



Dominick DiRocco, Esq  
VP/Rates & Regulatory Affairs

One South Jersey Place  
Atlantic City, NJ 08401  
T: (609) 561-9000 x4262  
ddirocco@sjindustries.com

July 31, 2024

**Electronic Filing**

Sherri L. 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 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 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 black ink that reads "Dominick DiRocco".

Dominick DiRocco

DD: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**

**NJ BOARD OF PUBLIC UTILITIES**

Malike Cummings  
NJ Board of Public Utilities  
44 South Clinton Avenue  
P. O. Box 350  
Trenton, NJ 08625-0350  
[malike.cummings@bpu.nj.gov](mailto:malike.cummings@bpu.nj.gov)

Brian Lipman  
Division of Rate Counsel  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625  
[blipman@rpa.nj.gov](mailto:blipman@rpa.nj.gov)

Mike Kammer  
NJ Board of Public Utilities  
44 South Clinton Avenue  
P. O. Box 350  
Trenton, NJ 08625-0350  
[mike.kammer@bpu.nj.gov](mailto:mike.kammer@bpu.nj.gov)

Megan Lupo, Esq.  
Division of Rate Counsel  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625  
[mlupo@rpa.nj.gov](mailto:mlupo@rpa.nj.gov)

Kofi Ocansey  
NJ Board of Public Utilities  
44 South Clinton Avenue  
P. O. Box 350  
Trenton, NJ 08625-0350  
[kofi.ocansey@bpu.nj.gov](mailto:kofi.ocansey@bpu.nj.gov)

Carlena Morrison  
Division of Rate Counsel  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625  
[cmorrison@rpa.nj.gov](mailto:cmorrison@rpa.nj.gov)

Stacy Peterson  
NJ Board of Public Utilities  
44 South Clinton Avenue  
P. O. Box 350  
Trenton, NJ 08625-0350  
[stacy.peterson@bpu.nj.gov](mailto:stacy.peterson@bpu.nj.gov)

**DIVISION OF LAW**

Terel Klein, Esq., DAG  
Dept. of Law & Public Safety  
Division of Law  
R.J. Hughes Justice Complex  
25 Market Street  
P.O. Box 112  
Trenton, NJ 08625  
[terel.klein@law.njoag.gov](mailto:terel.klein@law.njoag.gov)

**DIVISION OF RATE COUNSEL**

Maura Caroselli  
Division of Rate Counsel  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625  
[mcaroselli@rpa.nj.gov](mailto:mcaroselli@rpa.nj.gov)

Pamela Owen, DAG  
 Dept. of Law & Public Safety  
 Division of Law  
 R.J. Hughes Justice Complex  
 25 Market Street  
 P.O. Box 112  
 Trenton, NJ 08625  
[pamela.owen@law.njoag.gov](mailto:pamela.owen@law.njoag.gov)

**SOUTH JERSEY GAS COMPANY**

Dominick DiRocco, Esq.  
 VP, Rates and Regulatory Affairs  
 SJI Utilities Inc.  
 1 South Jersey Place  
 Atlantic City, NJ 08401  
[ddirocco@sjindustries.com](mailto:ddirocco@sjindustries.com)

Sheree Kelly  
 Regulatory Affairs Counsel Principal  
 SJI Utilities, Inc.  
 520 Green Lane  
 Union, NJ 07083  
[skelly@sjindustries.com](mailto:skelly@sjindustries.com)

Cindy Capozzoli  
 Director  
 SJI Utilities Inc.  
 1 South Jersey Place  
 Atlantic City, NJ 08401  
[ccapozzoli@sjindustries.com](mailto:ccapozzoli@sjindustries.com)

Kenneth Sheppard  
 Sr. Director, Environmental &  
 Procurement  
 South Jersey Gas Company  
 1 South Jersey Place  
 Folsom, NJ 08037  
[ksheppard@sjindustries.com](mailto:ksheppard@sjindustries.com)

James G. Fredericks  
 Rate Analyst Lead  
 South Jersey Gas Company  
 1 South Jersey Place  
 Atlantic City, NJ 08401  
[jfredericks@sjindustries.com](mailto:jfredericks@sjindustries.com)

Karen J. Crispin  
 Senior Rate Analyst  
 South Jersey Gas Company  
 1 South Jersey Place  
 Atlantic City, NJ 08401  
[kcrispin@sjindustries.com](mailto:kcrispin@sjindustries.com)

Joseph Simmerman  
 Rate Analyst Associate  
 South Jersey Gas Company  
 1 South Jersey Place  
 Atlantic City, NJ 08401  
[jsimmerman@sjindustries.com](mailto:jsimmerman@sjindustries.com)

Jennifer Weitz  
 Regulatory Affairs Counsel Intermediate  
 SJI Utilities, Inc.  
 520 Green Lane  
 Union, NJ 07083  
[jweitz@sjindustries.com](mailto:jweitz@sjindustries.com)

Carolyn A. Jacobs  
 Regulatory Compliance Specialist Sr.  
 SJI Utilities Inc.  
 1 South Jersey Place  
 Atlantic City, NJ 08401  
[cjacobs@sjindustries.com](mailto:cjacobs@sjindustries.com)



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

**IN THE MATTER OF THE PETITION OF : DOCKET NO.**  
**SOUTH JERSEY GAS COMPANY TO :**  
**REVISE THE LEVELS OF ITS SOCIETAL :**  
**BENEFITS CLAUSE (“SBC”) CHARGES :**  
**AND ITS TRANSPORTATION INITIATION : CASE SUMMARY**  
**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 \$11.7 million, including taxes. Specifically, this Petition seeks increases in South Jersey’s Remediation Adjustment Clause (“RAC”) and 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 increase the monthly bill of a residential heating customer using 100 therms by \$2.19 from \$182.72 to \$184.91, an increase of 1.20%, as compared to rates currently in effect as of July 1, 2024.

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. ER24070486. 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**

<b>IN THE MATTER OF 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</b>	<b>: BPU DOCKET NO. : : VERIFIED PETITION : : :</b>
---	---

**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 421,200 customers.

2. By this Petition, South Jersey seeks authority to increase the overall annual level of its SBC and TIC by \$11.7 million, including taxes, for the 2024-2025 clause year. Specifically, this Petition seeks to increase the level of South Jersey’s Remediation Adjustment Clause (“RAC”) by \$3.3 million, including taxes, to increase the level of its Clean Energy Program (“CLEP”) clause by \$8.3 million, including taxes, both components of the SBC, and

to increase the level of its TIC by \$0.1 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.ER24070486<sup>1</sup>. 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 2023 through October 2025. 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 increase of \$2.19, or approximately 1.20%, from \$182.72 to \$184.91 to the monthly bill of a typical residential heating customer using 100 therms as compared to rates currently in effect as of July 1, 2024. 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.

---

<sup>1</sup> In the Matter of the 2024/2025 Annual Compliance Filing for the Universal Service Fund and Lifeline Program Components Within the Societal Benefits Charge Rate Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1, Docket No. ER24070486

GO99030125<sup>2</sup> 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 4.79% for the period September 2023 through August 2024. For the period September 2024 through October 2025, a projected interest rate of 4.93% is used which reflects the June 28, 2024 seven (7) year constant maturity U.S. Treasury note rate of 4.33% plus sixty (60) basis points. The actual August 30, 2024 rate will be used once it becomes available.

10. On July 31, 2023, the Company filed its 2023-2024 SBC/TIC filing in BPU Docket No. GR23070475<sup>3</sup>. By Order dated January 10, 2024, the Board approved as final, the Company's RAC rate of \$0.058983<sup>4</sup> per therm, CLEP rate of \$0.026858 per therm, and the TIC rate of \$0.000776 per therm effective February 1, 2024.

### **III. REMEDIATION ADJUSTMENT CLAUSE**

11. South Jersey's RAC was established by Board Order dated August 10, 1992 in BPU Docket Nos. GR91071243J<sup>5</sup> and PUC 08056-91S, and thereafter amended in BPU Docket Nos. GR94070340 and GR95070340<sup>6</sup>, by Board Order dated June 19, 1996. Pursuant thereto,

---

<sup>2</sup> In the Matter of the Rate Unbundling Filings by Gas Public Utilities Pursuant to Section 10, Subsection A of the Electronic Discount and Energy Competition Act of 1999 – SJG, Docket No. GO99030125, Order dated March 30, 2001

<sup>3</sup> 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, Docket No. GR23070475, Order dated January 10, 2024

<sup>4</sup> All rates quoted herein are inclusive of applicable taxes.

<sup>5</sup> In the Matter of the Petition of South Jersey Gas Company for Approval of Increased Base Tariff Rates and Charges for Gas Service, Docket No. GR1071243J, Order dated July 27, 1992

<sup>6</sup> In the Matter of the Petition of South Jersey Gas Company to Change the Level of its Remediation Adjustment Clause (RAC), Docket No. GR94070340 and GR95070340, Order dated June 19, 1996



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” 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 4.93% is used for the period September 2024 through October 2025. This rate reflects the June 28, 2024 seven (7) year constant maturity U.S. Treasury note rate of 4.33% plus sixty (60) basis points. The actual August 30, 2024 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<sup>7</sup> dated September 30, 2014, South Jersey’s total annual charge for Remediation Costs during any Recovery Year shall not exceed five percent

---

<sup>7</sup> In the Matter of the Petition of South Jersey Gas Company for Approval of increased Base Tariff Rates and Charges for Service and other Tariff Revisions, Docket No. GO13111137, Order dated September 30, 2014

(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 2023/2024 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<sup>8</sup>, 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.

---

<sup>8</sup> In the Matter of 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, Docket No. GR20070504, Order dated April 27, 2021

### **ENVIRONMENTAL EXPENDITURES**

17. The status of the environmental remediation and environmental expenditures for the period August 2023 through April 2024 is summarized in the attached Direct Testimony of Kenneth Sheppard, Senior Director, Environmental and Procurement, and the accompanying schedules.

18. Monthly details of the actual expenditures through April 2024 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 \$0.065214 per therm from its current level of \$0.058983 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, 2024. Additionally, Schedule RAC JGF-5 provides recovery projections for the 2024-2025 Recovery Year.

20. The proposed RAC rate of \$0.065214 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<sup>9</sup>, *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 \$21,276,267 during the period November 2024 through October 2025 as shown on Schedule CLEP JGF-1.

23. As shown on Schedule CLEP JGF-1, South Jersey is proposing that the CLEP rate be increased to \$0.042407 per therm from its current level of \$0.026858 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 rate 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<sup>10</sup> 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 July 15, 2003 in BPU Docket No. GT02080625<sup>11</sup>, the Company's TIC was approved. The TIC was designed to recover all EDI development and operating costs, including

---

<sup>9</sup> In the Matter of the Petition of the Filings of the Comprehensive Resource Analysis of Energy Programs Pursuant to Section 12 of the Electric Discount and Energy Competition Act of 1999 – South Jersey Gas, Docket No. EX99050347, Order dated August 15, 2001

<sup>10</sup> In the Matter of the Rate Unbundling Filings by Gas Public Utilities Pursuant to Section 10, Subsection A, of the Electric Discount and Energy Competition Act of 1999 – South Jersey Gas, Docket No. GX99030121, Order dated March 17, 1999

<sup>11</sup> In the Matter of the Petition of South Jersey Gas Company to Implement its Transportation Initiation Charge (TIC), Docket No. GT02080625, Order dated July 15, 2003

consulting and EDI transaction costs.

26. The Company proposes to recover TIC costs of \$388,068 during the period November 2024 through October 2025 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 \$0.001005 per therm from its current level of \$0.000776 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 TIC JGF-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



---

Dominick DiRocco, Esq.  
SJI Utilities, Inc.  
VP/Rates & Regulatory Affairs

Dated: July 31, 2024

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

Dominick DiRocco, Esq.  
Vice President, Rates & Regulatory Affairs  
SJI Utilities, Inc.  
1 South Jersey Place  
Atlantic City, New Jersey 08401  
[ddirocco@sjindustries.com](mailto:ddirocco@sjindustries.com)

Sheree Kelly  
Regulatory Affairs Counsel  
SJI Utilities, Inc.  
520 Green Lane  
Union, New Jersey 07083  
[skelly@sjindustries.com](mailto:skelly@sjindustries.com)

Cindy Capozzoli  
Director, Rates  
SJI Utilities, Inc.  
1 South Jersey Place  
Atlantic City, New Jersey 08401  
[ccapozzoli@sjindustries.com](mailto:ccapozzoli@sjindustries.com)

**VERIFICATION**

I, Sheree L. Kelly, Esq., of full age, being duly sworn according to law, upon my oath, depose and say:

1. I am Regulatory Affairs Counsel 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.



\_\_\_\_\_  
Sheree L. Kelly, Esq.  
Regulatory Affairs Counsel

Sworn to and subscribed  
before me this 31st day  
of July 2024.

  
\_\_\_\_\_  
Notary Public



**Carolyn A. Jacobs**  
**NOTARY PUBLIC**  
State of New Jersey  
My Commission Expires  
October 28, 2028



**In the Matter of 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**

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 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 TO RE-  
VISE THE LEVELS OF ITS SOCIETAL BENEFITS CLAUSE (“SBC”) CHARGES AND  
ITS TRANSPORTATION INITIATION CLAUSE (“TIC”) CHARGE  
BPU DOCKET NO. \_\_\_\_\_**

**PLEASE TAKE NOTICE** that on July 31, 2024, 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 an increase 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, 2024, for a residential heating customer using 100 therms of gas, is to increase the customer's monthly bill by \$2.19 from \$182.72 to \$184.91, an increase of approximately 1.20%.

	<u>RAC</u>	<u>CLEP</u>	<u>TIC</u>	<u>TOTAL</u>
Current Rate	\$0.058983	\$0.026858	\$0.000776	\$0.086617
Proposed Rate	<u>\$0.065214</u>	<u>\$0.042407</u>	<u>\$0.001005</u>	<u>\$0.108626</u>
Rate (Decrease)/Increase	<u>\$0.006231</u>	<u>\$0.015549</u>	<u>\$0.000229</u>	<u>\$0.022009</u>
Dollar (Decrease)/Increase	\$0.62	\$1.55	\$0.02	\$2.19
Percentage (Decrease)/Increase	0.34%	0.85%	0.01%	1.20%

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](http://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, 1<sup>st</sup> Floor, Trenton, NJ, with an appointment. To make an appointment, please call (609) 913-6298.

**PLEASE TAKE FURTHER NOTICE** that 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:

<p>VIRTUAL PUBLIC HEARINGS</p> <p>Date:</p> <p>Hearing Times:</p> <p>Location: Microsoft Teams Meeting</p> <p>(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.)</p> <p>-or-</p> <p>Dial-In:</p> <p>Conference ID:           , followed by the # sign</p>
---

A copy of this Notice 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 of the New Jersey Division of Rate Counsel will participate in the virtual public hearings. Members of the public are invited to participate by utilizing the Microsoft Teams meeting link or Dial-In Number and Conference ID set forth above to express their views on this Petition. All comments will become part of the final record to be considered by the Board. To encourage full participation in this opportunity for public comment, please submit any requests for accommodations, such as interpreters or listening assistance, 48 hours prior to the above hearing to the Board Secretary at [board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov).

The Board is also accepting written and electronic comments. Comments may be submitted directly to the specific docket number 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 documents that are intended to be public 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 at <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](mailto:board.secretary@bpu.nj.gov)

**South Jersey Gas Company**

**SOUTH JERSEY GAS COMPANY**

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

**Seventh Revised Sheet No. 6  
Superseding Sixth 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:** <sup>(1)</sup>

**Customer Charge:** \$10.502563 per month

**Delivery Charge:**

(a) Residential Non-Heating Customers  
Firm Sales Service and Firm Transportation Service \$1.~~232286~~254295 per therm

(b) Residential Heating Customers  
Firm Sales Service and Firm Transportation Service \$1.~~307111~~329120 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.

Infrastructure Investment Program The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "B" 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.

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

**Issued** \_\_\_\_\_ **Effective with service rendered**  
**by South Jersey Gas Company,** **on and after** \_\_\_\_\_  
**B. Schomber, President**

**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**

**Seventh Revised Sheet No. 10  
Superseding Sixth 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: <sup>(1)</sup>**

**Customer Charge:**

\$40.496175 per month

**Delivery Charges:**

Firm Sales Service and Firm Transportation Service

\$1.~~095803~~-117812 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.
Infrastructure Investment Program	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "B" 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.

<sup>(1)</sup> 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**

**Seventh Revised Sheet No. 14  
Superseding Sixth 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: <sup>(1)</sup>**

**Customer Charge:**

\$264.003500 per month

**Delivery Charges:**

Firm Sales Service and Firm Transportation Service<sup>(2)</sup>

Demand Charge:

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

Volumetric Charge:

\$~~.664847~~ .686856 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).

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

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

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**

**Fifth Revised Sheet No. 18  
Superseding Fourth 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: <sup>(1)</sup>**

**Firm:**

**Customer Charge:** \$874.996738 per month

**Delivery Charges:**

**Demand Charge:** D-IFT: \$37.000048 per Mcf of Contract Demand

**Volumetric Charges:**

All consumption for customers who elected to transfer from Sales Service to Firm Transportation Service per therm \$~~.245001~~266781

**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 per therm \$~~.206927~~228707

<sup>(1)</sup> Please refer to Appendix A for components of Monthly Rates.

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**

**Seventh Revised Sheet No. 25  
Superseding Sixth 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: <sup>(1)</sup>**

**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:

\$~~211548~~233328 per therm

**Basic Gas Supply Service ("BGSS") Charge:**

Demand Charge:

D-2: \$16.502043 per Mcf of Contract Demand.

Volumetric Charge:

See Rider "A" of this Tariff.

<sup>(1)</sup> Please refer to Appendix A for components of Monthly Rates.

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**

**Fifth Revised Sheet No. 26  
Superseding Fourth 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:

\$~~.304726~~ .326506 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.

---

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**

**Seventh Revised Sheet No. 31  
Superseding Sixth 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 <sup>(1) (2)</sup>**

**WINTER (November – March):**

**Demand Charge:**

- D-1 \$3.089100 per Mcf of Winter Daily Contract Demand
- D-2 \$8.251022 per Mcf of Daily Billing Determinant or \$0 for Firm Transportation customers

**Volumetric Charge:**

- C-1: \$.~~144627~~166407 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 \$8.251022 per Mcf of Daily Billing Determinant or \$0 for Firm Transportation customers

**Volumetric Charge:**

- C-1: \$.~~144627~~166407 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.

<sup>(1)</sup> Please refer to Appendix A for components of Monthly Rates.

<sup>(2)</sup> Please refer to Special Provision (p)

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**

**Seventh Revised Sheet No. 38  
Superseding Sixth 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:** <sup>(1)(2)</sup>

**Residential Customer Charge:**

\$10.502563 per month

**Residential Delivery Charge**

**Residential Volumetric Charge:** \$.~~421112~~442892 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

\$.~~407980~~429760 per therm

<sup>(1)</sup> Please refer to Appendix A for components of Monthly Rates.

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

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**

**Seventh Revised Sheet No. 39  
Superseding Sixth 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

\$~~375992~~-397772 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.
Infrastructure Investment Program	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider “B” of this Tariff.
Societal Benefits Clause:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider “E” 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.

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**

**Seventh Revised Sheet No. 43  
Superseding Sixth 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: <sup>(1)</sup>**

**Customer Charge:**

\$874.996738 per month

**FIRM:**

**Demand Charges: <sup>(2)</sup>**

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

D-2 \$16.587216 per Mcf of Firm Daily Contract Demand or \$0 for Firm Transportation customers.

**Volumetric Charge:**

C-1: \$.~~144912~~-~~166692~~ 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 \$8.251022 per Mcf of Limited Firm Daily Contract Demand or \$0 for Limited Firm Transportation customers

**Volumetric Charge: <sup>(2)</sup>**

C-1: \$.~~144627~~-~~166407~~ 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.<sup>1</sup>

**Minimum Bill:** Monthly D-2 charge, irrespective of use.

<sup>(1)</sup> Please refer to Appendix A for components of Monthly Rates.

<sup>(2)</sup> Please refer to Special Provision (j).

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**

**Fifth Revised Sheet No. 60  
Superseding Fourth 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.~~448644~~170391 per therm (\$0.~~485764~~212989 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**

**Fifth Revised Sheet No. 61  
Superseding Fourth 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.~~148611~~-170391 per therm (\$0.~~185764~~-212989 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**

**Fifth Revised Sheet No. 62  
Superseding Fourth 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.~~148611~~170391 per therm (\$0.~~185764~~212989 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**

**Fourth Revised Sheet No. 71  
Superseding Third 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:

\$0.000776-001005 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**

**Fourth Revised Sheet No. 75  
Superseding Third 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>	<u>USF (Including Lifeline)</u>	<u>SBC</u>
Rate Schedule RSG                      Delivery	<a href="#"><u>.058983065214</u></a>	<a href="#"><u>.026858042407</u></a>	.017700	<a href="#"><u>.10354125321</u></a>
Rate Schedule GSG                      Delivery	<a href="#"><u>.058983065214</u></a>	<a href="#"><u>.026858042407</u></a>	.017700	<a href="#"><u>.10354125321</u></a>
Rate Schedule GSG-LV                  Delivery	<a href="#"><u>.058983065214</u></a>	<a href="#"><u>.026858042407</u></a>	.017700	<a href="#"><u>.10354125321</u></a>
Rate Schedule EGS                      Delivery	<a href="#"><u>.058983065214</u></a>	<a href="#"><u>.026858042407</u></a>	.017700	<a href="#"><u>.10354125321</u></a>

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. 76  
Superseding Third 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	<u>.058983065214</u>	<u>.026858042407</u>	.017700 <sup>(1)</sup>	<u>.103541125321</u>
Rate Schedule CTS	C-1FT	<u>.058983065214</u>	<u>.026858042407</u>	.017700	<u>.103541125321</u>
Rate Schedule LVS	C-1/C-1FT	<u>.058983065214</u>	<u>.026858042407</u>	.017700	<u>.103541125321</u>
Rate Schedule FES	C-1FT	<u>.058983065214</u>	<u>.026858042407</u>	.017700	<u>.103541125321</u>
Rate Schedule IGS	Monthly Rate	<u>.058983065214</u>	N/A	.017700	<u>.076683082914</u>
Rate Schedule ITS	Monthly Rate	<u>.058983065214</u>	<u>.026858042407</u>	.017700	<u>.103541125321</u>
Rate Schedule NGV	Delivery	<u>.058983065214</u>	<u>.026858042407</u>	.017700	<u>.103541125321</u>

<sup>(1)</sup> 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.

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. 83  
Superseding Second Revised Sheet No. 83**

**RIDER "G"  
REMEDIATION 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	\$. <u>055318061162</u>
Applicable NJ Sales Tax Factor	<u>1.066250</u>
RAC Per Therm with NJ Sales Tax	\$. <u>058983065214</u>

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**

**Third Revised Sheet No. 97**

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

**Superseding Second 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	<u>\$.025189039772</u>
Applicable NJ Sales Tax Factor	<u>1.066250</u>
CLEP per Therm with NJ Sales Tax	<u>\$.026858042407</u> =====

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  
Schedule of Rate Components  
Appendix A - Effective \_\_\_\_\_

<b>RESIDENTIAL GAS SERVICE (RSG) - NONHEAT CUSTOMER</b>					
	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<b>CUSTOMER CHARGE</b>		9.850000		0.652563	<b>10.502563</b>
<b>DELIVERY CHARGE (per therm):</b>					
Base Rate		0.897170		0.059438	0.956608
IIP	B	0.010798	0.000000	0.000715	0.011513
TIC	C	0.000943	0.000000	0.000062	0.001005
SBC:					
RAC	E, G	0.061162	0.000000	0.004052	0.065214
CLEP	E, K	0.039772	0.000000	0.002635	0.042407
USF	E	<u>0.016600</u>	<u>0.000000</u>	<u>0.001100</u>	<u>0.017700</u>
Total SBC		0.117534	0.000000	0.007787	0.125321
CIP	M	0.034622	0.000000	0.002294	0.036916
EET	N	0.038533	0.000000	0.002553	0.041086
Balancing Service Charge BS-1	J	0.076761	0.000000	0.005085	0.081846
Balancing Service Charge BUY-OUT PRICE (Applicable to Transportation Customers Only)	J				Rate Set Monthly
<b>TOTAL DELIVERY CHARGE</b>		1.176361	0.000000	0.077934	<b>1.254295</b>
<b>BGSS: (Applicable To Sales Customers Only)</b>	A	0.389249	0.000000	0.025788	<b>0.415037</b>



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

**RESIDENTIAL GAS SERVICE (RSG) - HEAT CUSTOMER**

	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<b>CUSTOMER CHARGE</b>		9.850000		0.652563	<b>10.502563</b>
<b>DELIVERY CHARGE (per therm):</b>					
Base Rate		0.897170		0.059438	0.956608
IIP	B	0.010798	0.000000	0.000715	0.011513
TIC	C	0.000943	0.000000	0.000062	0.001005
SBC:					
RAC	E, G	0.061162	0.000000	0.004052	0.065214
CLEP	E, K	0.039772	0.000000	0.002635	0.042407
USF	E	<u>0.016600</u>	<u>0.000000</u>	<u>0.001100</u>	<u>0.017700</u>
Total SBC		0.117534	0.000000	0.007787	0.125321
CIP	M	0.104798	0.000000	0.006943	0.111741
EET	N	0.038533	0.000000	0.002553	0.041086
Balancing Service Charge BS-1	J	0.076761	0.000000	0.005085	0.081846
Balancing Service Charge BUY-OUT PRICE (Applicable to Transportation Customers Only)	J				Rate Set Monthly
<b>Total Delivery Charge</b>		1.246537	0.000000	0.082583	<b>1.329120</b>
<b>BGSS: (Applicable To Sales Customers Only)</b>	A	0.389249	0.000000	0.025788	<b>0.415037</b>

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

<b>GENERAL SERVICE (GSG)</b>		<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<b>CUSTOMER CHARGE</b>			37.980000		2.516175	<b>40.496175</b>
<b>DELIVERY CHARGE (per therm):</b>						
Base Rate			0.723187		0.047911	0.771098
IIP		B	0.008606	0.000000	0.000570	0.009176
TIC		C	0.000943	0.000000	0.000062	0.001005
SBC:						
RAC		E, G	0.061162	0.000000	0.004052	0.065214
CLEP		E, K	0.039772	0.000000	0.002635	0.042407
USF		E	<u>0.016600</u>	<u>0.000000</u>	<u>0.001100</u>	<u>0.017700</u>
Total SBC			0.117534	0.000000	0.007787	0.125321
CIP		M	0.082795	0.000000	0.005485	0.088280
EET		N	0.038533	0.000000	0.002553	0.041086
Balancing Service Charge BS-1		J	0.076761	0.000000	0.005085	0.081846
Balancing Service Charge BUY-OUT PRICE (Applicable to Transportation Customers Only)		J				Rate Set Monthly
<b>Total Delivery Charge</b>			1.048359	0.000000	0.069453	<b>1.117812</b>
<b>BGSS: (Applicable To Sales Customers Only using less than 5,000 therms annually)</b>		A	0.389249	0.000000	0.025788	<b>0.415037</b>
<b>BGSS: (Applicable To Sales Customers Only using 5,000 therms annually or greater)</b>		A				<b>RATE SET MONTHLY</b>

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

<b>GENERAL SERVICE-LV (GSG-LV)</b>					
	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<b>CUSTOMER CHARGE</b>		247.600000		16.403500	<b>264.003500</b>
<b>D-1 Demand Charge (Mcf)</b>		13.317700		0.882298	<b>14.199998</b>
<b>DELIVERY CHARGE (per therm):</b>					
Base Rate		0.359109		0.023791	0.382900
IIP	B	0.004851	0.000000	0.000321	0.005172
TIC	C	0.000943	0.000000	0.000062	0.001005
SBC:					
RAC	E, G	0.061162	0.000000	0.004052	0.065214
CLEP	E, K	0.039772	0.000000	0.002635	0.042407
USF	E	<u>0.016600</u>	<u>0.000000</u>	<u>0.001100</u>	<u>0.017700</u>
Total SBC		0.117534	0.000000	0.007787	0.125321
CIP	M	0.046449	0.000000	0.003077	0.049526
EET	N	0.038533	0.000000	0.002553	0.041086
Balancing Service Charge BS-1	J	0.076761	0.000000	0.005085	0.081846
Balancing Service Charge BUY-OUT PRICE (Applicable to Transportation Customers Only)	J				Rate Set Monthly
<b>Total Delivery Charge</b>		0.644180	0.000000	0.042676	<b>0.686856</b>
<b>BGSS: (Applicable Sales Customers Only)</b>	A				<b>RATE SET MONTHLY</b>

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

**COMPREHENSIVE TRANSPORTATION SERVICE (CTS)**

	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<b>FIRM</b>					
<b><u>CUSTOMER CHARGE</u></b>		820.630000		54.366738	<b>874.996738</b>
<b><u>D-1 Demand Charge (Mcf)</u></b>		34.701100		2.298948	<b>37.000048</b>
<b><u>DELIVERY CHARGE (per therm):</u></b>					
Base Rate		0.091136		0.006038	0.097174
IIP	B	0.003001	0.000000	0.000199	0.003200
SBC:					
RAC	E, G	0.061162	0.000000	0.004052	0.065214
CLEP	E, K	0.039772	0.000000	0.002635	0.042407
USF	E	<u>0.016600</u>	<u>0.000000</u>	<u>0.001100</u>	<u>0.017700</u>
Total SBC		0.117534	0.000000	0.007787	0.125321
EET	N	0.038533	0.000000	0.002553	0.041086
<b>Total Delivery Charge</b>		0.250204	0.000000	0.016577	<b>0.266781</b>
Balancing Service Charge BS-1	I	0.076761	0.000000	0.005085	0.081846
Balancing Service Charge BS-1 (Opt Out Provision)	I	0.001972	0.000000	0.000131	0.002103
BUY-OUT PRICE					RATE SET MONTHLY
<b><u>LIMITED FIRM</u></b>					
<b><u>CUSTOMER CHARGE</u></b>		500.000000		33.125000	<b>533.125000</b>
<b><u>DELIVERY CHARGE (per therm):</u></b>					
Base Rate		0.058400		0.003900	0.062300
SBC:					
RAC	E, G	0.061162	0.000000	0.004052	0.065214
CLEP	E, K	0.039772	0.000000	0.002635	0.042407
USF	E	<u>0.016600</u>	<u>0.000000</u>	<u>0.001100</u>	<u>0.017700</u>
Total SBC		0.117534	0.000000	0.007787	0.125321
EET	N	0.038533	0.000000	0.002553	0.041086
<b>Total Delivery Charge</b>		0.214467	0.000000	0.014240	<b>0.228707</b>
Balancing Service Charge BS-1	I	0.076761	0.000000	0.005085	0.081846
Balancing Service Charge BS-1 (Opt Out Provision)	I	0.001972	0.000000	0.000131	0.002103
BUY-OUT PRICE					RATE SET MONTHLY

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

**LARGE VOLUME SERVICE (LVS)**

	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<b>FIRM</b>					
<b><u>CUSTOMER CHARGE</u></b>		1,148.890000		76.113963	<b>1,225.003963</b>
<b><u>D-1 Demand Charge (Mcf)</u></b>		20.633100		1.366943	<b>22.000043</b>
<b><u>D-2 DEMAND BGSS(Applicable to Sales Customers Only)</u></b>	A	15.476711	0.000000	1.025332	<b>16.502043</b>
<b><u>DELIVERY CHARGE (per therm):</u></b>					
Base Rate		0.061199		0.004054	0.065253
IIP	B	0.001564	0.000000	0.000104	0.001668
SBC:					
RAC	E, G	0.061162	0.000000	0.004052	0.065214
CLEP	E, K	0.039772	0.000000	0.002635	0.042407
USF	E	<u>0.016600</u>	<u>0.000000</u>	<u>0.001100</u>	<u>0.017700</u>
Total SBC		0.117534	0.000000	0.007787	0.125321
EET	N	0.038533	0.000000	0.002553	0.041086
<b>Total Delivery Charge</b>		0.218830	0.000000	0.014498	<b>0.233328</b>
Balancing Service Charge BS-1	I	0.076761	0.000000	0.005085	0.081846
Balancing Service Charge BS-1 (Opt Out Provision) (Applicable to Transportation Customers Only)	I	0.001972	0.000000	0.000131	0.002103
Balancing Service Charge CASH OUT CHARGE (CREDIT) (Applicable Transportaton Customers Only)	I				RATE SET MONTHLY
<b><u>BGSS: (Applicable Sales Customers Only)</u></b>	A				<b>RATE SET MONTHLY</b>
<b><u>LIMITED FIRM</u></b>					
<b><u>CUSTOMER CHARGE</u></b>		500.000000		33.125000	<b>533.125000</b>
<b><u>DELIVERY CHARGE (per therm):</u></b>					
Base Rate		0.148587		0.009844	0.158431
IIP	B	0.001564	0.000000	0.000104	0.001668
SBC:					
RAC	E, G	0.061162	0.000000	0.004052	0.065214
CLEP	E, K	0.039772	0.000000	0.002635	0.042407
USF	E	<u>0.016600</u>	<u>0.000000</u>	<u>0.001100</u>	<u>0.017700</u>
Total SBC		0.117534	0.000000	0.007787	0.125321
EET	N	0.038533	0.000000	0.002553	0.041086
<b>Total Delivery Charge</b>		0.306218	0.000000	0.020288	<b>0.326506</b>
Balancing Service Charge BS-1	I	0.076761	0.000000	0.005085	0.081846
Balancing Service Charge BS-1 (Opt Out Provision) (Applicable to Transportation Customers Only)	I	0.001972	0.000000	0.000131	0.002103
BUY-OUT PRICE	I				RATE SET MONTHLY

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

<b>FIRM ELECTRIC SALES (FES)</b>					
	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<b>WINTER</b>					
<b>D-1 DEMAND (MCF) (Rate is negotiated. Shown here is the benchmark rate.)</b>		2.897200		0.191900	<b>3.089100</b>
<b>D-2 DEMAND BGSS(MCF) (Applicable to Sales Customers Only)</b>	A	7.738356	0.000000	0.512666	<b>8.251022</b>
<b>DELIVERY CHARGE (per therm):</b>					
SBC:					
RAC	E, G	0.061162	0.000000	0.004052	0.065214
CLEP	E, K	0.039772	0.000000	0.002635	0.042407
USF	E	<u>0.016600</u>	<u>0.000000</u>	<u>0.001100</u>	<u>0.017700</u>
Total SBC		0.117534	0.000000	0.007787	0.125321
EET	N	0.038533	0.000000	0.002553	0.041086
Total Delivery Charge		0.156067	0.000000	0.010340	<b>0.166407</b>
<b>C-3 All Therms (Rate is negotiated. Shown here is the benchmark rate.)</b>		0.162900		0.010800	<b>0.173700</b>
<b>C-4 Escalator Rate (To be determined as prescribed in the Company's Tariff)</b>					<b>RATE SET MONTHLY</b>
Balancing Service Charge CASH OUT CHARGE (CREDIT) (Applicable to Firm Transportatin Customers Only)	I				RATE SET MONTHLY
<b>BGSS: (Applicable To Sales Customers Only)</b>	A				<b>RATE SET MONTHLY</b>
<b>SUMMER</b>					
<b>D-1 DEMAND (MCF) (Rate is negotiated. Shown here is the benchmark rate.)</b>		2.897200		0.191900	<b>3.089100</b>
<b>D-2 DEMAND BGSS(MCF) (Applicable to Sales Customers Only)</b>	A	7.738356	0.000000	0.512666	<b>8.251022</b>
SBC:					
RAC	E, G	0.061162	0.000000	0.004052	0.065214
CLEP	E, K	0.039772	0.000000	0.002635	0.042407
USF	E	0.016600	0.000000	0.001100	0.017700
EET	N	0.038533	0.000000	0.002553	0.041086
Total Delivery Charge		0.156067	0.000000	0.010340	<b>0.166407</b>
<b>C-3 All Therms (Rate is negotiated. Shown here is the benchmark rate.)</b>		0.162900		0.010800	<b>0.173700</b>
<b>C-4 Escalator Rate (To be determined as prescribed in the Company's Tariff)</b>					<b>RATE SET MONTHLY</b>
Balancing Service Charge CASH OUT CHARGE (CREDIT) (Applicable to Firm Transportatin Customers Only)	I				RATE SET MONTHLY
<b>BGSS: (Applicable To Sales Customers Only)</b>	A				<b>RATE SET MONTHLY</b>

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

<u>ELECTRIC GENERATION SERVICE (EGS) - RESIDENTIAL</u>		<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<b>CUSTOMER CHARGE</b>			9.850000		0.652563	<b>10.502563</b>
<b><u>DELIVERY CHARGE (per therm):</u></b>						
Base Rate			0.180446		0.011955	0.192401
IIP		B	0.002099	0.000000	0.000139	0.002238
SBC:						
RAC		E, G	0.061162	0.000000	0.004052	0.065214
CLEP		E, K	0.039772	0.000000	0.002635	0.042407
USF		E	<u>0.016600</u>	<u>0.000000</u>	<u>0.001100</u>	<u>0.017700</u>
Total SBC			0.117534	0.000000	0.007787	0.125321
EET		N	0.038533	0.000000	0.002553	0.041086
Balancing Service Charge BS-1		J	0.076761	0.000000	0.005085	0.081846
<b>Total Delivery Charge</b>			0.415373	0.000000	0.027519	<b>0.442892</b>
<b><u>BGSS: (Applicable To Sales Customers Only)</u></b>		A	0.389249	0.000000	0.025788	<b>0.415037</b>

**SOUTH JERSEY GAS COMPANY**  
**Schedule of Rate Components**  
**Appendix A - Effective \_\_\_\_\_**

<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>
<b>CUSTOMER CHARGE</b>		86.280000		5.716050	<b>91.996050</b>
<b>D-1 DEMAND (MCF)</b>		9.144200		0.605803	<b>9.750003</b>
<b>DELIVERY CHARGE (per therm):</b>					
Base Rate - Winter Season (Nov - Mar)		0.168130		0.011139	0.179269
Base Rate - Summer Season (Apr - Oct)		0.138130		0.009151	0.147281
IIP	B	0.002099	0.000000	0.000139	0.002238
SBC:					
RAC	E, G	0.061162	0.000000	0.004052	0.065214
CLEP	E, K	0.039772	0.000000	0.002635	0.042407
USF	E	<u>0.016600</u>	<u>0.000000</u>	<u>0.001100</u>	<u>0.017700</u>
Total SBC		0.117534	0.000000	0.007787	0.125321
EET	N	0.038533	0.000000	0.002553	0.041086
Balancing Service Charge BS-1	J	0.076761	0.000000	0.005085	0.081846
<b>Total Delivery Charge - Winter Season</b>		0.403057	0.000000	0.026703	<b>0.429760</b>
<b>Total Delivery Charge - Summer Season</b>		0.373057	0.000000	0.024715	<b>0.397772</b>
<b>BGSS: (Applicable To Sales Customers Only)</b>	A				<b>RATE SET MONTHLY</b>



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

<b>ELECTRIC GENERATION SERVICE-LV (EGS-LV)</b>					
	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<b>FIRM</b>					
<b>CUSTOMER CHARGE</b>		820.630000		54.366738	<b>874.996738</b>
<b>D-1 DEMAND (MCF) (Rate is negotiated. Shown here is the benchmark rate.)</b>		27.611897		1.829288	<b>29.441185</b>
<b>D-2 DEMAND BGSS (MCF) (Applicable to Sales Customers Only)</b>	A	15.556592	0.000000	1.030624	<b>16.587216</b>
<b>DELIVERY CHARGE (per therm):</b>					
IIP	B	0.000267	0.000000	0.000018	0.000285
SBC:					
RAC	E, G	0.061162	0.000000	0.004052	0.065214
CLEP	E, K	0.039772	0.000000	0.002635	0.042407
USF	E	<u>0.016600</u>	<u>0.000000</u>	<u>0.001100</u>	<u>0.017700</u>
		0.117534	0.000000	0.007787	0.125321
EET	N	0.038533	0.000000	0.002553	0.041086
<b>Total Delivery Charge</b>		0.156334	0.000000	0.010358	<b>0.166692</b>
Balancing Service Charge BS-1	I	0.076761	0.000000	0.005085	0.081846
Balancing Service Charge BS-1 (Opt Out Provision)	I	0.001972	0.000000	0.000131	0.002103
Balancing Service Charge CASH OUT CHARGE (CREDIT) (Applicable to Firm Transportatin Customers Only)	I				RATE SET MONTHLY
<b>BGSS: (Applicable To Sales Customers Only)</b>	A				<b>RATE SET MONTHLY</b>
<b>LIMITED FIRM</b>					
<b>D-2 DEMAND BGSS(MCF) (Applicable to Sales Customers Only)</b>	A	7.738356	0.000000	0.512666	<b>8.251022</b>
<b>DELIVERY CHARGE (per therm):</b>					
SBC:					
RAC	E, K	0.061162	0.000000	0.004052	0.065214
CLEP	E, G	0.039772	0.000000	0.002635	0.042407
USF	E	<u>0.016600</u>	<u>0.000000</u>	<u>0.001100</u>	<u>0.017700</u>
		0.117534	0.000000	0.007787	0.125321
EET	N	0.038533	0.000000	0.002553	0.041086
<b>Total Delivery Charge</b>		0.156067	0.000000	0.010340	<b>0.166407</b>
<b>C-3 (Rate is negotiated. Shown here is the benchmark rate.)</b>		0.162900		0.010800	<b>0.173700</b>
Balancing Service Charge BS-1	I	0.076761	0.000000	0.005085	0.081846
Balancing Service Charge BS-1 (Opt Out Provision)	I	0.001972	0.000000	0.000131	0.002103
Balancing Service Charge CASH OUT CHARGE (CREDIT) (Applicable to Firm Transportatin Customers Only)	I				RATE SET MONTHLY
<b>BGSS: (Applicable To Sales Customers Only)</b>	A				<b>RATE SET MONTHLY</b>

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

<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		15.798780		1.046669	<b>16.845449</b>
<u>STREET LIGHTING SERVICE (SLS)</u>					
MONTHLY CHARGE / INSTALL		18.987976		1.257953	<b>20.245929</b>
<u>INTERRUPTIBLE GAS SALES (IGS)</u>					
Commodity					Rate Set Monthly
SBC:					
RAC	E, K	0.061162	0.000000	0.004052	0.065214
USF	E	0.016600	0.000000	0.001100	0.017700
Total SBC:		0.077762	0.000000	0.005152	0.082914
EET	N	0.038533	0.000000	0.002553	0.041086

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

<u>INTERRUPTIBLE TRANSPORTATION (ITS)</u>		<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<b>CUSTOMER CHARGE</b>			<b>500.000000</b>		<b>33.125000</b>	<b>533.125000</b>
<b>TRANSPORTATION CHARGE A</b>			<b>0.078400</b>		<b>0.005200</b>	<b>0.083600</b>
SBC:						
RAC		E, K	0.061162	0.000000	0.004052	0.065214
CLEP		E, G	0.039772	0.000000	0.002635	0.042407
USF		E	<u>0.016600</u>	<u>0.000000</u>	<u>0.001100</u>	<u>0.017700</u>
	Total SBC:		0.117534	0.000000	0.007787	0.125321
EET		N	0.038533	0.000000	0.002553	0.041086
<b>TRANSPORTATION CHARGE B</b>			<b>0.143200</b>		<b>0.009500</b>	<b>0.152700</b>
SBC:						
RAC		E, K	0.061162	0.000000	0.004052	0.065214
CLEP		E, G	0.039772	0.000000	0.002635	0.042407
USF		E	<u>0.016600</u>	<u>0.000000</u>	<u>0.001100</u>	<u>0.017700</u>
	Total SBC:		0.117534	0.000000	0.007787	0.125321
EET		N	0.038533	0.000000	0.002553	0.041086
<b>TRANSPORTATION CHARGE C</b>			<b>0.203200</b>		<b>0.013500</b>	<b>0.216700</b>
SBC:						
RAC		E, K	0.061162	0.000000	0.004052	0.065214
CLEP		E, G	0.039772	0.000000	0.002635	0.042407
USF		E	<u>0.016600</u>	<u>0.000000</u>	<u>0.001100</u>	<u>0.017700</u>
	Total SBC:		0.117534	0.000000	0.007787	0.125321
EET		N	0.038533	0.000000	0.002553	0.041086

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

**NATURAL GAS VEHICLE (NGV)**

		<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<b>COMPANY OPERATED FUELING STATIONS</b>					
<b>DELIVERY CHARGE (per therm):</b>					
IIP	B	0.003736	0.000000	0.000248	0.003984
SBC					
RAC	E, K	0.061162	0.000000	0.004052	0.065214
CLEP	E, G	0.039772	0.000000	0.002635	0.042407
USF	E	<u>0.016600</u>	<u>0.000000</u>	<u>0.001100</u>	<u>0.017700</u>
Total SBC:		0.117534	0.000000	0.007787	0.125321
EET	N	0.038533	0.000000	0.002553	0.041086
<b>Total Delivery Charge</b>		0.159803	0.000000	0.010588	<b>0.170391</b>
<b>DISTRIBUTION CHARGE</b>		0.241844	0.000000	0.0160220	<b>0.257866</b>
<b>COMPRESSION CHARGE</b>		0.656506	0.000000	0.043494	<b>0.700000</b>
Balancing Service Charge BS-1	I	0.076761	0.000000	0.005085	0.081846
Balancing Service Charge BS-1 (Opt Out Provision) (Applicable for Transportation Customers Only)	I	0.001972	0.000000	0.000131	0.002103
Balancing Service Charge BS-1	J	0.076761	0.000000	0.005085	0.081846
<b>BGSS: (Applicable To Sales Customers Only)</b>	A				<b>RATE SET MONTHLY</b>
<b>CUSTOMER OPERATED FUELING STATIONS</b>					
<b>CUSTOMER CHARGE</b>					
		0 - 999 CF/hour	37.500000	2.484400	<b>39.984400</b>
		1,000 - 4,999 CF/hour	75.000000	4.968800	<b>79.968800</b>
		5,000 - 24,999 CF/hour	241.970000	16.030500	<b>258.000500</b>
		25,000 or Greater CF/hour	925.000000	61.281250	<b>986.281250</b>
<b>DELIVERY CHARGE (per therm):</b>					
IIP	B	0.003736	0.000000	0.000248	0.003984
SBC					
RAC	E, K	0.061162	0.000000	0.004052	0.065214
CLEP	E, G	0.039772	0.000000	0.002635	0.042407
USF	E	<u>0.016600</u>	<u>0.000000</u>	<u>0.001100</u>	<u>0.017700</u>
Total SBC:		0.117534	0.000000	0.007787	0.125321
EET	N	0.038533	0.000000	0.002553	0.041086
<b>Total Delivery Charge</b>		0.159803	0.000000	0.010588	<b>0.170391</b>
<b>DISTRIBUTION CHARGE</b>		0.241844	0.000000	0.016022	<b>0.257866</b>
Balancing Service Charge BS-1	I	0.076761	0.000000	0.005085	0.081846
Balancing Service Charge BS-1 (Opt Out Provision) (Applicable for Transportation Customers Only)	I	0.001972	0.000000	0.000131	0.002103
Balancing Service Charge BS-1	J	0.076761	0.000000	0.005085	0.081846
<b>BGSS: (Applicable To Sales Customers Only)</b>	A				<b>RATE SET MONTHLY</b>
<b>Facilities Charge (Applicable only to Customers that elect the Company construct Compressed Natural Gas ("CNG") fueling Facilities located on Customer's property)</b>		0.276150		0.018295	<b>0.294445</b>

SOUTH JERSEY GAS COMPANY  
Appendix A - Effective

**Heat Residential Rate Schedule:**

	RSG FSS	RSG-FTS	Difference
BGSS	0.415037	0.000000	0.415037
Base Rate	0.956608	0.956608	0.000000
IIP	0.011513	0.011513	0.000000
CLEP	0.042407	0.042407	0.000000
RAC	0.065214	0.065214	0.000000
CIP	0.111741	0.111741	0.000000
USF	0.017700	0.017700	0.000000
TIC	0.001005	0.001005	0.000000
EET	0.041086	0.041086	0.000000
BSC "J" BS-1	0.081846	0.081846	0.000000
<b>Price to Compare</b>	<b>1.744157</b>	<b>1.329120</b>	<b>0.415037</b>

**NonHeat Residential Rate Schedule:**

	RSG FSS	RSG-FTS	Difference
BGSS	0.415037	0.000000	0.415037
CIP	0.036916	0.036916	0.000000
Base Rate	0.956608	0.956608	0.000000
IIP	0.011513	0.011513	0.000000
CLEP	0.042407	0.042407	0.000000
RAC	0.065214	0.065214	0.000000
USF	0.017700	0.017700	0.000000
TIC	0.001005	0.001005	0.000000
EET	0.041086	0.041086	0.000000
BSC "J" BS-1	0.081846	0.081846	0.000000
<b>Price to Compare</b>	<b>1.669332</b>	<b>1.254295</b>	<b>0.415037</b>

**GSG**

(Under 5,000 therms annually)

	GSG FSS	GSG-FTS	Difference
BGSS	0.415037	0.000000	0.415037
CIP	0.088280	0.088280	0.000000
Base Rates	0.771098	0.771098	0.000000
IIP	0.009176	0.009176	0.000000
CLEP	0.042407	0.042407	0.000000
RAC	0.065214	0.065214	0.000000
USF	0.017700	0.017700	0.000000
TIC	0.001005	0.001005	0.000000
EET	0.041086	0.041086	0.000000
BSC "J" BS-1	0.081846	0.081846	0.000000
<b>Price to Compare</b>	<b>1.532849</b>	<b>1.117812</b>	<b>0.415037</b>

**GSG**

(5,000 therms annually or greater)

	GSG FSS	GSG-FTS	Difference
BGSS	0.392519	0.000000	0.392519
CIP	0.088280	0.088280	0.000000
Base Rates	0.771098	0.771098	0.000000
IIP	0.009176	0.009176	0.000000
CLEP	0.042407	0.042407	0.000000
RAC	0.065214	0.065214	0.000000
USF	0.017700	0.017700	0.000000
TIC	0.001005	0.001005	0.000000
EET	0.041086	0.041086	0.000000
BSC "J" BS-1	0.081846	0.081846	0.000000
<b>Price to Compare</b>	<b>1.510331</b>	<b>1.117812</b>	<b>0.392519</b>

**GSG-LV**

Prior to 7/15/97

	GSG-LV FSS	GSG-LV-FTS	Difference
BGSS	0.392519	0.000000	0.392519
CIP	0.049526	0.049526	0.000000
Base Rates	0.382900	0.382900	0.000000
CLEP	0.042407	0.042407	0.000000
RAC	0.065214	0.065214	0.000000
USF	0.017700	0.017700	0.000000
TIC	0.001005	0.001005	0.000000
EET	0.041086	0.041086	0.000000
BSC "J" BS-1	0.081846	0.081846	0.000000
<b>Price to Compare</b>	<b>1.074203</b>	<b>0.681684</b>	<b>0.392519</b>

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

19	<u>Volumes:</u>	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Total
20		Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	
21	Rate Schedule RSG	28,646,909	35,548,905	50,178,695	38,834,564	27,386,869	17,433,435	8,252,170	5,000,697	5,933,525	4,452,284	4,834,782	5,202,944	231,705,780
22	Rate Schedule RSG-FT	853,922	1,055,711	1,474,023	1,147,162	787,698	514,062	234,319	125,196	225,991	179,332	179,813	203,043	6,980,272
23	Rate Schedule GSG/GSG-LV	6,568,922	8,441,629	11,517,448	9,960,537	6,923,250	4,657,345	2,364,900	1,640,173	2,494,898	1,864,471	2,704,483	2,757,255	61,895,311
24	Rate Schedule GSG-FT/GSG-LV-FT	6,115,074	7,400,056	10,371,265	8,538,340	7,165,335	4,503,951	2,987,052	3,250,724	2,286,840	1,885,480	2,693,834	3,089,761	60,287,712
25	Rate Schedule EGS - Ltd Firm	30,734	32,797	91,033	47,787	39,549	42,046	42,131	32,139	30,540	30,630	30,436	32,751	482,573
26	Rate Schedule LVS -FS	0	0	0	0	0	0	0	0	0	0	0	0	0
27	Rate Schedule LVS -FT	6,534,700	7,708,902	8,008,230	7,947,904	7,059,824	6,255,697	5,958,604	5,332,757	5,910,028	5,911,607	5,687,330	5,875,601	78,191,185
28	Rate Schedule CTS	3,051,525	3,271,145	2,992,806	3,642,857	3,080,547	2,870,732	2,573,103	2,421,598	2,274,297	2,315,646	2,286,546	2,714,443	33,495,245
29	Rate Schedule FES	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Rate Schedule ITS	928,338	1,080,316	624,119	1,154,456	940,118	964,531	804,335	656,084	553,957	881,701	697,975	901,336	10,187,265
31	Rate Schedule EGS-LV/EGS LV-FT	3,046,300	2,003,313	1,947,525	2,059,064	2,794,208	3,415,654	3,728,755	2,789,549	764,894	709,091	691,430	634,080	24,583,863
32	Rate Schedules IGS	0	0	0	0	0	0	0	0	0	0	0	0	0
33	Rate Schedules NGV	412,144	651,726	-168,713	378,443	327,902	198,995	576,520	134,715	276,128	331,614	469,025	228,738	3,817,237
34	Total	56,188,568	67,194,500	87,036,431	73,711,114	56,505,300	40,856,448	27,521,889	21,383,632	20,751,097	18,561,856	20,275,654	21,639,952	511,626,441
35														
36														
37	<u>Volumes:</u>	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Total
38		Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	
39	Rate Schedule RSG	10,915,474	36,107,220	54,708,526	53,401,696	44,589,514	28,095,772	12,066,649	6,431,721	5,663,091	4,421,468	4,909,191	5,202,944	266,513,267
40	Rate Schedule RSG-FT	439,744	1,243,881	1,870,953	1,781,423	1,512,106	908,590	408,595	222,442	212,758	179,194	182,164	203,043	9,164,893
41	Rate Schedule GSG/GSG-LV	3,603,587	8,427,023	12,705,707	12,061,203	10,858,272	7,204,423	3,888,774	2,917,304	2,505,688	1,874,331	2,730,214	2,757,255	71,533,780
42	Rate Schedule GSG-FT/GSG-LV-FT	4,697,904	7,971,606	10,509,302	10,205,754	8,877,638	6,007,094	3,593,480	2,410,718	2,511,727	1,923,929	2,683,257	3,089,761	64,482,168
43	Rate Schedule EGS - Ltd Firm	34,124	35,725	32,581	29,610	30,353	25,585	26,897	26,246	30,540	30,630	30,436	32,751	365,478
44	Rate Schedule LVS -FS	0	0	0	0	0	0	0	0	0	0	0	0	0
45	Rate Schedule LVS -FT	5,838,082	5,955,974	6,100,236	5,494,941	6,139,881	5,206,002	5,143,168	5,128,531	5,261,698	5,263,277	5,039,000	5,875,601	66,446,390
46	Rate Schedule CTS	2,887,672	3,250,624	3,349,709	2,940,691	3,088,217	2,468,442	2,408,880	2,325,049	2,274,297	2,315,646	2,286,546	2,714,443	32,310,216
47	Rate Schedule FES	0	0	0	0	0	0	0	0	0	0	0	0	0
48	Rate Schedule ITS	976,663	1,036,466	999,029	794,786	1,142,419	904,838	931,906	698,809	553,957	881,701	697,975	901,336	10,519,884
49	Rate Schedule EGS-LV/EGS LV-FT	911,488	990,862	975,269	921,003	970,246	658,381	729,131	711,779	768,538	712,486	688,980	634,080	9,672,243
50	Rate Schedules IGS	0	0	0	0	0	0	0	0	0	0	0	0	0
51	Rate Schedules NGV	358,370	311,054	425,955	353,752	296,348	291,319	125,074	572,553	198,404	389,725	394,742	228,738	3,946,035
52	Total	30,663,107	65,330,434	91,677,266	87,984,859	77,504,995	51,770,446	29,322,554	21,445,152	19,980,698	17,992,386	19,642,505	21,639,952	534,954,355

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

**Residential Heat Customer Impact**

<b>Based on 100 Therms:</b>	<b>Current Bill 7/1/2024</b>	<b>RAC Proposed Bill</b>	<b>CLEP Proposed Bill</b>	<b>TIC Proposed Bill</b>	<b>Total Proposed Bill</b>
Cost of Service	\$ 0.956608	\$ 0.956608	\$ 0.956608	\$ 0.956608	\$ 0.956608
IIP	\$ 0.011513	\$ 0.011513	\$ 0.011513	\$ 0.011513	\$ 0.011513
Balancing Charge	\$ 0.081846	\$ 0.081846	\$ 0.081846	\$ 0.081846	\$ 0.081846
BGSS	\$ 0.415037	\$ 0.415037	\$ 0.415037	\$ 0.415037	\$ 0.415037
CIP	\$ 0.111741	\$ 0.111741	\$ 0.111741	\$ 0.111741	\$ 0.111741
EET	\$ 0.041086	\$ 0.041086	\$ 0.041086	\$ 0.041086	\$ 0.041086
SBC:					
RAC Rate per Therm	\$ 0.058983	\$ 0.065214	\$ 0.058983	\$ 0.058983	\$ 0.065214
CLEP Rate per Therm	\$ 0.026858	\$ 0.026858	\$ 0.042407	\$ 0.026858	\$ 0.042407
USF Rate per Therm	\$ 0.017700	\$ 0.017700	\$ 0.017700	\$ 0.017700	\$ 0.017700
TIC Rate per Therm	\$ 0.000776	\$ 0.000776	\$ 0.000776	\$ 0.001005	\$ 0.001005
Total Rate per Therm	\$ 1.722148	\$ 1.728379	\$ 1.737697	\$ 1.722377	\$ 1.744157
Applicable Therms	100	100	100	100	100
Total per Therm Charge	\$ 172.21	\$ 172.84	\$ 173.77	\$ 172.24	\$ 174.42
Customer Service Charge	10.50	\$ 10.50	\$ 10.50	\$ 10.50	\$ 10.50
Total RSG Bill	\$ 182.72	\$ 183.34	\$ 184.27	\$ 182.74	\$ 184.91
<b>Dollar(Decrease)/Increase</b>		<b>\$ 0.62</b>	<b>\$ 1.55</b>	<b>\$ 0.02</b>	<b>\$ 2.19</b>
<b>Percentage (Decrease)/Increase</b>		<b>0.34%</b>	<b>0.85%</b>	<b>0.01%</b>	<b>1.20%</b>

**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. with a Bachelor of Science degree in Economics  
8 and Business Administration.

9 My professional responsibilities have encompassed financial analysis, planning, and  
10 pricing in financial services, manufacturing, and energy services companies. In 1986, I  
11 was employed by the Prudential as a Rate Analyst being promoted to Associate Manager  
12 prior to leaving in 1996. In 1996, I was employed by Alcatel-Lucent as a Senior Analyst.  
13 In 2001, I was employed by PECO Energy as a Principal Operations Analyst. In 2002, I  
14 joined South Jersey as a Senior Rate Analyst in the Rates and Regulatory Affairs  
15 Department. In 2014, I later transferred to the Company's Energy Efficiency Department,  
16 and in 2021, I returned to the Rates Department in my current position of Rate Analyst,  
17 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") and internal management  
22 purposes. I also oversee daily rate department functions, including tariff administration,  
23 monthly pricing, competitive analyses, and preparation of management reports.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21

**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, which is comprised of, *inter alia*, the Remediation Adjustment Clause (“RAC”) rate, the Clean Energy Program (“CLEP”) rate and the Transportation Initiation Clause (“TIC”) rate. 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.**

**A.** As shown in Schedule RAC JGF-1, South Jersey is proposing that the RAC rate increase to \$0.065214 per therm<sup>1</sup> from its current level of \$0.058983 per therm. Schedule RAC JGF-1 provides a summary of the projected RAC costs, amortization, carrying costs, and prior year reconciliation. While the total Company recoverable expenses are \$92,104,784 (Line 35), the value of allowable expenses to be recovered cannot exceed five (5) percent of the Company’s total revenues from firm gas sales and firm transportation sales recognized during the prior remediation year<sup>2</sup>. Line 41 indicates that allowable recoverable

---

<sup>1</sup> All rates quoted herein are inclusive of applicable taxes.  
<sup>2</sup> 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 expenses are capped at \$32,718,699. The remaining recoverable expenses in excess of the  
2 5% cap of \$59,386,086 (Line 43) will be deferred for recovery to the subsequent Recovery  
3 Year. Schedule RAC JGF-1, (line 22) shows that the cumulative deferred recoverable  
4 expenses from the Company's 2023-2024 RAC Recovery Year totals \$59,025,485. This  
5 value was reduced by the amount of deferred expenses for the RAC recovery years of 2018-  
6 2019, 2019-2020, 2020-2021, 2021-2022, 2022-2023, and 2023-2024 of \$10,563,392,  
7 \$11,005,586, \$5,201,920, \$10,759,321, 8,038,488 and 7,461,967 respectively. The  
8 remainder of \$5,994,811 (Line 29) is the net projected recoverable expenses in excess of  
9 the 5% cap that are deferred.

10 Carrying costs are calculated on this deferred balance using the Company's current Before  
11 Tax Cost Rate of 8.96% effective January 1, 2023, as approved by the Board in the  
12 Company's 2022 Base Rate Case, Docket No. GR22040253<sup>3</sup>, which will be recovered in  
13 the 2023-2024 Recovery Year, along with any accumulated carrying costs related to the  
14 Company's unamortized RAC balance, which are based on the seven (7) year constant  
15 maturity U.S. Treasury note rate. Additionally, the carrying costs associated with the  
16 recoverable expenses in excess of the 5% Cap will continue to accrue annually, will be  
17 deferred to each subsequent RAC Recovery Year, and will be included in each subsequent  
18 Recovery Year calculation of expenses to be recovered, until such time that the Company  
19 is authorized to recover the deferred expense pursuant to its approved Tariff.

20  
21 **Q. How are the recoverable costs calculated?**

---

<sup>3</sup> In The Matter Of The Petition Of South Jersey Gas Company For Approval Of Increased Base Tariff Rates And Charges For Gas Service, Changes To Depreciation Rates And Other Tariff Revisions, BPU Docket No. GR22040253, Order Dated December 21, 2022

1           A.       Schedule RAC JGF-2 details the calculation of the RAC expense amortization for  
2           the seven years ending July 31, 2023. For the Remediation year ending July 31, 2024,  
3           projected remediation expenditures are approximately \$11,984,208, based on eleven  
4           months of actual data and one month of forecasted data. For the seven years ending July  
5           31, 2024, projected remediation expenditures total \$164,571,304. Line 19, Recoverable  
6           Costs, identifies that \$70,725,724 of the \$164,571,304 remains to be amortized. Of this  
7           amount, \$23,510,186 of Amortization Recoverable Costs (Line 30) are forecasted to be  
8           amortized during the Recovery Year beginning November 1, 2024. This amount is reduced  
9           by the annual Deferred Tax Benefit (Line 45) of \$980,133 to provide a net amount of  
10          approximately \$22,530,053 of expenses to be amortized (Line 47).

11                   Beginning with the RAC Remediation Year commencing August 1, 2019,  
12          Natural Resource Damages (“NRD”) related costs, as defined below, that were incurred by  
13          the Company, were deferred in a regulatory asset account with carrying costs per the Board  
14          Order dated April 27, 2021 in BPU Docket No. GR20070504<sup>4</sup>, pending a decision by the  
15          Board as to whether such costs are recoverable through the RAC. As of June 30, 2024, the  
16          life-to-date NRD-related deferred costs for the Company are \$503,959 along with \$49,336  
17          of carrying costs for a total of \$553,295. These NRD-related costs are not included  
18          within the RAC rate proposed within this filing. NRD-related costs are defined as  
19          compensation to the State of New Jersey for injury to its natural resources, above and  
20          beyond costs incurred to investigate, contain or remediate former manufactured gas

---

<sup>4</sup> In The Matter of the Petition of South Jersey Gas Company To Change The Levels of Its Societal Benefits Clause (“SBC”) And Its Transportation Initiation Clause (“TIC”), BPU Docket No. GR20070504, Order dated April 27, 2021.

1 plant sites. NRD-related costs also include any administrative, legal or consulting costs  
2 incurred by the Company associated with NRD claims being investigated by the New  
3 Jersey Department of Environmental Protection, as well as any amounts paid by the  
4 Company to resolve such claims.

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

7 **A.** Schedule RAC JGF-3 provides the monthly detail for the over/under recovered balances,  
8 expenses and net recoveries for the period November 2023 through October 2025. For  
9 illustrative purposes in this filing, the interest rate of 4.93% is used for the period  
10 September 2024 through October 2025 for the calculation of carrying costs. This rate  
11 reflects the June 28, 2024 seven (7) year constant maturity U.S. Treasury Note rate of  
12 4.33% plus sixty (60) basis points. The actual August 31, 2024 rate will be used once it  
13 becomes available, in accordance with the Company's tariff.

14 Schedule RAC JGF-4 provides a reconciliation of the 2023-2024 Recovery Year.  
15 The Company began the 2023-2024 RAC Recovery Year with an under-recovery of  
16 \$55,429,275. Anticipated recoveries during the period November 2023 – October 2024  
17 are \$26,731,489. The recoveries are netted against allowable recoveries of amortized  
18 expenses and carrying costs of \$35,015,540 to derive the projected under-recovery for the  
19 period of \$8,284,051. Deferred tax benefits of \$1,163,412 offset this projected under-  
20 recovery resulting in a projected under-recovered balance of \$62,549,915 as of October 31,  
21 2024. This amount is carried forward to line 18 Schedule RAC JGF-1.

1 Schedule RAC JGF-5 provides recovery projections by customer class for the 2024-  
2 2025 Recovery Year by multiplying the projected therms found in Schedule SBC/TIC-1  
3 by the proposed rate found on Schedule RAC JGF-1.

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

5 **A.** The proposed RAC rate of \$0.065214 per therm is applicable to South Jersey's Rate  
6 Schedules: Residential Service ("RSG), General Service ("GSG"), General Service-Large  
7 Volume ("GSG-LV"), Electric Generation Service ("EGS"), Firm Electric Service  
8 ("FES"), Electric Generation Service-Large Volume ("EGS-LV"), Comprehensive  
9 Transportation Service ("CTS"), Large Volume Service ("LVS"), Interruptible Gas  
10 Service ("IGS"), Interruptible Transportation Service ("ITS"), and Natural Gas Vehicle  
11 ("NGV").

12  
13 **IV. PROPOSED CLEP RATE**

14 **Q. Please state the proposed CLEP rate and explain the basis for the CLEP rate**  
15 **calculation.**

16 **A.** As shown in Schedule CLEP JGF-1, South Jersey is proposing that the CLEP rate increase  
17 to \$0.042407 per therm from its current level of \$0.026858 per therm. South Jersey's  
18 CLEP cost recovery component, as approved by the Board in BPU Docket No.  
19 EX99050347, *et al.*, provides that the CLEP factor shall be calculated annually based on  
20 the projected CLEP plan costs divided by projected therm sales. Any difference between  
21 the preceding year's costs and recoveries will be added to or deducted from the succeeding  
22 year's computation.

1           On June 29, 2023, in BPU Docket No. QO23040235<sup>5</sup>, the Board approved the  
2 New Jersey Clean Energy Program’s 2024 Fiscal Year programs and budget through June  
3 30, 2024. On June 27, 2024, in BPU Docket No. QO24040224<sup>6</sup>, the Board approved the  
4 New Jersey Clean Energy Program’s 2025 Fiscal Year programs and budget through June  
5 30, 2025. The costs included in this filing are based upon the Board’s approved payment  
6 schedule less the costs the Company incurs managing the statewide Comfort Partners  
7 Program costs.

8           The CLEP rate calculation as shown on Schedule CLEP JGF-1 begins with the  
9 projected under-recovered balance as of October 31, 2024 of \$6,057,923 (Line 3). Based  
10 on the assumptions stated above, South Jersey projects that it will incur \$15,178,087 (Line  
11 5) of CLEP costs for the period November 1, 2024 through October 31, 2025. These CLEP  
12 costs are added to the projected under-recovered balance as of October 31, 2024 as well as  
13 projected carrying costs of \$40,257 (Line 7) for the year ending October 31, 2025 to derive  
14 the total CLEP costs to be recovered of \$21,276,267 (Line 9). Schedule CLEP JGF-1  
15 provides the therm sales projections, found in Schedule SBC/TIC-1, utilized to derive the  
16 proposed CLEP rate. Schedule CLEP JGF-2 provides the monthly detail for the over/under  
17 recovered balances, expenses and net recoveries.

---

<sup>5</sup> In The Matter Of The Comprehensive Energy ) Efficiency And Renewable Energy Resource ) Analysis For Fiscal Year 2024 Clean Energy ) Program, BPU Docket No. QO23040235, Order Date June 29, 2023.

<sup>6</sup> In The Matter Of The Clean Energy Programs And Budget For Fiscal Year 2025, BPU Docket No. QO24040224, Order Dated June 27, 2024

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

2 **A.** The proposed CLEP rate of \$0.042407 per therm is applicable to South Jersey's Rate  
3 Schedules RSG, GSG, GSG-LV, EGS, FES, EGS-LV, CTS, LVS, ITS, and NGV.

4

5 **V. PROPOSED TIC RATE**

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

7 **A.** As shown in Schedule TIC JGF-1, South Jersey is proposing that the TIC rate increase to  
8 \$0.001005 per therm from its current level of \$0.000776 per therm.

9 The Company proposes to recover \$388,068 (Line 7) of TIC costs during the period  
10 November 2024 through October 2025. The TIC is designed to recover expenditures for  
11 the year ending July 31<sup>st</sup> plus projected carrying costs incurred during the upcoming  
12 Recovery Year (November 1<sup>st</sup> to October 31<sup>st</sup>). The TIC recovery amount is calculated  
13 based on the Company's projected under-recovered TIC balance as of October 31, 2024 of  
14 \$430,274 (Line 1) less \$57,000 (Line 3) of projected expenses to be incurred during the  
15 three months of August 2024 through October 2024, plus projected interest costs of  
16 \$14,794 (Line 5). Schedule TIC JGF-2 provides the monthly detail for the over/under  
17 recovered balances, expenses, and net recoveries. JGF

18

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

20 **A.** The proposed TIC rate of \$0.001005 per therm is applicable to South Jersey's Rate  
21 Schedules RSG, GSG, and GSG-LV.

22

23

24



1 VI. **PROPOSED BILL IMPACT**

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

4 **A.** Schedule SBC/TIC-2 illustrates a comparison of current rates at the time of this filing to  
5 the proposed rates in this filing. The total monthly bill of a residential customer utilizing  
6 100 therms of gas would be \$184.91, which is a \$2.19, or 1.20%, increase from the current  
7 bill of \$182.72 based on rates in effect as of July 1, 2024.

8

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

10 **A.** Yes, it does.

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

<u>REMEDATION YEAR</u>		<u>Actual/Projected Aug '23 - July '24</u>
1 AMORTIZATION OF RECOVERABLE COST (RAC JGF-2)		\$23,510,186
2		
3 LESS: DEFERRED TAX BENEFIT (RAC JGF-2)		<u>\$980,133</u>
4		
5 NET AMORTIZATION (RAC JGF-2)		<u><u>\$22,530,053</u></u>
6		
7		
8		
<u>RECOVERY YEAR</u>		<u>Projected Nov '24 - Oct '25</u>
10		
11 AMORTIZATION (RAC JGF-2)		\$22,530,053
12		
13 CARRYING COST (RAC JGF-3)		\$6,487,682
14		
15 SUBTOTAL		<u>\$29,017,735</u>
16		
17		
18 PRIOR YEAR RECONCILIATION - UNDER RECOVERY (RAC JGF-4)		<u>\$62,549,915</u>
19		
20		
21 <b><u>DEFERRAL OF RECOVERABLE EXPENSES IN EXCESS OF 5% CAP</u></b>		
22 PROJECTED CUMULATIVE RECOVERABLE EXPENSE DEFERRAL FROM 2023-2024 RAC RECOVERY YEAR	\$59,025,485	
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 LESS: EXPENSE DEFERRAL FROM 2023-2024 RAC RECOVERY YEAR	<u>(\$7,461,967)</u>	
29 NET PROJECTED RECOVERABLE EXPENSES IN EXCESS OF 5% CAP - DEFERRED	\$5,994,811	
30		
31 BEFORE TAX COST RATE ON DEFERRED COSTS	<u>8.96%</u>	
32		
33 CARRYING COSTS ON DEFERRED COSTS		\$537,135
34		
35 TOTAL RECOVERABLE EXPENSES (LINES 15, 18, 33)		<u>\$92,104,784</u>
36		
37 TOTAL COMPANY FIRM REVENUES - (AUGUST 1, 2022 - JULY 31, 2023)		\$654,373,975
38		
39 RECOVERABLE EXPENSES AS A % OF PRECEDING YEAR REVENUES		14.08%
40		
41 TOTAL ALLOWABLE EXPENSES (5% OF COMPANY REVENUE)	5.00%	<u>\$32,718,699</u>
42		
43 RECOVERABLE EXPENSES IN EXCESS OF 5% CAP (Line 35 less Line 41)		\$59,386,086
44 (DEFERRED TO SUBSEQUENT RAC RECOVERY YEAR)		
45		
46		
47		
<u>THERM SALES PROJECTION - RECOVERY YEAR (SBC/TIC-1)</u>		<u>Projected Nov '24 - Oct '25</u>
49		
50 RSG		266,513,267
51 GSG & GSG-LV		71,533,780
52 EGS		365,478
53 RSG-FT		9,164,893
54 GSG-FT & GSG-LV-FT		64,482,168
55 LVS-FT		66,446,390
56 CTS		32,310,216
57 LVS-FS		0
58 FES & EGS-LV		9,672,243
59 ITS & IGS		10,519,884
60 NGV		<u>3,946,035</u>
61 TOTAL THERM SALES		<u><u>534,954,355</u></u>
62		
63		
64		
65 RATE PER THERM (Excluding SUT)		<u>\$ 0.061162</u>
66		
67 RATE PER THERM (Including SUT)		<u><u>\$ 0.065214</u></u>

SOUTH JERSEY GAS COMPANY  
 REMEDIATION ADJUSTMENT CLAUSE  
 AMORTIZATION RECOVERY YEAR 2023-2024

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47

	YE 7/31/18	YE 7/31/19	YE 7/31/20	YE 7/31/21	YE 7/31/22	YE 7/31/23	YE 7/31/24	Total
RECOVERABLE COST	\$49,199,308	\$34,045,592	\$26,127,347	\$12,118,095	\$19,534,824	\$11,561,930	\$11,984,208	\$164,571,304
LESS RECOVERED COST Y/E 10/31/18	(\$7,028,473)	\$0	\$0	\$0	\$0	\$0	\$0	(\$7,028,473)
LESS RECOVERED COST Y/E 10/31/19	(\$7,028,473)	(\$4,863,656)	\$0	\$0	\$0	\$0	\$0	(\$11,892,129)
LESS RECOVERED COST Y/E 10/31/20	(\$7,028,473)	(\$4,863,656)	(\$3,732,478)	\$0	\$0	\$0	\$0	(\$15,624,607)
LESS RECOVERED COST Y/E 10/31/21	(\$7,028,473)	(\$4,863,656)	(\$3,732,478)	(\$1,731,156)	\$0	\$0	\$0	(\$17,355,763)
LESS RECOVERED COST Y/E 10/31/22	(\$7,028,473)	(\$4,863,656)	(\$3,732,478)	(\$1,731,156)	(\$2,790,689)	\$0	\$0	(\$20,146,452)
LESS RECOVERED COST Y/E 10/31/23	(\$7,028,473)	(\$4,863,656)	(\$3,732,478)	(\$1,731,156)	(\$2,790,689)	(\$1,651,704)	\$0	(\$21,798,157)
RECOVERABLE COST (Summation of Lines 12 - 17)	\$7,028,473	\$9,727,312	\$11,197,434	\$6,924,626	\$13,953,446	\$9,910,226	\$11,984,208	\$70,725,724
7TH REMEDIATION YEAR AMORTIZATION (L18/1)	\$7,028,473							\$7,028,473
6TH REMEDIATION YEAR AMORTIZATION (L18/2)		\$4,863,656						\$4,863,656
5TH REMEDIATION YEAR AMORTIZATION (L18/3)			\$3,732,478					\$3,732,478
4TH REMEDIATION YEAR AMORTIZATION (L18/4)				\$1,731,156				\$1,731,156
3RD REMEDIATION YEAR AMORTIZATION (L18/5)					\$2,790,689			\$2,790,689
2ND REMEDIATION YEAR AMORTIZATION (L18/6)						\$1,651,704		\$1,651,704
1ST REMEDIATION YEAR AMORTIZATION (L18/7)							\$1,712,030	\$1,712,030
AMORTIZATION RECOVERABLE COST (Summation of Lines 22 - 28)	\$7,028,473	\$4,863,656	\$3,732,478	\$1,731,156	\$2,790,689	\$1,651,704	\$1,712,030	\$23,510,186
DEFERRED TAX CALCULATION :								
UNAMORTIZED RECOVERABLE COSTS (L19)	\$7,028,473	\$9,727,312	\$11,197,434	\$6,924,626	\$13,953,446	\$9,910,226	\$11,984,208	
TAX RATE	28.11%	28.11%	28.11%	28.11%	28.11%	28.11%	28.11%	
DEFERRED TAXES ON UNAMORTIZED RECOVER. COSTS (L34 * L36)	\$1,975,704	\$2,734,347	\$3,147,599	\$1,946,512	\$3,922,314	\$2,785,764	\$3,368,761	
SBC Carrying Cost Rate *	4.93%	4.93%	4.93%	4.93%	4.93%	4.93%	4.93%	
DEFERRED TAX BENEFIT (L38 * L43)	(\$97,402)	(\$134,803)	(\$155,177)	(\$95,963)	(\$193,370)	(\$137,338)	(\$166,080)	(\$980,133)
AMORTIZATION OF EXPENSES	\$6,931,071	\$4,728,853	\$3,577,301	\$1,635,193	\$2,597,319	\$1,514,366	\$1,545,950	\$22,530,053

\* Effective September 1, 2023, the carrying cost rate of 4.93% is being utilized based on the 7 year constant maturity U.S. Treasury note as of June 28, 2024 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**  
**Remediation Adjustment Clause**  
**Activity**

	Actual Nov-23	Actual Dec-23	Actual Jan-24	Actual Feb-24	Actual Mar-24	Actual Apr-24	Actual May-24	Actual Jun-24	Projected Jul-24	Projected Aug-24	Projected Sep-24	Projected Oct-24	Total	
1														
2														
3														
4	Unamort Balance Beg Month	\$ (148,331.3)	\$ (147,254.7)	\$ (144,273.1)	\$ (142,170.4)	\$ (140,032.7)	\$ (137,484.6)	\$ (135,202.9)	\$ (135,196.0)	\$ (135,045.3)	\$ (135,672.8)	\$ (135,491.3)	\$ (135,911.9)	\$ (148,331.3)
5														
6	RAC Cash Recovery	\$ 1,888.8	\$ 3,066.1	\$ 3,897.4	\$ 4,199.2	\$ 3,497.0	\$ 2,789.6	\$ 1,717.7	\$ 1,182.3	\$ 1,147.9	\$ 1,026.8	\$ 1,121.6	\$ 1,197.1	\$ 26,731.5
7													\$	
8	DFIT Offset	\$ 97.0	\$ 97.0	\$ 97.0	\$ 97.0	\$ 97.0	\$ 97.0	\$ 97.0	\$ 97.0	\$ 97.0	\$ 97.0	\$ 97.0	\$ 97.0	\$ 1,163.4
9	Gross Recovery	\$ 1,985.8	\$ 3,163.0	\$ 3,994.4	\$ 4,296.1	\$ 3,593.9	\$ 2,886.6	\$ 1,814.6	\$ 1,279.2	\$ 1,244.9	\$ 1,123.8	\$ 1,218.6	\$ 1,294.0	\$ 27,894.9
10	Carrying Costs *	\$ (589.9)	\$ (581.8)	\$ (571.7)	\$ (563.2)	\$ (553.9)	\$ (544.2)	\$ (539.7)	\$ (539.4)	\$ (540.3)	\$ (541.2)	\$ (557.5)	\$ (561.6)	\$ (6,684.5)
11	Net Recovery	\$ 1,395.8	\$ 2,581.2	\$ 3,422.7	\$ 3,732.9	\$ 3,040.1	\$ 2,342.3	\$ 1,274.9	\$ 739.9	\$ 704.6	\$ 582.6	\$ 661.1	\$ 732.4	\$ 21,210.4
12														
13	RAC Expenditures	\$ (319.3)	\$ 400.5	\$ (1,320.0)	\$ (1,595.2)	\$ (491.9)	\$ (60.7)	\$ (1,268.0)	\$ (589.2)	\$ (1,332.1)	\$ (401.1)	\$ (1,081.7)	\$ (2,318.1)	\$ (10,376.8)
14														
15	Insurance Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16														
17	Unamort Bal EOM	\$ (147,254.7)	\$ (144,273.1)	\$ (142,170.4)	\$ (140,032.7)	\$ (137,484.6)	\$ (135,202.9)	\$ (135,196)	\$ (135,045)	\$ (135,672.8)	\$ (135,491.3)	\$ (135,911.9)	\$ (137,497.6)	\$ (137,497.6)
18														
19														
20														
21														
22														
23														
24														
25														
26	Unamort Balance Beg Month	\$ (137,497.6)	\$ (138,155.3)	\$ (136,665.9)	\$ (133,720.8)	\$ (130,663.8)	\$ (128,144.2)	\$ (127,239.6)	\$ (127,727.9)	\$ (128,535.3)	\$ (129,574.6)	\$ (130,568.1)	\$ (131,943.2)	\$ (137,497.6)
27														
28	Projected RAC Cash Recovery	\$ 1,875.4	\$ 3,995.7	\$ 5,607.2	\$ 5,381.3	\$ 4,740.4	\$ 3,166.4	\$ 1,793.4	\$ 1,311.6	\$ 1,222.1	\$ 1,100.5	\$ 1,201.4	\$ 1,323.5	\$ 32,718.9
29	DFIT Offset	\$ 81.7	\$ 81.7	\$ 81.7	\$ 81.7	\$ 81.7	\$ 81.7	\$ 81.7	\$ 81.7	\$ 81.7	\$ 81.7	\$ 81.7	\$ 81.7	\$ 980.1
30	Gross Recovery	\$ 1,957.1	\$ 4,077.4	\$ 5,688.8	\$ 5,463.0	\$ 4,822.0	\$ 3,248.1	\$ 1,875.1	\$ 1,393.3	\$ 1,303.7	\$ 1,182.1	\$ 1,283.1	\$ 1,405.2	\$ 33,699.0
31	Carrying Costs **	\$ (566.2)	\$ (564.5)	\$ (555.4)	\$ (543.1)	\$ (531.6)	\$ (524.6)	\$ (523.7)	\$ (526.4)	\$ (530.2)	\$ (534.4)	\$ (539.2)	\$ (548.2)	\$ (6,487.7)
32	Net Recovery	\$ 1,390.9	\$ 3,512.9	\$ 5,133.4	\$ 4,919.9	\$ 4,290.4	\$ 2,723.5	\$ 1,351.4	\$ 866.9	\$ 773.5	\$ 647.8	\$ 743.8	\$ 857.0	\$ 27,211.3
33														
34	RAC Expenditures	\$ (2,048.5)	\$ (2,023.5)	\$ (2,188.3)	\$ (1,862.9)	\$ (1,770.8)	\$ (1,818.9)	\$ (1,839.6)	\$ (1,674.4)	\$ (1,812.8)	\$ (1,641.2)	\$ (2,118.9)	\$ (3,841.9)	\$ (24,641.8)
35														
36	Insurance Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37														
38	Unamort Bal EOM	\$ (138,155.3)	\$ (136,665.9)	\$ (133,720.8)	\$ (130,663.8)	\$ (128,144.2)	\$ (127,239.6)	\$ (127,727.9)	\$ (128,535.3)	\$ (129,574.6)	\$ (130,568.1)	\$ (131,943.2)	\$ (134,928.1)	\$ (134,928.1)

\* Effective September 1, 2023 the carrying cost rate of 4.79 is being utilized based on 7 year constant maturity U.S. Treasury note as of August 31, 2023 of 4.19 plus 60 basis points.

\*\* Effective September 1, 2023, the carrying cost rate of 4.93 is being utilized based on the 7 year constant maturity U.S. Treasury note as of June 28, 2024 of 4.33 plus 60 basis

**RAC JGF-4**

SOUTH JERSEY GAS COMPANY  
REMEDATION ADJUSTMENT CLAUSE  
AMORTIZATION-RECOVERY YEAR 2023-2024

1	Actual October 2023 Over/(Under) Recovered Balance		\$ (55,429,275)
2			
3	Projected RAC Recoveries November 2023 - October 2024	\$ 26,731,489	
4			
5	Less Allowable Recoveries of Amortized Expenses & Carrying Costs	\$ (35,015,540)	
6			
7	Projected Under Recovery For Period		\$ (8,284,051)
8			
9	Deferred Tax Benefit		\$ 1,163,412
10			
11	Total Projected October 2024 Over/(Under) Recovered Balance		<u>\$ (62,549,915)</u>

SOUTH JERSEY GAS COMPANY  
Remediation Adjustment Clause

Projected 2024-2025 (Recoveries)

	Projected Nov-24	Projected Dec-24	Projected Jan-25	Projected Feb-25	Projected Mar-25	Projected Apr-25	Projected May-25	Projected Jun-25	Projected Jul-25	Projected Aug-25	Projected Sep-25	Projected Oct-25	Total
11 Firm Recovery													
12 RSG	\$667,612	\$2,208,390	\$3,346,083	\$3,266,155	\$2,727,184	\$1,718,394	\$738,020	\$393,377	\$346,366	\$270,426	\$300,256	\$318,222	\$16,300,484
14 GSG & GSG-LV	\$220,403	\$515,414	\$777,106	\$737,687	\$664,114	\$440,637	\$237,845	\$178,428	\$153,253	\$114,638	\$166,985	\$168,639	\$4,375,149
16 EGS	\$2,087	\$2,185	\$1,993	\$1,811	\$1,856	\$1,565	\$1,645	\$1,605	\$1,868	\$1,873	\$1,862	\$2,003	\$22,353
18 GSG-FT & GSG-LV-FT	\$287,333	\$487,559	\$642,770	\$624,204	\$542,974	\$367,406	\$219,784	\$147,444	\$153,622	\$117,671	\$164,113	\$188,976	\$3,943,858
20 RSG-FT	\$26,896	\$76,078	\$114,431	\$108,955	\$92,483	\$55,571	\$24,990	\$13,605	\$13,013	\$10,960	\$11,142	\$12,418	\$560,543
22 LVS-FT	\$357,069	\$364,279	\$373,103	\$336,082	\$375,527	\$318,409	\$314,566	\$313,671	\$321,816	\$321,913	\$308,195	\$359,364	\$4,063,994
24 CTS	\$176,616	\$198,815	\$204,875	\$179,859	\$188,882	\$150,975	\$147,332	\$142,205	\$139,101	\$141,630	\$139,850	\$166,021	\$1,976,157
26 LVS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
28 EGS-LV	\$55,748	\$60,603	\$59,649	\$56,330	\$59,342	\$40,268	\$44,595	\$43,534	\$47,005	\$43,577	\$42,139	\$38,782	\$591,574
30 FES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
31 FES & EGS-LV	\$55,748	\$60,603	\$59,649	\$56,330	\$59,342	\$40,268	\$44,595	\$43,534	\$47,005	\$43,577	\$42,139	\$38,782	\$591,574
33 Subtotal	\$1,793,764	\$3,913,323	\$5,520,010	\$5,311,083	\$4,652,363	\$3,093,225	\$1,728,779	\$1,233,869	\$1,176,044	\$1,022,687	\$1,134,542	\$1,254,425	\$31,834,114
35 NGV	\$21,919	\$19,025	\$26,052	\$21,636	\$18,125	\$17,818	\$7,650	\$35,018	\$12,135	\$23,836	\$24,143	\$13,990	\$241,347
36 ITS & IGS Recovery	\$59,735	\$63,392	\$61,103	\$48,611	\$69,873	\$55,342	\$56,997	\$42,741	\$33,881	\$53,927	\$42,690	\$55,128	\$643,417
38 TOTAL	\$1,875,417	\$3,995,740	\$5,607,165	\$5,381,330	\$4,740,361	\$3,166,384	\$1,793,426	\$1,311,628	\$1,222,059	\$1,100,450	\$1,201,375	\$1,323,543	\$32,718,878

**South Jersey Gas Company  
Clean Energy Program Clause (CLEP)  
Calculation of 2024 - 2025 Recovery Rate**

1	<b>Rate Calculation:</b>		
2			
3	Projected Under-Recovered Balance as of October 31, 2024	\$ 6,057,923	(CLEP JGF-2, Line 10)
4			
5	Plus: November 2024 - October 2025 Expenses	\$ 15,178,087	(CLEP JGF-2, Line 21)
6			
7	Carrying Costs	<u>\$ 40,257</u>	(CLEP JGF-2, Line 27)
8			
9	Total CLEP Cost	<u><u>\$ 21,276,267</u></u>	
10			
11			
12			
13			
14		<b>Projected</b>	
15	<b>Therm Sales Projection (SBC/TIC-1):</b>	<b><u>Nov '24 - Oct '25</u></b>	
16			
17	RSG	266,513,267	
18	RSG FT	9,164,893	
19	GSG & GSG-LV	71,533,780	
20	GSG FT & GSG-LV FT	64,482,168	
21	EGS	365,478	
22	LVS FT	66,446,390	
23	CTS	32,310,216	
24	FES/EGS-LV	9,672,243	
25	ITS	10,519,884	
26	NGV	<u>3,946,035</u>	
27			
28	Total	<u><u>534,954,355</u></u>	
29			
30	CLEP Rate Per Therm (Excluding SUT)	<u><u>\$ 0.039772</u></u>	
31			
32	CLEP Rate Per Therm (Including SUT)	<u><u>\$ 0.042407</u></u>	

**SOUTH JERSEY GAS COMPANY**  
**Clean Energy Program Clause (CLEP)**

	Actual Nov-23	Actual Dec-23	Actual Jan-24	Actual Feb-24	Actual Mar-24	Actual Apr-24	Actual May-24	Actual Jun-24	Projected Jul-24	Projected Aug-24	Projected Sep-24	Projected Oct-24	Total
Under/(Over) Recovered Beginning Balance	\$ 5,395,229	\$ 5,234,107	\$ 4,900,060	\$ 4,751,382	\$ 3,837,128	\$ 2,668,810	\$ 772,869	\$ 1,850,701	\$ 5,433,950	\$ 5,527,486	\$ 5,814,129	\$ 6,042,680	\$ 5,395,229
Net Expenses	\$ 909,186	\$ 1,419,976	\$ 2,087,007	\$ 1,213,270	\$ 404,314	\$ (634,059)	\$ 1,853,477	\$ 4,107,168	\$ 594,358	\$ 731,562	\$ 714,919	\$ 535,475	\$ 13,936,652
Recoveries	\$ (1,070,308)	\$ (1,754,022)	\$ (2,235,685)	\$ (2,127,524)	\$ (1,572,633)	\$ (1,261,882)	\$ (775,646)	\$ (523,918)	\$ (500,822)	\$ (444,919)	\$ (486,367)	\$ (520,232)	\$ (13,273,958)
Net Activity	\$ (161,122)	\$ (334,046)	\$ (148,678)	\$ (914,254)	\$ (1,168,319)	\$ (1,895,941)	\$ 1,077,831	\$ 3,583,249	\$ 93,535	\$ 286,643	\$ 228,552	\$ 15,243	\$ 662,694
Under/(Over) Recovered Ending Balance	\$ 5,234,107	\$ 4,900,060	\$ 4,751,382	\$ 3,837,128	\$ 2,668,810	\$ 772,869	\$ 1,850,700	\$ 5,433,950	\$ 5,527,486	\$ 5,814,129	\$ 6,042,680	\$ 6,057,923	\$ 6,057,923
Carrying Costs *	4.79% \$ 21,214	\$ 20,226	\$ 19,263	\$ 17,141	\$ 12,985	\$ 6,869	\$ 5,236	\$ 14,539	\$ 21,877	\$ 22,636	\$ 24,356	\$ 24,857	\$ 211,199

  

	Projected Nov-24	Projected Dec-24	Projected Jan-25	Projected Feb-25	Projected Mar-25	Projected Apr-25	Projected May-25	Projected Jun-25	Projected Jul-25	Projected Aug-25	Projected Sep-25	Projected Oct-25	Total
Under/(Over) Recovered Beginning Balance	\$ 6,057,923	\$ 5,410,374	\$ 3,113,390	\$ 469,124	\$ (999,317)	\$ (1,302,032)	\$ (980,159)	\$ (300,223)	\$ 324,784	\$ 319,835	\$ 389,421	\$ 324,585	\$ 6,057,923
Net Expenses	\$ 548,426	\$ 283,829	\$ 994,563	\$ 2,031,982	\$ 2,784,541	\$ 2,385,575	\$ 1,848,783	\$ 1,477,873	\$ 788,400	\$ 783,722	\$ 714,919	\$ 535,475	\$ 15,178,087
Recoveries	\$ (1,195,975)	\$ (2,580,813)	\$ (3,638,829)	\$ (3,500,423)	\$ (3,087,256)	\$ (2,063,702)	\$ (1,168,847)	\$ (852,867)	\$ (793,348)	\$ (714,136)	\$ (779,755)	\$ (859,997)	\$ (21,235,948)
Net Activity	\$ (647,549)	\$ (2,296,964)	\$ (2,644,266)	\$ (1,468,441)	\$ (302,715)	\$ 321,873	\$ 679,936	\$ 625,007	\$ (4,949)	\$ 69,585	\$ (64,836)	\$ (324,522)	\$ (6,057,861)
Under/(Over) Recovered Ending Balance	\$ 5,410,374	\$ 3,113,390	\$ 469,124	\$ (999,317)	\$ (1,302,032)	\$ (980,159)	\$ (300,223)	\$ 324,784	\$ 319,835	\$ 389,421	\$ 324,585	\$ 63	\$ 63
Carrying Costs **	4.93% \$ 23,558	\$ 17,509	\$ 7,359	\$ (1,089)	\$ (4,727)	\$ (4,688)	\$ (2,630)	\$ 50	\$ 1,324	\$ 1,457	\$ 1,467	\$ 667	\$ 40,257

\* Effective September 1, 2023 the carrying cost rate of 4.79% is being utilized. This rate is based on the 7 year Treasury as of August 31, 2023 of 4.19% plus 60 basis points.

\*\* Effective September 1, 2023, the carrying cost rate of 4.93% is being utilized based on the 7 year constant maturity U.S. Treasury note as of June 28, 2024 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 2024 - 2025 Rate**

1	Projected Under-Recovered Balance at October 31, 2024	\$430,274	(TIC JGF-2, Line 10)
2			
3	Less: August 2024 through October 2024 Expenses	(\$57,000)	(TIC JGF-2, Line 6)
4			
5	Plus Carrying Cost November 2024 - October 2025	\$14,794	(TIC JGF-2, Line 27)
6			
7	Total Cost	<u>\$388,068</u>	
8			
9	<b>Therm Sales Projection:</b>		
10	Rate Schedule RSG	266,513,267	
11	Rate Schedule RSG-FT	9,164,893	
12	Rate Schedule GSG & GSG-LV	71,533,780	
13	Rate Schedule GSG-FT & GSG-LV-FT	64,482,168	
14			
15	Total Therms	<u>411,694,109</u>	
16			
17			
18	TIC Rate Per Therm (Excluding SUT)	\$0.000943	
19			
20	TIC Rate Per Therm (Including SUT)	\$0.001005	

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

	Actual Nov-23	Actual Dec-23	Actual Jan-24	Actual Feb-24	Actual Mar-24	Actual Apr-24	Actual May-24	Actual Jun-24	Projected Jul-24	Projected Aug-24	Projected Sep-24	Projected Oct-24	Total
Under/(Over) Recovered Beginning Balance	\$351,390	\$367,737	\$375,802	\$380,515	\$380,670	\$373,925	\$364,782	\$367,964	\$377,564	\$390,131	\$404,616	\$417,724	\$351,390
Expense	\$20,546	\$17,300	\$17,720	\$27,074	\$28,695	\$17,985	\$16,700	\$16,700	\$19,000	\$19,000	\$19,000	\$19,000	\$238,720
Net Recoveries	(\$4,199)	(\$9,235)	(\$13,006)	(\$26,919)	(\$35,440)	(\$27,128)	(\$13,518)	(\$7,100)	(\$6,433)	(\$4,516)	(\$5,891)	(\$6,450)	(\$159,836)
Net Activity	\$16,347	\$8,065	\$4,714	\$155	(\$6,745)	(\$9,143)	\$3,182	\$9,600	\$12,567	\$14,484	\$13,109	\$12,550	\$78,884
Under/(Over) Recovered Ending Balance	\$367,737	\$375,802	\$380,515	\$380,670	\$373,925	\$364,782	\$367,964	\$377,564	\$390,131	\$404,616	\$417,724	\$430,274	\$430,274
Carrying Costs * 4.79%	\$1,435	\$1,484	\$1,509	\$1,519	\$1,506	\$1,474	\$1,462	\$1,488	\$1,532	\$1,586	\$1,689	\$1,742	\$18,428
	Projected Nov-24	Projected Dec-24	Projected Jan-25	Projected Feb-25	Projected Mar-25	Projected Apr-25	Projected May-25	Projected Jun-25	Projected Jul-25	Projected Aug-25	Projected Sep-25	Projected Oct-25	Total
Under/(Over) Recovered Beginning Balance	\$430,274	\$432,510	\$402,539	\$347,835	\$295,120	\$253,161	\$233,351	\$234,492	\$243,174	\$253,923	\$267,073	\$278,287	\$430,274
Expense	\$19,000	\$19,000	\$19,000	\$19,000	\$19,000	\$19,000	\$19,000	\$19,000	\$20,000	\$20,000	\$20,000	\$20,000	\$232,000
Net Recoveries	(\$16,764)	(\$48,971)	(\$73,705)	(\$71,715)	(\$60,959)	(\$38,810)	(\$17,859)	(\$10,318)	(\$9,251)	(\$6,850)	(\$8,786)	(\$9,447)	(\$373,433)
Net Activity	\$2,236	(\$29,971)	(\$54,705)	(\$52,715)	(\$41,959)	(\$19,810)	\$1,141	\$8,682	\$10,749	\$13,150	\$11,214	\$10,553	(\$141,433)
Under/(Over) Recovered Ending Balance	\$432,510	\$402,539	\$347,835	\$295,120	\$253,161	\$233,351	\$234,492	\$243,174	\$253,923	\$267,073	\$278,287	\$288,841	\$288,841
Carrying Costs ** 4.93%	\$1,772	\$1,715	\$1,541	\$1,321	\$1,126	\$999	\$961	\$981	\$1,021	\$1,070	\$1,120	\$1,165	\$14,794

\* Effective September 1, 2023 the carrying cost rate of 4.79% is being utilized. This rate is based on the 7 year Treasury as of August 31, 2023 of 4.19% plus 60 basis points.

\*\* Effective September 1, 2024, the carrying cost rate of 4.93% is being utilized based on the 7 year constant maturity U.S. Treasury note as of June 28, 2024 of 4.33% plus 60 basis points. The rate will be updated when the August 31, 2024 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 of  
4         South Jersey Industries (“SJI”). My business address is One South Jersey Plaza, Folsom,  
5         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, Chief Administrative Officer of SJI, the President  
20        of South Jersey Gas Company (“South Jersey” or “Company”) and Senior SJI leaders, I  
21        share the responsibility of managing the investigation and remediation of the former  
22        Manufactured Gas Plant (“MGP”) sites where South Jersey is the remediating responsible  
23        party. The duties inherent to my role include: 1) managing the scheduling and financial  
24        aspects associated with the investigation and remediation of the MGP sites; 2) participation

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

8  
9 **Q. Have you provided testimony previously in regulatory proceedings?**

10 **A.** Yes, most recently I provided direct testimony in the Company's 2023-2024 Societal  
11 Benefits Clause ("SBC") filing in BPU Docket No. GR23070475 and provided tables and  
12 summary testimony on behalf of the Company in its previous nineteen SBC proceedings  
13 regarding the Company's Remediation Adjustment Clause ("RAC").

14  
15 **Q. What is the purpose of your testimony in this proceeding?**

16 **A.** The purpose of my testimony is to: 1) provide a general overview of the Company's on-  
17 going MGP remediation program; 2) identify and describe the general nature and  
18 categories of expenses incurred by the Company during the period August 1, 2023 through  
19 April 30, 2024; 3) provide a brief history of the Company's former MGP sites, and 4) report  
20 on key developments relating to ongoing remediation activities at those sites. Cost  
21 Schedules supporting this information are included as Schedules RAC KWS-1, RAC-  
22 KWS-2, and RAC KWS-3. For purposes of my testimony, a "Remediation Year" is  
23 defined as August 1 to July 31.

1 **II. THE COMPANY'S MGP REMEDIATION PROGRAM**

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

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

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

18 These goals reflect South Jersey's commitment to a sound environmental program. The  
19 Company has built its overall program on a good working knowledge and understanding  
20 of the New Jersey Department of Environmental Protection ("NJDEP") regulations and on  
21 technical expertise gained through years of experience in the investigation and remediation  
22 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 2023-2024 Remediation Year in connection with implementing**  
4 **and managing its MGP Program.**

5 **A.** The costs the Company incurred during the 2023-2024 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, 2023, through April 30, 2024.

16  
17 **IV. BACKGROUND AND CURRENT STATUS OF REMEDIATION EFFORTS**

18 **AT SOUTH JERSEY'S MGP SITES**

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

21 **A.** South Jersey's environmental program originally had fourteen (14) MGP sites under  
22 investigation and remediation. The Woodbury Heights site in Gloucester County has  
23 received regulatory closure and the Kirkman Boulevard site in Atlantic City is being  
24 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  
24 unrestricted use along with subsequent groundwater monitoring to evaluate any



1 remaining groundwater impacts. Impacted sediments were also proposed to be  
2 removed in accordance with the RAWP. The NJDEP approved the selected remedy  
3 in April of 2008 and remedial activities were initiated in the fall of 2010. Impacted  
4 soil and sediment removal was completed, and a Response Action Outcome  
5 (“RAO”) was issued for all areas of concern as follows: Soil RAO issued October  
6 2013, Sediment RAO issued January 2016, and Groundwater RAO issued February  
7 2017.

8  
9 **B. FORMER EGG HARBOR CITY MGP SITE**

10 **Site History**

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

19 Soil and groundwater impacts associated with former MGP site operations were  
20 identified, characterized, and delineated through several phases of RI activities.  
21 Upon RI completion, remedial alternatives were evaluated and a RAWP was  
22 developed to address the identified impacts. The selected remedy included  
23 excavation and offsite thermal treatment of impacted soils, which were returned to  
24 the site after treatment and used for backfilling. The NJDEP approved the selected

1 remedy in May 2000 and soil impacts associated with the former MGP site were  
2 remediated between July 2000 and March 2001. Upon completion of the  
3 remediation work, the NJDEP issued a No Further Action (“NFA”) determination  
4 for soil.

5 The NJDEP issued a Groundwater Remedial Action Permit (“RAP”) for  
6 Groundwater in December 2015. Groundwater sampling to monitor remaining  
7 groundwater impacts is ongoing. Additionally, monthly monitoring of municipal  
8 wells has been ongoing since 1996.

#### 9 **Next Projected Activities**

10 A Classification Exception Area (“CEA”) established in 2008 requires annual  
11 monitoring of site-related monitoring wells. This monitoring will continue until  
12 such time as groundwater impacts no longer exceed applicable standards. The most  
13 recent round of groundwater sampling was conducted in June 2024. The next  
14 groundwater sampling result is anticipated to occur in June 2025. Sampling of the  
15 public supply wells in proximity to groundwater impacts will continue on a monthly  
16 basis.

### 17 18 **C. FORMER FLORIDA AVENUE MGP SITE**

#### 19 **Site History**

20 The site is approximately 4 acres in size and located in the City of Atlantic City,  
21 Atlantic County, New Jersey. MGP operations first began at the site around 1900  
22 under the ownership of the Consumers Gas Company. The Consumers Gas  
23 Company was purchased in 1909 by C.H. Geist and was consolidated with Atlantic  
24 City Gas and Water Company in 1910. The MGP continued to operate until 1918.

1 After 1918, the Florida Avenue facility was used to support off-site gas  
2 manufacturing operations. The Atlantic City Gas Company was purchased by the  
3 United Gas Improvement Company in 1930 and immediately sold to the Public  
4 Service Corporation. Construction of a liquid propane gas (“LPG”) peak shaving  
5 facility began circa 1940, and most of the MGP structures were removed at that  
6 time. In 1947, Atlantic City Gas changed its name to South Jersey Gas Company.  
7 In 1968, South Jersey sold the parcel to Deull Fuel, which contained the 1.5 million  
8 gallon above ground storage tank. The remaining parcels were also sold to others.  
9 Soil, sediment, and groundwater impacts associated with former MGP site  
10 operations were identified, characterized, and delineated through several phases of  
11 RI activities. An evaluation of remedial alternatives to address the impact within  
12 the uplands portion of the site has been conducted and a RAWP to address the  
13 identified impacts via a combination of excavation and In Situ Stabilization (“ISS”)  
14 was approved by the Licensed Site Remediation Professional (“LSRP”) responsible  
15 for the Site and filed with the NJDEP. Implementation of the approved upland  
16 remedy began during the third quarter of 2017, Portions of the upland area that have  
17 been remediated were restored and activities were documented in the June 2022  
18 Remedial Action Report (“RAR”) submitted to the NJDEP by the LSRP.  
19 Implementation of the remaining portions of the uplands Remedial Action (“RA”)  
20 was completed in the third quarter of 2023. The remaining areas of the site will be  
21 restored and the administrative requirements for site closure will be completed.  
22 Evaluation of remedial alternatives to address impacts within the sediment of Beach  
23 Thorofare has been conducted, and a RAWP to address the sediment impacts was  
24 approved by the LSRP in May 2023. Implementation of the sediment remedy will

1 commence following NJDEP acceptance of the risk based RAWP for sediment.

2 **Next Twelve-Month Projected Activities**

3 During a Technical Consultation with NJDEP, the NJDEP indicated additional  
4 work beyond which was proposed in selected remedy, would likely be required for  
5 the proposed remedy to receive approval. As such, remedial alternatives will  
6 continue to be reevaluated to limit the area of disturbance within the Thorofare  
7 while addressing NJDEP concerns. A modified remedial alternative, approved by  
8 the LSRP, will be submitted and design, permitting and remedial construction  
9 within the Thorofare will begin upon NJDEP acceptance.

10  
11  
12 **D. FORMER GLASSBORO MGP SITE**

13 **Site History**

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

24 Soil and groundwater impacts have been identified both onsite and offsite. Several

1 RAs have been implemented at this site from 1998 to present including excavation  
2 of shallow soil on numerous parcels. A RAWP proposing containment for the  
3 remaining deep impacts was approved by the LSRP responsible for the site and was  
4 filed with NJDEP. Installation of the majority of a containment barrier enclosing  
5 saturated zone residual product impacts was implemented from 2017 through early  
6 2020. The containment barrier was completed in 2022. The design of a hydraulic  
7 control system for the interior of the containment barrier was completed in 2023.  
8 The most recent groundwater sampling event was completed in June 2024.

9 **Next Twelve-Month Projected Activities**

10 The construction of the hydraulic control system began in the first quarter of 2024  
11 and is expected to be completed in the third quarter of 2024. Upon completion of  
12 remediation activities, the site will be restored and the administrative requirements  
13 for site closure will be completed. Groundwater monitoring and sampling will  
14 continue in accordance with the approved monitoring plan. The next groundwater  
15 sampling event is scheduled to occur in March 2025.

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  
24 became the Hammonton and Amatol Gas Company in February 1923 and

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

5 Soil and groundwater impacts have been identified both onsite and offsite.  
6 Remediation of the former Hammonton MGP site began in June 2010, with the first  
7 phase of the remediation consisting of the excavation of isolated areas of shallow  
8 soil impacts. A RAR for this work was submitted to the NJDEP on November 30,  
9 2010, and approved on February 24, 2011. A RAWP proposing ISS for the  
10 remaining deep soil impacts was prepared and submitted to the LSRP and the  
11 NJDEP in 2015. Soil remediation and site restoration activity was completed in  
12 May 2017. Post remediation quarterly groundwater sampling was completed in  
13 May 2019. A RAR documenting the completion of the Site remediation was  
14 submitted to the NJDEP in November 2020. Declarations of Environmental  
15 Restriction have been prepared and filed with Atlantic County. Applications for  
16 four (4) Soil RAPs and a Groundwater RAP were submitted to the NJDEP in 2021.  
17 The NJDEP issued four Soil RAPs in 2024. A Groundwater RAP is under review  
18 by the NJDEP.

19 **Next Twelve-Month Projected Activities**

20 Remediation of source area soil impacts has been completed and the administrative  
21 requirements for site closure for soil has been completed including the Declaration  
22 of Environmental Restriction. A groundwater d the post-remediation permits have  
23 been prepared and submitted to the NJDEP for review. A CEA is in place and  
24 annual groundwater monitoring is ongoing. The last groundwater sampling was

1 performed in May 2024. The next groundwater sampling event is anticipated for  
2 May 2025. Additionally, monthly monitoring of municipal wells is ongoing.

3  
4 **F. FORMER MICHIGAN AVENUE MGP SITE**

5 **Site History**

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

16 The RI was completed in May of 2014 and a Remedial Investigation Report (RIR)  
17 documenting the investigation was submitted to the LSRP and the NJDEP.  
18 Remedial alternatives for saturated soil impacts were evaluated and a RAWP was  
19 submitted to the NJDEP in 2018 and a revised RAWP submitted to NJDEP in  
20 August 2020. Additional groundwater monitoring wells were installed to further  
21 delineate the groundwater plume. Long term access agreements for construction  
22 and operating and maintenance were completed with the property lessee in  
23 November 2022. A Coastal Area Facility Review Act (CAFRA) permit for  
24 remedial construction was received.

1                   **Next Twelve-Month Projected Activities**

2                   During the next period, ongoing monitoring of the saturated zone soil and  
3                   groundwater impacts will continue. Construction and operation of the system  
4                   defined in the 2020 RAWP is expected to be initiated in the fourth quarter of 2024.

5  
6                   **G.     FORMER MILLVILLE MGP SITE**

7                   **Site History**

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

21                  The RI work was completed in May of 2014, and a RIR documenting the  
22                  investigation was submitted to the LSRP and the NJDEP. Upon completion of the  
23                  RI a RAWP was submitted for an excavation and containment remedy.  
24                  Implementation of the RA began in the fourth quarter of 2020 and is on-going. A



1 CEA is in place and groundwater monitoring is ongoing.

2 **Next Twelve-Month Projected Activities**

3 A multi-phase RA to address the soil and groundwater impacts at the site began in  
4 late 2020 and is anticipated to continue into 2025. Upon completion, the site will  
5 be restored and the administrative requirements for site closure will be completed.  
6 Groundwater monitoring will continue until such time as groundwater impacts no  
7 longer exceed applicable standards. The next groundwater sampling event is  
8 scheduled to occur in November 2024.

9  
10 **H. FORMER PENNS GROVE MGP SITE**

11 **Site History**

12 The site is approximately 0.2 acres in size and located in the City of Penns Grove,  
13 Salem County, New Jersey. The site is currently undeveloped, fenced, and is  
14 owned by South Jersey. Penns Grove Gas Company constructed and operated the  
15 former MGP from circa 1904 to 1915. The MGP structures were dismantled  
16 between 1927 and 1947. A property survey from 1933 indicates that Peoples Gas  
17 Company of Glassboro, New Jersey owned the site, and that LPG structures and  
18 operations were present at the site. The LPG structures were dismantled between  
19 1960 and 1987. South Jersey operated a natural gas metering station on the site  
20 until 2005.

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

1 and offsite thermal treatment of impacted soil. The soil impacts associated with the  
2 former MGP site have been remediated on all properties with exception of the  
3 active Conrail line abutting the site to the West. Per direction from the NJDEP,  
4 the LSRP issued a Soil and Groundwater Unrestricted Use RAO for the MGP Site  
5 parcels and a Limited Restricted Use Soil RAO for the Conrail railroad parcel.  
6 Groundwater impacts have been remediated and the NJDEP removed the  
7 CEA/WRA in February 2019. Following additional review and direction by the  
8 NJDEP, the LSRP withdrew the Limited Restricted Use Soil RAO for the offsite  
9 Conrail railroad parcel. Additional pre-design investigations of Conrail property  
10 continued through Q4 2022. Additional sampling and evaluation of the Conrail  
11 property occurred during 2024.

#### 12 **Next Twelve-Month Projected Activities**

13 Additional investigation, design, and remediation of remaining soil impacts on the  
14 Conrail railroad parcel are anticipated in the next twelve months with a remedy  
15 implementation expected to begin in the fourth quarter 2024. An Unrestricted Use  
16 RAO for the Conrail property will be issued by the LSRP following the completion  
17 of remedial activities.

### 18

## 19 **I. FORMER PLEASANTVILLE MGP SITE**

### 20 **Site History**

21 The site is located in the City of Pleasantville, Atlantic County, New Jersey and  
22 consists of two parcels of land (totaling approximately 0.84 acres). The earliest  
23 records show that, in 1911, the site was operated by Pleasantville Light Heat and  
24 Power Company. In 1933, the site was operated by Atlantic City Gas Company.

1 By 1951, most of the structures associated with the MGP had been demolished and  
2 South Jersey was listed as the owner of Parcel 2.

3 A RAWP to address the identified impacts via a combination of excavation and ISS  
4 was approved by the LSRP responsible for the Site and filed with NJDEP.  
5 Implementation of the approved remedy began during the second quarter of 2018  
6 and was completed in first quarter of 2020. Upon completion of ISS activities, the  
7 site was restored and the administrative requirements for site closure completed.  
8 Declaration of Environmental Restriction have been prepared and filed with  
9 Atlantic County and Soil and Groundwater RAPs have been filed with the NJDEP.  
10 The Groundwater Permit application also included a CEA revision.

#### 11 **Next Twelve-Month Projected Activities**

12 Once the RAPs are granted, five restricted use RAOs will be issued. A revised CEA  
13 will be issued, and annual groundwater monitoring will continue until such time as  
14 groundwater impacts no longer exceed applicable standards.

### 16 **J. FORMER SALEM MGP SITE**

#### 17 **Site History**

18 The site historically consisted of two parcels, totaling 1.2 acres in size, and located  
19 in the City of Salem, Salem County, New Jersey. Salem Gas Works Company  
20 began operation of the former MGP on Parcel 1 in 1885 and expanded operations  
21 into Parcel 2 prior to 1891. The Salem Gas Works Company operated the plant  
22 until approximately 1909 when the Salem Gas Light Company took ownership of  
23 the property. In 1955, South Jersey acquired the site and all MGP operations ceased  
24 at this time. South Jersey began operating an LPG plant on Parcel 1 following

1 closure of the MGP. By 1959, all the surface MGP structures on Parcel 1 had been  
2 removed and a gas metering station was constructed on Parcel 2.

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

#### 11 **Next Twelve-Month Projected Activities**

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

### 15 **K. FORMER SWEDESBORO MGP SITE**

#### 16 **Site History**

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

1 Excavation of impacted soil began in March 2015 and was completed in December  
2 2015. A sitewide Unrestricted Use RAO for Soil and Groundwater was issued by  
3 the LSRP in February 2019. Wetland's mitigation monitoring activities were  
4 completed in accordance with the existing NJDEP permits; early dismissal was  
5 provided by the NJDEP, and no further monitoring is required.

6  
7 **L. FORMER VINELAND MGP SITE**

8 **Site History**

9 The Site is approximately 2.2 acres in size and located in the City of Vineland,  
10 Cumberland County, New Jersey. From 1886 to 1906 Vineland Gas Company  
11 (subsequently, the Vineland Light and Power Company) produced manufactured  
12 gas at this site. From 1912 to 1925, the northern and eastern portions of the site  
13 were owned by New Jersey State Gas Company. In 1934, the MGP portion of the  
14 property was sold to Peoples Gas Company. In 1947, Atlantic City Gas Company  
15 and Peoples Gas Company were merged to form South Jersey. In 1949, South  
16 Jersey sold the southeastern parcel to Doerr Glass Company. Gas manufacturing  
17 operations ceased circa 1949. In 1962, the remaining parcel of land was sold by  
18 South Jersey Gas to Doerr Glass Company.

19 Soil and groundwater impacts associated with former MGP site operations were  
20 identified, characterized, and delineated through several phases of RI activities.  
21 The remedy selected and approved for the site was excavation and offsite thermal  
22 treatment of impacted soil. Excavation of soil impacts exceeding the most stringent  
23 soil criteria was initiated during the fourth quarter of 2013 and was completed in  
24 April of 2014. The LSRP issued an Unrestricted Use RAO for Soil in the fourth

1 quarter of 2015. Post-Remediation Groundwater monitoring has been completed  
2 and a Groundwater RAR was submitted in March 2019. A Groundwater RAP has  
3 been issued and a CEA has been established which requires annual groundwater  
4 monitoring.

5 **Next Twelve-Month Projected Activities**

6 Annual groundwater monitoring is ongoing with the next sampling event scheduled  
7 to occur in July 2024.

8  
9 **Q. How, if at all, has the Company’s MGP site remediation efforts changed since**  
10 **adoption of the New Jersey Site Remediation Reform Act in 2009?**

11 **A.** In 2009, the Site Remediation Reform Act, *N.J.S.A. 58:10C-1 et seq.* (the “Act” or  
12 “SRRA”) was signed into Law. For the first time in New Jersey, the Act created an  
13 affirmative obligation for responsible parties to remediate contaminated sites and to do so  
14 in a “timely” manner. The Act was phased in over a period of three years and  
15 implementing regulations were adopted by NJDEP effective May 7, 2012. The goal of  
16 these changes was to increase the pace of remediation, thereby decreasing the threat of  
17 contamination to public health, safety, and the environment, and to quickly return  
18 underutilized properties to product use.

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

1

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

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

6

7 **Q. Does this conclude your testimony?**

8 **A.** Yes.

South Jersey Gas Company  
MGP Vendor Expenditures  
August 1, 2023 through April 30, 2024

Vendor Name	Column Labels													Unallocated	Grand Total	
	Atlantic & Buffalo Avenues, Egg Harbor City	Auburn & Bridgeton Roads, Swedesboro	Fifth & Howell Street, Salem	Florida, Summit & Georgia Avenues, Atlantic City	Franklin Avenue, Pleasantville	Michigan, Atlantic & Artic Avenues, Atlantic City	North Second Street Millville	Peach Street & NE Boulevard, Vineland	Pitman Street, Penns Grove	Twelfth & Lincoln Streets, Hammonton	Union & Grove Streets, Glassboro	Vine & Water Street, Bridgeton				
ACUA				(50)											(50)	(50)
Airtopcs LLC				25,545				31,553								57,098
Appraisal Services, Inc				7,900												7,900
Archer & Greiner, PC.															12,300	12,300
Atlantic City Electric				(50)				12,235								12,185
BKC Industries Inc.															5,293	5,293
Borough Of Glassboro															4,343	4,343
Borough Of Glassboro Water & Sewer															(3,476)	(3,476)
Borough of Penns Grove										1,002						1,002
Bridgeton City															10,082	10,082
Cascade Remediation Services LLC				2,147,186				596,809								3,498,611
Centurion Shield Protection								754,556								1,013,112
Chemistry Council Of Nj								101,312								3,000
City Of Atlantic City				30,501				742								31,243
City Of Millville																15,149
City Of Pleasantville							550									550
City Of Salem				300												300
Consolidated Rail Corporation				600												4,000
Crompco								600		1,050	1,050					1,197
Dartcor Enterprises, Inc.																311
Dimaggio Seismic Inc.				1,086	1,088	964										1,197
Eatmore Development, LLC.																4,823
EB Township Tax Collector								49,823								49,823
Eurofins Environment Testing Northeast LLC	5,729			7,234	36,196	4,055	8,835	20,919	750		9,214					1,307
Fitzgerald & McGroarty	663	85		7,327	88,824	12,308	24,939	41,922			612					10,200
GFI Consultants, Inc.		3,198		36,144	801,485			3,106	290	23,803	643					1,039,438
Geo-Solutions, Inc.					358,294											358,294
GZA Geo Environmental, Inc.	41,048			810	60,897	9,159	11,713	731,693	30,688	2,445	80,141					1,614,757
H & G Public Affairs LLC					(426)			5,933								20,632
Harrison Sandiman Palladino Weinrob & Bell P.C.					4,437											4,437
High and Harrison Medical Arts Condominium LLC								6,600								6,600
John Sykes Company, A Partnership					21,444	1,145	1,178									21,444
Miller Environmental Group Inc.	3,673				90			4,532		(731)						11,528
Mott Macdonald Group, Inc.																40,559
PSC Industrial Outsourcing, LP				1,877	68,691											85,862
Remedial Construction Services, LP																712,740
Robert Raymond Boselli JR and Colleen Boselli					133,292											133,292
S.J. Fenwick Associates, Architects, & Planners LLC				3,735	2,599	69,139	68,447									2,599
Saintec Consulting Services																191,588
Summit Drilling, LLC	11,681			14,090	-	10,327	6,805									50,268
Swedesboro Tax and Water		(30)														(30)
The T J Boys, Inc.		15,385		1,169	7,481	2,400		7,157			906					42,746
Town Of Hammonton																2,055
Treasurer - State Of New Jersey				1,410	46,752	-	-	2,495	660	4,490						64,247
Vargo Land Surveying, Inc.					16,645											19,993
Visual Computer Solutions, Inc.								1,998								6,086
Woolwich Township		1,546														1,546
Accruals	7,483	1,675		12,909	627,360	103,083	37,471	593,457	5,251	10,313	16,059					154,728
<b>Grand Total</b>	<b>70,287</b>	<b>21,859</b>		<b>86,991</b>	<b>4,485,239</b>	<b>213,130</b>	<b>756,998</b>	<b>2,395,998</b>	<b>40,063</b>	<b>49,199</b>	<b>115,630</b>				<b>21,484</b>	<b>(1,002,313)</b>



SOUTH JERSEY GAS COMPANY  
 REMEDIATION ADJUSTMENT CLAUSE  
 August 1, 2023 - April 30, 2024

SUMMARY OF SITE YEAR-TO-DATE EXPENDITURES

AUTH. NO.	SITE	CONSULTING	REMEDIATION	DISPOSAL	LEGAL	NJDEP OVERSIGHT	OTHER	LETTERS OF CREDIT	TOTAL REMEDIATION EXPENSES
503	Union and Grove Streets, Glassboro	\$ 42,712	\$ 1,289,757	\$ (924)	\$ 297,027	\$ -	\$ -	\$ -	\$ 1,628,572
801	Atlantic and Buffalo Avenues, Egg Harbor City	\$ 20,078	\$ 33,110	\$ -	\$ 17,098	\$ -	\$ -	\$ -	\$ 70,287
892	Michigan, Atlantic and Artie Avenues, Atlantic City	\$ 28,935	\$ 679,889	\$ -	\$ 48,173	\$ -	\$ -	\$ -	\$ 756,998
631	Florida, Sunset and Georgia Avenues, Atlantic City	\$ 1,604,104	\$ 2,835,731	\$ 2,979	\$ 42,425	\$ -	\$ -	\$ -	\$ 4,485,239
675	Vine and Water Street, Bridgeton	\$ 358	\$ 21,127	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,484
652	North Second Street, Millville	\$ 210,900	\$ 1,729,101	\$ 70,363	\$ 385,633	\$ -	\$ -	\$ -	\$ 2,395,998
649	Pitman Street, Penns Grove	\$ 3,900	\$ 40,412	\$ -	\$ 4,847	\$ -	\$ -	\$ -	\$ 49,159
648	Fifth and Howell Street, Salem	\$ (9,363)	\$ 89,311	\$ (1,877)	\$ 10,820	\$ -	\$ -	\$ -	\$ 88,891
655	Peach Street and NE Boulevard, Vineland	\$ 9,622	\$ 16,276	\$ (2,179)	\$ 16,344	\$ -	\$ -	\$ -	\$ 40,063
653	Twelfth and Lincoln Streets, Hammonton	\$ 25,844	\$ 57,327	\$ 13,134	\$ 19,324	\$ -	\$ -	\$ -	\$ 115,630
26	Franklin Avenue, Pleasantville	\$ 12,856	\$ 151,066	\$ 1,050	\$ 48,159	\$ -	\$ -	\$ -	\$ 213,130
25	Auburn and Bridgeton Roads, Swedesboro	\$ (5,132)	\$ 26,572	\$ -	\$ 419	\$ -	\$ -	\$ -	\$ 21,859
657	Unallocated	\$ 80,512	\$ (1,370,163)	\$ -	\$ 197,318	\$ -	\$ -	\$ -	\$ (1,092,333)
Total August 1, 2023 - April 30, 2024		\$ 2,025,329	\$ 5,599,516	\$ 82,546	\$ 1,087,587	\$ -	\$ -	\$ -	\$ 8,794,978

South Jersey Gas Company  
 RAC Vendors - August 2023 - April 2024

RAC KWS-3

Vendor	Service Provided	KWS-2 Classification			
		CONSULTING	LEGAL	REMEDIAATION	WASTE DISPOSAL
ACUA	WASTE DISPOSAL SERVICES			X	X
AIRLOGICS LLC	AIR MONITORING CONTRACTOR			X	
APPRAISAL SERVICES, INC	REAL ESTATE APPRAISAL			X	
ARCHER & GREINER, PC.	LEGAL SERVICES		X		
ATLANTIC CITY ELECTRIC	UTILITY PAYMENTS	X		X	
BKC INDUSTRIES INC.	REMEDIAATION SERVICES			X	
BOROUGH OF GLASSBORO	REAL ESTATE TAXES			X	
BOROUGH OF GLASSBORO WATER & SEWER	UTILITY PAYMENTS			X	
BOROUGH OF PENNS GROVE	REAL ESTATE TAXES			X	
BRIDGETON CITY	REAL ESTATE TAXES			X	
CASCADE REMEDIATION SERVICES LLC	REMEDIAATION SERVICES		X	X	
CENTURION SHIELD PROTECTION	SECURITY			X	
CHEMISTRY COUNCIL OF NJ	MEMBERSHIP			X	
CITY OF ATLANTIC CITY	REAL ESTATE TAXES			X	
CITY OF MILLVILLE	REAL ESTATE TAXES			X	
CITY OF PLEASANTVILLE	REAL ESTATE TAXES			X	
CITY OF SALEM	REAL ESTATE TAXES			X	
CONSOLIDATED RAIL CORPORATION	ANNUAL MAINTENANCE AGREEMENT			X	
CROMPCO	LABORATORY TESTING OF SAMPLES		X	X	
DARTCOR ENTERPRISES, INC.	CONSULTING SERVICES		X	X	
DIMEGLIO SEPTIC INC.	WASTE DISPOSAL SERVICES		X	X	
EATMORE DEVELOPMENT, LLC.	LEASE OF PROPERTY FOR REMEDIATION ACCESS			X	
ELK TOWNSHIP TAX COLLECTOR	REAL ESTATE TAXES			X	
EUROFINS ENVIRONMENT TESTING NORTHEAST LLC	LABORATORY TESTING OF SAMPLES		X	X	
FITZGERALD & MCGROARTY	OUTSIDE LEGAL CONTRACTOR	X	X	X	X
GEI CONSULTANTS, INC.	CONSULTING SERVICES	X	X	X	
GEO-SOLUTIONS, INC	REMDIATION	X		X	
GZA GEO ENVIRONMENTAL, INC.	CONSULTING AND ENGINEERING SERVICES	X	X	X	X
H & G PUBLIC AFFAIRS LLC	PUBLIC RELATIONS	X	X	X	
HANKIN SANDMAN PALLADINO WEINTROB & BELL P.C.	LEGAL SERVICES		X	X	
HIGH AND HARRISON MEDICAL ARTS CONDOMINIUM LLC	ASSOCIATION FEES			X	
JOHN SYKES COMPANY, A PARTNERSHIP	SITE ACCESS			X	
MILLER ENVIRONMENTAL GROUP INC.	WASTE DISPOSAL SERVICES			X	X
MOTT MACDONALD GROUP, INC.	DATA MANAGEMENT			X	
PSC INDUSTRIAL OUTSOURCING, LP.	WASTE DISPOSAL SERVICES	X		X	X
REMEDIAL CONSTRUCTION SERVICES, LP.	REMEDIAATION SERVICES			X	
ROBERT RAYMOND BOSELLI JR AND COLLEEN BOSELLI	ACCESS FEES			X	
S.J. FENWICK ASSOCIATES, ARCHITECTS, & PLANNERS LLC	ARCHITECTURAL SERVICES			X	
STANTEC CONSULTING SERVICES	CONSULTING SERVICE	X	X	X	
SUMMIT DRILLING, LLC	DRILLING SERVICES		X	X	
SWEDSBORO TAX AND WATER	UTILITY PAYMENTS			X	
THE "J" BOYS, INC.	LAWN CARE SERVICES			X	X
TOWN OF HAMMONTON	UTILITY PAYMENTS			X	
TREASURER - STATE OF NEW JERSEY	SITE REMEDIATION AND LSRP SERVICES			X	
VARGO LAND SURVEYING, INC.	SURVEYING			X	
VISUAL COMPUTER SOLUTIONS, INC.	TRAFFIC CONTROL			X	
WOOLWICH TOWNSHIP	REAL ESTATE TAXES			X	

## **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 relate to the historical 12-month RAC period from August 1, 2023 through July 31, 2024, unless otherwise noted.

For purposes of these responses, Prior RAC Period is assumed to be the Remediation Year ending July 31, 2024.

**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 of expenditures by month for the period August 1, 2023 through April 30, 2024. This schedule will be updated throughout the current proceeding with actual values for May, June and July 2024 when they become 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, the three MGP sites with the highest level of expenditures for the first nine months of the Remediation Year through April 30, 2024 are: Florida, Sunset and Georgia Avenues, Atlantic City, North Second Street, Millville; and Union and Grove Streets, Glassboro.

There were no work plans, remediation reports, or other major work products submitted for the three identified sites during the prior RAC period.

**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 period from August 1, 2023 through July 31, 2024 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. There are no other potentially responsible party liabilities related to the Company's MGP sites.

**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 audit report 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 have occurred that would have a material impact (i.e.

rising commodity costs affecting transportation and thermal desorption costs, etc.) on the Company's ultimate MGP remediation liability. SJG continues to evaluate the remediation alternatives available for the remaining sites and will adjust 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:** One remediation contract was bid during the period for the Glassboro site. 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, 2023 through July 31, 2024 the two largest supplemental contract amendments that were authorized by the Company are detailed below:

Glassboro Change Order CCR-003 - Change order for excavation and disposal of impacted soil beneath the footprint of the on-site groundwater treatment building anticipated \$16,215.62.

Millville Change Order C0-003 - Change Order for final restoration and contract close out items (\$103,501.19)

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 to SJG Senior Management for execution. A copy of the contract amendments are 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 previous RAC period related to modification or elimination of NJDEP site remediation requirements. SJG continues to evaluate opportunities to petition the NJDEP and/or the LSRP of record for changes, if needed, and in compliance with applicable 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 Schedule 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 Schedule RAC KWS-2 that shows the Company's RAC expenditures as reported in the Company's quarterly report as of April 30, 2024 reflecting year-to-date expenditures.

**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, 2024) for each site is provided within confidential Appendix MFR-15.

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