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VP, Rates, Regulatory & Sustainability

January 21, 2022

Aida Camacho-Welch  
Office of the Secretary  
NJ Board of Public Utilities  
44 South Clinton Avenue  
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 Orders dated July 2, 2020 and September 14, 2021 in the above reference matter, enclosed please find South Jersey Gas Company's Quarterly Report for period ending December 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,

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

Deborah M. Franco

DF:caj/fl14  
Attachments

cc: Brian Lipman  
Stacy Peterson  
Bob Brabston  
Maura Caroselli

Paul Lupo  
John Houseman  
Dominick DiRocco

**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**

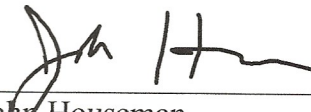
**VERIFICATION  
JOHN HOUSEMAN**

John Houseman, upon his oath, deposes and says:

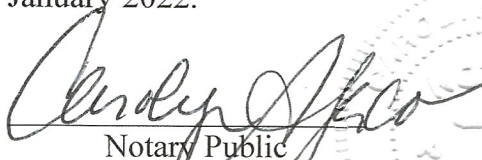
1. I am of full age. I am Director, Accounting, of South Jersey Industries (“SJI”). SJI is the parent company of South Gas Company (“SJG”), a regulatory public utility in the State of New Jersey (SJI and SJG collectively referred to hereafter as the “Company”).

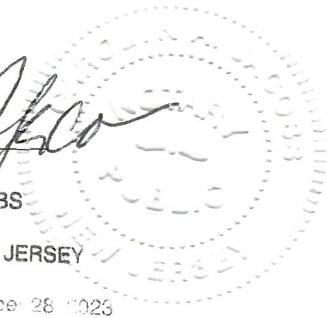
2. I offer this verification in support of the Company’s compliance with the New Jersey Board of Public Utilities’ COVID-19 Pandemic Order in BPU Docket No. AO16030196 (the “Order”).

3. The Company has met the requirements contained in the Order as of December 31, 2021.

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

Sworn to and subscribed  
before me this 21<sup>st</sup> day of  
January 2022.

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



**South Jersey Gas Company  
Estimated COVID Impact  
As of December 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	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Total
Uncollectible Expense	754,841	(193,498)	(46,683)	126,052	233,428	173,295	2,482,614	(189,258)	500,499	752,689	891,105	907,467	395,140	132,208	211,169	(566,548)	411,630	319,413	328,692	(64,605)	(437,080)	590,268	7,964,090
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	7,861	11,508	9,666	5,879	2,409	1,852	2,088	5,036	1,104	1,120	281,216
Hazard pay			104,000																				104,000
Legal advice							2,131																2,131
Safety sign						9,170																	9,170
Customer Bill of Rights Mailer BPU																							204,133
Message reenvironment			2,234		4,003	1,447	1,405	1,416	951	(993)	276		4,331	3,000	637	1,482	1,326	1,100		101,504	2,326	63,197	19,432
<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>147,706</b>	<b>221,472</b>	<b>(559,187)</b>	<b>415,335</b>	<b>322,464</b>	<b>431,860</b>	<b>(57,353)</b>	<b>(370,427)</b>	<b>632,067</b>	<b>8,602,758</b>
Conferences/Travel Expenses	14,261	11,239	14,583	14,833	7,693	17,713	36,089	16,023	8,985	10,184	10,236	14,506	23,462	17,286	28,215	23,118	10,828	5,513	24,850	10,837	8,121	20,235	356,220
Utilities Shared Services Contractor Expense	2,825	6,578	6,573			1,163				9,038	9,208								4,508				62,974
ACHQ Cafe 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	10,000	10,000	12,000	13,000	9,800	12,000	11,500	11,500	9,500	206,300
ACHQ reduced cleaning & plant maintenance cost		8,000	8,000	8,000	8,000	8,000	8,000	5,000	5,000	5,000	7,000	7,000	7,000	7,000	6,000	6,000	5,000	5,000	3,000	2,500	2,000	5,000	124,500
ACHQ reduced staffing (contractor)							1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,800	1,500	1,500	1,500	1,500	1,500	1,500	18,300
ACHQ reduced exterior landscaping services							2,500	2,500	500	2,000	2,000	1,500	1,500	1,500	1,600	1,500	1,500	1,500	1,500	1,500	1,500	1,500	16,100
ACHQ holiday decorations										12,000													12,000
Fuel Cost Savings (net of capitalized portion)	9,070	9,965	11,889	733	8,200	7,541	10,426	10,426	(18,186)	1,921								5,907			2,034	0	62,365
CARES Act Employee Retention Credit											68,632												68,632
<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>36,286</b>	<b>48,515</b>	<b>58,500</b>	<b>31,667</b>	<b>18,353</b>	<b>45,258</b>	<b>37,937</b>	<b>26,135</b>	<b>45,541</b>	<b>935,432</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>111,420</b>	<b>172,957</b>	<b>(617,687)</b>	<b>883,668</b>	<b>304,111</b>	<b>386,602</b>	<b>(95,290)</b>	<b>(396,542)</b>	<b>586,525</b>	<b>7,647,324</b>
Monthly Carrying Cost	1,166	(276)	86	64	88	57	620	(93)	91	108	138	132	54	17	25	(93)	58	46	58	(15)	(64)	144	2,472
Compounded Carrying Cost		448		403	264	694	259	626	589	694	840	972	1,029	1,015	1,014	977	1,034	1,080	1,167	1,204	1,243	1,281	17,261
<b>Total Carrying Cost</b>	<b>1,166</b>	<b>572</b>	<b>514</b>	<b>468</b>	<b>352</b>	<b>337</b>	<b>879</b>	<b>592</b>	<b>680</b>	<b>902</b>	<b>908</b>	<b>971</b>	<b>1,026</b>	<b>1,043</b>	<b>1,040</b>	<b>963</b>	<b>1,034</b>	<b>1,080</b>	<b>1,167</b>	<b>1,189</b>	<b>1,140</b>	<b>1,867</b>	<b>19,733</b>
STD interest rate	1.92%	1.40%	1.04%	0.82%	0.68%	0.57%	0.28%	0.20%	0.20%	0.20%	0.19%	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%	0.20%
<b>Total Deferral</b>	<b>\$729,851</b>	<b>(\$236,627)</b>	<b>\$100,057</b>	<b>\$95,254</b>	<b>\$229,783</b>	<b>\$188,692</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>\$363,396</b>	<b>\$112,463</b>	<b>\$179,997</b>	<b>(\$616,734)</b>	<b>\$384,702</b>	<b>\$305,191</b>	<b>\$387,740</b>	<b>(\$94,138)</b>	<b>(\$395,422)</b>	<b>\$588,412</b>	<b>\$7,687,059</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>\$1,106,809</b>	<b>\$3,758,373</b>	<b>\$3,550,826</b>	<b>\$4,099,297</b>	<b>\$4,736,790</b>	<b>\$5,597,223</b>	<b>\$6,477,442</b>	<b>\$6,840,838</b>	<b>\$6,953,301</b>	<b>\$7,127,298</b>	<b>\$6,510,574</b>	<b>\$6,895,276</b>	<b>\$7,200,467</b>	<b>\$7,588,207</b>	<b>\$7,494,069</b>	<b>\$7,098,647</b>	<b>\$7,687,059</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**

	<u>Jan-17</u>	<u>Feb-17</u>	<u>Mar-17</u>	<u>Apr-17</u>	<u>May-17</u>	<u>Jun-17</u>	<u>Jul-17</u>	<u>Aug-17</u>	<u>Sep-17</u>	<u>Oct-17</u>	<u>Nov-17</u>	<u>Dec-17</u>
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

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 - 2021**  
**Uncollectible History**

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Total Expense per G/L	281,154	368,952	915,226	495,465	1,045,824	(222,154)	590,895	690,949	2,109,966	981,323	946,115	(287,380)

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 - 2021**  
**Uncollectible History**

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Total Expense per G/L	245,762	469,894	677,872	423,476	683,673	412,348	972,728	711,341	1,569,087	654,589	674,990	(313,814)

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 - 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
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
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									
3 Year Average Expense			613,198	613,198	613,198	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>233,428</b>	<b>173,295</b>	<b>2,682,614</b>	<b>(189,058)</b>	<b>550,499</b>	<b>752,689</b>

**South Jersey Gas Company**  
**AR Reserve Analysis - 2017 - 2021**  
**Uncollectible History**

	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Total
Total Expense per G/L	1,504,303	1,520,665	1,008,338	745,496	824,367	46,650	1,024,808	932,611	941,890	548,593	176,110	1,203,466	19,327,660
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
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	13,490,356
<b>COVID Impact</b>	<b>891,105</b>	<b>907,467</b>	<b>395,140</b>	<b>132,298</b>	<b>211,169</b>	<b>(566,548)</b>	<b>411,610</b>	<b>319,413</b>	<b>328,692</b>	<b>(64,605)</b>	<b>(437,088)</b>	<b>590,268</b>	7,964,090