

NOTICE OF FILING AND PUBLIC NOTICE

IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY TO REVISE THE LEVEL OF ITS BASIC GAS SUPPLY SERVICE (“BGSS”) CHARGE AND CONSERVATION INCENTIVE PROGRAM (“CIP”) CHARGE FOR THE YEAR ENDING SEPTEMBER 30, 2022

BPU DOCKET NO. GR21060881

PLEASE TAKE NOTICE that on June 1, 2021, South Jersey Gas Company (“South Jersey” or “Company”) filed its combined 2021-22 Basic Gas Supply Service (“BGSS”) and Conservation Incentive Program (“CIP”) petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) in BPU Docket No. GR21060881 (“Petition”). The BGSS component of the Petition was filed pursuant to the “Order Approving BGSS Price Structure” issued by the Board on January 6, 2003 in Docket No. GX01050304 (“Generic BGSS Order”). BGSS rates are designed to recover South Jersey’s cost of gas applicable to customers who purchase gas from South Jersey. The Company earns no profit from the BGSS. The CIP component of the Petition sought a price adjustment for all applicable service customers. The CIP is an incentive-based program that requires South Jersey to reduce gas supply related costs, and limits recovery of non-weather-related revenue loss to the level of gas supply costs savings achieved. As part of the Petition, the Company also proposed to update the Balancing Service Clause (“BSC”) charges under its current Tariff Riders “I” and “J.” Pursuant to the Petition, South Jersey requested that the Board allow it to change its BGSS, CIP and BSC Charges.

The impact of the Company's combined proposals on the overall bill for gas service for a residential heating customer using 100 therms in a winter month is an increase of \$15.71, or 10.5%, resulting from South Jersey’s proposed: 1) BGSS increase of \$22.96, or 15.3%; 2) Rider “J” Balancing Service Clause - General Service (“BSC-GS”) decrease of \$1.39, or 0.9%; and 3) CIP decrease of \$5.86, or 3.9%.

Related to the Company’s Rider “I” Balancing Service Clause - Large Volume (“BSC-LV”), the Company proposes to decrease its current Opt-Out BSC-LV rate of \$0.002775 per therm to \$0.002279 per therm, after taxes, and to decrease its current Non Opt-Out BSC-LV rate of \$0.088685 per therm to \$0.074807 per therm, after taxes. The proposed Non Opt-Out BSC-LV rate is equal to the Company’s proposed Rider “J” BSC-GS rate. All Balancing charge revenues from sales and transportation customers are credited to BGSS recoveries.

The chart below demonstrates the impact of the Periodic BGSS, CIP, and BSC rate changes:

Customer Type	Therm Level	Rates		Change	
		Bill as of July 1, 2021	Proposed Bill as of October 1, 2021	Amount	Percent
Residential Heat Sales	100	\$150.04	\$165.75	\$15.71	10.5%
Residential Non-Heat Sales	15	\$28.65	\$33.54	\$4.89	17.1%
General Service	500	\$637.27	\$743.42	\$106.15	16.7%
General Service - LV	15,646	\$18,416.70	\$18,177.81	(\$238.89)	(1.3)%

TAKE FURTHER NOTICE that other changes in South Jersey’s price for BGSS service may also occur if South Jersey elects to adjust its BGSS rates upward upon thirty days’ notice to Board Staff and Rate Counsel, pursuant to the Generic BGSS Order. Any such self-implementing increases will be limited to a maximum of five percent (5%) of the total residential bill, effective December 1, 2021, and to a maximum of five percent (5%) of the total residential bill, effective February 1, 2022, as demonstrated in the chart below.

Customer Type	Therm Level	Rates		Change	
		Bill as of October 1, 2021	Proposed Bill Including December and February 5 Percent Increases	Amount	Percent
Residential Heat Sales	100	\$165.75	\$182.63	\$16.88	10.2%
Residential Non-Heat Sales	15	\$33.54	\$36.07	\$2.53	7.5%
General Service	500	\$743.42	\$827.79	\$84.37	11.3%
General Service - LV	15,646	\$18,177.81	\$18,177.8	\$0	0%

Further, these self-implementing increases will be provisional and subject to true-up in connection with the subsequent annual BGSS filing. Pursuant to the Generic BGSS Order, South Jersey is permitted to decrease its BGSS rate at any time upon five days’ notice and supporting documentation to the Board and the New Jersey Division of Rate Counsel (“Rate Counsel”).

The Board has the statutory authority to establish South Jersey’s rates at levels it finds just and reasonable as well as to establish the effective date of such rates. Therefore, the BPU may establish the rates at levels and/or an effective date other than those proposed by South Jersey. South Jersey’s natural gas costs addressed in the Petition will remain subject to audit by the Board, and Board approval shall not preclude or prohibit the Board from taking any such actions deemed appropriate as a result of any such audit.

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 Notice of Filing and Public Hearings on the Petition is being served upon the clerk, executive, or administrator of each municipality and county within the Company’s service territory. The Petition and this Notice have also been sent to Rate Counsel, who will represent the interests of all South Jersey customers in this proceeding. Copies of the Petition are available online at www.southjerseygas.com/About-South-Jersey-Gas/Regulatory-Compliance-Tariff-Information.aspx.

Due to the COVID-19 pandemic, a telephonic public hearing will be conducted on the following day and times so that members of the public may present their views on the Company’s Petition.

Date: August 12, 2021

Public Hearing Times: 4:30 pm and 5:30 pm

Dial In: 1 866 984 3164

Conference ID: 692 771 700 followed by #

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, with the preferred method of transmittal being email while Board Staff continue to work remotely due to the COVID-19 Pandemic. Emailed 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 by emailing the Board’s IT Helpdesk at ITHELPDESK@bpu.nj.gov. Detailed instructions for e-Filing can be found on the Board’s home page 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