



Agenda Date: 9/24/26

Agenda Item: 20

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	)	DECISION AND ORDER APPROVING
JERSEY GAS COMPANY TO REVISE THE	)	STIPULATION FOR PROVISIONAL
LEVEL OF ITS PERIODIC BASIC GAS SUPPLY	)	RATES
SERVICE RATE AND CONSERVATION	)	
INCENTIVE PROGRAM RATES FOR THE YEAR	)	
ENDING SEPTEMBER 30, 2027	)	DOCKET NO. GR26060276

Parties of Record:

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

BY THE BOARD:

On June 1, 2026, South Jersey Gas Company ("SJG" or "Company") filed a petition with the New Jersey Board of Public Utilities ("Board" or "BPU") seeking approval to: 1) decrease its periodic Basic Gas Supply Service ("Periodic BGSS" or "BGSS-P") charge; 2) increase its Balancing Service Clause ("BSC") rate associated with its Rider J – General Service ("BSC-GS"); 3) increase the level of its Opt-Out BSC rate and increase its Non Opt-Out BSC rate associated with its Rider I – Large Volume ("BSC-LV"); 4) increase its Monthly BGSS non-commodity rate; and 5) revise the levels of its Conservation Incentive Program ("CIP") rates for the period from October 1, 2026 through September 30, 2027 ("Petition"). By this Order, the Board considers a stipulation of settlement executed by SJG, Board Staff ("Staff"), and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, "Parties") requesting that the Board approve changes in the BGSS-P, BSC, and CIP rates on a provisional basis, subject to refund with interest ("Provisional Stipulation").

BACKGROUND

By Order dated January 6, 2003, the Board directed each of New Jersey's four (4) gas distribution companies ("GDC") to submit to the Board by June 1 each year, its annual BGSS gas cost filing for the BGSS year beginning October 1.¹ In addition, by the January 2003 BGSS Order, the Board authorized each GDC to self-implement up to a five percent (5%) BGSS rate increase

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., BPU Docket No. GX01050304, Order dated January 6, 2003 ("January 2003 BGSS Order").

effective December 1 of the current year and February 1 of the following year with one (1) month 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.

PETITION

BGSS

Pursuant to the January 2003 BGSS Order, on June 1, 2026, SJG filed the Petition requesting authority to decrease its per-therm BGSS-P rate from \$0.587455 to \$0.568586, effective October 1, 2026. According to SJG, the proposed rate changes translate to a decrease in annual Periodic BGSS recoveries of \$5.4 million and is primarily due to an overall lowered commodity cost of gas since the Company's December 31, 2025 filing with the Board of a notice of intent to self-implement a Periodic BGSS rate increase effective February 1, 2026 ("December 2025 Notice"). SJG further identified that commodity costs are projected to stay at relatively low levels throughout the period covered by the Petition. This was partially offset by an increase of \$20.8 million in the forecasted under-recovery at September 30, 2026.

The Company also proposed the following BGSS rates in the Petition:

- 1) the gas cost portion of the Company's D-2 charge for Rate Schedule Large Volume Service ("LVS") be set at \$19.037673 per thousand cubic feet ("Mcf");
- 2) the gas cost portion of the Firm D-2 charge for Rate Schedule Electric Generation Service – Large Volume ("EGS-LV") Firm be set at \$20.204254 per Mcf;
- 3) the Limited Firm D-2 charge for Rate Schedule EGS-LV be set at \$9.518837 per Mcf;
- 4) the D-2 charge for Rate Schedule Firm Electric Service ("FES") be set at \$12.240893 per Mcf;
- 5) the Monthly BGSS non-commodity rate applicable to all Rate Schedule General Service Gas ("GSG") sales customers having an annualized usage of 5,000 therms or more and to all sales customers served under Rate Schedules GSG-Large Volume ("GSG-LV"), EGS, LVS, EGS-LV, and Natural Gas Vehicle ("NGV") be set at \$0.299091 per therm;
- 6) the Rider "I" BSC-LV charges for Opt-Out be set at \$0.002531 per therm and Non-Opt-Out be set at \$0.133742 per therm; and
- 7) the Rider "J" BSC-GS charge be set at \$0.133742 per therm for Periodic BGSS customers, and
- 8) the Rider "J" BSC-GS charge be set at \$0.163531 per therm for Non-Periodic BGSS customers.

The Company provided a subsequent update, whereby SJG changed the proposed BGSS-P rate to \$0.536966 ("Update"). In addition, the BGSS Update resulted in the following updated proposed rates: 1) a gas cost portion of the Company's D-2 charge for Rate Schedule LVS of \$19.037673 per Mcf; 2) a gas cost portion of the Firm D-2 charge for Rate Schedule EGS-LV Firm of \$20.204254 per Mcf; 3) a Limited Firm D-2 charge for Rate Schedule EGS-LV of \$9.518837 per Mcf; 4) a D-2 charge for Rate Schedule FES of \$12.240893 per Mcf; and 5) a Monthly BGSS non-commodity rate of \$0.299727 per therm.

After considering the Update, the Company proposed that the following originally filed rates per therm be made effective October 1, 2026:

- Rider "I" BSC-LV charge for Opt-Out of \$0.002531;
- Rider "I" BSC-LV charge for Non-Opt-Out of \$0.133742;

- Rider “J” BSC-GS charge of \$0.133742 for Periodic BGSS Customers;
- Gas cost portion of the Company’s D-2 charge for Rate Schedule LVS of \$19.037673 per Mcf;
- Gas cost portion of the Firm D-2 charge for Rate Schedule EGS-LV Firm of \$20.204254 per Mcf;
- Limited Firm D-2 charge for Rate Schedule EGS-LV of \$9.518837 per Mcf; and
- D-2 charge for Rate Schedule FES of \$12.240893 per Mcf.

In addition, the Company proposed that the following rates included in the Update be made effective October 1, 2026:

- Periodic BGSS rate of \$0.536966;
- Rider “J” BSC-GS charge of \$0.164749 for Non-Periodic BGSS Customers; and
- Monthly BGSS non-commodity rate of \$0.299727 per therm.

These proposed rate changes will result in an increase in annual gas cost recoveries of approximately \$17.0 million, excluding taxes.

CIP

By the Petition, SJG proposed a single RSG CIP rate by combining the RSG Non-Heat and RSG Heat rates into a single RSG CIP rate, and also sought Board approval to implement the following per-therm CIP rates effective October 1, 2026:

- A rate of \$0.002833 for RSG customers;
- A credit rate of \$0.003646 for GSG customers; and
- A credit rate of \$0.008072 for GSG-LV customers.

The proposed rate changes, as updated, result in a decrease in annual CIP recoveries of \$31.4 million.

Following public notice published in newspapers of general circulation within SJG’s service territory, two (2) virtual public hearings for this Petition were held on August 25, 2026 at 4:30 p.m. and 5:30 p.m. No members of the public spoke at the public hearings or submitted written comments to the Board.

STIPULATION

Following an initial review and discussions, the Parties determined that additional time is needed to complete a comprehensive review of the Petition. Accordingly, the Parties executed the Provisional Stipulation, which provides, in part, as follows:²

23. The Parties agree that additional time is needed to complete a comprehensive review of the Petition. The Parties also agree that it would be reasonable for the Board to implement the proposed rates, on a provisional basis, subject to refund with interest, and subject to an opportunity for full review at the Office of Administrative Law (“OAL”), if necessary, and final approval by the Board.

² 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.

24. The Parties stipulate and agree that, pending the conclusion of further review and discussion, it would be both reasonable and in the public interest for the Board to authorize the following per-therm rates on a provisional basis and subject to refund with interest, effective October 1, 2026, or on such other date as the Board deems appropriate:
- Periodic BGSS rate of \$0.536966;
 - Monthly BGSS non-commodity rate of \$0.299727 per therm;
 - Rider "I" BSC-LV charge for Opt-Out of \$0.002531;
 - Rider "I" BSC-LV charge for Non-Opt-Out of 0.133742;
 - Rider "J" BSC-GS charge of \$0.133742 for Periodic BGSS customers;
 - Rider "J" BSC-GS charge of \$0.164749 for Non-Periodic BGSS customers;
 - Gas cost portion of the Company's D-2 charge for Rate Schedule LVS of \$19.037673 per Mcf;
 - Gas cost portion of the Firm D-2 charge for Rate Schedule EGS-LV Firm of \$20.204254 per Mcf;
 - Limited Firm D-2 charge for Rate Schedule EGS-LV of \$9.518837 per Mcf; and
 - D-2 charge for Rate Schedule FES of \$12.240893 per Mcf.
25. The proposed Periodic BGSS rate of \$0.536966 per therm will decrease the monthly bill of a residential heating customer using 100 therms by \$5.05, from \$203.74 to \$198.69, or 2.5%, as compared to rates in effect on July 1, 2026.
26. The proposed provisional BGSS rate changes translate to an increase in annual gas cost recoveries of \$17.0 million.
27. Additionally, the Parties stipulate and agree that, pending conclusion of further review and discussion, it would be both reasonable and in the public interest for the Board to authorize the following proposed CIP rates on a provisional basis: 1) a rate of \$0.002833 for RSG customers; 2) a credit rate of \$0.003646 for GSG customers; and 3) a credit rate of \$0.008072 for GSG-LV customers.
28. The Parties stipulate that these rate changes are subject to an opportunity for full review at the OAL if necessary, and final approval by the Board, and the stipulated rates are to be implemented subject to refund with interest.
29. As compared to rates in effect on July 1, 2026, the proposed change in CIP rate results in a decrease to the monthly bill of a residential heating customer using 100 therms of \$9.27 from \$203.74 to \$194.47 or 4.6%. The monthly impact on a residential non-heating customer using fifteen (15) therms is a decrease of \$2.89 from \$40.99 to \$38.10, or 7.1%. The monthly impact on a GSG customer using 500 therms is a decrease of \$26.69 from \$887.53 to \$860.84, or 3.0%. The monthly impact on a GSG-LV customer using 15,646 therms is a decrease of \$978.41 from \$20,562.46 to \$19,584.05, or 4.8%.
30. The proposed provisional CIP rate changes translate to a decrease in annual CIP-related recoveries of \$31.4 million.
31. The impact of the Company's combined proposals on the overall monthly bill of a residential heating customer using 100 therms is a decrease of \$7.80, or 3.8%, as compared to rates in effect on July 1, 2026, resulting from South Jersey's proposed: 1)

Periodic BGSS decrease of \$5.05, or 2.5%; 2) Rider "J" - BSC-GS – Periodic increase of \$6.52, or 3.2%; and 3) CIP decrease of \$9.27, or 4.5%.

32. Combining the annual BGSS recoveries increase of \$17.1 million with the annual CIP related recoveries decrease of \$31.4 million results in a combined provisional recoveries decrease of \$14.3 million.
33. The Company will submit tariff sheets in the form attached as Exhibit A to the Stipulation within five (5) days of the effective date of the Board's Order, should the Board approve the Stipulation.
34. The Company agrees to continue to provide electronically 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 Exhibit B); and 2) a monthly report showing the calculation of net gas per therm (also known as S-SCHART-2) (attached to the Stipulation as Exhibit C). The chart reflected on Exhibit B to 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 Exhibit C to the Stipulation is to be submitted to the Parties on approximately the 15th of the following month.
35. The Parties further acknowledge that, should a Board Order be entered approving the Stipulation, the 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.
36. The Parties recommend to the Board that this matter be transmitted to the OAL for an opportunity for full review of all issues, including the provisional rates if approved by the Board.

DISCUSSION AND FINDINGS

The Board, having carefully reviewed the record in this proceeding to date, including the Petition, the Update, and the Provisional Stipulation, **HEREBY FINDS** that the Provisional Stipulation is reasonable, in the public interest, and in accordance with the law.

Based on the Provisional Stipulation, the Board **HEREBY APPROVES** the following rates, on a provisional basis, subject to refund with interest, effective October 1, 2026:

- Periodic BGSS rate of \$0.536966;
- Monthly BGSS non-commodity rate of \$0.299727 per therm;
- Rider "I" BSC-LV charge for Opt-Out of \$0.002531;
- Rider "I" BSC-LV charge for Non-Opt-Out of \$0.133742;
- Rider "J" BSC-GS charge of \$0.133742 for Periodic BGSS customers;
- Rider "J" BSC-GS charge of \$0.164749 for Non-Periodic BGSS customers;
- Gas cost portion of the Company's D-2 charge for Rate Schedule LVS of \$19.037673 per Mcf;
- Gas cost portion of the Firm D-2 charge for Rate Schedule EGS-LV Firm of \$20.204254 per Mcf;
- Limited Firm D-2 charge for Rate Schedule EGS-LV of \$9.518837 per Mcf; and
- D-2 charge for Rate Schedule FES of \$12.240893 per Mcf.

- The following CIP rates:
 - a rate of \$0.002833 for RSG customers;
 - a credit rate of \$0.003646 for GSG customers; and
 - a credit rate of \$0.008072 for GSG-LV customers.

Based upon the Provisional Stipulation, the overall monthly bill of a residential heating customer using 100 therms will decrease by \$7.80.

The Board **HEREBY DIRECTS** SJG to file tariffs consistent with the Board's Order prior to October 1, 2026.

The Company's costs, including those related to BGSS, BSC, and CIP, remain subject to audit. This Decision and Order shall not preclude or prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

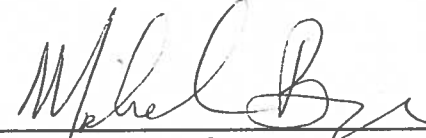
This Order shall be effective September 24, 2026.

DATED: September 24, 2026

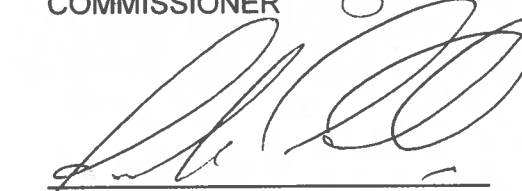
BOARD OF PUBLIC UTILITIES
BY:


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PRESIDENT


CHRISTINE GUHL-SADOVY
COMMISSIONER


MICHAEL BANGE
COMMISSIONER


EMMA REBHORN
COMMISSIONER


JOSEPH COVIELLO
COMMISSIONER

ATTEST:


SHERRI L. LEWIS
BOARD SECRETARY

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

IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY TO REVISE THE LEVEL OF ITS
PERIODIC BASIC GAS SUPPLY SERVICE RATE AND CONSERVATION INCENTIVE PROGRAM RATES FOR
THE YEAR ENDING SEPTEMBER 30, 2027

BPU DOCKET NO. GR26060276

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August 31, 2026

Sherri Lewis
Secretary of the Board
NJ Board of Public Utilities
44 South Clinton Avenue
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**RE: In the Matter of the Petition of South Jersey Gas Company to Revise the Level of Its Periodic Basic Gas Supply Service Rate and Conservation Incentive Program Rates for the Year Ending September 30, 2027
BPU Docket No. GR26060276**

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 September 23, 2026 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".

Dominick DiRocco

DD/caj
Enclosure

cc: Service List

**IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY
TO REVISE THE LEVEL OF ITS PERIODIC BASIC GAS SUPPLY SERVICE RATE AND
CONSERVATION INCENTIVE PROGRAM RATES FOR THE YEAR ENDING
SEPTEMBER 30, 2027**

BPU DOCKET NO. GR26060276

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

IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY TO REVISE THE LEVEL OF ITS PERIODIC BASIC GAS SUPPLY SERVICE RATE AND CONSERVATION INCENTIVE PROGRAM RATES FOR THE YEAR ENDING SEPTEMBER 30, 2027	X	BPU Docket No. GR26060276 STIPULATION REGARDING PROVISIONAL BGSS AND CIP RATES
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APPEARANCES:

Dominick DiRocco, Esq., Vice President, Rates & Regulatory Affairs, SJJ Utilities Inc. for Petitioner, South Jersey Gas Company.

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

Elizabeth Van Winkle, 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 BOARD OF PUBLIC UTILITIES:

I. PROCEDURAL HISTORY

1. On June 1, 2026, South Jersey Gas Company (“South Jersey” or “Company”) filed a petition, in Docket No. GR26060276, with the New Jersey Board of Public Utilities (“Board” or “BPU”) seeking authority to: 1) decrease the level of its Periodic Basic Gas Supply Service (“Periodic BGSS”) charge; 2) increase the level of its Balancing Service Clause (“BSC”) charge associated with Rider “J” - General Service (“BSC-GS”); 3) increase the level of its Opt-Out BSC charge associated with Rider “I” – Large Volume (“BSC-LV”); 4) increase the level of its Non-Opt-Out BSC charge associated with Rider “I” – BSC-LV; 5) increase its Monthly BGSS non-commodity rate; 6) decrease the levels of its Conservation Incentive Program (“CIP”) charges for Residential (“RSG”) Heat and (“RSG”) Non-Heating, General Service (“GSG”), and General Service - Large Volume (“GSG-LV”) customers for the period October 1, 2026 through September 30, 2027 (“2026-27 BGSS/CIP Year”)

(“Petition”). The Company also proposed to establish a separate rate for BSC-GS customers to which Rider “J” BSC charges apply, including customers who pay D-2 Demand charges, Monthly BGSS customers, and all transportation customers under Rate Schedules GSG, GSG-LV, Electric Generation Service (“EGS”) and Natural Gas Vehicle (“NGV”) (“Non-Periodic BGSS Customers”). For purposes of this Stipulation, Periodic BGSS Customers includes customers who pay the Periodic BGSS charge and all transportation customers under Rate Schedule RSG. Additionally, the Company proposed a single RSG CIP rate by combining the RSG Non-Heating and RSG Heating rates into a single RSG rate.

2. By the Petition, the Company proposed to decrease the current level of its Periodic BGSS charge of \$0.587455 per therm to \$0.568586 per therm, a decrease of \$0.018869 per therm for the 2026-27 BGSS/CIP Year.¹ This change in the Periodic BGSS rate would decrease the monthly bill of a residential heating customer using 100 therms by \$1.89, from \$203.74 to \$201.85, or 0.9%, as compared to rates in effect as of May 1, 2026.

3. The Company also proposed the following BGSS rates in the Petition: 1) the gas cost portion of the Company’s D-2 charge for Rate Schedule Large Volume Service (“LVS”) be set at \$19.037673 per Mcf; 2) the gas cost portion of the Firm D-2 charge for Rate Schedule Electric Generation Service – Large Volume (“EGS-LV”) Firm be set at \$20.204254 per Mcf; 3) the Limited Firm D-2 charge for Rate Schedule EGS-LV be set at \$9.518837 per Mcf; 4) the D-2 charge for Rate Schedule Firm Electric Service (“FES”) be set at \$12.240893 per Mcf; 5) the Monthly BGSS non-commodity rate applicable to all Rate Schedule GSG sales customers having an annualized usage of 5,000 therms or more and to all sales customers served under Rate Schedules GSG-LV, EGS, LVS, EGS-LV, and NGV be set at \$0.299091 per therm; 6) the Rider “I” BSC-LV charges for Opt-Out be

¹ All rates quoted herein include applicable taxes.

set at \$0.002531 per therm and Non-Opt-Out be set at \$0.133742 per therm; and 7) the Rider “J” BSC-GS charge be set at \$0.133742 per therm for Periodic BGSS customers, and 8) the Rider “J” BSC-GS charge be set at \$0.163531 per therm for Non-Periodic BGSS customers.²

4. The proposed rate changes in the Petition would result in an increase in annual gas cost recoveries of approximately \$26.0 million, excluding taxes.

5. Since the Company filed the Petition, NYMEX pricing decreased significantly from the NYMEX strip pricing as of May 7, 2026 included in the Petition and Eastern Gas Transmission and Storage (“Eastern Gas”), an interstate pipeline system operator whose infrastructure South Jersey uses to transport natural gas, filed a rate case with the Federal Energy Regulatory Commission (“FERC”) on June 24, 2026³. The Company subsequently provided updated information to include (1) actual data for May and June 2026; (2) NYMEX strip pricing as of July 10, 2026; (3) forecasted increased demand charges for Eastern Gas, proposed to be implemented effective January 1, 2027; and (4) updates to certain other proposed rates (“BGSS Update”).

6. As a result of the BGSS Update, the proposed Periodic BGSS rate was updated from \$0.568586 per therm in the Petition to \$0.536966 per therm, reflecting a decrease of \$0.050489 per therm. Based upon the lower Periodic BGSS rate per the BGSS Update, the monthly bill of a residential heating customer using 100 therms would decrease by \$5.05, from \$203.74 to \$198.69, or 2.5%, as compared to rates in effect on July 1, 2026.

7. In addition, the BGSS Update resulted in the following updated proposed rates: 1) a gas cost portion of the Company’s D-2 charge for Rate Schedule LVS of \$19.037673 per Mcf; 2) a gas cost portion of the Firm D-2 charge for Rate Schedule EGS-LV Firm of \$20.204254 per Mcf; 3) a Limited Firm D-2 charge for Rate Schedule EGS-LV of \$9.518837 per Mcf; 4) a D-2 charge for Rate

² Measurement of natural gas equivalent to 1,000 cubic feet.

³ Eastern Gas Transmission and Storage Inc., Petition, FERC Docket No. RP26-932-000, June 24, 2026

Schedule FES of \$12.240893 per Mcf; and 5) a Monthly BGSS non-commodity rate of \$0.299727 per therm.

8. After considering the BGSS Update, the Company proposes that the following originally filed rates per therm be made effective October 1, 2026:

- Rider “I” BSC-LV charge for Opt-Out of \$0.002531;
- Rider “I” BSC-LV charge for Non-Opt-Out of 0.133742; and
- Rider “J” BSC-GS charge of \$0.133742 for Periodic BGSS Customers;
- Gas cost portion of the Company’s D-2 charge for Rate Schedule LVS of \$19.037673 per Mcf;
- Gas cost portion of the Firm D-2 charge for Rate Schedule EGS-LV Firm of \$20.204254 per Mcf;
- Limited Firm D-2 charge for Rate Schedule EGS-LV of \$9.518837 per Mcf; and
- D-2 charge for Rate Schedule FES of \$12.240893 per Mcf.

In addition, the Company proposes that the following updated rates, per the BGSS Update, be made effective October 1, 2026:

- Periodic BGSS rate of \$0.536966;
- Rider “J” BSC-GS charge of \$0.164749 for Non-Periodic BGSS Customers; and
- Monthly BGSS non-commodity rate of \$0.299727 per therm.

9. These proposed rate changes will result in an increase in annual gas cost recoveries of approximately \$17.0 million, excluding taxes.

10. By the Petition, South Jersey proposed a single RSG CIP rate by combining the RSG Non-Heat and RSG Heat rates into a single RSG CIP rate and sought Board approval to implement the following per-therm CIP rates effective October 1, 2026:

- A rate of \$0.002833 for RSG customers;

- A credit rate of \$0.003646 for GSG customers; and
- A credit rate of \$0.008072 for GSG-LV customers.

11. As proposed, compared to rates in effect as of May 1, 2026, the requested CIP rate change would result in a monthly bill decrease of \$9.27, from \$203.74 to \$194.47, or 4.5%, for a residential heating customer using 100 therms. The monthly bill impact on a residential non-heating customer using fifteen (15) therms is a decrease of \$2.89, from \$40.99 to \$38.10, or 7.1%. The proposed monthly bill impact on a GSG customer using 500 therms is a decrease of \$26.69, from \$887.53 to \$860.84, or 3.0%. The proposed monthly bill impact on a GSG-LV customer using 15,646 therms is a decrease of \$978.40 from \$20,562.46 to \$19,584.06, or 4.8%.

12. These proposed CIP rate changes translate to a decrease in annual CIP recoveries of \$31.4 million.

13. Pursuant to the Board's October 12, 2006 and January 21, 2010 Orders, any non-weather-related CIP surcharges are required to be offset by reductions in BGSS costs.⁴ In addition, pursuant to the Board's May 21, 2014 Order approving the continuation of the CIP, CIP non-weather-related margin recoveries are subject to a Modified BGSS Savings Test in which only seventy-five percent (75%) of non-weather-related CIP surcharges are required to be offset by BGSS Savings. Under the Modified BGSS Savings Test, three (3) categories of BGSS Savings are allowed: 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 (1) year; and 3) savings associated with avoided capacity costs to meet residential customer growth.⁵

14. The May 2014 CIP Order also established a Variable Margin Revenue Test under which

⁴ In re the Petition of South Jersey Gas Company for Authority to Implement a Conservation and Usage Adjustment, BPU Docket No. GR05121019, Orders dated October 12, 2006 and January 21, 2010.

⁵ In re the Petition of New Jersey Natural Gas Company and South Jersey Gas Company for Authority to Continue the Conservation Incentive Program, BPU Docket No. GR13030185, Order dated May 21, 2014 ("May 2014 CIP Order").

recoverable non-weather-related CIP amounts shall not exceed 6.5% of aggregated variable margin revenues for the twelve (12)-month period which ended on June 30, 2021. Pursuant to Board Order dated April 7, 2021, the recoverable non-weather-related CIP amounts shall not exceed four percent (4.0%) of the aggregate variable margin revenues under the Variable Margin Revenue Test for the period July 1, 2021 through June 30, 2022.⁶

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

16. According to the Petition, the non-weather-related deficient margin is \$5.4 million. This amount was determined by subtracting the weather-related excess component of \$9.0 million from the total CIP excess of \$3.6 million. Additionally, there is prior year carry-forward of \$5.7 million from the 20254-26 CIP year. The Petition provides that South Jersey will seek to recover \$11.0 million of non-weather-related margin through the CIP in the 2026-27 BGSS/CIP Year, while returning a weather-related CIP excess of \$9.0 million.

17. By the Petition, the Company asserted that: 1) its permanent BGSS savings realized from the permanent capacity releases or contract terminations (Category One of the Modified BGSS Savings Test) totals \$2.2 million; 2) reductions of capacity on a long-term basis (Category Two of the Modified BGSS Savings Test) totals \$16.8 million; and 3) BGSS savings realized from avoided

⁶ In re the Implementation of P.L. 2018, c. 17 Regarding the Establishment of Energy Efficiency and Peak Demand Reduction Programs and In re the Petition of South Jersey Gas Company for Approval of New Energy Efficiency Programs and Associated Cost Recovery Pursuant to the Clean Energy Act, BPU Docket Nos. QO19010040 and QO020090618, Order dated April 7, 2021.

capacity costs to meet residential customer growth (Category Three of the Modified BGSS Savings Test) total \$0.7 million. Therefore, the total BGSS savings for the 2026-27 BGSS/CIP Year is \$19.7 million. Since the non-weather-related CIP amount is margin deficiency to the Company, the Modified BGSS Savings Test and the Variable Margin Revenue Test are applicable. South Jersey's calculations of the test results show that \$5.4 million non-weather-related deficiency from the current year passes both the Modified BGSS Savings Test and the Variable Margin Revenue test. In addition, the prior year carryforward amount of \$5.6 million applicable only to the Modified BGSS Savings test also passes that test. Application of the dual pronged test results in the inclusion of \$11.0 million of the non-weather-related margin proposed to be recovered in the current filing.

18. Pursuant to the Board's May 2014 CIP Order, the Company agreed to provide quarterly reports to Board Staff ("Staff") and the New Jersey Division of Rate Counsel ("Rate Counsel") documenting expenditures for these programs, and the Company has done so for over sixteen (16) years.

19. 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 ("ROE Test"). Under this provision, the CIP may not contribute toward earnings in excess of fifty (50) basis points of the Company's most recently approved ROE. For the 2026-27 BGSS/CIP Year, this ROE limitation is 10.10% which equates to the ROE of 9.60% approved in the Company's most recent base rate case in BPU Docket No. GR22040253 plus fifty (50) basis points. In Exhibit A to the Petition, the Company projected that, after recovery of the CIP margin revenues, the Company's ROE for the period October 1, 2025 through September 30, 2026 will not exceed 10.10%. As a result, the Company asserted that the ROE Test will not act as a limitation on South Jersey's recovery through the CIP for the forthcoming 2026-27 BGSS/CIP Year.

20. The charts below demonstrate the impact of the updated Periodic BGSS rate, the originally proposed Rider J BSC-GS rate applicable to Periodic Customers and the originally proposed CIP rate applicable to RSG customers on the bill of a residential heating customer using 100 therms in a month, and 1,000 therms annually, as compared to a bill calculated based on rates in effect on July 1, 2026.

100 Monthly Therms	Current Bill	Proposed Bill	Change (\$)	Change (%)
BGSS	\$203.74	\$198.69	(\$5.05)	(2.5%)
Rider “J” BSC - Periodic	\$203.74	\$210.26	\$6.52	3.2%
CIP	\$203.74	\$194.47	(\$9.27)	(4.5%)
Combined	\$203.74	\$195.94	(\$7.80)	(3.8%)

1,000 Annual Therms	Current Bill	Proposed Bill	Change (\$)	Change (%)
BGSS	\$2,058.42	\$2,007.93	(\$50.49)	(2.5%)
Rider “J” BSC - Periodic	\$2,058.42	\$2,123.58	\$65.16	3.2%
CIP	\$2,058.42	\$1,965.68	(\$92.74)	(4.5%)
Combined	\$2,058.42	\$1,980.35	(\$78.07)	(3.8%)

21. Following public notice published in newspapers of general circulation within South Jersey’s service territory, two (2) virtual public hearings for this Petition were held on August 25, 2026 at 4:30 PM and 5:30 PM. No members of the public spoke at the public hearings or submitted written comments.

22. In accordance with the Board’s Generic BGSS Order, New Jersey’s four (4) gas distribution companies are to submit to the Board, by June 1, their annual BGSS gas cost filings for the BGSS year beginning in October.⁷ In addition, the Company may seek to implement provisional

⁷ In re the Matter of the Provision of Basic Gas Supply Service Pursuant to the Electric Discount and Energy Competition Act N.J.S.A 48:3-49 et. seq. Order Approving the BGSS Price Structure, BPU Docket No. GX01050304, Order dated January 6, 2003 (“January 2003 Order”).

increases in its BGSS rate of up to five percent (5%) to be effective December 1, 2026 and February 1, 2027, if the Company determines that such increases are necessary to avoid a BGSS under-recovered balance as of September 30, 2027. The self-implementing increases, if sought, would be provisional and subject to a notice requirement and a 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. Pursuant to the January 2003 Order, these provisions are outlined in the Company's Tariff.

II. STIPULATED TERMS

Based upon and subject to the terms and conditions set forth herein, the Parties stipulate and agree as follows:

23. South Jersey, Staff and Rate Counsel (collectively, "Parties") agree that additional time is needed to complete a comprehensive review of the Petition. The Parties also agree that it would be reasonable for the Board to implement the proposed rates, on a provisional basis, subject to refund with interest, and subject to an opportunity for full review at the Office of Administrative Law ("OAL"), if necessary, and final approval by the Board.

24. The Parties stipulate and agree that, pending the conclusion of further review and discussion, it would be both reasonable and in the public interest for the Board to authorize the following per-therm rates on a provisional basis and subject to refund with interest, effective October 1, 2026, or on such other date as the Board deems appropriate:

- Periodic BGSS rate of \$0.536966;
- Monthly BGSS non-commodity rate of \$0.299727 per therm;
- Rider "I" BSC-LV charge for Opt-Out of \$0.002531;
- Rider "I" BSC-LV charge for Non-Opt-Out of 0.133742;
- Rider "J" BSC-GS charge of \$0.133742 for Periodic BGSS customers;

- Rider “J” BSC-GS charge of \$0.164749 for Non-Periodic BGSS customers;
- Gas cost portion of the Company’s D-2 charge for Rate Schedule LVS of \$19.037673 per Mcf;
- Gas cost portion of the Firm D-2 charge for Rate Schedule EGS-LV Firm of \$20.204254 per Mcf;
- Limited Firm D-2 charge for Rate Schedule EGS-LV of \$9.518837 per Mcf; and
- D-2 charge for Rate Schedule FES of \$12.240893 per Mcf.

25. The proposed Periodic BGSS rate of \$0.536966 per therm will decrease the monthly bill of a residential heating customer using 100 therms by \$5.05, from \$203.74 to \$198.69, or 2.5%, as compared to rates in effect on July 1, 2026.

26. The proposed provisional BGSS rate changes translate to an increase in annual gas cost recoveries of \$17.0 million.

27. Additionally, the Parties stipulate and agree that, pending conclusion of further review and discussion, it would be both reasonable and in the public interest for the Board to authorize the following proposed CIP rates on a provisional basis: 1) a rate of \$0.002833 for RSG customers; 2) a credit rate of \$0.003646 for GSG customers; and 3) a credit rate of \$0.008072 for GSG-LV customers.

28. The Parties stipulate that these rate changes are subject to an opportunity for full review at the OAL if necessary, and final approval by the Board, and the stipulated rates are to be implemented subject to refund with interest.

29. As compared to rates in effect on July 1, 2026, the proposed change in CIP rate results in a decrease to the monthly bill of a residential heating customer using 100 therms of \$9.27 from \$203.74 to \$194.47 or 4.6%. The monthly impact on a residential non-heating customer using fifteen (15) therms is a decrease of \$2.89 from \$40.99 to \$38.10, or 7.1%. The monthly impact on a GSG customer using 500 therms is a decrease of \$26.69 from \$887.53 to \$860.84, or 3.0%. The monthly

impact on a GSG-LV customer using 15,646 therms is a decrease of \$978.41 from \$20,562.46 to \$19,584.05, or 4.8%.

30. The proposed provisional CIP rate changes translate to a decrease in annual CIP-related recoveries of \$31.4 million.

31. The impact of the Company's combined proposals on the overall monthly bill of a residential heating customer using 100 therms is a decrease of \$7.80, or 3.8%, as compared to rates in effect on July 1, 2026, resulting from South Jersey's proposed: 1) Periodic BGSS decrease of \$5.05, or 2.5%; 2) Rider "J" - BSC-GS – Periodic increase of \$6.52, or 3.2%; and 3) CIP decrease of \$9.27, or 4.5%.

32. Combining the annual BGSS recoveries increase of \$17.1 million with the annual CIP-related recoveries decrease of \$31.4 million results in a combined provisional recoveries decrease of \$14.3 million.

33. The Company will submit tariff sheets in the form attached as Exhibit A to this Stipulation of Settlement ("Stipulation") within five (5) days of the effective date of the Board's Order, should the Board approve this Stipulation.

34. The Company agrees to continue to provide electronically 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 Exhibit B); and 2) a monthly report showing the calculation of net gas per therm (also known as S-SCHART-2) (attached hereto as Exhibit C). The chart reflected on Exhibit 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 Exhibit C is to be submitted to the Parties on approximately the 15th of the following month.

35. The Parties further acknowledge that, should a Board Order be entered approving this Stipulation, 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.

36. The Parties recommend to the Board that this matter be transmitted to the OAL for an opportunity for full review of all issues, including the provisional rates if approved by the Board.

III. MISCELLANEOUS

37. 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.

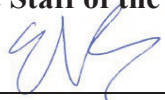
38. It is specifically understood and agreed that this Stipulation represents a negotiated interim agreement and has been made exclusively for the purpose of this proceeding. Except as expressly provided herein, South Jersey, Staff and Rate Counsel shall not be deemed to have approved, agreed to, or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

39. 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
SJI Utilities, Inc.

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

By: 
Elizabeth Van Winkle
Deputy Attorney General

**BRIAN O. LIPMAN
DIRECTOR, DIVISION OF RATE COUNSEL**

By: 
Michael Lombardi, Esq.
Deputy Rate Counsel

Dated: August 31, 2026

SOUTH JERSEY GAS COMPANY**B.P.U.N.J. No. 14 - GAS****Thirteenth Revised Sheet No. 6
Superseding Twelfth Revised Sheet No. 6****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: \$10.502563 per month

Delivery Charge:

(a) Residential Non-Heating Customers
Firm Sales Service and Firm Transportation Service \$1.~~445010~~-317356 per therm

(b) Residential Heating Customers
Firm Sales Service and Firm Transportation Service \$1.~~344933~~-317356 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.
Infrastructure Investment Program	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "B" 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,
B. Schomber, 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. 14 - GAS

Thirteenth Revised Sheet No. 10
Superseding Twelfth 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:

\$40.496175 per month

Delivery Charges:

Firm Sales Service - Periodic BGSS and Firm Transportation Service	\$1.406610-118398 per therm
<u>Firm Sales Service – Monthly BGSS</u>	<u>\$1.149405 per therm</u>
<u>Firm Transportation Service – Monthly</u>	<u>\$1.149405 per therm</u>

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.
Infrastructure Investment Program	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "B" 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.

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

Issued _____
by South Jersey Gas Company,
B. Schomber, 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. 14 - GAS****Thirteenth Revised Sheet No. 14
Superseding Twelfth 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:**

\$264.003500 per month

Delivery Charges:

Firm Sales Service and Firm Transportation Service⁽²⁾

Demand Charge:

D-1FT: \$14.199998 per Mcf of Contract Demand

Volumetric Charge:

\$~~.711210~~ .744842 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,
B. Schomber, 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. 14 - GAS

Sixth Revised Sheet No. 24
Superseding Fifth 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 ~~\$0.6858301~~ \$0.33742 per Dt, including taxes. The Company will not have the right to waive this six month notice requirement.

Issued _____
by South Jersey Gas Company,
B. Schomber, 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. 14 - GAS****Twelfth Revised Sheet No. 25
Superseding Eleventh 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:**

\$1,225.003963 per month

Delivery Charge:**Firm Sales Service and Firm Transportation Service**

Demand Charge:

D-1FT: \$22.000043 per Mcf of Contract Demand

Volumetric Charge:

\$.259085 per therm

Basic Gas Supply Service ("BGSS") Charge:

Demand Charge:

D-2: \$~~16.494513~~19.037673 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,
B. Schomber, President

Effective with service rendered
on and after May 1, 2026

Filed pursuant to Order in Docket No. _____ of the Board of
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SOUTH JERSEY GAS COMPANY**B.P.U.N.J. No. 14 - GAS****Sixth Revised Sheet No. 30
Superseding Fifth 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 ~~\$0.6858301~~ \$1.33742 per Dt, including taxes. The Company will not have the right to waive this six month notice requirement.

Issued _____
by South Jersey Gas Company,
B. Schomber, President

Effective with service rendered
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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 14 - GAS

Twelfth Revised Sheet No. 31
Superseding Eleventh Revised Sheet No. 31

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 ~~\$8.247257~~ 12.240893 per Mcf of Daily Billing Determinant or \$0 for Firm Transportation

customers

Volumetric Charge:

- C-1: \$.188858 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 ~~\$8.247257~~ 12.240893 per Mcf of Daily Billing Determinant or \$0 for Firm Transportation

customers

Volumetric Charge:

- C-1: \$.188858 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

B.P.U.N.J. No. 14 - GAS

Thirteenth Revised Sheet No. 38
Superseding Twelfth 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:

\$10.502563 per month

Residential Delivery Charge

Residential Volumetric Charge:

~~\$.456517~~ \$.521676 per therm

Commercial and Industrial Customer Charge:

\$91.996050 per month

Commercial and Industrial Delivery Charge:

Commercial and Industrial Demand Charge:

D-1 Charge:

\$9.750003 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

~~\$.443385~~ per \$539551 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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Filed pursuant to Order in Docket No. _____ of the Board of
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SOUTH JERSEY GAS COMPANY**B.P.U.N.J. No. 14 - GAS****Thirteenth Revised Sheet No. 39
Superseding Twelfth Revised Sheet No. 39****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

\$~~411397~~507563 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.
Infrastructure Investment Program	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "B" of this Tariff.
Societal Benefits Clause:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "E" 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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by South Jersey Gas Company,
B. Schomber, President

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on and after _____

Filed pursuant to Order in Docket No. _____ of the Board of
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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 14 - GAS

Thirteenth Revised Sheet No. 43
Superseding Twelfth 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:

\$874.996738 per month

FIRM:

Demand Charges: ⁽²⁾

D-1 \$29.441185 per Mcf of Firm Daily Contract Demand.
D-2 ~~\$16.575946~~20.204254 per Mcf of Firm Daily Contract Demand or \$0 for Firm Transportation customers.

Volumetric Charge:

C-1: \$.189707 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 ~~\$8.2472579~~5.18837 per Mcf of Limited Firm Daily Contract Demand or \$0 for Limited Firm Transportation customers

Volumetric Charge: ⁽²⁾

C-1: \$.188858 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

Minimum Bill: Monthly D-2 charge, irrespective of use.

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

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

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B. Schomber, President

Effective with service rendered
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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 14 - GAS

Sixth Revised Sheet No. 48
Superseding Fifth 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 ~~\$0.685830~~ 1.33742 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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B. Schomber, President

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 14 - GAS

Fifty-Fourth Revised Sheet No. 65
Superseding Fifty-Third Revised Sheet No. 65RIDER "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
Twentieth		

APPLICABLE RATES:

Periodic BGSS Subrider (Effective April 29, 2026):

<u>Rate Schedule</u>	<u>BGSS Rate Before Taxes (per therm)</u>	<u>BGSS Rate With Taxes (per therm)</u>
RSG	\$0. 550954 <u>503602</u>	\$0. 587455 <u>536966</u>
GSG (under 5,000 therms)	\$0. 550954 <u>503602</u>	\$0. 587455 <u>536966</u>

Monthly BGSS Subrider (Effective August 1, 2026):

<u>Rate Schedule</u>	<u>BGSS Rate Before Taxes (per therm)</u>	<u>BGSS Rate With Taxes (per therm)</u>
LVS C-2	\$0.401824	\$0.428445
FES	\$0.238698	\$0.254512
EGS	\$0.450990	\$0.480868
EGS-LV Firm C-2	\$0.401581	\$0.428186
EGS-LV Limited Firm C-2	\$0.426407	\$0.454656
GSG-LV	\$0.450990	\$0.480868
GSG (5,000 therms or greater)	\$0.450990	\$0.480868
NGV	\$0.450990	\$0.480868

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.

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B. Schomber, President

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 14 - GAS

Seventh Revised Sheet No. 68
Superseding Sixth Revised Sheet No. 68RIDER "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:

D-2 Deduction	
Rate Schedule	Including Taxes
LVS	<u>\$.052423060506</u>
EGS-LV Firm	<u>\$.052682064214</u>
EGS-LV Limited Firm	<u>\$.026212030253</u>

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 14 - GAS

Seventh Revised Sheet No. 86
Superseding Sixth Revised Sheet No. 86RIDER "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.~~002427~~002531 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.~~068583~~133742 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:

- "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.
- 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

B.P.U.N.J. No. 14 - GAS

Seventh Revised Sheet No. 92
Superseding Sixth 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: \$.133742 per therm for all gas delivered under the applicable rate schedules to the Periodic BGSS Subrider of Rider A and RSG Firm Transportation customers;

BS-1: \$.164749 per therm for all gas delivered under the applicable rate schedules subject to the Monthly BGSS Subrider of Rider A and all transportation customers under the Rate Schedules subject to this Rider "J", 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

B.P.U.N.J. No. 14 - GAS

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 RIDER LMV
 CONSER(ATION INCENTI(E PROGRAM)LCIPV:

APP“ ICAB“ E TO”

Rate Schedule RSG - Residential Service
 Rate Schedule GSG - General Service
 Rate Schedule GSG-LV - General Service – Large Volume

- (a) This Rider “M” shall be known as the Conservation Incentive Program (“CIP”). It shall be utilized to adjust the Company’s revenues in cases wherein Actual Usage per Customer experienced during an Annual Period varies from the Baseline Usage per Customer (“BUC”). This adjustment will be effectuated through a credit or surcharge applied to customers' bills during the Adjustment Period. The credit or surcharge will also be adjusted to reflect prior year under recoveries or over recoveries pursuant to this CIP.
- (b) The BUC in therms for each Customer Class Group by month is as follows:

	Group-I” RSG	Group-II” RSG	Group-III” GSG	Group-I(” GSG-“(
Moged	Nog-Hnl eigw	Hnl eigw		
Oct.	13.6	33.2	181.9	9,871.9
Nov.	22.9	72.0	338.5	19,424.5
Dec.	27.5	118.2	524.2	17,494.6
Jan.	35.7	150.2	693.4	32,153.1
Feb.	38.0	123.0	577.8	21,291.2
Mar.	25.1	97.7	491.6	22,463.0
Apr.	16.5	50.4	286.9	15,655.6
May	13.9	29.0	190.8	9,494.2
Jun.	9.7	13.4	112.0	5,206.3
Jul.	10.3	13.6	110.18	4,652.4
Aug.	9.3	15.5	123.3	6,225.3
Sep.	<u>11.4</u>	<u>14.5</u>	<u>108.7</u>	<u>5,874.5</u>
Total	233.9	730.7	3,739.2	169,806.6
Annual				

The BUC shall be reset each time new base rates are placed into effect as the result of a base rate case proceeding.

- (c) At the end of the Annual Period, a calculation shall be made that determines for each Customer Class Group the deficiency (“Deficiency”) or excess (“Excess”) to be surcharged or credited to customers pursuant to the CIP

Ittuns _____
 amSoued JnrtnmGl t Co, pl gnF
 B. Sbdo, anrFPrntis nge

Eccnbeivn y ied tnrvibn rngs nrns
 og l gs l cernr _____

hifns purtul ge eo Ors nr ig Dobkne No. _____ oc edn Bol rs oc
 Pua fib Ueifient FSel en oc Nny JnrtnnfS l ens _____

SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 14 - GAS

Eighth Revised Sheet No. 102
Superseding Seventh Revised Sheet No. 102RIDER "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 therms 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 Non-Heating	Group II: RSG Heating-RSG	Group III: GSG	Group IV: GSG-LV
CIP Factors Per Therm	—\$0.183490	\$0.089631002	(\$0.046635003 419)	(\$0.0510780075 70)
Applicable NJ Sales Tax Factor	—1.066250	1.066250	1.066250	1.066250
CIP Factors Per Therm with NJ Sales Tax	<u>\$0.195646</u>	<u>\$0.095562900283</u> 3	<u>(\$0.049725003</u> 646)	<u>(\$0.0544620080</u> 72)

- (g) Cost recovery under the CIP is contingent on an earnings test. If the product of the earnings test calculation exceeds the Company's most recently approved ROE by fifty (50) basis points or more, cost recovery under the CIP shall not be allowed.

The Company's rate of return on common equity shall be calculated by dividing the Company's regulated jurisdictional net income for the annual period by the Company's average jurisdictional common equity balance for such annual period. The average jurisdictional common equity balance will be derived by multiplying the average of the Company's beginning and ending net rate base for the annual period by the Board-approved equity ratio in the Company's most recent rate case. The Company's regulated jurisdictional net income shall be calculated by subtracting from total net income the CIP booked margin revenue accruals and 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; and (6) the Energy Efficiency Tracker.

- (h) As used in this Rider "M", the following terms shall have the meanings ascribed to them herein:

Issued _____
by South Jersey Gas Company,
B. Schomber, 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. 14 - GAS

First Revised Sheet No. 103
Superseding Original Sheet No. 103RIDER "M"
CONSERVATION INCENTIVE PROGRAM (CIP)
(Continued)

- (i) **Actual Number of Customers** – the Actual Number of Customers ("ANC") shall be determined on a monthly basis for each of the Customer Class Groups to which the CIP Clause applies. The ANC shall equal the aggregate actual booked number of customers for the month as recorded on the Company's books, plus any Incremental Large Customer Count Adjustment for the Customer Class Group.
- (ii) **Actual Usage per Customer** – the Actual Usage per Customer ("AUC") shall be determined in terms on a monthly basis for each of the Customer Class Groups to which the CIP applies. The AUC shall equal the aggregate actual booked sales for the month as recorded on the Company's books divided by the Actual Number of Customers for the corresponding month.
- (iii) **Adjustment Period** – shall be the year beginning immediately following the conclusion of the Annual Period.
- (iv) **Annual Period** – shall be the twelve consecutive months from October 1 of one calendar year through September 30 of the following calendar year.
- (v) **Baseline Usage per Customer** – the Baseline Usage per Customer ("BUC") shall be the average normalized consumption per customer by month derived from the Company's most recent base rate case, and stated in terms on a monthly basis for each Customer Class Group to which the CIP applies. The BUC shall be rounded to the nearest one tenth of one therm.
- (vi) **Customer Class Group** – For purposes of determining and applying the CIP, customers shall be aggregated into four separate recovery class groups. The Customer Class Groups shall be as follows:

Group I:	RSG (non heating customers only)
Group II:	RSG <u>customers</u> (heating customers only)
Group III:	GSG customers
Group IV:	GSG-LV customers
- (vii) **Forecast Annual Usage** – the Forecast Annual Usage ("FAU") shall be the projected total annual throughput for all customers within the applicable Customer Class Group. The FAU shall be estimated based on normal weather.
- (viii) **Incremental Large Customer Count Adjustment** – the Company shall maintain a list of incremental commercial and industrial customers added to its system on or after September 1, 2017 whose connected load is greater than that typical for the Company's average commercial and industrial customer in the GSG or GSG-LV rate schedules. For purposes of the CIP, large incremental customers shall be those GSG customers whose connected load exceeds 1,200 cubic feet per hour ("CFH") and those GSG-LV customers whose connected load exceeds 50,000 CFH. A new customer at an existing location previously connected to the Company's facilities shall not be considered an incremental customer. The Actual Number of Customers for the Customer Class Group shall be adjusted to reflect the impact of all such incremental commercial or industrial customers. Specifically, the Incremental Large Customer Count Adjustment for the GSG customer class for the applicable month shall equal the aggregate connected load for all new active customers that exceed the 1,200 CFH threshold divided by 600 CFH,

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 14 - GAS

Fourth Revised Sheet No. 104
Superseding Third Revised Sheet No. 104RIDER "M"
CONSERVATION INCENTIVE PROGRAM (CIP)
(Continued)

rounded to the nearest whole number. Similarly, the Incremental Large Customer Count Adjustment for the GSG-LV customer class for the applicable month shall equal the aggregate connected load for all new active customers that exceed the 50,000 CFH threshold divided by 25,000 CFH, rounded to the nearest whole number.

- (ix) **Margin Revenue Factor** – the Margin Revenue Factor ("MRF") shall be the base rate plus the IIP Rate, as reflected in Appendix A to this Tariff, applicable to the Customer Class Groups to which the CIP applies, net of any applicable Riders, excluding taxes. The MRFs by Customer Class Group are as follows:

Group I (RSG non heating):	\$0.929372 per therm
Group II (RSG heating):	\$0.929372 per therm
Group III (GSG):	\$0.748853 per therm
Group IV (GSG-LV):	\$0.373577 per therm

- (i) The annual filing for the adjustment to the CIP rate shall be concurrent with the annual filing for BGSS. The CIP factor shall be credited/collected on a per therm basis within the Delivery Charge for all service classifications stated above. The level of BGSS savings referenced in Special Provision (d) to this Rider "M" shall be identified in the annual CIP filing, and serve as an offset to the non-weather related portion of the CIP charge provided in Special Provision (g) to this Rider "M". The Periodic and Monthly BGSS rates identified in Rider "A" to this tariff shall include the BGSS savings, as applicable.

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

Page 1

RESIDENTIAL GAS SERVICE (RSG) - NONHEAT CUSTOMER

	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<u>CUSTOMER CHARGE</u>		9.850000		0.652563	10.502563
<u>DELIVERY CHARGE (per therm):</u>					
Base Rate		0.897170		0.059438	0.956608
IIP	B	0.032202	0.000000	0.002133	0.034335
TIC	C	0.000919	0.000000	0.000061	0.000980
SBC:					
RAC	E, G	0.057425	0.000000	0.003804	0.061229
CLEP	E, K	0.036824	0.000000	0.002440	0.039264
USF	E	<u>0.024500</u>	<u>0.000000</u>	<u>0.001700</u>	<u>0.026200</u>
Total SBC		0.118749	0.000000	0.007944	0.126693
CIP	M	0.002657	0.000000	0.000176	0.002833
EET	N	0.058302	0.000000	0.003863	0.062165
Balancing Service Charge BS-1 - Periodic BGSS	J	0.125432	0.000000	0.008310	0.133742
Balancing Service Charge BUY-OUT PRICE (Applicable to Transportation Customers Only)	J				Rate Set Monthly
TOTAL DELIVERY CHARGE		1.235431	0.000000	0.081925	1.317356
<u>BGSS: (Applicable To Sales Customers Only)</u>	A	0.503602	0.000000	0.033364	0.536966

SOUTH JERSEY GAS COMPANY
Schedule of Rate Components
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RESIDENTIAL GAS SERVICE (RSG) - HEAT CUSTOMER

	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<u>CUSTOMER CHARGE</u>		9.850000		0.652563	10.502563
<u>DELIVERY CHARGE (per therm):</u>					
Base Rate		0.897170		0.059438	0.956608
IIP	B	0.032202	0.000000	0.002133	0.034335
TIC	C	0.000919	0.000000	0.000061	0.000980
SBC:					
RAC	E, G	0.057425	0.000000	0.003804	0.061229
CLEP	E, K	0.036824	0.000000	0.002440	0.039264
USF	E	<u>0.024500</u>	<u>0.000000</u>	<u>0.001700</u>	<u>0.026200</u>
Total SBC		0.118749	0.000000	0.007944	0.126693
CIP	M	0.002657	0.000000	0.000176	0.002833
EET	N	0.058302	0.000000	0.003863	0.062165
Balancing Service Charge BS-1 - Periodic BGSS	J	0.125432	0.000000	0.008310	0.133742
Balancing Service Charge BUY-OUT PRICE (Applicable to Transportation Customers Only)	J				Rate Set Monthly
TOTAL DELIVERY CHARGE		1.235431	0.000000	0.081925	1.317356
<u>BGSS: (Applicable To Sales Customers Only)</u>	A	0.503602	0.000000	0.033364	0.536966

SOUTH JERSEY GAS COMPANY
Schedule of Rate Components
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GENERAL SERVICE (GSG)					
	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
CUSTOMER CHARGE		37.980000		2.516175	40.496175
DELIVERY CHARGE (per therm):					
Base Rate		0.723187		0.047911	0.771098
IIP	B	0.025666	0.000000	0.001700	0.027366
TIC	C	0.000919	0.000000	0.000061	0.000980
SBC:					
RAC	E, G	0.057425	0.000000	0.003804	0.061229
CLEP	E, K	0.036824	0.000000	0.002440	0.039264
USF	E	<u>0.024500</u>	<u>0.000000</u>	<u>0.001700</u>	<u>0.026200</u>
Total SBC		0.118749	0.000000	0.007944	0.126693
CIP	M	(0.003419)	0.000000	(0.000227)	(0.003646)
EET	N	0.058302	0.000000	0.003863	0.062165
Balancing Service Charge BS-1 - Periodic BGSS	J	0.125432	0.000000	0.008310	0.133742
Balancing Service Charge BS-1 - Non-Periodic BGSS*	J	0.154513	0.000000	0.010236	0.164749
Balancing Service Charge BUY-OUT PRICE (Applicable to Transportation Customers Only)	J				Rate Set Monthly
TOTAL SALES DELIVERY CHARGE - Periodic BGSS		1.048836	0.000000	0.069562	1.118398
TOTAL SALES DELIVERY CHARGE - Monthly BGSS		1.077917	0.000000	0.071488	1.149405
TOTAL TRANSPORTATION DELIVERY CHARGE		1.077917	0.000000	0.071488	1.149405
BGSS: (Applicable To Sales Customers Only using less than 5,000 therms annually)	A	0.503602	0.000000	0.033364	0.536966
BGSS: (Applicable To Sales Customers Only using 5,000 therms annually or greater)	A				RATE SET MONTHLY

* Non-Periodic BGSS customers are defined as those customers for which all gas delivered under the applicable rate schedules is subject to the Monthly BGSS Subriders of Rider "A" and all transportation customers under Rate Schedules GSG, GSG-LV, EGS and NGV to which Rider "J" applies.

SOUTH JERSEY GAS COMPANY
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GENERAL SERVICE-LV (GSG-LV)

	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
CUSTOMER CHARGE		247.600000		16.403500	264.003500
D-1 Demand Charge (Mcf)		13.317700		0.882298	14.199998
DELIVERY CHARGE (per therm):					
Base Rate		0.359109		0.023791	0.382900
IIP	B	0.014468	0.000000	0.000959	0.015427
TIC	C	0.000919	0.000000	0.000061	0.000980
SBC:					
RAC	E, G	0.057425	0.000000	0.003804	0.061229
CLEP	E, K	0.036824	0.000000	0.002440	0.039264
USF	E	<u>0.024500</u>	<u>0.000000</u>	<u>0.001700</u>	<u>0.026200</u>
Total SBC		0.118749	0.000000	0.007944	0.126693
CIP	M	(0.007570)	0.000000	(0.000502)	(0.008072)
EET	N	0.058302	0.000000	0.003863	0.062165
Balancing Service Charge BS-1 - Non-Periodic BGSS*	J	0.154513	0.000000	0.010236	0.164749
Balancing Service Charge BUY-OUT PRICE (Applicable to Transportation Customers Only)	J				Rate Set Monthly
TOTAL DELIVERY CHARGE		0.698490	0.000000	0.046352	0.744842

BGSS: (Applicable Sales Customers Only)

A

RATE SET MONTHLY

* Non-Periodic BGSS customers are defined as those customers for which all gas delivered under the applicable rate schedules is subject to the Monthly BGSS Subriders of Rider "A" and all transportation customers under Rate Schedules GSG, GSG-LV, EGS and NGV to which Rider "J" applies.

SOUTH JERSEY GAS COMPANY
Schedule of Rate Components
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COMPREHENSIVE TRANSPORTATION SERVICE (CTS)

	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
FIRM					
<u>CUSTOMER CHARGE</u>		820.630000		54.366738	874.996738
<u>D-1 Demand Charge (Mcf)</u>		34.701100		2.298948	37.000048
<u>DELIVERY CHARGE (per therm):</u>					
Base Rate		0.091136		0.006038	0.097174
IIP	B	0.008950	0.000000	0.000593	0.009543
SBC:					
RAC	E, G	0.057425	0.000000	0.003804	0.061229
CLEP	E, K	0.036824	0.000000	0.002440	0.039264
USF	E	<u>0.024500</u>	<u>0.000000</u>	<u>0.001700</u>	<u>0.026200</u>
Total SBC		0.118749	0.000000	0.007944	0.126693
EET	N	0.058302	0.000000	0.003863	0.062165
Total Delivery Charge		0.277137	0.000000	0.018438	0.295575
Balancing Service Charge BS-1	I	0.125432	0.000000	0.008310	0.133742
Balancing Service Charge BS-1 (Opt Out Provision)	I	0.002374	0.000000	0.000157	0.002531
BUY-OUT PRICE					RATE SET MONTHLY
LIMITED FIRM					
<u>CUSTOMER CHARGE</u>		500.000000		33.125000	533.125000
<u>DELIVERY CHARGE (per therm):</u>					
Base Rate		0.058400		0.003900	0.062300
SBC:					
RAC	E, G	0.057425	0.000000	0.003804	0.061229
CLEP	E, K	0.036824	0.000000	0.002440	0.039264
USF	E	<u>0.024500</u>	<u>0.000000</u>	<u>0.001700</u>	<u>0.026200</u>
Total SBC		0.118749	0.000000	0.007944	0.126693
EET	N	0.058302	0.000000	0.003863	0.062165
Total Delivery Charge		0.235451	0.000000	0.015707	0.251158
Balancing Service Charge BS-1	I	0.125432	0.000000	0.008310	0.133742
Balancing Service Charge BS-1 (Opt Out Provision)	I	0.002374	0.000000	0.000157	0.002531
BUY-OUT PRICE					RATE SET MONTHLY

SOUTH JERSEY GAS COMPANY
Schedule of Rate Components
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LARGE VOLUME SERVICE (LVS)

	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<u>FIRM</u>					
<u>CUSTOMER CHARGE</u>		1,148.890000		76.113963	1,225.003963
<u>D-1 Demand Charge (Mcf)</u>		20.633100		1.366943	22.000043
<u>D-2 DEMAND BGSS(Applicable to Sales Customers Only)</u>	A	17.854793	0.000000	1.182880	19.037673
<u>DELIVERY CHARGE (per therm):</u>					
Base Rate		0.061199		0.004054	0.065253
IIP	B	0.004665	0.000000	0.000309	0.004974
SBC:					
RAC	E, G	0.057425	0.000000	0.003804	0.061229
CLEP	E, K	0.036824	0.000000	0.002440	0.039264
USF	E	<u>0.024500</u>	<u>0.000000</u>	<u>0.001700</u>	<u>0.026200</u>
Total SBC		0.118749	0.000000	0.007944	0.126693
EET	N	0.058302	0.000000	0.003863	0.062165
Total Delivery Charge		0.242915	0.000000	0.016170	0.259085
Balancing Service Charge BS-1	I	0.125432	0.000000	0.008310	0.133742
Balancing Service Charge BS-1 (Opt Out Provision) (Applicable to Transportation Customers Only)	I	0.002374	0.000000	0.000157	0.002531
Balancing Service Charge CASH OUT CHARGE (CREDIT) (Applicable Transportation Customers Only)	I				RATE SET MONTHLY
<u>BGSS: (Applicable Sales Customers Only)</u>	A				RATE SET MONTHLY
<u>LIMITED FIRM</u>					
<u>CUSTOMER CHARGE</u>		500.000000		33.125000	533.125000
<u>DELIVERY CHARGE (per therm):</u>					
Base Rate		0.148587		0.009844	0.158431
IIP	B	0.004665	0.000000	0.000309	0.004974
SBC:					
RAC	E, G	0.057425	0.000000	0.003804	0.061229
CLEP	E, K	0.036824	0.000000	0.002440	0.039264
USF	E	<u>0.024500</u>	<u>0.000000</u>	<u>0.001700</u>	<u>0.026200</u>
Total SBC		0.118749	0.000000	0.007944	0.126693
EET	N	0.058302	0.000000	0.003863	0.062165
Total Delivery Charge		0.330303	0.000000	0.021960	0.352263
Balancing Service Charge BS-1	I	0.125432	0.000000	0.008310	0.133742
Balancing Service Charge BS-1 (Opt Out Provision) (Applicable to Transportation Customers Only)	I	0.002374	0.000000	0.000157	0.002531
BUY-OUT PRICE	I				RATE SET MONTHLY

SOUTH JERSEY GAS COMPANY
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FIRM ELECTRIC SALES (FES)**WINTER****D-1 DEMAND (MCF) (Rate is negotiated. Shown here is the benchmark rate.)**

	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
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		2.897200		0.191900	3.089100
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D-2 DEMAND BGSS(MCF) (Applicable to Sales Customers Only)

A	11.480322	0.000000	0.760571	12.240893
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DELIVERY CHARGE (per therm):

SBC:

RAC
CLEP
USF

E, G	0.057425	0.000000	0.003804	0.061229
E, K	0.036824	0.000000	0.002440	0.039264
E	<u>0.024500</u>	<u>0.000000</u>	<u>0.001700</u>	<u>0.026200</u>

Total SBC

	0.118749	0.000000	0.007944	0.126693
--	----------	----------	----------	----------

EET

N	0.058302	0.000000	0.003863	0.062165
---	----------	----------	----------	----------

Total Delivery Charge

	0.177051	0.000000	0.011807	0.188858
--	----------	----------	----------	-----------------

C-3 All Therms (Rate is negotiated. Shown here is the benchmark rate.)

	0.162900		0.010800	0.173700
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C-4 Escalator Rate (To be determined as prescribed in the Company's Tariff)**RATE SET MONTHLY**

Balancing Service Charge CASH OUT CHARGE (CREDIT) (Applicable to Firm Transportatin Customers Only)

I				RATE SET MONTHLY
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BGSS: (Applicable To Sales Customers Only)

A				RATE SET MONTHLY
---	--	--	--	------------------

SUMMER**D-1 DEMAND (MCF) (Rate is negotiated. Shown here is the benchmark rate.)**

	2.897200		0.191900	3.089100
--	----------	--	----------	-----------------

D-2 DEMAND BGSS(MCF) (Applicable to Sales Customers Only)

A	11.480322	0.000000	0.760571	12.240893
---	-----------	----------	----------	------------------

SBC:

RAC
CLEP
USF

E, G	0.057425	0.000000	0.003804	0.061229
E, K	0.036824	0.000000	0.002440	0.039264
E	0.024500	0.000000	0.001700	0.026200

EET

N	0.058302	0.000000	0.003863	0.062165
---	----------	----------	----------	----------

Total Delivery Charge

	0.177051	0.000000	0.011807	0.188858
--	----------	----------	----------	-----------------

C-3 All Therms (Rate is negotiated. Shown here is the benchmark rate.)

	0.162900		0.010800	0.173700
--	----------	--	----------	-----------------

C-4 Escalator Rate (To be determined as prescribed in the Company's Tariff)**RATE SET MONTHLY**

Balancing Service Charge CASH OUT CHARGE (CREDIT) (Applicable to Firm Transportatin Customers Only)

I				RATE SET MONTHLY
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BGSS: (Applicable To Sales Customers Only)

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

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ELECTRIC GENERATION SERVICE (EGS) - RESIDENTIAL

	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<u>CUSTOMER CHARGE</u>		9.850000		0.652563	10.502563
<u>DELIVERY CHARGE (per therm):</u>					
Base Rate		0.180446		0.011955	0.192401
IIP	B	0.006260	0.000000	0.000415	0.006675
SBC:					
RAC	E, G	0.057425	0.000000	0.003804	0.061229
CLEP	E, K	0.036824	0.000000	0.002440	0.039264
USF	E	<u>0.024500</u>	<u>0.000000</u>	<u>0.001700</u>	<u>0.026200</u>
Total SBC		0.118749	0.000000	0.007944	0.126693
EET	N	0.058302	0.000000	0.003863	0.062165
Balancing Service Charge BS-1 - Periodic BGSS	J	0.125432	0.000000	0.008310	0.133742
TOTAL DELIVERY CHARGE		0.489189	0.000000	0.032487	0.521676
<u>BGSS: (Applicable To Sales Customers Only)</u>	A	0.503602	0.000000	0.033364	0.536966

SOUTH JERSEY GAS COMPANY
Schedule of Rate Components
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<u>ELECTRIC GENERATION SERVICE (EGS) - COMMERCIAL/INDUSTRIAL</u>					
	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<u>CUSTOMER CHARGE</u>		86.280000		5.716050	91.996050
<u>D-1 DEMAND (MCF)</u>		9.144200		0.605803	9.750003
<u>DELIVERY CHARGE (per therm):</u>					
Base Rate - Winter Season (Nov - Mar)		0.168130		0.011139	0.179269
Base Rate - Summer Season (Apr - Oct)		0.138130		0.009151	0.147281
IIP	B	0.006260	0.000000	0.000415	0.006675
SBC:					
RAC	E, G	0.057425	0.000000	0.003804	0.061229
CLEP	E, K	0.036824	0.000000	0.002440	0.039264
USF	E	<u>0.024500</u>	<u>0.000000</u>	<u>0.001700</u>	<u>0.026200</u>
Total SBC		0.118749	0.000000	0.007944	0.126693
EET	N	0.058302	0.000000	0.003863	0.062165
Balancing Service Charge BS-1 - Non-Periodic BGSS*	J	0.154513	0.000000	0.010236	0.164749
Total Delivery Charge - Winter Season		0.505954	0.000000	0.033597	0.539551
Total Delivery Charge - Summer Season		0.475954	0.000000	0.031609	0.507563
<u>BGSS: (Applicable To Sales Customers Only)</u>	A				RATE SET MONTHLY

* Non-Periodic BGSS customers are defined as those customers for which all gas delivered under the applicable rate schedules is subject to the Monthly BGSS Subriders of Rider "A" and all transportation customers under Rate Schedules GSG, GSG-LV, EGS and NGV to which Rider "J" applies.

SOUTH JERSEY GAS COMPANY
Schedule of Rate Components
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ELECTRIC GENERATION SERVICE-LV (EGS-LV)

	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
FIRM					
CUSTOMER CHARGE		820.630000		54.366738	874.996738
D-1 DEMAND (MCF) (Rate is negotiated. Shown here is the benchmark rate.)		27.611897		1.829288	29.441185
D-2 DEMAND BGSS (MCF) (Applicable to Sales Customers Only)	A	18.948890	0.000000	1.255364	20.204254
DELIVERY CHARGE (per therm):					
IIP	B	0.000796	0.000000	0.000053	0.000849
SBC:					
RAC	E, G	0.057425	0.000000	0.003804	0.061229
CLEP	E, K	0.036824	0.000000	0.002440	0.039264
USF	E	<u>0.024500</u>	<u>0.000000</u>	<u>0.001700</u>	<u>0.026200</u>
		0.118749	0.000000	0.007944	0.126693
EET	N	0.058302	0.000000	0.003863	0.062165
Total Delivery Charge		0.177847	0.000000	0.011860	0.189707
Balancing Service Charge BS-1	I	0.125432	0.000000	0.008310	0.133742
Balancing Service Charge BS-1 (Opt Out Provision)	I	0.002374	0.000000	0.000157	0.002531
Balancing Service Charge CASH OUT CHARGE (CREDIT) (Applicable to Firm Transportatin Customers Onl	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	8.927397	0.000000	0.591440	9.518837
DELIVERY CHARGE (per therm):					
SBC:					
RAC	E, K	0.057425	0.000000	0.003804	0.061229
CLEP	E, G	0.036824	0.000000	0.002440	0.039264
USF	E	<u>0.024500</u>	<u>0.000000</u>	<u>0.001700</u>	<u>0.026200</u>
		0.118749	0.000000	0.007944	0.126693
EET	N	0.058302	0.000000	0.003863	0.062165
Total Delivery Charge		0.177051	0.000000	0.011807	0.188858
C-3 (Rate is negotiated. Shown here is the benchmark rate.)		0.162900		0.010800	0.173700
Balancing Service Charge BS-1	I	0.125432	0.000000	0.008310	0.133742
Balancing Service Charge BS-1 (Opt Out Provision)	I	0.002374	0.000000	0.000157	0.002531
Balancing Service Charge CASH OUT CHARGE (CREDIT) (Applicable to Firm Transportatin Customers Onl	I				RATE SET MONTHLY
BGSS: (Applicable To Sales Customers Only)	A				RATE SET MONTHLY

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

<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		16.021480		1.061423	17.082903
<u>STREET LIGHTING SERVICE (SLS)</u>					
MONTHLY CHARGE / INSTALL		19.228041		1.273858	20.501899
<u>INTERRUPTIBLE GAS SALES (IGS)</u>					
Commodity					Rate Set Monthly
SBC:					
RAC	E, K	0.057425	0.000000	0.003804	0.061229
USF	E	0.024500	0.000000	0.001700	0.026200
Total SBC:		0.081925	0.000000	0.005504	0.087429
EET	N	0.058302	0.000000	0.003863	0.062165

SOUTH JERSEY GAS COMPANY
Schedule of Rate Components
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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>
<u>CUSTOMER CHARGE</u>		500.000000		33.125000	533.125000
<u>TRANSPORTATION CHARGE A</u>		0.078400		0.005200	0.083600
SBC:					
RAC	E, K	0.057425	0.000000	0.003804	0.061229
CLEP	E, G	0.036824	0.000000	0.002440	0.039264
USF	E	<u>0.024500</u>	<u>0.000000</u>	<u>0.001700</u>	<u>0.026200</u>
Total SBC:		0.118749	0.000000	0.007944	0.126693
EET	N	0.058302	0.000000	0.003863	0.062165
<u>TRANSPORTATION CHARGE B</u>		0.143200		0.009500	0.152700
SBC:					
RAC	E, K	0.057425	0.000000	0.003804	0.061229
CLEP	E, G	0.036824	0.000000	0.002440	0.039264
USF	E	<u>0.024500</u>	<u>0.000000</u>	<u>0.001700</u>	<u>0.026200</u>
Total SBC:		0.118749	0.000000	0.007944	0.126693
EET	N	0.058302	0.000000	0.003863	0.062165
<u>TRANSPORTATION CHARGE C</u>		0.203200		0.013500	0.216700
SBC:					
RAC	E, K	0.057425	0.000000	0.003804	0.061229
CLEP	E, G	0.036824	0.000000	0.002440	0.039264
USF	E	<u>0.024500</u>	<u>0.000000</u>	<u>0.001700</u>	<u>0.026200</u>
Total SBC:		0.118749	0.000000	0.007944	0.126693
EET	N	0.058302	0.000000	0.003863	0.062165

SOUTH JERSEY GAS COMPANY
Schedule of Rate Components
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NATURAL GAS VEHICLE (NGV)					
		<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
COMPANY OPERATED FUELING STATIONS					
DELIVERY CHARGE (per therm):					
IIP	B	0.011143	0.000000	0.000738	0.011881
SBC					
RAC	E, K	0.057425	0.000000	0.003804	0.061229
CLEP	E, G	0.036824	0.000000	0.002440	0.039264
USF	E	<u>0.024500</u>	<u>0.000000</u>	<u>0.001700</u>	<u>0.026200</u>
Total SBC:		0.118749	0.000000	0.007944	0.126693
EET	N	0.058302	0.000000	0.003863	0.062165
Total Delivery Charge		0.188194	0.000000	0.012545	0.200739
DISTRIBUTION CHARGE		0.241844	0.000000	0.0160220	0.257866
COMPRESSION CHARGE		0.656506	0.000000	0.043494	0.700000
Balancing Service Charge BS-1	I	0.125432	0.000000	0.008310	0.133742
Balancing Service Charge BS-1 (Opt Out Provision) (Applicable for Transportation Customers Only)	I	0.002374	0.000000	0.000157	0.002531
Balancing Service Charge BS-1 - Non-Periodic BGSS*	J	0.154513	0.000000	0.010236	0.164749
BGSS: (Applicable To Sales Customers Only)	A				RATE SET MONTHLY
CUSTOMER OPERATED FUELING STATIONS					
CUSTOMER CHARGE					
0 - 999 CF/hour		37.500000		2.484400	39.984400
1,000 - 4,999 CF/hour		75.000000		4.968800	79.968800
5,000 - 24,999 CF/hour		241.970000		16.030500	258.000500
25,000 or Greater CF/hour		925.000000		61.281250	986.281250
DELIVERY CHARGE (per therm):					
IIP	B	0.011143	0.000000	0.000738	0.011881
SBC					
RAC	E, K	0.057425	0.000000	0.003804	0.061229
CLEP	E, G	0.036824	0.000000	0.002440	0.039264
USF	E	<u>0.024500</u>	<u>0.000000</u>	<u>0.001700</u>	<u>0.026200</u>
Total SBC:		0.118749	0.000000	0.007944	0.126693
EET	N	0.058302	0.000000	0.003863	0.062165
Total Delivery Charge		0.188194	0.000000	0.012545	0.200739
DISTRIBUTION CHARGE		0.241844	0.000000	0.016022	0.257866
Balancing Service Charge BS-1	I	0.125432	0.000000	0.008310	0.133742
Balancing Service Charge BS-1 (Opt Out Provision) (Applicable for Transportation Customers Only)	I	0.002374	0.000000	0.000157	0.002531
Balancing Service Charge BS-1 - Non-Periodic BGSS*	J	0.154513	0.000000	0.010236	0.164749
BGSS: (Applicable To Sales Customers Only)	A				RATE SET MONTHLY
Facilities Charge (Applicable only to Customers that elect the Company construct Compressed Natural Gas ("CNG") fueling Facilities located on Customer's property)		0.276150		0.018295	0.294445

* Non-Periodic BGSS customers are defined as those customers for which all gas delivered under the applicable rate schedules is subject to the Monthly BGSS Subriders of Rider "A" and all transportation customers under Rate Schedules GSG, GSG-LV, EGS and NGV to which Rider "J" applies.

SOUTH JERSEY GAS COMPANY
Appendix A - Effective

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Heat Residential Rate Schedule:

	<i>RSG FSS</i>	<i>RSG-FTS</i>	<i>Difference</i>
BGSS	0.536966	0.000000	0.536966
Base Rate	0.956608	0.956608	0.000000
IIP	0.034335	0.034335	0.000000
CLEP	0.039264	0.039264	0.000000
RAC	0.061229	0.061229	0.000000
CIP	0.002833	0.002833	0.000000
USF	0.026200	0.026200	0.000000
TIC	0.000980	0.000980	0.000000
EET	0.062165	0.062165	0.000000
BSC "J" BS-1	0.133742	0.133742	0.000000
Price to Compare	1.854322	1.317356	0.536966

NonHeat Residential Rate Schedule:

	<i>RSG FSS</i>	<i>RSG-FTS</i>	<i>Difference</i>
BGSS	0.536966	0.000000	0.536966
CIP	0.002833	0.002833	0.000000
Base Rate	0.956608	0.956608	0.000000
IIP	0.034335	0.034335	0.000000
CLEP	0.039264	0.039264	0.000000
RAC	0.061229	0.061229	0.000000
USF	0.026200	0.026200	0.000000
TIC	0.000980	0.000980	0.000000
EET	0.062165	0.062165	0.000000
BSC "J" BS-1	0.133742	0.133742	0.000000
Price to Compare	1.854322	1.317356	0.536966

GSG
(Under 5,000 therms annually)

	<i>GSG FSS</i>	<i>GSG-FTS</i>	<i>Difference</i>
BGSS	0.536966	0.000000	0.536966
CIP	(0.003646)	(0.003646)	0.000000
Base Rates	0.771098	0.771098	0.000000
IIP	0.027366	0.027366	0.000000
CLEP	0.039264	0.039264	0.000000
RAC	0.061229	0.061229	0.000000
USF	0.026200	0.026200	0.000000
TIC	0.000980	0.000980	0.000000
EET	0.062165	0.062165	0.000000
BSC "J" BS-1	0.133742	0.133742	0.000000
Price to Compare	1.655364	1.118398	0.536966

GSG
(5,000 therms annually or greater)

	<i>GSG FSS</i>	<i>GSG-FTS</i>	<i>Difference</i>
BGSS	0.480868	0.000000	0.480868
CIP	(0.003646)	(0.003646)	0.000000
Base Rates	0.771098	0.771098	0.000000
IIP	0.027366	0.027366	0.000000
CLEP	0.039264	0.039264	0.000000
RAC	0.061229	0.061229	0.000000
USF	0.026200	0.026200	0.000000
TIC	0.000980	0.000980	0.000000
EET	0.062165	0.062165	0.000000
BSC "J" BS-1	0.133742	0.133742	0.000000
Price to Compare	1.599266	1.118398	0.480868

GSG-LV*Prior to 7/15/97*

	<i>GSG-LV FSS</i>	<i>GSG-LV-FTS</i>	<i>Difference</i>
BGSS	0.480868	0.000000	0.480868
CIP	(0.008072)	(0.008072)	0.000000
Base Rates	0.382900	0.382900	0.000000
IIP	0.015427	0.015427	0.000000
CLEP	0.039264	0.039264	0.000000
RAC	0.061229	0.061229	0.000000
USF	0.026200	0.026200	0.000000
TIC	0.000980	0.000980	0.000000
EET	0.062165	0.062165	0.000000
BSC "J" BS-1	0.000000	0.000000	0.000000
Price to Compare	1.060961	0.580093	0.480868

SOUTH JERSEY GAS COMPANY
S-SCHART-1
BGSS NYMEX Update Report
as of July 10, 2026

	<i>a</i>	<i>b</i>	<i>c = b - a</i>		<i>d</i>	<i>e</i>	<i>f = d - e</i>	<i>g = c x f</i>
<u>Month</u>	<u>BGSS</u>	<u>NYMEX</u>	<u>Incr/</u>	<u>% Chg</u>	<u>Sales</u>	<u>Hedged</u>	<u>Unhedged</u>	<u>Change in</u>
	<u>FORECAST</u>	<u>7/10/2026</u>	<u>(Decr)</u>		<u>forecast (dths)</u>	<u>volume (dths)</u>	<u>volume (dths)</u>	<u>value unhedged</u>
Oct-25	\$ 3.108	\$ 2.835	\$ (0.273)		1,217,579	640,000	577,579	\$ (157,679)
Nov-25	\$ 3.008	\$ 3.376	\$ 0.368		3,152,317	1,420,759	1,731,558	\$ 637,213
Dec-25	\$ 4.424	\$ 4.424	\$ -		4,996,038	2,785,335	2,210,703	\$ -
Jan-26	\$ 4.113	\$ 4.687	\$ 0.574		6,261,026	3,648,235	2,612,791	\$ 1,499,742
Feb-26	\$ 3.809	\$ 7.460	\$ 3.651		5,481,691	3,590,176	1,891,515	\$ 6,905,922
Mar-26	\$ 3.399	\$ 2.969	\$ (0.430)		4,233,088	2,181,555	2,051,533	\$ (882,159)
Apr-26	\$ 3.379	\$ 3.095	\$ (0.284)		2,078,249	940,000	1,138,249	\$ (323,263)
May-26	\$ 2.559	\$ 2.559	\$ -		1,015,849	540,000	475,849	\$ -
Jun-26	\$ 2.769	\$ 3.040	\$ 0.271		693,565	540,000	153,565	\$ 41,616
Jul-26	\$ 3.023	\$ 3.231	\$ 0.208		665,415	540,000	125,415	\$ 26,086
Aug-26	\$ 3.092	\$ 2.940	\$ (0.152)		665,695	540,000	125,695	\$ (19,106)
Sep-26	\$ 3.071	\$ 2.895	\$ (0.176)		658,369	540,000	118,369	\$ (20,833)
Avg Total \$	\$ 3.313	\$ 3.626	\$ 0.313	9.5%	31,118,883	17,906,060	13,212,823	\$ 7,707,541
Oct-26	\$ 3.137	\$ 2.924	\$ (0.213)		1,274,581	620,000	654,581	\$ (139,426)
Nov-26	\$ 3.443	\$ 3.132	\$ (0.311)		3,185,504	1,318,759	1,866,745	\$ (580,558)
Dec-26	\$ 4.173	\$ 3.788	\$ (0.385)		5,040,977	2,539,335	2,501,642	\$ (963,132)
Jan-27	\$ 4.612	\$ 4.233	\$ (0.379)		6,375,435	3,353,235	3,022,200	\$ (1,145,414)
Feb-27	\$ 4.135	\$ 3.815	\$ (0.320)		5,567,099	3,145,176	2,421,923	\$ (775,015)
Mar-27	\$ 3.197	\$ 3.004	\$ (0.193)		4,226,842	1,913,724	2,313,117	\$ (446,432)
Apr-27	\$ 2.941	\$ 2.816	\$ (0.125)		2,210,362	600,000	1,610,362	\$ (201,295)
May-27	\$ 2.921	\$ 2.800	\$ (0.121)		1,068,329	420,000	648,329	\$ (78,448)
Jun-27	\$ 3.067	\$ 2.932	\$ (0.135)		663,346	390,000	273,346	\$ (36,902)
Jul-27	\$ 3.282	\$ 3.139	\$ (0.143)		673,166	360,000	313,166	\$ (44,783)
Aug-27	\$ 3.334	\$ 3.198	\$ (0.136)		673,294	330,000	343,294	\$ (46,688)
Sep-27	\$ 3.311	\$ 3.171	\$ (0.140)		667,965	300,000	367,965	\$ (51,515)
Avg Total \$	\$ 3.463	\$ 3.246	\$ (0.217)	-6.3%	31,626,900	15,290,229	16,336,671	\$ (4,509,607)

Footnotes:

Projected NYMEX prices shown for May 2026 - September 2027 are from the Company's annual periodic BGSS rate filing - June 1, 2026 Docket No. GR26060276 (NYMEX as of 5/07/26). Projected NYMEX prices shown for December 2025 - April 2026 reflect those presented SJG's Notice of Intent to Exercise Self-Implementing Rate Increase Effective February 1, 2026, filed on December 31, 2025 (NYMEX as of 12/12/25). Projected NYMEX prices shown for November 2025 reflect those presented SJG's Notice of Intent to Exercise Self-Implementing Rate Increase Effective December 1, 2025, filed on October 31, 2025 (NYMEX as of 10/17/25). Projected NYMEX prices shown for October 2025 reflect those presented in discovery response SJG-INF-1, filed on August 18, 2025 (NYMEX as of 8/5/25).

b: NYMEX price as of date of the report

c: Increase/Decrease in the NYMEX price compared to price reflective in forecast used for rate setting (see footnote a)

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

S-SCHART-2
South Jersey Gas Company
Calculation of Net Cost of Gas Per Therm

	Actual Oct-25	Actual Nov-25	Actual Dec-25	Actual Jan-26	Actual Feb-26	Actual Mar-26	Actual Apr-26	Actual May-26	Projected Jun-26	Projected Jul-26	Projected Aug-26	Projected Sep-26	Weighted Average
1 Projected NYMEX price per DT (see footnotes)	\$3.108	\$3.008	\$4.424	\$4.113	\$3.809	\$3.399	\$3.379	\$2.559	\$2.769	\$3.023	\$3.092	\$3.071	
2 NYMEX - Actual Settlement price per DT	\$2.835	\$3.376	\$4.424	\$4.687	\$7.460	\$2.969	\$3.095	\$2.559					
3 <u>Breakdown of Gross Cost of Gas Per Therm:</u>													
4 Flowing Gas Cost	\$0.5858	\$0.4208	\$0.4944	\$0.6344	\$0.3788	\$0.1219	\$0.1777	\$0.2389	\$0.3802	\$0.5736	\$0.5904	\$0.4269	\$0.3990
5 Gas Withdrawn From Storage Cost	0.0174	0.1011	0.0792	0.0880	0.0797	0.0778	0.0276	0.0115	0.0058	0.0094	0.0114	0.0036	0.0676
6 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
7 Pipeline Demand Cost	1.3485	0.5413	0.2309	0.1578	0.1343	0.1864	0.3260	0.6350	1.1532	1.6574	1.7287	1.4239	0.3563
8 Storage Demand Cost	0.0083	0.0027	0.0018	0.0019	0.0016	0.0015	0.0021	0.0043	0.0077	0.0090	0.0045	0.0035	0.0024
9 Peaking Cost	0.0027	0.0022	0.0060	0.0201	0.0104	0.0011	0.0011	0.0016	0.0056	0.0079	0.0085	0.0072	0.0082
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	(0.0030)	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	(0.0001)
13 Total Gross Cost of Gas Per Therm	\$1.9597	\$1.0681	\$0.8123	\$0.9022	\$0.6048	\$0.3887	\$0.5345	\$0.8913	\$1.5525	\$2.2573	\$2.3435	\$1.8651	\$0.8334
14													
15	Projected Oct-26	Projected Nov-26	Projected Dec-26	Projected Jan-27	Projected Feb-27	Projected Mar-27	Projected Apr-27	Projected May-27	Projected Jun-27	Projected Jul-27	Projected Aug-27	Projected Sep-27	Weighted Average
16													
17 Projected NYMEX price per DT (see footnotes)	\$3.137	\$3.443	\$4.173	\$4.612	\$4.135	\$3.197	\$2.941	\$2.921	\$3.067	\$3.282	\$3.334	\$3.311	
18 NYMEX - Actual Settlement price per DT	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	
19 <u>Breakdown of Gross Cost of Gas Per Therm:</u>													
20 Flowing Gas Cost	\$0.7687	\$1.1178	\$0.3350	\$0.3219	\$0.2291	\$0.1876	\$0.1694	\$0.2558	\$0.3089	\$0.4979	\$0.5188	\$0.3913	\$0.3000
21 Gas Withdrawn From Storage Cost	0.0219	0.1725	0.0857	0.0890	0.0867	0.0600	0.0258	0.0054	0.0067	0.0102	0.0123	0.0040	0.0665
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	1.8349	1.2245	0.2334	0.1665	0.1538	0.1976	0.2837	0.6899	1.2020	1.6435	1.7149	1.4124	0.3847
24 Storage Demand Cost	0.0085	0.0040	0.0014	0.0014	0.0014	0.0011	0.0020	0.0041	0.0059	0.0062	0.0055	0.0023	0.0020
25 Peaking Cost	0.0050	0.0048	0.0042	0.0100	0.0030	0.0025	0.0008	0.0023	0.0045	0.0061	0.0065	0.0055	0.0045
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	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
29 Total Gross Cost of Gas Per Therm	\$2.6390	\$2.5236	\$0.6597	\$0.5888	\$0.4740	\$0.4488	\$0.4817	\$0.9575	\$1.5280	\$2.1639	\$2.2580	\$1.8155	\$0.7577

Footnotes:

Projected NYMEX prices shown for May 2026 - September 2027 are from the Company's annual periodic BGSS rate filing - June 1, 2026 Docket No. GR26060276 (NYMEX as of 5/07/26). Projected NYMEX prices shown for December 2025 – April 2026 reflect those presented SJG's Notice of Intent to Exercise Self-Implementing Rate Increase Effective February 1, 2026, filed on December 31, 2025 (NYMEX as of 12/12/25). Projected NYMEX prices shown for November 2025 reflect those presented SJG's Notice of Intent to Exercise Self-Implementing Rate Increase Effective December 1, 2025, filed on October 31, 2025 (NYMEX as of 10/17/25). Projected NYMEX prices shown for October 2025 reflect those presented in discovery response SJG-INF-1, filed on August 18, 2025 (NYMEX as of 8/5/25).

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

Other Costs includes the company's portion of storage incentive mechanism which 100% of the credits are included in the credits section below.

S-SCHART-2
South Jersey Gas Company
Calculation of Net Cost of Gas Per Therm

	Actual Oct-25	Actual Nov-25	Actual Dec-25	Actual Jan-26	Actual Feb-26	Actual Mar-26	Actual Apr-26	Actual May-26	Projected Jun-26	Projected Jul-26	Projected Aug-26	Projected Sep-26	Weighted Average
<u>Credits, Refunds, & Recoveries Per Therm:</u>													
Asset Management Credits													
Off-system sales	(\$0.1626)	(\$0.0760)	(\$0.0366)	(\$0.0336)	(\$0.0306)	(\$0.0304)	(\$0.0441)	(\$0.0882)	(\$0.1079)	(\$0.1504)	(\$0.1588)	(\$0.1332)	(\$0.0497)
Capacity release	(0.0741)	(0.1468)	(0.0736)	(0.0432)	(0.0314)	(0.0365)	(0.0422)	(0.0834)	(0.1243)	(0.1789)	(0.1890)	(0.1535)	(0.0612)
On System Credits to BGSS-P Customers	(0.0085)	(0.0042)	(0.0021)	(0.0009)	(0.0012)	(0.0018)	(0.0029)	(0.0037)	(0.0056)	(0.0072)	(0.0102)	(0.0080)	(0.0025)
Supplier Refunds	(0.0017)	0.0000	(0.0799)	0.0000	0.0000	0.0000	(0.3794)	(0.0002)	0.0000	0.0000	0.0000	0.0000	(0.0425)
Gas for Company Use	(0.0016)	(0.0005)	(0.0003)	(0.0003)	(0.0003)	(0.0006)	(0.0009)	(0.0014)	(0.0015)	(0.0018)	(0.0013)	(0.0016)	(0.0006)
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
Transfer to Non BGSS-P Customers	(0.2483)	(0.1740)	(0.1365)	(0.1393)	(0.1527)	(0.1628)	(0.1526)	(0.1698)	(0.2128)	(0.3435)	(0.3340)	(0.2757)	(0.1641)
Other	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
Total Credits, Refunds, & Recoveries Per Therm	(0.4968)	(0.4015)	(0.3290)	(0.2173)	(0.2162)	(0.2321)	(0.6221)	(0.3467)	(0.4521)	(0.6818)	(0.6933)	(0.5720)	(0.3206)
Total Net Cost Per Therm (Pg 1 Ln 13 less Pg 2 Ln 10)	\$1.4629	\$0.6666	\$0.4833	\$0.6849	\$0.3886	\$0.1566	(\$0.0876)	\$0.5446	\$1.1004	\$1.5755	\$1.6502	\$1.2931	\$0.5128
<u>Credits, Refunds, & Recoveries Per Therm:</u>													
Asset Management Credits													
Off-system sales	(\$0.1629)	(\$0.2751)	(\$0.0526)	(\$0.0376)	(\$0.0343)	(\$0.0448)	(\$0.0264)	(\$0.0631)	(\$0.1119)	(\$0.1485)	(\$0.1569)	(\$0.1315)	(\$0.0571)
Capacity release	(0.1935)	(0.0919)	(0.0178)	(0.0105)	(0.0092)	(0.0125)	(0.0281)	(0.0749)	(0.1285)	(0.1761)	(0.1861)	(0.1470)	(0.0344)
On System Credits to BGSS-P Customers	(0.0101)	(0.0066)	(0.0018)	(0.0010)	(0.0012)	(0.0016)	(0.0022)	(0.0032)	(0.0055)	(0.0067)	(0.0094)	(0.0074)	(0.0023)
Supplier Refunds	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
Gas for Company Use	(0.0033)	(0.0022)	(0.0005)	(0.0008)	(0.0007)	(0.0009)	(0.0008)	(0.0014)	(0.0024)	(0.0027)	(0.0019)	(0.0024)	(0.0010)
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
Transfer to Non BGSS-P Customers	(0.4456)	(0.4276)	(0.2522)	(0.2467)	(0.2418)	(0.2398)	(0.2497)	(0.2851)	(0.3463)	(0.4896)	(0.4711)	(0.4170)	(0.2709)
Other	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
Total Credits, Refunds, & Recoveries Per Therm	(\$0.8154)	(\$0.8034)	(\$0.3249)	(\$0.2966)	(\$0.2872)	(\$0.2996)	(\$0.3072)	(\$0.4277)	(\$0.5946)	(\$0.8236)	(\$0.8254)	(\$0.7053)	(\$0.3657)
Total Net Cost Per Therm (Pg 1 Ln 29 less Pg 2 Ln 26)	\$1.8236	\$1.7202	\$0.3348	\$0.2922	\$0.1868	\$0.1492	\$0.1745	\$0.5298	\$0.9334	\$1.3403	\$1.4326	\$1.1102	\$0.3920