



520 Green Lane
Union, NJ 07083

T: (908) 662-8448
F: (908) 662-8496

dfranco@sjindustries.com

Deborah M. Franco, Esq.
VP, Rates, Regulatory & Sustainability

January 14, 2021

Aida Camacho-Welch
Office of the 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 New Jersey Board of Public Utilities Response to the COVID-19 Pandemic
Docket No. AO20060471**

Dear Secretary Camacho-Welch:

Pursuant to the Board's Order dated July 2, 2020 in the above reference matters, enclosed please find South Jersey Gas Company's Quarterly Report for period ending December 2020. The Company reserves its rights to adjust the cost/savings categories in the future to address evolving pandemic conditions as they arise.

Due to the pandemic, and in accordance with the New Jersey Board of Public Utilities ("BPU") March 19, 2020 and May 20, 2020 Orders issued in BPU Docket No. EO20030254, hard copies are not being provided at this time, but can be provided at a later time, if needed.

Please do not hesitate to contact me, should you have any questions.

Respectfully,

A handwritten signature in black ink that reads "Deborah M. Franco".

Deborah M. Franco

DF:caj/f114
Attachments

cc: Felicia Thomas-Friel, Esq.
Stacy Peterson
Bob Brabston
Stefanie Brand

Brain Lipman
John Houseman
Dominick DiRocco

South Jersey Gas Company
Estimated COVID impact
As of December 2020
Incremental Costs/(Savings)*

Description	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Total
Uncollectible Expense	754,841	(193,498)	(45,693)	126,052	233,428	173,295	2,682,614	(189,058)	550,499	752,689	4,845,169
Masks and cleaning supplies, temperature screening services			90,047		23,083	48,860	17,990	22,912	9,141	12,734	224,767
Hazard pay			104,000								104,000
Legal advice							2,131				2,131
Safety signs						9,170					9,170
Mileage reimbursement			2,234		4,903	1,447	1,465	1,456	951	(958)	11,498
Total Incremental Costs	754,841	(193,498)	150,588	126,052	261,414	232,772	2,704,200	(164,690)	560,591	764,465	5,196,735
Conferences/Travel Expenses	14,261	11,359	14,533	14,533	7,693	17,713	26,089	16,023	8,985	19,584	150,773
Utilities Shared Services Contractor Expense	2,825	6,578	8,573			3,163				9,038	30,177
ACHQ Café shutdown		8,000	8,000	8,000	8,000	8,000	8,000	8,000	10,000	10,000	76,000
ACHQ reduced cleaning & plant maintenance cost		8,000	8,000	8,000	8,000	8,000	5,000	5,000	9,000	7,000	66,000
ACHQ reduced staffing (contractor)							1,500	1,500	2,500	1,500	7,000
ACHQ reduced exterior landscaping services							2,500	2,500	500	2,000	7,500
ACHQ holiday decorations										12,000	12,000
Fuel Cost Savings (net of capitalized portion)	9,070	9,965	11,939	733	8,290	7,541	10,426	10,426	(18,186)		50,204
CARES Act Employee Retention Credit										66,652	66,652
Total Savings	26,156	43,902	51,045	31,266	31,983	44,417	53,515	43,449	12,799	127,774	466,306
Total Baseline Impact	728,685	(237,400)	99,543	94,786	229,431	188,355	2,650,685	(208,139)	547,792	636,691	4,730,429
Monthly Carrying Cost	1,166	(276)	86	64	88	72	620	(35)	91	108	1,985
Compounded Carrying Cost		848	428	403	264	352	259	626	589	694	4,463
Total Carrying Cost	1,166	572	514	468	352	424	879	592	680	802	6,448
STD interest rate	1.92%	1.40%	1.04%	0.82%	0.46%	0.46%	0.28%	0.20%	0.20%	0.20%	
Total Deferral	\$729,851	(\$236,827)	\$100,057	\$95,254	\$229,783	\$188,779	\$2,651,564	(\$207,547)	\$548,472	\$637,493	\$4,736,878
Cumulative deferral	\$729,851	\$493,024	\$593,081	\$688,334	\$918,117	\$1,106,896	\$3,758,460	\$3,550,913	\$4,099,385	\$4,736,878	

*The Company reserves its rights to adjust the cost/savings categories in the future to address evolving pandemic conditions as they arise.

South Jersey Gas Company
 AR Reserve Analysis - 2017 - 2020
 Uncollectible History

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
Total Expense per G/L	37,747	84,878	1,039,042	177,221	652,823	691,311	343,908	233,642	1,913,056	384,078	690,779	728,361	281,154	368,952	915,226	495,465	1,045,824	(222,154)

Adjustment for change in allowance methodology during Jan & Feb 2020
 (Resulted in expensing -\$2.6M vs. ~\$.5M normally). Previously only write-
 offs were recorded on non-quarter months

3 Year Average Expense

COVID Impact

South Jersey Gas Company
AR Reserve Analysis - 2017 - 2020
Uncollectible History

	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19
Total Expense per G/L	590,895	690,949	2,109,966	981,323	946,115	(287,380)	245,762	469,894	677,872	423,476	683,673

Adjustment for change in allowance methodology during Jan & Feb 2020
(Resulted in expensing ~\$2.6M vs. ~\$.5M normally). Previously only write-offs were recorded on non-quarter months

3 Year Average Expense

COVID Impact

South Jersey Gas Company
AR Reserve Analysis - 2017 - 2020
Uncollectible History

	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Total	
Total Expense per G/L	412,348	972,728	711,341	1,569,087	654,589	674,990	(313,814)	1,468,414	1,154,501	(758,747)	419,700	567,505	739,250	846,626	786,493	3,295,812	424,140	1,163,697	1,365,887	8,850,363	
Adjustment for change in allowance methodology during Jan & Feb 2020 (Resulted in expensing ~\$2.6M vs. ~\$.5M normally). Previously only write-offs were recorded on non-quarter months										2,126,786											2,126,786
3 Year Average Expense										613,198	613,198	613,198	613,198	613,198	613,198	613,198	613,198	613,198	613,198	613,198	6,131,980
COVID Impact										754,841	(193,498)	(45,693)	126,052	233,428	173,295	2,682,614	(189,058)	550,499	752,689		4,845,169

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

**I/M/O New Jersey Board of Public Utilities
Response to the COVID-19 Pandemic**

:
:
:
:
:
:
:

BPU Docket No. AO20060471

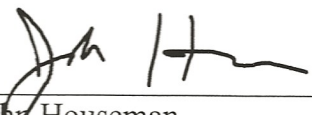
**VERIFICATION
JOHN HOUSEMAN**

John Houseman, upon his oath, deposes and says:

1. I am of full age. I am Director, Accounting, of South Jersey Industries (“SJI”). SJI is the parent company of South Gas Company (“SJG”), a regulatory public utility in the State of New Jersey (SJI and SJG collectively referred to hereafter as the “Company”).

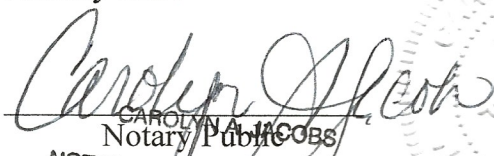
2. I offer this verification in support of the Company’s compliance with the New Jersey Board of Public Utilities’ COVID-19 Pandemic Order in BPU Docket No. AO16030196 (the “Order”).

3. The Company has met the requirements contained in the Order as of December 31, 2020.



John Houseman
Director

Sworn to and subscribed
before me this 14th day of
January 2021


CAROLYN A. JACOBS
Notary Public

NOTARY PUBLIC OF NEW JERSEY

My Commission Expires October 28, 2023

