



Agenda Date: 9/22/17
Agenda Item: 2N

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF SOUTH)
JERSEY GAS COMPANY FOR APPROVAL OF BASE)
RATE ADJUSTMENTS PURSUANT TO THE)
ACCELERATED INFRASTRUCTURE REPLACEMENT)
PROGRAM ("AIRP II"))
DECISION AND ORDER
DOCKET NO. GR17050441

Parties of Record:

Stacy A. Mitchell, Esq., for South Jersey Gas Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

By the Board:

On April 28, 2017, South Jersey Gas Company ("SJG" or "Company") filed a petition ("April 2017 Petition") with the New Jersey Board of Public Utilities ("Board") requesting Board approval for base rate adjustments associated with the extension of the Company's Accelerated Infrastructure Replacement Program ("AIRP II"). By this Order, the Board considers a stipulation of settlement ("Stipulation") executed by SJG, Board Staff, and the New Jersey Division of Rate Counsel (collectively, "Parties") intended to resolve the Company's requests related to the April 2017 Petition.

BACKGROUND

By Order¹ dated February 20, 2013, the Board authorized SJG to invest up to \$141.2 million (\$35.3 million per year, excluding Accumulated Funds Used During Construction ("AFUDC")), in its Accelerated Infrastructure Replacement Program ("AIRP I") to replace unprotected bare steel and cast iron mains and services. The AIRP I investments were to be made over a four (4) year period.

By petition dated February 29, 2016, SJG sought Board approval of its AIRP II (which was a continuation of its AIRP I) and to utilize an associated recovery mechanism to collect costs from

¹ In re the Petition of South Jersey Gas Company to Implement an Accelerated Infrastructure Replacement Program ("AIRP") and Associated Recovery Mechanism Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21, BPU Docket No. GO12070670 (February 20, 2013).

ratepayers through an annual adjustment. By Order² dated October 31, 2016, the Board authorized SJG to investment approximately \$302.5 million, excluding AFUDC, in its AIRP II over a five (5) year period. The Company would continue its practice of replacing coated steel mains, however such replacements would not be AIRP II investments. The October 2016 Order also authorized the Company to recover the costs related to the AIRP II through future base rate adjustments. In addition, the October 2016 Order required that SJG file a base rate case with the Board no later than three (3) years after the issuance of an Order setting rates in the 2017 Base Rate Case.

April 2017 Petition

The Company filed the April 2017 Petition seeking Board approval to recover \$4.239 million in revenue related to AIRP II costs through June 30, 2017 for AIRP II costs not previously placed in base rates. The April 2017 Petition was based on actual costs from October 1, 2016 through March 31, 2017 and projected program expenditures from April 1, 2017 through June 30, 2017.

On July 17, 2017, SJG updated the April 2017 Petition to include actual AIRP II expenditures through June 30, 2017. The update reflected an increase in the proposed revenue requirements to \$4.654 million. The revenue requirements reflected in the July 17, 2017 update were calculated as follows:

AIRP II - Revenue Requirements – Roll-In at 6/30/17		
		Roll-In #1
1	Actual Plant in Service at 6/30/17	\$46,144,240
2	AFUDC	\$517,287
3	Gross Plant in Service at 6/30/17	\$46,661,527
4	Accumulated Depreciation	(\$390,282)
5	Rate Base	\$46,271,246
6	Accumulated Deferred Tax	\$(8,204,040)
7	Net Rate Base	\$38,067,206
8	Rate of Return - Net	6.13%
9	Return Requirement (Net of Tax)	\$2,333,520
10	Depreciation Expense, Net of Tax	\$433,500
11	O&M Credit – Leak Repair	\$(45,000)
12	Revenue Recovery	\$2,722,020
13	Revenue Factor	1.82299
14	Total Revenue Requirement, incl. SUT	\$4,962,216
15	Total Revenue Requirement, excl. SUT	\$4,653,896

² In re the Petition of South Jersey Gas Company to Continue its Accelerated Infrastructure Replacement Program ("AIRP") Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1 and for Approval of a Base Rate Adjustment to Reflect AIRP Investments in Base Rates, BPU Docket No. GR16020175 (October 31, 2016). ("October 2016 Order").

After publication of notice in newspapers of general circulation in the Company's service territory, public hearings were held at 4:30 p.m. and 5:30 p.m. in Voorhees on August 29, 2017. No members of the public attended the hearings or filed written comments with the Board.

STIPULATION

Upon review of the April 2017 Petition and updates thereto, and subsequent to conducting and reviewing responses to discovery, on September 18, 2017, the Parties executed the Stipulation, which provides as follows:³

13. The revenue requirement associated with the approximately \$46.7 million of AIRP II investments, including AFUDC, being rolled into base rates shall be \$4,962,216, including SUT. The calculation of this revenue requirement is set forth on Schedule A, attached to the Stipulation.
14. The Company may implement the base rates, combined with the base rates applicable to the simultaneously implemented SHARP proceeding (Docket No. GR17050442), as set forth on Schedule B, attached to the Stipulation, effective October 1, 2017.
15. After the public notice was published and subsequent to the public hearings, the Company's proposed rates in this matter change slightly in certain customer classes. This change was as a result of a change in billing determinants in updates filed pursuant to the Company's concurrent pending base rate matter. The rate change resulted in a final increase of \$0.02 to the \$1.36 bill impact increase previously noticed to a typical residential customer using 100 therms per month. Therefore, the overall monthly bill impact increase to a typical residential customer using 100 therms per month will now be \$1.38 and the increase will remain at the previously noticed 1.1%. This slight increase does not result in an increase in the revenue requirement.

DISCUSSION AND FINDING

After review of the April 2017 Petition, subsequent updates, and the Stipulation, the Board **HEREBY FINDS** the Stipulation to be reasonable, in the public interest, and in accordance with the law. Therefore, the Board **HEREBY ADOPTS** the Stipulation in its entirety, and **HEREBY INCORPORATES** its terms and conditions as though fully set forth herein.

The Board **HEREBY APPROVES** the rate adjustments reflected in the Stipulation on a provisional basis, subject to refund and review for prudence in the base rate case that the Company has committed to file no later than three (3) years after the issuance of an Order setting rates in the 2017 Base Rate Case.

³ Although summarized in the Order, the details terms of the stipulation are controlling, subject to the findings and conclusions of the order.

The monthly bill impact of the proposed rates on a typical residential gas customer using 100 therms in a winter month is an increase of \$1.38 or approximately 1.1%.

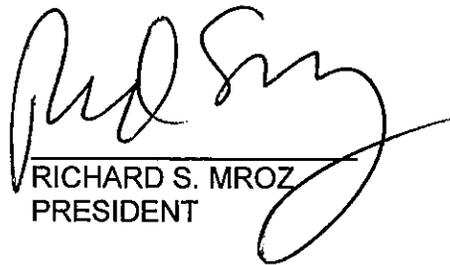
The Company is **HEREBY DIRECTED** to file the appropriate tariff sheets conforming to the terms and conditions of this Order by October 1, 2017.

The Company's costs, including those related to the AIRP II, 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.

This Order shall be effective on September 29, 2017.

DATED: 9/22/17

BOARD OF PUBLIC UTILITIES
BY:

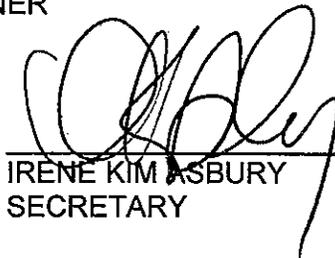

RICHARD S. MROZ
PRESIDENT


JOSEPH L. FIORDALISO
COMMISSIONER

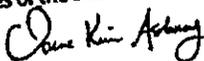

MARY ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST: 
IRENE KIM ASBURY
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 FOR APPROVAL
OF BASE RATE ADJUSTMENTS PURSUANT TO THE ACCELERATED INFRASTRUCTURE
REPLACEMENT PROGRAM ("AIRP II")
DOCKET NO. GR17050441

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South Jersey Gas

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September 18, 2017

Irene Kim Asbury, Secretary
NJ Board of Public Utilities
44 South Clinton Avenue, 3rd Floor
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Trenton, NJ 08625-0350

Re: In the Matter of the Petition of South Jersey Gas Company for Approval of Base Rate Adjustments Pursuant to the Accelerated Infrastructure Replacement Program ("AIRP II")
BPU Docket No. GR17050441

Dear Secretary Asbury:

Enclosed, please find a fully executed Stipulation in the referenced matter. If you have any questions, please feel free to contact me directly.

Respectfully,


Stacy A. Mitchell

SAM
Enclosure

cc: Service List (attached)

**IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY
FOR APPROVAL OF BASE RATE ADJUSTMENTS PURSUANT TO THE
ACCELERATED INFRASTRUCTURE REPLACEMENT PROGRAM ("AIRP II")
DOCKET NO. GR17050441**

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

IN THE MATTER OF THE PETITION OF :
SOUTH JERSEY GAS COMPANY FOR : **BPU DOCKET NO. GR17050441**
APPROVAL OF BASE RATE ADJUSTMENTS :
PURSUANT TO THE ACCELERATED : **STIPULATION OF SETTLEMENT**
INFRASTRUCTURE REPLACEMENT :
PROGRAM (“AIRP II”) :

APPEARANCES:

Stacy A. Mitchell, Esq., Regulatory Affairs Counsel, for South Jersey Gas Company (“Petitioner”).

Felicia Thomas-Friel, Esq., Deputy Rate Counsel, and **Maura Caroselli, Esq.**, Assistant Deputy Rate Counsel, for the New Jersey Division of Rate Counsel (**Stefanie A. Brand**, Director).

Alex Moreau and Veronica Beke, Deputy Attorneys General, for the Staff of the New Jersey Board of Public Utilities (**Christopher S. Porrino**, Attorney General of New Jersey).

TO THE HONORABLE COMMISSIONERS OF THE BOARD OF PUBLIC UTILITIES:

This Stipulation of Settlement addresses the Petition filed by South Jersey Gas Company (“SJG” or the “Company”) with the New Jersey Board of Public Utilities (the “Board” or “BPU”) on April 28, 2017 (the “Petition”), and subsequently updated on July 17, 2017, for base rate adjustments to provide for cost recovery associated with the Company’s Accelerated Infrastructure Replacement Program (“AIRP II”), which was approved by the Board on October 31, 2016 in Docket No. GR16020175.

I. BACKGROUND

1. On February 20, 2013, in BPU Docket No. GO12070670, the Board approved the Company’s Accelerated Infrastructure Replacement Program (“AIRP I”) as a four (4) year program commencing on January 1, 2013 and continuing until December 31, 2016 (the “AIRP I

Order”). Pursuant to the AIRP I Order, the Company was authorized to invest \$35.3 million per year, excluding Accumulated Funds Used During Construction (“AFUDC”), over four (4) years, for a total of \$141.2 million, to replace unprotected bare steel and cast iron mains and services.

2. On February 29, 2016, the Company petitioned the Board seeking approval to continue AIRP (hereinafter referred to as “AIRP II” or the “Program”), and to utilize an associated recovery mechanism to collect costs from ratepayers through an annual AIRP II rate adjustment filing.

3. After notice and public hearing, on August 22, 2016, the Company, Board Staff and the New Jersey Division of Rate Counsel (collectively, the “Parties”) entered into a Stipulation of Settlement (“AIRP II Stipulation”) regarding the Program. By Order dated October 31, 2016 in BPU Docket No. GR16020175, the Board approved the AIRP II, adopted the AIRP II Stipulation, and set forth the authorized investments and cost recovery mechanism to be utilized.

4. The AIRP II Stipulation approved by the Board provided that AIRP II would include the replacement of cast iron and unprotected bare steel mains and associated services (“AIRP Investments”). The Company stipulated to continue its practice of replacing coated steel mains, however such replacements shall not be included in AIRP II Investments.

5. The AIRP II Stipulation further provided that AIRP II would encompass a five (5) year period beginning on October 1, 2016 and ending September 30, 2021. The costs of the Program were set at \$302.5 million (the “Program Cost Cap”), excluding AFUDC. The Program Cost Cap was derived by applying an average cost per mile cap of \$550,000 to a mileage cap of 110 miles per year (the “Annual Mileage Cap”), or 550 miles over the five year term of AIRP II (the “Program Mileage Cap”). If the Company exceeds the Annual Mileage Cap

by 5% in any annual period, any excess mileage must be applied toward the Annual Mileage Cap in future years, so long as the Program Mileage Cap is not exceeded.

6. The AIRP II Stipulation further provided that non-construction expenditures, such as planning and engineering of AIRP II projects incurred as of September 30, 2016 shall be included in AIRP II Investments for the first year of AIRP II.

7. Pursuant to the AIRP II Stipulation, cost recovery for AIRP II projects is effectuated by an annual adjustment to base distribution rates (“AIRP II Rate Adjustment”) accomplished through the Company’s filing of an annual Revenue Adjustment Filing (“Annual Filing”).

II. PROCEDURAL HISTORY

8. By way of its Petition in this matter, the Company made its first Annual Filing (“First Annual Filing”) seeking recovery of the revenue requirements associated with AIRP II projects placed into service from October 1, 2016 through June 30, 2017. Therein, the Company provided actual AIRP II investment data for the period October 1, 2016 through March 31, 2017 and forecasted data for the period April 1, 2017 through June 30, 2017.

9. The Company seeks authority to recover AIRP II revenue requirements of approximately \$4.5 million (including Sales and Use Tax (“SUT”) associated with actual and projected AIRP II investments of approximately \$42.5 million, including AFUDC. The impact of the rates proposed, as applicable to a typical residential heating customer using 100 therms of natural gas during a winter month, would be an increase of \$1.24, or 1.0%. The AIRP II investments, revenue requirement, and base rate adjustment were supported by the Direct Testimony of Paul Zuccarino, Senior Vice President & Chief Operations Officer, and Kenneth Barcia, Manager of Rates and Revenue Requirements.

10. On July 17, 2017, the Company filed an update providing actual AIRP II investment data through June 30, 2017. Updated schedules supporting a revenue requirement of approximately \$5.0 million (including SUT) associated with approximately \$46.7 million of AIRP II investments, including AFUDC, were provided as well as an updated proposed base rate adjustment. As a result of the update, the impact of the rates proposed, as applicable to a typical residential heating customer using 100 therms of natural gas during a winter month, increased from \$1.24 to \$1.36, or from 1.0% to 1.1%.

11. Following proper public notice, public hearings were held in this matter on August 29, 2017 in Voorhees, New Jersey. No members of the public appeared or provided written comments.

III. STIPULATED TERMS

12. Upon review of the First Annual Filing, the July 17, 2017 update, the accompanying Testimony and Schedules, and the Company's responses to written data requests, and after settlement discussions among the Parties, the Parties STIPULATE AND AGREE as follows.

13. The revenue requirement associated with the approximately \$46.7 million of AIRP II investments, including AFUDC, being rolled into base rates shall be \$4,962,216, including SUT. The calculation of this revenue requirement is set forth on Schedule A, attached hereto.

14. The Company may implement the base rates, combined with the base rates applicable to the simultaneously implemented SHARP proceeding (Docket No. GR17050442), as set forth on Schedule B, attached hereto, effective October 1, 2017.

15. After the public notice was published and subsequent to the public hearings, the Company's proposed rates in this matter change slightly in certain customer classes. This change was as a result of a change in billing determinants in updates filed pursuant to the Company's concurrent pending base rate matter¹. The rate change resulted in a final increase of \$.02 to the \$1.36 bill impact increase previously noticed to typical residential customers using 100 therms per month. Therefore, the overall monthly bill impact increase to a typical residential customer using 100 therms per month will now be \$1.38 and the increase will remain at the previously noticed 1.1%. This slight increase does not result in an increase in the revenue requirement.

IV. MISCELLANEOUS

16. This Stipulation represents a mutual balancing of interests and, therefore, is intended to be accepted and approved in its entirety. In the event this Stipulation is not adopted in its entirety by the Board, then any party hereto is free to pursue its then available legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed.

17. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of this proceeding. Except as expressly provided herein, South Jersey, Staff and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein. Also, all rates are subject to Board audit.

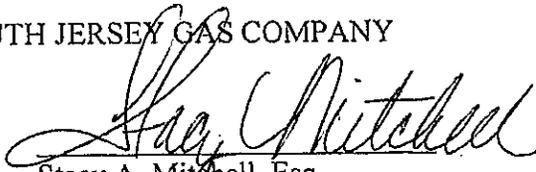
¹ In the Matter of the Petition of South Jersey Gas company for Approval of Increased Base Tariff Rates and Charges for Gas Service and Other Tariff Revisions, BPU Docket No. GR17010071.

18. This Stipulation may be executed in as many counterparts as there are signatories of this Stipulation, each of which counterparts shall be an original, but all of which shall constitute one and the same instrument.

WHEREFORE, the Parties hereto do respectfully submit this Stipulation and request that the Board issue a Decision and Order approving it in its entirety, in accordance with the terms hereof, as soon as reasonably possible.

SOUTH JERSEY GAS COMPANY

By:


Stacy A. Mitchell, Esq.
Regulatory Affairs Counsel

CHRISTOPHER S. PORRINO
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Staff of the Board of Public Utilities

By:

Veronica Beke
Deputy Attorney General
DIVISION OF RATE COUNSEL
Stefanie Brand, Esq.
Director

By:

Maura Caroselli
Assistant Deputy Rate Counsel

Dated: September 18, 2017

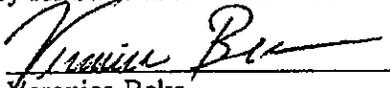
18. This Stipulation may be executed in as many counterparts as there are signatories of this Stipulation, each of which counterparts shall be an original, but all of which shall constitute one and the same instrument.

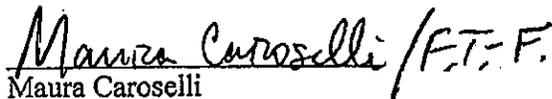
WHEREFORE, the Parties hereto do respectfully submit this Stipulation and request that the Board issue a Decision and Order approving it in its entirety, in accordance with the terms hereof, as soon as reasonably possible.

SOUTH JERSEY GAS COMPANY

By: _____
Stacy A. Mitchell, Esq.
Regulatory Affairs Counsel

CHRISTOPHER S. PORRINO
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Staff of the Board of Public Utilities

By: 
Veronica Beke
Deputy Attorney General
DIVISION OF RATE COUNSEL
Stefanie Brand, Esq.
Director

By:  / F.T.F.
Maura Caroselli
Assistant Deputy Rate Counsel

Dated: September 18, 2017

SOUTH JERSEY GAS COMPANY
ACCELERATED INFRASTRUCTURE REPLACEMENT PROGRAM EXTENSION (AIRP II)
REVENUE REQUIREMENT AND RATE CALCULATION

Line No.		
1	Actual Plant in Service as of June 30, 2017	\$46,144,240
2	AFUDC	517,287
3	Gross Plant in Service as of June 30, 2017	<u>46,661,527</u>
4		
5	Accumulated Depreciation	<u>(390,282)</u>
6		
7	Rate Base	46,271,246
8		
9	Accumulated Deferred Tax	<u>(8,204,040)</u>
10		
11	Net Rate Base	38,067,206
12		
13	Rate of Return - Net	<u>6.13%</u>
14		
15	Return Requirement (Net of Tax)	2,333,520
16		
17	Depreciation Expense, Net of Tax	433,500
18		
19	O&M Credit - Leak Repair	<u>(45,000)</u>
20		
21	Revenue Recovery	2,722,019
22		
23	Revenue Factor	<u>1.82299</u>
24		
25	Total Revenue Requirement, including SUT	<u><u>\$4,962,216</u></u>
26		
27	Total Revenue Requirement, excluding SUT	<u><u>\$4,653,896</u></u>

South Jersey Gas Company
Base and Total Revenues at Present and Proposed Rates

<u>Component</u>	<u>Amount</u>	<u>Units</u>	<u>Present Rates</u>		<u>Existing Rates Adjusted for Projected October 1, 2017 SHARP and AIRP II Roll-in</u>	
			<u>Rate</u>	<u>Revenue</u>	<u>Rate</u>	<u>Revenue</u>
			<u>RSG</u>		<u>RSG</u>	
<u>Residential Service</u>						
Customer Charge	4,280,934	Bills	\$ 9.00	\$ 38,528,406	\$ 9.00	\$ 38,528,406
Distribution Charge	253,181,413	Therms	0.547317	138,570,491	0.569789	144,259,984
CIP Revenues				8,869,851		8,869,851
Total Base Revenues				\$ 185,968,748		\$ 191,658,241
				Rider Revenues		\$ 81,748,826
				Total Class Revenues		\$ 273,407,067
<hr/>						
			<u>GSG</u>		<u>GSG</u>	
<u>General Service (0-100,000 Annual Therms)</u>						
Customer Charge	299,071	Bills	\$ 27.25	\$ 8,149,685	\$ 27.25	\$ 8,149,685
Distribution Charge	89,582,097	Therms	0.435411	39,005,030	0.453266	40,604,519
CIP Revenues				5,126,476		5,126,476
Total Base Revenues				\$ 52,281,191		\$ 53,880,679
				Rider Revenues		\$ 24,060,787
				Total Class Revenues		\$ 77,941,466
<hr/>						
			<u>GSG-LV</u>		<u>GSG-LV</u>	
<u>General Service Large Volume (100,000 + Annual Therms)</u>						
Customer Charge	2,170	Bills	\$ 150.00	\$ 325,500	\$ 150.00	\$ 325,500
Demand Charge	212,776	Mcf	9.0000	1,914,984	9.0000	1,914,984
Distribution Charge	32,241,055	Therms	0.238429	7,687,202.60	0.247996	7,995,653
CIP Revenues				154,082		154,082
Total Base Revenues				\$ 10,081,769		\$ 10,390,219
				Rider Revenues		\$ 6,263,690
				Total Class Revenues		\$ 16,653,909

South Jersey Gas Company
Base and Total Revenues at Present and Proposed Rates

<u>Component</u>	<u>Amount</u>	<u>Units</u>	<u>Present Rates</u>		<u>Existing Rates Adjusted for Projected October 1, 2017 SHARP and AIRP II Roll-In</u>	
			<u>Rate</u>	<u>Revenue</u>	<u>Rate</u>	<u>Revenue</u>
			<u>CTS</u>		<u>CTS</u>	
<u>Comprehensive Firm Transportation Service</u>						
Customer Charge	555	Bills	\$ 600.00	\$ 333,000	\$ 600.00	\$ 333,000
Demand Charge	133,720	Mcf	27.4213	3,666,776	27.4213	3,666,776
Distribution Charge	27,898,657	Therms	0.047608	1,328,199	0.053451	1,491,211
Total Base Revenues				\$ 5,327,975		\$ 5,490,987
			Rider Revenues	\$ 972,455	Rider Revenues	\$ 972,455
			Total Class Revenues	\$ 6,300,430	Total Class Revenues	\$ 6,463,442
<hr/>						
			<u>LVS</u>		<u>LVS</u>	
<u>Large Volume Service</u>						
Customer Charge	313	Bills	\$ 900.00	\$ 281,700	\$ 900.00	\$ 281,700
Demand Charge	349,950	Mcf	14.8842	5,208,726	14.8842	5,208,726
Distribution Charge	79,591,210	Therms	0.040282	3,206,093	0.043625	3,472,167
Total Base Revenues				\$ 8,696,519		\$ 8,962,592
			Rider Revenues	\$ 3,409,541	Rider Revenues	\$ 3,409,541
			Total Class Revenues	\$ 12,106,060	Total Class Revenues	\$ 12,372,134
<hr/>						
			<u>EGS</u>		<u>EGS</u>	
<u>Electric Generation Service</u>						
Customer Charge	108	Bills	\$ 25.00	\$ 2,700	\$ 25.00	\$ 2,700
Demand Charge	8,392	Mcf	6.5000	54,548	6.5000	54,548
Distribution Charge (Nov - Mar.)	559,943	Therms	0.126294	70,157	0.129888	72,730
Distribution Charge (Apr - Oct.)	789,736	Therms	0.095294	75,257	0.099888	78,885
Total Base Revenues				\$ 202,663		\$ 208,863
			Rider Revenues	\$ 505,537	Rider Revenues	\$ 595,537
			Total Class Revenues	\$ 708,200	Total Class Revenues	\$ 714,400

South Jersey Gas Company
Base and Total Revenues at Present and Proposed Rates

<u>Component</u>	<u>Amount</u>	<u>Units</u>	<u>Present Rates</u>		<u>Existing Rates Adjusted for Projected October 1, 2017 SHARP and AIRP II Roll-In</u>	
			<u>Rate</u>	<u>Revenue</u>	<u>Rate</u>	<u>Revenue</u>
<u>Electric Generation Service - Large Volume</u>						
			<u>EGS-LV</u>		<u>EGS-LV</u>	
Customer Charge	84 Bills		\$ 180.00	15,120	\$ 180.00	\$ 15,120
Demand Charge	45,200 Mcf		20.710978	936,136	21.354841	965,239
Total Base Revenues				\$ 951,256		\$ 980,359
			Rider Revenues	\$ 1,862,044		\$ 1,862,044
			Total Class Revenues	\$ 2,813,300		\$ 2,842,403

<u>Natural Gas Vehicle Service</u>						
			<u>NGV</u>		<u>NGV</u>	
Cust. Charge 0-999 CFH	12 Bills		\$ 37.50	\$ 450	\$ 37.50	\$ 450
Cust. Charge 1,000-4,999 CFH	- Bills		75.00	-	75.00	-
Cust. Charge 5,000-24,999 CFH	12 Bills		200.00	2,400	200.00	2,400
Cust. Charge 25,000+ CFH	96 Bills		600.00	57,600	600.00	57,600
Distribution Charge	2,255,851 Therms		0.164072	370,122	0.169911	383,294
Subtotal Distribution				\$ 430,572		\$ 443,744
Compression Charge	983,046 Therms		0.542769	533,587	0.542769	533,587
Total Base Revenues				\$ 964,139		\$ 977,311
			Rider Revenues	\$ 571,761		\$ 571,761
			Total Class Revenues	\$ 1,535,900		\$ 1,549,072

<u>Gas Lights Service</u>						
			<u>GLS</u>		<u>GLS</u>	
Yard Lights	48 Mantles		\$ 7.723363	\$ 4,449	\$ 7.959650	\$ 4,585
Street Lights	36 Mantles		\$ 8.325900	3,597	\$ 8.580621	3,707
Total Base Revenues				\$ 8,045		\$ 8,292
			Rider Revenues	\$ 72,255		\$ 72,255
			Total Class Revenues	\$ 80,300		\$ 80,546

TOTAL SYSTEM BASE DISTRIBUTION REVENUES				\$ 264,482,306		\$ 272,557,543
			Increase		\$	8,075,238
			Target			
			SHARP			3,421,314
			AIRP II			4,653,896
			Total			8,075,210
			Difference			\$28