

## NOTICE OF FILING AND PUBLIC NOTICE

### IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY TO IMPLEMENT FOR APPROVAL OF BASE RATE ADJUSTMENTS PURSUANT TO THE STORM HARDENING AND RELIABILITY PROGRAM (“SHARP II”)

**BPU DOCKET NO. GR21040748**

**PLEASE TAKE NOTICE** that on April 30, 2021, South Jersey Gas Company (“South Jersey” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) in BPU Docket No. GR21040748 (“Petition”) seeking approval to increase base rates associated with the Company’s Storm Hardening and Reliability Program (“SHARP II”).

The Board approved SHARP II and the associated cost recovery mechanism on May 22, 2019 in Docket No. GO17111130 (“Order”). The purpose of the SHARP II program is to improve the safety, redundancy, resiliency, and integrity of South Jersey’s gas distribution system infrastructure in coastal areas, making it less susceptible to storm damage. The Order authorized the Company to invest approximately \$100.25 million over a three (3)-year period, commencing June 1, 2018, and ending June 30, 2021, to enhance the safety and reliability of the Company’s system through four (4) targeted projects within the coastal regions: (1) Excess Flow Valve Installations; (2) the Absecon Island Loop Project; (3) the Ocean City Loop Project; and (4) the Brigantine Beach Project (“SHARP II Investments”).

The Order also authorized South Jersey to make annual filings with the Board to recover the costs associated with SHARP II Investments, and to earn a return of those investments through annual adjustments to base rates. This Petition seeks Board approval to recover the revenue requirements associated with SHARP II Investments placed in-service from July 1, 2020 through June 30, 2021 totaling approximately \$22.6 million with an October 1, 2021 rate effective date.

If the proposed increase is approved, this rate would increase the annual bill of a residential heating customer using 100 therms by \$0.63 or 0.4%.

Based upon projections and assuming approval of the SHARP II as proposed by the Company, the subsequent incremental rate and the impact on a residential and general service customer using 5,000 therms annually are estimated as follows:

#### **Residential Service (“RSG”)**

<b>Therm Level</b>	<b>Bill as of July 1, 2021<sup>(1)</sup></b>	<b>Bill as of October 1, 2021<sup>(2)</sup></b>	<b>Dollar Increase</b>	<b>Percent Increase</b>
25	\$45.38	\$45.54	\$0.16	0.4%
100	\$150.04	\$150.67	\$0.63	0.4%
200	\$289.57	\$290.83	\$1.26	0.4%

#### **General Service (“GSG”) (Using less than 5,000 therms per year)**

<b>Therm Level</b>	<b>Bill as of July 1, 2021<sup>(1)</sup></b>	<b>Bill as of October 1, 2021<sup>(2)</sup></b>	<b>Dollar Increase</b>	<b>Percent Increase</b>
250	\$337.16	\$338.41	\$1.25	0.4%
500	\$637.27	\$639.76	\$2.49	0.4%
1,000	\$1,237.49	\$1,242.48	\$4.99	0.4%

(1) Based upon current Delivery Rates and Basic Gas Supply Service (“BGSS”) charges in effect July 1, 2021 and assumes that the customer receives BGSS service from South Jersey.

(2) Same as (1) except includes base rate changes associated with SHARP II.

The following Rate Schedules will also be affected by the Company's proposed base rate increase: General Service – Large Volume (“GSG-LV”), Comprehensive Firm Transportation Service (“CTS”), Large Volume Service (“LVS”), Electric Generation Service (“EGS”), Electric Generation Service – Large Volume (“EGS-LV”), Natural Gas Vehicle Service (“NGV”), Yard Lights Service (“YLS”) and Street Lights Service (“SLS”).

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.

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 the New Jersey Division of Rate Counsel (“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](http://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/or emailed comments, with the preferred method of transmittal being email while Board Staff continues to work remotely due to the COVID-19 Pandemic. Emailed comments should be submitted in PDF or Word format to [board.secretary@bpu.nj.gov](mailto: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](mailto: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-Welch, at the Board of Public Utilities, 44 South Clinton Avenue, Post Office 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**