

NOTICE OF FILING OF PETITION AND OF PUBLIC HEARING

IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY TO REVISE THE LEVEL OF ITS BASIC GAS SUPPLY SERVICE (“BGSS”) CHARGE AND CONSERVATION INCENTIVE PROGRAM (“CIP”) CHARGE FOR THE YEAR ENDING SEPTEMBER 30, 2021

B.P.U. Docket No. GR20060383

NOTICE IS HEREBY GIVEN that, on June 1, 2020, South Jersey Gas Company (“South Jersey” or “Company”) filed its combined 2020-2021 Basic Gas Supply Service (“BGSS”) and Conservation Incentive Program (“CIP”) petition (“Petition”) with the New Jersey Board of Public Utilities (“Board”). The BGSS component of the Petition was filed pursuant to the “Order Approving BGSS Price Structure” issued by the Board on January 6, 2003 in Docket No. GX01050304 (“Generic BGSS Order”). BGSS rates are designed to recover South Jersey’s cost of gas applicable to customers who purchase gas from South Jersey. The Company earns no profit from the BGSS. The CIP component of the Petition sought a price adjustment for all applicable service customers. The CIP is an incentive-based program that requires South Jersey to reduce gas supply related costs and limits recovery of non-weather related revenue loss to the level of gas supply costs savings achieved. Pursuant to its filing, South Jersey requested that the Board allow it to change its BGSS and CIP Charges.

The impact of the Company’s combined proposals on the overall bill for gas service for a residential heating customer using 100 therms in a month would be a decrease of \$6.34, or 4.4 percent, resulting from South Jersey’s proposed: 1) BGSS decrease of \$14.58 per month, or 10.2 percent; 2) Rider “J” Balancing Service Clause - General Service (“BSC-GS”) increase of \$0.16, or 0.1%; and 3) CIP increase of \$8.08, or 5.7 percent.

Related to the Company’s Rider “I” Balancing Service Clause - Large Volume (“BSC-LV”), the Company proposes to increase its current Opt-Out after-tax per therm BSC-LV rate of \$0.002747 to \$0.002775, and to increase its current Non Opt-Out after-tax per therm BSC-LV rate of \$0.087115 to \$0.088685, which is equal to the Company’s proposed Rider “J” BSC-GS rate. All Balancing charge revenues from sales and transportation customers are credited to BGSS recoveries.

The chart below demonstrates the impact of the Periodic BGSS rate and the CIP rate changes:

Customer Type	Therm Level	Rates		Change	
		Bill as of June 1, 2020	Proposed Bill as of October 1, 2020	Amount	Percent
Residential Heat Sales	100	\$142.48	\$136.14	(\$6.34)	(4.4)%
Residential Non-Heat Sales	15	\$28.39	\$26.25	(\$2.14)	(7.5)%
General Service	500	\$629.85	\$582.66	(\$47.19)	(7.5)%
General Service - LV	15,646	\$13,943.00	\$14,024.74	\$81.74	0.6%

PLEASE TAKE FURTHER NOTICE that other changes in South Jersey’s price for BGSS service may also occur if South Jersey elects to adjust its BGSS rates upward upon 30 days’ notice to Board Staff and Rate Counsel, pursuant to the Generic BGSS Order in Docket No. GX01050304. Any such self-implementing increases will be limited to a maximum of 5 percent (5%) of the total residential bill, effective December 1, 2020, and to a maximum of five percent (5%) of the total residential bill, effective February 1, 2021, as demonstrated in the chart below.

Customer Type	Therm Level	Rates		Change	
		Bill as of October 1, 2020	Proposed Bill Including December and February 5 Percent Increases	Amount	Percent
Residential Heat Sales	100	\$136.14	\$150.15	\$14.01	10.3%
Residential Non-Heat Sales	15	\$26.25	\$28.36	\$2.11	8.0%
General Service	500	\$582.66	\$652.72	\$70.06	12.0%
General Service - LV	15,646	\$14,024.74	\$14,024.74	\$0	0%

Further, these self-implementing increases will be provisional and subject to true-up in connection with the subsequent annual BGSS filing. Pursuant to the Generic BGSS Order, South Jersey is permitted to decrease its BGSS rate at any time upon five days' notice and supporting documentation to the Board and the Division of Rate Counsel.

The Board has the statutory authority to establish BGSS and CIP Charges at levels it finds just and reasonable. Therefore, the Board may establish BGSS and CIP Charges at levels other than those proposed by South Jersey. South Jersey's natural gas costs addressed in this Petition will remain subject to audit by the Board, and Board approval shall not preclude or prohibit the Board from taking any such actions deemed appropriate as a result of any such audit.

PLEASE TAKE ADDITIONAL NOTICE that due to the COVID-19 state of emergency, a telephonic public hearing will be conducted on the following dates and times so that members of the public may present their views on the Company's filing. Information provided at the public hearings will become part of the record of this case and will be considered by the Board in making its decision.

Date: August 19, 2020

Time 1: 4:30pm

Time 2: 5:30pm

Dial In: 1-866-984-3164

Conference ID: 737 882 129#

The Company's filing may be viewed on the South Jersey Gas website at www.southjerseygas.com/About-South-Jersey-Gas/Regulatory-Compliance-Tariff-Information.aspx.

Representatives of the Board's Staff and the Rate Counsel will participate in the telephonic public hearing. Members of the public are invited to participate by utilizing the Virtual Access Code information set forth above, and may express their views on this filing. Such comments will be made part of the final record of the proceeding to be considered by the Board. The Board is also accepting written and emailed comments. Although both will be given equal consideration, the preferred method of transmittal is via email to ensure timely receipt while the Board continues to work remotely due to the COVID-19 pandemic. Written comments may be submitted to the Board Secretary, Aida Camacho, at the Board of Public Utilities, 44 South Clinton Avenue, 9th Floor, P.O. Box 350, Trenton, NJ 08625-0350. Email comments should be submitted to: board.secretary@bpu.nj.gov. Please include the name of the petition and the docket number when submitting comments. Written and emailed comments will be provided the same weight as statements made at the hearings.

Hearings will continue, if necessary, on such additional dates and at such locations as the Board may designate, to ensure that all interested persons are heard.

SOUTH JERSEY GAS COMPANY

By: Melissa Orsen, President and Chief Operations Officer