



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st 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 FOR APPROVAL TO)
REVISE THE RIDER “H” RATE ASSOCIATED)
WITH THE TAX CUTS AND JOBS ACT OF 2017) DECISION AND ORDER
APPROVING STIPULATION
BPU DOCKET NO. GR23060333

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Sheree L. Kelly, Esq., on behalf of South Jersey Gas Company

BY THE BOARD:

On June 1, 2023, South Jersey Gas Company (“SJG” or “Company”) filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) seeking approval to revise its Rider H rate (“True Up Petition”) and withdraw Rider H from its tariff. By this Order, the Board considers a stipulation of settlement (“Stipulation”) executed by SJG, Board Staff (“Staff”), and the New Jersey Division of Rate Counsel (“Rate Counsel”) (collectively, “Parties”) intended to resolve the Company’s requests related to the above docketed matter.

BACKGROUND AND PROCEDURAL HISTORY

On December 22, 2017, the Federal Tax Cuts and Jobs Act was signed into law (“2017 Act”). The 2017 Act provided changes to the Federal Internal Revenue Tax Code, including a reduction in the maximum corporate tax rate from thirty-five percent (35%) to twenty-one percent (21%).

On January 31, 2018, the Board directed affected utilities to file petitions proposing new rates reflecting the impact of the 2017 Act.¹ Specifically, the Generic TCJA Order directed the affected utilities, including SJG, to file amended tariffs reflecting a reduction in rates resulting from the reduction in the corporate tax rate effective April 1, 2018, as well as develop a plan to address other rate factors and to refund any over-collection in rates.² On March 2, 2018, SJG filed a petition pursuant to the Generic TCJA Order that included a proposed plan as well as tariff sheets reducing its gas rates to reflect the impact of the 2017 Act.

On March 26, 2018, the Board issued an Order authorizing the implementation of the Company's proposed rate reduction, on an interim basis, effective April 1, 2018.³ In the March 2018 Order, the Board deferred, until a later date, a decision on the Company's proposed refund and tariff rider. By Order dated September 17, 2018, the Board finalized the interim rates effective October 1, 2018, and issued a customer refund of approximately \$13.9 million, including interest and excluding tax, on October 14, 2018.⁴ The September 2018 Order also authorized the Company to implement its proposed Rider H, with an initial per therm credit rate of \$0.013043, to refund the Company's unprotected (non-rate base related) Excess Deferred Income Taxes ("EDITs") balance over a five (5) year period, with interest at the Company's short-term debt rate effective October 1, 2018.⁵ Pursuant to the September 2018 Order, the Company was to submit an annual Rider H true up filing on June 1 of each year to establish future Rider H rates, with a proposed effective date of October 1 of each year.

TRUE UP PETITION

In the True Up Petition, SJG sought approval to implement a proposed per therm Rider H rate of \$0.000000 effective October 1, 2023. This proposed rate reflected a per therm increase from the current per therm Rider "H" credit rate of \$0.018885. The True Up Petition provided actual information through April 30, 2023, and projected information through September 30, 2023.

The Company projected an over refunded balance of approximately \$0.4 million as of September 30, 2023, and proposed to address recovery of any actual over refunded amounts in its next base rate case. Accordingly, the Company proposed to withdraw Rider "H" from its tariff.

¹ In re the New Jersey Board of Public Utilities Consideration of the Tax Cuts and Jobs Act of 2017, BPU Docket No. AX18010001, Order dated January 31, 2018 ("Generic TCJA Order").

² The affected utilities are investor-owned gas, electric, water and wastewater companies under the jurisdiction of the Board. In addition, affected utilities shall be those with 2017 revenues equal to or greater than \$4.5 million.

³ In re the New Jersey Board of Public Utilities' Consideration of the Tax Cuts and Jobs Act of 2017, BPU Docket No. AX18010001 and In re the Petition of South Jersey Gas Company for Approval of a Change in Rates, Customer Refund and Rider Associated with the Tax Cuts and Jobs Act of 2017, BPU Docket No. GR18030230, Order dated March 26, 2018 ("March 2018 Order").

⁴ In re the New Jersey Board of Public Utilities' Consideration of the Tax Cuts and Jobs Act of 2017, BPU Docket No. AX18010001 and In re the Petition of South Jersey Gas Company for Approval of a Change in Rates, Customer Refund and Rider Associated with the Tax Cuts and Jobs Act of 2017, BPU Docket No. GR18030230, Order dated September 17, 2018 ("September 2018 Order").

⁵ All rates quoted herein include Sales and Use Tax ("SUT") and Public Utility Assessment ("PUA").

Based on SJG’s response to Discovery Request RCR-A-1, the Company calculated the newly proposed Rider H credit rate as set forth in the chart below:

SJG Rider H Projected Rate Calculation		
1	Unprotected EDIT Balance	(\$10,402,047)
2	Protected Excess EDIT Catch Up Amortization	(\$641,184)
3	Projected Carrying Costs	\$(15,408)
4	Net Credit to Customers	\$9,898,604
5	Beginning Over (Under) Refunded Balance	\$1,580,869
6	Forecasted Over Refunded Costs	\$420,835
7	Less: Forecasted Over Refunded Costs	(\$420,835)
8	Total Amount to be Recovered	\$0
9	Rate Per Therm, Excluding SUT & PUA	\$0.000000
10	Rate Per Therm, Including SUT & PUA	\$0.000000

After publication of notices in newspapers in general circulation in the Company’s service territory, public hearings were conducted on August 30, 2023 at 4:30 p.m. and 5:30 p.m.⁶ No members of the public appeared at the hearings or filed comments to the Board regarding the June 2023 Petition.

STIPULATION

Following a review of the True Up Petition and conducting discovery, the Parties executed the Stipulation, which provides for the following:⁷

1. The Parties agree that, based on the information provided in the Schedules attached to the Direct Testimony of Cindy Capozzoli, Director, Rates, the proposed Rider “H” rate of \$0.000000 per therm, beginning October 1, 2023, reflecting an increase of \$0.018885 per therm from the current Rider “H” credit rate of \$0.018885 per therm, is just and reasonable. Accordingly, it is both reasonable and in the public interest for the Board to authorize SJG to implement as final the Rider “H” rate of \$0.000000.
2. As a result of the Stipulation, the change in credit rate on the monthly bill of a residential heating customer using 100 therms is an increase of \$1.88, or 1.0%.
3. The Parties agree that the Company will withdraw its Rider “H” from its tariff and that recovery of any actual over refunded amounts, if any, will be addressed in its next base rate case.
4. The Stipulation provides a final resolution in the proceeding.

⁶ The hearings were held virtually due to the COVID-19 pandemic.

⁷ Although described at some length in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusion in this Order. Paragraphs are numbered to coincide with the Stipulation.

DISCUSSION AND FINDINGS

The Board reviewed the record in this proceeding, including the True Up Petition and the Stipulation, and **HEREBY FINDS** the Stipulation to be reasonable 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** a per therm Rider H rate of \$0.000000, effective for service rendered on and after October 1, 2023. As a result of the Stipulation, a typical residential heating customer using 100 therms of natural gas in a winter month will experience a monthly increase of \$1.88, or 1.0%.

The Board **HEREBY DIRECTS** SJG to file the appropriate tariff sheets conforming to the terms of the Stipulation prior to October 1, 2023.

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

The effective date of this Order is September 25, 2023.

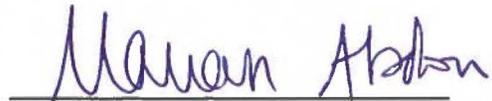
DATED: September 18, 2023

BOARD OF PUBLIC UTILITIES
BY:


CHRISTINE GUHL-SADOVY
PRESIDENT


MARY-ANNA HOLDEN
COMMISSIONER


DR. ZENON CHRISTODOULOU
COMMISSIONER


MARIAN ABDOU
COMMISSIONER

ATTEST: 
SHERRIL L. GOLDEN
SECRETARY

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

IN THE MATTER OF PETITION OF SOUTH JERSEY GAS COMPANY FOR APPROVAL TO REVISE
THE RIDER "H" RATE ASSOCIATED WITH THE TAX CUTS AND JOBS ACT OF 2017

DOCKET NO. GR23060333

SERVICE LIST

Board of Public Utilities

44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, NJ 08625-0350

Sherri L. Golden, Board Secretary
board.secretary@bpu.nj.gov

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

Division of Water and Energy

Michael Kammer, Director
mike.kammer@bpu.nj.gov

Malike Cummings, Deputy Director
malike.cummings@bpu.nj.gov

Scott Sumliner
scott.sumliner@bpu.nj.gov

Counsel's Office

Michael Beck, General Counsel
Michael.beck@bpu.nj.gov

Carol Artale, Deputy General Counsel
carol.artale@bpu.nj.gov

Heather Weisband, Senior Counsel
heather.weisband@bpu.nj.gov

Michael Hunter, Regulatory Officer
michael.hunter@bpu.nj.gov

South Jersey Gas Company

SJI Utilities, Inc.
520 Green Lane
Union, NJ 07083

Sheree L. Kelly, Esq.
skelly@sjindustries.com

Jennifer Weitz Regulatory Affairs Counsel -
Intermediate
jweitz@sjindustries.com

1 South Jersey Place
Atlantic City, NJ 08401

Cindy Capozzoli
ccapozzoli@sjindustries.com

Carolyn A. Jacobs
Regulatory Compliance Specialist Sr.
cjacobs@sjindustries.com

James G. Fredericks
Rates Analyst Lead
jfredericks@sjindustries.com

Andrew McNally Senior Director, Government &
Regulatory Affairs
amcnally@sjindustries.com

Dominick DiRocco, Esq.
One South Jersey Plaza
Folsom, New Jersey 08037
ddirocco@sjindustries.com

Division of Law

NJ Department of Law and Public Safety
Richard J. Hughes Justice Complex
Public Utilities Section
25 Market Street, P.O. Box 112
Trenton, NJ 08625

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

Matko Ilic, DAG
matko.ilic@law.njoag.gov

Terel Klein, DAG
terel.klein@law.njoag.gov

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

New Jersey Division of Rate Counsel

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

Brian O. Lipman, Esq., Director
blipman@rpa.nj.gov

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

Mamie Purnell, Esq.
mpurnell@rpa.nj.gov

Megan Lupo, Esq.
mlupo@rpa.nj.gov



One South Jersey Plaza
Folsom, NJ 08037

T: (609) 694-9349

ddirocco@sjindustries.com

Dominick DiRocco, Esq.
VP, Rates & Regulatory Affairs

August 31, 2023

Sherri Golden, Board Secretary
Office of the Secretary
NJ Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton, NJ 08625-0350

**Re: In the Matter of the Petition of South Jersey Gas Company for Approval to Revise the Rider "H" Rate Associated with the Tax Cuts and Jobs Act of 2017
BPU Docket No. GR23060333**

Dear Secretary Golden:

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 submitted,

A handwritten signature in black ink that reads "Dominick DiRocco". The signature is fluid and cursive.

Dominick DiRocco

DD/caj
Enclosure

cc: See attached Service List

**IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY
FOR APPROVAL TO REVISE THE RIDER “H” RATE ASSOCIATED WITH THE
TAX CUTS AND JOBS ACT OF 2017
BPU DOCKET NO. GR23060333**

SERVICE LIST

NJ BOARD OF PUBLIC UTILITIES

Sherrri Golden, Board Secretary
NJ Board of Public Utilities
44 South Clinton Avenue
P. O. Box 350
Trenton, NJ 08625-0350
sherrri.golden@bpu.nj.gov

Cindy Bianco
NJ Board of Public Utilities
44 South Clinton Avenue
P. O. Box 350
Trenton, NJ 08625-0350
cindy.bianco@bpu.nj.gov

Mike Kammer
NJ Board of Public Utilities
44 South Clinton Avenue
P. O. Box 350
Trenton, NJ 08625-0350
Mike.kammer@bpu.nj.gov

Malike Cummings
Division of Energy
NJ Board of Public Utilities
44 South Clinton Avenue
P. O. Box 350
Trenton, NJ 08625-0350
malike.cummings@bpu.nj.gov

Scott Sumliner
NJ Board of Public Utilities
44 South Clinton Avenue
P. O. Box 350
Trenton, NJ 08625-0350
Scott.sumliner@bpu.nj.gov

DIVISION OF LAW

Terel Klein, DAG
Dept. of Law & Public Safety
Division of Law
RJ Hughes Justice Complex
25 Market Street, 7th Floor West
P.O. Box 112
Trenton, NJ 08625
Terel.Klein@law.njoag.gov

DIVISION OF RATE COUNSEL

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

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

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

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

Mamie W. Purnell, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
mpurnell@rpa.nj.gov

RATE COUNSEL CONSULTANTS

Robert J. Henkes
Henkes Consulting
7 Sunset Road
Old Greenwich, CT 06870

SOUTH JERSEY GAS COMPANY

Dominick DiRocco, Esq.
VP, Rates & Regulatory Affairs
SJI Utilities, Inc.
One South Jersey Plaza
Folsom, NJ 08037
ddirocco@sjindustries.com

Cindy Capozzoli
Director, Rates
SJI Utilities, Inc.
One South Jersey Place
Atlantic City, NJ 08401
ccapozzoli@sjindustries.com

James G. Fredericks
Rates Analyst Lead
South Jersey Gas Company
One South Jersey Place
Atlantic City, NJ 08401
jfredericks@sjindustries.com

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

Sheree L. Kelly
Regulatory Affairs Counsel
SJI Utilities, Inc.
520 Green Lane
Union, NJ 07083
skelly@sjindustries.com

Andrew McNally
Senior Director
Government & Regulatory Affairs
SJI Utilities, Inc.
520 Green Lane
Union, NJ 07083
amcnally@sjindustries.com

Jennifer Weitz
Regulatory Affairs Counsel - Intermediate
SJI Utilities, Inc.
520 Green Lane
Union, NJ 07083
jweitz@sjindustries.com

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

IN THE MATTER OF THE PETITION OF)	BPU DOCKET NO.
SOUTH JERSEY GAS COMPANY FOR)	GR23060333
APPROVAL TO REVISE THE RIDER)	
“H” RATE ASSOCIATED WITH THE TAX)	STIPULATION FOR
CUTS AND JOBS ACT OF 2017)	FINAL RIDER “H”
)	RATE

STIPULATION AND AGREEMENT

APPEARANCES:

Dominick DiRocco, Esq., VP, Rates & Regulatory Affairs, SJI Utilities, Inc. for South Jersey Gas Company (“Petitioner”).

Maura Caroselli, Esq., Managing Attorney, Gas and Clean Energy, **Megan Lupo, Esq.**, Assistant Deputy Rate Counsel and **Mamie W. Purnell Esq.** Assistant Deputy Rate Counsel, on behalf of the Division of Rate Counsel (**Brian O. Lipman, Esq.**, Director)

Terel Klein, Esq., Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Matthew J. Platkin**, Attorney General of New Jersey).

TO THE HONORABLE COMMISSIONERS OF THE BOARD OF PUBLIC UTILITIES:

On June 1, 2023, South Jersey Gas Company (“SJG” or “Company”) submitted its annual true-up petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) related to its Rider “H” credit rate associated with the Tax Cuts and Jobs Act of 2017 (“2023 True Up Petition”).

BACKGROUND

1. The Board established Rider “H” on October 1, 2018 by way of Board Order issued on September 17, 2018, and designed Rider “H” to refund the Company’s excess deferred income taxes (“EDIT”) resulting from the Tax Cuts and Jobs Act of 2017.¹

¹ In the Matter of the New Jersey Board of Public Utilities’ Consideration of the Tax Cuts and Jobs Act of 2017 and In the Matter of the Petition of South Jersey Gas Company for Approval of a Change in Rates, Customer Refund and Rider Associated with the Tax Cuts and Jobs Act of 2017, BPU Docket Nos. AX18010001 and GR18030230, Order dated September 17, 2018.

2. On June 3, 2019, the Company submitted its first annual true-up of Rider “H” in BPU Docket No. GR19060701, seeking to modify the then-current credit rate of \$0.013043 per therm to a credit rate of \$0.012207 per therm (“2019 True Up Petition”).² The proposed rate included the refund of the net Protected EDIT and Unprotected EDIT.

3. In its May 2020 Order related to the 2019 True Up Petition, the Board approved the first Rider “H” rate adjustment with an effective date of June 1, 2020.³ The approved Rider “H” credit rate of \$0.020239 per therm reflected an increase of \$0.007196 per therm from the then-current credit rate of \$0.013043 per therm and consisted of the Unprotected EDIT refund only. The May 2020 Order also resolved all issues related to the 2019 True Up Petition.

4. On June 1, 2020, the Company submitted its second annual true-up of Rider “H” in BPU Docket No. GR20060382 to effectuate the return of \$14.9 million to its customers (“2020 True Up Petition”). The Company sought approval to implement a proposed Rider “H” credit rate of \$0.029906 per therm for the period October 1, 2020 through September 30, 2021. In its September 2020 Provisional Order related to the 2020 True Up Petition, the Board approved, on an interim basis, a credit rate of \$0.029906 per therm effective October 1, 2020.⁴

² All rates quoted herein include Sales and Use Tax.

³ In the Matter of the New Jersey Board of Public Utilities’ Consideration of the Tax Cuts and Jobs Act of 2017 and In the Matter of the Petition of South Jersey Gas Company for Approval of a Change in Rates, Customer Refund and Rider Associated with the Tax Cuts and Jobs Act of 2017 and In the Matter of the Petition of South Jersey Gas Company for Approval to Revise Rider “H” Rate Associated with the Tax Cuts and Jobs Acts of 2017, BPU Docket Nos. AX18010001, GR18030230 and GR19060701, Order dated May 20, 2020 (“May 2020 Order”).

⁴ In the Matter of the Petition of South Jersey Gas Company for Approval to Revise the Rider “H” Rate Associated with the Tax Cuts and Jobs Acts of 2017, BPU Docket No. GR20060382, Order dated September 23, 2020 (“September 2020 Provisional Order”).

5. On September 23, 2020, the Board issued an Order in the Company's 2020 Base Rate Case ("Base Rate Case Order") requiring SJG to return \$1,923,552 to customers through Rider "H" over its remaining three (3) year term ("Protected EDIT Catch Up").⁵ For the period January 1, 2018 to June 30, 2019, SJG recorded a regulatory liability of \$1,923,552 composed of both the amortizations of (a) the Excess Accumulated Deferred Income Tax ("ADIT") Liability Depreciation-Related under the Average Rate Assumption Method ("ARAM") and (b) the Excess ADIT Asset Net Operating Loss ("NOL") under the Reverse South Georgia Method ("RSGM"). This net regulatory liability balance represented the accumulated balance of the amortization of the Protected Excess ADIT calculated using the ARAM, and the amortization of the NOL ADIT calculated using the RSGM, during the period January 1, 2018 through June 30, 2019 which had not yet been refunded to the customers.

6. Accordingly, to effectuate the return of the Protected EDIT Catch Up of \$1,923,552 through Rider "H", the Company implemented a credit rate of \$0.001286 per therm on a provisional basis, subject to refund and a full review. The approved credit rate became effective October 1, 2020 simultaneously with the provisional rate approved by the Board in the September 2020 Provisional Order.

7. The resulting combined Rider "H" provisional rate effective October 1, 2020 was a credit rate of \$0.031192 per therm. That credit rate represented the sum of \$0.029906 per therm from the Company's 2020 True Up Petition, and \$0.001286 per therm from the Company's 2020 Base Rate Case proceeding. The resulting impact on the bill of a residential customer using 100 therms during a winter month was a decrease of \$1.09 or 0.8%.

⁵ In the Matter of the Petition of South Jersey Gas Company for Approval of Increased Base Tariff Rates and Charges for Gas Service, Changes to Depreciation Rates and Other Tariff Revisions, BPU Docket No. GR20030243, Order dated September 23, 2020 ("2020 Base Rate Case Order").

8. In its March 2021 Order, the Board approved as final the Company's previously approved Rider "H" credit rate of \$0.031192 per therm.⁶

9. On June 1, 2021, the Company submitted its third annual true-up of Rider "H" in BPU Docket No. GR21060880 to effectuate the return of \$11.7 million to its customers ("2021 True Up Petition"). The Company sought approval to implement a proposed Rider "H" credit rate of \$0.022930 per therm for the period October 1, 2021 through September 30, 2022. In its March 2022 Order related to the 2021 True Up Petition; the Board approved as final a credit rate of \$0.023301 per therm effective April 1, 2022.⁷

10. On June 1, 2022, the Company submitted its fourth annual true-up of Rider "H" in BPU Docket No. GR22060365 to effectuate the return of \$9.5 million to its customers ("2022 True Up Petition"). The Company sought approval to implement a proposed Rider "H" credit rate of \$0.018885 per therm for the period October 1, 2022 through September 20, 2023. In its March 2023 Order related to the 2022 True- Up Petition, the Board approved as final a credit rate of \$0.018885 per them effective April 1, 2023.⁸

11. Based on the 2023 True Up Petition, it is forecasted that as of September 30, 2023, the Company will have fully returned to its ratepayers the \$44.7 million of Unprotected EDIT balance and \$1.9 million of Protected EDIT Catch Up, as well as returned approximately \$2.5 million of carrying costs, as required pursuant to Rider "H". The Company proposed to set the Rider "H" rate to \$0.000000 effective October 1, 2023, which represents a decrease from the

⁶ In the Matter of the Petition of South Jersey Gas Company for Approval to Revise the Rider "H" Rate Associated with the Tax Cuts and Jobs Act of 2017, BPU Docket No. GR20060382, Order dated March 24, 2021 ("March 2021 Order").

⁷ In the Matter of the Petition of South Jersey Gas Company for Approval to Revise the Rider "H" Rate Associated with the Tax Cuts and Jobs Act of 2017, BPU Docket No. GR21060880, Order dated March 9, 2022 ("March 2022 Order").

⁸ In the Matter of the Petition of South Jersey Gas Company for Approval to Revise the Rider "H" Rate Associated with the Tax Cuts and Jobs Act of 2017, BPU Docket No. GR22060365, Order dated March 6, 2023 ("March 2023 Order").

current Rider “H” credit rate of \$0.018885 per therm. In addition, based on actual information as of June 30, 2023, the Company projected an over refunded balance of approximately \$0.4 million as of September 30, 2023. The Company proposed to address recovery of any actual over refunded amounts in its next base rate case. Finally, the Company proposed to withdraw Rider “H” from its tariff.

12. The impact of this proposed change in the credit rate on the monthly bill of a residential heating customer using 100 therms is an increase of \$1.88, or 1.0%.

13. Following public notice published in newspapers of general circulation within South Jersey’s service territory, two virtual public hearings for the 2023 True Up Petition were held on August 30, 2023 at 4:30 p.m. and 5:30 p.m.

14. No members of the public attended to express their views on the 2023 True Up Petition, and. the Board received no written comments.

STIPULATION

SJG, Board Staff, and the New Jersey Division of Rate Counsel (“Rate Counsel”), the only parties to this proceeding (collectively, “Parties”), discussed certain matters at issue in these proceedings and hereby **STIPULATE AND AGREE** to the following findings, conclusions, and determinations for the purpose of a full, final, and complete resolution of the issues raised in the 2023 True Up Petition.

1. The Parties agree that, based on the information provided in the Schedules attached to the Direct Testimony of Cindy Capozzoli, Director, Rates, the proposed Rider “H” rate of \$0.000000 per therm, beginning October 1, 2023, reflecting an increase of \$0.018885 per therm from the current Rider “H” credit rate of \$0.018885 per therm, is just and reasonable. Accordingly, it is both reasonable and in the public interest for the Board to authorize SJG to implement as final the Rider “H” rate of \$0.000000.

2. As a result of this Stipulation of Settlement (“Stipulation”), the change in credit rate on the monthly bill of a residential heating customer using 100 therms is an increase of \$1.88, or 1.0%.

3. The Parties agree that the Company will withdraw its Rider “H” from its tariff and that recovery of any actual over refunded amounts, if any, will be addressed in its next base rate case.

4. This Stipulation provides a final resolution in this proceeding.

5. 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.

6. 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.

7. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings. Except as expressly provided herein, SJG, Board 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: _____
Dominick DiRocco, Esq.
VP, Rates & Regulatory Affairs

MATTHEW J. PLATKIN
ATTORNEY GENERAL OF THE STATE OF NEW JERSEY
Attorney for the Staff of the New Jersey Board of Public Utilities

By:  _____
Steven A. Chaplar
Deputy Attorney General

BRIAN O. LIPMAN,
DIRECTOR, DIVISION OF RATE COUNSEL

By: /s/ Mamie W. Purnell
Mamie W. Purnell, Esq.,
Assistant Deputy Rate Counsel