

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

April 27, 2021

Aida Camacho-Welch  
Office of the Secretary  
NJ Board of Public Utilities  
44 South Clinton Avenue, 9th 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 March 2021. 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,



Deborah M. Franco

DF:caj/fl14  
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 March 2021  
Incremental Costs/(Savings)\***

| Description   | Mar-20           | Apr-20             | May-20           | Jun-20           | Jul-20           | Aug-20             | Sep-20             | Oct-20             | Nov-20             | Dec-20             | Jan-21             | Feb-21             | Mar-21             | Total              |
|---|------------------|--------------------|------------------|------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Uncollectible Expense                                       | 754,841          | (193,498)          | (45,693)         | 126,052          | 233,428          | 173,295            | 2,682,614          | (189,058)          | 550,499            | 752,689            | 891,105            | 907,467            | 395,140            | 7,038,881          |
| Masks and cleaning supplies, temperature screening services |                  |                    | 90,047           |                  | 23,083           | 48,860             | 17,990             | 22,912             | 9,141              | 12,734             | 10,119             | 6,287              | 7,361              | 248,534            |
| 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)              | 276                |                    | 4,331              | 16,105             |
| <b>Total Incremental Costs</b>                              | <b>754,841</b>   | <b>(193,498)</b>   | <b>150,588</b>   | <b>126,052</b>   | <b>261,414</b>   | <b>232,772</b>     | <b>2,704,200</b>   | <b>(164,690)</b>   | <b>560,591</b>     | <b>764,465</b>     | <b>901,500</b>     | <b>913,754</b>     | <b>406,832</b>     | <b>7,418,281</b>   |
| Conferences/Travel Expenses                                 | 14,261           | 11,359             | 14,533           | 14,533           | 7,693            | 17,713             | 26,089             | 16,023             | 8,985              | 19,584             | 10,336             | 14,506             | 23,462             | 199,077            |
| Utilities Shared Services Contractor Expense                | 2,825            | 6,578              | 8,573            |                  |                  | 3,163              |                    |                    |                    | 9,038              | 9,208              |                    |                    | 39,385             |
| ACHQ Café shutdown  |                  | 8,000              | 8,000            | 8,000            | 8,000            | 8,000              | 8,000              | 8,000              | 10,000             | 10,000             | 10,000             | 10,000             | 11,000             | 107,000            |
| ACHQ reduced cleaning & plant maintenance cost              |                  | 8,000              | 8,000            | 8,000            | 8,000            | 8,000              | 5,000              | 5,000              | 9,000              | 7,000              | 7,000              | 7,000              | 7,000              | 87,000             |
| ACHQ reduced staffing (contractor)                          |                  |                    |                  |                  |                  |                    | 1,500              | 1,500              | 2,500              | 1,500              | 1,500              | 1,500              | 1,500              | 11,500             |
| ACHQ reduced exterior landscaping services                  |                  |                    |                  |                  |                  |                    | 2,500              | 2,500              | 500                | 2,000              | 2,000              | 1,500              | 1,500              | 12,500             |
| ACHQ holiday decorations                                    |                  |                    |                  |                  |                  |                    |                    |                    |                    | 12,000             | 0                  |                    |                    | 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)           |                    | 1,921              |                    |                    | 52,125             |
| CARES Act Employee Retention Credit                         |                  |                    |                  |                  |                  |                    |                    |                    |                    | 66,652             |                    |                    |                    | 66,652             |
| <b>Total Savings</b>  | <b>26,156</b>    | <b>43,902</b>      | <b>51,045</b>    | <b>31,266</b>    | <b>31,983</b>    | <b>44,417</b>      | <b>53,515</b>      | <b>43,449</b>      | <b>12,799</b>      | <b>127,774</b>     | <b>41,965</b>      | <b>34,506</b>      | <b>44,462</b>      | <b>587,239</b>     |
| <b>Total Baseline Impact</b>                                | <b>728,685</b>   | <b>(237,400)</b>   | <b>99,543</b>    | <b>94,786</b>    | <b>229,431</b>   | <b>188,355</b>     | <b>2,650,685</b>   | <b>(208,139)</b>   | <b>547,792</b>     | <b>636,691</b>     | <b>859,535</b>     | <b>879,248</b>     | <b>362,370</b>     | <b>6,831,582</b>   |
| Monthly Carrying Cost                                       | 1,166            | (276)              | 86               | 64               | 88               | 72                 | 620                | (35)               | 91                 | 108                | 138                | 132                | 56                 | 2,311              |
| Compounded Carrying Cost                                    |                  | 848                | 428              | 403              | 264              | 352                | 259                | 626                | 589                | 694                | 760                | 840                | 999                | 7,062              |
| <b>Total Carrying Cost</b>                                  | <b>1,166</b>     | <b>572</b>         | <b>514</b>       | <b>468</b>       | <b>352</b>       | <b>424</b>         | <b>879</b>         | <b>592</b>         | <b>680</b>         | <b>802</b>         | <b>898</b>         | <b>971</b>         | <b>1,055</b>       | <b>9,373</b>       |
| STD interest rate   | 1.92%            | 1.40%              | 1.04%            | 0.82%            | 0.46%            | 0.46%              | 0.28%              | 0.20%              | 0.20%              | 0.20%              | 0.19%              | 0.18%              | 0.19%              |                    |
| <b>Total Deferral</b>                                       | <b>\$729,851</b> | <b>(\$236,827)</b> | <b>\$100,057</b> | <b>\$95,254</b>  | <b>\$229,783</b> | <b>\$188,779</b>   | <b>\$2,651,564</b> | <b>(\$207,547)</b> | <b>\$548,472</b>   | <b>\$637,493</b>   | <b>\$860,433</b>   | <b>\$880,219</b>   | <b>\$363,425</b>   | <b>\$6,840,955</b> |
| <b>Cumulative deferral</b>                                  | <b>\$729,851</b> | <b>\$493,024</b>   | <b>\$593,081</b> | <b>\$688,334</b> | <b>\$918,117</b> | <b>\$1,106,896</b> | <b>\$3,758,460</b> | <b>\$3,550,913</b> | <b>\$4,099,385</b> | <b>\$4,736,878</b> | <b>\$5,597,310</b> | <b>\$6,477,530</b> | <b>\$6,840,955</b> |                    |

\*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 - 2021**  
**Uncollectible History**

|   | Jan-20    | Feb-20    | Mar-20           | Apr-20           | May-20          | Jun-20         | Jul-20         | Aug-20         | Sep-20           | Oct-20           | Nov-20         | Dec-20         | Jan-21         | Feb-21         | Mar-21         | Total      |
|---|-----------|-----------|------------------|------------------|-----------------|----------------|----------------|----------------|------------------|------------------|----------------|----------------|----------------|----------------|----------------|------------|
| Total Expense per G/L   | 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      | 1,504,303      | 1,520,665      | 1,008,338      | 12,883,669 |
| Adjustment for change in allowance methodology during Jan & Feb 2020<br>(Resulted in expensing ~\$2.6M vs. ~\$.5M normally). Previously only write-offs were recorded on non-quarter months. Reserve true up's were only recorded quarterly |           |           | <b>2,126,786</b> |                  |                 |                |                |                |                  |                  |                |                |                |                |                | 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        | 613,198        | 613,198        | 7,971,574  |
| <b>COVID Impact</b>   |           |           | <b>754,841</b>   | <b>(193,498)</b> | <b>(45,693)</b> | <b>126,052</b> | <b>233,428</b> | <b>173,295</b> | <b>2,682,614</b> | <b>(189,058)</b> | <b>550,499</b> | <b>752,689</b> | <b>891,105</b> | <b>907,467</b> | <b>395,140</b> | 7,038,881  |

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

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

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**BPU Docket No. AO20060471**

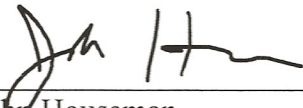
**VERIFICATION  
JOHN HOUSEMAN**

John Houseman, upon his oath, deposes and says:

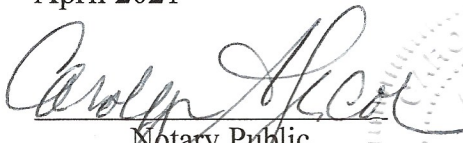
1. I am of full age. I am Director, Accounting, of South Jersey Industries (“SJI”). SJI is the parent company of South Gas Company (“SJG”), a regulatory public utility in the State of New Jersey (SJI and SJG collectively referred to hereafter as the “Company”).

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 March 31, 2021.

  
\_\_\_\_\_  
John Houseman  
Director

Sworn to and subscribed  
before me this 27<sup>th</sup> day of  
April 2021

  
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Notary Public  
CAROLYN A. JACOBS



NOTARY PUBLIC OF NEW JERSEY

My Commission Expires October 29, 2023