



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/

REVENUE AND RATES

IN THE MATTER OF THE PETITION OF SOUTH)
JERSEY GAS COMPANY TO REVISE THE LEVELS)
OF ITS SOCIETAL BENEFITS CLAUSE ("SBC"))
CHARGES AND ITS TRANSPORTATION)
INITIATION CLAUSE ("TIC") CHARGE) BPU DOCKET NO. GR25070456
DECISION AND ORDER
APPROVING STIPULATION

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Dominick DiRocco, Esq., South Jersey Gas Company

BY THE BOARD:

On July 31, 2025, South Jersey Gas Company ("SJG" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board" or "BPU") requesting approval to revise the rates related to its Transportation Initiation Clause ("TIC") and two (2) components of its Societal Benefits Clause ("SBC"): 1) the Remediation Adjustment Clause ("RAC"), and 2) the Clean Energy Program ("CLEP") Clause ("Petition"). By this Decision and 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 all requests contained in the Petition.

BACKGROUND

Pursuant to the Electric Discount and Energy Competition Act, the State's investor-owned electric and gas public utilities may recover certain costs through their respective SBCs.¹ SJG's SBC is comprised of the RAC, the CLEP, the Universal Service Fund ("USF"), and the Lifeline Program ("Lifeline") charges. The RAC allows the Company to adjust its rates to recover reasonably incurred environmental remediation costs associated with the clean-up of its former manufactured gas plant ("MGP") sites, on a deferred basis, over a rolling seven (7)-year period, with carrying charges tied to seven (7)-year treasuries plus sixty (60) basis points. The CLEP recovers the costs associated with the energy efficiency programs related to the New Jersey Clean Energy

¹ N.J.S.A. 48:3-60(a).

Program. The USF and Lifeline Programs help provide affordable electric and natural gas service to eligible New Jersey residential customers.

By Order dated March 30, 2001, the Board ordered implementation of the Electronic Data Interchange (“EDI”) to facilitate electronic exchange of information between gas distribution utilities and third party suppliers.² The Company designed its TIC to recover all reasonable and prudent development and operating costs related to the EDI.

PETITION

By the Petition, SJG sought to decrease the overall annual revenue level of its SBC and TIC charges by \$2.4 million. Specifically, the Company sought to: 1) decrease its per-therm RAC rate from \$0.065214 to \$0.61229, a decrease in annual revenues of \$2.1 million; 2) decrease its per-therm CLEP rate from \$0.041795 to \$0.041292, a decrease in annual revenues of \$0.3 million; and 3) decrease its per-therm TIC rate from \$0.000999 to \$0.000970, a decrease in annual revenues of \$0.01 million.³

Through discovery, SJG provided updated information to include actual data through September 30, 2025 (“Update”). By the Update, the Company revised its proposed CLEP rate to \$0.039264 per therm and its proposed TIC rate \$0.000980 per therm; the Company did not modify its proposed RAC rate.

Because SJG proposed decreases to the RAC, CLEP and TIC rates, public hearings were neither required nor held. Additionally, no written comments were received by the Board.

STIPULATION

Following the review of the Petition, the Update, and conducting discovery, the Parties executed the Stipulation, which provides for the following:⁴

Effective Rates

8. The Company’s proposed RAC rate of \$0.061229 per therm should be implemented and made final.
9. The Company’s updated CLEP rate of \$0.039264 per therm should be implemented and made final.
10. The Company’s proposed TIC rate of \$0.000980 per therm should be implemented and made final.

² In re the Rate Unbundling Filings by Gas Public Utilities Pursuant to Section 10, Subsection A of the Electric Discount and Energy Competition Act of 1999, BPU Docket Nos. GX99030121 and GO99030125, Order dated March 30, 2001.

³ All rates quoted herein include New Jersey Sales and Use Tax.

⁴ Although summarized herein, should there be any contradiction between the terms of this summary and the terms of the Stipulation, the terms of the Stipulation control, subject to the finding and conclusion in this Order. Paragraphs are lettered and/or numbered to coincide with the Stipulation.

Rate Impact

11. The combined RAC, CLEP and TIC rate changes will result in an overall SBC rate of \$0.126693 per therm and TIC rate of \$0.000980 per therm effective upon Board approval. This represents a monthly decrease of \$0.65, or approximately 0.33%, from a bill of \$194.40 to \$193.75, for a residential heating customer using 100 therms, compared to rates in effect on January 1, 2026. The overall annual revenue level of the Company's SBC and TIC charges would decrease by \$3.5 million, including taxes.
12. The Parties agree that SJG's MGP remediation costs will remain the same subject to Board audit. SJG will continue to conduct an annual audit of the RAC to assess the validity of the expenses being charged to the RAC.
13. The Company represents that no MGP-related properties were leased or sold during the RAC remediation period for which this RAC rate is established.
14. SJG also represents that the Stipulation does not include recovery of any administrative, legal, consulting, or other costs associated with Natural Resource Damage ("NRD") related to MGP claims.⁵ Furthermore, the Stipulation does not include any costs associated with incentive compensation or pension costs incurred during the period set forth in the Petition.
15. The Company agrees to provide a final reconciliation of its annual RAC factor recovery within ninety (90) days of the completion of each RAC recovery year, which reconciliation will include the calculation of actual sales volumes that recovered the RAC factor and the resultant net expenses or credit amount which is to be carried over to the next recovery year. Implementation and/or adjustments of the RAC factor is subject to the Parties' review of SJG's expenditures and reconciliation thereof in SJG's future RAC and/or SBC proceedings.
16. The Parties agree that the terms of the Stipulation shall resolve all factual and legal issues relating to the determination of all amounts that were or could be included in the calculation of the Company's deferred RAC balance, except as described in Paragraph 14 of the Stipulation with respect to NRD-related costs and incentive compensation costs or pension costs.
17. The Company agrees that it will include in its future RAC filings responses to the minimum filing requirements ("MFR") as set forth in Exhibit A to the Stipulation. At a minimum, the Company agrees to provide electronic copies of the filings and the MFRs to the Board, Rate Counsel, and the consultants to Rate Counsel.

⁵ Pursuant to the Board's Order dated April 27, 2021 in BPU Docket No. GR20070504, In re the Petition of South Jersey Gas Company to Change the Levels of its Societal Benefits Clause ("SBC") and its Transportation Initiation Clause ("TIC"), beginning with the RAC remediation year commencing August 1, 2019, NRD-related costs that are incurred by the Company will be deferred in a regulatory asset account with carrying costs, pending a decision by the Board as to whether such costs are reasonable and recoverable through the RAC.

DISCUSSION AND FINDINGS

After review of the Petition, the Update and the Stipulation, the Board **HEREBY FINDS** the Stipulation to be reasonable, in the public interest, and in accordance with the law. As such, 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 in this Order.

Consistent with the Stipulation, the Board **HEREBY APPROVES** SJG's implementation of the following per-therm rates effective May 1, 2026: 1) a RAC rate of \$0.061229; 2) a CLEP rate of \$0.039264; and 3) a TIC rate of \$0.000980. The adjustment to the RAC and CLEP of the SBC results in a revised overall SBC rate of \$0.126693 per therm, and a TIC rate of \$0.000980 per therm, effective for service rendered on and after May 1, 2026.

Based upon the Board's approval of the Stipulation, a residential heating customer using 100 therms per month will experience a monthly bill decrease of \$0.65.

The Board **HEREBY DIRECTS** SJG to file revised tariffs by May 1, 2026.

The Company's costs will remain subject to audit by the Board. This Order shall not preclude or prohibit the Board from taking further action relating to any such audit.

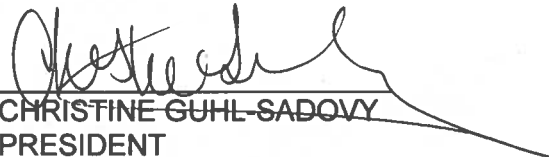
The effective date of this Order is April 29, 2026.

DATED: April 22, 2026

BOARD OF PUBLIC UTILITIES
BY:



DR. ZENON CHRISTODOULOU
COMMISSIONER



CHRISTINE GUHL-SADOVY
PRESIDENT



MICHAEL BANGE
COMMISSIONER

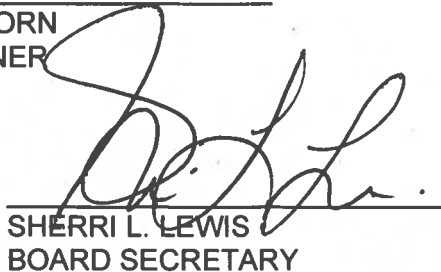


EMMA REBHORN
COMMISSIONER



JOSEPH COVIELLO
COMMISSIONER

ATTEST:



SHERRI L. LEWIS
BOARD SECRETARY

IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY TO REVISE THE LEVELS OF ITS SOCIETAL BENEFITS CLAUSE ("SBC") CHARGES AND ITS TRANSPORTATION INITIATION CLAUSE ("TIC") CHARGE

BPU DOCKET NO. GR25070456

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March 25, 2026

Sherri Lewis
Secretary of the Board
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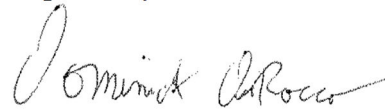
**Re: In the Matter of the Petition of South Jersey Gas Company to Revise the Level of its Societal Benefits Clause (“SBC”) and its Transportation Initiation Clause (“TIC”) Charge
BPU Docket No. GR25070456**

Dear Secretary Lewis:

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 scheduled agenda meeting.

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

Respectfully submitted,



Dominick DiRocco

DD/caj
Enclosure

cc: Service List

**IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY
FOR APPROVAL TO REVISE THE LEVELS OF ITS SOCIETAL
BENEFITS CLAUSE (“SBC”) CHARGES AND ITS TRANSPORTATION
INITIATION CLAUSE (“TIC”) CHARGE
BPU DOCKET NO. GR25070456**

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SOUTH JERSEY GAS COMPANY

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

IN THE MATTER OF THE PETITION OF : STIPULATION OF SETTLEMENT
SOUTH JERSEY GAS COMPANY TO :
REVISE THE LEVELS OF ITS SOCIETAL : BPU DOCKET NO. GR25070456
BENEFITS CLAUSE (“SBC”) CHARGES :
AND ITS TRANSPORTATION INITIATION :
CLAUSE (“TIC”) CHARGE :

APPEARANCES:

Dominick DiRocco, Esq., Vice President, Rates & Regulatory Affairs, **SJI Utilities, Inc.**, on behalf of South Jersey Gas Company, Petitioner.

Maura Caroselli, Esq., Managing Attorney of Gas & Clean Energy, and **Michael Lombardi, Esq.**, Assistant Deputy Rate Counsel, for the New Jersey Division of Rate Counsel (**Brian O. Lipman, Esq.**, Director, Division of Rate Counsel).

Jordan K. Mitchell, Esq., Deputy Attorney General, for the Staff of the New Jersey Board of Public Utilities (**Jennifer Davenport**, Attorney General of the State of New Jersey).

TO THE HONORABLE COMMISSIONERS OF THE NEW JERSEY BOARD OF PUBLIC UTILITIES:

This stipulation of settlement (“Stipulation”) is intended to resolve the pending Societal Benefits Clause (“SBC”) proceeding (hereinafter referred to as “Proceeding”) by which South Jersey Gas Company (“South Jersey” or “Company”) seeks approval from the New Jersey Board of Public Utilities (“Board”) to decrease the annual revenue level of the Company’s SBC through a decrease in its Remediation Adjustment Clause (“RAC”) charge and a decrease in its Clean Energy Program (“CLEP”) charge, both components of the SBC, as well as a decrease in its Transportation Initiation Clause (“TIC”) charge. The parties to this Proceeding are South Jersey, the New Jersey Division of Rate Counsel (“Rate Counsel”), and Board Staff (“Staff”) (collectively hereinafter referred to as “Parties”).

I. PROCEDURAL HISTORY

1. On July 31, 2025, consistent with N.J.S.A. 48:2-21, South Jersey filed a petition with the Board, in Docket No. GR25070456, seeking to decrease the overall annual revenue level of its SBC and TIC charges by \$2.4 million, including taxes (“Petition”). Specifically, by the Petition, the Company sought a decrease in South Jersey’s RAC and CLEP charges, both components of the SBC, and a decrease to the TIC charge.

2. In its Petition, South Jersey requested that: i) the per-therm RAC rate be decreased to \$0.061229 from its current level of \$0.065214; ii) the per-therm CLEP rate be decreased to \$0.041292 from its current level of \$0.041795; and iii) the per-therm TIC rate be decreased to \$0.000970 from its current level of \$0.000999.¹ The rates requested in the Petition were derived utilizing actual information for the period November 2024 through June 2025, and projected information for the period July 2025 through October 2026.

3. As stated in the Petition, the Universal Service Fund (“USF”) and Lifeline components of the SBC were addressed in a separate proceeding.²

4. On October 22, 2025, the Company, in response to Rate Counsel’s discovery request RCR-A-8, provided updated schedules based on actual data through September 30, 2025, resulting in: i) a per-therm RAC rate of \$0.061229; ii) a per-therm CLEP rate of \$0.039264 (“Updated CLEP Rate”); and iii) a per-therm TIC rate of \$0.000980.

5. Because South Jersey proposed decreases to the RAC, CLEP and TIC rates, no notice of filing and public hearings was provided with the Petition, and no public hearings were

¹ All rates quoted herein include Sales and Use Tax.

² In re the 2025/2026 Annual Compliance Filings for the Universal Service Fund (“USF”) Program Factor within the Societal Benefits Charge Rate – Order Approving Interim USF Rates and Lifeline Rates, BPU Docket No. ER25060371, Order dated September 25, 2025.

held. No written comments were received by the Board, South Jersey, or Rate Counsel.

6. The Parties engaged in discovery in this Proceeding and all such discovery has been answered by the Company.

II. STIPULATED TERMS

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

Effective Date

7. The Parties acknowledge that a Board Order approving, rejecting, or modifying this Stipulation shall become effective on the date of said Board Order, or upon such date thereafter as the Board may specify, in accordance with N.J.S.A. 48:2-40 (“Effective Date”).

Effective Rates

8. The Company’s proposed RAC rate of \$0.061229 per therm should be implemented and made final.

9. The Company’s Updated CLEP Rate of \$0.039264 per therm should be implemented and made final.

10. The Company’s proposed TIC rate of \$0.000980 per therm should be implemented and made final.

Rate Impact

11. The combined RAC, CLEP and TIC rate changes will result in an overall SBC rate of \$0.126693 per therm and TIC rate of \$0.000980 per therm effective upon Board approval. This represents a monthly decrease of \$0.65, or approximately 0.33%, from a bill of \$194.40 to \$193.75, for a residential heating customer using 100 therms, compared to rates in effect on January 1, 2026. The overall annual revenue level of the Company’s SBC and TIC charges would

decrease by \$3.5 million, including taxes.

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

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

14. South Jersey also represents that this Stipulation does not include recovery of any administrative, legal, consulting, or other costs associated with Natural Resource Damage ("NRD")-related to MGP claims.³ Furthermore, the Company represents that the labor allocation reflected in the RAC rate proposed in the Petition did not include recovery of any costs associated with incentive compensation or pension costs and, as such, the rates agreed to in this Stipulation do not reflect recovery of such costs.

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

³ Pursuant to the Board's Order dated April 27, 2021 in BPU Docket No. GR20070504 In re the Petition of South Jersey Gas Company to Change the Levels of its Societal Benefits Clause ("SBC") and its Transportation Initiation Clause ("TIC), beginning with the RAC remediation year commencing August 1, 2019, NRD-related costs that are incurred by the Company will be deferred in a regulatory asset account with carrying costs, pending a decision by the Board as to whether such costs are reasonable and recoverable through the RAC.

16. The Parties agree that the terms of this Stipulation shall resolve all factual and legal issues relating to the determination of all amounts that were or could be included in the calculation of the Company's deferred RAC balance, except as described in Paragraph 14 above with respect to NRD-related costs and incentive compensation costs or pension costs.

17. The Company agrees that it will include in its future RAC filings responses to the minimum filing requirements ("MFRs") as set forth in Exhibit A to this Stipulation. At a minimum, the Company agrees to provide electronic copies of the filings and the MFRs to the Board, Rate Counsel, and the consultants to Rate Counsel.

18. Following acceptance of this Stipulation by an Order of the Board, South Jersey will submit a compliance filing incorporating the final rates approved by the Board within ten (10) days of such approval.

III. MISCELLANEOUS

19. This Stipulation fully disposes of all issues in controversy in this proceeding, is consistent with law, and is in the public interest. This Stipulation represents a mutual balancing of interests, contains interdependent provisions and, therefore, is intended to be accepted and approved in its entirety. In the event that any provision of this Stipulation is not accepted and approved in its entirety by the Board, any Party aggrieved thereby shall not be bound to proceed with this Stipulation and shall have the right to litigate all issues addressed herein to a conclusion. More particularly, in the event that the Board, in any applicable order, does not adopt this Stipulation in its entirety, 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.

20. This Stipulation shall be binding on the Parties for all purposes herein.

21. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of this proceeding. Except as expressly provided herein, the Parties 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. This Stipulation shall not be cited as precedent except for the purpose of enforcing its terms. All rates are subject to audit by the Board. The Parties further acknowledge that a Board Order approving, rejecting, or modifying this Stipulation shall 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.

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

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

SOUTH JERSEY GAS COMPANY

By: 

Dominick DiRocco, Esq.
VP, Rates & Regulatory Affairs

JENNIFER DAVENPORT
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Staff of the Board of Public Utilities

By: 

Jordan K. Mitchell, Esq.
Deputy Attorney General

BRIAN O. LIPMAN
DIRECTOR, DIVISION OF RATE COUNSEL

By: 

Michael Lombardi, Esq.
Assistant Deputy Rate Counsel

Dated: March 25, 2026

**South Jersey Gas Company
Remediation Adjustment Clause
Minimum Filing Requirements**

1. The Company currently provides a vendor summary as part of its annual RAC filing. This document provides a summary of the expenditures incurred by vendor by site for the twelve-month RAC period. Hereafter, the vendor summary will be supplemented with a general description of the services provided by each vendor. The data noting expenditures incurred through July 31st of each year will continue to be submitted with the Company's annual RAC filing.

2. Identify the three MGP sites with the highest level of expenditures during the prior RAC period. For each identified site, provide a copy of the latest work plan, remediation report, or major work product submitted to the NJDEP. The copies should include the narrative portion of the report or work plan but need not include the technical supporting work papers, charts and tables.

3. For each of the same three MGP sites, provide all correspondence between the Company and the NJDEP concerning submissions for the site, reply comments, and other major items which have a material impact on remediation activities and associated costs incurred by the Company. The correspondence should span the twelve-months preceding July 31st of the most recent RAC period.

4. For each of the same three MGP sites, provide expense documentation for any contractor or supplier whose invoices for the RAC period exceed \$250,000 in aggregate. The expense documentation should include descriptions of services rendered, applicable invoices, and any tracking of invoiced charges vs. budgets. The expense detail need not include expense reports or time sheets, but it should include supporting documentation for any subcontractor and third-party expenses totaling \$100,000 or more for the period.

5. For each of the same three MGP sites, provide a narrative description and organization chart for that site, showing the vendors and project control structure for the remediation effort. The response should show what entities supervise all significant contractors and subcontractors and which Company personnel are involved in site and remediation supervision and control.

6. Provide a detailed narrative describing Company activities and any reimbursements related to insurance claims or potentially responsible parties' liabilities for all the Company's MGP sites. The narrative, with supporting documentation, should cover the prior RAC period.

7. Provide copies of any RAC audit reports or related materials prepared by the Board's Audit Staff, FERC, or the Company's internal or external auditors during the previous twelve months. To the degree applicable, please also provide any materials prepared in response to the audits or in compliance with any audit findings.

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

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

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

**South Jersey Gas Company
Remediation Adjustment Clause
Minimum Filing Requirements**

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

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

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

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

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