

NOTICE OF PUBLIC HEARINGS

IN THE MATTER OF THE ESTABLISHMENT OF A UNIVERSAL SERVICE FUND PURSUANT TO SECTION 12 OF THE ELECTRIC DISCOUNT AND ENERGY COMPETITION ACT OF 1999

DOCKET NO. EX00020091

IN THE MATTER OF THE 2021/2022 ANNUAL COMPLIANCE FILING FOR THE UNIVERSAL SERVICE FUND AND LIFELINE PROGRAM COMPONENTS WITHIN THE SOCIETAL BENEFITS CHARGE RATE PURSUANT TO N.J.S.A. 48:2-21 AND N.J.S.A. 48:2-21.1 SUBMITTED BY SOUTH JERSEY GAS COMPANY

DOCKET NO. ER21060939

NOTICE IS HEREBY 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, the State’s electric and gas public utilities’ Societal Benefits Charges (“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 New Jersey program and assistance with heating costs to qualifying elderly and disabled persons.

The State of New Jersey’s Department of Community 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.

In accordance with the Board’s June 22, 2005 Order, South Jersey Gas Company (“SJG” or “Company”) made a compliance filing with the Board on June 25, 2021, requesting authority to implement an increase to its USF/Lifeline program charge, as described below, to become effective on October 1, 2021 (“Filing”). Based upon the results and available estimates known to date for the 2020/2021 USF program year, and the available estimates for the 2021/2022 USF Program year, it is anticipated that the USF rates will be set to collect \$215.5 million, of which \$159.1 million would be recovered through electric rates with the remaining \$56.4 million recovered through gas rates on a statewide basis. The proposed increase includes the projected costs of an expansion of the USF program ordered by the Board in an Order dated June 24, 2021, under BPU docket number AO20060471. The Lifeline rates are anticipated to collect \$74.6 million, of which \$50.7 million would be recovered through electric rates with the remaining \$23.9 million recovered through gas rates on a statewide basis. The current after-tax USF/Lifeline program charge for natural gas customers is \$0.0116 per therm. As proposed, the USF component would increase by \$0.0074 per therm and the Lifeline component would remain at \$0.0057 per therm, including Sales and Use Tax. The proposed after-tax USF/Lifeline program charge will increase to \$0.0190 per therm to recover approximately \$56.4 million for the statewide natural gas USF program and \$23.9 million for the Lifeline program. 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 annual filing scheduled to be made no later than July 1, 2022.

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 July 1, 2021	Bill as of October 1, 2021	Dollar Increase	Percent Increase
25	\$45.38	\$45.57	\$0.19	0.4%
100	\$150.04	\$150.78	\$0.74	0.5%
200	\$289.57	\$291.05	\$1.48	0.5%

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

Therm Level	Bill as of July 1, 2021	Bill as of October 1, 2021	Dollar Increase	Percent Increase
500	\$637.27	\$640.97	\$3.70	0.6%
1,000	\$1,237.49	\$1,244.89	\$7.40	0.6%
2,000	\$2,437.93	\$2,452.73	\$14.80	0.6%

Based upon this filing, the bill of a typical residential service gas customer using 100 therms per month would experience an increase in their monthly bill from \$150.04 to \$150.78, or \$0.74 approximately 0.5%.

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 SJG.

Any assistance required by customers in ascertaining the impact of the proposed rate increase will be provided by the Company upon request.

A copy of the Filing can be viewed on the Company's website at, www.southjerseygas.com/About-South-Jersey-Gas/Regulatory-Compliance-Tariff-Information.aspx, under regulatory information.

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. Information provided at the public hearings will become part of the record and considered by the Board in making its decision.

Date: August 12, 2021

Public Hearing 1: 4:30 pm

Public Hearing 2: 5:30 pm

Dial In: 1-866-984-3164

Access Code: 692 771 700 followed by #

Representatives of the Company, Board's Staff and the New Jersey Division of Rate Counsel will participate in the telephonic public hearing. Members of the public are invited to participate by utilizing the Dial-In and Access Code information set forth above, and may express their views on this Filing. The Board is also accepting written and emailed comments, with the preferred method of transmittal being email while Board Staff continues to work remotely due to the COVID-19 Pandemic. Email comments should be submitted to: board.secretary@bpu.nj.gov, or through the Board's External Access Portal after obtaining a MyNewJersey Portal ID. Once an account is established, you will need an authorization code, which can be obtained upon request by emailing the Board's IT Helpdesk at ITHELPDESK@bpu.nj.gov. Detailed instructions for e-Filing can be found on the Board's homepage at <https://www.nj.gov/bpu/agenda/efiling>. 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. 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.

SOUTH JERSEY GAS COMPANY

By: Melissa Orsen, President and Chief Operations Officer