

SOUTH JERSEY GAS COMPANY
NOTICE OF FILING AND PUBLIC HEARINGS

**IN THE MATTER OF THE ESTABLISHMENT OF A UNIVERSAL SERVICE FUND PURSUANT TO
SECTION 12 OF THE ELECTRIC DISCOUNT AND ENERGY COMPETITION ACT OF 1999
BPU DOCKET NO. EX00020091**

**IN THE MATTER OF THE 2026/2027 ANNUAL COMPLIANCE FILING FOR THE UNIVERSAL
SERVICE FUND AND LIFELINE PROGRAM COMPONENTS WITHIN THE SOCIETAL
BENEFITS CHARGE RATE PURSUANT TO N.J.S.A. 48:2-21 AND N.J.S.A. 48:2-21.1
BPU DOCKET NO. ER26060356**

PLEASE TAKE NOTICE that, pursuant to the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49, *et seq.*, the Universal Service Fund (“USF”) program was established by the New Jersey Board of Public Utilities (“Board” or “BPU”), to provide funds to assist qualifying low-income individuals in paying their energy bills. Pursuant to Board Orders in BPU Docket No. EX00020091 dated April 30, 2003, July 16, 2003, June 30, 2004 and June 22, 2005, the State’s electric and gas public utilities’ Societal Benefits Charges (“SBC”) includes recovery of funding for the USF program through uniform statewide rates. The SBC also includes funding for the Lifeline program which provides assistance with heating costs to qualifying elderly and disabled persons and incorporates funds for the Work First New Jersey program.

The State of New Jersey’s Department of Community Affairs is the Administrator of the USF program, and the New Jersey Department of Human Services is the Administrator of the Lifeline program and authorizes the disbursement of benefits to eligible customers in the respective programs.

On June 29, 2026, South Jersey Gas Company (“South Jersey” or “Company”) made a compliance filing with the Board requesting authority to implement an overall decrease related to the statewide USF/Lifeline program charge, as described below, to be effective on October 1, 2026 (“Filing”). Based upon the actual results and available estimates for the 2025/2026 USF program year, and the available estimates for the 2026/2027 USF program year, it is anticipated that the USF rates will be set to collect \$275.2 million, of which, \$199.8 million would be recovered through electric rates with the remaining \$75.4 million recovered through gas rates on a statewide basis. The Lifeline rates are anticipated to collect \$74.6 million, of which \$50.0 million would be recovered through electric rates with the remaining \$ 24.6 million recovered through gas rates on a statewide basis.

The current after-tax USF/Lifeline program charge for natural gas customers is \$0.0262 per therm. Based upon the Filing, the proposed changes in rates, inclusive of taxes, are as follows: (i) the USF program charge would decrease from \$0.0205 to \$0.0177 per therm or a decrease of \$0.0028 per therm and (ii) the Lifeline charge would increase from \$0.0057 to \$0.0058 per therm or an increase of \$0.0001 per therm. The proposed after-tax USF/Lifeline program charge will decrease to \$0.0235 per therm. The above request will not result in any profit to the Company. The revenues received under the proposed USF/Lifeline charge are designed to permit the Company to recover only its costs for these programs. Actual program costs will be reconciled with the revenues received through the USF/Lifeline program charge in the next annual filing scheduled to be made no later than July 1, 2027. Copies of South Jersey’s Filing can be reviewed on the Company’s website at www.southjerseygas.com under Regulatory Information.

The proposed statewide natural gas rates, inclusive of taxes, for customers are as follows:

**Universal Service/Lifeline Fund Components of the
Societal Benefits Charge**

	Present	Proposed
USF	\$0.0205	\$0.0177
Lifeline	\$0.0057	\$0.0058
Total	\$0.0262	\$0.0235

If approved by the Board, the impact of the proposed rate changes, inclusive of taxes, in the USF/Lifeline Charge on the monthly residential heating bills for customers taking gas service under the Residential Service tariff is illustrated below:

Rate Impacts

<u>Consumption in Therms</u>	<u>Present Bill July 1, 2026</u>	<u>Proposed Bill October 1, 2026</u>	<u>Proposed Change</u>	<u>Percent Change</u>
10	\$29.83	\$29.80	(\$0.03)	(0.1%)
50	\$107.12	\$106.99	(\$0.13)	(0.1%)
100	\$203.74	\$203.47	(\$0.27)	(0.1%)
250	\$493.60	\$492.92	(\$0.68)	(0.1%)

Based upon this Filing, the present monthly bill as of July 1, 2026 for a residential heating customer using 100 therms per month would decrease from \$203.74 to \$203.47, or (\$0.27) or approximately (0.1%).

The Board has the statutory authority, pursuant to N.J.S.A. 48:2-21, to approve and establish the USF and Lifeline charges at levels it finds just and reasonable as well as the effective date of such rates. Therefore, the Board may establish the USF and Lifeline charges at levels other than those proposed by South Jersey.

PLEASE TAKE FURTHER NOTICE that virtual public hearings will be conducted on the following date and times so that members of the public may present their views on the Company's Petition:

VIRTUAL PUBLIC HEARINGS

DATE: August 25, 2026

HEARING TIMES: 4:30 p.m. and 5:30 p.m.

Join Microsoft Teams Meeting

Press Ctrl key + Click on this link:

<https://teams.microsoft.com/meet/218696272376643?p=7mpRorA7NTzAix3dzF>

Select 'Join Now' to enter the meeting. If prompted, enter the following Meeting ID, Passcode and your name.

Meeting ID: 218 696 272 376 643

Passcode: 5Lr27SQ3

-or-

Join by Phone

Dial In: 866-984-3164

When prompted, enter Conference ID: 316 393 158 followed by the # sign to access the meeting.

A copy of this Notice of Filing and Public Hearings is being served upon the clerk, executive or administrator of each municipality and county within the Company's service territory. The Petition is available to review online at the Company's website at <https://www.southjerseygas.com/about-us/regulatory> or on the Board's website at <https://publicaccess.bpu.state.nj.us>, by searching with the above-captioned docket number. The Petition and Board file may be reviewed at the Board located at 44 South Clinton Avenue, Trenton, NJ, with an appointment. To make an appointment, please call (609) 913-6298.

Representatives of the Company, Board Staff and the New Jersey Division of Rate Counsel will participate in the virtual public hearings. Members of the public may use the Microsoft Teams Meeting link or the Dial-In Number and Conference ID set forth above to express their views on the Petition. All comments will be part of the final

record in this proceeding to be considered by the Board. To encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, such as interpreters or listening assistance, forty-eight (48) hours prior to the above hearings to the Board Secretary at board.secretary@bpu.nj.gov.

The Board is also accepting written and electronic comments. Comments may be submitted directly to the specific docket listed above using the “Post Comments” button on the Board’s Public Document Search tool at <https://publicaccess.bpu.state.nj.us/>. Comments are considered public documents for purposes of the State’s Open Public Records Act. Only documents that are intended to be public should be submitted using the “Post Comments” button on the Board’s Public Document Search tool. Any confidential information should be submitted in accordance with the procedures set forth in N.J.A.C. 14:1-12.3. In addition to hard copy submissions, confidential information may also be filed electronically via the Board’s e-filing system or by email to the Secretary of the Board. Please include “Confidential Information” in the subject line of any email. Instructions for confidential e-filing are found on the Board’s webpage at <https://www.nj.gov/bpu/agenda/efiling/>.

Emailed and/or written comments may also be submitted to:

Secretary of the Board
New Jersey Board of Public Utilities
44 South Clinton Ave., 1st Floor
P.O. Box 350
Trenton, NJ 08625-0350
Phone: 609-913-6241
Email: board.secretary@bpu.nj.gov

South Jersey Gas Company