

NOTICE OF FILING OF PETITION AND OF PUBLIC HEARING

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, 2020

B.P.U. Docket No. GR19050679

NOTICE IS HEREBY GIVEN that, on May 31, 2019, South Jersey Gas Company (“South Jersey” or the “Company”) filed its combined 2019-2020 Basic Gas Supply Service (“BGSS”) and Conservation Incentive Program (“CIP”) petition (“Petition”) with the New Jersey Board of Public Utilities (“Board”). 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. Pursuant to its filing, South Jersey requested that the Board allow it to change its BGSS and CIP 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 month would be a decrease of \$6.07, or 4.2 percent, resulting from South Jersey’s proposed: 1) BGSS decrease of \$9.59 per month, or 6.6 percent; 2) Rider “J” Balancing Service Clause - General Service (“BSC-GS”) increase of \$5.33, or 3.7%; and 3) CIP decrease of \$1.81, or 1.3 percent.

Related to the Company’s Rider “I” Balancing Service Clause - Large Volume (“BSC-LV”), the Company proposes to decrease its current Opt-Out after-tax per therm BSC-LV rate of \$0.003074 to \$0.002747, and to increase its current Non Opt-Out after-tax per therm BSC-LV rate of \$0.033851 to \$0.087115, which 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 rate and the CIP rate changes:

Customer Type	Therm Level	Rates		Change	
		Bill as of June 1, 2019	Proposed Bill as of October 1, 2019	Amount	Percent
Residential Heat Sales	100	\$145.32	\$139.25	(\$6.07)	(4.2)%
Residential Non-Heat Sales	15	\$28.51	\$27.90	(\$0.61)	(2.1)%
General Service	500	\$648.37	\$616.59	(\$31.78)	(4.9)%
General Service - LV	15,646	\$14,108.47	\$14,974.79	\$866.32	6.1%

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 in Docket No. GX01050304. Any such self-implementing increases will be limited to a maximum of 5 percent (5%) of the total residential bill, effective December 1, 2019, and to a maximum of five percent (5%) of the total residential bill, effective February 1, 2020, as demonstrated in the chart below.

Customer Type	Therm Level	Rates		Change	
		Bill as of October 1, 2019	Proposed Bill Including December and February 5 Percent Increases	Amount	Percent
Residential Heat Sales	100	\$139.25	\$153.52	\$14.27	10.2%
Residential Non-Heat Sales	15	\$27.90	\$30.04	\$2.14	7.7%
General Service	500	\$616.59	\$687.95	\$71.36	11.6%
General Service - LV	15,646	\$14,974.79	\$14,974.79	\$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 Division of Rate Counsel.

The Board has the statutory authority to establish BGSS and CIP Charges at levels it finds just and reasonable. Therefore, the Board may establish BGSS and CIP Charges at levels other than those proposed by South Jersey. South Jersey's natural gas costs addressed in this 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.

Copies of the Company's filing are available for inspection at the Company's offices located at One South Jersey Place, Atlantic City, New Jersey 08401, or at the Board located at 44 South Clinton Avenue, 2nd floor, Trenton, New Jersey 08625-0350. Any member of the public who wants to inspect the Petition at the Board may contact the Board's Division of Case Management at (609) 292-0806 to schedule an appointment.

The Company's filing may also be found online at www.southjerseygas.com/About-South-Jersey-Gas/Regulatory-Compliance-Tariff-Information.aspx.

NOTICE is further given that public hearings have been scheduled at the following date, times, and place on the Company's above-mentioned requests:

August 20, 2019 at 4:30 p.m. and 5:30 p.m.
Voorhees Township, Municipal Court
Voorhees Town Center
Voorhees, New Jersey 08043
(located directly across from Township Library at 203 Laurel Road)

The public is invited to attend and interested persons will be permitted to make a statement of their views on the proposed increases/decreases. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, including interpreter, listening devices or mobility assistance, forty-eight (48) hours prior to these hearings. In addition, members of the public may submit written comments concerning the Petition to the Board regardless of whether they attend a hearing by addressing them to Aida Camacho, Secretary, Board of Public Utilities, 44 S. Clinton Avenue, 3rd Floor Suite 314, P.O. Box 350, Trenton, NJ 08625-0350.

SOUTH JERSEY GAS COMPANY

By: David Robbins, Jr., President