



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 3rd Floor Suite, 314  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

ENERGY

IN THE MATTER OF THE PETITION OF SOUTH )  
JERSEY GAS COMPANY FOR APPROVAL TO REVISE )  
THE COST RECOVERY CHARGE ASSOCIATED WITH )  
ENERGY EFFICIENCY PROGRAMS ("EET CHARGE") ) ORDER ADOPTING  
STIPULATION  
DOCKET NO. GR18060625

**Parties of Record:**

**Stacy A. Mitchell, Esq.**, South Jersey Gas Company  
**Stefanie A. Brand, Esq.**, Director, New Jersey Division of Rate Counsel

**BY THE BOARD:**

By this Order, the New Jersey Board of Public Utilities ("Board" or "BPU") considers a stipulation of settlement ("Stipulation") executed by South Jersey Gas Company ("SJG" or "Company"), Board Staff ("Staff"), and the New Jersey Division of Rate Counsel ("Rate Counsel") (collectively, "Parties") intended to resolve the Company's request to revise its Energy Efficiency Tracker ("EET") rate .

**BACKGROUND AND PROCEDURAL HISTORY**

By Order<sup>1</sup> dated July 24, 2009 ("July 2009 Order"), the Board authorized SJG to implement a number of Energy Efficiency Programs ("EETPs")<sup>2</sup> over a two (2)-year period to promote energy efficiency and conservation while stimulating the State's economy. The July 2009 Order also authorized the Company to defer and recover all reasonable and prudent costs associated with the EETPs including both Company investments in the EETPs as well as incremental operating and maintenance ("O&M") costs. These costs were to be recovered through the EET.

<sup>1</sup> In re Energy Efficiency Programs and Associated Cost Recovery Mechanisms and In re the Petition of South Jersey Gas Company for Approval of Energy Efficiency Program ("EEP") with an Associated Energy Efficiency Tracker "EET" Pursuant to N.J.S.A. 48:3-98.1; and to Modify Rate Schedule EGS-LV, BPU Docket Nos. E009010056 and G009010059 (July 24, 2009).

<sup>2</sup> SJG was authorized to offer the following EETPs: 1) Enhanced Residential Heating, Venting, and Air Conditioning ("HVAC") Rebate Program; 2) Residential Home Performance Finance Energy Efficiency Program; 3) Combined Heat and Power Program; 4) Commercial Customer Direct Install Financing Program; and 5) Non-Residential Energy Efficiency Investment.

The EET cost recovery mechanism provides for two (2) different treatments of the costs. The first part of the EET allows the Company to earn a return on the investments and recover the amortization of the regulatory asset to be created upon SJG's balance sheet that is associated with the Company's investments in EEPs. The second part of the EET allows SJG recovery of incremental operating and maintenance ("O&M") expenses associated with the EEPs. Pursuant to the July 2009 Order, the Company is required to submit annual EEP cost recovery filings to establish future EET rates. The annual filings were to include certain information including investment levels, operating costs, and employment. Pursuant to the July 2009 Order, the initial EET rate was established as \$0.0024 per therm, including Sales and Use Tax ("SUT") and Public Utility Assessment (collectively, "Taxes").

On July 9, 2010, the Company submitted its first annual EET filing with the Board which was assigned Docket No. G010070466. Subsequently, on June 1, 2011, SJG submitted its second annual EET which was assigned Docket No. GR11060336. By Order<sup>3</sup> dated September 13, 2012, the Board authorized SJG to implement an EET rate of \$0.0096 per therm, including Taxes to resolve both the first and second EET filings.

By Order<sup>4</sup> dated January 19, 2011 ("January 2011 Order"), the Board authorized SJG to extend its EEPs by one (1) year to allow SJG to carryover individual program under-spending until December 31, 2011, as well as, to allow SJG's monthly program investment and incremental O&M costs associated with the EEPs to continue until April 30, 2012. In addition, the January 2011 Order authorized the reallocation of money within the EEPs' budget as requested by SJG.

On May 3, 2012, SJG filed a petition in Docket No. G012050363 ("EEP II Proceeding"), seeking authorization to implement a new set of EEPs. During the pendency of the EEP II Proceeding, SJG filed another petition in Docket No. G012060492, seeking to extend its current EEPs and the EET through December 31, 2012 to permit the Company to spend the remaining unexpended EEP budget. Pursuant to Board Order<sup>5</sup> dated August 15, 2012 ("August 2012 Order"), the Board approved a settlement among the Parties authorizing SJG to extend its EEPs within the currently approved budget until the remaining unexpended funds were exhausted or until such time as the Board made a determination in the EEP II Petition, whichever occurred first. Also, the August 2012 Order authorized a reallocation of money within the EEP budget.

On June 1, 2012, the Company submitted its third annual EET filing with the Board, which was assigned Docket No. GR12060473. By Order<sup>6</sup> dated January 23, 2013, during the pendency of the EEP II Petition and the third annual EET filing, the Board authorized SJG to extend its EEPs

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<sup>3</sup> In re the Petition of South Jersey Gas Company for Approval of the Cost Recovery Associated with Energy Efficiency Programs (2010) and In re the Petition of South Jersey Gas Company for Approval of the Cost Recovery Associated with Energy Efficiency Programs (2011); BPU Docket Nos. G010070466 and GR11060336 (September 13, 2012).

<sup>4</sup> In re the Petition of South Jersey Gas Company for Approval of Energy Efficiency Program ("EEP") with an Associated Energy Efficiency Tracker ("EET") Pursuant to N.J.S.A. 48:3-98.1; and to Modify Rate Schedule EGS-LV, BPU Docket No. G010110861 (January 19, 2011).

<sup>5</sup> In re the Petition of South Jersey Gas Company for Approval to Extend the Company's Board-Approved Energy Efficiency Programs and to Transfer Funding Amongst the Individual Programs, BPU Docket No. G012060492 (August 15, 2012).

<sup>6</sup> In re the Petition of South Jersey Gas Company for Approval of an Energy Efficiency Program ("EEP") with an Associated Energy Efficiency Tracker ("EET") Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. G012050363 (January 23, 2013).

through June 2013, along with a budget for the extension. By Order<sup>7</sup> dated June 21, 2013 ("June 2013 Order"), the Board authorized SJG to continue its Residential Home Performance and Finance Energy Efficiency Program, its Non-Residential Energy Efficiency Investment Program, its Enhanced Residential HVAC Rebate Program and its Commercial Customer Direct Install Financing Program (collectively, "EEP II Programs") through June 2015. Pursuant to the June 2013 Order, an initial rate of \$0.0035 per therm, including Taxes, associated with the approved EEP II Programs was set ("EET Extension Rate").

On May 31, 2013, the Company submitted its fourth annual EET filing with the Board, which was assigned Docket No. GR13050435. By Order dated September 30, 2014 ("September 2014 Order"), the Board authorized SJG to implement an EET rate of \$0.0134 per therm, including Taxes to resolve both the third and fourth EET filings.<sup>8</sup> When combined with the EET II Extension Rate of \$0.0035 per therm with Taxes approved by the Board in the June 2013 Order, the total EET rate in effect for use after October 1, 2014 was \$0.0169 per therm, including Taxes.

On May 30, 2014, the Company submitted its fifth annual EET filing with the Board, which was assigned Docket No. GR14050509, seeking Board approval to increase the then existing total EET rate to \$0.015577 per therm, including Taxes. However, due to the rate approved in the Board's September 2014 Order, the requested rate of \$0.015577 per therm, reflected a decrease from the current rate of \$0.0169 per therm, including Taxes.

On June 1, 2015, the Company submitted its sixth annual EET filing with the Board, which was assigned Docket No. GR15060643, seeking Board approval to decrease the then current EET rate from \$0.0169 per therm including Taxes to \$0.003252 per therm including Taxes.

On January 20, 2015, SJG filed a petition with the Board seeking approval to continue its EEPs for a three (3) year period, with a total budget of \$56 million. By Order dated August 19, 2015 ("August 2015 Order"), the Board approved a stipulation between the Parties further extending certain EEPs<sup>9</sup> offered by SJG.<sup>10</sup> Pursuant to the August 2015 Order, an initial rate of \$0.004494 per therm including Taxes was established for the EEP III Extension Programs. When combined with the then current total EET rate of \$0.0169 per therm, including Taxes, the total EET rate in effect for use after September 1, 2015 was \$0.021394 per therm, including Taxes.

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<sup>7</sup> In re the Petition of South Jersey Gas Company for Approval of an Energy Efficiency Program ("EEP") with an Associated Energy Efficiency Tracker ("EET") Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. G012050363 (June 21, 2013).

<sup>8</sup> In re the Petition of South Jersey Gas Company for Approval of an Increase in the Cost Recovery Associated with Energy Efficiency Programs AND In re the Petition of South Jersey Gas Company for Approval of an Increase in the Cost Recovery Associated with Energy Efficiency Programs, BPU Docket Nos. GR12060473 and GR13050435 (September 30, 2014).

<sup>9</sup> The August 2015 Order authorized SJG to offer the following programs: 1) Residential Home Performance and Finance Energy Efficiency Program; 2) Non-Residential Energy Efficiency Investment Program; 3) Enhanced Residential HVAC Rebate Program; 4) Commercial Customer Direct Install Financing Program; and 5) OPOWER pilot program. ("EEP Extension III Programs")

<sup>10</sup> In re the Petition of South Jersey Gas Company for Approval of an Energy Efficiency Program ("EEP") with an Associated Energy Efficiency Tracker ("EET") Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GR15010090 (August 19, 2015).

By Order<sup>11</sup> dated February 24, 2016, the Board authorized a decrease in SJG's EET rate to \$0.07302 per therm, including Taxes to resolve both the fifth and sixth EET filings.

On June 1, 2016, the Company submitted its seventh annual EET filing with the Board, which was assigned Docket No. GR16060491, seeking Board approval to decrease its EET rate. By Order<sup>12</sup> dated October 31, 2016, the Board authorized a decrease in the EET rate to \$0.004576<sup>13</sup> per therm, including Taxes to resolve the seventh EET filing.

On November 4, 2016, SJG filed a Letter Petition with the Board seeking approval for an extension to their existing EEP's through December 31, 2018. By Order dated<sup>14</sup> January 25, 2017, the Board approved the requested extension until December 31, 2018, with no additional funding.

On June 23, 2017, the Company submitted its eighth annual EET filing with the Board, which was assigned Docket No. GR17060673, seeking Board approval to increase its EET rate. By Order<sup>15</sup> dated November 21, 2017, the Board authorized an increase of the EET rate to \$0.009166<sup>16</sup> per therm, including Taxes to resolve the eighth EET filing.

On March 27, 2018, the Company filed a petition with the Board, which was assigned Docket No. GO18030350. SJG is seeking Board approval to extend its approved EEPs with certain modifications and to implement new EEPs for a five (5) year period with an overall budget of \$195 million. By Order<sup>17</sup> dated October 29, 2018 ("October 2018 Order"), the Board approved a

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<sup>11</sup> In re the Petition of South Jersey Gas Company for Approval of an Increase to the Cost Recovery Charge Associated with Energy Efficiency Programs (2014) and the Petition of South Jersey Gas Company to Revise the Cost Recovery Charge Associated with Energy Efficiency Programs (2015), BPU Docket Nos. GR14050509 and GR15060643 (February 24, 2016).

<sup>12</sup> In re the Petition of South Jersey Gas Company for Approval of an Increase to the Cost Recovery Charge Associated with Energy Efficiency Programs (2014) and the Petition of South Jersey Gas Company to Revise the Cost Recovery Charge Associated with Energy Efficiency Programs (2016); BPU Docket No. GR16060491 (October 31, 2016).

<sup>13</sup> On November 14, 2016 the Secretary of the Board issued a 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 has been changed from seven (7) percent to 6.875 percent effective January 1, 2017. Accordingly, SJG implemented the 6.875 percent SUT rate as of January 1, 2017, making the necessary changes to all of rates and tariffs to reflect that decrease. Accordingly, SJG's EET rate became \$0.004571 per therm, including Taxes, effective January 1, 2017.

<sup>14</sup> In re the Petition of South Jersey Gas Company for Approval to Continue its Energy Efficiency Programs and Energy Efficiency Tracker Pursuant to N.J.S.A. 48:3-98.1 AND In re the Petition of South Jersey Gas Company for Approval of an Energy Efficiency Program ("EEP") with an Associated Energy Efficiency Tracker ("EET") Pursuant to N.J.S.A. 48:3-98.1, BPU Docket Nos. GR15010090 and GO12050363 (January 25, 2017).

<sup>15</sup> In re the Petition of South Jersey Gas Company to Revise the Cost Recovery Charge Associated with Energy Efficiency Programs ("EET Charge"), BPU Docket No. GR17060673 (November 21, 2017).

<sup>16</sup> On September 26, 2017, the Secretary of the Board issued a letter under Docket No. ER17090984 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 has been changed from 6.875 percent to 6.625 percent, effective January 1, 2018. Accordingly, SJG implemented the 6.625 percent SUT rate as of January 1, 2018, making the necessary changes to all of rates and tariffs to reflect that decrease. Accordingly, SJG's current EET rate is \$0.009144 per therm, including Taxes.

<sup>17</sup> In re the Petition of South Jersey Gas Company for Approval of the Extension of Energy Efficiency Programs ("EEP IV") and the Associated Cost Recovery Mechanism Pursuant to N.J.S.A. 48:3-98.1, BPU Docket No. GR18030350 (October 29, 2018).

stipulation between the Parties further extending the program, with modifications, for an additional three (3) year period with an overall budget of approximately \$81.3 million. Pursuant to the October 2018 Order, an initial rate of \$0.008117 per therm including Taxes was established for the EEP IV Extension Programs.

### **JUNE 2018 PETITION**

On June 11, 2018, SJG filed the instant petition ("June 2018 Petition") with the Board, which was assigned Docket No. GR18060625. In the June 2018 Petition, SJG sought Board approval to decrease its EET rate from the current rate of \$0.009144 per therm, including Taxes to \$0.006339 per therm, including Taxes.<sup>18</sup>

The June 2018 Petition sought to reconcile EEP costs and cost recoveries for the period commencing October 1, 2017 through September 30, 2018 ("2018 Recovery Period"), and to recover forecast revenues for the period October 1, 2018 through September 30, 2019. Information for the 2018 Recovery Period included seven (7) months of actual data through April 30, 2018 and five (5) months of projected data through September 30, 2018. As reflected in the June 2018 Petition, the proposed EET rate of \$0.006339 per therm was designed to recover actual and projected allowable recoverable EEP costs of \$3,521,015, exclusive of Taxes through September 30, 2019, as well as, return a projected over-recovered balance of \$166,413 at September 30, 2018, for a total revenue requirement of \$3,354,602, exclusive of Taxes.

As part of discovery, SJG updated its revenue requirement to include actual data through August 31, 2018. The updated revenue requirement would be \$3,327,820 which equates to \$3,486,789 of actual and projected expenses through September 2019 and a projected over-recovered balance of \$158,969 at September 30, 2018, both exclusive of Taxes.

Following notice in newspapers of general circulation within SJG's service territory, and the serving of notice upon affected municipalities and counties within the Company's service area, two (2) public hearings were held in Voorhees, New Jersey on August 20, 2018. No members of the public appeared at either public hearing and no written comments were received by the Board.

### **STIPULATION**

The Parties have engaged in discovery and discussed the issues in this matter. As a result of those discussions, on December 12, 2018, the Parties executed the Stipulation in this matter. The Stipulation provides for the following:<sup>19</sup>

38. Based on the Company's updated filing provided on September 20, 2018, with actual data through August 31, 2018 and projected data from September 1, 2018 through September 30, 2019 (as shown in Exhibit A attached to the Stipulation), the Parties agree that SJG's EET rate should decrease to a rate of \$0.006288

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<sup>18</sup> As noted above, the October 2018 Order authorized SJG to implement an EEP IV Extension Program rate of \$0.008117 per therm, including Taxes. When the initial rate for the EEP IV Extension Program is combined with the current EET rate of \$0.009144 per therm including Taxes, the total EET rate in effect after November 1, 2018 is \$0.017261 per therm including Taxes.

<sup>19</sup> Although summarized in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusion in this Order.

per therm, including taxes. This rate reflects the Board-approved Weighted Average Cost of Capital ("WACC") in effect at the time the June 2018 Petition was filed and represents a decrease of \$0.002856 per therm from the current EET rate of \$0.009144 per therm, including Taxes. This rate will be combined with the EET IV Extension Rate of \$0.008117 per therm, including Taxes, for a total combined EET rate of \$0.014405 per therm, including Taxes.

39. The Parties agree that any change in the WACC authorized by the Board in a subsequent base rate case will be reflected in the subsequent monthly revenue requirement calculations and captured in the next scheduled annual true-up. The Parties further agree that any change in the revenue requirement resulting from the change in the WACC will not be included in the monthly interest calculation for over- and under-recoveries until the date of the next scheduled annual true up, but in any event no later than October 1 of the subsequent year.
40. The Parties agree that the Company will file an annual petition ("Annual Filing") in June each year to adjust the EET rate, with a proposed effective date of October 1. Each Annual Filing will contain a reconciliation of its projected EET costs, projected recoveries, and actual revenue requirements for the relevant period, including a break out of expenses, investments, and unamortized investments, in addition to the items set forth in the minimum filing requirements. The EET rate will be subject to full and complete examination in the context of the Annual Filing. The EET will be subject to adjustment and true-up through the deferral process, and any required adjustment will be included in the over/under recovered balance.
41. In calculating the monthly interest on net over and under recoveries, the interest rate shall be based on the Company's monthly average short-term debt rate obtained on its commercial paper and/or bank credit lines. The interest amount charged or credited to the EET shall be based on the net average monthly balance. The Company shall accrue simple interest with an annual roll-in at the end of each 12-month period. The interest rate shall not exceed the approved WACC.
42. The impact of this decrease on the bill of a residential heating customer using 100 therms of natural gas in a winter month is a decrease of \$0.28 or 0.2%. Proposed tariff sheets reflecting this EET rate are attached to the Stipulation, in black-lined form, as Exhibit B.
43. Following acceptance of this Stipulation by an Order of the Board, SJG will submit a compliance filing incorporating the EET rate approved by the Board within ten (10) days of such approval.

### **DISCUSSION AND FINDING**

The Board has reviewed the record in this proceeding, including the June 2018 Petition and the attached Stipulation. The Board **HEREBY FINDS** that the Stipulation represents a fair and reasonable resolution of the issues, is in the public interest and in accordance with the law. The Board **HEREBY ADOPTS** the attached Stipulation as its own, incorporating by reference its terms and conditions as if fully set forth herein.

The Board **HEREBY APPROVES** a decrease of the current EET Rate of \$0.009144 per therm, including Taxes, to a rate of \$0.006288 per therm, including Taxes. This rate will be combined with the EET IV Extension Rate of \$0.008117 per therm, including Taxes for a total combined EET rate of \$0.014405 per therm, including Taxes effective for service on or after February 1, 2019.

As a result of the Stipulation, a typical residential heating customer using 100 therms in a winter month will experience a decrease of \$0.28 or 0.2%

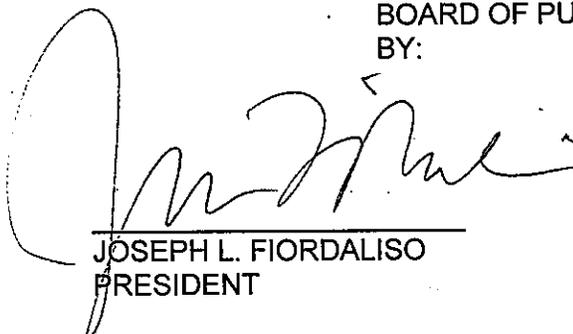
The Board **HEREBY ORDERS** the Company to file revised tariff sheets conforming to the terms of the Stipulation by February 1, 2019.

The Company's costs will remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

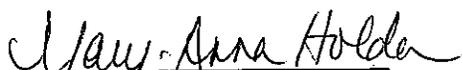
The effective date of this Order is January 27, 2019.

DATED: 1/17/19

BOARD OF PUBLIC UTILITIES  
BY:



JOSEPH L. FIORDALISO  
PRESIDENT



MARY-ANNA HOLDEN  
COMMISSIONER



DIANNE SOLOMON  
COMMISSIONER



UPENDRA J. CHIVUKULA  
COMMISSIONER



ROBERT M. GORDON  
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH  
SECRETARY

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

IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR APPROVAL  
TO REVISE THE COST RECOVERY CHARGE ASSOCIATED WITH ENERGY EFFICIENCY  
PROGRAMS ("EET CHARGE")  
BPU DOCKET NO. GR18060625

SERVICE LIST

**SOUTH JERSEY GAS COMPANY**

1 South Jersey Plaza, Route 54  
Folsom, NJ 08037

Stacy A. Mitchell, Esq., Vice President  
Rates & Regulatory Affairs  
[smitchell@sjindustries.com](mailto:smitchell@sjindustries.com)

Maureen Minkel, General Manager  
Energy Efficiency & Conservation  
[mminkel@sjindustries.com](mailto:mminkel@sjindustries.com)

Stefany M. Graham, Manager  
Rates & Regulatory Initiatives  
[sgraham@sjindustries.com](mailto:sgraham@sjindustries.com)

Alene Flammer, Rates Analyst  
[aflammer@sjindustries.com](mailto:aflammer@sjindustries.com)

Bruce S. Grossman, Manager  
Energy Programs  
[bgrossman@sjindustries.com](mailto:bgrossman@sjindustries.com)

Carolyn A. Jacobs  
[cjacobs@sjindustries.com](mailto:cjacobs@sjindustries.com)

Ken Barcia  
[kbarcia@sjindustries.com](mailto:kbarcia@sjindustries.com)

**DIVISION OF RATE COUNSEL**

PO Box 003  
Trenton, NJ 08625

Stefanie A. Brand, Esq., Director  
[sbrand@rpa.nj.gov](mailto:sbrand@rpa.nj.gov)

Felicia Thomas-Friel, Esq.  
[ftomas@rpa.nj.gov](mailto:ftomas@rpa.nj.gov)

Brian O. Lipman, Esq.  
[blipman@rpa.nj.gov](mailto:blipman@rpa.nj.gov)

**BOARD OF PUBLIC UTILITIES**

PO Box 350  
Trenton, NJ 08625-0350

Aida Camacho, Secretary  
[board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)

**Division of Energy**

Stacy Peterson, Director  
[stacy.peterson@bpu.nj.gov](mailto:stacy.peterson@bpu.nj.gov)

Paul Lupo, Bureau Chief  
[paul.lupo@bpu.nj.gov](mailto:paul.lupo@bpu.nj.gov)

Bart Kilar  
[bart.kilar@bpu.nj.gov](mailto:bart.kilar@bpu.nj.gov)

**Counsel's Office**

Rachel Boylan, Esq., Legal Specialist  
[rachel.boyal@bpu.nj.gov](mailto:rachel.boyal@bpu.nj.gov)

Stacy Ho Richardson, Esq., Legal Specialist  
[stacy.richardson@bpu.nj.gov](mailto:stacy.richardson@bpu.nj.gov)

**DIVISION OF LAW**

PO Box 45029  
Newark, NJ 07101

Stefanie A. Brand, Director, DAG  
[Stefanie.brand@law.njoag.gov](mailto:Stefanie.brand@law.njoag.gov)

Alex Moreau, DAG  
[alex.moreau@law.njoag.gov](mailto:alex.moreau@law.njoag.gov)

Caroline Vachier, DAG  
[caroline.Vachier@law.njoag.gov](mailto:caroline.Vachier@law.njoag.gov)

Kurt S. Lewandowski, Esq.  
[klewando@rpa.nj.gov](mailto:klewando@rpa.nj.gov)

Karen Forbes  
[kforbes@rpa.nj.gov](mailto:kforbes@rpa.nj.gov)

Shelly Massey  
[smassey@rpa.nj.gov](mailto:smassey@rpa.nj.gov)

**RATE COUNSEL CONSULTANTS**

Robert J. Henkes  
Henkes Consulting  
7 Sunset Road  
Old Greenwich, CT 06870  
[rhenkes@optonline.net](mailto:rhenkes@optonline.net)



# SOUTH JERSEY GAS

**Stacy A. Mitchell, Esq.**

*Vice President*

*Rates & Regulatory Affairs, SJIU*

December 14, 2018

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

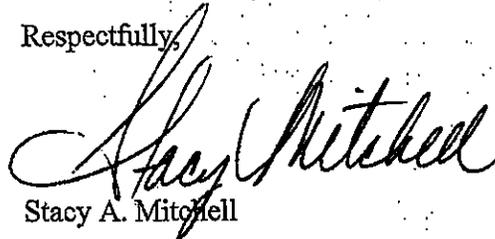
**Re: In the Matter of the Petition of South Jersey Gas Company for Approval to Revise the  
Cost Recovery Charge Associated with Energy Efficiency Programs ("EET Charge")  
BPU Docket No. GR18060625**

Dear Secretary Camacho:

Attached please find a fully executed Stipulation of Settlement in the referenced matter.

Thank you for your cooperation.

Respectfully,



Stacy A. Mitchell

SAM:caj  
Enclosure

cc: See attached Service List (via email)

**IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY  
FOR APPROVAL TO REVISE THE COST RECOVERY CHARGE ASSOCIATED  
WITH ENERGY EFFICIENCY PROGRAMS ("EET CHARGE")  
BPU DOCKET NO. GR18060625**

**SERVICE LIST**

**NJ BOARD OF PUBLIC UTILITIES**

Aida Camacho, Board Secretary  
NJ Board of Public Utilities  
44 South Clinton Avenue, 3rd Floor, Suite 314  
P. O. Box 350  
Trenton, NJ 08625-0350  
aida.camacho@bpu.nj.gov

Stacy Peterson, Director  
Division of Energy  
NJ Board of Public Utilities  
44 South Clinton Avenue, 3rd Floor, Suite 314  
P. O. Box 350  
Trenton, NJ 08625-0350  
stacy.peterson@bpu.nj.gov

Rachel Boylan, Esq., Legal Specialist  
NJ Board of Public Utilities  
44 South Clinton Avenue, 3rd Floor, Suite 314  
P. O. Box 350  
Trenton, NJ 08625-0350  
rachel.boylan@bpu.nj.gov

Sherri Jones, Assistant Director  
Economic Development & Emerging Issues  
NJ Board of Public Utilities  
44 South Clinton Avenue  
Trenton New Jersey 08625  
Sherri.jones@bpu.nj.gov

Bart Kilar  
Division of Energy  
NJ Board of Public Utilities  
44 South Clinton Avenue, 3rd Floor, Suite 314  
P. O. Box 350  
Trenton, NJ 08625-0350  
Bart.kilar@bpu.nj.gov

Stacy Ho Richardson, Esq., Legal Specialist  
NJ Board of Public Utilities  
44 South Clinton Avenue, 3rd Floor  
P. O. Box 350  
Trenton, NJ 08625-0350  
stacy.richardson@bpu.nj.gov

**DIVISION OF RATE COUNSEL**

Stefanie A. Brand, Esq., Director  
Division of Rate Counsel  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625  
sbrand@rpa.nj.gov

Felicia Thomas-Friel, Esq.  
Division of Rate Counsel  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625  
fthomas@rpa.nj.gov

Brian O. Lipman, Esq.  
Division of Rate Counsel  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625  
blipman@rpa.nj.gov

Kurt S. Lewandowski, Esq.  
Division of Rate Counsel  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625  
klewando@rpa.nj.gov

Shelly Massey  
Division of Rate Counsel  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625  
smassey@rpa.nj.gov

**RATE COUNSEL CONSULTANT**

Robert J. Henkes  
Henkes Consulting  
7 Sunset Road  
Old Greenwich, CT 06870  
rhenkes@optonline.net

**DIVISION OF LAW**

Alex Moreau, DAG  
NJ Dept. of Law & Public Safety  
Division of Law  
124 Halsey Street, 5<sup>th</sup> Floor  
P. O. Box 45029  
Newark, NJ 07101  
alex.moreau@law.njoag.gov

**SOUTH JERSEY GAS COMPANY**

Stacy A. Mitchell, Esq., Vice President  
Rate & Regulatory Affairs  
South Jersey Gas Company  
1 South Jersey Plaza, Route 54  
Folsom, NJ 08037  
smithchell@sjindustries.com

Maureen Minkel, General Manager  
Energy Efficiency & Conservation  
South Jersey Gas Company  
1 South Jersey Plaza, Route 54  
Folsom, NJ 08037  
mminkel@sjindustries.com

Stefany M. Graham, Manager  
Rates & Regulatory Initiatives  
South Jersey Gas Company  
1 South Jersey Plaza, Route 54  
Folsom, NJ 08037  
sgraham@sjindustries.com

Bruce S. Grossman, Manager  
Energy Programs  
South Jersey Gas Company  
1 South Jersey Plaza, Route 54  
Folsom, NJ 08037  
bgrossman@sjindustries.com

Carolyn A. Jacobs  
Regulatory Compliance Specialist  
South Jersey Gas Company  
1 South Jersey Plaza, Route 54  
Folsom, NJ 08037  
cjacobs@sjindustries.com

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

**IN THE MATTER OF THE PETITION OF : BPU DOCKET NO. GR18060625**  
**SOUTH JERSEY GAS COMPANY FOR :**  
**APPROVAL TO REVISE THE COST : STIPULATION OF SETTLEMENT**  
**RECOVERY CHARGE ASSOCIATED :**  
**WITH ENERGY EFFICIENCY :**  
**PROGRAMS (“EET CHARGE”)**

**APPEARANCES:**

**Stacy A. Mitchell, Esq.**, Vice President, Rates & Regulatory Affairs, SJJ Utilities, Inc., on behalf of South Jersey Gas Company (“Petitioner”).

**Felicia Thomas-Friel, Esq.**, Managing Attorney-Gas, Division of Rate Counsel; **Kurt S. Lewandowski, Esq.**, and **Maura Caroselli, Esq.**, Assistant Deputy Rate Counsels, on behalf of the Division of Rate Counsel (“Rate Counsel”) (**Stefanie Brand**, Director).

**Alex Moreau**, Deputy Attorney General, on behalf of the Staff of the New Jersey Board of Public Utilities (“Staff”) (**Gurbir S. Grewal**, Attorney General of New Jersey).

**TO THE HONORABLE COMMISSIONERS OF THE BOARD OF PUBLIC UTILITIES:**

This Stipulation of Settlement (“Stipulation”) addresses the petition filed by South Jersey Gas Company (“South Jersey” or “Company”) on June 8, 2018 in Docket No. GR18060625 seeking to decrease its Energy Efficiency Tracker (“EET”) rate. The parties to this proceeding are South Jersey, the New Jersey Division of Rate Counsel (“Rate Counsel”), and the Staff of the Board of Public Utilities (“Staff”) (collectively, “Parties”). Following review and analysis of the Petition, Schedules and written discovery, the Parties to this proceeding agree and stipulate to the following Procedural History and Stipulated Terms of settlement:

**I. EET PROCEDURAL HISTORY**

1. On January 26, 2009, pursuant to *N.J.S.A.* 48:3-98.1, South Jersey filed a Petition with the Board in Docket Numbers EO09010056 and GO09010059 seeking approval to develop

and implement several energy efficiency programs (“EEPs”) that were to be made available to South Jersey customers over a two-year period in order to promote energy efficiency and conservation while simultaneously stimulating the State’s economy.

2. At the same time, the Company sought Board approval for an associated EET cost recovery rider mechanism.

3. The EEPs were designed to complement and supplement the then-existing offerings of New Jersey’s Clean Energy Program (“CEP”) and the Company’s Conservation Incentive Program (“CIP”) in order to encourage higher levels of participation in energy efficiency programs in South Jersey’s service territory.

4. According to South Jersey, the proposed EEPs were consistent with the focus of *N.J.S.A. 26:2C-45* (Regional Greenhouse Gas Initiative Legislation), the then-existing New Jersey Energy Master Plan, and Governor Corzine’s economic stimulus goals, and were geared toward encouraging customers to reduce their overall energy usage. The EEPs also had the beneficial effect of creating additional jobs in the energy efficiency market.

5. In an Order dated July 24, 2009 in Docket No. GO09010059 (“July 2009 Order”), the Board authorized South Jersey to implement several EEPs and to recover all revenue requirements associated with the EEPs through creation of the EET, which consisted of two parts. The first part of the EET allowed the Company to earn a return on its investment and recover the amortization of the regulatory asset to be created upon South Jersey’s balance sheet. The second part of the EET allowed the Company to recover incremental operating and maintenance (“O&M”) expenses associated with the EEPs.

6. Pursuant to the July 2009 Order, the initial EET rate was established as \$0.0024 per therm, including Sales and Use Tax (“SUT”) and Public Utility Assessment (collectively,

“Taxes”). The Company was further required to submit an annual EEP cost recovery filing to establish future EET rates, which was to include information listed as minimum filing requirements set forth in Appendix D of the Stipulation and in the July 2009 Order.

7. On July 9, 2010, the Company submitted its First Annual EET Filing with the Board in Docket No. GO10070466, seeking to increase the then-existing EET rate to \$0.0078 per therm, including Taxes. Following proper notice, public hearings were held on January 13, 2011. No members of the public were in attendance.

8. During the pendency of the First Annual EET Filing proceeding, on November 18, 2010, South Jersey filed a Letter Petition in Docket No. GO10110861, seeking modification of the July 2009 Order to extend the program and reallocate existing funds, without an increase in total funding for the EEPs.

9. By Order dated January 19, 2011 (“January 2011 Order”), the Board authorized South Jersey to extend the EEPs by one year to allow the Company to carryover individual program under-spending until December 31, 2011, as well as allow monthly program investment and O&M costs associated with the EEPs to continue until April 30, 2012. In addition, the January 2011 Order authorized the reallocation of funds within the EEP budget.

10. On June 1, 2011, the Company submitted its Second Annual EET Filing with the Board in Docket No. GR11060336, seeking to increase the then-existing EET rate to \$0.0096 per therm, including Taxes. Following proper notice, public hearings were held on August 10, 2011. No members of the public were in attendance.

11. On May 3, 2012, South Jersey filed a second petition in Docket No. GO12050363 (“EEP II Petition”), seeking authorization to continue its approved EEPs, with certain modifications, and to implement new EEPs.

12. On June 1, 2012, the Company submitted its Third Annual EET Filing with the Board in Docket No. GR12060473, seeking to increase the EET rate to \$0.0119 per therm, including Taxes. Following proper notice, public hearings were held in this matter on August 7, 2013. No members of the public were in attendance.

13. On June 6, 2012, South Jersey filed a Petition in Docket No. GO12060492, seeking to extend the EEP and EET through December 31, 2012 to permit the Company to spend the remaining unexpended EEP funds.

14. On September 13, 2012, the Board issued an Order approving an increase in the EET rate to \$0.0096 per therm, including Taxes, thereby resolving the First and Second Annual EET Filings.

15. By Order dated January 23, 2013, during the pendency of the EEP II Petition and the Third Annual EET Filing, the Board authorized South Jersey to extend its EEPs and EET through June 30, 2013. When the budget for the extension was added to the existing funding, the total amount of the extension budget was \$2,522,469.

16. On May 31, 2013, the Company submitted its Fourth Annual EET Filing with the Board in Docket No. GR13050435, seeking to increase the EET rate to \$0.0134 per therm, including Taxes. Following proper notice, public hearings were held in this matter on January 29, 2014. No members of the public were in attendance.

17. On June 21, 2013 in Docket No. GO12050363, the Board issued an Order ("the July 2013 Order") authorizing South Jersey to offer four EEPs through June 2015 with an authorized budget of \$24 million ("EEP II Extension Program"), which included: (1) the Residential Home Performance and Finance Energy Efficiency Program; (2) the Non-Residential Energy Efficiency Investment Program; (3) the Enhanced Residential HVAC Rebate Program;

and (4) the Commercial Customer Direct Install Financing Program. The June 2013 Order also authorized South Jersey to continue its EET to recover all prudently incurred costs associated with the EEPs. The Parties also agreed to implement the initial rate of \$0.0035 per therm, including Taxes, associated with the approved programs (“EET II Extension Rate”).

18. By Order dated September 30, 2014, the Board approved a stipulation entered into among the Parties resolving the Third and Fourth Annual EET Filings (Docket Nos. GR12060473 and GR13050435). Pursuant thereto, the Parties agreed that the then-current EET rate of \$0.0096 per therm, including Taxes, would increase to \$0.0134 per therm, including Taxes. This rate was combined with the EET II Extension Rate of \$0.0035 per therm, including Taxes, for a total EET rate of \$0.0169 per therm, including Taxes.

19. On May 30, 2014, the Company filed its Fifth Annual EET Filing in Docket No. GR14050509, seeking Board approval to increase the then-existing EET rate to \$0.015577 per therm, including Taxes. However, due to the rate change that became effective October 1, 2014, pursuant to the Board’s approval of the stipulation resolving both the Third and Fourth Annual EET Filings, the requested rate of \$0.015577 per therm, including Taxes, reflected a decrease from the then-current rate of \$0.0169, including Taxes. Following proper notice, public hearings related to the Fifth Annual EET Filing were held on August 19, 2014. No members of the public were in attendance.

20. On January 20, 2015, South Jersey filed a third petition in Docket No. GR15010090, seeking approval to further extend the approved EEPs, with certain modifications, and to implement a new EEP.

21. On June 1, 2015, the Company submitted its Sixth Annual EET Filing to the Board in Docket No. GR15060643, seeking approval to decrease the then-existing EET rate from \$0.0169 per therm, including Taxes, to a rate of \$0.003252, including Taxes.

22. On August 19, 2015 in Docket No. GR15010090, the Board issued an Order (the "August 2015 Order") authorizing South Jersey to continue its Residential Home Performance and Finance Energy Efficiency Program, Non-Residential Energy Efficiency Investment Program, Enhanced Residential HVAC Rebate Program, and Commercial Customer Direct Install Financing Program through August 2017 with an authorized budget of \$36.3 million ("EEP III Extension Program"). The August 2015 Order also authorized South Jersey to implement the Social Marketing and Education Program (OPOWER), as well as to continue is EET to recover all prudently incurred costs associated with the EEPs.

23. Pursuant to the August 2015 Order, the Parties agreed to an initial rate of \$0.004494 per therm, including Taxes, associated with the approved EEP III Extension Program ("EET III Extension Rate"). This rate was combined with the then-current EET rate of \$0.0169 per therm, including Taxes, for a total EET rate of \$0.021394 per therm, including Taxes, which went into effect September 1, 2015. The EET III Stipulation was approved by way of Board Order dated August 19, 2015.

24. By Order dated February 24, 2016, the Board approved a stipulation executed by the Parties resolving the Fifth and Sixth Annual EET Filings (Docket Nos. GR14050509 and GR15060643). Pursuant thereto, the Parties agreed that the then-current EET rate of \$0.023194 per therm, including Taxes, should be decreased to \$0.007302 per therm, including Taxes.

25. On June 2, 2016, the Company submitted its Seventh Annual EET Filing to the Board in Docket No. GR16060491, seeking approval to decrease the then-current EET rate from \$0.007302 per therm, including Taxes, to \$0.005995 per therm, including Taxes.

26. On October 31, 2016, the Board approved a decrease in the EET rate to a level of \$0.004576<sup>1</sup> per therm, including Taxes, resolving the Seventh Annual EET Filing.

27. On November 4, 2016, the Company filed a Letter Petition with the Board seeking approval to extend the term of the Company's existing EEPs through December 31, 2018.

28. On January 25, 2017 ("January 2017 Order"), the Board approved an extended term of the current EEP III Extension Program to December 31, 2018, with no additional funding.

29. On June 23, 2017, the Company submitted its Eighth Annual EET Filing in Docket No. GR17060673, seeking approval to increase the then-current EET rate from \$0.004571 per therm, including Taxes, to \$0.009917 per therm, including Taxes. Following proper notice, public hearings were held on August 29, 2017. No members of the public were in attendance.

30. On November 21, 2017, the Board issued an Order approving an increase in the EET rate to \$0.009166<sup>1</sup> per therm, including Taxes, resolving the Eighth Annual EET Filing.

31. On March 27, 2018, the Company filed a fourth petition in Docket No. GO18030350, seeking approval to further extend the approved EEPs, with certain modifications, and to implement new EEPs for a five-year period with an overall budget of approximately \$195 million ("EEP IV Extension Program").

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<sup>1</sup> 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 has been changed from 7.0% to 6.875% effective January 1, 2017, and thereafter to 6.625% effective January 1, 2018. Accordingly, the current EET Rate is \$0.009144 per therm, including Taxes.

32. On October 29, 2018 in Docket No. GO18030350, the Board issued an Order (“October 2018 Order”) authorizing the Company to implement the EEP IV Extension Program for a three-year period with an overall authorized budget of approximately \$81.3 million. The October 2018 order also authorized South Jersey to continue its EET to recover all prudently incurred costs associated with the EEPs.

33. Pursuant to the October 2018 Order, the Parties agreed to an initial rate of \$0.008117 per therm, including Taxes, associated with the approved EEP IV Extension Program (“EET IV Extension Rate”).

## II. THE 2018 EET TRUE-UP

34. By petition dated June 8, 2018 (“Petition”), the Company submitted its Ninth Annual EET Filing in Docket No. GR18060625, seeking Board approval to decrease the EET rate at that time to \$0.006339 per therm, including Taxes. This represented a decrease of \$0.002805 per therm from the current EET rate of \$0.009144 per therm, including Taxes. The Petition was based on actual data through April 30, 2018, and projected data from May 1, 2018 through September 30, 2019, using the Board-approved weighted average cost of capital (“WACC”) in effect at the time the Petition was filed.

35. Following proper notice, public hearings were held in this matter on August 20, 2018. No members of the public were in attendance.

36. The Parties engaged in discovery in this proceeding and all such discovery has been answered in full by the Company.

37. Specifically, based on the terms and conditions set forth herein, the Parties **STIPULATE AND AGREE** as follows:

### III. STIPULATED MATTERS

38. Based on the Company's updated filing provided on September 20, 2018, with actual data through August 31, 2018 and projected data from September 1, 2018 through September 30, 2019 (as shown in Exhibit A attached hereto), the Parties agree that South Jersey's EET rate should decrease to a rate of \$0.006288 per therm, including taxes. This rate reflects the Board-approved WACC in effect at the time the Petition was filed and represents a decrease of \$0.002856 per therm from the current EET rate of \$0.009144 per therm, including Taxes. This rate will be combined with the EET IV Extension Rate of \$0.008117 per therm, including Taxes, for a total combined EET rate of \$0.014405 per therm, including Taxes.

39. The Signatory Parties agree that any change in the WACC authorized by the Board in a subsequent base rate case will be reflected in the subsequent monthly revenue requirement calculations and captured in the next scheduled annual true-up. The Signatory Parties further agree that any change in the revenue requirement resulting from the change in the WACC will not be included in the monthly interest calculation for over- and under-recoveries until the date of the next scheduled annual true up, but in any event no later than October 1 of the subsequent year.

40. The Signatory Parties agree that the Company will file an annual petition ("Annual Filing") in June each year to adjust the EET rate, with a proposed effective date of October 1. Each Annual Filing will contain a reconciliation of its projected EET costs, projected recoveries, and actual revenue requirements for the relevant period, including a break out of expenses, investments, and unamortized investments, in addition to the items set forth in the minimum filing requirements ("MFRs"). The EET rate will be subject to full and complete examination in the context of the Annual Filing. The EET will be subject to adjustment and true-

up through the deferral process, and any required adjustment will be included in the over/under-recovered balance.

41. In calculating the monthly interest on net over and under recoveries, the interest rate shall be based on the Company's monthly average short-term debt rate obtained on its commercial paper and/or bank credit lines. The interest amount charged or credited to the EET shall be based on the net average monthly balance. The Company shall accrue simple interest with an annual roll-in at the end of each 12-month period. The interest rate shall not exceed the approved WACC.

42. The impact of this decrease on the bill of a residential heating customer using 100 therms of natural gas in a winter month is a decrease of \$0.28 or 0.2%. Proposed tariff sheets reflecting this EET rate are attached hereto, in black-lined form, as Exhibit B.

43. Following acceptance of this Stipulation by an Order of the Board, South Jersey will submit a Compliance Filing incorporating the EET rate approved by the Board within ten (10) days of such approval.

44. The Parties further acknowledge that a Board Order approving the Stipulation will become effective upon service of said Board Order, or upon such date after the service thereof as the Board may specify, in accordance with *N.J.S.A. 48:2-40*.

#### IV. MISCELLANEOUS

45. This Stipulation represents a mutual balancing of interests and, therefore, is intended to be accepted and approved in its entirety. In the event this Stipulation is not adopted in its entirety by the Board, then any party hereto is free to pursue its then-available legal remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed. It is specifically understood and agreed that this Stipulation represents a negotiated

interim agreement and has been made exclusively for the purpose of this proceeding. Except as expressly provided herein, the Parties shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein and, in total or by specific item, is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation.

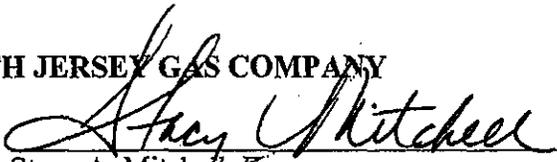
46. Also, all rates are subject to Board audit.

47. This Stipulation may be executed in as many counterparts as there are signatories to this Stipulation each of which counterparts shall be an original, but all of which shall constitute one and the same instrument.

**WHEREFORE**, the Parties hereto do respectfully submit this Stipulation and request that the Board issue a Decision and Order approving it in its entirety, in accordance with the terms hereof, as soon as reasonably possible.

**SOUTH JERSEY GAS COMPANY**

By:

  
Stacy A. Mitchell, Esq.  
Vice President, Rates & Regulatory Affairs, SJTU

**GURBIR S. GREWAL**  
**ATTORNEY GENERAL OF NEW JERSEY**  
**Attorney for the Staff of the Board of Public Utilities**

By:

\_\_\_\_\_  
Alex Moreau  
Deputy Attorney General

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WHEREFORE, the Parties hereto do respectfully submit this Stipulation and request that the Board issue a Decision and Order approving it in its entirety, in accordance with the terms hereof, as soon as reasonably possible.

**SOUTH JERSEY GAS COMPANY**

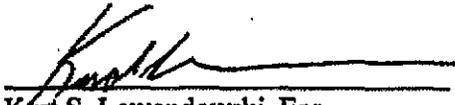
By: \_\_\_\_\_  
Stacy A. Mitchell, Esq.  
Vice President, Rates & Regulatory Affairs, SJIU

**GURBIR S. GREWAL**  
**ATTORNEY GENERAL OF NEW JERSEY**  
Attorney for the Staff of the Board of Public Utilities

By:   
Alex Moreau  
Deputy Attorney General

**STEFANIE A. BRAND  
DIRECTOR, DIVISION OF RATE COUNSEL**

By:

  
Kurt S. Lewandowski, Esq.  
Assistant Deputy Rate Counsel

Dated: December 12, 2018

**South Jersey Gas Company  
Energy Efficiency Program  
2018-2019 Annual True-up Rate Calculation  
Actuals as of August 2018**

<u>Revenue Requirement (excluding SUT) for the period Oct '18 - Sep'19</u>	
2013 Extension - Direct Program Investments and Loans (Docket No. GO12050363)	\$973,286
2015 Extension - Direct Program Investments and Loans (Docket No. GR15010090)	<u>\$2,522,238</u>
Revenue Requirement, excluding SUT	\$3,495,523
Revenue Requirement, excluding SUT and PUA	\$3,486,789
Add: Projected 9/30/2018 Over Recovered Balance Including Carrying Costs	( <u>\$158,969</u> )
Total Revenue Requirement, excluding SUT and PUA	\$3,327,820
Total Therms	<u>565,738,171</u>
EET Rate per Therm, Excluding SUT and PUA	\$0.005882
Applicable PUA Tax Factor	<u>1.002505</u>
EET Factor per Therm, including PUA	\$0.005897
Applicable NJ Sales and Use Tax Factor	<u>1.06625</u>
EET Rate per therm, including SUT and PUA	<u>\$0.006288</u>

**SOUTH JERSEY GAS COMPANY**

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

**Seventh Revised Sheet No. 6  
Superseding Sixth 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:** <sup>(1)</sup>

<b>Customer Charge:</b>		\$10.129375 per month
<b>Delivery Charge:</b>		
(a)	Residential Non-Heating Customers Firm Sales Service and Firm Transportation Service	<del>\$.685382688238</del> per therm
(b)	Residential Heating Customers Firm Sales Service and Firm Transportation Service	<del>\$.812075814934</del> per therm
<b>Basic Gas Supply Service ("BGSS") Charge:</b>		
	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.

<sup>(1)</sup> Please refer to Appendix A for components of Monthly Rates and Price to Compare

Issued June 8, 2018  
by South Jersey Gas Company,  
C. S. Jennings, President

Effective with service rendered  
on and after \_\_\_\_\_

Filed pursuant to Order in Docket No. GR18060625 of the Board of  
Public Utilities, State of New Jersey, dated \_\_\_\_\_



**SOUTH JERSEY GAS COMPANY**

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

**Seventh Revised Sheet No. 14  
Superseding Sixth 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: <sup>(1)</sup>**

**Customer Charge:**

\$159.937500 per month

**Delivery Charges:**

Firm Sales Service and Firm Transportation Service<sup>(2)</sup>

**Demand Charge:**

D-1FT: \$10.245170 per Mcf of Contract Demand

**Volumetric Charge:**

\$4.13645416501 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).

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

<sup>(2)</sup> See Special Provision (p) of this Rate Schedule GSG-LV, regarding appropriate balancing charges.

Issued June 8, 2018  
by South Jersey Gas Company,  
C. S. Jennings, President

Effective with service rendered  
on and after \_\_\_\_\_

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State of New Jersey, dated \_\_\_\_\_

**SOUTH JERSEY GAS COMPANY**

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

**Seventh Revised Sheet No. 18  
Superseding Sixth Revised Sheet No. 18**

**COMPREHENSIVE TRANSPORTATION SERVICE (CTS)**

**APPLICABLE TO USE OF SERVICE FOR:**

All customers having a Firm Contract Demand, and an average annual daily Firm usage of 100 Mcf per day or more. To be eligible for service under this Rate Schedule CTS, 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. Provided, however, that any customer receiving service under this Rate Schedule CTS prior to August 29, 2003 shall continue to be eligible to receive service under this Rate Schedule CTS, notwithstanding the foregoing, if said customer continues to have a Firm Contract Demand of 100 Mcf per day or more. Further provided, however, that if a customer ceases to receive service under this Rate Schedule CTS, and seeks to return to service under this Rate Schedule CTS, said customer must meet all requirements for eligibility as though applying for service in the first instance.

**CHARACTER OF SERVICE:**

Firm Transportation Service and Limited Firm Transportation Service

**MONTHLY RATE: <sup>(1)</sup>**

**Firm:**

**Customer Charge:** \$639.750000 per month

**Delivery Charges:**

**Demand Charge:** D-IFT: \$30.553927 per Mcf of Contract Demand

**Volumetric Charges:**

All consumption for customers who elected to transfer from Sales Service to Firm Transportation Service per therm \$1423731445229

**Limited Firm:**

**Customer Charge:** \$106.625000 per month

**Delivery Charges:**

**Volumetric Charges:**

All consumption for customers who elected to transfer from Sales Service to Firm Transportation Service per therm \$138751141607

<sup>(1)</sup> Please refer to Appendix A for components of Monthly Rates.

Issued June 8, 2018  
by South Jersey Gas Company,  
C. S. Jennings, President

Effective with service rendered  
on and after \_\_\_\_\_

Filed pursuant to Order in Docket No. GR18060625 of the Board of Public Utilities,  
State of New Jersey, dated \_\_\_\_\_

**SOUTH JERSEY GAS COMPANY**

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

**Seventh Revised Sheet No. 25  
Superseding Sixth 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: <sup>(1)</sup>**

**Firm:**

**Customer Charge:**

\$959.625000 per month

**Delivery Charge:**

**Firm Sales Service and Firm Transportation Service**

**Demand Charge:**

D-1FT: \$17.016071 per Mcf of Contract Demand

**Volumetric Charge:**

~~\$.126647~~129503 per therm

**Basic Gas Supply Service ("BGSS") Charge:**

**Demand Charge:**

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

**Volumetric Charge:**

See Rider "A" of this Tariff.

<sup>(1)</sup> Please refer to Appendix A for components of Monthly Rates.

Issued June 8, 2018  
by South Jersey Gas Company,  
C. S. Jennings, President

Effective with service rendered  
on and after \_\_\_\_\_

Filed pursuant to Order in Docket No. GR18060625 of the Board of Public Utilities,  
State of New Jersey, dated \_\_\_\_\_

**SOUTH JERSEY GAS COMPANY**

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

**Sixth Revised Sheet No. 26  
Superseding Fifth Revised Sheet No. 26**

**LARGE VOLUME SERVICE (LVS)  
(Continued)**

**Limited Firm:**

**Customer Charge:**

\$106.625000 per month

**Delivery Charge:**

**Firm Sales Service and Firm Transportation**

**Volumetric Charge:**

\$ .206719209575 per therm

**Basic Gas Supply Service ("BGSS") Charge:**

Applicable to customers who elect Firm Sales Service

**Volumetric Charge:**

See Rider "A" of this Tariff.

**PRICE TO COMPARE:**

The Company will provide the Price to Compare for an LVS customer, at said customer's request.

**LINE LOSS:**

Line Loss shall be 1.43% as provided in Special Provision (h).

**MINIMUM BILL:**

Sum of monthly Customer Charge and monthly Demand Charges, irrespective of use.

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Issued June 8, 2018  
by South Jersey Gas Company,  
C. S. Jennings, President

Effective with service rendered  
on and after \_\_\_\_\_

Filed pursuant to Order in Docket No. GR18060625 of the Board of Public Utilities,  
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**SOUTH JERSEY GAS COMPANY**

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

**Sixth Revised Sheet No. 31  
Superseding Fifth 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 <sup>(1)</sup> <sup>(2)</sup>**

**WINTER (November – March):**

**Demand Charge:**

- D-1 \$3.089100 per Mcf of Winter Daily Contract Demand
- D-2 \$7.503819 per Mcf of Daily Billing Determinant or \$0 for Firm Transportation customers

**Volumetric Charge:**

- C-1: ~~\$0.089494092350~~ 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: \$1.173700 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 \$7.503819 per Mcf of Daily Billing Determinant or \$0 for Firm Transportation customers

**Volumetric Charge:**

- C-1: ~~\$0.089494092350~~ 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: \$1.173700 per therm of consumption
- C-4: Escalator Rate – Charge may change monthly pursuant to Standard Gas Service Addendum.

<sup>(1)</sup> Please refer to Appendix A for components of Monthly Rates.

<sup>(2)</sup> Please refer to Special Provision (p)

Issued June 8, 2018  
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**SOUTH JERSEY GAS COMPANY**

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

**Seventh Revised Sheet No. 38  
Superseding Sixth 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: <sup>(1)(2)</sup>**

**Residential Customer Charge:**

\$10.662500 per month

**Residential Delivery Charge**

**Residential Volumetric Charge:** \$253268256124 per therm

**Commercial and Industrial Customer Charge:**

\$67.578925 per month

**Commercial and Industrial Delivery Charge:**

**Commercial and Industrial Demand Charge:**

D-1 Charge: \$8.362812 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

\$248595251451 per therm

<sup>(1)</sup> Please refer to Appendix A for components of Monthly Rates.

<sup>(2)</sup> See Special Provision (k) of this Rate Schedule EGS, regarding appropriate balancing charges.

Issued June 8, 2018  
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C. S. Jennings, President

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**SOUTH JERSEY GAS COMPANY**

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

**Seventh Revised Sheet No. 39  
Superseding Sixth 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

~~\$.216607~~19463 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.
2017 Tax Act	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "H" 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.

Issued June 8, 2018  
by South Jersey Gas Company,  
C. S. Jennings, President

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on and after \_\_\_\_\_

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**SOUTH JERSEY GAS COMPANY**

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

**Seventh Revised Sheet No. 43  
Superseding Sixth 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: <sup>(1)</sup>**

**Customer Charge:**

\$456.696200 per month

**FIRM:**

**Demand Charges: <sup>(2)</sup>**

D-1 \$23.956685 per Mcf of Firm Daily Contract Demand.

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

**Volumetric Charge:**

C-1: \$.076451079307 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 \$7.503819 per Mcf of Limited Firm Daily Contract Demand or \$0 for Limited Firm Transportation customers

**Volumetric Charge: <sup>(2)</sup>**

C-1: \$.076451079307 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.<sup>1</sup>

<sup>(1)</sup> Please refer to Appendix A for components of Monthly Rates.

<sup>(2)</sup> Please refer to Special Provision (j).

Issued June 8, 2018  
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C. S. Jennings, President

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**SOUTH JERSEY GAS COMPANY**

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

**Seventh Revised Sheet No. 60  
Superseding Sixth Revised Sheet No. 60**

**NATURAL GAS VEHICLE (NGV)**

**APPLICABLE TO:**

This service will be available to Commercial and Industrial customers who will utilize natural gas, for the purpose of providing vehicle fuel at Company-operated fueling stations or at separately metered customer-operated fueling stations.

**CHARACTER OF SERVICE:**

Firm Sales Service or Firm Transportation Service

**COMPRESSED NATURAL GAS VEHICLE SERVICE AT COMPANY OPERATED FUELING STATIONS**

This part of the service is available for refueling vehicles with compressed natural gas to customers who refuel at Company operated fueling stations. All service at Company operated fueling stations shall be Firm Sales Service. Provided, however, that in the Company's sole discretion, it may allow for Firm Transportation service for a Customer-specific dedicated dispenser or time fill system (separately metered) at a Company operated fueling station.

**Rate for Monthly Consumption**

**Volumetric Charge**

C-1: \$0.076451079307 per therm (\$0.095564099134 GGE\*)

Distribution Charge: \$0.202262 per therm (\$0.252828 GGE\*)

Compression Charge: \$0.586530 per therm (\$0.733163 GGE\*)

**Commodity Charges**

All consumption for customers who elected Firm Sales Service

**Basic Gas Supply Service ("BGSS") Charge:**

See Rider "A" of this Tariff.  
BGSS rate \* GGE Factor 1.25 = GGE

GGE indicates Gasoline Gallon Equivalent. The gasoline gallon equivalent shall be determined in accordance with local standards. The point of sale price to the Customer shall be displayed in gasoline gallon equivalents at public access dispensers at Company operated fueling stations, and shall be calculated as C-1 + Distribution Charge + Compression Charge + New Jersey Motor Vehicle Fuel Tax + Federal Excise Tax + BGSS.

Commodity charges do not include State of New Jersey Motor vehicle fuel tax and Federal Excise Tax. As of July 1, 2011 these taxes were \$0.0525 and \$0.183 per gallon, respectively and shall be charged at the prevailing rate when applicable. The Company is under no obligation to determine if a customer is exempt from taxation.

Issued June 8, 2018  
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C.S. Jennings, President

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**SOUTH JERSEY GAS COMPANY**

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

**Eighth Revised Sheet No. 61  
Superseding Seventh Revised Sheet No. 61**

**NATURAL GAS VEHICLE (NGV)  
(Continued)**

**NATURAL GAS VEHICLE SERVICE AT CUSTOMER OPERATED FUELING STATIONS**

This part of the service is available for the sale of separately metered uncompressed gas for the use of the customer solely as a vehicle fuel as follows:

The customer agrees to obtain and maintain, at its expense, all necessary certificates, licenses and regulatory approvals and pay all taxes levied on the gas compressed for refueling the customer's vehicles;

If the customer provides natural gas for resale as a motor fuel, the customer will be responsible for collecting and paying all applicable taxes on the gas compressed for resale and on the sale thereof and for the metering of such sale in accordance with local standards and regulations; and

The customer must execute a Standard Gas Service Agreement (NGV) for not less than 12 months and must produce evidence of Land Rights.

**Rate for Monthly Consumption**

**Monthly Customer Charge**

The monthly customer charge shall be determined in accordance with the maximum delivery capability requested by the customer.

0-999 Cf/hour	\$39.984400
1,000-4,999 Cf/hour	\$79.968800
5,000-24,999 Cf/hour	\$213.250000
25,000 and greater Cf/hour	\$750.074888

**Volumetric Charges**

C-1: \$0.076451979307 per therm (\$0.0955640991348 GGE)

Distribution Charge: \$0.202262 per therm (\$0.252828 GGE)

**Basic Gas Supply Service ("BGSS") Charge:**

All consumption for customers who elect Firm Sales Service See Rider "A" of this Tariff.

**Facilities Charge**

All consumption for Customers that elect to have the Company construct Compressed Natural Gas ("CNG") fueling facilities located on Customer's property:

C-2: \$0.345653 (\$0.432066 GGE)

The customer shall pay all related motor vehicle taxes directly to the taxing entity. Such taxes shall be incremental to charges paid to the Company for the cost of receiving service under this rate schedule.

Issued June 8, 2018  
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C.S. Jennings, President

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on and after \_\_\_\_\_

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**SOUTH JERSEY GAS COMPANY**

**B.P.U.N.J. No. 12 – GAS**

**Seventh Revised Sheet No. 62  
Superseding Sixth Revised Sheet No. 62**

**NATURAL GAS VEHICLE (NGV)  
(Continued)**

**DELIVERY SERVICE FOR NATURAL GAS VEHICLES**

This part of service is available for delivery of customer owned natural gas for use in compression and dispensing equipment at the Customer's premises, as follows:

The customer must purchase under a contract with an initial term of not less than one year an adequate supply of natural gas of a quality acceptable to the Company, and must make arrangements by which such volumes of natural gas can be delivered into the Company's distribution system at the Customer's expense.

By taking service under this part, the Customer warrants that it has good and legal title to all gas supplied to the Company, and agrees to indemnify, defend and hold the Company harmless from any loss, claims or damages in regard to such title.

**Rate for Delivery Service**

**Monthly Customer Charge**

The monthly customer charge shall be determined in accordance with the maximum delivery capability requested by the customer.

0-999 Cf/hour	\$39.984400
1,000-4,999 Cf/hour	\$79.968800
5,000-24,999 Cf/hour	\$213.250000
25,000 and greater Cf/hour	\$750.074888

**Volumetric Charge**

C-1: \$0.076451079307 per therm (\$0.095564099134 GGE)

Distribution Charge: \$0.202262 per therm (\$0.252828 GGE)

**Facilities Charge**

All consumption for Customers that elect to have the Company construct CNG fueling facilities located on Customer's property:

C-2: \$0.345653 per therm (\$0.432066 GGE)

Sales taxes are not included in the above basic charges. The Company is under no obligation to determine if a customer is exempt from taxation. Customers seeking tax exemption must file verification with the Company.

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C. S. Jennings, President

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**SOUTH JERSEY GAS COMPANY**

**Fourth Revised Sheet No. 105  
Superseding Third Revised Sheet No. 105**

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

**RIDER "N"  
ENERGY EFFICIENCY TRACKER ("EET")**

**APPLICABLE TO:**

Rate Schedule RSG	-	Residential
Rate Schedule GSG	-	General Service
Rate Schedule GSG-LV	-	General Service- Large Volume
Rate Schedule CTS	-	Comprehensive Transportation Service
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 IGS	-	Interruptible Gas Service
Rate Schedule ITS	-	Interruptible Transportation Service
Rate Schedule NGV	-	Natural Gas Vehicle

This Rider "N" shall be known as the Energy Efficiency Tracker ("EET"). For financial accounting purposes the Company shall record a return on and a return of investments in energy efficiency programs, as approved by the Board at Docket No. GO09010059, in an Order dated July 24, 2009, Docket No. GO12050363, in an Order dated June 21, 2003, Docket No. GR15010090, in an Order dated August 19, 2015 and Docket No. GO18030350, in an Order dated October 29, 2018 and recover all incremental operating and maintenance expenses of the programs, subject to the EET. The calculation will use the weighted average cost of capital as identified in the respective Orders referenced above.

The EET rate will be calculated annually using projected data and subject to a true-up at the end of the EET year (September 30<sup>th</sup>) with simple interest on net over/under recoveries. Interest associated with over recoveries will be credited against the EET, while interest associated with under recoveries will be charged to the EET. The interest on monthly EET under and over recoveries shall be the interest rate based on the Company's weighted interest rate for the corresponding month obtained on its commercial paper and bank credit lines but shall not exceed the Company's weighted average cost of capital utilized to set rates in its most recent base rate case.

This EET will be effectuated through a volumetric rate applied to customers' bills. The Company shall make an annual EET rate filing in June of each year with a proposed implementation of the revised EET rate in October. Included in the filing will be a list of efficiency programs offered and eligible for recovery under the EET.

The Company shall have the discretion to implement a bill credit or a refund at any time during the EET Year with five (5) days notice to the BPU Staff and the Division of Rate Counsel. The Company shall have the discretion to file a self-implementing EET rate reduction at any time with two (2) weeks notice to the BPU Staff and the Division of Rate Counsel.

Rate Schedules subject to this Rider will be charged the following volumetric rate:

	<u>EET True UP</u>	<u>EET IV</u>	<u>Tariff Rate</u>
EET Rate per therm	<u>\$0.013476008557</u>	<u>\$0.007594</u>	<u>\$0.016151</u>
Applicable Revenue Tax	<u>\$0.000034000019</u>	<u>\$0.000019</u>	<u>\$0.000038</u>
Total EET Rate per therm	<u>\$0.013510008576</u>	<u>\$0.007613</u>	<u>\$0.016189</u>
Applicable NJ Sales Tax	<u>\$0.000895000568</u>	<u>\$0.000504</u>	<u>\$0.001072</u>
EET Rate per therm with NJ Sales Tax	<u>\$0.014405009144</u>	<u>\$0.008117</u>	<u>\$0.017261</u>

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

<b>RESIDENTIAL GAS SERVICE (RSG) - NONHEAT CUSTOMER</b>					
	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<b>CUSTOMER CHARGE</b>		9.500000		0.629375	10.129375
<b>DELIVERY CHARGE (per therm):</b>					
Base Rate		0.651332		0.043151	0.694483
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>0.009700</u>	<u>0.000000</u>	<u>0.000600</u>	<u>0.010300</u>
Total SBC		0.070330	0.000133	0.004625	0.075089
CIP	M	(0.113175)	(0.000284)	(0.007517)	(0.120976)
EET	N	0.013476	0.000034	0.000895	0.014405
2017 Tax Act	H	(0.012202)	(0.000031)	(0.000810)	(0.013043)
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
<b>TOTAL DELIVERY CHARGE</b>		0.642902	(0.000065)	0.042545	<b>0.685382</b>
<b>BGSS: (Applicable To Sales Customers Only)</b>	A	0.528285	0.001323	0.035087	<b>0.564695</b>

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

<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>
<b>CUSTOMER CHARGE</b>		9.500000		0.629375	10.129375
<b><u>DELIVERY CHARGE (per therm):</u></b>					
Base Rate		0.651332		0.043151	0.694483
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>0.009700</u>	<u>0.000000</u>	<u>0.000600</u>	<u>0.010300</u>
Total SBC		0.070330	0.000133	0.004625	0.075089
CIP	M	0.005349	0.000013	0.000355	0.005717
EET	N	0.013476	0.000034	0.000895	0.014405
2017 Tax Act	H	(0.012202)	(0.000031)	(0.000810)	(0.013043)
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		0.761426	0.000232	0.050417	0.812075
<b><u>BGSS: (Applicable To Sales Customers Only)</u></b>	A	0.528285	0.001323	0.035087	0.564695

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

<u>GENERAL SERVICE (GSG)</u>	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<b>CUSTOMER CHARGE</b>		29.970000		1.985513	31.955513
<b><u>DELIVERY CHARGE (per therm):</u></b>					
Base Rate		0.545083		0.036112	0.581195
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>0.009700</u>	<u>0.000000</u>	<u>0.000600</u>	<u>0.010300</u>
Total SBC		0.070330	0.000133	0.004625	0.075089
CIP	M	(0.000024)	0.000000	(0.000002)	(0.000026)
EET	N	0.013476	0.000034	0.000895	0.014405
2017 Tax Act	H	(0.012202)	(0.000031)	(0.000810)	(0.013043)
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		0.649804	0.000219	0.043021	0.693045
<b><u>BGSS: (Applicable To Sales Customers Only using less than 5,000 therms annually)</u></b>	A	0.528285	0.001323	0.035087	0.564695
<b><u>BGSS: (Applicable To Sales Customers Only using 5,000 therms annually or greater)</u></b>	A				RATE SET MONTHLY

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

<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>
<b>CUSTOMER CHARGE</b>		150.000000		9.937500	<b>159.937500</b>
<b>D-1 Demand Charge (Mcf)</b>		9.608600		0.636570	<b>10.245170</b>
<b><u>DELIVERY CHARGE (per therm):</u></b>					
Base Rate		0.272157		0.018030	0.290187
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>0.009700</u>	<u>0.000000</u>	<u>0.000600</u>	<u>0.010300</u>
Total SBC		0.070330	0.000133	0.004625	0.075089
CIP	M	0.010836	0.000027	0.000720	0.011583
EET	N	0.013476	0.000034	0.000895	0.014405
2017 Tax Act	H	(0.012202)	(0.000031)	(0.000810)	(0.013043)
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		0.387738	0.000246	0.025661	<b>0.413645</b>
<b><u>BGSS: (Applicable Sales Customers Only)</u></b>	A				<b>RATE SET MONTHLY</b>

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

<u>COMPREHENSIVE TRANSPORTATION SERVICE (CTS)</u>	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<b>FIRM</b>					
<b><u>CUSTOMER CHARGE</u></b>		600.000000		39.750000	639.750000
<b><u>D-1 Demand Charge (Mcf)</u></b>		28.655500		1.898427	30.553927
<b><u>DELIVERY CHARGE (per therm):</u></b>					
Base Rate		0.061826		0.004096	0.065922
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	0.009700	0.000000	0.000600	0.010300
Total SBC		0.070330	0.000133	0.004625	0.075089
EET	N	0.013476	0.000034	0.000895	0.014405
2017 Tax Act	H	(0.012202)	(0.000031)	(0.000810)	(0.013043)
Total Delivery Charge		0.133430	0.000136	0.008806	0.142373
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
<b>LIMITED FIRM</b>					
<b><u>CUSTOMER CHARGE</u></b>		100.000000		6.625000	106.625000
<b><u>DELIVERY CHARGE (per therm):</u></b>					
Base Rate		0.058400		0.003900	0.062300
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	0.009700	0.000000	0.000600	0.010300
Total SBC		0.070330	0.000133	0.004625	0.075089
EET	N	0.013476	0.000034	0.000895	0.014405
2017 Tax Act	H	(0.012202)	(0.000031)	(0.000810)	(0.013043)
Total Delivery Charge		0.130004	0.000136	0.008610	0.138751
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

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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>
<b>FIRM</b>					
<b><u>CUSTOMER CHARGE</u></b>		900.000000		59.625000	959.625000
<b><u>D-1 Demand Charge (Mcf)</u></b>		15.958800		1.057271	17.016071
<b><u>D-2 DEMAND BGSS (Applicable to Sales Customers Only)</u></b>	A	14.039988	0.035170	0.932479	15.007637
<b><u>DELIVERY CHARGE (per therm):</u></b>					
Base Rate		0.047077		0.003119	0.050196
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	0.009700	0.000000	0.000600	0.010300
Total SBC		0.070330	0.000133	0.004625	0.075089
EET	N	0.013476	0.000034	0.000895	0.014405
2017 Tax Act	H	(0.012202)	(0.000031)	(0.000810)	(0.013043)
Total Delivery Charge		0.118681	0.000136	0.007829	0.126647
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 Transportation Customers Only)	I				RATE SET MONTHLY
<b><u>BGSS: (Applicable Sales Customers Only)</u></b>	A				RATE SET MONTHLY
<b>LIMITED FIRM</b>					
<b><u>CUSTOMER CHARGE</u></b>		100.000000		6.625000	106.625000
<b><u>DELIVERY CHARGE (per therm):</u></b>					
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	0.009700	0.000000	0.000600	0.010300
Total SBC		0.070330	0.000133	0.004625	0.075089
EET	N	0.013476	0.000034	0.000895	0.014405
2017 Tax Act	H	(0.012202)	(0.000031)	(0.000810)	(0.013043)
Total Delivery Charge		0.193778	0.000136	0.012804	0.206719
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

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<u>FIRM ELECTRIC SALES (FES)</u>	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<b>WINTER</b>					
<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
<b>DELIVERY CHARGE (per therm):</b>					
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	0.009700	0.000000	0.000600	0.010300
Total SBC		0.070330	0.000133	0.004625	0.075089
EET	N	0.013476	0.000034	0.000895	0.014405
Total Delivery Charge		0.083806	0.000167	0.005520	0.089494
<u>C-3 All Therms (Rate is negotiated. Shown here is the benchmark rate.)</u>		0.162900		0.010800	0.173700
<u>C-4 Escalator Rate (To be determined as prescribed in the Company's Tariff)</u>					RATE SET MONTHLY
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
<b>SUMMER</b>					
<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	0.009700	0.000000	0.000600	0.010300
EET	N	0.013476	0.000034	0.000895	0.014405
Total Delivery Charge		0.083806	0.000167	0.005520	0.089494
<u>C-3 All Therms (Rate is negotiated. Shown here is the benchmark rate.)</u>		0.162900		0.010800	0.173700
<u>C-4 Escalator Rate (To be determined as prescribed in the Company's Tariff)</u>					RATE SET MONTHLY
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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<b>ELECTRIC GENERATION SERVICE (EGS) - RESIDENTIAL</b>					
	<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<b>CUSTOMER CHARGE</b>		10.000000		0.662500	10.662500
<b>DELIVERY CHARGE (per therm):</b>					
Base Rate		0.134084		0.008883	0.142967
<b>SBC:</b>					
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>0.009700</u>	<u>0.000000</u>	<u>0.000600</u>	<u>0.010300</u>
Total SBC		0.070330	0.000133	0.004625	0.075089
EET	N	0.013476	0.000034	0.000895	0.014405
2017 Tax Act	H	(0.012202)	(0.000031)	(0.000810)	(0.013043)
Balancing Service Charge BS-1	J	0.031668	0.000079	0.002103	0.033851
Total Delivery Charge		0.237356	0.000216	0.015696	0.253268
<b>BGSS: (Applicable To Sales Customers Only)</b>	A	0.528285	0.001323	0.035087	0.564695

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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>		63.380000		4.198925	67.578925
<u>D-1 DEMAND (MCF)</u>		7.843200		0.519612	8.362812
<u>DELIVERY CHARGE (per therm):</u>					
Base Rate - Winter Season (Nov - Mar)		0.129701		0.008593	0.138294
Base Rate - Summer Season (Apr - Oct)		0.099701		0.006605	0.106306
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>0.009700</u>	<u>0.000000</u>	<u>0.000600</u>	<u>0.010300</u>
Total SBC		0.070330	0.000133	0.004625	0.075089
EET	N	0.013476	0.000034	0.000895	0.014405
2017 Tax Act	H	(0.012202)	(0.000031)	(0.000810)	(0.013043)
Balancing Service Charge BS-1	J	0.031668	0.000079	0.002103	0.033851
Total Delivery Charge - Winter Season		0.232973	0.000216	0.015406	0.248595
Total Delivery Charge - Summer Season		0.202973	0.000216	0.013418	0.216607
<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>
<b>FIRM</b>					
<b>CUSTOMER CHARGE</b>		428.320000		28.376200	456.696200
<b>D-1 DEMAND (MCF) (Rate is negotiated. Shown here is the benchmark rate.)</b>		22.468169		1.488516	23.956685
<b>D-2 DEMAND BGSS (MCF) (Applicable to Sales Customers Only)</b>	A	14.442153	0.036178	0.959189	15.437520
<b>DELIVERY CHARGE (per therm):</b>					
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	0.009700	0.000000	0.000600	0.010300
		0.070330	0.000133	0.004625	0.075089
EET	N	0.013476	0.000034	0.000895	0.014405
2017 Tax Act	H	(0.012202)	(0.000031)	(0.000810)	(0.013043)
<b>Total Delivery Charge</b>		0.071604	0.000136	0.004710	0.076451
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
<b>BGSS: (Applicable To Sales Customers Only)</b>	A				RATE SET MONTHLY
<b>LIMITED FIRM</b>					
<b>D-2 DEMAND BGSS(MCF) (Applicable to Sales Customers Only)</b>	A	7.019994	0.017585	0.466240	7.503819
<b>DELIVERY CHARGE (per therm):</b>					
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	0.009700	0.000000	0.000600	0.010300
		0.070330	0.000133	0.004625	0.075089
EET	N	0.013476	0.000034	0.000895	0.014405
2017 Tax Act	H	(0.012202)	(0.000031)	(0.000810)	(0.013043)
<b>Total Delivery Charge</b>		0.071604	0.000136	0.004710	0.076451
<b>C-3 (Rate is negotiated. Shown here is the benchmark rate.)</b>		0.162900		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
<b>BGSS: (Applicable To Sales Customers Only)</b>	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		13.174380		0.872803	14.047183

<u>STREET LIGHTING SERVICE (SLS)</u>					
MONTHLY CHARGE / INSTALL		16.158837		1.070523	17.229360

<u>INTERRUPTIBLE GAS SALES (IGS)</u>					
Commodity					Rate Set Monthly
SBC:					
RAC	E, K	0.032415	0.000071	0.002152	0.034639
USF	E	0.009700	0.000000	0.000600	0.010300
Total SBC:		0.042115	0.000071	0.002752	0.044939
EET	N	0.013476	0.000034	0.000895	0.014405

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<u>INTERRUPTIBLE TRANSPORTATION (ITS)</u>		<u>RIDER</u>	<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<u>CUSTOMER CHARGE</u>			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	<u>0.009700</u>	<u>0.000000</u>	<u>0.000600</u>	<u>0.010300</u>
	Total SBC:		0.070330	0.000133	0.004625	0.075089
EET		N	0.013476	0.000034	0.000895	0.014405
<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	<u>0.009700</u>	<u>0.000000</u>	<u>0.000600</u>	<u>0.010300</u>
	Total SBC:		0.070330	0.000133	0.004625	0.075089
EET		N	0.013476	0.000034	0.000895	0.014405
<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	<u>0.009700</u>	<u>0.000000</u>	<u>0.000600</u>	<u>0.010300</u>
	Total SBC:		0.070330	0.000133	0.004625	0.075089
EET		N	0.013476	0.000034	0.000895	0.014405

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<u>NATURAL GAS VEHICLE (NGV)</u>			<u>RATE</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<b><u>COMPANY OPERATED FUELING STATIONS</u></b>						
<b><u>DELIVERY CHARGE (per therm):</u></b>						
<b>SBC</b>						
RAC		E, K	0.032415	0.000071	0.002152	0.034639
CLEP		E, G	0.028215	0.000062	0.001873	0.030150
USF		E	<u>0.009700</u>	<u>0.000000</u>	<u>0.000600</u>	<u>0.010300</u>
	Total SBC:		0.070330	0.000133	0.004625	0.075089
EET		N	0.013476	0.000034	0.000895	0.014405
2017 Tax Act		H	(0.012202)	(0.000031)	(0.000810)	(0.013043)
	Total Delivery Charge		0.071604	0.000136	0.004710	0.076451
			0.189221	0.000474	0.0125670	0.202262
<b><u>DISTRIBUTION CHARGE</u></b>						
<b><u>COMPRESSION CHARGE</u></b>						
			0.548712	0.001375	0.036443	0.586530
Balancing Service Charge BS-1		I	0.031668	0.000079	0.002103	0.033851
Balancing Service Charge BS-1 (Opt Out Provision) (Applicable for Transportation Customers Only)		I	0.002876	0.000007	0.000191	0.003074
Balancing Service Charge BS-1		J	0.031668	0.000079	0.002103	0.033851
		A				RATE SET MONTHLY
<b><u>BGSS: (Applicable To Sales Customers Only)</u></b>						
<b><u>CUSTOMER OPERATED FUELING STATIONS</u></b>						
<b><u>CUSTOMER CHARGE</u></b>						
	0 - 999 CF/hour		37.500000		2.484400	39.984400
	1,000 - 4,999 CF/hour		75.000000		4.968800	79.968800
	5,000 - 24,999 CF/hour		200.000000		13.250000	213.250000
	25,000 or Greater CF/hour		703.470000		46.604888	750.074888
<b><u>DELIVERY CHARGE (per therm):</u></b>						
<b>SBC</b>						
RAC		E, K	0.032415	0.000071	0.002152	0.034639
CLEP		E, G	0.028215	0.000062	0.001873	0.030150
USF		E	<u>0.009700</u>	<u>0.000000</u>	<u>0.000600</u>	<u>0.010300</u>
	Total SBC:		0.070330	0.000133	0.004625	0.075089
EET		N	0.013476	0.000034	0.000895	0.014405
2017 Tax Act		H	(0.012202)	(0.000031)	(0.000810)	(0.013043)
	Total Delivery Charge		0.071604	0.000136	0.004710	0.076451
			0.189221	0.000474	0.012567	0.202262
<b><u>DISTRIBUTION CHARGE</u></b>						
Balancing Service Charge BS-1		I	0.031668	0.000079	0.002103	0.033851
Balancing Service Charge BS-1 (Opt Out Provision) (Applicable for Transportation Customers Only)		I	0.002876	0.000007	0.000191	0.003074
Balancing Service Charge BS-1		J	0.031668	0.000079	0.002103	0.033851
		A				RATE SET MONTHLY
<b><u>BGSS: (Applicable To Sales Customers Only)</u></b>						
<b><u>Facilities Charge (Applicable only to Customers that elect the Company construct Compressed Natural Gas ("CNG") fueling Facilities located on Customer's property)</u></b>						
			0.324176		0.021477	0.345653

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Heat Residential Rate Schedule:

	RSG FSS	RSG-FTS	Difference
BGSS	0.564695	0.000000	0.564695
Base Rate	0.694483	0.694483	0.000000
CLEP	0.030150	0.030150	0.000000
RAC	0.034639	0.034639	0.000000
CIP	0.005717	0.005717	0.000000
USF	0.010300	0.010300	0.000000
TIC	0.001574	0.001574	0.000000
EET	0.014405	0.014405	0.000000
2017 Tax Act	(0.013043)	(0.013043)	0.000000
BSC "J" BS-1	0.033851	0.033851	0.000000
Price to Compare	1.376770	0.812075	0.564695

NonHeat Residential Rate Schedule:

	RSG FSS	RSG-FTS	Difference
BGSS	0.564695	0.000000	0.564695
CIP	(0.120976)	(0.120976)	0.000000
Base Rate	0.694483	0.694483	0.000000
CLEP	0.030150	0.030150	0.000000
RAC	0.034639	0.034639	0.000000
USF	0.010300	0.010300	0.000000
TIC	0.001574	0.001574	0.000000
EET	0.014405	0.014405	0.000000
2017 Tax Act	(0.013043)	(0.013043)	0.000000
BSC "J" BS-1	0.033851	0.033851	0.000000
Price to Compare	1.250077	0.685382	0.564695

GSG

(Under 5,000 therms annually)

	GSG FSS	GSG-FTS	Difference
BGSS	0.564695	0.000000	0.564695
CIP	(0.000026)	(0.000026)	0.000000
Base Rates	0.581195	0.581195	0.000000
CLEP	0.030150	0.030150	0.000000
RAC	0.034639	0.034639	0.000000
USF	0.010300	0.010300	0.000000
TIC	0.001574	0.001574	0.000000
EET	0.014405	0.014405	0.000000
2017 Tax Act	(0.013043)	(0.013043)	0.000000
BSC "J" BS-1	0.033851	0.033851	0.000000
Price to Compare	1.257740	0.693045	0.564695

GSG

(5,000 therms annually or greater)

	GSG FSS	GSG-FTS	Difference
BGSS	0.443700	0.000000	0.443700
CIP	(0.000026)	(0.000026)	0.000000
Base Rates	0.581195	0.581195	0.000000
CLEP	0.030150	0.030150	0.000000
RAC	0.034639	0.034639	0.000000
USF	0.010300	0.010300	0.000000
TIC	0.001574	0.001574	0.000000
EET	0.014405	0.014405	0.000000
2017 Tax Act	(0.013043)	(0.013043)	0.000000
BSC "J" BS-1	0.033851	0.033851	0.000000
Price to Compare	1.136745	0.693045	0.443700

GSG-LV

Prior to 7/15/97

	GSG-LV FSS	GSG-LV-FTS	Difference
BGSS	0.443700	0.000000	0.443700
CIP	0.011583	0.011583	0.000000
Base Rates	0.290187	0.290187	0.000000
CLEP	0.030150	0.030150	0.000000
RAC	0.034639	0.034639	0.000000
USF	0.010300	0.010300	0.000000
TIC	0.001574	0.001574	0.000000
EET	0.014405	0.014405	0.000000
2017 Tax Act	(0.013043)	(0.013043)	0.000000
BSC "J" BS-1	0.033851	0.033851	0.000000
Price to Compare	0.857345	0.413645	0.443700