South Jersey Gas

Third-Party Supplier

Operating Manual

Table of Contents

Introduction

Section 1 **General Statement & Introduction**

Section 2 **Gas Transportation and Confirmation Team Contact Information**

Section 3 **Third-Party Supplier License and Agreement Requirements**

Section 4 **Business Partner Relationship**

Section 5 **Electronic Data Interchange (EDI) Overview EDI Transactions**

Section 6 **EDI Testing**

Section 7 **EDI Transactions**

Section 8 **Billing Options**

Section 9 **SJG Purchase of Receivables**

Section 10 **Supplier License Renewal**

Section 11 **Sales Tax Resale Certificates**

Section 12 **Energy Consultant Requirements**

Section 13 **Daily Gas Nominations on the SJG System**

Section 14 **Interstate Pipeline Nomination Timelines**

Section 15 **TPS Package IDs on Interstate Pipelines**

Section 16 **SJG Tariff Balancing Provisions**

Section 17 **Daily Delivery Requirement**

Section 18 **Industrial Customer Enrollment Process**

Section 19 **Marketer Portal Reports**

Section 20 **Rider J End of Month Reports**

Section 21 **Active Customer List**

Section 22 **Meter Read Cycles**

Section 23 **Notices**

Section 1. General Statement & Introduction

South Jersey Gas (SJG) serves customers in 112 municipalities spanning over one-third of the geographic area of New Jersey. The service area includes Atlantic, Cape May, Cumberland and Salem counties and parts of Burlington, Camden, and Gloucester counties. Since January 2000, all natural gas customers in New Jersey have been able to choose an alternate supplier other than their current utility. As part of the deregulation process, natural gas customers have the option to purchase gas from their utility or a non-utility natural gas supplier, or marketer. This change was directed by regulators in hopes of replacing regulated utility serve with a competitive retail marketplace where the utility would continue to provide the delivery of natural gas through its pipeline system but where customers would be free to purchase their natural gas supply from a competitive supplier. While much has changed in the gas industry because of deregulation, SJG's commitment to providing reliable supplies of natural gas, ensuring the safe delivery of that gas, and offering exceptional customer service has not.

General Contact Information

CORPORATE OFFICES

South Jersey Industries, 1 South Jersey Plaza, Folsom, NJ 08037
GPS location: 1648 12th Street, Folsom, NJ 08037

South Jersey Industries, 1 South Jersey Place, Atlantic City, 08401
GPS location: 101 S. Lincoln Place, Atlantic City, 08401

Phone: (609) 561-9000
Report a Gas Leak (24/7) 1-800-582-7060

Business Hours: Monday – Friday: 8:00 AM - 4:30 PM EST

Section 2. Gas Transportation & Confirmation Team Contact Information

SJG Gas Transportation Department

Mailing Address:

South Jersey Gas Company
Gas Transportation Services
215 Cates Road
Egg Harbor Township, NJ 08234

Lynda Truitt, Senior Manager, Gas Transportation, Confirmation and EDI
Mobile: 609-335-1858
ltruitt@sjindustries.com

Joanne Mozitis, Gas Transportation Specialist Senior
Mobile: 609-668-9548
jmozitis@sjindustires.com

Amber Rosado, Gas Transportation Specialist Associate
Mobile: 609-354-2424
arosado@sjindustries.com

Alex Rybyinski, Gas Transportation Specialist Senior
Mobile: 609-820-7218
arybyinski@sjindustries.com

Tom Smith, EDI Specialist Associate
Mobile: 908-892-3244
Tsmith3@sjindustries.com

Gas Allocation inquiries should be submitted to:

sjgnom@sjindustries.com

This address should always be the first point of contact when reaching out about gas issues.

SJIU Confirmation Team:

Lynda Truitt, Senior Manager, Gas Transportation, Confirmation and EDI
Mobile: 609-335-1858
ltruitt@sjindustries.com

Keith Schairer
Confirmation Specialist Lead
Mobile: 609-864-2332
kschairer@sjindustries.com

David Bechtel
Confirmation Specialist Intermediate
Mobile: 609-351-9754
dbechtel@sjindustries.com

Alyssa Sutherland
Confirmation Specialist Associate
Mobile: 609-872-8622
asutherland@sjindustries.com

After Hours Protocol:

To alter a gas nomination during the weekend, please follow the protocol below.

SJG reserves the right to deny or restrict deliveries from Third-Party Suppliers (TPS), on both Transco and TCO pipeline systems, should conditions necessitate doing so to maintain the integrity of its system.

Your ability to minimize changes during non-business hours and adherence to the above is both essential and appreciated. Failure to comply with these protocols may result in the denial of your change request.

1. Submit an e-mail confirmation to the following string:

   sjgnom@sjindustries.com; mckeecity@sjindustries.com; dbechtel@sjindustries.com; acaporale@sjindustries.com; mmendoza@sjindustries.com; asutherland@sjindustries.com; kschairer@sjindustries.com; ltruitt@sjindustries.com; nturner@sjindustries.com

2. Your e-mail message should include the following information:
   a.) The revised quantity of gas to be scheduled in dekatherms (dths)
   b.) The quantity of gas in dths included in your original nomination
   c.) The name of the interstate pipeline company
   d.) The interstate pipeline contract number
   e.) The gas day to be adjusted

3. A phone call must be placed to SJG's Allocation Desk advising of same: **609-646-1561** or **609-646-3179**

The on-call representative will reply, by e-mail, advising you of the approval or denial of your request.

Section 3. Third-Party Supplier License and Agreement Requirements

South Jersey Gas offers the opportunity for business entities licensed by the State of New Jersey to provide natural gas commodity service to customers being served by our distribution system.

For information on becoming a licensed natural gas supplier in New Jersey, please access https://www.bpu.state.nj.us/bpu/about/divisions/energy/thirdparty.html

In addition, before a TPS can conduct business on our system, SJG also requires the following:

1.) Copy of NJBPU TPS License

2.) NJ Sales Tax Form ST-3 Resale Certificate

3.) Full name of corporation, mailing address and website address

4.) All relevant employee names, telephone numbers and e-mail addresses

5.) Credit contact person, telephone number and e-mail address

6.) Audited financial statements for the most recent two-year period

7.) Two business references, contact persons and telephone numbers

8.) Bank name and bank telephone number

9.) DUNS number

10.) Customer rate class(s) intended to be served

11.) Billing Services Agreement

12.) Retail Choice Partner EDI Registration Form

13.) Collateral Requirement (as determined by our Risk Management Team) due prior to EDI testing

14.) A projection of residential and commercial customers expected to be served over the next two years

There are no fees associated with the application, but there is a fee associated with EDI testing. Our EDI provider, Energy Service Group (EDI), assesses a $3,000 testing fee. Once the application is approved by our Legal Department, our Risk Management Team will review the requested financials and enrollment projections to determine the security deposit amount.

Section 4. Business Partner Relationship

The relationships described below are intended to serve as a general guide for the purpose of establishing informational standards. To establish a set of mutually agreed upon standards, there must first be a mutual understanding of the business relationships to which the standards will be applied in accordance with the NJBPU's Orders. The following represents the current understanding of these relationships.
It should be noted that to remain consistent with the Utility Industry Group's terminology, and for the purposes of this document, the term enrollment is used for the transaction involving a customer signing up or canceling gas supply service from a TPS.

Customer will:

- Give authorization for enrollment.
- Be responsible for evaluating and securing services from TPS
- Be responsible for notifying the TPS and/or SJG for any concerns regarding energy supply
- Notify SJG of move or disconnect
- Notify TPS of bill option

Third-Party Supplier will:

- Obtain authorization from customers for customer enrollment
- Obtain authorization from customers for release of historical usage information
- Exchange information electronically with SJG for enrollment, changes, or discontinuance of service, etc.
- Render bills for service when a customer selects to receive separate bills from SJG and the TPS
- When applicable, provide SJG with the necessary billing information when the customer selects to receive one bill from SJG
- When applicable, resolve customer payment problems for relevant TPS and/or SJG charges
- When applicable, maintain records on customer payments and fees
- Participate in electronic systems testing as defined herein.

- Provide a point of contact to facilitate business and technical communications
- Abide by applicable rules issued by the NJBPU
- Implement and maintain data transmission standards as recommended within this document
- Communicate and resolve customer disputes

SJG will:

- Provide customers with the NJBPU's list of licensed TPS as per its Orders
- Provide information electronically to TPS for enrollment, changes or discontinuance of service, customer information, etc.
- Maintain an internet site for customer choice information for access by licensed suppliers
- Release historical usage information and other customer information to TPSs upon TPS receiving appropriate customer authorization
- Provide billing information to TPS
- Provide eligible customers with the bill option that has been communicated by the TPS provided the TPS has met all necessary regulatory requirements
- Provide a point of contact to facilitate business and technical communications
- Implement and maintain data transmission standards as recommended within this document
- Provide beginning and ending meter readings as well as gas consumption and demand information to the TPS (if applicable)
- Provide customer payment data on behalf of the TPS to the TPS when not assuming receivables (if applicable)
- Forward funds collected on behalf of the TPS to the TPS in accordance with each SJG supplier agreement, and/or TPS Customer Account Services Master Service Agreement (SA) (if applicable)
- Communicate and resolve customer disputes

Section 5. Electronic Data Interchange (EDI) Overview

Third-Party suppliers selling natural gas in SJG territory to firm customers are required to utilize the applicable natural gas industry EDI and New Jersey EDI Protocols.

What is EDI?

EDI is the computer-to-computer exchange of business documents using machine-readable ASC X12 standards. The use of standard formats will allow all parties to develop the business processes and automated systems needed to facilitate the exchange of business information in the restructured natural gas industry.

Proven benefits of EDI include:

Uniform communications with trading partners

Reduces errors, improved error detection

Better audit ability and control

More timely communications

Rapid exchange of business information

Reduced paperwork and associated costs

One time data entry

On-line data storage

Faster management reporting

A succinct summary of each of the standard business rules, system requirements, contact information and EDI test plans are offered below.

Third-Party Suppliers are also required to complete the Retail Choice Partner Registration Form that is included in the Third-Party Supplier Onboarding Package. Once this information has been submitted, Energy Services Group, Inc. (ESG), SJG's EDI consultant, will contact the TPS regarding connectivity information and exchange information. ESG was chosen by SJG to manage the transition to EDI and to assume the responsibility for managing the testing process for new TPSs. ESG assumes translation and transportation responsibility of all choice-related transactions, including enrollments, monthly usage, and invoices. ESG's compliance guarantee assumes that EDI transactions will comply with current and future marketplace standards.

ESG will contact the TPS regarding:

- connectivity and any other information needed for certification test plan completion of internal set-ups and completion of connectivity test
- exchange transactions based on test plan scenarios

Once certification testing is complete, ESG will notify SJG and will also forward certification notification to the TPS. A production date will be determined, and production connectivity test will then be completed.

Standard Business Rules:

- SJG will offer the "purchase of receivables" option to TPSs who elect to use SJG's Utility Consolidated Billing (UCB) alternative.

- SJG Billing Options:

    - Dual Bill or UCB

    - SJG does not offer a TPS originated consolidated bill option

- The customer classifications identified as participants in the EDI exchange are Residential Firm Transportation Service (RSGFT), Commercial Firm Transportation Service (GSGFT), GSGLVFT, EGSFT, EGSLVFT and NGVFT under Rider J. The following customer classification tariff rate schedules are excluded from participation in the EDI process: all firm sales service rate schedules, GSGFT Service utilizing Rider I: CTS, GSGFT, GSGLVFT, EGS, EGSLVFT, NGVFTI, LVSFT, ITS and FES.

- SJG is utilizing EDI as the method of communicating enrollment and billing information.

- SJG's responses to requests for historical usage from the TPS will be limited to the past 12 months of usage providing 12 months of history exists.

- TPS customer enrollments will only be accepted if they are originated by the TPS. Customers contacting SJG for a TPS will be supplied a list of TPSs licensed in the State of New Jersey.

- SJG can reject an enrollment request from a TPS should the TPS attempt to:

    - Enroll a customer who is in arrears and the age of customer's debt is older than 120 days.

- Enroll a customer with a credit rating of account which is less than threshold value (the Company's customer service software keeps track of credit ratings and updates them on a predefined schedule).

- SJG will accept customer initiated TPS drop requests.

- Customers will be enrolled at the account level, not the meter level. This means all meters associated with an account are switched and that a TPS cannot enroll a single meter on combined accounts. The Service Agreement ID (SAID) will be communicated as SJG's Account Number (LDC Account Number) to both TPSs and customers participating in New Jersey Choice Program.

- Customer enrollments will become effective following (a 7-day rescission period) with the first meter read date after enrollment is received. For example:

10/20/YY	**10/27/YY**	**11/02/YY**	**12/02/YY**
Enrollment received	End of the rescission of period	First TPS meter read date	Billing

- The Start date for new enrollments is identified as the first meter reading date following the 7-day rescission period and it is conceivable that an enrollment could occur within the same month as the enrollment request is received.

- Meter Read schedules and business days will be posted on the SJI web site for access by licensed TPSs.

- When multiple TPS enrollments are received during the 7-day rescission period, the latest enrollment received will determine the TPS with whom the customer is enrolled.

- EDI transactions from the TPS will be retrieved by 3:00 pm on scheduled business days and processed that night.

- If provided on the enrollment, SJG will store the TPS account number.

Section 6. EDI Testing

The following details the test plan to be used by TPS that wish to transport gas in SJG's service territory utilizing EDI protocols. SJG's EDI Test Plan elaborates on the New Jersey Gas Certification Test Plan, where applicable, and provides information specific to operation in SJG environment. The goal of the test plan is to define objective criteria

for SJG and TPS to validate that the EDI transactions conform to the standards as defined in the New Jersey EDI Protocols.

The NJBPU may moderate the testing and has final ruling on all disputes between SJG and the TPS.

EDI Testing Requirements:

	Third-Party Supplier	South Jersey Gas
Prior to Testing	Licensed in State of NJ Complete a Retail Choice Partner registration form Provide automated test system Review SJG Standard Business Rules Review the EDI implementation guidelines and data dictionaries	Provide test environment Provide test account numbers Establish a test schedule Provide trading partner information to TPS Review the EDI implementation guidelines and data dictionaries
During Testing	Maintain the test schedule as established by SJG Maintain availability and participation in testing calls	Communicate testing exceptions Coordination of periodic testing status calls
After Testing	Notify SJG of major changes to EDI related environments	Notification to TPS of Level 2 certifications Notify trading partners of major changes to EDI related environments

Levels of Certification:

- **Level 1** - Certifies the communication of sample transactions between SJG and the TPS via EDI over the Internet. This entails a preliminary review of sample EDI transactions that comply with the X12 format. Level 1 certification must be attained prior to the beginning of level 2 testing.

- **Level 2** - Certifies testing between SJG and the TPS are completed according to the New Jersey EDI Protocols to allow for the accurate exchange of data. Completion of Level 2 certification testing represents the minimum test requirements to achieve production exchange with the utility. Level 2 testing will

take place over several weeks as the various test scenarios are transmitted, evaluated, corrected and re-tested.

EDI Testing Process

SJG can offer testing to a maximum of three TPSs in any given test period. Therefore, it is imperative for the TPS to comport with the planned schedule and not allow the schedule to lag. TPSs that fall behind may be dropped from the current test period and rescheduled at a later date.

EDI Testing Protocol

Level 1 Certification Testing

- TPS must complete their internal system EDI testing (see the New Jersey Gas Certification Testing Plan for EDI for specific test scenarios that the TPS should be capable of handling)
- TPS should contact SJG to notify them of interest to participate in EDI process
- TPS will complete the Retail Choice Partner Registration Form and return it to SJG
- SJG schedules certification testing and notifies TPS of testing period
- SJG to kick off testing with TPS and SJG's EDI Agent (ESG)
- SJG supplies test account information to the TPS
- TPS begins Level 1 certification with an exchange of sample transactions with ESG
- SJG notifies TPS of Level 1 certification acceptance or failure
- TPS not achieving Level 1 certification will not move on the Level 2 testing and must be rescheduled for Level 1 certification.

Level 2 Certification Testing

- TPS begins Level 2 certification with SJG
- TPS sends transactions according to test schedule
- SJG and TPS communicate testing results

- SJG notifies TPS of Level 2 certification acceptance or failure
- SJG will notify TPS attaining Level 2 certification of a start date. TPS not attaining Level 2 certification must be rescheduled for Level 2 certification

A test frame represents an activity that must be completed by the trading partners. Each frame typically ends with a set of transactions being exchanged between trading partners. A test frame should take no longer than two days to complete. All TPSs being certified will move from test frames together when all test frames have been completed.

Section 7. EDI Transactions

The following processes, as identified in the New Jersey EDI Protocols, are required to implement EDI transactions. All elements defined here are considered the minimal requirements which must be in place by the implementation date.

- **Customer contacts TPS to initiate enrollment** - The TPS will initiate the enrollment with an 814-enrollment request transaction. These are the most complicated of the processes due to the number of possible scenarios. If the customer is not receiving service from another provider and has no pending enrollments, SJG will respond with an 814-enrollment response indicating the anticipated start date. SJG will follow with a confirmation letter to the customer within one business day of accepting the enrollment request.
    - In the case where there are multiple TPS enrollments received during the 7-day rescission period, the latest enrollment received will determine the TPS with whom the customer is enrolled.
- **Customer contacts new TPS to switch TPS** - The new TPS may initiate the enrollment with an 814-enrollment request transaction for a customer who is currently enrolled with another TPS or has service pending with another TPS. SJG will respond with an 814-enrollment response indicating the anticipated start date to the new TPS and send a confirmation letter to the customer within one business day of accepting the enrollment request. SJG will also send an 814-drop request to the old TPS. The contract date will be used to determine if the enrollment request is acceptable. Unacceptable requests will be rejected with an 814-reject response transaction to the originator of the 814 enrollments.
- **Customer contacts SJG to reverse TPS selection within 7-day rescission period**
    - If a customer wishes to reverse a TPS selection during the 7-day rescission period, they should contact SJG or TPS.

- Rescission - If there is not a previous pending TPS, the customer will be returned to the SJG system. SJG will drop the customer and send the TPS an 814-drop request transaction. Upon receipt, the TPS will send SJG an 814-drop response transaction. SJG will return the customer to the appropriate SJG rate schedule and send a confirmation letter to the customer.

- Reversal - If there is a previously pending TPS and the customer wants to be reinstated with that TPS, SJG will switch the customer to the previous TPS provided it is within the previous TPS 7-day rescission period. Otherwise, the customer will be returned to the SJG bundled rate.

- To reinstate the customer, SJG will send an 814-drop request transaction to the pending TPS and an 814-reinstatement request to the previous pending TPS.

- **Customer contacts SJG to drop TPS** - the customer can initiate a drop of a TPS by contacting SJG. SJG will drop the customer from the transportation program by sending the TPS an 814-drop request transaction. Upon receipt, the TPS will send SJG an 814-drop response transaction. SJG will return the customer to the appropriate SJG rate schedule and send a confirmation letter to the customer.

- **Customer contacts TPS to drop TPS** - For the customer initiated drop of a TPS, the customer contacts the TPS. The TPS will drop the customer by sending SJG an 814-drop request transaction. Upon receipt, SJG will send the TPS an 814-drop response transaction. SJG will return the customer to the appropriate SJG rate schedule and send a confirmation letter to the customer.

- **TPS drops customer** - The TPS initiates the drop of a customer by sending SJG an 814- drop request transaction. Upon receipt, SJG will send the TPS an 814-drop response transaction. SJG will return the customer to the appropriate SJG rate schedule and send a confirmation letter to the customer.

- Once an initiated drop is made final it **cannot** be reversed.

Customer Billing

- SJG's "Rate Ready" Consolidated Billing - SJG transmits the meter usage data to the TPS via an 867MU transaction. SJG consolidates the TPS charges with their portion of the charges and issued an invoice to the customer. The invoice 810 transaction will be sent to TPS.

- Incorrect meter readings failed by SJG will not be forwarded to the TPS until corrected.

- Dual Billing - SJG transmits the meter usage data to the TPS via an 867MU transaction. Both SJG and TPS will issue a separate invoice to the customer for their respective portions of the bill.

Payments Due to Third-Party Supplier

- For TPSs selecting SJG's consolidated bill option, the payment (820 Transaction) will reflect the entire amount of the TPS's billing for payments made on behalf of residential and commercial rate class customers. Bill presentation and POR fees will be applied against the POR amount due the TPS, with the TPS receiving the net result.

    - For TPSs selecting SJG's consolidated bill option, the actual payments will be made to the TPS bi-monthly for residential and commercial rate class customers. The first batch of 820 transactions will be processed after billing for cycles 1 through 10 is complete; the second batch of 820 transactions will be processed after cycles 11 through 20 have billed.

    - Payments due to SJG should only be sent from TPS accounts that SJG has on file.

Historical Usage

- An 814 EDI transaction is required to obtain historical usage. The TPS will initiate the request for historical data and SJG will respond with an 814 historical usage response and 867 historical usage data transaction. Historical usage may be obtained for rate classes utilizing Rider J. If data is available, historical usage files will contain up to 12 months of data.

- A customer's signature does not have to be submitted in order to obtain historical usage, but it is imperative that a TPS can produce the customer's authorization upon SJG's request.

- **Functional Acknowledgments**

    Provide verification of receipt of transactions that comply with the EDI standards. These transactions will be generated by SJG's EDI agent.

- **Customer Account Maintenance**

  - **Customer contacts SJG to final account** - once SJG issues a final bill on an account, the TPS will be notified via an 814-drop request transaction.

  - **Customer's data changes from SJG** - SJG is required to notify the TPS of the following changes via an 814-change transaction to the TPS:

    - Change in SJG account number
    - Change in Customer name
    - Change in customer metering or billing cycle
    - Change in Rate class
    - Change in Service Period Start Date
    - Change in Service Period End Date

  - **Customer data changes from TPS** - TPS is required to transmit to SJG changes in the following via an 814-change transaction:

    - Change in the TPS Rate Amount
    - Change in the TPS Bill Option

SJG Primary EDI Contacts:

Lynda Truitt, Senior Manager, Gas Transportation, Confirmation and EDI
Mobile: 609-335-1858
ltruitt@sjindustries.com

Alex Rybyinski, Gas Transportation Specialist Senior
Mobile: 609-820-7218
arybyinski@sjindustries.com

All EDI related issues can be emailed to sjgedi@sjindustries.com

Section 8. Billing Options

SJG offers two billing options to serve the needs of the customer and TPS. The billing options are:

- Utility Consolidated Billing (UCB) – SJG is "Rate Ready" and will consolidate the TPS charges on the bill and issue a single invoice to the customer.
  A TPS who chooses this option must execute a Billing Services Agreement (BSA) and a Schedule 1.0. Both documents are included in the Third-Party

Supplier Onboarding Package on the SJG website. The BSA is the legal document naming SJG as the billing agent; Schedule 1.0 outlines the fees associated with this service.

- Dual Billing - the TPS and SJG issue separate invoices to the customer for their portion of the bill.

SJG does not support "Bill Ready" Consolidated Billing.

A TPS can change the billing option for a customer(s) via an 814-change bill option request transaction.

Section 9. SJG Purchase of Receivables

SJG offers TPSs the Purchase of Receivable (POR) option for firm residential and commercial rate class customers billed under the UCB option. The following fees are assessed to TPSs for POR services:

- POR Fee of $.90 cents per bill per month
- Bill Presentment and Mailing Fee of $.075 per bill per month.

The Schedule 1.0 is the agreement of the Purchase of Receivables associated with all customers under the UCB option. Consequently, the TPS is made whole and receives payment for the dollar amount each customer is billed.

TPSs executing the BSA and Schedule 1.0 obtain the following services:

- TPS name and phone number offered on the customer bill
- Bi-monthly reimbursement for the total amount all customers were billed
- Adjustments made to all customer bills
- Communication of the monthly meter reading schedule to ensure TPSs know when each cycle bills
- Presentation of the TPS's commodity charges and SJG's distribution charges on one bill
- The TPS's logo can be presented for a fee.

Section 10. Supplier License Renewal

The NJBPU requires that each TPS apply for renewal of their gas supplier license no later than 30 days prior to the expiration date of their current license.

The renewal application must include a list of the TPS's customers, identifying the number of customers in each rate class.

Section 11. Sales Tax Resale Certificates

In order for TPSs to be exempt from paying sales tax on cash-out charges for deficiency imbalances, each marketer is required to present a Sales Tax Form ST-3 Resale Certificate to SJG. This form is part of the Third-Party Supplier Onboarding Package that is offered on the SJG website.

Section 12. Energy Consultant Requirements

For information regarding the requirements necessary to become a registered Energy Consultant (EC) in New Jersey, please access the NJBPU web site.

Subsequent to registering with the NJBPU, the EC must complete and submit to SJG a Retail Choice Energy Consultant Application (EC Application) and an Energy Consultant Agreement (EC Agreement).

In order to finalize the pre-authorization process, all the information and documentation detailed in both the EC Application and EC Agreement. must be submitted to and approved by SJG, along with a copy of the State of NJBPU Energy Agent registration certificate. Subsequent to SJG's review and approval, a fully executed, duplicate original of the EC Agreement will be returned to the EC.

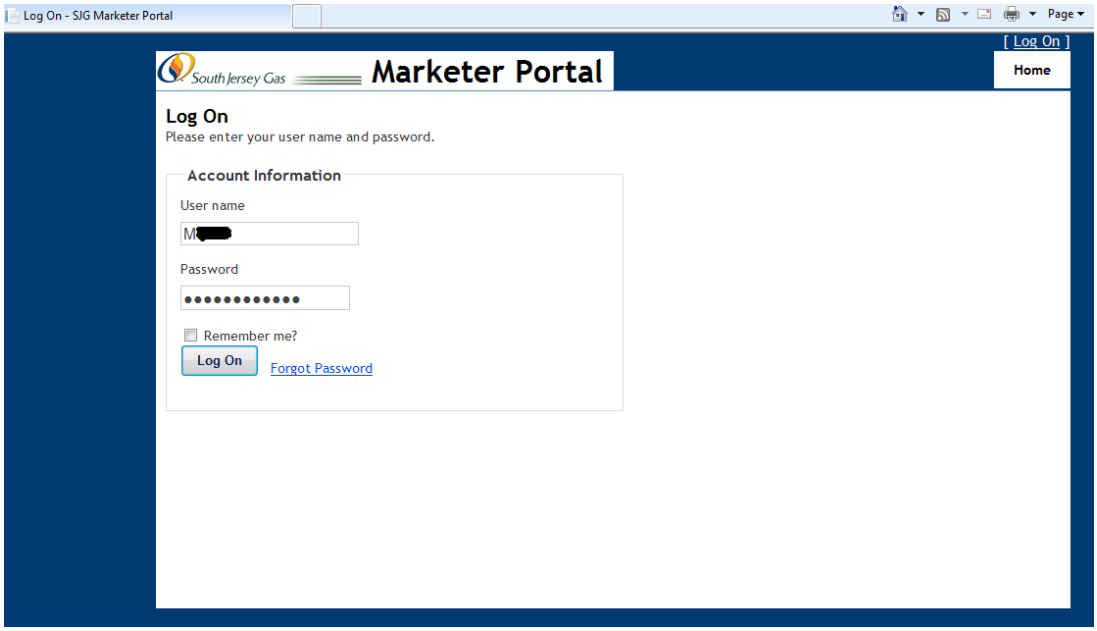
Section 13. Daily Gas Nominations on the SJG System

Residential and commercial firm transportation customers are aggregated into groups. On or by the 25th of each month, SJG will communicate the estimated Daily Delivery Requirement (DDR) for each marketer's group(s) and communicate it in advance of the prompt month. The quantity of gas expected for delivery to SJG as noted in the DDR is constant for each day of the stated month. The DDR for commercial customers is calculated using historical usage information, and residential customers using an average daily therm use per customer. The monthly excess or deficiency imbalance of each group is accumulated and settled seasonally. SJG requires TPSs to communicate expected delivery of gas supplies intended for their customers on a day-ahead basis. The confirmation of the scheduled delivery of gas into SJG's distribution system is provided by the Gas Transportation Team (GTT) on a day-ahead basis, an intra-day basis, a day-after basis and an end-of-month basis. This confirmation is accomplished utilizing the web sites of both Transcontinental Gas Pipeline (Transco) and Columbia Gas Transmission (TCO). Any variation between the TPS's expected quantity and the pipelines is communicated to the TPS. Inquiries are made regarding over or under deliveries regardless of magnitude.

All daily nominations will be processed through the TPS portal. Every TPS has a dedicated login and password to enter the portal. The portal can be accessed via

https://marketer-portal.sjindustries.com/Account/LogOn

In order to use the “Forget My Password”, a default contact must be submitted to transportation@sjindustries.com. Please provide one email per TPS. If your account is locked, a temporary password will be emailed to you using the “Default Password” that you provided.



Section 14. Interstate Pipeline Nomination Timelines

As a result of FERC Order No.809, and consistent with the standards developed by the North American Energy Standards Board (NAESB) Wholesale Gas Quadrant, the nationwide timelines for nominating natural gas on the interstate pipelines have been revised effective for gas day April 1, 2016. SJG has adjusted its nomination timelines in concert with the new standards, with the exception of the timely nominations which are now due to SJG by 1:30 pm central clock time or 2:30 pm eastern clock time.

Section 15. TPS Package IDs on Interstate Pipelines

SJG emphasizes both the importance and necessity of using the correct package ID on all nominations. All gas coming to SJG’s city gates (Transco #1006583, Columbia #109) must be packaged using the marketer number.

Section 16. SJG Tariff Balancing Provisions

SJG's Balancing Service Clause-General Service (BSC-GS) (Rider J) is applicable to commercial transportation customers and residential transportation customers. Details regarding Rider J can be found on sheets 92 through 96 of SJG's tariff. Balancing Service Clause-Large Volume (BSC-LV) (Rider I) is applicable to rate classes GSGFT, GSGLVFT, EGSFT, EGSLVFT, CTS, LVSFT, NGVFT, ITS and FES customers. Details regarding Rider I can be found on sheets 86 through 91 of same. Rider I customers are cashed out on a monthly basis at a rate equal to a percentage of Transco's Zone 6 Non-New York daily midpoint average as posted in Gas Daily, times a System Impact Charge (SIC), plus other charges where applicable, as explained below.

The SJG Tariff can be accessed via the link below:

South Jersey Gas Tariff

A commercial customer is engaged primarily in providing a service for the sale of goods or services. An industrial customer, however, is engaged primarily in the processing or changing of raw or unfinished materials into another form or product. SJG offers a diversified rate structure for commercial and industrial customers utilizing Balancing Service Clause-Large Volume (BSC-LV) (Rider I).

Customer Classifications under Rider I

GSGFT – A commercial or industrial customer who would not qualify for any other rate schedule.

GSGLVFT – A commercial or industrial customer who would not qualify for any other rate schedule with an annualized usage of 100,000 therms or more.

EGS – A commercial or industrial electric generation facility; all prime movers and all engine-driven equipment, whether or not used for electric generation, with a firm contract demand of less than 200 thousand cubic feet (Mcf) per day, Customer may elect Rider J or Rider I.

EGSLVFT – A commercial or industrial electric generation facility; all prime movers and all engine driven equipment, whether or not used for electric generation, with a firm contract demand of 200 Mcf/day or more.

CTS – A commercial or industrial customer having a firm contract demand and an average annual daily firm use of 100 Mcf/day or more.

LVSFT – A commercial or industrial customer with a contract demand and a minimum annualized average use of 200 Mcf/day for equipment without an alternate fuel capability.

NGVFT - A commercial or industrial customer who will utilize natural gas for the purpose of providing vehicle fuel. Customer may elect Rider J or Rider I.

ITS - A commercial or industrial customer with an alternate fuel capability.

FES – customers purchasing or transporting gas to generate electricity with a winter contact demand of 1,000 Mcf/day or more, or a summer daily contract demand of 2,000 Mcf/day or more, or both.

Industrial Balancing Under Rider I

Industrial customers may also be aggregated into groups. The quantity of gas delivered by a TPS on behalf of the customers within an aggregated group is determined based on the aggregate consumption of the customers. The daily requirements for gas delivery to industrial customers are not dictated by SJG. Instead, TPSs are expected to maintain a variance relationship of consumption and delivery to industrial customer groups that does not exceed a parameter of plus or minus 7.5%. This imbalance condition is monitored by SJG personnel, and if the imbalance exceeds plus or minus 7.5%, the imbalance is considered an “Imbalance Requiring Action” (IRA). Upon determining that an IRA exists, SJG Gas Transportation personnel will notify the TPS and require that they develop a plan of action to remediate the imbalance to a level of less than 7.5% for the group in question prior to the end of the calendar month. Failure by the TPS to effectuate the agreed-to plan will subject the TPS to the consequence referenced in SJG’s tariff under Balancing Rider I.

At month’s end, TPSs with industrial customer groups are either charged or compensated for gas imbalances for their aggregated group(s). The derivation of the “cash out” price for gas imbalances can also be found in tariff sheet Balancing Rider I. Depending on the percentage of imbalance, the cash out rate can be impacted by a multiplier, or the SIC, which serves as a disincentive to TPSs intentionally creating imbalances on SJG’s system.

Net Monthly Deficiency Imbalances will be cashed out follows:

Customers with a net monthly deficiency imbalance shall be charged for service provided during such month, an amount equal to the product of (i) the net monthly imbalance quantity times (ii) one hundred and ten percent (110%) of the simple average of daily postings of Transco’s Zone 6 Daily Midpoint reported

each day during the month in which the deficiency imbalance occurred, in the Daily Price Survey in the Gas Daily, times (iii) a SIC. The SIC is determined as follows:

- If monthly gas consumption exceeds monthly receipts by 7.5% of gas consumption or less, the SIC will be one (1)
- If monthly gas consumption exceeds monthly receipts by more than 7.5% but less than 15%, the SIC will be one and three tenths (1.3)
- If monthly gas consumption exceeds monthly receipts by 15% or more, the SIC will be two (2)

Net Monthly Excess Imbalances will be cashed out follows:

Customers with a net monthly excess imbalance shall receive, for service provided during such month, a credit equal to the product of (i) the Net Monthly Imbalance quantity times (ii) ninety percent (90%) of the simple average of daily postings of Transco's Zone 6 Daily Midpoint reported each day during the month in which the excess imbalance occurred, in the Daily Price Survey in the Gas Daily, less (iii) a capacity charge factor of $.0050 per therm, times (iv) a SIC.

- If monthly receipts exceed monthly gas consumption by 7.5% of gas consumption or less, the SIC will be one (1)
- If monthly receipts exceed monthly gas consumption by more than 7.5% but less than 15%, the SIC will be two-thirds (2/3)
- If monthly receipts exceed monthly gas consumption by 15% or more, the SIC will be one-half (1/2)

Section 17. Daily Delivery Requirement

Residential and commercial firm transportation customers may be aggregated into groups by rate class. On or by the 25th of each month, SJG's Gas Transportation personnel will communicate the estimated DDR for each of the TPS's rate classes in advance of the prompt month. The DDR represents the quantity of gas expected to be delivered to SJG for the specified group each day of the month. The DDR for commercial customers is calculated using historical usage; the DDR for residential customers is based on an average therm use per customer. The DDR information made available on the SJG marketer portal is provided in separate files for both residential and commercial rate classes.

Gas imbalances for commercial customers served under Rider J balancing clause are accumulated and settled seasonally during the summer and winter seasons. The summer season includes the months of April through October (7 months). The winter season includes the months of November through March (5 months). The consolidated

imbalances of April through October are applied in equal quantities to increase or decrease a supplier's delivery requirement in the months of December through March (4 months). The consolidated imbalances of November through March are applied in equal quantities to increase or decrease a supplier's delivery requirement in the months of May through October (6 months). The months of April and November are exempt from application but not from accumulation. Firm customers balanced under the Rider J balancing clause are not subject to cash out balancing.

Section 18. Industrial Customer Enrollment Process

Notification of enrollments or drops of industrial rate class customers should be sent to transportation@sjindustries.com up to the last day of the month prior to the start or end of the enrollment.

Section 19. Marketer Portal Reports

Allocations Report

The Allocations Report reflects all the approved allocations by pipeline. These allocations are either approved or rejected by SJG. When approved, SJG's system will automatically display these volumes and the TPS can view them using this report. There is a date range available to the TPS to render the report in.

In addition, the report displays details of all nominations by delivery date, rate class, aggregated group, account information and totals on Transco and Columbia pipelines.

ALLOCATIONS REPORT

Reporting Date Range	**7/1/2015 To 7/2/2015**
Marketer Name	**SAMPLE MARKETER**
Marketer Number	**1111**

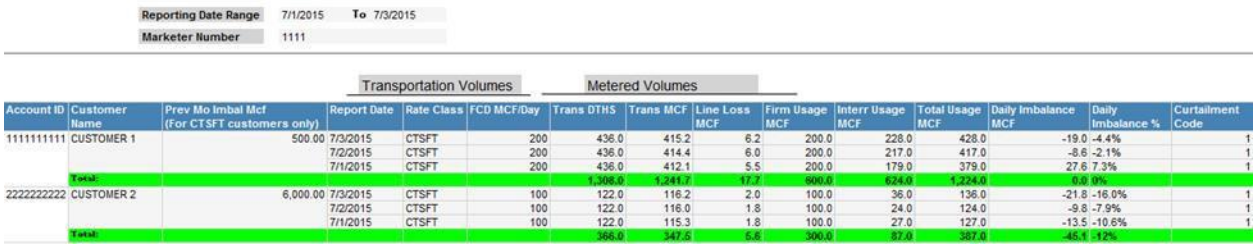
Account Number	Delivery Date	Customer Name	Rate Class	Group Number	Delivery On Transco (dth/d)	Delivery On Columbia (dth/d)
1111111111	7/2/2015	CUSTOMER 1	ITS	0002	0	290
2222222222	7/2/2015	CUSTOMER 2	LVSFT	0044	200	400
1111111111	7/1/2015	CUSTOMER 1	ITS	0002	0	160
2222222222	7/1/2015	CUSTOMER 2	LVSFT	0044	150	400

Cumulative Daily Data Report

The Cumulative Daily Data Report reflects the billing data for industrial customers, providing the TPS with a date range to extract billing data. The report shows the transportation total, firm and interruptible metered usage, and the daily imbalance calculations for industrial customers for each day in the chosen date range.

The imbalance at the start of each month is displayed in this report for all CTS rate class customers.

In addition, a total transportation and usage calculation, across all days for industrial customers served by each TPS, is offered. These totals are used to calculate the imbalances across the date range.

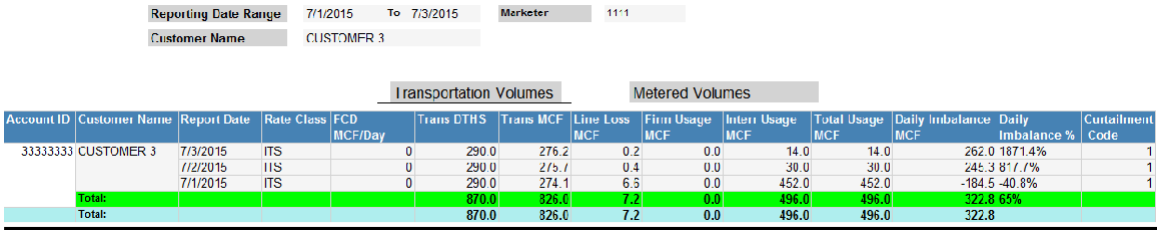


Reporting Date Range	7/1/2015 To 7/3/2015
Marketer Number	1111

						Transportation Volumes		Metered Volumes					
Account ID	Customer Name	Prev Mo Imbal Mcf (For CTSFT customers only)	Report Date	Rate Class	FCD MCF/Day	Trans DTHS	Trans MCF	Line Loss MCF	Firm Usage MCF	Interr Usage MCF	Total Usage MCF	Daily Imbalance MCF	Daily Imbalance %	Curtailment Code
1111111111	CUSTOMER 1	500.00	7/3/2015	CTSFT	200	436.0	415.2	6.2	200.0	228.0	428.0	-19.0	-4.4%	1
			7/2/2015	CTSFT	200	436.0	414.4	6.0	200.0	217.0	417.0	-8.6	-2.1%	1
			7/1/2015	CTSFT	200	436.0	412.1	5.5	200.0	179.0	379.0	27.6	7.3%	1
	Total:					1,308.0	1,241.7	17.7	600.0	624.0	1,224.0	0.0	0%	
2222222222	CUSTOMER 2	6,000.00	7/3/2015	CTSFT	100	122.0	116.2	2.0	100.0	36.0	136.0	-21.8	-16.0%	1
			7/2/2015	CTSFT	100	122.0	116.0	1.8	100.0	24.0	124.0	-9.8	-7.9%	1
			7/1/2015	CTSFT	100	122.0	115.3	1.8	100.0	27.0	127.0	-13.5	-10.6%	1
	Total:					366.0	347.5	5.6	300.0	87.0	387.0	-45.1	-12%	

Cumulative Daily Data by Customer Report

This report is customer specific. It mimics the Cumulative Daily Data Report in design with the exception of an additional drop-down menu to view for a particular industrial customer.



Reporting Date Range	7/1/2015 To 7/3/2015	Marketer	1111
Customer Name	CUSTOMER 3		

					Transportation Volumes		Metered Volumes					
Account ID	Customer Name	Report Date	Rate Class	FCD MCF/Day	Trans DTHS	Trans MCF	Line Loss MCF	Firm Usage MCF	Interr Usage MCF	Total Usage MCF	Daily Imbalance MCF	Daily Imbalance %	Curtailment Code
33333333	CUSTOMER 3	7/3/2015	ITS	0	290.0	276.2	0.2	0.0	14.0	14.0	262.0	1871.4%	1
		7/2/2015	ITS	0	290.0	275.7	0.4	0.0	30.0	30.0	245.3	817.7%	1
		7/1/2015	ITS	0	290.0	274.1	6.5	0.0	452.0	452.0	-184.5	-40.8%	1
	Total:				870.0	826.0	7.2	0.0	496.0	496.0	322.8	65%	
	Total:				870.0	826.0	7.2	0.0	496.0	496.0	322.8		

Cumulative Daily Data by Aggregated Groups Summary Report

This is an aggregated version of the Cumulative Daily Data Report. The aggregation on this report is multi-functional; billing data for industrial customers rolled up by rate class, and billing data rolled up by aggregated group. This report provides the TPS with a date range to extract aggregated billing data in. The report shows the transportation total, firm and interruptible metered usage, and the daily imbalance calculations for all industrial customers for each day in the chosen date range rolled up by rate class and the corresponding customer.

Also, displayed below is a view of the same data rolled up by aggregated account number for every day in the date range since many TPSs nominate and deliver for an aggregated group of customers as well as for an individual customer.

By Industrial Rate Class

Reporting Date Range	7/1/2015	To	7/3/2015
Marketer Number	1111		

				Transportation Volumes			Metered Volumes						
Aggr Account Number	Customer Name	Report Date	Rate Class	FCD MCF/Day	Trans DTHS	Trans MCF	Line Loss MCF	Firm Usage MCF	Interr Usage MCF	Total Usage MCF	Daily Imbalance MCF	Daily Imbalance %	Curtailment Code
ITS	CUSTOMER 1	7/3/2015	ITS	0	290.0	276.2	0.2	0.0	14.0	14.0	262.0	1871.4%	1
		7/2/2015	ITS	0	290.0	275.7	0.4	0.0	30.0	30.0	245.3	817.7%	1
		7/1/2015	ITS	0	290.0	274.1	6.6	0.0	452.0	452.0	-184.5	-40.8%	1
	CUSTOMER 2	7/3/2015	ITS	0	161.0	153.3	0.1	0.0	5.0	5.0	148.2	2964.0%	1
		7/2/2015	ITS	0	161.0	153.0	0.4	0.0	30.0	30.0	122.6	408.7%	1
		7/1/2015	ITS	0	161.0	152.2	3.4	0.0	237.0	237.0	-88.2	-37.2%	1
	Total:				1,353.0	1,284.5	11.1	0.0	768.0	768.0	505.4	66%	
LVSFT	CUSTOMER 3	7/3/2015	LVSFT	500	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1
		7/2/2015	LVSFT	500	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1
		7/1/2015	LVSFT	500	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1
	CUSTOMER 4	7/3/2015	LVSFT	600	212.0	201.9	1.6	108.0	0.0	108.0	92.3	85.5%	1
		7/2/2015	LVSFT	600	212.0	201.5	3.0	210.0	0.0	210.0	-11.5	-5.5%	1
		7/1/2015	LVSFT	600	212.0	200.4	3.3	226.0	0.0	226.0	-28.9	-12.8%	1

By Aggregated Account Number

Aggr Account Number	Report Date	FCD MCF/Day	Trans DTHS	Trans MCF	Line Loss MCF	Firm Usage MCF	Interr Usage MCF	Total Usage MCF	Daily Imbalance MCF	Daily Imbalance %
42091234567	7/3/2015	0	451.0	429.5	0.3	0.0	19.0	19.0	410.2	2158.9%
	7/2/2015	0	451.0	428.7	0.8	0.0	60.0	60.0	367.9	613.2%
	7/1/2015	0	451.0	426.3	10.0	0.0	689.0	689.0	-272.7	-39.6%
	TOTAL:		1,353.0	1,284.5	11.1	0.0	768.0	768.0	505.4	66%
42097654321	7/3/2015	13578	8,547.0	8,140.0	30.3	6,218.0	0.0	6,218.0	1,891.7	30.4%
	7/2/2015	13578	8,547.0	8,124.5	37.8	6,700.0	0.0	6,700.0	1,386.7	20.7%
	7/1/2015	13578	8,547.0	8,078.4	49.0	7,408.0	15.0	7,423.0	606.4	8.2%
	TOTAL:		25,641.0	24,342.9	117.1	20,326.0	15.0	20,341.0	3,884.8	19%

Daily Meter Reading Report

The Daily Meter Reading Report shows the total usage across each meter registered with each industrial customer. The metered usage is fed directly by Metretek equipment.

Marketers are provided with the option of selecting the end of any gas day to view the metered data. The report shows the selected customers for the selected dates for each meter registered under that customer, along with the calculated and converted meter usage to MCF.

Start Read Date	6/30/2015	End Read Date	7/1/2015
Marketer Number	1111		

Account #	Customer Name	End Read Date	Meter	Start Read	End Read	Usage MCF
1111111111	CUSTOMER 1	7/1/2015	734123	27635	27655	200
1111111111	CUSTOMER 1	7/1/2015	434456	193957	194107	150
1111111111	CUSTOMER 1	7/1/2015	234789	18818	18837	19
1111111111	CUSTOMER 1	7/1/2015	345754	22387	22413	26
2222222222	CUSTOMER 2	7/1/2015	834425	19578	19610	32
2222222222	CUSTOMER 2	7/1/2015	945365	57465	57570	105

Daily Meter Reading by Customer Report

This report is customer specific. It mimics the Daily Meter Reading Report in design with the exception of an additional drop-down menu option to view a particular industrial customer. In addition, this report shows the main customer's name to select in the drop-down list since in some cases, a customer may be broken down into multiple sub-customers.

Start Read Date	6/30/2015	**End Read Date**	7/1/2015
Customer Name	CUSTOMER 7	**Marketer Number**	1111

Account #	Customer Name	End Read Date	Meter Number	Start Read	End Read	Usage MCF
7777777777	CUSTOMER 7	7/1/2015	46765754	6171	6171	0
7777777777	CUSTOMER 7	7/1/2015	74567546	104688	105329	641

Daily Delivery Requirement Commercial Report

The DDR Commercial Report displays the DDR across all retail commercial customers falling into the groups listed under the TPS for the prompt month. Consequently, the TPS receives a breakdown of the amount of gas to purchase for commercial customers. The total is estimated by analyzing the usage trend across all customers served by the TPS over the last two years and the new usage is estimated accordingly. This report displays the total DDR for every commercial group listed under the TPS. Also, the seasonal imbalance is applied to each group, if applicable.

Daily Delivery Requirement Residential Report

The DDR Residential Report displays the DDR across all retail residential customers, heat and non-heat customers belonging to groups listed under the TPS for the prompt month. Consequently, the TPS can determine the amount of gas to purchase or reserve for residential customers. Unlike the calculation for commercial DDR customers whereby the usage trend is analyzed, the residential DDR is calculated using the TPS's number of residential customers times the corresponding heat and non-heat factor the count is associated with. The heat and non-heat factors are internal to SJG. This report displays the total number of heat and non-heat customers for each residential group listed under the TPS. Also, the seasonal imbalance is applied to each group, if applicable.

The DDR for residential and commercial groups is reflected on these reports as a negative number. Positive Daily Delivery Requirement quantities indicate momentary credit balances for each such group. Positive quantities on one group should not be deducted from delivery requirements on another group; usage by customers within the group will eventually erode positive quantities.

DDR MONTH	August 2015

MARKETER NAME	SAMPLE MARKETER
MARKETER NUMBER	1111
MARKETER DUNS NUMBER	123456789
HEAT FACTOR	1.4
NON HEAT FACTOR	1.2
LINE LOSS	1.43%
TOTAL GAS HEATING	13
TOTAL NON GAS HEATING CUSTOMERS	

SEASONAL IMBALANCE APPLIED

Group Number	Monthly Seasonal Imbalance	Daily Seasonal Imbalance dth/d
6999	0	0
6111	0	0

DDR RESIDENTIAL GROUP SUMMARY

Group Number	Total Customer Count	Unadjusted DDR dth/mo	Monthly Seasonal Imbalance dth/mo	Adjusted Monthly DDR dth/mo	Net DDR dth/d
6999	13	-18.5	0	-18.5	-1
		-18.5		-18.5	-1

Marketer Number	Group Number	Status	Customer Count	Unadjusted Monthly DDR(dth/mo)
1111	6999	HEAT	13	-18.5
		TOTAL		-18.5

Daily CTS Imbalance Report

The Daily CTS Imbalance Report displays the daily imbalance for all CTS customers served under the TPS. This report offers the cumulative imbalance over all days in a month. The imbalance that is reflected after the daily update is the result of the total transportation versus consumption and line loss.

DAILY CTS IMBALANCE REPORT FROM 7/1/2015 To 7/20/2015

MARKETER NAME	SAMPLE MARKETER
MARKETER NUMBER	8888
MARKETER DUNS NUMBER	65843658344

Account Name	SAID	Firm Contract Demand (Mcf/Day)	Bill Days	Previous Month Imbalance (Mcf)	Delivered Quantity (Mcf)	Consumed Quantity (Mcf)	Line Loss (Mcf)	Current Month To Date Imbalance (Mcf)
CUSTOMER 67	36356536	450	20	176.1	7,256.0	7,635.0	110.7	(313.6)
CUSTOMER 68	86473560	315	20	2,052.3	3,894.2	5,080.0	73.7	792.9
CUSTOMER 69	24417436	135	20	1,456.2	0.0	0.0	0.0	1,456.2
CUSTOMER 70	36535654	300	20	(189.4)	5,125.5	4,673.0	67.8	195.3
CUSTOMER 71	46745632	100	20	525.9	0.0	460.0	6.7	59.2
CUSTOMER 72	47243865	350	20	70.6	4,011.9	4,295.0	62.3	(274.7)
SERVICE PROVIDER TOTAL				4,091.7	20,287.6	22,143.0	321.2	1,915.3
MARKETER TOTAL				4,091.7	20,287.6	22,143.0	321.2	1,915.3

Daily Rider I Imbalance Report

The Daily Rider I Imbalance Report displays the daily imbalance for all rider I customers (other than CTS rate class) served under the TPS. This report offers the cumulative imbalance over all days in a month. The imbalance that is reflected after the daily update is the result of the total transportation versus consumption and line loss.

IMBALANCE REPORT FOR RIDER I CUSTOMERS EXCLUDING CTS RATE CLASS CUSTOMERS									
IRA DAILY DATA REPORT FROM 4/1/2016 THROUGH 4/26/2016									
MARKETER NAME	Sample								
MARKETER NUMBER	1111								
MARKETER DUNS NUMBER	1111111111								
Interruptible Transportation Service									
Rate Class	SAID	Customer Name	Line-Loss Percent(%)	FCD (mcf/d)	Transportation MCF	Consumption MCF	Line Loss MCF	Imbalance MCF	Percent Imbalance
ITS	11111111	Customer 1	1.43	0	0	0	0	0	0
			TOTAL	0	0	0	0	0	0
Large Volume Service FT									
Rate Class	SAID	Customer Name	Line-Loss Percent(%)	FCD (mcf/d)	Transportation MCF	Consumption MCF	Line Loss MCF	Imbalance MCF	Percent Imbalance
LVSFT	11111111	Customer 2	1.43	415	10,008.30	9,318.30	135.2	554.9	6
			TOTAL	415	10,008.30	9,318.30	135.2	554.8	6

Section 20. Rider J End of Month Reports

The end of month reports available to the TPS are the **End of Month DDR Imbalance Report** and the **End of Month Seasonal Imbalance Report.** The DDR Imbalance Report offers a summary of delivered quantities versus calendar month consumption for each rider J group. The Seasonal Imbalance Report tracks the application of the prior season's balance, in addition to the cumulative balance of the current season's imbalance.

The Summer season includes the months of April, May, June, July, August, September, and October (7 months). The Winter season includes the months of November, December, January, February, and March (5 months).

The consolidated imbalances of April through October are applied in equal quantities to increase or decrease a TPS's delivery requirement in the months of December through March (4 months). The consolidated imbalances of November through March are applied in equal quantities to increase or decrease a TPS's delivery requirement in the months of May through October (6 months). The months of April and November are exempt from application but not accumulation.

Section 21. Active Customer List

A list of active customers is available to each TPS via an email request to transportation@sjindustries.com stries.com. A response file will be sent within 24 hours.

Section 22. Meter Read Cycles

Natural gas meters are read on a cycle basis throughout the month. There are 20 cycles, and every customer account is read once per month. These cycle-read

customers are included in SJG's retail billing system. All commercial and residential usage information is communicated via an 867MU EDI transaction. The consumption is communicated to the TPS the day after each cycle bills. Consumption is communicated in CCF, and usage is communicated in therms. SJG's meter reading schedule is available on the SJG website.

Section 23. Notices

Based on system operating conditions, SJG may issue notices regarding system balancing, restrictions, and curtailments. Such communications are sent via email and a text alert.

Definitions and Acronyms

The following is a list of commonly used terms for your reference.

BPU (Board of Public Utilities): the governing body overseeing New Jersey State utilities.

BTU (British Thermal Unit): the quantity of heat required to raise the temperature of one pound of water one degree Fahrenheit at or near 39.2F.

Capacity: the maximum quantity of natural gas that can be transported in a given period of time.

Cash out: the settlement of positive or negative differences (imbalance) between deliveries and usage.

CCF: one hundred cubic feet (meters are read in hundred cubic feet)

DTH: (Dekatherm): a unit of heating equivalent to 10 therms.

EDI: Electronic Data Exchange

DDR: Daily Delivery Requirement

FCD: firm contract demand

Therm: 100,000 BTU – (Calculated by multiplying CCF x BTU Factor)

TPS: Third-party supplier

EDI Abbreviations

APA (824)	Application Advice
APAE (824)	Application Advice from Supplier
APAL (824)	Application Advice from SJG
FAM (820)	Financial Account Maintenance
FAMP (820)	Remittance / Payment Advice
FAMW (248)	Write off
GAA (814)	General Account Administration
GAAC (814C)	Change / Request Response
GAAD (814D)	Drop
GAAE (814E)	Enrollment / Request Response
GAAH (814HU)	Historical Usage / Request Response
GAAR (814R)	Reinstatement / Request Response
INVE (810)	Utility Bill Ready Invoice
USG (867)	Usage
USGM (867MU)	Monthly Usage
USGH (867HU)	Historical Usage

ESG and SJG process many types of natural gas EDI transactions. The typical types of EDI transactions are:

- 810 LDC Consolidated Bill
- 814 Enrollment
- 814 Drop
- 814 Reinstatement
- 814 Change
- 820 Payment / Remittance
- 824 Application Advice
- 867 HI-Historical Usage
- 867 HU-Historical Usage

EDI Q&A's

Q. Does EDI communicate an 810 transaction for accounts billed for zero usage?

A. Yes, TPSs receive an 810 transaction for zero usage transactions.

Q. How would SJG respond if a TPS inadvertently sent an EDI request for one of the non-EDI rate classes? Do you send an EDI rejection, and if so, what code is used?

A. The request would be rejected. "Invalid rate class" would be the reason.

Q. What are the rejection reasons that would be found on the EDI response transaction for enrollment requests?

A. The rejection reasons are as follows:

- 008=ESI ID/Account exists but not active
- 021=Move Pending
- A13=Other
- A76=Account not found or invalid
- ABN=Duplicate Request Received
- ANE=Ineligible Customer
- UND=Cannot identify ESP

Q. In all EDI transactions, should the Bill Presenter and Bill Calculator be communicated with the values 'LDC' and 'LDC'?

A. Yes. LDC and LDC.

Q. Can rate changes be sent between the time a new customer's enrollment is accepted and their service start date?

A. Yes

Q. When a rate change is accepted, how is the effect date determined?

A. The new rate will update the existing rate and will take effect from the current billing cycle.

Q. Is there a “blackout” period before which a TPS must send a change to a customer’s rate?

A. The rate can be updated any day before billing.

Q. If a change is set at a time that is unacceptable (such as during a “blackout” period), will it be rejected and ignored or will it be accepted and applied to the next open period?

A. If the new rate is received after the account bills, it will be accepted for the next billing period.

Q. How are multiple rates processed within a particular invoice cycle?

A. SJG does not process multiple rates within one billing cycle. The last rate submitted will be used for the billing period.

Q. Does SJG blend multiple rates?

A. The last rate submitted will be used for the billing period.

Q. In an original 810 transaction, does SJG include the Tracking ID of the original 867 MU usage which is being billed on the 810?

A. Yes, Line 5000, Position 6.

Q. In an 810-cancelation transaction, does SJG include the Tracking ID of an 867 MU? Is it the Tracking ID of the original 867 MU or the cancel 867 MU?

A. Yes, Line 5000, Position 6; Tracking ID of the cancel 867 MU.

Q. What ITI loops does SJG use? Account? Rate? Unmetered?

A. Account.

Q. Will the dates of two consecutive meter reads for a customer normally overlap by one day?

A. Yes.

Q. In an enrollment request, should rates be entered in the same format as non-EDI uploads?

A. All rates should be uploaded in therms. Example 0.67892

Q. What format does the rate upload require?

A. All rates should be uploaded in therms as 5 decimal rates. SJG's program multiplies the TPS's rate by 10 and offers it as a per dekatherm rate.

Q. Other than the Presented by Data field which should be "LDC", are there any additional data fields that SJG requires for the Rate Ready Utility Consolidated Billing (RRUCB)?

A. Record 5000 "Bill Presented", and "Bill Calculator" should be "LDC" Record 6000 "Meter #" should be "All".

Q. Is it necessary for the TPS to upload a rate file if the customer's rate is not changing?

A. No. A rate file is not necessary if the rate is not changing.

Q. Should the monthly rate file be submitted according to the existing meter reading schedule?

A. All GAAC (REFBN – rate change) transactions should be sent to update the rate prior to the rate billing. The rate will be uploaded the same day and will be used in the next billing process.

Q. Can a TPS offer a rate change for the future?

A. A rate change cannot be submitted for a future rate change.

Q. Are residential accounts handled differently through EDI than commercial accounts?

A. No.

Q. Is EDI offered for industrial customers?

A. EDI is offered for cycle metered accounts, usually referred to as “retail” or “DDR” accounts. EDI is not offered for industrial accounts.

Q. Will SJG generate an EDI invoice transaction for accounts in the RRUCB program?

A. Yes.

Q. How will SJG handle cancel/rebill/adjustment transactions?

A. The USG (867) usage cancellation and INVL01 (910) invoice cancellation transactions will be created during the billing period and sent to the TPS.

Q. Is a rate change accepted between the time a new customer’s enrollment is accepted and their service start date?

A. Yes.

Q. When a rate change is accepted, how is the effective date determined?

A. The new rate will update the existing rate and will take effect from the current billing cycle.

Q. What receiver name should be included on all transactions?

A. When SJG receives the daily EDI file from ESG, many checks and balances are completed. In order for this verification to be completed accurately, the “N1*8S” segment in the EDI transaction should be “N1*8S*South Jersey Gas.”

Q. Can more than one group exist for the same rate class?

A. Yes.

Q. How many months of usage is offered in an historical usage transaction?

A. Usage history transactions offer 12 months of historical usage.

Q. What information is offered in a usage history request?

A. The ESG standard for historical usage offers bill cycle, read date, bill date, bill days, and read code.

Q. What LDC charges are offered via EDI?

A. For EDI TPSs utilizing the dual bill option, usage will be provided via EDI. The TPS will calculate the customer's bill and bill the customer for the commodity.

Q. What rate codes does SJG require for EDI billing?

A. Rate codes are mandatory for the REFRB (Change Supplier Rate Code) transactions. SJG uses ESP Rate Amount and expects that the Rate Amount Change (REFBN) transactions for all accounts when the customer's rate was changed. SJG does not require REFRB with REFBN to complete the rate change process.

Q. Are there any specific calculation codes for the ESP Rate Code field or can the TPS use their own coding system?

A. TPSs are permitted to use their own coding system in the ESP Rate Code field. However, it should not be greater in size than 10 bites.

Q. What rate codes does SJG accept when a TPS submits a price/rate change file?

A. SJG only accepts 814 Change Rate Amount (GAAC/REFBN) transactions in the event of a price/rate change.