



Stacy A. Mitchell, Esq.

Vice President

Rates & Regulatory Affairs

June 1, 2018

VIA USPS

Aida Camacho, Board Secretary
NJ Board of Public Utilities
44 South Clinton Avenue, 3rd Floor
P. O. Box 350
Trenton, NJ 08625-0350

Re: In the Matter of the Petition of South Jersey Gas Company to Revise the Level of Its Basic Gas Supply Service ("BGSS") Charge; and to Revise the Level of its Conservation Incentive Program ("CIP") Charges for the Year Ending September 30, 2019
BPU Docket No. _____

Dear Secretary Camacho:

Enclosed herewith are an original and two (2) "courtesy" copies of South Jersey Gas Company's Petition to Revise the Level of its Basic Gas Supply Service ("BGSS") Charge and to Revise the Level of its Conservation Incentive Program ("CIP") Charges for the Year Ending September 30, 2019, which has also been filed electronically utilizing the Board's e-Filing Program.

Please do not hesitate to contact me with any questions you may have. Thank you for your attention to this matter.

Respectfully submitted,

A handwritten signature in blue ink that reads "Stacy Mitchell".

Stacy A. Mitchell

SAM:lvk
Enclosures

cc: Division of Law (2 copies)
Division of Rate Counsel (5 copies)

**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 :
BASIC GAS SUPPLY SERVICE (“BGSS”) :
CHARGE AND CONSERVATION INCENTIVE :
PROGRAM (“CIP”) CHARGE FOR THE :
YEAR ENDING SEPTEMBER 30, 2019: : BPU DOCKET NO. _____**

CASE SUMMARY, PETITION, TESTIMONY AND SCHEDULES

June 1, 2018

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

IN THE MATTER OF THE PETITION OF : CASE SUMMARY
SOUTH JERSEY GAS COMPANY TO :
REVISE THE LEVEL OF ITS BASIC GAS : BPU DOCKET NO.
SUPPLY SERVICE (BGSS) CHARGE AND :
CONSERVATION INCENTIVE PROGRAM :
(CIP) CHARGE FOR THE YEAR ENDING :
SEPTEMBER 30, 2019 :

By this Petition, South Jersey Gas Company (“South Jersey”) seeks authorization to increase the current level of its Periodic Basic Gas Supply Service (“BGSS”) charge, change the charges related to its Balancing Service Clause (“BSC”) charges, and decrease the current level of its Conservation Incentive Program (“CIP”) charge.

The BGSS permits South Jersey to pass through to its customers increases or decreases in the cost of purchased gas. The BGSS clause provides no profit to South Jersey. Due to unprecedented extreme cold weather and demand conditions that occurred in our region over the 2017/2018 winter season, South Jersey experienced record system demands, including its highest sendout day in history on January 6, 2018. In addition, the Company experienced a record system sendout over the fourteen-day period from December 26, 2017 through January 8, 2018 (64% higher than normal), higher natural gas prices (more than double 2017 pricing), and interstate capacity limits, which combined, impacted the cost of purchased gas. Despite these record breaking conditions, the Company’s proposed BGSS rate in this filing is still lower than the rates previously approved by the Board in the Company’s 2014/2015 BGSS year, during similarly extreme cold weather.

By this Petition, South Jersey proposes to increase its current periodic BGSS charge of \$0.340013 per therm, including taxes, to \$0.564695 per therm, including taxes, for the BGSS year ending September 30, 2019.

The CIP program is an incentive-based conservation program. It requires South Jersey to limit its recovery from customers of non-weather related margin revenue loss to the level of BGSS cost reductions South Jersey is able to affect. By this Petition, South Jersey Gas seeks authorization to implement an overall decrease in the level of its conservation incentive program CIP charges and implement the following CIP charges:

- RSG Non-Heating: (\$0.120976) per therm
- RSG Heating: \$0.005717 per therm
- GSG: (\$0.000026) per therm
- GSG-LV: \$0.011583 per therm

The combined effect of the proposed BGSS, BSC and CIP rate changes, if approved, for an average residential heating customer utilizing 100 therms of gas during a winter heating month, would be an increase of \$13.58 or 10.2%.

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

**IN THE MATTER OF THE PETITION OF : PETITION
SOUTH JERSEY GAS COMPANY TO :
REVISE THE LEVEL OF ITS BASIC GAS : BPU DOCKET NO.
SUPPLY SERVICE (“BGSS”) CHARGE :
AND CONSERVATION INCENTIVE :
PROGRAM (“CIP”) CHARGE FOR THE :
YEAR ENDING SEPTEMBER 30, 2019 :**

TO THE HONORABLE COMMISSIONERS OF THE BOARD OF PUBLIC UTILITIES:

Petitioner, South Jersey Gas Company ("South Jersey," "Petitioner," or the "Company"), a public utility corporation of the State of New Jersey, with its principal office at One South Jersey Plaza, Folsom, New Jersey, hereby petitions this Honorable Board (“BPU” or the "Board") for authority to: 1) increase the level of its Periodic Basic Gas Supply Service (“BGSS”) charge; 2) decrease the level of its Balancing Service Clause (“BSC”) charge associated with its Rider J – General Service (BSC-GS); 3) increase the level of its BSC charges associated with its Rider I – Large Volume (BSC-LV); and 4) decrease the level of its Conservation Incentive Program (“CIP”) charge for the year ending September 30, 2019.

I. BACKGROUND

1. South Jersey is engaged in the transmission, distribution, transportation, and sale of natural gas within its defined service territory within the State of New Jersey. Said service territory includes all or portions of the following Counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester and Salem. Within its service territory, South Jersey serves approximately 386,000 customers.

II. BGSS BACKGROUND

2. On January 5, 1978, the Board, in combined Docket Nos. 769-988 and 7712-1161, approved the adoption of a Raw Materials Adjustment Clause for the Company, effective for the period January 1, 1978 through October 31, 1978. The clause subsequently became referred to as the "Levelized Gas Adjustment Clause" or "LGAC". It was understood that after October 31, 1978 the clause would be adjusted annually, and each such adjustment would be effective for a twelve-month period, generally commencing each November 1, from and after November 1, 1978. Each year thereafter, such an adjustment was made.

3. The LGAC mechanism was replaced by the BGSS price structure in the Board's Order Approving BGSS Price Structure, Docket No. GX01050304, dated January 6, 2003 ("2003 BGSS Order").

4. Attached to the 2003 BGSS Order was "Attachment A", which was incorporated therein.

5. Attachment A provided for the creation of a BGSS pricing mechanism, consisting of a Monthly BGSS pricing mechanism and a Periodic BGSS pricing mechanism. The applicability of Monthly and Periodic BGSS pricing was subsequently modified in South Jersey's base rate case (Docket No. GR03080683) and Global Settlement (Docket Nos. GR03080683, *et al*) approved by the Board on March 27, 2006.

6. As to South Jersey, all Residential Sales (Rate Schedule RSG) customers, and all General Service Sales (Rate Schedule GSG) customers using less than 5,000 therms annually, are served under the Periodic BGSS pricing mechanism.

7. The 2003 BGSS Order required that South Jersey file its annual BGSS filing by June 1 of each year, with a request to implement its Periodic BGSS charge on or before October 1

of that year.

8. The 2003 BGSS Order also provided that South Jersey may file two self-implementing Periodic BGSS charge increases, to be effective on December 1 of the same calendar year following implementation of a new Periodic BGSS Charge and on February 1 of the following year. Each such self-implementing increase may not exceed five percent (5%) of the average 100 therm residential bill.

9. In Docket No. GR02090645, South Jersey, the Division of the Ratepayer Advocate, and the Staff of the Board executed a “Settlement – BGSS Minimum Filing Requirements” on May 7, 2003 (the “2003 Settlement”). The Settlement was approved by way of Board Order dated June 29, 2003.

10. This Petition complies with the Minimum Filing Requirements (“MFRs”) set forth in the 2003 Settlement as well as additional filing requirements agreed to by the parties since 2003.

11. On June 1, 2017, South Jersey made its annual BGSS filing in Docket No. GR17060586, proposing to decrease the periodic BGSS charge from its then current level of \$0.354288 per therm, to \$0.340013¹ per therm, both inclusive of taxes.

12. By Order dated September 22, 2017, the Board approved a Stipulation of Settlement approving a periodic BGSS rate of \$0.340013 per therm, including taxes, subject to refund with interest on any net over-recovered BGSS balance.

13. By Order dated May 22, 2018, the Board approved, on a final basis, the following rates: (1) the periodic BGSS rate of \$0.340013 per therm; (2) the gas cost portion of the

¹ On November 14, 2016, the Board issued a Secretary’s Letter under Docket No. ER16111054, to all New Jersey electric and gas utilities, pursuant to P.L. 2016, c. 57, stating that the SUT to be charged to customers for utility service had been changed from 7.0% to 6.875% effective January 1, 2017, and thereafter to 6.625% effective January 1, 2018. All BGSS and CIP references within this Petition identified as “current” rates are inclusive of the 6.625% State sales tax rate.

Company's D-2 charge for Rate Schedule LVS at \$15.759966 per Mcf; (3) the gas cost portion of the firm D-2 charges at \$15.455576 per Mcf and the limited firm D-2 charges at \$7.879983 per Mcf, for Rate Schedule EGS-LV; (4) the gas cost portion of the D-2 charge at \$7.879983 per Mcf, for Rate Schedule FES; and (5) the monthly BGSS non-commodity rate applicable to Rate Schedules GSG, GSG-LV, EGS, LVS and EGS-LV at \$0.111849 per therm.

III. REQUESTED PERIODIC BGSS CHARGE

14. By this Petition, South Jersey is proposing to recover a BGSS deferred gas cost under-recovered deferred balance of approximately \$53,657,957, projected through September 30, 2018. The Company is proposing to increase its current Periodic BGSS rate of \$0.340013, including taxes, to \$0.564695, including taxes for the 2018-2019 BGSS year. This projected under-recovery is the result of unprecedented weather and demand conditions that occurred in our region over the recent 2017/2018 winter season. Extreme cold weather during December 2017 and January 2018 created record demands and caused natural gas prices to spike to their highest level in years. During this period, the combination of high natural gas prices, elevated utility and gas fired generation demand, coupled with interstate pipeline capacity limits and eliminations, impacted capacity flexibility.

In January 2018, despite all reasonable mitigation measures taken by the Company, these compounded extreme weather conditions resulted in South Jersey Gas experiencing a record single day sendout on January 6, 2018 of 508,397 Dth, surpassing the previous record sent on February 15, 2015. In addition, the Company experienced a record system sendout², as well as a record 3-

² The fourteen-day period from December 26, 2017 through January 8, 2018 accounted for approximately 34% of the Company's sendout (residential and commercial) for the months of December and January, which was 63% higher than normal.

day peak sendout³, both of which individually surpassed records previously set during the most recent 2014/2015 winter season. Nevertheless, given the extreme conditions and the mitigating measures taken by the Company, the Company's proposed BGSS rate of \$0.564695 in this filing is still lower than rate set by the Board as recently as the Company's 2014/2015 BGSS filing of \$0.650270.

The effects the extreme cold weather had on the Company during the 2017/2018 winter, and the measures taken by the Company to meet demand at the lowest possible cost are explained further in the Direct Testimony of Timothy W. Rundall, Senior Director, Gas Supply and Liquid Natural Gas ("LNG") Allocations.

15. The proposed BGSS rate for the period beginning October 1, 2018 and ending September 30, 2019, is \$0.564695, including taxes. This rate is based on 7 months of actual data, and 17 months of estimated data. Petitioner shall update this information with actuals as this matter proceeds.

16. In addition, South Jersey has included a credit to BGSS gas costs of \$23.9 million, which was derived from the Board's approved margin sharing formula applicable to off-system sales, interruptible sales and transportation, and capacity releases.

17. The projected pipeline demand type costs reflected in this filing pertaining to the purchase, storage and transportation of gas on the Transcontinental Gas Pipeline Company, LLC ("Transco"), Columbia Gas Transmission, LLC ("Columbia"), and Dominion Transmission, Inc. ("Dominion") pipeline systems reflect the most recent FERC approved jurisdictional rates for each pipeline.

18. Commodity charges to be experienced by South Jersey during the BGSS year

³ This three-day peak sendout exceeded the prior three-day peak record by 9%.

ending September 30, 2019 have been projected utilizing: (1) the New York Mercantile Exchange (“NYMEX”) strip pricing, as of May 10, 2018; and (2) estimated indices at the various locations where South Jersey expects to purchase gas during the forthcoming BGSS year.

19. LNG costs are based upon the delivered cost of LNG using the NYMEX as of May 10, 2018, along with costs related to processing natural gas into liquefied natural gas. In response to the changes in the LNG marketplace in 2012, the Company decided to construct, own and operate its own liquefaction facility at South Jersey’s McKee City, LNG facility to ensure that LNG is available at a prudent cost and not subject to marketplace pressures. The LNG liquefaction facility has been in service since November of 2016. This enabled SJG to utilize the liquefaction facility for the 2016-2017 and 2017-2018 winter seasons.

20. In summary, by this Petition, South Jersey seeks authority to implement a rate increase, which, as calculated in this filing, will recover the Company’s under-recovered balance of \$53,657,957, projected through September 30, 2018, effectively resulting in an increase in the level of its Periodic BGSS charge to \$0.564695 per therm, including taxes, for the 2018-2019 BGSS year. South Jersey also seeks authority to decrease the Monthly BGSS non-commodity rate component to \$0.106134 per therm, including taxes, resulting in a decrease of \$0.005715 from the current rate.

IV. BALANCING SERVICE CHARGE

21. The Company’s Balancing Service Clause charges under its current Tariff Riders “I” and “J” have been updated as part of this filing. Rate changes, including the proposed calculations, for both rates are discussed further in the Direct Testimony and Schedules of Mr. Rundall.

V. BEST VALUE PURCHASING POLICY

22. The Company's proposal in this Petition reflects its best value purchasing policy. Pursuant to this policy, it is the Company's goal to purchase the minimum priced gas supplies feasible within the guidelines of security of supply and capacity and system integrity. South Jersey intends to continue to pursue its policy to ensure the safest, most secure service to its customers, at reasonable prices, for this BGSS year and into the future.

23. The BGSS provides no profit to the Company. It merely allows the Company to pass through to its customers increases and decreases in the costs of gas and associated taxes experienced by the Company.

24. In support of the BGSS portion of this Petition, South Jersey incorporates the following Direct Testimony, Schedules, and work papers:

- A. Direct Testimony of Kenneth J. Barcia, Manager, Rates and Revenue Requirements (Exhibit B); and
- B. Direct Testimony of Timothy W. Rundall, Senior Director, Gas Supply and Allocations (Exhibit C).

25. In support of the BGSS Petition, the Company incorporates the attached Table of Contents demonstrating its compliance with the MFRs.

VI. CIP BACKGROUND AND PROPOSAL

26. On October 12, 2006, the Board, in combined Docket Nos. GR05121019 and GR05121020, adopted a stipulation ("CIP Stipulation") implementing the Conservation Incentive Program ("CIP") for South Jersey on a three-year, Pilot Program basis. The CIP was then extended until September 30, 2013, with an additional automatic one year extension, by Board Order dated January 21, 2010 in combined Docket Nos. GR05121019 and GR05121020.

27. On May 21, 2014, the Board approved the continuation of the CIP, with certain modifications, as set forth in more detail in the Stipulation executed by the parties in Docket No. GR13030185 (the “CIP Continuation Stipulation”). The changes approved by the Board became effective with the CIP year beginning October 1, 2014 and are reflected in this proceeding.

28. To promote conservation, the CIP was devised as an incentive-based program in which South Jersey is required to limit the recovery of non-weather related margin revenue loss to the level of BGSS cost reductions South Jersey is able to achieve. Because of these BGSS savings, customer bills will not increase as a result of the Company’s recovery of such non-weather margin revenue losses through the CIP mechanism.

29. The CIP Continuation Stipulation established a Modified BGSS Savings Test with three categories of BGSS savings: (1) permanent savings achieved through permanent capacity releases or contract terminations; (2) gas cost savings from reductions of capacity on a long-term basis, *i.e.* for periods of at least one year; and (3) savings associated with avoided capacity costs to meet residential customer growth.

30. The attached Direct Testimony of Daniel P. Yardley demonstrates that sufficient BGSS savings exist to support South Jersey’s proposed CIP charge.

31. The CIP Stipulation also provided that South Jersey would implement a package of incremental conservation programs designed to aid customers in reducing their costs of natural gas. Furthermore, South Jersey committed to assessing the need to develop and implement future programs, if appropriate.

32. In the CIP Continuation Stipulation, South Jersey agreed to provide five hundred thousand dollars (\$500,000) annually of shareholder money to fund CIP programs. The CIP Continuation Stipulation further provided that in any year in which the \$500,000 was not

expended, the difference between \$500,000 and the actual amount spent will be carried over and added to the amount to be spent in the following year.

33. The attached Direct Testimony of Bruce S. Grossman, Program Manager, Residential Energy Efficiency Education and Consulting for South Jersey, explains the Company's incurred and projected CIP expenditures for the 2018-2019 CIP Year. South Jersey projects that it will invest \$500,000 in conservation programs by September 30, 2018.

34. It was agreed in the CIP Stipulation that South Jersey would make an annual CIP filing based upon seven (7) months of actual data and five (5) months of projected data, to be filed on or before June 1 of each year. The filing is to document actual results, perform the required CIP collection tests, and propose the new CIP rate. This Petition is in conformity with these provisions of the CIP Stipulation.

35. Rider M of the Company'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 ("TAC") (the "ROE Test"). Under this provision, the CIP may not contribute toward earnings in excess of a 9.60% ROE. After recovery of the CIP margin revenues, South Jersey's ROE for the period October 1, 2017 through September 30, 2018 is projected to be 8.22%. As a result, the ROE test will not act as a limitation on South Jersey's recovery through the CIP for the forthcoming 2018-2019 CIP year. This projected ROE is calculated as provided on Exhibit A, attached to this Petition and is verified by the Direct Testimony of Mr. Barcia.

36. The Company's CIP tariff also contains benchmarks for customer usage by customer class. The CIP is calculated on a class-by-class basis by comparing actual usage for the CIP year to the benchmark usage. The difference, either positive or negative, is then multiplied

by revenue margins per customer class, and the result is divided by forecasted sales units. The result, either positive or negative, is then either a charge or credit to the CIP on a class-by-class basis.

37. The CIP charge was initially set at \$0.000 for the period October 1, 2006 through September 30, 2007 and, thereafter, annual petitions were filed to adjust the CIP charge.

38. On June 1, 2017, South Jersey filed a petition in Docket No. GR17060586 seeking to establish provisional CIP rates for the October 1, 2017 to September 30, 2018 CIP year. On September 22, 2017, the Board issued its Order in Docket No. GR17060586, provisionally accepting CIP rates, subject to review. Pursuant to this September 22, 2017 Order, the provisional CIP rates implemented were:

- RSG Non Heating (\$0.014347)
- RSG Heating \$0.078355
- GSG \$0.057010
- GSG-LV (\$0.013816)

39. By Order dated May 22, 2018, the Board approved a Stipulation of Settlement to finalize the CIP rates in Docket No. GR17060586, including taxes, adjusted for the SUT rate of 6.625%.

40. In this Petition, South Jersey proposes to establish the CIP rates for the period October 1, 2018 through September 30, 2019. The proposed CIP rates are as follows:

- RSG Non Heating (\$0.120976)
- RSG Heating \$0.005717
- GSG (\$0.000026)
- GSG-LV \$0.011583

41. In computing the non-weather CIP value, the margin impact of weather is first to be deducted from the total CIP charge or credit. The weather-related component of the CIP is

recovered through the CIP. However, this portion is not subject to the Modified BGSS Savings Test. By this Petition, South Jersey seeks to credit \$2.1 million of weather-related margin revenues. The non-weather related CIP component shall be subject to a dual eligibility test comprised of the Modified BGSS Savings Test and a Margin Revenue Test established in the CIP Continuation Stipulation. In order to be eligible for recovery, non-weather related CIP impacts must pass both cost recovery tests. Amounts that do not pass one or both tests may still be recoverable in future years.

42. South Jersey's non-weather related margin excess, related to the 2017/2018 CIP year, is \$4.3 million. This was established by subtracting the weather related excess component of \$2.1 million, from the total CIP excess of \$6.4 million. As explained further in the Direct Testimony of Daniel P. Yardley, last year a portion of the non-weather CIP amount failed the eligibility tests. Specifically, \$1.2 million failed the modified BGSS eligibility test. As a result, \$1.2 million of non-weather CIP impacts for 2016-2017 were not recovered through the CIP mechanism last year. Under the CIP, any non-weather amounts that are not recoverable in one year may be recoverable in a future period, subject to the application of the eligibility tests. By applying the prior year non-recovered, non-weather carry-forward deficiency of \$1.2 million, South Jersey's adjusted non-weather margin excess is \$3.1 million. Thus, by this Petition, South Jersey seeks to credit total non-weather related margin revenue through the CIP totaling \$3.1 million.

43. South Jersey has provided BGSS savings information in the Direct Testimonies of Messrs. Rundall Yardley. South Jersey's permanent BGSS savings realized from the permanent capacity releases or contract terminations (Category One of the Modified BGSS Savings Test) total \$2.2 million per year. BGSS savings realized from gas cost savings from reductions of

capacity on a long-term basis (Category Two of the Modified BGSS Savings Test) total \$6.1 million. BGSS savings realized from avoided capacity costs to meet residential customer growth (Category Three of the Modified BGSS Savings Test) total \$0.1 million. Therefore, the total BGSS savings for the 2018-2019 CIP year is \$8.4 million. This amount exceeds the \$3.1 million of non-weather related margin revenue that will be recovered through the CIP, thus, the Modified BGSS Savings Test has been met.

44. As explained in Mr. Yardley's Direct Testimony, variable margin revenues also exceed the \$3.1 million of non-weather related margin revenue that will be recovered through the CIP, thus, the Margin Revenue Test has also been met.

45. In this proceeding, South Jersey is comparing customer usage for the period October 1, 2017 through September 30, 2018 against the benchmark. The difference is to be recovered for the BGSS year October 1, 2018 through September 30, 2019.

46. In support of the Company's CIP proposal in this Petition, Petitioner incorporates the following Direct Testimony, Schedules, and work papers:

- A. Direct Testimony of Bruce S. Grossman, Program Manager, Residential Energy Efficiency Education and Consulting, South Jersey (Exhibit D);
- B. Direct Testimony of Daniel P. Yardley, Principal, Yardley & Associates (Exhibit E).

VII. MISCELLANEOUS

47. The effect of the proposed CIP change, if approved, for an average residential heating customer utilizing 100 therms of gas in a winter month would be a decrease of \$7.25, or 5.5%.

48. The combined effect of the proposed BGSS and CIP changes, if approved, for a

average residential heating customer utilizing 100 therms of gas in a winter month would be an increase of \$13.58 or 10.2%.


49. A draft Notice of Filing and Public Hearing is attached hereto.

50. South Jersey has served notice and five (5) copies of this Petition upon the Director, Division of Rate Counsel, 140 East Front Street – 4th Floor, Trenton, New Jersey 08625.

51. South Jersey has also served notice and two (2) copies of this Petition upon the Department of Law and Public Safety, 124 Halsey Street, P.O. Box 45029, Newark, New Jersey 07102.

Respectfully submitted,

SOUTH JERSEY GAS COMPANY



By: Stacy A. Mitchell, Esq.
VP, Rates & Regulatory Affairs

Dated: June 1, 2018

Communications and correspondence
Related to this filing should be sent to:

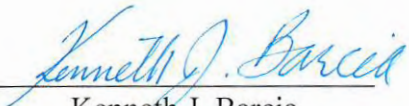
South Jersey Gas Company
Attention: Stacy A. Mitchell, Esq.
VP, Rates & Regulatory Affairs
1 South Jersey Plaza, Route 54
Folsom, NJ 08037
(609) 561-9000

VERIFICATION

I, KENNETH J. BARCIA, of full age, being duly sworn according to law upon my oath, depose and say:

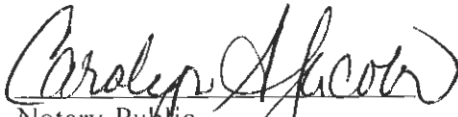
1. I am Manager, Rates & Revenue Requirements, of South Jersey Gas Company and am authorized to make this verification on behalf of the Company.

2. I have reviewed the foregoing petition and the information contained therein is true according to the best of my knowledge, information and belief.



Kenneth J. Barcia

Sworn to and subscribed
before me this 1st day of
June 2018.



Notary Public
CAROLYN A. JACOBS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires October 28, 2018

ROE CALCULATION
(\$ in Thousands)

	Sep 2017 Actual	Oct 2017 Actual	Nov 2017 Actual	Dec 2017 Actual	Jan 2018 Actual	Feb 2018 Actual	Mar 2018 Actual	Apr 2018 3&9	May 2018 3&9	Jun 2018 3&9	Jul 2018 3&9	Aug 2018 3&9	Sep 2018 3&9	12 Mos 9/30/2018 Total
Net Income	\$ (1,822)	\$ 1,861	\$ 9,592	\$ 18,131	\$ 26,478	\$ 21,351	\$ 18,917	\$ 5,867	\$ (957)	\$ (3,244)	\$ (3,011)	\$ (3,852)	\$ (3,899)	\$ 87,234.0
Incentive Items:														
OSS Margin	\$ 164.9	\$ 170.8	\$ 363.2	\$ 447.5	\$ 480.8	\$ 455.6	\$ 470.2	\$ 127.1	\$ 130.3	\$ 127.1	\$ 130.3	\$ 130.3	\$ 126.6	\$ 3,159.7
Interruptible Margin	\$ 1.9	\$ 2.1	\$ 4.4	\$ 2.6	\$ 73.1	\$ 4.9	\$ 15.7	\$ 2.5	\$ 3.6	\$ 2.2	\$ 1.7	\$ 2.4	\$ 1.8	\$ 117.1
Storage Incentive	\$ 243.8	\$ 125.8	\$ -	\$ (11.0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 218.1	\$ -	\$ -	\$ 218.1	\$ 551.0
AIRP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EET	\$ 189.7	\$ 187.3	\$ 180.7	\$ 182.4	\$ 188.3	\$ 186.1	\$ 192.9	\$ 190.7	\$ 187.5	\$ 185.0	\$ 184.9	\$ 181.8	\$ 181.5	\$ 2,229.2
Total Incentives	\$ 600.3	\$ 486.0	\$ 548.3	\$ 621.5	\$ 742.2	\$ 646.6	\$ 678.8	\$ 320.4	\$ 321.3	\$ 532.5	\$ 316.9	\$ 314.5	\$ 528.0	\$ 6,056.9
Net Income Less Incentives	\$ (2,422.3)	\$ 1,375.0	\$ 9,043.7	\$ 17,509.5	\$ 25,735.8	\$ 20,704.4	\$ 18,238.2	\$ 5,546.6	\$ (1,278.3)	\$ (3,776.5)	\$ (3,327.9)	\$ (4,166.5)	\$ (4,427.0)	\$ 81,177.1

	Sep 2016	Oct 2017	Nov 2017	Dec 2017	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018	Jul 2018	Aug 2018	Sep 2018	13 Mo Avg Total
Beg Bal	\$939,667	\$937,845	\$939,706	\$949,298	\$947,429	\$973,907	\$995,258	\$1,014,175	\$1,020,042	\$1,019,085	\$1,015,841	\$1,012,830	\$1,008,978	\$987,652
Net Income	(\$1,822)	\$1,861	\$9,592	\$18,131	\$26,478	\$21,351	\$18,917	\$5,867	(\$957)	(\$3,244)	(\$3,011)	(\$3,852)	(\$3,899)	
Dividends				(\$20,000)										
Equity														
Other Adj														
Common Equity	\$937,845	\$939,706	\$949,298	\$947,429	\$973,907	\$995,258	\$1,014,175	\$1,020,042	\$1,019,085	\$1,015,841	\$1,012,830	\$1,008,978	\$1,005,079	\$987,652

CIP ROE Test **8.22%**

CIP ROE APPROVED as of 11/1/2017 **9.60%**

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, 2019

B.P.U. Docket No. _____

NOTICE IS HEREBY GIVEN that, on June 1, 2018, South Jersey Gas Company “South Jersey” or the “Company”) filed its combined 2018-2019 Basic Gas Supply Service (“BGSS”) and Conservation Incentive Program (“CIP”) 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 filings, 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 bills for gas service for a residential heating customer using 100 therms in a month would be an increase of \$13.58, or 10.2 percent, resulting from South Jersey’s proposed: 1) BGSS increase of \$22.47 per month, or 16.9 percent; 2) Rider “J” Balancing Service Clause - General Service (“BSC-GS”) decrease of \$1.65, or 1.2%; and 3) CIP decrease of \$7.25, or 5.5 percent.

Related to the Company’s Rider “T” Balancing Service Clause - Large Volume (“BSC-LV”) customers, there is no impact from the proposed BGSS rate because they are subject to monthly market pricing for their natural gas supply, and therefore, no BGSS impact to the total bill of the customers served under the Company’s Rider “T”.

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

Customer Type	Therm Level	Rates		Change	
		Bill as of June 1, 2018	Proposed Bill as of October 1, 2018	Amount	Percent
Residential Heat Sales	100	\$133.00	\$146.58	\$13.58	10.2%
Residential Non-Heat Sales	15	\$27.62	\$29.15	\$1.53	5.5%
General Service	500	\$581.11	\$656.77	\$75.66	13.0%
General Service - LV	15,646	\$14,622.67	\$14,762.19	\$139.52	1.0%

TAKE FURTHER NOTICE that other changes in South Jersey’s price for BGSS service may also occur if SJG elects to adjust its BGSS rates upward upon thirty 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 of the total residential bill, effective December 1, 2018, and to

a maximum of five (5) percent of the total residential bill, effective February 1, 2019, as demonstrated in the chart below.

Customer Type	Therm Level	Rates		Change	
		Bill as of October 1, 2018	Proposed Bill Including December and February 5 Percent Increases	Amount	Percent
Residential Heat Sales	100	\$146.58	\$161.61	\$15.03	10.3%
Residential Non-Heat Sales	15	\$29.15	\$31.40	\$2.25	7.7%
General Service	500	\$656.77	\$731.93	\$75.16	11.4%
General Service - LV	15,646	\$14,762.19	\$14,762.19	\$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 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 the BGSS and CIP Charges at levels it finds just and reasonable. Therefore, the Board may establish the 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.

Copies of the Company's filing are available for inspection at the Company's offices located at One South Jersey Plaza, Folsom, New Jersey 08037, or at the Board of Public Utilities, 44 South Clinton Avenue, 3rd floor, Trenton, New Jersey 08625-0350. The Company's filing may also be found on the South Jersey Gas Website at www.southjerseygas.com/About-South-Jersey-Gas/Regulatory-Compliance-Tariff-Information.aspx

NOTICE is further given that public hearings have been scheduled at the following date, times, and place on the Company's above-mentioned requests:

_____ at 4:30 p.m. and 5:30 p.m.
Voorhees Township, Municipal Court
Voorhees Town Center
Voorhees, New Jersey 08043
(located directly across from Township Library at 203 Laurel Road)

The public is invited to attend and interested persons will be permitted to testify and/or make a statement of their views on the proposed increases/decreases. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, including interpreter, listening devices or mobility assistance, forty-eight (48) hours prior to these hearings. In addition, members of the public may submit written comments concerning the petition to the Board regardless of whether they attend a hearing by addressing them to Aida Camacho, Secretary, Board of Public Utilities, 44 S. Clinton Avenue, P.O. Box 350, Trenton, NJ 08625-0350.

SOUTH JERSEY GAS COMPANY

By: David Robbins, Jr., President

**BEFORE THE
NEW JERSEY BOARD OF PUBLIC UTILITIES**

SOUTH JERSEY GAS COMPANY

Direct Testimony

of

Kenneth J. Barcia,

Manager of Rates and Revenue Requirements

On Behalf of

South Jersey Gas Company

1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME, AFFILIATION AND BUSINESS**

3 **ADDRESS.**

4 **A.** My Name is Kenneth J. Barcia, and I am the Manager of Rates and Revenue
5 Requirements, South Jersey Gas Company (“South Jersey” or “SJG” or the
6 “Company”). My business address is One South Jersey Plaza, Folsom, NJ 08037.

7 **Q. PLEASE SUMMARIZE YOUR EDUCATIONAL AND PROFESSIONAL**
8 **BACKGROUND.**

9 **A.** I joined South Jersey Industries, Inc. (“SJI”) in December 2011, as Risk Management
10 Project Specialist. In March of 2013, I was promoted to Credit Manager of the Risk
11 Management Department of SJI. Most recently, in May of 2015, I accepted my
12 current role as Manager, Rates and Revenue Requirements with South Jersey. Prior
13 to my employment with South Jersey, I held various positions in the engineering and
14 accounting fields. I hold a Bachelor of Science degree in Environmental Engineering
15 and in Accounting, both from Temple University, 1992 and 2002, respectively. I am
16 a member of the American Gas Association (AGA), where I serve on the State Affairs
17 Committee, and the New Jersey Utilities Association (NJUA), where I serve on the
18 Finance and Regulations Committee.

19 In my current role, I manage the daily activity of the Company’s Rates and
20 Revenue Requirements department and provide support and strategic direction
21 regarding rate and revenue related filings before the Board of Public Utilities (“BPU”
22 or “Board”). I also assist with the development and interpretation of the Company’s
23 tariff.

1 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

2 **A.** The purpose of my testimony in this proceeding is to: (1) review the actual results of
3 the Basic Gas Supply Service (“BGSS”) Clause for the 2017-2018 year; (2) present
4 the projected gas costs and recoveries in the 2018-2019 BGSS Clause (“BGSSC”)
5 year; (3) support the BGSS charges proposed to become effective October 1, 2018;
6 and (4) support proposed revisions to South Jersey’s tariff.

7
8 **II. REGULATORY HISTORY**

9 **Q. PLEASE DESCRIBE THE REGULATORY HISTORY OF THE BASIC GAS**
10 **SUPPLY SERVICE (“BGSS”) CLAUSE.**

11 **A.** On January 6, 2003, the Board issued its “Order Approving BGSS Price Structure”
12 (“BGSS Order”). The BGSS Order directed the gas distribution companies to
13 immediately implement the BGSS pricing mechanism, which consists of the Monthly
14 BGSS charge and the Periodic BGSS charge.

15 The Monthly BGSS charge is currently applicable to all Rate Schedule GSG
16 sales customers having an annualized usage of 5,000 therms or more and to all sales
17 customers served under Rate Schedules GSG-LV, LVS, EGS and EGS-LV. South
18 Jersey’s Monthly BGSS charge was implemented March 1, 2003, and is filed with
19 the Board each month utilizing the BGSS pricing formula approved by the BGSS
20 Order.

21 The Periodic BGSS charge is currently applicable to all sales customers served
22 under Rate Schedule RSG, and all Rate Schedule GSG sales customers having an
23 annualized usage of less than 5,000 therms.

1 The BGSS Order requires the gas utilities to make a BGSS filing with the Board
2 each year by June 1, with the intention that the Periodic BGSS charge would be
3 effective on October 1 of each year. As a result of the BGSS Order, South Jersey has
4 the discretion to file notice for two self-implementing rate increases to the Periodic
5 BGSS charge, to be effective on or about December 1 and/or February 1, following
6 the October 1 effective date.

7 On May 7, 2003, in Docket No. GR02090645, the parties to the proceeding
8 entered into a Settlement regarding the minimum filing requirements for the annual
9 BGSSC proceedings. This settlement was approved by Board Order dated June 29,
10 2003. Annual BGSS filings since 2003 have followed this process. A table of
11 contents has been submitted with South Jersey's Petition in this proceeding, which
12 also serves as a reference demonstrating that the Schedules and work papers
13 submitted with the Petition meet each of the minimum filing requirements.

14 On June 1, 2017, South Jersey made its annual filing in Docket No.
15 GR17060586, where it proposed to decrease its periodic BGSS charge from the then
16 current rate of \$0.354288 per therm, to \$0.340013¹ per therm, both inclusive of taxes.

17 By Order dated September 22, 2017, the Board approved a Stipulation of
18 Settlement approving a Periodic BGSS Rate of \$0.340013 per therm, including taxes,
19 on a provisional basis.

¹ On November 14, 2016, the Board issued a Secretary's Letter under Docket No. ER16111054, to all New Jersey electric and gas utilities, pursuant to P.L. 2016, c. 57, stating that the SUT to be charged to customers for utility service had been changed from 7.0% to 6.875% effective January 1, 2017, and thereafter to 6.625% effective January 1, 2018. All BGSS and CIP references within this Testimony stating "current rates" are inclusive of the 6.625% State sales tax rate.

1 By Order dated May 22, 2018, the Board approved a Stipulation of Settlement
2 to finalize the BGSS rate in Docket No. GR17060586.

3

4 **III. BGSS RATES CALCULATION**

5 **Q. PLEASE DESCRIBE HOW THE 2018/2019 BGSS RATES ARE**
6 **CALCULATED.**

7 **A.** Schedule KJB-1 demonstrates the derivation of the proposed Periodic BGSS charge
8 of \$0.564695, which consists of commodity, deferred balance, and non-commodity
9 gas cost rate components. The rate derivation begins with a projected commodity
10 cost of gas of \$86,771,302, shown on line 8, which includes South Jersey's approved
11 line loss of 1.43%, and assumes projected applicable sales volumes of 292,558,236,
12 shown on line 10. These two components determine the BGSS commodity rate of
13 \$0.296595 per therm, excluding taxes, shown on line 12, by dividing the commodity
14 cost of gas by the applicable sales volumes. Next, the projected total under-recovered
15 deferred balance of \$53,657,957 is shown on line 16. Line 18 reflects \$0 of accrued
16 interest expense from the 2017-2018 BGSS year. Line 20 indicates the total under-
17 recovered deferred balance the Company is proposing to recover, net of any
18 applicable forecasted accrued carrying costs. The Company's methodology for
19 calculating carrying costs is described in Section V., herein. Line 22 identifies the
20 applicable sales volumes utilized to derive the net deferred balance rate of \$0.183409
21 per therm, excluding taxes, which is shown on Line 24. The non-commodity costs,
22 shown on line 32, are \$14,125,133 for the Periodic BGSS customers and \$5,058,764

1 for the Monthly BGSS customers. The associated volumes and non-commodity cost
2 rates are shown on lines 34 and 36, respectively.

3 **Q. PLEASE EXPLAIN THE PROPOSED INCREASE IN ITS ANNUAL**
4 **PERIODIC BGSS RATE THAT SOUTH JERSEY IS PROPOSING FOR**
5 **THE 2018-2019 BGSS YEAR.**

6 **A.** Based on the Company's projected under-recovered balance at September 30, 2018,
7 South Jersey is proposing an overall increase of \$0.224682 to its Periodic BGSS rate
8 for the 2018-2019 BGSS year. As reflected in Schedule KJB-1, for the 2018-2019
9 BGSS year, South Jersey has calculated the Periodic BGSS rate at \$0.528285 per
10 therm, excluding taxes, or \$0.564695 per therm, including taxes, for Rate Schedule
11 RSG and for Rate Schedule GSG Customers where annual customer usage is less
12 than 5,000 therms.

13 The proposed Periodic BGSS charge would recover commodity, non-
14 commodity gas costs, and the projected deferred balance. The Periodic BGSS charge
15 would consist of a BGSS commodity rate of \$0.296595 per therm, a deferred balance
16 component of \$0.183409 per therm, and a BGSS non-commodity rate of \$0.048281
17 per therm, all excluding taxes.

18 Moreover, since customers served under Rate Schedules GSG-LV, EGS, LVS
19 and EGS-LV, and customers served under Rate Schedule GSG, whose annual
20 consumption is 5,000 therms or greater, recover some or all of their fixed gas costs
21 through their Monthly BGSS charge, as prescribed in South Jersey's tariff (Rider A),
22 the calculated Monthly BGSS non-commodity rate component would be \$0.106134

1 per therm, including taxes, which is a decrease of \$0.005715 from the current rate of
2 \$0.111849.

3 Pursuant to Rate Schedule LVS, Special Provision (n) of the Company's
4 currently approved Tariff, the gas cost portion of the Firm D-2 charge is composed
5 of the system weighted average interstate pipeline demand charge, plus the system
6 weighted average gas reservation charge as of October 1 of each year, plus applicable
7 taxes. Pursuant to Rate Schedule EGS-LV, Special Provision (f), of the Company's
8 currently approved tariff, the gas cost portion of the Firm D-2 charge is composed of
9 the highest pipeline demand cost imposed upon the Company by any interstate
10 pipeline applicable October 1 of each year, plus applicable taxes. The Firm FES and
11 Limited Firm EGS-LV gas cost portion of the D-2 rate is one-half the weighted
12 average of all interstate pipeline demand charges applicable to the Company at
13 October 1 of each year, plus applicable taxes.

14 Therefore, in accordance with South Jersey's tariff, South Jersey proposes that
15 the gas cost portion of the D-2 charge for Rate Schedule LVS be set at \$15.007637
16 per Mcf, including taxes. South Jersey also proposes that the gas cost portion of the
17 Firm D-2 charge for Rate Schedule EGS-LV would be set at \$15.437520 per Mcf,
18 including taxes. Lastly, South Jersey proposes that the gas cost portion of the Limited
19 Firm D-2 and Firm D-2 charges for Rate Schedules EGS-LV and FES, respectively,
20 be set at \$7.503819 per Mcf, including taxes.

21
22
23

1 **IV. BALANCING SERVICE CLAUSE (“BSC”) CHARGES**

2 **Q. DOES THE COMPANY WISH TO ADDRESS ITS CURRENT BSC**
3 **RELATED CHARGES IN THIS PETITION?**

4 **A.** Yes. On March 27, 2006, South Jersey Gas Company was a party to a Global
5 Settlement, Docket Nos. GR03080683, GR00050295, GR04060400, GR04080757,
6 GR04091029, GR05060496 and EX99040242. Therein, the parties agreed that South
7 Jersey's balancing charge in Rider "J" (Balancing Service Clause - General Service)
8 was to be increased from its then current level of \$0.040000 per therm, including
9 taxes, to \$0.050000 per therm, including taxes, which represented a 25% increase in
10 the rate.

11 In addition, the parties to the Global Settlement agreed that South Jersey's
12 balancing charge applicable to large volume customers under its Rider "I" (Balancing
13 Service Clause – Large Volume) was to be increased from its then current level of
14 \$0.002700 per therm, including taxes, to \$0.012500 per therm, including taxes.

15 The parties to the Global Settlement further agreed that all balancing charge
16 recoveries, exclusive of taxes, were to be credited 100% to the Periodic BGSS Clause,
17 and the Periodic BGSS rate was to be reduced by the amount of the Rider "J"
18 balancing charge, \$0.050300 per therm (\$0.503 per Dt). At the time of the Global
19 Settlement, the increase in the balancing charges represented the sharing of the cost
20 responsibility related to the Transco Central New Jersey Expansion Project.

21 **Q. IS THE COMPANY PROPOSING A CHANGE TO ITS CURRENT**
22 **BALANCING CHARGE RATES?**

23 **A.** Yes. Since March 27, 2006, when the Order Adopting Settlement was executed, the

1 Company has not changed the level of its balancing charges. For BGSS customers,
2 the balancing charge is an embedded component of the Periodic BGSS rate. All
3 balancing charge recoveries, exclusive of taxes, will be credited 100% to the Periodic
4 BGSS Clause.

5 Based on its current calculations and related to its Rider "I", the Company
6 proposes to increase its current Opt-Out after-tax per therm balancing charge rate of
7 \$0.002700 to \$0.003074, or 13.9%, and the Company proposes to increase its current
8 Non Opt-Out after-tax per therm balancing charge rate of \$0.012600 to \$0.033851,
9 which is equal to the Company's proposed Rider "J" BSC rate, as proposed in the
10 next paragraph. Both of these changes are proposed to be effective October 1, 2018.

11 In addition, related to its Rider "J", the Company is proposing, for all applicable
12 Rate Schedules per its current tariff, to decrease its current after-tax per therm
13 balancing charge rate of \$0.050300 to \$0.033851, effective October 1, 2018.

14 In this Petition, the Company's calculations of its current balancing
15 costs and the associated rate changes are presented and proposed as part of the Direct
16 Testimony and Schedules of Timothy W. Rundall.

17

18 **V. REVIEW OF 2017-2018 BGSS YEAR**

19 **Q. PLEASE PROVIDE A SUMMARY OF ACTUAL AND PROJECTED**

20 **RESULTS RELATED TO THE 2017- 2018 BGSS CLAUSE.**

21 **A.** Schedule KJB-2 is a summary of actual and projected results for the twelve-month
22 period ending September 30, 2018. It reflects a projected under-recovery as of
23 September 30, 2018 of \$53,657,957. This Schedule reflects \$75,169 in pipeline

1 refunds and \$29,773,358 in credits from interruptible sales, interruptible
2 transportation, off-system sales, and off-system and on-system capacity releases.

3 Section A of Schedule KJB-2, beginning with line 7, entitled “Natural Gas”, shows
4 the cost of natural gas purchased by South Jersey on Line 9. This amount is increased
5 by the cost of withdrawals from inventory and it is reduced by the cost of gas injected
6 into inventory during the period, as the BGSSC is only charged for commodity gas
7 costs upon its actual usage, not its purchase. Lastly, this amount is then increased or
8 decreased because of the marketer imbalance for the month.

9 Section B of Schedule KJB-2, beginning with line 14, entitled “Supplemental
10 Gas”, identifies the cost of liquefied natural gas (“LNG”) utilized during the period,
11 as shown on line 16.

12 Section C of Schedule KJB-2, starting with line 19, entitled “Cost Reductions”,
13 provides reductions to the cost of gas applicable to the BGSSC, as shown on lines 21
14 - 25. These reductions include the applicable cost of gas sold under the Company’s
15 interruptible rate schedules and off-system sales, pipeline refunds, company use gas,
16 and gas cost credits derived from interruptible sales, interruptible transportation, off-
17 system sales, and off-system and on-system capacity releases utilizing the Board
18 approved sharing formulas. Sections A, B, and C are summarized in Section D of
19 Schedule KJB-2, entitled “Cost Recovery”, as the “Total Gas Cost to BGSS”, which
20 is shown on line 30.

21 Section D also demonstrates that the total projected cost of gas to the BGSSC
22 of \$183,859,510 (line 30), less the projected recoveries of \$129,731,197 (sum of lines
23 31 and 32), plus the cumulative Over-Recovered Beginning Balance of \$(470,356)

1 (sum of lines 36 and 37), results in a projected Cumulative Under-Recovery Ending
2 Balance of \$53,657,957 (line 38) at September 30, 2018.

3 **Q. WHAT IS THE PROJECTED CARRYING COST ASSOCIATED WITH THE**
4 **2017-2018 BGSS CLAUSE?**

5 **A.** Schedule KJB-3 is a statement of projected accrued interest on the BGSSC. This
6 Schedule reflects the monthly calculation of interest on the average cumulative
7 BGSSC balance. Column 2 shows the monthly BGSSC activity. Column 3 reflects
8 the cumulative under or over-recovered balance at the end of each month. Column 4
9 is the average of the current month's and prior months' cumulative balances. Column
10 5 is the overall rate of return on rate base, shown monthly, which was utilized to
11 establish base rates in the Company's most recent base rate case. Column 6 shows
12 the monthly interest, and Column 7 shows the cumulative interest. Schedule KJB-3,
13 line 36, shows that the Company is projecting \$0 total annual interest to be credited
14 to the 2017-2018 BGSSC, as the Company is projecting an under-recovered balance
15 at September 30, 2018. The Board policy, regarding South Jersey's interest rate, was
16 set forth in Docket No. GR87091101. In that Docket, the Board determined that the
17 overall rate of return last used to set South Jersey's base rates was the proper interest
18 rate for inclusion in the BGSSC calculation. In Docket No. GR89080731, the Board
19 ruled that the monthly offset methodology was the proper methodology for
20 calculating BGSSC interest.

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22
23

1 **VI. PROJECTION OF THE 2018-2019 BGSSC YEAR**

2 **Q. CAN YOU PLEASE PROVIDE A PROJECTION AND SUMMARY OF THE**
3 **2018 – 2019 BGSS CLAUSE YEAR?**

4 **A.** The analysis of the gas costs and recoveries for the 2018-2019 BGSS Clause year is
5 detailed on Schedules KJB-4 through KJB-10, as follows:

Schedule- KJB-4	2018-2019 BGSSC Summary
Schedule- KJB-5	Projected Gas Cost to BGSSC
Schedule- KJB-6	Monthly Interruptible/Off-System Capacity Release Credit
Schedule- KJB-7	BGSSC Recoveries Utilizing Current Rates
Schedule- KJB-8	BGSSC Cost Recovery Allocation
Schedule- KJB-9	Proof of BGSSC Recovery
Schedule- KJB-10	Projected Carrying Cost on 2018-2019 BGSSC

6 Schedule KJB-4 begins with the projected September 30, 2018 under-recovery of
7 \$53,657,957 line 5, to which no interest (line 7) is projected to be credited to the
8 Clause during the 2017-2018 BGSS year. Line 11 of Schedule KJB-4 shows the
9 projected cost of gas for the 2018-2019 BGSS Clause year to be \$162,072,199. The
10 derivation of this figure is shown on Schedule KJB-5. Line 13 of Schedule KJB-4
11 shows there will be a credit to gas costs of \$(23,907,638), as calculated on Schedule
12 KJB-6, derived from the projected pre-tax margins on interruptible sales,
13 interruptible transportation, off-system sales, and capacity releases. The projected
14 net cost of gas of \$191,822,518 (Schedule KJB-4, line 15) is then compared to the
15 projected total cost recoveries of \$130,511,070 (Schedule KJB-4, line 17) at current
16 rates, the calculation for which is shown on Schedule KJB-7. The BGSSC should be
17 increased by the \$61,311,448 balance (Schedule KJB-4, line 19), or \$65,537,092
18 including applicable taxes on (Schedule KJB-4, line 25).

1 **Q. WHAT ARE THE PROJECTED GAS COSTS TO BGSSC?**

2 **A.** Schedule KJB-5 provides a breakdown of the cost components that are projected for
3 the 2018-2019 BGSS Year. This Schedule reflects the total gas costs, storage
4 injection and withdrawal costs, LNG costs and Company use gas. These costs total
5 \$162,072,199 (line 24), which is the projected cost of gas send out.

6 **Q. CAN YOU PLEASE PROVIDE DETAIL FOR THE MONTHLY**
7 **INTERRUPTIBLE, OFF-SYSTEM AND CAPACITY RELEASE CREDIT?**

8 **A.** Schedule KJB-6 details the derivation of the credit to gas costs from interruptible
9 sales, interruptible transportation, off-system sales, and off-system and on-system
10 capacity releases. South Jersey included a credit to BGSS gas costs of \$(23,907,638)
11 (line 18), which was derived from the Board's approved margin sharing formula in
12 South Jersey's base rate case Order dated July 8, 2004 (Docket No. GR03080683).
13 The sharing formula provides for 85% of pre-tax margins to be credited to the
14 BGSSC, and 15% to South Jersey.

15 **Q. WHAT IS SOUTH JERSEY'S CALCULATION FOR MONTHLY BGSSC**
16 **RECOVERIES?**

17 **A.** Schedule KJB-7 demonstrates the calculation of monthly recoveries utilizing current
18 rates. Based on current rates, the BGSSC cost recoveries are projected to be
19 \$130,511,070 (line 62). In developing the cost recovery calculation, firm therm sales
20 and firm transportation volumes are multiplied by the currently applicable unit
21 recovery rates, as reflected in my work papers, to determine BGSSC cost recoveries.

22 Anticipated therm sales to residential, commercial, and small industrial
23 customers are based upon normal temperatures, projected customer levels and usage

1 factors. Projected therm sales to customers subscribing to Rate Schedules LVS, EGS-
2 LV, and FES are predicated upon individual customers' contracts or the anticipated
3 levels of such contracts.

4 **Q. PLEASE EXPLAIN THE COMPANY'S BGSS CLAUSE COST RECOVERY**
5 **ALLOCATION.**

6 **A.** Schedule KJB-8 shows the elements making up the commodity and non-commodity
7 gas cost components and the projected, deferred balance at September 30, 2018. Line
8 9 of this Schedule reflects the commodity cost of natural gas purchased by South
9 Jersey. It does not include the cost of gas associated with interruptible or off-system
10 sales. This amount is then reduced by the cost of gas injected into inventory during
11 the period, as the BGSSC is only charged for commodity gas costs upon its actual
12 usage, not its purchase. Next, it is increased by the cost of withdrawals from
13 inventory. The variable costs of storage and LNG commodity costs are also added
14 to the result. The recoveries applicable to commodity costs are then credited to the
15 commodity cost of gas. These recoveries include Monthly BGSS and FES sales, and
16 sales from South Jersey's Rate Schedules YLS and SLS.

17 Line 33 of Schedule KJB-8 shows the projected under recovered balance, net
18 any Forecasted Accrued Interest from line 31, at September 30, 2018.

19 As reflected on Schedule KJB-8, the Company allocated the non-commodity
20 costs and applicable credits between the Periodic and Monthly priced BGSS
21 customers. The allocation is based on each groups' (Periodic and Monthly priced)
22 respective anticipated sales volumes.

1 The non-commodity charges consist of the annual pipeline and storage demand
2 charges. These costs are netted with applicable credits, refunds, and recoveries, to
3 derive the total non-commodity costs. Credits include those applicable to company
4 use gas, pipeline refunds, interruptible sales and transportation, off-system sales and
5 on-system and off-system capacity releases. Recoveries include balancing charges
6 applicable to customers subscribing to Rate Schedules RSG, GSG, GSG-LV, CTS,
7 LVS, EGS, and EGS-LV. Recoveries also include the D-2 gas cost component
8 applicable to sales customers subscribing to Rate Schedules LVS, EGS-LV and FES,
9 as shown on line 53. Currently, line 53 of Schedule KJB-8 reflects only the D-2 gas
10 cost component recoveries of Rate Schedule FES, as all of South Jersey's LVS and
11 EGS-LV customers are transporting.

12 **Q. PLEASE PROVIDE A SUMMARY OF PROJECTED PROOF OF**
13 **RECOVERY FOR THE 2018-2019 BGSS CLAUSE YEAR.**

14 **A.** Schedule KJB-9 provides a projected summary of the 2018-2019 BGSSC year on a
15 proof of recovery basis, based on South Jersey's calculated and proposed \$0.564695
16 per therm rate, including taxes. Schedule KJB-9 also provides a summary by month
17 of the 2018-2019 BGSSC based upon the calculated gas cost levels, credits thereto
18 and gas cost recoveries. In short, this Schedule shows that the 2018-2019 BGSS
19 year will end with a near zero balance, as shown on line 38, at September 30, 2019.

20 **Q. WHAT IS THE PROJECTED CARRYING COST ASSOCIATED WITH**
21 **THE 2018-2019 BGSS CLAUSE YEAR?**

22 **A.** Schedule KJB-10 is a statement of projected accrued interest related to the 2018-2019
23 BGSS Clause Year. This Schedule reflects the projected balances and interest

1 projected for the 2018-2019 year. Schedule KJB-10, line 36, demonstrates that there
2 is projected interest of \$0 due to rate payers for the 2018-2019 BGSS Year.

3

4 **VII. TARIFF CHANGES**

5 **Q. PLEASE PROVIDE THE COMPANY'S PROPOSED TARIFF PAGES WITH**
6 **ALL PROPOSED CHANGES.**

7 **A.** Schedule KJB-11 consists of the proposed tariff pages reflecting South Jersey's
8 proposed changes to its Periodic BGSS charge and D-2 gas cost component for Rate
9 Schedules LVS, EGS-LV and FES. All tariff pages in Schedule KJB-11 have been
10 black lined for review purposes.

11 **Q. Does this conclude your Testimony?**

12 **A.** Yes, it does.

SOUTH JERSEY GAS COMPANY
2018 - 2019 BGSSC
Periodic Rate Derivation

	<u>Periodic BGSS</u>	<u>Monthly BGSS</u>	<u>Reference</u>		
<u>COMMODITY RATE</u>					
Total Commodity Cost	\$86,771,302		(KJB-8 Line 21)		
Applicable Sales Volumes	<u>292,558,236</u>		(KJB-8 Line 23)		
BGSS Commodity Rate	<u>\$0.296595</u>				
<u>DEFERRED BALANCE RATE</u>					
Deferred Under/(Over) Recovered Balance	\$53,657,957		(KJB-8 Line 29)		
Forecasted Accrued Interest on 2017-2018 BGSSC	\$0		(KJB-8 Line 31)		
Total Deferred Under/(Over) Recovered Balance	<u>\$53,657,957</u>				
Applicable Sales Volumes	<u>292,558,236</u>		(KJB-8 Line 35)		
BGSS Deferred Balance Rate Per Therm	<u>\$0.183409</u>				
<u>NON COMMODITY RATE</u>					
Total Non Commodity Cost	\$49,410,009	\$8,604,742	(KJB-8 Line 43)		
Total Credits/Refunds/Recoveries	<u>(\$35,284,876)</u>	<u>(\$3,545,979)</u>	(KJB-8 Line 55)		
Total Non Commodity Cost	\$14,125,133	\$5,058,764			
Applicable Sales Volumes	<u>292,558,236</u>	<u>50,948,954</u>	(KJB-8 Line 60)		
BGSS Non Commodity Cost Rate	<u>\$0.048281</u>	<u>\$0.099291</u>			
<u>TOTAL BGSS CHARGE PER THERM (Excluding Taxes)</u>	<u>\$0.528285</u>	<u>\$0.099291</u>			
<u>TOTAL BGSS CHARGE PER THERM (Including Taxes)</u>	<u>\$0.564695</u>	<u>\$0.106134</u>			
<u>D-2 FES/EGS-LV/LVS RATE DERIVATION</u>	<u>Capacity</u>	<u>FES</u>	<u>EGS-LV-FIRM</u>	<u>EGS-LV-LF</u>	<u>LVS</u>
Transco Demand (MCFs)	116,826	\$14,442,153	\$14,442,153		
Columbia Demand (MCFs)	67,633	\$11,977,020	\$11,977,020		
D-2 Rate (Greater of Transco or Columbia or FTF)			<u>\$14,442,153</u>		
Weighted Average Demand Rate (Transco, Columbia, FTF)			<u>\$14,039,988</u>	<u>\$14,039,988</u>	<u>\$14,039,988</u>
D-2 Gas Cost Component per MCF (Excluding Taxes)			<u>\$7,019,994</u>	<u>\$14,442,153</u>	<u>\$14,039,988</u>
D-2 Gas Cost Component per MCF (Including Taxes)			<u>\$7,503,819</u>	<u>\$15,437,520</u>	<u>\$15,007,637</u>

SOUTH JERSEY GAS COMPANY
2017-2018 BGSSC
Proof of BGSSC Recovery

	Actual Oct-17	Actual Nov-17	Actual Dec-17	Actual Jan-18	Actual Feb-18	Actual Mar-18	Actual Apr-18	Projected May-18	Projected Jun-18	Projected Jul-18	Projected Aug-18	Projected Sep-18	Total
Section A (Natural Gas)													
Total Firm, Interruptible, and Off-System Sales COG	\$13,560,467	\$16,531,544	\$29,390,686	\$74,185,853	\$24,128,225	\$21,382,811	\$16,680,214	\$17,088,092	\$16,764,824	\$17,030,885	\$16,897,791	\$16,217,315	\$279,818,506
Marketer Imbalance	(\$5,109)	\$123,592	\$300,977	(\$1,272,012)	(\$491,208)	\$427,122	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,793,164)
Total Storage Withdrawals Costs	\$304,419	\$1,555,517	\$4,431,022	\$4,867,394	\$4,310,575	\$3,514,921	\$67,2884	\$489,302	\$264,647	\$242,272	\$236,801	\$187,580	\$20,877,436
Total Storage Injections Costs	\$1,385,187	\$15,996	\$1,560,484	\$1,786,209	\$1,189,022	\$235,483	\$2,290,361	\$3,860,763	\$4,056,942	\$4,294,937	\$4,179,316	\$3,626,729	\$26,680,995
Section B (Supplemental Gas)													
LNG Costs (withdrawals)	\$41,354	\$85,934	\$470,376	\$831,297	\$33,374	\$50,367	\$53,867	\$69,680	\$67,004	\$65,463	\$64,184	\$60,812	\$1,993,713
Section C (Cost Reductions)													
Cost of Gas Interruptible and Off-System Sales	\$5,330,375	\$5,453,763	\$5,279,723	\$5,686,613	\$6,834,597	\$4,740,706	\$925,680	\$4,855,724	\$4,606,435	\$4,928,054	\$4,937,014	\$4,819,615	\$56,598,290
Pipeline Refunds & Demand Charge Reduction	\$0	\$0	\$17,768	\$0	\$0	\$57,400	\$0	\$0	\$0	\$0	\$0	\$0	\$75,169
Company Use Admin Cost	\$9,108	\$7,683	\$10,394	\$11,443	\$10,257	\$9,832	\$8,680	\$6,109	\$6,109	\$7,636	\$7,636	\$6,109	\$100,997
Interruptible/Off-System/Capacity Release Credit	\$1,640,563	\$3,472,120	\$4,270,666	\$3,771,483	\$3,579,271	\$3,696,871	\$1,240,988	\$1,622,701	\$1,623,056	\$1,618,279	\$1,622,468	\$1,614,894	\$29,773,358
Storage Incentive Mechanism	(\$210,267)	\$0	\$18,435	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$191,632)
Section D (Cost Recovery)													
Total Gas Cost To BGSSC	\$5,745,165	\$9,347,156	\$29,435,691	\$67,455,795	\$15,367,929	\$16,314,929	\$12,085,092	\$7,281,796	\$6,693,932	\$6,489,695	\$6,452,341	\$6,199,350	\$193,859,510
Total Market Cost Recovery	\$2,649,651	\$2,357,776	\$2,937,959	\$7,429,796	\$9,206,166	\$4,410,626	\$4,687,570	\$4,407,684	\$3,993,905	\$1,691,629	\$1,690,783	\$1,690,388	\$40,399,741
Total BGSSC Recovery	\$1,810,811	\$4,381,968	\$10,124,188	\$19,895,187	\$15,348,570	\$11,921,562	\$11,877,093	\$4,195,687	\$3,405,175	\$1,813,707	\$2,189,139	\$2,319,441	\$89,331,453
Monthly (Over) / Under Recovery	\$2,086,703	\$2,567,922	\$9,463,645	\$40,382,873	(\$5,186,901)	(\$417,268)	(\$4,496,577)	\$678,215	\$1,109,782	\$3,074,376	\$2,563,439	\$2,271,615	\$54,128,313
Cumulative (Over) / Under Recovery Beginning Balance	(\$177,375)	\$1,616,347	\$4,203,770	\$13,667,414	\$54,060,287	\$48,873,386	\$48,456,127	\$43,960,551	\$44,638,786	\$45,748,528	\$48,822,903	\$51,386,342	(\$177,375)
Interest Accrued - Owed to Customers on 2016-2017 BGSSC	(\$292,981)												(\$292,981)
Cumulative (Over) / Under Recovery Ending Balance	\$1,616,347	\$4,203,770	\$13,667,414	\$54,060,287	\$48,873,386	\$48,456,127	\$43,960,551	\$44,638,766	\$45,748,528	\$48,822,903	\$51,386,342	\$53,657,957	\$53,657,957

SOUTH JERSEY GAS COMPANY
2017 - 2018 BGSSC
Projected Carrying Cost BGSSC

(1) Month	(2) Monthly (Over)/Under Activity	(3) Cumulative (Over)/Under Balance	(4) Average (Over)/Under Balance	(5) Interest Rate	(6) Monthly Interest	(7) Cumulative Interest
	Beginning Balance	(\$470,356)				
Oct-17	\$2,086,703	\$1,616,347	\$572,996	0.5917%	\$3,390	\$3,390
Nov-17	\$2,587,422	\$4,203,770	\$2,910,059	0.5667%	\$16,490	\$19,881
Dec-17	\$9,463,645	\$13,667,414	\$8,935,592	0.5667%	\$50,635	\$70,516
Jan-18	\$40,392,873	\$54,060,287	\$33,863,851	0.5667%	\$191,895	\$262,411
Feb-18	(\$5,186,901)	\$48,873,386	\$51,466,836	0.5667%	\$291,645	\$554,056
Mar-18	(\$417,258)	\$48,456,127	\$48,664,756	0.5667%	\$275,767	\$829,823
Apr-18	(\$4,495,577)	\$43,960,551	\$46,208,339	0.5667%	\$261,847	\$1,091,670
May-18	\$678,215	\$44,638,766	\$44,299,658	0.5667%	\$251,031	\$1,342,702
Jun-18	\$1,109,762	\$45,748,528	\$45,193,647	0.5667%	\$256,097	\$1,598,799
Jul-18	\$3,074,375	\$48,822,903	\$47,285,716	0.5667%	\$267,952	\$1,866,751
Aug-18	\$2,563,439	\$51,386,342	\$50,104,623	0.5667%	\$283,926	\$2,150,678
Sep-18	\$2,271,615	\$53,657,957	\$52,522,150	0.5667%	\$297,626	\$2,448,303
					<u>\$2,448,303</u>	
					<u>\$0</u>	

Cumulative Net Interest on Under Recovered Balance

Net Interest Credit to Ratepayers

Pursuant to Docket Nos. GR87091101 and GR89080731, the Company is utilizing the monthly offset methodology.

SOUTH JERSEY GAS COMPANY
2018 - 2019 BGSSC SUMMARY

		Reference
1 Forecasted Under Recovered Balance September 2018	\$53,657,957	(KJB-2, Line 38)
2		
3		
4		
5 Forecasted Accrued Interest on 2017-2018 BGSSC	\$0	(KJB-3, Line 36)
6		
7		
8		
9 Total Deferred Under Recovered Balance	\$53,657,957	
10		
11 Cost Of Gas Sendout - October 1, 2018 through September 30, 2019	\$162,072,199	(KJB-5, Line 24)
12		
13 Interruptible, Off-System Sales, and Capacity Release Credit	(\$23,907,638)	(KJB-6, Line 18)
14		
15 Net Cost Of Gas Sendout	<u>\$191,822,518</u>	
16		
17 Total Cost Recovery With Current Rates	<u>\$130,511,070</u>	(KJB-7, Line 62)
18		
19 Increase in Cost of Gas (Excluding Taxes)	\$61,311,448	
20		
21 P.U.A. Tax Factor	1.002505	
22		
23 NJ Sales and Use Tax Factor	<u>1.06625</u>	
24		
25 Increase in Cost of Gas (Including Taxes)	<u><u>\$65,537,092</u></u>	

SOUTH JERSEY GAS COMPANY
2018 - 2019 BGSSC
Projected Gas Cost to BGSSC

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Total
Total Gas Cost	\$8,744,617	\$12,893,784	\$17,367,928	\$19,683,496	\$17,035,274	\$14,544,428	\$13,121,155	\$11,107,951	\$10,383,101	\$10,623,193	\$10,353,757	\$9,696,477	\$155,555,161
Total Storage Injections Cost	\$1,657,185	\$252,661	\$386,443	\$184,302	\$148,388	\$126,641	\$2,499,184	\$3,039,381	\$2,784,781	\$3,026,487	\$2,825,294	\$2,500,884	\$19,431,629
Total Storage Withdrawals Cost	\$349,046	\$1,394,484	\$4,060,219	\$5,831,705	\$5,112,400	\$3,178,502	\$483,659	\$282,172	\$234,476	\$102,481	\$131,914	\$182,740	\$21,353,998
Total LNG Withdrawal Cost	\$2,143,664	\$63,150	\$736,204	\$554,384	\$493,198	\$444,131	\$63,008	\$59,124	\$56,975	\$56,506	\$55,942	\$50,958	\$4,777,244
Company Use (Therms)	50,000	50,000	70,000	100,000	100,000	80,000	50,000	40,000	40,000	50,000	50,000	40,000	720,000
Company Use Administration Percent	48.00%	48.00%	48.00%	48.00%	48.00%	48.00%	48.00%	48.00%	48.00%	48.00%	48.00%	48.00%	48.00%
Company Use Administration	24,000	24,000	33,600	48,000	48,000	38,400	24,000	19,200	19,200	24,000	24,000	19,200	345,600
Average Rate	\$0.528285	\$0.528285	\$0.528285	\$0.528285	\$0.528285	\$0.528285	\$0.528285	\$0.528285	\$0.528285	\$0.528285	\$0.528285	\$0.528285	\$0.528285
Company Use Administrative Cost	\$12,679	\$12,679	\$17,750	\$25,358	\$25,358	\$20,286	\$12,679	\$10,143	\$10,143	\$12,679	\$12,679	\$10,143	\$182,575
Projected Cost of Gas Sendout	\$9,567,463	\$14,076,078	\$21,760,158	\$25,859,926	\$22,467,127	\$18,020,134	\$11,166,160	\$8,399,722	\$7,879,628	\$7,743,014	\$7,703,640	\$7,429,148	\$162,072,199

SOUTH JERSEY GAS COMPANY
2018 - 2019 BSSC
Monthly Interruptible/Off-System Capacity Release Credit

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Total
1													
2													
3													
4													
5													
6													
7	\$18,362	\$24,881	\$21,162	\$14,800	\$16,052	\$25,030	\$23,804	\$39,314	\$21,021	\$16,211	\$22,639	\$16,651	\$259,907
8	\$1,498,248	\$2,369,655	\$3,848,940	\$2,678,009	\$2,508,973	\$2,829,946	\$2,028,630	\$2,024,469	\$2,028,652	\$2,017,447	\$2,017,354	\$2,016,404	\$27,886,726
9													
10	\$1,516,610	\$2,394,516	\$3,870,102	\$2,682,809	\$2,525,025	\$2,854,975	\$2,052,434	\$2,063,782	\$2,049,673	\$2,033,658	\$2,039,983	\$2,033,055	\$28,126,633
11													
12	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	
13													
14													
15													
16													
17													
18	\$1,289,118	\$2,035,339	\$3,289,587	\$2,288,888	\$2,146,271	\$2,426,729	\$1,744,569	\$1,764,215	\$1,742,222	\$1,728,609	\$1,733,994	\$1,728,097	\$23,907,636

SOUTH JERSEY GAS COMPANY
2018 - 2019 BGSSC
BGSSC Recoveries Utilizing Current Rates

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Total
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SOUTH JERSEY GAS COMPANY
2018 - 2019
BGSS Cost Recovery Allocation

	Proposed Periodic BGSS	Proposed Monthly BGSS Non-Commodity
COMMODITY COST		
Purchases (Workpaper KJB-5B, Page 3, Line 17)	\$ 96,847,025	
Injectons (KJB-5, Line 8)	\$ (19,431,629)	
Withdrawals (KJB-5, Line 10)	\$ 21,353,998	
Storage-Variable Costs (Workpaper KJB-5B, Page 3, Line 41)	\$ 693,385	
LNG Withdrawal Costs (KJB-5, Line 12)	\$ 4,777,244	
FES Recoveries - Commodity Charges (Workpaper KJB-9A, Page 1, Line 34)	\$ (2,549,387)	
GSG - Monthly BGSS Recoveries - Commodity Charges (Workpaper KJB-9A, Page 1, Line 54)	\$ (14,639,132)	
EGS-LV Firm - Monthly BGSS Recoveries - Commodity Charges (Workpaper KJB-9A, Page 2, Line 11)	\$ -	
EGS - Monthly BGSS Recoveries - Commodity Charges (Workpaper KJB-9A, Page 2, Line 19)	\$ (241,802)	
EGS-LV Ltd Firm - Monthly BGSS Recoveries - Commodity Charges (Workpaper KJB-9A, Page 2, Line 7)	\$ -	
Yard and Street Lighting Recoveries (Workpaper KJB-9A, Page 2, Line 23)	\$ (38,400)	
Total Commodity Cost	\$ 86,771,302	
Applicable Sales Volumes	292,558,236	
BGSS Commodity Rate Per Therm	\$ 0.296595	
DEFERRED BALANCE		
Deferred Under/(Over) Recovered Balance (KJB-2 Line 38)	\$ 53,657,957	
Forecasted Accrued Interest on 2017-2018 BGSS (KJB-3 Line 36)	\$ -	
Total Deferred Under/(Over) Recovered Balance	\$ 53,657,957	
Applicable Sales Volumes	292,558,236	
Deferred Balance Rate Per Therm	\$ 0.183409	
NON-COMMODITY COST		
CHARGES		
Annual Pipeline and Storage Demand Charges (Workpaper KJB-5B, Page 3, Line 40)	\$ 49,410,009	\$ 8,604,742
Total Non-Commodity Charges	\$ 49,410,009	\$ 8,604,742
CREDITS/REFUNDS/RECOVERIES		
Company Use/Administration (KJB-5, Line 22)	\$ (182,575)	
Inertible/Off-System and On-System Sales Credits (KJB-6, Line 18)	\$ (20,361,659)	\$ (3,545,979)
CTS Recoveries - Balancing Charge (Workpaper KJB-7A, Line 33 and Workpaper Input Area, Line 57)	\$ (74,424)	
RSG-FSS & RSG-FT Recoveries - Balancing Charge (Workpaper KJB-9A, Page 1, Line 13)	\$ (8,447,754)	
GSG-FSS & GSG-FT Recoveries - Balancing Charge (Workpaper KJB-9A, Page 1, Line 18)	\$ (4,703,290)	
GSG-LV-FT Recoveries - Balancing Charge (Workpaper KJB-9A, Page 1, Line 22)	\$ (774,675)	
LVS-FT Recoveries - Balancing Charge (Workpaper KJB-7A, Line 33 and Workpaper Input Area, Line 46)	\$ (345,297)	
FES, LVS, & EGS-LV - Demand Charge Recoveries (Workpaper KJB-9A, Page 1, Line 38)	\$ (207,736)	
EGS-LV Firm & Lid-Firm Recoveries - Balancing Charge (Workpaper KJB-7A, Line 34 and Input Area, Lines 45 & 52)	\$ (187,465)	
Total Credits/Refunds/Recoveries	\$ (35,284,876)	\$ (3,545,979)
Total Non-Commodity Cost	\$ 14,125,133	\$ 5,058,764
Applicable Sales Volumes	292,558,236	50,948,954
BGSS Non-Commodity Cost Rate Per Therm	\$ 0.048281	\$ 0.099291
TOTAL BGSS CHARGES PER THERM (Excluding Taxes)	\$ 0.528285	\$ 0.099291
TOTAL BGSS CHARGES PER THERM (Including Taxes)	\$ 0.564695	\$ 0.106134

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SOUTH JERSEY GAS COMPANY
2018-2019 BGSSC
Proof of BGSSC Recovery

	Projected Oct-18	Projected Nov-18	Projected Dec-18	Projected Jan-19	Projected Feb-19	Projected Mar-19	Projected Apr-19	Projected May-19	Projected Jun-19	Projected Jul-19	Projected Aug-19	Projected Sep-19	Total
Section A (Natural Gas)													
8 Total Firm, Interruptible, and Off-System Sales COG	\$14,062,070	\$20,249,232	\$23,394,707	\$26,872,073	\$23,473,556	\$21,931,515	\$17,789,256	\$15,806,987	\$15,049,336	\$15,421,446	\$15,159,564	\$14,382,911	\$223,592,654
9 Marketer Imbalance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 Total Storage Withdrawals Costs	\$349,046	\$1,384,464	\$4,060,219	\$5,831,705	\$5,112,400	\$3,178,502	\$493,859	\$282,172	\$234,476	\$102,481	\$131,914	\$192,740	\$21,353,998
11 Total Storage Injections Costs	\$1,657,185	\$252,661	\$386,443	\$184,302	\$148,388	\$126,641	\$2,499,184	\$3,039,381	\$2,784,781	\$3,026,487	\$2,825,294	\$2,500,884	\$19,031,629
Section B (Supplemental Gas)													
14 LNG Costs (withdrawals)	\$2,143,664	\$63,150	\$736,204	\$554,384	\$493,198	\$444,131	\$63,008	\$59,124	\$56,975	\$56,506	\$55,942	\$50,958	\$4,777,244
Section C (Cost Reductions)													
20 Cost of Gas Interruptible and Off-System Sales	\$5,317,453	\$7,355,448	\$6,026,779	\$7,188,577	\$6,438,282	\$7,387,087	\$4,668,101	\$4,699,036	\$4,666,235	\$4,798,253	\$4,805,807	\$4,686,434	\$68,037,493
21 Pipeline Refunds & Demand Charge Reduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22 Company Use Admin Cost	\$12,679	\$12,679	\$17,750	\$25,358	\$25,358	\$20,286	\$12,679	\$10,143	\$10,143	\$12,679	\$12,679	\$10,143	\$182,575
24 Interruptible/Off-System/Capacity Release Credit	\$1,269,118	\$2,035,339	\$3,289,897	\$2,288,898	\$2,146,271	\$2,426,729	\$1,744,569	\$1,754,215	\$1,742,222	\$1,728,609	\$1,733,994	\$1,729,097	\$23,907,638
25 Storage Incentive Mechanism	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Section D (Cost Recovery)													
29 Total Gas Cost To BGSSC	\$8,276,345	\$12,040,739	\$18,470,571	\$23,571,038	\$20,320,856	\$15,593,405	\$9,421,591	\$6,645,507	\$6,137,406	\$6,014,405	\$5,989,647	\$5,701,051	\$138,164,561
30 Total Allocated Cost Recovery	\$1,124,856	\$2,367,504	\$3,823,060	\$5,868,032	\$6,062,322	\$5,473,761	\$4,031,045	\$1,974,659	\$1,730,892	\$1,614,584	\$1,546,404	\$1,459,066	\$37,268,135
32 Total BGSSC Recovery	\$3,271,902	\$9,147,011	\$16,605,305	\$23,391,777	\$23,463,375	\$23,398,623	\$17,237,115	\$9,925,734	\$9,274,465	\$9,238,638	\$9,022,523	\$8,657,455	\$194,554,127
33 Monthly (Over) / Under Recovery	\$3,681,467	\$326,224	(\$1,958,427)	(\$11,688,772)	(\$15,194,841)	(\$15,281,001)	(\$11,846,569)	(\$2,255,089)	\$432,048	(\$659,017)	\$400,719	\$385,530	(\$53,657,701)
35 Cumulative (Over) / Under Recovery Beginning Balance	\$53,657,957	\$57,539,445	\$57,865,969	\$55,907,242	\$44,218,470	\$29,023,630	\$13,742,629	\$1,896,061	(\$359,025)	\$73,024	(\$785,993)	(\$385,274)	\$53,657,957
36 Interest Accrued - Owed to Customers on 2017-2018 BGS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
37 Cumulative (Over) / Under Recovery Ending Balance	\$57,539,445	\$57,865,969	\$55,907,242	\$44,218,470	\$29,023,630	\$13,742,629	\$1,896,061	(\$359,025)	\$73,024	(\$785,993)	(\$385,274)	\$256	\$256

SOUTH JERSEY GAS COMPANY
2018 - 2019 BGSSC
Projected Carrying Cost BGSSC

(1) (2) (3) (4) (5) (6) (7)

Month	Monthly (Over)/Under Activity	Cumulative (Over)/Under Balance	Average (Over)/Under Balance	Interest Rate	Monthly Interest	Cumulative Interest
	Beginning Balance:	\$53,657,957				
Oct-18	\$3,881,487	\$57,539,445	\$55,598,701	0.5667%	\$315,059	\$315,059
Nov-18	\$326,224	\$57,865,669	\$57,702,557	0.5667%	\$326,981	\$642,040
Dec-18	(\$1,958,427)	\$55,907,242	\$56,886,455	0.5667%	\$322,357	\$964,397
Jan-19	(\$11,688,772)	\$44,218,470	\$50,062,856	0.5667%	\$283,690	\$1,248,087
Feb-19	(\$15,194,841)	\$29,023,630	\$36,621,050	0.5667%	\$207,519	\$1,455,606
Mar-19	(\$15,281,001)	\$13,742,629	\$21,383,129	0.5667%	\$121,171	\$1,576,777
Apr-19	(\$11,846,569)	\$1,896,061	\$7,819,345	0.5667%	\$44,310	\$1,621,087
May-19	(\$2,255,085)	(\$359,025)	\$768,518	0.5667%	\$4,355	\$1,625,441
Jun-19	\$432,048	\$73,024	(\$143,001)	0.5667%	(\$810)	\$1,624,631
Jul-19	(\$859,017)	(\$785,993)	(\$356,485)	0.5667%	(\$2,020)	\$1,622,611
Aug-19	\$400,719	(\$385,274)	(\$585,634)	0.5667%	(\$3,319)	\$1,619,292
Sep-19	\$385,530	\$256	(\$192,509)	0.5667%	(\$1,091)	\$1,618,202
			Cumulative Net Interest on Under Recovered Balance		\$1,618,202	
			Net Interest Credit to Ratepayers		\$0	

Pursuant to Docket Nos. GR87091101 and GR89080731, the Company is utilizing the monthly offset methodology.

SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 12 - GAS

**Fifth Revised Sheet No. 6
Superseding Fourth 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: \$10.662500 per month

Delivery Charge:

(a) Residential Non-Heating Customers
Firm Sales Service and Firm Transportation Service \$~~.774447790897~~ per therm

(b) Residential Heating Customers
Firm Sales Service and Firm Transportation Service \$~~.866932883382~~ 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.

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

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 12 - GAS

**Fifth Revised Sheet No. 10
Superseding Fourth 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:

\$33.853438 per month

Delivery Charges:

Firm Sales Service and Firm Transportation Service

\$ ~~738049754499~~ 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).

APPLICABLE RIDERS:

Basic Gas Supply Service Clause:

BGSS charges are depicted in Rider "A" 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.

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 12 - GAS

**Fifth Revised Sheet No. 14
Superseding Fourth 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:

\$159.937500 per month

Delivery Charges:

Firm Sales Service and Firm Transportation Service⁽²⁾

Demand Charge:

D-1FT: \$11.195625 per Mcf of Contract Demand

Volumetric Charge:

\$~~.381536~~~~397986~~ 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.

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 12 - GAS

**Fifth Revised Sheet No. 25
Superseding Fourth 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:

\$959.625000 per month

Delivery Charge:

Firm Sales Service and Firm Transportation Service

Demand Charge:

D-1FT: \$19.192500 per Mcf of Contract Demand

Volumetric Charge:

\$.120567 per therm

Basic Gas Supply Service ("BGSS") Charge:

Demand Charge:

D-2: ~~\$15.007637~~~~45.759966~~ per Mcf of Contract Demand.

Volumetric Charge:

See Rider "A" of this Tariff.

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

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 12 - GAS

**Fourth Revised Sheet No. 31
Superseding Third 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 ~~\$7.5038197.879983~~ per Mcf of Daily Billing Determinant or \$0 for Firm Transportation

customers

Volumetric Charge:

- C-1: \$.082633 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 ~~\$7.5038197.879983~~ per Mcf of Daily Billing Determinant or \$0 for Firm Transportation

customers

Volumetric Charge:

- C-1: \$.082633 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. 12 - GAS

**Fifth Revised Sheet No. 38
Superseding Fourth 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:

\$10.662500 per month

Residential Delivery Charge

Residential Volumetric Charge: \$ ~~259450~~~~275900~~ per therm

Commercial and Industrial Customer Charge:

\$79.968750 per month

Commercial and Industrial Delivery Charge:

Commercial and Industrial Demand Charge:

D-1 Charge: \$8.796563 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

\$ ~~247457~~~~263907~~ 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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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 12 - GAS

**Fifth Revised Sheet No. 39
Superseding Fourth 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

\$~~215469231919~~ 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.
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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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 12 - GAS

**Fifth Revised Sheet No. 43
Superseding Fourth 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:

\$959.625000 per month

FIRM:

Demand Charges: ⁽²⁾

D-1 \$22.606417 per Mcf of Firm Daily Contract Demand.

D-2 ~~\$15.437520~~~~15.455576~~ per Mcf of Firm Daily Contract Demand or \$0 for Firm Transportation customers.

Volumetric Charge:

C-1: \$.082633 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 ~~\$7.5038197~~~~8.879983~~ per Mcf of Limited Firm Daily Contract Demand or \$0 for Limited Firm Transportation customers

Volumetric Charge: ⁽²⁾

C-1: \$.082633 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

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

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

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 12 - GAS

Ninth Revised Sheet No. 65
Superseding Eighth Sheet No. 65

RIDER "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

APPLICABLE RATES:

Periodic BGSS Subrider (Effective January 1, 2018)¹:

<u>Rate Schedule</u>	<u>BGSS Rate Before Taxes (per therm)</u>	<u>BGSS Rate With Taxes (per therm)</u>
RSG	\$0. 528285318187	\$0. 564695340013
GSG (under 5,000 therms)	\$0. 528285318187	\$0. 564695340013

Monthly BGSS Subrider (Effective May 1, 2018):

<u>Rate Schedule</u>	<u>BGSS Rate Before Taxes (per therm)</u>	<u>BGSS Rate With Taxes (per therm)</u>
LVS C-2	\$0.338448	\$0.361774
FES	\$0.280653	\$0.299996
EGS	\$0.385322	\$0.411879
EGS-LV Firm C-2	\$0.339354	\$0.362743
EGS-LV Limited Firm C-2	\$0.361885	\$0.386827
GSG-LV	\$0.385322	\$0.411879
GSG (5,000 therms or greater)	\$0.385322	\$0.411879
NGV	\$0.385322	\$0.411879

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.

¹ Reflects currently approved Total BGSS Rate.

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 12 - GAS

**Second Revised Sheet No. 68
Superseding First Revised Sheet No. 68**

**RIDER "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:

<u>Rate Schedule</u>	<u>D-2 Deduction</u>	<u>Including Taxes</u>
LVS		\$.047698050089
EGS-LV Firm		\$.049064049121
EGS-LV Limited Firm		\$.023849025044

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SOUTH JERSEY GAS COMPANY

**First Revised Sheet No. 86
Superseding Original Sheet No. 86**

B.P.U.N.J. No. 12 - GAS

**RIDER "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.~~0030740027~~ 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.~~0338510426~~ 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:

- (1) "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.
- (2) 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.

Issued _____
by South Jersey Gas Company,
D. Robbins, Jr., 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. 12 - GAS

**Second Revised Sheet No. 92
Superseding First 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: \$.033851050300 per therm for all gas delivered under the applicable rate schedules 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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<u>RESIDENTIAL GAS SERVICE (RSG) - NONHEAT CUSTOMER</u>	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<u>CUSTOMER CHARGE</u>		10.000000		0.662500	10.662500
<u>DELIVERY CHARGE (per therm):</u>					
Base Rate		0.629030		0.041673	0.670703
TIC	C	0.001473	0.000003	0.000098	0.001574
SBC:					
RAC	E, G	0.032415	0.000071	0.002152	0.034639
CLEP	E, K	0.028215	0.000062	0.001873	0.030150
USF	E	0.008200	0.000000	0.000500	0.008700
Total SBC		0.068830	0.000133	0.004525	0.073489
CIP	M	(0.013395)	(0.000029)	(0.000889)	(0.014313)
EET	N	0.008557	0.000019	0.000568	0.009144
Balancing Service Charge BS-1	J	0.031668	0.000079	0.002103	0.033851
Balancing Service Charge BUY-OUT PRICE (Applicable to Transportation Customers Only)	J				Rate Set Monthly
TOTAL DELIVERY CHARGE		0.726163	0.000206	0.048078	0.774447
BGSS: (Applicable To Sales Customers Only)	A	0.528285	0.001323	0.035087	0.564695

SOUTH JERSEY GAS COMPANY
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<u>RESIDENTIAL GAS SERVICE (RSG) - HEAT CUSTOMER</u>	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<u>CUSTOMER CHARGE</u>		10.000000		0.662500	10.662500
<u>DELIVERY CHARGE (per therm):</u>					
Base Rate		0.629030		0.041673	0.670703
TIC	C	0.001473	0.000003	0.000098	0.001574
SBC:					
RAC	E, G	0.032415	0.000071	0.002152	0.034639
CLEP	E, K	0.028215	0.000062	0.001873	0.030150
USF	E	0.008200	0.000000	0.000500	0.008700
Total SBC		0.068830	0.000133	0.004525	0.073489
CIP	M	0.073154	0.000161	0.004857	0.078172
EET	N	0.008557	0.000019	0.000568	0.009144
Balancing Service Charge BS-1	J	0.031668	0.000079	0.002103	0.033851
Balancing Service Charge BUY-OUT PRICE (Applicable to Transportation Customers Only)	J				Rate Set Monthly
Total Delivery Charge		0.812712	0.000396	0.053824	0.866932
BGSS: (Applicable To Sales Customers Only)	A	0.528285	0.001323	0.035087	0.564695

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<u>GENERAL SERVICE (GSG)</u>	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
CUSTOMER CHARGE		31.750000		2.103438	33.853438
DELIVERY CHARGE (per therm):					
Base Rate		0.528127		0.034988	0.563115
TIC	C	0.001473	0.000003	0.000098	0.001574
SBC:					
RAC	E, G	0.032415	0.000071	0.002152	0.034639
CLEP	E, K	0.028215	0.000062	0.001873	0.030150
USF	E	0.008200	0.000000	0.000500	0.008700
Total SBC		0.068830	0.000133	0.004525	0.073489
CIP	M	0.053226	0.000117	0.003534	0.056877
EET	N	0.008557	0.000019	0.000568	0.009144
Balancing Service Charge BS-1	J	0.031668	0.000079	0.002103	0.033851
Balancing Service Charge BUY-OUT PRICE (Applicable to Transportation Customers Only)	J				Rate Set Monthly
Total Delivery Charge		0.691881	0.000352	0.045816	0.738049
BGSS: (Applicable To Sales Customers Only using less than 5,000 therms annually)	A	0.528285	0.001323	0.035087	0.564695
BGSS: (Applicable To Sales Customers Only using 5,000 therms annually or greater)	A				RATE SET MONTHLY

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<u>GENERAL SERVICE-LV (GSG-LV)</u>	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<u>CUSTOMER CHARGE</u>		150.000000		9.937500	159.937500
<u>D-1 Demand Charge (Mcf)</u>		10.500000		0.695625	11.195625
<u>DELIVERY CHARGE (per therm):</u>					
Base Rate		0.260035		0.017227	0.277262
TIC	C	0.001473	0.000003	0.000098	0.001574
SBC:					
RAC	E, G	0.032415	0.000071	0.002152	0.034639
CLEP	E, K	0.028215	0.000062	0.001873	0.030150
USF	E	<u>0.008200</u>	<u>0.000000</u>	<u>0.000500</u>	<u>0.008700</u>
Total SBC		0.068830	0.000133	0.004525	0.073489
CIP	M	(0.012899)	(0.000028)	(0.000856)	(0.013783)
EET	N	0.008557	0.000019	0.000568	0.009144
Balancing Service Charge BS-1	J	0.031668	0.000079	0.002103	0.033851
Balancing Service Charge BUY-OUT PRICE (Applicable to Transportation Customers Only)	J				Rate Set Monthly
Total Delivery Charge		0.357664	0.000207	0.023665	0.381536
<u>BGSS: (Applicable Sales Customers Only)</u>	A				RATE SET MONTHLY

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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					
CUSTOMER CHARGE					
D-1 Demand Charge (Mcf)		31.000000		2.053750	33.053750
DELIVERY CHARGE (per therm):					
Base Rate		600.000000		39.750000	639.750000
SBC:					
RAC	E, G	0.032415	0.000071	0.002152	0.034639
CLEP	E, K	0.028215	0.000062	0.001873	0.030150
USF	E	0.008200	0.000000	0.000500	0.008700
Total SBC		0.068830	0.000133	0.004525	0.073489
EET	N	0.008557	0.000019	0.000568	0.009144
Total Delivery Charge		0.123946	0.000152	0.008178	0.132277
Balancing Service Charge BS-1	I	0.031668	0.000079	0.002103	0.033851
Balancing Service Charge BS-1 (Opt Out Provision)	I	0.002876	0.000007	0.000191	0.003074
BUY-OUT PRICE					RATE SET MONTHLY
LIMITED FIRM					
CUSTOMER CHARGE					
DELIVERY CHARGE (per therm):					
Base Rate		100.000000		6.625000	106.625000
SBC:					
RAC	E, G	0.032415	0.000071	0.002152	0.034639
CLEP	E, K	0.028215	0.000062	0.001873	0.030150
USF	E	0.008200	0.000000	0.000500	0.008700
Total SBC		0.068830	0.000133	0.004525	0.073489
EET	N	0.008557	0.000019	0.000568	0.009144
Total Delivery Charge		0.135787	0.000152	0.008993	0.144933
Balancing Service Charge BS-1	I	0.031668	0.000079	0.002103	0.033851
Balancing Service Charge BS-1 (Opt Out Provision)	I	0.002876	0.000007	0.000191	0.003074
BUY-OUT PRICE					RATE SET MONTHLY

SOUTH JERSEY GAS COMPANY
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<u>LARGE VOLUME SERVICE (LVS)</u>	<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>		900.000000		59.625000	959.625000
D-1 Demand Charge (Mcf)		18.000000		1.192500	19.192500
D-2 DEMAND BGSS(Applicable to Sales Customers Only)	A	14.039988	0.035170	0.932479	15.007637
<u>DELIVERY CHARGE (per therm):</u> Base Rate		0.035577		0.002357	0.037934
SBC:					
RAC	E, G	0.032415	0.000071	0.002152	0.034639
CLEP	E, K	0.028215	0.000062	0.001873	0.030150
USF	E	<u>0.008200</u>	<u>0.000000</u>	<u>0.000500</u>	<u>0.008700</u>
Total SBC		0.068830	0.000133	0.004525	0.073489
EET	N	0.008557	0.000019	0.000568	0.009144
Total Delivery Charge		0.112964	0.000152	0.007450	0.120567
Balancing Service Charge BS-1	I	0.031668	0.000079	0.002103	0.033851
Balancing Service Charge BS-1 (Opt Out Provision) (Applicable to Transportation Customers Only)	I	0.002876	0.000007	0.000191	0.003074
Balancing Service Charge CASH OUT CHARGE (CREDIT) (Applicable to 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>		100.000000		6.625000	106.625000
<u>DELIVERY CHARGE (per therm):</u> Base Rate		0.122174		0.008094	0.130268
SBC:					
RAC	E, G	0.032415	0.000071	0.002152	0.034639
CLEP	E, K	0.028215	0.000062	0.001873	0.030150
USF	E	<u>0.008200</u>	<u>0.000000</u>	<u>0.000500</u>	<u>0.008700</u>
Total SBC		0.068830	0.000133	0.004525	0.073489
EET	N	0.008557	0.000019	0.000568	0.009144
Total Delivery Charge		0.199561	0.000152	0.013187	0.212901
Balancing Service Charge BS-1	I	0.031668	0.000079	0.002103	0.033851
Balancing Service Charge BS-1 (Opt Out Provision) (Applicable to Transportation Customers Only)	I	0.002876	0.000007	0.000191	0.003074
BUY-OUT PRICE	I				RATE SET MONTHLY

<u>FIRM ELECTRIC SALES (FES)</u>	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
WINTER					
<u>D-1 DEMAND (MCF) (Rate is negotiated. Shown here is the benchmark rate.)</u>		2.897200		0.191900	3.089100
<u>D-2 DEMAND BGSS(MCF) (Applicable to Sales Customers Only)</u>	A	7.019994	0.017585	0.466240	7.503819
<u>DELIVERY CHARGE (per therm):</u>					
SBC:					
RAC	E, G	0.032415	0.000071	0.002152	0.034639
CLEP	E, K	0.028215	0.000062	0.001873	0.030150
USF	E	<u>0.008200</u>	<u>0.000000</u>	<u>0.000500</u>	<u>0.008700</u>
		0.068830	0.000133	0.004525	0.073489
EET	N	0.008557	0.000019	0.000568	0.009144
Total Delivery Charge		0.077387	0.000152	0.005093	0.082633
		0.162900		0.010800	0.173700
C-3 All Therms (Rate is negotiated. Shown here is the benchmark rate.)					
C-4 Escalator Rate (To be determined as prescribed in the Company's Tariff)					
Balancing Service Charge CASH OUT CHARGE (CREDIT) (Applicable to Firm Transportatin Customers Only)	I				RATE SET MONTHLY
BGSS: (Applicable To Sales Customers Only)	A				RATE SET MONTHLY
SUMMER					
<u>D-1 DEMAND (MCF) (Rate is negotiated. Shown here is the benchmark rate.)</u>		2.897200		0.191900	3.089100
<u>D-2 DEMAND BGSS(MCF) (Applicable to Sales Customers Only)</u>	A	7.019994	0.017585	0.466240	7.503819
SBC:					
RAC	E, G	0.032415	0.000071	0.002152	0.034639
CLEP	E, K	0.028215	0.000062	0.001873	0.030150
USF	E	<u>0.008200</u>	<u>0.000000</u>	<u>0.000500</u>	<u>0.008700</u>
EET	N	0.008557	0.000019	0.000568	0.009144
Total Delivery Charge		0.077387	0.000152	0.005093	0.082633
		0.162900		0.010800	0.173700
C-3 All Therms (Rate is negotiated. Shown here is the benchmark rate.)					
C-4 Escalator Rate (To be determined as prescribed in the Company's Tariff)					
Balancing Service Charge CASH OUT CHARGE (CREDIT) (Applicable to Firm Transportatin Customers Only)	I				RATE SET MONTHLY
BGSS: (Applicable To Sales Customers Only)	A				RATE SET MONTHLY

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<u>ELECTRIC GENERATION SERVICE (EGS) - RESIDENTIAL</u>	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
CUSTOMER CHARGE		10.000000		0.662500	10.662500
DELIVERY CHARGE (per therm):					
Base Rate		0.134084		0.008883	0.142967
SBC:					
RAC	E, G	0.032415	0.000071	0.002152	0.034639
CLEP	E, K	0.028215	0.000062	0.001873	0.030150
USF	E	0.008200	0.000000	0.000500	0.008700
Total SBC		0.068830	0.000133	0.004525	0.073489
EET	N	0.008557	0.000019	0.000568	0.009144
Balancing Service Charge BS-1	J	0.031668	0.000079	0.002103	0.033851
Total Delivery Charge		0.243139	0.000232	0.016079	0.259450
BGSS: (Applicable To Sales Customers Only)	A	0.528285	0.001323	0.035087	0.564695

SOUTH JERSEY GAS COMPANY
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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>		75.000000		4.968750	79.968750
<u>D-1 DEMAND (MCF)</u>		8.250000		0.546563	8.796563
<u>DELIVERY CHARGE (per therm):</u>					
Base Rate - Winter Season (Nov - Mar)		0.122836		0.008138	0.130974
Base Rate - Summer Season (Apr - Oct)		0.092836		0.006150	0.098986
SBC:					
RAC	E, G	0.032415	0.000071	0.002152	0.034639
CLEP	E, K	0.028215	0.000062	0.001873	0.030150
USF	E	0.008200	0.000000	0.000500	0.008700
Total SBC		0.068830	0.000133	0.004525	0.073489
EET	N	0.008557	0.000019	0.000568	0.009144
Balancing Service Charge BS-1	J	0.031668	0.000079	0.002103	0.033851
Total Delivery Charge - Winter Season		0.231891	0.000232	0.015334	0.247457
Total Delivery Charge - Summer Season		0.201891	0.000232	0.013346	0.215469
<u>BGSS: (Applicable To Sales Customers Only)</u>	A				<u>RATE SET MONTHLY</u>

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<u>ELECTRIC GENERATION SERVICE-LV (EGS-LV)</u>	<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>		900.000000		59.625000	959.625000
<u>D-1 DEMAND (MCF)</u> (Rate is negotiated. Shown here is the benchmark rate.)		21.201798		1.404619	22.606417
<u>D-2 DEMAND BGSS (MCF)</u> (Applicable to Sales Customers Only)	A	14.442153	0.036178	0.959189	15.437520
<u>DELIVERY CHARGE (per therm):</u>					
SBC:					
RAC	E, G	0.032415	0.000071	0.002152	0.034639
CLEP	E, K	0.028215	0.000062	0.001873	0.030150
USF	E	0.008200	0.000000	0.000500	0.008700
		0.068830	0.000133	0.004525	0.073489
EET	N	0.008557	0.000019	0.000568	0.009144
		0.077387	0.000152	0.005093	0.082633
Total Delivery Charge					
Balancing Service Charge BS-1	I	0.031668	0.000079	0.002103	0.033851
Balancing Service Charge BS-1 (Opt Out Provision)	I	0.002876	0.000007	0.000191	0.003074
Balancing Service Charge CASH OUT CHARGE (CREDIT) (Applicable to Firm Transportatin Customers Only)	I				RATE SET MONTHLY
<u>BGSS: (Applicable To Sales Customers Only)</u>	A				RATE SET MONTHLY
<u>LIMITED FIRM</u>					
<u>D-2 DEMAND BGSS(MCF)</u> (Applicable to Sales Customers Only)	A	7.019994	0.017585	0.466240	7.503819
<u>DELIVERY CHARGE (per therm):</u>					
SBC:					
RAC	E, K	0.032415	0.000071	0.002152	0.034639
CLEP	E, G	0.028215	0.000062	0.001873	0.030150
USF	E	0.008200	0.000000	0.000500	0.008700
		0.068830	0.000133	0.004525	0.073489
EET	N	0.008557	0.000019	0.000568	0.009144
		0.077387	0.000152	0.005093	0.082633
Total Delivery Charge					
<u>C-3 (Rate is negotiated. Shown here is the benchmark rate.)</u>		0.162900	0.010800	0.010800	0.173700
Balancing Service Charge BS-1	I	0.031668	0.000079	0.002103	0.033851
Balancing Service Charge BS-1 (Opt Out Provision)	I	0.002876	0.000007	0.000191	0.003074
Balancing Service Charge CASH OUT CHARGE (CREDIT) (Applicable to Firm Transportatin Customers Only)	I				RATE SET MONTHLY
<u>BGSS: (Applicable To Sales Customers Only)</u>	A				RATE SET MONTHLY

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<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		13.023977		0.862838	13.886815
<u>STREET LIGHTING SERVICE (SLS)</u>					
MONTHLY CHARGE / INSTALL		15.996701		1.059781	17.056482
<u>INTERRUPTIBLE GAS SALES (IGS)</u>					
Commodity					Rate Set Monthly
SBC:					
RAC	E, K	0.032415	0.000071	0.002152	0.034639
USF	E	0.008200	0.000000	0.000500	0.008700
		0.040615	0.000071	0.002652	0.043339
Total SBC:					
EET	N	0.008557	0.000019	0.000568	0.009144

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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>
CUSTOMER CHARGE		100.000000		6.625000	106.625000
<u>TRANSPORTATION CHARGE A</u>		0.028400		0.001900	0.030300
SBC:					
RAC	E, K	0.032415	0.000071	0.002152	0.034639
CLEP	E, G	0.028215	0.000062	0.001873	0.030150
USF	E	0.008200	0.000000	0.000500	0.008700
		0.068830	0.000133	0.004525	0.073489
Total SBC:					
EET	N	0.008557	0.000019	0.000568	0.009144
<u>TRANSPORTATION CHARGE B</u>		0.093200		0.006200	0.099400
SBC:					
RAC	E, K	0.032415	0.000071	0.002152	0.034639
CLEP	E, G	0.028215	0.000062	0.001873	0.030150
USF	E	0.008200	0.000000	0.000500	0.008700
		0.068830	0.000133	0.004525	0.073489
Total SBC:					
EET	N	0.008557	0.000019	0.000568	0.009144
<u>TRANSPORTATION CHARGE C</u>		0.153200		0.010100	0.163300
SBC:					
RAC	E, K	0.032415	0.000071	0.002152	0.034639
CLEP	E, G	0.028215	0.000062	0.001873	0.030150
USF	E	0.008200	0.000000	0.000500	0.008700
		0.068830	0.000133	0.004525	0.073489
Total SBC:					
EET	N	0.008557	0.000019	0.000568	0.009144

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

Heat Residential Rate Schedule:

	RSG FSS	RSG-FTS	Difference
BGSS	0.564695	0.000000	0.564695
Base Rate	0.670703	0.670703	0.000000
CLEP	0.030150	0.030150	0.000000
RAC	0.034639	0.034639	0.000000
CIP	0.078172	0.078172	0.000000
USF	0.008700	0.008700	0.000000
TIC	0.001574	0.001574	0.000000
EET	0.009144	0.009144	0.000000
BSC *J* BS-1	0.033851	0.033851	0.000000
Price to Compare	1.431627	0.866932	0.564695

NonHeat Residential Rate Schedule:

	RSG FSS	RSG-FTS	Difference
BGSS	0.564695	0.000000	0.564695
CIP	(0.014313)	(0.014313)	0.000000
Base Rate	0.670703	0.670703	0.000000
CLEP	0.030150	0.030150	0.000000
RAC	0.034639	0.034639	0.000000
USF	0.008700	0.008700	0.000000
TIC	0.001574	0.001574	0.000000
EET	0.009144	0.009144	0.000000
BSC *J* BS-1	0.033851	0.033851	0.000000
Price to Compare	1.339142	0.774447	0.564695

GSG

(Under 5,000 therms annually)

	GSG FSS	GSG-FTS	Difference
BGSS	0.564695	0.000000	0.564695
CIP	0.056877	0.056877	0.000000
Base Rates	0.563115	0.563115	0.000000
CLEP	0.030150	0.030150	0.000000
RAC	0.034639	0.034639	0.000000
USF	0.008700	0.008700	0.000000
TIC	0.001574	0.001574	0.000000
EET	0.009144	0.009144	0.000000
BSC *J* BS-1	0.033851	0.033851	0.000000
Price to Compare	1.302744	0.738049	0.564695

GSG

(5,000 therms annually or greater)

	GSG FSS	GSG-FTS	Difference
BGSS	0.383740	0.000000	0.383740
CIP	0.056877	0.056877	0.000000
Base Rates	0.563115	0.563115	0.000000
CLEP	0.030150	0.030150	0.000000
RAC	0.034639	0.034639	0.000000
USF	0.008700	0.008700	0.000000
TIC	0.001574	0.001574	0.000000
EET	0.009144	0.009144	0.000000
BSC *J* BS-1	0.033851	0.033851	0.000000
Price to Compare	1.121789	0.738049	0.383740

GSG-LV

Prior to 7/15/97

	GSG-LV FSS	GSG-LV-FTS	Difference
BGSS	0.383740	0.000000	0.383740
CIP	(0.013783)	(0.013783)	0.000000
Base Rates	0.277262	0.277262	0.000000
CLEP	0.030150	0.030150	0.000000
RAC	0.034639	0.034639	0.000000
USF	0.008700	0.008700	0.000000
TIC	0.001574	0.001574	0.000000
EET	0.009144	0.009144	0.000000
BSC *J* BS-1	0.033851	0.033851	0.000000
Price to Compare	0.765276	0.381536	0.383740

**BEFORE THE
NEW JERSEY BOARD OF PUBLIC UTILITIES**

SOUTH JERSEY GAS COMPANY

Direct Testimony

of

TIMOTHY W. RUNDALL

Senior Director, Gas Supply and LNG Allocations

**On Behalf of
South Jersey Gas Company**

1 **I. INTRODUCTION**

2 **Q. Please state your name, affiliation and business address.**

3 **A.** My name is Timothy W. Rundall and my business address is One South Jersey Plaza,
4 Folsom, New Jersey 08037. I graduated from Stockton State College (now Stockton
5 University) in 1992 with a Bachelor of Science Degree in Accounting. After
6 graduation while working for Rimm, Lavinsky, Horowitz and Pollard LLC, I was
7 licensed as a Certified Public Accountant (CPA) in the state of New Jersey. In
8 October 1996, after holding positions in the field of accounting, I was employed as a
9 Rate Analyst by South Jersey Gas Company (“South Jersey” or the “Company”). In
10 October 1997, I accepted a position in the Gas Supply Department as a Natural Gas
11 Trader. I have subsequently advanced through a number of positions of increasing
12 responsibility and in October of 2017, I was promoted to my current position of
13 Senior Director, Gas Supply, Allocations and LNG Operations. My current
14 responsibilities encompass all aspects of the Gas Supply Department, the Off-System
15 Sales Division, the Transportation Department, the Allocations Department and LNG
16 Operations.

17 **Q. What is the purpose of your testimony in this proceeding?**

18 **A.** In terms of the current gas supply portfolio the purpose of my testimony is to proffer
19 and explain: (a) Extreme cold weather and demand conditions that occurred during
20 the 2017/2018 winter and the impacts these conditions had on South Jersey’s gas
21 costs; (b) the Company's projected gas send-out requirements and the utilization of
22 gas supplies to meet those requirements, as shown in Schedule TWR-1; and (c) the
23 associated gas costs shown in Schedules TWR-2 and Schedule TWR-3.

1 I will also address the Company's hedging activities and Conservation
2 Incentive Program ("CIP") savings, as well as the anticipated and realized refunds.

3
4 **II. EXTREME PRICES AND DEMAND DURING DECEMBER 2017**
5 **THROUGH JANUARY 2018**

6 **Q. Please explain any extraordinary conditions that may have occurred during the**
7 **2018/2019 BGSS year and describe how the Company responded.**

8 **A.** Extreme cold weather during December 2017 and early January 2018 created record
9 demands and caused natural gas prices to spike to their highest level in years. The
10 effects of the high natural gas prices were further exacerbated by limited and, in some
11 cases, eliminated capacity flexibility imposed by interstate pipelines due to the
12 extreme conditions and high demand from both utilities and gas fired power
13 generation.

14 **Q. Please explain the unique circumstances experienced by the Company during**
15 **this period.**

16 **A.** The following record breaking conditions were experienced during the 2017/2018
17 winter months by South Jersey:

18 ***Record day Sendout.*** On Saturday, January 6, 2018, the Company recorded a record
19 system sendout of 508,397 Dth, surpassing the previous record of 507,219 Dth set on
20 February 15, 2015.

21 ***Record Utility Sendout.*** The fourteen-day period from December 26, 2017 through
22 January 8, 2018, accounted for approximately 34% of the Company's utility sendout
23 (residential & commercial) for the 62 days of December and January. This was 63%

1 higher than normal and equates to about 2.1 Bcf of additional demand that it would
2 not have otherwise been required to meet. On Saturday, January 6, 2018, the
3 Company recorded a record system sendout of 508,397 Dth, surpassing the previous
4 record of 507,219 Dth set on February 15, 2015.

5 ***Record 3-day Peak Sendout.*** The Company also recorded a 3-day peak sendout
6 record over January 4th, 5th and 6th, with nearly one-and-a-half million Dth of system
7 sendout exceeding the 3-day peak from the 2015 winter season by 9%.

8 ***Large Storage Withdrawals.*** Large storage withdrawals were necessary, which drove
9 upward pressure on prices in the Northeast. This resulted in record Gas Daily Prices
10 Indices at locations where South Jersey purchases some of its supply.

11 ***Comparatively High Combined Physical Gas and Storage Withdrawal Costs.***
12 Resulting from the above conditions, the Company's average combined cost of
13 physical purchases and storage withdrawals during January 2018 was \$7.85/Dth. On
14 a comparative basis, the same combined costs in January 2017 were \$3.24/Dth and
15 \$2.33/Dth in January 2016.

16 **Q. What if any measures did the Company implement to mitigate against these**
17 **extreme conditions?**

18 **A.** In the face of the extreme weather, the Company dispatched gas supply assets and
19 met the high demand with a well-planned strategy, which included the following
20 steps:

- 21 • Having and using storage withdrawals at highest withdrawal ratchets.
- 22 • First of month set-up to meet demand 30% colder than normal without purchasing
23 delivered supply.

- 1 • Dispatching on-system Liquefied Natural Gas (“LNG”) as needed to avoid
- 2 purchasing additional expensive delivered supply.
- 3 • When possible, purchasing delivered supplies on an intraday basis when expected
- 4 sendout can be better estimated.
- 5 • Creating overruns on the interstate pipelines, and then making retroactive payback
- 6 of the overruns before they become a penalty; this strategy insures the utility
- 7 purchases exactly the amount of gas needed to meet demand.
- 8 • Curtailing interruptible/limited-firm customers during the peak sendout days of
- 9 December and January.
- 10 • Using SJG system line pack to minimize purchasing requirements.
- 11 • Entered into a Precedent Agreement with PennEast, which would have virtually
- 12 eliminated the need to purchased high priced Non-New York supply. In-service date
- 13 delayed until 2019.

14 Nevertheless, given the extreme weather conditions and the mitigating
15 measures explained above, the Company’s proposed BGSS rate in this filing of
16 \$0.564695 is still less than its Board approved 2014/2015 BGSS rate of \$0.650270.

17 **III. GAS SUPPLY AND REQUIREMENTS FORECAST**

18 **Q. Please explain generally the Company’s gas supply and requirements forecast**
19 **for the 2018-2019 BGSS Year.**

20 **A.** The gas quantities shown on Schedule TWR-1 are based upon a mixture of gas supply
21 sources determined by the Company to yield the best gas cost mixture while
22 providing security of supply and system integrity. The Company utilized the New
23 York Mercantile Exchange (“NYMEX”) Strip Pricing as of May 10, 2018, currently
24 hedged positions and contractual agreements when determining the prices and
25 quantities of gas, which are shown on Schedule TWR-2 and Schedule TWR-3.

1 For the 2018-2019 BGSS Year, we are projecting in Schedule TWR-1 that firm
2 customer requirements and projected storage injections will be met essentially
3 through annual, seasonal and short term purchases from third-party sellers on the
4 Transcontinental Gas Pipe Line Company, LLC (“Transco”) and Columbia Gas
5 Transmission, LLC (“Columbia”) pipeline systems of 15.8 MMDts and 13.9 MMDts,
6 respectively; pipeline storage withdrawals of 8.1 MMDts and LNG of 0.4 MMDts.

7 **Q. Please provide the historic and prospective supply and requirements for the**
8 **2018-2019 BGSS Year.**

9 **A.** The data shown on Schedule TWR-4 (page 1 of 3), provides the actual requirements
10 and supplies by component on an annual heating season and non-heating season
11 basis, for the two prior gas supply years (November 2015 – October 2016 and
12 November 2016 – October 2017). The data shown on Schedule TWR-4 (page 2 of
13 3), provides information for the reconciliation period (November 2017 – October
14 2018), including actual data for November 2017 – March 2018 heating season and
15 data estimated for April 2018 – October 2018 non-heating season. Schedule TWR-1
16 provides prospective information on the October 2018 – September 2019 BGSS year,
17 while Schedule TWR-4 (page 3 of 3) provides the same information on a prospective
18 basis for the subsequent gas supply year (November 2019 – October 2020).

19 **Q. Please provide an overview of the Company’s supply by interstate pipeline.**

20 **A. Supplies on Transco**

21 Transco is South Jersey's largest supplier of pipeline gas and it is also the provider of
22 six (6) of the eight (8) gas storage services reflected in Schedule TWR-1.

1 Additionally, the Company has a winter season peaking transportation service
2 with Transco, which is available for the period December 1 through the last day of
3 February of each year under Rate Schedule PSFT [referred to on line 34 in Schedule
4 TWR-1 (page 2 of 2) as Spot Purchases on Transco PSFT].

5 **Supplies on Columbia**

6 Columbia is South Jersey’s second largest provider of interstate pipeline services.
7 The Company holds several firm transportation services with Columbia under Rate
8 Schedule FTS, and one long-term firm transportation service under Rate Schedules
9 NTS. In addition, South Jersey subscribes to a firm storage service under Columbia’s
10 Rate Schedule FSS along with an associated firm storage transportation service under
11 Rate Schedule SST.

12 The Company’s Maximum Daily Quantity (“MDQ”) for its FTS service is
13 101,511 Dts/day and its MDQ with its NTS service is 22,511 Dts/day, for a combined
14 deliverability of 124,022 Dts/day. Each of the referenced services is available on a
15 year-round basis.

16 **Supplies on Dominion**

17 The Company’s Dominion Transmission, Inc. (“Dominion”) GSS storage service
18 provides for the delivery of up to 10,000 Dts/day during the winter season. This
19 storage supply is moved to the city gate via a Transco Leidy Line transportation
20 service.

1 **Q. Please explain how if at all the pipeline storage services will help meet the**
2 **Company's requirements during the 2018-2019 BGSS Year.**

3 **A.** Schedule TWR-1 (page 1 of 2) also reflects the injection of direct purchase gas into
4 storage services during the 2019 summer season. Schedule TWR-1 (page 2 of 2)
5 shows that the net amount of gas projected to be withdrawn from pipeline storage
6 services to meet the Company's requirements during the 2018-2019 winter season
7 will total approximately 8.1 MMDts.

8 **Q. Please explain how the Company used LNG to meet its current and forecasted**
9 **needs.**

10 **A.** In Schedule TWR-1 (page 2 of 2, line 17), the Company is projecting that its LNG
11 sendout requirement during the 2018-2019 BGSS year will be 759,258 Dts.
12 South Jersey requires a stable LNG supply source to maintain gas service to its
13 customers during the winter season to meet peak sendout requirements, and to stand
14 ready to supply its customers should an interruption of gas supplies occur on the
15 system of one or more of its pipeline suppliers.

16 For these reasons, South Jersey had secured its LNG supply requirements
17 through the operation of its own liquefaction facility which went into service in
18 November 2016. This facility ensures that LNG is available at a prudent cost and not
19 subject to LNG marketplace volatility. During the winter season of 2017-2018, the
20 plant liquified 177,329 MCF and vaporized 174,560 MCF.

21

22

23

1 **III. COST OF GAS**

2 **Q. Please explain how the Company manages the cost of gas.**

3 **A.** The Company has direct connections with two interstate pipeline companies, Transco
4 and Columbia. South Jersey also secures firm storage and transportation services
5 from Dominion, whose pipeline system is located upstream of the Transco system.
6 Natural gas stored and transported by Dominion is delivered into Transco's Leidy
7 Line system for ultimate delivery to South Jersey.

8 **Market Responsive Pipeline Supplies**

9 South Jersey intends to utilize the "open access" status of its pipeline suppliers to the
10 maximum extent possible to facilitate its ongoing policy of best-value gas purchasing,
11 with consideration given to security of supply along with contractual obligations and
12 hedged supplies. With this objective, South Jersey is projecting that all of the natural
13 gas purchases reflected in Schedule TWR-1 (page 2 of 2) for the 2018-2019 BGSS
14 year will be priced on a market responsive basis with the exception of those hedged
15 purchases made under the provisions of the Company's Commodity Purchasing
16 Guidelines, which are attached hereto as Confidential Schedule TWR-5.
17 Confidential Schedule TWR-5 will be provided to Board Staff and the Division of
18 Rate Counsel upon execution of a mutually acceptable Non-Disclosure Agreement.

19 **Demand Charges**

20 The projected pipeline demand type charges shown in Schedule TWR-2 associated
21 with the purchase of storage and transportation services on the Transco, Columbia
22 and Dominion pipeline systems reflect the currently effective FERC approved

1 jurisdictional rates as contained in each pipeline's FERC Gas Tariff. These rates
2 were held constant throughout the BGSS year.

3 **Commodity Charges**

4 The delivered commodity gas prices reflected in Schedule TWR-2 for the 2018-2019
5 BGSS year were derived based on the Company's Commodity Purchasing
6 Guidelines, which are explained in Confidential Schedule TWR-5. These guidelines
7 were developed with a number of goals in mind. These goals included the
8 management of price risk through diversity of purchases, providing a framework
9 from which sound purchasing decisions can be made, and the establishment of criteria
10 for price hedging.

11 The commodity prices in Schedule TWR-2 for gas purchased and delivered
12 under Transco Rate Schedules FT and PSFT, along with gas purchased and delivered
13 on Columbia Rate Schedules FTS and NTS, were based on the average of the
14 NYMEX close as of May 10, 2018, along with the estimated production and market
15 area indices at the various locations where we expect to purchase gas during the
16 BGSS year. The estimates of indices were gathered from industry publications along
17 with discussions held with other market participants including brokers, marketers and
18 other GDCs. Additionally, any currently hedged positions as shown in the quarterly
19 hedging report most recently filed with the Board are included in the commodity price
20 estimate. Also incorporated in these commodity prices are the appropriate pipeline
21 fuel retainage and transportation costs assessed when delivering gas to South Jersey's
22 city gate stations.

1 Please be advised that a legal decision issued on May 8, 2017 regarding a
2 pricing dispute with a gas supplier resulted in approximately \$16.2 million in
3 additional commodity and interest costs. The Company's appeal of the decision is
4 currently pending. During the pendency of the appeal, the Company is not required
5 to make a remittance related to this dispute. Therefore, the Company has not included
6 the disputed costs in this filing. To date, total costs are approximately \$22.3 million.

7 **LNG Commodity Charges**

8 The commodity price of the LNG as shown in Schedule TWR-3 was based on the
9 delivered cost of LNG using the NYMEX strip on May 10, 2018, along with costs
10 related to processing natural gas into liquefied natural gas.

11 **Balancing Service Clause Charges**

12 **Q. DOES THE COMPANY WISH TO ADDRESS ITS CURRENT BALANCING**
13 **SERVICE CLAUSE ("BSC") RELATED CHARGES IN THIS ANNUAL**
14 **FILING?**

15 **A.** Yes. The Company's BSC allows for the Company to manage a customer's natural
16 gas supply; specifically, to enable the matching of the customer's daily usage with
17 the customer's confirmed pipeline delivery of natural gas supplies. Customers who
18 wish to receive third-party natural gas supplies must obtain balancing service through
19 one of two of the Company's balancing service Riders. Rider "I" applies to Large
20 Volume customers and Rider "J" applies to General Service customers.

21 As explained in the Direct Testimony of Kenneth J. Barcia, Manager of Rates
22 and Revenue Requirements, on March 27, 2006, South Jersey Gas Company was a
23 party to a Global Settlement, Docket Nos. GR03080683, GR00050295,

1 GR04060400, GR04080757, GR04091029, GR05060496 and EX99040242.
2 Therein, the parties agreed that South Jersey's balancing charge in Rider "J"
3 (Balancing Service Clause - General Service) was to be increased from its then
4 current level of \$0.040000 per therm, including taxes, to \$0.050000 per therm,
5 including taxes, which represented a 25% increase in the rate.

6 In addition, the parties to the Global Settlement agreed that South Jersey's
7 balancing charge applicable to large volume customers under its Rider "I" (Balancing
8 Service Clause – Large Volume) was to be increased from its then current level of
9 \$0.002700 per therm, including taxes, to \$0.012500 per therm, including taxes.

10 The parties to the Global Settlement further agreed that all balancing charge
11 recoveries, exclusive of taxes, were to be credited 100% to the Periodic BGSS Clause,
12 and the Periodic BGSS rate was to be reduced by the amount of the Rider "J"
13 Balancing Charge, \$0.050300 per therm, including taxes.

14 **Q. IS THE COMPANY PROPOSING A CHANGE TO ITS CURRENT**
15 **BALANCING CHARGES?**

16 **A.** Yes. Within its Rider “I”, the Company maintains two separate provisions for per
17 therm volumetric charges related to balancing, as follows: (1) An Opt-Out provision
18 for customers under Rate Schedules LVS, EGS-LV, FES, NGV and CTS who “Opt-
19 Out” and forego any right or entitlement to purchase the Company’s firm system gas
20 during the term of their standing Standard Gas Service Agreement; and (2) A Non
21 Opt-Out provision for customers under Rate Schedules GSG-LV, EGS, LVS, EGS-
22 LV, FES, NGV and CTS who do not Opt Out (i.e., do not select the Opt Out
23 provision).

1 Related to its Rider “I”, the Company proposes to increase its current Opt-Out
2 after-tax per therm balancing charge of \$0.002700 to \$0.003074, or 13.9%, and the
3 Company proposes to increase its current Non Opt-Out after-tax per therm balancing
4 charge of \$0.012600 to \$0.033851, which is equal to the Company’s proposed Rider
5 “J” BSC rate. Both of these changes are proposed to be effective October 1, 2018.

6 Related to its Rider “J”, the Company is proposing, for all applicable Rate
7 Schedules per its current tariff, to decrease its current after-tax per therm balancing
8 charge of \$0.050300 to \$0.033851, effective October 1, 2018.

9 The calculations that support these proposed Rider “I” and Rider “J” rate
10 changes are provided in Schedules TWR-12. The calculations presented therein
11 reflect the following: (1) Rider “I”, updated inventory amounts, which are based on
12 a twelve-month average and include LNG, updated storage carrying costs, calculated
13 percentage of balancing that pertains to single coldest January day volume
14 requirements and updated balancing costs, as well as the determination of the new
15 pre-tax balancing rate, based on annual firm terms over the past 12 months, and (2)
16 Rider “J”, identical to Rider “I”, but also included in the calculation are updated
17 pipeline demand charges and BGSS incentive credits, as Rider “J” pertains to the
18 Company’s General Service customers and, as such, pipeline demand charges apply.

19 **Q. Please explain all Affiliate Gas Supply Transactions entered into as of April**
20 **2018.**

21 **A.** Please refer to Confidential Schedule TWR-10 for details, including date, rate and
22 terms of all gas and capacity sales as of April 2018 to our affiliate South Jersey
23 Resources Group (“SJRG”), for the current BGSS year. Confidential Schedule

1 TWR-10 will be provided to Board Staff and the Division of Rate Counsel upon
2 execution of a mutually acceptable Non-Disclosure Agreement.

3 Should market opportunities present themselves, we would expect additional
4 transactions in order to maximize Company assets.

5
6 **Q. Please explain the Company's design day analysis and how it impacts this filing.**

7 **A.** South Jersey, like other gas utilities, must plan to meet customer needs on a design
8 day (or a day in which our service area would experience an average daily
9 temperature of 2 degrees Fahrenheit or 63 heating degree days). Schedule TWR-6
10 represents the Company's design day forecast ("Design Day Forecast") as compared
11 to Company entitlements for the 2018-19 through 2022-23 winter seasons. This
12 forecast is used by South Jersey to evaluate its ability to meet customer requirements
13 on the projected coldest day scenario, which is based on South Jersey's actual
14 experience in January 1994. For the purposes of this analysis, the Company updated
15 the forecasting model to incorporate updated customer growth rates for residential
16 and commercial customers and updated heating use factors. Incorporating the most
17 recent available data into the Design Day model will provide a reflection of the effects
18 that the energy efficiency programs and the conservation incentive programs have
19 had in recent years and are projected to have in future years.

20 Also attached hereto as Schedule TWR-7, are the Company's five (5) highest
21 send-out days for the last three winter seasons.

22 In the Global Settlement (BPU Docket No. GR03080683, et. al.) South Jersey
23 agreed to revise its design day analysis to include in the calculation of demand

1 requirements, design day volumes associated with customers served under all sales
2 rate schedules and transportation customers served under Rate Schedules RSG, GSG,
3 GSG-LV, EGS, LVS, CTS and EGS-LV. In addition, South Jersey agreed to exclude
4 from design day planning, design day volumes associated with transportation
5 customers served under rate schedules LVS, CTS and EGS-LV that opt-out of the
6 right or entitlement to have base load provided by the Company in accordance with
7 provisions of our tariff. To date, all eligible customers served under rate schedules
8 LVS, CTS and EGS-LV have opted out and this has been reflected in the design day
9 forecast.

10 For design day planning purposes, South Jersey will rely upon 100% of the
11 daily projected transportation volumes (not acquire backup capacity) associated with
12 transportation customers served under rate schedules RSG, GSG, GSG-LV and EGS,
13 along with those customers, if any, served under rate schedules LVS, CTS and EGS-
14 LV who do not opt-out if their volumes are less than or equal to 105,000 Dts/d.
15 Should South Jersey project that the transportation market associated with these rate
16 schedules will exceed 105,000 Dts/d, then South Jersey will rely on 50% of
17 transportation volumes associated with RSG, GSG, GSG-LV and EGS (as well as
18 those customers, if any, served under rate schedules LVS, CTS and EGS-LV who do
19 not opt-out) transportation customers that exceed 105,000 Dts/d. Schedule TWR-6
20 details the Company's design day requirements as compared to available capacity
21 entitlements through the 2022-23 winter season.

1 Q. **What are the risks that marketers supplying firm transportation customers will**
2 **fail to meet their obligations to deliver gas to the Company?**

3 The risks that result from marketers failing to meet their supply obligations include
4 the Company incurring pipeline penalties as a consequence of overrunning capacity
5 entitlements or compelling the Company to purchase supply (often at a very high
6 price) to avoid such penalties. The possibility that marketers will fail to meet their
7 delivery obligation has been an escalating risk in recent years as the interstate
8 pipelines have become more and more restrictive in allowing nominating flexibility.
9 For instance, Transco now identifies the Marcus Hook Lateral as a Constraint
10 Location and will limit the available capacity through that constraint. This can be
11 very disruptive to the marketers because all South Jersey's Transco city gate stations
12 are located on the Marcus Hook Lateral.

13 Q. **What are the conditions under which the Company would utilize gas supply**
14 **resources acquired for BGSS customers to be “supplier of last resort” for firm**
15 **transportation customers?**

16 The Company would always utilize any available gas supply resources to ensure firm
17 customers are served with the exception of “opt-out” industrial customers or during
18 the implementation of a mandatory curtailment.

19 Q. **What are the implications for BGSS customers with respect to supply reliability**
20 **and gas supply cost?**

21 As stated previously the interstate pipelines have become more and more restrictive
22 in allowing nominating flexibility which is an impediment to the reliability of supply
23 for the BGSS transportation customers. To the extent that marketers fail to meet the

1 supply obligations for their firm customers the Company's tariff allows for penalties
2 to be imposed on the non-compliant marketers. One hundred percent of the penalty
3 revenue collected from the marketers is credited back to BGSS customers.

4 **Q. Has the Company planned for additional capacity and if so, how?**

5 **A. PennEast Capacity**

6 In August of 2014, the Company entered into a Precedent Agreement for firm
7 transportation capacity with PennEast Pipeline Company, LLC ("PennEast"). The
8 Company requested a Maximum Daily Firm Transportation Quantity (MDQ) of
9 105,000 Dth/d, which qualified the Company as a Foundation Shipper and for the
10 Most Favored Nation Rate provision. If PennEast were to negotiate a lower rate with
11 any other shipper, the Most Favored Nation Rate provision provides that South Jersey
12 would also pay the lower rate. The reservation rate is \$0.45/Dth/Day and the in-
13 service date is expected to be in 2019. This unique opportunity will provide access
14 (receipt points) to supplies in several locations in Luzerne County, PA and deliver
15 those supplies to Transco in Mercer County, NJ where they can be moved to SJG's
16 city gate on existing capacity acquired in Transco's Central New Jersey Expansion
17 Project (CNJEP) in 2005. Currently, the receipt points of the capacity acquired in
18 the CNJEP are located in Transco's Zone 6. Transco's Zone 6 supplies have been
19 subjected to considerable volatility during recent winter seasons, leading to higher
20 commodity prices in those locations. Additionally, since February 2015, Transco has
21 identified the Marcus Hook Lateral (where all SJG Transco Meter Stations are
22 located) as a constraint point on their system, which has further exacerbated price
23 volatility in the market area. South Jersey's requested MDQ of 105,000 Dth/d on the

1 PennEast project, matching the MDQ held on Transco's CNJEP, will benefit South
2 Jersey's customers by providing access to a significantly lower priced commodity. In
3 addition, the discounted supplies provided by the PennEast/CNJEP path may provide
4 an opportunity to make additional supply portfolio changes that could provide
5 additional cost savings for BGSS customers above and beyond the PennEast/CNJEP
6 path commodity savings.

7 8 **Tennessee Capacity**

9 In December of 2014, the Company entered into a Precedent Agreement for firm
10 transportation capacity with Tennessee Gas Pipeline, LLC (Tennessee). The
11 Company requested a MDQ of 78,000 Dth/d. The reservation rate is
12 \$12.166/Dth/Month. This project had a expected in-service date of June 1, 2018
13 however, it was finished and in service earlier in November of 2017. This capacity
14 provides access (receipt points) to supplies along Tennessee's pipeline 300 line, with
15 the Primary Receipt Point of Gibson in Wayne County, PA and deliver those supplies
16 to Columbia in Pike County, PA where they can be moved to SJG's city gate on
17 capacity acquired in Colombia's ESEP, discussed above. South Jersey's requested
18 MDQ of 78,000 Dth/d on the Tennessee project matches the MDQ on Columbia's
19 ESEP, plus some additional Columbia capacity held by the Company. In December
20 of 2017 a portion of the project (55,000 Dth/d) went into service at a discounted
21 reservation rate of \$7.908 per Dth per month for the term December 1, 2017 - March
22 31, 2018; effective April 1, 2018 through May 31, 2018 the capacity volume
23 increased to 78,000 Dth/d at a discounted reservation rate of \$11.863. Thereafter

1 (June 1, 2018) the original MDQ of 78,000 Dth/d at the negotiated reservation rate
2 of \$12.166/Dth/Month will become effective.

3 **Cabot Supply**

4 In January 2015 South Jersey entered into three (3) long term supply agreements
5 directly associated with the new pipeline capacity agreements identified above that
6 will provide significantly discounted supply and offset the demand and variable
7 charges associated with those new capacity agreements. The first agreement provides
8 supply into the Tennessee 300 line at Gibson, which will be moved to the
9 Tennessee/Columbia interconnect, then transported to SJG's city gate via Columbia.
10 This supply is priced at NYMEX last day settle less \$0.88. The commodity price has
11 been negotiated to offset the per Dth demand charge on both the Tennessee capacity
12 and the Columbia ESEP capacity and land at SJG's city gate flat to NYMEX. The
13 delivery period begins November 2018 and continues for 10 years.

14 The second agreement provides supply into the PennEast project, which will
15 be moved to the PennEast/Transco interconnect, then transported to SJG's city gate
16 via Transco. This supply is priced at NYMEX last day settle less \$0.61. The
17 commodity price has also been negotiated to offset the per Dth demand charge for
18 both the PennEast capacity and Transco's CNJEP capacity, and land at SJG's city
19 gate flat to NYMEX. The delivery period begins on the in-service date of the
20 PennEast project and continues for 10 years.

21 These two supply agreements are priced to offset the pipeline demand and
22 variable charges on the PennEast and Transco pipelines on which they will flow. The
23 commodity will deliver into South Jersey's system at the monthly NYMEX settle

1 flat, net of pipeline demand and variable costs. This pricing structure will prompt
2 these pipeline paths to operate at the highest load factor in the SJG portfolio. The
3 unique and innovative structure of these two supply agreements will provide BGSS
4 customers with significant savings for years into the future.

5 The third agreement provides winter only supply into the PennEast project,
6 which will be moved to the PennEast/Transco interconnect, then transported to SJG's
7 city gate via Transco. This supply is priced at Leidy Transco Receipts inside FERC
8 Index plus \$0.03 per Dth. The Leidy Transco Index has been among the lowest priced
9 indices in the country and, based on the volume of Marcellus gas projected to come
10 on line in the future, the Company anticipates that the index will remain low relative
11 to other locations for the foreseeable future. The delivery period begins on the in-
12 service date of the PennEast project and continues for 10 years.

13 **Supplier Refunds**

14 The Company's actual and projected supplier refunds for both the 2017-2018 and
15 2018-2019 BGSS years are shown in Schedule TWR-8. The refunds shown for 2017-
16 2018 reflect miscellaneous pipeline rate adjustments and the sharing of penalty
17 revenues with non-penalized shippers. The Company is not anticipating any
18 significant refunds during the 2018-2019 BGSS year at this time.

20 **IV. HEDGING PROGRAM**

21 **Q. Please explain, generally, the Company's existing Hedging Program.**

22 **A.** South Jersey Gas manages its hedging program in accordance with the Commodity
23 Purchasing Guidelines contained in its Financial and Physical Natural Gas

1 Transaction Risk Management Policy and Procedures (“Policy and Procedures”)
2 reviewed and approved by the Company’s Risk Management Committee (RMC).
3 South Jersey’s RMC is responsible for approving and reviewing these hedging
4 programs, while the Gas Supply Department is responsible for executing the hedging
5 strategies outlined in the Policy and Procedures.

6 The intent of the hedging program and strategies is to provide commodity price
7 stabilization at the lowest reasonable cost. South Jersey’s hedging program consists
8 of the following four hedging strategies: 1) A Non-Discretionary Strategy - the
9 Company purchases two and 1/2 futures contracts per month for the 18 month period
10 beginning with the 7th month and continuing through the 24th month of the current
11 NYMEX strip; 2) A Planalytics Strategy - the Company purchases futures contracts
12 based on suggestions from the Planalytics Energy Buyer hedging tool; 3) A Storage
13 Incentive Mechanism (“SIM”) Strategy - the Company purchases futures contracts
14 for the summer injection period establishing a benchmark and then manages the
15 physical injections to improve upon the benchmark; and 4) A Discretionary Strategy
16 - the Company exercises managerial discretion to utilize futures, options, fixed priced
17 physical, or other derivatives when deemed appropriate.

18 All hedging gains and losses, as well as the cost of any derivatives and related
19 transaction fees, are passed through the BGSS clause and as such are subject to
20 periodic review by the BPU. Speculative trading is not practiced by the Company.

21 **Q. How if at all does the Company report on its hedging program?**

22 **A.** The Gas Supply Department prepares and distributes, on a quarterly basis, a detailed
23 report of hedging positions for the current and prospective BGSS years. The reports

1 are presented to and reviewed by South Jersey’s RMC and are provided to the BPU
2 as is required. The reports contain the details of each hedging strategy and a summary
3 of all hedging strategies, including the percentage of BGSS sendout currently hedged.

4 The four most recent quarterly hedging reports as of March 2018 are contained
5 in Schedule TWR-9.

6
7
8 **V. COST REDUCTION INITIATIVES**

9 **Q. Please explain the Company’s current and anticipated Conservation Incentive
10 Program actions.**

11 **A.** By Order dated May 21, 2014 in Docket No. GR13030185 (the “CIP Continuation
12 Order”), the Board approved the continuation of the Company’s Conservation
13 Incentive Program (CIP), with certain modifications, that became effective with the
14 CIP accrual year beginning October 1, 2014. Those modifications, which include the
15 Modified BGSS Savings Test, have been reflected in this CIP filing and are discussed
16 in more detail in the Prepared Direct Testimony of Daniel P. Yardley.

17 Savings for the 2018-2019 BGSS Year include \$2,243,369 of Category One
18 Permanent BGSS Savings, which are defined in the CIP Continuation Order as
19 permanent savings realized from their respective permanent capacity releases and
20 contract terminations. The CIP Continuation Order identified Category One
21 Permanent BGSS Savings of \$2,243,369, which included \$1,360,159 of savings
22 associated with the termination of the SS-1 storage service provided by Transco and
23 Dominion.

1 Anticipated Category Two eligible BGSS savings totaling \$6,066,289 for the
2 2018-2019 BGSS Year include the following capacity releases: 20,000 dts/d Transco
3 FTF capacity; 10,000 dts/d of Transco Long Haul capacity; 19,029 dts/d of Columbia
4 FSS withdrawal capacity; and 8,671 dts/d of Columbia FTS capacity. Category Two
5 BGSS savings also include \$913,800 in commodity savings from a negotiated change
6 in receipt location of Columbia capacity. These anticipated Category Two releases
7 represent a cross section of South Jersey's portfolio of assets.

8 Category Three BGSS savings associated with avoided capacity costs to meet
9 residential customer growth total \$120,719. This amount has been calculated as set
10 forth in the Board's Order in Docket No. GR13030185 and is supported by the Direct
11 Testimony of Daniel P. Yardley. The total anticipated Category One, Two and Three
12 savings eligible for the BGSS savings test for the 2018-2019 BGSS is \$8.4 million.

13
14 **VI. FEDERAL ENERGY REGULATORY COMMISSION (FERC) PIPELINE**
15 **ACTIVITIES**

16 **Q. Please explain whether any FERC proceedings are anticipated to impact BGSS**
17 **2018-2019 Year costs.**

18 **A.** A summary of FERC proceedings which may impact BGSS costs during the
19 applicable periods is attached as Schedule TWR-11. This Schedule reflects those
20 proceedings that may have an operational and/or cost effect on the services that South
21 Jersey receives from its pipeline suppliers.

1 **VII. CONCLUSION**

2 **Q. Can you please provide a brief summary of your testimony?**

3 **A.** My testimony highlights activities the Company is undertaking to optimize the use
4 of its gas supply portfolio and to minimize and stabilize costs to its customers. For
5 the reasons set forth in this testimony the Board should approve the Company's
6 proposed BGSS and CIP rates for the 2018/2019 BGSS year.

7 **Q. Does that conclude your testimony?**

8 **A.** Yes, it does.

SOUTH JERSEY GAS COMPANY
2018 - 2019 BGSSC
Requirement & Supply

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Total
7 <u>Net Storage Withdrawals</u>													
8 Transco S-2	0	0	33,267	48,267	43,433	15,000	0	0	0	0	0	0	139,967
9 Transco SS-2 (2)	0	86,812	423,621	487,333	449,204	307,706	0	0	0	0	0	0	1,764,675
10 Transco ESS	0	10,000	45,000	59,363	40,952	0	22,000	20,000	10,000	0	0	25,000	232,315
11 Transco GSS	65,000	81,942	163,884	392,106	328,550	178,000	53,000	0	0	0	2,000	0	1,266,482
12 Transco LNG (LGA)	0	0	0	140,030	63,040	11,972	0	0	0	0	0	0	215,042
13 Transco LNG (2)	0	120,000	312,000	360,000	228,000	204,000	100,000	85,000	80,000	40,000	50,000	50,000	1,224,000
14 Transco LSS (2)	50,000	164,792	385,687	457,583	482,314	223,161	140,000	140,000	142,200	0	0	0	2,168,537
15 Columbia FSS	0	0	0	140,000	140,800	142,200	0	0	0	0	0	0	423,000
16 Dominion GSS	339,458	10,000	116,581	87,789	78,100	70,330	9,500	9,500	9,500	9,500	9,500	9,500	759,258
17 Transco S-2 Compressor Fuel 1.75%	0	0	(582)	(845)	(760)	(263)	0	0	0	0	0	0	(2,450)
18 Transco SS-2 Compressor Fuel 1.33%	0	(1,155)	(5,634)	(6,615)	(5,974)	(4,092)	0	0	0	0	0	0	(23,470)
19 Transco LSS Compressor Fuel 0.27%	0	(324)	(842)	(972)	(616)	(551)	0	0	0	0	0	0	(3,306)
20 Transco GSS Compressor Fuel 0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Dominion GSS Compressor Fuel 0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0
22 Columbia FSS Compressor Fuel 0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0
23 Columbia SST Compressor Fuel 1.454%	(727)	(2,396)	(5,608)	(6,653)	(7,013)	(3,245)	(1,454)	(1,236)	(1,163)	(582)	(727)	(727)	(31,531)
24 Total Storage Withdrawals	453,731	469,670	1,467,374	2,167,386	1,840,030	1,144,217	183,046	113,264	98,337	48,918	60,773	85,773	8,132,519
25 Pipeline & Supplemental Supplies													
26 Spot Purchases - Columbia ESEP	910,000	950,000	1,000,000	1,001,030	1,298,040	1,010,972	1,050,000	1,085,000	1,050,000	1,085,000	1,085,000	1,050,000	12,575,042
27 Spot Purchases - Transco	75,000	50,000	50,000	100,000	100,000	300,000	438,240	13,240	88,240	18,240	88,240	8,240	1,329,440
28 Spot Purchases - Transco Leidy	406,867	1,371,139	2,331,182	2,730,465	1,896,160	1,196,493	1,267,963	975,415	514,660	713,730	551,228	514,709	14,430,010
29 Spot Purchases - FES & Monthly BGSS	35,000	35,000	35,000	35,000	35,000	300,000	100,000	100,000	100,000	100,000	100,000	100,000	1,075,000
30 Spot Purchases on Transco PSFT	355,509	522,485	745,199	915,235	848,587	672,009	417,342	304,819	409,093	327,687	326,648	267,499	6,112,112
31 Liquefied Natural Gas (LNG)	19,381	0	93,062	93,062	84,056	0	49,315	74,131	76,238	70,237	72,897	72,101	270,180
32 Total Pipeline & Supplemental Supplies	1,801,757	2,928,624	4,254,443	4,874,792	4,221,842	3,479,475	3,322,860	2,552,605	2,238,232	2,314,894	2,224,013	2,012,548	36,226,085
33 Total Supply	2,255,488	3,398,294	5,721,817	7,042,178	6,061,872	4,623,692	3,505,906	2,665,869	2,336,569	2,363,812	2,284,786	2,098,321	44,358,604

SOUTH JERSEY GAS COMPANY
Projected Supplemental Gas Supplies - Winter Peaking

LNG

		1	2	3	4	5	6	7
		LNG Produced (DTS)	NYMEX Close On 10-May-18	Variable/Basis Costs to City Gate (\$/Dt)	Del'd Commodity (\$/Dt) (3 + 4)	Total Commodity Costs (1 x 4)	LNG Production Variable Costs	Total LNG Costs (5 + 6)
Oct	2018	19,381	\$2.829	\$0.104	\$2.933	\$56,835	\$47,973	\$104,808
Nov	2018	-	\$2.865	\$0.831	\$3.696	\$0	\$0	\$0
Dec	2018	-	\$2.965	\$0.931	\$3.896	\$0	\$0	\$0
Jan	2019	-	\$3.047	\$0.923	\$3.970	\$0	\$0	\$0
Feb	2019	-	\$3.009	\$0.909	\$3.918	\$0	\$0	\$0
Mar	2019	-	\$2.898	\$0.892	\$3.790	\$0	\$0	\$0
Apr	2019	49,315	\$2.568	\$0.437	\$3.005	\$148,172	\$122,067	\$270,239
May	2019	74,131	\$2.536	\$0.324	\$2.860	\$212,022	\$183,493	\$395,515
Jun	2019	76,238	\$2.567	\$0.317	\$2.884	\$219,893	\$188,708	\$408,601
Jul	2019	70,237	\$2.600	\$0.285	\$2.885	\$202,606	\$173,854	\$376,460
Aug	2019	72,897	\$2.604	\$0.305	\$2.909	\$212,050	\$180,438	\$392,488
Sep	2019	72,101	\$2.588	\$0.267	\$2.855	\$205,848	\$178,468	\$384,316
Totals		434,300	\$2.756	\$0.307	\$2.895	\$1,257,426	\$1,075,000	\$2,332,426

SOUTH JERSEY GAS COMPANY
ACTUAL ANNUAL REQUIREMENTS AND SUPPLIES
NOVEMBER 2015 THROUGH OCTOBER 2017

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Quantities in MDts

	1	2	3	5	6	7
	Nov 2015 through Oct 2016			Nov 2016 through Oct 2017		
	Actual	Actual	Actual	Actual	Actual	Actual
	Annual	Heating Season	Non-Heat Season	Annual	Heating Season	Non-Heat Season
FIRM REQUIREMENTS						
Residential	20,036	15,163	4,873	21,368	16,942	4,426
Commercial	4,112	2,735	1,377	4,682	3,451	1,231
Commercial Large Volume	346	225	121	493	332	161
Industrial	152	66	86	393	273	120
Company Use and Unaccounted For	5,871	4,376	1,496	1,626	1,376	249
Firm Electric Service	1,476	282	1,194	957	170	786
Electric Generation - LV	47	23	24	95	37	58
Electric Generation - Monthly BGSS	0	0	0	0	0	0
BSC	0	0	0	0	0	0
TOTAL FIRM SENDOUT EXCLUDING TRANSPORTATION (lines 17 thru 25)	32,041	22,870	9,170	29,614	22,582	7,032
Firm Transportation (FT)	27,249	12,612	14,637	24,867	12,586	12,281
TOTAL FIRM SENDOUT AND TRANSPORTATION (lines 27+29)	59,290	35,482	23,807	54,481	35,168	19,313
Interruptible Sales, Interruptible Transportation and Off-System Sales	17,802	10,277	7,526	26,535	11,097	15,438
TOTAL SENDOUT, TRANSPORTATION AND OFF-SYSTEM SALES (line 31+33)	77,092	45,759	31,333	81,016	46,265	34,751
Storage Injections	8,365	1,259	7,106	7,829	748	7,081
TOTAL REQUIREMENTS (lines 35+37)	85,457	47,018	38,439	88,845	47,013	41,832
AVAILABLE SUPPLIES						
Spot Direct Purchases - Transco & Columbia FT & City Gate	42,869	21,174	21,695	46,730	21,046	25,684
LNG	256	211	45	347	305	42
PSE&G Net Exchange	0	0	0	0	0	0
Peaking Supply	0	0	0	0	0	0
Columbia FT ESEP	4,405	3,243	1,162	6,924	4,582	2,342
Transportation Gas (Firm & Interruptible)	29,417	14,927	14,490	27,101	13,958	13,143
TOTAL SUPPLIES EXCLUDING STORAGE (lines 41 thru 47)	76,947	39,555	37,392	81,102	39,891	41,211
Storage Withdrawals	8,510	7,463	1,047	7,743	7,122	622
TOTAL SUPPLIES AND STORAGE (lines 49+51)	85,457	47,018	38,439	88,845	47,013	41,832

SOUTH JERSEY GAS COMPANY
ANNUAL REQUIREMENTS AND SUPPLIES
NOVEMBER 2017 THROUGH OCTOBER 2018
ACTUAL HEATING SEASON - ESTIMATED NON-HEATING SEASON

	Quantities in MDts		
	1	2	3
	Nov 2017 through Oct 2018		
	Estimated Annual	Actual Heating Season	Estimated Non-Heat Season
18 FIRM REQUIREMENTS			
19 Residential	19,583	19,583	0
20 Commercial	3,785	3,785	0
21 Commercial LV	318	318	0
22 Industrial	315	315	0
23 Company Use and Unaccounted For	2,535	2,535	0
24 Firm Electric Service	531	531	0
25 Electric Generation - Large Volume	46	46	0
26 Total Summer Season Utility Load Normal Weather Requirements Inc. Firm Transportation	<u>9,795</u>	<u>0</u>	<u>9,795</u>
28 TOTAL FIRM SENDOUT REQUIREMENTS (lines 19 thru 26)	36,907	27,113	9,795
30 Firm Transportation (FT) (WS = Actual SS = Included in line 26)	<u>13,202</u>	<u>13,202</u>	<u>0</u>
32 TOTAL FIRM SENDOUT AND TRANSPORTATION (lines 28+30)	50,110	40,315	9,795
34 Available For Interruptible and Off-System Sales (WS Actual - SS lines 54-32-38)	<u>73,017</u>	<u>11,927</u>	<u>61,090</u>
36 TOTAL SENDOUT, TRANSPORTATION AND OFF-SYSTEM SALES (line 32+34)	123,127	52,242	70,885
38 Storage Injections	<u>7,744</u>	<u>907</u>	<u>6,837</u>
40 TOTAL REQUIREMENTS - NORMAL WEATHER (lines 36+38)	130,870	53,149	77,722
42 AVAILABLE SUPPLIES			
43 Spot Direct Purchases - Transco & Columbia FT & City Gate	66,841	26,636	40,205
44 LNG	285	219	67
45 Peaking Supply	0	0	0
46 Columbia ESEP	20,750	5,770	14,980
47 Transportation Gas (WS Actual - SS up to 105,000 dts/d)	<u>35,746</u>	<u>13,276</u>	<u>22,470</u>
49 TOTAL SUPPLIES EXCLUDING STORAGE (lines 43 thru 47)	123,622	45,900	77,722
51 Storage Withdrawals	<u>7,249</u>	<u>7,249</u>	<u>0</u>
53 TOTAL SUPPLIES PLUS STORAGE (lines 49+51)	130,870	53,149	77,722

SOUTH JERSEY GAS COMPANY
ANNUAL REQUIREMENTS AND SUPPLIES
NOVEMBER 2019 THROUGH OCTOBER 2020
EXCLUDES OPT-OUT CUSTOMERS

		Quantities in MDts		
		1	2	3
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18	TOTAL FIRM SENDOUT AND TRANSPORTATION REQUIREMENTS (EXCLUDES OPT-OUT)	40,527	30,413	10,113
19				
20	Storage Injections Based on Full Contract Quantities	<u>7,569</u>	<u>0</u>	<u>7,569</u>
21				
22	TOTAL SENDOUT, STORAGE INJ. AND TRANS. REQ. - NORMAL WEATHER (lines 18+20)	48,096	30,413	17,682
23				
24	Available For Non-Firm Sales (NFS) - Normal Weather	<u>97,559</u>	<u>37,520</u>	<u>60,039</u>
25				
26	TOTAL SENDOUT - STORAGE INJ, - TRANS. REQ. & AVAIL. NFS - NORMAL WEATHER (lines 22+24)	145,655	67,933	77,722
27				
28	Firm Sendout and Transportation Requirements Added for Design Weather	<u>6,630</u>	<u>6,630</u>	<u>0</u>
29				
30	TOTAL SENDOUT - STORAGE INJ, - TRANS. REQ. & AVAIL. NFS - DESIGN WEATHER (lines 24+26)	152,284	74,563	77,722
31				
32	AVAILABLE SUPPLIES			
33	Spot Purchases Based on Transco & Col. FT & City Gate Supplies - Cap. Red.For AMA & CIP Releases	71,477	31,272	40,205
34	LNG Withdrawals	434	368	67
35	Peaking Service	2,300	2,300	0
36	Columbia East Side Expansion Project	25,550	10,570	14,980
37	Transportation Gas (105,000 Dts per day)	<u>38,325</u>	<u>15,855</u>	<u>22,470</u>
38				
39	TOTAL SUPPLIES EXCLUDING STORAGE (lines 33 thru 37)	138,086	60,364	77,722
40				
41	Storage Withdrawals Full Contract Quantities	<u>7,569</u>	<u>7,569</u>	<u>0</u>
42				
43	TOTAL SUPPLIES PLUS STORAGE (lines 39+41)	145,655	67,933	77,722
44				
45	WINTER RESERVE - NORMAL WEATHER (lines 43-22)		37,520	
46				
47	WINTER RESERVE - DESIGN WEATHER (lines 45-28)		30,890	
48				
49	Amount in Storage November 1	7,569		
50				

CONFIDENTIAL

SOUTH JERSEY GAS COMPANY
DESIGN DAY FORECAST
2018-19 THROUGH 2022-23

	2018-19	2019-20	2020-21	2021-22	2022-23
Summary of Requirements vs Supplies					
Total Design Day Requirements	566,405	574,280	581,120	587,760	597,235
Total Design Day Supplies	<u>579,755</u>	<u>589,755</u>	<u>594,755</u>	<u>599,755</u>	<u>609,755</u>
Excess / (Shortfall)	<u>13,350</u>	<u>15,475</u>	<u>13,635</u>	<u>11,995</u>	<u>12,520</u>
Design Day Degree Days					
	63.0	63.0	63.0	63.0	63.0
Quantity in Dts	2018-19	2019-20	2020-21	2021-22	2022-23
Total Design Day Sendout Requirements	<u>566,405</u>	<u>574,280</u>	<u>581,120</u>	<u>587,760</u>	<u>597,235</u>
Design Day Capacity Entitlements					
Pipeline City Gate Long-Term Capacity					
	Contract #				
Transco FT (Long-haul)	1003902	128,651	128,651	128,651	128,651
Transco FT (Long-haul)	1002231	2,264	2,264	2,264	2,264
Transco (PSFT) (Long-haul)	1005003	3,002	3,002	3,002	3,002
Transco FT (Leidy Line)	1013599	41,608	41,608	41,608	41,608
Transco FT (Leidy Line)	1044825	17,433	17,433	17,433	17,433
Columbia NTS	39305	22,511	22,511	22,511	22,511
Columbia FTS	38099	22,511	22,511	22,511	22,511
Columbia FTS	156147	9,000	9,000	9,000	9,000
Columbia FTS (ESEP)	161135	70,000	70,000	70,000	70,000
Total Pipeline Services (lines 23 thru 31)		<u>316,980</u>	<u>316,980</u>	<u>316,980</u>	<u>316,980</u>
Underground Storage Services					
Transco S-2		1,557	1,557	1,557	1,557
Transco GSS		27,314	27,314	27,314	27,314
Transco LSS		12,000	12,000	12,000	12,000
Transco LG-A		15,670	15,670	15,670	15,670
Transco SS-2		16,043	16,043	16,043	16,043
Columbia FSS		52,891	52,891	52,891	52,891
Total Underground Storage (lines 36 thru 41)		<u>125,475</u>	<u>125,475</u>	<u>125,475</u>	<u>125,475</u>
Company Sources					
City Gate Supplies - Transco (Peaking)		15,000	25,000	30,000	35,000
Company LNG (110,000 Mcf pro-rated @ 20 hours - converted to Dts)		75,000	75,000	75,000	75,000
Total Company Entitlement Sources (lines 33+43+46+47)		<u>532,455</u>	<u>542,455</u>	<u>547,455</u>	<u>552,455</u>
Company Entitlement Deficiency Before Transportation (49-18)		<u>(33,950)</u>	<u>(31,825)</u>	<u>(33,665)</u>	<u>(35,305)</u>
Transportation Sources					
RSG-FT @ 100% of Jan 2018 Average Daily Load		11,180	11,180	11,180	11,180
GSG-FT & GSG-LV-FT @ 100% of Jan 2018 Average Daily Load		47,248	47,248	47,248	47,248
Total Transportation Sources (lines 54+55)		<u>58,428</u>	<u>58,428</u>	<u>58,428</u>	<u>58,428</u>
Incremental Capacity Available From Transco CNJEP (105,000-line 57)		46,572	46,572	46,572	46,572
Total Transco CNJEP Capacity (lines 57+59)		<u>105,000</u>	<u>105,000</u>	<u>105,000</u>	<u>105,000</u>
Assets Released as Part of The Conservation Incentive Program					
Transco FT (Long Haul)		(10,000)	(10,000)	(10,000)	(10,000)
Transco FT (Leidy Line)		(20,000)	(20,000)	(20,000)	(20,000)
Columbia FTS		(8,671)	(8,671)	(8,671)	(8,671)
Columbia FSS		(19,029)	(19,029)	(19,029)	(19,029)
Total Assets Released as Part of the CIP (lines 64 thru 67)		<u>(57,700)</u>	<u>(57,700)</u>	<u>(57,700)</u>	<u>(57,700)</u>
Total Net Design Day Supplies (lines 49+61+69)		<u>579,755</u>	<u>589,755</u>	<u>594,755</u>	<u>599,755</u>
Excess / (Shortfall) Between Requirements & Entitlements (lines 71 -18)		13,350	15,475	13,635	11,995
Excess / (Shortfall) as a Percent of Sendout (lines 73/18)		2.4%	2.7%	2.3%	2.0%

**South Jersey Gas Company
Actual Peak Day Supply and Demand
Five Highest Demand Days For Each Of The Last Three Winter Season (Dts)**

WINTER SEASON	DATE OF HIGHEST DEMAND	SUPPLY SOURCES				TOTAL SENDOUT	FIRM SENDOUT		INTERR SENDOUT		TOTAL SENDOUT	DEGREE DAYS
		TRANSCO	COLUMBIA	PSE&G	LNG							
2017-2018	January 06, 2018	270,291	214,885	0	23,221	508,397	502,869	5,528	508,397	54.09		
	January 05, 2018	242,226	223,506	0	37,005	502,737	496,896	5,841	502,737	52.33		
	January 04, 2018	244,034	223,730	0	19,379	487,143	481,952	5,191	487,143	45.95		
	December 31, 2017	242,760	217,066	0	20,994	480,820	476,354	4,466	480,820	52.03		
	December 28, 2017	205,661	221,216	0	25,871	452,748	448,051	4,697	452,748	48.73		
2016-2017	January 08, 2017	198,436	224,033	0	33,603	456,072	450,788	5,284	456,072	48.20		
	December 15, 2016	198,137	198,008	0	56,459	452,604	447,530	5,074	452,604	45.80		
	January 09, 2017	192,816	224,173	0	18,630	435,619	429,726	5,893	435,619	47.00		
	January 07, 2017	192,978	219,835	0	6,487	419,300	414,181	5,120	419,301	46.92		
	March 05, 2017	230,645	186,239	0	24,187	441,071	319,169	11,902	331,071	37.83		
2015-2016	February 13, 2016	246,375	210,624	0	16,178	473,177	469,346	3,832	473,178	49.00		
	January 18, 2016	197,713	191,568	0	49,774	439,055	426,571	12,485	439,056	45.54		
	February 14, 2016	221,578	200,443	0	9,844	431,865	427,965	3,899	431,864	46.62		
	February 11, 2016	236,588	186,946	0	1,423	424,957	421,149	3,808	424,957	42.87		
	January 19, 2016	200,768	192,536	0	25,612	418,916	406,839	12,078	418,917	41.72		

**SOUTH JERSEY GAS COMPANY
STATEMENT OF SIGNIFICANT ACTUAL AND ESTIMATED SUPPLIER REFUNDS
2017-2018 BGSS YEAR**

Date Received	Pipeline or Supplier	FERC Docket No.	Issue	Amount Refunded	Total Monthly
Oct-17	-	-	-	\$0.00	\$0.00
Nov-17	Columbia	Credit	FTS Penalty Refund	\$13,988.24	
Nov-17	Columbia	Credit	Demand Credit due to maintenance at Milford CS	\$3,780.12	\$17,768.36
Dec-17	-	-	-	\$0.00	\$0.00
Jan-18	-	-	-	\$0.00	\$0.00
Feb-18	Columbia	Tariff	Mod 2 Settlement Docket No RP16-314, RP16-864	\$57,400.42	\$57,400.42
Mar-18	-	-	-	\$0.00	\$0.00
Apr-18	-	-	-	\$0.00	\$0.00
May-18	-	-	-	\$0.00	\$0.00
Jun-18	-	-	-	\$0.00	\$0.00
Jul-18	-	-	-	\$0.00	\$0.00
Aug-18	-	-	-	\$0.00	\$0.00
Sep-18	-	-	-	\$0.00	\$0.00
	Total			<u>\$75,168.78</u>	<u>\$75,168.78</u>

**SOUTH JERSEY GAS COMPANY
STATEMENT OF SIGNIFICANT ACTUAL AND ESTIMATED SUPPLIER REFUNDS
2018-2019 BGSS YEAR**

Date Received	Pipeline or Supplier	FERC Docket No.	Issue	Amount Refunded	Total Monthly
Oct-18	-	-	-	\$0.00	\$0.00
Nov-18	-	-	-	\$0.00	\$0.00
Dec-18	-	-	-	\$0.00	\$0.00
Jan-19	-	-	-	\$0.00	\$0.00
Feb-19	-	-	-	\$0.00	\$0.00
Mar-19	-	-	-	\$0.00	\$0.00
Apr-19	-	-	-	\$0.00	\$0.00
May-19	-	-	-	\$0.00	\$0.00
Jun-19	-	-	-	\$0.00	\$0.00
Jul-19	-	-	-	\$0.00	\$0.00
Aug-19	-	-	-	\$0.00	\$0.00
Sep-19	-	-	-	\$0.00	\$0.00
				<u>\$0.00</u>	<u>\$0.00</u>
	Total			<u><u>\$0.00</u></u>	<u><u>\$0.00</u></u>

South Jersey Gas Company
Summary of Hedging Activity
October 2018 - September 2019
As of March 31, 2018

Supply Month	BGSS Sendout* (000)	Program Hedges				
		Total Hedged (000)	Non-Discr (000)	Planalytics (000)	Sim (000)	Disc (000)
October-18	1,363	460	450	10	-	-
November-18	2,940	1,577	425	30	1,122	-
December-18	4,779	1,582	400	60	1,122	-
January-19	5,554	1,577	375	80	1,122	-
February-19	4,797	1,552	350	80	1,122	-
March-19	3,827	1,487	325	40	1,122	-
April-19	1,870	300	300	-	-	-
May-19	1,051	275	275	-	-	-
June-19	642	250	250	-	-	-
July-19	636	225	225	-	-	-
August-19	669	200	200	-	-	-
September-19	678	175	175	-	-	-
Total	28,806	9,660	3,750	300	5,610	-
Total % Hedged		33.5%	13.0%	1.0%	19.5%	0.0%

*Based on Sendout in 2017 BGSS Filing

South Jersey Gas Company
Non Discretionary Hedging Strategy
As of March 31, 2018

Month	Quantity	Average Price
October-18	450,000	\$ 2.999
November-18	425,000	\$ 2.992
December-18	400,000	\$ 2.983
January-19	375,000	\$ 2.962
February-19	350,000	\$ 2.945
March-19	325,000	\$ 2.946
April-19	300,000	\$ 2.930
May-19	275,000	\$ 2.909
June-19	250,000	\$ 2.895
July-19	225,000	\$ 2.888
August-19	200,000	\$ 2.888
September-19	175,000	\$ 2.885

South Jersey Gas Company
Non Discretionary Hedging Strategy
As of March 31, 2018

INS_TYPE PFOLIO PARAM_SEQ_NUM	(Multiple Items) SJG_Financial_Trading_NonDiscr 1	10/1/2018	11/1/2018	12/1/2018	1/1/2019	2/1/2019	3/1/2019	4/1/2019	5/1/2019	6/1/2019	7/1/2019	8/1/2019	9/1/2019
Average of RATE Row Labels	Column Labels												
10/31/2016	\$	3.130											
11/30/2016	\$	3.137	\$ 3.137										
12/30/2016	\$	3.290	\$ 3.290	\$ 3.290									
1/30/2017	\$	3.200	\$ 3.200	\$ 3.200	\$ 3.200								
2/28/2017	\$	2.938	\$ 2.938	\$ 2.938	\$ 2.938	\$ 2.938							
3/31/2017	\$	3.135	\$ 3.135	\$ 3.135	\$ 3.135	\$ 3.135	\$ 3.135						
4/28/2017	\$	3.160	\$ 3.160	\$ 3.160	\$ 3.160	\$ 3.160	\$ 3.160	\$ 3.160					
5/30/2017	\$	3.050	\$ 3.050	\$ 3.050	\$ 3.050	\$ 3.050	\$ 3.050	\$ 3.050	\$ 3.050				
6/30/2017	\$	2.959	\$ 2.959	\$ 2.959	\$ 2.959	\$ 2.959	\$ 2.959	\$ 2.959	\$ 2.959	\$ 2.959			
7/31/2017	\$	2.882	\$ 2.882	\$ 2.882	\$ 2.882	\$ 2.882	\$ 2.882	\$ 2.882	\$ 2.882	\$ 2.882	\$ 2.882		
8/31/2017	\$	2.909	\$ 2.909	\$ 2.909	\$ 2.909	\$ 2.909	\$ 2.909	\$ 2.909	\$ 2.909	\$ 2.909	\$ 2.909	\$ 2.909	
9/29/2017	\$	2.929	\$ 2.929	\$ 2.929	\$ 2.929	\$ 2.929	\$ 2.929	\$ 2.929	\$ 2.929	\$ 2.929	\$ 2.929	\$ 2.929	\$ 2.929
10/31/2017	\$	2.929	\$ 2.929	\$ 2.929	\$ 2.929	\$ 2.929	\$ 2.929	\$ 2.929	\$ 2.929	\$ 2.929	\$ 2.929	\$ 2.929	\$ 2.929
11/30/2017	\$	2.935	\$ 2.935	\$ 2.935	\$ 2.935	\$ 2.935	\$ 2.935	\$ 2.935	\$ 2.935	\$ 2.935	\$ 2.935	\$ 2.935	\$ 2.935
12/29/2017	\$	2.830	\$ 2.830	\$ 2.830	\$ 2.830	\$ 2.830	\$ 2.830	\$ 2.830	\$ 2.830	\$ 2.830	\$ 2.830	\$ 2.830	\$ 2.830
1/31/2018	\$	2.897	\$ 2.897	\$ 2.897	\$ 2.897	\$ 2.897	\$ 2.897	\$ 2.897	\$ 2.897	\$ 2.897	\$ 2.897	\$ 2.897	\$ 2.897
2/28/2018	\$	2.830	\$ 2.830	\$ 2.830	\$ 2.830	\$ 2.830	\$ 2.830	\$ 2.830	\$ 2.830	\$ 2.830	\$ 2.830	\$ 2.830	\$ 2.830
3/29/2018	\$	2.848	\$ 2.848	\$ 2.848	\$ 2.848	\$ 2.848	\$ 2.848	\$ 2.848	\$ 2.848	\$ 2.848	\$ 2.848	\$ 2.848	\$ 2.848
Average Cost per Dth	\$	2.999	\$ 2.992	\$ 2.983	\$ 2.962	\$ 2.945	\$ 2.946	\$ 2.930	\$ 2.909	\$ 2.895	\$ 2.888	\$ 2.888	\$ 2.885
Dth Purchased	\$	450,000	425,000	400,000	375,000	350,000	325,000	300,000	275,000	250,000	225,000	200,000	175,000
	\$	1,349,700	\$ 1,271,450	\$ 1,193,025	\$ 1,110,775	\$ 1,030,775	\$ 957,325	\$ 878,950	\$ 799,950	\$ 723,700	\$ 649,725	\$ 577,675	\$ 504,950

South Jersey Gas Company
Planalytics Hedging Strategy
As of March 31, 2018

Month	Quantity	Average Price
October-18	10,000	\$ 2.787
November-18	30,000	\$ 2.779
December-18	60,000	\$ 2.943
January-19	80,000	\$ 3.016
February-19	80,000	\$ 2.995
March-19	40,000	\$ 2.920
April-19	-	\$ -
May-19	-	\$ -
June-19	10,000	\$ 2.648
July-19	-	\$ -
August-19	-	\$ -
September-19	-	\$ -

South Jersey Gas Company
Discretionary Hedging Strategy
As of March 31, 2018

Financial Fixed Priced			Physical Fixed Price		
Month	Quantity	Average Price	Month	Quantity	Average Price
October-18	-	\$ -	October-18	-	\$ -
November-18	-	\$ -	November-18	-	\$ -
December-18	-	\$ -	December-18	-	\$ -
January-19	-	\$ -	January-19	-	\$ -
February-19	-	\$ -	February-19	-	\$ -
March-19	-	\$ -	March-19	-	\$ -
April-19	-	\$ -	April-19	-	\$ -
May-19	-	\$ -	May-19	-	\$ -
June-19	-	\$ -	June-19	-	\$ -
July-19	-	\$ -	July-19	-	\$ -
August-19	-	\$ -	August-19	-	\$ -
September-19	-	\$ -	September-19	-	\$ -

South Jersey Gas Company
Summary of Hedging Activity
October 2017 - September 2018
As of March 31, 2018

Supply Month	BGSS Sendout* (000)	Program Hedges				
		Total Hedged (000)	Non-Discr (000)	Planalytics (000)	Sim (000)	Disc (000)
October-17	1,363	750	450	300	-	-
November-17	2,940	1,970	450	400	1,120	-
December-17	4,779	2,070	450	500	1,120	-
January-18	5,554	2,270	450	700	1,120	-
February-18	4,797	2,270	450	700	1,120	-
March-18	3,827	1,970	450	400	1,120	-
April-18	1,870	600	450	150	-	-
May-18	1,051	600	450	150	-	-
June-18	642	500	450	50	-	-
July-18	636	480	450	30	-	-
August-18	669	470	450	20	-	-
September-18	678	480	450	30	-	-
Total	28,806	14,430	5,400	3,430	5,600	-
Total % Hedged		50.1%	18.7%	11.9%	19.4%	0.0%

* Based on Sendout in 2017 BGSS Filing

South Jersey Gas Company
Non Discretionary Hedging Strategy
As of March 31, 2018

Month	Quantity	Average Price
October-17	450,000	\$ 2.954
November-17	450,000	\$ 2.980
December-17	450,000	\$ 3.000
January-18	450,000	\$ 3.016
February-18	450,000	\$ 3.025
March-18	450,000	\$ 3.051
April-18	450,000	\$ 3.057
May-18	450,000	\$ 3.053
June-18	450,000	\$ 3.049
July-18	450,000	\$ 3.032
August-18	450,000	\$ 3.019
September-18	450,000	\$ 3.008

South Jersey Gas Company
Planalytics Hedging Strategy
As of March 31, 2018

Month	Quantity	Average Price
October-17	300,000 \$	2.953
November-17	400,000 \$	3.030
December-17	500,000 \$	3.111
January-18	700,000 \$	3.196
February-18	700,000 \$	3.040
March-18	400,000 \$	3.040
April-18	150,000 \$	2.673
May-18	150,000 \$	2.692
June-18	50,000 \$	2.665
July-18	30,000 \$	2.709
August-18	20,000 \$	2.755
September-18	30,000 \$	2.699

South Jersey Gas Company
Discretionary Hedging Strategy
As of March 31, 2018

Financial Fixed Priced			Physical Fixed Price		
Month	Quantity	Average Price	Month	Quantity	Average Price
October-17	-	\$ -	October-17	-	\$ -
November-17	-	\$ -	November-17	-	\$ -
December-17	-	\$ -	December-17	-	\$ -
January-18	-	\$ -	January-18	-	\$ -
February-18	-	\$ -	February-18	-	\$ -
March-18	-	\$ -	March-18	-	\$ -
April-18	-	\$ -	April-18	-	\$ -
May-18	-	\$ -	May-18	-	\$ -
June-18	-	\$ -	June-18	-	\$ -
July-18	-	\$ -	July-18	-	\$ -
August-18	-	\$ -	August-18	-	\$ -
September-18	-	\$ -	September-18	-	\$ -

South Jersey Gas Company
Summary of Hedging Activity
October 2018 - September 2019
As of December 31, 2017

Supply Month	BGSS Sendout* (000)	Program Hedges				
		Total Hedged (000)	Non-Discr (000)	Planalytics (000)	Sim (000)	Disc (000)
October-18	1,363	375	375	-	-	-
November-18	2,940	370	350	20	-	-
December-18	4,779	345	325	20	-	-
January-19	5,554	340	300	40	-	-
February-19	4,797	315	275	40	-	-
March-19	3,827	270	250	20	-	-
April-19	1,870	225	225	-	-	-
May-19	1,051	200	200	-	-	-
June-19	642	175	175	-	-	-
July-19	636	150	150	-	-	-
August-19	669	125	125	-	-	-
September-19	678	100	100	-	-	-
Total	28,806	2,990	2,850	140	-	-
Total % Hedged		10.4%	9.9%	0.5%	0.0%	0.0%

*Based on Sendout in 2017 BGSS Filing

South Jersey Gas Company
Non Discretionary Hedging Strategy
As of December 31, 2017

Month	Quantity	Average Price
October-18	375,000	\$ 3.028
November-18	350,000	\$ 3.020
December-18	325,000	\$ 3.011
January-19	300,000	\$ 2.988
February-19	275,000	\$ 2.969
March-19	250,000	\$ 2.972
April-19	225,000	\$ 2.954
May-19	200,000	\$ 2.928
June-19	175,000	\$ 2.910
July-19	150,000	\$ 2.902
August-19	125,000	\$ 2.906
September-19	100,000	\$ 2.906

South Jersey Gas Company
Non Discretionary Hedging Strategy
As of December 31, 2017

INS_TYPE	(Multiple Items)	10/31/2018	11/1/2018	12/31/2018	1/1/2019	2/1/2019	3/1/2019	4/1/2019	5/1/2019	6/1/2019	7/1/2019	8/1/2019	9/1/2019												
PFOLIO	SIG_Financial_Trading_NonDiscr	3.130	3.137	3.290	3.290	3.200	3.200	3.200	3.200	3.200	3.200	3.200	3.200												
PARAM_SEQ_NUM	1																								
Average of RATE	Column Labels																								
Row Labels																									
10/31/2016		\$	3.130																						
11/30/2016		\$	3.137																						
12/30/2016		\$	3.290	\$	3.290																				
1/30/2017		\$	3.200	\$	3.200	\$	3.200																		
2/28/2017		\$	2.938	\$	2.938	\$	2.938	\$	2.938																
3/31/2017		\$	3.135	\$	3.135	\$	3.135	\$	3.135																
4/28/2017		\$	3.160	\$	3.160	\$	3.160	\$	3.160																
5/30/2017		\$	3.050	\$	3.050	\$	3.050	\$	3.050	\$	3.050														
6/30/2017		\$	2.959	\$	2.959	\$	2.959	\$	2.959	\$	2.959	\$	2.959												
7/31/2017		\$	2.882	\$	2.882	\$	2.882	\$	2.882	\$	2.882	\$	2.882												
8/31/2017		\$	2.909	\$	2.909	\$	2.909	\$	2.909	\$	2.909	\$	2.909												
9/29/2017		\$	2.929	\$	2.929	\$	2.929	\$	2.929	\$	2.929	\$	2.929												
10/31/2017		\$	2.929	\$	2.929	\$	2.929	\$	2.929	\$	2.929	\$	2.929												
11/30/2017		\$	2.935	\$	2.935	\$	2.935	\$	2.935	\$	2.935	\$	2.935												
12/29/2017		\$	2.830	\$	2.830	\$	2.830	\$	2.830	\$	2.830	\$	2.830												
Average Cost per Dth		\$	3.028	\$	3.020	\$	3.011	\$	2.988	\$	2.972	\$	2.954	\$	2.928	\$	2.910	\$	2.902	\$	2.906	\$	2.906		
Dth Purchased		\$	375,000	\$	350,000	\$	325,000	\$	300,000	\$	275,000	\$	250,000	\$	225,000	\$	200,000	\$	175,000	\$	150,000	\$	125,000	\$	100,000
		\$	1,135,325	\$	1,057,075	\$	978,650	\$	896,400	\$	816,400	\$	742,950	\$	664,575	\$	585,575	\$	509,325	\$	435,350	\$	363,300	\$	290,575

South Jersey Gas Company
Planalytics Hedging Strategy
As of December 31, 2017

Month	Quantity	Average Price
October-18	-	\$ -
November-18	20,000	\$ 2.752
December-18	20,000	\$ 2.886
January-19	40,000	\$ 2.978
February-19	40,000	\$ 2.966
March-19	20,000	\$ 2.911
April-19	-	\$ -
May-19	-	\$ -
June-19	-	\$ -
July-19	-	\$ -
August-19	-	\$ -
September-19	-	\$ -

South Jersey Gas Company
Discretionary Hedging Strategy
As of December 31, 2017

Financial Fixed Priced			Physical Fixed Price		
Month	Quantity	Average Price	Month	Quantity	Average Price
October-18	-	\$ -	October-18	-	\$ -
November-18	-	\$ -	November-18	-	\$ -
December-18	-	\$ -	December-18	-	\$ -
January-19	-	\$ -	January-19	-	\$ -
February-19	-	\$ -	February-19	-	\$ -
March-19	-	\$ -	March-19	-	\$ -
April-19	-	\$ -	April-19	-	\$ -
May-19	-	\$ -	May-19	-	\$ -
June-19	-	\$ -	June-19	-	\$ -
July-19	-	\$ -	July-19	-	\$ -
August-19	-	\$ -	August-19	-	\$ -
September-19	-	\$ -	September-19	-	\$ -

South Jersey Gas Company
Summary of Hedging Activity
October 2017 - September 2018
As of December 31, 2017

Supply Month	BGSS Sendout* (000)	Program Hedges				
		Total Hedged (000)	Non-Discr (000)	Planalytics (000)	Sim (000)	Disc (000)
October-17	1,363	750	450	300	-	-
November-17	2,940	1,970	450	400	1,120	-
December-17	4,779	2,070	450	500	1,120	-
January-18	5,554	2,270	450	700	1,120	-
February-18	4,797	2,270	450	700	1,120	-
March-18	3,827	1,880	450	310	1,120	-
April-18	1,870	510	450	60	-	-
May-18	1,051	480	450	30	-	-
June-18	642	480	450	30	-	-
July-18	636	470	450	20	-	-
August-18	669	435	425	10	-	-
September-18	678	420	400	20	-	-
Total	28,806	14,005	5,325	3,080	5,600	-
Total % Hedged		48.6%	18.5%	10.7%	19.4%	0.0%

*Based on Sendout in 2017 BGSS Filing

South Jersey Gas Company
Non Discretionary Hedging Strategy
As of December 31, 2017

Month	Quantity	Average Price
October-17	450,000	\$ 2.954
November-17	450,000	\$ 2.980
December-17	450,000	\$ 3.000
January-18	450,000	\$ 3.016
February-18	450,000	\$ 3.025
March-18	450,000	\$ 3.051
April-18	450,000	\$ 3.057
May-18	450,000	\$ 3.053
June-18	450,000	\$ 3.049
July-18	450,000	\$ 3.032
August-18	425,000	\$ 3.026
September-18	400,000	\$ 3.026

South Jersey Gas Company
Non Discretionary Hedging Strategy
As of December 31, 2017

INS_TYPE (Multiple Items)
FOLIO S/G_Financial_Trading_NonDisc
PARAM_SEQ_NUM 1

Average of RATE	10/1/2017	11/1/2017	12/1/2017	1/1/2018	2/1/2018	3/1/2018	4/1/2018	5/1/2018	6/1/2018	7/1/2018	8/1/2018	9/1/2018
Row Labels	Column Labels											
10/30/2015	\$ 2.688											
11/30/2015	\$ 2.680	\$ 2.680										
12/30/2015	\$ 2.680	\$ 2.680	\$ 2.680									
1/29/2016	\$ 2.710	\$ 2.710	\$ 2.710	\$ 2.710								
2/29/2016	\$ 2.445	\$ 2.445	\$ 2.445	\$ 2.445	\$ 2.445							
3/31/2016	\$ 2.820	\$ 2.820	\$ 2.820	\$ 2.820	\$ 2.820	\$ 2.820						
4/28/2016	\$ 3.010	\$ 3.010	\$ 3.010	\$ 3.010	\$ 3.010	\$ 3.010	\$ 3.010					
5/27/2016	\$ 3.007	\$ 3.007	\$ 3.007	\$ 3.007	\$ 3.007	\$ 3.007	\$ 3.007	\$ 3.007				
6/30/2016	\$ 3.138	\$ 3.138	\$ 3.138	\$ 3.138	\$ 3.138	\$ 3.138	\$ 3.138	\$ 3.138	\$ 3.138			
7/29/2016	\$ 3.122	\$ 3.122	\$ 3.122	\$ 3.122	\$ 3.122	\$ 3.122	\$ 3.122	\$ 3.122	\$ 3.122	\$ 3.122		
8/31/2016	\$ 3.035	\$ 3.035	\$ 3.035	\$ 3.035	\$ 3.035	\$ 3.035	\$ 3.035	\$ 3.035	\$ 3.035	\$ 3.035	\$ 3.035	
9/30/2016	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000
10/31/2016	\$ 3.130	\$ 3.130	\$ 3.130	\$ 3.130	\$ 3.130	\$ 3.130	\$ 3.130	\$ 3.130	\$ 3.130	\$ 3.130	\$ 3.130	\$ 3.130
11/30/2016	\$ 3.137	\$ 3.137	\$ 3.137	\$ 3.137	\$ 3.137	\$ 3.137	\$ 3.137	\$ 3.137	\$ 3.137	\$ 3.137	\$ 3.137	\$ 3.137
12/30/2016	\$ 3.290	\$ 3.290	\$ 3.290	\$ 3.290	\$ 3.290	\$ 3.290	\$ 3.290	\$ 3.290	\$ 3.290	\$ 3.290	\$ 3.290	\$ 3.290
1/30/2017	\$ 3.200	\$ 3.200	\$ 3.200	\$ 3.200	\$ 3.200	\$ 3.200	\$ 3.200	\$ 3.200	\$ 3.200	\$ 3.200	\$ 3.200	\$ 3.200
2/28/2017	\$ 2.938	\$ 2.938	\$ 2.938	\$ 2.938	\$ 2.938	\$ 2.938	\$ 2.938	\$ 2.938	\$ 2.938	\$ 2.938	\$ 2.938	\$ 2.938
3/31/2017	\$ 3.135	\$ 3.135	\$ 3.135	\$ 3.135	\$ 3.135	\$ 3.135	\$ 3.135	\$ 3.135	\$ 3.135	\$ 3.135	\$ 3.135	\$ 3.135
4/28/2017	\$ 3.160	\$ 3.160	\$ 3.160	\$ 3.160	\$ 3.160	\$ 3.160	\$ 3.160	\$ 3.160	\$ 3.160	\$ 3.160	\$ 3.160	\$ 3.160
5/30/2017	\$ 3.050	\$ 3.050	\$ 3.050	\$ 3.050	\$ 3.050	\$ 3.050	\$ 3.050	\$ 3.050	\$ 3.050	\$ 3.050	\$ 3.050	\$ 3.050
6/30/2017	\$ 2.959	\$ 2.959	\$ 2.959	\$ 2.959	\$ 2.959	\$ 2.959	\$ 2.959	\$ 2.959	\$ 2.959	\$ 2.959	\$ 2.959	\$ 2.959
7/31/2017	\$ 2.882	\$ 2.882	\$ 2.882	\$ 2.882	\$ 2.882	\$ 2.882	\$ 2.882	\$ 2.882	\$ 2.882	\$ 2.882	\$ 2.882	\$ 2.882
8/31/2017	\$ 2.909	\$ 2.909	\$ 2.909	\$ 2.909	\$ 2.909	\$ 2.909	\$ 2.909	\$ 2.909	\$ 2.909	\$ 2.909	\$ 2.909	\$ 2.909
9/29/2017	\$ 2.929	\$ 2.929	\$ 2.929	\$ 2.929	\$ 2.929	\$ 2.929	\$ 2.929	\$ 2.929	\$ 2.929	\$ 2.929	\$ 2.929	\$ 2.929
10/31/2017	\$ 2.929	\$ 2.929	\$ 2.929	\$ 2.929	\$ 2.929	\$ 2.929	\$ 2.929	\$ 2.929	\$ 2.929	\$ 2.929	\$ 2.929	\$ 2.929
11/30/2017	\$ 2.935	\$ 2.935	\$ 2.935	\$ 2.935	\$ 2.935	\$ 2.935	\$ 2.935	\$ 2.935	\$ 2.935	\$ 2.935	\$ 2.935	\$ 2.935
12/29/2017	\$ 2.830	\$ 2.830	\$ 2.830	\$ 2.830	\$ 2.830	\$ 2.830	\$ 2.830	\$ 2.830	\$ 2.830	\$ 2.830	\$ 2.830	\$ 2.830
Average Cost per Dth	\$ 2.954	\$ 2.980	\$ 3.000	\$ 3.016	\$ 3.025	\$ 3.051	\$ 3.057	\$ 3.053	\$ 3.049	\$ 3.032	\$ 3.026	\$ 3.026
Dth Purchased	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	425,000	400,000
	1,329,125	\$1,340,925	\$1,350,175	\$1,357,150	\$1,361,450	\$1,373,050	\$1,375,775	\$1,373,750	\$1,371,950	\$1,364,250	\$1,286,200	\$1,210,325

South Jersey Gas Company
Planalytics Hedging Strategy
As of December 31, 2017

Month	Quantity	Average Price
October-17	300,000 \$	2.953
November-17	400,000 \$	3.030
December-17	500,000 \$	3.111
January-18	700,000 \$	3.196
February-18	700,000 \$	3.040
March-18	310,000 \$	3.012
April-18	60,000 \$	2.674
May-18	30,000 \$	2.665
June-18	30,000 \$	2.619
July-18	20,000 \$	2.675
August-18	10,000 \$	2.723
September-18	20,000 \$	2.663

South Jersey Gas Company
Discretionary Hedging Strategy
As of December 31, 2017

Financial Fixed Priced			Physical Fixed Price		
Month	Quantity	Average Price	Month	Quantity	Average Price
October-17	-	\$ -	October-17	-	\$ -
November-17	-	\$ -	November-17	-	\$ -
December-17	-	\$ -	December-17	-	\$ -
January-18	-	\$ -	January-18	-	\$ -
February-18	-	\$ -	February-18	-	\$ -
March-18	-	\$ -	March-18	-	\$ -
April-18	-	\$ -	April-18	-	\$ -
May-18	-	\$ -	May-18	-	\$ -
June-18	-	\$ -	June-18	-	\$ -
July-18	-	\$ -	July-18	-	\$ -
August-18	-	\$ -	August-18	-	\$ -
September-18	-	\$ -	September-18	-	\$ -

South Jersey Gas Company
Summary of Hedging Activity
October 2017 - September 2018
As of September 30, 2017

Supply Month	BGSS Sendout* (000)	Total Hedged (000)	Non-Discr (000)	Program Hedges		
				Planalytics (000)	Sim (000)	Disc (000)
October-17	1,363	750	450	300		
November-17	2,940	1,970	450	400	1,120	
December-17	4,779	1,830	450	260	1,120	
January-18	5,554	1,800	450	230	1,120	
February-18	4,797	1,770	450	200	1,120	
March-18	3,827	1,690	450	120	1,120	
April-18	1,870	470	450	20		
May-18	1,051	435	425	10		
June-18	642	400	400			
July-18	636	375	375			
August-18	669	350	350			
September-18	678	325	325			
Total	28,806	12,165	5,025	1,540	5,600	
Total % Hedged		42.2%	17.4%	5.3%	19.4%	0.0%

*Based on Sendout in 2017 BGSS Filing

South Jersey Gas Company
Non Discretionary Hedging Strategy
As of September 30, 2017

Month	Quantity	Average Price
October-17	450,000	\$ 2.954
November-17	450,000	\$ 2.980
December-17	450,000	\$ 3.000
January-18	450,000	\$ 3.016
February-18	450,000	\$ 3.025
March-18	450,000	\$ 3.051
April-18	450,000	\$ 3.057
May-18	425,000	\$ 3.060
June-18	400,000	\$ 3.063
July-18	375,000	\$ 3.058
August-18	350,000	\$ 3.054
September-18	325,000	\$ 3.055

South Jersey Gas Company
Non Discretionary Hedging Strategy
As of September 30, 2017

INS_TYPE	PFOLIO	PARAM_SEQ_NUM	(Multiple Items)	SIG_Financial_Trading_NonDiscr	10/1/2017	11/1/2017	12/1/2017	1/1/2018	2/1/2018	3/1/2018	4/1/2018	5/1/2018	6/1/2018	7/1/2018	8/1/2018	9/1/2018
Average of RATE	Row Labels	Column Labels														
\$	10/30/2015				2.688											
\$	11/30/2015				2.680	2.680										
\$	12/30/2015				2.680	2.680	2.680									
\$	1/29/2016				2.710	2.710	2.710	2.710								
\$	2/29/2016				2.445	2.445	2.445	2.445	2.445							
\$	3/31/2016				2.820	2.820	2.820	2.820	2.820	2.820						
\$	4/28/2016				3.010	3.010	3.010	3.010	3.010	3.010	3.010					
\$	5/27/2016				3.007	3.007	3.007	3.007	3.007	3.007	3.007	3.007				
\$	6/30/2016				3.138	3.138	3.138	3.138	3.138	3.138	3.138	3.138	3.138			
\$	7/29/2016				3.122	3.122	3.122	3.122	3.122	3.122	3.122	3.122	3.122	3.122		
\$	8/31/2016				3.035	3.035	3.035	3.035	3.035	3.035	3.035	3.035	3.035	3.035	3.035	
\$	9/30/2016				3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000
\$	10/31/2016				3.130	3.130	3.130	3.130	3.130	3.130	3.130	3.130	3.130	3.130	3.130	3.130
\$	11/30/2016				3.137	3.137	3.137	3.137	3.137	3.137	3.137	3.137	3.137	3.137	3.137	3.137
\$	12/30/2016				3.290	3.290	3.290	3.290	3.290	3.290	3.290	3.290	3.290	3.290	3.290	3.290
\$	1/30/2017				3.200	3.200	3.200	3.200	3.200	3.200	3.200	3.200	3.200	3.200	3.200	3.200
\$	2/28/2017				2.938	2.938	2.938	2.938	2.938	2.938	2.938	2.938	2.938	2.938	2.938	2.938
\$	3/31/2017				3.135	3.135	3.135	3.135	3.135	3.135	3.135	3.135	3.135	3.135	3.135	3.135
\$	4/28/2017				3.160	3.160	3.160	3.160	3.160	3.160	3.160	3.160	3.160	3.160	3.160	3.160
\$	5/30/2017					3.050	3.050	3.050	3.050	3.050	3.050	3.050	3.050	3.050	3.050	3.050
\$	6/30/2017						3.050	3.050	3.050	3.050	3.050	3.050	3.050	3.050	3.050	3.050
\$	7/31/2017				2.954	2.980	3.000	3.016	3.025	3.060	3.075	3.079	3.084	3.080	3.076	3.080
\$	Average Cost per Dth				450,000	450,000	450,000	450,000	450,000	450,000	450,000	425,000	400,000	375,000	350,000	325,000
\$	Dth Purchased				1,329,125	1,340,925	1,350,175	1,357,150	1,361,450	1,376,815	1,383,553	1,308,518	1,233,600	1,154,942	1,076,717	1,001,030

South Jersey Gas Company
Planalytics Hedging Strategy
As of September 30, 2017

Month	Quantity	Average Price
October-17	300,000	\$ 2.953
November-17	400,000	\$ 3.030
December-17	260,000	\$ 3.183
January-18	230,000	\$ 3.278
February-18	200,000	\$ 3.287
March-18	120,000	\$ 3.216
April-18	20,000	\$ 2.859
May-18	10,000	\$ 2.808
June-18	-	\$ -
July-18	-	\$ -
August-18	-	\$ -
September-18	-	\$ -

South Jersey Gas Company
Storage Incentive Mechanism
Benchmark Cost Calculation, Actual Results & Sharing (Proforma)
Actual April - September; Estimated October 2017

Component of Benchmark	For Deliveries During									
	<u>Apr-17</u>	<u>May-17</u>	<u>Jun-17</u>	<u>Jul-17</u>	<u>Aug-17</u>	<u>Sep-17</u>	<u>Oct-17</u>	<u>Total</u>		
Volumes (Bcf)	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	5.60	
Financial Hedges										
Commodity Cost (\$000)	\$ 2,522	\$ 2,522	\$ 2,522	\$ 2,522	\$ 2,522	\$ 2,522	\$ 2,522	\$ 2,522	\$ 17,651	
Average Cost	\$ 3.152	\$ 3.152	\$ 3.152	\$ 3.152	\$ 3.152	\$ 3.152	\$ 3.152	\$ 3.152	\$ 3.152	
Total Benchmark	\$ 2,522	\$ 2,522	\$ 2,522	\$ 2,522	\$ 2,522	\$ 2,522	\$ 2,522	\$ 2,522	\$ 17,651	
										3.152
Actual/Est Injection Volumes	0.80	0.80	0.80	0.90	0.90	0.80	0.60	0.60	5.60	
Financial Hedges										
Cost (\$000)	\$ 2,158	\$ 2,220	\$ 1,858	\$ 2,313	\$ 1,991	\$ 1,536	\$ 1,891			
Net (Gains) / Losses	\$ (38)	\$ (12)	\$ (87)	\$ 49	\$ 127	\$ 133	\$ 10			
Actual Transport & Fuel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
										2.527
Difference between Benchmark and Actual	\$ (401)	\$ (313)	\$ (750)	\$ (160)	\$ (404)	\$ (852)	\$ (621)	\$ (3,502)		
										\$ (2,801)
										\$ (700)
										\$ 2,527
										\$ 0.1251
										\$ 2.652

South Jersey Gas Company
Discretionary Hedging Strategy
As of September 30, 2017

Financial Fixed Priced			Physical Fixed Price		
Month	Quantity	Average Price	Month	Quantity	Average Price
October-17	-	\$ -	October-17	-	\$ -
November-17	-	\$ -	November-17	-	\$ -
December-17	-	\$ -	December-17	-	\$ -
January-18	-	\$ -	January-18	-	\$ -
February-18	-	\$ -	February-18	-	\$ -
March-18	-	\$ -	March-18	-	\$ -
April-18	-	\$ -	April-18	-	\$ -
May-18	-	\$ -	May-18	-	\$ -
June-18	-	\$ -	June-18	-	\$ -
July-18	-	\$ -	July-18	-	\$ -
August-18	-	\$ -	August-18	-	\$ -
September-18	-	\$ -	September-18	-	\$ -

South Jersey Gas Company
Summary of Hedging Activity
October 2016 - September 2017
As of September 30, 2017

Supply Month	BGSS Sendout* (000)	Program Hedges				
		Total Hedged (000)	Non-Discr (000)	Planalytics (000)	Sim (000)	Disc (000)
October-16	1,370	500	450	50	-	-
November-16	2,891	1,820	450	250	1,120	-
December-16	4,677	2,070	450	500	1,120	-
January-17	5,275	2,170	450	600	1,120	-
February-17	4,613	2,170	450	600	1,120	-
March-17	3,582	1,970	450	400	1,120	-
April-17	1,811	550	450	100	-	-
May-17	946	550	450	100	-	-
June-17	603	550	450	100	-	-
July-17	591	550	450	100	-	-
August-17	612	550	450	100	-	-
September-17	612	550	450	100	-	-
Total	27,582	14,000	5,400	3,000	5,600	-
Total % Hedged		50.8%	19.6%	10.9%	20.3%	0.0%

*Based on Sendout in 2016 BGSS Filing

South Jersey Gas Company
Non Discretionary Hedging Strategy
As of September 30, 2017

Month	Quantity	Average Price
October-16	450,000	\$ 3.087
November-16	450,000	\$ 3.041
December-16	450,000	\$ 2.996
January-17	450,000	\$ 2.978
February-17	450,000	\$ 2.967
March-17	450,000	\$ 2.955
April-17	450,000	\$ 2.945
May-17	450,000	\$ 2.944
June-17	450,000	\$ 2.943
July-17	450,000	\$ 2.946
August-17	450,000	\$ 2.947
September-17	450,000	\$ 2.943

South Jersey Gas Company
Planalytics Hedging Strategy
As of September 30, 2017

Month	Quantity	Average Price
October-16	50,000	\$ 2.808
November-16	250,000	\$ 3.011
December-16	500,000	\$ 2.753
January-17	600,000	\$ 2.900
February-17	600,000	\$ 3.357
March-17	400,000	\$ 3.309
April-17	100,000	\$ 3.014
May-17	100,000	\$ 3.141
June-17	100,000	\$ 3.219
July-17	100,000	\$ 3.277
August-17	100,000	\$ 3.020
September-17	100,000	\$ 3.002

South Jersey Gas Company
Storage Incentive Mechanism
Benchmark Cost Calculation, Actual Results & Sharing (Proforma)
Actual April - September 2016; Estimated October 2016

Component of Benchmark	For Deliveries During							Total
	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	
Volumes (Bcf)	0.80	0.80	0.80	0.80	0.80	0.80	0.80	5.60
Financial Hedges								
Commodity Cost (\$000)	\$ 1,742	\$ 1,742	\$ 1,742	\$ 1,742	\$ 1,742	\$ 1,742	\$ 1,742	\$ 12,193
Average Cost	\$ 2,177	\$ 2,177	\$ 2,177	\$ 2,177	\$ 2,177	\$ 2,177	\$ 2,177	
Total Benchmark	\$ 1,742	\$ 1,742	\$ 1,742	\$ 1,742	\$ 1,742	\$ 1,742	\$ 1,742	\$ 12,193
								Storage Benchmark Per Dt <u>2.177</u>
Actual/Est Injection Volumes	1.10	1.20	1.10	0.80	0.80	0.35	0.25	5.60
Financial Hedges								
Cost (\$000)	\$ 1,462	\$ 1,816	\$ 1,738	\$ 1,269	\$ 1,309	\$ 390	\$ 544	
Net (Gains) / Losses	\$ 196	\$ 122	\$ 148	\$ (615)	\$ (419)	\$ (466)	\$ (234)	
Actual Transport & Fuel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
								Actual Average Cost Before Sharing <u>1.296</u>
Difference between Benchmark and Actual	\$ (84)	\$ 196	\$ 144	\$ (1,089)	\$ (852)	\$ (1,817)	\$ (1,431)	\$ (4,933)
								BGSS Share 80% \$ (3,947)
								SJG Share \$ (987)
								Actual Average Cost Before Sharing \$ 1.296
								SJG Sharing Per Dt \$ 0.1762
								Actual Average Cost After Sharing \$ 1.472

South Jersey Gas Company
Discretionary Hedging Strategy
As of September 30, 2017

Financial Fixed Priced			Physical Fixed Price		
Month	Quantity	Average Price	Month	Quantity	Average Price
October-16	-	\$ -	October-16	-	\$ -
November-16	-	\$ -	November-16	-	\$ -
December-16	-	\$ -	December-16	-	\$ -
January-17	-	\$ -	January-17	-	\$ -
February-17	-	\$ -	February-17	-	\$ -
March-17	-	\$ -	March-17	-	\$ -
April-17	-	\$ -	April-17	-	\$ -
May-17	-	\$ -	May-17	-	\$ -
June-17	-	\$ -	June-17	-	\$ -
July-17	-	\$ -	July-17	-	\$ -
August-17	-	\$ -	August-17	-	\$ -
September-17	-	\$ -	September-17	-	\$ -

South Jersey Gas Company
Summary of Hedging Activity
October 2017 - September 2018
As of June 30, 2017

Supply Month	BGSS Sendout* (000)	Program Hedges				
		Total Hedged (000)	Non-Discr (000)	Planalytics (000)	Sim (000)	Disc (000)
October-17	1,363	510	450	60	-	-
November-17	2,940	1,630	450	60	1,120	-
December-17	4,779	1,630	450	60	1,120	-
January-18	5,554	1,630	450	60	1,120	-
February-18	4,797	1,615	425	70	1,120	-
March-18	3,827	1,560	400	40	1,120	-
April-18	1,870	375	375	-	-	-
May-18	1,051	350	350	-	-	-
June-18	642	325	325	-	-	-
July-18	636	300	300	-	-	-
August-18	669	275	275	-	-	-
September-18	678	250	250	-	-	-
Total	28,806	10,450	4,500	350	5,600	-
Total % Hedged		36.3%	15.6%	1.2%	19.4%	0.0%

*Based on Sendout in 2017 BGSS Filing

South Jersey Gas Company
Non Discretionary Hedging Strategy
As of June 30, 2017

Month	Quantity	Average Price
October-17	450,000	\$ 2.954
November-17	450,000	\$ 2.980
December-17	450,000	\$ 3.000
January-18	450,000	\$ 3.016
February-18	425,000	\$ 3.034
March-18	400,000	\$ 3.071
April-18	375,000	\$ 3.087
May-18	350,000	\$ 3.093
June-18	325,000	\$ 3.100
July-18	300,000	\$ 3.096
August-18	275,000	\$ 3.094
September-18	250,000	\$ 3.100

South Jersey Gas Company
Non Discretionary Hedging Strategy
As of June 30, 2017

INS TYPE (Multiple Items)
FOILIO SIG Financial Trading NonDiscr
PARAM SEQNUM 1

Average Rate	10/31/2017	11/31/2017	12/31/2017	1/31/2018	2/31/2018	3/31/2018	4/31/2018	5/31/2018	6/31/2018	7/31/2018	8/31/2018	9/31/2018
10/30/2015	\$ 2,688											
11/30/2015	\$ 2,680	\$ 2,680										
12/30/2015	\$ 2,680	\$ 2,680	\$ 2,680									
1/29/2016	\$ 2,710	\$ 2,710	\$ 2,710	\$ 2,710								
2/29/2016	\$ 2,445	\$ 2,445	\$ 2,445	\$ 2,445	\$ 2,445							
3/31/2016	\$ 2,820	\$ 2,820	\$ 2,820	\$ 2,820	\$ 2,820							
4/28/2016	\$ 3,010	\$ 3,010	\$ 3,010	\$ 3,010	\$ 3,010	\$ 3,010						
5/27/2016	\$ 3,007	\$ 3,007	\$ 3,007	\$ 3,007	\$ 3,007	\$ 3,007	\$ 3,007					
6/30/2016	\$ 3,138	\$ 3,138	\$ 3,138	\$ 3,138	\$ 3,138	\$ 3,138	\$ 3,138	\$ 3,138				
7/29/2016	\$ 3,122	\$ 3,122	\$ 3,122	\$ 3,122	\$ 3,122	\$ 3,122	\$ 3,122	\$ 3,122	\$ 3,122			
8/31/2016	\$ 3,035	\$ 3,035	\$ 3,035	\$ 3,035	\$ 3,035	\$ 3,035	\$ 3,035	\$ 3,035	\$ 3,035	\$ 3,035		
9/30/2016	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	
10/31/2016	\$ 3,130	\$ 3,130	\$ 3,130	\$ 3,130	\$ 3,130	\$ 3,130	\$ 3,130	\$ 3,130	\$ 3,130	\$ 3,130	\$ 3,130	
11/30/2016	\$ 3,137	\$ 3,137	\$ 3,137	\$ 3,137	\$ 3,137	\$ 3,137	\$ 3,137	\$ 3,137	\$ 3,137	\$ 3,137	\$ 3,137	
12/30/2016	\$ 3,290	\$ 3,290	\$ 3,290	\$ 3,290	\$ 3,290	\$ 3,290	\$ 3,290	\$ 3,290	\$ 3,290	\$ 3,290	\$ 3,290	
1/30/2017	\$ 3,200	\$ 3,200	\$ 3,200	\$ 3,200	\$ 3,200	\$ 3,200	\$ 3,200	\$ 3,200	\$ 3,200	\$ 3,200	\$ 3,200	
2/28/2017	\$ 2,938	\$ 2,938	\$ 2,938	\$ 2,938	\$ 2,938	\$ 2,938	\$ 2,938	\$ 2,938	\$ 2,938	\$ 2,938	\$ 2,938	
3/31/2017	\$ 3,135	\$ 3,135	\$ 3,135	\$ 3,135	\$ 3,135	\$ 3,135	\$ 3,135	\$ 3,135	\$ 3,135	\$ 3,135	\$ 3,135	
4/28/2017	\$ 3,160	\$ 3,160	\$ 3,160	\$ 3,160	\$ 3,160	\$ 3,160	\$ 3,160	\$ 3,160	\$ 3,160	\$ 3,160	\$ 3,160	
5/30/2017	\$ 3,050	\$ 3,050	\$ 3,050	\$ 3,050	\$ 3,050	\$ 3,050	\$ 3,050	\$ 3,050	\$ 3,050	\$ 3,050	\$ 3,050	
6/30/2017	\$ 2,959	\$ 2,959	\$ 2,959	\$ 2,959	\$ 2,959	\$ 2,959	\$ 2,959	\$ 2,959	\$ 2,959	\$ 2,959	\$ 2,959	
Average Cost per Dth	\$ 2,954	\$ 2,980	\$ 3,000	\$ 3,016	\$ 3,034	\$ 3,071	\$ 3,087	\$ 3,093	\$ 3,100	\$ 3,096	\$ 3,094	\$ 3,100

Dth Purchased	10/31/2017	11/31/2017	12/31/2017	1/31/2018	2/31/2018	3/31/2018	4/31/2018	5/31/2018	6/31/2018	7/31/2018	8/31/2018	9/31/2018
	\$ 450,000	\$ 425,000	\$ 400,000	\$ 375,000	\$ 350,000	\$ 325,000	\$ 300,000	\$ 275,000	\$ 250,000	\$ 225,000	\$ 200,000	\$ 175,000
	\$ 1,329,125	\$ 1,266,429	\$ 1,200,156	\$ 1,130,958	\$ 1,061,859	\$ 997,973	\$ 926,220	\$ 850,555	\$ 774,885	\$ 696,675	\$ 618,800	\$ 542,483

South Jersey Gas Company
Planalytics Hedging Strategy
As of June 30, 2017

Month	Quantity	Average Price
October-17	60,000	\$ 3.068
November-17	60,000	\$ 3.127
December-17	60,000	\$ 3.268
January-18	60,000	\$ 3.353
February-18	70,000	\$ 3.359
March-18	40,000	\$ 3.248
April-18	-	\$ -
May-18	-	\$ -
June-18	-	\$ -
July-18	-	\$ -
August-18	-	\$ -
September-18	-	\$ -

South Jersey Gas Company
Discretionary Hedging Strategy
As of June 30, 2017

Financial Fixed Priced			Physical Fixed Price		
Month	Quantity	Average Price	Month	Quantity	Average Price
October-17	-	\$ -	October-17	-	\$ -
November-17	-	\$ -	November-17	-	\$ -
December-17	-	\$ -	December-17	-	\$ -
January-18	-	\$ -	January-18	-	\$ -
February-18	-	\$ -	February-18	-	\$ -
March-18	-	\$ -	March-18	-	\$ -
April-18	-	\$ -	April-18	-	\$ -
May-18	-	\$ -	May-18	-	\$ -
June-18	-	\$ -	June-18	-	\$ -
July-18	-	\$ -	July-18	-	\$ -
August-18	-	\$ -	August-18	-	\$ -
September-18	-	\$ -	September-18	-	\$ -

South Jersey Gas Company
Summary of Hedging Activity
October 2016 - September 2017
As of June 30, 2017

Supply Month	BGSS Sendout* (000)	Program Hedges				
		Total Hedged (000)	Non-Discr (000)	Planalytics (000)	Sim (000)	Disc (000)
October-16	1,370	500	450	50	-	-
November-16	2,891	1,820	450	250	1,120	-
December-16	4,677	2,070	450	500	1,120	-
January-17	5,275	2,170	450	600	1,120	-
February-17	4,613	2,170	450	600	1,120	-
March-17	3,582	1,970	450	400	1,120	-
April-17	1,811	550	450	100	-	-
May-17	946	550	450	100	-	-
June-17	603	550	450	100	-	-
July-17	591	550	450	100	-	-
August-17	612	550	450	100	-	-
September-17	612	490	450	40	-	-
Total	27,582	13,940	5,400	2,940	5,600	-
Total % Hedged		50.5%	19.6%	10.7%	20.3%	0.0%

*Based on Sendout in 2016 BGSS Filing

**South Jersey Gas Company
Non Discretionary Hedging Strategy
As of June 30, 2017**

Month	Quantity	Average Price
October-16	450,000	\$ 3.087
November-16	450,000	\$ 3.041
December-16	450,000	\$ 2.996
January-17	450,000	\$ 2.978
February-17	450,000	\$ 2.967
March-17	450,000	\$ 2.955
April-17	450,000	\$ 2.945
May-17	450,000	\$ 2.944
June-17	450,000	\$ 2.943
July-17	450,000	\$ 2.946
August-17	450,000	\$ 2.947
September-17	450,000	\$ 2.943

South Jersey Gas Company
Planalytics Hedging Strategy
As of June 30, 2017

Month	Quantity	Average Price
October-16	50,000	\$ 2.808
November-16	250,000	\$ 3.011
December-16	500,000	\$ 2.753
January-17	600,000	\$ 2.900
February-17	600,000	\$ 3.357
March-17	400,000	\$ 3.309
April-17	100,000	\$ 3.014
May-17	100,000	\$ 3.141
June-17	100,000	\$ 3.219
July-17	100,000	\$ 3.277
August-17	100,000	\$ 3.020
September-17	40,000	\$ 3.115

South Jersey Gas Company
Discretionary Hedging Strategy
As of June 30, 2017

Financial Fixed Priced			Physical Fixed Price		
Month	Quantity	Average Price	Month	Quantity	Average Price
October-16	-	\$ -	October-16	-	\$ -
November-16	-	\$ -	November-16	-	\$ -
December-16	-	\$ -	December-16	-	\$ -
January-17	-	\$ -	January-17	-	\$ -
February-17	-	\$ -	February-17	-	\$ -
March-17	-	\$ -	March-17	-	\$ -
April-17	-	\$ -	April-17	-	\$ -
May-17	-	\$ -	May-17	-	\$ -
June-17	-	\$ -	June-17	-	\$ -
July-17	-	\$ -	July-17	-	\$ -
August-17	-	\$ -	August-17	-	\$ -
September-17	-	\$ -	September-17	-	\$ -

CONFIDENTIAL

FEDERAL REGULATORY FILINGS OF INTEREST TO THE COMPANY

Listed below are summaries of filings submitted to the Federal Energy Regulatory Commission (Commission or FERC), for review and approval, made by interstate pipeline suppliers which are of interest to the Company:

FERC PennEast Pipeline Project (Docket No. CP15-558-000) Issued January 19, 2018

On September 24, 2015, PennEast Pipeline Company, LLC (PennEast) filed an application pursuant to section 7(c) of the Natural Gas Act (NGA) and Parts 157 and 284 of the Commission's regulations, requesting authorization to construct and operate a new 116-mile natural gas pipeline from Luzerne County, Pennsylvania, to Mercer County, New Jersey, along with three laterals extending off the mainline, a compression station, and appurtenant above ground facilities (PennEast Project). The project is designed to provide up to 1,107,000 dekatherms per day (Dth/d) of firm transportation service. PennEast also requested a blanket certificate under Part 284, Subpart G of the FERC's regulations to provide open-access transportation services, and a blanket certificate under Part 157, Subpart F of the Commission's regulations to perform certain routine construction activities and operations.

By Order dated January 19, 2018 the FERC issued a certificate of public convenience and necessity to PennEast, authorizing it to construct and operate the proposed PennEast Project. The certificate authority issued in the Order was conditioned on: (1.) PennEast's proposed project being constructed and made available for service within two years of the date of the order, (2) PennEast's compliance with all applicable Commission regulations, (3) PennEast's compliance with the environmental conditions listed in the order, along with other stipulations. The Order also provided PennEast with the two requested blanket certificates mentioned above.

Commission Approves Changes to Transco's Market Area Pooling in Zones 5 and 6 (Docket No. RP18-568-000) Issued April 17, 2018

The Commission approved the pro forma tariff records filed by Transco on March 16, 2018 to change the treatment of transportation usage charges and fuel retention at pools in Transco's Zones 5 and 6. Upon implementation of the approved tariff records, Transco will assess applicable usage charges and fuel retention on quantities transported away from the Zone 5 and Zone 6 pools rather than on quantities transported into the pools, which is consistent with the current treatment of these costs at the pools in Transco's Zones 4 and 4A. Transco will file actual tariff records prior to the implementation date for these changes, currently targeted to be October 1, 2018.

**Proposed Rulemaking Relating to Federal Income Tax Rate Changes
(Docket No. RM18-11)
Issued March 15, 2018**

The Commission issued a Notice of Proposed Rulemaking (NOPR) in Docket No. RM18-11 that will require certain pipelines to make a one-time informational filing designed to collect financial information to evaluate the impact of the lower corporate income tax rate enacted through the Tax Cuts and Jobs Act of 2017. These informational filings must also address the changes to FERC's income tax allowance policy for MLPs. In addition to the informational filing the Commission will allow pipelines to elect from the following four options: (1) make a limited NGA section 4 filing to reduce rates to account for the lower corporate income tax rate; (2) commit to file a full NGA section 4 rate case; (3) make filings to explain why the rates do not need to be reduced, or (4) choose to do nothing. If a pipeline chooses options 3 or 4, the Commission will consider initiating a show cause order that may result in a rate reduction under NGA section 5.

**Transco's GT&C Section 28 Filing - Failure of Electronic Equipment (Docket No. RP18-357-000)
Issued on January 18, 2018**

Transco submitted a filing to reflect their current practice for processing nominations in the event of a failure of its electronic service system or of the electronic communication equipment of its shippers. Transco's practice is to use its Buyers' last confirmed nomination(s) at the time of any such event for any missed nomination cycles within the Gas Day.

**Transco's Pro Forma Filing to Revise Priority of Service Provisions (Docket No. RP18-314-000)
Issued on January 2, 2018**

Transco filed *pro forma* tariff revisions to update and clarify the no-notice and priority of rights of Transco's services. Transco estimates that implementation of the revised tariff provisions can occur approximately four months following the issuance of a final Commission order.

**Order Denying Rehearing and Compliance Filing - Washington Storage Rate Design (Docket No. RP06-569-009, et al.)
Issued on October 4, 2017**

The Commission issued its Order on Rehearing and Compliance Filing in the referenced proceeding which, among other things, denied requests for rehearing on the WSS reserved issue from Transco's 2006 rate case. In the order, the FERC reaffirmed its

holding that traditional cost causation principles support allocating the costs of Transco's WSS replacement base gas purchases on a rolled-in basis to both the historic WSS shippers and the replacement shippers. The order also accepted Transco's calculation of the rolled-in rates included in its April 18, 2016 compliance filing in Docket No. RP16-856-000 and directed Transco to make refunds consistent with the provisions of the settlement of its 2006 rate case, which requires that refunds be made within 60 days of a final FERC order on the reserved issue that is no longer subject to rehearing.

Refund Report - Washington Storage Service Incremental Rates (Docket No. CP16-856-000)

Issued November 21, 2017

Transco filed a refund report, as required by the Commission's October 4, 2017 Order ("October 4 Order") in the referenced docket, which details the refund sent to BNP Paribas Energy Trading GP and South Jersey Resources Group, LLC for amounts collected in excess of the Rate Schedule WSS-OA rates approved in the October 4 Order, including interest. The refund was made on November 16, 2017.

Columbia Gas Transmission, LLC - 2017 Capital Cost Recovery Mechanism (Docket No. RP18-426-000)

Issued February 5, 2018

Columbia Gas Transmission, LLC (Columbia Gas) filed tariff records to reduce its 2017 Capital Cost Recovery Mechanism (CCRM) rate, and Settlement Base Rates for Rate Schedules FTS, NTS, NTS-S, ITS, GTS, OPT, TPS and SST to reflect an immediate and retroactive reduction in the U.S. Federal Corporate Income Tax rate from 35% to 21% as set forth in its Modernization I Settlement. Additionally, Columbia Gas is modifying its tariff to update the CCRM pre-tax rate of return to be used during the Second Term of its Modernization Program to implement the tax adjustment provisions set forth in its Modernization II Settlement. The Commission granted a waiver of its 30-day notice requirement, and accepted the referenced tariff records effective January 1, 2018, as proposed.

South Jersey Gas Company
Calculation of Balancing Service Clause Charge - Large Volume ("BSC-LV")
Rider "I"

\$000

1	<u>Balancing Charge Related to Inventory</u>	
2	12 month average Inventory balance, including LNG	\$13,151
3	Rate of Return	<u>8.77%</u>
4		
5	Storage Carrying Costs	\$1,153
6	% of Balancing compared to Single Coldest January Day (3 year average) (see calc, line 38-42)	<u>40.6%</u>
7		
8	Balancing Costs related to Inventory	\$468
9	Annual Firm Therms (000)	<u>162,753</u>
10		
11	Pre-tax Balancing Charge Related to Inventory	\$0.002876
12		
13		
14	<u>Proposed BSC Charges (Rider I)</u>	
15		
16	1. <u>Opt-Out Customer Charge</u>	
17	Pre-tax proposed Opt-Out Balancing Charge	\$0.002876
18		
19	After-tax proposed Opt-Out Balancing Charge	\$0.003074
20		
21	Current After-tax Opt-Out Balancing Charge	\$0.002700
22		
23	Opt-Out Customer Charge Increase/(Decrease) to After-tax Balancing Charge	\$0.000374
24		
25	2. <u>Non-Opt-Out Customer Charge</u>	
26	The Company is proposing to use the after-tax BSC rate of \$0.033851, which is its proposed Rider "J" rate (see	
27	Schedule TWR-12, pg. 2), as the applicable rate for those customers under Rider "I" who do not Opt-Out.	
28		
29	Pre-tax proposed Non-Opt-Out Balancing Charge (same as Rider J proposed rate)	\$0.031668
30		
31	After-tax proposed Non-Opt-Out Balancing Charge (same as Rider J proposed rate)	\$0.033851
32		
33	Current After-tax Non-Opt-Out Balancing Charge	\$0.012600
34		
35	Non-Opt-Out Customer Charge Increase/(Decrease) to After-tax Balancing Charge	\$0.021251
36		
37		
38	<u>Calculation of % of Balancing compared to Single Coldest January Day (3 year average)</u>	(Therms in 000)
39	Single coldest January day, average of 3 years	4,678
40	Less: Median of all January days, 3 years	<u>2,779</u>
41	Balancing Therms	<u>1,899</u>
42	Balancing Therms as a % of single coldest January day; average of 3 years	40.6%

South Jersey Gas Company
Calculation of Balancing Service Clause Charge- General Service ("BSC-GS")
Rider "J"

\$000

1	<u>Balancing Charge Related to Inventory</u>	
2	12 month average Inventory balance, including LNG	\$13,151
3	Rate of Return	8.77%
4		<hr/>
5	Storage Carrying Costs	\$1,153
6	% of Balancing compared to Single Coldest January Day (3 year average) (see calc, line 38-42)	40.6%
7		<hr/>
8	Balancing Costs related to Inventory	\$468
9	Annual Firm Therms (excluding FT) (000)	368,726
10		<hr/>
11	Pre-tax Balancing Charge Related to Inventory	\$0.001269
12		
13	<u>Balancing Charge Related to Demand Charges</u>	
14	Pipeline Demand Charges	\$61,294
15	Less: Adjustments (BGSS Incentive Credits)	(\$26,895)
16		<hr/>
17	Total	\$34,400
18	% of Balancing compared to Single Coldest January Day (3 year average) (see calc, line 38-42)	40.6%
19		<hr/>
20	Balancing Costs related to Demand Charges	\$13,964
21	Annual Firm Therms (000)	459,373
22		<hr/>
23	Pre-tax Balancing Charge Related to Demand Charges	\$0.030399
24		
25	<u>Total Proposed BSC Charges (Rider J)</u>	
26	Pre-tax proposed Balancing Charge related to Inventory	\$0.001269
27	Pre-tax proposed Balancing Charge related to Demand Charges	\$0.030399
28		<hr/>
29	Pre-tax total proposed Balancing Charge	\$0.031668
30		
31	After-tax total proposed Balancing Charge	\$0.033851
32		
33	Current After-tax total Balancing Charge	\$0.050300
34		
35	Total Increase/(Decrease) to After-tax Balancing Charge	(\$0.016449)
36		
37		
38	<u>Calculation of % of Balancing compared to Single Coldest January Day (3 year average)</u>	<small>(Therms in 000)</small>
39	Single coldest January day, average of 3 years	4,678
40	Less: Median of all January days, 3 years	2,779
41	Balancing Therms	1,899
42	Balancing Therms as a % of single coldest January day; average of 3 years	40.6%

2018-2019

WORK PAPERS

2018-2019 WORK PAPER INPUT AREA

Billed Volumes:

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19
1 Input Area												
2 Volumes Input on a DT Basis												
3												
4												
5												
6												
7 Revenue Classification												
8												
9 Firm Sales												
10 480.110 RES SERV SALES - HSE HTG	483,002	1,371,128	2,832,732	4,502,758	4,603,488	4,040,844	2,705,544	1,101,083	670,422	566,412	523,306	514,924
11 480.120 RES SERV SALES W/O HSE HTG	12,648	16,228	26,229	30,601	29,271	25,866	19,721	11,038	9,442	13,692	9,362	12,775
12 480.130 RSG - AIR CONDITIONING	0	0	0	0	0	0	0	0	0	0	0	0
13 481.210 GEN SERV SALES COMMERCIAL (MONTHLY)	11,291	10,209	13,615	16,486	17,731	17,229	14,845	11,898	10,320	12,765	12,573	12,776
14 481.210 GEN SERV SALES COMMERCIAL (PERIODIC)	16,651	23,483	21,483	33,018	32,135	29,714	21,360	15,882	26,999	15,590	27,098	23,756
15 481.220 GEN SERV SALES INDUSTRIAL (MONTHLY)	131	136	179	220	174	170	157	73	85	98	77	72
16 481.220 GEN SERV SALES INDUSTRIAL (PERIODIC)	113	110	122	317	201	173	122	0	72	181	43	115
17 481.310 BLDG HTG & COOL COMMERCIAL (MONTHLY)	57,742	265,607	417,535	581,484	632,291	571,539	472,266	181,421	121,585	114,040	117,143	137,910
18 481.310 BLDG HTG & COOL COMMERCIAL (PERIODIC)	106,603	319,931	260,656	986,338	893,372	705,630	511,650	181,895	45,103	398,543	200,815	177,995
19 481.320 BLDG HTG & COOL INDUSTRIAL (MONTHLY)	3,831	7,615	14,617	28,105	17,055	28,176	16,203	8,409	3,187	3,554	4,570	2,164
20 481.320 BLDG HTG & COOL INDUSTRIAL (PERIODIC)	326	575	2,027	10,589	18,707	5,524	4,447	1,086	295	1,037	806	619
21 481.410 GSG - AIR CONDITIONING	0	0	0	0	0	0	0	0	0	0	0	0
22 481.540 FIRM ELECTRIC SVC - CONNECTV	72,000	48,000	5,000	25,000	42,000	55,000	55,000	80,000	210,000	130,000	130,000	75,000
23 481.610 GSG-LV COMMERCIAL	1,127	1,971	2,849	1,055	3,576	3,200	2,358	1,070	821	737	619	820
24 481.620 GSG-LV INDUSTRIAL	7,366	4,100	3,087	5,831	10,176	8,413	7,010	5,456	6,904	5,463	5,637	5,310
25 481.630 GSG-LV COMMERCIAL HEAT	22,470	47,455	61,823	105,489	99,307	98,557	77,894	48,431	19,470	27,060	27,227	26,171
26 481.640 GSG - LV COMMERCIAL HEAT	360	4,847	4,121	4,994	5,445	2,612	5,750	3,583	5,558	3,433	2,936	4,722
27 481.710 YARD LIGHTING SERVICE SALES	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
28 481.840 STREET LIGHTING SERV SALES	6,461	7,990	8,470	8,342	8,283	8,620	8,079	8,196	7,787	4,204	3,561	4,305
29 ELECTRIC GENERATION SERVICE	803,123	2,130,383	3,675,545	6,341,627	6,414,211	5,602,267	3,923,407	1,660,521	1,139,051	1,297,807	1,066,774	1,000,433
30 Total Firm Sales	5,000	19,870	19,960	18,780	18,860	18,860	19,270	19,620	19,670	19,870	19,870	20,070
31 IGS SALES												
32 481.650 IGS #6 INDUSTRIAL	0	1	0	0	0	0	0	7	2,757	9	0	1
33 481.651 IGS #2 INDUSTRIAL	0	0	0	0	0	0	0	0	0	0	0	0
34 Total IGS Sales	0	1	0	0	0	0	0	7	2,757	9	0	1
35 Company Use												
36	5,000	19,870	19,960	18,780	18,860	18,860	19,270	19,620	19,670	19,870	19,870	20,070
37	19,870	19,870	19,960	18,780	18,860	18,860	19,270	19,620	19,670	19,870	19,870	20,070
38	61,517	83,272	70,899	49,584	53,778	83,855	79,632	83,708	70,275	54,311	75,846	55,770
39	0	0	0	0	0	0	0	0	0	0	0	0
40 TRANSPORTATION												
41 489.000 Interr Trans Service	0	0	0	0	0	0	0	0	0	0	0	0
42 489.100 ITS - GENERAL SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
43 489.200 Customer Owned Gas-LVS	8,000	12,000	40,000	15,000	18,000	15,000	15,000	120,000	90,000	270,000	270,000	200,000
44 489.400 Customer Owned Gas-FES	176,128	14,083	137,183	83,928	28,303	69,612	40,656	149,286	33,480	477,429	320,528	243,039
45 489.500 Customer Owned Gas-LVCS	544,690	631,077	673,753	711,184	674,282	731,986	588,726	565,020	553,914	547,459	677,591	594,106
46 489.700 LVS-FT	10,333	9,221	10,134	14,989	13,192	13,076	13,139	8,895	7,783	13,493	10,836	11,682
47 489.821 GSG-FT Comm Non-Heat	210	280	328	415	334	400	238	176	130	203	136	219
48 489.822 GSG-FT Indus Non-Heat	134,031	275,204	463,909	747,988	740,199	727,445	511,549	246,562	148,811	154,810	153,382	156,605
49 489.831 GSG-FT Comm Heat	2,698	4,846	13,265	22,145	21,973	20,550	14,649	5,568	3,743	3,113	2,345	2,720
50 489.832 GSG-FT Indus Heat	4,259	1,976	4,400	3,482	8,261	5,428	4,826	5,324	5,275	1,779	1,362	2,733
51 489.850 EGS-Customer Owned Gas	449,408	303,164	281,271	288,416	203,651	364,228	321,043	367,660	405,209	577,983	577,275	471,887
52 489.860 EGS-LV-FT	1,195	2,390	4,367	6,453	3,567	4,508	3,517	1,329	892	931	1,965	654
53 489.865 GSG-LV-FT Comm Non-Heat	2,733	2,742	3,353	5,235	5,233	3,709	4,572	3,766	1,389	5,059	3,987	3,682
54 489.866 GSG-LV-FT Indus Non-Heat	94,239	301,982	325,193	383,482	310,977	260,777	163,094	92,844	88,194	90,012	79,878	79,061
55 489.867 GSG-LV-FT Comm Heat	7,651	4,753	7,041	9,129	9,517	9,913	10,100	10,065	8,446	6,140	7,901	9,194
56 489.868 GSG-LV-FT Indus Heat	221,457	226,785	250,623	175,674	221,775	260,797	225,144	229,258	208,078	199,074	189,239	179,863
57 490.100 Comp Trans Service	56,079	144,776	305,870	477,725	483,799	419,720	283,255	114,974	60,787	62,647	54,511	54,992
58 490.210 RSG-FT Heat	1,335	2,208	2,566	3,678	3,232	2,854	2,239	1,297	870	1,501	1,238	1,328
59 490.220 RSG-FT Non-Heat	1,775,963	2,020,779	2,594,156	2,998,508	2,800,071	2,993,858	2,281,379	2,005,753	1,687,276	2,465,945	2,427,431	2,067,524
60 Total Transportation	1,775,963	2,020,779	2,594,156	2,998,508	2,800,071	2,993,858	2,281,379	2,005,753	1,687,276	2,465,945	2,427,431	2,067,524

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Total
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WORKPAPER KJB-5A, Page 2 of 2
 NATURAL GAS DETERMINANTS

TOTAL NATURAL GAS SENDOUT

Liquidified Natural Gas (LNG)
 McKee City Sendout

Total LNG Sendout

Total Sendout

1 WORKPAPER KJB-5B, Page 1 of 3
 2 SUMMARY OF NATURAL GAS COSTS
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	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Total
8 Transco FT													
9 Zone Based Resrv. Cost	\$1,779,761	\$1,722,350	\$1,779,761	\$1,779,761	\$1,607,526	\$1,779,761	\$1,722,350	\$1,779,761	\$1,722,350	\$1,779,761	\$1,779,761	\$1,722,350	\$20,955,253
10													
11 Transco S-2													
12 Demand Cost	\$7,009	\$6,783	\$7,009	\$7,009	\$6,331	\$7,009	\$6,783	\$7,009	\$6,783	\$7,009	\$7,009	\$6,783	\$82,529
13 Capacity Cost	\$1,435	\$1,389	\$1,435	\$1,435	\$1,296	\$1,435	\$1,389	\$1,435	\$1,389	\$1,435	\$1,435	\$1,389	\$16,900
14 In Cost	\$2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,194
15 Out Cost	\$0	\$0	\$1,303	\$1,891	\$1,702	\$588	\$0	\$0	\$0	\$0	\$0	\$0	\$5,484
16													
17 Transco SS-2													
18 Demand Cost	\$137,433	\$133,000	\$137,433	\$137,433	\$124,133	\$137,433	\$133,000	\$137,433	\$133,000	\$137,433	\$137,433	\$133,000	\$1,618,163
19 Capacity Cost	\$50,329	\$48,705	\$50,329	\$50,329	\$45,468	\$50,329	\$48,705	\$50,329	\$48,705	\$50,329	\$50,329	\$48,705	\$592,578
20 In Cost	\$5,109	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$55,567
21 Out Cost	\$0	\$2,735	\$13,344	\$15,666	\$14,150	\$9,693	\$0	\$0	\$0	\$0	\$0	\$0	\$55,567
22													
23 Transco GSS													
24 Demand Cost	\$85,249	\$82,489	\$85,249	\$85,249	\$76,989	\$85,249	\$82,489	\$85,249	\$82,489	\$85,249	\$85,249	\$82,489	\$1,003,740
25 Capacity Cost	\$21,123	\$21,409	\$21,123	\$21,123	\$19,982	\$21,123	\$21,409	\$21,123	\$21,409	\$21,123	\$21,123	\$21,409	\$260,777
26 In Cost	\$3,449	\$3,449	\$5,052	\$4,553	\$4,016	\$732	\$1,986	\$1,061	\$6,516	\$6,167	\$6,167	\$7,451	\$70,461
27 Out Cost	\$2,804	\$3,535	\$7,070	\$16,915	\$4,174	\$7,679	\$2,286	\$0	\$0	\$0	\$86	\$86	\$54,636
28													
29 Transco ESS													
30 Demand Cost	\$18,185	\$17,598	\$18,185	\$18,185	\$16,425	\$18,185	\$17,598	\$18,185	\$17,598	\$18,185	\$18,185	\$17,598	\$214,108
31 Capacity Cost	\$18,148	\$18,148	\$18,148	\$18,148	\$16,382	\$18,148	\$17,563	\$18,148	\$17,563	\$18,148	\$18,148	\$17,563	\$213,682
32 In Cost	\$0	\$0	\$0	\$0	\$0	\$1,309	\$1,309	\$1,062	\$1,440	\$1,947	\$1,947	\$1,851	\$9,555
33 Out Cost	\$0	\$411	\$1,851	\$2,442	\$1,684	\$905	\$823	\$0	\$411	\$0	\$0	\$1,028	\$9,555
34													
35 Transco LSS													
36 Demand Cost	\$56,012	\$54,205	\$56,012	\$56,012	\$50,532	\$56,012	\$54,205	\$56,012	\$54,205	\$56,012	\$56,012	\$54,205	\$659,497
37 Capacity Cost	\$20,869	\$20,196	\$20,869	\$20,869	\$18,850	\$20,869	\$20,196	\$20,869	\$20,196	\$20,869	\$20,869	\$20,196	\$245,718
38 In Cost	\$2,904	\$0	\$0	\$0	\$0	\$3,112	\$6,216	\$6,216	\$5,984	\$6,016	\$5,847	\$6,016	\$36,096
39 Out Cost	\$0	\$2,677	\$6,961	\$8,032	\$5,087	\$4,551	\$0	\$0	\$0	\$0	\$0	\$0	\$27,307
40													
41 Transco LG-A													
42 Demand Cost	\$16,900	\$16,355	\$16,900	\$16,900	\$15,264	\$16,900	\$16,355	\$16,900	\$16,355	\$16,900	\$16,900	\$16,355	\$198,983
43 Capacity Cost	\$44,664	\$43,223	\$44,664	\$44,664	\$40,342	\$44,664	\$43,223	\$44,664	\$43,223	\$44,664	\$44,664	\$43,223	\$525,885
44 In Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$10,794	\$11,122	\$10,794	\$11,122	\$11,122	\$10,739	\$65,693
45 Out Cost	\$0	\$0	\$0	\$42,778	\$19,258	\$3,657	\$0	\$0	\$0	\$0	\$0	\$0	\$65,693

WORKPAPER KJB-5B, Page 2 of 3
SUMMARY OF NATURAL GAS COSTS

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Total
Transco Demand Cost	\$83,255	\$80,569	\$83,255	\$83,255	\$75,198	\$83,255	\$80,569	\$83,255	\$80,569	\$83,255	\$83,255	\$80,569	\$980,257
Commodity Cost - Transco	\$1,186,832	\$4,050,344	\$7,126,423	\$8,579,121	\$5,759,664	\$3,575,122	\$3,358,834	\$2,551,685	\$1,362,820	\$1,914,223	\$1,480,598	\$1,373,757	\$42,319,424
Commodity Cost - Transco Leidy #1013599	\$91,563	\$92,830	\$96,350	\$96,236	\$97,998	\$96,644	\$96,644	\$96,644	\$96,644	\$96,644	\$96,644	\$96,644	\$2,660,220
Dir Purchases FES & Monthly/GSS	\$1,037,019	\$1,543,420	\$2,278,073	\$2,875,670	\$2,875,670	\$2,007,964	\$1,105,539	\$797,407	\$1,083,279	\$2,311,746	\$878,656	\$713,954	\$17,831,723
TRANSCO FT - SS-4 #1044825	\$0	\$68,240	\$70,514	\$70,514	\$63,890	\$70,514	\$0	\$0	\$0	\$0	\$0	\$0	\$3,434,473
Transco PSFT Transport, Reserv, Cost	\$0	\$0	\$87,844	\$87,844	\$79,343	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,550,031
Transco PSFT Commodity Cost	\$0	\$0	\$284,491	\$292,401	\$260,826	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$837,717
Transco Central New Jersey Expansion	\$424,192	\$410,508	\$424,192	\$424,192	\$383,141	\$424,192	\$410,508	\$424,192	\$410,508	\$424,192	\$424,192	\$410,508	\$4,994,514
Reservation Cost - FT and #	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transco Long Haul Cap. Rel. Credit	\$206,025	\$139,150	\$144,250	\$296,800	\$293,000	\$845,100	\$1,056,158	\$31,465	\$212,570	\$44,560	\$215,923	\$20,031	\$3,505,053
Columbia L-T Firm Commodity Cost	\$2,239,510	\$2,373,100	\$2,600,000	\$2,685,763	\$3,433,316	\$2,559,781	\$2,304,750	\$2,346,655	\$2,303,700	\$2,417,380	\$2,421,720	\$2,326,680	\$30,012,675
Tennessee FT DEMAND	\$86,583	\$434,940	\$434,940	\$434,940	\$434,940	\$434,940	\$434,940	\$434,940	\$434,940	\$434,940	\$434,940	\$434,940	\$7,821,370
Columbia FTS Cost #38099	\$86,583	\$86,583	\$86,583	\$86,583	\$86,583	\$86,583	\$86,583	\$86,583	\$86,583	\$86,583	\$86,583	\$86,583	\$1,038,986
Columbia FTS Cost #156147	\$56,304	\$56,304	\$56,304	\$56,304	\$56,304	\$56,304	\$56,304	\$56,304	\$56,304	\$56,304	\$56,304	\$56,304	\$675,648
Columbia Gas NTS Cost	\$172,772	\$172,772	\$172,772	\$172,772	\$172,772	\$172,772	\$172,772	\$172,772	\$172,772	\$172,772	\$172,772	\$172,772	\$2,073,263
Columbia FSS	\$50,827	\$50,827	\$50,827	\$50,827	\$50,827	\$50,827	\$50,827	\$50,827	\$50,827	\$50,827	\$50,827	\$50,827	\$609,922
DEMAND MDSQ Cost	\$64,037	\$64,037	\$64,037	\$64,037	\$64,037	\$64,037	\$64,037	\$64,037	\$64,037	\$64,037	\$64,037	\$64,037	\$788,444
DEMAND SCQ Cost	\$3,077	\$461	\$461	\$461	\$461	\$461	\$461	\$461	\$461	\$461	\$461	\$461	\$36,435
IN Cost	\$765	\$2,521	\$5,901	\$7,379	\$3,414	\$3,414	\$1,530	\$1,301	\$1,224	\$612	\$765	\$765	\$33,179
Columbia SST	\$103,211	\$206,423	\$206,423	\$206,423	\$206,423	\$206,423	\$206,423	\$206,423	\$206,423	\$206,423	\$206,423	\$206,423	\$1,754,593
Columbia SST Compression Charge	\$3,795	\$569	\$569	\$569	\$569	\$569	\$569	\$569	\$569	\$569	\$569	\$569	\$6,945
IN Cost	\$935	\$3,082	\$7,212	\$8,557	\$9,019	\$4,173	\$1,870	\$1,590	\$1,496	\$748	\$935	\$935	\$40,552
Columbia FTS DEMAND #28769	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dominion Transportation Demand Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Columbia Gulf FTS Demand - East Side Expansion Project	\$694,320	\$810,040	\$810,040	\$810,040	\$810,040	\$810,040	\$810,040	\$810,040	\$810,040	\$810,040	\$810,040	\$810,040	\$9,604,760
Dominion GSS Capacity Cost	\$6,134	\$6,134	\$6,134	\$6,134	\$6,134	\$6,134	\$6,134	\$6,134	\$6,134	\$6,134	\$6,134	\$6,134	\$73,602
Dominion GSS Capacity Cost	\$18,672	\$18,672	\$18,672	\$18,672	\$18,672	\$18,672	\$18,672	\$18,672	\$18,672	\$18,672	\$18,672	\$18,672	\$224,064
Dominion GSS IT IN Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dominion GSS IT IN Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dominion GSS OUT Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Peaking Supply	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Hedging/Gain) Loss	\$76,230	\$48,536	\$493	(\$41,580)	(\$29,795)	\$12,830	\$113,275	\$108,075	\$87,510	\$68,650	\$60,700	\$66,275	\$561,199
License Agreement - Plainalytics Hedging Tool	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$125,000
ICE OTC Fees	\$625	\$625	\$625	\$625	\$625	\$625	\$625	\$625	\$625	\$625	\$625	\$625	\$7,500
Midstream Partners	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$60,000
ABB-SENDOUT Annual Charge	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Storage Incentive Mechanism (Gain)/Loss	(\$58,560)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Marcus Hook - Woodbury Lateral	\$7,614	\$7,614	\$7,614	\$7,614	\$7,614	\$7,614	\$7,614	\$7,614	\$7,614	\$7,614	\$7,614	\$7,614	\$91,374
Antero Commodity Savings	(\$93,000)	(\$54,000)	(\$55,800)	(\$55,800)	(\$50,400)	(\$55,800)	(\$90,000)	(\$93,000)	(\$90,000)	(\$93,000)	(\$93,000)	(\$90,000)	(\$913,900)
Total Gas Cost	\$8,744,617	\$12,883,764	\$17,367,928	\$19,663,496	\$17,035,274	\$14,544,428	\$13,121,155	\$11,107,951	\$10,383,101	\$10,623,193	\$10,353,257	\$9,894,477	\$155,555,161

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Total
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WORKPAPER KJB-5B, Page 3 of 3
SUMMARY OF NATURAL GAS COSTS

NATURAL GAS PURCHASES (\$)

Spot Purchases on Columbia - ESEP
Spot Purchases on Columbia
Spot Purchases - Transco
Spot Purchases - Transco Leidy #1013599
Direct Purchases - FES & Monthly BGSS
Spot Purchases on Transco PSFT
Peaking Supply
Hedging/Gain) Loss
Antero Commodity Savings
Marcus Hook - Woodbury Lateral
Storage Incentive Mechanism
TOTAL NATURAL GAS PURCHASES (\$)

PURCHASED NAT GAS BREAKDOWN (DL)

Spot Purchases on Columbia - ESEP
Spot Purchases on Columbia
Spot Purchases - Transco
Spot Purchases - Transco Leidy #1013599
Direct Purchases - FES & Monthly BGSS
Spot Purchases on Transco PSFT

TOTAL NATL GAS PURCHASED (D)

NATURAL GAS COST PER THERM

Total Cost Per Therm
Injected Cost Per Therm
(Excluding F/MAC, Monthly BGSS & All Hedging & SMS)

SUMMARY OF GAS COSTS

Pipeline & Storage Demand
Storage
Natural Gas Purchases *

Total Gas Costs

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Total
1	WORKPAPER KJB-5C, PAGE 1 OF 5												
2	NATURAL GAS INVENTORY - INJECTIONS												
3	159,895	61,381	102,302	30,691	20,460	15,345	140,634	210,994	171,436	184,532	164,072	156,654	1,418,396
4	\$2,550	\$2,746	\$2,907	\$3,006	\$2,908	\$2,756	\$2,403	\$2,325	\$2,293	\$2,352	\$2,337	\$2,312	\$2,312
5													
6	\$407,732	\$168,595	\$297,453	\$92,279	\$59,453	\$42,291	\$338,070	\$492,144	\$393,668	\$435,348	\$393,551	\$362,262	\$3,472,846
7													
8													
9	\$2,500	\$2,746	\$2,907	\$3,006	\$2,908	\$2,756	\$2,403	\$2,325	\$2,293	\$2,352	\$2,337	\$2,312	232,315
10													
11													
12													
13													
14													
15	100,047	\$2,746	\$2,907	\$3,006	\$2,908	\$2,756	\$2,403	\$2,325	\$2,293	\$2,352	\$2,337	\$2,312	1,243,524
16													
17	\$255,120	\$0	\$0	\$0	\$0	\$0	\$257,715	\$499,533	\$473,398	\$488,954	\$470,913	\$479,275	\$2,924,908
18													
19	163,532	\$0	\$2,907	\$3,006	\$2,908	\$2,756	\$2,403	\$2,325	\$2,293	\$2,352	\$2,337	\$2,312	1,779,265
20	\$2,500	\$2,746	\$2,907	\$3,006	\$2,908	\$2,756	\$2,403	\$2,325	\$2,293	\$2,352	\$2,337	\$2,312	\$4,192,490
21													
22	\$417,007	\$0	\$0	\$0	\$0	\$0	\$435,599	\$772,958	\$689,065	\$698,295	\$644,677	\$534,891	
23													
24													
25	\$2,500	\$2,746	\$2,907	\$3,006	\$2,908	\$2,756	\$2,403	\$2,325	\$2,293	\$2,352	\$2,337	\$2,312	431,413
26													
27													
28													
29													
30													
31	\$2,500	\$2,746	\$2,907	\$3,006	\$2,908	\$2,756	\$2,403	\$2,325	\$2,293	\$2,352	\$2,337	\$2,312	140,890
32													
33	\$196	\$0	\$0	\$0	\$0	\$0	\$36,224	\$35,148	\$47,200	\$51,294	\$66,053	\$72,536	\$328,653
34	204,037	30,606	30,606	30,606	30,606	30,606	442,282	346,081	319,917	370,926	325,018	255,056	2,416,348
35	\$2,500	\$2,746	\$2,907	\$3,006	\$2,908	\$2,756	\$2,403	\$2,325	\$2,293	\$2,352	\$2,337	\$2,312	\$5,788,421
36													
37	\$520,294	\$84,066	\$88,990	\$92,023	\$88,935	\$84,350	\$1,063,201	\$907,235	\$734,626	\$875,090	\$759,796	\$569,816	
38													
39	627,888	91,987	132,908	61,297	51,066	45,951	982,926	1,217,508	1,125,053	1,202,072	1,124,748	998,546	7,661,950
40													
41	\$1,600,349	\$252,661	\$386,443	\$184,302	\$148,388	\$126,641	\$2,362,856	\$2,840,538	\$2,583,459	\$2,836,928	\$2,629,323	\$2,309,138	\$18,260,026

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Total
1 WORKPAPER KJB-5C, PAGE 2 OF 5													
2 NATURAL GAS INVENTORY													
3 GSS Opening Balance	1,226,482	1,317,779	1,285,837	1,231,953	869,847	561,297	388,297	482,767	689,014	856,593	1,036,973	1,195,353	1,195,353
4 Storage Injections Transco GSS	156,297	60,000	100,000	30,000	20,000	15,000	137,470	206,247	167,579	180,380	160,380	153,129	1,386,482
5													
6													
7 Net Storage Withdrawals Transco GSS	1,382,779	1,377,779	1,385,837	1,261,953	889,847	576,297	535,767	889,014	856,593	1,036,973	1,197,353	1,346,482	1,346,482
8													
9													
10 GSS Inventory Balance	1,317,779	1,295,837	1,231,953	869,847	561,297	388,297	482,767	689,014	856,593	1,036,973	1,195,353	1,346,482	1,266,482
11													
12 GSS Inventory Cost Opening Balance	\$3,813,956	\$4,023,240	\$3,942,530	\$3,742,171	\$2,643,034	\$1,704,672	\$1,207,381	\$1,392,570	\$1,884,713	\$2,278,382	\$2,713,730	\$3,092,107	\$3,472,846
13													
14 GSS Injection Cost	\$407,732	\$168,595	\$297,453	\$92,279	\$59,453	\$42,291	\$338,070	\$492,144	\$393,668	\$435,348	\$383,551	\$362,262	\$3,472,846
15													
16 GSS Inventory Cost Sub Total	\$4,221,688	\$4,191,835	\$4,239,984	\$3,834,449	\$2,702,486	\$1,746,963	\$1,545,451	\$1,884,713	\$2,278,382	\$2,713,730	\$3,097,281	\$3,454,369	\$3,837,556
17 Total GSS Storage Withdrawal Cost	\$198,448	\$249,305	\$497,813	\$1,191,416	\$997,814	\$539,562	\$152,862	\$0	\$0	\$0	\$5,174	\$5,174	\$5,174
18													
19 Total GSS Inventory Cost Balance	\$4,023,240	\$3,942,530	\$3,742,171	\$2,643,034	\$1,704,672	\$1,207,381	\$1,392,570	\$1,884,713	\$2,278,382	\$2,713,730	\$3,092,107	\$3,449,246	\$3,837,556
20													
21 GSS Inventory Cost Rate	\$3.0530	\$3.0425	\$3.0376	\$3.0385	\$3.0370	\$3.0314	\$2.8846	\$2.7354	\$2.6598	\$2.6170	\$2.8688	\$2.5617	\$2.5617
22													
23 ESS Opening Balance	232,314	232,314	222,314	177,314	117,951	76,999	76,999	86,817	92,634	117,644	164,974	212,305	232,315
24 Storage Injections Transco ESS	0	0	0	0	0	0	31,818	25,817	35,010	47,331	47,331	45,010	232,315
25													
26 ESS Inventory Sub Total Dt	232,314	232,314	222,314	177,314	117,951	76,999	108,817	112,634	127,644	164,974	212,305	257,314	232,315
27 Net Storage Withdrawals Transco ESS	0	10,000	45,000	55,363	40,952	0	22,000	20,000	10,000	0	0	23,000	232,315
28													
29 ESS Inventory Balance	232,314	222,314	177,314	117,951	76,999	76,999	86,817	92,634	117,644	164,974	212,305	232,314	232,315
30													
31 ESS Inventory Cost Opening Balance	\$719,030	\$719,030	\$686,079	\$548,801	\$365,067	\$238,319	\$238,319	\$251,160	\$256,088	\$310,119	\$421,781	\$532,426	\$543,488
32													
33 ESS Injection Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$76,486	\$60,218	\$80,392	\$111,662	\$110,645	\$104,084	\$543,488
34													
35 ESS Inventory Cost Sub Total	\$719,030	\$719,030	\$686,079	\$548,801	\$365,067	\$238,319	\$314,806	\$311,378	\$336,480	\$421,781	\$532,426	\$636,510	\$687,849
36 Total ESS Storage Withdrawal Cost	\$0	\$30,951	\$139,278	\$183,733	\$126,748	\$0	\$63,646	\$55,290	\$26,361	\$0	\$0	\$61,842	\$687,849
37													
38 Total ESS Inventory Cost Bal	\$719,030	\$688,079	\$548,801	\$365,067	\$238,319	\$238,319	\$251,160	\$256,088	\$310,119	\$421,781	\$532,426	\$574,669	\$687,849
39													
40 ESS Inventory Cost Rate	\$3.0951	\$3.0951	\$3.0951	\$3.0951	\$3.0951	\$3.0951	\$2.8930	\$2.7645	\$2.6361	\$2.5567	\$2.5078	\$2.4737	\$2.4737

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Total
1													
2													
3													
4	LSS Opening Balance	1,224,000	1,202,476	890,476	530,476	302,476	98,476	204,000	414,800	617,720	821,720	1,020,000	1,224,000
5	Storage Injections Transco LSS	98,476	0	0	0	0	105,524	210,800	202,920	204,000	198,280	204,000	1,224,000
6	LSS Inventory Sub Total Dt	1,322,476	1,202,476	890,476	530,476	302,476	204,000	414,800	617,720	821,720	1,020,000	1,224,000	1,224,000
7	Net Storage Withdrawals Transco LSS	0	120,000	360,000	228,000	204,000	0	0	0	0	0	0	0
8	LSS Inventory Balance	1,322,476	1,082,476	530,476	302,476	98,476	204,000	414,800	617,720	821,720	1,020,000	1,224,000	1,224,000
9	LSS Inventory Cost Open Balance	\$3,644,700	\$3,899,820	\$2,625,905	\$1,564,309	\$891,965	\$290,394	\$548,109	\$1,047,641	\$1,521,040	\$2,009,993	\$2,480,907	\$2,924,908
10	LSS Injection Cost	\$255,120	\$0	\$0	\$0	\$0	\$257,715	\$499,533	\$473,388	\$488,954	\$470,913	\$479,275	\$2,924,908
11	LSS Inventory Cost Sub Total	\$3,899,820	\$3,845,954	\$2,625,905	\$1,564,309	\$891,965	\$548,109	\$1,047,641	\$1,521,040	\$2,009,993	\$2,480,907	\$2,960,182	\$3,609,426
12	Total LSS Storage Withdrawal Cost	\$0	\$353,865	\$1,061,596	\$672,344	\$901,571	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	Total LSS Inventory Cost Bal	\$3,899,820	\$3,545,954	\$1,564,309	\$891,965	\$290,394	\$548,109	\$1,047,641	\$1,521,040	\$2,009,993	\$2,480,907	\$2,960,182	\$3,609,426
14	LSS Inventory Cost Rate	\$2,9489	\$2,9489	\$2,9489	\$2,9489	\$2,9489	\$2,6668	\$2,5257	\$2,4623	\$2,4461	\$2,4323	\$2,4184	\$2,4184
15	SS 2 Opening Balance	1,764,675	1,926,866	1,416,434	919,101	469,897	162,191	341,910	670,579	968,194	1,261,755	1,535,268	1,764,675
16	Storage Injections Transco SS 2	162,191	0	0	0	0	179,719	328,669	237,615	293,561	273,513	229,407	1,764,675
17	SS 2 Inventory Sub Total Dt	1,926,866	1,926,866	1,416,434	919,101	469,897	341,910	670,579	968,194	1,261,755	1,535,268	1,764,675	1,764,675
18	Net Storage Withdrawals Transco SS 2	0	86,812	497,333	449,204	307,706	0	0	0	0	0	0	0
19	SS 2 Inventory Balance	1,926,866	1,840,055	919,101	469,897	162,191	341,910	670,579	968,194	1,261,755	1,535,268	1,764,675	1,764,675
20	SS 2 Inventory Cost Open Balance	\$5,231,559	\$5,648,566	\$4,152,244	\$2,694,323	\$1,377,491	\$475,459	\$911,058	\$1,684,016	\$2,373,080	\$3,071,375	\$3,716,052	\$4,182,490
21	SS 2 Storage Injections Cost	\$417,007	\$0	\$0	\$0	\$0	\$435,599	\$772,958	\$689,065	\$698,295	\$644,677	\$534,891	\$4,182,490
22	SS 2 Inventory Cost Sub Total	\$5,648,566	\$5,648,566	\$4,152,244	\$2,694,323	\$1,377,491	\$911,058	\$1,684,016	\$2,373,080	\$3,071,375	\$3,716,052	\$4,250,943	\$5,173,106
23	Total SS 2 Storage Withdrawal Cost	\$0	\$254,486	\$1,241,836	\$1,457,921	\$902,032	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Total SS 2 Inventory Cost Bal	\$5,648,566	\$5,394,080	\$2,910,408	\$1,236,302	\$475,459	\$911,058	\$1,684,016	\$2,373,080	\$3,071,375	\$3,716,052	\$4,250,943	\$5,173,106
25	SS 2 Inventory Cost Rate	\$2,9315	\$2,9315	\$2,9315	\$2,9315	\$2,9315	\$2,6646	\$2,5113	\$2,4510	\$2,4342	\$2,4205	\$2,4089	\$2,4089
26	Dominion GSS Opening Balance	423,000	423,000	423,000	283,000	142,200	63,450	63,450	136,300	206,800	279,650	352,500	423,000
27	Injections Dominion GSS Storage	0	0	0	0	0	63,450	72,850	70,500	72,850	70,500	70,500	423,000
28	Dominion GSS Inventory Sub Total Dt	423,000	423,000	423,000	283,000	142,200	63,450	136,300	206,800	279,650	352,500	423,000	423,000
29	Net Storage Withdrawals Dominion GSS	0	0	140,000	140,800	142,200	0	0	0	0	0	0	0
30	Dominion GSS Inventory Balance	423,000	423,000	283,000	142,200	0	63,450	136,300	206,800	279,650	352,500	423,000	423,000
31	Dominion GSS Inventory Cost Open Balance	\$1,249,449	\$1,249,449	\$1,249,449	\$835,920	\$420,028	\$0	\$155,561	\$328,864	\$493,972	\$669,258	\$842,947	\$1,009,221
32	Dominion GSS Storage Injections Cost	\$0	\$0	\$0	\$0	\$0	\$155,561	\$173,302	\$165,109	\$176,286	\$173,689	\$166,273	\$1,009,221
33	Dominion GSS Inventory Cost Sub Total	\$1,249,449	\$1,249,449	\$1,249,449	\$835,920	\$420,028	\$155,561	\$328,864	\$493,972	\$669,258	\$842,947	\$1,009,221	\$1,249,449
34	Total Equit Storage Withdrawal Cost	\$0	\$0	\$413,529	\$415,892	\$420,028	\$0	\$0	\$0	\$0	\$0	\$0	\$0
35	Total Dominion GSS Inventory Cost Balance	\$1,249,449	\$1,249,449	\$1,249,449	\$835,920	\$420,028	\$155,561	\$328,864	\$493,972	\$669,258	\$842,947	\$1,009,221	\$1,249,449
36	Dominion GSS Inventory Cost Rate	\$2,9538	\$2,9538	\$2,9538	\$2,9538	\$2,9538	\$2,4517	\$2,4128	\$2,3886	\$2,3932	\$2,3913	\$2,3859	\$2,3859

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Total
1													
2													
3	139,890	139,967	139,967	106,700	58,433	15,000	15,000	15,000	30,000	50,460	72,102	108,744	140,044
4	77	0	0	0	0	0	0	0	20,460	21,642	36,642	31,223	139,967
5	139,967	139,967	139,967	106,700	58,433	15,000	15,000	30,000	50,460	72,102	108,744	139,967	139,967
6	0	0	0	48,267	43,433	0	0	0	0	0	0	0	0
7	139,967	139,967	139,967	106,700	58,433	15,000	15,000	30,000	50,460	72,102	108,744	139,967	139,967
8	0	0	0	0	0	0	0	0	0	0	0	0	0
9	139,967	139,967	139,967	106,700	58,433	15,000	15,000	30,000	50,460	72,102	108,744	139,967	139,967
10													
11													
12	\$424,352	\$424,548	\$424,548	\$323,643	\$177,239	\$45,498	\$0	\$36,224	\$71,373	\$118,573	\$169,867	\$255,920	\$328,456
13	\$196	\$0	\$0	\$0	\$0	\$0	\$0	\$35,148	\$47,200	\$51,294	\$86,053	\$72,536	\$328,653
14													
15	\$424,548	\$424,548	\$424,548	\$323,643	\$177,239	\$45,498	\$0	\$36,224	\$71,373	\$118,573	\$169,867	\$255,920	\$328,456
16	\$0	\$0	\$0	\$146,404	\$131,741	\$45,498	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17													
18	\$424,548	\$424,548	\$424,548	\$323,643	\$177,239	\$45,498	\$0	\$36,224	\$71,373	\$118,573	\$169,867	\$255,920	\$328,456
19													
20	\$3,0332	\$3,0332	\$3,0332	\$3,0332	\$3,0332	\$0,0000	\$2,4150	\$2,3791	\$2,3498	\$2,3569	\$2,3534	\$2,3467	\$2,3467
21													
22	2,023,537	2,173,537	2,038,745	1,683,058	1,255,475	803,161	610,000	943,531	1,197,765	1,431,353	1,754,940	2,023,527	2,388,537
23	200,000	30,000	30,000	30,000	30,000	30,000	433,531	339,234	313,567	363,587	318,587	250,010	2,388,537
24													
25	2,223,537	2,203,537	2,068,745	1,713,058	1,285,475	833,161	1,043,531	1,282,765	1,511,353	1,794,940	2,073,527	2,273,537	2,188,537
26	30,000	164,792	385,687	457,583	482,314	223,161	100,000	85,000	80,000	40,000	50,000	50,000	2,188,537
27													
28	2,173,537	2,038,745	1,683,058	1,255,475	803,161	610,000	943,531	1,197,765	1,431,353	1,754,940	2,023,527	2,223,537	2,188,537
29													
30	\$6,176,927	\$6,546,623	\$6,134,812	\$5,063,465	\$3,776,382	\$2,416,288	\$1,830,847	\$2,616,715	\$3,197,068	\$3,723,579	\$4,496,188	\$5,129,244	\$5,788,421
31	\$520,294	\$84,066	\$88,990	\$92,023	\$88,935	\$84,350	\$1,063,201	\$807,235	\$734,626	\$875,090	\$759,796	\$569,816	\$5,788,421
32													
33	\$6,697,221	\$6,630,669	\$6,223,802	\$5,155,488	\$3,867,317	\$2,500,638	\$2,894,047	\$3,423,950	\$3,931,695	\$4,598,669	\$5,255,984	\$5,719,059	\$6,372,063
34	\$150,598	\$495,876	\$1,160,337	\$1,377,107	\$1,451,029	\$669,792	\$277,332	\$226,882	\$208,115	\$102,481	\$126,740	\$125,774	\$6,372,063
35													
36	\$6,546,623	\$6,134,812	\$5,063,465	\$3,776,382	\$2,416,288	\$1,830,847	\$2,616,715	\$3,197,068	\$3,723,579	\$4,496,188	\$5,129,244	\$5,593,285	\$5,788,421
37													
38	\$3,0120	\$3,0091	\$3,0085	\$3,0095	\$3,0085	\$3,0014	\$2,7733	\$2,6692	\$2,6014	\$2,5620	\$2,5348	\$2,5155	\$2,5155
39													
40													
41													
42	7,033,898	7,535,939	7,162,394	5,928,935	4,034,263	2,371,030	1,345,964	2,137,475	3,231,092	4,248,763	5,392,114	6,447,697	7,353,975
43													
44	7,535,939	7,162,394	5,928,935	4,034,263	2,371,030	1,345,964	2,137,475	3,231,092	4,248,763	5,392,114	6,447,697	7,353,975	7,353,975
45													
46	\$21,259,973	\$22,511,276	\$21,379,453	\$17,705,678	\$12,058,274	\$7,084,262	\$4,042,400	\$5,911,397	\$8,469,763	\$10,818,746	\$13,552,193	\$16,049,603	\$18,166,001
47	\$22,511,276	\$21,379,453	\$17,705,678	\$12,058,274	\$7,084,262	\$4,042,400	\$5,911,397	\$8,469,763	\$10,818,746	\$13,552,193	\$16,049,603	\$18,166,001	\$18,166,001
48													

WORKPAPER KJB-5C, PAGE 4 OF 5
NATURAL GAS INVENTORY

WORKPAPER KJB-SC, PAGE 5 OF 5
 NATURAL GAS INVENTORY - WITHDRAWALS

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Total
1 Net Storage Withdrawals Transco GSS	65,000	81,942	163,884	392,106	328,550	178,000	53,000	0	0	0	2,000	2,000	1,266,482
2 GSS Inventory Cost Rate	\$3,0630	\$3,0425	\$3,0376	\$3,0385	\$3,0370	\$3,0314	\$2,8846	\$2,7354	\$2,6598	\$2,6170	\$2,5668	\$2,5617	
3 Total GSS Storage Withdrawal Cost	\$198,448	\$249,305	\$497,813	\$1,191,416	\$997,814	\$539,562	\$152,862	\$0	\$0	\$0	\$5,174	\$5,123	\$3,837,556
4 Net Storage Withdrawals Transco ESS	0	10,000	46,000	59,363	40,952	0	22,000	20,000	10,000	0	0	25,000	232,315
5 ESS Inventory Cost Rate	\$3,0951	\$3,0951	\$3,0951	\$3,0951	\$3,0951	\$3,0951	\$2,8930	\$2,7645	\$2,6361	\$2,5567	\$2,5078	\$2,4737	
6 Total ESS Storage Withdrawal Cost	\$0	\$30,951	\$136,278	\$183,733	\$126,748	\$0	\$63,646	\$55,290	\$26,361	\$0	\$0	\$61,842	\$687,849
7 Net Storage Withdrawals Transco LSS	0	120,000	312,000	360,000	228,000	204,000	0	0	0	0	0	0	1,224,000
8 LSS Inventory Cost Rate	\$2,9777	\$2,9489	\$2,9489	\$2,9489	\$2,9489	\$2,9489	\$2,9489	\$2,6668	\$2,5257	\$2,4623	\$2,4461	\$2,4323	
9 Total LSS Storage Withdrawal Cost	\$0	\$353,865	\$920,050	\$1,061,596	\$672,344	\$601,571	\$0	\$0	\$0	\$0	\$0	\$0	\$3,609,426
10 Net Storage Withdrawal Transco SS 2	0	86,812	423,621	497,333	449,204	307,706	0	0	0	0	0	0	1,764,675
11 SS 2 Inventory Cost Rate	\$2,9646	\$2,9315	\$2,9315	\$2,9315	\$2,9315	\$2,9315	\$2,9315	\$2,6646	\$2,5113	\$2,4510	\$2,4342	\$2,4205	
12 Total SS 2 Storage Withdrawal Cost	\$0	\$254,486	\$1,241,836	\$1,457,921	\$1,316,832	\$902,032	\$0	\$0	\$0	\$0	\$0	\$0	\$5,173,106
13 Net Storage Dominion GSS	0	0	0	140,000	140,800	142,200	0	0	0	0	0	0	423,000
14 Dominion GSS Inventory Cost Rate	\$2,9538	\$2,9538	\$2,9538	\$2,9538	\$2,9538	\$2,9538	\$0,0000	\$2,4617	\$2,4128	\$2,3886	\$2,3632	\$2,3913	
15 Total Dominion GSS Storage Withdrawal Cost	\$0	\$0	\$0	\$413,529	\$415,892	\$420,028	\$0	\$0	\$0	\$0	\$0	\$0	\$1,249,449
16 Net Storage Withdrawals Transco S-2	0	0	33,267	48,267	43,433	15,000	0	0	0	0	0	0	139,967
17 Transco S-2 Inventory Cost Rate	\$3,0335	\$3,0332	\$3,0332	\$3,0332	\$3,0332	\$3,0332	\$0,0000	\$2,4150	\$2,3791	\$2,3498	\$2,3559	\$2,3534	
18 Total Transco S-2 Storage Withdrawal Cost	\$0	\$0	\$100,906	\$146,404	\$131,741	\$45,498	\$0	\$0	\$0	\$0	\$0	\$0	\$424,548
19 Net Storage Withdrawal Col FSS & (MEP)	50,000	164,792	385,687	457,563	482,314	223,161	100,000	85,000	60,000	40,000	50,000	50,000	2,168,537
20 Col FSS & (MEP) Inventory Cost Rate	\$3,0120	\$3,0091	\$3,0085	\$3,0085	\$3,0085	\$3,0014	\$2,7733	\$2,6692	\$2,6014	\$2,5620	\$2,5348	\$2,5155	
21 Total Col FSS Storage Withdrawal Cost	\$150,598	\$495,876	\$1,160,337	\$1,377,107	\$1,451,029	\$669,792	\$277,332	\$226,882	\$208,115	\$102,481	\$126,740	\$125,774	\$6,372,063
22 Total Storage Withdrawals DI	115,000	463,545	1,363,459	1,954,652	1,713,253	1,070,066	175,000	105,000	90,000	40,000	52,000	77,000	7,218,975
23 Total Storage Withdrawals Cost	\$349,046	\$1,384,484	\$4,060,219	\$5,831,705	\$5,112,400	\$3,178,502	\$493,859	\$282,172	\$234,476	\$102,481	\$131,914	\$192,740	\$21,363,998

SOUTH JERSEY GAS COMPANY
 2018 - 2019 BSSC
 Interruptible Income Statement

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Total
Volumes													
IGS	0	1	0	0	0	0	7	2,757	9	0	0	1	2,774
ITS	61,517	83,272	70,899	49,584	53,778	83,855	79,632	83,708	70,275	54,311	75,846	55,770	822,445
Total Volumes	61,517	83,273	70,899	49,584	53,778	83,855	79,638	86,465	70,283	54,311	75,846	55,771	825,219
Revenues													
IGS	\$0	\$8	\$0	\$0	\$0	\$0	\$54	\$22,423	\$71	\$0	\$0	\$8	\$22,564
ITS	\$18,640	\$25,231	\$21,462	\$15,024	\$16,295	\$25,408	\$24,128	\$25,364	\$21,283	\$16,456	\$22,981	\$16,698	\$249,201
Total Revenue	\$18,640	\$25,239	\$21,462	\$15,024	\$16,295	\$25,408	\$24,183	\$47,787	\$21,354	\$16,456	\$22,981	\$16,706	\$271,765
Cost Of Gas Interr Sales													
IGS	\$0	\$3	\$0	\$0	\$0	\$0	\$16	\$6,650	\$21	\$0	\$0	\$2	\$6,682
ITS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost Of Gas Interr Sales	\$0	\$3	\$0	\$0	\$0	\$0	\$16	\$6,650	\$21	\$0	\$0	\$2	\$6,682
NJ Sales Tax, TEFA & PUA													
IGS	\$0	\$1	\$0	\$0	\$0	\$0	\$3	\$1,446	\$5	\$0	\$0	\$0	\$1,455
ITS	\$278	\$376	\$320	\$224	\$243	\$378	\$359	\$378	\$317	\$245	\$342	\$252	\$3,711
Total Revenue Taxes	\$278	\$376	\$320	\$224	\$243	\$378	\$363	\$1,824	\$322	\$245	\$342	\$252	\$5,166
Pre-Tax Margin	\$18,362	\$24,861	\$21,162	\$14,800	\$16,052	\$25,030	\$23,804	\$39,314	\$21,021	\$16,211	\$22,639	\$16,651	\$259,907

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	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19
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WORKPAPER KJB-7A
CURRENT BGSS COST RECOVERY RATES

RSG BGSS Recovery Per Therm
GSG BGSS Recovery Per Therm
Non-Commodity Rate (GSG-LV, EGS, LVS, & EGS-LV)
Dir Purchase monthly BGSS Per Therm
FES Demand Deter.
FES Demand Rate
FES Demand Charge
FES Commodity
EGS-LV Firm Demand Charge
EGS-LV Limited Firm Demand Charge
LVS Demand Determinant
LVS Demand Rate
LVS Demand Charge
RSG Balancing Charge
GSG / GSG-LV Balancing Charge
LVS-FT and CTS - Opt-Out Balancing Charge
EGS-LV Firm/Limited Firm Opt-Out Balancing Charge
Yard and Street Lighting

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Total
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RSG Therm Sales
 GSG Therm Sales
 Applicable Therm Sales
Balancing Charges:
 11 Applic. Sales Volume RSG-FT & RSG-Sales
 12 BSC "J" Charge
 13 Total BSC Charges for RSG-FT & RSG-Sales
 14
 15
 16 Applic. Sales Volume GSG-FT & GSG-Sales
 17 BSC "J" Charge
 18 Total BSC Charge for GSG-FT & GSG-Sales
 19
 20 Applic. Sales Volume GSG-LV-FT
 21 BSC "J" Charge
 22 Total BSC Charge for GSG-LV-FT
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1 WORKPAPER KJB-9A, Page 2 of 2
 2 PROOF OF RECOVERY
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	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Total
LVS Therm Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost of Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LVS Recoveries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EGS-LV Therm Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost of Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EGS-LV Recoveries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EGS-LV Ltd. Therm Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost of Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EGS-LV Ltd. Firm Recoveries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EGS - Monthly Therm Sales	64,606	79,895	84,701	83,422	82,826	86,202	80,795	81,957	77,872	42,043	35,612	43,046	842,977
Cost of Gas	\$0,291,700	\$0,295,400	\$0,305,700	\$0,314,200	\$0,310,300	\$0,298,900	\$0,264,900	\$0,261,600	\$0,264,800	\$0,268,200	\$0,268,600	\$0,269,900	\$2,241,802
EGS - Monthly Recoveries	\$18,845	\$23,601	\$25,893	\$26,211	\$25,701	\$25,757	\$21,403	\$21,440	\$20,621	\$11,276	\$9,565	\$11,489	\$241,802
Yard and Street Lighting Therm Sales	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
Cost of Gas	\$0,320,000	\$0,320,000	\$0,320,000	\$0,320,000	\$0,320,000	\$0,320,000	\$0,320,000	\$0,320,000	\$0,320,000	\$0,320,000	\$0,320,000	\$0,320,000	\$3,840,000
Yard and Street Lighting Recoveries	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$38,400
EGS-LV Firm Non Commodity	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost of Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EGS-LV Firm Non Commodity Recoveries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EGS-LV Ltd Firm Non Commodity	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost of Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EGS-LV Ltd Firm Non Commodity Recoveries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LVS Non Commodity	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost of Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LVS Non Commodity Recoveries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EGS Non Commodity	64,606	79,895	84,701	83,422	82,826	86,202	80,795	81,957	77,872	42,043	35,612	43,046	842,977
Cost of Gas	\$0,099,291	\$0,099,291	\$0,099,291	\$0,099,291	\$0,099,291	\$0,099,291	\$0,099,291	\$0,099,291	\$0,099,291	\$0,099,291	\$0,099,291	\$0,099,291	\$1,198,744
EGS Non Commodity Recoveries	\$6,415	\$7,933	\$8,410	\$8,283	\$8,224	\$8,559	\$8,022	\$8,138	\$7,732	\$4,175	\$3,536	\$4,274	\$83,700
Total Allocated Cost Recovery	\$1,124,956	\$2,567,504	\$3,823,690	\$5,868,032	\$6,052,322	\$5,475,781	\$4,031,045	\$1,974,859	\$1,730,892	\$1,614,584	\$1,546,404	\$1,458,066	\$37,268,135
Applicable BGSS Sales	6,193,441	17,314,539	31,432,480	55,636,214	55,771,743	48,077,506	32,628,438	13,109,843	7,523,335	9,954,547	7,614,305	7,301,845	292,588,236
BGSS Cost Rate	\$0,528,285	\$0,528,285	\$0,528,285	\$0,528,285	\$0,528,285	\$0,528,285	\$0,528,285	\$0,528,285	\$0,528,285	\$0,528,285	\$0,528,285	\$0,528,285	\$6,338,815
Total BGSS Recovery	\$3,271,902	\$9,147,011	\$16,605,308	\$29,391,777	\$29,463,375	\$25,398,625	\$17,237,115	\$6,925,734	\$3,974,465	\$5,258,638	\$4,022,523	\$3,857,455	\$154,554,127

2017–2018

WORK PAPERS

2017-2018 WORK PAPER INPUT AREA

Billed Volumes:

	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18
1 Input Area												
2 Volumes Input on a DT Basis												
3												
4												
5												
6												
7 Revenue Classification												
8												
9 Firm Sales												
10 480.110 RES SERV SALES - HSE HTG								1,246,451	755,638	431,377	450,418	540,785
11 480.120 RES SERV SALES W/O HSE HTG								12,553	11,536	11,718	8,434	11,145
12 480.130 RSG - AIR CONDITIONING								0	0	0	0	0
13 481.210 GEN SERV SALES COMMERCIAL (MONTHLY)								11,542	11,518	11,745	11,974	12,566
14 481.210 GEN SERV SALES COMMERCIAL (PERIODIC)								16,009	26,468	17,226	26,253	23,692
15 481.220 GEN SERV SALES INDUSTRIAL (MONTHLY)								134	164	36	94	95
16 481.220 GEN SERV SALES INDUSTRIAL (PERIODIC)								109	201	85	36	111
17 481.310 BLDG HTG & COOL COMMERCIAL (MONTHLY)								195,352	117,108	105,951	108,423	127,014
18 481.310 BLDG HTG & COOL COMMERCIAL (PERIODIC)								42,437	275,186	109,162	202,154	152,162
19 481.320 BLDG HTG & COOL INDUSTRIAL (MONTHLY)								8,173	3,827	4,288	2,850	4,602
20 481.320 BLDG HTG & COOL INDUSTRIAL (PERIODIC)								1,064	1,152	445	708	745
21 481.410 GSG - AIR CONDITIONING								0	0	0	0	0
22 481.540 FIRM ELECTRIC SVC - CONNECTIC								80,000	210,000	130,000	130,000	75,000
23 481.610 GSG-LV COMMERCIAL								1,250	831	716	679	763
24 481.620 GSG-LV INDUSTRIAL								5,407	5,591	4,643	4,999	4,644
25 481.630 GSG-LV COMMERCIAL HEAT								45,835	21,042	23,670	30,895	19,556
26 481.640 GSG - LV COMMERCIAL HEAT								3,887	4,184	2,949	2,196	4,193
27 481.710 YARD LIGHTING SERVICE SALES								1,000	1,000	1,000	1,000	1,000
28 481.720 STREET LIGHTING SERV SALES								8,196	7,787	4,204	3,561	4,305
29 ELECTRIC GENERATION SERVICE												
30 Total Firm Sales								1,679,399	1,453,233	859,214	984,676	982,378
31 IGS SALES												
32 481.650 IGS #6 INDUSTRIAL								2,757	9	-	-	1
33 481.651 IGS #2 INDUSTRIAL								0	0	0	0	0
34 Total IGS Sales								2,757	9	-	-	1
35												
36 Company Use												
37 481.330 & NGV								4,000	4,000	5,000	5,000	4,000
38 481.350 NGV								19,620	19,670	19,870	19,870	20,070
39												
40 TRANSPORTATION												
41 489.000 Interr Trans Service								83,708	70,275	54,311	75,846	55,770
42 489.100 ITS - GENERAL SERVICE								0	0	0	0	0
43 489.200 Customer Owned Gas-LVS								0	0	0	0	0
44 489.400 Customer Owned Gas-FES								120,000	90,000	270,000	270,000	200,000
45 489.500 Customer Owned Gas-LVCS								149,286	33,480	477,429	320,528	243,039
46 489.700 LVS-FT								565,020	553,914	547,459	677,591	594,106
47 489.821 GSG-FT Comm Non-Heat								9,793	11,176	9,823	10,494	11,734
48 489.822 GSG-FT Indus Non-Heat								265	196	202	199	215
49 489.831 GSG-FT Comm Heat								257,294	157,193	117,785	149,605	153,216
50 489.832 GSG-FT Indus Heat								7,179	2,842	2,252	2,600	2,380
51 489.850 EGS-Customer Owned Gas								5,324	5,275	1,779	1,362	2,733
52 489.860 EGS-LV-FT								367,660	405,209	577,983	577,275	471,887
53 489.865 GSG-LV-FT Comm Non-Heat								1,372	1,473	1,230	1,041	1,091
54 489.866 GSG-LV-FT Indus Non-Heat								3,260	2,752	2,787	2,809	3,086
55 489.867 GSG-LV-FT Comm Heat								122,675	63,391	91,186	86,945	76,847
56 489.868 GSG-LV-FT Indus Heat								8,896	5,454	6,281	5,495	7,461
57 490.100 Comp Trans Service								229,258	208,078	199,074	189,239	179,853
58 490.210 RSG-FT Heat								128,415	58,190	59,790	49,827	54,339
59 490.220 RSG-FT Non-Heat								1,321	1,286	1,087	1,189	1,175
60 Total Transportation								2,060,724	1,670,182	2,420,458	2,422,046	2,059,932

WORKPAPER KJB-2A, Page 1 of 2
 PROOF OF RECOVERY

	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18
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WORKPAPER KJB-2A, Page 2 of 2
 PROOF OF RECOVERY

	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18
1 LVS Therm Sales												0
2 Cost of Gas												\$0
3 LVS Recoveries												\$0
4												\$0
5 EGS-LV Therm Sales												0
6 Cost of Gas												\$0
7 EGS-LV Recoveries												\$0
8												0
9 EGS-LV Therm Sales												\$0
10 Cost of Gas												\$0
11 EGS-LV Recoveries												\$0
12												0
13 EGS-LV Ltd. Therm Sales												\$0
14 Cost of Gas												\$0
15 EGS-LV Ltd. Firm Recoveries												\$0
16												0
17 EGS - Monthly Therm Sales	81,957							77,872		42,043		35,612
18 Cost of Gas	\$0,269,821							\$0,279,699		\$0,278,190		\$0,279,006
19 EGS - Monthly Recoveries	\$22,114							\$21,314		\$11,696		\$9,936
20												0
21 Yard and Street Lighting Therm Sales	10,000							10,000		10,000		10,000
22 Cost of Gas	\$0,320,000							\$0,320,000		\$0,320,000		\$0,320,000
23 Yard and Street Lighting Recoveries	\$3,200							\$3,200		\$3,200		\$3,200
24												0
25 EGS-LV Firm Non Commodity												\$0
26 Cost of Gas												\$0
27 EGS-LV Firm Non Commodity Recoveries												\$0
28												0
29 EGS-LV Ltd Firm Non Commodity												\$0
30 Cost of Gas												\$0
31 EGS-LV Ltd Firm Non Commodity Recoveries												\$0
32												0
33 LVS Non Commodity												\$0
34 Cost of Gas												\$0
35 LVS Non Commodity Recoveries												\$0
36												0
37 EGS Non Commodity												\$0
38 Cost of Gas												\$0
39 EGS Non Commodity Recoveries												\$0
40												0
41												\$0
42												\$0
43 Total Allocated Cost Recovery	\$1,848,651	\$2,367,776	\$3,847,759	\$7,128,726	\$6,206,160	\$4,910,625	\$4,683,579	\$2,088,995	\$2,407,884	\$1,601,523	\$1,699,763	\$1,608,303
44												0
45 Applicable BGSS Sales								13,186,231	10,701,803	5,700,130	6,880,038	7,286,410
46 BGSS Cost Rate								\$0,318187	\$0,318187	\$0,318187	\$0,318187	\$0,318187
47 Total BGSS Recovery	\$1,810,811	\$4,391,958	\$10,124,188	\$19,935,187	\$15,348,570	\$11,921,562	\$11,877,029	\$3,405,175	\$3,405,175	\$1,813,707	\$2,189,139	\$2,316,441

**SOUTH JERSEY GAS COMPANY
BGSS COST RECOVERY VOLUMES
(Therms)**

	October 2017	November	December	January 2018	February	March	April	Total
1								
2								
3								
4	Rate Schedule RSG	5,021,118	12,721,114	29,174,863	56,745,591	33,982,687	33,732,053	215,108,496
5	Rate Schedule RSG-FT	365,434	951,357	2,076,319	3,876,243	2,189,815	2,070,817	14,379,203
6	Rate Schedule GSG	1,396,588	2,512,554	5,511,768	11,103,648	7,064,856	6,989,079	43,594,500
7	Rate Schedule GSG-FT	1,581,859	2,667,499	4,835,157	8,727,177	5,806,010	5,524,371	36,177,244
8	Rate Schedule GSG-LV	290,110	409,745	561,291	876,892	732,678	622,015	4,240,780
9	Rate Schedule GSG-LV-FT	1,095,936	1,877,791	3,038,651	4,982,336	3,223,056	3,238,792	21,248,454
10	Rate Schedule EGS	92,887	31,829	84,545	99,371	131,327	93,212	620,952
11	Rate Schedule EGS-FT	47,766	53,425	53,374	64,541	51,178	70,418	397,822
12	Rate Schedule LVS	-	-	-	-	-	-	0
13	Rate Schedule LVS -FT	5,877,034	6,618,628	7,041,722	7,416,885	6,499,731	5,655,300	45,569,443
14	Rate Schedule CTS	2,345,851	2,671,943	2,797,487	2,689,087	2,984,376	2,576,210	18,618,645
15	Rate Schedule FES	3,303,673	2,377,816	686,711	807,168	998,026	2,004,948	10,616,253
16	Rate Schedule INTERRUPTIBLE	779,782	1,019,949	1,037,254	1,000,333	1,355,834	1,100,264	7,482,394
17	Rate Schedule EGS-LV	-	-	-	-	-	-	0
18	Rate Schedule EGS-LV FT	3,533,439	3,395,962	3,782,992	3,511,584	3,590,236	3,351,108	23,578,464
19	Rate Schedule NGV	198,125	188,449	215,387	138,591	126,518	196,574	1,280,606
20	Rate Schedule YLS & SLS	10,000	10,000	10,000	10,000	10,000	10,000	70,000
21								
22	Total	25,939,602	37,508,061	60,907,521	102,049,447	68,746,328	67,235,161	442,983,256

SOUTH JERSEY GAS COMPANY
SERVICE INTERRUPTIONS TO CUSTOMERS
JUNE 2017-MAY 2018

IGS		IGS RETAIL #.6		IGS RETAIL #.4		IGS RETAIL #.2	
# OF DAYS	# OF CUSTOMERS	# OF DAYS	# OF CUSTOMERS	# OF DAYS	# OF CUSTOMERS	# OF DAYS	# OF CUSTOMERS
JUNE 2017	0.0	JUNE 2017	0.0	JUNE 2017	0.0	JUNE 2017	0.0
JULY 2017	0.0	JULY 2017	0.0	JULY 2017	0.0	JULY 2017	0.0
AUG. 2017	0.0	AUG. 2017	0.0	AUG. 2017	0.0	AUG. 2017	0.0
SEP. 2017	0.0	SEP. 2017	0.0	SEP. 2017	0.0	SEP. 2017	0.0
OCT. 2017	0.0	OCT. 2017	0.0	OCT. 2017	0.0	OCT. 2017	0.0
NOV. 2017	0.0	NOV. 2017	0.0	NOV. 2017	0.0	NOV. 2017	0.0
DEC. 2017	5.0	DEC. 2017	0.0	DEC. 2017	0.0	DEC. 2017	0.0
JAN. 2018	9.0	JAN. 2018	7.0	JAN. 2018	0.0	JAN. 2018	0.0
FEB. 2018	0.0	FEB. 2018	0.0	FEB. 2018	0.0	FEB. 2018	0.0
MAR. 2018	0.0	MAR. 2018	0.0	MAR. 2018	0.0	MAR. 2018	0.0
APR. 2018	0.0	APR. 2018	0.0	APR. 2018	0.0	APR. 2018	0.0
MAY 2018	0.0	MAY 2018	0.0	MAY 2018	0.0	MAY 2018	0.0
CTS (ITS)		LVS-FT. (ITS)		IGS INDUST. 6		IGS INDUST. 2	
# OF DAYS	# OF CUSTOMERS	# OF DAYS	# OF CUSTOMERS	# OF DAYS	# OF CUSTOMERS	# OF DAYS	# OF CUSTOMERS
JUNE 2017	0.0	JUNE 2017	0.0	JUNE 2017	0.0	JUNE 2017	0.0
JULY 2017	0.0	JULY 2017	0.0	JULY 2017	0.0	JULY 2017	0.0
AUG. 2017	0.0	AUG. 2017	0.0	AUG. 2017	0.0	AUG. 2017	0.0
SEP. 2017	0.0	SEP. 2017	0.0	SEP. 2017	0.0	SEP. 2017	0.0
OCT. 2017	0.0	OCT. 2017	0.0	OCT. 2017	0.0	OCT. 2017	0.0
NOV. 2017	0.0	NOV. 2017	0.0	NOV. 2017	0.0	NOV. 2017	0.0
DEC. 2017	5.0	DEC. 2017	46.0	DEC. 2017	29.0	DEC. 2017	0.0
JAN. 2018	9.0	JAN. 2018	46.0	JAN. 2018	29.0	JAN. 2018	0.0
FEB. 2018	0.0	FEB. 2018	0.0	FEB. 2018	0.0	FEB. 2018	0.0
MAR. 2018	0.0	MAR. 2018	0.0	MAR. 2018	0.0	MAR. 2018	0.0
APR. 2018	0.0	APR. 2018	0.0	APR. 2018	0.0	APR. 2018	0.0
MAY 2018	0.0	MAY 2018	0.0	MAY 2018	0.0	MAY 2018	0.0
EGS-LY		FEES					
# OF DAYS	# OF CUSTOMERS	# OF DAYS	# OF CUSTOMERS				
JUNE 2017	0.0	JUNE 2017	0.0				
JULY 2017	0.0	JULY 2017	0.0				
AUG. 2017	0.0	AUG. 2017	0.0				
SEP. 2017	0.0	SEP. 2017	0.0				
OCT. 2017	0.0	OCT. 2017	0.0				
NOV. 2017	0.0	NOV. 2017	0.0				
DEC. 2017	0.0	DEC. 2017	4.0				
JAN. 2018	0.0	JAN. 2018	1.0				
FEB. 2018	0.0	FEB. 2018	1.0				
MAR. 2018	0.0	MAR. 2018	0.0				
APR. 2018	0.0	APR. 2018	0.0				
MAY 2018	0.0	MAY 2018	0.0				

SOUTH JERSEY GAS COMPANY
2017 - 2018 BGSSC
Projected Gas Cost to BGSSC

	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18
1												
2												
3												
4												
5												
6								\$12,212,367	\$11,958,388	\$12,102,632	\$11,960,777	\$11,397,700
7								\$3,860,763	\$4,056,942	\$4,294,937	\$4,179,316	\$3,826,729
8								\$489,302	\$264,647	\$242,372	\$236,801	\$187,580
9								\$69,690	\$67,004	\$65,453	\$64,184	\$60,812
10								40,000	40,000	50,000	50,000	40,000
11								48.00%	48.00%	48.00%	48.00%	48.00%
12								19,200	19,200	24,000	24,000	19,200
13								\$0.318187	\$0.318187	\$0.318187	\$0.318187	\$0.318187
14								\$6,109	\$6,109	\$7,636	\$7,636	\$6,109
15								\$8,904,488	\$8,226,988	\$8,107,884	\$8,074,809	\$7,813,253
16												
17												
18												
19												
20												
21												
22												
23												
24												

WORKPAPER KJB-5A, Page 1 of 2
 NATURAL GAS DETERMINANTS

	May-18	Jun-18	Jul-18	Aug-18	Sep-18
1					
2					
3					
4					
5	3,748,365	3,627,450	3,748,365	3,748,365	3,627,450
6	48,267	46,710	48,267	48,267	46,710
7	361,553	349,890	361,553	361,553	349,890
8	497,333	481,290	497,333	497,333	481,290
9	54,704,925	52,940,250	54,704,925	54,704,925	52,940,250
10	846,734	819,420	846,734	846,734	819,420
11	41,740,942	40,394,460	41,740,942	41,740,942	40,394,460
12	485,770	470,100	485,770	485,770	470,100
13	0	0	0	0	0
14	6,666,302	6,451,260	6,666,302	6,666,302	6,451,260
15	862,234	834,420	862,234	862,234	834,420
16	7,201,734	6,969,420	7,201,734	7,201,734	6,969,420
17	372,000	360,000	372,000	372,000	360,000
18	37,944,000	36,720,000	37,944,000	37,944,000	36,720,000
19	638,848	618,240	638,848	638,848	618,240
20	0	0	0	0	0
21	0	0	0	0	0
22	0	0	0	0	0
23	3,255,000	3,150,000	3,255,000	3,255,000	3,150,000
24	10,000	10,000	10,000	10,000	10,000
25	423,000	423,000	423,000	423,000	423,000
26	13,840	13,840	13,840	13,840	13,840
27	22,511	22,511	22,511	22,511	22,511
28	9,000	9,000	9,000	9,000	9,000
29	33,862	33,862	33,862	33,862	33,862
30	2,223,507	2,223,507	2,223,507	2,223,507	2,223,507
31	16,931	16,931	16,931	16,931	16,931
32	0	0	0	0	0
33	78,000	78,000	78,000	78,000	78,000
34	70,000	70,000	70,000	70,000	70,000
35	1,125,000	1,050,000	1,085,000	1,085,000	1,050,000
36	13,240	88,240	18,240	88,240	8,240
37	625,014	604,555	760,783	641,919	661,877
38	100,000	100,000	100,000	100,000	100,000
39	300,121	405,250	323,778	322,676	263,482
40	0	0	0	0	0
41	77,690	94,861	88,660	91,520	90,723
42	2,444,066	2,342,906	2,376,661	2,329,355	2,174,331
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Pipeline & Suppl. Supplies
 Spot Purchases - Columbia ESEP
 Spot Purchases - Columbia
 Spot Purchases - Transco
 Spot Purchases - Transco Lady #1013599
 Spot Purchases - FES & Monthly BGSS
 Spot Purchases on Transco PSFT
 Liquefied Natural Gas (LNG)
 TOTAL NAT GAS PURCHASED

WORKPAPER KJB-5A, Page 2 of 2
 NATURAL GAS DETERMINANTS

	May-18	Jun-18	Jul-18	Aug-18	Sep-18	
1						
2						
3						
4						
5	TRANSCO S2 IN	(36,704)	(14,688)	(15,870)	(30,597)	(25,451)
6	TRANSCO S2 OUT	0	0	0	0	0
7	TRANSCO S2 FUEL	(170)	(68)	(73)	(141)	(118)
8	SS 2 IN Vol.	(334,339)	(318,448)	(314,395)	(294,347)	(250,240)
9	SS 2 OUT Vol.	0	0	0	0	0
10	SS 2 FUEL	(2,764)	(2,633)	(2,589)	(2,434)	(2,089)
11	ESS IN Vol.	(8,370)	(53,367)	(65,688)	(65,688)	(65,386)
12	ESS OUT Vol.	42,387	42,627	40,955	40,955	25,000
13	ESS FUEL	0	0	0	0	0
14	GSS IN Vol.	(186,000)	(209,263)	(222,064)	(202,064)	(194,811)
15	GSS OUT Vol.	50,214	0	0	2,000	2,000
16	GSS FUEL	(4,281)	(4,817)	(5,111)	(4,651)	(4,484)
17	LGA IN	(33,325)	(35,303)	(36,378)	(36,378)	(35,303)
18	LGA OUT	0	0	0	0	0
19	LGA FUEL	(25,038)	(26,523)	(27,331)	(27,331)	(26,523)
20	LSS IN Vol.	(210,800)	(211,507)	(212,587)	(206,887)	(193,324)
21	LSS OUT Vol.	0	0	0	0	0
22	LSS FUEL	(3,362)	(3,374)	(3,391)	(3,300)	(3,084)
23	Col FSS IN Vol.	(310,000)	(335,317)	(385,317)	(370,317)	(330,748)
24	Col FSS OUT Vol.	69,065	44,065	38,129	34,065	34,065
25	Col FSS FUEL	(1,683)	(1,821)	(2,082)	(2,011)	(1,796)
26	Col SST FUEL	(6,576)	(6,586)	(6,239)	(6,969)	(6,375)
27	Dominion GSS STOR IN	(83,793)	(62,103)	(64,453)	(64,453)	(67,105)
28	Dominion GSS STOR OUT	0	0	0	0	0
29	Dominion GSS FUEL	(1,666)	(1,235)	(1,282)	(1,282)	(1,335)
30						
31						
32	TOTAL NATURAL GAS SENDOUT	1,357,658	1,143,542	1,090,876	1,088,555	1,030,264
33						
34						
35	Liquefied Natural Gas (LNG)	(77,690)	(94,861)	(88,860)	(91,520)	(90,723)
36	Mckee City Sendout	9,500	9,500	9,500	9,500	9,500
37						
38	Total LNG Sendout	(68,190)	(85,361)	(79,360)	(82,020)	(81,223)
39						
40						
41	Total Sendout	1,289,668	1,058,181	1,011,516	1,006,535	949,042
42						

WORKPAPER KJB-5B, Page 1 of 3
 SUMMARY OF NATURAL GAS COSTS

	May-18	Jun-18	Jul-18	Aug-18	Sep-18
1 Transco FT					
2 Zone Based Resv. Cost	\$1,779,761	\$1,722,350	\$1,779,761	\$1,779,761	\$1,722,350
3					
4					
5					
6					
7					
8 Transco S-2					
9 Demand Cost	\$7,008	\$6,782	\$7,008	\$7,008	\$6,782
10 Capacity Cost	\$1,435	\$1,389	\$1,435	\$1,435	\$1,389
11 In Cost	\$1,101	\$441	\$476	\$918	\$764
12 Out Cost	\$0	\$0	\$0	\$0	\$0
13					
14 Transco SS-2					
15 Demand Cost	\$137,413	\$132,980	\$137,413	\$137,413	\$132,980
16 Capacity Cost	\$50,329	\$48,705	\$50,329	\$50,329	\$48,705
17 In Cost	\$10,532	\$10,031	\$9,903	\$9,272	\$7,883
18 Out Cost	\$0	\$0	\$0	\$0	\$0
19					
20 Transco GSS					
21 Demand Cost	\$85,266	\$82,516	\$85,266	\$85,266	\$82,516
22 Capacity Cost	\$22,123	\$21,409	\$22,123	\$22,123	\$21,409
23 In Cost	\$9,449	\$10,631	\$11,261	\$10,285	\$9,696
24 Out Cost	\$2,164	\$0	\$0	\$86	\$86
25					
26 Transco ESS					
27 Demand Cost	\$18,185	\$17,598	\$18,185	\$18,185	\$17,598
28 Capacity Cost	\$18,148	\$17,563	\$18,148	\$18,148	\$17,563
29 In Cost	\$344	\$2,195	\$2,702	\$2,702	\$2,606
30 Out Cost	\$1,743	\$1,753	\$1,684	\$1,684	\$1,028
31					
32 Transco LSS					
33 Demand Cost	\$56,012	\$54,205	\$56,012	\$56,012	\$54,205
34 Capacity Cost	\$20,869	\$20,196	\$20,869	\$20,869	\$20,196
35 In Cost	\$6,216	\$6,237	\$6,269	\$6,101	\$5,701
36 Out Cost	\$0	\$0	\$0	\$0	\$0
37					
38 Transco I.G.-A					
39 Demand Cost	\$16,900	\$16,355	\$16,900	\$16,900	\$16,355
40 Capacity Cost	\$44,664	\$43,223	\$44,664	\$44,664	\$43,223
41 In Cost	\$10,180	\$10,785	\$11,113	\$11,113	\$10,785
42 Out Cost	\$0	\$0	\$0	\$0	\$0
43					
44					
45					

WORKPAPER KJB-5B, Page 2 of 3
SUMMARY OF NATURAL GAS COSTS

	May-18	Jun-18	Jul-18	Aug-18	Sep-18
Transco Demand Cost	\$83,255	\$80,568	\$83,255	\$83,255	\$80,569
Commodity Cost - Transco	\$2,234,155	\$1,654,662	\$2,116,420	\$1,790,994	\$1,637,896
Commodity Cost - Transco Ledy #1013899	\$260,895	\$260,102	\$261,509	\$262,314	\$260,906
Dir Purchases FES & Monthly GSG	\$809,790	\$1,109,166	\$990,718	\$900,286	\$731,663
TRANSCO FT - SS-1 #1044825	\$0	\$0	\$0	\$0	\$0
Transco PSFT Transport - Reserv. Cost	\$0	\$0	\$0	\$0	\$0
Transco PSFT Commodity Cost	\$0	\$0	\$0	\$0	\$0
Transco Central New Jersey Expansion	\$424,192	\$410,508	\$424,192	\$424,192	\$410,508
Reservation Cost - #1 and #2	\$0	\$0	\$0	\$0	\$0
Transco Long Haul Cap. Rel. Credit	\$36,264	\$241,072	\$50,087	\$243,013	\$22,578
Columbia LT Firm Commodity Cost	\$3,796,875	\$3,536,400	\$3,670,555	\$3,679,235	\$3,545,850
Columbia East Side Exp Project Commodity Cost	\$925,314	\$949,010	\$949,010	\$949,010	\$949,010
Tennessee FT DEMAND	\$86,583	\$86,583	\$86,583	\$86,583	\$86,583
Columbia FTS Cost #38099	\$56,304	\$56,304	\$56,304	\$56,304	\$56,304
Columbia FTS Cost #156147	\$172,772	\$172,772	\$172,772	\$172,772	\$172,772
Columbia Gas NTS Cost	\$50,827	\$50,827	\$50,827	\$50,827	\$50,827
Columbia FSS	\$64,037	\$64,037	\$64,037	\$64,037	\$64,037
DEMAND MDSQ Cost	\$4,789	\$5,158	\$5,927	\$5,697	\$5,088
DEMAND SCQ Cost	\$1,057	\$674	\$583	\$521	\$521
IN Cost	\$103,211	\$103,211	\$103,211	\$103,211	\$103,211
OUT Cost	\$5,883	\$6,363	\$7,312	\$7,027	\$6,276
Columbia SST	\$1,292	\$824	\$713	\$637	\$637
IN Cost	\$0	\$0	\$0	\$0	\$0
OUT Cost	\$0	\$0	\$0	\$0	\$0
Columbia FTS DEMAND #28769	\$810,040	\$810,040	\$810,040	\$810,040	\$810,040
Dominion Transportation Demand Cost	\$6,134	\$6,134	\$6,134	\$6,134	\$6,134
Columbia Gull FTS Demand - East Side Expansion Pr	\$18,672	\$18,672	\$18,672	\$18,672	\$18,672
Dominion GSS Capacity Cost	\$2,430	\$1,801	\$1,869	\$1,869	\$1,946
Dominion GSS Capacity Cost	\$11,815	\$8,757	\$9,088	\$9,088	\$9,462
Dominion GSS IN Cost	\$0	\$0	\$0	\$0	\$0
Dominion GSS IT IN Cost	\$0	\$0	\$0	\$0	\$0
Dominion GSS OUT Cost	\$0	\$0	\$0	\$0	\$0
Peaking Supply	\$0	\$0	\$0	\$0	\$0
Hedging/(Gain) Loss	\$85,010	\$98,200	\$88,071	\$80,805	\$79,910
License Agreement - Planalytics Hedging Tool	\$0	\$125,000	\$0	\$0	\$0
ICE OTC Fees	\$625	\$625	\$625	\$625	\$625
Midstream Partners	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
ABB-SENDOUT Annual Charge	\$0	\$0	\$0	\$0	\$0
Storage Incentive Mechanism (Gain)/Loss	(\$59,200)	(\$49,040)	(\$57,040)	(\$66,240)	(\$60,960)
Marcus Hook - Woodbury Lateral	\$7,614	\$7,614	\$7,614	\$7,614	\$7,614
Antero Commodity Savings	(\$93,000)	(\$90,000)	(\$93,000)	(\$93,000)	(\$90,000)
Total Gas Cost	\$12,212,367	\$11,958,388	\$12,102,632	\$11,960,777	\$11,397,700

1 WORKPAPER KJB-SC, PAGE 1 OF 5
 2 NATURAL GAS INVENTORY - INJECTIONS

	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Total
3	141,514	5,982	68,304	50,558	62,920	40,087	118,096	190,281	214,080	227,175	206,715	199,295	1,525,027
4	\$2,7459	\$2,6170	\$2,8753	\$2,6954	\$3,5584	\$2,3690	\$2,8375	\$3,0213	\$3,0442	\$3,0617	\$3,0756	\$3,0684	\$3,0684
5	\$198,051	\$15,566	\$281,577	\$635,245	\$307,390	\$99,084	\$275,603	\$574,896	\$651,702	\$695,542	\$635,773	\$611,517	\$4,981,945
6	3,561	0	6,006	7,332	4,080	399	740	8,370	53,367	65,688	65,688	63,368	278,597
7	\$2,7459	\$2,6170	\$2,8753	\$2,6954	\$3,5584	\$2,3690	\$2,8375	\$3,0213	\$3,0442	\$3,0617	\$3,0756	\$3,0684	\$3,0684
8	\$10,568	\$0	\$24,149	\$89,853	\$19,441	\$986	\$2,053	\$25,288	\$162,458	\$201,115	\$202,028	\$194,438	\$932,379
9	133,033	0	0	0	0	0	186,831	214,162	214,881	215,978	210,167	196,408	1,371,460
10	\$2,7459	\$2,6170	\$2,8753	\$2,6954	\$3,5584	\$2,3690	\$2,8375	\$3,0213	\$3,0442	\$3,0617	\$3,0756	\$3,0684	\$3,0684
11	\$186,208	\$0	\$0	\$0	\$0	\$0	\$433,206	\$647,048	\$654,141	\$661,260	\$646,390	\$602,658	\$3,830,910
12	214,796	0	0	0	0	0	251,143	337,103	321,082	316,984	296,781	252,309	1,990,208
13	\$2,7459	\$2,6170	\$2,8753	\$2,6954	\$3,5584	\$2,3690	\$2,8375	\$3,0213	\$3,0442	\$3,0617	\$3,0756	\$3,0684	\$3,0684
14	\$402,242	\$0	\$0	\$0	\$0	\$0	\$578,127	\$1,018,489	\$977,438	\$970,541	\$912,780	\$774,185	\$5,633,801
15	0	0	0	0	0	0	81,090	85,459	63,338	65,735	65,735	68,440	428,797
16	\$2,7459	\$2,6170	\$2,8753	\$2,6954	\$3,5584	\$2,3690	\$2,8375	\$3,0213	\$3,0442	\$3,0617	\$3,0756	\$3,0684	\$3,0684
17	\$0	\$0	\$0	\$0	\$0	\$0	\$185,005	\$258,197	\$192,814	\$201,261	\$202,175	\$210,001	\$1,249,452
18	557	0	0	0	0	0	16,576	36,874	14,756	15,943	30,738	25,569	141,013
19	\$2,7459	\$2,6170	\$2,8753	\$2,6954	\$3,5584	\$2,3690	\$2,8375	\$3,0213	\$3,0442	\$3,0617	\$3,0756	\$3,0684	\$3,0684
20	\$1,677	\$0	\$0	\$0	\$0	\$0	\$46,188	\$111,407	\$44,920	\$48,813	\$94,538	\$78,456	\$425,999
21	227,637	0	396,843	28,602	145,876	54,799	321,117	316,257	342,085	393,084	377,792	337,422	2,941,525
22	\$2,7459	\$2,6170	\$2,8753	\$2,6954	\$3,5584	\$2,3690	\$2,8375	\$3,0213	\$3,0442	\$3,0617	\$3,0756	\$3,0684	\$3,0684
23	\$400,433	\$0	\$1,254,759	\$351,115	\$696,281	\$135,414	\$770,179	\$955,507	\$1,041,376	\$1,203,537	\$1,161,938	\$1,035,344	\$9,005,884
24	721,098	5,982	471,153	86,492	212,876	95,295	975,593	1,188,506	1,223,589	1,300,607	1,253,616	1,142,811	8,677,627
25	\$1,199,178	\$15,566	\$1,560,484	\$1,076,213	\$1,023,112	\$235,483	\$2,290,361	\$3,590,833	\$3,724,849	\$3,982,068	\$3,855,621	\$3,506,600	\$28,060,369
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1 WORKPAPER KJB-5C, PAGE 3 OF 5
 2 NATURAL GAS INVENTORY

	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Total
3 LSS Opening Balance	1,093,051	994,040	994,040	627,273	318,372	119,471	119,471	188,915	399,715	611,222	823,809	1,030,676	1,354,949
4 Storage Injections Transco LSS	133,033	0	0	0	0	0	0	210,800	211,507	212,587	206,867	193,324	1,354,949
5 LSS Inventory Sub Total Dt	1,226,084	994,040	994,040	627,273	318,372	119,471	119,471	188,915	399,715	611,222	823,809	1,030,676	1,224,000
6 Net Storage Withdrawals Transco LSS	0	0	0	0	0	0	0	0	0	0	0	0	0
7 LSS Inventory Balance	1,226,084	994,040	994,040	627,273	318,372	119,471	119,471	188,915	399,715	611,222	823,809	1,030,676	1,224,000
8 LSS Inventory Cost Open Balance	\$2,704,676	\$2,890,884	\$2,342,842	\$1,476,612	\$747,019	\$277,254	\$277,254	-\$2	\$433,204	\$1,080,251	\$1,734,392	\$2,395,652	\$3,042,041
9 LSS Injection Cost	\$186,208	\$0	\$0	\$0	\$0	\$0	\$0	\$433,206	\$647,048	\$661,141	\$646,390	\$602,658	\$3,830,910
10 LSS Inventory Cost Sub Total	\$2,890,884	\$2,890,884	\$2,342,842	\$1,476,612	\$747,019	\$277,254	\$277,254	-\$2	\$1,080,251	\$1,734,392	\$2,395,652	\$3,042,041	\$3,644,700
11 Total LSS Storage Withdrawal Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12 Total LSS Inventory Cost Bal	\$2,890,884	\$2,342,842	\$1,476,612	\$747,019	\$277,254	-\$2	\$277,254	\$1,080,251	\$1,734,392	\$2,395,652	\$3,042,041	\$3,644,700	\$2,890,886
13 LSS Inventory Cost Rate	\$2,3576	\$2,3569	\$2,3540	\$2,3464	\$2,3207	(\$0,0011)	\$2,2931	\$2,7026	\$2,8376	\$2,9080	\$2,9515	\$2,9777	\$2,9777
14 SS 2 Opening Balance	1,551,641	1,766,437	1,497,906	1,035,809	602,988	253,716	253,716	252,905	587,244	905,693	1,220,088	1,514,435	1,977,709
15 Storage Injections Transco SS 2	214,796	0	0	0	0	0	0	251,143	318,449	314,395	294,347	250,240	1,764,675
16 SS 2 Inventory Sub Total Dt	1,766,437	1,766,437	1,497,906	1,035,809	602,988	253,716	253,716	252,905	587,244	905,693	1,220,088	1,514,435	1,764,675
17 Net Storage Withdrawals Transco SS 2	0	0	0	0	0	0	0	0	0	0	0	0	0
18 SS 2 Inventory Balance	1,766,437	1,497,906	1,035,809	602,988	253,716	253,716	253,716	252,905	587,244	905,693	1,220,088	1,514,435	1,764,675
19 SS 2 Inventory Cost Open Balance	\$3,951,132	\$4,353,374	\$3,690,908	\$2,550,961	\$1,483,191	\$621,572	\$621,572	\$0	\$578,127	\$1,596,616	\$2,574,054	\$3,544,595	\$4,457,374
20 SS 2 Storage Injections Cost	\$402,242	\$0	\$0	\$0	\$0	\$0	\$0	\$578,127	\$1,018,489	\$977,438	\$912,780	\$774,185	\$5,633,801
21 SS 2 Inventory Cost Sub Total	\$4,353,374	\$4,353,374	\$3,690,908	\$2,550,961	\$1,483,191	\$621,572	\$621,572	\$0	\$1,596,616	\$2,574,054	\$3,544,595	\$4,318,780	\$10,091,155
22 Total SS 2 Storage Withdrawal Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23 Total SS 2 Inventory Cost Bal	\$4,353,374	\$3,690,908	\$2,550,961	\$1,483,191	\$621,572	\$621,572	\$621,572	\$0	\$1,596,616	\$2,574,054	\$3,544,595	\$4,318,780	\$10,091,155
24 SS 2 Inventory Cost Rate	\$2,4645	\$2,4640	\$2,4628	\$2,4597	\$2,4499	(\$0,0001)	\$2,2859	\$2,7188	\$2,8421	\$2,9052	\$2,9433	\$2,9646	\$2,9646
25 Dominion GSS Opening Balance	423,003	423,003	423,003	423,003	225,504	109,321	109,321	81,093	164,886	226,989	291,442	355,895	422,997
26 Injections Dominion GSS Storage	0	0	0	0	0	0	0	81,090	62,103	64,453	64,453	67,105	422,997
27 Dominion GSS Inventory Sub Total Dt	423,003	423,003	423,003	423,003	225,504	109,321	109,321	164,886	226,989	291,442	355,895	423,000	423,000
28 Net Storage Withdrawals Dominion GSS	0	0	0	0	0	0	0	0	0	0	0	0	0
29 Dominion GSS Inventory Balance	423,003	423,003	423,003	423,003	225,504	109,321	109,321	164,886	226,989	291,442	355,895	423,000	423,000
30 Dominion GSS Inventory Cost Open Balance	\$1,257,280	\$1,257,280	\$1,257,280	\$1,257,280	\$670,254	\$324,923	\$324,923	-\$3	\$443,199	\$636,013	\$837,273	\$1,039,448	\$1,249,452
31 Dominion GSS Storage Injections Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$258,197	\$192,814	\$201,261	\$202,175	\$210,001	\$1,249,452
32 Dominion GSS Inventory Cost Sub Total	\$1,257,280	\$1,257,280	\$1,257,280	\$1,257,280	\$670,254	\$324,923	\$324,923	-\$3	\$443,199	\$636,013	\$837,273	\$1,039,448	\$1,249,452
33 Total Equit Storage Withdrawal Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
34 Total Dominion GSS Inventory Cost Balance	\$1,257,280	\$1,257,280	\$1,257,280	\$1,257,280	\$670,254	\$324,923	\$324,923	-\$3	\$443,199	\$636,013	\$837,273	\$1,039,448	\$1,249,452
35 Dominion GSS Inventory Cost Rate	\$2,9723	\$2,9723	\$2,9723	\$2,9722	\$2,9722	(\$0,9667)	\$2,2814	\$2,6879	\$2,8020	\$2,8729	\$2,9207	\$2,9538	\$2,9538

	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sept-18	Total
1 WORKPAPER KJB-5C, PAGE 4 OF 5													
2 NATURAL GAS INVENTORY													
3 Transco S-2 Opening Balance	139,571	140,128	140,212	103,432	55,882	18,024	0	16,576	16,580	53,284	67,972	83,842	114,439
4 Storage Injections Transco S-2	557	0	0	0	0	0	0	16,576	36,704	14,688	15,870	30,597	25,451
5 Transco S-2 Inventory Sub Total Dt	140,128	140,128	140,212	103,432	55,882	18,024	0	16,594	53,284	67,972	83,842	114,439	139,890
6 Net Storage Withdrawals Transco S-2	0	(84)	36,780	47,550	37,858	18,006	0	14	0	0	0	0	0
7 Transco S-2 Inventory Balance	140,128	140,212	103,432	55,882	18,024	18	0	16,580	53,284	67,972	83,842	114,439	139,890
8 Transco S-2 Inventory Cost Open Balance	\$438,572	\$440,249	\$440,513	\$324,961	\$175,574	\$56,639	\$0	\$69	\$46,218	\$157,626	\$202,546	\$251,358	\$345,896
9 Transco S-2 Storage Injections Cost	\$1,677	\$0	\$0	\$0	\$0	\$0	\$0	\$46,188	\$111,407	\$44,920	\$48,813	\$94,538	\$78,456
10 Transco S-2 Inventory Cost Sub Total	\$440,249	\$440,249	\$440,513	\$324,961	\$175,574	\$56,639	\$0	\$92	\$157,626	\$202,546	\$251,358	\$345,896	\$424,352
11 Total Transco S-2 Storage Withdrawal Cost	\$0	-\$264	\$115,552	\$149,388	\$118,935	\$39	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12 Total Trans S-2 Inventory Cost Bal	\$440,249	\$440,513	\$324,961	\$175,574	\$56,639	\$69	\$0	\$157,626	\$202,546	\$251,358	\$345,896	\$424,352	\$440,219
13 Transco S-2 Inventory Cost Rate	\$3,1418	\$3,1418	\$3,1418	\$3,1419	\$3,1424	\$3,1424	\$0	\$2,7876	\$2,9662	\$2,9798	\$3,0225	\$3,0335	\$3,0335
14 Col FSS Operating Balance	1,819,813	1,933,398	1,933,398	1,671,764	1,156,512	664,249	340,784	511,227	752,162	1,043,415	1,390,603	1,726,856	2,023,537
15 Storage Injections Columbia FSS & (MEP)	227,637	0	396,843	28,602	145,676	54,799	321,117	310,000	355,317	385,317	370,317	390,746	2,906,572
16 Col FSS Inventory Sub Total Dt	2,047,450	1,933,398	2,330,241	1,700,366	1,302,388	719,048	661,901	821,227	1,087,480	1,428,733	1,760,921	2,057,602	2,702,848
17 Net Storage Withdrawal Col FSS & (MEP)	114,052	0	656,477	543,854	638,139	376,264	150,674	69,065	44,065	38,129	34,065	34,065	2,702,848
18 Col FSS & (MEP) Inventory Balance	1,933,398	1,933,398	1,671,764	1,156,512	664,249	340,784	511,227	752,162	1,043,415	1,390,603	1,726,856	2,023,537	2,702,848
19 Col FSS & (MEP) Inventory Cost Open Balance	\$4,787,456	\$4,898,847	\$4,898,847	\$4,484,827	\$3,376,619	\$2,209,151	\$1,085,816	\$1,433,229	\$2,187,846	\$3,098,374	\$4,187,104	\$5,245,566	\$9,005,884
20 Col FSS Storage Injections Cost	\$400,433	\$0	\$1,254,759	\$351,115	\$696,281	\$135,414	\$770,179	\$955,507	\$1,041,376	\$1,203,537	\$1,161,938	\$1,035,344	\$6,280,911
21 Col FSS Inventory Cost Sub Total	\$5,187,889	\$4,898,847	\$6,153,606	\$4,835,942	\$4,072,900	\$2,344,565	\$1,855,995	\$2,388,737	\$3,229,222	\$4,301,911	\$5,348,042	\$6,280,911	\$17,616,413
22 Total Col FSS Storage Withdrawal Cost	\$289,042	\$0	\$1,668,778	\$1,459,323	\$1,863,749	\$1,258,749	\$422,765	\$200,891	\$190,848	\$114,807	\$103,476	\$103,984	\$7,616,413
23 Total Col FSS & (MEP) Inventory Cost Bal	\$4,898,847	\$4,898,847	\$4,484,827	\$3,376,619	\$2,209,151	\$1,085,816	\$1,433,229	\$2,187,846	\$3,098,374	\$4,187,104	\$5,245,566	\$6,176,927	\$17,940,954
24 Col FSS & (MEP) Inventory Cost Rate	\$2,5338	\$2,5338	\$2,6827	\$2,9197	\$3,3258	\$3,1862	\$2,8035	\$2,9087	\$2,9695	\$3,0110	\$3,0376	\$3,0525	\$3,0525
25 Total Beginning Inventory Dt	6,205,362	6,806,640	6,165,836	4,840,406	3,045,475	1,730,413	740,884	1,484,973	2,493,313	3,611,316	4,812,605	5,969,918	7,033,898
26 Total Ending Inventory Dt	6,806,640	6,165,836	4,840,406	3,045,475	1,730,413	740,884	1,484,973	2,493,313	3,611,316	4,812,605	5,969,918	7,033,898	7,033,898
27 Total Beginning Inventory Cost	\$16,077,042	\$16,971,801	\$15,431,849	\$12,561,311	\$8,770,130	\$5,482,667	\$2,403,228	\$4,020,705	\$7,122,236	\$10,582,438	\$14,322,134	\$17,940,954	\$21,259,973
28 Total Ending Inventory Cost	\$16,971,801	\$15,431,849	\$12,561,311	\$8,770,130	\$5,482,667	\$2,403,228	\$4,020,705	\$7,122,236	\$10,582,438	\$14,322,134	\$17,940,954	\$21,259,973	\$21,259,973

1 WORKPAPER KJB-5C, PAGE 5 OF 5
 2 NATURAL GAS INVENTORY - WITHDRAWALS

	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Total
3 Net Storage Withdrawals Transco GSS	0	138,486	266,923	350,798	187,512	209,883	80,790	50,214	0	0	2,000	2,000	1,288,616
4 GSS Inventory Cost Rate	\$2,3356	\$2,3370	\$2,4481	\$3,0647	\$3,6025	\$3,5551	\$3,0643	\$3,0622	\$3,0800	\$3,0539	\$3,1041	\$3,1097	\$3,0957
5 Total GSS Storage Withdrawal Cost	\$0	\$324,455	\$625,748	\$974,294	\$650,948	\$775,812	\$249,997	\$153,764	\$0	\$0	\$6,208	\$6,219	\$3,667,444
6 Net Storage Withdrawals Transco ESS	5,768	7,809	5,539	0	73	12	26	42,387	42,827	40,955	40,955	25,000	211,151
7 ESS Inventory Cost Rate	\$2,6660	\$2,6660	\$2,7166	\$3,1483	\$3,1879	\$3,1862	\$3,1844	\$3,1786	\$3,1389	\$3,1147	\$3,1038	\$3,0951	\$3,0951
8 Total ESS Storage Withdrawal Cost	\$15,377	\$20,819	\$14,767	\$0	\$230	\$38	\$83	\$134,647	\$133,799	\$127,565	\$127,117	\$77,377	\$651,820
9 Net Storage Withdrawals Transco LSS	0	232,044	366,767	308,901	198,901	117,387	0	0	0	0	0	0	1,224,000
10 LSS Inventory Cost Rate	\$2,4744	\$2,3578	\$2,3569	\$2,3540	\$2,3464	\$2,3207	-\$0,0011	\$2,2931	\$2,7026	\$2,8376	\$2,9080	\$2,9515	\$2,9515
11 Total LSS Storage Withdrawal Cost	\$0	\$548,042	\$866,230	\$729,593	\$469,764	\$277,256	\$0	\$0	\$0	\$0	\$0	\$0	\$2,890,886
12 Net Storage Withdrawal Transco SS 2	0	268,531	462,097	432,821	349,272	251,954	0	0	0	0	0	0	1,764,675
13 SS 2 Inventory Cost Rate	\$2,5464	\$2,4645	\$2,4640	\$2,4628	\$2,4697	\$2,4499	-\$0,0001	\$2,2859	\$2,7188	\$2,8421	\$2,9052	\$2,9433	\$2,9433
14 Total SS 2 Storage Withdrawal Cost	\$0	\$662,466	\$1,139,947	\$1,067,769	\$861,619	\$621,571	\$0	\$0	\$0	\$0	\$0	\$0	\$4,353,372
15 Net Storage Dominion GSS	0	0	0	197,499	116,183	109,318	0	0	0	0	0	0	423,000
16 Dominion GSS Inventory Cost Rate	\$2,9723	\$2,9723	\$2,9723	\$2,9723	\$2,9722	\$2,9722	-\$0,9667	\$2,2814	\$2,6879	\$2,8020	\$2,8729	\$2,9207	\$2,9207
17 Total Dominion GSS Storage Withdrawal Cost	\$0	\$0	\$0	\$587,026	\$345,331	\$324,926	\$0	\$0	\$0	\$0	\$0	\$0	\$1,257,283
18 Net Storage Withdrawals Transco S-2	0	(84)	36,780	47,550	37,858	18,006	14	0	0	0	0	0	140,124
19 Transco S-2 Inventory Cost Rate	\$3,1423	\$3,1418	\$3,1418	\$3,1418	\$3,1419	\$3,1424	\$3,8595	\$2,7876	\$2,9582	\$2,9798	\$2,9980	\$3,0225	\$3,0225
20 Total Transco S-2 Storage Withdrawal Cost	\$0	-\$264	\$115,552	\$149,388	\$118,935	\$56,569	\$39	\$0	\$0	\$0	\$0	\$0	\$440,219
21 Net Storage Withdrawal Col FSS & (MEP)	114,052	0	658,477	543,854	638,139	378,264	150,674	69,065	44,065	38,129	34,065	34,065	2,702,848
22 Col FSS & (MEP) Inventory Cost Rate	\$2,5338	\$2,5338	\$2,6408	\$2,8441	\$3,1273	\$3,2607	\$2,8040	\$2,9097	\$2,9695	\$3,0110	\$3,0376	\$3,0525	\$3,0525
23 Total Col FSS Storage Withdrawal Cost	\$289,042	\$0	\$1,668,778	\$1,459,323	\$1,863,749	\$1,258,749	\$422,765	\$200,891	\$130,848	\$114,807	\$103,476	\$103,984	\$7,616,413
24 Total Storage Withdrawals DI	119,820	646,796	1,796,563	1,881,423	1,527,938	1,084,824	231,504	161,666	86,691	79,085	77,020	61,065	7,754,414
25 Total Storage Withdrawals Cost	\$304,419	\$1,555,517	\$4,431,022	\$4,867,394	\$4,310,675	\$3,314,921	\$672,884	\$489,302	\$264,647	\$242,372	\$236,801	\$187,580	\$20,877,436

	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Total
1 WORKPAPER KJB-5D													
2 LNG INVENTORY													
3 Net Storage Injections Company LNG	61,662	124	802	123,577	56,379	47	0	77,690	94,661	88,860	91,520	90,723	686,244
4 LNG Rate	\$3,1578	\$3,0085	\$3,3066	\$3,0997	\$4,0922	\$2,7244	\$3,2631	\$3,4745	\$3,5008	\$3,5209	\$3,5369	\$3,5287	
5													
6 Total LNG Storage Injection Cost	\$186,009	\$0	\$0	\$709,996	\$165,910	\$0	\$0	\$269,930	\$332,093	\$312,868	\$323,695	\$320,129	\$2,620,630
7													
8													
9													
10 LNG Opening Balance Inventory	341,590	399,383	387,647	324,012	325,183	377,288	370,221	363,105	431,295	516,656	596,015	678,035	
11 Net Storage Injections Company LNG	61,662	124	802	123,577	56,379	47	0	77,690	94,661	88,860	91,520	90,723	686,244
12													
13 LNG Inventory Sub Total	403,252	399,507	388,449	447,589	381,562	377,335	370,221	440,795	526,166	605,515	687,535	768,758	
14 Net Storage Withdrawals Company LNG	3,869	11,860	64,437	122,406	4,274	7,114	7,116	9,500	9,500	9,500	9,500	9,500	268,576
15													
16 LNG Inventory Balance	399,383	387,647	324,012	325,183	377,288	370,221	363,105	431,295	516,656	596,015	678,035	759,258	
17													
18 LNG Inventory Cost Open Balance	\$2,541,300	\$2,689,481	\$2,808,714	\$2,370,574	\$2,474,078	\$2,946,272	\$2,787,069	\$2,748,666	\$3,163,906	\$3,643,995	\$4,106,410	\$4,580,922	
19													
20 LNG Injection Cost	\$166,009	\$0	\$0	\$709,996	\$165,910	\$0	\$0	\$269,930	\$332,093	\$312,868	\$323,695	\$320,129	\$2,620,630
21 LNG Liquefier - Costs	\$3,527	\$205,166	\$32,235	\$24,806	\$339,656	\$-108,837	\$15,465	\$215,000	\$215,000	\$215,000	\$215,000	\$20,000	\$1,692,020
22 Total LNG Inventory Cost Sub Total	\$2,730,635	\$2,894,647	\$2,840,950	\$3,465,376	\$2,979,647	\$2,837,436	\$2,802,534	\$3,233,596	\$3,770,999	\$4,177,863	\$4,645,105	\$4,921,051	
23 Total LNG Storage Withdrawal Cost	\$41,354	\$65,934	\$470,376	\$931,297	\$33,374	\$50,367	\$53,867	\$69,690	\$67,004	\$65,453	\$64,184	\$60,812	\$1,993,711
24													
25 Total LNG Inventory Cost Balance	\$2,689,481	\$2,808,714	\$2,370,574	\$2,474,078	\$2,946,272	\$2,787,069	\$2,748,666	\$3,163,906	\$3,643,995	\$4,106,410	\$4,580,922	\$4,860,239	
26													
27 Ending LNG Inventory Cost Rate	\$6,7341	\$7,2465	\$7,3163	\$7,6083	\$7,8091	\$7,5281	\$7,5699	\$7,3358	\$7,0530	\$6,8898	\$6,7562	\$6,4013	
28													
29 Net Storage Withdrawals Company LNG	3,869	11,860	64,437	122,406	4,274	7,114	7,116	9,500	9,500	9,500	9,500	9,500	268,576
30													
31 LNG Inventory Cost Rate	\$6,7720	\$7,2465	\$7,3136	\$7,6083	\$7,8091	\$7,5197	\$7,5699	\$7,3358	\$7,0530	\$6,8898	\$6,7562	\$6,4013	
32													
33 Total LNG Storage Withdrawal Cost	\$41,354	\$65,934	\$470,376	\$931,297	\$33,374	\$50,367	\$53,867	\$69,690	\$67,004	\$65,453	\$64,184	\$60,812	\$1,993,711

SOUTH JERSEY GAS COMPANY
 2017 - 2018 BGSSC
 Off-System Sales & Capacity Release Income Statement

	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18
Volumes (DT)												
Sales Rate per DT												
Off-System Sales Revenue	\$6,618,850	\$5,546,032	\$9,216,859	\$9,227,458	\$10,204,219	\$8,153,452	\$1,689,580	\$6,203,895	\$6,194,500	\$6,302,740	\$6,310,200	\$6,207,450
Capacity Release Revenue	\$618,625	\$962,588	\$1,057,869	\$867,527	\$898,720	\$898,720	\$530,275	\$512,960	\$500,365	\$512,960	\$512,961	\$495,386
Total Revenue	\$7,237,475	\$6,508,620	\$10,274,728	\$10,094,985	\$11,101,866	\$9,052,172	\$2,219,855	\$6,716,855	\$6,694,865	\$6,815,700	\$6,823,161	\$6,702,836
Volumes (DT)												
COG Rate per DT												
Total Cost of Gas	\$5,330,375	\$5,453,763	\$5,279,723	\$5,686,613	\$6,834,587	\$4,740,706	\$825,680	\$4,848,065	\$4,806,411	\$4,928,054	\$4,937,014	\$4,819,610
Pre-tax Margin	\$1,907,100	\$4,054,857	\$4,995,006	\$4,408,372	\$4,177,279	\$4,311,466	\$1,294,175	\$1,868,790	\$1,888,454	\$1,887,646	\$1,886,147	\$1,883,226

SOUTH JERSEY GAS COMPANY
2017 - 2018 BGSS
Requirement & Supply

	May-18	Jun-18	Jul-18	Aug-18	Sep-18
7 Utility Sendout	989,547	652,931	667,738	683,859	685,550
8 GSG-LV - Monthly BGSS	210,646	184,303	187,627	187,177	183,037
9 EGS-LV - Firm - Monthly BGSS	0	0	0	0	0
10 EGS-LV - Limited Firm - Monthly BGSS	0	0	0	0	0
11 EGS - Monthly BGSS	8,315	7,900	4,265	3,613	4,367
12 FES - Limited Firm	81,161	213,047	131,886	131,886	76,088
13 LVS - Monthly BGSS	0	0	0	0	0
14 Total Firm Sendout	1,289,668	1,058,181	1,011,516	1,006,535	949,042
15					
16 Net Storage Injections					
17					
18 Transco S-2	36,704	14,688	15,870	30,597	25,451
19 Transco SS-2 (2)	334,339	318,449	314,395	294,347	250,240
20 Transco ESS	8,370	53,367	65,688	65,688	63,368
21 Transco GSS	186,000	209,263	222,064	202,064	194,811
22 Transco LNG (LGA)	33,325	35,303	36,378	36,378	35,303
23 Transco LSS (2)	210,800	211,507	212,587	206,867	193,324
24 Columbia FSS	310,000	335,317	385,317	370,317	330,746
25 Dominion GSS	83,793	62,103	64,453	64,453	67,105
26 Company LNG	77,690	94,861	88,860	91,520	90,723
27 Transco ESS Compressor Fuel 0.0%	0	0	0	0	0
28 Transco GSS Compressor Fuel 2.25%	4,281	4,817	5,111	4,651	4,484
29 Transco SS-2 Compressor Fuel 0.82%	2,764	2,633	2,599	2,434	2,069
30 Transco LSS Compressor Fuel 1.57%	3,362	3,374	3,391	3,300	3,084
31 Transco LGA Compressor Fuel 42.9%	25,038	26,523	27,331	27,331	26,523
32 Columbia FSS Compressor Fuel 0.54%	1,683	1,821	2,092	2,011	1,796
33 Transco S-2 Compressor Fuel 0.46%	170	68	73	141	118
34 Dominion GSS Compressor Fuel 1.95%	1,666	1,235	1,282	1,282	1,335
35 Columbia SST Compressor Fuel 1.454%	4,574	4,947	5,685	5,464	4,880
36					
37 Total Storage Injections	1,324,559	1,380,276	1,453,176	1,408,845	1,295,359
38					
39 Total Requirements	2,614,227	2,438,456	2,464,691	2,415,380	2,244,401

SOUTH JERSEY GAS COMPANY
2017 - 2018 BGSSC
Recruitment & Supply

	May-18	Jun-18	Jul-18	Aug-18	Sep-18
7 <u>Net Storage Withdrawals</u>					
8					
9 Transco S-2	0	0	0	0	0
10 Transco SS-2 (2)	0	0	0	0	0
11 Transco ESS	42,387	42,627	40,955	40,955	25,000
12 Transco GSS	50,214	0	0	2,000	2,000
13 Transco LNG (LGA)	0	0	0	0	0
14 Transco LSS (2)	0	0	0	0	0
15 Columbia FSS	69,065	44,065	38,129	34,065	34,065
16 Dominion GSS	0	0	0	0	0
17 Company LNG	9,500	9,500	9,500	9,500	9,500
18 Transco S-2 Compressor Fuel 1.75%	0	0	0	0	0
19 Transco SS-2 Compressor Fuel 1.33%	0	0	0	0	0
20 Transco LSS Compressor Fuel 0.27%	0	0	0	0	0
21 Transco GSS Compressor Fuel 0.0%	0	0	0	0	0
22 Dominion GSS Compressor Fuel 0.0%	0	0	0	0	0
23 Columbia FSS Compressor Fuel 0.0%	0	0	0	0	0
24 Columbia SST Compressor Fuel 1.454%	(1,004)	(641)	(654)	(495)	(495)
25	170,162	95,550	88,031	86,025	70,070
26 Total Storage Withdrawals					
27					
28 Pipeline & Supplemental Supplies					
29 Spot Purchases - Columbia ESEP	1,125,000	1,050,000	1,085,000	1,085,000	1,050,000
30 Spot Purchases - Columbia	13,240	88,240	18,240	88,240	8,240
31 Spot Purchases - Transco	828,014	604,555	760,783	641,919	661,877
32 Spot Purchases - Transco Leidy	100,000	100,000	100,000	100,000	100,000
33 Spot Purchases - FES & Monthly BGSS	300,121	405,250	323,778	322,676	263,492
34 Spot Purchases on Transco PSFT	0	0	0	0	0
35 Liquefied Natural Gas (LNG)	77,690	94,861	88,860	91,520	90,723
36 Total Pipeline & Supplemental Supplies	2,444,066	2,342,906	2,376,661	2,329,355	2,174,331
37					
38 Total Supply	2,614,227	2,438,456	2,464,691	2,415,380	2,244,401

SOUTH JERSEY GAS COMPANY
2017 - 2018 BGSSC
Pipeline Pricing

	May-18	Jun-18	Jul-18	Aug-18	Sep-18
1					
2					
3					
4					
5					
6					
7					
8	\$0.4748	\$0.4748	\$0.4748	\$0.4748	\$0.4748
9	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
10	\$0.1452	\$0.1452	\$0.1452	\$0.1452	\$0.1452
11	\$0.0040	\$0.0040	\$0.0040	\$0.0040	\$0.0040
12	\$0.0300	\$0.0300	\$0.0300	\$0.0300	\$0.0300
13	\$0.0392	\$0.0392	\$0.0392	\$0.0392	\$0.0392
14					
15	\$0.2763	\$0.2763	\$0.2763	\$0.2763	\$0.2763
16	\$0.0009	\$0.0009	\$0.0009	\$0.0009	\$0.0009
17	\$0.0315	\$0.0315	\$0.0315	\$0.0315	\$0.0315
18	\$0.0315	\$0.0315	\$0.0315	\$0.0315	\$0.0315
19					
20	\$0.1007	\$0.1007	\$0.1007	\$0.1007	\$0.1007
21	\$0.0005	\$0.0005	\$0.0005	\$0.0005	\$0.0005
22	\$0.0508	\$0.0508	\$0.0508	\$0.0508	\$0.0508
23	\$0.0431	\$0.0431	\$0.0431	\$0.0431	\$0.0431
24					
25	\$0.0211	\$0.0211	\$0.0211	\$0.0211	\$0.0211
26	\$0.0025	\$0.0025	\$0.0025	\$0.0025	\$0.0025
27	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411
28	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411
29					
30	\$0.1506	\$0.1506	\$0.1506	\$0.1506	\$0.1506
31	\$0.0006	\$0.0006	\$0.0006	\$0.0006	\$0.0006
32	\$0.0295	\$0.0295	\$0.0295	\$0.0295	\$0.0295
33	\$0.0223	\$0.0223	\$0.0223	\$0.0223	\$0.0223
34					
35	\$0.0348	\$0.0348	\$0.0348	\$0.0348	\$0.0348
36	\$0.0067	\$0.0067	\$0.0067	\$0.0067	\$0.0067
37	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055
38	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055
39					
40	\$0	\$125,000	\$0	\$0	\$0
41	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
42	\$0	\$0	\$0	\$0	\$0

SOUTH JERSEY GAS COMPANY
2017 - 2018 BGSSC
Pipeline Pricing

	May-18	Jun-18	Jul-18	Aug-18	Sep-18
	\$0.1303	\$0.1303	\$0.1303	\$0.1303	\$0.1303
1					
2					
3					
4					
5					
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**BEFORE THE
NEW JERSEY BOARD OF PUBLIC UTILITIES**

SOUTH JERSEY GAS COMPANY

Direct Testimony

of

**BRUCE S. GROSSMAN
Program Manager, Residential Energy Efficiency**

On Behalf of

South Jersey Gas Company

1 **I. INTRODUCTION**

2 **Q. Please state your name, affiliation and business address.**

3 **A.** My name is Bruce S. Grossman, and my business address is One South Jersey Plaza, Route
4 54, Folsom, New Jersey. I am the Program Manager, Residential Energy Efficiency for
5 South Jersey Gas (“South Jersey” or the “Company”).

6

7 **Q. Please explain your educational and professional background.**

8 **A.** I earned a Bachelor of Arts degree in Honors Political Science from Rutgers University,
9 Camden College of Arts and Sciences, and a Master’s Degree in Public Policy from the
10 Rutgers School of Public Policy, Camden, NJ. In my current position as Program Manager,
11 I manage the activities of the Company’s Energy Efficiency Department and provide
12 subject matter expertise into the crafting of energy efficiency program designs. I also
13 represent the Company in civic and regulatory forums related to conservation and energy
14 efficiency.

15 In total, I have been with the Company for over 39 years, serving the Company in
16 various managerial positions. Prior to serving the Company in my current role, I was the
17 Manager of Energy Programs for nine years. I have been responsible for the Company’s
18 residential, commercial and industrial retail sales, and facilitated negotiations for natural
19 gas contracts with some of the Company’s largest customers. Since March of 2001, I have
20 represented South Jersey as one of seven utility managers who work with the administrator
21 of the New Jersey Clean Energy Program TM, within the New Jersey Board of Public
22 Utilities (the “Board” or the “BPU”) Office of Clean Energy. In that capacity, I was the
23 Senior Utility Sponsor for the Commercial/Industrial Construction Program, otherwise

1 known as the SmartStart Buildings Program ®, the Convener of the Combined Heat and
2 Power Program and the Utility Sponsor for the Home Performance with Energy Star
3 Program.

4 I previously represented South Jersey on all of the New Jersey Clean Energy
5 Efficiency working groups and chaired the Commercial/Industrial Subcommittee of the
6 New Jersey Clean Energy Council.

7 I currently serve as a member of the following groups and committees: The Energy
8 Efficiency committee of the Clean Energy Council, various committees with the
9 Consortium for Energy Efficiency and the American Gas Association (AGA) Sustainable
10 Growth Committee. For the past several years, I have served as the Senior Utility Sponsor
11 for the Comfort Partners, Low Income Working Group, which manages the Comfort
12 Partners Low Income Program, administered by the BPU Office of Clean Energy.

13 **Q. What is the purpose of your testimony in this proceeding?**

14 **A.** The purpose of my testimony is to provide information about the various conservation-
15 oriented initiatives that South Jersey has launched since the Conservation Incentive
16 Program (“CIP”) was originally approved by the Board on October 12, 2006, Docket No.
17 GR0512019, as further extended on January 20, 2010 and again on May 21, 2014. I will
18 also provide actual cost information for each of these programs.

1 **II. BACKGROUND**

2 **Q. Can you please explain generally, the Company’s approach to conservation and the**
3 **evolution of its workforce since inception of the CIP?**

4 **A.** The CIP has enabled South Jersey to share the common goal of energy efficiency with its
5 customers and local, State and national level policy-makers. For several years, the
6 Company has focused resources in an effort to manage and develop energy conservation
7 programs collaboratively with the BPU and other utilities. The Board's approval of the
8 CIP has aligned the Company's interests with those of its customers, as the program has
9 eliminated the Company’s financial disincentive to promote methods and opportunities for
10 customers to reduce their natural gas consumption and their bills.

11 The Board’s approval of the CIP, and other significant efforts such as the initiation
12 of the New Jersey Clean Energy Program, have recast public policy concerning the
13 efficient use of natural gas and its effect on the environment. The CIP and the promotion
14 of energy efficiency have become an integral part of our Company's culture. For example,
15 the focus of South Jersey's residential and commercial and industrial (“C&I”) sales force
16 has shifted from increasing customer natural gas consumption, to promoting specific
17 customer-focused programs that encourage conservation and energy efficiency.

18 Moreover, in September of 2009, the Company redefined its approach to the
19 marketplace by restructuring its Sales Department under a new name, the Energy
20 Efficiency Education and Consulting Department (EEECO). The new management
21 structure embedded the implementation of energy efficiency programming into our sales
22 and marketing efforts. Company representatives in this department were referred to as
23 consultants and were exposed to various energy efficiency training seminars and courses.

1 Customers were not only educated about the benefits of natural gas service, but they are
2 also educated about energy efficiency. In fact, the residential and commercial subsets of
3 the EEECO department each had an energy efficiency implementation focus and a
4 consultative focus. The former concentrated on programming, such as the energy
5 efficiency installation offers that remain available from the State and from the Company.
6 The latter concentrated on educating customers on energy efficiency as they become part
7 of the South Jersey network.

8 Through this restructuring, South Jersey tied together the themes of energy
9 efficiency, comfort and savings. In 2016, the Company made the conscious decision to
10 create a separate and distinct Energy Efficiency Department. The purpose of which was to
11 create a sustainable business model to be applied to our various markets for years to come.
12 To that point, in March 2018, the Company filed a five (5) year \$195M Petition for energy
13 efficiency programming to be offered to all our customer classes. On April 28, 2018, the
14 Company received notification from the Board that our Petition met the standards of
15 completeness in accordance with the Board's October 20, 2017 Order, Docket No.
16 Q017091004, and was administratively complete with respect to the Board's Minimum
17 Filing Requirements ("MFRs"). To that end, as directed by N.J.S.A. 48:3-98.1(b), the
18 Board will review the Petition and engage with the Company over the next six months,
19 with an anticipated approval of this filing in the early fall of 2018. With this approved
20 program in place, South Jersey Gas will be able to more aggressively promote the efficient
21 use of natural gas through the use of better technology, energy education, and sensible
22 energy consumption patterns through targeted presentations, and through partnerships with

1 public entities and nonprofit organizations, while reaching out to a variety of audiences, on
2 an unprecedented scale.

3 Finally, strategic energy efficiency communication is fully integrated into South
4 Jersey's CIP. A communications strategy focusing on the CIP and its benefits to customers
5 and shareholders is not viewed as a separate program, but rather is a corporate initiative. It
6 remains our goal to educate political leaders, corporate executives, business leaders, and
7 building managers about the facts associated with the CIP and to bring to light the vast
8 array of energy programs, policies, and practices necessary to achieve sustainable energy
9 efficiency in the market place.

10
11 **III. REVIEW OF CURRENT PROGRAMS**

12 **Q. Please provide a brief overview of the current programs.**

13 **A.** Attached to my testimony as Schedule BSG-1 is the Company's forty fourth (45th) CIP
14 quarterly report, filed with the Board on February 8, 2018. The information contained in
15 Schedule BSG-1 illustrates the Company's energy efficiency and conservation related
16 accomplishments during the eleventh (11th) year of the CIP, which encompassed the time
17 period of October 2017 to December 2017. I have also attached as Schedule BSG-2 the
18 Company's forty sixth (46th) CIP quarterly report, which was filed with the Board on May
19 4, 2018. The information contained in Schedule BSG-2 summarizes the Company's energy
20 efficiency and conservation related accomplishments during the first half of the current
21 CIP year, which encompasses the months of October 2017 through March 2018. This CIP
22 quarterly report illustrates how CIP programming has evolved into initiatives that promote
23 energy efficiency with a sense of urgency towards educating policy makers, energy

1 program designers, and trade ally contractors on the critical relationships between building
2 science and the installation of high efficiency heating and water heating equipment.
3 Schedule BSG-2 provides details of each program implemented in the twelfth (12th) year
4 of the CIP and contains program-specific material used to promote those programs. The
5 following discussion provides a summary and status of the programs that continue to
6 resonate with our customers.

7 **Q. Are there any programs that the Company is proposing to discontinue going**
8 **forward?**

9 **A.** Yes. The Aclara Dashboard web based self-audit program was discontinued in February
10 2016. However, in May of 2017, the Company unveiled their Social Marketing Program
11 through Opower (now Oracle), as part of its suite of energy efficiency programs. With that
12 change, the Company was able to offer Home Energy Reports and comparisons to
13 neighboring properties, to one hundred seventy thousand (170,000) customers. Through
14 this platform, customers could also go online to see more detailed information, which not
15 only offers energy tips, but can direct them to more wholistic energy efficiency approaches.
16 This program has generated measurable energy savings, which is reported on a monthly
17 and quarterly basis by the Company.

18 **Q. What efforts has the Company made with respect to community outreach of CIP**
19 **initiatives?**

20 **A.** Our market is represented by various chambers of commerce, trade associations, and other
21 public and private organizations that support economic enterprise and promote public
22 welfare. To promote energy efficiency programming entities, South Jersey established an
23 outreach program to communicate to local and state institutional constituents and also

1 created supportive relationships with trade ally organizations. The purpose of this outreach
2 is to illustrate how better energy practices will lead to lower operating costs, and ultimately,
3 savings for ratepayers and taxpayers.

4 For example, the Company continued its work to support a call center designed to
5 enhance our approach to better communicate with our customers, and answer questions
6 related to energy efficiency. This call center is part of a much larger campaign previously
7 known as “Keep it Simple,” and was an extension of the previous “Simple is Beautiful”
8 campaign. This campaign has now evolved to a “brand” known as Smart Energy
9 PartnersSM. The concept is to show customers that upgrading to energy efficiency can be a
10 painless and simple process, which can be accomplished seamlessly by leveraging the
11 resources available to our collective customers. Our goal is to engage our customers and
12 to provide them with a dedicated virtual call center, which began operations on August 20,
13 2015, and can now assist in providing our callers with information about the program, that
14 is the best fit for them. Though the winter season of 2017 – 2018, was somewhat moderate,
15 as compared to those from a few years ago, the call center still realized brisk activity.
16 Specifically, in January 2018 there were 615 minutes, in February there were 442 minutes,
17 and in March there were 537 minutes. We encourage our customers and trade allies to
18 view the offerings found on our newly created very informative website;
19 <https://southjerseygas.com/For-My-Home/Residential-Incentives.aspx>, or to call 855-678-
20 5860. Moreover, the Company evolved its outreach efforts further on it’s website by
21 offering helpful energy saving videos, [https://southjerseygas.com/Save-Energy-
22 Money/Energy-Saving-Videos.aspx](https://southjerseygas.com/Save-Energy-Money/Energy-Saving-Videos.aspx). This series shows why it’s beneficial to go about
23 installing energy efficiency measures through professional contractors, who are trained and

1 knowledgeable. With that, the Company continues to leverage its partnership approach
2 with the NJ Clean Energy Program to offer customers the most energy value possible.

3 The Company has also continued its involvement with the American Gas
4 Association, and with the Consortium for Energy Efficiency to engage with various energy
5 efficiency organizations, as well as its involvement with the Association of Energy
6 Services Professionals (AESP), and the Home Performance Coalition (HPC), to find
7 common ground whereby energy efficiency gains can be gleaned according to best
8 practices and market acceptance. An example of this, is our recent participation on a break-
9 out panel at the National AESP conference in New Orleans, Louisiana in February 2018,
10 (Schedule BSG - 3). and at the National HPC conference in Philadelphia, in April 2018.
11 At that function I had the honor of participating on a break-out panel regarding
12 collaborative energy strategies with Commissioner Mary-Anna Holden. The name of that
13 session was titled, Synergies: How Utilities Work Together to Successfully Serve a State
14 <https://www.eventscribe.com/2018/HPC/agenda.asp?f=SessionName&BCFO=P>
15 (Schedule BSG - 4).

16 The Company promoted our theme of energy efficiency by emphasizing the
17 importance of crafting messages that are meaningful to the customer. It has become
18 evident that consumers desire more than energy efficiency and want a benefit that satisfies
19 their value proposition. For many residential customers, that benefit is comfort at an
20 affordable price. The Company has transitioned from a broadcast media platform, which
21 may have limited reach to our customers, to a more direct approach, as evidenced at our
22 following web link: [https://southjerseygas.com/Save-Energy-Money/Energy-Saving-](https://southjerseygas.com/Save-Energy-Money/Energy-Saving-Videos.aspx)
23 [Videos.aspx](https://southjerseygas.com/Save-Energy-Money/Energy-Saving-Videos.aspx).

1 The Company continues to reach out to municipal and other civic and efficiency
2 minded constituents by participating in a variety of programs both inside and outside our
3 service territory. For example, the Company has been represented at community, statewide
4 and national industry functions. During the first quarter of 2018, the Company continued
5 to embark upon a targeted campaign, designed to serve local strategic communities. These
6 efforts included various public outreach events, for example, the Pitman Spring Home
7 Show Expo in Gloucester County; the Ocean City Women in Business Conference, and the
8 Cumberland County Business Exposition. Since the inception of the CIP, South Jersey has
9 participated in numerous events with various groups and organizations and makes
10 Company representatives available to offer formal presentations regarding energy
11 efficiency programs to any group upon request.

12 **Q. What is the Company’s involvement with the Eastern Heating Cooling Council**
13 **(EHCC)?**

14 **A.** In October 2016, South Jersey Gas made the decision to financially support the Eastern
15 Heating Cooling Council (EHCC) to prevent an imminent shut down of HVAC training
16 operations. SJG now serves on its Board of Directors. This organization has been vital in
17 offering training seminars to HVAC contractors; especially in teaching them how to
18 perform Manual J and ACCA Manual S calculations. These documents are now required
19 to obtain an HVAC permit, and are required by the Warm and Cool Advantage Program.
20 Since September 2016, one hundred thirty-seven (137) people have gone through this
21 program. SJG will be scheduling a training session each month throughout 2018, as
22 weather permits. These sessions have also been attended by staff from Clear Result to

1 illustrate changes in the Warm and Cool Advantage Programs, along with new training
2 guidelines for Building Performance Training Certification.

3 **Q. Please explain the Company’s involvement with the New Jersey Sustainable Jersey**
4 **Program.**

5 **A.** In 2013, the Company began taking a more global view of sustainability and energy
6 efficiency messaging. To foster that effort, the Company engaged with Sustainable Jersey
7 and made a substantial contribution to foster their efforts to create a “South Jersey Hub.”
8 Sustainable Jersey provides financial resources and support for sustainability programs and
9 encourages participation in clean energy and energy efficiency programs. With South
10 Jersey’s contribution, Sustainable Jersey has been able to make significant inroads to foster
11 initiatives throughout Southern New Jersey. In March of 2015, the Company provided
12 \$150,000 to help fund the new Sustainable Jersey for Schools Program. Sustainable Jersey
13 for Schools is a voluntary certification program for New Jersey public schools that provides
14 tools, training and financial incentives to support and reward schools as they pursue
15 sustainability programs such as energy efficiency, renewable energy and climate mitigation.

16 On March 29, 2017, a meeting was held with Randall Solomon, Director of
17 Sustainable Jersey to discuss future support for this worthy organization. The meeting
18 focused on how both organizations can leverage messaging to promote energy efficiency
19 programming, participation, while increasing awareness of sustainability. A proposal for
20 this joint effort was received by South Jersey Gas on May 4, 2017. After several meetings;
21 in August 2017, the Company provided Sustainable Jersey with another \$150,000 grant.

22
23

1 **IV. REVIEW OF CURRENT CIP YEAR PROGRAM EXPENSES**

2 **Q. Please provide an overview of the current CIP Year program expenses.**

3 **A.** Quarterly expenses incurred for each of South Jersey's CIP programs are summarized in
4 Schedule BSG-2, attached hereto. During the first half of the CIP year, which encompasses
5 the months of October 2017 through March 2018, South Jersey invested \$296,219 in these
6 programs. With the Company's involvement in Sustainable Jersey, increased targeted and
7 cost-effective media promotions, and concentrated outreach with the EHCC, South Jersey
8 projects that it will spend approximately \$500,000 by the conclusion of the CIP year
9 September 30, 2018.

10 **Q. Please briefly summarize your testimony.**

11 **A.** This testimony has provided an overview of the programs in effect during the 2016 -20167
12 CIP year, as well as insights into the 2017 - 2018 CIP year programs, and their related
13 expenditures. South Jersey's CIP programs are collectively designed to complement
14 current energy policies articulated by the Board, and the State of New Jersey and are
15 intended to motivate customers to efficiently use energy and reduce their costs.

16 **Q. Does this conclude your testimony?**

17 **A.** Yes.



South Jersey Gas

February 8, 2018

Thomas Walker, Director
Division of Energy
NJ Board of Public Utilities
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P. O. Box 350
Trenton, NJ 08625-350

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Division of Rate Council
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Re: Conservation Incentive Program (“CIP”) Quarterly Report

Dear Mr. Walker and Ms. Thomas-Friel:

Pursuant to the Board’s Order dated December 12, 2006, in Docket No. GR05121019, South Jersey Gas Company (“SJG”) is filing its forty-fifth (45th) Conservation Incentive Program (“CIP”) Quarterly Report for the quarter ending December 31, 2017. The report is comprised of the following four components:

- CIP Summary of Required Reporting Mechanisms
- Status Report of CIP Programs
- Supporting Attachments for Programs
- Quarterly CIP Report of Expenses

During the quarter ending December 31, 2017, 2017, SJG incurred CIP related expenses totaling \$190,254. South Jersey Gas Company continues to be pleased with the results and the feedback we’ve received from customers, government officials and employees, regarding the CIP, and our extensive efforts to encourage conservation and energy efficiency.

SJG looks forward to continued development and implementation of initiatives that will have impact on customer energy actions, with the goal of reducing both consumption and costs. Some of these new initiatives are in concert with staff from the NJCEP Program Administrative team, specifically in field of training.

Our public-sector outreach program is designed to take advantage of our strong relationships with municipalities, trade allies, and various public constituencies. The Company has continued to utilize its resources to maintain constant interaction with our

Page 2
Thomas Walker
Felicia Thomas-Friel, Esq.
February 8, 2018

customers, contractors, dealers, and manufactures, through a new and vibrant campaign known as the “Join the Energy Revolution”, along with classroom style informational training sessions. In June, the Company created and trademarked the brand name “Smart Energy Partners”, dedicated to helping customers lower their energy consumption and costs. The purpose of these collective messages is to make our multi-faceted audience aware of opportunities that will enable them to practice judicious energy behaviors, implement safe and effective equipment installation protocols, and take the anxiety out of taking the steps to upgrade to energy efficiency programming.

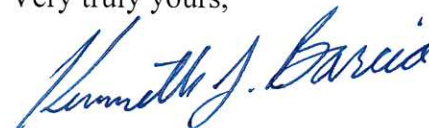
We continue to want our trade allies to install natural gas equipment with efficiency in mind, but to do so with a solid background of building science, compliance with licensing requirements, and better sales approaches. Education in the field of building science has enabled contractors to better understand the implication of new codes, sizing, air flow and pressures within a home, and thus employ safer installation practices. Given the knowledge gained by contractors over the past couple of years, we have started to provide information to contractors on how to make mechanical improvements affordable.

The Company continues to promote energy efficiency messaging by linking the customer comfort experience with their participation in NJCEP offerings. The Company successfully continued its engagement with an energy efficiency call center and has created a new website: SouthJerseyGas.com/GetEnergyEfficient. Moreover, South Jersey Gas is committed to working with our trade allies to perform the necessary training to comply with the new HVAC sizing permit requirements, and the new NJ Clean Energy Program requirements to obtain a rebate. In 2018, South Jersey Gas intends to host HVAC Manual J and ACCA Manual S training sessions, where facilities and weather conditions permit, in various locations throughout Southern New Jersey. This training will be offered through the expertise of the Eastern Heating Cooling Council, which South Jersey Gas will continue to support.

The goal is for our customers to reap the rewards of making better decisions, and to take advantage of the benefits made possible by our Company and the NJBPU. It is important that high efficiency heating and cooling products are installed to operate at their optimal design efficiencies, and that our customers receive the intended value.

I hope that you find this forty-fifth (45th) quarterly report to be informative. Please do not hesitate to contact me should you have any questions.

Very truly yours,



Kenneth J. Barcia
Manager, Rates and Revenue Requirements

KJB:lvk/f84
Attachments

CONSERVATION INCENTIVE PROGRAM : SERVICE LIST
:
NOTIFICATION OF YEAR 12 PROGRAMS : BPU DOCKET NO. GR05121019

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South Jersey Gas Company

**Quarterly Report of Approved Conservation Incentive Programs (“CIP”)
Docket No. GR05121019**

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South Jersey Gas Company
Docket No. GR05121019

Quarterly CIP Report of Expenses

	1st Quarter 10/01/17 - 12/31/17	2nd Quarter 1/1/18 - 3/31/018	3rd Quarter 4/1/18 - 6/30/18	4th Quarter 7/1/18 - 9/30/18	Annual Total
Direct Mail Campaign	\$59,308	\$0	\$0	\$0	\$59,308
Public Sector Outreach	\$130,856	\$0	\$0	\$0	\$130,856
Eastern Heating Cooling Council	\$0	\$0	\$0	\$0	\$0
Sustainable Jersey	\$90	\$0	\$0	\$0	\$90
Local on the 8's Program	\$0	\$0	\$0	\$0	\$0
Total CIP Expenses	<u>\$190,254</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$190,254</u>

South Jersey Gas Company
Status Report of Approved Conservation Incentive Programs (“CIP”)
Docket No. GR05121019

Report of Quarterly Activities

Public Sector Outreach Program

SJG continued to promote energy efficiency and statewide programs to all facets of our franchise community. Several outreach opportunities were presented, and they enabled the Company to reach the public on a variety of levels. The purpose of participating in outreach venues is to promote energy efficiency awareness and programming to varied components of our customer base.

We contend that all customers who can take advantage of the CIP programs are making a concerted effort to cope with energy costs in this current economic environment. The information offered includes illustrating how customers can take advantage of the Company’s website, engaging our trade allies, and introducing our next generation of customers to the importance of good energy practices.

The Company continues to make strides to re-craft the energy efficiency message and to enhance our approach to better communicate with our customers. Specifically, the Company continues to utilize a call center, which began operations on August 20, 2015, designed to answer questions related to energy efficiency. The purpose of which is to directly answer questions that our customers have concerning the NJ Clean Energy Program and how it relates to the energy efficiency offerings from South Jersey Gas. The goal is to maximize customer participation in both program initiatives, and to accelerate the rate of participation, energy savings and environmental conservation. This call center is part of a much larger campaign referred to as the Be South Jersey Smart campaign. For the first time since we began to offer energy efficiency messaging, the Company is now fully able to counsel and guides both residential and non-residential customers towards programs that can stimulate better decision making. The collective goal is to engage our customers and to provide them with a dedicated virtual call center that can assist them by

providing information about the programs and help find the best fit for them. Over the fourth quarter of 2017, the call center experienced continued monthly activity in terms of minutes of utilization. Specifically, in October, November and December 2017, there were 462, 884 and 607 utilization minutes, respectively. We encouraged our customers and trade allies to view the offerings found on this newly created website:

<https://southjerseygas.com/getenergyefficient>. The website invites the customer to contact the Company to receive information on our affordable financing programs, or to call 888-726-5217.

South Jersey Gas also paid for “Google Ad” words to link to our Energy Efficiency site, along with Pandora online radio, newspaper, billboard, and Facebook Advertising. The Company continues its efforts to leverage its partnership approach with the NJ Clean Energy Program, to offer customers, the most energy value available to them. Another web portal developed recently can be found at <https://www.southjerseygas.com/For-My-Home/Residential-Incentives.aspx>. During the fourth (4th) quarter of 2017, the company also continued its public outreach events including the Lower Township Day of Hospitality, the Tri-County Sustainability Alliance event in Mount Laurel, and several other events.

Eastern Heating Cooling Council

On September 30, 2016, the Company sponsored the first of two Manual J, and ACCA Manual S training seminars. The purpose of this training is to teach our HVAC contractors how to properly estimate heat loss, and heat gains, for the purposes of selecting the correct central heating and cooling system. The documentation that illustrates that these manuals were utilized and that calculations were performed are not part of the HVAC permit application process, and is a requirement for receiving a rebate from the NJ Clean Energy Program. Since its inception well over a year ago, the sessions have featured Don Swift and or Hap Have, of Clear Result, with in depth training provided by Ed Janowiak of the Eastern Heating Cooling Council. This training is crucial to the success of the Warm Advantage Program, but more importantly will go far in motivating contractors to “right size” energy efficient mechanical equipment. Such

training occurred each month through-out 2017, except for the month of June. Thus far, one hundred thirty-three (133) contractors have attended these sessions, and it is the goal of the Company to continue this outreach training effort each month, as the weather permits, throughout the balance of this year, and next.

In October of 2016, South Jersey Gas made the decision to financially support the Eastern Heating Cooling Council (EHCC) to prevent an imminent shut down of HVAC training operations. SJG will now serve on their Board of Directors. This organization has been vital in offering training seminars to HVAC contractors; especially in teaching them how to perform Manual J and ACCA Manual S calculations. These documents are now required to obtain an HVAC permit, and are required by the Warm and Cool Advantage Program to receive a rebate. Fortunately, the EHCC is working collaboratively with Clear Result to host twenty (20) classes, with the possibility of teaching thirty (30) more. All of which are in addition to the classes being taught for South Jersey Gas.

Sustainable Jersey

The long-term goal associated with South Jersey Gas Company's financial commitment to Sustainable Jersey is to help communities successfully implement a wide range of sustainability initiatives. To introduce our plans to our region, the Company hosted a meeting with several of our local municipal leaders at our Corporate Offices in September 2017. Plans to further enhance these collaborative outreach efforts are ongoing and updates will be provided in upcoming reports. It is also noteworthy to mention that since our engagement with Sustainable Jersey in 2012, South Jersey Gas has contributed \$725,000 to support this very well-respected organization in Southern New Jersey.

Direct Mail Campaign

The Company continues to develop energy efficiency communication strategies, where appropriate. These Energy Note messages were issued through our billing process during the months October, November, and December 2017 (Exhibit 4, 5, and 6). It is noted here that the Company's direct messaging promoted SJG's financing options to upgrade their mechanical systems, and specifically mentioned the NJCEP. Another feature of that message is of special mention. South Jersey Gas created and trademarked the name, "Smart Energy Partners", a brand dedicated to helping customers lower their energy costs

and to reduce their energy consumption. The purpose of these layered marketing efforts is to again illustrate the relationship between the offerings provided by South Jersey Gas, and the NJCEP, and to encourage customers to visit the NJ Clean Energy website for more detail. An example of this message is clearly articulated on the website:

<https://southjerseygas.com/Save-Energy-Money/Energy-Saving-Videos.aspx>. The approach taken on these series of three (3) video messages is to inform our views that sometimes “a do it yourself” approach may not always be the right way to go about becoming energy efficient. The message is, it’s best to call an energy services professional, and take advantage of the collective offering provided by the Clean Energy Program, and South Jersey Gas.

CIP Summary of Required Reporting Measures

Program	Measures/Information to be Reported per BPU Order	Status As Of 12/31/17
<p>Public Sector / Outreach</p>	<p>South Jersey Gas Company (“SJG” or “Company”) continued to promote energy efficiency and statewide programs to all facets of our franchise community.</p> <ul style="list-style-type: none"> • The purpose of participating in the outreach venues is to promote energy efficiency awareness and programming to varied components of our customer base. We contend that all our customers, who can take advantage of the Conservation Incentive Program (“CIP”) programs, are making strides to cope with energy costs in this current economic environment. The information offered, ranges from illustrating how customers can take advantage of the energy efficiency features of the Company’s website through our website and through and links to the NJ Clean Energy Website, to engage the public, the business community, and government. • Energy Efficiency Call Center Operation, Operation continued during the fourth (4th) quarter 2017 with the following minutes totaled: <ul style="list-style-type: none"> ○ October = 462 minutes ○ November = 884 minutes ○ December = 607 minutes 	<p>The Company has continued its work to discuss the importance of the proper installation of high efficiency heating equipment, its relevance upon other natural gas consuming equipment in the home.</p> <p>During the months of October, November and December of 2017, the company continued the “Join the Energy Revolution” campaign. The Company continued paid for “Google AdWords” to link to our EE website, online banner ads, newspaper ads and inserts, direct mail, and Facebook advertising.</p> <p>The company also continued its public outreach events including the Lower Township Day of Hospitality, the Tri-County Sustainability Alliance event in Mount Laurel, and several other events.</p> <p>CIP Public Sector/Outreach expenses for the quarter amounted to \$130, 856.</p>

CIP Summary of Required Reporting Measures

<p>Eastern Heating Cooling Council</p>	<p>In October 2016, South Jersey Gas made the decision to financially support the Eastern Heating Cooling Council to prevent an imminent shut down of HVAC training operations. SJG now serves on their Board of Directors. This organization has been vital in offering training seminars to HVAC contractors; especially in teaching them how to perform Manual J and ACCA Manual S calculations. These documents are now required to obtain an HVAC permit, and are required by the Warm and Cool Advantage Program.</p>	<p>Since September 2016, one hundred thirty-three (133) people have gone through this program. SJG will be scheduling a training session each month throughout 2017, except for the month of June. These sessions have also been attended by staff from Clear Result to illustrate changes in the Warm and Cool Advantage Programs, along with new training guidelines for Building Performance Training Certification.</p> <p>There were no quarterly CIP expenses reported for this program.</p>
<p>Sustainable Jersey</p>	<p>In 2013, the Company made a substantial financial commitment to Sustainable Jersey, in an effort to create a "South Jersey Hub". In March of 2015, and again in March 2016, the Company showed its commitment to Sustainable Jersey, by sustaining their founding membership status of the Sustainable Jersey Schools Program.</p> <p>In 2017, South Jersey Gas and Sustainable Jersey worked over the summer to collaboratively formalize a proposal to better foster the collective goals of both organizations.</p>	<p>The funding greatly assisted Sustainable Jersey in developing and implementing sustainable actions and behaviors in schools throughout N.J. A meeting with Sustainable Jersey was held on March 29th. Since then, SJG hired an Energy Efficiency Program Coordinator on May 22nd to better engage the various Green Teams throughout Southern NJ.</p> <p>In August of 2017, South Jersey Gas contributed \$150,000 to Sustainable Jersey to support this effort.</p> <p>CIP expenses for this program during this quarter amounted to \$90.00.</p>

CIP Summary of Required Reporting Measures

Direct Mail Program	<p>The Company continues to develop energy efficiency communication strategies, and to make customers aware of the affordable energy programs that can help them make informed decisions. This message is communicated through SJG Energy Notes. Specifically, the Company's July 2017 Energy Notes introduced our Smart Energy Partners campaign, which featured heating and water heating rebates, and financing options available for energy efficient upgrades. As part of this message, the Company included information about the NJ Clean Energy Program.</p>	<p>Energy Notes are messages that are included as bill stuffers to all SJG's residential customers.</p> <p>CIP Direct Mail Program Expenses for the quarter amounted to \$59,308.</p>
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South Jersey Gas

Energy Notes

OCTOBER 2017



www.southjerseygas.com

CUSTOMER SERVICE 1-888-766-9900 Mon-Fri 7AM to 8PM / Sat 9AM to 2PM
e-mail: customer care@sjindustries.com

GAS LEAK HOTLINE:
1-800-582-7060

ON YOUR SIDE

HEAP Helps Pay Utility Bills

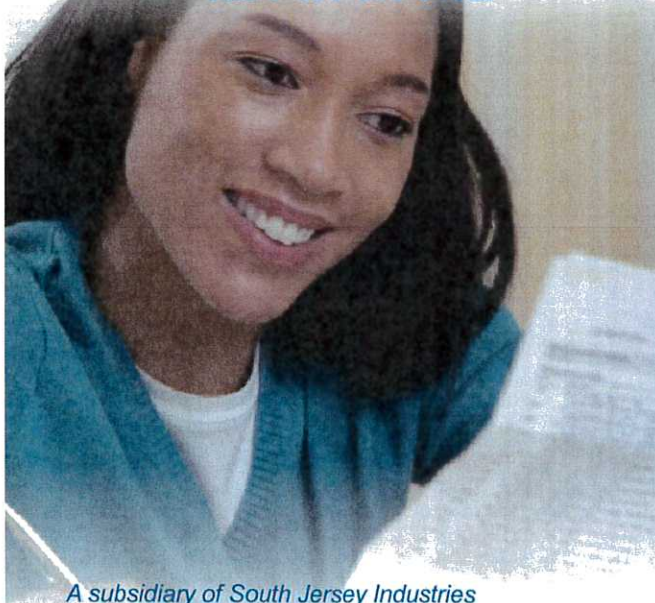
The Home Energy Assistance Program helps elderly, disabled and low-income residents pay their utility bills. To qualify for HEAP, you must:

- Be a New Jersey resident
- Pay heating and/or cooling costs to a fuel supplier
- Pay a landlord for fuel use or pay rent including these costs
- Have a personal income level that doesn't exceed 200% of the poverty level

Four types of HEAP payments exist:

- Automatic payments to Food Stamp recipients
- Emergency energy assistance
- Special energy assistance to other eligible households applying for assistance
- Medically necessary cooling assistance

To apply for HEAP, contact or visit your local Community Action Program agency. For more information, call 1-800-510-3102.



A subsidiary of South Jersey Industries



SAFETY

Have A Gas Concern?

As a valued customer, your safety and comfort are important to us. South Jersey Gas has been dedicating itself to serving the energy needs of consumers, just like you, safely and effectively.

As the winter months approach, we recognize your reliance on our prompt, quality service to keep you and your family warm. Please know that South Jersey Gas does not repair heating systems or other gas burning appliances.

If you do smell gas (which has the odor of rotten eggs):

- Check your gas appliances to see if a light is out or a burner valve is partially on.
- If all pilots are lit and all burners are off, leave your house immediately keeping the door open as you exit.
- Do not use the phone or any electrical equipment in the house.
- Using a telephone outside and away from the building, call South Jersey Gas' 24-hour Gas Leak Hotline at 1-800-582-7060.
- Remain outside of your home until the area is declared safe by South Jersey Gas or fire officials.

IS YOUR HOME COLD AND DRAFTY? IT SHOULDN'T BE!



Energy Efficiency Upgrades Are Easier than Ever with 0% Financing.

South Jersey Gas' **Whole House Upgrade Program*** is here to help you greatly increase the comfort and efficiency of your home. Through this program you can implement a number of small energy improvements, such as installing air sealing and insulation. You can also do more with larger energy improvements, like upgrading to high-efficiency heating and water heating equipment before the cold weather sets in.

These small and large energy improvements will really make a difference in how you feel in your home!

Here's how it works*:

- An Accredited Home Energy Expert will assess your house with a Home Energy Audit.
- Based on your energy efficiency upgrades, you may qualify for \$10,000 in 0% financing for 7 years or up to \$15,000 at 4.99% for 10 years. These loans are unsecured with no money down.
- Plus, take advantage of up to \$4,000 in rebates from the NJ Clean Energy Program.

Get started today. You could be saving up to 30% on your energy costs! You'll really feel warm once you see your energy bill drop.

Call toll free **855-678-5860** or visit www.southjerseygas.com/incentives for financing and rebate information.



**Smart Energy
Partners**

**Be advised, these offers are only available until December 31, 2018 or when funds are exhausted.*

PROGRAMS & SERVICES

FastCall

As a South Jersey Gas customer, you have round-the-clock access to your account information with FastCall. This 24-hour automated telephone system allows you to make bill payments, enter your meter reading or learn about energy assistance programs at the touch of a button. Of course, if you need personal assistance, FastCall can also transfer you to our Customer Care Center during normal business hours.

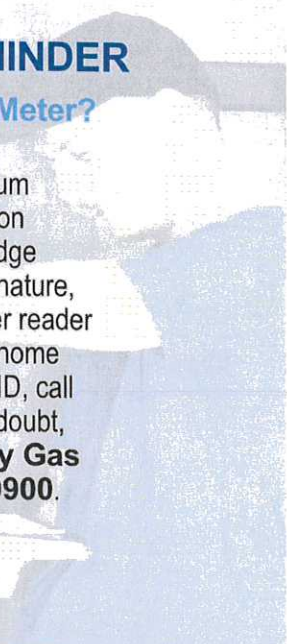


*Use FastCall today
by dialing 1-888-766-9900.*

CUSTOMER REMINDER

Who's Reading Your Meter?

Your gas meter is read by a representative from Millennium Account Services. This person is required to wear an ID badge displaying his/her photo, signature, full name and logo. If a meter reader asks to gain access to your home and cannot or will not show ID, call the police immediately. If in doubt, please **call South Jersey Gas toll-free at 1-888-766-9900.**



Connect with us!



/southjerseygas



/southjerseygas

www.southjerseygas.com



Energy Notes

NOVEMBER 2017



www.southjerseygas.com

CUSTOMER SERVICE 1-888-766-9900 Mon-Fri 7AM to 8PM / Sat 9AM to 2PM
e-mail: customer care@sjindustries.com

GAS LEAK HOTLINE:
1-800-582-7060

INVESTMENTS FOR A SAFE SYSTEM

South Jersey Gas' top priority is safety. Keeping our customers, employees, and the communities we serve safe shapes everything we do.

This focus drives continued investments needed to ensure the safety and reliability of the natural gas system serving southern New Jersey homes and businesses each day.

To do this, we perform compliance and integrity management programs, distribution system upgrades, and maintenance for transmission and distribution pipelines.

We are also updating miles of aging bare steel and cast-iron mains throughout the system with more durable high-performance polyethylene material. This fortifies the system and reinforces reliability for warming homes, heating water, and drying clothes.

Last, we have completed the successful conversion of 92 miles of distribution mains along the barrier islands of Atlantic and Cape May counties under the Storm Hardening and Reliability Program (SHARP).

System enhancements will continue for the near term so that service to over 381,000 customers remains dependable.



COMING SOON

NEW, EASY-TO-READ BILLING STATEMENT

Improving your customer experience is a high priority for South Jersey Gas. That's why we are creating a new detailed billing statement to make it easy to find and understand the information that's most important to you. Your new statement will provide much more than just your account balance. It will offer simple calculations of your account charges, a more complete picture of your current and historical usage, important information on regulations, and community news. We look forward to sharing these improvements with you in early 2018.

PAYMENT ASSISTANCE FOR GAS & ELECTRIC (PAGE)

The PAGE energy assistance program benefits homeowners and renters who are NJ residents, who have not received Universal Service Fund (USF) support in the past 6 months or Home Energy Assistance (HEA) within the last heating season, who are experiencing a crisis situation that includes a documented notice of overdue payment for gas and/or electric service, and who have a past history of making regular payments towards their utility bills. **For more information or to apply, visit www.affordablehousingalliance.com or call 732-389-2958.**

NJ SHARES Grants Available

This program is open to any NJ resident who needs temporary help paying his/her utility bill. Customers must have an income level that does not exceed 400% of the Federal Poverty Level.

NJ Shares 1-866-657-4273

Atlantic County

- Hammonton Family Community Center 609-567-2900
- Family Service Association (EHT) 609-569-0376
- The Salvation Army (Atlantic City) 609-344-0660
- Atlantic City Rescue Mission 609-345-5517
- Ocean County – HEAP 732-244-9041 ext.110

Burlington County

- The Christian Caring Center – Pemberton, Inc. 609-893-0700
- St. Vincent De Paul Society – St. Mary of the Lakes 609-953-0021
- St. Vincent De Paul Society – St. Isaac Joques 856-797-7352

Camden County

- Senator Madden's Office 856-232-6700
- OEO, Inc. – Sheridan Apartments 856-541-4422
- Fellowship House 856-964-4545
- Catholic Charities – Diocese of Camden 856-342-4193
- St. Joseph's Carpenter Society 856-966-8117
- Hispanic Family Center of Southern NJ 856-365-7393
- OEO, Inc. – Pennsauken 856-910-1180

Continued on other side →

\$1,200 in REBATES!

CLAIM YOURS TODAY!

Homeowners in need of a new water heater and heater can replace their entire heating system with the assistance of South Jersey Gas. By upgrading equipment to a qualifying high-efficiency natural gas water heater AND a qualifying high-efficiency natural gas boiler or furnace, homeowners can take advantage of incredible rebates.

High-Efficiency Water Heating and Heating System Rebates

NJ Clean Energy Program Rebate	\$700
South Jersey Gas Rebate	\$500
TOTAL REBATE	\$1,200

**For details on requirements, qualifying equipment and program dates:
Call 1-855-678-5860 or visit www.southjerseygas.com/incentives**

Hurry! These programs expire December 31, 2018 or when funds are exhausted.

IS YOUR INFORMATION CURRENT?

Having accurate customer information is a key part of ensuring exceptional service. Please take a few minutes to verify that the information contained in your billing statement is current. Be sure to verify both the address where you have South Jersey Gas service as well as your billing address, in case they are different.

If you need to update your information, you can do so by noting the changes on the back side of your remittance slip, or by emailing us at customer@sjindustries.com. You can also provide us with an alternate contact person (family member, neighbor, property manager, etc.) for your account, with whom we can discuss a service interruption if you are unavailable.

THIRD-PARTY NOTIFICATION

Sometimes, we all need a little extra help. Our third-party notification program allows you to designate a contact person (friend, relative, neighbor, etc.) who will also receive a copy of your bill if it contains a shut-off notice. This person will not be responsible for paying your bill, but they may be able to help you better understand your bill and how you can ensure your service continues without interruption.

To enroll, contact our Customer Contact Center via e-mail at customer@sjindustries.com or by phone at 1-888-766-9900.



← Continued from previous side.

OEO, Inc. – UWC 856-365-8989
OEO, Inc. – CUI..... 856-964-6887

Cape May County

Puerto Rican Action Committee (Woodbine/Salem/Cape May) 609-861-5800
Catholic Charities – Diocese of Camden (Rio Grande)..... 609-886-2662

Cumberland County

Lawrence Township Senior Center (Cedarville) 856-447-1000
Bethel Development Corporation 856-327-9092
Catholic Charities – Diocese of Camden (Vineland) 856-691-1841
The Salvation Army (Vineland) 856-696-5050
The Salvation Army (Bridgeton)..... 856-451-0999
CASA PRAC INC..... 856-692-2331

Native American Advancement Corp
Weatherization Assistance Program 856-455-0600
Community Action Partnership 856-451-6330

Gloucester County

Senator Madden's Office 856-232-6700
Paulsboro Community
Development Center..... 856-224-1401

Salem County

Puerto Rican Action Committee (Salem/Cape May)..... 856-299-5800
Catholic Charities – Diocese of Camden (Penns Grove) 856-299-1296
The Salvation Army (Salem)..... 856-935-0305
Puerto Rican Action Committee (Penns Grove) 856-299-5800
Board of Social Services (Salem)..... 856-299-7200



Energy Notes

DECEMBER 2017



www.southjerseygas.com

CUSTOMER SERVICE 1-888-766-9900 Mon-Fri 7AM to 8PM / Sat 9AM to 2PM
 e-mail: contactus@sjindustries.com

GAS LEAK HOTLINE:
 1-800-582-7060

SAFETY

A Reminder about CO Detectors

Carbon monoxide, commonly called CO, is an odorless, colorless, tasteless and non-irritating gas that, in extreme cases, may be fatal. It's primarily caused by improperly installed or poorly maintained vents, chimneys or space-heating equipment or by using ranges/ovens for heating. For your safety, make sure heating equipment is inspected annually by a qualified technician and never use your range/oven for home heating. Also, be sure to install at least one carbon monoxide detector — available at any home improvement center — in your home. But remember, CO detectors are not a replacement for proper use and maintenance of your fuel-burning appliances.

An Important Safety Reminder

South Jersey Gas reminds you not to attempt to service or operate any natural gas equipment between our natural gas main and the meter — no matter how easy the procedure may seem.

All equipment from the service main up to, and including, the gas meter is South Jersey Gas property and should be serviced and maintained only by South Jersey Gas technicians or by a South Jersey Gas contractor. Gas lines and connections from the meter into your home are owned by you. For your safety, we highly recommend that these lines, as well as your

gas burning appliances, only be serviced by a licensed contractor.

If you need to have the gas to your home temporarily turned off, please contact South Jersey Gas at 1-888-766-9900 to schedule an appointment for one of our technicians to turn off the gas. A South Jersey Gas technician will also restore gas service to your home.

We offer you this message as a safety reminder because turning the valve leading to your gas meter on or off, or operating any South Jersey Gas equipment yourself, could result in a serious safety hazard to you and your family.

Remember, natural gas is a safe, efficient and economical fuel when installed and maintained by trained professionals, such as South Jersey Gas technicians or licensed contractors.

COMING SOON NEW, EASY-TO-READ ACCOUNT STATEMENT



Improving your customer experience is a **top priority** for South Jersey Gas. So we've created a **new, detailed billing statement**, using feedback from customers like you. Your new billing statement outlines the information that's most important to you, including simple calculations of account charges, a more complete picture of current and historical usage, important regulatory information, and community news. We look forward to sharing these improvements with you in early 2018, when your first new billing statement will arrive. If you currently receive a paper bill, be sure to look out for a larger, standard-sized envelope from South Jersey Gas containing your new statement.

DOLLARS & SENSE

Budgeting Made Easier

Looking for a way to make bill paying easier? Take advantage of South Jersey Gas' free Budget Billing option. Once enrolled, we estimate a monthly payment based on your prior usage. All overpayments or deficiencies are rolled into the next year's budget billing amount and reflected in the new revised monthly payment amount. This way you know exactly how much to budget for gas, regardless of the weather. If you still have trouble making timely payments, please call us to establish payment arrangements.

Free Budget Billing Call: 1-888-766-9900



DOLLARS & SENSE

Updating Your Heating System is Easy with 0% Financing!

Program Spotlight: Equipment Upgrade Program

Homeowners in need of a new water heater or furnace can replace their entire heating system with the assistance of South Jersey Gas! By upgrading equipment to a qualifying high-efficiency natural gas water heater AND a qualifying high-efficiency natural gas boiler or furnace, homeowners can take advantage of:

- **\$6,500 in 0% financing for 5 years OR a \$500 rebate from South Jersey Gas**
- **No money down**
- **Up to \$700 in rebates from the NJ Clean Energy Program**

Please note, qualifying combination water heater and boiler units are also eligible for South Jersey Gas financing. Check with your contractor for specific eligibility requirements.

**For details on requirements,
qualifying equipment and program dates:**

**Call 1-855-678-5860
Visit www.SJGsimple.com**



IN YOUR COMMUNITY

South Jersey Industries has once again partnered with United Way, recently wrapping up a successful employee giving campaign for 2017-2018. Representatives from the United Way of Greater Philadelphia and Southern NJ joined South Jersey Industries employees at several kick-off meetings held at company locations throughout October. Since then, South Jersey Industries employees have pledged more than \$100,000 in contributions to United Way chapters throughout southern New Jersey. South Jersey Industries is a proud supporter of United Way, assisting in its efforts to improve lives throughout our local communities.

If you would like more information about how you can **LIVE UNITED** by giving, advocating, and volunteering, locate a United Way organization in your area by visiting www.liveunited.org.

ON YOUR SIDE

Assistance Programs

HEAP (Home Energy Assistance Programs): This program assists elderly, disabled and low-income residents. Contact or visit your local Community Action Program agency. For information, call 1-800-510-3102. In Cape May, call 609-465-4531.

Lifeline: This program assists low-income residents. For information, call 1-800-792-9745.

NJ SHARES: This program is for any resident who needs temporary help paying his/her utility bills.

For a listing of agencies, visit www.njshares.org or call South Jersey Gas at 1-888-766-9900.

NJ Comfort Partners: This program offers weatherization measures and conservation assistance to low-income residents. To learn more, call 1-888-773-8326.

Connect with us!



[/southjerseygas](https://www.facebook.com/southjerseygas)



[/southjerseygas](https://twitter.com/southjerseygas)

www.southjerseygas.com



May 4, 2018

Stacy Peterson, Director
Division of Energy
NJ Board of Public Utilities
44 South Clinton Street, 3rd Floor
P. O. Box 350
Trenton, NJ 08625-350

Felicia Thomas – Friel, Esq.
Division of Rate Council
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625

Re: Conservation Incentive Program (“CIP”) Quarterly Report

Dear Director Peterson and Ms. Thomas-Friel:

Pursuant to the Board’s Order dated December 12, 2006, in Docket No. GR05121019, South Jersey Gas Company (“SJG”) is filing its forty sixth (46th) Conservation Incentive Program (“CIP”) Quarterly Report for the quarter ending March 31, 2018. The report is comprised of the following four components:

- CIP Summary of Required Reporting Mechanisms
- Status Report of CIP Programs
- Supporting Attachments for Programs
- Quarterly CIP Report of Expenses

During the quarter ending March 31, 2018, SJG incurred CIP related expenses totaling \$105,965. South Jersey Gas Company continues to be pleased with the results and the feedback we’ve received from customers, government officials and employees, regarding the CIP, and our extensive efforts to encourage conservation and energy efficiency.

SJG continues to look forward to developing and implementing initiatives that will have impact on customer energy actions, with the goal of reducing both consumption and costs. Some of these new initiatives are in concert with staff from the NJCEP Program Administrative team, specifically in field of training.

Page 2
Stacy Peterson
Felicia Thomas-Friel, Esq.
May 4, 2018

Our public-sector outreach program is designed to take advantage of our strong relationships municipalities, trade allies, and various public constituencies. The Company has continued to utilize its resources to maintain constant interaction with our customers, contractors, dealers, and manufacturers, through a new and vibrant campaign known as “Smart Energy Partners”, <https://southjerseygas.com/For-My-Home/Residential-Incentives.aspx>. This effort is dedicated to helping customers lower their energy consumption and costs. The goal is that through these collective messages, the Company can educate our multi-faceted audience to become aware of energy saving opportunities, enable them to practice judicious energy behaviors, implement safe and effective equipment installation protocols, and take the anxiety out of taking the steps to upgrade to energy efficiency programming.

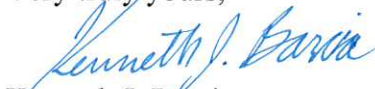
We continue to want our trade allies to install natural gas equipment with efficiency in mind, but to do so with a back-round of solid building science, compliance with licensing requirements, and better sales approaches. Education in the field of building science has enabled contractors to better understand the implication of new codes, sizing, air flow and pressures within a home, and thus employ safer installation practices. Given the knowledge gained by contractors over the past couple of years, we have started to focus on providing information to contractors on how to make mechanical improvements affordable.

The Company continues to promote energy efficiency messaging by linking the customer comfort experience, with their participation in NJCEP offerings. The Company successfully continued their engagement with an energy efficiency call center and has created a new, and easy to navigate website; <https://southjerseygas.com/Save-Energy-Money.aspx>. Moreover, South Jersey Gas is committed to working with our trade allies to perform the necessary training to comply with the new HVAC sizing permit requirements, and the new NJ Clean Energy Program requirements to obtain a rebate. In 2018, South Jersey Gas intends to host HVAC Manual J and ACCA Manual S training sessions, where facilities and weather events permit in various locations throughout Southern New Jersey. This training will be offered through the expertise of the Eastern Heating Cooling Council, which South Jersey Gas has, and continues to support.

The goal is for our customers to reap the rewards of making better decisions, and to take advantage of the benefits made possible by our Company and the NJBPU. It is important that high efficiency heating and cooling products are installed to operate at their optimal design efficiencies, and that our customers receive the intended value.

I hope that you find this forty-sixth (46th) quarterly report to be informative. Please contact me should you have any questions.

Very truly yours,



Kenneth J. Barcia
Manager, Rates and Revenue Requirements

KJB:lvk/f84
Attachments

CONSERVATION INCENTIVE PROGRAM : SERVICE LIST
:
NOTIFICATION OF YEAR 12 PROGRAMS : BPU DOCKET NO. GR05121019

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South Jersey Gas Company

**Quarterly Report of Approved Conservation Incentive Programs (“CIP”)
Docket No. GR05121019**

Table of Contents

1. **Exhibit 1** - Quarterly Report of Expenses
2. **Exhibit 2** - CIP Summary of Required Reporting Measures
3. **Exhibit 3** - Status Report of Approved Conservation Programs
4. **Exhibit 4** - April 2018 Energy Notes

Quarterly CIP Report of Expenses

	1st Quarter 10/01/17 - 12/31/17	2nd Quarter 1/1/18 - 3/31/018	3rd Quarter 4/1/18 - 6/30/18	4th Quarter 7/1/18 - 9/30/18	Annual Total
Direct Mail Campaign	\$ 59,308.00	\$ 49,215.00	\$ -	\$ -	\$ 108,523.00
Public Sector Outreach	\$ 130,856.00	\$ 56,749.66	\$ -	\$ -	\$ 187,605.66
Eastern Heating Cooling Council	\$ -	\$ -	\$ -	\$ -	\$ -
Sustainable Jersey	\$ 90.15	\$ -	\$ -	\$ -	\$ 90.00
Local on the 8's Program	\$ -	\$ -	\$ -	\$ -	\$ -
Total CIP Expenses	\$ 190,254.00	\$ 105,964.66	\$ -	\$ -	\$ 296,218.66

CIP Summary of Required Reporting Measures

Program	Measures/Information to be Reported per BPU Order	Status as of 03 /31/18
Public Sector / Outreach	<p>South Jersey Gas Company (“SJG” or “Company”) continued to promote energy efficiency and statewide programs to all facets of our franchise community.</p> <ul style="list-style-type: none"> • The purpose of participating in the outreach venues is to promote energy efficiency awareness and programming to varied components of our customer base. We contend that all our customers, who can take advantage of the Conservation Incentive Program (“CIP”) programs, are making strides to cope with energy costs in this current economic environment. The information offered, ranges from illustrating how customers can take advantage of the energy efficiency features of the Company’s website through our website and through and links to the NJ Clean Energy Website, to engage the public, the business community, and government. • Energy Efficiency Call Center Operation. Operation continued during the first (1st) quarter 2018 with the following minutes totaled: <ul style="list-style-type: none"> ○ January = 615 minutes ○ February = 442 minutes ○ March = 537 minutes 	<p>The Company has continued its work to discuss the importance of the proper installation of high efficiency heating equipment, its relevance upon other natural gas consuming equipment in the home.</p> <p>During the months of January, February and March of 2018, the Company continued an integrated marketing campaign including direct mail, email marketing, and digital advertising.</p> <p>The Company also continued its public outreach through local events including the Pitman Spring Home Show, the Ocean City Women in Business Conference and the Cumberland County Business Expo.</p> <p>The Company again supported the Consortium for Energy Efficiency (CEE). An organization, whose membership includes utilities from the US and Canada. The CEE’s mission is to “develop cutting-edge strategies to accelerate commercialization of energy efficient solutions to benefit gas and electric utility systems and the environment</p> <p>CIP Public Sector/Outreach expenses for the quarter amounted to \$56,750.</p>

CIP Summary of Required Reporting Measures

<p>Eastern Heating Cooling Council (a subset of the Public Sector Program)</p>	<p>In October 2016, South Jersey Gas made the decision to financially support the Eastern Heating Cooling Council to prevent an imminent shut down of HVAC training operations. SJG now serves on their Board of Directors. This organization has been vital in offering training seminars to HVAC contractors; especially in teaching them how to perform Manual J and ACCA Manual S calculations. These documents are now required to obtain an HVAC permit, and are required by the Warm and Cool Advantage Program.</p>	<p>Since September 2016, one hundred thirty-seven (137) people have gone through this program. SJG is attempting to schedule a training session each month throughout 2018, dependent upon weather conditions. These sessions have also been attended by staff from Clear Result to illustrate changes in the Warm and Cool Advantage Programs, along with new training guidelines for Building Performance Training Certification.</p> <p>It is noted here that within this reporting quarter South Jersey Gas supported this organization in the amount \$20,000 (included as part of Public Sector expenses)</p>
<p>Sustainable Jersey)</p>	<p>In 2013, the Company made a substantial financial commitment to Sustainable Jersey, in an effort to create a “South Jersey Hub”. In March of 2015, and again in March 2016, the Company showed its commitment to Sustainable Jersey, by sustaining their founding membership status of the Sustainable Jersey Schools Program.</p> <p>In 2017, South Jersey Gas and Sustainable Jersey worked over the summer to collaboratively formalize a proposal to better foster the collective goals of both organizations.</p>	<p>The funding greatly assisted Sustainable Jersey in developing and implementing sustainable actions and behaviors in schools throughout N.J. A meeting with Sustainable Jersey was held on March 29th. Since then, SJG hired an Energy Efficiency Program Coordinator on May 22nd to better engage the various Green Teams throughout Southern NJ.</p> <p>In August of 2017, South Jersey Gas contributed \$150,000 to Sustainable Jersey to support this effort.</p> <p>There were no quarterly CIP expenses reported for this program.</p>

South Jersey Gas Company
Status Report of Approved Conservation Incentive Programs (“CIP”)
Docket No. GR05121019

Report of Quarterly Activities

Public Sector Outreach Program

SJG continued to promote energy efficiency and statewide programs to all facets of our franchise community. Several outreach opportunities were presented, and they enabled the Company to reach the public on a variety of levels. The purpose of participating in outreach venues is to promote energy efficiency awareness and programming to varied components of our customer base.

We contend that all customers who can take advantage of the CIP programs are making a concerted effort to cope with energy costs in this current economic environment. The information offered includes illustrating how customers can take advantage of the Company’s website, engaging our trade allies, and introducing our next generation of customers to the importance of good energy practices.

The Company continues to make strides to re-craft the energy efficiency message and to enhance our approach to better communicate with our customers. Specifically, the Company continues to utilize a call center, which began operations on August 20, 2015, designed to answer questions related to energy efficiency. The purpose of which is to directly answer questions that our customers have concerning the NJ Clean Energy Program and how it relates to the energy efficiency offerings from South Jersey Gas. The goal is to maximize customer participation in both program initiatives, and to accelerate the rate of participation, energy savings and environmental conservation. This call center is part of a much larger campaign referred to as the Be South Jersey Smart campaign. For the first time since we began to offer energy efficiency messaging, the Company is now fully able to council and guides both residential and non-residential customers towards programs that can stimulate better decision making. The collective goal is to engage our customers and to provide them with a dedicated virtual call center that can assist them by

providing information about the programs and help find the best fit for them. Over the first quarter of 2018, the call center experienced continued monthly activity in terms of minutes of utilization. Specifically, in January, February and March 2018, there were 615, 442 and 537 utilization minutes, respectively. We encouraged our customers and trade allies to view the offerings found on this newly created website, which invites the customer to contact the Company to receive information on our affordable financing programs; <https://southjerseygas.com/getenergyefficient>, or to call 888-726-5217.

South Jersey Gas also paid for “Google Ad” words to link to our Energy Efficiency site, along with Pandora online radio, newspaper, billboard, and Facebook Advertising. The Company continues its efforts to leverage its partnership approach with the NJ Clean Energy Program, to offer customers the most energy value available to them. Another web portal developed recently can be found at <https://www.southjerseygas.com/For-My-Home/Residential-Incentives.aspx>. During the first (1st) quarter of 2018, the company also continued its public outreach events, including the Pitman Spring Home Show, the Ocean City Women in Business Conference and the Cumberland County Business Expo.

Eastern Heating Cooling Council

On September 30, 2016, the Company sponsored the first of two Manual J, and ACCA Manual S training seminars. The purpose of this training is to teach our HVAC contractors how to properly estimate heat loss, and heat gains, for the purposes of selecting the correct central heating and cooling system. The documentation that illustrates that these manuals were utilized and that calculations were performed are not part of the HVAC permit application process and is a requirement for receiving a rebate from the NJ Clean Energy Program. Since its inception well over a year ago, the sessions have featured Don Swift and or Hap Have, of Clear Result, with in depth training provided by Ed Janowiak of the Eastern Heating Cooling Council. This training is crucial to the success of the Warm Advantage Program, but more importantly will go far in motivating contractors to “right size” energy efficient mechanical equipment. Thus far, one hundred thirty-three (133) contractors have attended these sessions, and it is the goal

of the Company to continue this outreach training effort each month, as the weather permits, throughout the balance of this year, and next.

In October of 2016, South Jersey Gas made the decision to financially support the Eastern Heating Cooling Council (EHCC) to prevent an imminent shut down of HVAC training operations. SJG continues to serve on their Board of Directors. This organization has been vital in offering training seminars to HVAC contractors; especially in teaching them how to perform Manual J and ACCA Manual S calculations. These documents are now required to obtain an HVAC permit and are required by the Warm and Cool Advantage Program to receive a rebate. Fortunately, the EHCC is working collaboratively with Clear Result to host twenty (20) classes, with the possibility of teaching thirty (30) more. All of which are in addition to the classes being taught for South Jersey Gas.

Sustainable Jersey

The long-term goal associated with South Jersey Gas Company's financial commitment to Sustainable Jersey is to help communities successfully implement a wide range of sustainability initiatives. To introduce our plans to our region, the Company hosted a meeting with several of our local municipal leaders at our Corporate Offices in September 2017. Plans to further enhance these collaborative outreach efforts are ongoing and updates will be provided in upcoming reports. It is also noteworthy to mention that since our engagement with Sustainable Jersey in 2012, South Jersey Gas has contributed \$725,000 to support this very well-respected organization in Southern New Jersey.

Direct Mail Campaign

The Company continues to develop energy efficiency communication strategies, where appropriate. These Energy Note messages were issued through our billing process during the month of April, however the costs for this effort were spent during the first (1st) quarter of 2018 (Exhibit 4). It is noted here that the Company's direct messaging promoted SJG's financing options to upgrade their entire home to be more energy efficient through the Company's Whole House Upgrade Program, which ties directly to the NJCEP Home Performance with Energy Star Program. Another feature of that

message is of special mention. South Jersey Gas created and trademarked the name, “Smart Energy Partners”, a brand dedicated to helping customers lower their energy costs and to reduce their energy consumption. The purpose of these layered marketing efforts is to again illustrate the relationship between the offerings provided by South Jersey Gas, and the NJCEP, and to encourage customers to visit the NJ Clean Energy website for more detail. An example of this message is clearly articulated on the website: <https://southjerseygas.com/Save-Energy-Money/Energy-Saving-Videos.aspx>. The approach taken on these series of three (3) video messages is to inform our views that sometimes “a do it yourself” approach may not always be the right way to go about becoming energy efficient. The message is, it’s best to call an energy services professional, and take advantage of the collective offering provided by the Clean Energy Program, and South Jersey Gas.



South Jersey Gas

Energy Notes

APRIL 2018

www.southjerseygas.com

CUSTOMER SERVICE

1-888-766-9900 Mon-Fri 7AM to 8PM / Sat 9AM to 2PM
e-mail: contactus@sjindustries.com

GAS LEAK HOTLINE:
1-800-582-7060

SAFETY

Make ONE CALL Before You Dig

Planning on landscaping? Having a fence installed? Maybe a backyard deck is in your future? Before you begin any digging, excavating or drilling project big or small, South Jersey Gas urges you to call 8-1-1 to receive a free markout of buried utility systems. Without a markout, you risk damage to underground facilities, disruption in public services, emergency repair costs and potentially serious, if not deadly, injury.

Before you dig, call 8-1-1

The call — and this service — is easy, it's free, and it's the law.

- **Call Before You Dig:** Call 8-1-1 at least three business days before beginning your digging project for a free markout of underground utility systems (gas, water, cable, telephone and electric). Remember this does not include private lines, such as a sprinkler system or invisible fence.
- **Wait for Markout:** Any underground facilities will be marked with paint, flags or stakes. You will be notified if no underground facilities exist at your proposed excavation site.
- **Pinpoint the Buried System:** The buried system is located within 24 inches of the marker. Carefully hand-dig around the marker to pinpoint the exact location of the underground facility.
- **Dig Safely:** Use caution when digging near the buried system to avoid damage and disruption.



Introducing our new visual brand.



The new South Jersey Gas visual brand takes special care to acknowledge our history. The new visual brand features an updated, modern variation of the signature South Jersey Gas flame and brighter shades of the company blue, orange and yellow colors.

We are excited about the refreshed look and are confident that customers will associate it with the same high standards of service, safety and reliability they have come to expect from South Jersey Gas. Look out for the new visual brand, coming soon to our website, customer billing statements and more!

DOLLARS & SENSE

Direct Debit Makes Paying Easy

Direct debit automatically deducts the amount for your monthly gas bill from your bank account. To enroll, complete and return the form on the back. Please enclose a voided check from your bank account. Questions? Call 1-888-766-9900.

Save a Stamp. Pay Online. Visit www.southjerseygas.com

SJG FastBill is the fast, free and easy way to pay your bill online. By enrolling in SJG FastBill, you can:

- Review and pay your bill online
- Access up to 6 months of prior statements
- Receive your monthly bill in your e-mail

For more information or to enroll, call 1-888-766-9900 or e-mail us at customer care@sjindustries.com

ENERGY EFFICIENCY — DID YOU KNOW?

Did you know most energy efficiency upgrades can be completed through South Jersey Gas financing offers with no money out of pocket?

South Jersey Gas' Whole House Upgrade Program* is here to help you increase the comfort and efficiency of your home.

How it works:

- A Home Energy Expert will assess your house with a Home Energy Audit, and show you how they can seal up drafts to keep your home warm in the winter and cool in the summer
- Based on your energy efficiency upgrades, you may qualify for \$10,000 in 0% financing for 7 years, or up to \$15,000 at 4.99% for 10 years **with no money down**
- Plus, take advantage of up to \$4,000 in rebates from the NJ Clean Energy Program



Get started today! You could be saving up to 30% on your energy costs!

Call toll free **855-678-5860** or visit www.SouthJerseyGas.com/incentives for financing and rebate information.

**Be advised, these offers are only available until December 31, 2018 or until funds are exhausted.*

CUSTOMER REMINDER

Customer Service Hours of Operation

Our telephone representatives are available weekdays from 7 a.m. to 8 p.m. and Saturday 9 a.m. to 2 p.m. except national holidays. Our customer payment centers are open weekdays, except national holidays. Check southjerseygas.com for times. You can reach us at 1-888-766-9900.

Customer Privacy Reminder:

Customers contacting South Jersey Gas at 1-888-766-9900 should have their account number handy for verification. Please note that our Customer Contact representatives will not release information about an account to anyone other than the person(s) whose name is on the account. Thank you.

DIRECT DEBIT AUTHORIZATION

SJG Account # _____

Name _____

Address _____

Phone: Day _____ Evening _____

E-Mail Address _____

Signature _____

Mail to: South Jersey Gas • PO Box 6091, Bellmawr, NJ 08099-6091
Please enclose a voided check to ensure proper processing.

Bank Account Information:

- Checking *- or -* Statement Savings Only
 Personal Banking *- or -* Commercial Banking

Bank Name _____

ABA/Routing # _____

Bank Account # _____

- Yes, put me on a budget plan
 No budget plan with a maximum withdraw of \$750 from my bank account.

I authorize SJG to deduct my payments from the account listed on this form. South Jersey Gas utilizes a third party to manage their direct debit program. All written authorizations must provide that the receiver may revoke the authorization by notifying the originator in the manner specified by the authorization.



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www.southjerseygas.com

"THE BIG EASY"

28th NATIONAL CONFERENCE & EXPO

New Orleans

February 19-22, 2018

Monday February 19, 2018

8:00AM –
6:00PM

Registration Desk Open

8:00AM –
3:30PM

Pre-conference Trainings – Three available (Additional Fee)

Learning to S.E.E.: Sell Efficiency Effectively™

Instructor: Mark Jewell, Selling Energy

Most decisions are emotional decisions, and making the commitment to dedicate time and resources to enhance efficiency is no exception. Whether you are selling efficiency solutions or seeking project approvals, understanding what factors play a role in the decision-making process and knowing how to build rapport with key stakeholders vastly increase your odds of success. This workshop features highlights from the weeklong Efficiency Sales Professional™ (ESP™) Boot Camp, including: reframing the benefits of efficiency so that they can be measured with the yardsticks that your customers are already using to measure their own success; developing concise and compelling communication tools that really engage decision-makers; migrating the discussion from the "bits, bytes and blinking lights" of your offering to prospect-specific messages that motivate project approvals; and much more. This workshop will give you the insights, focus, and skills you need to define your most promising targets, streamline your sales process, and maximize your closing ratio.

Key learning outcomes:

- Understand how to connect the dots between your energy solutions and the segment-specific outcomes your prospects truly care about.
- Discover how to distill your message down to a 15-second elevator pitch that is both repeatable and memorable; a one-page narrative proposal that can be read in four minutes or less; and, a one-page investment summary that migrates the conversation from simple payback to the metrics that really matter.
- Learn how to clone past successes by creating a Success Story Archive and sharing it with prospects that look a lot like your best customers.

Additional benefits:

- A full year's membership in Selling Energy's Mastermind Group featuring monthly two-hour coaching conference calls (\$348 value)
- A full year's access to an online/on-demand version of "Financial Analysis of Efficiency Projects – Intermediate" (\$149 value)
- An autographed copy of Mark's Wall Street Journal bestseller, *Selling Energy: Inspiring Ideas That Get More Projects Approved!* (\$20 value)

5:00 –
6:30PM

Networking Reception and Expo Prize Drawings – Expo Hall

Wednesday February 21, 2018

7:15AM –
5:00PM

Registration Open

7:30 –
8:30AM

Networking Breakfast – Expo Hall

8:30 –
9:45AM

Session 3A: Evaluation EM&V 2.0 – Carn-Eval (Interactive Roundtable)

Moderators: Laura Schauer, Illume Advising LLC and Lisa Obear, Illume Advising LLC

The Super Why: Sleuthing Out the Story Behind the Data

Come with us on a Super Why adventure to search out clues to a Super Big Question: how is my program really performing? In this interactive roundtable session, utility staff, implementers, and evaluators will all put their heads together and use empathy-based research and critical thinking skills to solve evaluation puzzles and see program performance through different lenses.

8:30 –
9:45AM

Session 3B: Cross Cutting – Gas – Mardi Gras

Moderator: Raegan Bond, Alectra

Natural Gas and its Unique Path to Integrated Resource Planning

Speakers: Suzette Mills, Enbridge Gas Distribution and Michael Sloan, ICF

The discussion regarding the relationship between climate change and GHG emissions has brought the role of fossil fuels to the forefront. In Ontario, the OEB is requiring a review of the role between conservation and natural gas infrastructure planning, indicating that it expects the gas utilities to consider the role of DSM in reducing and/or deferring future infrastructure investments. The EGD/UG IRP Study has examined the impacts of energy efficiency on peak day and peak hour demand, including a review of the impacts of energy efficiency measures on both a broad-based franchise wide and geo-targeted basis.

South Jersey Gas Home Performance Program and Evaluation

Speakers: Jacqueline Berger, APPRISE and Bruce Grossman, South Jersey Gas

South Jersey Gas' (SJG) Energy Efficiency Programs provide incentives that are complimentary to the New Jersey Clean Energy Programs (NJCEP). The residential and C&I programs provide rebates and loans to assist with the purchase and installation of energy efficient equipment and measures. SJG faced challenges developing a contractor network and a market for home performance but worked with contractors to help them develop the expertise needed to implement home performance and increased the number of participating contractors from only two or three Building Performance Institute certified contractors to more than 30 contractors. SJG also implemented a comprehensive marketing program that included a mix of digital, print, radio, grass roots, and outdoor advertising and increased participation from 585 participants in 2010 to over 1,100 participants in 2015. HPwES contractors reported that the SJG HPwES Loan Program had a positive impact on their business. They said it enabled them to increase revenue, increase staffing, helped them to close deals, convinced them to enter the home performance field, and helped with educating

customers about the program. Learn all about the positive impacts and results from this comprehensive program that focuses on residential and business markets.

The Evolution of Whole House Energy Program Designs - What's Next?

Speakers: Anthony DePrima, Delaware Sustainable Energy Utility and Katherine Johnson, Johnson Consulting Group

Whole-house energy audit programs are a great idea. Conduct an audit, identify energy savings opportunities, install the appropriate measures, and the home-owners benefit from reduced energy bills and a more comfortable home. This is a complicated program design requiring collaboration between the home energy auditors and customers. But too often, home owners don't follow through, which causes missed opportunities. This leaves program designers to wonder if there is a better way to offer home owners- and even tenants- opportunities to install energy savings measures beyond the traditional energy audit model? Attendees will leave with new ideas and fresh approaches to this challenge.

Boiler up! – Seasonal Program Challenges – a Key Ingredient for Natural Gas Efficiency Programs

Speaker: William Clemens, DTE Energy

For several years, DTE Energy's commercial and industrial energy efficiency program has had a very consistent approach to the boiler tune-up market. This can be a challenging market as Boiler Tune-up applications require an abundance of paperwork and documentation for relatively low incentives. Understand all the intricacies on how to properly structure boiler tune-up incentives that cover a wide range of applications and customer types. Learn best practices on motivating contractors and technicians to assure that they are submitting applications for every tune-up that they perform in the field.

8:30 – Session 3C: Implementation – “Rolling Down the River,” Midstream
9:45AM Ahead! (Rapid Fire)

Moderator: Rebecca Fiissel Schaefer, Ecofitt

Should Midstream Become Mainstream? Lessons from the Field

Speakers: Jordan Whiddon, E Source and Lisa Sarubbi, The United Illuminating Company

Midstream programs are outperforming their downstream counterparts, time and time again. Utilities running these programs are quickly seeing increased program participation, market transformation, and streamlined rebate processing. Some utilities are even seeing participation increases upwards of 1000%...yes, that many zeros. But with all this success, a critical question looms over utilities that are considering swimming up the stream: How might we design a midstream program to be cost-effective? In conjunction with large industry sample of utilities, E Source has created an extensive database of midstream programs, and we have seen some interesting patterns emerging. Primarily, the data show that midstream programs are more cost-effective than their downstream counterparts. Two contributing factors are the reduced rebate processing costs and higher installation rates. With practical design, implementation and evaluation, utilities can find that cost-effective secret sauce they have been searching for in midstream programs. So, how are utilities actually succeeding in creating and implementing these designs? Learn the answers to this question and more in this thought-provoking session.

Go with the flow - Midstream Program!

Speaker: Alison Jaworowski, DTE Energy

As incentive programs mature nationwide, utilities continue to search for new and effective channels to reach customers that have yet to participate. This is where point-of-sale midstream programs come in. Midstream programs are not exactly new, but they come in many forms and with many different



2018 HPC National Home Performance Conference & Trade Show
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Multifamily & Affordable Housing 2018 HPC National Conference Session

Synergies: How Utilities Work Together to Successfully Serve a State

Tuesday, April 24 3:30 PM - 5:00 PM Location: 411 & 412 (4th Floor)

CEUs: BPI, InterNachi, NARI, ASHI

Moderator(s)



Andrew Aliferis
Renewables and Energy Solutions Specialist
PSE&G

Panelist(s)



Jacqueline Berger
President
APPRISE



Maritza Estremera
Program Administrator
United Illuminating



Bruce Grossman
Program Manager, Energy Efficiency Programs

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Jacqueline Berger
President
APPRISE



Maritza Estremera
Program Administrator
United Illuminating



Bruce Grossman
Program Manager, Energy Efficiency Programs
South Jersey Gas



Mary-Anna Holden
Commissioner
New Jersey Board of Public Utilities

In this session, representatives from Comfort Partners, a component of New Jersey's Clean Energy Program, and Energize Connecticut will discuss efforts to increase collaboration across the state to deliver energy efficiency programs. Learn how utilities can do a better job of reaching and serving customers when they work together. Attendees will have the opportunity to learn from the challenges and successes in New Jersey and Connecticut.

Learning Objectives:

- Understand why low-income weatherization programs with gas and electric utility

Attendees 3

Slides

Take Notes

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**BEFORE THE
NEW JERSEY BOARD OF PUBLIC UTILITIES**

SOUTH JERSEY GAS COMPANY

**Direct Testimony
of
Daniel P. Yardley**

**On Behalf of
South Jersey Gas Company**

1 **I. INTRODUCTION**

2 **Q. Please state your name, affiliation and business address.**

3 A. My name is Daniel P. Yardley. I am Principal, Yardley Associates and my business
4 address is 2409 Providence Hills Drive, Matthews, NC 28105.

5 **Q. On whose behalf are you testifying?**

6 A. I am testifying on behalf of South Jersey Gas Company (“South Jersey Gas” or the
7 “Company”).

8 **Q. Please summarize your professional and educational background.**

9 A. I have been employed as a consultant to the natural gas industry for over twenty-
10 five years. During this period, I have directed or participated in numerous
11 consulting assignments. A number of these assignments involved the development
12 of gas distribution company cost allocation, pricing, service unbundling, revenue
13 decoupling and other tariff analyses. In addition to this work, I have performed
14 interstate pipeline cost of service, rate design and service unbundling analyses; gas
15 supply planning analyses; and financial evaluation analyses. I received a Bachelor
16 of Science Degree in Electrical Engineering from the Massachusetts Institute of
17 Technology in 1988.

18 **Q. Have you previously testified before the New Jersey Board of Public Utilities?**

19 A. Yes. I testified before the New Jersey Board of Public Utilities (the “Board”) on
20 behalf of South Jersey Gas, Elizabethtown Gas Company and New Jersey Natural
21 Gas Company (“NJNG”) in a number of different proceedings. I sponsored

1 testimony in 2005 that supported the Company's petition to implement an
2 innovative rate design that promoted customer conservation and energy efficiency,
3 which led to the development of the Company's Conservation Incentive Program
4 ("CIP"), and in 2013 that supported continuation of the CIP. I have also testified
5 or sponsored pre-filed testimony in proceedings before a number of other state
6 utility regulatory commissions, the Federal Energy Regulatory Commission and the
7 National Energy Board of Canada on matters pertaining to cost of service, cost
8 allocation, rate design, revenue decoupling and upstream capacity planning.

9 **Q. What is the purpose of your testimony in this proceeding?**

10 A. The purpose of my testimony is to describe South Jersey Gas' CIP and present the
11 derivation of the associated tariff charges resulting from the operation of the
12 program for the annual period ending September 30, 2018.

13 **Q. Are you sponsoring any Schedules that accompany your prepared direct**
14 **testimony?**

15 A. Yes. I am sponsoring the following Schedules, each of which will be explained
16 later in my testimony:

17	Schedule DPY-1:	Actual CIP Results for 2016-17;
18	Schedule DPY-2:	Comparison of 2017-18 Customer Usage to
19		Baseline;
20	Schedule DPY-3:	Calculation of Large Customer Adjustment;
21	Schedule DPY-4:	Determination of Weather-Related Component of
22		CIP;
23	Schedule DPY-5:	Application of BGSS Savings Eligibility Test;

1 approved continuation of the CIP with limited modifications as agreed to by the
2 Company, NJNG, Board Staff and Rate Counsel (“2014 CIP Stipulation”).

3 **Q. How does the CIP promote energy efficiency and conservation?**

4 A. The CIP is comprised of customer-oriented conservation programs and an
5 innovative tariff mechanism that normalizes South Jersey Gas’ margin recoveries
6 for the impact of conservation and other changes in customer use. The CIP tariff
7 more appropriately aligns South Jersey Gas’ interests with those of its customers as
8 any customer savings from conservation do not contribute negatively to the
9 Company’s financial performance. Elimination of the disincentives to pursue
10 customer conservation has enabled South Jersey Gas to implement new initiatives
11 that capitalize on various channels for promoting conservation by its customers.

12 **Q. Is the CIP consistent with the current public policy direction in New Jersey?**

13 A. Yes. The CIP promotes cost-effective energy choices by consumers by equipping
14 them with greater information concerning their consumption patterns. To the extent
15 that South Jersey Gas customers participate in programs to install or upgrade
16 existing equipment with high efficiency alternatives, the New Jersey economy and
17 the environment benefit. The CIP contributes to economic benefits through the
18 local jobs supported by the contractor activity and the lower cost of energy use to
19 customers. The CIP also contributes to environmental benefits as higher efficiency
20 equipment leads to reductions in greenhouse gas emissions. These benefits are
21 consistent with New Jersey energy policy objectives.

1 **Q. Please summarize the important features of the CIP Tariff.**

2 A. Details of the CIP mechanism are set forth as Rider M of South Jersey Gas' tariff.
3 Rider M is applicable to all residential and general service customers. The CIP
4 tariff establishes a baseline monthly usage for four different groups of South Jersey
5 Gas customers: (i) residential non-heating, (ii) residential heating, (iii) general
6 service, and (iv) general service – large volume. Additionally, Rider M sets forth
7 the calculation method for establishing the charge or credit for each applicable
8 group based on a comparison of actual usage to the baseline usage and on class-
9 specific margin factors. Rider M also reflects features that potentially limit the
10 Company's recoveries in a given year. These include limitations upon the recovery
11 of the margin impact of non-weather related changes in use, and a requirement that
12 total recoveries not contribute to the Company earning in excess of 9.75 percent
13 return on equity.

14 **Q. Please describe the recovery limitations applicable to the non-weather related**
15 **CIP amount.**

16 A. The CIP incorporates a recovery limitation specifically applicable to changes in
17 average consumption that are not attributable to weather. This is referred to as the
18 non-weather component of the CIP amount and is determined by subtracting the
19 weather component from the total CIP amount. The non-weather component is
20 subject to a recovery limitation determined through the application of a two-
21 pronged test. The first prong of the recovery test limits recoveries for any amounts
22 whereby Basic Gas Supply Service ("BGSS") savings are less than 75 percent of

1 the non-weather component. The second prong of the recovery test limits recoveries
2 for any amounts whereby 6.5 percent of variable margin revenues are less than the
3 non-weather component. The amount of the non-weather component that does not
4 pass both of these recovery limits is deferred to the subsequent year and is included
5 in the non-weather component subject to the two-pronged test at that time.

6 **Q. Please explain the source of BGSS savings that are relied upon for the BGSS**
7 **savings test.**

8 A. BGSS savings result from gas supply contract restructurings, avoided costs or other
9 purchasing practices that benefit customers by lowering BGSS costs. The 2014
10 CIP Stipulation specifies the categories of BGSS savings as well as an initial level
11 of verified BGSS savings. In the current filing, the Company is supporting total
12 BGSS savings of \$8.4 million as further described in the testimony of Timothy
13 Rundall. The \$8.4 million of BGSS savings includes \$2.2 million of permanent
14 capacity release savings, \$6.1 million of additional capacity release savings and
15 \$0.1 million of avoided cost BGSS savings.

16 **Q. What steps are necessary to calculate the annual CIP charge or credit?**

17 A. The calculation of the Rider M adjustment is performed for each of the four
18 customer groups subject to the clause, resulting in a single credit or charge
19 applicable to all customers within each grouping. The calculation begins by
20 dividing the actual customers for each month into the actual booked volumes to
21 establish an actual average use per customer. An adjustment to the number of

1 general service and general service large volume customers is made to reflect any
2 large customers that have been added to the system.

3 Next, the monthly average use per customer value is compared to the baseline usage
4 per customer for the corresponding customer group. This difference represents the
5 average usage impact for all customers in the class for the month. In order to
6 determine the total volume impact for the class, the monthly differences are
7 multiplied by the corresponding actual number of customers.

8 The margin impact is simply the usage impact multiplied by the margin revenue
9 factor for the customer group set forth in Rider M. The charge or credit for the
10 group is the total margin adjustment divided by the forecasted sales for the recovery
11 period. Since the charge or credit is derived based on projected throughput, any
12 over or under-recovery from the prior recovery period is included in the calculation
13 of the charge or credit for the current period.

14 ***III. CONSERVATION INCENTIVE PROGRAM RESULTS FOR 2017-18***

15 **Q. What time period is covered under this CIP filing?**

16 A. This filing addresses the annual period beginning October 1, 2017 through
17 September 30, 2018. The schedules supporting this filing are based on seven
18 months of actual data and five months of projected data for the period. The
19 resulting charge or credit, including any over or under recovery for the prior period,
20 is applied to customer bills beginning on October 1, 2018. The timing of the CIP

1 rate adjustments was agreed to in order to synchronize them with the review and
2 implementation of South Jersey Gas' annual BGSS filing.

3 **Q. Have you prepared a summary of results for the prior year of the CIP program**
4 **covering the twelve-month period ending September 30, 2017?**

5 A. Yes. Now that the annual period covered by the previous year of the CIP is
6 complete, actual results for this time period can be calculated. Schedule DPY-1
7 provides the actual results for the year ending September 30, 2017 for each of the
8 four groups, which reflect a combined total of \$29.5 million margin revenue below
9 the benchmark level, including the both weather and non-weather impacts.

10 **Q. Please provide a comparison of customer usage to the benchmark for the**
11 **annual period beginning October 1, 2017.**

12 A. Actual average use per customer for October 2017 through April 2018 and
13 projections through September 2018 are provided for each of the customer groups
14 covered by the CIP tariff in Schedule DPY-2. Schedule DPY-2 also provides a
15 comparison of the actual values shown in column (d) to the baseline values set forth
16 in Rider M and shown in column (e). The margin impact of the difference in average
17 use per customer is calculated by multiplying the change in average use per
18 customer times the actual number of customers times the margin revenue factor.
19 The margin revenue factor for each customer group is also set forth in Rider M.
20 The monthly benchmark use per customer and margin revenue factors reflect the
21 Company's base rates effective during each of the months of the annual period.
22 Base rate changes occurred on November 1, 2017 following the completion of the

1 Company's last base rate case in Docket No. GR17010071 and again on April 1,
2 2018 as a result of the implementation of rate changes due to a change in the Federal
3 income tax rate in Docket No. GR18030230. The total impact of changes in
4 average use per customer for the period results in a margin reduction of \$6.4 million
5 above the benchmark level.

6 **Q. Does the comparison reflected in Schedule DPY-2 reflect the large customer**
7 **adjustment as provided for in Rider M?**

8 A. Yes. The actual number of customers for the general service and general service
9 large volume customer groups shown in column (c) of Schedule DPY-2 reflects an
10 adjustment for large customer additions to South Jersey Gas' system. As specified
11 in Rider M, an adjustment is made for any incremental general service customer
12 that exceeds 1,200 cubic feet per hour of connected load and any general service
13 large volume customer that exceeds 50,000 cubic feet per hour of connected load.
14 The incremental load for these customers is converted into an equivalent number
15 of additional customers to be included in the Rider M calculations going forward.
16 This removes any potential disincentive to connecting beneficial, large customer
17 loads. The level of the monthly large customer adjustment applicable for the period
18 October 1, 2017 through September 30, 2018 is provided as Schedule DPY-3.

19 **Q. Have you performed the dual pronged eligibility test applicable to the non-**
20 **weather component of the CIP for the current year?**

21 A. Yes. I determined the weather related component of the CIP by calculating the
22 margin impact of weather consistent with the terms of South Jersey Gas'

1 Temperature Adjustment Clause. The calculation of the weather related component
2 for each customer group is provided in Schedule DPY-4. The total weather related
3 component, which equals \$2.1 million of revenue excess, is subtracted from the
4 total CIP revenue excess of \$6.4 million to establish the non-weather related
5 component for the current period, which is a revenue excess of \$4.3 million. The
6 modified BGSS Savings test and the variable margin revenue test are shown on
7 Schedule DPY-5. Since the \$4.3 million is a credit to customers, the amount is not
8 subject to the application of the CIP non-weather eligibility test.

9 **Q. If the current CIP non-weather amount is a credit to customers and not subject**
10 **to the dual pronged eligibility test, why is the eligibility test still shown in**
11 **Schedule DPY-5?**

12 A. Last year, a portion of the non-weather CIP amount failed each of the eligibility
13 tests. Specifically, \$1.2 million failed the modified BGSS eligibility test and of this
14 amount, \$0.8 million also failed the variable margin eligibility test. As a result,
15 \$1.2 million of non-weather CIP impacts for 2016-17 were not recovered through
16 the CIP mechanism last year. Under the CIP, any non-weather amounts that are
17 not recoverable in one year may be recoverable in a future period, subject to the
18 application of the eligibility tests. Schedule DPY-5 demonstrates that the non-
19 recoverable amounts from the prior year pass the eligibility tests in the current year.
20 Therefore, the \$1.2 million of last year's non-recoverable CIP amount is eligible
21 for recovery in the current filing. The net non-weather related credit recoverable
22 from customers, including the \$1.2 million carry-forward, is \$3.1 million.

1 **Q. Please provide the derivation of the CIP charge or credit to be effective**
2 **October 1, 2018.**

3 A. The total amount of the CIP that is to be credited to customers through Rider M is
4 the combination of the weather and non-weather related margin impacts, or \$5.3
5 million, including the non-weather amount carried forward from the prior year.
6 Since the CIP amount is a credit, the ROE limitation does not apply. The weather
7 and non-weather related CIP amounts are collected through customer group-
8 specific charges based on projected throughput for the annual period beginning
9 October 1, 2018. The throughput forecast is the same as that proposed to be utilized
10 to establish the BGSS price effective October 1, 2018. In addition to the CIP
11 amount for the current year, the calculated charges also include the net under-
12 collection of the CIP for the recovery period ending September 30, 2017 of \$6.7
13 million, which is shown in Schedule DPY-6.

14 The derivation of the resulting CIP charges is set forth in Schedule DPY-7. This
15 Schedule also shows the application of state taxes and assessments in order to
16 establish rates billed to customers.

17 **Q. Are you sponsoring revised tariff sheets that implement these charges?**

18 A. Yes. Schedule DPY-8 provides proposed tariff sheets that reflect the CIP charges
19 to be effective October 1, 2018.

1 **Q. Given that the CIP charge or credit is based in part on projected data, how**
2 **will these projections be trued up in the future?**

3 A. The actual CIP recoveries or credits to customers will be trued up in future filings.
4 The first element of the true-up will reflect any adjustment to the recoverable
5 amount based on actual data for the period May 1, 2018 through September 30,
6 2018, which represents the final five months of the current year of the CIP. The
7 second element of the true-up relates to differences between actual and projected
8 throughput for the annual period beginning October 1, 2018, which is the period
9 over which the CIP charge or credit is collected. The true-up of these elements for
10 actual experience will be reflected in the docket addressing the Company's CIP
11 filing to be made on or before June 1, 2019.

12 **Q. Does this conclude your prepared direct testimony?**

13 A. Yes, it does.

South Jersey Gas Company
2018-19 Conservation Incentive Program Filing

Comparison of 2016-17 Customer Usage to Baseline

Line No.	Month (a)	Total Class Throughput (b)	Number of Customers (c)	Average Use / Cust. (d) = (b) / (c)	Baseline Use / Cust. (e)	Difference Per Cust. (f) = (d) - (e)	Margin Revenue Factor (g)	Margin Excess / (Deficiency) (h) = (f) * (c) * (g)
1								
2	<u>Actual Year-to-Date</u>							
Group 1: RSG Non-Heating								
3	October '16	116,900	11,955	9.8	13.6	(3.8)	\$ 0.519066	\$ (23,715)
4	November '16	209,793	11,924	17.6	13.7	3.9	\$ 0.519066	\$ 24,103
5	December '16	366,728	11,910	30.8	20.7	10.1	\$ 0.547317	\$ 65,783
6	January '17	355,068	11,887	29.9	23.5	6.4	\$ 0.547317	\$ 41,444
7	February '17	366,221	11,894	30.8	23.3	7.5	\$ 0.547317	\$ 48,761
8	March '17	286,849	11,908	24.1	27.7	(3.6)	\$ 0.547317	\$ (23,536)
9	April '17	192,093	11,858	16.2	19.7	(3.5)	\$ 0.547317	\$ (22,719)
10	May '17	129,041	11,871	10.9	14.0	(3.1)	\$ 0.547317	\$ (20,334)
11	June '17	141,740	11,864	11.9	11.4	0.5	\$ 0.547317	\$ 3,552
12	July '17	124,082	11,831	10.5	11.5	(1.0)	\$ 0.547317	\$ (6,554)
13	August '17	106,732	11,805	9.0	11.2	(2.2)	\$ 0.547317	\$ (13,948)
14	September '17	147,172	11,761	12.5	10.0	2.5	\$ 0.547317	\$ 16,180
15								
16				214.0	200.3			
17								
18								
19								
20								
21	Total Group 1 Margin Excess / (Deficiency)							\$ 89,016
22								
23								
24								
25								
26	<u>Actual Year-to-Date</u>							
Group 2: RSG Heating								
27	October '16	5,603,117	338,431	16.6	34.1	(17.5)	\$ 0.519066	\$ (3,081,892)
28	November '16	22,597,295	339,260	66.6	76.8	(10.2)	\$ 0.519066	\$ (1,794,864)
29	December '16	43,269,843	340,513	127.1	126.4	0.7	\$ 0.547317	\$ 125,335
30	January '16	44,673,233	341,955	130.6	157.0	(26.4)	\$ 0.547317	\$ (4,933,353)
31	February '17	33,235,881	342,648	97.0	135.3	(38.3)	\$ 0.547317	\$ (7,183,203)
32	March '17	37,787,641	343,352	110.1	104.3	5.8	\$ 0.547317	\$ 1,081,513
33	April '17	13,510,183	343,394	39.3	51.9	(12.6)	\$ 0.547317	\$ (2,360,012)
34	May '17	8,167,696	343,328	23.8	29.6	(5.8)	\$ 0.547317	\$ (1,091,795)
35	June '17	4,225,375	343,335	12.3	15.6	(3.3)	\$ 0.547317	\$ (618,824)
36	July '17	4,623,086	343,158	13.5	14.7	(1.2)	\$ 0.547317	\$ (230,604)
37	August '17	2,917,782	343,075	8.5	13.3	(4.8)	\$ 0.547317	\$ (900,400)
38	September '17	4,781,427	343,141	13.9	16.8	(2.9)	\$ 0.547317	\$ (538,199)
39								
40				659.3	775.8			
41								
42								
43								
44								
45	Total Group 2 Margin Excess / (Deficiency)							\$ (21,526,298)

South Jersey Gas Company
2018-19 Conservation Incentive Program Filing

Comparison of 2016-17 Customer Usage to Baseline

Line No.	Month (a)	Total Class Throughput (b)	Number of Customers (c)	Average Use / Cust. (d) = (b) / (c)	Baseline Use / Cust. (e)	Difference Per Cust. (f) = (d) - (e)	Margin Revenue Factor (g)	Margin Excess / (Deficiency) (h) = (f) * (c) * (g)
1								
2				Group 3: GSG				
3	<u>Actual Year-to-Date</u>							
3	October '16	2,537,327	25,198	100.7	218.6	(117.9)	\$ 0.414224	\$ (1,230,641)
4	November '16	7,711,128	25,400	303.6	445.8	(142.2)	\$ 0.414224	\$ (1,496,257)
5	December '16	14,411,893	25,672	561.4	613.3	(51.9)	\$ 0.435411	\$ (580,292)
6	January '16	14,749,799	25,908	569.3	645.9	(76.6)	\$ 0.435411	\$ (863,933)
7	February '17	10,935,301	25,978	420.9	622.2	(201.3)	\$ 0.435411	\$ (2,276,420)
8	March '17	13,656,270	26,088	523.5	512.4	11.1	\$ 0.435411	\$ 125,737
9	April '17	5,346,447	26,084	205.0	261.6	(56.6)	\$ 0.435411	\$ (643,158)
10	May '17	4,137,004	26,048	158.8	160.2	(1.4)	\$ 0.435411	\$ (15,625)
11	June '17	2,940,647	26,003	113.1	118.4	(5.3)	\$ 0.435411	\$ (60,134)
12	July '17	2,698,501	25,914	104.1	104.0	0.1	\$ 0.435411	\$ 1,500
13	August '17	2,139,342	25,845	82.8	130.5	(47.7)	\$ 0.435411	\$ (537,049)
14	September '17	2,997,956	25,812	116.1	122.4	(6.3)	\$ 0.435411	\$ (70,290)
15								
16				3,259.3	3,955.3			
17								
18								
19								
20								
21	Total Group 3 Margin Excess / (Deficiency)							\$ (7,646,562)
22								
23								
24								
25								
26	<u>Actual Year-to-Date</u>			Group 4: GSG Large Volume				
27	October '16	1,384,972	177	7,824.7	10,817.7	(2,993.0)	\$ 0.225848	\$ (119,645)
28	November '16	3,152,565	180	17,514.3	17,479.9	34.4	\$ 0.225848	\$ 1,396
29	December '16	4,215,184	175	24,086.8	25,743.1	(1,656.3)	\$ 0.238429	\$ (69,111)
30	January '16	5,041,485	176	28,644.8	29,051.9	(407.1)	\$ 0.238429	\$ (17,083)
31	February '17	3,663,207	184	19,908.7	24,583.0	(4,674.3)	\$ 0.238429	\$ (205,064)
32	March '17	4,836,977	184	26,287.9	21,049.1	5,238.8	\$ 0.238429	\$ 229,832
33	April '17	1,840,378	184	10,002.1	14,872.7	(4,870.6)	\$ 0.238429	\$ (213,680)
34	May '17	1,828,402	185	9,883.3	10,250.2	(366.9)	\$ 0.238429	\$ (16,186)
35	June '17	964,671	185	5,214.4	7,627.9	(2,413.5)	\$ 0.238429	\$ (106,456)
36	July '17	1,272,217	181	7,028.8	6,817.7	211.1	\$ 0.238429	\$ 9,111
37	August '17	812,324	179	4,538.1	5,906.0	(1,367.9)	\$ 0.238429	\$ (58,379)
38	September '17	1,629,120	179	9,101.2	5,283.1	3,818.1	\$ 0.238429	\$ 162,953
39								
40				170,035.1	179,482.3			
41								
42								
43								
44								
45	Total Group 4 Margin Excess / (Deficiency)							\$ (402,312)
46								
47								
48	Total Groups 1 through 4							\$ (29,486,156)

South Jersey Gas Company
2018-19 Conservation Incentive Program Filing

Comparison of 2017-18 Customer Usage to Baseline

Line No.	Month (a)	Total Class Throughput (b)	Number of Customers (c)	Average Use / Cust. (d) = (b) / (c)	Baseline Use / Cust. (e)	Difference Per Cust. (f) = (d) - (e)	Margin Revenue Factor (g)	Margin Excess / (Deficiency) (h) = (f) * (c) * (g)
1								
2				Group 1: RSG Non-Heating				
3	<u>Actual</u>							
4	October '17	143,849	11,691	12.3	13.6	(1.3)	\$0.569789	\$ (8,632)
5	November '17	212,404	11,666	18.2	17.6	0.6	\$0.697621	\$ 5,022
6	December '17	367,191	11,659	31.5	30.8	0.7	\$0.697621	\$ 5,728
7	January '18	530,398	11,647	45.5	29.9	15.6	\$0.697621	\$ 127,074
8	February '18	404,582	11,637	34.8	30.8	4.0	\$0.697621	\$ 32,204
9	March '18	288,327	11,644	24.8	24.1	0.7	\$0.697621	\$ 5,376
10	April '18	308,683	11,630	26.5	16.2	10.3	\$0.629030	\$ 75,658
11	<u>Projected</u>							
12	May '18	144,114	11,658	12.4	10.9	1.5	\$0.629030	\$ 10,940
13	June '18	116,482	11,690	10.0	12.0	(2.0)	\$0.629030	\$ (14,602)
14	July '18	117,514	11,713	10.0	10.5	(0.5)	\$0.629030	\$ (3,368)
15	August '18	117,744	11,736	10.0	9.0	1.0	\$0.629030	\$ 7,329
16	September '18	120,995	11,762	10.3	8.4	1.9	\$0.629030	\$ 13,961
17								
18								
19								
20				246.3	213.7			
21								
22								
23								
24								
25	Total Group 1 Margin Excess / (Deficiency)							\$ 256,689
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36								
37								
38								
39								
40								
41								
42	<u>Actual</u>							
43	October '17	8,213,370	343,489	23.9	34.1	(10.2)	\$0.569789	\$ (1,994,036)
44	November '17	24,539,439	345,176	71.1	72.77	(1.7)	\$0.697621	\$ (403,935)
45	December '17	48,176,396	346,363	139.1	125.4	13.7	\$0.697621	\$ 3,313,283
46	January '18	57,166,863	347,463	164.5	151.6	12.9	\$0.697621	\$ 3,133,345
47	February '18	35,043,900	348,158	100.7	129.7	(29.0)	\$0.697621	\$ (7,054,478)
48	March '18	42,150,900	348,555	120.9	102.8	18.1	\$0.697621	\$ 4,408,578
49	April '18	23,096,937	349,008	66.2	54.4	11.8	\$0.629030	\$ 2,585,881
50	<u>Projected</u>							
51	May '18	7,413,932	348,886	21.3	22.6	(1.4)	\$0.629030	\$ (298,404)
52	June '18	4,382,531	348,766	12.6	12.3	0.3	\$0.629030	\$ 56,127
53	July '18	4,159,621	348,662	11.9	13.5	(1.5)	\$0.629030	\$ (337,699)
54	August '18	4,158,338	348,555	11.9	8.5	3.4	\$0.629030	\$ 752,084
55	September '18	4,833,463	348,775	13.9	15.8	(1.9)	\$0.629030	\$ (423,774)
56								
57								
58								
59				757.9	743.4			
60								
61								
62								
63								
64	Total Group 2 Margin Excess / (Deficiency)							\$ 3,736,972

South Jersey Gas Company
2018-19 Conservation Incentive Program Filing
Comparison of 2017-18 Customer Usage to Baseline

Line No.	Month (a)	Total Class Throughput (b)	Number of Customers (c)	Average Use / Cust. (d) = (b) / (c)	Baseline Use / Cust. (e)	Difference Per Cust. (f) = (d) - (e)	Margin Revenue Factor (g)	Margin Excess / (Deficiency) (h) = (f) * (c) * (g)
1								
2								
3								
4	<u>Actual</u>							
5	October '17	3,923,621	25,868	151.7	218.6	(66.9)	\$0.453266	\$ (784,660)
6	November '17	8,517,831	25,217	337.8	334.4	3.4	\$0.582636	\$ 50,267
7	December '17	16,147,794	25,434	634.9	572.2	62.7	\$0.582636	\$ 928,397
8	January '18	19,445,889	25,620	759.0	668.9	90.1	\$0.582636	\$ 1,345,115
9	February '18	12,076,670	25,723	469.5	553.2	(83.7)	\$0.582636	\$ (1,254,587)
10	March '18	15,313,578	25,790	593.8	509.6	84.2	\$0.582636	\$ 1,264,899
11	April '18	8,391,089	25,837	324.8	262.5	62.3	\$0.528127	\$ 849,691
12	<u>Projected</u>							
13	May '18	3,844,375	25,818	148.9	160.0	(11.1)	\$0.528127	\$ (151,316)
14	June '18	2,766,578	25,820	107.1	117.2	(10.1)	\$0.528127	\$ (137,078)
15	July '18	2,734,223	25,844	105.8	107.9	(2.1)	\$0.528127	\$ (28,678)
16	August '18	2,733,512	25,847	105.8	85.8	20.0	\$0.528127	\$ 272,448
17	September '18	2,929,094	25,927	113.0	124.7	(11.7)	\$0.528127	\$ (160,561)
18								
19								
20								
21				3,852.0	3,715.0			
22								
23								
24								
25								
26	Total Group 3 Margin Excess / (Deficiency)							\$ 2,193,937
27								
28								
29								
30								
31								
32								
33								
34								
35								
36								
37								
38	<u>Actual</u>							
39	October '17	1,864,425	180	10,357.9	10,817.7	(459.8)	\$0.247996	\$ (20,524)
40	November '17	3,313,034	181	18,304.1	19,088.4	(784.4)	\$0.289580	\$ (41,112)
41	December '17	4,930,927	179	27,547.1	23,786.5	3,760.6	\$0.289580	\$ 194,930
42	January '18	5,780,149	179	32,291.3	33,867.6	(1,576.3)	\$0.289580	\$ (81,708)
43	February '18	3,468,450	172	20,165.4	26,589.0	(6,423.6)	\$0.289580	\$ (319,945)
44	March '18	4,781,264	173	27,637.4	24,561.7	3,075.7	\$0.289580	\$ 154,084
45	April '18	2,886,527	173	16,685.1	12,840.3	3,844.8	\$0.260035	\$ 172,963
46								
47	<u>Projected</u>							
48	May '18	1,394,075	173	8,058.2	9,454.9	(1,396.7)	\$0.260035	\$ (62,832)
49	June '18	1,085,095	173	6,272.2	5,214.4	1,057.8	\$0.260035	\$ 47,585
50	July '18	1,086,461	173	6,280.1	7,028.8	(748.7)	\$0.260035	\$ (33,681)
51	August '18	1,086,461	173	6,280.1	4,538.1	1,742.0	\$0.260035	\$ 78,366
52	September '18	1,127,756	173	6,518.8	3,558.7	2,960.1	\$0.260035	\$ 133,164
53								
54								
55								
56				186,397.8	181,346.3			
57								
58								
59								
60								
61	Total Group 4 Margin Excess / (Deficiency)							\$ 221,290
62								
63								
64	Total Groups 1 through 4							\$ 6,408,888

South Jersey Gas Company
2018-19 Conservation Incentive Program Filing
GSG and GSG-LV Large Customer Adjustment

Line No.	Month	Customers Above 1,200 CFH		Equivalent GSG Customers		Monthly Adjustment (f) = (e) - (b)	Cumulative Large Customer Adjustment (g)
		Count (b)	CFH (c)	Avg. CFH (d)	Customers (e) = (c) / (d)		
1							
2	Starting Point						935
3							
4	<u>Actual</u>						
5	October '17	8	15,822	600	26	18	953
6	November '17	9	22,501	600	38	29	58
7	December '17	12	54,204	600	90	78	136
8	January '18	8	26,481	600	44	36	172
9	February '18	6	21,978	600	37	31	203
10	March '18	6	12,976	600	22	16	219
11	April '18	4	14,726	600	25	21	240
12							
13							
14	<u>Projected</u>						
15	May '18			600	0	0	240
16	June '18			600	0	0	240
17	July '18			600	0	0	240
18	August '18			600	0	0	240
19	September '18			600	0	0	240
20							
21							
22							
23							
24							
25							
26							
27							
28	Starting Point						0
29							
30	<u>Actual</u>						
31	October '17	0	0	25,000	0	0	0
32	November '17	0	0	25,000	0	0	0
33	December '17	0	0	25,000	0	0	0
34	January '18	0	0	25,000	0	0	0
35	February '18	0	0	25,000	0	0	0
36	March '18	0	0	25,000	0	0	0
37	April '18	0	0	25,000	0	0	0
38							
39	<u>Projected</u>						
40	May '18	0	0	25,000	0	0	0
41	June '18	0	0	25,000	0	0	0
42	July '18	0	0	25,000	0	0	0
43	August '18	0	0	25,000	0	0	0
44	September '18	0	0	25,000	0	0	0

South Jersey Gas Company
2018-19 Conservation Incentive Program Filing
Determination of Weather-Related Component of CIP

Line No.	Month (a)	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Total (j)	
		October '17 (b)	November '17 (c)	December '17 (d)	January '18 (e)	February '18 (f)	March '18 (g)	April '18 (h)		May '18 (i)
Group 3: GSG										
1										
2	481.31 GSG Com Heat Sales									
3										
4	Therms	1,609,308	4,011,350	8,184,495	10,014,150	6,180,883	7,721,873	4,172,336	2,636,133	44,530,528
5										
6	Customers	16,909	17,152	17,262	17,409	17,496	17,534	17,536	17,859	
7	Base Load / Customer	72.49	72.49	72.49	72.49	72.49	72.49	72.49	72.49	
8	Total Baseload	1,225,742	1,243,357	1,251,331	1,261,987	1,268,294	1,271,048	1,271,193	1,294,622	10,087,575
9										
10	Heat Load	383,566	2,767,993	6,933,164	8,752,163	4,912,589	6,450,824	2,901,143	1,341,511	34,442,953
11										
12	Actual Degree Days	111	536	906	1,008	633	774	450	124	4,542
13	Normal Degree Days	261	525	797	966	825	658	353	124	4,509
14	Difference	(150)	11	109	42	(192)	116	97	-	33
15										
16	Actual Heat Use per Degree Day	7,583.00	7,583.00	7,583.00	7,583.00	7,583.00	7,583.00	7,583.00	7,583.00	7,583.00
17										
18	Weather Impact - Therms	(1,137,450)	83,413	826,547	318,486	(1,455,936)	879,628	735,551	-	250,239
19										
20	Margin Revenue Factor	0.453266	0.582636	0.582636	0.582636	0.582636	0.582636	0.528127	0.528127	
21										
22	Weather Impact - Dollars	\$ (515,567)	\$ 48,599	\$ 481,576	\$ 185,561	\$ (848,281)	\$ 512,503	\$ 388,464	\$ -	\$ 252,855
23										
24										
25										
26	481.32 GSG Ind Heat Sales									
27										
28	Therms	48,962	185,680	440,277	627,854	289,412	399,043	180,092	57,618	2,228,938
29										
30	Customers	256	258	257	260	260	262	262	257	
31	Base Load / Customer	70.24	70.24	70.24	70.24	70.24	70.24	70.24	70.24	
32	Total Baseload	17,980	18,121	18,050	18,261	18,261	18,402	18,402	18,050	145,527
33										
34	Heat Load	30,982	167,559	422,226	609,592	271,151	380,642	161,691	39,568	2,083,411
35										
36	Actual Degree Days	111	536	906	1,008	633	774	450	124	4,542
37	Normal Degree Days	261	525	797	966	825	658	353	124	4,509
38	Difference	(150)	11	109	42	(192)	116	97	-	33
39										
40	Actual Heat Use per Degree Day	459.00	459.00	459.00	459.00	459.00	459.00	459.00	459.00	459.00
41										
42	Weather Impact - Therms	(68,850)	5,049	50,031	19,278	(88,128)	53,244	44,523	-	15,147
43										
44	Margin Revenue Factor	0.453266	0.582636	0.582636	0.582636	0.582636	0.582636	0.528127	0.528127	
45										
46	Weather Impact - Dollars	\$ (31,207)	\$ 2,942	\$ 29,150	\$ 11,232	\$ (51,347)	\$ 31,022	\$ 23,514	\$ -	\$ 15,306

South Jersey Gas Company
2018-19 Conservation Incentive Program Filing

BGSS Savings Test

Line No.	Description (a)	Margin Excess/(Deficiency)			Amount (b)
		Weather	Non-Weather	Total	
1	Step 1: Determine Weather and Non-Weather CIP Impacts				
2					
3	CIP Group 1	\$ -	\$ 256,689	\$ 256,689	
4	CIP Group 2	\$ 1,620,938	\$ 2,116,034	\$ 3,736,972	
5	CIP Group 3	\$ 461,730	\$ 1,732,207	\$ 2,193,937	
6	CIP Group 4	\$ 54,592	\$ 166,698	\$ 221,290	
7		\$ 2,137,260	\$ 4,271,628	\$ 6,408,888	
8					
9					
10					
11					
12					
13					
14					
15	Step 2: Apply Modified BGSS Savings Test				
16					
17					
18	<u>A. Non-weather Impact Subject to Modified BGSS Savings Test</u>				
19	Non-Weather Deficiency			\$ -	
20	75% Factor			75%	
21	Subtotal			\$ -	
22					
23	Prior Year Carry-Forward (Modified BGSS Savings Test)			\$ 1,153,149	
24	75% Factor			75%	
25	Subtotal			\$ 864,862	
26					
27	Non-weather Impact Subject to Test			\$ 864,862	
28					
29					
30	<u>B. BGSS Savings</u>				
31	Permanent Capacity Savings			\$ 2,243,369	
32	Additional Capacity BGSS Savings			\$ 6,066,289	
33	Avoided Cost BGSS Savings			\$ 120,719	
34	Total BGSS Savings			\$ 8,430,378	
35					
36					
37	<u>C. Results</u>				
38	Non-Weather Impacts Passing Test (current accrual)			\$ -	
39	Non-Weather Impacts Passing Test (prior year carry-forward)			\$ 1,153,149	
40	Non-Weather Impacts Exceeding Test			\$ -	

South Jersey Gas Company
2018-19 Conservation Incentive Program Filing

BGSS Savings Test

Line
No.

1	<u>Step 3: Apply Variable Margin Revenue Test</u>		
2			
3			
4	<u>A. Non-weather Impact Subject to Variable Margin Revenue Test</u>		
5	Non-Weather Impact	\$	-
6			
7	Prior Year Carry-Forward (Variable Margin Revenue Test)	\$	777,554
8			
9	Non-weather Impact Subject to Test	\$	777,554
10			
11			
12	<u>B. Variable Margin Revenues</u>		
13	Variable Margin Revenues	\$	235,039,723
14	6.5% Factor		6.5%
15	Total Fixed Recovery Cap	\$	15,277,582
16			
17			
18	<u>C. Results</u>		
19	Non-Weather Impacts Passing Test (current accrual)	\$	-
20	Non-Weather Impacts Passing Test (prior year carry-forward)	\$	777,554
21	Non-Weather Impacts Exceeding Test	\$	-
22			
23			
24	Notes:		
25	(1) Variable margin revenues equal to the actual number of customers multiplied by the Benchmark UPC		
26	and multiplied by the margin revenue factor.		
27			
28			
29			
30	<u>Step 4: Determine Recoverable Non-Weather CIP Impacts</u>		
31			
32			
33	<u>A. Current Year Accrual Recoverable Non-Weather Impacts</u>		
34	Amount Passing Modified BGSS Savings Test	\$	-
35			
36	Amount Passing Variable Margin Revenue Test	\$	-
37			
38	Recoverable Amount	\$	-
39			
40			
41	<u>B. Previous Carry-Forward Recoverable Amounts</u>		
42	Total Unrecoverable Amount From Prior Year	\$	1,153,149
43			
44	Prior Year Subject to Modified BGSS Savings Test	\$	1,153,149
45	Prior Year Passing Modified BGSS Savings Test	\$	1,153,149
46	Remaining Unrecoverable Amount	\$	(0)
47			
48	Prior Year Subject to Variable Margin Revenue Test	\$	777,554
49	Prior Year Passing Variable Margin Revenue Test	\$	777,554
50	Remaining Unrecoverable Amount	\$	-
51			
52	Non-Recoverable Prior Year Carry-Forward	\$	-
53			
54	Recoverable Amount From Prior Year	\$	1,153,149
55			
56			
57			
58			
59	Total Non-Weather Recoverable CIP Amount	\$	(3,118,479)

South Jersey Gas Company
2018-19 Conservation Incentive Program Filing

Calculation of Over/(Under) Recovered CIP Balance

Line No.	Category	Group 1 RSG Non-Heating	Group 2 RSG Heating	Group 3 GSG	Group 4 GSG-LV	Total (f) = (b) + (c) + (d) + (e)
	(a)	(b)	(c)	(d)	(e)	
1	Actual and Projected Recoveries					
2						
3	<u>Actual</u>					
4	October '17	\$ 1,008	\$ 369,800	\$ 160,303	\$ 5,073	\$ 536,183
5	November '17	\$ (2,266)	\$ 986,448	\$ 275,715	\$ (28,711)	\$ 1,231,186
6	December '17	\$ (4,039)	\$ 2,264,356	\$ 551,026	\$ (46,549)	\$ 2,764,793
7	January '18	\$ (6,962)	\$ 4,394,209	\$ 1,052,470	\$ (74,351)	\$ 5,365,367
8	February '18	\$ (5,594)	\$ 3,375,760	\$ 855,732	\$ (55,540)	\$ 4,170,357
9	March '18	\$ (4,528)	\$ 2,619,540	\$ 675,722	\$ (52,798)	\$ 3,237,937
10	April '18	\$ (4,500)	\$ 2,592,068	\$ 666,543	\$ (51,880)	\$ 3,202,232
11						
12	<u>Projected</u>					
13	May '18	\$ (1,858)	\$ 1,005,770	\$ 292,721	\$ (24,841)	\$ 1,271,792
14	June '18	\$ (1,718)	\$ 595,347	\$ 322,902	\$ (13,508)	\$ 903,023
15	July '18	\$ (1,715)	\$ 359,308	\$ 201,956	\$ (17,215)	\$ 542,334
16	August '18	\$ (1,289)	\$ 365,949	\$ 274,256	\$ (17,421)	\$ 621,495
17	September '18	\$ (1,650)	\$ 435,357	\$ 260,131	\$ (15,175)	\$ 678,664
18						
19						
20						
21						
22	Total Recoveries	\$ (35,113)	\$ 19,363,912	\$ 5,589,478	\$ (392,914)	\$ 24,525,363
23						
24	Prior Period Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -
25						
26						
27						
28						
29	Recoverable CIP Amounts					
30	Final from 2016-2017 CIP Year	\$ (51,423)	\$ 23,779,223	\$ 7,362,735	\$ 180,634	\$ 31,271,169
31						
32	Total Recoverable CIP	\$ (51,423)	\$ 23,779,223	\$ 7,362,735	\$ 180,634	\$ 31,271,169
33						
34						
35						
36	Over / (Under) Recovery	\$ 16,310	\$ (4,415,311)	\$ (1,773,257)	\$ (573,548)	\$ (6,745,806)

South Jersey Gas Company
2018-19 Conservation Incentive Program Filing

Derivation of CIP Charge / Credit

Line No.	Description (a)	Margin Excess / (Deficiency) (b)	2018-19 Throughput Therms (c)	Charge / (Credit) (d) = (-b) / (c)	Taxes (e)	Total Charge / (Credit) (f) = (d) + (e)
1	Group 1: RSG Non-Heating					
2						
3	Weather-Related	\$ -				
4	Non Weather-Related	\$ 256,689				
5	Total CIP	\$ 256,689				
6						
7	Prior Year Amounts					
8	Prior Year Carry-Over	\$ -				
9	Prior Year Over/(Under) Recovery	\$ 16,310				
10	Total CIP Including Prior Year	\$ 273,000				
11	Net Charge/(Credit)		2,412,181	\$ (0.113175)		
12	Public Utilities Assessment				\$ (0.000284)	
13	NJ State Sales Tax				\$ (0.007517)	
14	Total Including Taxes and Assessments					<u>\$ (0.120976)</u>
15						
16						
17						
18	Group 2: RSG Heating					
19						
20	Weather-Related	\$ 1,620,938				
21	Non Weather-Related	\$ 2,116,034				
22	Total CIP	\$ 3,736,972				
23						
24	Prior Year Amounts					
25	Prior Year Carry-Over	\$ (735,739)				
26	Prior Year Over/(Under) Recovery	\$ (4,415,311)				
27	Total CIP Including Prior Year	\$ (1,414,078)				
28	Net Charge/(Credit)		264,347,776	\$ 0.005349		
29	Public Utilities Assessment				\$ 0.000013	
30	NJ State Sales Tax				\$ 0.000355	
31	Total Including Taxes and Assessments					<u>\$ 0.005717</u>

South Jersey Gas Company
2018-19 Conservation Incentive Program Filing

Derivation of CIP Charge / Credit

Line No.	Description (a)	Margin Excess / (Deficiency) (b)	2018-19 Throughput Therms (c)	Charge / (Credit) (d) = (-b) / (c)	Taxes (e)	Total Charge / (Credit) (f) = (d) + (e)
1	Group 3: GSG					
2						
3	Weather-Related	\$ 461,730				
4	Non Weather-Related	\$ 1,732,207				
5	Total CIP	\$ 2,193,937				
6						
7	Prior Year Amounts					
8	Prior Year Carry-Over	\$ (417,410)				
9	Prior Year Over/(Under) Recovery	\$ (1,773,257)				
10	Total CIP Including Prior Year	\$ 3,270				
11	Net Charge/(Credit)		138,126,291	\$ (0.000024)		
12	Public Utilities Assessment				\$ -	
13	NJ State Sales Tax				\$ (0.000002)	
14	Total Including Taxes and Assessments					\$ (0.000026)
15						
16						
17						
18	Group 4: GSG Large Volume					
19						
20	Weather-Related	\$ 54,592				
21	Non Weather-Related	\$ 166,698				
22	Total CIP	\$ 221,290				
23						
24	Prior Year Amounts					
25	Prior Year Carry-Over	\$ -				
26	Prior Year Over/(Under) Recovery	\$ (573,548)				
27	Total CIP Including Prior Year	\$ (352,258)				
28	Net Charge/(Credit)		32,509,099	\$ 0.010836		
29	Public Utilities Assessment				\$ 0.000027	
30	NJ State Sales Tax				\$ 0.000720	
31	Total Including Taxes and Assessments					\$ 0.011583

SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 12 - GAS

**Fifth Revised Sheet No. 6
Superseding Fourth 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: \$10.662500 per month

Delivery Charge:

(a) Residential Non-Heating Customers
Firm Sales Service and Firm Transportation Service \$~~.684234790897~~ per therm

(b) Residential Heating Customers
Firm Sales Service and Firm Transportation Service \$~~.810927883382~~ 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.

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,
D. Robbins, Jr., 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. 12 - GAS

**Fifth Revised Sheet No. 10
Superseding Fourth 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:

\$33.853438 per month

Delivery Charges:

Firm Sales Service and Firm Transportation Service

\$ ~~.697596754499~~ 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).

APPLICABLE RIDERS:

Basic Gas Supply Service Clause:

BGSS charges are depicted in Rider "A" 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,
D. Robbins, Jr., President

Effective with service rendered
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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. 12 - GAS

**Fifth Revised Sheet No. 14
Superseding Fourth 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:

\$159.937500 per month

Delivery Charges:

Firm Sales Service and Firm Transportation Service⁽²⁾

Demand Charge:

D-1FT: \$11.195625 per Mcf of Contract Demand

Volumetric Charge:

\$~~423352397986~~ 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,
D. Robbins, Jr., 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

First Revised Sheet No. 102

B.P.U.N.J. No. 12 - GAS

Superseding Original Sheet No. 102

RIDER "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 <u>Non-Heating</u>	Group II: RSG <u>Heating</u>	Group III: <u>GSG</u>	Group IV: <u>GSG-LV</u>
CIP Factors Per Therm	(\$0.11317504 3395)	\$0.00534907 3154	(\$0.0000240 53226)	(\$0.01083604 2899)
Applicable Revenue Tax Factor	<u>1.0025052</u>	<u>1.0025052</u>	<u>1.0025052</u>	<u>1.0025052</u>
CIP Factors Per Therm	(\$0.113459043 424)	\$0.00536207331 5	(\$0.000024053 343)	(\$0.01086304 2927)
Applicable NJ Sales Tax Factor	<u>1.066250</u>	<u>1.066250</u>	<u>1.066250</u>	<u>1.066250</u>
CIP Factors Per Therm with NJ Sales Tax	(\$0.12097601 <u>43134</u>)	\$0.005717078 <u>172</u>)	(\$0.0000260 <u>56877</u>)	(\$0.01158301 <u>3783</u>)

- (g) The CIP shall not operate to cause the Company to earn in excess of its allowed rate of return on common equity of 9.60% for any twelve month period ending September 30; any revenue which is not recovered will not be deferred. For purposes of this paragraph (f), the Company's rate of return on common equity shall be calculated by dividing the Company's net income for such annual period by the Company's average 13 month common equity balance for such annual period, all data as reflected in the Company's monthly reports to the Board of Public Utilities. The Company's net income shall be calculated by subtracting from total net income 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, (6) the Energy Efficiency Tracker, (7) the Accelerated Infrastructure Replacement Program and (8) the Storm Hardening and Reliability Program..

Issued September 26, 2017
by South Jersey Gas Company,
D. Robbins, Jr., President

Effective with service rendered
on and after January 1, 2018

Filed pursuant to Order in Docket No. ER17090984 of the Board of
Public Utilities, State of New Jersey, dated September 26, 2017

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

<u>RESIDENTIAL GAS SERVICE (RSG) - NONHEAT CUSTOMER</u>	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<u>CUSTOMER CHARGE</u>		10.000000		0.662500	10.662500
<u>DELIVERY CHARGE (per therm):</u>					
Base Rate		0.629030		0.041673	0.670703
TIC	C	0.001473	0.000003	0.000098	0.001574
SBC:					
RAC	E, G	0.032415	0.000071	0.002152	0.034639
CLEP	E, K	0.028215	0.000062	0.001873	0.030150
USF	E	0.008200	0.000000	0.000500	0.008700
Total SBC		0.068830	0.000133	0.004525	0.073489
CIP	M	(0.113175)	(0.000284)	(0.007517)	(0.120976)
EET	N	0.008557	0.000019	0.000568	0.009144
Balancing Service Charge BS-1	J	0.047100	0.000100	0.003100	0.050300
Balancing Service Charge BUY-OUT PRICE (Applicable to Transportation Customers Only)	J				Rate Set Monthly
TOTAL DELIVERY CHARGE		0.641815	(0.000029)	0.042447	0.684234
BGSS: (Applicable To Sales Customers Only)	A	0.318187	0.000700	0.021126	0.340013

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

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<u>RESIDENTIAL GAS SERVICE (RSG) - HEAT CUSTOMER</u>	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<u>CUSTOMER CHARGE</u>		10.000000		0.662500	10.662500
<u>DELIVERY CHARGE (per therm):</u>					
Base Rate		0.629030		0.041673	0.670703
TIC	C	0.001473	0.000003	0.000098	0.001574
SBC:					
RAC	E, G	0.032415	0.000071	0.002152	0.034639
CLEP	E, K	0.028215	0.000062	0.001873	0.030150
USF	E	0.008200	0.000000	0.000500	0.008700
Total SBC		0.068830	0.000133	0.004525	0.073489
CIP	M	0.005349	0.000013	0.000355	0.005717
EET	N	0.008557	0.000019	0.000568	0.009144
Balancing Service Charge BS-1	J	0.047100	0.000100	0.003100	0.050300
Balancing Service Charge BUY-OUT PRICE (Applicable to Transportation Customers Only)	J				Rate Set Monthly
Total Delivery Charge		0.760339	0.000268	0.050319	0.810927
BGSS: (Applicable To Sales Customers Only)	A	0.318187	0.000700	0.021126	0.340013

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

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<u>GENERAL SERVICE (GSG)</u>	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
CUSTOMER CHARGE		31.750000		2.103438	33.853438
DELIVERY CHARGE (per therm):					
Base Rate		0.528127		0.034988	0.563115
TIC	C	0.001473	0.000003	0.000098	0.001574
SBC:					
RAC	E, G	0.032415	0.000071	0.002152	0.034639
CLEP	E, K	0.028215	0.000062	0.001873	0.030150
USF	E	0.008200	0.000000	0.000500	0.008700
Total SBC		0.068830	0.000133	0.004525	0.073489
CIP	M	(0.000024)	0.000000	(0.000002)	(0.000026)
EET	N	0.008557	0.000019	0.000568	0.009144
Balancing Service Charge BS-1	J	0.047100	0.000100	0.003100	0.050300
Balancing Service Charge BUY-OUT PRICE (Applicable to Transportation Customers Only)	J				Rate Set Monthly
Total Delivery Charge		0.654063	0.000255	0.043277	0.697596
BGSS: (Applicable To Sales Customers Only using less than 5,000 therms annually)	A	0.318187	0.000700	0.021126	0.340013
BGSS: (Applicable To Sales Customers Only using 5,000 therms annually or greater)	A				RATE SET MONTHLY

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

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<u>GENERAL SERVICE-LV (GSG-LV)</u>	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<u>CUSTOMER CHARGE</u>		150.000000		9.937500	159.937500
<u>D-1 Demand Charge (Mcf)</u>		10.500000		0.695625	11.195625
<u>DELIVERY CHARGE (per therm):</u>					
Base Rate		0.260035		0.017227	0.277262
TIC	C	0.001473	0.000003	0.000098	0.001574
SBC:					
RAC	E, G	0.032415	0.000071	0.002152	0.034639
CLEP	E, K	0.028215	0.000062	0.001873	0.030150
USF	E	<u>0.008200</u>	<u>0.000000</u>	<u>0.000500</u>	<u>0.008700</u>
Total SBC		0.068830	0.000133	0.004525	0.073489
CIP	M	0.010836	0.000027	0.000720	0.011583
EET	N	0.008557	0.000019	0.000568	0.009144
Balancing Service Charge BS-1	J	0.047100	0.000100	0.003100	0.050300
Balancing Service Charge BUY-OUT PRICE (Applicable to Transportation Customers Only)	J				Rate Set Monthly
Total Delivery Charge		0.396831	0.000282	0.026238	0.423352
<u>BGSS: (Applicable Sales Customers Only)</u>	A				RATE SET MONTHLY

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

COMPREHENSIVE TRANSPORTATION SERVICE (CTS)

<u>FIRM</u>	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
CUSTOMER CHARGE		600.000000		39.750000	639.750000
D-1 Demand Charge (Mcf)		31.000000		2.053750	33.053750
DELIVERY CHARGE (per therm):		0.046559		0.003085	0.049644
Base Rate					
SBC:					
RAC	E, G	0.032415	0.000071	0.002152	0.034639
CLEP	E, K	0.028215	0.000062	0.001873	0.030150
USF	E	<u>0.008200</u>	<u>0.000000</u>	<u>0.000500</u>	<u>0.008700</u>
Total SBC		0.068830	0.000133	0.004525	0.073489
EET	N	0.008557	0.000019	0.000568	0.009144
Total Delivery Charge		0.123946	0.000152	0.008178	0.132277
Balancing Service Charge BS-1	I	0.011800	0.000000	0.000800	0.012600
Balancing Service Charge BS-1 (Opt Out Provision)	I	0.002500	0.000000	0.000200	0.002700
BUY-OUT PRICE					RATE SET MONTHLY
LIMITED FIRM					
CUSTOMER CHARGE		100.000000		6.625000	106.625000
DELIVERY CHARGE (per therm):		0.058400		0.003900	0.062300
Base Rate					
SBC:					
RAC	E, G	0.032415	0.000071	0.002152	0.034639
CLEP	E, K	0.028215	0.000062	0.001873	0.030150
USF	E	<u>0.008200</u>	<u>0.000000</u>	<u>0.000500</u>	<u>0.008700</u>
Total SBC		0.068830	0.000133	0.004525	0.073489
EET	N	0.008557	0.000019	0.000568	0.009144
Total Delivery Charge		0.135787	0.000152	0.008993	0.144933
Balancing Service Charge BS-1	I	0.011800	0.000000	0.000800	0.012600
Balancing Service Charge BS-1 (Opt Out Provision)	I	0.002500	0.000000	0.000200	0.002700
BUY-OUT PRICE					RATE SET MONTHLY

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

<u>LARGE VOLUME SERVICE (LVS)</u>	<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>		900.000000		59.625000	959.625000
D-1 Demand Charge (Mcf)		18.000000		1.192500	19.192500
D-2 DEMAND BGSS (Applicable to Sales Customers Only)	A	14.748296	0.032446	0.979224	15.759966
<u>DELIVERY CHARGE (per therm):</u> Base Rate		0.035577		0.002357	0.037934
SBC:					
RAC	E, G	0.032415	0.000071	0.002152	0.034639
CLEP	E, K	0.028215	0.000062	0.001873	0.030150
USF	E	0.008200	0.000000	0.000500	0.008700
		0.068830	0.000133	0.004525	0.073489
EET	N	0.008557	0.000019	0.000568	0.009144
		0.112964	0.000152	0.007450	0.120567
Total Delivery Charge					
Balancing Service Charge BS-1	I	0.011800	0.000000	0.000800	0.012600
Balancing Service Charge BS-1 (Opt Out Provision) (Applicable to Transportation Customers Only)	I	0.002500	0.000000	0.000200	0.002700
Balancing Service Charge CASH OUT CHARGE (CREDIT) (Applicable to 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>		100.000000		6.625000	106.625000
<u>DELIVERY CHARGE (per therm):</u> Base Rate		0.122174		0.008094	0.130268
SBC:					
RAC	E, G	0.032415	0.000071	0.002152	0.034639
CLEP	E, K	0.028215	0.000062	0.001873	0.030150
USF	E	0.008200	0.000000	0.000500	0.008700
		0.068830	0.000133	0.004525	0.073489
EET	N	0.008557	0.000019	0.000568	0.009144
		0.199561	0.000152	0.013187	0.212901
Total Delivery Charge					
Balancing Service Charge BS-1	I	0.011800	0.000000	0.000800	0.012600
Balancing Service Charge BS-1 (Opt Out Provision) (Applicable to Transportation Customers Only)	I	0.002500	0.000000	0.000200	0.002700
BUY-OUT PRICE	I				RATE SET MONTHLY

<u>FIRM ELECTRIC SALES (FES)</u>	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
WINTER					
<u>D-1 DEMAND (MCF) (Rate is negotiated. Shown here is the benchmark rate.)</u>		2.897200		0.191900	3.089100
<u>D-2 DEMAND BGSS(MCF) (Applicable to Sales Customers Only)</u>	A	7.374148	0.016223	0.489612	7.879983
<u>DELIVERY CHARGE (per therm):</u>					
SBC:					
RAC	E, G	0.032415	0.000071	0.002152	0.034639
CLEP	E, K	0.028215	0.000062	0.001873	0.030150
USF	E	<u>0.008200</u>	<u>0.000000</u>	<u>0.000500</u>	<u>0.008700</u>
		0.068830	0.000133	0.004525	0.073489
EET	N	0.008557	0.000019	0.000568	0.009144
Total Delivery Charge		0.077387	0.000152	0.005093	0.082633
		0.162900		0.010800	0.173700
C-3 All Therms (Rate is negotiated. Shown here is the benchmark rate.)					
C-4 Escalator Rate (To be determined as prescribed in the Company's Tariff)					
Balancing Service Charge CASH OUT CHARGE (CREDIT) (Applicable to Firm Transportatin Customers Only)	I				RATE SET MONTHLY
BGSS: (Applicable To Sales Customers Only)	A				RATE SET MONTHLY
SUMMER					
<u>D-1 DEMAND (MCF) (Rate is negotiated. Shown here is the benchmark rate.)</u>		2.897200		0.191900	3.089100
<u>D-2 DEMAND BGSS(MCF) (Applicable to Sales Customers Only)</u>	A	7.374148	0.016223	0.489612	7.879983
SBC:					
RAC	E, G	0.032415	0.000071	0.002152	0.034639
CLEP	E, K	0.028215	0.000062	0.001873	0.030150
USF	E	<u>0.008200</u>	<u>0.000000</u>	<u>0.000500</u>	<u>0.008700</u>
EET	N	0.008557	0.000019	0.000568	0.009144
Total Delivery Charge		0.077387	0.000152	0.005093	0.082633
		0.162900		0.010800	0.173700
C-3 All Therms (Rate is negotiated. Shown here is the benchmark rate.)					
C-4 Escalator Rate (To be determined as prescribed in the Company's Tariff)					
Balancing Service Charge CASH OUT CHARGE (CREDIT) (Applicable to Firm Transportatin Customers Only)	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>ELECTRIC GENERATION SERVICE (EGS) - RESIDENTIAL</u>	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
CUSTOMER CHARGE		10.000000		0.662500	10.662500
DELIVERY CHARGE (per therm):					
Base Rate		0.134084		0.008883	0.142967
SBC:					
RAC	E, G	0.032415	0.000071	0.002152	0.034639
CLEP	E, K	0.028215	0.000062	0.001873	0.030150
USF	E	0.008200	0.000000	0.000500	0.008700
Total SBC		0.068830	0.000133	0.004525	0.073489
EET	N	0.008557	0.000019	0.000568	0.009144
Balancing Service Charge BS-1	J	0.047100	0.000100	0.003100	0.050300
Total Delivery Charge		0.258571	0.000252	0.017076	0.275900
BGSS: (Applicable To Sales Customers Only)	A	0.318187	0.000700	0.021126	0.340013

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

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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>		75.000000		4.968750	79.968750
<u>D-1 DEMAND (MCF)</u>		8.250000		0.546563	8.796563
<u>DELIVERY CHARGE (per therm):</u>					
Base Rate - Winter Season (Nov - Mar)		0.122836		0.008138	0.130974
Base Rate - Summer Season (Apr - Oct)		0.092836		0.006150	0.098986
SBC:					
RAC	E, G	0.032415	0.000071	0.002152	0.034639
CLEP	E, K	0.028215	0.000062	0.001873	0.030150
USF	E	0.008200	0.000000	0.000500	0.008700
Total SBC		0.068830	0.000133	0.004525	0.073489
EET	N	0.008557	0.000019	0.000568	0.009144
Balancing Service Charge BS-1	J	0.047100	0.000100	0.003100	0.050300
Total Delivery Charge - Winter Season		0.247323	0.000252	0.016331	0.263907
Total Delivery Charge - Summer Season		0.217323	0.000252	0.014343	0.231919
<u>BGSS: (Applicable To Sales Customers Only)</u>	A				<u>RATE SET MONTHLY</u>

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

<u>ELECTRIC GENERATION SERVICE-LV (EGS-LV)</u>	<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>		900.000000		59.625000	959.625000
<u>D-1 DEMAND (MCF) (Rate is negotiated. Shown here is the benchmark rate.)</u>		21.201798		1.404619	22.606417
<u>D-2 DEMAND BGSS (MCF) (Applicable to Sales Customers Only)</u>	A	14.463445	0.031820	0.960311	15.455576
<u>DELIVERY CHARGE (per therm):</u>					
SBC:					
RAC	E, G	0.032415	0.000071	0.002152	0.034639
CLEP	E, K	0.028215	0.000062	0.001873	0.030150
USF	E	0.008200	0.000000	0.000500	0.008700
		0.068830	0.000133	0.004525	0.073489
EET	N	0.008557	0.000019	0.000568	0.009144
		0.077387	0.000152	0.005093	0.082633
Total Delivery Charge					
Balancing Service Charge BS-1	I	0.011800	0.000000	0.000800	0.012600
Balancing Service Charge BS-1 (Opt Out Provision)	I	0.002500	0.000000	0.000200	0.002700
Balancing Service Charge CASH OUT CHARGE (CREDIT) (Applicable to Firm Transportatin Customers Only)	I				RATE SET MONTHLY
<u>BGSS: (Applicable To Sales Customers Only)</u>	A				RATE SET MONTHLY
		7.374148	0.016223	0.489612	7.879983
<u>LIMITED FIRM</u>					
<u>D-2 DEMAND BGSS(MCF) (Applicable to Sales Customers Only)</u>	A				
<u>DELIVERY CHARGE (per therm):</u>					
SBC:					
RAC	E, K	0.032415	0.000071	0.002152	0.034639
CLEP	E, G	0.028215	0.000062	0.001873	0.030150
USF	E	0.008200	0.000000	0.000500	0.008700
		0.068830	0.000133	0.004525	0.073489
EET	N	0.008557	0.000019	0.000568	0.009144
		0.077387	0.000152	0.005093	0.082633
Total Delivery Charge					
<u>C-3 (Rate is negotiated. Shown here is the benchmark rate.)</u>		0.162900	0.010800	0.010800	0.173700
Balancing Service Charge BS-1	I	0.011800	0.000000	0.000800	0.012600
Balancing Service Charge BS-1 (Opt Out Provision)	I	0.002500	0.000000	0.000200	0.002700
Balancing Service Charge CASH OUT CHARGE (CREDIT) (Applicable to Firm Transportatin Customers Only)	I				RATE SET MONTHLY
<u>BGSS: (Applicable To Sales Customers Only)</u>	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		13.023977		0.862838	13.886815
<u>STREET LIGHTING SERVICE (SLS)</u>					
MONTHLY CHARGE / INSTALL		15.996701		1.059781	17.056482
<u>INTERRUPTIBLE GAS SALES (IGS)</u>					
Commodity					Rate Set Monthly
SBC:					
RAC	E, K	0.032415	0.000071	0.002152	0.034639
USF	E	0.008200	0.000000	0.000500	0.008700
		0.040615	0.000071	0.002652	0.043339
Total SBC:					
EET	N	0.008557	0.000019	0.000568	0.009144

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

<u>INTERRUPTIBLE TRANSPORTATION (ITS)</u>	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
CUSTOMER CHARGE		100.000000		6.625000	106.625000
<u>TRANSPORTATION CHARGE A</u>		0.028400		0.001900	0.030300
SBC:					
RAC	E, K	0.032415	0.000071	0.002152	0.034639
CLEP	E, G	0.028215	0.000062	0.001873	0.030150
USF	E	0.008200	0.000000	0.000500	0.008700
Total SBC:		0.068830	0.000133	0.004525	0.073489
EET	N	0.008557	0.000019	0.000568	0.009144
<u>TRANSPORTATION CHARGE B</u>		0.093200		0.006200	0.099400
SBC:					
RAC	E, K	0.032415	0.000071	0.002152	0.034639
CLEP	E, G	0.028215	0.000062	0.001873	0.030150
USF	E	0.008200	0.000000	0.000500	0.008700
Total SBC:		0.068830	0.000133	0.004525	0.073489
EET	N	0.008557	0.000019	0.000568	0.009144
<u>TRANSPORTATION CHARGE C</u>		0.153200		0.010100	0.163300
SBC:					
RAC	E, K	0.032415	0.000071	0.002152	0.034639
CLEP	E, G	0.028215	0.000062	0.001873	0.030150
USF	E	0.008200	0.000000	0.000500	0.008700
Total SBC:		0.068830	0.000133	0.004525	0.073489
EET	N	0.008557	0.000019	0.000568	0.009144

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

Heat Residential Rate Schedule:

	RSG FSS	RSG-FTS	Difference
BGSS	0.340013	0.000000	0.340013
Base Rate	0.670703	0.670703	0.000000
CLEP	0.030150	0.030150	0.000000
RAC	0.034639	0.034639	0.000000
CIP	0.005717	0.005717	0.000000
USF	0.008700	0.008700	0.000000
TIC	0.001574	0.001574	0.000000
EET	0.009144	0.009144	0.000000
BSC *J* BS-1	0.050300	0.050300	0.000000
Price to Compare	1.150940	0.810927	0.340013

NonHeat Residential Rate Schedule:

	RSG FSS	RSG-FTS	Difference
BGSS	0.340013	0.000000	0.340013
CIP	(0.120976)	(0.120976)	0.000000
Base Rate	0.670703	0.670703	0.000000
CLEP	0.030150	0.030150	0.000000
RAC	0.034639	0.034639	0.000000
USF	0.008700	0.008700	0.000000
TIC	0.001574	0.001574	0.000000
EET	0.009144	0.009144	0.000000
BSC *J* BS-1	0.050300	0.050300	0.000000
Price to Compare	1.024247	0.684234	0.340013

GSG

(Under 5,000 therms annually)

	GSG FSS	GSG-FTS	Difference
BGSS	0.340013	0.000000	0.340013
CIP	(0.000026)	(0.000026)	0.000000
Base Rates	0.563115	0.563115	0.000000
CLEP	0.030150	0.030150	0.000000
RAC	0.034639	0.034639	0.000000
USF	0.008700	0.008700	0.000000
TIC	0.001574	0.001574	0.000000
EET	0.009144	0.009144	0.000000
BSC *J* BS-1	0.050300	0.050300	0.000000
Price to Compare	1.037609	0.697596	0.340013

GSG

(5,000 therms annually or greater)

	GSG FSS	GSG-FTS	Difference
BGSS	0.383740	0.000000	0.383740
CIP	(0.000026)	(0.000026)	0.000000
Base Rates	0.563115	0.563115	0.000000
CLEP	0.030150	0.030150	0.000000
RAC	0.034639	0.034639	0.000000
USF	0.008700	0.008700	0.000000
TIC	0.001574	0.001574	0.000000
EET	0.009144	0.009144	0.000000
BSC *J* BS-1	0.050300	0.050300	0.000000
Price to Compare	1.081336	0.697596	0.383740

GSG-LV

Prior to 7/15/97

	GSG-LV FSS	GSG-LV-FTS	Difference
BGSS	0.383740	0.000000	0.383740
CIP	0.011583	0.011583	0.000000
Base Rates	0.277262	0.277262	0.000000
CLEP	0.030150	0.030150	0.000000
RAC	0.034639	0.034639	0.000000
USF	0.008700	0.008700	0.000000
TIC	0.001574	0.001574	0.000000
EET	0.009144	0.009144	0.000000
BSC *J* BS-1	0.050300	0.050300	0.000000
Price to Compare	0.807092	0.423352	0.383740