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Sheree L. Kelly, Esq.
Regulatory Affairs Counsel Principal

July 31, 2023

Electronic Filing

Sherri Golden, Board Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue
P. O. Box 350
Trenton, NJ 08625-0350

**Re: In the Matter of the Petition of South Jersey Gas Company for Approval to Revise the Levels of Its Societal Benefits Clause ("SBC") Charges and Its Transportation Initiation Clause ("TIC") Charge
BPU Docket No. _____**

Dear Secretary Golden:

Enclosed herewith is South Jersey Gas Company's ("Company") Petition for Approval to Revise the levels of its Societal Benefits Clause charges and its Transportation Initiation Clause charge, which has been filed electronically today utilizing the Board's e-filing Program.

In accordance with the New Jersey Board of Public Utilities ("BPU") March 19, 2020 and June 10, 2020 Orders issued in BPU Docket No. EO20030254, hard copies are not being submitted at this time, but can be provided at a later time, if needed.

Please do not hesitate to contact me with any questions you may have. Thank you for your attention to this matter.

Respectfully submitted,

A handwritten signature in cursive script that reads "Sheree L. Kelly".

Sheree L. Kelly

SLK:caj
Enclosures

cc: Service List (electronically)

**IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS
COMPANY FOR APPROVAL TO REVISE THE LEVELS OF ITS
SOCIETAL BENEFITS CLAUSE ("SBC") CHARGES AND ITS
TRANSPORTATION INITIATION CLAUSE ("TIC") CHARGE
BPU DOCKET NO. _____**

SERVICE LIST

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**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

IN THE MATTER OF THE PETITION OF	: BPU DOCKET NO. _____
SOUTH JERSEY GAS COMPANY FOR	:
APPROVAL TO REVISE THE LEVELS OF	:
ITS SOCIETAL BENEFITS CLAUSE (“SBC”)	:
CHARGES AND ITS TRANSPORTATION	:
INITIATION CLAUSE (“TIC”) CHARGE	:

CASE SUMMARY, PETITION, TESTIMONY AND SCHEDULES

July 31, 2023

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

IN THE MATTER OF THE PETITION OF	:	CASE SUMMARY
SOUTH JERSEY GAS COMPANY FOR	:	
APPROVAL TO REVISE THE LEVELS	:	BPU DOCKET NO.
OF ITS SOCIETAL BENEFITS CLAUSE	:	
(“SBC”) CHARGES AND ITS	:	
TRANSPORTATION INITIATION	:	
CLAUSE (“TIC”) CHARGE		

By this Petition, South Jersey Gas Company (“South Jersey”) seeks authorization to increase the overall annual revenue level of its Societal Benefits Clause (“SBC”) and Transportation Initiation Clause (“TIC”) charges by \$0.5 million, including taxes. Specifically, this Petition seeks an increase in South Jersey’s Remediation Adjustment Clause (“RAC”) and a decrease in its Clean Energy Program (“CLEP”) clause, both components of the SBC, and an increase to the TIC. The rate changes proposed in this Petition would result in an overall increase of \$0.10, or approximately 0.05%, to the monthly bill of a residential heating customer using 100 therms of gas when compared to rates currently in effect as of July 1, 2023.

The Universal Service Fund and Lifeline components of the SBC have been addressed by the New Jersey Board of Public Utilities (“Board” or “BPU”) in a separate proceeding in BPU Docket No. ER23060409. Therefore, South Jersey proposes no changes to these specific components of the SBC within this filing. The SBC and TIC provide no profit to South Jersey, but rather allow South Jersey to pass through to its customers increases and decreases in the costs associated with these programs.

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

IN THE MATTER OF THE PETITION OF	: BPU DOCKET NO.
SOUTH JERSEY GAS COMPANY FOR	:
APPROVAL TO REVISE THE LEVELS OF	: PETITION
ITS SOCIETAL BENEFITS CLAUSE (“SBC”)	:
CHARGES AND ITS TRANSPORTATION	:
INITIATION CLAUSE (“TIC”) CHARGE	:

TO THE HONORABLE COMMISSIONERS OF THE BOARD OF PUBLIC UTILITIES:

Petitioner, South Jersey Gas Company (“Petitioner”, “South Jersey” or “Company”), a public utility corporation of the State of New Jersey, with its principal office at One South Jersey Place, Atlantic City, New Jersey, hereby petitions this Honorable Board for authority to change the levels of its Societal Benefits Clause (“SBC”) and its Transportation Initiation Clause (“TIC”) charges. In support thereof, South Jersey states as follows:

I. INTRODUCTION

1. South Jersey is engaged in the transmission, distribution, transportation, and sale of natural gas within its defined service territory within the State of New Jersey. Said service territory includes all or portions of the following Counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester and Salem. Within its service territory South Jersey serves approximately 417,200 customers.

2. By this Petition, South Jersey seeks authority to increase the overall annual level of its SBC and TIC by \$0.5 million, including taxes, for the 2023-2024 clause year. Specifically, this Petition seeks to increase the level of South Jersey’s Remediation Adjustment Clause (“RAC”) by \$2.8 million, including taxes, to decrease the level of its Clean Energy Program (“CLEP”) clause by \$2.5 million, including taxes, both components of the SBC, and to increase

the level of its TIC by \$0.2 million, including taxes.

3. The Universal Service Fund (“USF”) and Lifeline components of the SBC are addressed in a separate proceeding in New Jersey Board of Public Utilities (“Board” or “BPU”) Docket No. ER23060409. Therefore, South Jersey proposes no changes to these specific components of the SBC within this filing.

4. The SBC and TIC provide no profit to the Company. Rather, these clauses allow the Company to pass through to its customers increases and/or decreases in the costs associated with these programs.

5. The attached Direct Testimony of James G. Fredericks, Rates Analyst Lead, and accompanying schedules support South Jersey’s request for the proposed rate changes.

6. The attached Schedule SBC/TIC-1 provides the actual and projected volumes for the period November 2022 through October 2024. The projected volumes in Schedule SBC/TIC-1 are provided for reference, as they are utilized in multiple schedules provided in support of this Petition.

7. The proposed rate changes in this Petition will result in an overall increase of \$0.10, or approximately 0.05%, from \$191.58 to \$191.68 to the monthly bill of a typical residential heating customer using 100 therms of gas when compared to rates currently in effect as of July 1, 2023. The attached Schedule SBC/TIC-2 demonstrates the total bill impact of the rates proposed in this Petition.

II. SOCIETAL BENEFITS CLAUSE

8. The SBC was established pursuant to the provisions of Section 12 of the “Electric Discount and Energy Competition Act”, P.L. 1999, c.23 and the Board Order in BPU Docket No. GO99030125 dated March 30, 2001, authorizing South Jersey to recover RAC, CLEP, USF, Lifeline and other costs determined by the Board to be recoverable through the SBC.

9. By Board Order in BPU Docket No. GO99030125 dated March 30, 2001, interest on SBC under-recoveries and over-recoveries shall be calculated by applying a rate that is adjusted each September 1, and that is based on the seven (7) year constant maturity U.S. Treasury note rate, as shown in the Federal Reserve Statistical Release on or closest to August 31 of each year, plus sixty (60) basis points. By applying this methodology to this filing, the resulting interest rate is 3.85% for the period September 2022 through August 2023. For the period September 2023 through October 2024, a projected interest rate of 4.57% is used which reflects the June 30, 2023 seven (7) year constant maturity U.S. Treasury note rate of 3.97% plus sixty (60) basis points. The actual August 31, 2023 rate will be used once it becomes available.

10. On July 29, 2022, the Company filed its 2022-2023 SBC/TIC filing in BPU Docket No. GR22070467. By Order dated March 6, 2023, the Board approved the Company's RAC rate of \$0.054031 per therm¹, CLEP rate of \$0.031280 per therm, and the TIC rate of \$0.000244 per therm effective April 1, 2023.

III. REMEDIATION ADJUSTMENT CLAUSE

11. South Jersey's RAC was established by Board Order dated August 10, 1992 in BPU Docket Nos. GR91071243J and PUC 08056-91S, and thereafter amended in BPU Docket Nos. GR94070340 and GR95070340, by Board Order dated June 20, 1996. Pursuant thereto, the Company is required to submit status reports on general remediation activities and expenditure summaries (showing expenditures by vendor) for each active site, as well as a site-by-site status report with each annual filing. A calculation of the proposed RAC level is also required. The present filing is submitted pursuant to these requirements.

12. A "Remediation Year" is defined as August 1 to July 31 and a "Recovery Year"

¹ All rates quoted herein are inclusive of applicable taxes.

as November 1 to October 31. A Recovery Year is the period of time over which expenses incurred during the just completed Remediation Year are recovered. Expenses incurred during any Remediation Year shall be amortized and recovered over the next seven (7) Recovery Years. The present filing is submitted pursuant to this requirement.

13. During this Recovery Year, South Jersey's customers shall be credited with any deferred tax benefits which South Jersey recognizes by virtue of timing differences between the deduction of Remediation Costs for federal income tax purposes and the deduction of Remediation Costs for book purposes. These deferred tax benefits are given back to customers as a reduction of Remediation Costs to be recovered through the RAC. The present filing is submitted pursuant to this requirement.

14. Carrying costs on deferred taxes shall be based on the seven (7) year constant maturity U.S. Treasury note rate. For purposes of this filing, a projected interest rate of 4.57% is used for the period September 2023 through October 2024. This rate reflects the June 30, 2023 seven (7) year constant maturity U.S. Treasury note rate of 3.97% plus sixty (60) basis points. The actual August 31, 2023 rate will be used once it becomes available.

15. Pursuant to Board Order in BPU Docket No. GR91071243J dated August 10, 1992 and BPU Docket No. GR13111137 dated September 30, 2014, South Jersey's total annual charge for Remediation Costs during any Recovery Year shall not exceed five percent (5%)(the "5% Cap") of the Company's total revenues from those firm gas sales and firm transportation sales that are related to the preceding Remediation Year. In this Petition, the Company forecasted and calculated that its total recoverable expenses will exceed the 5% Cap during the 2022/2023 RAC Recovery Year. As a result, pursuant to the Company's approved Tariff, carrying costs on the recoverable expense that is in excess of the 5% Cap shall accrue annually through the Recovery Year in which such amount, together with any accumulated carrying costs on the unamortized balance, is actually recoverable by the Company from its ratepayers. The carrying

costs on the excess deferred expense shall be calculated using the then current Before Tax Cost Rate, as allowed in the Company's most recent base rate case. Please refer to the Direct Testimony of James G. Fredericks for specific details on the treatment and calculations related to the 5% Cap.

16. Beginning with the RAC Remediation Year commencing August 1, 2019, Natural Resource Damages ("NRD") related costs, as defined below, that were incurred by the Company, will continue to be deferred in a regulatory asset account with carrying costs, per the Board Order dated April 27, 2021 in BPU Docket No. GR20070504, until such time the Board addresses the rate recoverability of NRD-related costs via the RAC mechanism. NRD-related costs are defined as compensation to the State of New Jersey for injury to its natural resources, above and beyond costs incurred to investigate, contain or remediate former manufactured gas plant sites. NRD-related costs also include any administrative, legal or consulting costs incurred by the Company associated with NRD claims being investigated by the New Jersey Department of Environmental Protection as well as any amounts paid by the Company to resolve such claims.

ENVIRONMENTAL EXPENDITURES

17. The status of the environmental remediation and environmental expenditures for the period August 2022 through April 2023 is summarized in the attached Direct Testimony of Kenneth Sheppard, Director, Corporate Emergency Preparedness and Environmental, and the accompanying schedules.

18. Monthly details of the actual expenditures through April 2023 are set forth on Schedule RAC KWS-1. This Schedule provides a breakdown of the expenditures by former MGP site and by vendor. Schedule RAC KWS-2 provides summaries of expenditures by type. Schedule RAC KWS-3 provides a brief description of the type of service provided by each

remediation vendor. Schedule RAC KWS-4 provides a narrative response to the minimum filling requirements (“MFRs”).

RATE PROPOSAL

19. As shown in Schedule RAC JGF-1, South Jersey is proposing that the RAC rate be increased to \$0.058983 per therm from its current level of \$0.054031 per therm. Schedules RAC JGF-1, RAC JGF-2, RAC JGF-3, and RAC JGF-4 support the calculation of this RAC increase and includes eleven months actual data and one month forecasted data for the Remediation Year ending July 31, 2023. Additionally, Schedule RAC JGF-5 provides recovery projections for the 2023-2024 Recovery Year.

20. The proposed RAC rate of \$0.058983 per therm will be applicable to South Jersey’s Rate Schedules Residential Service (“RSG”), General Service (“GSG”), General Service-Large Volume (“GSG-LV”), Electric Generation Service (“EGS”), Firm Electric Service (“FES”), Electric Generation Service-Large Volume (“EGS-LV”), Comprehensive Transportation Service (“CTS”), Large Volume Service (“LVS”), Interruptible Gas Service (“IGS”), Interruptible Transportation Service (“ITS”), and Natural Gas Vehicle (“NGV”).

IV. CLEAN ENERGY PROGRAM

21. South Jersey’s CLEP cost recovery component, as approved by the Board in BPU Docket No. EX99050347, *et al.*, provides that the CLEP factor shall be calculated annually based upon the projected CLEP plan costs, divided by projected therm sales. Any difference between the preceding year’s costs and recoveries must be added to or deducted from the succeeding year’s computation.

22. The Company proposes to recover CLEP costs of \$14,094,121 during the period November 2023 through October 2024 as shown on Schedule CLEP JGF-1.

23. As shown on Schedule CLEP JGF-1, South Jersey is proposing that the CLEP

rate be decreased to \$0.026858 per therm from its current level of \$0.031280 per therm. The proposed CLEP rate would be applicable to Rate Schedules RSG, GSG, GSG-LV, CTS, LVS, EGS, EGS-LV, FES, ITS and NGV.

24. The calculation of the CLEP charge is demonstrated on Schedules CLEP JGF-1 and CLEP JGF-2.

V. TRANSPORTATION INITIATION CLAUSE

25. Pursuant to its Order in BPU Docket No. GX99030121 dated March 30, 2001, the Board directed that Electronic Data Interchange (“EDI”) be implemented in the natural gas industry. By virtue of the Company’s Global Settlement, approved by Board Order dated March 16, 2006 in BPU Docket No. GR03080683, the Company’s TIC was approved. The TIC was designed to recover all EDI development and operating costs, including consulting and EDI transaction costs.

26. The Company proposes to recover TIC costs of \$311,497 during the period November 2023 through October 2024 as shown on Schedule TIC JGF-1.

27. As shown on Schedule TIC JGF-1, South Jersey is proposing that the TIC rate increase to \$0.000776 per therm from its current level of \$0.000244 per therm. The TIC rate will be applicable to Rate Schedules RSG, GSG, and GSG-LV. The calculation of the TIC rate is demonstrated on Schedules TIC JGF-1 and TICJGF-2.

VI. MISCELLANEOUS

28. Attached hereto and incorporated herein is the Direct Testimony and supporting Schedules of:

1. James G. Fredericks, Rates Analyst Lead, Rates; and
2. Kenneth Sheppard, Senior Director, Environmental and Procurement.

29. A Schedule of RAC MFRs is also attached to this Petition as Exhibit A. Please note that MFRs 4, 7 and 15 request the disclosure of expense documentation, the most recently completed audit report and remediation schedules for each MGP site, respectively. The Company requests that such information be treated as confidential and will provide promptly upon receipt of a signed Non-Disclosure Agreement from Board Staff, the New Jersey Division of Rate Counsel and their consultants.

30. South Jersey will give notice of the filing of this Petition for the SBC and TIC rate adjustments and modification of its Tariff to its customers through publication of a notice in newspapers of general circulation. A draft Notice of Filing and Public Notice is attached to this Petition as Exhibit B.

31. The municipalities and counties served by South Jersey will be notified of the filing of this Petition by letter to be mailed upon publication of the public notice.

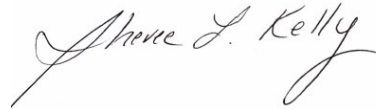
32. Attached hereto as Exhibit C are proposed tariff sheets necessary to implement the rates proposed in this Petition.

33. The Company is serving notice of this filing on the Director, Division of Rate Counsel, via electronic mail in lieu of providing hard copies. In accordance with the Board's Orders dated March 19, 2020 and June 10, 2020 in BPU Docket No. EO20030254, hard copies are not being submitted at this time, but can be provided at a later time, if needed.

34. Similarly, South Jersey has also served notice of the filing on the Department of Law and Public Safety via electronic mail in lieu of providing hard copies, but hard copies can be provided later, as needed.

Respectfully Submitted,

SOUTH JERSEY GAS COMPANY



By: Sheree L Kelly Esq.
SJI Utilities, Inc.
Regulatory Affairs Counsel Principal

Dated: July 31, 2023

Communications addressed to the Petitioner
in this case is to be sent to:

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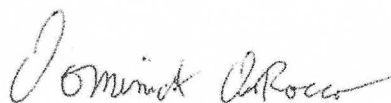
Cindy Capozzoli
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VERIFICATION

I, Dominick DiRocco, of full age, being duly sworn according to law, upon my oath,
depose and say:

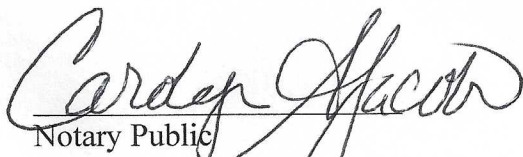
1. I am Vice President, Rates & Regulatory Affairs of SJI Utilities, Inc., the parent company to South Jersey Gas Company, and I am authorized to make this verification on behalf of the Company.

2. I have reviewed the within Petition and the information contained therein is true according to the best of my knowledge, information, and belief.



Dominick DiRocco, Esq.
Vice President, Rates & Regulatory Affairs

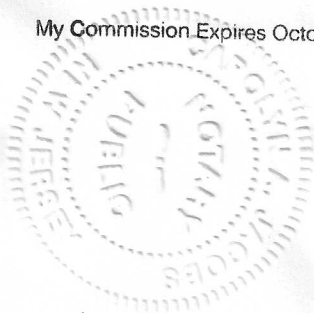
Sworn to and subscribed
before me this 31 day
of July 2023.



Notary Public
CAROLYN A. JACOBS

NOTARY PUBLIC OF NEW JERSEY

My Commission Expires October 28, 2023



**In the Matter of the Petition of South Jersey Gas Company for Approval to Revise the Levels of Its Societal Benefits Clause ("SBC") Charges
and Its Transportation Initiation Clause ("TIC") Charge**

MINIMUM FILING REQUIREMENTS	LOCATION IN FILING
1. The Company currently provides a vendor summary as part of its annual RAC filing. This document provides a summary of the expenditures incurred by vendor by site for the twelve-month RAC period. Hereafter, the vendor summary will be supplemented with a general description of the services provided by each vendor. The data noting expenditures incurred through July 31st of each year will continue to be submitted with the Company's annual RAC filing.	RAC KWS- 1 RAC KWS- 3
2. Identify the three MGP sites with the highest level of expenditures during the prior RAC period. For each identified site, provide a copy of the latest work plan, remediation report, or major work product submitted to the NJDEP. The copies should include the narrative portion of the report or work plan but need not include the technical supporting work papers, charts and tables.	RAC KWS- 4
3. For each of the same three MGP sites, provide all correspondence between the Company and the NJDEP concerning submissions for the site, reply comments, and other major items which have a material impact on remediation activities and associated costs incurred by the Company. The correspondence should span the twelve-months preceding July 31st of the most recent RAC period.	RAC KWS- 4
4. For each of the same three MGP sites, provide expense documentation for any contractor or supplier whose invoices for the RAC period exceed \$250,000 in aggregate. The expense documentation should include descriptions of services rendered, applicable invoices, and any tracking of invoiced charges vs. budgets. The expense detail need not include expense reports or time sheets, but it should include supporting documentation for any subcontractor and third-party expenses totaling \$100,000 or more for the period.	RAC KWS- 4
5. For each of the same three MGP sites, provide a narrative description and organization chart for that site, showing the vendors and project control structure for the remediation effort. The response should show what entities supervise all significant contractors and subcontractors and which Company personnel are involved in site and remediation supervision and control.	RAC KWS- 4
6. Provide a detailed narrative describing Company activities and any reimbursements related to insurance claims or potentially responsible parties' liabilities for all the Company's MGP sites. The narrative, with supporting documentation, should cover the prior RAC period.	RAC KWS- 4
7. Provide copies of any RAC audit reports or related materials prepared by the Board's Audit Staff, FERC, or the Company's internal or external auditors during the previous twelve months. To the degree applicable, please also provide any materials prepared in response to the audits or in compliance with any audit findings.	RAC KWS- 4
8. Provide a narrative concerning all material events, whether related to NJDEP mandates or not, which could have an impact on the Company's ultimate MGP remediation liability, with claimed confidential information provided pursuant to a confidentiality agreement. The narrative should encompass all sites, whether or not active remediation efforts on the site are under way.	RAC KWS- 4
9. Provide schedules and supporting work papers and documents, which show the reconciliation of the prior period RAC expenditures and recoveries as well as the derivation of the deferred tax credit and the interest accrual on any unamortized balances.	RAC JGF- 1 RAC JGF- 2 RAC JGF- 3 RAC JGF- 4
10. Provide the Company's bid evaluation studies, reports, work papers or other material related to the two largest MGP remediation contracts awarded during the previous RAC period. The response should include the criteria utilized for bid evaluation and the comparisons between the terms and conditions offered by the competitive bidders.	RAC KWS- 4

**In the Matter of the Petition of South Jersey Gas Company for Approval to Revise the Levels of Its Societal Benefits Clause ("SBC") Charges
and Its Transportation Initiation Clause ("TIC") Charge**

MINIMUM FILING REQUIREMENTS	LOCATION IN FILING
11. Provide documentation relating to the two largest supplemental contract amendments authorized by the Company during the previous RAC period. The response should provide the contractor's request for supplemental funding, the reasons cited for the request, and the Company's evaluation and action taken concerning the request.	RAC KWS- 4
12. Provide documentation relating to any instances during the previous RAC period where the Company sought to modify, change, or eliminate the NJDEP site remediation requirements for any of its MGP sites. The response should provide copies of any such Company requests, the NJDEP responses, and the ultimate outcome concerning the requests.	RAC KWS- 4
13. Provide a calculation of the carrying costs that the Company seeks to recover in this filing, including work papers and supporting documentation.	RAC JGF- 4
14. The Company currently provides a schedule that summarizes the expenditures incurred by major cost category by site on a quarterly basis. These data will be reported with its annual filing.	RAC KWS- 2
15. For each of the Company's MGP sites, provide a schedule showing the status of the remediation effort and estimated dates for the completion of remaining milestones. The Parties understand that the timeframes to complete the remediation efforts are subject to a great deal of uncertainty due to factors beyond the Company's control. Also, provide an update concerning the status of discussions with the NJDEP concerning its NRD initiative as well as any other NRD-related activities, with claimed confidential information provided pursuant to a confidentiality agreement.	RAC KWS- 4

**SOUTH JERSEY GAS COMPANY
NOTICE OF PUBLIC HEARINGS**

**IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR
APPROVAL TO REVISE THE LEVELS OF ITS SOCIETAL BENEFITS CLAUSE
("SBC") CHARGES AND ITS TRANSPORTATION INITIATION CLAUSE ("TIC")
CHARGE
BPU DOCKET NO. _____**

PLEASE TAKE NOTICE on July 31, 2023, South Jersey Gas Company ("South Jersey" or "Company") filed a petition with the Board of Public Utilities ("Board") in Docket No. _____ requesting an increase in the overall level of its Societal Benefits Clause ("SBC") charges through an increase to its Remediation Adjustment Clause ("RAC") charge and a decrease to its Clean Energy Program ("CLEP") charge (both components of the SBC), as well as an increase to its Transportation Initiation Clause ("TIC") charge. ("Petition")

The RAC recovers costs associated with remediating former manufactured gas plant sites, while the CLEP recovers costs associated with energy efficiency and renewable energy programs. The TIC recovers capital expenditures and operating costs, including consulting and transaction costs, associated with the Electronic Data Interchange. The SBC and TIC provide no profit to the Company. These clauses allow the Company to pass through only the costs incurred to conduct the related mandated programs to its customers.

Set forth below are the current versus proposed rates, all of which are inclusive of New Jersey Sales and Use Taxes, that will permit customers to determine the effect of the proposed increased rates. Any assistance required by customers in understanding these rates will be furnished by the Company upon request.

The impact of the proposed changes as compared to rates in effect on July 1, 2023, for a residential heating customer using 100 therms of gas, is to increase the customer's monthly bill by \$0.10 from \$191.58 to \$191.68, an increase of approximately 0.05%.

	<u>RAC</u>	<u>CLEP</u>	<u>TIC</u>	<u>TOTAL</u>
Current Rate	\$0.054031	\$0.031280	\$0.000244	\$0.085555
Proposed Rate	<u>\$0.058983</u>	<u>\$0.026858</u>	<u>\$0.000776</u>	<u>\$0.086617</u>
Rate (Decrease)/Increase	<u>\$0.004952</u>	<u>(\$0.004422)</u>	<u>\$0.000532</u>	<u>\$0.001062</u>
Dollar (Decrease)/Increase	\$0.49	(\$0.44)	\$0.05	\$0.10
Percentage (Decrease)/Increase	0.26%	(0.23)%	0.03%	0.05%

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 Board 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 South Jersey's Petition can be reviewed on the Company's website at www.southjerseygas.com under regulatory information. The Petition is also available to review online through the Board's website, <https://publicaccess.bpu.state.nj.us> where you can search by the above-captioned docket number. The Petition and Board file may also be reviewed at the Board located at 44 South Clinton Avenue, 1st Floor, Trenton, NJ, with an appointment. To make an appointment, please call (609) 913-6298.

PLEASE TAKE FURTHER NOTICE that due to the COVID-19 Pandemic, virtual public hearings will be conducted on the following date and times so that members of the public may present their views on the Company's Petition:

Date: _____

Hearing Times: ____ p.m. and ____ p.m.

Microsoft Teams Meeting ID: _____
Passcode: _____

(Access the Microsoft Teams App or Microsoft Teams on the web. On the left side of the screen, click the "Teams" icon. Select "Join or 'create a team'". Press "Join" and enter the Meeting ID and Passcode when prompted.)

or

Dial In: _____
Conference ID: _____ followed by #

A copy of this Notice of Public Hearings in this matter is being served upon the clerk, executive or administrator of each municipality and county within the Company's service territory.

Representatives of the Company, Board Staff and the New Jersey Division Rate Counsel will participate in the virtual public hearings. Members of the public are invited to participate by utilizing Meeting ID or the Dial-In Number set forth above and may express their views on this Petition. All comments will be made part of the final record of the proceeding to be considered by the Board. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, such as interpreters, or listening assistance, 48 hours prior to the above hearing to the Board Secretary at board.secretary@bpu.nj.gov.

The Board is also accepting written and electronic comments. Comments may be submitted directly to the specific docket listed above using the "Post Comments" button on the Board's Public Document Search tool. Comments are considered public documents for purposes of the State's Open Public Records Act. Only public documents should be submitted using the "Post Comments" button on the Board's Public Document Search tool. Any confidential information should be submitted in accordance with the procedures set forth in N.J.A.C. 14:1-12.3. In addition to hard copy submissions, confidential information may also be filed electronically via the Board's e-filing system or by email to the Secretary of the Board. Please include "Confidential Information" in the subject line of any email. Instructions for confidential e-filing are found on the Board's webpage. <https://www.nj.gov/bpu/agenda/efiling/>.

Emailed and/or written comments may also be submitted to:

Secretary of the Board
44 South Clinton Ave., 1st Floor
PO Box 350
Trenton, NJ 08625-0350
Phone: 609-913-6241
Email: board.secretary@bpu.nj.gov

South Jersey Gas Company
Brent Schomber
President and Chief Operating Officer

SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 14 - GAS

**Fourth Revised Sheet No. 6
Superseding Third Revised Sheet No. 6**

RESIDENTIAL SERVICE (RSG)

APPLICABLE TO USE OF SERVICE FOR:

All residential purposes. Customer may elect Firm Sales Service or Firm Transportation Service. To be eligible for Firm Transportation Service RSG, a customer must hold clear and marketable title to gas that is made available for delivery to the customer's residence on the Company's system.

CHARACTER OF SERVICE Firm Sales Service and Firm Transportation Service.

MONTHLY RATE: ⁽¹⁾

Customer Charge: \$10.502563 per month

Delivery Charge:

(a) Residential Non-Heating Customers
Firm Sales Service and Firm Transportation Service \$1.~~205269~~206330 per therm

(b) Residential Heating Customers
Firm Sales Service and Firm Transportation Service \$1.~~183015~~184076 per therm

Basic Gas Supply Service ("BGSS") Charge:

All consumption for customers who elect Firm Sales Service. See Rider "A" of this Tariff.

APPLICABLE RIDERS:

Basic Gas Supply Service Clause: BGSS charges are depicted in Rider "A" of this Tariff.

Transportation Initiation Clause: The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "C" of this Tariff.

Societal Benefits Clause: The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "E" of this Tariff.

Temperature Adjustment Clause: The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "F" of this Tariff.

⁽¹⁾ Please refer to Appendix A for components of Monthly Rates and Price to Compare

Issued _____
by South Jersey Gas Company,
B. Schomber, President

Effective with service rendered
on and after _____

Filed pursuant to Order in Docket No. _____ of the Board of
Public Utilities, State of New Jersey, dated _____

SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 14 - GAS

**Fourth Revised Sheet No. 10
Superseding Third Revised Sheet No. 10**

GENERAL SERVICE (GSG)

APPLICABLE TO USE OF SERVICE FOR:

All Commercial and Industrial Customers who would not qualify for any other Rate Schedule. A customer qualifying for service under Rate Schedule GSG may elect either Firm Sales Service or Firm Transportation Service. To be eligible for Firm Transportation Service under this Rate Schedule GSG, a customer must hold clear and marketable title to gas that is made available for delivery to customer's facility on the Company's system.

CHARACTER OF SERVICE:

Firm Sales Service or Firm Transportation Service.

MONTHLY RATE: ⁽¹⁾

Customer Charge:

\$40.496175 per month

Delivery Charges:

Firm Sales Service and Firm Transportation Service

~~\$.996069~~ \$.997131 per therm

Basic Gas Supply Service ("BGSS") Charge:

All consumption for customers who elect
Firm Sales Service

See Rider "A" of this Tariff.

LINE LOSS:

Line Loss shall be 1.43% as provided in Special Provision (o).

APPLICABLE RIDERS:

Basic Gas Supply Service Clause:

BGSS charges are depicted in Rider "A" of this Tariff.

Transportation Initiation Clause:

The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "C" of this Tariff.

Societal Benefits Clause:

The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "E" of this Tariff.

Temperature Adjustment Clause:

The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "F" of this Tariff.

⁽¹⁾ Please refer to Appendix A for components of Monthly Rates and Price to Compare.

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Public Utilities, State of New Jersey, dated _____

SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 14 - GAS

**Fourth Revised Sheet No. 14
Superseding Third Revised Sheet No. 14**

GENERAL SERVICE – LARGE VOLUME (GSG-LV)

APPLICABLE TO USE OF SERVICE FOR:

All Commercial and Industrial Customers who would not qualify for any other Rate Schedule (other than Rate Schedule GSG), and who has an annualized usage of 100,000 therms or more,. A customer qualifying for service under Rate Schedule GSG-LV may elect either Firm Sales Service or Firm Transportation Service. To be eligible for Firm Transportation Service under this Rate Schedule GSG-LV, a customer must hold clear and marketable title to gas that is made available for delivery to customer's facility on the Company's system.

CHARACTER OF SERVICE:

Firm Sales Service or Firm Transportation Service.

MONTHLY RATE: ⁽¹⁾

Customer Charge:

\$264.003500 per month

Delivery Charges:

Firm Sales Service and Firm Transportation Service⁽²⁾

Demand Charge:

D-1FT: \$14.199998 per Mcf of Contract Demand

Volumetric Charge:

\$~~.592537~~ .593598 per therm

Basic Gas Supply Service ("BGSS") Charge:

All consumption for customers who elect
Firm Sales Service

See Rider "A" of this Tariff.

LINE LOSS:

Line Loss shall be 1.43% as provided in Special Provision (o).

⁽¹⁾ Please refer to Appendix A for components of Monthly Rates and Price to Compare.

⁽²⁾ See Special Provision (p) of this Rate Schedule GSG-LV, regarding appropriate balancing charges.

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Public Utilities, State of New Jersey, dated _____

SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 14 - GAS

**Third Revised Sheet No. 18
Superseding Second Revised Sheet No. 18**

COMPREHENSIVE TRANSPORTATION SERVICE (CTS)

APPLICABLE TO USE OF SERVICE FOR:

All customers having a Firm Contract Demand, and an average annual daily Firm usage of 100 Mcf per day or more. To be eligible for service under this Rate Schedule CTS, a customer must hold clear and marketable title to gas that is made available for delivery to customer's facility on the Company's system. Provided, however, that any customer receiving service under this Rate Schedule CTS prior to August 29, 2003 shall continue to be eligible to receive service under this Rate Schedule CTS, notwithstanding the foregoing, if said customers continues to have a Firm Contract Demand of 100 Mcf per day or more. Further provided, however, that if a customer ceases to receive service under this Rate Schedule CTS, and seeks to return to service under this Rate Schedule CTS, said customer must meet all requirements for eligibility as though applying for service in the first instance.

CHARACTER OF SERVICE:

Firm Transportation Service and Limited Firm Transportation Service

MONTHLY RATE: ⁽¹⁾

Firm:

Customer Charge: \$874.996738 per month

Delivery Charges:

Demand Charge: D-1FT: \$37.000048 per Mcf of Contract Demand

Volumetric Charges:

All consumption for customers who elected to
transfer from Sales Service to Firm Transportation Service \$~~.207582~~ .208112
per therm

Limited Firm:

Customer Charge: \$533.125000per month

Delivery Charges:

Volumetric Charges:

All consumption for customers who elected to
transfer from Sales Service to Firm Transportation Service \$~~.472708~~ .173238
per therm

⁽¹⁾ Please refer to Appendix A for components of Monthly Rates.

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B. Schomber, President

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 14 - GAS

**Fourth Revised Sheet No. 25
Superseding Third Revised Sheet No. 25**

LARGE VOLUME SERVICE (LVS)

APPLICABLE TO USE OF SERVICE FOR:

Firm Sales Service and Firm Transportation Service pursuant to this Rate Schedule LVS, shall be available to all Industrial Customers with a Contract Demand and a minimum annualized average use of 200 Mcf per day. To be eligible for Firm Transportation Service under this Rate Schedule LVS, a customer must hold clear and marketable title to gas that is made available for delivery to customer's facility on the Company's system.

CHARACTER OF SERVICE:

Firm Sales Service, Limited Firm Sales Service, Firm Transportation Service, and Limited Firm Transportation Service.

MONTHLY RATE: ⁽¹⁾

Firm:

Customer Charge:

\$1,225.003963 per month

Delivery Charge:

Firm Sales Service and Firm Transportation Service

Demand Charge:

D-1FT: \$22.000043 per Mcf of Contract Demand

Volumetric Charge:

\$~~.175661~~ .176191 per therm

Basic Gas Supply Service ("BGSS") Charge:

Demand Charge:

D-2: \$16.496647 per Mcf of Contract Demand.

Volumetric Charge:

See Rider "A" of this Tariff.

⁽¹⁾ Please refer to Appendix A for components of Monthly Rates.

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 14 - GAS

**Third Revised Sheet No. 26
Superseding Second Revised Sheet No. 26**

LARGE VOLUME SERVICE (LVS)
(Continued)

Limited Firm:

Customer Charge:

\$533.125000 per month

Delivery Charge:

Firm Sales Service and Firm Transportation

Volumetric Charge:

\$~~.268839~~.269369 per therm

Basic Gas Supply Service ("BGSS") Charge:

Applicable to customers who elect Firm Sales Service

Volumetric Charge:

See Rider "A" of this Tariff.

PRICE TO COMPARE:

The Company will provide the Price to Compare for an LVS customer, at said customer's request.

LINE LOSS:

Line Loss shall be 1.43% as provided in Special Provision (h).

MINIMUM BILL:

Sum of monthly Customer Charge and monthly Demand Charges, irrespective of use.

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 14 - GAS

**Fourth Revised Sheet No. 31
Superseding Third Revised Sheet No. 31**

FIRM ELECTRIC SERVICE (FES)

APPLICABLE TO USE OF SERVICE FOR:

All gas that is purchased or transported to generate electricity. Provided, however, that in order to qualify for this Rate Schedule FES, a customer must have a Winter Daily Contract Demand of 1,000 Mcf per day or more, or a Summer Daily Contract Demand of 2,000 Mcf per day or more, or both. To be eligible for Firm Transportation Service under this Rate Schedule FES, a customer must hold clear and marketable title to gas that is made available for delivery to customer's facility on the Company's system.

CHARACTER OF SERVICE:

Firm Sales Service and Firm Transportation Service.

MONTHLY RATE ⁽¹⁾ ⁽²⁾

WINTER (November – March):

Demand Charge:

- D-1 \$3.089100 per Mcf of Winter Daily Contract Demand
- D-2 \$8.248323 per Mcf of Daily Billing Determinant or \$0 for Firm Transportation customers

Volumetric Charge:

- C-1: \$.~~129293~~-129823 per therm of consumption
 - C-2: FES Monthly Commodity Rate, pursuant to Rider "A" and Special Provision (x), OR Customer Owned Gas Clause, Rider "D"
 - C-3: \$.173700 per therm of consumption
 - C-4: Escalator Rate – Charge may change monthly pursuant to Standard Gas Service Addendum.
- Minimum Bill:** The monthly D-1 and D-2 charges, irrespective of use.

SUMMER (April – October):

Demand Charge:

- D-1 \$3.089100 per Mcf of Summer Daily Contract Demand
- D-2 \$8.248323 per Mcf of Daily Billing Determinant or \$0 for Firm Transportation customers

Volumetric Charge:

- C-1: \$.~~129293~~-129823 per therm of consumption
- C-2: FES Monthly Commodity Rate, pursuant to Rider "A" and Special Provision (x), OR Customer Owned Gas Clause, Rider "D"
- C-3: \$.173700 per therm of consumption
- C-4: Escalator Rate – Charge may change monthly pursuant to Standard Gas Service Addendum.

⁽¹⁾ Please refer to Appendix A for components of Monthly Rates.

⁽²⁾ Please refer to Special Provision (p)

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Public Utilities, State of New Jersey, dated _____

SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 14 - GAS

**Fourth Revised Sheet No. 38
Superseding Third Revised Sheet No. 38**

ELECTRIC GENERATION SERVICE (EGS)

APPLICABLE TO USE OF SERVICE FOR:

Residential, commercial and industrial uses for electric generation facilities (excluding back-up generator equipment); all Prime Movers; and all engine driven equipment (whether or not used for electric generation). Provided, however, that in order to be eligible for this Rate Schedule EGS, a customer must have a Firm Daily Contract Demand of less than 200 Mcf per day; provided, however, that a residential EGS customer will have no Firm Daily Contract Demand. To be eligible for Firm Transportation Service under this Rate Schedule EGS, a customer must hold clear and marketable title to gas that is made available for delivery to customer's facility on the Company's system.

CHARACTER OF SERVICE:

Firm Sales Service and Firm Transportation Service

MONTHLY RATE: ⁽¹⁾⁽²⁾

Residential Customer Charge:

\$10.502563 per month

Residential Delivery Charge

Residential Volumetric Charge: ~~\$.388989~~ \$.389518 per therm

Commercial and Industrial Customer Charge:

\$91.996050 per month

Commercial and Industrial Delivery Charge:

Commercial and Industrial Demand Charge:

D-1 Charge: \$9.750003 per Mcf of contract

Volumetric Charges:

Winter Season (effective during billing months of November through March):

All Consumption for Firm Sales Service and Firm Transportation Service

~~\$.375857~~ \$.376386 per therm

⁽¹⁾ Please refer to Appendix A for components of Monthly Rates.

⁽²⁾ See Special Provision (k) of this Rate Schedule EGS, regarding appropriate balancing charges.

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Public Utilities, State of New Jersey, dated _____

SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 14 - GAS

**Fourth Revised Sheet No. 39
Superseding Third Revised Sheet No. 39**

ELECTRIC GENERATION SERVICE (EGS)
(Continued)

Summer Season (effective during billing months of April through October):

All Consumption for Firm Sales Service and Firm Transportation Service

~~\$.343869~~ \$.344398 per therm

Basic Gas Supply Service ("BGSS") Charge:

Applicable to customers who elect Firm Sales Service

See Rider "A" of this Tariff.

LINE LOSS:

Line Loss shall be 1.43% as provided in Special Provision (p).

APPLICABLE RIDERS:

Basic Gas Supply Service Clause:	BGSS charges are depicted in Rider "A" of this Tariff.
Societal Benefits Clause:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "E" of this Tariff.
2017 Tax Act	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "H" of this Tariff.
Balancing Service Clause	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "J" of this Tariff. However, also see Special Provision (k) regarding Rider "I".
Energy Efficiency Tracker:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "N" of this Tariff.

TERMS OF PAYMENT:

Payment of all bills must be received in full at the Company's designated office within fifteen (15) days of the billing date; provided however, the Company shall take into account any postal service delays of which the Company is advised. If the fifteenth (15th) day falls on a non-business day, the due date shall be extended to the next business day. Should the customer fail to make payment as specified, the Company may, beginning on the twenty-sixth (26th) day, assess simple interest at a rate equal to the prime rate as published in the Money Rates column in The Wall Street Journal. A late payment charge shall not be assessed on a residential customer, or on State, county or municipal government entities.

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B. Schomber, President

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Public Utilities, State of New Jersey, dated _____

SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 14 - GAS

**Fourth Revised Sheet No. 43
Superseding Third Revised Sheet No. 43**

ELECTRIC GENERATION SERVICE – LARGE VOLUME (EGS-LV)

APPLICABLE TO USE OF SERVICE FOR:

All commercial and industrial electric generation facilities; all Prime Movers and all engine driven equipment (whether or not used for electric generation). Provided, however, that in order to be eligible for this Rate Schedule EGS-LV, a customer must have a Firm Daily Contract Demand of 200 Mcf per day or more. To be eligible for Firm Transportation Service under this Rate Schedule EGS-LVS, a customer must hold clear and marketable title to gas that is made available for delivery to customer's facility on the Company's system.

CHARACTER OF SERVICE:

Firm Sales Service, Firm Transportation Service, Limited Firm Sales Service and Limited Firm Transportation Service.

MONTHLY RATE: ⁽¹⁾

Customer Charge:

\$874.996738 per month

FIRM:

Demand Charges: ⁽²⁾

D-1 \$29.441185 per Mcf of Firm Daily Contract Demand.

D-2 \$16.579139 per Mcf of Firm Daily Contract Demand or \$0 for Firm Transportation customers.

Volumetric Charge:

C-1: \$.~~10408-110938~~ per therm of consumption

C-2: As depicted in the Monthly BGSS Subrider of Rider "A" of this Tariff, OR
Customer Owned Gas Clause, Rider "D"

Minimum Bill: Monthly D-1 and D-2 charges, irrespective of use.

LIMITED FIRM:

Demand Charge:

D-2 \$8.248323 per Mcf of Limited Firm Daily Contract Demand or \$0 for Limited Firm Transportation customers

Volumetric Charge: ⁽²⁾

C-1: \$.~~10408-110938~~ per therm of consumption

C-2: As depicted in the Monthly BGSS Subrider of Rider "A" of this Tariff, OR
Customer Owned Gas Clause, Rider "D"

C-3 \$.173700 per therm for all consumption within Limited Firm Contract Demand level.¹

⁽¹⁾ Please refer to Appendix A for components of Monthly Rates.

⁽²⁾ Please refer to Special Provision (j).

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B. Schomber, President

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on and after _____

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 14 - GAS

**Third Revised Sheet No. 60
Superseding Second Revised Sheet No. 60**

NATURAL GAS VEHICLE (NGV)

APPLICABLE TO:

This service will be available to Commercial and Industrial customers who will utilize natural gas, for the purpose of providing vehicle fuel at Company-operated fueling stations or at separately metered customer-operated fueling stations.

CHARACTER OF SERVICE:

Firm Sales Service or Firm Transportation Service

COMPRESSED NATURAL GAS VEHICLE SERVICE AT COMPANY OPERATED FUELING STATIONS

This part of the service is available for refueling vehicles with compressed natural gas to customers who refuel at Company operated fueling stations. All service at Company operated fueling stations shall be Firm Sales Service. Provided, however, that in the Company's sole discretion, it may allow for Firm Transportation service for a Customer-specific dedicated dispenser or time fill system (separately metered) at a Company operated fueling station.

Rate for Monthly Consumption

Volumetric Charge

C-1: \$0.~~110408~~ 110938 per therm (\$0.~~138010~~ 138672 GGE*)

Distribution Charge: \$0.257866 per therm (\$0.322333 GGE*)

Compression Charge: \$0.700000 per therm (\$0.875000 GGE*)

Commodity Charges

All consumption for customers who elected Firm Sales Service

Basic Gas Supply Service ("BGSS") Charge:

See Rider "A" of this Tariff.

BGSS rate * GGE Factor 1.25 = GGE

GGE indicates Gasoline Gallon Equivalent. The gasoline gallon equivalent shall be determined in accordance with local standards. The point of sale price to the Customer shall be displayed in gasoline gallon equivalents at public access dispensers at Company operated fueling stations, and shall be calculated as C-1 + Distribution Charge + Compression Charge + New Jersey Motor Vehicle Fuel Tax + Federal Excise Tax + BGSS.

Commodity charges do not include State of New Jersey Motor vehicle fuel tax and Federal Excise Tax. As of January 1, 2020 these taxes were \$0.105 and \$0.1830 per gallon, respectively and shall be charged at the prevailing rate when applicable. The Company is under no obligation to determine if a customer is exempt from taxation.

Issued _____
by South Jersey Gas Company,
B. Schomber, President

Effective with service rendered
on and after _____

Filed pursuant to Order in Docket No. _____ of the Board of
Public Utilities, State of New Jersey, dated _____

SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 14 - GAS

**Third Revised Sheet No. 61
Superseding Second Revised Sheet No. 61**

**NATURAL GAS VEHICLE (NGV)
(Continued)**

NATURAL GAS VEHICLE SERVICE AT CUSTOMER OPERATED FUELING STATIONS

This part of the service is available for the sale of separately metered uncompressed gas for the use of the customer solely as a vehicle fuel as follows:

The customer agrees to obtain and maintain, at its expense, all necessary certificates, licenses and regulatory approvals and pay all taxes levied on the gas compressed for refueling the customer's vehicles;

If the customer provides natural gas for resale as a motor fuel, the customer will be responsible for collecting and paying all applicable taxes on the gas compressed for resale and on the sale thereof and for the metering of such sale in accordance with local standards and regulations; and

The customer must execute a Standard Gas Service Agreement (NGV) for not less than 12 months and must produce evidence of Land Rights.

Rate for Monthly Consumption

Monthly Customer Charge

The monthly customer charge shall be determined in accordance with the maximum delivery capability requested by the customer.

0-999 Cf/hour	\$39.984400
1,000-4,999 Cf/hour	\$79.968800
5,000-24,999 Cf/hour	\$258.000500
25,000 and greater Cf/hour	\$986.281250

Volumetric Charges

C-1: \$0.~~110408~~-110938 per therm (\$0.~~138010~~-138672 GGE)

Distribution Charge: \$0.257866 per therm (\$0.322333 GGE)

Basic Gas Supply Service ("BGSS") Charge:

All consumption for customers who elect Firm Sales Service See Rider "A" of this Tariff.

Facilities Charge

All consumption for Customers that elect to have the Company construct Compressed Natural Gas ("CNG") fueling facilities located on Customer's property:

C-2: \$0.294445 (\$0.368056 GGE)

The customer shall pay all related motor vehicle taxes directly to the taxing entity. Such taxes shall be incremental to charges paid to the Company for the cost of receiving service under this rate schedule.

Issued _____
by South Jersey Gas Company,
B. Schomber, President

Effective with service rendered
on and after _____

Filed pursuant to Order in Docket No. _____ of the Board of
Public Utilities, State of New Jersey, dated _____

SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 14 – GAS

**Third Revised Sheet No. 62
Superseding Second Revised Sheet No. 62**

**NATURAL GAS VEHICLE (NGV)
(Continued)**

DELIVERY SERVICE FOR NATURAL GAS VEHICLES

This part of service is available for delivery of customer owned natural gas for use in compression and dispensing equipment at the Customer's premises, as follows:

The customer must purchase under a contract with an initial term of not less than one year an adequate supply of natural gas of a quality acceptable to the Company, and must make arrangements by which such volumes of natural gas can be delivered into the Company's distribution system at the Customer's expense.

By taking service under this part, the Customer warrants that it has good and legal title to all gas supplied to the Company, and agrees to indemnify, defend and hold the Company harmless from any loss, claims or damages in regard to such title.

Rate for Delivery Service

Monthly Customer Charge

The monthly customer charge shall be determined in accordance with the maximum delivery capability requested by the customer.

0-999 Cf/hour	\$39.984400
1,000-4,999 Cf/hour	\$79.968800
5,000-24,999 Cf/hour	\$258.000500
25,000 and greater Cf/hour	\$986.281250

Volumetric Charge

C-1: \$0.~~110408~~-110938 per therm (\$0.~~138010~~-138672 GGE)

Distribution Charge: \$0.257866 per therm (\$0.322333 GGE)

Facilities Charge

All consumption for Customers that elect to have the Company construct CNG fueling facilities located on Customer's property:

C-2: \$0.294445 per therm (\$0.368056 GGE)

Sales taxes are not included in the above basic charges. The Company is under no obligation to determine if a customer is exempt from taxation. Customers seeking tax exemption must file verification with the Company.

Issued _____
by South Jersey Gas Company,
B. Schomber, President

Effective with service rendered
on and after _____

Filed pursuant to Order in Docket No. _____ of the Board of
Public Utilities, State of New Jersey, dated _____

SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 14 - GAS

**Second Revised Sheet No. 71
Superseding First Revised Sheet No. 71**

**RIDER "C"
TRANSPORTATION INITIATION CLAUSE (TIC)**

APPLICABLE TO:

Rate Schedule RSG	-	Residential Service
Rate Schedule GSG	-	General Service

This Rider "C" shall be known as the Transportation Initiation Clause (TIC) and will be charged to all RSG and GSG customers.

PURPOSE OF RIDER "C":

The purpose of the TIC is to enable the Company to recover both capital expenditures and operating costs associated with Electronic Data Interchange (EDI), including consulting costs and transaction costs.

ANNUAL TIC FILING:

On or about July 31 of each year, to be effective the next succeeding November 1, the Company shall file with the Board a proposed TIC rate. The TIC filing will be based upon the costs and expenditures incurred during the previous August 1 through July 31. The costs proposed for recovery will be subject to review for reasonableness, and to assure that they are costs associated with EDI, and not costs which would have been spent for computer upgrades, irrespective of the implementation of EDI.

TIC costs shall be calculated by utilizing the total capital expenditures and operating costs associated with the EDI process, including consulting and transaction costs, net of the TIC over or underrecovery balance, applying monthly carrying costs to the resulting amount using the interest rate applicable to the Company's SBC underrecoveries and overrecoveries. The resulting TIC costs shall be divided by the annual forecasted volumes for the rate classes set forth above. The resulting rate shall be adjusted for all applicable taxes and assessments.

The TIC shall be collected on a per therm basis and shall remain in effect until changed by order of the Board. The TIC charge will be:

\$0.~~000244~~000776 per therm

The TIC will be recovered through the Delivery Charge of each of the rate schedules referred to above, and will subject to deferred accounting.

Issued _____
by South Jersey Gas Company,
B. Schomber, President

Effective with service rendered
on and after _____

Filed pursuant to Order in Docket No. _____ of the Board of
Public Utilities, State of New Jersey, dated _____

SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 14 - GAS

**Second Revised Sheet No. 75
Superseding First Revised Sheet No. 75**

**RIDER "E"
SOCIETAL BENEFITS CLAUSE (SBC)
(Continued)**

UNIVERSAL SERVICE FUND:

Pursuant to the "Electric Discount and Energy Competition Act", N.J.S.A. 48:3-49, the Board established the Permanent Universal Service Fund ("USF") and the Lifeline Credit and Tenants Assistance Program ("Lifeline") both of which will be collected from Rate Schedules RSG, GSG, GSG-LV, EGS, EGS-LV, CTS, LVS, FES, IGS, ITS and NGV. The USF and Lifeline factors established in this Rider "E" were set forth by the Board.

Pursuant to Section 12b of the "Electric Discount and Energy Competition Act", N.J.S.A. 48:3-60b, the Board established an Interim Universal Service Fund. All gas consumed under Rate Schedules RSG, GSG, GSG-LV, EGS, EGS-LV, CTS, LVS and FES shall recover the Company's contributions toward the Universal Service Fund (over a twelve month period on a forecasted basis in accordance with this Rider "E").

Pursuant to Section 12b of the "Electric Discount and Energy Competition Act", N.J.S.A. 48:3-60.1, electric generators that use natural gas and/or natural gas delivery service to generate electricity that is sold for resale are to be exempt from paying the societal benefit charge on the throughput used to generate electricity that is sold for resale. In order to determine the percentage of the throughput exempt from the SBC, a customer must provide a form of Annual Certification which will provide the percentage of the customer's throughput that will be exempt from the SBC. South Jersey Gas will forward the forms to the customer in December to be updated for each subsequent calendar year's actual experience. If the customer does not return the completed forms by January 15, then the SBC will be assessed on all of the customer's usage. If the customer returns the forms on or before January 15, then adjustments to the customer's bills will be made on a prospective basis beginning in February of the subsequent year. That is, commencing in February, the customer's SBC charge will be adjusted based on the percentage of the customer's throughput from the prior calendar year used to generate electricity that was sold for resale.

The interest rate on USF under and over recoveries shall be the interest rate based on a two-year constant maturity Treasuries as published in the Federal Reserve Statistical Release on the first day of each month (or the closest day thereafter on which the rates are published), plus sixty basis points, but shall not exceed the Company's overall rate of return as authorized by the Board.

Rates subject to this Rider have been adjusted to recover the following Societal Benefit Charges:

<u>Rate Schedule and Appropriate Rate</u>		<u>RAC</u>	<u>CLEP</u>	USF (Including <u>Lifeline</u>)	<u>SBC</u>
Rate Schedule RSG	Delivery	.054031058983	.031280026858	.016600	.101911102441
Rate Schedule GSG	Delivery	.054031058983	.031280026858	.016600	.101911102441
Rate Schedule GSG-LV	Delivery	.054031058983	.031280026858	.016600	.101911102441
Rate Schedule EGS	Delivery	.054031058983	.031280026858	.016600	.101911102441

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Public Utilities, State of New Jersey, dated _____**

SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 14 - GAS

Second Revised Sheet No. 76
Superseding First Revised Sheet No. 76

RIDER "E"
SOCIETAL BENEFITS CLAUSE (SBC)
(Continued)

<u>Rate Schedule and Appropriate Rate</u>		<u>RAC</u>	<u>CLEP</u>	USF (Including <u>Lifeline</u>)	<u>SBC</u>
Rate Schedule EGS-LV	C-1	.054031 <u>.058983</u>	.031280 <u>.026858</u>	.016600 ⁽¹⁾	.101911 <u>.102441</u>
Rate Schedule CTS	C-1FT	.054031 <u>.058983</u>	.031280 <u>.026858</u>	.016600	.101911 <u>.102441</u>
Rate Schedule LVS	C-1/C-1FT	.054031 <u>.058983</u>	.031280 <u>.026858</u>	.016600	.101911 <u>.102441</u>
Rate Schedule FES	C-1FT	.054031 <u>.058983</u>	.031280 <u>.026858</u>	.016600	.101911 <u>.102441</u>
Rate Schedule IGS	Monthly Rate	.054031 <u>.058983</u>	N/A	.016600	.070634 <u>.075583</u>
Rate Schedule ITS	Monthly Rate	.054031 <u>.058983</u>	.031280 <u>.026858</u>	.016600	.101911 <u>.102441</u>
Rate Schedule NGV	Delivery	.054031 <u>.058983</u>	.031280 <u>.026858</u>	.016600	.101911 <u>.102441</u>

⁽¹⁾ This element of the Societal Benefits Charge will not be applicable to those customers with special existing contracts limiting their rate exposure, until the expiration of those contracts, in accordance with the Orders of the Board of Public Utilities in Docket No. EX00020091.

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 14 - GAS

**Second Revised Sheet No. 83
Superseding First Revised Sheet No. 83**

RIDER "G"
REMEDATION ADJUSTMENT CLAUSE (RAC)
(Continued)

- c) If the Company intends to sell a former manufactured gas plant site, it shall notify and provide the Board with details of any proposed sale at least sixty (60) days prior to any such sale.

II. Determination of the Remediation Adjustment

At least ninety (90) days prior to the commencement of each Recovery Year, the Company shall, among other material, file with the Board and serve upon Rate Counsel, and such other Parties as shall request the same, all bills and receipts relating to as well as a schedule depicting the particular purpose for the expenditure of the amount of any Remediation Costs incurred in the preceding Remediation Year for which it seeks to begin recovery in the upcoming Recovery Year, for each remediation site and a calculation of the proposed Remediation Adjustment Clause level. In that same filing, the Company shall include similar material and information to support any costs/expenses and/or recoveries resulting from Third Party Claims or sales of remediated gas manufacturing sites. The Company shall also submit in its annual filing a projection of Remediation Costs for the following Remediation Year. In addition, the Company will include a listing and status of applicable insurance policies for each site.

The RAC factor shall be calculated by taking one seventh of the Actual Remediation Costs plus applicable Third Party Claims and Sale of Property allocations incurred each year, until fully amortized, less the Deferred Tax Benefit plus the prior years' RAC remediation adjustment. This amount is then divided by the Company's total volume of prospective sales for the upcoming recovery year.

All gas consumed under Rate Schedules RSG, GSG, GSG-LV, CTS, LVS, FES, EGS, EGS-LV, IGS, ITS and NGV shall recover Remediation Costs. The charge brought forward to Rider "E" for these Rate Schedules is as follows:

RSG, GSG, GSG-LV,
EGS, EGS-LV, LVS, FES
CTS, IGS, ITS and NGV

Average Cost per therm \$~~.050674~~055318

Applicable NJ Sales Tax Factor 1.066250

RAC Per Therm with NJ Sales Tax \$~~.054031~~058983

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Public Utilities, State of New Jersey, dated _____

SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 14 - GAS

**Second Revised Sheet No. 97
Superseding First Revised Sheet No. 97**

**RIDER "K"
CLEAN ENERGY PROGRAM CLAUSE (CLEP)**

APPLICABLE TO:

Rider "E" - Societal Benefits Clause

In its annual Societal Benefits Clause Petition, the Company will include data necessary to compute its CLEP factor for the upcoming CLEP Year. The Company's CLEP Plan Year will be the 12 month period ended October 31 of each year.

The CLEP factor set forth in this Rider "K" is calculated annually based upon the projected CLEP costs and an amount that accounts for revenue erosion divided by the projected therm sales. Any difference between the preceding year's costs and recoveries will be added to or deducted from the succeeding year's computation.

The charge brought forward to Rider "E" is as follows:

**RSG, GSG, GSG-LV,
CTS Firm, EGS, EGS-LV,
FES, LVS, ITS and NGV**

Average Cost per Therm	\$.029336 <u>025189</u>
Applicable NJ Sales Tax Factor	<u>1.066250</u>
CLEP per Therm with NJ Sales Tax	\$.031280 <u>026858</u> =====

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Public Utilities, State of New Jersey, dated _____

SOUTH JERSEY GAS COMPANY
Schedule of Rate Components
Appendix A - Effective _____

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RESIDENTIAL GAS SERVICE (RSG) - NONHEAT CUSTOMER					
	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<u>CUSTOMER CHARGE</u>		9.850000		0.652563	10.502563
<u>DELIVERY CHARGE (per therm):</u>					
Base Rate		0.897170		0.059438	0.956608
TIC	C	0.000728	0.000000	0.000048	0.000776
SBC:					
RAC	E, G	0.055318	0.000000	0.003665	0.058983
CLEP	E, K	0.025189	0.000000	0.001669	0.026858
USF	E	<u>0.015600</u>	<u>0.000000</u>	<u>0.001000</u>	<u>0.016600</u>
Total SBC		0.096107	0.000000	0.006334	0.102441
CIP	M	0.048609	0.000000	0.003220	0.051829
EET	N	0.025681	0.000000	0.001701	0.027382
2017 Tax Act	H	(0.017668)	(0.000044)	(0.001173)	(0.018885)
Balancing Service Charge BS-1	J	0.080825	0.000000	0.005355	0.086180
Balancing Service Charge BUY-OUT PRICE (Applicable to Transportation Customers Only)	J				Rate Set Monthly
TOTAL DELIVERY CHARGE		1.131452	(0.000044)	0.074922	1.206330
<u>BGSS: (Applicable To Sales Customers Only)</u>	A	0.588735	0.000000	0.039004	0.627739

SOUTH JERSEY GAS COMPANY
Schedule of Rate Components
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RESIDENTIAL GAS SERVICE (RSG) - HEAT CUSTOMER					
	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<u>CUSTOMER CHARGE</u>		9.850000		0.652563	10.502563
<u>DELIVERY CHARGE (per therm):</u>					
Base Rate		0.897170		0.059438	0.956608
TIC	C	0.000728	0.000000	0.000048	0.000776
SBC:					
RAC	E, G	0.055318	0.000000	0.003665	0.058983
CLEP	E, K	0.025189	0.000000	0.001669	0.026858
USF	E	<u>0.015600</u>	<u>0.000000</u>	<u>0.001000</u>	<u>0.016600</u>
Total SBC		0.096107	0.000000	0.006334	0.102441
CIP	M	0.027737	0.000000	0.001838	0.029575
EET	N	0.025681	0.000000	0.001701	0.027382
2017 Tax Act	H	(0.017668)	(0.000044)	(0.001173)	(0.018885)
Balancing Service Charge BS-1	J	0.080825	0.000000	0.005355	0.086180
Balancing Service Charge BUY-OUT PRICE (Applicable to Transportation Customers Only)	J				Rate Set Monthly
Total Delivery Charge		1.110580	(0.000044)	0.073540	1.184076
<u>BGSS: (Applicable To Sales Customers Only)</u>	A	0.588735	0.000000	0.039004	0.627739

SOUTH JERSEY GAS COMPANY
Schedule of Rate Components
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GENERAL SERVICE (GSG)					
	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
CUSTOMER CHARGE		37.980000		2.516175	40.496175
<u>DELIVERY CHARGE (per therm):</u>					
Base Rate		0.723187		0.047911	0.771098
TIC	C	0.000728	0.000000	0.000048	0.000776
SBC:					
RAC	E, G	0.055318	0.000000	0.003665	0.058983
CLEP	E, K	0.025189	0.000000	0.001669	0.026858
USF	E	<u>0.015600</u>	<u>0.000000</u>	<u>0.001000</u>	<u>0.016600</u>
Total SBC		0.096107	0.000000	0.006334	0.102441
CIP	M	0.026392	0.000000	0.001748	0.028140
EET	N	0.025681	0.000000	0.001701	0.027382
2017 Tax Act	H	(0.017668)	(0.000044)	(0.001173)	(0.018885)
Balancing Service Charge BS-1	J	0.080825	0.000000	0.005355	0.086180
Balancing Service Charge BUY-OUT PRICE (Applicable to Transportation Customers Only)	J				Rate Set Monthly
Total Delivery Charge		0.935252	(0.000044)	0.061923	0.997131
<u>BGSS: (Applicable To Sales Customers Only using less than 5,000 therms annually)</u>	A	0.588735	0.000000	0.039004	0.627739
<u>BGSS: (Applicable To Sales Customers Only using 5,000 therms annually or greater)</u>	A				RATE SET MONTHLY

SOUTH JERSEY GAS COMPANY
Schedule of Rate Components
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<u>GENERAL SERVICE-LV (GSG-LV)</u>					
	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<u>CUSTOMER CHARGE</u>		247.600000		16.403500	264.003500
<u>D-1 Demand Charge (Mcf)</u>		13.317700		0.882298	14.199998
<u>DELIVERY CHARGE (per therm):</u>					
Base Rate		0.359109		0.023791	0.382900
TIC	C	0.000728	0.000000	0.000048	0.000776
SBC:					
RAC	E, G	0.055318	0.000000	0.003665	0.058983
CLEP	E, K	0.025189	0.000000	0.001669	0.026858
USF	E	<u>0.015600</u>	<u>0.000000</u>	<u>0.001000</u>	<u>0.016600</u>
Total SBC		0.096107	0.000000	0.006334	0.102441
CIP	M	0.012009	0.000000	0.000796	0.012805
EET	N	0.025681	0.000000	0.001701	0.027382
2017 Tax Act	H	(0.017668)	(0.000044)	(0.001173)	(0.018885)
Balancing Service Charge BS-1	J	0.080825	0.000000	0.005355	0.086180
Balancing Service Charge BUY-OUT PRICE (Applicable to Transportation Customers Only)	J				Rate Set Monthly
Total Delivery Charge		0.556791	(0.000044)	0.036851	0.593598
<u>BGSS: (Applicable Sales Customers Only)</u>	A				RATE SET MONTHLY

SOUTH JERSEY GAS COMPANY
Schedule of Rate Components
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COMPREHENSIVE TRANSPORTATION SERVICE (CTS)					
	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<u>FIRM</u>					
<u>CUSTOMER CHARGE</u>		820.630000		54.366738	874.996738
<u>D-1 Demand Charge (Mcf)</u>		34.701100		2.298948	37.000048
<u>DELIVERY CHARGE (per therm):</u>					
Base Rate		0.091136		0.006038	0.097174
SBC:					
RAC	E, G	0.055318	0.000000	0.003665	0.058983
CLEP	E, K	0.025189	0.000000	0.001669	0.026858
USF	E	<u>0.015600</u>	<u>0.000000</u>	<u>0.001000</u>	<u>0.016600</u>
Total SBC		0.096107	0.000000	0.006334	0.102441
EET	N	0.025681	0.000000	0.001701	0.027382
2017 Tax Act	H	(0.017668)	(0.000044)	(0.001173)	(0.018885)
Total Delivery Charge		0.195256	(0.000044)	0.012900	0.208112
Balancing Service Charge BS-1	I	0.080825	0.000000	0.005355	0.086180
Balancing Service Charge BS-1 (Opt Out Provision)	I	0.002549	0.000000	0.000169	0.002718
BUY-OUT PRICE					RATE SET MONTHLY
<u>LIMITED FIRM</u>					
<u>CUSTOMER CHARGE</u>		500.000000		33.125000	533.125000
<u>DELIVERY CHARGE (per therm):</u>					
Base Rate		0.058400		0.003900	0.062300
SBC:					
RAC	E, G	0.055318	0.000000	0.003665	0.058983
CLEP	E, K	0.025189	0.000000	0.001669	0.026858
USF	E	<u>0.015600</u>	<u>0.000000</u>	<u>0.001000</u>	<u>0.016600</u>
Total SBC		0.096107	0.000000	0.006334	0.102441
EET	N	0.025681	0.000000	0.001701	0.027382
2017 Tax Act	H	(0.017668)	(0.000044)	(0.001173)	(0.018885)
Total Delivery Charge		0.162520	(0.000044)	0.010762	0.173238
Balancing Service Charge BS-1	I	0.080825	0.000000	0.005355	0.086180
Balancing Service Charge BS-1 (Opt Out Provision)	I	0.002549	0.000000	0.000169	0.002718
BUY-OUT PRICE					RATE SET MONTHLY

SOUTH JERSEY GAS COMPANY
Schedule of Rate Components
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LARGE VOLUME SERVICE (LVS)					
	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
FIRM					
<u>CUSTOMER CHARGE</u>		1,148.890000		76.113963	1,225.003963
<u>D-1 Demand Charge (Mcf)</u>		20.633100		1.366943	22.000043
<u>D-2 DEMAND BGSS(Applicable to Sales Customers Only)</u>	A	15.471650	0.000000	1.024997	16.496647
<u>DELIVERY CHARGE (per therm):</u>					
Base Rate		0.061199		0.004054	0.065253
SBC:					
RAC	E, G	0.055318	0.000000	0.003665	0.058983
CLEP	E, K	0.025189	0.000000	0.001669	0.026858
USF	E	<u>0.015600</u>	<u>0.000000</u>	<u>0.001000</u>	<u>0.016600</u>
Total SBC		0.096107	0.000000	0.006334	0.102441
EET	N	0.025681	0.000000	0.001701	0.027382
2017 Tax Act	H	(0.017668)	(0.000044)	(0.001173)	(0.018885)
Total Delivery Charge		0.165319	(0.000044)	0.010916	0.176191
Balancing Service Charge BS-1	I	0.080825	0.000000	0.005355	0.086180
Balancing Service Charge BS-1 (Opt Out Provision) (Applicable to Transportation Customers Only)	I	0.002549	0.000000	0.000169	0.002718
Balancing Service Charge CASH OUT CHARGE (CREDIT) (Applicable Transportaton Customers Only)	I				RATE SET MONTHLY
<u>BGSS: (Applicable Sales Customers Only)</u>	A				RATE SET MONTHLY
LIMITED FIRM					
<u>CUSTOMER CHARGE</u>		500.000000		33.125000	533.125000
<u>DELIVERY CHARGE (per therm):</u>					
Base Rate		0.148587		0.009844	0.158431
SBC:					
RAC	E, G	0.055318	0.000000	0.003665	0.058983
CLEP	E, K	0.025189	0.000000	0.001669	0.026858
USF	E	<u>0.015600</u>	<u>0.000000</u>	<u>0.001000</u>	<u>0.016600</u>
Total SBC		0.096107	0.000000	0.006334	0.102441
EET	N	0.025681	0.000000	0.001701	0.027382
2017 Tax Act	H	(0.017668)	(0.000044)	(0.001173)	(0.018885)
Total Delivery Charge		0.252707	(0.000044)	0.016706	0.269369
Balancing Service Charge BS-1	I	0.080825	0.000000	0.005355	0.086180
Balancing Service Charge BS-1 (Opt Out Provision) (Applicable to Transportation Customers Only)	I	0.002549	0.000000	0.000169	0.002718
BUY-OUT PRICE	I				RATE SET MONTHLY

SOUTH JERSEY GAS COMPANY
Schedule of Rate Components
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FIRM ELECTRIC SALES (FES)					
	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<u>WINTER</u>					
<u>D-1 DEMAND (MCF) (Rate is negotiated. Shown here is the benchmark rate.)</u>		2.897200		0.191900	3.089100
<u>D-2 DEMAND BGSS(MCF) (Applicable to Sales Customers Only)</u>	A	7.735825	0.000000	0.512498	8.248323
<u>DELIVERY CHARGE (per therm):</u>					
SBC:					
RAC	E, G	0.055318	0.000000	0.003665	0.058983
CLEP	E, K	0.025189	0.000000	0.001669	0.026858
USF	E	<u>0.015600</u>	<u>0.000000</u>	<u>0.001000</u>	<u>0.016600</u>
Total SBC		0.096107	0.000000	0.006334	0.102441
EET	N	0.025681	0.000000	0.001701	0.027382
Total Delivery Charge		0.121788	0.000000	0.008035	0.129823
<u>C-3 All Therms (Rate is negotiated. Shown here is the benchmark rate.)</u>		0.162900		0.010800	0.173700
<u>C-4 Escalator Rate (To be determined as prescribed in the Company's Tariff)</u>					RATE SET MONTHLY
Balancing Service Charge CASH OUT CHARGE (CREDIT) (Applicable to Firm Transportatin Customers Only)	I				RATE SET MONTHLY
<u>BGSS: (Applicable To Sales Customers Only)</u>	A				RATE SET MONTHLY
<u>SUMMER</u>					
<u>D-1 DEMAND (MCF) (Rate is negotiated. Shown here is the benchmark rate.)</u>		2.897200		0.191900	3.089100
<u>D-2 DEMAND BGSS(MCF) (Applicable to Sales Customers Only)</u>	A	7.735825	0.000000	0.512498	8.248323
SBC:					
RAC	E, G	0.055318	0.000000	0.003665	0.058983
CLEP	E, K	0.025189	0.000000	0.001669	0.026858
USF	E	0.015600	0.000000	0.001000	0.016600
EET	N	0.025681	0.000000	0.001701	0.027382
Total Delivery Charge		0.121788	0.000000	0.008035	0.129823
<u>C-3 All Therms (Rate is negotiated. Shown here is the benchmark rate.)</u>		0.162900		0.010800	0.173700
<u>C-4 Escalator Rate (To be determined as prescribed in the Company's Tariff)</u>					RATE SET MONTHLY
Balancing Service Charge CASH OUT CHARGE (CREDIT) (Applicable to Firm Transportatin Customers Only)	I				RATE SET MONTHLY
<u>BGSS: (Applicable To Sales Customers Only)</u>	A				RATE SET MONTHLY

SOUTH JERSEY GAS COMPANY
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ELECTRIC GENERATION SERVICE (EGS) - RESIDENTIAL

	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<u>CUSTOMER CHARGE</u>		9.850000		0.652563	10.502563
<u>DELIVERY CHARGE (per therm):</u>					
Base Rate		0.180446		0.011955	0.192401
SBC:					
RAC	E, G	0.055318	0.000000	0.003665	0.058983
CLEP	E, K	0.025189	0.000000	0.001669	0.026858
USF	E	<u>0.015600</u>	<u>0.000000</u>	<u>0.001000</u>	<u>0.016600</u>
Total SBC		0.096107	0.000000	0.006334	0.102441
EET	N	0.025681	0.000000	0.001701	0.027382
2017 Tax Act	H	(0.017668)	(0.000044)	(0.001173)	(0.018885)
Balancing Service Charge BS-1	J	0.080825	0.000000	0.005355	0.086180
Total Delivery Charge		0.365391	(0.00004)	0.024171	0.389518
<u>BGSS: (Applicable To Sales Customers Only)</u>	A	0.588735	0.000000	0.039004	0.627739

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<u>ELECTRIC GENERATION SERVICE (EGS) - COMMERCIAL/INDUSTRIAL</u>					
	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<u>CUSTOMER CHARGE</u>		86.280000		5.716050	91.996050
<u>D-1 DEMAND (MCF)</u>		9.144200		0.605803	9.750003
<u>DELIVERY CHARGE (per therm):</u>					
Base Rate - Winter Season (Nov - Mar)		0.168130		0.011139	0.179269
Base Rate - Summer Season (Apr - Oct)		0.138130		0.009151	0.147281
SBC:					
RAC	E, G	0.055318	0.000000	0.003665	0.058983
CLEP	E, K	0.025189	0.000000	0.001669	0.026858
USF	E	<u>0.015600</u>	<u>0.000000</u>	<u>0.001000</u>	<u>0.016600</u>
Total SBC		0.096107	0.000000	0.006334	0.102441
EET	N	0.025681	0.000000	0.001701	0.027382
2017 Tax Act	H	(0.017668)	(0.000044)	(0.001173)	(0.018885)
Balancing Service Charge BS-1	J	0.080825	0.000000	0.005355	0.086180
Total Delivery Charge - Winter Season		0.353075	(0.000044)	0.023355	0.376386
Total Delivery Charge - Summer Season		0.323075	(0.000044)	0.021367	0.344398
<u>BGSS: (Applicable To Sales Customers Only)</u>	A				RATE SET MONTHLY

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<u>ELECTRIC GENERATION SERVICE-LV (EGS-LV)</u>					
	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<u>FIRM</u>					
<u>CUSTOMER CHARGE</u>		820.630000		54.366738	874.996738
<u>D-1 DEMAND (MCF) (Rate is negotiated. Shown here is the benchmark rate.)</u>		27.611897		1.829288	29.441185
<u>D-2 DEMAND BGSS (MCF) (Applicable to Sales Customers Only)</u>	A	15.549017	0.000000	1.030122	16.579139
<u>DELIVERY CHARGE (per therm):</u>					
SBC:					
RAC	E, G	0.055318	0.000000	0.003665	0.058983
CLEP	E, K	0.025189	0.000000	0.001669	0.026858
USF	E	<u>0.015600</u>	<u>0.000000</u>	<u>0.001000</u>	<u>0.016600</u>
		0.096107	0.000000	0.006334	0.102441
EET	N	0.025681	0.000000	0.001701	0.027382
2017 Tax Act	H	(0.017668)	(0.000044)	(0.001173)	(0.018885)
Total Delivery Charge		0.104120	(0.000044)	0.006862	0.110938
Balancing Service Charge BS-1	I	0.080825	0.000000	0.005355	0.086180
Balancing Service Charge BS-1 (Opt Out Provision)	I	0.002549	0.000000	0.000169	0.002718
Balancing Service Charge CASH OUT CHARGE (CREDIT) (Applicable to Firm Transportatin Customers Only)	I				RATE SET MONTHLY
<u>BGSS: (Applicable To Sales Customers Only)</u>	A				RATE SET MONTHLY
<u>LIMITED FIRM</u>					
<u>D-2 DEMAND BGSS(MCF) (Applicable to Sales Customers Only)</u>	A	7.735825	0.000000	0.512498	8.248323
<u>DELIVERY CHARGE (per therm):</u>					
SBC:					
RAC	E, K	0.055318	0.000000	0.003665	0.058983
CLEP	E, G	0.025189	0.000000	0.001669	0.026858
USF	E	<u>0.015600</u>	<u>0.000000</u>	<u>0.001000</u>	<u>0.016600</u>
		0.096107	0.000000	0.006334	0.102441
EET	N	0.025681	0.000000	0.001701	0.027382
2017 Tax Act	H	(0.017668)	(0.000044)	(0.001173)	(0.018885)
Total Delivery Charge		0.104120	(0.000044)	0.006862	0.110938
<u>C-3 (Rate is negotiated. Shown here is the benchmark rate.)</u>		0.162900		0.010800	0.173700
Balancing Service Charge BS-1	I	0.080825	0.000000	0.005355	0.086180
Balancing Service Charge BS-1 (Opt Out Provision)	I	0.002549	0.000000	0.000169	0.002718
Balancing Service Charge CASH OUT CHARGE (CREDIT) (Applicable to Firm Transportatin Customers Only)	I				RATE SET MONTHLY
<u>BGSS: (Applicable To Sales Customers Only)</u>	A				RATE SET MONTHLY

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<u>YARD LIGHTING SERVICE (YLS)</u>					
	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
MONTHLY CHARGE / INSTALL		15.686433		1.039226	16.725659
<u>STREET LIGHTING SERVICE (SLS)</u>					
MONTHLY CHARGE / INSTALL		18.866868		1.249930	20.116798
<u>INTERRUPTIBLE GAS SALES (IGS)</u>					
Commodity					Rate Set Monthly
SBC:					
RAC	E, K	0.055318	0.000000	0.003665	0.058983
USF	E	0.015600	0.000000	0.001000	0.016600
Total SBC:		0.070918	0.000000	0.004665	0.075583
EET	N	0.025681	0.000000	0.001701	0.027382

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<u>INTERRUPTIBLE TRANSPORTATION (ITS)</u>					
	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<u>CUSTOMER CHARGE</u>		500.000000		33.125000	533.125000
<u>TRANSPORTATION CHARGE A</u>		0.078400		0.005200	0.083600
SBC:					
RAC	E, K	0.055318	0.000000	0.003665	0.058983
CLEP	E, G	0.025189	0.000000	0.001669	0.026858
USF	E	<u>0.015600</u>	<u>0.000000</u>	<u>0.001000</u>	<u>0.016600</u>
Total SBC:		0.096107	0.000000	0.006334	0.102441
EET	N	0.025681	0.000000	0.001701	0.027382
<u>TRANSPORTATION CHARGE B</u>		0.143200		0.009500	0.152700
SBC:					
RAC	E, K	0.055318	0.000000	0.003665	0.058983
CLEP	E, G	0.025189	0.000000	0.001669	0.026858
USF	E	<u>0.015600</u>	<u>0.000000</u>	<u>0.001000</u>	<u>0.016600</u>
Total SBC:		0.096107	0.000000	0.006334	0.102441
EET	N	0.025681	0.000000	0.001701	0.027382
<u>TRANSPORTATION CHARGE C</u>		0.203200		0.013500	0.216700
SBC:					
RAC	E, K	0.055318	0.000000	0.003665	0.058983
CLEP	E, G	0.025189	0.000000	0.001669	0.026858
USF	E	<u>0.015600</u>	<u>0.000000</u>	<u>0.001000</u>	<u>0.016600</u>
Total SBC:		0.096107	0.000000	0.006334	0.102441
EET	N	0.025681	0.000000	0.001701	0.027382

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<u>NATURAL GAS VEHICLE (NGV)</u>					
		<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<u>COMPANY OPERATED FUELING STATIONS</u>					
<u>DELIVERY CHARGE (per therm):</u>					
SBC					
RAC	E, K	0.055318	0.000000	0.003665	0.058983
CLEP	E, G	0.025189	0.000000	0.001669	0.026858
USF	E	<u>0.015600</u>	<u>0.000000</u>	<u>0.001000</u>	<u>0.016600</u>
Total SBC:		0.096107	0.000000	0.006334	0.102441
EET	N	0.025681	0.000000	0.001701	0.027382
2017 Tax Act	H	(0.017668)	(0.000044)	(0.001173)	(0.018885)
Total Delivery Charge		0.104120	(0.000044)	0.006862	0.110938
<u>DISTRIBUTION CHARGE</u>		0.241844	0.000000	0.0160220	0.257866
<u>COMPRESSION CHARGE</u>		0.656506	0.000000	0.043494	0.700000
Balancing Service Charge BS-1	I	0.080825	0.000000	0.005355	0.086180
Balancing Service Charge BS-1 (Opt Out Provision) (Applicable for Transportation Customers Only)	I	0.002549	0.000000	0.000169	0.002718
Balancing Service Charge BS-1	J	0.080825	0.000000	0.005355	0.086180
<u>BGSS: (Applicable To Sales Customers Only)</u>	A				RATE SET MONTHLY
<u>CUSTOMER OPERATED FUELING STATIONS</u>					
<u>CUSTOMER CHARGE</u>					
0 - 999 CF/hour		37.500000		2.484400	39.984400
1,000 - 4,999 CF/hour		75.000000		4.968800	79.968800
5,000 - 24,999 CF/hour		241.970000		16.030500	258.000500
25,000 or Greater CF/hour		925.000000		61.281250	986.281250
<u>DELIVERY CHARGE (per therm):</u>					
SBC					
RAC	E, K	0.055318	0.000000	0.003665	0.058983
CLEP	E, G	0.025189	0.000000	0.001669	0.026858
USF	E	<u>0.015600</u>	<u>0.000000</u>	<u>0.001000</u>	<u>0.016600</u>
Total SBC:		0.096107	0.000000	0.006334	0.102441
EET	N	0.025681	0.000000	0.001701	0.027382
2017 Tax Act	H	(0.017668)	(0.000044)	(0.001173)	(0.018885)
Total Delivery Charge		0.104120	(0.000044)	0.006862	0.110938
<u>DISTRIBUTION CHARGE</u>		0.241844	0.000000	0.016022	0.257866
Balancing Service Charge BS-1	I	0.080825	0.000000	0.005355	0.086180
Balancing Service Charge BS-1 (Opt Out Provision) (Applicable for Transportation Customers Only)	I	0.002549	0.000000	0.000169	0.002718
Balancing Service Charge BS-1	J	0.080825	0.000000	0.005355	0.086180
<u>BGSS: (Applicable To Sales Customers Only)</u>	A				RATE SET MONTHLY
<u>Facilities Charge (Applicable only to Customers that elect the Company construct Compressed Natural Gas ("CNG") fueling Facilities located on Customer's property)</u>		0.276150		0.018295	0.294445

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Heat Residential Rate Schedule:

	<i>RSG FSS</i>	<i>RSG-FTS</i>	<i>Difference</i>
BGSS	0.627739	0.000000	0.627739
Base Rate	0.956608	0.956608	0.000000
CLEP	0.026858	0.026858	0.000000
RAC	0.058983	0.058983	0.000000
CIP	0.029575	0.029575	0.000000
USF	0.016600	0.016600	0.000000
TIC	0.000776	0.000776	0.000000
EET	0.027382	0.027382	0.000000
2017 Tax Act	(0.018885)	(0.018885)	0.000000
BSC "J" BS-1	0.086180	0.086180	0.000000
Price to Compare	1.811815	1.184076	0.627739

NonHeat Residential Rate Schedule:

	<i>RSG FSS</i>	<i>RSG-FTS</i>	<i>Difference</i>
BGSS	0.627739	0.000000	0.627739
CIP	0.051829	0.051829	0.000000
Base Rate	0.956608	0.956608	0.000000
CLEP	0.026858	0.026858	0.000000
RAC	0.058983	0.058983	0.000000
USF	0.016600	0.016600	0.000000
TIC	0.000776	0.000776	0.000000
EET	0.027382	0.027382	0.000000
2017 Tax Act	(0.018885)	(0.018885)	0.000000
BSC "J" BS-1	0.086180	0.086180	0.000000
Price to Compare	1.834069	1.206330	0.627739

GSG

(Under 5,000 therms annually)

	<i>GSG FSS</i>	<i>GSG-FTS</i>	<i>Difference</i>
BGSS	0.627739	0.000000	0.627739
CIP	0.028140	0.028140	0.000000
Base Rates	0.771098	0.771098	0.000000
CLEP	0.026858	0.026858	0.000000
RAC	0.058983	0.058983	0.000000
USF	0.016600	0.016600	0.000000
TIC	0.000776	0.000776	0.000000
EET	0.027382	0.027382	0.000000
2017 Tax Act	(0.018885)	(0.018885)	0.000000
BSC "J" BS-1	0.086180	0.086180	0.000000
Price to Compare	1.624870	0.997131	0.627739

GSG

(5,000 therms annually or greater)

	<i>GSG FSS</i>	<i>GSG-FTS</i>	<i>Difference</i>
BGSS	0.367385	0.000000	0.367385
CIP	0.028140	0.028140	0.000000
Base Rates	0.771098	0.771098	0.000000
CLEP	0.026858	0.026858	0.000000
RAC	0.058983	0.058983	0.000000
USF	0.016600	0.016600	0.000000
TIC	0.000776	0.000776	0.000000
EET	0.027382	0.027382	0.000000
2017 Tax Act	(0.018885)	(0.018885)	0.000000
BSC "J" BS-1	0.086180	0.086180	0.000000
Price to Compare	1.364516	0.997131	0.367385

GSG-LV

Prior to 7/15/97

	<i>GSG-LV FSS</i>	<i>GSG-LV-FTS</i>	<i>Difference</i>
BGSS	0.367385	0.000000	0.367385
CIP	0.012805	0.012805	0.000000
Base Rates	0.382900	0.382900	0.000000
CLEP	0.026858	0.026858	0.000000
RAC	0.058983	0.058983	0.000000
USF	0.016600	0.016600	0.000000
TIC	0.000776	0.000776	0.000000
EET	0.027382	0.027382	0.000000
2017 Tax Act	(0.018885)	(0.018885)	0.000000
BSC "J" BS-1	0.086180	0.086180	0.000000
Price to Compare	0.960983	0.593598	0.367385

**South Jersey Gas Company
Period Volumes (Therms)**

<u>Volumes:</u>													
	Actual Nov-22	Actual Dec-22	Actual Jan-23	Actual Feb-23	Actual Mar-23	Actual Apr-23	Actual May-23	Actual Jun-23	Projected Jul-23	Projected Aug-23	Projected Sep-23	Projected Oct-23	Total
Rate Schedule RSG	25,087,152	46,484,993	37,606,652	35,040,333	32,040,613	12,866,101	8,662,407	6,396,752	6,193,226	5,093,601	6,117,341	6,242,140	227,831,311
Rate Schedule RSG-FT	860,182	1,073,384	1,227,609	1,115,586	1,027,387	406,377	283,457	176,520	225,683	179,969	201,855	214,361	6,992,370
Rate Schedule GSG/GSG-LV	5,502,547	10,487,757	9,116,436	8,774,453	8,127,874	3,769,982	2,554,378	2,257,522	2,402,279	2,037,052	2,441,912	2,427,906	59,900,097
Rate Schedule GSG-FT/GSG-LV-FT	5,804,895	9,176,037	9,238,001	6,630,735	7,674,555	3,954,160	4,171,761	1,657,067	2,279,219	1,836,776	2,501,968	2,914,007	57,839,182
Rate Schedule EGS - Ltd Firm	29,247	28,814	27,850	24,203	27,574	25,035	26,655	26,096	32,280	32,837	32,022	33,408	346,023
Rate Schedule LVS -FS	0	0	0	0	0	0	0	0	0	0	0	0	0
Rate Schedule LVS -FT	5,634,519	6,222,382	7,629,917	7,184,060	8,246,281	6,081,698	5,965,670	5,949,757	5,485,716	5,687,179	5,550,043	5,747,430	75,384,651
Rate Schedule CTS	2,875,816	3,372,664	3,326,228	2,741,350	3,046,054	2,440,693	2,502,669	2,421,514	2,333,493	2,350,252	2,299,593	2,414,183	32,124,508
Rate Schedule FES	0	0	0	0	0	0	0	0	0	0	0	0	0
Rate Schedule ITS	1,324,867	1,361,057	1,648,299	1,447,317	(157,215)	907,538	935,874	702,169	930,214	1,078,048	945,331	950,629	12,074,129
Rate Schedule EGS-LV/EGS LV-FT	2,338,281	1,915,147	1,941,660	2,074,868	2,210,226	2,689,196	3,025,334	3,476,833	780,421	819,615	740,678	654,688	22,666,948
Rate Schedules IGS	0	0	0	0	0	0	0	0	0	0	0	0	0
Rate Schedules NGV	21,144	394,853	200,536	535,294	422,408	335,738	324,667	392,622	396,245	206,062	473,720	323,735	4,027,025
Total	49,478,651	80,517,088	71,963,187	65,568,198	62,665,759	33,476,516	28,452,873	23,456,853	21,058,777	19,321,391	21,304,463	21,922,487	499,186,242
	Projected Nov-23	Projected Dec-23	Projected Jan-24	Projected Feb-24	Projected Mar-24	Projected Apr-24	Projected May-24	Projected Jun-24	Projected Jul-24	Projected Aug-24	Projected Sep-24	Projected Oct-24	Total
Rate Schedule RSG	13,560,240	35,470,395	56,198,305	56,405,879	46,833,177	29,680,448	13,801,508	8,025,103	6,632,677	5,125,295	6,220,709	6,242,140	284,195,876
Rate Schedule RSG-FT	470,943	1,214,705	1,896,803	1,886,196	1,568,715	981,084	458,706	252,485	235,962	183,187	205,279	214,361	9,568,427
Rate Schedule GSG/GSG-LV	3,776,496	7,755,193	12,190,123	11,938,636	10,617,531	6,918,946	3,963,692	2,744,036	2,496,477	1,807,780	2,419,440	2,427,906	69,056,257
Rate Schedule GSG-FT/GSG-LV-FT	4,913,744	8,007,056	11,109,760	10,617,182	9,321,209	5,800,496	3,446,859	2,596,526	2,257,381	1,753,110	2,390,485	2,914,007	65,127,817
Rate Schedule EGS - Ltd Firm	35,277	40,979	40,657	35,952	37,622	32,910	32,548	30,932	32,280	32,837	32,022	33,408	417,425
Rate Schedule LVS -FS	0	0	0	0	0	0	0	0	0	0	0	0	0
Rate Schedule LVS -FT	6,378,606	6,676,666	6,761,228	6,023,296	6,564,963	5,932,241	5,655,153	5,376,436	5,485,716	5,687,179	5,550,043	5,747,430	71,838,958
Rate Schedule CTS	2,950,053	3,113,628	3,201,890	2,956,489	3,075,439	2,757,673	2,364,518	2,269,222	2,333,493	2,350,252	2,299,593	2,414,183	32,086,432
Rate Schedule FES	0	0	0	0	0	0	0	0	0	0	0	0	0
Rate Schedule ITS	1,145,062	1,387,533	1,043,835	1,264,839	1,471,489	1,421,352	1,101,092	1,025,285	930,214	1,078,048	945,331	950,629	13,764,708
Rate Schedule EGS-LV/EGS LV-FT	914,995	1,003,709	1,129,540	1,019,383	1,012,195	636,177	647,753	673,513	768,092	827,757	736,408	654,688	10,024,209
Rate Schedules IGS	0	0	0	0	0	0	0	0	0	0	0	0	0
Rate Schedules NGV	177,414	394,498	149,484	333,914	302,308	231,161	143,193	465,915	252,587	256,527	413,073	323,735	3,443,808
Total	34,322,830	65,064,362	93,721,626	92,481,767	80,804,647	54,392,488	31,615,022	23,459,452	21,424,878	19,101,971	21,212,383	21,922,487	559,523,915

South Jersey Gas Company
Societal Benefits Charge (SBC) & Transportation Initiation Charge (TIC)

Residential Heat Customer Impact

Based on 100 Therms:	7/1/2023 Current Bill	RAC Proposed Bill	CLEP Proposed Bill	TIC Proposed Bill	Total Proposed Bill
Rate per Therm (Includes Cost of Service Charge and Balancing Service Charge)	\$ 1.042788	\$ 1.042788	\$ 1.042788	\$ 1.042788	\$ 1.042788
BGSS	\$ 0.627739	\$ 0.627739	\$ 0.627739	\$ 0.627739	\$ 0.627739
EET	\$ 0.029575	\$ 0.029575	\$ 0.029575	\$ 0.029575	\$ 0.029575
CIP	\$ 0.027382	\$ 0.027382	\$ 0.027382	\$ 0.027382	\$ 0.027382
2017 Tax Act	\$ (0.018885)	\$ (0.018885)	\$ (0.018885)	\$ (0.018885)	\$ (0.018885)
SBC:					
RAC Rate per Therm	\$ 0.054031	\$ 0.058983	\$ 0.054031	\$ 0.054031	\$ 0.058983
CLEP Rate per Therm	\$ 0.031280	\$ 0.031280	\$ 0.026858	\$ 0.031280	\$ 0.026858
USF Rate per Therm	\$ 0.016600	\$ 0.016600	\$ 0.016600	\$ 0.016600	\$ 0.016600
TIC Rate per Therm	\$ 0.000244	\$ 0.000244	\$ 0.000244	\$ 0.000776	\$ 0.000776
Total Rate per Therm	\$ 1.810754	\$ 1.815706	\$ 1.806332	\$ 1.811286	\$ 1.811816
Applicable Therms	100	100	100	100	100
Total per Therm Charge	\$ 181.08	\$ 181.57	\$ 180.63	\$ 181.13	\$ 181.18
Customer Service Charge	10.50	10.50	10.50	10.50	10.50
Total RSG Bill	\$ 191.58	\$ 192.07	\$ 191.14	\$ 191.63	\$ 191.68
Dollar(Decrease)/Increase		\$ 0.49	\$ (0.44)	\$ 0.05	\$ 0.10
Percentage (Decrease)/Increase		0.26%	-0.23%	0.03%	0.05%

**BEFORE THE
NEW JERSEY BOARD OF PUBLIC UTILITIES**

SOUTH JERSEY GAS COMPANY

**Direct Testimony
of
James G. Fredericks,
Rates Analyst, Lead - Rates**

**On Behalf of
South Jersey Gas Company**

1 **I. INTRODUCTION**

2 **Q. Please state your name, affiliation and business address.**

3 **A.** My name is James G. Fredericks. My business address is 1 South Jersey Place, Atlantic
4 City, New Jersey 08401.

5
6 **Q. Please summarize your educational background and industry related experience.**

7 **A.** In 1986, I graduated from Ithaca College, Ithaca N.Y. with a Bachelor of Science degree
8 in Economics and Business Administration. Since then, my professional responsibilities
9 have encompassed financial analysis, planning, and pricing in financial services,
10 manufacturing, and energy services companies. In 1986, I was employed by the Prudential
11 as a Rate Analyst being promoted to Associate Manager prior to leaving in 1996. In 1996,
12 I was employed by Alcatel-Lucent as a Senior Analyst. In 2001, I was employed by PECO
13 Energy as a Principal Operations Analyst. In 2002, I joined South Jersey Gas Company
14 (“South Jersey” or “Company”) as a Senior Rate Analyst in the Rates and Regulatory
15 Affairs Department. In 2014, I transferred to the Company’s Energy Efficiency
16 Department, and in 2021, I returned to the Rates Department in my current position of
17 Rates Analyst, Lead.

18
19 **Q. What are your current responsibilities?**

20 **A.** I am responsible for designing and developing rates and rate schedules for regulatory
21 filings with the New Jersey Board of Public Utilities (“Board” or “BPU”) and internal
22 management purposes. I also oversee daily rate department functions, including tariff

administration, monthly pricing, competitive analyses, and preparation of management reports.

II. PURPOSE OF TESTIMONY

Q. What is the purpose of your testimony in this proceeding?

A. The purpose of my testimony in this proceeding is to provide support for the Company's proposed 2023-2024 Societal Benefits Clause ("SBC") rate and the Transportation Initiation Clause ("TIC") rate. The SBC was established pursuant to the provisions of Section 12 of the "Electric Discount and Energy Competition Act", P.L. 1999, c.23 and the Board Order in BPU Docket No. GO99030125 dated March 30, 2001, authorizing South Jersey to recover Remediation Adjustment Clause ("RAC"), Clean Energy Program ("CLEP"), Universal Service Fund ("USF"), Lifeline and other costs determined by the Board to be recoverable through the SBC. The USF and Lifeline components of the SBC are addressed in a separate proceeding in BPU Docket No. ER23060409. Therefore, South Jersey proposes no changes to these specific components of the SBC within this filing. For purposes of my RAC testimony, a "Remediation Year" is defined as August 1 to July 31 and a "Recovery Year" as November 1 to October 31. A Recovery Year is the period over which expenses incurred during the just completed Remediation Year are recovered.

III. PROPOSED RAC RATE

Q. Please state the proposed RAC rate and explain the basis for the RAC rate calculation.

1 A. As shown in Schedule RAC JGF-1, South Jersey is proposing that the RAC rate increase
2 to \$0.058983 per therm¹ from its current level of \$0.054031 per therm. Schedule RAC
3 JGF-1 provides a summary of the projected RAC costs, amortization, carrying costs, and
4 prior year reconciliation. While the total Company recoverable expenses are \$89,977,301
5 (Line 34), the value of allowable expenses to be recovered cannot exceed five (5) percent
6 of the Company's total revenues from firm gas sales and firm transportation sales
7 recognized during the prior remediation year². Line 40 indicates that allowable recoverable
8 expenses are capped at \$30,951,816. The remaining recoverable expenses in excess of the
9 5% cap of \$59,025,485 (Line 42) will be deferred for recovery to the subsequent Recovery
10 Year. Schedule RAC JGF-1, (line 22) shows that the cumulative deferred recoverable
11 expenses from the Company's 2022-2023 RAC Recovery Year totals \$53,030,674. This
12 value was reduced by the amount of deferred expenses from the 2018-2019, 2019-2020,
13 2020-2021, 2021-2022, and 2022-2023 RAC Recovery Years of \$10,563,392,
14 \$11,005,586, \$5,201,920, \$10,759,321, and \$8,038,488, respectively. The remainder of
15 \$7,461,967 (Line 28) is the net projected recoverable expenses in excess of the 5% Cap
16 that are deferred.

17 Carrying costs are calculated on this deferred balance using the Company's current Before
18 Tax Cost Rate of 8.96% effective January 1, 2023, which was approved by the Board in
19 the Company's 2022 Base Rate Case in BPU Docket No. GR22040253. These carrying
20 costs will be recovered in the 2023-2024 Recovery Year, along with any accumulated
21 carrying costs related to the Company's unamortized RAC balance, which are based on the

¹ All rates quoted herein are inclusive of applicable taxes.

² *I/M/O the Petition of South Jersey Gas Company to Revise the Levels of its Societal Benefits Clause ("SBC") Charges and its Transportation Initiation Clause ("TIC") Charge*, BPU Docket Nos. GR91071243J and GR13111137 (Board Orders dated August 10, 1992 and September 30, 2014, respectively).

1 seven (7) year constant maturity U.S. Treasury note rate. Additionally, the carrying costs
2 associated with the recoverable expenses in excess of the 5% Cap will continue to accrue
3 annually, will be deferred to each subsequent RAC Recovery Year and will be included in
4 each subsequent Recovery Year calculation of expenses to be recovered, until such time
5 that the Company is authorized to recover the deferred expense pursuant to its approved
6 Tariff.

7
8 **Q. How are the recoverable costs calculated?**

9 **A.** Schedule RAC JGF-2 details the calculation of the RAC expense amortization for the seven
10 years ending July 31, 2023. For the year ending July 31, 2023, projected remediation
11 expenditures are \$12,650,593, based on eleven months of actual data and one month of
12 forecasted data for the Remediation Year ending July 31, 2023. For the seven years ending
13 July 2023, projected remediation expenditures total \$194,728,212. Line 19, Recoverable
14 Costs, identifies that \$87,492,972 of the \$194,728,212 remains to be amortized. Of this
15 amount, \$27,818,316 of Amortization Recoverable Costs (Line 30) will be amortized
16 during the Recovery Year beginning November 1, 2023. This amount is reduced by the
17 annual Deferred Tax Benefit (Line 45) of \$1,123,959 to provide a net amount of
18 approximately \$26,694,357 of expenses to be amortized (Line 47).

19 Beginning with the RAC Remediation Year commencing August 1, 2019,
20 Natural Resource Damages (“NRD”) related costs, as defined below, that were incurred by
21 the Company were deferred in a regulatory asset account with carrying costs per the Board
22 Order dated April 27, 2021 in BPU Docket No. GR20070504, pending a decision by the
23 Board as to whether such costs are recoverable through the RAC. As of June 30, 2023, the

NRD-related deferred costs for the Company are \$496,880 along with \$24,335 of carrying costs for a total of \$521,215. These NRD-related costs are not included within the RAC rate proposed within this filing. NRD-related costs are defined as compensation to the State of New Jersey for injury to its natural resources, above and beyond costs incurred to investigate, contain or remediate former manufactured gas plant sites. NRD-related costs also include any administrative, legal or consulting costs incurred by the Company associated with NRD claims being investigated by the New Jersey Department of Environmental Protection, as well as any amounts paid by the Company to resolve such claims.

Q. Please explain Schedules RAC JGF-3 through RAC JGF-5.

A. Schedule RAC JGF-3 provides the monthly detail for the over/under recovered balances, expenses and net recoveries for the period November 2022 through October 2024. For illustrative purposes in this filing, a projected interest rate of 4.57% is used for the period September 2023 through October 2024 for the calculation of carrying costs. This rate reflects the June 30, 2023 seven (7) year constant maturity U.S. Treasury note rate of 3.97% plus sixty (60) basis points. The actual August 31, 2023 rate will be used once it becomes available, in accordance with the Company's tariff.

Schedule RAC JGF-4 provides a reconciliation of the 2022-2023 Recovery Year. The Company began the 2022-2023 RAC Recovery Year with an under-recovery of \$44,469,587. Anticipated recoveries during the period November 2022 – October 2023 are \$23,013,722. The recoveries are netted against allowable recoveries of amortized expenses and carrying costs of \$35,706,778 to derive the projected under-recovery for the

1 period of \$12,693,056. Deferred tax benefits of \$1,125,636 offset this projected under-
2 recovery resulting in a projected under-recovered balance of \$56,037,007 as of October 31,
3 2023. This amount is carried forward to line 18 Schedule RAC JGF-1.

4 Schedule RAC JGF-5 provides recovery projections by customer class for the 2023-
5 2024 Recovery Year by multiplying the projected therms found in Schedule SBC/TIC-1
6 by the proposed rate found on Schedule RAC JGF-1.

7 **Q. Which rate schedules are subject to the proposed RAC rate?**

8 **A.** The proposed RAC rate of \$0.058983 per therm is applicable to South Jersey's Rate
9 Schedules: Residential Service ("RSG"), General Service ("GSG"), General Service-Large
10 Volume ("GSG-LV"), Electric Generation Service ("EGS"), Firm Electric Service
11 ("FES"), Electric Generation Service-Large Volume ("EGS-LV"), Comprehensive
12 Transportation Service ("CTS"), Large Volume Service ("LVS"), Interruptible Gas
13 Service ("IGS"), Interruptible Transportation Service ("ITS"), and Natural Gas Vehicle
14 ("NGV").

15
16 **IV. PROPOSED CLEP RATE**

17 **Q. Please state the proposed CLEP rate and explain the basis for the CLEP rate**
18 **calculation.**

19 **A.** As shown in Schedule CLEP JGF-1, South Jersey is proposing that the CLEP rate decrease
20 to \$0.026858 per therm from its current level of \$0.031280 per therm. South Jersey's
21 CLEP cost recovery component, as approved by the Board in BPU Docket No.
22 EX99050347, *et al.*, provides that the CLEP factor shall be calculated annually based on
23 the projected CLEP plan costs divided by projected therm sales. Any difference between

1 the preceding year's costs and recoveries will be added to or deducted from the succeeding
2 year's computation.

3 On June 29, 2022, in BPU Docket No. QO22020112, the Board approved the New
4 Jersey Clean Energy Program's 2023 Fiscal Year programs and budget through June 30,
5 2023. On June 29, 2023, in BPU Docket No. QO23040235, the Board approved the New
6 Jersey Clean Energy Program's 2024 Fiscal Year programs and budget through June 30,
7 2024. The costs included in this filing are based upon the Board's approved payment
8 schedule less the costs the Company incurs managing the statewide Comfort Partners
9 Program costs.

10 The CLEP rate calculation as shown on Schedule CLEP JGF-1 begins with the
11 projected under-recovered balance as of October 31, 2023 of \$4,211,703 (Line 3). South
12 Jersey projects that it will incur \$9,787,686 (Line 5) of CLEP costs for the period
13 November 1, 2023 through October 31, 2024. These CLEP costs are added to the projected
14 under-recovered balance as of October 31, 2023 as well as projected carrying costs of
15 \$94,732 (Line 7) for the year ending October 31, 2024 to derive the total CLEP costs to be
16 recovered of \$14,094,121 (Line 9). Schedule CLEP JGF-1 provides the therm sales
17 projections, found in Schedule SBC/TIC-1, utilized to derive the proposed CLEP rate.
18 Schedule CLEP JGF-2 provides the monthly detail for the over/under recovered balances,
19 expenses and net recoveries.

20
21 **Q. Which rate schedules are subject to the proposed CLEP rate?**

22 **A.** The proposed CLEP rate of \$0.026858 per therm is applicable to South Jersey's Rate
23 Schedules RSG, GSG, GSG-LV, EGS, FES, EGS-LV, CTS, LVS, ITS, and NGV.

1
2 **V. PROPOSED TIC RATE**

3 **Q. Please state the proposed TIC rate and explain the basis for the TIC rate calculation.**

4 **A.** As shown in Schedule TIC JGF-1, South Jersey is proposing that the TIC rate increase to
5 \$0.000776 per therm from its current level of \$0.000244 per therm. The Company
6 proposes to recover \$311,497 (Line 9) of TIC costs during the period November 2023
7 through October 2024. The TIC is designed to recover expenditures for the year ending
8 July 31st plus projected carrying costs incurred during the upcoming Recovery Year
9 (November 1st to October 31st). The TIC recovery amount is calculated based on the
10 Company's projected under-recovered TIC balance as of October 31, 2023 of \$350,945
11 (Line 1) less \$54,000 (Line 3) of projected expenses to be incurred during the three months
12 of August 2023 through October 2023, plus projected interest costs of \$14,552 (Line 5).
13 Schedule TIC JGF-2 provides the monthly detail for the over/under recovered balances,
14 expenses and net recoveries.

15
16 **Q. Which rate schedules are subject to the proposed TIC rate?**

17 **A.** The proposed TIC rate of \$0.000776 per therm is applicable to South Jersey's Rate
18 Schedules RSG, GSG, and GSG-LV.

19
20 **VI. PROPOSED BILL IMPACT**

21 **Q. Please provide the impact of all proposed rates in this filing to the monthly bill of a**
22 **typical residential heating customer using 100 therms of gas.**

23 **A.** Schedule SBC/TIC-2 illustrates a comparison of current rates at the time of this filing to
24 the proposed rates in this filing. The total monthly bill of a residential heating customer

1 utilizing 100 therms of gas would be \$191.68, which is a \$0.10, or 0.05%, increase from
2 the current bill of \$191.58 based on rates in effect as of July 1, 2023.

3

4 **Q. Does this conclude your prepared direct testimony?**

5 **A. Yes, it does.**

RAC JGF-1

**SOUTH JERSEY GAS COMPANY
REMEDATION ADJUSTMENT CLAUSE
SUMMARY AND RATE CALCULATION**

<u>REMEDATION YEAR</u>	Actual/Projected Aug '22 - July '23
1 AMORTIZATION OF RECOVERABLE COST (RAC JGF-2)	\$27,818,316
2	
3 LESS: DEFERRED TAX BENEFIT (RAC JGF-2)	\$1,123,959
4	
5 NET AMORTIZATION (RAC JGF-2)	\$26,694,357
6	
7	
8	
9 <u>RECOVERY YEAR</u>	Projected Nov '23 - Oct '24
10	
11 AMORTIZATION (RAC JGF-2)	\$26,694,357
12	
13 CARRYING COST (RAC JGF-3)	\$6,577,685
14	
15 SUBTOTAL	\$33,272,042
16	
17	
18 PRIOR YEAR RECONCILIATION - UNDER RECOVERY (RAC JGF-4)	\$56,037,007
19	
20	
21 <u>DEFERRAL OF RECOVERABLE EXPENSES IN EXCESS OF 5% CAP</u>	
22 PROJECTED CUMULATIVE RECOVERABLE EXPENSE DEFERRAL FROM 2022-2023 RAC RECOVERY YEAR	\$53,030,674
23 LESS: EXPENSE DEFERRAL FROM 2018-2019 RAC RECOVERY YEAR	(\$10,563,392)
24 LESS: EXPENSE DEFERRAL FROM 2019-2020 RAC RECOVERY YEAR	(\$11,005,586)
25 LESS: EXPENSE DEFERRAL FROM 2020-2021 RAC RECOVERY YEAR	(\$5,201,920)
26 LESS: EXPENSE DEFERRAL FROM 2021-2022 RAC RECOVERY YEAR	(\$10,759,321)
27 LESS: EXPENSE DEFERRAL FROM 2022-2023 RAC RECOVERY YEAR	(\$8,038,488)
28 NET PROJECTED RECOVERABLE EXPENSES IN EXCESS OF 5% CAP - DEFERRED	\$7,461,967
29	
30 BEFORE TAX COST RATE ON DEFERRED COSTS	8.96%
31	
32 CARRYING COSTS ON DEFERRED COSTS	\$668,253
33	
34 TOTAL RECOVERABLE EXPENSES (LINES 15, 18, 31)	\$89,977,301
35	
36 TOTAL COMPANY FIRM REVENUES - (AUGUST 1, 2021 - JULY 31, 2022)	\$619,036,330
37	
38 RECOVERABLE EXPENSES AS A % OF PRECEDING YEAR REVENUES	14.54%
39	
40 TOTAL ALLOWABLE EXPENSES (5% OF COMPANY REVENUE)	5.00%
41	
42 RECOVERABLE EXPENSES IN EXCESS OF 5% CAP (Line 33 less Line 39)	\$59,025,485
43 (DEFERRED TO SUBSEQUENT RAC RECOVERY YEAR)	
44	
45	
46	
47 <u>THERM SALES PROJECTION - RECOVERY YEAR (SBC/TIC-1)</u>	Projected Nov '23 - Oct '24
48	
49 RSG	284,195,876
50 GSG & GSG-LV	69,056,257
51 EGS	417,425
52 RSG-FT	9,568,427
53 GSG-FT & GSG-LV-FT	65,127,817
54 LVS-FT	71,838,958
55 CTS	32,086,432
55 FES & EGS-LV	10,024,209
56 ITS & IGS	13,764,708
57 NGV	3,443,808
58 TOTAL THERM SALES	559,523,915
59	
60	
61	
62 RATE PER THERM (Excluding SUT)	\$ 0.055318
63	
64 RATE PER THERM (Including SUT)	\$ 0.058983

RAC JGF-2

SOUTH JERSEY GAS COMPANY
REMEDATION ADJUSTMENT CLAUSE
AMORTIZATION RECOVERY YEAR 2022-2023

	YE 7/31/17	YE 7/31/18	YE 7/31/19	YE 7/31/20	YE 7/31/21	YE 7/31/22	YE 7/31/23	Total
11 RECOVERABLE COST	41,052,454	49,199,308	34,045,592	26,127,347	12,118,095	19,534,824	12,650,593	\$194,728,212
12 LESS RECOVERED COST Y/E 10/31/17	(\$5,864,636)	\$0	\$0	\$0	\$0	\$0	\$0	(\$5,864,636)
13 LESS RECOVERED COST Y/E 10/31/18	(\$5,864,636)	(\$7,028,473)	\$0	\$0	\$0	\$0	\$0	(\$12,893,109)
14 LESS RECOVERED COST Y/E 10/31/19	(\$5,864,636)	(\$7,028,473)	(\$4,863,656)	\$0	\$0	\$0	\$0	(\$17,756,765)
15 LESS RECOVERED COST Y/E 10/31/20	(\$5,864,636)	(\$7,028,473)	(\$4,863,656)	(\$3,732,478)	\$0	\$0	\$0	(\$21,489,243)
16 LESS RECOVERED COST Y/E 10/31/21	(\$5,864,636)	(\$7,028,473)	(\$4,863,656)	(\$3,732,478)	(\$1,731,156)	\$0	\$0	(\$23,220,399)
17 LESS RECOVERED COST Y/E 10/31/22	(\$5,864,636)	(\$7,028,473)	(\$4,863,656)	(\$3,732,478)	(\$1,731,156)	(\$2,790,689)	\$0	(\$26,011,088)
19 RECOVERABLE COST (Summation of Lines 12 - 17)	<u>\$5,864,636</u>	<u>\$14,056,945</u>	<u>\$14,590,968</u>	<u>\$14,929,912</u>	<u>\$8,655,782</u>	<u>\$16,744,135</u>	<u>\$12,650,593</u>	<u>\$87,492,972</u>
22 7TH REMEDIATION YEAR AMORTIZATION (L18/1)	\$5,864,636							\$5,864,636
23 6TH REMEDIATION YEAR AMORTIZATION (L18/2)		\$7,028,473						\$7,028,473
24 5TH REMEDIATION YEAR AMORTIZATION (L18/3)			\$4,863,656					\$4,863,656
25 4TH REMEDIATION YEAR AMORTIZATION (L18/4)				\$3,732,478				\$3,732,478
26 3RD REMEDIATION YEAR AMORTIZATION (L18/5)					\$1,731,156			\$1,731,156
27 2ND REMEDIATION YEAR AMORTIZATION (L18/6)						\$2,790,689		\$2,790,689
28 1ST REMEDIATION YEAR AMORTIZATION (L18/7)							\$1,807,228	\$1,807,228
30 AMORTIZATION RECOVERABLE COST (Summation of Lines 22 - 28)	<u>\$5,864,636</u>	<u>\$7,028,473</u>	<u>\$4,863,656</u>	<u>\$3,732,478</u>	<u>\$1,731,156</u>	<u>\$2,790,689</u>	<u>\$1,807,228</u>	<u>\$27,818,316</u>
32 DEFERRED TAX CALCULATION :								
34 UNAMORTIZED RECOVERABLE COSTS (L19)	\$5,864,636	\$14,056,945	\$14,590,968	\$14,929,912	\$8,655,782	\$16,744,135	\$12,650,593	
36 TAX RATE	28.11%	28.11%	28.11%	28.11%	28.11%	28.11%	28.11%	
38 DEFERRED TAXES ON UNAMORTIZED RECOVER. COSTS (L34 * L36)	\$1,648,549	\$3,951,407	\$4,101,521	\$4,196,798	\$2,433,140	\$4,706,776	\$3,556,082	
43 SBC Carrying Cost Rate *	4.57%	4.57%	4.57%	4.57%	4.57%	4.57%	4.57%	
45 DEFERRED TAX BENEFIT (L38 * L43)	<u>(\$75,339)</u>	<u>(\$180,579)</u>	<u>(\$187,440)</u>	<u>(\$191,794)</u>	<u>(\$111,194)</u>	<u>(\$215,100)</u>	<u>(\$162,513)</u>	<u>(\$1,123,959)</u>
47 AMORTIZATION OF EXPENSES	<u>\$5,789,297</u>	<u>\$6,847,894</u>	<u>\$4,676,216</u>	<u>\$3,540,684</u>	<u>\$1,619,962</u>	<u>\$2,575,589</u>	<u>\$1,644,715</u>	<u>\$26,694,357</u>

* Effective September 1, 2023, the carrying cost rate of 4.57% is being utilized based on the 7 year constant maturity U.S. Treasury note as of June 30, 2023 of 3.97 plus 60 basis points. The rate will be updated when the August 31, 2023 rate is available.

SOUTH JERSEY GAS COMPANY
Remediation Adjustment Clause
Activity

		Actual Nov-22	Actual Dec-22	Actual Jan-23	Actual Feb-23	Actual Mar-23	Actual Apr-23	Actual May-23	Actual Jun-23	Projected Jul-23	Projected Aug-23	Projected Sep-23	Projected Oct-23	Total
1														
2														
3														
4	Unamort Balance Beg Month	\$ (151,604.0)	\$ (150,552.7)	\$ (148,967.1)	\$ (146,875.6)	\$ (144,918.8)	\$ (144,685.0)	\$ (142,294.2)	\$ (142,545.4)	\$ (143,390.0)	\$ (145,743.6)	\$ (147,724.9)	\$ (149,431.5)	\$ (151,604.0)
5														
6	RAC Cash Recovery	\$ 1,528.4	\$ 2,773.6	\$ 3,638.1	\$ 3,119.5	\$ 2,851.5	\$ 2,222.8	\$ 1,476.3	\$ 1,167.0	\$ 1,067.1	\$ 979.1	\$ 1,079.6	\$ 1,110.9	\$ 23,013.7
7														\$ -
8	DFIT Offset	\$ 93.8	\$ 93.8	\$ 93.8	\$ 93.8	\$ 93.8	\$ 93.8	\$ 93.8	\$ 93.8	\$ 93.8	\$ 93.8	\$ 93.8	\$ 93.8	\$ 1,125.6
9	Gross Recovery	\$ 1,622.2	\$ 2,867.4	\$ 3,731.9	\$ 3,213.3	\$ 2,945.3	\$ 2,316.6	\$ 1,570.1	\$ 1,260.8	\$ 1,160.9	\$ 1,072.9	\$ 1,173.4	\$ 1,204.7	\$ 24,139.4
10	Carrying Costs *	\$ (484.7)	\$ (480.5)	\$ (474.6)	\$ (468.1)	\$ (464.6)	\$ (460.4)	\$ (456.9)	\$ (458.7)	\$ (463.8)	\$ (470.8)	\$ (565.8)	\$ (572.5)	\$ (5,821.4)
11	Net Recovery	\$ 1,137.5	\$ 2,386.9	\$ 3,257.4	\$ 2,745.2	\$ 2,480.7	\$ 1,856.3	\$ 1,113.1	\$ 802.1	\$ 697.1	\$ 602.1	\$ 607.6	\$ 632.2	\$ 18,318.0
12														
13	RAC Expenditures	\$ (86.2)	\$ (801.2)	\$ (1,165.8)	\$ (788.4)	\$ (2,246.8)	\$ 534.5	\$ (1,364.3)	\$ (1,646.7)	\$ (3,050.8)	\$ (2,583.4)	\$ (2,314.2)	\$ (2,438.3)	\$ (17,951.7)
14														
15	Insurance Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16														
17	Unamort Bal EOM	\$ (150,552.7)	\$ (148,967.1)	\$ (146,875.6)	\$ (144,918.8)	\$ (144,685.0)	\$ (142,294.2)	\$ (142,545)	\$ (143,390)	\$ (145,743.6)	\$ (147,724.9)	\$ (149,431.5)	\$ (151,237.6)	\$ (151,237.6)
18														
19														
20														
21														
22														
23														
24														
25														
26	Unamort Balance Beg Month	\$ (151,237.6)	\$ (152,285.8)	\$ (151,518.1)	\$ (149,208.4)	\$ (145,434.9)	\$ (142,153.3)	\$ (139,971.5)	\$ (139,098.6)	\$ (138,800.0)	\$ (138,794.9)	\$ (140,268.6)	\$ (142,032.9)	\$ (151,237.6)
27														
28	Projected RAC Cash Recovery	\$ 1,898.7	\$ 3,599.2	\$ 5,184.5	\$ 5,115.9	\$ 4,470.0	\$ 3,008.9	\$ 1,748.9	\$ 1,297.7	\$ 1,185.2	\$ 1,056.7	\$ 1,173.4	\$ 1,212.7	\$ 30,951.7
29	DFIT Offset	\$ 93.7	\$ 93.7	\$ 93.7	\$ 93.7	\$ 93.7	\$ 93.7	\$ 93.7	\$ 93.7	\$ 93.7	\$ 93.7	\$ 93.7	\$ 93.7	\$ 1,124.0
30	Gross Recovery	\$ 1,992.3	\$ 3,692.9	\$ 5,278.2	\$ 5,209.6	\$ 4,563.6	\$ 3,102.5	\$ 1,842.5	\$ 1,391.4	\$ 1,278.8	\$ 1,150.3	\$ 1,267.1	\$ 1,306.4	\$ 32,075.7
31	Carrying Costs **	\$ (578.0)	\$ (578.5)	\$ (572.6)	\$ (561.0)	\$ (547.6)	\$ (537.2)	\$ (531.4)	\$ (529.2)	\$ (528.6)	\$ (531.4)	\$ (537.5)	\$ (544.6)	\$ (6,577.7)
32	Net Recovery	\$ 1,414.4	\$ 3,114.4	\$ 4,705.5	\$ 4,648.5	\$ 4,016.0	\$ 2,565.3	\$ 1,311.1	\$ 862.2	\$ 750.3	\$ 619.0	\$ 729.5	\$ 761.7	\$ 25,498.0
33														
34	RAC Expenditures	\$ (2,462.5)	\$ (2,346.7)	\$ (2,395.8)	\$ (875.0)	\$ (734.4)	\$ (383.5)	\$ (438.2)	\$ (563.6)	\$ (745.2)	\$ (2,092.7)	\$ (2,493.8)	\$ (2,721.2)	\$ (18,252.7)
35														
36	Insurance Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37														
38	Unamort Bal EOM	\$ (152,285.8)	\$ (151,518.1)	\$ (149,208.4)	\$ (145,434.9)	\$ (142,153.3)	\$ (139,971.5)	\$ (139,098.6)	\$ (138,800.0)	\$ (138,794.9)	\$ (140,268.6)	\$ (142,032.9)	\$ (143,992.4)	\$ (143,992.4)

* Effective September 1, 2022 the carrying cost rate of 3.85 is being utilized based on 7 year constant maturity U.S. Treasury note as of August 31, 2022 of 3.25 plus 60 basis points.

** Effective September 1, 2023, the carrying cost rate of 4.57 is being utilized based on the 7 year constant maturity U.S. Treasury note as of June 30, 2023 of 3.97 plus 60 basis points. The rate will be updated when the August 31, 2023 rate is available.

RAC JGF-4

SOUTH JERSEY GAS COMPANY REMEDATION ADJUSTMENT CLAUSE AMORTIZATION-RECOVERY YEAR 2022-2023

1	Actual October 2022 Over/(Under) Recovered Balance		\$ (44,469,587)
2			
3	Projected RAC Recoveries November 2022 - October 2023	\$ 23,013,722	
4			
5	Less Allowable Recoveries of Amortized Expenses & Carrying Costs	\$ (35,706,778)	
6			
7	Projected Under Recovery For Period		\$ (12,693,056)
8			
9	Deferred Tax Benefit		\$ 1,125,636
10			
11	Total Projected October 2023 Over/(Under) Recovered Balance		<u>\$ (56,037,007)</u>

SOUTH JERSEY GAS COMPANY
Remediation Adjustment Clause

Projected 2023-2024 (Therms)

	Projected Nov-23	Projected Dec-23	Projected Jan-24	Projected Feb-24	Projected Mar-24	Projected Apr-24	Projected May-24	Projected Jun-24	Projected Jul-24	Projected Aug-24	Projected Sep-24	Projected Oct-24	Total
1 Firm Recovery													
2 RSG	\$750,125	\$1,962,151	\$3,108,778	\$3,120,260	\$2,590,718	\$1,641,863	\$763,472	\$443,933	\$366,906	\$283,521	\$344,117	\$345,303	\$15,721,147
3													
4 GSG & GSG-LV	\$208,908	\$429,002	\$674,333	\$660,421	\$587,341	\$382,742	\$219,264	\$151,795	\$138,100	\$100,003	\$133,839	\$134,307	\$3,820,054
5													
6 EGS	\$1,951	\$2,267	\$2,249	\$1,989	\$2,081	\$1,820	\$1,800	\$1,711	\$1,786	\$1,816	\$1,771	\$1,848	\$23,091
7													
8 GSG-FT & GSG-LV-FT	\$271,818	\$442,934	\$614,570	\$587,321	\$515,631	\$320,872	\$190,673	\$143,635	\$124,874	\$96,979	\$132,237	\$161,197	\$3,602,741
9													
10 RSG-FT	\$26,052	\$67,195	\$104,927	\$104,341	\$86,778	\$54,272	\$25,375	\$13,967	\$13,053	\$10,134	\$11,356	\$11,858	\$529,306
11													
12 LVS-FT	\$352,852	\$369,340	\$374,018	\$333,197	\$363,161	\$328,160	\$312,832	\$297,414	\$303,459	\$314,603	\$307,017	\$317,936	\$3,973,987
13													
14 CTS	\$163,191	\$172,240	\$177,122	\$163,547	\$170,127	\$152,549	\$130,800	\$125,529	\$129,084	\$130,011	\$127,209	\$133,548	\$1,774,957
15													
16 LVS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17													
18 EGS-LV	\$50,616	\$55,523	\$62,484	\$56,390	\$55,993	\$35,192	\$35,832	\$37,257	\$42,489	\$45,790	\$40,737	\$36,216	\$554,519
19													
20 FES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21 FES & EGS-LV	\$50,616	\$55,523	\$62,484	\$56,390	\$55,993	\$35,192	\$35,832	\$37,257	\$42,489	\$45,790	\$40,737	\$36,216	\$554,519
22													
23 Subtotal	\$1,825,514	\$3,500,652	\$5,118,481	\$5,027,467	\$4,371,829	\$2,917,470	\$1,680,048	\$1,215,240	\$1,119,751	\$982,857	\$1,098,282	\$1,142,213	\$29,999,803
24													
25 NGV	\$9,814	\$21,823	\$8,269	\$18,471	\$16,723	\$12,787	\$7,921	\$25,773	\$13,973	\$14,191	\$22,850	\$17,908	\$190,505
26 ITS & IGS Recovery	\$63,343	\$76,756	\$57,743	\$69,968	\$81,400	\$78,626	\$60,910	\$56,717	\$51,458	\$59,635	\$52,294	\$52,587	\$761,436
27													
28 TOTAL	\$1,898,670	\$3,599,230	\$5,184,493	\$5,115,906	\$4,469,951	\$3,008,884	\$1,748,880	\$1,297,730	\$1,185,181	\$1,056,683	\$1,173,427	\$1,212,708	\$30,951,744

**South Jersey Gas Company
Clean Energy Program Clause (CLEP)
Calculation of 2023 - 2024 Recovery Rate**

1 Rate Calculation:

2			
3	Projected Under-Recovered Balance as of October 31, 2023	\$ 4,211,703	(CLEP JGF-2, Line 10)
4			
5	Plus: November 2023 - October 2024 Expenses	\$ 9,787,686	(CLEP JGF-2, Line 21)
6			
7	Carrying Costs	<u>\$ 94,732</u>	(CLEP JGF-2, Line 27)
8			
9	Total CLEP Cost	<u><u>\$ 14,094,121</u></u>	

10

11

12

13

14

15 Therm Sales Projection (SBC/TIC-1):

**Projected
Nov '23 - Oct '24**

16		
17	RSG	284,195,876
18	RSG FT	9,568,427
19	GSG & GSG-LV	69,056,257
20	GSG FT & GSG-LV FT	65,127,817
21	EGS	417,425
22	LVS FT	71,838,958
23	CTS	32,086,432
24	FES/EGS-LV	10,024,209
25	ITS	13,764,708
26	NGV	<u>3,443,808</u>
27		
28	Total	<u><u>559,523,915</u></u>
29		
30	CLEP Rate Per Therm (Excluding SUT)	<u><u>\$ 0.025189</u></u>
31		
32	CLEP Rate Per Therm (Including SUT)	<u><u>\$ 0.026858</u></u>

SOUTH JERSEY GAS COMPANY
Clean Energy Program Clause (CLEP)

CLEP JGF- 2

		Actual Nov-22	Actual Dec-22	Actual Jan-23	Actual Feb-23	Actual Mar-23	Actual Apr-23	Actual May-23	Actual Jun-23	Projected Jul-23	Projected Aug-23	Projected Sep-23	Projected Oct-23	Total
Under/(Over) Recovered Beginning Balance		\$ 6,873,008	\$ 6,786,343	\$ 6,366,358	\$ 6,165,482	\$ 6,128,101	\$ 6,095,453	\$ 6,057,749	\$ 5,921,383	\$ 5,797,278	\$ 5,527,395	\$ 5,184,634	\$ 4,719,542	\$ 6,873,008
Net Expenses		\$ 939,902	\$ 1,463,298	\$ 2,277,120	\$ 2,083,765	\$ 1,904,239	\$ 1,334,794	\$ 702,617	\$ 526,074	\$ 329,730	\$ 206,868	\$ 141,037	\$ 118,272	\$ 12,027,716
Recoveries		\$ (1,026,568)	\$ (1,883,283)	\$ (2,477,996)	\$ (2,121,146)	\$ (1,936,887)	\$ (1,372,498)	\$ (838,983)	\$ (650,179)	\$ (599,613)	\$ (549,628)	\$ (606,129)	\$ (626,111)	\$ (14,689,021)
Net Activity		\$ (86,665)	\$ (419,985)	\$ (200,877)	\$ (37,381)	\$ (32,648)	\$ (37,704)	\$ (136,367)	\$ (124,105)	\$ (269,883)	\$ (342,761)	\$ (465,092)	\$ (507,839)	\$ (2,661,306)
Under/(Over) Recovered Ending Balance		\$ 6,786,343	\$ 6,366,358	\$ 6,165,482	\$ 6,128,101	\$ 6,095,453	\$ 6,057,749	\$ 5,921,383	\$ 5,797,278	\$ 5,527,395	\$ 5,184,634	\$ 4,719,542	\$ 4,211,703	\$ 4,211,702
Carrying Costs *	3.85%	\$ 21,912	\$ 21,099	\$ 20,103	\$ 19,721	\$ 19,609	\$ 19,496	\$ 19,217	\$ 18,799	\$ 18,167	\$ 17,184	\$ 18,859	\$ 17,007	\$ 231,172
		Projected Nov-23	Projected Dec-23	Projected Jan-24	Projected Feb-24	Projected Mar-24	Projected Apr-24	Projected May-24	Projected Jun-24	Projected Jul-24	Projected Aug-24	Projected Sep-24	Projected Oct-24	Total
Under/(Over) Recovered Beginning Balance		\$ 4,211,703	\$ 3,967,845	\$ 3,507,313	\$ 3,177,421	\$ 2,633,727	\$ 2,266,592	\$ 1,996,320	\$ 1,566,932	\$ 1,300,286	\$ 1,094,905	\$ 824,268	\$ 433,380	\$ 4,211,703
Net Expenses		\$ 605,125	\$ 1,164,140	\$ 2,018,133	\$ 1,774,765	\$ 1,658,922	\$ 1,091,703	\$ 360,179	\$ 318,813	\$ 329,730	\$ 206,868	\$ 141,037	\$ 118,272	\$ 9,787,686
Recoveries		\$ (848,983)	\$ (1,624,672)	\$ (2,348,025)	\$ (2,318,458)	\$ (2,026,057)	\$ (1,361,975)	\$ (789,566)	\$ (585,460)	\$ (535,110)	\$ (477,506)	\$ (531,924)	\$ (551,380)	\$ (13,999,116)
Net Activity		\$ (243,858)	\$ (460,533)	\$ (329,892)	\$ (543,693)	\$ (367,136)	\$ (270,272)	\$ (429,387)	\$ (266,647)	\$ (205,380)	\$ (270,638)	\$ (390,887)	\$ (433,107)	\$ (4,211,430)
Under/(Over) Recovered Ending Balance		\$ 3,967,845	\$ 3,507,313	\$ 3,177,421	\$ 2,633,727	\$ 2,266,592	\$ 1,996,320	\$ 1,566,932	\$ 1,300,286	\$ 1,094,905	\$ 824,268	\$ 433,380	\$ 273	\$ 273
Carrying Costs **	4.57%	\$ 15,575	\$ 14,234	\$ 12,729	\$ 11,065	\$ 9,331	\$ 8,117	\$ 6,785	\$ 5,460	\$ 4,561	\$ 3,654	\$ 2,395	\$ 826	\$ 94,732

* Effective September 1, 2022 the carrying cost rate of 3.85% is being utilized. This rate is based on the 7 year Treasury as of August 31, 2022 of 3.25% plus 60 basis points.

** Effective September 1, 2023, the carrying cost rate of 4.57% is being utilized based on the 7 year constant maturity U.S. Treasury note as of June 30, 2023 of 3.97% plus 60 basis points. The rate will be updated when the August 31, 2023 rate on the U.S treasury seven year constant mature note is available.

**South Jersey Gas Company
Transportation Initiation Clause
Calculation of 2023 - 2024 Rate**

1	Projected Under-Recovered Balance at October 31, 2023	\$350,945	(TIC JGF-2, Line 11)
2			
3	Less: August 2023 through October 2023 Expenses	(\$54,000)	(TIC JGF-2, Line 6)
4			
5	Carrying Cost	<u>\$14,552</u>	(TIC JGF-2, Line 28)
6			
7			
8			
9	Total Cost	<u>\$311,497</u>	
10			
11			
12	Therm Sales Projection:		
13			
14	Rate Schedule RSG	284,195,876	
15	Rate Schedule RSG-FT	9,568,427	
16	Rate Schedule GSG & GSG-LV	69,056,257	
17	Rate Schedule GSG-FT & GSG-LV-FT	65,127,817	
18			
19	Total	<u>427,948,377</u>	
20			
21			
22	TIC Rate Per Therm (Excluding SUT)	<u>\$0.000728</u>	
23			
24	TIC Rate Per Therm (Including SUT)	<u>\$0.000776</u>	

**SOUTH JERSEY GAS COMPANY
TRANSPORTATION INITIATION CLAUSE
ACTUAL AND PROJECTED ACTIVITY**

		Actual Nov-22	Actual Dec-22	Actual Jan-23	Actual Feb-23	Actual Mar-23	Actual Apr-23	Actual May-23	Actual Jun-23	Projected Jul-23	Projected Aug-23	Projected Sep-23	Projected Oct-23	Total
Under/(Over) Recovered Beginning Balance		\$135,521	\$154,997	\$175,173	\$196,582	\$217,517	\$239,202	\$255,097	\$269,266	\$285,373	\$300,771	\$319,672	\$335,340	\$135,521
Expense		\$18,446	\$17,300	\$17,300	\$17,600	\$18,650	\$17,600	\$17,300	\$18,140	\$17,000	\$20,000	\$17,000	\$17,000	\$213,336
Net Recoveries		\$1,030	\$2,876	\$4,109	\$3,336	\$3,034	(\$1,704)	(\$3,131)	(\$2,033)	(\$1,602)	(\$1,099)	(\$1,332)	(\$1,395)	\$2,087
Net Activity		\$19,476	\$20,176	\$21,409	\$20,936	\$21,684	\$15,896	\$14,169	\$16,107	\$15,398	\$18,901	\$15,668	\$15,605	\$215,424
Under/(Over) Recovered Ending Balance		\$154,997	\$175,173	\$196,582	\$217,517	\$239,202	\$255,097	\$269,266	\$285,373	\$300,771	\$319,672	\$335,340	\$350,945	\$350,945
Carrying Costs *	3.85%	\$466	\$530	\$585	\$676	\$733	\$793	\$841	\$890	\$940	\$995	\$1,247	\$1,307	\$10,002
		Projected Nov-23	Projected Dec-23	Projected Jan-24	Projected Feb-24	Projected Mar-24	Projected Apr-24	Projected May-24	Projected Jun-24	Projected Jul-24	Projected Aug-24	Projected Sep-24	Projected Oct-24	Total
Under/(Over) Recovered Beginning Balance		\$350,945	\$364,103	\$370,491	\$336,582	\$302,943	\$278,297	\$271,764	\$281,040	\$296,225	\$308,916	\$323,664	\$336,742	\$350,945
Expense		\$17,000	\$17,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$20,000	\$20,000	\$20,000	\$20,000	\$258,000
Net Recoveries		(\$3,842)	(\$10,612)	(\$57,909)	(\$57,640)	(\$48,645)	(\$30,534)	(\$14,724)	(\$8,815)	(\$7,309)	(\$5,252)	(\$6,922)	(\$7,283)	(\$259,486)
Net Activity		\$13,158	\$6,388	(\$33,909)	(\$33,640)	(\$24,645)	(\$6,534)	\$9,276	\$15,185	\$12,691	\$14,748	\$13,078	\$12,717	(\$1,486)
Under/(Over) Recovered Ending Balance		\$364,103	\$370,491	\$336,582	\$302,943	\$278,297	\$271,764	\$281,040	\$296,225	\$308,916	\$323,664	\$336,742	\$349,459	\$349,459
Carrying Costs **	4.57%	\$1,362	\$1,399	\$1,346	\$1,218	\$1,107	\$1,047	\$1,053	\$1,099	\$1,152	\$1,205	\$1,258	\$1,307	\$14,552

* Effective September 1, 2022 the carrying cost rate of 3.85% is being utilized. This rate is based on the 7 year Treasury as of August 31, 2022 of 3.25% plus 60 basis points.

** Effective September 1, 2023, the carrying cost rate of 4.57% is being utilized based on the 7 year constant maturity U.S. Treasury note as of June 30, 2023 of 3.97% plus 60 basis points. The rate will be updated when the August 31, 2023 rate on the U.S treasury seven year constant mature note is available.

**BEFORE THE
NEW JERSEY BOARD OF PUBLIC UTILITIES**

SOUTH JERSEY GAS COMPANY

Direct Testimony

of

**Kenneth W. Sheppard,
Senior Director, Environmental and Procurement**

On Behalf of

South Jersey Gas Company

1 **I. INTRODUCTION**

2 **Q. Please state your name, current positions and business address.**

3 **A.** My name is Kenneth Sheppard. I am Senior Director, Environmental and Procurement,
4 under the Office of General Counsel of South Jersey Industries (“SJI”). My business
5 address is One South Jersey Plaza, Folsom, NJ 08037.

6
7 **Q. Please describe your education and business experience.**

8 **A.** I earned a Bachelor of Science degree in Environmental Studies from The Richard
9 Stockton College of New Jersey and a Master of Business Administration from Rowan
10 University. From 1998 to 2007, I worked in environmental consulting for firms servicing
11 clients that included financial institutions, regional utilities, Fortune 500 retail clients, and
12 major petroleum refining and distribution clients. In 2007, I joined SJI as a Specialist in
13 the Environmental Department. Between 2007 and 2023, I have held various positions of
14 ascending responsibility within SJI including my current position of Senior Director,
15 Environmental and Procurement.

16
17 **Q. What are your primary duties and responsibilities as they relate to the Company’s**
18 **environmental issues?**

19 **A.** Together with the Senior Vice President and General Counsel, the President of South
20 Jersey Gas Company (“South Jersey” or “Company”) and Senior SJI leaders, I share the
21 responsibility of managing the investigation and remediation of the former Manufactured
22 Gas Plant (“MGP”) sites where South Jersey is the remediating responsible party. The
23 duties inherent to my role include: 1) managing the scheduling and financial aspects

1 associated with the investigation and remediation of the MGP sites; 2) participation in SJI's
2 overall compliance programs to address the environmental concerns of the Company; 3)
3 participation in the compliance efforts of SJI by providing technical and administrative
4 oversight, including but not limited to, identifying and evaluating program areas,
5 recommending solutions and their associated cost estimates; and 4) providing training and
6 education and oversight of remediation efforts as required, and oversight of contractors
7 involved in remediation of the SJI liabilities, including development and maintenance of
8 budgets and schedules.

9
10 **Q. Have you provided testimony previously in regulatory proceedings?**

11 **A.** Yes, most recently I provided direct testimony in the Company's 2022-2023 Societal
12 Benefits Clause ("SBC") filing in BPU Docket No. GR22070467 and provided tables and
13 summary testimony on behalf of the Company in its previous eighteen SBC proceedings
14 regarding the Company's Remediation Adjustment Clause ("RAC").

15
16 **Q. What is the purpose of your testimony in this proceeding?**

17 **A.** The purpose of my testimony is to: 1) provide a general overview of the Company's on-
18 going MGP remediation program; 2) identify and describe the general nature and
19 categories of expenses incurred by the Company during the period August 1, 2022 through
20 April 30, 2023; 3) provide a brief history of the Company's former MGP sites, and 4) report
21 on key developments relating to ongoing remediation activities at those sites. Cost
22 Schedules supporting this information are included as Schedules RAC KWS-1, RAC-
23 KWS-2 and RAC KWS-3. For purposes of my testimony, a "Remediation Year" is defined

as August 1 to July 31.

II. THE COMPANY'S MGP REMEDIATION PROGRAM

Q. Please describe the Company's MGP Remediation Strategy.

A. The Company's Environmental department takes a hands-on approach to the management of the MGP program by acting as its own general contractor for every remediation project. The department works with several different consulting firms and selects the most qualified consultant at the lowest possible cost to work as part of a team on each project. The department is engaged in a comprehensive environmental remediation program. South Jersey's overall environmental program has been designed to accomplish the following goals:

- To be protective of human health and the environment;
- To be compliant with current regulations;
- To have the flexibility to meet a variety of specific environmental needs;
- To manage environmental projects cost effectively;
- To progress in a timely fashion while managing cash flow;
- To look for areas where an innovative approach will reduce expected cost;
- and
- To ensure work safety.

These goals reflect South Jersey's commitment to a sound environmental program. The Company has built its overall program on a good working knowledge and understanding of the New Jersey Department of Environmental Protection ("NJDEP") regulations and on technical expertise gained through years of experience in the investigation and remediation of contaminated sites.

1 **III. THE GENERAL NATURE AND CATEGORIES OF REMEDIATION COSTS**

2 **Q. Please describe the nature and categories of the remediation costs the Company**
3 **incurred during the 2022-2023 Remediation Year in connection with implementing**
4 **and managing its MGP Program.**

5 **A.** The costs the Company incurred during the 2022-2023 Remediation Year to implement
6 and manage its MGP program include the following: 1) outside consulting and engineering
7 services; 2) outside legal services; 3) community outreach; 4) analytical laboratory
8 services; 5) remediation services (including remediation management and oversight); 6)
9 health and safety activities; 7) air monitoring, groundwater, and soil sampling; 8) a variety
10 of ancillary support services; and 9) internal labor directly associated with MGP activities.
11 Third-party services provided to the Company in connection with MGP-related activities
12 (such as project management and engineering support services, and contractors who
13 provide physical remediation services) are competitively bid through South Jersey's
14 contractor procurement procedures. Schedule RAC KWS-3 provides a listing of vendors
15 the Company utilized for the period August 1, 2022 through April 30, 2023.

16 **IV. BACKGROUND AND CURRENT STATUS OF REMEDIATION EFFORTS**
17 **AT SOUTH JERSEY'S MGP SITES**

18 **Q. Please provide the background of South Jersey's MGP Sites and the current status**
19 **of South Jersey's remediation efforts at each site.**

20 **A.** South Jersey's environmental program originally had fourteen (14) MGP sites under
21 investigation and remediation. The Woodbury Heights site in Gloucester County has
22 received regulatory closure and the Kirkman Boulevard site in Atlantic City is being
23 remediated by others. Bridgeton, Egg Harbor City, Florida Avenue in Atlantic City,

1 Glassboro, Hammonton, Michigan Avenue in Atlantic City, Millville, Penns Grove,
2 Pleasantville, Salem, Swedesboro, and Vineland are either currently in remediation or
3 have undergone some level of remedial activities and are in various stages of
4 redevelopment. I will go through each of these sites in detail, below. Additionally,
5 Schedule RAC KWS-4 provides narrative responses to the Minimum Filing Requirements
6 (MFRs) established by the Board Order dated August 10, 1992 in BPU Docket Nos.
7 GR91071243J and PUC 08056-91S. Due to its voluminous nature, additional information
8 related to the MFRs is being provided to each party on a CD/flash drive.

9
10 **A. FORMER BRIDGETON MGP SITE**

11 **Site History**

12 This site, approximately 2 acres in size, is located in the City of Bridgeton,
13 Cumberland County, New Jersey. The former MGP was constructed in 1857 by
14 the Bridgeton Gas Light Company and coal gas manufacturing operations were
15 conducted at the site from 1857 until sometime between 1945 and 1951. Sometime
16 after 1951, the plant structures and facilities were dismantled and removed from the
17 site.

18 Soil, sediment, and groundwater impacts associated with former MGP site
19 operations were identified, characterized, and delineated through several phases of
20 Remedial Investigation (“RI”) activities. Upon RI completion, remedial
21 alternatives were evaluated, and a Remedial Action Work Plan (“RAWP”) was
22 developed to address the identified impacts. The selected remedy included
23 excavation and offsite thermal treatment and beneficial reuse of impacted soils to

unrestricted use along with subsequent groundwater monitoring to evaluate any remaining groundwater impacts. Impacted sediments were also proposed to be removed in accordance with the RAWP. The NJDEP approved the selected remedy in April of 2008 and remedial activities were initiated in the fall of 2010. Impacted soil and sediment removal was completed, and a Response Action Outcome (“RAO”) was issued for all areas of concern as follows: Soil RAO issued October 2013, Sediment RAO issued January 2016, and Groundwater RAO issued February 2017.

B. FORMER EGG HARBOR CITY MGP SITE

Site History

This site is approximately 1.5 acres in size and located in the City of Egg Harbor, Atlantic County, New Jersey. The former MGP was constructed in 1906 by the Enterprise Gas Company, which operated the facility until 1927. In 1927, Enterprise Gas Company merged with Atlantic City Gas Company and operations at the facility ceased shortly thereafter. In 1947, Atlantic City Gas Company changed its name to South Jersey Gas Company and the site was used for gas storage and metering until 1961. The site was returned to the City of Egg Harbor in 1964, in accordance with the original charter.

Soil and groundwater impacts associated with former MGP site operations were identified, characterized and delineated through several phases of RI activities. Upon RI completion, remedial alternatives were evaluated and a RAWP was developed to address the identified impacts. The selected remedy included

1 excavation and offsite thermal treatment of impacted soils, which were returned to
2 the site after treatment and used for backfilling. The NJDEP approved the selected
3 remedy in May 2000 and soil impacts associated with the former MGP site were
4 remediated between July 2000 and March 2001. Upon completion of the
5 remediation work, the NJDEP issued a No Further Action (“NFA”) determination
6 for soil.

7 The NJDEP issued a Groundwater Remedial Action Permit for Groundwater in
8 December 2015. Groundwater sampling to monitor remaining groundwater
9 impacts is ongoing. Additionally, monthly monitoring of municipal wells has been
10 ongoing since 1996.

11 **Next Projected Activities**

12 A Classification Exception Area (“CEA”) established in 2008 requires annual
13 monitoring of site-related monitoring wells. This monitoring will continue until
14 such time as groundwater impacts no longer exceed applicable standards. The most
15 recent round of groundwater sampling was conducted in June 2023. The next
16 groundwater sampling result is anticipated to occur in June 2024. Sampling of the
17 public supply wells in proximity to groundwater impacts will continue on a monthly
18 basis.

19 20 **C. FORMER FLORIDA AVENUE MGP SITE**

21 **Site History**

22 The site is approximately 4 acres in size and located in the City of Atlantic City,
23 Atlantic County, New Jersey. MGP operations first began at the site around 1900

1 under the ownership of the Consumers Gas Company. The Consumers Gas
2 Company was purchased in 1909 by C.H. Geist and was consolidated with Atlantic
3 City Gas and Water Company in 1910. The MGP continued to operate until 1918.
4 After 1918, the Florida Avenue facility was used to support off-site gas
5 manufacturing operations. The Atlantic City Gas Company was purchased by the
6 United Gas Improvement Company in 1930 and immediately sold to the Public
7 Service Corporation. Construction of a liquid propane gas (“LPG”) peak shaving
8 facility began circa 1940, and most of the MGP structures were removed at that
9 time. In 1947, Atlantic City Gas changed its name to South Jersey Gas Company.
10 In 1968, South Jersey sold the parcel to Deull Fuel, which contained the 1.5 million
11 gallon above ground storage tank. The remaining parcels were also sold to others.
12 Soil, sediment, and groundwater impacts associated with former MGP site
13 operations were identified, characterized and delineated through several phases of
14 RI activities. An evaluation of remedial alternatives to address the impact within
15 the uplands portion of the site has been conducted and a RAWP to address the
16 identified impacts via a combination of excavation and In Situ Stabilization (“ISS”)
17 was approved by the Licensed Site Remediation Professional (“LSRP”) responsible
18 for the Site and filed with the NJDEP. Implementation of the approved upland
19 remedy began during the third quarter of 2017 and is ongoing. Portions of the
20 upland area that have been remediated were restored and activities were
21 documented in the June 2022 Remedial Action Report (“RAR”) submitted to the
22 NJDEP by the LSRP. An evaluation of remedial alternatives to address impacts
23 within the sediment of Beach Thorofare has been conducted, and a RAWP to

1 address the sediment impacts was approved by the LSRP in May 2023.

2 **Next Twelve-Month Projected Activities**

3 Implementation of the remaining portions of the uplands Remedial Action (“RA”)
4 is projected to continue into the third quarter of 2023. Upon completion of the
5 planned excavation activity, the rest of the site will be restored and the
6 administrative requirements for site closure will be completed. Implementation of
7 the sediment remedy will commence following NJDEP acceptance of the risk based
8 RAWP for sediment.

9 10 **D. FORMER GLASSBORO MGP SITE**

11 **Site History**

12 The site encompasses approximately 5.5 acres in size and located in the Borough
13 of Glassboro, Gloucester County, New Jersey. New Jersey Suburban Gas
14 Company operated the site beginning in 1910. From 1910 to 1923, the site was
15 enlarged, and plant structures and facilities were expanded with the acquisition of
16 property west and north of the original plant. In 1923, the site was operated by
17 People’s Gas Company. Between 1923 and 1947, People’s Gas Company
18 continued production of manufactured gas at the site. South Jersey acquired the
19 site in 1948 and operated the production facility on a full-time basis until 1951.
20 From 1951 onward, South Jersey operated the gas plant on a standby basis only,
21 until the termination of MGP operations sometime in the late 1950’s.

22 Soil and groundwater impacts have been identified both onsite and offsite. Several
23 RAs have been implemented at this site from 1998 to present including excavation
24 of shallow soil on numerous parcels. A RAWP proposing containment for the

1 remaining deep impacts was approved by the LSRP responsible for the site and was
2 filed with NJDEP. Installation of the majority of a containment barrier enclosing
3 saturated zone residual product impacts was implemented from 2017 through early
4 2020. The containment barrier was completed in 2022. The design of a hydraulic
5 control system for the interior of the containment barrier was completed in 2023
6 and the review of bids for this work is ongoing. The most recent groundwater
7 sampling event was completed in June 2023.

8 **Next Twelve-Month Projected Activities**

9 Implementation of the RA to address the remaining areas of contamination is
10 ongoing. Installation of a hydraulic control system within the completed
11 containment barrier will occur in the next period. Upon completion of remediation
12 activities, the site will be restored and the administrative requirements for site
13 closure will be completed. Groundwater monitoring and sampling will continue in
14 accordance with the approved monitoring plan. The next groundwater sampling
15 event is scheduled to occur in January 2024.

16 17 **E. FORMER HAMMONTON MGP SITE**

18 **Site History**

19 The site is approximately 0.6 acres in size and located in the Town of Hammonton,
20 Atlantic County, New Jersey. The site encompasses a portion of the current
21 Hammonton Water Department property, an electrical substation and a retail
22 convenience store. The Hammonton and Egg Harbor City Gas Company were
23 incorporated in January 1903. The Hammonton and Egg Harbor Gas Company

1 became the Hammonton and Amatol Gas Company in February 1923 and
2 subsequently merged with Peoples Gas Company in April 1927. Shortly after this
3 merger, a transmission line was run from the Peoples Gas Company's Glassboro
4 Gas Works to supply Hammonton. Circa 1927, the Hammonton Gas Works ceased
5 operations.

6 Soil and groundwater impacts have been identified both onsite and offsite.
7 Remediation of the former Hammonton MGP site began in June 2010, with the first
8 phase of the remediation consisting of the excavation of isolated areas of shallow
9 soil impacts. A RAR for this work was submitted to the NJDEP on November 30,
10 2010 and approved on February 24, 2011. A RAWP proposing ISS for the
11 remaining deep soil impacts was prepared and submitted to the LSRP and the
12 NJDEP in 2015. Soil remediation and site restoration activity was completed in
13 May 2017. Post remediation quarterly groundwater sampling was completed in
14 May 2019. A RAR documenting the completion of the Site remediation was
15 submitted to the NJDEP in November 2020. Declarations of Environmental
16 Restriction have been prepared and filed with Atlantic County. Applications for
17 four (4) Soil Remedial Action Permits and a Groundwater Remedial Action Permit
18 were submitted to the NJDEP in 2021. The NJDEP issued one of the Soil Remedial
19 Action Permits in 2022. The other three (3) Soil Remedial Action Permits and the
20 Groundwater Remedial Action Permit are still under review by the NJDEP.

21 **Next Twelve-Month Projected Activities**

22 Remediation of source area soil impacts has been completed and the administrative
23 requirements for site closure including the Declaration of Environmental

1 Restriction and the post-remediation permits have been prepared and submitted to
2 the NJDEP for review. A CEA is in place and annual groundwater monitoring is
3 ongoing. The next groundwater sampling event is anticipated for May 2024.
4 Additionally, monthly monitoring of municipal wells is ongoing.
5

6 **F. FORMER MICHIGAN AVENUE MGP SITE**

7 **Site History**

8 The site is approximately 2.0 acres in size and located in the City of Atlantic City,
9 Atlantic County, New Jersey. The earliest available information depicts the
10 presence of gas manufacturing facilities at the site in 1877 with considerably
11 expanded operations by 1886. By 1906, gas-manufacturing operations at the site
12 had ceased and MGP related structures had been demolished. Unsaturated soil
13 remediation activities were conducted in Spring/Summer 1997 and consisted of the
14 removal of approximately 31,000 tons of MGP impacted soils within the central
15 portion of the site. Impacted soils were excavated, thermally treated, and used to
16 backfill the site. On October 11, 2001, NJDEP issued an NFA for unsaturated soil
17 and a portion of the site was re-developed as a commercial shopping center.

18 The Remedial Investigation was completed in May of 2014 and a Remedial
19 Investigation Report (RIR) documenting the investigation was submitted to the
20 LSRP and the NJDEP. Remedial alternatives for saturated soil impacts were
21 evaluated and a RAWP was submitted to the NJDEP in 2018 and a revised RAWP
22 submitted to NJDEP in August 2020. Additional groundwater monitoring wells
23 were installed to further delineate the groundwater plume. Long term access

1 agreements for construction and operating and maintenance were completed with
2 the property lessee in November 2022. Coastal Area Facility Review Act
3 (“CAFRA”) permits for remedial construction are prepared and are being
4 processed.

5 **Next Twelve-Month Projected Activities**

6 During the next period, ongoing monitoring of the saturated zone soil and
7 groundwater impacts will continue. Construction and operation of the system
8 defined in the 2020 RAWP will be initiated upon receipt of the CAFRA permit.

9 10 **G. FORMER MILLVILLE MGP SITE**

11 **Site History**

12 The site encompasses approximately 7.64 acres in size and is located in the City of
13 Millville, Cumberland County, New Jersey. Circa 1915, the site was occupied by
14 the Millville Gas Light Company. Between 1923 and 1929, the property was
15 separated into parcels owned by the Cumberland County Gas Company and the
16 Millville Electric Company. In 1952, South Jersey acquired the Cumberland
17 County Gas Company and purchased the parcels owned by Millville Electric
18 Company. All gas manufacturing operations were discontinued in 1952. By 1961,
19 South Jersey operated a Liquefied Petroleum Storage and Distribution Plant on-
20 site. Between 1979 and 1980, all structures associated with the MGP operations
21 were demolished. Presently, South Jersey operates its Cumberland Division
22 headquarters at the site. Several phases of Remedial Investigation have been
23 completed at this site. These investigations have identified on-site, and off-site soil

1 and groundwater impacts associated with former MGP operations.

2 The RI work was completed in May of 2014, and a RIR documenting the
3 investigation was submitted to the LSRP and the NJDEP. Upon completion of the
4 RI a RAWP was submitted for an excavation and containment remedy.
5 Implementation of the RA began in the fourth quarter of 2020 and is on-going. A
6 CEA is in place and groundwater monitoring is ongoing.

7 **Next Twelve-Month Projected Activities**

8 A multi-phase RA to address the soil and groundwater impacts at the site began in
9 late 2020 and is anticipated to continue into 2025. Upon completion, the site will
10 be restored and the administrative requirements for site closure will be completed.
11 Groundwater monitoring will continue until such time as groundwater impacts no
12 longer exceed applicable standards. The next groundwater sampling event is
13 scheduled to occur in November 2023.

14 15 **H. FORMER PENNS GROVE MGP SITE**

16 **Site History**

17 The site is approximately 0.2 acres in size and located in the City of Penns Grove,
18 Salem County, New Jersey. The site is currently undeveloped, fenced, and is
19 owned by South Jersey. Penns Grove Gas Company constructed and operated the
20 former MGP from circa 1904 to 1915. The MGP structures were dismantled
21 between 1927 and 1947. A property survey from 1933 indicates that Peoples Gas
22 Company of Glassboro, New Jersey owned the site, and that LPG structures and
23 operations were present at the site. The LPG structures were dismantled between
24 1960 and 1987. South Jersey operated a natural gas metering station on the site

1 until 2005.

2 Soil and groundwater impacts associated with former MGP site operations were
3 identified, characterized, and delineated through several phases of RI activities.
4 Upon RI completion, remedial alternatives were evaluated and a RAWP was
5 developed to address the identified impacts. The selected remedy was excavation
6 and offsite thermal treatment of impacted soil. The soil impacts associated with the
7 former MGP site have been remediated on all properties with exception of the
8 active Conrail line abutting the site to the West. Per direction from the NJDEP,
9 the LSRP issued a Soil and Groundwater Unrestricted Use RAO for the MGP Site
10 parcels and a Limited Restricted Use Soil RAO for the Conrail railroad parcel.
11 Groundwater impacts have been remediated and the NJDEP removed the
12 CEA/WRA in February 2019. Following additional review and direction by the
13 NJDEP, the LSRP withdrew the Limited Restricted Use Soil RAO for the offsite
14 Conrail railroad parcel. Additional pre-design investigations of Conrail property
15 continued through Q4 2022.

16 **Next Twelve-Month Projected Activities**

17 Additional investigation, design, and remediation of remaining soil impacts on the
18 Conrail railroad parcel are anticipated in the next twelve months. An Unrestricted
19 Use RAO for the Conrail property will be issued by the LSRP following the
20 completion of remedial activities.

1 **I. FORMER PLEASANTVILLE MGP SITE**

2 **Site History**

3 The site is located in the City of Pleasantville, Atlantic County, New Jersey and
4 consists of two parcels of land (totaling approximately 0.84 acres). The earliest
5 records show that, in 1911, the site was operated by Pleasantville Light Heat and
6 Power Company. In 1933, the site was operated by Atlantic City Gas Company.
7 By 1951, most of the structures associated with the MGP had been demolished and
8 South Jersey was listed as the owner of Parcel 2.

9 A RAWP to address the identified impacts via a combination of excavation and ISS
10 was approved by the LSRP responsible for the Site and filed with NJDEP.
11 Implementation of the approved remedy began during the second quarter of 2018
12 and was completed in first quarter of 2020. Upon completion of ISS activities, the
13 site was restored and the administrative requirements for site closure completed.
14 Declaration of Environmental Restriction have been prepared and filed with
15 Atlantic County and Soil and Groundwater Remedial Action Permits have been
16 filed with the NJDEP. The Groundwater Permit application also included a CEA
17 revision.

18 **Next Twelve-Month Projected Activities**

19 Once the Remedial Action Permits are granted, five restricted use RAOs will be
20 issued. A revised CEA will be issued, and annual groundwater monitoring will
21 continue until such time as groundwater impacts no longer exceed applicable
22 standards.

1 **J. FORMER SALEM MGP SITE**

2 **Site History**

3 The site historically consisted of two parcels, totaling 1.2 acres in size and located
4 in the City of Salem, Salem County, New Jersey. Salem Gas Works Company
5 began operation of the former MGP on Parcel 1 in 1885 and expanded operations
6 into Parcel 2 prior to 1891. The Salem Gas Works Company operated the plant
7 until approximately 1909 when the Salem Gas Light Company took ownership of
8 the property. In 1955, South Jersey acquired the site and all MGP operations ceased
9 at this time. South Jersey began operating an LPG plant on Parcel 1 following
10 closure of the MGP. By 1959, all the surface MGP structures on Parcel 1 had been
11 removed and a gas metering station was constructed on Parcel 2.

12 Soil and groundwater impacts associated with former MGP site operations were
13 identified, characterized and delineated through several phases of RI activities.
14 Upon RI completion, remedial alternatives were evaluated and a RAWP was
15 developed to address the identified impacts. A cap and containment restricted use
16 remedy was completed in 2009. The remedy included the construction of an
17 engineered barrier across the site (cap) and the construction of a physical barrier
18 (walls and bottom) to contain potential source material. Site closure documentation
19 has been received and the site is in monitoring phase.

20 **Next Twelve-Month Projected Activities**

21 Groundwater monitoring and engineering control monitoring and maintenance are
22 ongoing and will continue during the next twelve months.

1 **K. FORMER SWEDESBORO MGP SITE**

2 **Site History**

3 The site is approximately 1.2 acres in size and is currently developed as a residential
4 property. It is in Woolwich Township, Gloucester County, New Jersey.
5 Swedesboro Gas Company operated the former MGP from circa 1904 to 1912.
6 New Jersey Gas Company owned the site from circa 1912 to 1922. People's Gas
7 Company owned the site from circa 1922 to 1937. The site was decommissioned
8 in 1928. The building was renovated into a multi-unit residence in 1950. South
9 Jersey purchased the former MGP property in 2009.

10 Excavation of impacted soil began in March 2015 and was completed in December
11 2015. A sitewide Unrestricted Use RAO for Soil and Groundwater was issued by
12 the LSRP in February 2019. Wetland's mitigation monitoring activities were
13 completed in accordance with the existing NJDEP permits; early dismissal was
14 provided by the NJDEP, and no further monitoring is required.

15
16 **L. FORMER VINELAND MGP SITE**

17 **Site History**

18 The Site is approximately 2.2 acres in size and located in the City of Vineland,
19 Cumberland County, New Jersey. From 1886 to 1906 Vineland Gas Company
20 (subsequently, the Vineland Light and Power Company) produced manufactured
21 gas at this site. From 1912 to 1925, the northern and eastern portions of the site
22 were owned by New Jersey State Gas Company. In 1934, the MGP portion of the
23 property was sold to Peoples Gas Company. In 1947, Atlantic City Gas Company

1 and Peoples Gas Company were merged to form South Jersey. In 1949, South
2 Jersey sold the southeastern parcel to Doerr Glass Company. Gas manufacturing
3 operations ceased circa 1949. In 1962, the remaining parcel of land was sold by
4 South Jersey Gas to Doerr Glass Company.

5 Soil and groundwater impacts associated with former MGP site operations were
6 identified, characterized and delineated through several phases of RI activities. The
7 remedy selected and approved for the site was excavation and offsite thermal
8 treatment of impacted soil. Excavation of soil impacts exceeding the most stringent
9 soil criteria was initiated during the fourth quarter of 2013 and was completed in
10 April of 2014. The LSRP issued an Unrestricted Use RAO for Soil in the fourth
11 quarter of 2015. Post-Remediation Groundwater monitoring has been completed
12 and a Groundwater Remedial Action Report was submitted in March 2019. A
13 Groundwater Remedial Action Permit has been issued and a CEA has been
14 established which requires annual groundwater monitoring.

15 **Next Twelve-Month Projected Activities**

16 Annual groundwater monitoring is ongoing with the next sampling event scheduled
17 to occur in July 2023.

18
19 **Q. How, if at all, has the Company's MGP site remediation efforts changed since**
20 **adoption of the New Jersey Site Remediation Reform Act in 2009?**

21 **A.** In 2009, the Site Remediation Reform Act, *N.J.S.A. 58:10C-1 et seq.* (the "Act" or
22 "SRRA") was signed into Law. For the first time in New Jersey, the Act created an
23 affirmative obligation for responsible parties to remediate contaminated sites and to do so

1 in a “timely” manner. The Act was phased in over a period of three years and
2 implementing regulations were adopted by NJDEP effective May 7, 2012. The goal of
3 these changes was to increase the pace of remediation, thereby decreasing the threat of
4 contamination to public health, safety and the environment, and to quickly return
5 underutilized properties to product use.

6 By virtue of this change in law, certain mandatory timeframes now exist whereby
7 remediation milestones must be achieved to address not only new releases, but legacy
8 contaminated sites that have not been fully remediated (e.g., the Company’s MGP sites).
9 As stated within the site updates above, a number of the sites have received regulatory
10 closure or have an active remediation permit in place. For each of the sites where a RAO
11 or Remediation Permit has not been received, a timeframe extension request has been
12 submitted.

13 **Q. Do you anticipate that the Company will continue to see increased annual RAC**
14 **expenditures as it accelerates its remediation activities in compliance with the law?**

15 **A.** Yes. The Company will continue to see a high level of annual RAC expenditures over the
16 next few years to achieve mandatory NJDEP remediation timeframes for its MGP sites.

17
18 **Q. Does this conclude your testimony?**

19 **A.** Yes.

South Jersey Gas Company
MGP Vendor Expenditures
August 1, 2022 through April 30, 2023

Vendor Name	Union & Grove Streets, Glassboro	Atlantic & Buffalo Avenues, Egg Harbor City	Michigan, Atlantic & Artic Avenues, Atlantic City	Florida, Sunset & Georgia Avenues, Atlantic City	Vine & Water Street, Bridgeton	North Second Street Millville	Pitman Street, Pennsgrove	Fifth & Howell Street, Salem	Peach Street & NE Boulevard, Vineland	Twelfth & Lincoln Streets, Hammonton	Auburn & Bridgeton Roads, Swedesboro	Unallocated	Total
AirLogics LLC	\$5,000			\$60,575		\$48,883							\$114,458
Appraisal Services, Inc				\$7,000									\$7,000
Atlantic City Electric						\$668,511							\$668,511
Borough Of Glassboro	\$11,055												\$11,055
Borough Of Glassboro Water & Sewer	\$3,476												\$3,476
Borough Of Pennsgrove							\$973						\$973
Bridgeton City					\$4,873								\$4,873
Cascade Remediation Services LLC						\$681,124							\$681,124
Centurion Shield Protection						\$76,764							\$76,764
City Of Atlantic City				\$434,968									\$465,660
City Of Millville						\$16,473							\$16,473
City Of Pleasantville													\$11,992
City Of Salem-Tax Collector								\$12,497					\$12,497
Consolidated Rail Corporation	\$600					\$600	\$850		\$600				\$2,650
Creamer Environmental, Inc.				\$861,370									\$861,370
Dimeglio Septic Inc.	\$119			\$119				\$119					\$478
Eatmor Development, LLC.						\$48,375							\$48,375
Elk Township Tax Collector	\$1,339												\$1,339
Eurofins Environment Testing America Holdings, Inc	\$26,242	\$6,726	\$3,748	\$24,355		\$15,800	\$624	\$11,096	\$5,076	\$2,736			\$100,521
Eurofins Environment Testing Northeast LLC	\$6,631												\$6,631
Fitzgerald & McGroarty	\$9,741	\$7,939	\$30,872	\$91,732	\$3,638	\$37,468	\$21,505	\$510		\$10,748		\$18,955	\$233,465
G&E Consultants, Inc.	\$1,568			\$690,202		\$3,122	\$34,089	\$50,773	\$196	\$7,751	\$2,741	\$101,503	\$891,945
Gibbs & Douglass LLC						\$19,726							\$19,726
Glassboro Boro	\$10,867												\$10,867
GZA Geo Environmental, Inc.	\$437,037	\$26,552	\$9,204	\$61,612	\$116	\$685,298	\$6,679	\$603	\$29,606	\$74,504		\$222,708	\$1,560,940
H & G Public Affairs LLC	\$16,028		\$98	\$17,444		\$6,861							\$41,166
Hankin Sandman Palladino Weintrob & Bell P.C.				\$41,919									\$41,919
High and Harrison Medical Arts Condominium LLC						\$6,600							\$6,600
John Sykes Company, A Partnership	\$5,669			\$17,740									\$23,409
Miller Environmental Group Inc.	\$9,993	\$2,432		\$3,299		\$2,799			\$3,422	\$340		\$3,694	\$28,699
Mott Macdonald Group, Inc.	\$5,039											\$61,968	\$67,007
Robert Raymond Boselli JR and Colleen Boselli				\$82,500									\$82,500
S.J. Fenwick Associates, Architects, & Planners LLC				\$714									\$714
Salem City								\$6,309					\$6,309
Sevenson Environmental Ser Inc	\$1,569,954												\$1,569,954
Stantec Consulting Services			\$43,252					\$7,135				\$46,465	\$123,301
Summit Drilling, LLC	\$52,860	\$1,980		\$8,799		\$8,486				\$2,382			\$74,507
Test America Laboratories										(\$774)			\$2,016
The "J" Boys, Inc.	\$4,796			\$14,016	\$1,914	\$1,749	\$597	\$1,511		\$746	\$2,175		\$27,504
Town Of Hammonton										\$4,047			\$4,047
Treasurer - State Of NJ	\$3,460	\$420		\$32,505		\$2,525	\$2,525	\$3,360	\$420				\$47,740
Treasurer State Of NJ Division Of Revenue	\$50		\$4,875	\$2,300			\$7,260	\$970		\$2,490			\$17,945
Vargo Land Surveying, Inc.	\$945			\$4,468		\$383					\$1,300		\$7,095
Visual Computer Solutions, Inc.	\$4,869												\$4,869
Woolwich Township											\$3,123		\$3,123
Accruals	(\$1,070,593)	(\$2,737)	\$92,416	(\$535,052)	\$255	\$37,850	(\$3,927)	(\$2,580)	(\$13,113)	(\$3,986)	\$675	\$112,784	(\$1,404,744)
Total	\$1,116,744	\$43,313	\$184,465	\$1,922,584	\$10,796	\$2,369,394	\$71,175	\$92,305	\$26,207	\$100,984	\$10,013	\$568,078	\$6,588,840

SOUTH JERSEY GAS COMPANY
REMEDATION ADJUSTMENT CLAUSE
August 1, 2022 - April 30, 2023

SUMMARY OF SITE EXPENDITURES

AUTH. NO.	SITE	CONSULTING	REMEDATION	DISPOSAL	LEGAL	NJDEP OVERSIGHT	OTHER	LETTERS OF CREDIT	TOTAL REMEDATION EXPENSES
503	Union and Grove Streets, Glassboro	\$ 1,774,270	\$ (666,115)	\$ 598	\$ 7,990	\$ -	\$ -	\$ -	\$ 1,116,744
801	Atlantic and Buffalo Avenues, Egg Harbor City	\$ 25,568	\$ 8,076	\$ 1,729	\$ 7,939	\$ -	\$ -	\$ -	\$ 43,313
950	Kirkman Boulevard, Atlantic City	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
892	Michigan, Atlantic and Artie Avenues, Atlantic City	\$ 111,640	\$ 58,328	\$ (1,500)	\$ 15,997	\$ -	\$ -	\$ -	\$ 184,465
631	Florida, Sunset and Georgia Avenues, Atlantic City	\$ 1,086,055	\$ 773,991	\$ (5,299)	\$ 67,838	\$ -	\$ -	\$ -	\$ 1,922,584
675	Vine and Water Street, Bridgeton	\$ 2,030	\$ 5,128	\$ -	\$ 3,638	\$ -	\$ -	\$ -	\$ 10,796
652	North Second Street, Millville	\$ 1,407,342	\$ 907,064	\$ 2,747	\$ 52,241	\$ -	\$ -	\$ -	\$ 2,369,394
649	Pitman Street, Penns Grove	\$ 45,604	\$ 5,324	\$ -	\$ 20,247	\$ -	\$ -	\$ -	\$ 71,175
648	Fifth and Howell Street, Salem	\$ 50,967	\$ 42,472	\$ (1,644)	\$ 510	\$ -	\$ -	\$ -	\$ 92,305
655	Peach Street and NE Boulevard, Vineland	\$ 29,600	\$ (3,393)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,207
653	Twelfth and Lincoln Streets, Hammonton	\$ 86,083	\$ 4,102	\$ -	\$ 10,799	\$ -	\$ -	\$ -	\$ 100,984
26	Franklin Avenue, Pleasantville	\$ 13,945	\$ 55,758	\$ 2,721	\$ 357	\$ -	\$ -	\$ -	\$ 72,780
25	Auburn and Bridgeton Roads, Swedesboro	\$ 4,604	\$ 5,409	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,013
657	Unallocated	\$ 388,199	\$ 153,308	\$ -	\$ 26,571	\$ -	\$ -	\$ -	\$ 568,078
86	RAC Recoverable Third Party Claims	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total August 1, 2022 - April 30, 2023		\$ 5,025,908	\$ 1,349,453	\$ (648)	\$ 214,127	\$ -	\$ -	\$ -	\$ 6,588,840

Vendor	Service Provided
AIRLOGICS LLC	AIR MONITORING CONTRACTOR
APPRAISAL SERVICES, INC.	REAL ESTATE APPRAISAL
ATLANTIC CITY ELECTRIC	UTILITY PAYMENTS
BOROUGH OF GLASSBORO	REAL ESTATE TAXES
BOROUGH OF GLASSBORO WATER & SEWER	UTILITY PAYMENTS
BOROUGH OF PENNSGROVE	REAL ESTATE TAXES
BRIDGETON CITY	REAL ESTATE TAXES
CASCADE REMEDIATION SERVICES LLC	REMEDIATION SERVICES
CENTURION SHIELD PROTECTION	SECURITY
CITY OF ATLANTIC CITY	PERMIT FEES
CITY OF MILLVILLE	REAL ESTATE TAXES
CITY OF PLEASANTVILLE	REAL ESTATE TAXES
CITY OF SALEM-TAX COLLECTOR	REAL ESTATE TAXES
CONSOLIDATED RAIL CORPORATION	ANNUAL MAINTENANCE AGREEMENT
CREAMER ENVIRONMENTAL INC	REMEDIATION SERVICES
DIMEGLIO SEPTIC, INC.	WASTE DISPOSAL SERVICES
EATMOR DEVELOPMENT LLC	LEASE OF PROPERTY FOR REMEDIATION ACCE:
ELK TOWNSHIP TAX COLLECTOR	REAL ESTATE TAXES
EUROFINS ENVIRONMENT TESTING AMERICA HOLDINGS, INC.	LABORATORY TESTING OF SAMPLES
EUROFINS ENVIRONMENT TESTING NORTHEAST LLC.	LABORATORY TESTING OF SAMPLES
FITZGERALD & MCGROARTY	OUTSIDE LEGAL CONTRACTOR
GEI CONSULTANTS INC.	CONSULTING SERVICE
GIBBS & DOUGLAS LLC	PROPERTY REPAIR AFTER FLOOD DAMAGE
GLASSBORO BORO	PERMIT FEES
GZA GEO ENVIRONMENTAL, INC.	CONSULTING AND ENGINEERING SERVICES
H & G PUBLIC AFFAIRS LLC	PUBLIC RELATIONS
HANKIN SANDMAN PALLADINO WEINTROB & BELL, P.C.	LEGAL SERVICES
HIGH & HARRISON MEDICAL ARTS CONDOMINIUM LLC	ASSOCIATION FEES
JOHN SYKES COMPANY, A PARTNERSHIP	SITE ACCESS
MILLER ENVIRONMENTAL GROUP INC	WASTE DISPOSAL SERVICES
MOTT MACDONALD GROUP LLC	DATA MANAGEMENT
ROBERT RAYMOND BOSELLI JR AND COLLEEN BOSELLI	ACCESS FEES
S.J. FENWICK ASSOCIATES, ARCHITECTS & PLANNERS LLC	ARCHITECTURE SERVICES
SALEM CITY	REAL ESTATE TAXES
SEVENSON ENVIRONMENTAL SER INC	ENVIRONMENTAL REMEDIATION
STANTEC CONSULTING SERVICES	CONSULTING SERVICE
SUMMIT DRILLING, LLC.	DRILLING SERVICES
TEST AMERICA LABORATORIES	LABORATORY TESTING OF SAMPLES
THE "J" BOYS INC	LAWN CARE SERVICES
TOWN OF HAMMONTON	REAL ESTATE TAXES
TREASURER STATE OF NJ	SITE REMEDIATION AND LSRP SERVICES
TREASURER STATE OF NJ DIVISION OF REVENUE	REGULATORY FEES
VARGO LAND SURVEYING, INC.	SURVEYING
VISUAL COMPUTER SOLUTIONS, INC.	TRAFFIC CONTROL
WOOLWICH TOWNSHIP	REAL ESTATE TAXES

RAC Minimum Filing Requirements

As part of the Company's annual RAC filing, the Company will provide responses to the following Minimum Filing Requirements ("MFRs"). The requests, unless noted otherwise, relate to the historical 12-month RAC period.

1. The Company currently provides a vendor summary as part of its annual RAC filing. This document provides a summary of the expenditures incurred by vendor by site for the twelve-month RAC period. Hereafter, the vendor summary will be supplemented with a general description of the services provided by each vendor. The data noting expenditures incurred through July 31st of each year will continue to be submitted with the Company's annual RAC filing.

Response: Schedule RAC KWS-1 contains a listing by remediation site, expenditures by month for the period August 1, 2022 through April 30, 2023. This schedule will be updated with values through July 31, 2023 when available.

Schedule RAC KWS-3 provides a brief description of the services provided by the vendors identified in RAC KWS-1.

2. Identify the three MGP sites with the highest level of expenditures during the prior RAC period. For each identified site, provide a copy of the latest work plan, remediation report, or major work product submitted to the NJDEP. The copies should include the narrative portion of the report or work plan but need not include the technical supporting work papers, charts and tables.

Response: As depicted on Schedule RAC KWS-2 presented within the filing, the three MGP sites with the highest level of expenditure during the Remediation Year are in descending order: North Second Street, Millville; Florida, Sunset and Georgia Avenues, Atlantic City and Union and Grove Streets, Glassboro.

Copies of the deliverables requested for the sites named above are included as Appendix MFR-2 located on the attached CD/flash drive.

3. For each of the same three MGP sites, provide all correspondence between the Company and the NJDEP concerning submissions for the site, reply comments, and other major items which have a material impact on remediation activities and associated costs incurred by the Company. The correspondence should span the twelve-months preceding July 31st of the most recent RAC period.

Response: All material correspondence issued during the subject RAC period are included in Appendix MFR-3 located on the attached CD/flash drive.

4. For each of the same three MGP sites, provide expense documentation for any contractor or supplier whose invoices for the RAC period exceed \$250,000 in aggregate. The expense documentation should include descriptions of services rendered, applicable invoices, and any tracking of invoiced charges vs. budgets. The expense detail need not include expense reports or time sheets, but it should include supporting documentation for any subcontractor and third-party expenses totaling \$100,000 or more for the period.

Response: Please find the requested documentation included as confidential Appendix MFR-4 located on the attached CD/flash drive.

5. For each of the same three MGP sites, provide a narrative description and organization chart for that site, showing the vendors and project control structure for the remediation effort. The response should show what entities supervise all significant contractors and subcontractors and which Company personnel are involved in site and remediation supervision and control.

Response: Organization charts containing narrative descriptions of the roles and responsibilities of the depicted entities for each of the three selected sites are included as Appendix MFR-5 located on the attached CD/flash drive.

6. Provide a detailed narrative describing Company activities and any reimbursements related to insurance claims or potentially responsible parties' liabilities for all the Company's MGP sites. The narrative, with supporting documentation, should cover the prior RAC period.

Response: In March 2012, SJG received the last payment stemming from its last remaining insurance policy covering former MGP sites. No further insurance recoveries are outstanding or anticipated. No other insurance coverage exists.

7. Provide copies of any RAC audit reports or related materials prepared by the Board's Audit Staff, FERC, or the Company's internal or external auditors during the previous twelve months. To the degree applicable, please also provide any materials prepared in response to the audits or in compliance with any audit findings.

Response: The only report audit prepared during the past twelve months was prepared by the Company's internal auditors. A copy of the audit is included in confidential Appendix MFR-7 located on the attached CD/flash drive.

8. Provide a narrative concerning all material events, whether related to NJDEP mandates or not, which could have an impact on the Company's ultimate MGP remediation liability, with claimed confidential information provided pursuant to a confidentiality agreement. The narrative should encompass all sites, whether or not active remediation efforts on the site are under way.

Response: At this time no events that would have a material impact (i.e. rising commodity costs affecting transportation and thermal desorption costs, etc.) are noted. SJG continues to evaluate the remediation alternatives available for the remaining sites and we will adjust the future liabilities according to any new information obtained.

9. Provide schedules and supporting work papers and documents, which show the reconciliation of the prior period RAC expenditures and recoveries as well as the derivation of the deferred tax credit and the interest accrual on any unamortized balances.

Response: Please reference RAC – JGF-1, RAC – JGF-2, RAC – JGF-3, and RAC – JGF-4.

10. Provide the Company's bid evaluation studies, reports, work papers or other material related to the two largest MGP remediation contracts awarded during the previous RAC period. The response should include the criteria utilized for bid evaluation and the comparisons between the terms and conditions offered by the competitive bidders.

Response: Two remediation contracts were bid during the period for the Millville and Florida Avenue sites. Please find the requested documentation included in Appendix MFR-10.

11. Provide documentation relating to the two largest supplemental contract amendments authorized by the Company during the previous RAC period. The response should provide the contractor's request for supplemental funding, the reasons cited for the request, and the Company's evaluation and action taken concerning the request.

Response: During the previous RAC period covering August 1, 2022 through July 31, 2023 the two largest supplemental contract amendments that were authorized by the company are detailed below:

Glassboro Change Order C004- Change order for restoration of paving of adjacent City street (\$176,184.00).

Glassboro Change Order C0005- Change order for extension of general conditions associated with schedule extension (\$166, 125.00)

All Change Orders were evaluated by engineering field staff and the construction manager with the detail of the change order compared to the daily activities and logs provided by the contractor. After review and comment by the field staff and construction manager any required revisions were made, and the document was forwarded to the Project Manager for approval. After approval by the Project Manager, the change order was sent SJG Senior Management for execution. A copy of the contract amendments is included in Appendix MFR-11 located on the attached CD/flash drive.

12. Provide documentation relating to any instances during the previous RAC period where the Company sought to modify, change, or eliminate the NJDEP site remediation requirements for any of its MGP sites. The response should provide copies of any such Company requests, the NJDEP responses, and the ultimate outcome concerning the requests.

Response: No submittals were made during the period related to modification or elimination of NJDEP site remediation requirements. South Jersey Gas continues to evaluate opportunities to petition the NJDEP and/or the LSRP of record for changes where applicable and in compliance with pertinent rules and regulations.

13. Provide a calculation of the carrying costs that the Company seeks to recover in this filing, including work papers and supporting documentation.

Response: Please reference RAC – JGF-4.

14. The Company currently provides a schedule that summarizes the expenditures incurred by major cost category by site on a quarterly basis. These data will be reported with its annual filing.

Response: Please reference RAC – KWS-2.

15. For each of the Company's MGP sites, provide a schedule showing the status of the

remediation effort and estimated dates for the completion of remaining milestones. The Parties understand that the timeframes to complete the remediation efforts are subject to a great deal of uncertainty due to factors beyond the Company's control. Also, provide an update concerning the status of discussions with the NJDEP concerning its NRD initiative as well as any other NRD-related activities, with claimed confidential information provided pursuant to a confidentiality agreement.

Response:

A copy of the projected remediation schedule (as of June 30, 2023) for each site is provided within confidential Appendix MFR-15.

South Jersey Gas was one of several parties named in an NRD suit filed by NJDEP in August of 2018. Proceedings of the case are ongoing.