



Agenda Date: 9/9/20
Agenda Item: 2F

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)
JERSEY GAS COMPANY TO REVISE THE LEVEL)
OF ITS BASIC GAS SUPPLY SERVICE ("BGSS"))
CHARGE AND CONSERVATION INCENTIVE)
PROGRAM ("CIP") CHARGES FOR THE YEAR)
ENDING SEPTEMBER 30, 2021) DECISION AND ORDER
APPROVING STIPULATION FOR
PROVISIONAL BGSS, BSC, AND
CIP RATES
DOCKET NO. GR20060383

Parties of Record:

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

BY THE BOARD:

On June 1, 2020, South Jersey Gas Company ("South Jersey", or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board") seeking approval to modify its Periodic Basic Gas Supply Service ("BGSS"), Balancing Service Clause ("BSC"), and Conservation Incentive Program ("CIP") rates ("2020 BGSS/CIP Petition"). By this Order, the Board considers a Stipulation for Provisional Rates ("Stipulation") executed by South Jersey, the New Jersey Division of Rate Counsel ("Rate Counsel") and Board Staff ("Staff") (collectively, "Parties") requesting that the Board approve changes in the Periodic BGSS, BSC, and CIP rates on a provisional basis, subject to refund with interest.

BACKGROUND

By Order dated January 6, 2003, in Docket No. GX01050304, the Board directed each of New Jersey's four (4) gas distribution companies ("GDCs") to submit to the Board by June 1 its annual BGSS gas cost filing for the BGSS year beginning October 1.¹ In addition, the January 2003 BGSS Order authorized each GDC to self-implement up to a five (5) percent BGSS increase effective December 1 of the current year and February 1 of the following year with one (1) month's advance notice to the Board and Rate Counsel, and implement a decrease in its BGSS rate at any time during the year upon five (5) days' notice to the Board and Rate Counsel.

¹ In re the Provision of Basic Gas Supply Service Pursuant to the Electric Discount and Energy Act, N.J.S.A. 48:3-49 et seq. – BGSS Pricing, BPU Docket No. GX01050304, Order dated January 6, 2003, ("January 2003 BGSS Order").

2020 BGSS/CIP PETITON

Pursuant to the January 2003 BGSS Order, on June 1, 2020, the Company filed the 2020 BGSS/CIP Petition with the Board requesting authority to decrease its current per therm Periodic BGSS rate from \$0.447769 to \$0.301985 effective October 1, 2020.² As a result of the proposed rates, the Company would recover a total under-recovered deferred BGSS balance of \$17,596,777. In determining the proposed rate, South Jersey included a credit to BGSS gas costs of \$24.1 million that was derived from the Board's approved margin sharing formula applicable to off-system sales, interruptible sales and transportation, and capacity releases.

In the 2020 BGSS/CIP Petition, South Jersey also proposed to recover \$24,558,175 of gas supply and related costs incurred as a result of the resolution of a contract dispute with Antero Resources Corporation ("Antero"), one of the Company's gas suppliers. South Jersey proposed to recover this over a two-year period. The Company stated that the costs represent the actual incremental costs that South Jersey incurred as a result of a judgment rendered by the United States District Court for Colorado concerning a contractual dispute between South Jersey and Antero that was subsequently upheld in the United States Court of Appeals for the Tenth Circuit. The Company asserted that the costs associated with the legal dispute with Antero were reasonably incurred by the Company in an effort to reduce the gas costs assessed to BGSS customers.

In the 2020 BGSS/CIP Petition, the Company also requested the following rate revisions:

- i) A decrease in the gas cost portion of the Company's D-2³ charge per Mcf for Rate Schedule Large Volume Service ("LVS") from \$19.623062 to \$16.530999;
- ii) A decrease in the gas cost portion of the Firm D-2 charge per Mcf for Rate Schedule Electric Generation Service – Large Volume ("EGS-LV") from \$21.238498 to \$16.610234;
- iii) A decrease in the gas cost portion of the Limited Firm D-2 and Firm D-2 charges per Mcf for Rate Schedules EGS-LV and Firm Electric Service ("FES") from \$9.811531 to \$8.265500;
- iv) An increase in the monthly BGSS non-commodity rate applicable to Rate Schedules GSG, General Service – Large Volume ("GSG-LV"), Electric Generation Service ("EGS"), LVS, EGS-L, and NGV from \$0.140242 per therm to \$0.152073 per therm; and
- v) An increase in the Rider "I" Balancing Service Clause – Large Volume ("BSC-LV") charges for Opt-Out from \$0.002747 per therm to \$0.002775 per therm, and for Non Opt-Out from \$0.087115 per therm to \$0.088685 per therm; and
- vi) An increase in the Rider "J" Balancing Service Clause – General Service ("BSC-GS") charge from \$0.087115 per therm to \$0.088685 per therm.

² Unless otherwise noted, all rates quoted herein include losses and Sales and Use Tax.

³ Designed to recover interstate pipeline demand charges.

These proposed changes translated to a decrease in annual BGSS recoveries of \$39.2 million.

The 2020 BGSS/CIP Petition also requested the following changes to the Company's per therm CIP⁴ rates:

- i) A change from a credit rate of \$0.118718 to a credit rate of \$0.116750 for residential ("RSG") non-heating customers.
- ii) A change from a credit rate of \$0.012422 to a charge of \$0.068327 for RSG heating customers.
- iii) A change from a credit rate of \$0.021023 to a charge of 0.028824 for GSG customers.
- iv) A change from a charge of \$0.013689 to a charge of \$0.017343 for GSG-LV customers.

The proposed changes translated to an increase in annual CIP recoveries of \$27.4 million.

After notice, telephonic public hearings were held on August 19, 2020 at 4:30 p.m. and 5:30 p.m.⁵ No members of the public called in to either public hearing or submitted written comments.

STIPULATION

Following review and discussion, the Parties determined that additional time is needed to complete a review of the 2020 BGSS/CIP Petition. Accordingly, the Parties executed the Stipulation, which provides for the following:⁶

16. The Parties agree that additional time is needed to complete a comprehensive review of the 2020 BGSS/CIP Petition. However, the Parties agree that the provisional implementation of the proposed BGSS rates, subject to refund with interest on any net over-recovered BGSS balance, is reasonable at this time. These changes are on a provisional basis subject to an opportunity for full review at the Office of Administrative Law ("OAL"), if necessary, and final approval by the Board.
17. In accordance with the January 2003 BGSS Order, New Jersey's four (4) GDCs, by June 1, submit to the Board their annual BGSS gas cost filings for the BGSS year beginning in October. The Company may therefore seek to implement provisional increases in its BGSS rate of up to 5% to be effective December 1, 2020 and February 1, 2021, if the Company determines that

⁴ The CIP was approved by the Board in Docket No. GR05120120 in Board Orders dated October 12 and December 12, 2006. By Order dated January 10, 2010 in Docket No. GR05120120, the Board extended the CIP. By Order dated May 21, 2014 in Docket No. GR13030185, the Board authorized South Jersey to continue its CIP. The CIP encourages the Company to foster customer conservation by allowing it to recover margins associated with a defined use per customer. The non-weather related CIP surcharges are subject to tests associated with variable margins and reductions in BGSS related costs. Total CIP surcharges are subject to return on equity limits.

⁵ The hearings were held telephonically due to the COVID-19 pandemic.

⁶ Although summarized in this Order, the detailed terms of the Stipulation are controlling, subject to the findings and conclusions of this Order. Each paragraph is numbered to coincide with the paragraphs in the Stipulation.

such increases are necessary to permit it to avoid a BGSS under-recovered balance at September 30, 2021. The self-implementing increases would be provisional and subject to true-up in connection with the next annual BGSS filing. The Company is permitted to decrease its BGSS rate at any time upon five (5) days' notice and the filing of supporting documentation with the Board and Rate Counsel.

18. Accordingly, the Parties agree that, pending the conclusion of further review and discussion among the Parties, it would be both reasonable and in the public interest for the Board to authorize a provisional decrease in the current level of the Company's Periodic BGSS rate of \$0.447769 per therm, to \$0.229419 per therm, effective October 1, 2020, or on such other date as the Board deems appropriate. This provisional Periodic BGSS rate of \$0.229419 per therm reflects actual costs through June 30, 2020 and the actual Transco pipeline refunds of \$10,006,163 received by the Company in the BGSS/CIP Year, compared to the projected pipeline refund of \$7,936,049 originally reflected in the Petition. This provisional Periodic BGSS rate of \$0.229419 also includes the temporary removal of the Antero costs described in paragraph 3 of the Stipulation to allow for a further review of these costs during the course of this proceeding. The Company reserves all rights to continue to seek recovery of these costs as set forth in the 2020 BGSS/CIP Petition and the Parties reserve their rights to argue their respective positions and take any position they deem appropriate as it relates to the Antero costs. No Party's position concerning the ultimate recovery of the Antero costs will be prejudiced in any way by the Stipulation. The BGSS-P rate of \$0.229419 per therm does not reflect any potential impacts associated with the general Natural Gas Act Section 4 rate case filed by Columbia Gas Transmission LLC with the U.S. Federal Energy Regulatory Commission in July 2020, which can be addressed as appropriate over the course of this proceeding and/or a self-implementing increase in February, 2021 when more information is available. With these updates, the proposed Periodic BGSS rate of \$0.229419 per therm reflects a decrease in annual BGSS recoveries of \$59.4 million, compared to the decrease in annual BGSS recoveries of \$39.2 million reflected in the Petition.
19. The Parties further agree that pending the conclusion of further review and discussion among the Parties, it would be both reasonable and in the public interest for the Board to authorize the following BGSS rates on a provisional basis: 1) the gas cost portion of the Company's D-2 charge for Rate Schedule LVS to be set at \$16.530999 per Mcf; 2) the gas cost portion of the Firm D-2 charge for Rate Schedule EGS-LV Firm to be set at \$16.610234 per Mcf; 3) the Limited Firm D-2 charge for Rate Schedule EGS-LV and the D-2 charge for Rate Schedule FES, respectively, to be set at \$8.265500 per Mcf; 4) the monthly BGSS non-commodity rate applicable to Rate Schedules GSG, GSG-LV, EGS, LVS, EGS-LV and NGV to be set at \$0.152073 per therm; 5) the Rider "I" BSC-LV for Opt-Out to be set at \$0.002775 per therm, and Non Opt-Out to be set at \$0.088685 per therm; and 6) the Rider "J" BSC-GS charge to be set at \$0.088685 per therm.

20. The proposed Periodic BGSS rate of \$0.229419 will decrease the bill of a residential customer using 100 therms during a winter month from \$142.48 to \$120.65, a decrease of \$21.83 or 15.3%
21. Additionally, the Parties agree that, pending the conclusion of further review and discussion among the Parties, it would be both reasonable and in the public interest for the Board to authorize the implementation of the following proposed per therm CIP rates: (1) a credit rate of \$0.116750 for Group I Residential Non-Heat customers, an increase from the current credit rate of \$0.118718; (2) a rate of \$0.068327 for Group II Residential Heat customers, an increase from the current credit rate of \$0.012422; (3) a rate of \$0.028824 for Group III General Service (GSG) customers, an increase from the current credit rate of \$0.021023; and (4) \$0.017343 for Group IV General Service Large Volume (GSG-LV) customers, an increase from the current rate of \$0.013689. It is agreed by the Parties that these rate changes will be effective as of October 1, 2020, or as of such date that the Board deems appropriate. The proposed provisional CIP rate changes translate to an increase in CIP-related recoveries of \$27.4 million and are subject to an opportunity for a full review at the OAL, if necessary, and final approval by the Board.
22. The proposed CIP rates result in an increase of \$8.08 or 5.7% per month to the residential heating customer using 100 therms during a winter month. The impact on a residential non-heat customer using 15 therms of gas in a month is an increase of \$0.03 or 0.1%. The impact on a GSG customer using 500 therms of gas in a month is an increase of \$24.92 or 4.0%. The impact on a GSG-LV customer using 15,646 therms of gas in a month is an increase of \$81.74 or 0.6%.
23. Combining the BGSS recovery reductions of \$59.4 million with CIP-related recovery increases of \$27.4 million, results in a provisional recovery reduction of \$32.0 million and a net decrease of \$13.75, or 9.6%, to the monthly bill of a residential heating customer using 100 therms in a winter month. The impact of the Company's combined proposals on the overall bill for a residential heating customer using 100 therms in a winter month would be a \$13.60 decrease or 9.5 percent, resulting from South Jersey's proposed: 1) BGSS decrease of \$21.83 per month or 15.3 percent; 2) Rider "J" Balancing Service Clause – General Service ("BSC-GS") increase of \$0.16 per month or 0.1 percent; and 3) CIP increase of \$8.08 per month or 5.7 percent.

24. The charts below demonstrate the impact of the BGSS and CIP rate changes reflected in the Stipulation on a residential heat sales customer using 100 therms in a month and 1,000 therms annually:

100 Monthly Therms	Current Bill	Proposed Bill	Change (\$)	Change (%)
BGSS	\$142.48	\$120.65	(\$21.83)	(15.3%)
Rider "J" Balancing	\$142.48	\$142.64	\$0.16	0.1%
CIP	\$142.48	\$150.56	\$8.08	5.7%
Combined	\$142.48	\$128.88	(\$13.60)	(9.5%)

1,000 Annual Therms	Current Bill	Proposed Bill	Change (\$)	Change (%)
BGSS	\$1,445.07	\$1,226.72	(\$218.35)	(15.1%)
Rider "J" Balancing	\$1,445.07	\$1,446.64	\$1.57	0.1%
CIP	\$1,445.07	\$1,525.82	\$80.75	5.6%
Combined	\$1,445.07	\$1,309.04	(\$136.03)	(9.4%)

25. The Company will submit tariff sheets in the form attached to the Stipulation as Appendix A within five (5) days of the effective date of the Board's Order approving the Stipulation.
26. The Company agrees to continue to electronically provide to the Parties in this proceeding, on a monthly basis, the following updated information: 1) the BGSS NYMEX Update Report (also known as S-SCHART-1) attached to the Stipulation as Appendix B; and 2) a monthly report (also known as S-SCHART-2) showing the calculation of net gas per therm (attached to the Stipulation as Exhibit C). The chart reflected on Appendix B of the Stipulation is to be completed using information from the first Friday of the month and submitted to the Parties the following Tuesday. The chart reflected on Appendix C of the Stipulation is to be submitted to the Parties on approximately the 15th of the following month.

DISCUSSION AND FINDINGS

The Board, having carefully reviewed the record to date in this proceeding, including the 2020 BGSS/CIP Petition and the attached Stipulation, **HEREBY FINDS** the Stipulation to be reasonable, in the public interest, and in accordance with the law. Accordingly, the Board **HEREBY ADOPTS** the Stipulation in its entirety, and **HEREBY INCORPORATES** its terms and conditions as though fully set forth herein, subject to any terms and conditions set forth in this Order.

The Board **HEREBY APPROVES** the following on a provisional basis, subject to refund:

- (1) A per therm Periodic BGSS rate of \$0.229419;
- (2) The gas cost portion of the D-2 charge for Rate Schedule LVS of \$16.530999 per Mcf;
- (3) The gas cost portion of the Firm D-2 charge for Rate Schedule EGS-LV Firm of \$16.610234 per Mcf;
- (4) The Limited Firm D-2 for Rate Schedule EGS-LV and the Firm D-2 charge for Rate Schedule FES, respectively, of \$8.265500 per Mcf;
- (5) The monthly BGSS non-commodity rate applicable to Rate Schedules GSG, GSG-LV, EGS, LVS, EGS-LV, and NGV of \$0.152073 per therm;
- (6) The Rider "I" Balancing Service Clause – Large Volume ("BSC-LV") charges for Opt-Out of \$0.002775 per therm, and Non Opt-Out of \$0.088685 per therm; and
- (7) The Rider "J" Balancing Service Clause – General Service ("BSC-GS") charge of \$0.088685 per therm.
- (8) The implementation of the following per therm CIP rates
 - a credit rate of \$0.116750 for RSG non-heating customers;
 - a charge of \$0.068327 for RSG heating customers;
 - a charge of \$0.028824 for GSG customers; and
 - a charge of \$0.017343 for GSG - LV customers.

Any net over-recovered BGSS, BSC, and CIP balance at the end of the BGSS period shall be subject to refund with interest. All rate changes shall be effective for service rendered on and after October 1, 2020.

Based on the Stipulation, a typical residential heating customer using 100 therms in a winter month, would see a net monthly decrease of approximately \$13.60 or 9.5%.

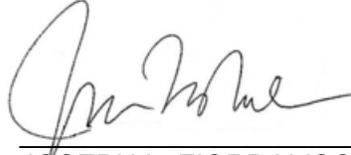
The Board **HEREBY DIRECTS** South Jersey to file tariffs consistent with the Board's Order by October 1, 2020.

The Company's costs, including those related to BGSS, BSC and CIP, remain subject to audit. 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.

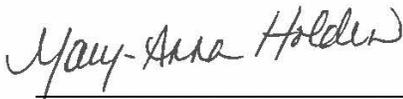
This Order shall be effective September 19, 2020.

DATED: September 9, 2020

BOARD OF PUBLIC UTILITIES
BY:



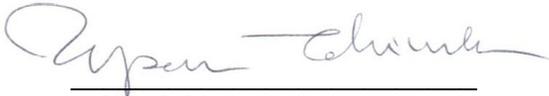
JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER

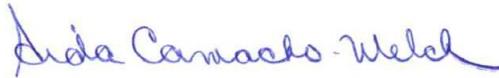


UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH
SECRETARY

**IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY TO REVISE THE LEVEL
OF ITS BASIC GAS SUPPLY SERVICE (“BGSS”) CHARGE AND CONSERVATION INCENTIVE
PROGRAM (“CIP”) CHARGES FOR THE YEAR ENDING SEPTEMBER 30, 2021
DOCKET NO. GR20060383**

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Deborah M. Franco, Esq.
VP, Clean Energy & Sustainability

August 26, 2020

Aida Camacho-Welch
Office of the Secretary
NJ Board of Public Utilities
44 South Clinton Avenue, 3rd Floor
P.O. Box 350
Trenton, NJ 08625-0350

Re: **In the Matter of the Petition of South Jersey Gas Company to Revise the Level of Its Basic Gas Supply Service (“BGSS”) Charge and Conservation Incentive Program (“CIP”) Charge for the Year Ending September 30, 2021
BPU Docket No. GR20060383**

Dear Secretary Camacho-Welch:

Enclosed for filing in the above-referenced proceeding is a Stipulation executed by representatives of South Jersey Gas Company, the Staff of the Board of Public Utilities and the Division of Rate Counsel. It is respectfully requested that the Board consider the Stipulation at its next agenda meeting.

Should you have any questions, please do not hesitate to contact me.

Respectfully,

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

Deborah M. Franco

DMF:caj
Enclosures

cc: See attached Service List (with enclosures)

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

IN THE MATTER OF THE PETITION	:	BPU DOCKET NO. GR20060383
OF SOUTH JERSEY GAS COMPANY	:	
TO REVISE THE LEVEL OF ITS BASIC	:	
GAS SUPPLY SERVICE (“BGSS”)	:	
CHARGE AND CONSERVATION	:	STIPULATION FOR PROVISIONAL
INCENTIVE PROGRAM (“CIP”)	:	BGSS/CIP RATES
CHARGE FOR THE YEAR ENDING	:	
SEPTEMBER 30, 2021	:	

APPEARANCES:

Deborah M. Franco, Esq., Vice President, Clean Energy and Sustainability, South Jersey Industries, for Petitioner South Jersey Gas Company.

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

Terel Klein, 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:

I. PROCEDURAL HISTORY

1. On June 1, 2020, South Jersey Gas Company (“South Jersey” or “Company”) filed a Petition, in Docket No. GR20060383, requesting that the Board of Public Utilities (“Board”) approve the Company’s proposal to decrease the current level of its periodic Basic Gas Supply Service Clause (“BGSS”) per therm charge of \$0.447769 to \$0.301985, a decrease of \$0.145784 per therm, for the period October 1, 2020 through September 30, 2021 (“BGSS/CIP Year”) (“Petition”).¹ The Petition indicated that the requested periodic BGSS rate would result in a monthly decrease of \$14.58, or 10.2% for a residential heating customer using 100 therms of gas during a winter month.

¹ All rates quoted herein include Sales and Use Taxes (“SUT”).

2. The Company also proposed the following BGSS rates: 1) the gas cost portion of the Company's D-2 charge for Rate Schedule LVS be set at \$16.530999 per Mcf; 2) the gas cost portion of the Firm D-2 charge for Rate Schedule EGS-LV Firm be set at \$16.610234 per Mcf; 3) the Limited Firm D-2 charge for Rate Schedule EGS-LV and the D-2 charge for Rate Schedule FES be set at \$8.265500 per Mcf; 4) the monthly BGSS non-commodity rate applicable to Rate Schedules GSG, GSG-LV, EGS, LVS, EGS-LV and NGV be set at \$0.152073 per therm; 5) the Rider "I" Balancing Service Clause – Large Volume ("BSC-LV") charges for Opt-Out be set at \$0.002775 per therm and Non Opt-Out be set at \$0.088685 per therm; and 6) the Rider "J" Balancing Service Clause – General Service ("BSC-GS") charge be set at \$0.088685 per therm.

3. In its Petition, South Jersey also proposed to recover in its BGSS rate over a two-year period, \$24,558,174.87 of gas supply and related costs incurred as a result of the resolution of a contract dispute with Antero Resources Corporation ("Antero"), one of the Company's gas suppliers. As indicated in the Petition, the costs represent the actual incremental costs that South Jersey incurred as a result of a judgment rendered by the United States District Court for the District of Colorado concerning a contractual dispute between South Jersey and Antero that was subsequently upheld in the United States Court of Appeals for the Tenth Circuit. The Petition further indicated that the costs associated with the legal dispute with Antero were reasonably incurred by the Company in an effort to reduce the gas costs assessed to BGSS customers. The Company proposed to recover fifty percent (50%) or \$12,279,087.44, in this proceeding, while the remaining fifty percent (50%) portion or \$12,279,087.43 would be deferred and recovered in the subsequent 2021-2022 BGSS year. The Petition explained that the two-year recovery period will mitigate the impact on customer bills.

4. The changes proposed in the Petition translate to a decrease in annual BGSS recoveries of \$39.2 million.

5. The Petition also sought Board approval to implement per therm Conservation Incentive Program (“CIP”) rates effective October 1, 2020 including the following:

- a credit rate of \$0.116750 for Group I Residential Non-Heat customers;
- rate of \$0.068327 for Group II Residential Heat customers;
- rate of \$0.028824 for Group III General Service (GSG) customers; and
- a rate of \$0.017343 for Group IV General Service Large Volume (GSG-LV) customers.

6. As reflected in the Petition, the requested CIP rates would result in a monthly increase of \$8.08 or 5.7% for a residential heating customer using 100 therms of gas during a winter month. The proposed bill impact on a residential non-heating customer using 15 therms of gas during a month is an increase of \$0.03, or 0.1%. The proposed bill impact on a GSG customer using 500 therms of gas during a month is an increase of \$24.92, or 4.0%. The proposed bill impact on a GSG-LV customer using 15,646 therms of gas a month is an increase of \$81.74, or 0.6%.

7. As stated in the Petition, these proposed changes translate to an increase in annual CIP recoveries of \$27.4 million.

8. Pursuant to the Board’s October 12, 2006 and January 21, 2010 Orders in Docket No. GR05121020, any non-weather-related CIP surcharges are required to be offset by reductions in BGSS costs. In addition, pursuant to the Board’s May 21, 2014 Order in Docket No. GR13030185 approving the continuation of the CIP, CIP non-weather related margin recoveries are subject to a Modified BGSS Savings Test with three categories of BGSS Savings: (1)

permanent savings achieved through permanent capacity releases; (2) gas cost savings from reductions of capacity on a long-term basis; i.e. for periods of at least one year; and (3) savings associated with avoided capacity costs to meet residential customer growth.

9. Also pursuant to the Board's Order in Docket No. GR13030185, a Variable Margin Revenue Test was established, under which recoverable non-weather CIP amounts shall not exceed 6.5 percent of aggregate variable margin revenues.

10. In computing the non-weather CIP value, the margin impact of weather is first to be deducted from the total CIP charge or credit. The non-weather-related CIP component shall be subject to a dual eligibility test comprised of the Modified BGSS Savings Test and a Margin Revenue Test. In order to be eligible for recovery, non-weather-related CIP impacts must pass both cost recovery tests. Amounts that do not pass one or both tests may still be recoverable in future years.

11. South Jersey's non-weather-related margin is \$1.8 million. This was established by subtracting the weather-related component of \$17.4 million, from the total CIP deficiency of \$19.2 million. Thus, South Jersey seeks to recover total non-weather-related margin revenue through the CIP totaling \$1.8 million.

12. South Jersey's permanent BGSS savings realized from the permanent capacity releases or contract terminations (Category One of the Modified BGSS Savings Test) total \$2.2 million per year. BGSS savings realized from gas cost savings from reductions of capacity on a long-term basis (Category Two of the Modified BGSS Savings Test) total \$4.3 million. BGSS savings realized from avoided capacity costs to meet residential customer growth (Category Three of the Modified BGSS Savings Test) total \$0.5 million. Therefore, the total BGSS savings for the 2020-2021 CIP year is \$7.0 million. This amount exceeds the \$1.8 million of non-weather-related

margin revenue that will be recovered through the CIP, thus the Modified BGSS Savings Test has been met.

13. South Jersey's non-weather-related margin of \$1.8 million does not exceed 6.5% of aggregate variable revenues of \$242,901,315, or \$15,788,585, thus the Variable Margin Revenue test has been met.

14. Rider M of South Jersey's tariff contains a Board approved return-on-equity ("ROE") limitation on recoveries from customers pursuant to the CIP, consistent with South Jersey's former Temperature Adjustment Clause ("TAC") ("ROE Test"). Under this provision, the CIP may not contribute toward earnings in excess of a 9.60% ROE. After recovery of the CIP margin revenues, South Jersey's ROE for the period October 1, 2019 through September 30, 2020 is projected to be 7.32%. As a result, the ROE Test will not act as a limitation on South Jersey's recovery through the CIP for the forthcoming 2020-2021 CIP year. This projected ROE is calculated on Exhibit A to the Petition.

15. Following public notice published in newspapers of general circulation within South Jersey's service territory, two telephonic public hearings for this Petition were held on August 19, 2020 at 4:30 PM and 5:30 PM, due to the COVID-19 pandemic. The public notices were also posted on the Company's website at https://southjerseygas.com/SJG/media/pdf/SJG-2020-BGSS-and-CIP-Public-Notice-07-22-20_1.pdf. No members of the public attended the telephonic public hearings.

II. STIPULATED TERMS

16. South Jersey, Board Staff, and the New Jersey Division of Rate Counsel are the only parties to this proceeding (collectively “Parties”). The Parties agree that additional time is needed to complete a comprehensive review of the Petition. However, the Parties agree that the provisional implementation of the proposed BGSS rates, subject to refund with interest on any net over-recovered BGSS balance, is reasonable at this time. These changes are on a provisional basis subject to an opportunity for full review at the Office of Administrative Law (“OAL”), if necessary, and final approval by the Board.

17. In accordance with the Board’s January 6, 2003 Order (“Generic BGSS Order”) in BPU Docket No. GX01050304, New Jersey’s four (4) gas distribution companies (“GDCs”), by June 1, submit to the Board their annual BGSS gas cost filings for the BGSS year beginning in October. The Company may therefore seek to implement provisional increases in its BGSS rate of up to 5% to be effective December 1, 2020 and February 1, 2021, if the Company determines that such increases are necessary to permit it to avoid a BGSS under-recovered balance at September 30, 2021. The self-implementing increases would be provisional and subject to true-up in connection with the next annual BGSS filing. The Company is permitted to decrease its BGSS rate at any time upon five (5) days’ notice and the filing of supporting documentation with the Board and Rate Counsel. The Company may also implement a decrease in its BGSS rates at any time, without prior Board approval, upon five (5) days’ notice to the Board and Rate Counsel.

18. Accordingly, the Parties stipulate and agree that, pending the conclusion of further review and discussion among the Parties, it would be both reasonable and in the public interest for the Board to authorize a provisional decrease in the current level of South Jersey’s Periodic BGSS rate of \$0.447769 per therm, to \$0.229419 per therm, effective October 1, 2020, or on such other

date as the Board deems appropriate. This provisional Periodic BGSS rate of \$0.229419 per therm reflects actual costs through June 30, 2020 and the actual Transco pipeline refunds of \$10,006,163 received by the Company in the BGSS/CIP Year, compared to the projected pipeline refund of \$7,936,049 originally reflected in the Petition. This provisional Periodic BGSS rate of \$0.229419 also includes the temporary removal of the Antero costs described in paragraph 3 to allow for a further review of these costs during the course of this proceeding. The Company reserves all rights to continue to seek recovery of these costs as set forth in the Petition and the Parties reserve their rights to argue their respective positions and take any position they deem appropriate as it relates to the Antero costs. No Party's position concerning the ultimate recovery of the Antero costs will be prejudiced in any way by this Stipulation. The BGSS-P rate of \$0.229419 per therm does not reflect any potential impacts associated with the general Natural Gas Act Section 4 rate case filed by Columbia Gas Transmission LLC with the U.S. Federal Energy Regulatory Commission in July 2020, which can be addressed as appropriate over the course of this proceeding and/or a self-implementing increase in February, 2021 when more information is available. With the described updates, the proposed Periodic BGSS rate of \$0.229419 per therm reflects a decrease in annual BGSS recoveries of \$59.4 million, compared to the decrease in annual BGSS recoveries of \$39.2 million reflected in the Petition.

19. The Parties further stipulate and agree that pending the conclusion of further review and discussion among the Parties, it would be both reasonable and in the public interest for the Board to authorize the following BGSS rates on a provisional basis: 1) the gas cost portion of the Company's D-2 charge for Rate Schedule LVS be set at \$16.530999 per Mcf; 2) the gas cost portion of the Firm D-2 charge for Rate Schedule EGS-LV Firm to be set at \$16.610234 per Mcf; 3) the Limited Firm D-2 charge for Rate Schedule EGS-LV and the D-2 charge for Rate Schedule

FES, respectively, be set at \$8.265500 per Mcf ; 4) the monthly BGSS non-commodity rate applicable to Rate Schedules GSG, GSG-LV, EGS, LVS, EGS-LV and NGV be set at \$0.152073 per therm; 5) the Rider “I” BSC-LV for Opt-Out be set at \$0.002775 per therm, and Non Opt-Out be set at \$0.088685 per therm; and 6) the Rider “J” BSC-GS charge be set at \$0.088685 per therm.

20. The proposed Periodic BGSS rate of \$0.229419 will decrease the bill of a residential customer using 100 therms during a winter month from \$142.48 to \$120.65, a decrease of \$21.83 or 15.3%

21. Additionally, the Parties stipulate and agree that, pending the conclusion of further review and discussion among the Parties, it would be both reasonable and in the public interest for the Board to authorize the implementation of the following proposed per therm CIP rates: (1) a credit rate of \$0.116750 for Group I Residential Non-Heat customers, an increase from the current credit rate of \$0.118718; (2) a rate of \$0.068327 for Group II Residential Heat customers, an increase from the current credit rate of \$0.012422; (3) a rate of \$0.028824 for Group III General Service (GSG) customers, an increase from the current credit rate of \$0.021023; and (4) \$0.017343 for Group IV General Service Large Volume (GSG-LV) customers, an increase from the current rate of \$0.013689. It is agreed by the Parties that these rate changes will be effective as of October 1, 2020, or as of such date that the Board deems appropriate. The proposed provisional CIP rate changes translate to an increase in CIP-related recoveries of \$27.4 million and are subject to an opportunity for a full review at the OAL, if necessary, and final approval by the Board.

22. The proposed CIP rates result in an increase of \$8.08 or 5.7% per month to the residential heating customer using 100 therms during a winter month. The impact on a residential non-heat customer using 15 therms of gas in a month is an increase of \$0.03 or 0.1%. The impact on a GSG customer using 500 therms of gas in a month is an increase of \$24.92 or 4.0%. The

impact on a GSG-LV customer using 15,646 therms of gas in a month is an increase of \$81.74 or 0.6%.

23. Combining the BGSS recovery reductions of \$59.4 million with CIP-related recovery increases of \$27.4 million, results in a provisional recovery reduction of \$32.0 million and a net decrease of \$13.75, or 9.6%, to the monthly bill of a residential heating customer using 100 therms in a winter month. The impact of the Company’s combined proposals on the overall bill for a residential heating customer using 100 therms in a winter month would be a \$13.60 decrease or 9.5 percent, resulting from South Jersey’s proposed: 1) BGSS decrease of \$21.83 per month or 15.3 percent; 2) Rider “J” Balancing Service Clause – General Service (“BSC-GS”) increase of \$0.16 per month or 0.1 percent; and 3) CIP increase of \$8.08 per month or 5.7 percent.

24. The charts below demonstrate the impact of the BGSS and CIP rate changes reflected in this Stipulation on a residential heat sales customer using 100 therms in a month and 1,000 therms annually:

100 Monthly Therms	Current Bill	Proposed Bill	Change (\$)	Change (%)
BGSS	\$142.48	\$120.65	(\$21.83)	(15.3%)
Rider “J” Balancing	\$142.48	\$142.64	\$0.16	0.1%
CIP	\$142.48	\$150.56	\$8.08	5.7%
Combined	\$142.48	\$128.88	(\$13.60)	(9.5%)

1,000 Annual Therms	Current Bill	Proposed Bill	Change (\$)	Change (%)
BGSS	\$1,445.07	\$1,226.72	(\$218.35)	(15.1%)
Rider "J" Balancing	\$1,445.07	\$1,446.64	\$1.57	0.1%
CIP	\$1,445.07	\$1,525.82	\$80.75	5.6%
Combined	\$1,445.07	\$1,309.04	(\$136.03)	(9.4%)

25. The Company will submit tariff sheets in the form attached as Appendix A within five (5) days of the effective date of the Board's Order approving this Stipulation.

26. The Company agrees to continue to electronically provide to the Parties in this proceeding, on a monthly basis, the following updated information: 1) the BGSS NYMEX Update Report (also known as S-SCHART-1) attached hereto as Appendix B; and 2) a monthly report (also known as S-SCHART-2) showing the calculation of net gas per therm (attached hereto as Exhibit C). The chart reflected on Appendix B is to be completed using information from the first Friday of the month and submitted to the Parties the following Tuesday. The chart reflected on Appendix C is to be submitted to the Parties on approximately the 15th of the following month.

27. The Parties further acknowledge that a Board Order approving this Stipulation will become effective upon the 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.

III. MISCELLANEOUS

28. 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.

29. It is specifically understood and agreed that this Stipulation represents a negotiated interim 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.

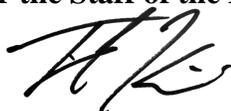
WHEREFORE, the Parties hereto do respectfully submit this Stipulation and request that the Board issue a Decision and Order approving it in its entirety, in accordance with the terms hereof, as soon as reasonably possible.

SOUTH JERSEY GAS COMPANY



By: _____
Deborah M. Franco, Esq.
Vice President, Clean Energy and Sustainability

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



By: _____
Terel Klein, Esq.
Deputy Attorney General

**STEFANIE A. BRAND
DIRECTOR, DIVISION OF RATE COUNSEL**



By: _____
Henry M. Ogden, Esq.
Assistant Deputy Rate Counsel

Dated: August _26_, 2020

SOUTH JERSEY GAS COMPANY

**Fourteenth Revised Sheet No. 6
Superseding Thirteenth Revised Sheet No. 6**

B.P.U.N.J. No. 12 - GAS

RESIDENTIAL SERVICE (RSG)

APPLICABLE TO USE OF SERVICE FOR:

All residential purposes. Customer may elect Firm Sales Service or Firm Transportation Service. To be eligible for Firm Transportation Service RSG, a customer must hold clear and marketable title to gas that is made available for delivery to the customer’s residence on the Company’s system.

CHARACTER OF SERVICE Firm Sales Service and Firm Transportation Service.

MONTHLY RATE: ⁽¹⁾

Customer Charge: \$10.129375 per month

Delivery Charge:

(a) Residential Non-Heating Customers
Firm Sales Service and Firm Transportation Service \$~~.769450-772989~~ per therm

(b) Residential Heating Customers
Firm Sales Service and Firm Transportation Service \$~~.875746-958066~~ per therm

Basic Gas Supply Service (“BGSS”) Charge:

All consumption for customers who elect Firm Sales Service. See Rider “A” of this Tariff.

APPLICABLE RIDERS:

Basic Gas Supply Service Clause: BGSS charges are depicted in Rider “A” of this Tariff.

Transportation Initiation Clause: The rates set forth above have been adjusted, as is appropriate, pursuant to Rider “C” of this Tariff.

Societal Benefits Clause: The rates set forth above have been adjusted, as is appropriate, pursuant to Rider “E” of this Tariff.

Temperature Adjustment Clause: The rates set forth above have been adjusted, as is appropriate, pursuant to Rider “F” of this Tariff.

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

Issued _____
by South Jersey Gas Company,
M. Orsen, President

Effective with service rendered
on and after _____

Filed pursuant to Order in Docket No. _____ of the Board of
Public Utilities, State of New Jersey, dated _____

SOUTH JERSEY GAS COMPANY

Fourteenth Revised Sheet No. 10

B.P.U.N.J. No. 12 - GAS

Superseding Thirteenth Revised Sheet No. 10

GENERAL SERVICE (GSG)

APPLICABLE TO USE OF SERVICE FOR:

All Commercial and Industrial Customers who would not qualify for any other Rate Schedule. A customer qualifying for service under Rate Schedule GSG may elect either Firm Sales Service or Firm Transportation Service. To be eligible for Firm Transportation Service under this Rate Schedule GSG, a customer must hold clear and marketable title to gas that is made available for delivery to customer’s facility on the Company’s system.

CHARACTER OF SERVICE:

Firm Sales Service or Firm Transportation Service.

MONTHLY RATE: ⁽¹⁾

Customer Charge:

\$31.955513 per month

Delivery Charges:

Firm Sales Service and Firm Transportation Service \$.~~748003~~799421 per therm

Basic Gas Supply Service (“BGSS”) Charge:

All consumption for customers who elect Firm Sales Service See Rider “A” of this Tariff.

LINE LOSS:

Line Loss shall be 1.43% as provided in Special Provision (o).

APPLICABLE RIDERS:

- Basic Gas Supply Service Clause: BGSS charges are depicted in Rider “A” of this Tariff.
- Transportation Initiation Clause: The rates set forth above have been adjusted, as is appropriate, pursuant to Rider “C” of this Tariff.
- Societal Benefits Clause: The rates set forth above have been adjusted, as is appropriate, pursuant to Rider “E” of this Tariff.
- Temperature Adjustment Clause: The rates set forth above have been adjusted, as is appropriate, pursuant to Rider “F” of this Tariff.

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

Issued _____ **Effective with service rendered**
by South Jersey Gas Company, **on and after** _____
M. Orsen, President

**Filed pursuant to Order in Docket No. _____ of the Board of Public Utilities,
State of New Jersey, dated _____**

SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 12 - GAS **Fourteenth Revised Sheet No. 14**
Superseding Thirteenth Revised Sheet No. 14

GENERAL SERVICE – LARGE VOLUME (GSG-LV)

APPLICABLE TO USE OF SERVICE FOR:

All Commercial and Industrial Customers who would not qualify for any other Rate Schedule (other than Rate Schedule GSG), and who has an annualized usage of 100,000 therms or more,. A customer qualifying for service under Rate Schedule GSG-LV may elect either Firm Sales Service or Firm Transportation Service. To be eligible for Firm Transportation Service under this Rate Schedule GSG-LV, a customer must hold clear and marketable title to gas that is made available for delivery to customer’s facility on the Company’s system.

CHARACTER OF SERVICE:

Firm Sales Service or Firm Transportation Service.

MONTHLY RATE: ⁽¹⁾

Customer Charge:

\$159.937500 per month

Delivery Charges:

Firm Sales Service and Firm Transportation Service⁽²⁾

Demand Charge:

D-1FT: \$10.245170 per Mcf of Contract Demand

Volumetric Charge:

\$~~481201~~486426 per therm

Basic Gas Supply Service (“BGSS”) Charge:

All consumption for customers who elect
Firm Sales Service

See Rider “A” of this Tariff.

LINE LOSS:

Line Loss shall be 1.43% as provided in Special Provision (o).

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

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

Issued _____
by South Jersey Gas Company,
M. Orsen, President

Effective with service rendered
on and after _____

Filed pursuant to Order in Docket No. _____ of the Board of
Public Utilities, State of New Jersey, dated _____

SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 12 - GAS

**Fourth Revised Sheet No. 24
Superseding Third Revised Sheet No. 24**

COMPREHENSIVE TRANSPORTATION SERVICE (CTS)
(Continued)

Provisions of this Rate Schedule CTS for gas delivered, including gas deliveries resulting in imbalances, prior to the implementation of the Rate Schedule GSG-LV Monthly BGSS rate.

In order to be reinstated as an eligible Aggregator/Marketer, following termination of aggregator/ Marketer status for Deficiency Imbalances or Excess Imbalances as set forth above, the Aggregator/Marketer in addition to meeting all other applicable requirements must post and maintain for one (1) year security in a credit facility satisfactory to the Company in an amount equal to two (2) times that which would otherwise be required by the Company. At the conclusion of that year and assuming no additional occurrence of Deficiency Imbalances or Excess Imbalances as described above, the Aggregator/Marketer will be released from its obligation to provide security in excess of that otherwise required by the Company. If an additional Deficiency Imbalance or Excess Imbalance as described above occurs during that one-year period, the Aggregator/Marketer will be disqualified as an Aggregator/Marketer upon the Company's system for an additional one (1) year period. As used in this Paragraph (m), ACD shall mean the aggregate of all Contract Demands, expressed in dekatherms, of all customers served by an Aggregator/Marketer under this Rate Schedule CTS.

- (p) The receipt of gas by the Company for transportation under this Rate Schedule CTS shall equal the delivery of said gas to the customer on a daily basis, less a percentage for line loss. The line loss factor to be utilized will by the Company-wide line loss percentage.
- (q) Customers subscribing to this Rate Schedule CTS may elect the “opt-out” provision provided for in the Standard Gas Service Agreement (LV). Such an “opt-out” customer will have no right or entitlement to have base load gas provided by the Company. Provided, however, that a customer electing the “opt-out” provision shall be eligible to receive balancing services from the Company pursuant to appropriate rate schedules and riders. In the case that an “opt-out” customer cannot provide for its capacity, gas supply, or both, the customer must either discontinue the use of base load gas or have it provided by South Jersey at the incremental price. The incremental price charged to an “opt-out” customer shall be the sum of: (1) the highest commodity cost of gas paid by the Company during the month in which the “opt-out” customer uses “Company” gas; and (2) the higher of the cost of incremental capacity needed to serve the returning “opt-out” customer or the system weighted average cost of capacity, plus other charges which must be paid by customers eligible for South Jersey’s Monthly BGSS charge. The incremental price will be charged to the customer until the effective date of a new Standard Gas Service Agreement.
- (r) An “opt-out” customer will become eligible to purchase base load gas from the Company or transport gas without “opt-out” status, upon six months’ notice to the Company of intention to no longer be an “opt-out” customer, provided that prior to the expiration of the six month notice period, the customer shall have entered into a new Standard Gas Service Agreement which includes the customer’s agreement to purchase base load gas or transport without an “opt-out” status for a term of not less than one year. Upon the effective date of the new Standard Gas Service Agreement, which shall be no sooner than the end of the six month period in said notice, the customer shall no longer be obligated to pay the incremental prices set forth above. However, said customer will then be obligated to pay the higher balancing charge of \$0.~~87115~~ 88685 per Dt, including taxes. The Company will not have the right to waive this six month notice requirement.

Issued _____
by South Jersey Gas Company,
M. Orsen, President

Effective with service rendered
on and after _____

Filed pursuant to Order in Docket No. _____ of the Board of
Public Utilities, State of New Jersey, dated _____

SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 12 - GAS

**Fifteenth Revised Sheet No. 25
Superseding Fourteenth Revised Sheet No. 25**

LARGE VOLUME SERVICE (LVS)

APPLICABLE TO USE OF SERVICE FOR:

Firm Sales Service and Firm Transportation Service pursuant to this Rate Schedule LVS, shall be available to all Industrial Customers with a Contract Demand and a minimum annualized average use of 200 Mcf per day. To be eligible for Firm Transportation Service under this Rate Schedule LVS, a customer must hold clear and marketable title to gas that is made available for delivery to customer's facility on the Company's system.

CHARACTER OF SERVICE:

Firm Sales Service, Limited Firm Sales Service, Firm Transportation Service, and Limited Firm Transportation Service.

MONTHLY RATE: ⁽¹⁾

Firm:

Customer Charge:

\$959.625000 per month

Delivery Charge:

Firm Sales Service and Firm Transportation Service

Demand Charge:

D-1FT: \$17.016071 per Mcf of Contract Demand

Volumetric Charge:

\$.131195 per therm

Basic Gas Supply Service ("BGSS") Charge:

Demand Charge:

D-2: ~~\$19.623062~~ \$16.530999 per Mcf of Contract Demand.

Volumetric Charge:

See Rider "A" of this Tariff.

⁽¹⁾ Please refer to Appendix A for components of Monthly Rates.

Issued _____
by South Jersey Gas Company,
M. Orsen, President

Effective with service rendered
on and after _____

Filed pursuant to Order in Docket No. _____ of the Board of
Public Utilities, State of New Jersey, dated _____

SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 12 - GAS

**Fourth Revised Sheet No. 30
Superseding Third Revised Sheet No. 30**

LARGE VOLUME SERVICE (LVS)

(Continued)

- (l) A Firm Transportation Service customer scheduling gas for delivery may not schedule less than one dekatherm of gas for delivery under this Rate Schedule LVS on any day. All scheduling must be done in whole number dekatherms and not in fractions thereof.
- (m) The BGSS D-2 Demand Charge will equal the Company’s system weighted average interstate pipeline demand charge plus the system weighted average gas reservation charge both as of October 1 of each year. The BGSS D-2 Demand Charge is subject to annual adjustment, to be made in the same proceeding in which the Company’s annual Periodic BGSS Rate is established for the BGSS Year pursuant to Rider “A” of this Tariff. The BGSS D-2 Demand Charge shall not be less than the sum of the following: (1) the demand charge invoiced by Transcontinental Gas Pipe Line Corporation for its FT service; (2) the Pipeline Capacity Factor; and (3) one dollar (\$1.00) per Dt.
- (n) The Pipeline Capacity Factor will recover the difference between the Company’s system weighted average pipeline demand cost and the demand cost of Transcontinental Gas Pipe Line Corporation’s FT charge.
- (o) Customers subscribing to this Rate Schedule LVS may elect the “opt-out” provision provided for in the Standard Gas Service Agreement (LV). Such an “opt-out” customer will have no right or entitlement to have base load gas provided by the Company. Provided, however, that a customer electing the “opt-out” provision shall be eligible to receive balancing services from the Company pursuant to appropriate rate schedules and riders. In the case that an “opt-out” customer cannot provide for its capacity, gas supply, or both, the customer must either discontinue the use of base load gas or have it provided by South Jersey at the incremental price. The incremental price charged to an “opt-out” customer shall be the sum of: (1) the highest commodity cost of gas paid by the Company during the month in which the “opt-out” customer uses “Company” gas; and (2) the higher of the cost of incremental capacity needed to serve the returning “opt-out” customer or the system weighted average cost of capacity, plus other charges which must be paid by customers eligible for South Jersey’s Monthly BGSS charge. The incremental price will be charged to the customer until the effective date of a new Standard Gas Service Agreement.
- (p) An “opt-out” customer will become eligible to purchase base load gas from the Company, or transport gas without “opt-out” status, upon six months’ notice to the Company of intention to no longer be an “opt-out” customer, provided that prior to the expiration of the six month notice period, the customer shall have entered into a new Standard Gas Service Agreement which includes the customer’s agreement to purchase base load gas or transport without an “opt-out” status for a term of not less than one year. Upon the effective date of the six month period in said notice, the customer shall no longer be obligated to pay the incremental prices set forth above. However, said customer will then be obligated to pay the higher balancing charge of \$0.87415-88685 per Dt, including taxes. The Company will not have the right to waive this six month notice requirement.

Issued _____
by South Jersey Gas Company,
M. Orsen, President

Effective with service rendered
on and after _____

Filed pursuant to Order in Docket No. _____ of the Board of
Public Utilities, State of New Jersey, dated _____

SOUTH JERSEY GAS COMPANY

**Thirteenth Revised Sheet No. 31
Superseding Twelfth Revised Sheet No. 31**

B.P.U.N.J. No. 12 - GAS

FIRM ELECTRIC SERVICE (FES)

APPLICABLE TO USE OF SERVICE FOR:

All gas that is purchased or transported to generate electricity. Provided, however, that in order to qualify for this Rate Schedule FES, a customer must have a Winter Daily Contract Demand of 1,000 Mcf per day or more, or a Summer Daily Contract Demand of 2,000 Mcf per day or more, or both. To be eligible for Firm Transportation Service under this Rate Schedule FES, a customer must hold clear and marketable title to gas that is made available for delivery to customer's facility on the Company's system.

CHARACTER OF SERVICE:

Firm Sales Service and Firm Transportation Service.

MONTHLY RATE ^{(1) (2)}

WINTER (November – March):

Demand Charge:

- D-1 \$3.089100 per Mcf of Winter Daily Contract Demand
- D-2 ~~\$9.8115318~~ \$8.265500 per Mcf of Daily Billing Determinant or \$0 for Firm Transportation

customers

Volumetric Charge:

- C-1: \$.097000 per therm of consumption
 - C-2: FES Monthly Commodity Rate, pursuant to Rider "A" and Special Provision (x), OR Customer Owned Gas Clause, Rider "D"
 - C-3: \$.173700 per therm of consumption
 - C-4: Escalator Rate – Charge may change monthly pursuant to Standard Gas Service Addendum.
- Minimum Bill:** The monthly D-1 and D-2 charges, irrespective of use.

SUMMER (April – October):

Demand Charge:

- D-1 \$3.089100 per Mcf of Summer Daily Contract Demand
- D-2 ~~\$9.8115318~~ \$8.265500 per Mcf of Daily Billing Determinant or \$0 for Firm Transportation

customers

Volumetric Charge:

- C-1: \$.097000 per therm of consumption
- C-2: FES Monthly Commodity Rate, pursuant to Rider "A" and Special Provision (x), OR Customer Owned Gas Clause, Rider "D"
- C-3: \$.173700 per therm of consumption
- C-4: Escalator Rate – Charge may change monthly pursuant to Standard Gas Service Addendum.

⁽¹⁾ Please refer to Appendix A for components of Monthly Rates.

⁽²⁾ Please refer to Special Provision (p)

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SOUTH JERSEY GAS COMPANY

Fourteenth Revised Sheet No. 38

B.P.U.N.J. No. 12 - GAS

Superseding Thirteenth Revised Sheet No. 38

ELECTRIC GENERATION SERVICE (EGS)

APPLICABLE TO USE OF SERVICE FOR:

Residential, commercial and industrial uses for electric generation facilities (excluding back-up generator equipment); all Prime Movers; and all engine driven equipment (whether or not used for electric generation). Provided, however, that in order to be eligible for this Rate Schedule EGS, a customer must have a Firm Daily Contract Demand of less than 200 Mcf per day; provided, however, that a residential EGS customer will have no Firm Daily Contract Demand. To be eligible for Firm Transportation Service under this Rate Schedule EGS, a customer must hold clear and marketable title to gas that is made available for delivery to customer's facility on the Company's system.

CHARACTER OF SERVICE:

Firm Sales Service and Firm Transportation Service

MONTHLY RATE: ⁽¹⁾⁽²⁾

Residential Customer Charge:

\$10.662500 per month

Residential Delivery Charge

Residential Volumetric Charge: \$.306842-308413 per therm

Commercial and Industrial Customer Charge:

\$67.578925 per month

Commercial and Industrial Delivery Charge:

Commercial and Industrial Demand Charge:

D-1 Charge: \$8.362812 per Mcf of contract

Volumetric Charges:

Winter Season (effective during billing months of November through March):

All Consumption for Firm Sales Service and Firm Transportation Service

\$.307993-309564 per therm

⁽¹⁾ Please refer to Appendix A for components of Monthly Rates.

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

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SOUTH JERSEY GAS COMPANY

**Fourteenth Revised Sheet No. 39
Superseding Thirteenth Revised Sheet No. 39**

B.P.U.N.J. No. 12 - GAS

ELECTRIC GENERATION SERVICE (EGS)
(Continued)

Summer Season (effective during billing months of April through October):

All Consumption for Firm Sales Service and Firm Transportation Service

\$~~276005~~-277576 per therm

Basic Gas Supply Service (“BGSS”) Charge:

Applicable to customers who elect Firm Sales Service

See Rider “A” of this Tariff.

LINE LOSS:

Line Loss shall be 1.43% as provided in Special Provision (p).

APPLICABLE RIDERS:

Basic Gas Supply Service Clause:	BGSS charges are depicted in Rider “A” of this Tariff.
Societal Benefits Clause:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider “E” of this Tariff.
2017 Tax Act	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider “H” of this Tariff.
Balancing Service Clause	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider “J” of this Tariff. However, also see Special Provision (k) regarding Rider “I”.
Energy Efficiency Tracker:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider “N” of this Tariff.

TERMS OF PAYMENT:

Payment of all bills must be received in full at the Company's designated office within fifteen (15) days of the billing date; provided however, the Company shall take into account any postal service delays of which the Company is advised. If the fifteenth (15th) day falls on a non-business day, the due date shall be extended to the next business day. Should the customer fail to make payment as specified, the Company may, beginning on the twenty-sixth (26th) day, assess simple interest at a rate equal to the prime rate as published in the Money Rates column in The Wall Street Journal. A late payment charge shall not be assessed on a residential customer, or on State, county or municipal government entities.

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 12 - GAS

**Fifteenth Revised Sheet No. 43
Superseding Fourteenth Revised Sheet No. 43**

ELECTRIC GENERATION SERVICE – LARGE VOLUME (EGS-LV)

APPLICABLE TO USE OF SERVICE FOR:

All commercial and industrial electric generation facilities; all Prime Movers and all engine driven equipment (whether or not used for electric generation). Provided, however, that in order to be eligible for this Rate Schedule EGS-LV, a customer must have a Firm Daily Contract Demand of 200 Mcf per day or more. To be eligible for Firm Transportation Service under this Rate Schedule EGS-LVS, a customer must hold clear and marketable title to gas that is made available for delivery to customer's facility on the Company's system.

CHARACTER OF SERVICE:

Firm Sales Service, Firm Transportation Service, Limited Firm Sales Service and Limited Firm Transportation Service.

MONTHLY RATE: ⁽¹⁾

Customer Charge:

\$456.696200 per month

FIRM:

Demand Charges: ⁽²⁾

D-1 \$24.772951 per Mcf of Firm Daily Contract Demand.

D-2 ~~\$21.238498~~ 16.610234 per Mcf of Firm Daily Contract Demand or \$0 for Firm Transportation customers.

Volumetric Charge:

C-1: \$.076761 per therm of consumption

C-2: As depicted in the Monthly BGSS Subrider of Rider "A" of this Tariff, OR Customer Owned Gas Clause, Rider "D"

Minimum Bill: Monthly D-1 and D-2 charges, irrespective of use.

LIMITED FIRM:

Demand Charge:

D-2 ~~\$9.8115318~~ 8.265500 per Mcf of Limited Firm Daily Contract Demand or \$0 for Limited Firm Transportation customers

Volumetric Charge: ⁽²⁾

C-1: \$.076761 per therm of consumption

C-2: As depicted in the Monthly BGSS Subrider of Rider "A" of this Tariff, OR Customer Owned Gas Clause, Rider "D"

C-3 \$.173700 per therm for all consumption within Limited Firm Contract Demand level.¹

⁽¹⁾ Please refer to Appendix A for components of Monthly Rates.

⁽²⁾ Please refer to Special Provision (j).

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 12 - GAS

**Fourth Revised Sheet No. 48
Superseding Third Revised Sheet No. 48**

ELECTRIC GENERATION SERVICE – LARGE VOLUME (EGS-LV)
(Continued)

base load gas or have it provided by South Jersey at the incremental price. The incremental price charged to an “opt-out” customer shall be the sum of: (1) the highest commodity cost of gas paid by the Company during the month in which the “opt-out” customer uses “Company” gas; and (2) the higher of the cost of incremental capacity needed to serve the returning “opt-out” customer or the system weighted average cost of capacity, plus other charges which must be paid by customers eligible for South Jersey’s Monthly BGSS charge.

- (o) An “opt-out” customer will become eligible to purchase base load gas from the Company, or transport gas without “opt-out” status upon six months’ notice to the Company of intention to no longer be an “opt-out” customer. It will not be necessary for an EGS-LV “opt-out” customer to execute a new Standard Gas Service Agreement in order to purchase base load gas from the Company or transport gas without “opt-out” status. However, the customer must commit to purchase base load gas or transport gas without “opt-out” status for a minimum of one year. At the end of the six month period specified in said notice, the customer shall no longer be obligated to pay the incremental prices set forth above. However, said customer will then be obligated to pay the higher balancing charge of \$0.~~87115~~-88685 per Dt, including taxes. The Company will not have the right to waive this six month notice requirement.
- (p) Customer shall contract for service under the Company’s Standard Gas Service Agreement (EGS).

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 12 - GAS

**Forty-First Revised Sheet No. 65
Superseding Fortieth Revised Sheet No. 65**

**RIDER "A"
BASIC GAS SUPPLY SERVICE CLAUSE ("BGSSC")**

APPLICABLE TO:

Rate Schedule RSG	-	Residential Service
Rate Schedule GSG	-	General Service
Rate Schedule GSG-LV	-	General Service – Large Volume
Rate Schedule LVS	-	Large Volume Service
Rate Schedule FES	-	Firm Electric Service
Rate Schedule EGS	-	Electric Generation Service
Rate Schedule EGS-LV	-	Electric Generation Service - Large Volume
Rate Schedule NGV	-	Natural Gas Vehicle

APPLICABLE RATES:

Periodic BGSS Subrider (Effective ~~October 1, 2019~~ _____)¹:

<u>Rate Schedule</u>	<u>BGSS Rate Before Taxes (per therm)</u>	<u>BGSS Rate With Taxes (per therm)</u>
RSG	\$0.418898214627	\$0.447769229419
GSG (under 5,000 therms)	\$0.418898214627	\$0.447769229419

Monthly BGSS Subrider (Effective August 1, 2020):

<u>Rate Schedule</u>	<u>BGSS Rate Before Taxes (per therm)</u>	<u>BGSS Rate With Taxes (per therm)</u>
LVS C-2	\$0.249248	\$0.266426
FES	\$0.176393	\$0.188550
EGS	\$0.307593	\$0.328793
EGS-LV Firm C-2	\$0.244444	\$0.261291
EGS-LV Limited Firm C-2	\$0.278420	\$0.297609
GSG-LV	\$0.307593	\$0.328793
GSG (5,000 therms or greater)	\$0.307593	\$0.328793
NGV	\$0.307593	\$0.328793

The above Periodic and Monthly BGSS rates shall include the BGSS cost savings established in Rider "M" to this Tariff.

FILING:

This Subrider shall be applicable to all customers served under Rate Schedules RSG, and those GSG customers who do not meet the "Monthly Threshold". This Periodic BGSS Subrider shall recover gas costs associated with service to customers served under this Subrider.

¹ Reflects currently approved Total BGSS Rate.

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 12 - GAS

**Sixth Revised Sheet No. 68
Superseding Fifth Revised Sheet No. 68**

**RIDER "A"
BASIC GAS SUPPLY SERVICE CLAUSE ("BGSSC")
(Continued)**

The Company will file self-implementing Monthly BGSS rates on the second day following the close of trading of the NYMEX Henry Hub gas contracts for each month. Within each monthly filing, the Company will provide the following:

- (1) Documentation regarding the NYMEX Henry Hub close;
- (2) Supporting schedules that document the actual/projected costs and sales volumes used to derive the monthly gas cost factor; and

MONTHLY FORMULA:

The formula for determining the Monthly BGSS rate shall be the sum of the following:

- (1) The Company will calculate a Commodity Cost which will be comprised of the sum of arithmetic average of
 - (i) the closing price of the NYMEX Henry Hub gas contract for the following month and
 - (ii) the weighted average of the estimated Index Prices, for the respective locations at which the Company purchases its gas, to be published in Inside FERC's Gas Market Report for the remaining BGSS Year. Further, the calculation will not include hedging.
- (2) An estimate shall be made of the variable costs of transportation and fuel and line loss for the subject month, to the extent not included in (1), above
- (3) A Non-Commodity Cost component that includes gas costs other than the Commodity Cost of Gas, including but not limited to all fixed pipeline costs, fixed supplier costs, fixed storage costs, pipeline refunds and similar credits, and other credits directed by the Board. The Non-Commodity Cost component shall be calculated on an equal per-therm basis for the entire BGSS Year. This subparagraph (3) is not applicable to FES customers.

The result of the calculation from the Monthly Formula above shall be adjusted for Rate Schedules LVS and EGS-LV (Firm and Limited Firm) to derive the Monthly BGSS Rates by deducting therefrom the volumetric equivalent of the D-2 charges within the respective Rates Schedules. Said deductions shall be as follows:

Rate Schedule	D-2 Deduction	
		Including Taxes
LVS		\$. 062367052539
EGS-LV Firm		\$. 067501052791
EGS-LV Limited Firm		\$. 034183026270

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 12 - GAS

**Fourth Revised Sheet No. 86
Superseding Third Revised Sheet No. 86**

**RIDER "I"
BALANCING SERVICE CLAUSE - LARGE VOLUME (BSC-LV)**

APPLICABLE TO:

Rate Schedule GSG-LV	-	General Service-Large Volume
Rate Schedule LVS	-	Large Volume Service
Rate Schedule FES	-	Firm Electric Service
Rate Schedule EGS	-	Electric Generation Service
Rate Schedule EGS-LV	-	Electric Generation Service – Large Volume
Rate Schedule ITS	-	Interruptible Transportation Service
Rate Schedule CTS	-	Comprehensive Transportation Service
Rate Schedule NGV	-	Natural Gas Vehicle

This Rider "I" shall be known as the Balancing Service Clause - Large Volume (BSC-LV) and will be applicable to all EGS-LV and FES customers who utilize Rider "D" to this Tariff, and to all LVS and EGS-LV Firm Transportation Service, and ITS customers. This Rider "I" will also be applicable to all Rate Schedule GSG-LV Firm Transportation Service and NGV Firm Transportation customers who have installed electronic meter reading equipment, pursuant to the provisions of Section 6.1 of the General Terms and Conditions of this Tariff and who elect to take their balancing service under this Rider "I", rather than under Rider "J". The Volumetric Charge, under the monthly Rate Section shall be the only element in this Rider applicable to Firm Sales Service customers subscribing to Rate Schedules LVS and EGS-LV.

MONTHLY RATE:

Volumetric Charge:

BS-1: \$0.~~002747~~002775 per therm for all gas delivered under Rate Schedules LVS, EGS-LV, FES, NGV and CTS who "opt-out" as provided for in the Standard Gas Service Agreements (LV), (FES) and (EGS).

BS-1: \$0.~~087115~~088685 per therm for all gas delivered under Rate Schedules GSG-LV, EGS, and under Rate Schedules LVS, EGS-LV, FES, NGV and CTS who do not "opt-out", including Firm Sales Service customers

Cash-Out Charges and Credits:

To be determined monthly in accordance with the methodology set forth in Paragraphs (12), (13) and (14) of this Rider "I".

DEFINITIONS:

- (1) "Gas Consumption" means the volume of gas utilized by the customer, as measured at the customer's meter. Gas Consumption will be displayed on the Third Party Marketer Portal (the "Portal"). However, the responsibility for balancing shall remain with the customer even if the Portal is inoperative.
- (2) On any day during which gas receipts for a customer's account exceed Gas Consumption, after adjustment to reflect line loss and sales authorized by the Company for this customer, a daily "Excess Imbalance" results. Provided, however, that as to those ITS customers, who had an annualized average use of 27 Mcf per day or less of gas, Daily Excess Imbalances shall be computed on a monthly basis.

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SOUTH JERSEY GAS COMPANY

Fifth Revised Sheet No. 92

B.P.U.N.J. No. 12 - GAS

Superseding Fourth Revised Sheet No. 92

RIDER "J"
BALANCING SERVICE CLAUSE - GENERAL SERVICE (BSC-GS)

APPLICABLE TO:

Rate Schedule RSG	-	Residential Service Gas
Rate Schedule GSG	-	General Service Gas
Rate Schedule GSG-LV	-	General Service Gas – Large Volume
Rate Schedule EGS	-	Electric Generation Service
Rate Schedule NGV	-	Natural Gas Vehicle

This Rider "J" shall be known as the Balancing Service Clause - General Service (BSC-GS) and will be applicable to all RSG Firm Transportation Service customers and GSG Firm Transportation Service customers. This Rider "J" will also be applicable to GSG-LV, NGV and EGS Firm Transportation customers who elect to take balancing service under this Rider "J". Provided, however, that pursuant to the terms of Rider "I" certain GSG-LV, NGV and EGS Firm Transportation Service customers may elect to take balancing service pursuant to Rider "I". The Volumetric Charge, under the Monthly Rate Section, shall be the only element in this Rider applicable to Firm Sales Service customers subscribing to Rate Schedules RSG, GSG, GSG-LV, NGV and EGS.

MONTHLY RATE:

Volumetric Charge:

BS-1: \$.~~087115~~088685 per therm for all gas delivered under the applicable rate schedules in addition to the following:

DCQ AND BUY-OUT CHARGE:

- (1) "Daily Contract Quantity" (DCQ) for all customers except for Rate Schedule RSG Firm Transportation Service customers shall mean a quantity of gas determined annually by the company. The DCQ shall be determined for each of the forthcoming twelve (12) months by dividing the customer's weather-normalized usage for each of the most recent twelve (12) months by the total number of days in each month. The Company may adjust the customer's DCQ during any twelve (12) month period, due to changes in the customer's gas equipment or pattern of usage or other acceptable information provided by the customer. For New Customers, the customer's initial DCQ will be estimated by the Company, based upon the rating of the customer's gas equipment and expected utilization of the equipment. Customer will be obligated to deliver or cause to be delivered to the Company's city gate station the customer's DCQ each day for the customer's account.

The DCQ for Rate Schedule RSG Firm Transportation Service customers shall mean a quantity of gas determined by the Company. The DCQ shall be determined separately for Rate Schedule RSG Firm Transportation Service customers who are heating customers, and for those who are non-heating customers ("Heating Group" and "Non-Heating Group"). The DCQ for both the Heating Group and the Non-Heating Group shall be determined on a Company system-wide, weather normalized basis. The Company will determine the DCQ for each customer in the Heating Group, which will be the same for all members of the Heating Group, and for each customer in the Non-Heating Group, which will be the same for all members of the Non-Heating Group, each month. The Aggregator/Marketer will be obligated to deliver or cause to be delivered to the Company's City Gate Station, each day, the DCQ for each customer within that Aggregator/Marketer's Aggregated Group.

A review of service provided to Rate Schedule RSG Firm Transportation Service customers shall be performed after twelve (12) months service, and every twelve (12) months thereafter. Upon such review, in the

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SOUTH JERSEY GAS COMPANY

Fifth Revised Sheet No. 102

B.P.U.N.J. No. 12 - GAS

Superseding Fourth Revised Sheet No. 102

RIDER "M"
CONSERVATION INCENTIVE PROGRAM
(Continued)

mechanism. The Deficiency or Excess shall be calculated each month by multiplying the result obtained from subtracting the Baseline Usage per Customer from the Actual Usage per Customer by the actual number of customers, and then multiplying the resulting terms by the Margin Revenue Factor.

- (d) Recovery of any Deficiency in accordance with Paragraph (c), above, associated with non-weather related changes in customer usage will be limited to the level of BGSS savings achieved as provided for in the 2014 Order of the Board of Public Utilities in Docket No. GR13030185. The value of the weather-related changes in customer usage shall be calculated in accordance with Rider F to this tariff.
- (e) Except as limited by Paragraph (d), above, the amount to be surcharged or credited to the Customer Class Group shall equal the aggregate Deficiency or Excess for all months during the Annual Period determined in accordance with the provisions herein, divided by the FAU for the Customer Class Group.
- (f) The currently effective CIP Factor by Customer Class Group are as follows:

	Group I: RSG <u>Non-Heating</u>	Group II: RSG <u>Heating</u>	Group III: <u>GSG</u>	Group IV: <u>GSG-LV</u>
CIP Factors Per Therm	(\$0.11106410 9222)	(\$0.0116210 63922)	(\$0.0196680 26965)	\$0.012806016 224
Applicable Revenue Tax Factor	<u>1.002505</u>	<u>1.002505</u>	<u>1.002505</u>	<u>1.002505</u>
CIP Factors Per Therm	(\$0.111342109 496)	(\$0.0116500640 82)	(\$0.019717027 033)	\$0.012838016 265
Applicable NJ Sales Tax Factor	<u>1.066250</u>	<u>1.066250</u>	<u>1.066250</u>	<u>1.066250</u>
CIP Factors Per Therm with NJ Sales Tax	(\$0.11871811 6750)	(\$0.01242206 8327)	(\$0.0210230 28824)	\$0.013689017 343

- (g) The CIP shall not operate to cause the Company to earn in excess of its allowed rate of return on common equity of 9.60% for any twelve month period ending September 30; any revenue which is not recovered will not be deferred. For purposes of this paragraph (f), the Company's rate of return on common equity shall be calculated by dividing the Company's net income for such annual period by the Company's average 13 month common equity balance for such annual period, all data as reflected in the Company's monthly reports to the Board of Public Utilities. The Company's net income shall be calculated by subtracting from total net income the Company's share of margins from: (1) Interruptible Sales; (2) Interruptible Transportation; (3) On-System Capacity Release; (4) Off-System Sales and Capacity Release; (5) the Storage Incentive Mechanism, (6) the Energy Efficiency Tracker, (7) the Accelerated Infrastructure Replacement Program and (8) the Storm Hardening and Reliability Program.

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

<u>RESIDENTIAL GAS SERVICE (RSG) - NONHEAT CUSTOMER</u>	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
CUSTOMER CHARGE		9.500000		0.629375	10.129375
DELIVERY CHARGE (per therm):					
Base Rate		0.678051		0.044921	0.722972
TIC	C	0.001236	0.000003	0.000082	0.001321
SBC:					
RAC	E, G	0.045668	0.000114	0.003033	0.048815
CLEP	E, K	0.018023	0.000045	0.001197	0.019265
USF	E	0.011400	0.000000	0.000700	0.012100
Total SBC		0.075091	0.000159	0.004930	0.080180
CIP	M	(0.109222)	(0.000274)	(0.007254)	(0.116750)
EET	N	0.015736	0.000039	0.001045	0.016820
2017 Tax Act	H	(0.018934)	(0.000047)	(0.001258)	(0.020239)
Balancing Service Charge BS-1	J	0.082967	0.000208	0.005510	0.088685
Balancing Service Charge BUY-OUT PRICE (Applicable to Transportation Customers Only)	J				Rate Set Monthly
TOTAL DELIVERY CHARGE		0.724925	0.000087	0.047976	0.772989
BGSS: (Applicable To Sales Customers Only)	A	0.214627	0.000538	0.014255	0.229419

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

<u>RESIDENTIAL GAS SERVICE (RSG) - HEAT CUSTOMER</u>	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
CUSTOMER CHARGE		9.500000		0.629375	10.129375
DELIVERY CHARGE (per therm):					
Base Rate		0.678051		0.044921	0.722972
TIC	C	0.001236	0.000003	0.000082	0.001321
SBC:					
RAC	E, G	0.045668	0.000114	0.003033	0.048815
CLEP	E, K	0.018023	0.000045	0.001197	0.019265
USF	E	0.011400	0.000000	0.000700	0.012100
Total SBC		0.075091	0.000159	0.004930	0.080180
CIP	M	0.063922	0.000160	0.004245	0.068327
EET	N	0.015736	0.000039	0.001045	0.016820
2017 Tax Act	H	(0.018934)	(0.000047)	(0.001258)	(0.020239)
Balancing Service Charge BS-1	J	0.082967	0.000208	0.005510	0.088685
Balancing Service Charge BUY-OUT PRICE (Applicable to Transportation Customers Only)	J				Rate Set Monthly
Total Delivery Charge		0.898069	0.000521	0.059475	0.958066
BGSS: (Applicable To Sales Customers Only)	A	0.214627	0.000538	0.014255	0.229419

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

<u>GENERAL SERVICE (GSG)</u>	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<u>CUSTOMER CHARGE</u>		29.970000		1.985513	31.955513
<u>DELIVERY CHARGE (per therm):</u>					
Base Rate		0.566312		0.037518	0.603830
TIC	C	0.001236	0.000003	0.000082	0.001321
SBC:					
RAC	E, G	0.045668	0.000114	0.003033	0.048815
CLEP	E, K	0.018023	0.000045	0.001197	0.019265
USF	E	0.011400	0.000000	0.000700	0.012100
Total SBC		0.075091	0.000159	0.004930	0.080180
CIP	M	0.026965	0.000068	0.001791	0.028824
EET	N	0.015736	0.000039	0.001045	0.016820
2017 Tax Act	H	(0.018934)	(0.000047)	(0.001258)	(0.020239)
Balancing Service Charge BS-1	J	0.082967	0.000208	0.005510	0.088685
Balancing Service Charge BUY-OUT PRICE (Applicable to Transportation Customers Only)	J				Rate Set Monthly
Total Delivery Charge		0.749373	0.000429	0.049618	0.799421
<u>BGSS: (Applicable To Sales Customers Only using less than 5,000 therms annually)</u>	A	0.214627	0.000538	0.014255	0.229419
<u>BGSS: (Applicable To Sales Customers Only using 5,000 therms annually or greater)</u>	A				RATE SET MONTHLY

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

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<u>GENERAL SERVICE-LV (GSG-LV)</u>	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<u>CUSTOMER CHARGE</u>		150.000000		9.937500	159.937500
D-1 Demand Charge (Mcf)		9.608600		0.636570	10.245170
<u>DELIVERY CHARGE (per therm):</u>					
Base Rate		0.283532		0.018784	0.302316
TIC	C	0.001236	0.000003	0.000082	0.001321
SBC:					
RAC	E, G	0.045668	0.000114	0.003033	0.048815
CLEP	E, K	0.018023	0.000045	0.001197	0.019265
USF	E	0.011400	0.000000	0.000700	0.012100
Total SBC		0.075091	0.000159	0.004930	0.080180
CIP	M	0.016224	0.000041	0.001078	0.017343
EET	N	0.015736	0.000039	0.001045	0.016820
2017 Tax Act	H	(0.018934)	(0.000047)	(0.001258)	(0.020239)
Balancing Service Charge BS-1	J	0.082967	0.000208	0.005510	0.088685
Balancing Service Charge BUY-OUT PRICE (Applicable to Transportation Customers Only)	J				Rate Set Monthly
Total Delivery Charge		0.455852	0.000402	0.030171	0.486426
<u>BGSS: (Applicable Sales Customers Only)</u>	A				RATE SET MONTHLY

SOUTH JERSEY GAS COMPANY
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<u>COMPREHENSIVE TRANSPORTATION SERVICE (CTS)</u>		<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
FIRM						
CUSTOMER CHARGE						
D-1 Demand Charge (Mcf)			600.000000		39.750000	639.750000
DELIVERY CHARGE (per therm):						
Base Rate			28.655500		1.898427	30.553927
SBC:			0.068773		0.004556	0.073329
RAC		E, G	0.045668	0.000114	0.003033	0.048815
CLEP		E, K	0.018023	0.000045	0.001197	0.019265
USF		E	0.011400	0.000000	0.000700	0.012100
Total SBC			0.075091	0.000159	0.004930	0.080180
EET		N	0.015736	0.000039	0.001045	0.016820
2017 Tax Act		H	(0.018934)	(0.000047)	(0.001258)	(0.020239)
Total Delivery Charge			0.140666	0.000151	0.009273	0.150090
Balancing Service Charge BS-1		I	0.082967	0.000208	0.005510	0.088685
Balancing Service Charge BS-1 (Opt Out Provision)		I	0.002596	0.000007	0.000172	0.002775
BUY-OUT PRICE						RATE SET MONTHLY
LIMITED FIRM						
CUSTOMER CHARGE						
DELIVERY CHARGE (per therm):						
Base Rate			100.000000		6.625000	106.625000
SBC:			0.058400		0.003900	0.062300
RAC		E, G	0.045668	0.000114	0.003033	0.048815
CLEP		E, K	0.018023	0.000045	0.001197	0.019265
USF		E	0.011400	0.000000	0.000700	0.012100
Total SBC			0.075091	0.000159	0.004930	0.080180
EET		N	0.015736	0.000039	0.001045	0.016820
2017 Tax Act		H	(0.018934)	(0.000047)	(0.001258)	(0.020239)
Total Delivery Charge			0.130293	0.000151	0.008617	0.139061
Balancing Service Charge BS-1		I	0.082967	0.000208	0.005510	0.088685
Balancing Service Charge BS-1 (Opt Out Provision)		I	0.002596	0.000007	0.000172	0.002775
BUY-OUT PRICE						RATE SET MONTHLY

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LARGE VOLUME SERVICE (LVS)

<u>FIRM</u>	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<u>CUSTOMER CHARGE</u>		900.000000		59.625000	959.625000
<u>D-1 Demand Charge (Mcf)</u>		15.958800		1.057271	17.016071
<u>D-2 DEMAND BGSS(Applicable to Sales Customers Only)</u>	A	15.465128	0.038740	1.027131	16.530999
<u>DELIVERY CHARGE (per therm):</u>		0.051052		0.003382	0.054434
Base Rate					
SBC:					
RAC	E, G	0.045668	0.000114	0.003033	0.048815
CLEP	E, K	0.018023	0.000045	0.001197	0.019265
USF	E	<u>0.011400</u>	<u>0.000000</u>	<u>0.000700</u>	<u>0.012100</u>
Total SBC		0.075091	0.000159	0.004930	0.080180
EET	N	0.015736	0.000039	0.001045	0.016820
2017 Tax Act	H	(0.018934)	(0.000047)	(0.001258)	(0.020239)
Total Delivery Charge		0.122945	0.000151	0.008099	0.131195
Balancing Service Charge BS-1	I	0.082967	0.000208	0.005510	0.088685
Balancing Service Charge BS-1 (Opt Out Provision) (Applicable to Transportation Customers Only)	I	0.002596	0.000007	0.000172	0.002775
Balancing Service Charge CASH OUT CHARGE (CREDIT) (Applicable Transportation Customers Only)	I				RATE SET MONTHLY

BGSS: (Applicable Sales Customers Only)

<u>LIMITED FIRM</u>	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<u>CUSTOMER CHARGE</u>		100.000000		6.625000	106.625000
<u>DELIVERY CHARGE (per therm):</u>		0.122174		0.008094	0.130268
Base Rate					
SBC:					
RAC	E, G	0.045668	0.000114	0.003033	0.048815
CLEP	E, K	0.018023	0.000045	0.001197	0.019265
USF	E	<u>0.011400</u>	<u>0.000000</u>	<u>0.000700</u>	<u>0.012100</u>
Total SBC		0.075091	0.000159	0.004930	0.080180
EET	N	0.015736	0.000039	0.001045	0.016820
2017 Tax Act	H	(0.018934)	(0.000047)	(0.001258)	(0.020239)
Total Delivery Charge		0.194067	0.000151	0.012811	0.207029
Balancing Service Charge BS-1	I	0.082967	0.000208	0.005510	0.088685
Balancing Service Charge BS-1 (Opt Out Provision) (Applicable to Transportation Customers Only)	I	0.002596	0.000007	0.000172	0.002775
BUY-OUT PRICE	I				RATE SET MONTHLY

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<u>FIRM ELECTRIC SALES (FES)</u>	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<u>WINTER</u>					
<u>D-1 DEMAND (MCF) (Rate is negotiated. Shown here is the benchmark rate.)</u>		2.897200		0.191900	3.089100
<u>D-2 DEMAND BGSS(MCF) (Applicable to Sales Customers Only)</u>	A	7.732564	0.019370	0.513566	8.265500
<u>DELIVERY CHARGE (per therm):</u>					
SBC:					
RAC	E, G	0.045668	0.000114	0.003033	0.048815
CLEP	E, K	0.018023	0.000045	0.001197	0.019265
USF	E	0.011400	0.000000	0.000700	0.012100
		0.075091	0.000159	0.004930	0.080180
Total SBC					
EET	N	0.015736	0.000039	0.001045	0.016820
Total Delivery Charge		0.090827	0.000198	0.005975	0.097000
<u>C-3 All Therms (Rate is negotiated. Shown here is the benchmark rate.)</u>		0.162900		0.010800	0.173700
<u>C-4 Escalator Rate (To be determined as prescribed in the Company's Tariff)</u>					RATE SET MONTHLY
Balancing Service Charge CASH OUT CHARGE (CREDIT) (Applicable to Firm Transportatoin Customers Only)	I				RATE SET MONTHLY
<u>BGSS: (Applicable To Sales Customers Only)</u>	A				RATE SET MONTHLY
<u>SUMMER</u>					
<u>D-1 DEMAND (MCF) (Rate is negotiated. Shown here is the benchmark rate.)</u>		2.897200		0.191900	3.089100
<u>D-2 DEMAND BGSS(MCF) (Applicable to Sales Customers Only)</u>	A	7.732564	0.019370	0.513566	8.265500
SBC:					
RAC	E, G	0.045668	0.000114	0.003033	0.048815
CLEP	E, K	0.018023	0.000045	0.001197	0.019265
USF	E	0.011400	0.000000	0.000700	0.012100
EET	N	0.015736	0.000039	0.001045	0.016820
Total Delivery Charge		0.090827	0.000198	0.005975	0.097000
<u>C-3 All Therms (Rate is negotiated. Shown here is the benchmark rate.)</u>		0.162900		0.010800	0.173700
<u>C-4 Escalator Rate (To be determined as prescribed in the Company's Tariff)</u>					RATE SET MONTHLY
Balancing Service Charge CASH OUT CHARGE (CREDIT) (Applicable to Firm Transportatoin Customers Only)	I				RATE SET MONTHLY
<u>BGSS: (Applicable To Sales Customers Only)</u>	A				RATE SET MONTHLY

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<u>ELECTRIC GENERATION SERVICE-LV (EGS-LV)</u>	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
FIRM CUSTOMER CHARGE					
		428.320000		28.376200	456.696200
D-1 DEMAND (MCF) (Rate is negotiated. Shown here is the benchmark rate.)		23.233717		1.539234	24.772951
D-2 DEMAND BGSS (MCF) (Applicable to Sales Customers Only)	A	15.539254	0.038926	1.032054	16.610234
DELIVERY CHARGE (per therm):					
SBC:					
RAC	E, G	0.045668	0.000114	0.003033	0.048815
CLEP	E, K	0.018023	0.000045	0.001197	0.019265
USF	E	0.011400	0.000000	0.000700	0.012100
		0.075091	0.000159	0.004930	0.080180
EET	N	0.015736	0.000039	0.001045	0.016820
2017 Tax Act	H	(0.018934)	(0.000047)	(0.001258)	(0.020239)
Total Delivery Charge		0.071893	0.000151	0.004717	0.076761
Balancing Service Charge BS-1	I	0.082967	0.000208	0.005510	0.088685
Balancing Service Charge BS-1 (Opt Out Provision)	I	0.002596	0.000007	0.000172	0.002775
Balancing Service Charge CASH OUT CHARGE (CREDIT) (Applicable to Firm Transportatoin Customers Only)	I				RATE SET MONTHLY
BGSS: (Applicable To Sales Customers Only)	A				RATE SET MONTHLY
LIMITED FIRM					
D-2 DEMAND BGSS(MCF) (Applicable to Sales Customers Only)	A	7.732564	0.019370	0.513566	8.265500
DELIVERY CHARGE (per therm):					
SBC:					
RAC	E, K	0.045668	0.000114	0.003033	0.048815
CLEP	E, G	0.018023	0.000045	0.001197	0.019265
USF	E	0.011400	0.000000	0.000700	0.012100
		0.075091	0.000159	0.004930	0.080180
EET	N	0.015736	0.000039	0.001045	0.016820
2017 Tax Act	H	(0.018934)	(0.000047)	(0.001258)	(0.020239)
Total Delivery Charge		0.071893	0.000151	0.004717	0.076761
C-3 (Rate is negotiated. Shown here is the benchmark rate.)		0.162900		0.010800	0.173700
Balancing Service Charge BS-1	I	0.082967	0.000208	0.005510	0.088685
Balancing Service Charge BS-1 (Opt Out Provision)	I	0.002596	0.000007	0.000172	0.002775
Balancing Service Charge CASH OUT CHARGE (CREDIT) (Applicable to Firm Transportatoin Customers Only)	I				RATE SET MONTHLY
BGSS: (Applicable To Sales Customers Only)	A				RATE SET MONTHLY

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<u>YARD LIGHTING SERVICE (YLS)</u>	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
MONTHLY CHARGE / INSTALL		13.455324		0.891415	14.346739
<u>STREET LIGHTING SERVICE (SLS)</u>					
MONTHLY CHARGE / INSTALL		16.461699		1.090588	17.552287
<u>INTERRUPTIBLE GAS SALES (IGS)</u>					
Commodity					Rate Set Monthly
SBC:					
RAC	E, K	0.045668	0.000114	0.003033	0.048815
USF	E	0.011400	0.000000	0.000700	0.012100
		0.057068	0.000114	0.003733	0.060915
Total SBC:					
EET	N	0.015736	0.000039	0.001045	0.016820

SOUTH JERSEY GAS COMPANY
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<u>INTERRUPTIBLE TRANSPORTATION (ITS)</u>	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
CUSTOMER CHARGE		100.000000		6.625000	106.625000
<u>TRANSPORTATION CHARGE A</u>		0.028400		0.001900	0.030300
SBC:					
RAC	E, K	0.045668	0.000114	0.003033	0.048815
CLEP	E, G	0.018023	0.000045	0.001197	0.019265
USF	E	0.011400	0.000000	0.000700	0.012100
		<u>0.075091</u>	<u>0.000159</u>	<u>0.004930</u>	<u>0.080180</u>
Total SBC:		0.015736	0.000039	0.001045	0.016820
EET	N	0.015736	0.000039	0.001045	0.016820
<u>TRANSPORTATION CHARGE B</u>		0.093200		0.006200	0.099400
SBC:					
RAC	E, K	0.045668	0.000114	0.003033	0.048815
CLEP	E, G	0.018023	0.000045	0.001197	0.019265
USF	E	<u>0.011400</u>	<u>0.000000</u>	<u>0.000700</u>	<u>0.012100</u>
		0.075091	0.000159	0.004930	0.080180
Total SBC:		0.015736	0.000039	0.001045	0.016820
EET	N	0.015736	0.000039	0.001045	0.016820
<u>TRANSPORTATION CHARGE C</u>		0.153200		0.010100	0.163300
SBC:					
RAC	E, K	0.045668	0.000114	0.003033	0.048815
CLEP	E, G	0.018023	0.000045	0.001197	0.019265
USF	E	<u>0.011400</u>	<u>0.000000</u>	<u>0.000700</u>	<u>0.012100</u>
		0.075091	0.000159	0.004930	0.080180
Total SBC:		0.015736	0.000039	0.001045	0.016820
EET	N	0.015736	0.000039	0.001045	0.016820

SOUTH JERSEY GAS COMPANY
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Heat Residential Rate Schedule:

	RSG FSS	RSG-FTS	Difference
BGSS	0.229419	0.000000	0.229419
Base Rate	0.722972	0.722972	0.000000
CLEP	0.019265	0.019265	0.000000
RAC	0.048815	0.048815	0.000000
CIP	0.068327	0.068327	0.000000
USF	0.012100	0.012100	0.000000
TIC	0.001321	0.001321	0.000000
EET	0.016820	0.016820	0.000000
2017 Tax Act	(0.020239)	(0.020239)	0.000000
BSC "J" BS-1	0.088685	0.088685	0.000000
Price to Compare	1.187485	0.958066	0.229419

NonHeat Residential Rate Schedule:

	RSG FSS	RSG-FTS	Difference
BGSS	0.229419	0.000000	0.229419
CIP	(0.116750)	(0.116750)	0.000000
Base Rate	0.722972	0.722972	0.000000
CLEP	0.019265	0.019265	0.000000
RAC	0.048815	0.048815	0.000000
USF	0.012100	0.012100	0.000000
TIC	0.001321	0.001321	0.000000
EET	0.016820	0.016820	0.000000
2017 Tax Act	(0.020239)	(0.020239)	0.000000
BSC "J" BS-1	0.088685	0.088685	0.000000
Price to Compare	1.002408	0.772989	0.229419

GSG
(Under 5,000 therms annually)

	GSG FSS	GSG-FTS	Difference
BGSS	0.229419	0.000000	0.229419
CIP	0.028824	0.028824	0.000000
Base Rates	0.603830	0.603830	0.000000
CLEP	0.019265	0.019265	0.000000
RAC	0.048815	0.048815	0.000000
USF	0.012100	0.012100	0.000000
TIC	0.001321	0.001321	0.000000
EET	0.016820	0.016820	0.000000
2017 Tax Act	(0.020239)	(0.020239)	0.000000
BSC "J" BS-1	0.088685	0.088685	0.000000
Price to Compare	1.028840	0.799421	0.229419

GSG
(5,000 therms annually or greater)

	GSG FSS	GSG-FTS	Difference
BGSS	0.328793	0.000000	0.328793
CIP	0.028824	0.028824	0.000000
Base Rates	0.603830	0.603830	0.000000
CLEP	0.019265	0.019265	0.000000
RAC	0.048815	0.048815	0.000000
USF	0.012100	0.012100	0.000000
TIC	0.001321	0.001321	0.000000
EET	0.016820	0.016820	0.000000
2017 Tax Act	(0.020239)	(0.020239)	0.000000
BSC "J" BS-1	0.088685	0.088685	0.000000
Price to Compare	1.128214	0.799421	0.328793

GSG-LV

	Prior to 7/15/97		
	GSG-LV FSS	GSG-LV-FTS	Difference
BGSS	0.328793	0.000000	0.328793
CIP	0.017343	0.017343	0.000000
Base Rates	0.302316	0.302316	0.000000
CLEP	0.019265	0.019265	0.000000
RAC	0.048815	0.048815	0.000000
USF	0.012100	0.012100	0.000000
TIC	0.001321	0.001321	0.000000
EET	0.016820	0.016820	0.000000
2017 Tax Act	(0.020239)	(0.020239)	0.000000
BSC "J" BS-1	0.088685	0.088685	0.000000
Price to Compare	0.815219	0.486426	0.328793

S-SCHART-1
BGSS NYMEX Update Report
As of July 2, 2020

Month	a		b	c = b - a		d	e	f = d - e	g = c x f
	5/9/2019	7/2/2020		Incr/ (Decr)	% Chg				
Oct-18	\$ 3.021	\$ 3.021	\$ -		1,253,010	600,000	653,010	\$0	
Nov-18	\$ 3.185	\$ 3.185	\$ -		2,783,822	1,319,670	1,464,152	\$0	
Dec-18	\$ 4.715	\$ 4.715	\$ -		4,843,710	2,417,374	2,426,336	\$0	
Jan-19	\$ 3.642	\$ 3.642	\$ -		6,065,646	3,317,386	2,748,260	\$0	
Feb-19	\$ 2.950	\$ 2.950	\$ -		5,162,219	2,990,030	2,172,189	\$0	
Mar-19	\$ 2.855	\$ 2.855	\$ -		3,905,732	2,134,217	1,771,515	\$0	
Apr-19	\$ 2.713	\$ 2.713	\$ -		1,994,444	700,000	1,294,444	\$0	
May-19	\$ 2.566	\$ 2.566	\$ -		1,005,348	700,000	305,348	\$0	
Jun-19	\$ 2.607	\$ 2.633	\$ 0.026		664,305	700,000	(35,695)	(\$928)	
Jul-19	\$ 2.643	\$ 2.291	\$ (0.352)		700,054	700,000	54	(\$19)	
Aug-19	\$ 2.662	\$ 2.141	\$ (0.521)		696,731	700,000	(3,269)	\$1,703	
Sep-19	\$ 2.659	\$ 2.251	\$ (0.408)		698,614	700,000	(1,386)	\$565	
Avg Total \$	\$ 3.018	\$ 2.914	\$ (0.105)	-3.5%	29,773,635	16,978,677	12,794,958	\$1,322	
Oct-19	\$ 2.687	\$ 2.428	\$ (0.259)		1,291,748	640,000	651,748	(\$168,803)	
Nov-19	\$ 2.760	\$ 2.597	\$ (0.163)		2,856,841	1,435,343	1,421,498	(\$231,704)	
Dec-19	\$ 2.924	\$ 2.470	\$ (0.454)		4,969,526	2,753,681	2,215,845	(\$1,005,994)	
Jan-20	\$ 3.007	\$ 2.158	\$ (0.849)		6,207,952	4,057,616	2,150,336	(\$1,825,635)	
Feb-20	\$ 2.963	\$ 1.877	\$ (1.086)		5,287,000	3,374,463	1,912,537	(\$2,077,015)	
Mar-20	\$ 2.838	\$ 1.821	\$ (1.017)		4,002,939	1,799,848	2,203,091	(\$2,240,544)	
Apr-20	\$ 2.593	\$ 1.634	\$ (0.959)		2,049,007	1,030,000	1,019,007	(\$977,228)	
May-20	\$ 2.556	\$ 1.794	\$ (0.762)		1,035,345	460,000	575,345	(\$438,413)	
Jun-20	\$ 2.586	\$ 1.722	\$ (0.864)		687,684	450,000	237,684	(\$205,359)	
Jul-20	\$ 2.619	\$ 1.495	\$ (1.124)		725,276	460,000	265,276	(\$298,170)	
Aug-20	\$ 2.627	\$ 1.734	\$ (0.893)		722,849	450,000	272,849	(\$243,654)	
Sep-20	\$ 2.611	\$ 1.785	\$ (0.826)		725,382	450,000	275,382	(\$227,466)	
Avg Total \$	\$ 2.731	\$ 1.960	\$ (0.771)	-28.2%	30,561,549	17,360,951	13,200,598	(\$9,939,984)	

Footnotes:

- a: Nymex rates used in annual BGSS rate filing
- b: Nymex rate as of date of the report
- c: Increase/Decrease in the Nymex rate compared to rate used for annual BGSS periodic rate filing
- d: Sales forecast (includes fuel requirement)
- e: 'Hedged' volume consists of all fixed price contracts (financial or physical), purchased call option positions, and tentative storage withdrawal volumes (reduced by fuel required for delivery to citygate)
- f: 'Unhedged' volume consists of sales volume forecast less 'hedged' volume
- g: Not necessarily representative of a change in under/over-recovery value

South Jersey Gas Company
Calculation of Net Cost of Gas Per Therm

	Actual Oct-19	Actual Nov-19	Actual Dec-19	Actual Jan-20	Actual Feb-20	Actual Mar-20	Actual Apr-20	Actual May-20	Actual Jun-20	Projected Jul-20	Projected Aug-20	Projected Sep-20	Total
1 NYMEX - 5/09/19 - Included in BGSS Filing	\$2,087	\$2,160	\$2,924	\$3,007	\$2,965	\$2,858	\$2,595	\$2,556	\$2,586	\$2,619	\$2,627	\$2,611	
2 NYMEX - Actual Settlement	\$2,428	\$2,597	\$2,470	\$2,158	\$1,877	\$1,821	\$1,634	\$1,794	\$1,722	\$0,000	\$0,000	\$0,000	
3 Breakdown of Gross Cost of Gas Per Therm:													
4 Flowing Gas Cost	0.3128	0.3629	0.1660	0.1313	0.1434	0.0823	0.1946	0.1612	0.2083	0.2300	0.2666	0.3144	0.1759
5 Gas Withdrawn From Storage Cost	0.0344	0.1669	0.1031	0.0907	0.0783	0.0960	0.0075	0.0025	0.0001	0.0101	0.0166	0.0254	0.0708
6 Hedged Volumes Delivered Cost	0.8610	0.3845	0.1837	0.1423	0.1648	0.1908	0.2305	0.3804	0.5923	0.6330	0.8040	0.8162	0.2898
7 Pipeline Demand Cost	0.0054	0.0031	0.0016	0.0013	0.0013	0.0015	0.0023	0.0034	0.0059	0.0052	0.0069	0.0069	0.0028
8 Storage Demand Cost	0.0059	0.0032	0.0007	0.0010	0.0015	0.0014	0.0022	0.0034	0.0061	0.0059	0.0073	0.0075	0.0034
9 Peaking Cost	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
10 Weighted Average Fuel Cost	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
11 Variable Pipeline Cost	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
12 Other Costs	0.0000	0.0001	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0292	0.0000	0.0000	0.0000	0.0001
13 Total Gross Cost of Gas Per Therm	\$12.175	\$0.9207	\$0.4621	\$0.3665	\$0.3894	\$0.3721	\$0.4370	\$0.5509	\$0.8418	\$0.8843	\$1.1215	\$1.1704	\$0.5433
14													
15													
16													
17													
18 NYMEX - Actual Settlement	\$3,021	\$3,185	\$4,715	\$3,543	\$2,990	\$2,855	\$2,713	\$2,566	\$2,633	\$2,291	\$2,141	\$1,8546	\$0.6599
19 Breakdown of Gross Cost of Gas Per Therm:													
20 Flowing Gas Cost	0.9884	0.6636	0.3296	0.3936	0.1882	0.1892	0.1654	0.1033	0.3943	0.4282	0.6219	0.4229	0.3117
21 Gas Withdrawn From Storage Cost	0.0548	0.1563	0.0897	0.0934	0.1017	0.0866	0.0278	0.0147	0.0205	0.0198	0.0032	0.0358	0.0799
22 Hedged Volumes Delivered Cost	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
23 Pipeline Demand Cost	0.9709	0.2866	0.1416	0.1099	0.1049	0.1378	0.2216	0.4476	0.8343	1.1030	1.2085	1.1187	0.2569
24 Storage Demand Cost	0.0055	0.0030	0.0020	0.0013	0.0020	0.0019	0.0031	0.0042	0.0075	0.0102	0.0099	0.0071	0.0028
25 Peaking Cost	0.0074	0.0110	0.0018	0.0000	0.0027	0.0074	0.0012	0.0038	0.0075	0.0101	0.0112	0.0110	0.0074
26 Weighted Average Fuel Cost	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
27 Variable Pipeline Cost	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
28 Other Costs	0.0084	(0.0073)	0.0000	0.0004	0.0000	0.0000	0.0000	0.0000	0.0308	0.0000	0.0000	0.0306	0.0002
29 Total Gross Cost of Gas Per Therm	\$2,0354	\$1,1133	\$0,5647	\$0,6172	\$0,3996	\$0,4229	\$0,4190	\$0,5756	\$1,2949	\$1,5713	\$1,8546	\$1,6261	\$0,6599

Footnotes:

- Flowing Gas Cost = Gas purchased for delivery to city gate during month - not injected into storage
- Gas Withdrawn From Storage Cost = Gas withdrawn from storage - includes cost of injection, withdrawal, fees, line loss
- Hedged Volumes Delivered Cost = Hedged Volumes delivered to city gate - not injected into storage
- Pipeline Demand Cost = Fixed Pipeline costs
- Storage Demand Cost = Fixed Storage related costs
- Peaking Cost = Peaking Cost includes peaking services, LNG, Propane, etc..
- Weighted Average Fuel Cost = Commodity x fuel % for each pipeline - represents portion of gas shipped that is retained by pipeline
- Variable Pipeline Cost = Pipeline Charge per therm shipped

South Jersey Gas Company
Calculation of Net Cost of Gas Per Therm

	Actual Oct-19	Actual Nov-19	Actual Dec-19	Actual Jan-20	Actual Feb-20	Actual Mar-20	Actual Apr-20	Actual May-20	Actual Jun-20	Projected Jul-20	Projected Aug-20	Projected Sep-20	Total
Credits, Refunds, & Recoveries Per Therm:													
1 Asset Management Credits													
2 OF-system sales	(\$0,0670)	(\$0,1760)	(\$0,0843)	(\$0,0581)	(\$0,0654)	(\$0,0846)	(\$0,0190)	(\$0,0310)	(\$0,0583)	(\$0,1175)	(\$0,1491)	(\$0,1556)	(\$0,0765)
3 Capacity release	(\$0,0660)	(\$0,0408)	(\$0,0178)	(\$0,0120)	(\$0,0143)	(\$0,0172)	(\$0,0074)	(\$0,0149)	(\$0,0262)	(\$0,0485)	(\$0,0616)	(\$0,0615)	(\$0,0217)
4 On-System Credits to BGSS-P Customers	(\$0,0050)	(\$0,0005)	(\$0,0007)	\$0,0000	(\$0,0015)	(\$0,0006)	(\$0,0009)	(\$0,0012)	(\$1,0342)	(\$0,0010)	(\$0,0018)	(\$0,0016)	(\$0,0010)
5 Supplier Refunds	(\$0,0013)	(\$0,0006)	(\$0,0004)	(\$0,0003)	(\$0,0003)	(\$0,0004)	(\$0,0005)	(\$0,0006)	(\$0,0012)	(\$0,0010)	(\$0,0013)	(\$0,0011)	(\$0,0011)
6 Gas for Company Use	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000
7 Line Loss	(\$0,1924)	(\$0,1817)	(\$0,1480)	(\$0,1475)	(\$0,1468)	(\$0,1487)	(\$0,1465)	(\$0,1680)	(\$0,1755)	(\$0,2299)	(\$0,2491)	(\$0,2900)	(\$0,0000)
8 Transfer to Non BGSS-P Customers	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000
9 Other	(\$0,3369)	(\$0,3097)	(\$0,2514)	(\$0,2179)	(\$0,2253)	(\$0,2514)	(\$0,1742)	(\$0,2158)	(\$1,2976)	(\$0,3889)	(\$0,4650)	(\$0,5098)	(\$0,3062)
10 Total Credits, Refunds, & Recoveries Per Therm	(\$0,5786)	(\$0,5210)	(\$0,2107)	(\$0,1486)	(\$0,1611)	(\$0,1206)	(\$0,2628)	(\$0,3351)	(\$0,4557)	(\$0,4954)	(\$0,6585)	(\$0,6606)	(\$0,2432)
11 Total Net Cost Per Therm (Page 1 Line 13 Less Page 2 Line 10)													

Credits, Refunds, & Recoveries:

	Actual Oct-19	Actual Nov-19	Actual Dec-19	Actual Jan-20	Actual Feb-19	Actual Mar-19	Actual Apr-19	Actual May-19	Actual Jun-19	Actual Jul-19	Actual Aug-19	Actual Sep-19	Weighted Average
Credits, Refunds, & Recoveries:													
1 Asset Management Credits													
2 OF-system sales	(\$0,0999)	(\$0,1580)	(\$0,0754)	(\$0,0598)	(\$0,0499)	(\$0,0616)	(\$0,0202)	(\$0,0321)	(\$0,0781)	(\$0,0762)	(\$0,1054)	(\$0,0864)	(\$0,0650)
3 Capacity release	(\$0,0776)	(\$0,0117)	(\$0,0104)	(\$0,0087)	(\$0,0072)	(\$0,0082)	(\$0,0156)	(\$0,0347)	(\$0,0877)	(\$0,0782)	(\$0,0866)	(\$0,0795)	(\$0,0178)
4 On-System Credits to BGSS-P Customers	(\$0,0050)	(\$0,0048)	(\$0,0012)	(\$0,0007)	(\$0,0012)	(\$0,0007)	(\$0,0008)	(\$0,0014)	(\$0,0020)	(\$0,0025)	(\$0,0035)	(\$0,0030)	(\$0,0014)
5 Supplier Refunds	(\$0,0004)	(\$0,0006)	(\$0,0015)	(\$0,0000)	(\$0,0000)	(\$0,0000)	(\$0,0000)	(\$0,0009)	(\$0,0001)	(\$0,0004)	(\$0,0000)	(\$0,0000)	(\$0,0002)
6 Gas for Company Use	(\$0,0021)	(\$0,0009)	(\$0,0004)	(\$0,0004)	(\$0,0005)	(\$0,0005)	(\$0,0005)	(\$0,0009)	(\$0,0015)	(\$0,0025)	(\$0,0025)	(\$0,0021)	(\$0,0007)
7 Line Loss	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000	\$0,0000
8 Transfer to Non BGSS-P Customers	(\$0,3913)	(\$0,1958)	(\$0,1066)	(\$0,1067)	(\$0,1008)	(\$0,1000)	(\$0,0988)	(\$0,1065)	(\$0,1388)	(\$0,2684)	(\$0,2233)	(\$0,2175)	(\$0,1241)
9 Other	(\$0,5763)	(\$0,3704)	(\$0,1955)	(\$0,1764)	(\$0,1596)	(\$0,1709)	(\$0,1359)	(\$0,1756)	(\$0,2782)	(\$0,4279)	(\$0,4211)	(\$0,3883)	(\$0,2093)
10 Total Credits, Refunds, & Recoveries	\$1,4590	\$0,7428	\$0,3692	\$0,4408	\$0,2400	\$0,2521	\$0,2831	\$0,3980	\$1,0167	\$1,1433	\$1,4335	\$1,2378	\$0,4506
11 Total Net Cost Per Therm (Page 1 Line 29 Less Page 2 Line 11)													

Credits, Refunds, & Recoveries Per Therm:

- 1 Asset Management Credits
- 2 OF-system sales
- 3 Capacity release
- 4 On-System Credits to BGSS-P Customers
- 5 Supplier Refunds
- 6 Gas for Company Use
- 7 Line Loss
- 8 Transfer to Non BGSS-P Customers
- 9 Other
- 10 Total Credits, Refunds, & Recoveries Per Therm
- 11 Total Net Cost Per Therm (Page 1 Line 13 Less Page 2 Line 10)

Credits, Refunds, & Recoveries:

- 1 Asset Management Credits
- 2 OF-system sales
- 3 Capacity release
- 4 On-System Credits to BGSS-P Customers
- 5 Supplier Refunds
- 6 Gas for Company Use
- 7 Line Loss
- 8 Transfer to Non BGSS-P Customers
- 9 Other
- 10 Total Credits, Refunds, & Recoveries
- 11 Total Net Cost Per Therm (Page 1 Line 29 Less Page 2 Line 11)