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VP, Rates, Regulatory & Sustainability

October 26, 2020

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 September 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

DD:caj/f114  
Attachments

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

Brain Lipman  
John Houseman

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

Description	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Total
Uncollectible Expense	754,841	(193,498)	(45,693)	126,052	233,428	173,295	2,682,614	3,731,039
Masks and cleaning supplies			90,047		23,082	54,433	12,418	179,981
Hazard pay			104,000					104,000
Legal advice							2,131	2,131
Safty signes							9,170	9,170
Mileage reimbursement			2,234		4,903	1,447	1,465	10,049
<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>229,175</b>	<b>2,707,797</b>	<b>4,036,369</b>
Conferences/Travel Expenses	14,261	11,359	14,533	14,533	7,693	17,713	26,089	106,183
Utilities Shared Services Contractor Expense	2,825	6,578	8,573			3,163		21,139
ACHQ Café shutdown		8,000	8,000	8,000	8,000	8,000	8,000	48,000
ACHQ reduced cleaning & plant maintainance cost		8,000	8,000	8,000	8,000	8,000	5,000	45,000
ACHQ reduced staffing (contractor)							1,500	1,500
ACHQ reduced of interior landscaping services							2,500	2,500
Fuel Cost Savings (net of capitalized portion)	9,069	9,965	11,939	732	8,290	7,541	10,426	57,963
<b>Total Savings</b>	<b>26,156</b>	<b>43,902</b>	<b>51,046</b>	<b>31,266</b>	<b>31,983</b>	<b>44,417</b>	<b>53,515</b>	<b>282,285</b>
<b>Total Baseline Impact</b>	<b>728,685</b>	<b>(237,400)</b>	<b>99,543</b>	<b>94,786</b>	<b>229,430</b>	<b>184,758</b>	<b>2,654,282</b>	<b>3,754,084</b>
Monthly Carrying Cost	1,166	(276)	86	64	87	56	19	1,203
Compounded Carrying Cost		1,182	916	1,010	1,080	1,079	1,170	6,438
<b>Total Carrying Cost</b>	<b>1,166</b>	<b>906</b>	<b>1,002</b>	<b>1,075</b>	<b>1,167</b>	<b>1,135</b>	<b>1,189</b>	<b>7,641</b>
STD interest rate	1.92%	1.40%	1.04%	0.82%	0.46%	0.46%	0.28%	
<b>Total Deferral</b>	<b>\$729,851</b>	<b>(\$236,493)</b>	<b>\$100,545</b>	<b>\$95,861</b>	<b>\$230,597</b>	<b>\$185,893</b>	<b>\$2,655,471</b>	<b>\$3,761,725</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 - 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
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	846,627	786,493	3,295,812
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										<b>2,126,786</b>						
3 Year Average Expense										613,198	613,198	613,198	613,198	613,198	613,198	613,198
<b>COVID Impact</b>										<b>754,841</b>	<b>(193,498)</b>	<b>(45,693)</b>	<b>126,052</b>	<b>233,429</b>	<b>173,295</b>	<b>2,682,614</b>

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

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

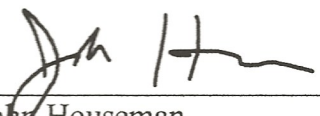
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**BPU Docket No. AO20060471**

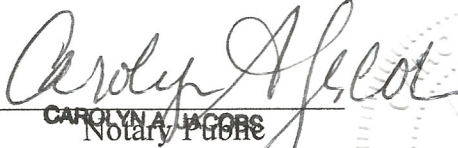
**VERIFICATION  
JOHN HOUSEMAN**

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 September 30, 2020.

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

Sworn to and subscribed  
before me this 26<sup>th</sup> day of  
October 2020

  
\_\_\_\_\_  
CAROLYN A. JACOBS  
Notary Public  
NOTARY PUBLIC OF NEW JERSEY  
My Commission Expires October 28, 2023

