



Agenda Date: 3/9/20
Agenda Item: 2D

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF SOUTH)	DECISION AND ORDER
JERSEY GAS COMPANY TO CHANGE THE LEVELS)	APPROVING STIPULATION
OF ITS SOCIETAL BENEFITS CLAUSE ("SBC") AND)	
ITS TRANSPORTATION INITIATION CLAUSE ("TIC"))	DOCKET NO. GR19070874

Parties of Record:

Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel
Deborah M. Franco, Esq., on behalf of South Jersey Gas Company

BY THE BOARD:

On July 31, 2019, South Jersey Gas Company ("SJG" or "Company") filed a petition in Docket No. GR19070874 with the New Jersey Board of Public Utilities ("Board" or "BPU") requesting approval to change rates pertaining to its Transportation Initiation Clause ("TIC"), and two (2) elements of the Company's Societal Benefits Charge ("SBC"): the Remediation Adjustment Clause ("RAC") and the Clean Energy Program ("CLEP") ("Petition"). By this Decision and Order, the Board considers a stipulation of settlement ("Stipulation") executed by SJG, Board Staff, and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, "Parties") intended to resolve all issues related to this docket.

BACKGROUND

The SBC was created as a result of the Electric Discount and Energy Competition Act, and is comprised of a number of components: the RAC, the CLEP, the Universal Service Fund ("USF") and the Lifeline Program charges. The RAC allows the Company to adjust its rates to recover reasonably incurred environmental remediation costs associated with the clean-up of its former manufactured gas plant ("MGP") sites, on a deferred basis, over a rolling seven (7) year period, with carrying charges tied to seven (7) year treasuries plus 60 basis points. The CLEP recovers costs associated with energy efficiency and renewable energy programs related to the New Jersey Clean Energy Program. The USF and Lifeline Programs were established to help provide affordable electric and natural gas service to eligible New Jersey residential customers. The USF and Lifeline components of the SBC were addressed in BPU docket number ER19060736.

The TIC was designed to recover all reasonable and prudent development and operating costs relating to Electronic Data Interchange (“EDI”). The Board, by Order in Docket No. GX99030121 directed that EDI be implemented to allow information to be exchanged electronically between gas distribution utilities and sellers of gas to customers.

JULY 2019 PETITION

In the Petition, SJG sought approval to increase the revenues recovered through the RAC, CLEP, and TIC by approximately \$3.9 million. As described in the Petition, SJG proposed an increase of \$7.5 million in the SBC charge related to its RAC expenditures for the remediation year August 1, 2018 to July 31, 2019. The Company also proposed a \$3.3 million decrease to the revenue recovered through its CLEP for the period November 1, 2019 through October 31, 2020, and decrease its TIC revenues of approximately \$0.3 million.

The rates in effect at the time of filing were set by Order dated March 29, 2019, which authorized SJG to implement per therm rates for the RAC and CLEP of \$0.035278 and \$0.025203, respectively.^{1, 2} The March 2019 Order also authorized SJG to implement a TIC rate of \$0.002066 per therm.

In response to discovery requests, the Company updated its petitioned recovery amounts and rates based upon actual data through September 2019, and projected information for the period October 2019 through October 2020. Based on the updated information, the Company’s proposed increase in revenues was increased from \$3.9 million to \$5.2 million.

After publication of notice in newspapers in general circulation in the Company’s service territory public hearings in this matter were conducted on November 19, 2019 at 4:30 p.m. and 5:30 p.m. in Voorhees, New Jersey. No members of the public attended the hearing and no comments were received by the Board.

STIPULATION

Following review of the Petition and discovery responses, the Parties executed the Stipulation on February 14, 2020. The Stipulation provides for the following:³

9. The Company’s proposed RAC rate component of \$0.048815 per therm (including Sales and Use Tax (“SUT”)) should be implemented and made final.
10. The Company’s initially proposed CLEP rate component of \$0.019265 per therm (including SUT) should be implemented and made final.
11. The Company’s initially proposed TIC rate component of \$0.001321 per therm (including SUT) should be implemented and made final.

¹ All rates quoted herein are inclusive of taxes, unless otherwise noted.

² In re the Petition of South Jersey Gas Company to Change the Level of its Societal Benefits Clause (“SBC”) and its Transportation Initiation Clause (“TIC”), BPU Docket No. GR18070832, Order dated March 29, 2019, (“March 2019 Order”).

³ Although described in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusion in this Order. Paragraphs are numbered to reflect numbering in the Stipulation.

12. The Parties agree that the SJG's Manufactured Gas Plant ("MGP") remediation costs will remain subject to Board audit. South Jersey will continue to conduct an annual audit of the RAC to assess the validity of the expenses being charged to the RAC.
13. South Jersey also represents that the Stipulation does not include recovery of any administrative, legal, consulting or other costs associated with Natural Resource Damage ("NRD") related to MGP claims or any costs associated with incentive compensation or pension costs incurred during the time period set forth in the Petition.
14. The Company further represents that no MGP related properties were leased or sold during the RAC remediation period for which this RAC rate is established.
15. The RAC, CLEP and TIC rate changes result in a bill increase of \$0.69, or 0.49% for the average residential heating customer using 100 therms during a winter month.
16. The Company agrees to provide a final reconciliation of its annual RAC factor recovery within 90 days of the completion of each RAC recovery year, which reconciliation will include the calculation of actual sales volumes that recovered the RAC factor and the resultant net expenses or credit amount which is to be carried over to the next recovery year. Implementation and/or adjustments of the RAC factor is subject to the Parties' review of South Jersey's expenditures and reconciliation thereof in South Jersey's future RAC and/or SBC proceedings.
17. The Parties agree that the terms of the Stipulation shall be deemed to resolve all factual and legal issues relating to the determination of all amounts that were or could be included in the calculation of the Company's deferred RAC balance, except as described in Paragraph 13 of the Stipulation with respect to NRD related costs and incentive compensation costs or pension costs.
18. The Company agrees that it will include in its future RAC filings, responses to the minimum filing requirements ("MFRs") as set forth in Exhibit B to the Stipulation. At a minimum, the Company agrees to provide hard copies of the filings and the MFRs to the Board, Rate Counsel, and the consultants to Rate Counsel. The Parties further acknowledge that a Board order approving this Stipulation will become effective upon service of said Board Order, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A 48:2-40.

DISCUSSION AND FINDINGS

The Board carefully reviewed the record in this proceeding, including the Petition and the attached Stipulation. Accordingly, the Board **HEREBY FINDS** that the Stipulation represents a fair and reasonable resolution of the issues and demonstrates that the costs through July 2019 have been reviewed and determined to be both reasonable and prudent, and is therefore, in the public interest and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Stipulation as if fully set forth herein.

The Board **HEREBY APPROVES** the revised after-tax per therm rates as follows: the RAC at \$0.048815, the CLEP at \$0.019265, and the TIC at 0.001321, effective for service rendered on or after April 1, 2020.

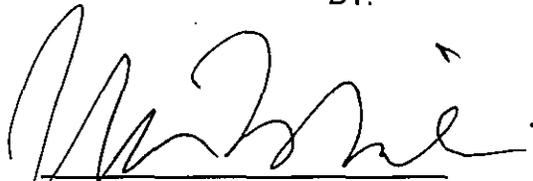
The Company is **HEREBY DIRECTED** to file the appropriate tariff sheets conforming to the terms and conditions of this Order by April 1, 2020.

The Company's costs will remain subject to audit by the Board. This Decision and Order shall not preclude the Board from taking any such actions deemed to be appropriate as a result of any such audit.

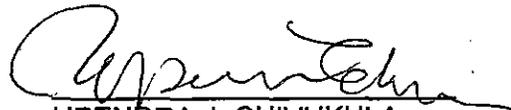
The effective date of this Order is March 19, 2020.

DATED: 3/9/20

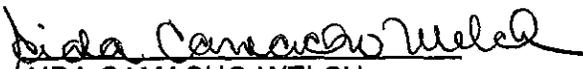
BOARD OF PUBLIC UTILITIES
BY:


JOSEPH L. FIORDALISO
PRESIDENT


DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
COMMISSIONER


ROBERT M. GORDON
COMMISSIONER

ATTEST: 
AIDA CAMACHO-WELCH
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 CHANGE THE
LEVEL OF ITS SOCIETAL BENEFITS CLAUSE (“SBC”) AND ITS TRANSPORTATION
INITIATION CLAUSE (“TIC”)
BPU DOCKET NO. GR19070874

SERVICE LIST

NJ BOARD OF PUBLIC UTILITIES

44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Aida Camacho-Welch, Board Secretary
board.secretary@bpu.nj.gov

Division of Energy

Stacy Peterson, Director
stacy.peterson@bpu.nj.gov

Oneil Hamilton
oneil.hamilton@bpu.nj.gov

Counsel’s Office

Heather Weisband
heather.weisband@bpu.nj.gov

Office of Case Management

Karriemah Graham
karriemah.Graham@bpu.nj.gov

DIVISION OF LAW

25 Market Street
Post Office Box 112
Trenton, NJ 08625

Pamela Owen, ASC, DAG
pamela.owen@law.njoag.gov

Renee Greenberg, DAG
renee.greenberg@law.njoag.gov

Michael Beck, DAG
michael.beck@law.njoag.gov

Daren Eppley, DAG
daren.eppley@law.njoag.gov

DIVISION OF RATE COUNSEL

140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003

Stefanie A. Brand, Esq., Director
sbrand@rpa.nj.gov

Brain O. Lipman, Esq.
blipman@rpa.nj.gov

Maura Caroselli, Esq.
mcaroselli@rpa.nj.gov

Henry M. Ogden, Esq.
hogden@rpa.nj.gov

SOUTH JERSEY GAS COMPANY

One South Jersey Place
Atlantic City, NJ 08401

Deborah M. Franco, Esq.
Regulatory Affairs Counsel
dfranco@sjindustries.com

Kenneth Sheppard
Project Manager
ksheppard@sjindustries.com

Karen J. Crispin
Senior Rate Analyst
kcrispin@sjindustries.com



520 Green Lane
Union, NJ 07083
T: (908) 662-8448
F: (908) 662-8496
dfranco@sjindustries.com

Deborah M. Franco, Esq.
Director, Regulatory Affairs Counsel

February 14, 2020

VIA UNITED PARCEL SERVICE & ELECTRONIC MAIL

Aida Camacho-Welch, Secretary New Jersey
Board of Public Utilities
44 S. Clinton Ave., 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350

Re: In the Matter of the Petition of South Jersey Gas Company to Change the Levels of Its Societal Benefits Clause (“SBC”) and Its Transportation Initiation Clause (“TIC”) BPU Docket No. GR19070874

Dear Secretary Camacho-Welch:

Enclosed for filing and consideration by the New Jersey Board of Public Utilities is a Stipulation to resolve the above-referenced proceeding.

Please direct any inquiries to the undersigned. Thank you for your consideration.

Respectfully yours,

A handwritten signature in black ink that reads "Deborah M. Franco".

Deborah M. Franco

cc: Service List (electronic only)

**IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY
TO CHANGE THE LEVELS OF ITS SOCIETAL BENEFITS CLAUSE (“SBC”)
AND ITS TRANSPORTATION INITIATION CLAUSE (“TIC”)
BPU DOCKET NO. GR19070874**

SERVICE LIST

NJ BOARD OF PUBLIC UTILITIES

Aida Camacho-Welch, Secretary
NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P. O. Box 350
Trenton, NJ 08625-0350
aida.camacho@bpu.nj.gov

Stacy Peterson, Director
Division of Energy
NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P. O. Box 350
Trenton, NJ 08625-0350
stacy.peterson@bpu.nj.gov

Oneil Hamilton
NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P. O. Box 350
Trenton, NJ 08625-0350
oneil.hamilton@bpu.nj.gov

Kevin Moss
NJ Board of Public Utilities
44 South Clinton Avenue, 3rd Floor
P. O. Box 350
Trenton, NJ 08625-0350
kevin.moss@bpu.nj.gov

DIVISION OF RATE COUNSEL

Stefanie A. Brand, Esq., Director
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
sbrand@rpa.nj.gov

Felicia Thomas-Friel, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
ftomas@rpa.nj.gov

Henry M. Ogden, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
hogden@rpa.nj.gov

Brian O. Lipman, Litigation Manager
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
blipman@rpa.nj.gov

Maura Caroselli, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
mcaroselli@rpa.nj.gov

Shelly Massey
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
smassey@rpa.nj.gov

RATE COUNSEL CONSULTANTS

Robert J. Henkes
 Henkes Consulting
 7 Sunset Road
 Old Greenwich, CT 06870
rhenkes@optonline.net

DIVISION OF LAW

Alex Moreau, DAG
 Dept. of Law & Public Safety
 Division of Law
 Public Utilities Section
 R.J. Hughes Justice Complex
 25 Market Street
 P.O. Box 112
 Trenton, NJ 08625
alex.moreau@law.njoag.gov

Renee Greenberg, Esq., DAG
 Dept. of Law & Public Safety
 Division of Law
 124 Halsey Street
 P.O. Box 45029
 Newark, NJ 07101
renee.greenberg@law.njoag.gov

SOUTH JERSEY GAS COMPANY

Steven R. Cocchi, Esq.
 SJI
 1 South Jersey Place
 Atlantic City, NJ 08401
scocchi@sjindustries.com

Deborah M. Franco, Esq.
 Regulatory Affairs Counsel
 SJI Utilities
 520 Green Lane
 Union, NJ 07083
dfranco@sjindustries.com

Kenneth Sheppard, Project Manager
 South Jersey Gas Company
 1001 S. Grand Street
 Hammonton, NJ 08037
ksheppard@sjindustries.com

Stefany M. Graham, Director
 Rates & Regulatory Affairs
 SJI Utilities
 1 South Jersey Place
 Atlantic City, NJ 08401
sgraham@sjindustries.com

Karen J. Crispin, Senior Rate Analyst
 South Jersey Gas Company
 1 South Jersey Place
 Atlantic City, NJ 08401
kcrispin@sjindustries.com

Carolyn A. Jacobs
 Regulatory Compliance Specialist
 SJI Utilities
 1 South Jersey Place
 Atlantic City, NJ 08401
cjacobs@sjindustries.com

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

IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY TO CHANGE THE LEVELS OF ITS SOCIETAL BENEFITS CLAUSE ("SBC") AND ITS TRANSPORTATION INITIATION CLAUSE ("TIC")	: : : : : :	BPU DOCKET NO. GR19070874 STIPULATION OF SETTLEMENT FOR FINAL RATES
--	----------------------------	--

APPEARANCES:

Deborah M. Franco, Esq., Director, Regulatory Affairs Counsel, SJI Utilities, Inc., for Petitioner South Jersey Gas Company.

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

Renee Greenberg, Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Gurbir S. Grewal**, Attorney General of New Jersey).

TO THE HONORABLE COMMISSIONERS OF THE BOARD OF PUBLIC UTILITIES:

This Stipulation is intended to resolve the pending Societal Benefits Clause ("SBC") proceeding (hereinafter referred to as this "Proceeding") by which South Jersey Gas Company ("South Jersey" or "Company") seeks to increase the annual revenue level of its Societal Benefits Clause ("SBC") through an increase in its Remediation Adjustment Clause ("RAC"), and a decrease in its Clean Energy Program ("CLEP") charge, both components of the SBC, as well as a decrease in its Transportation Initiation Clause ("TIC"). The parties participating in this Proceeding include South Jersey, the New Jersey Division of Rate Counsel ("Rate Counsel"), and the Staff of the New Jersey Board of Public Utilities ("Staff") (collectively, the "Parties"). Following review and analysis of the Petition, pre-filed Exhibits, Schedules and discovery, the

Parties to this proceeding agree and stipulate to the following Procedural History and Stipulated Terms of settlement:

I. PROCEDURAL HISTORY

1. By Petition filed July 31, 2019 ("Petition"), consistent with N.J.S.A. 48:2-21, South Jersey, a public utility corporation of the State of New Jersey, requested that the New Jersey Board of Public Utilities ("Board") authorize a \$3.9 million increase in the annual level of its SBC and TIC charges, including Sales and Use Tax ("SUT"). The proposed net increase in recoveries total \$3.9 million, comprising of the following: (i) a \$7.5 million increase to the RAC for remediation year August 1, 2018 through July 31, 2019; (ii) a \$3.3 million decrease to the CLEP for the period November 1, 2019 through October 31, 2020; and (iii) a \$0.3 million decrease to the TIC.

2. In its Petition, South Jersey requested that: (i) the RAC rate be increased to \$0.048815 per therm from its current level of \$0.035278 per therm; (ii) the CLEP rate be decreased to \$0.019265 per therm from its current level of \$0.025203 per therm; (iii) and the TIC rate be decreased to \$0.001321 per therm from its current level of \$0.002066 per therm, all including SUT. The rates requested in the Petition were derived utilizing actual information for the period November 2018 through May 2019, and projected information for the period June 2019 through October 2020.

3. During the pendency of this Proceeding, South Jersey received and responded to multiple Discovery Requests, including Discovery Request RCR-A-009 which sought updated Schedules and rates utilizing actual information through September 2019, and projected information for the period October 2019 through October 2020.

4. Based upon the updated information provided to the Parties in response to Discovery Request RCR-A-009, the net change in recoveries resulted in a combined \$5.2 million increase which comprised of the following: (i) a \$7.5 million increase to the RAC; (ii) a \$2.0 million decrease to the CLEP; and (iii) a \$0.3 million decrease to the TIC.

5. The updated rates reflect the following proposal: a RAC rate of \$0.048815 per therm, a CLEP rate of \$0.021624 per therm, and a TIC rate of \$0.001361 per therm (including SUT). See Summary and Rate Calculation, attached hereto as Exhibit A.

6. As stated in the Petition, the Universal Service Fund ("USF") and Lifeline components of the SBC (hereinafter "USF/Lifeline") were addressed in a separate proceeding approving an interim State-wide natural gas rate of \$0.012100 per therm, including taxes, effective October 1, 2019. See I/M/O the 2019/2020 Annual Compliance Filings for the Universal Service Fund ("USF") Program Factor Within the Societal Benefits Charge Rate, On September 27, 2019, the Board approved Interim USF Rates and Lifeline Rates in BPU Docket No. ER19060736.

7. Following proper notice, public hearings were held in this matter on November 19, 2019, in Voorhees, New Jersey. No members of the public were in attendance.

8. Discovery was propounded and answered by the Company.

II. STIPULATED TERMS

Based upon the terms and conditions set forth herein, the Parties **STIPULATE AND AGREE** as follows:

9. The Company's proposed RAC rate component of \$0.048815 per therm (including SUT) should be implemented and made final.

10. The Company's initially proposed CLEP rate component of \$0.019265 per therm (including SUT) should be implemented and made final.

11. The Company's initially proposed TIC rate component of \$0.001321 per therm (including SUT) should be implemented and made final.

12. The Parties agree that the South Jersey's Manufactured Gas Plant ("MGP") remediation costs will remain subject to Board audit. South Jersey will continue to conduct an annual audit of the RAC to assess the validity of the expenses being charged to the RAC.

13. South Jersey also represents that this Stipulation does not include recovery of any administrative, legal, consulting or other costs associated with Natural Resource Damage ("NRD") related to MGP claims, or any costs associated with incentive compensation or pension costs incurred during the time period set forth in the Petition.

14. The Company further represents that no MGP related properties were leased or sold during the RAC remediation period for which this RAC rate is established.

15. The RAC, CLEP and TIC rate changes result in a bill increase of \$0.69, or 0.49% for the average residential heating customer using 100 therms during a winter month.

16. The Company agrees to provide a final reconciliation of its annual RAC factor recovery within ninety (90) days of the completion of each RAC recovery year, which reconciliation will include the calculation of actual sales volumes that recovered the RAC factor and the resultant net expenses or credit amount which is to be carried over to the next recovery year. Implementation and/or adjustments of the RAC factor is subject to the Parties' review of

South Jersey's expenditures and reconciliation thereof in South Jersey's future RAC and/or SBC proceedings.

17. The Parties agree that the terms of this Stipulation shall be deemed to resolve all factual and legal issues relating to the determination of all amounts that were or could be included in the calculation of the Company's deferred RAC balance, except as described in Paragraph 13 above with respect to NRD related costs and incentive compensation costs or pension costs.

18. The Company agrees that it will include in its future RAC filings responses to the minimum filing requirements ("MFRs") as set forth in Exhibit B to this Stipulation. At a minimum, the Company agrees to provide hard copies of the filings and the MFRs to the Board, Rate Counsel, and the consultants to Rate Counsel. The Parties further acknowledge that a Board order approving this Stipulation will become effective upon service of said Board Order, or upon such date after the service thereof as the Board may specify, in accordance with N.J.S.A. 48:2-40.

19. Following acceptance of this Stipulation by the Board, South Jersey will submit a Compliance Filing incorporating the final rates approved by the Board within five (5) days of such approval.

III. MISCELLANEOUS

20. 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.

21. 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.

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: Deborah M. Franco / JSP
Deborah M. Franco, Esq.
Director, Regulatory Affairs Counsel

GURBIR S. GREWAL
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of Public Utilities

By: Renee Greenberg 2/14/2020
Renee Greenberg, Esq.
Deputy Attorney General

STEFANIE A. BRAND
DIRECTOR, DIVISION OF RATE COUNSEL

By: Maura Caroselli
~~Henry M. Ogden, Esq.~~ Maura Caroselli, Esq.
Assistant Deputy Rate Counsel

Dated: February 14, 2020

GR 19070874

SOUTH JERSEY GAS COMPANY
REMEDIATION ADJUSTMENT CLAUSE
SUMMARY AND RATE CALCULATION

<u>REMEDIATION YEAR</u>	Actual Aug '18 - July '19
1 AMORTIZATION OF RECOVERABLE COST (RAC KJC-2)	\$25,669,189
2	
3 LESS: DEFERRED TAX BENEFIT (RAC KJC-2)	<u>\$737,850</u>
4	
5 AMORTIZATION (RAC KJC-2)	<u>\$24,931,339</u>
6	
7	
8	
<u>RECOVERY YEAR</u>	Projected Nov '19 - Oct '20
10	
11 AMORTIZATION (RAC KJC-2)	\$24,931,339
12	
13 CARRYING COST (RAC KJC-3)	\$3,263,846
14	
15 SUBTOTAL	<u>\$28,195,185</u>
16	
17 PRIOR YEAR RECONCILIATION - UNDER RECOVERY (RAC KJC-4)	<u>\$23,056,145</u>
18	
19	
20 PROJECTED CUMULATIVE RECOVERABLE EXPENSE DEFERRAL FROM 2018-2019 RAC RECOVERY YEAR	\$21,568,978
21 LESS: EXPENSE DEFERRAL FROM 2017-2018 RAC RECOVERY YEAR	<u>(\$10,563,392)</u>
22 NET PROJECTED RECOVERABLE EXPENSES IN EXCESS OF 5% CAP - DEFERRED	\$11,005,586
23	
24 BEFORE TAX COST RATE ON DEFERRED COSTS	8.77%
25	
26 CARRYING COSTS ON DEFERRED COSTS	\$965,190
27	
28 TOTAL RECOVERABLE EXPENSES	<u>\$52,216,520</u>
29	
30 TOTAL COMPANY FIRM REVENUES - (AUGUST 1, 2017 - JULY 31, 2018)	\$508,912,436
31	
32 RECOVERABLE EXPENSES AS A % OF PRECEDING YEAR REVENUES	10.26%
33	
34 COST RECOVERY LIMIT PER COMPANY TARIFF (5% CAP)	5.00%
35	
36 TOTAL ALLOWABLE EXPENSES (UP TO 5% CAP)	<u>\$25,445,622</u>
37	
38 RECOVERABLE EXPENSES IN EXCESS OF 5% CAP	\$26,770,898
39 (DEFERRED TO SUBSEQUENT RAC RECOVERY YEAR)	
40	
41	
42	
<u>THERM SALES PROJECTION - RECOVERY YEAR (SBC/TIC-1)</u>	Projected Nov '19 - Oct '20
44	
45 RSG	246,643,539
46 GSG & GSG-LV	90,783,387
47 EGS	1,267,477
48 RSG-FT	25,992,051
49 GSG-FT & GSG-LV-FT	71,843,241
50 LVS-FT	60,179,733
51 CTS	33,615,408
53 FES & EGS-LV	16,241,667
54 ITS & IGS	8,146,678
55 NGV	2,470,500
56	
57 TOTAL THERM SALES	<u>557,183,683</u>
58	
59 RATE PER THERM (Excluding SUT & PUA)	<u>\$ 0.045668</u>
60	
61 RATE PER THERM (Including SUT & PUA)	<u>\$ 0.048815</u>

SOUTH JERSEY GAS COMPANY
REMEDATION ADJUSTMENT CLAUSE
AMORTIZATION RECOVERY YEAR 2018-2019

	YE 7/31/13	YE 7/31/14	YE 7/31/15	YE 7/31/16	YE 7/31/17	YE 7/31/18	YE 7/31/19	Total
11 RECOVERABLE COST	8,022,716	14,692,860	10,574,387	22,097,003	41,052,454	49,199,308	34,045,592	\$179,684,319
12 LESS RECOVERED COST Y/E 10/31/13	(\$1,146,102)	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,146,102)
13 LESS RECOVERED COST Y/E 10/31/14	(\$1,146,102)	(\$2,098,980)	\$0	\$0	\$0	\$0	\$0	(\$3,245,082)
14 LESS RECOVERED COST Y/E 10/31/15	(\$1,146,102)	(\$2,098,980)	(\$1,510,627)	\$0	\$0	\$0	\$0	(\$4,755,709)
15 LESS RECOVERED COST Y/E 10/31/16	(\$1,146,102)	(\$2,098,980)	(\$1,510,627)	(\$3,156,715)	\$0	\$0	\$0	(\$7,912,424)
16 LESS RECOVERED COST Y/E 10/31/17	(\$1,146,102)	(\$2,098,980)	(\$1,510,627)	(\$3,156,715)	(\$5,864,636)	\$0	\$0	(\$13,777,060)
17 LESS RECOVERED COST Y/E 10/31/18	(\$1,146,102)	(\$2,098,980)	(\$1,510,627)	(\$3,156,715)	(\$5,864,636)	(\$7,028,473)	\$0	(\$20,805,532)
19 RECOVERABLE COST (L11+L12+L13+L14+L15+L16+L17)	\$1,146,102	\$4,197,960	\$4,531,880	\$12,626,859	\$29,323,181	\$42,170,835	\$34,045,592	\$128,042,409
22 7TH REMEDIATION YEAR AMORTIZATION (L18/1)								\$1,146,102
23 6TH REMEDIATION YEAR AMORTIZATION (L18/2)								\$2,098,980
24 5TH REMEDIATION YEAR AMORTIZATION (L18/3)								\$1,510,627
25 4TH REMEDIATION YEAR AMORTIZATION (L18/4)								\$3,156,715
26 3RD REMEDIATION YEAR AMORTIZATION (L18/5)								\$5,864,636
27 2ND REMEDIATION YEAR AMORTIZATION (L18/6)								\$7,028,473
28 1ST REMEDIATION YEAR AMORTIZATION (L18/7)								\$4,863,656
30 AMORTIZATION RECOVERABLE COST (L22+L23+L24+L25+L26+L27+L28)	\$1,146,102	\$2,098,980	\$1,510,627	\$3,156,715	\$5,864,636	\$7,028,473	\$4,863,656	\$25,669,189
32 DEFERRED TAX CALCULATION :								
34 UNAMORTIZED RECOVERABLE COSTS (L19)								
35 TAX RATE	28.11%	28.11%	28.11%	28.11%	28.11%	28.11%	28.11%	
38 DEFERRED TAXES ON UNAMORTIZED RECOVER. COSTS (L34*L36)	\$322,169	\$1,180,047	\$1,273,911	\$3,549,410	\$8,242,746	\$11,854,222	\$9,570,216	
43 SBC Carrying Cost Rate *	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	
45 DEFERRED TAX BENEFIT (L38*L43)	(\$6,604)	(\$24,191)	(\$26,115)	(\$72,763)	(\$168,976)	(\$243,012)	(\$196,189)	(\$737,850)
47 AMORTIZATION OF EXPENSES	\$1,139,498	\$2,074,789	\$1,484,512	\$3,083,952	\$5,695,660	\$6,785,461	\$4,667,467	\$24,931,339

* Effective 09/19 the carrying cost rate of 2.05 is utilized based on the 7 year Treasury as of August 30, 2019 of 1.45 plus 60 basis points

SOUTH JERSEY GAS COMPANY
 REMEDIATION ADJUSTMENT CLAUSE
 AMORTIZATION-RECOVERY YEAR 2018-2019

1	Actual October 2018 Over/(Under) Recovered Balance	\$	(13,377,079)
2			
3	Projected RAC Recoveries November 2018 - October 2019	\$	16,759,404
4			
5	Less Allowable Recoveries Of Amortized Expenses & Carrying Costs	\$	<u>(27,550,246)</u>
6			
7	Projected Under Recovery For Period	\$	(10,790,842)
8			
9	Deferred Tax Benefit	\$	1,111,776
10			
11	Projected October 2019 Over/(Under) Recovered Balance	\$	<u><u>(23,056,145)</u></u>

		SOUTH JERSEY GAS COMPANY Remediation Adjustment Clause												Total
		Projected 2019 - 2020 Recoveries												
		Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	
11	Firm Recovery													
12	RSG	\$611,067	\$1,420,112	\$2,192,459	\$2,178,940	\$1,775,661	\$1,321,950	\$527,666	\$300,778	\$267,367	\$250,245	\$241,178	\$176,295	\$11,263,717
13	GSG & GSG-LV	\$288,053	\$402,090	\$790,869	\$721,165	\$567,423	\$496,791	\$165,481	\$88,508	\$239,826	\$154,427	\$160,132	\$69,132	\$4,145,896
14	EGS	\$3,429	\$6,627	\$6,422	\$5,160	\$7,119	\$5,548	\$3,436	\$4,750	\$3,544	\$3,463	\$3,513	\$4,874	\$57,883
15	GSG-FT & GSG-LV-FT	\$269,678	\$405,340	\$553,964	\$516,937	\$454,923	\$348,045	\$171,562	\$112,778	\$124,540	\$114,023	\$119,287	\$89,859	\$3,280,937
16	RSG-FT	\$84,097	\$140,252	\$232,125	\$228,139	\$186,065	\$137,836	\$54,414	\$28,054	\$29,615	\$26,780	\$14,880	\$24,749	\$1,187,005
17	LVS-FT	\$228,007	\$253,357	\$267,136	\$271,394	\$257,978	\$228,504	\$213,397	\$200,315	\$204,416	\$213,888	\$204,817	\$205,078	\$2,748,288
18	CTS	\$140,590	\$143,844	\$134,897	\$129,911	\$153,571	\$131,885	\$125,621	\$113,010	\$127,113	\$110,691	\$103,527	\$120,487	\$1,535,148
19	LVS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20	EGS-LV	\$39,324	\$102,279	\$85,292	\$66,486	\$116,692	\$44,307	\$44,675	\$51,761	\$47,090	\$54,187	\$49,979	\$39,651	\$741,724
21	FES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22	FES & EGS-LV	\$39,324	\$102,279	\$85,292	\$66,486	\$116,692	\$44,307	\$44,675	\$51,761	\$47,090	\$54,187	\$49,979	\$39,651	\$741,724
23	Subtotal	\$1,664,244	\$2,873,900	\$4,263,163	\$4,118,131	\$3,519,432	\$2,714,867	\$1,306,252	\$899,955	\$1,043,512	\$929,703	\$897,313	\$730,126	\$24,960,599
24	NGV	\$17,903	\$9,056	\$7,714	\$9,103	\$7,572	\$10,430	\$9,706	\$10,536	\$8,867	\$6,344	\$8,814	\$6,778	\$112,823
25	ITS & IGS Recovery	\$38,788	\$29,882	\$26,824	\$34,837	\$46,023	\$38,553	\$30,916	\$29,048	\$16,829	\$25,171	\$21,675	\$33,497	\$372,043
26	TOTAL	\$1,720,935	\$2,912,838	\$4,297,701	\$4,162,072	\$3,573,027	\$2,763,850	\$1,346,873	\$939,540	\$1,069,208	\$961,218	\$927,803	\$770,400	\$25,445,464

**South Jersey Gas Company
NJ Clean Energy Program
Calculation of 2019-2020 Rate**

1 **Rate Calculation:**

2			
3	Projected Under-Recovered Balance as of October 31, 2019	\$ 1,648,432	(CLEP KJC-2, Line 10)
4			
5	Plus: November 2019 - October 2020 Expenses	\$ 9,603,271	(CLEP KJC-2, Line 22)
6			
7	Carrying Costs	\$ 19,384	(CLEP KJC-2, Line 28)
8			
9	Total CLEP Cost	<u>\$ 11,271,086</u>	

10
11
12
13
14

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

16		Projected	
17		Nov '19 - Oct '20	
17	RSG	246,643,539	
18	RSG FT	25,992,051	
19	GSG & GSG-LV	90,783,387	
20	GSG FT & GSG-LV FT	71,843,241	
21	EGS	1,267,477	
22	LVS FT	60,179,733	
23	CTS	33,615,408	
24	FES/EGS-LV	16,241,667	
25	ITS	8,118,955	
26	NGV	<u>2,470,500</u>	
27			
28	Total	<u>557,155,960</u>	
29			
30	CLEP Rate Per Therm (Excluding SUT & PUA)	<u>\$ 0.020230</u>	
31			
32	CLEP Rate Per Therm (Including SUT & PUA)	<u>\$ 0.021624</u>	

SOUTH JERSEY GAS COMPANY
NJ Clean Energy Program

	Actual Nov-18	Actual Dec-18	Actual Jan-19	Actual Feb-19	Actual Mar-19	Actual Apr-19	Actual May-19	Actual Jun-19	Actual Jul-19	Actual Aug-19	Actual Sep-19	Projected Oct-19	Total
1													
2													
3													
4	\$ 3,118,613	\$ 2,849,682	\$ 2,576,937	\$ 2,331,187	\$ 1,981,293	\$ 1,639,204	\$ 1,420,267	\$ 1,499,628	\$ 1,532,174	\$ 1,470,815	\$ 1,642,420	\$ 1,786,617	\$ 3,118,613
5													
6	\$ 823,002	\$ 1,588,516	\$ 2,056,963	\$ 1,996,329	\$ 1,789,222	\$ 1,168,944	\$ 765,026	\$ 605,748	\$ 362,837	\$ 594,530	\$ 575,716	\$ 256,632	\$ 12,483,462
7	\$ (1,091,934)	\$ (1,861,260)	\$ (2,302,714)	\$ (2,346,223)	\$ (2,131,310)	\$ (1,387,881)	\$ (685,665)	\$ (473,202)	\$ (424,196)	\$ (422,925)	\$ (431,518)	\$ (394,817)	\$ (13,953,644)
8	\$ (268,932)	\$ (272,745)	\$ (245,750)	\$ (349,894)	\$ (342,089)	\$ (218,937)	\$ 79,361	\$ 32,546	\$ (61,359)	\$ 171,605	\$ 144,197	\$ (138,186)	\$ (1,470,182)
9													
10	\$ 2,849,682	\$ 2,576,937	\$ 2,331,187	\$ 1,981,293	\$ 1,639,204	\$ 1,420,267	\$ 1,499,628	\$ 1,532,174	\$ 1,470,815	\$ 1,642,420	\$ 1,786,617	\$ 1,648,432	\$ 1,648,432
11													
12	\$ 8,480	\$ 7,710	\$ 6,974	\$ 6,127	\$ 5,144	\$ 4,347	\$ 4,149	\$ 4,308	\$ 4,267	\$ 4,423	\$ 2,929	\$ 2,934	\$ 61,792
13													
14													
15													
16													
17													
18													
19													
20	\$ 1,648,432	\$ 1,587,841	\$ 1,582,399	\$ 1,497,703	\$ 1,326,133	\$ 1,161,317	\$ 901,889	\$ 809,411	\$ 830,254	\$ 536,618	\$ 204,824	\$ 84,390	\$ 1,648,432
21													
22	\$ 698,985	\$ 1,282,178	\$ 1,816,468	\$ 1,669,731	\$ 1,415,838	\$ 963,137	\$ 502,141	\$ 435,637	\$ 178,835	\$ 93,373	\$ 290,316	\$ 256,632	\$ 9,603,271
23	\$ (759,575)	\$ (1,287,620)	\$ (1,901,164)	\$ (1,841,302)	\$ (1,580,654)	\$ (1,222,566)	\$ (694,619)	\$ (414,795)	\$ (472,470)	\$ (425,167)	\$ (410,751)	\$ (341,200)	\$ (11,251,881)
24	\$ (60,591)	\$ (5,442)	\$ (84,696)	\$ (171,570)	\$ (164,815)	\$ (259,429)	\$ (92,477)	\$ 20,842	\$ (293,635)	\$ (331,794)	\$ (120,435)	\$ (84,568)	\$ (1,648,610)
25													
26	\$ 1,587,841	\$ 1,582,399	\$ 1,497,703	\$ 1,326,133	\$ 1,161,317	\$ 901,889	\$ 809,411	\$ 830,254	\$ 536,618	\$ 204,824	\$ 84,390	\$ (179)	\$ (179)
27													
28	\$ 2,764	\$ 2,708	\$ 2,631	\$ 2,412	\$ 2,125	\$ 1,762	\$ 1,462	\$ 1,401	\$ 1,168	\$ 633	\$ 247	\$ 72	\$ 19,384

*Effective 09/18 the carrying cost rate of 3.41 is being utilized based on 7 year Treasury rate as of August 31, 2019 of 2.81 plus 60 basis points

**Effective 09/19 the carrying cost rate of 2.05 is being utilized based on 7 year Treasury rate as of August 30, 2019 of 1.45 plus 60 basis points

**South Jersey Gas Company
Transportation Initiation Clause
Calculation of 2019 - 2020 Rate**

1	Projected Under-Recovered Balance at October 31, 2019	\$605,643 (TIC KJC-2, Line 11)
2		
3	Less: August 2019 through October 2019 Expenses	(\$59,152) (TIC KJC-2, Line 7)
4		
5	Carrying Cost	<u>\$7,524</u> (TIC KJC-2, Line 29)
6		
7	Total Cost	<u>\$554,015</u>
8		
9		
10	Therm Sales Projection:	
11		
12	Rate Schedule RSG	246,643,539
13	Rate Schedule RSG-FT	25,992,051
14	Rate Schedule GSG & GSG-LV	90,783,387
15	Rate Schedule GSG-FT & GSG-LV-FT	71,843,241
16		
17	Total	<u>435,262,219</u>
18		
19		
20	TIC Rate Per Therm (Excluding SUT & PUA)	<u>\$0.001273</u>
21		
22	TIC Rate Per Therm (Including SUT & PUA)	<u>\$0.001361</u>

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

	Actual Nov-18	Actual Dec-18	Actual Jan-19	Actual Feb-19	Actual Mar-19	Actual Apr-19	Actual May-19	Actual Jun-19	Actual Jul-19	Actual Aug-19	Actual Sep-19	Projected Oct-19	Total
Under/(Over) Recovered Beginning Balance	\$928,363	\$892,684	\$839,665	\$808,149	\$706,408	\$636,590	\$602,573	\$594,613	\$590,314	\$592,675	\$578,411	\$596,855	\$928,363
Expense	\$2,332	\$23,534	\$65,449	\$894	\$19,977	\$21,843	\$20,219	\$16,539	\$18,652	\$1,000	\$35,152	\$23,000	\$248,591
Net Recoveries	(\$38,011)	(\$76,553)	(\$96,965)	(\$102,635)	(\$89,795)	(\$55,859)	(\$28,180)	(\$20,838)	(\$16,291)	(\$15,264)	(\$16,707)	(\$14,212)	(\$571,310)
Net Activity	(\$35,679)	(\$53,019)	(\$31,516)	(\$101,741)	(\$69,818)	(\$34,016)	(\$7,961)	(\$4,299)	\$2,361	(\$14,264)	\$18,445	\$8,788	(\$322,719)
Under/(Over) Recovered Ending Balance	<u>\$892,684</u>	<u>\$839,665</u>	<u>\$808,149</u>	<u>\$706,408</u>	<u>\$636,590</u>	<u>\$602,573</u>	<u>\$594,613</u>	<u>\$590,314</u>	<u>\$592,675</u>	<u>\$578,411</u>	<u>\$596,855</u>	<u>\$605,643</u>	<u>\$605,643</u>
Carrying Costs *	\$2,587	\$2,461	\$2,341	\$2,152	\$1,908	\$1,761	\$1,701	\$1,684	\$1,681	\$1,664	\$1,004	\$1,027	\$21,971
Under/(Over) Recovered Beginning Balance	\$605,643	\$578,623	\$503,826	\$442,561	\$369,645	\$309,044	\$270,297	\$270,138	\$284,334	\$291,391	\$301,637	\$314,236	\$605,643
Expense	\$25,000	\$24,500	\$43,000	\$28,000	\$22,000	\$25,000	\$25,000	\$28,500	\$25,000	\$25,000	\$27,000	\$27,000	\$325,000
Net Recoveries	(\$52,020)	(\$99,298)	(\$104,264)	(\$100,916)	(\$82,602)	(\$63,747)	(\$25,159)	(\$14,304)	(\$17,943)	(\$14,754)	(\$14,400)	(\$9,484)	(\$598,891)
Net Activity	(\$27,020)	(\$74,798)	(\$61,264)	(\$72,916)	(\$60,602)	(\$38,747)	(\$159)	\$14,196	\$7,057	\$10,246	\$12,600	\$17,516	(\$273,891)
Under/(Over) Recovered Ending Balance	<u>\$578,623</u>	<u>\$503,826</u>	<u>\$442,561</u>	<u>\$369,645</u>	<u>\$309,044</u>	<u>\$270,297</u>	<u>\$270,138</u>	<u>\$284,334</u>	<u>\$291,391</u>	<u>\$301,637</u>	<u>\$314,236</u>	<u>\$331,752</u>	<u>\$331,752</u>
Carrying Costs **	\$1,012	\$925	\$808	\$694	\$580	\$495	\$462	\$474	\$492	\$507	\$526	\$552	\$7,524

* Effective September 1, 2018 the carrying cost rate of 3.41% is being utilized. This rate is based on the 7 year Treasury as of August 31, 2019 of 2.81 plus 60 basis points.
 ** Effective September 1, 2019 the carrying cost rate of 2.05% is being utilized. This rate is based on the 7 year Treasury as of August 30, 2019 of 1.45 plus 60 basis points.

Proposed RAC Minimum Filing Requirements

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

1. The Company currently provides a vendor summary as part of its annual RAC filing. This document provides a summary of the expenditures incurred by vendor by site for the twelve-month RAC period. Hereafter, the vendor summary will be supplemented with a general description of the services provided by each vendor. The data noting expenditures incurred through July 31st of each year will continue to be submitted with the Company's annual RAC filing.
2. Identify the three MGP sites with the highest level of expenditures during the prior RAC period. For each identified site, provide a copy of the latest work plan, remediation report, or major work product submitted to the NJDEP. The copies should include the narrative portion of the report or work plan but need not include the technical supporting work papers, charts and tables.
3. For each of the same three MGP sites, provide all correspondence between the Company and the NJDEP concerning submissions for the site, reply comments, and other major items which have a material impact on remediation activities and associated costs incurred by the Company. The correspondence should span the twelve-months preceding July 31st of the most recent RAC period.
4. For each of the same three MGP sites, provide expense documentation for any contractor or supplier whose invoices for the RAC period exceed \$250,000 in aggregate. The expense documentation should include descriptions of services rendered, applicable invoices, and any tracking of invoiced charges vs. budgets. The expense detail need not include expense reports or time sheets, but it should include supporting documentation for any subcontractor and third party expenses totaling \$100,000 or more for the period.
5. For each of the same three MGP sites, provide a narrative description and organization chart for that site, showing the vendors and project control structure for the remediation effort. The response should show what entities supervise all significant contractors and subcontractors and which Company personnel are involved in site and remediation supervision and control.
6. Provide a detailed narrative describing Company activities and any reimbursements related to insurance claims or potentially responsible parties' liabilities for all of the Company's MGP sites. The narrative, with supporting documentation, should cover the prior RAC period.
7. Provide copies of any RAC audit reports or related materials prepared by the Board's Audit Staff, FERC, or the Company's internal or external auditors during the

previous twelve months. To the degree applicable, please also provide any materials prepared in response to the audits or in compliance with any audit findings.

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

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

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

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

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

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

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

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