 2016 (percentage)	Seasonal Imbalance Applied April 2016 (dth/mo)	Delivery Requirement Adjusted DDR (before line loss) April 2016 (dth/mo)	Deliveries April 2016 (dth/mo)	Delivery Imbalance April 2016 (dth/mo)	Total Imbalance Created April 2016 (dth/mo)
8888	1234	(64,793.2)	(78,484.6)	13,614.4	(95,737.1)	(82,125.7)	75,630.0	(1,190.9)	74,439.2	(7,686.5)	-9.4%	0.0	75,630.0	75,630.0	0.0	(7,686.5)
8888	2345	(34.8)	0.0	(34.8)	0.0	(34.8)	0.0	(0.3)	(0.3)	(35.3)	-101.5%	0.0	0.0	0.0	0.0	(35.3)
8888	3456	(43,937.0)	(35,960.4)	(8,276.6)	(62,665.8)	(70,942.4)	43,260.0	(1,028.7)	42,231.3	(28,711.1)	-40.5%	0.0	43,260.0	43,260.0	0.0	(28,711.1)
8888	4567	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0	0.0	0.0	0.0
8888	5678	(11,820.8)	(2,471.7)	942.9	(2,346.0)	(2,303.1)	1,661.2	(33.4)	1,627.8	(673.3)	-29.3%	0.0	1,661.2	1,650.0	(11.2)	(688.3)
TOTAL		(110,393.8)	(116,536.7)	5,942.9	(161,348.9)	(155,406.0)	120,551.2	(2,253.4)	118,297.8	(37,106.2)	-23.8%	0.0	120,551.2	120,540.0	(11.2)	(37,119.4)

SEASONAL IMBALANCE REPORT									
SUMMER (April - October (7 months))									
WINTER (November - March (5 months))									
		April 2016							
Market Name	Market Number	Group Number	Current Imbalance Created (dth)	Starting Winter 2015/2016 Imbalance (dth)	Winter 2015/2016 Imbalance Applied (dth)	Ending Winter 2015/2016 Imbalance (dth)	Summer 2016 Imbalance (dth)	Total Imbalance (dth)	
Market Name		8888	1234	(7,686.5)	94,573.2	0.0	94,573.2	(7,686.5)	86,886.7
		2345	(35.3)	0.0	0.0	0.0	(35.3)	(35.3)	
		3456	(28,711.1)	0.0	0.0	0.0	(28,711.1)	(28,711.1)	
		4567	0.0	0.0	0.0	0.0	0.0	0.0	
		5678	(688.3)	0.0	0.0	0.0	(688.3)	(688.3)	
TOTAL			(37,119.4)	94,573.2	0.0	94,573.2	(37,119.4)	57,453.8	

The summer season is April through October; the winter season is November through March (5 months). The consolidated summer imbalance is applied in 4 equal quantities to increase or decrease a supplier's delivery requirement in the next winter season. The consolidated winter imbalance is applied in 6 equal quantities to increase or decrease a supplier's delivery requirement in the next summer season. April and November are exempt from application.

The Summer season includes the months of April, May, June, July, August, September, and October (7 months). The Winter season includes the months of November, December, January, February, and March (5 months).

The consolidated imbalances of April through October are applied in equal quantities to increase or decrease a TPS's delivery requirement in the months of December through March (4 months). The consolidated imbalances of November through March are applied in equal quantities to increase or decrease a TPS's delivery requirement in the months of May through October (6 months). The months of April and November are exempt from application but not accumulation.

Section 20. Historical Usage

Historical usage may be obtained via EDI for rate classes identified as participants in the EDI exchange and utilizing Rider J, specifically GSGFT, GSGLVFT, EGSFT, EGSLVFT, RSGFT and NGVFT. An 814 EDI transaction is required to obtain historical usage.

Commercial and industrial rate classes utilizing Balancing Service Clause Large Volume (BSCLV) utilizing Rider I are GSGFT, GSGLVFT, EGSFT, EGSLVFT, CTS, LVSFT, ITS, NGVFT, and FES.

If data is available, historical usage files will contain up to 12 months of data.

A customer's signature does not have to be submitted in order to obtain usage history but it is imperative that TPSs can produce the customer's authorization upon SJG's request.

Section 21. Lists of Active Firm Customers (Rider J)

A list of active Rider J customers can be made available upon request by sending an email to transportation@sjindustries.com. A file will be sent to you within 24 to 48 hours.

Section 22. Meter Reading Cycles

Gas meters are read on a cycle basis throughout the month on what SJG calls "routes". There are 20 routes in every month and every customer account is read with the assigned route once per month. These cycle-read customers are included in SJG's retail billing system. All commercial and residential usage information is communicated via an 867MU (USGM) EDI transaction. The consumption is communicated to the TPS the day after each cycle bills. Consumption is communicated in ccf (HH) and usage is communicated in therms (TD). A link is available on SJG's website to obtain the current Meter Reading Schedule or see [Exhibit XII](#) attached.

Section 23. Remediation of Gas Used on a Non-Registering Meter

Where it has been determined that a residential or commercial firm transportation customer had a non-registering meter(s), and where the TPS has not delivered gas to satisfy the non-registered usage, and where the gas which had been used during the time the meter was not registering was SJG's system supply gas, it is SJG's current policy to remediate the imbalance by billing the customer directly for the determined usage at the applicable SJG BGSS rate(s) in effect during the period in question.

Section 24. Notices

Based on system operating conditions, SJG may issue various notices from time-to-time to TPSs. Please reference [Exhibit XIII](#) for examples of such notices.

Section 25. Interstate Pipeline Nomination Timelines

As a result of FERC Order No.809 and consistent with the standards developed by the North American Energy Standards Board (NAESB) Wholesale Gas Quadrant, the nationwide timelines for nominating natural gas on the interstate pipelines have been revised effective for gas day April 1, 2016. These changes are documented in the attached [Exhibit XIV](#). SJG has adjusted its nomination timelines in concert with the new standards, with the exception of the timely nominations which are now due to SJG by 1:30 pm central clock time or 2:30 pm eastern clock time.

Section 26. Marketer's Affiliated Company(s) as a TPS

SJG will not preclude Marketers from having an affiliated company(s) conduct business on its system contemporaneously. However, the affiliated company must meet all of the same requirements as the original company to gain approval, including, but not limited to, securing a separate license from the NJBPU and providing SJG with a separate and distinct DUNS number.

Section 27. Composition of Interstate Pipeline Gas

Marketers that require the current composition of gas entering into SJG's system from its interstate pipelines, on a given day, can access this information on both Transco's and Columbia's EBB portals.

For Transco this information may be obtained by accessing Transco's 1Line EBB then under the "Informational Postings" column click on "Gas Quality" then on the "Daily Gas Quality Values" screen, enter the required date range (From & To) for which the data is needed, then click on Station 200, for gas which would be most representative of the gas entering into SJG's system from Transco, and finally click on "View Data". The requested information will then appear at the bottom of the screen.

To access the current composition of gas entering the SJG system from TCO, go into TCO's Navigates EBB. Under "Informational Postings" click on "Gas Quality" and then on the subsequent "Gas Quality" and locate the Rockville device for gas which would be most representative of the gas which SJG receives from TCO.

Section 28. Protocols to Transfer Customers to Another On-System Marketer

When a Marketer decides it will no longer conduct business on the SJG system, and has planned to sell its book of customers to an existing on-system Marketer, the following protocols should be followed to facilitate the transfer of said customers:

1. SJG will require an email from both the current marketer (Selling Marketer) and the existing marketer on our system acquiring the customers (Acquiring Marketer) detailing their intended objectives.
2. The Selling Marketer should provide SJG with the number of customers proposed to be transferred, by SJG rate schedule (as a check to ensure that the customer does not vary from those we have on record). This will afford SJG the opportunity to reevaluate the Acquiring Marketer's collateral position based on their revised customer count.
3. The Acquiring Marketer would be responsible to enroll all Rider J customers being transferred via EDI.
4. SJG will issue a drop request to the Selling Marketer for every new customer enrolled by the Acquiring Marketer via EDI.
5. If a customer to be transferred is in arrears over 120 days, SJG would have the right to reject the enrollment.
6. If a customer is deemed ineligible for enrollment, then the Selling Marketer should send SJG a drop request for each rejected enrollment.
7. SJG requires an email from the Selling Marketer, directed to Transportation@sjindustries.com, providing notice to SJG to drop each involved industrial customer. The Acquiring Marketer should also issue a request, via email (same address), to enroll each involved industrial customer as theirs.
8. Rider J customer transfers would take place on the first day of the customer's next billing cycle, after a 7 day rescission period (which would start on the date the enrollment request is received and accepted). Should there be a gap between the date released by Selling Marketer and the start of service under the Acquiring Marketer – the customer would revert to using SJG's BGSS sales service during that gap period.
9. The DDR and CTS seasonal imbalances created by the Selling Marketer would be moved to the Acquiring Marketer.
10. Rider I customer imbalances originated by the Selling Marketer would be cashed-out.