



South Jersey Gas

Where we put all of our energy®

Steven R. Cocchi, Esq.

Director, Rates & Revenue Requirements

September 4, 2013

Via Regular and Electronic Mail (rule.comments@bpu.state.nj.us)

Kristi Izzo, Board Secretary
NJ Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton, NJ 08625

**RE: In the Matter of the Board's Review of the Applicability and Calculation of a Consolidated Tax Adjustment, Generic Proceeding
Docket No. EO12121072**

Dear Secretary Izzo:

On behalf of South Jersey Gas Company ("South Jersey"), please accept the enclosed Public Copy response to the Board's July 25, 2013 Notice of Opportunity to Provide Additional Information in the above referenced matter. South Jersey appreciates the opportunity to provide this additional information and looks forward to contributing to the Board's efforts in examining the Consolidated Tax Adjustment.

Also enclosed is a Confidential Copy of South Jersey's response. Due to the confidential nature of the information requested and provided herein, South Jersey seeks confidential treatment pursuant to N.J.A.C. 14:1-12.1, *et seq.* of the Confidential Copy.

In support of South Jersey's claim for confidentiality, pursuant to N.J.A.C. 14:1-12.1, *et seq.*, South Jersey submits with this filing an unmarked envelope addressed to:

Kristi Izzo, Esq.
September 4, 2013
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Records Custodian
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton, NJ 08625

Therein is another envelope marked "Confidential" which contains the "Confidential Copy" of South Jersey's submittal. This too is addressed to:

Records Custodian
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton, NJ 08625

Also enclosed is the Affidavit of Steven R. Cocchi, Director, Rates and Revenue Requirements for South Jersey in support of its claim of confidentiality.

South Jersey will provide the Confidential Copy to Rate Counsel and Board Staff upon execution of a mutually agreeable Non-disclosure Agreement in this proceeding.

Thank you for your attention to this matter.

Very truly yours,

A handwritten signature in black ink, appearing to be 'S. Cocchi', written over a horizontal line.

Steven R. Cocchi, Esq.
Director
Rates & Revenue Requirements

SRC:lvk
Enclosures

PUBLIC COPY

- a. A copy of any tax sharing agreement relating to the filing of a consolidated income tax return.

N/A

- b. The year in which the utility was first included in a consolidated tax return.

1970

- c. The total amount paid by the utility to its parent company for federal income taxes in each year since 1991.

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PUBLIC COPY

- d. The total amount paid by all members of the consolidated income tax group to the parent company relating to federal income taxes, in each year since 1991.

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- e. The amount paid to each loss company by the parent, in each year since 1991.

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- f. The total amount paid by the consolidated entity to the IRS for federal income taxes in each year since 1991.

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- g. The amount of bonus depreciation taken by each member of the consolidated income tax group in each year since 1991.

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- h. The amount of Alternative Minimum Taxes paid by the consolidated income tax group in each year since 1991.

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- i. The amount of any tax loss carryforward available to the consolidated group and the period(s) over which these tax loss carryforwards are available to be used by the consolidated group.

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- j. A brief description of each company included in the consolidated income tax group since 1991, along with an indication of whether each company is regulated or non-regulated.

South Jersey Industries, Inc. (Parent/Holding Company): A New Jersey corporation, was formed in 1969 for the purpose of owning and holding all of the outstanding common stock of South Jersey Gas Company, a public utility, and acquiring and developing non-utility lines of business. SJI currently provides a variety of energy related products and services primarily through its subsidiaries.

South Jersey Gas Company (Regulated Utility): An operating public utility company engaged in the purchase, transmission and sale of natural gas for residential, commercial and industrial use. SJG also sell natural gas and pipeline transportation capacity (off-system sales) on a wholesale basis to various customers on the interstate pipeline system and transport natural gas purchased directly from producers or suppliers to their customers. SJGs primary goals are to provide safe, reliable natural gas service at the lowest cost possible; promote natural gas as the fuel of choice for residential, commercial and industrial customers; and aid our customers in becoming more energy efficient.

South Jersey Energy Company (Non-Regulated): Acquires and markets natural gas and electricity to retail end users and provides total energy management services to commercial and industrial customers. SJE provides services for the acquisition and transportation of natural gas and electricity for retail end users and markets total energy management services. As of December 31, 2011, SJE marketed natural gas and electricity to approximately 6,236 commercial and industrial customers. Most customers served by SJE are located within southern New Jersey, northwestern Pennsylvania and New England.

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Energy & Minerals, Inc. (Non-Regulated/Inactive): A New Jersey corporation, is a holding company that owns all of the outstanding common stock of an inactive company, **South Jersey Fuel, Inc.** (Non-Regulated/Inactive). Fuel Company, a New Jersey corporation, sold its operating assets in November 1985 and is no longer in the business of distributing petroleum products.

R&T Group (Non-Regulated/Inactive): A New Jersey corporation, is a holding company that owns all the common stock of R and T Castellini Company, Inc. (Castellini Company), S.W. Downer, Jr. Company, Inc. (Downer Company), Onshore Construction Company, Inc. (Onshore), Cape Atlantic Crane Co., Inc. (Cape Atlantic) and, beginning in 1993, R & T Castellini Construction Company, Inc. (R & T Construction).

- k. The reason why a company that was previously included in the consolidated income tax group is no longer included in the group.

The following companies have either been merged out of existence or divested and have not been included in the consolidated federal income tax return of South Jersey Industries, Inc. since 1997 or prior: Morie Company, Castellini Company, Downer Company, Onshore, Cape Atlantic, R&T Construction.

- l. All workpapers and calculations relating to the calculation of the CTA as requested in the Notice.

South Jersey Gas Company was a participating Company in the joint response provided by the New Jersey Utilities Association on May 3, 2013 and did not provide CTA calculations. For the most recent calculations using the current Board methodology, please see South Jersey's Confidential response to RCR-RR-046 provided in its last base rate case, Docket No. GR10010035.

PUBLIC COPY

- m. The federal income taxes (both current and deferred) reported by the consolidated income tax group on the parent company's Annual Report, by year since 1991.

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- n. The federal income taxes (both current and deferred) by the utility, by year since 1991.

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