



STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF)	DECISION AND ORDER
SOUTH JERSEY GAS COMPANY TO REDUCE)	APPROVING STIPULATION
THE LEVEL OF ITS BASIC GAS SUPPLY)	FOR
SERVICE CHARGE FOR THE BGSS YEAR ENDING)	DOCKET NO. GR07060355
SEPTEMBER 30, 2008)	
IN THE MATTER OF THE PETITION OF)	
SOUTH JERSEY GAS COMPANY TO CHANGE)	
THE LEVEL OF ITS BASIC GAS SUPPLY)	
SERVICE CHARGE FOR THE BGSS YEAR ENDING)	
SEPTEMBER 30, 2009)	DOCKET NO. GR08050366

(SERVICE LIST ATTACHED)

BY THE BOARD:

In accordance with the January 6, 2003 Generic Order in Docket No. GX01050304, on June 1, 2007, South Jersey Gas Company ("South Jersey" or "Company") filed a petition ("2007 Petition") with the New Jersey Board of Public Utilities ("Board") in Docket No. GR07060355 requesting a decrease in the level of its annual Periodic Basic Gas Supply Service Charge ("BGSS-P") revenues by approximately \$16.9 million. The Company proposed to decrease its BGSS-P charge from its then current level of \$1.0959 per therm (including taxes) to \$1.0369 per therm (including taxes), effective October 3, 2007. The 2007 Petition also requested the following revisions: (1) that the D-2 charge for Rate Schedule LVS be increased to \$17.1896 per Mcf, including taxes from its then current level of \$13.1639 per Mcf including taxes; (2) that the gas cost portion of the Firm D-2 charge for rate schedule EGS-LV be decreased to \$15.1534 per Mcf, including taxes from its then current level of \$23.4135 per Mcf including taxes, and that the Limited Firm D-2 charge be increased to \$8.5948 per Mcf, including taxes, from its then current level of \$6.5820 per Mcf; (3) that the gas cost portion of the Firm D-2 charge for Rate Schedule FES be increased to \$8.5948 per Mcf, including taxes, from its then current level of \$6.5820 per Mcf including taxes; and (4) that the non-commodity rate component of \$0.0162 per therm, including taxes, be applicable to Rate Schedules GSG, GSG-LV, EGS, LVS and EGS-LV.

On September 19, 2007, the Company submitted updated BGSS schedules which proposed a further reduction in its BGSS-P rate to \$0.9564 per therm (including taxes) which translates to a decrease in annual revenues of approximately \$19.8 million. On October 24, 2007, the Board approved South Jersey's request to implement the revised BGSS rates contained in the September 19, 2007 filing on a provisional basis.

A public hearing in this matter was held on October 7, 2007. The public hearing was noticed in newspapers of general circulation with in South Jersey's service territory. No members of the public appeared to provide comments related to the Company's filing.

Subsequently on May 30, 2008, South Jersey filed a petition in Docket No. GR08050366 ("2008 Petition") to increase its BGSS-P charge from \$0.9564 per therm (including taxes) to \$1.2355 per therm (including taxes). This change, if approved, would have increased the annual bill of a residential customer utilizing 100 therms of gas during a winter heating month by \$27.91 or 18.2%. Due to the rapid increase in the price of natural gas on the wholesale market, on November 21, 2008, the Board approved South Jersey's request to increase its revenues by \$38,031,628 per annum by increasing the level of its BGSS-P rate from its then current level of \$0.9564 per therm (including taxes) to \$1.0977 per therm (including taxes) on a provisional basis, subject to refund with interest on any net over recovered BGSS balance and an opportunity for a full review at the Office of Administrative Law ("OAL"), if necessary, and final approval by the Board.

On December 15, 2008, the Company, Board Staff, and the Department of the Public Advocate, Division of the Rate Counsel, the only parties to these proceedings (collectively the "Parties"), entered into a stipulation which is attached to this Order (the "Stipulation"). With regard to Docket No. GR07060355, the Parties agreed that the provisional rates previously approved by the Board in the 2007 Petition should be made final. Due to the decrease in the price of natural gas on the wholesale market, the Parties also agreed that it would be reasonable and in the public interest to decrease the provisional BGSS-P rates previously approved by Board Order dated November 21, 2008 in Docket No. GR08050366, from \$1.0977 per therm (including taxes) to \$1.0627 per therm including taxes. All other provisional BGSS rates approved by the November 21, 2008 Order would remain in full force and effect, pursuant to the terms of that Order.¹

DISSUSSION AND FINDING

The Board, having carefully reviewed the record to date in this proceeding and the attached Stipulation, HEREBY FINDS that, subject to the terms and conditions set forth below, the Stipulation is reasonable, in the public interest and in accordance with the law. Accordingly, the Board HEREBY ADOPTS the Stipulation as its own as if fully set forth herein.

Therefore, the Board HEREBY APPROVES as final rates for Docket No. GR07060355 the following provisional rates that were provisionally approved by the Board on October 24, 2007: (1) a D-2 charge for Rate Schedule LVS of \$17.1896 per Mcf, including taxes, (2) a Firm D-2 charge for rate schedule EGS-LV of \$15.1534 per Mcf, including taxes, and a Limited Firm D-2 charge of \$8.5948 per Mcf, including taxes; (3) a Firm D-2 charge for Rate Schedule FES of \$8.5948 per Mcf, including taxes; and (4) a non-commodity rate component of \$0.0162 per therm, including taxes, for Rate Schedules GSG, GSG-LV, EGS, LVS and EGS-LV.

¹ While both the 2007 Petition and the 2008 Petition were transmitted to the OAL for review, by letter dated December 15, 2008, these matters were recalled to the Board for review of the proposed Stipulation.

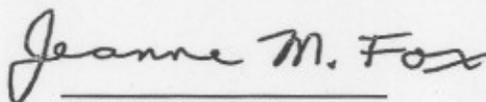
The Board HEREBY APPROVES, on a provisional basis, subject to refund with interest on any net over recovered BGSS balance, a provisional decrease in South Jersey's after tax BGSS-P rate to \$1.0627 per therm (including taxes) from \$1.10977 per therm (including taxes). All other provisional BGSS rates approved by the November 21, 2008 Order in Docket No. GR08050366 remain in full force and effect, pursuant to the terms of that Order.

The Company is HEREBY DIRECTED to file appropriate tariff sheets that conform to the terms and conditions of this Order within seven (7) days from the date of this Order.

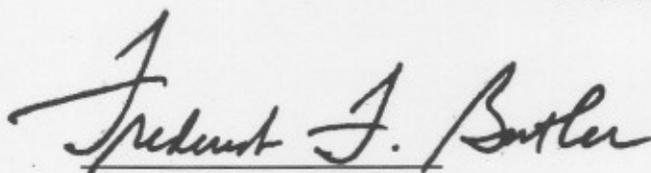
The Company's gas costs will remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

DATED: 12/31/08

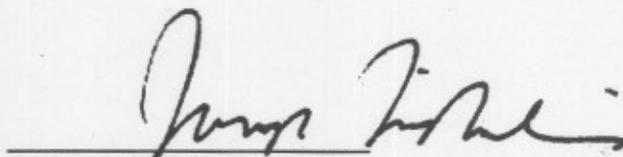
BOARD OF PUBLIC UTILITIES
BY:



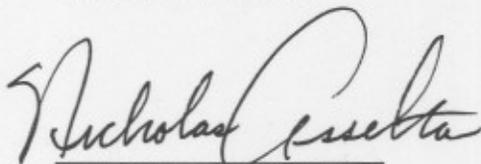
JEANNE M. FOX
PRESIDENT



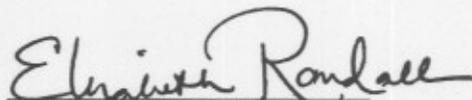
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COMMISSIONER



JOSEPH V. FIORDALISO
COMMISSIONER

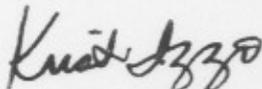


NICHOLAS V. ASSELTA
COMMISSIONER



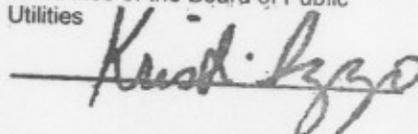
ELIZABETH RANDALL
COMMISSIONER

ATTEST:



KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities



In the Matter of the Petition of South Jersey Gas Company
To Reduce the Level of Its Basic Gas Supply Service
Docket No. GR07060355

In the Matter of the Petition of South Jersey Gas Company
To Change the Level of Its Basic Gas Supply Service
Docket No. GR08050366

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