



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

October 24, 2022

Carmen Diaz, Acting Secretary
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 Acting Secretary Diaz:

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 September 2022. The Company reserves its rights to adjust the cost/savings categories in the future to address evolving pandemic conditions as they arise.

In accordance with the New Jersey Board of Public Utilities ("BPU") March 19, 2020 and June 10, 2020 Orders issued in BPU Docket No. EO20030254, hard copies are not being submitted 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: Brian Lipman
Stacy Peterson
Bob Brabston
Maura Caroselli

Paul Lupo
John Houseman
Dominick DiRocco

South Jersey Gas Company
Estimated COVID impact
As of September 2022
Incremental Costs/(Savings)*

Description	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Uncollectible Expense	754,841	(193,498)	(45,693)	126,052	233,428	173,295	2,682,614	(189,058)	550,499	752,689
Masks and cleaning supplies, temperature screening services			90,047		23,083	48,860	17,990	22,912	9,141	12,734
Vaccine Bonus										
Hazard pay			104,000							
Legal advice							2,131			
Safety signs						9,170				
Customer Bill of Rights Mailer BPU										
Mileage reimbursement			2,234		4,903	1,447	1,465	1,456	951	(958)
Total Incremental Costs	754,841	(193,498)	150,588	126,052	261,414	232,772	2,704,200	(164,690)	560,591	764,465
Conferences/Travel Expenses	14,261	11,359	14,533	14,533	7,693	17,713	26,089	16,023	8,985	19,584
Utilities Shared Services Contractor Expense	2,825	6,578	8,573			3,163				9,038
ACHQ Café shutdown		8,000	8,000	8,000	8,000	8,000	8,000	8,000	10,000	10,000
ACHQ reduced cleaning & plant maintenance cost		8,000	8,000	8,000	8,000	8,000	5,000	5,000	9,000	7,000
ACHQ reduced staffing (contractor)							1,500	1,500	2,500	1,500
ACHQ reduced exterior landscaping services							2,500	2,500	500	2,000
ACHQ holiday decorations										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)	
CARES Act Employee Retention Credit										66,652
Total Savings	26,156	43,902	51,045	31,266	31,983	44,417	53,515	43,449	12,799	127,774
Total Baseline Impact	728,685	(237,400)	99,543	94,786	229,431	188,355	2,650,685	(208,139)	547,792	636,691
Monthly Carrying Cost	1,166	(276)	86	64	88	57	620	(35)	91	108
Compounded Carrying Cost		848	428	403	264	280	259	626	589	694
Total Carrying Cost	1,166	572	514	468	352	337	879	592	680	802
STD interest rate	1.92%	1.40%	1.04%	0.82%	0.46%	0.37%	0.28%	0.20%	0.20%	0.20%
Total Deferral	\$729,851	(\$236,827)	\$100,057	\$95,254	\$229,783	\$188,692	\$2,651,564	(\$207,547)	\$548,472	\$637,493
Cumulative deferral	\$729,851	\$493,024	\$593,081	\$688,334	\$918,117	\$1,106,809	\$3,758,373	\$3,550,826	\$4,099,297	\$4,736,790

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South Jersey Gas Company
Estimated COVID impact
As of September 2022
Incremental Costs/(Savings)*

Description	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
Uncollectible Expense	891,105	907,467	395,140	132,298	211,169	(566,548)	411,610	319,413	328,692	(64,605)	(437,088)	590,268
Masks and cleaning supplies, temperature screening services	10,119	6,287	7,361	13,508	9,666	5,879	2,409	1,852	2,088	5,056	3,104	1,120
Vaccine Bonus												
Hazard pay												
Legal advice												
Safety signs												
Customer Bill of Rights Mailer BPU									101,504		63,197	39,432
Mileage reimbursement	276		4,331	1,900	637	1,482	1,316	1,199	(424)	2,196	360	1,246
Total Incremental Costs	901,500	913,754	406,832	147,706	221,472	(559,187)	415,335	322,464	431,860	(57,353)	(370,427)	632,067
Conferences/Travel Expenses	10,336	14,506	23,462	17,286	29,115	23,118	10,828	3,553	24,850	19,937	8,121	20,335
Utilities Shared Services Contractor Expense	9,208					9,475			4,908			9,206
ACHQ Café shutdown	10,000	10,000	11,000	10,000	10,000	12,000	13,000	9,800	12,000	11,500	11,500	9,500
ACHQ reduced cleaning & plant maintenance cost	7,000	7,000	7,000	6,000	6,000	5,000	3,000	2,500	2,000	5,000	3,000	5,000
ACHQ reduced staffing (contractor)	1,500	1,500	1,500	1,500	1,800	1,500	1,000	1,000				
ACHQ reduced exterior landscaping services	2,000	1,500	1,500	1,500	1,600	1,500	1,500	1,500	1,500	1,500	1,500	1,500
ACHQ holiday decorations						-						
Fuel Cost Savings (net of capitalized portion)	1,921					5,907	2,339				2,014	
CARES Act Employee Retention Credit												
Total Savings	41,965	34,506	44,462	36,286	48,515	58,500	31,667	18,353	45,258	37,937	26,135	45,541
Total Baseline Impact	859,535	879,248	362,370	111,420	172,957	(617,687)	383,668	304,111	386,602	(95,290)	(396,562)	586,525
Monthly Carrying Cost	138	132	54	17	25	(91)	58	46	58	(15)	(64)	144
Compounded Carrying Cost	760	840	972	1,026	1,015	1,054	977	1,034	1,080	1,167	1,204	1,743
Total Carrying Cost	898	971	1,026	1,043	1,040	963	1,034	1,080	1,138	1,152	1,140	1,887
STD interest rate	0.19%	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%	0.19%	0.29%
Total Deferral	\$860,433	\$880,219	\$363,396	\$112,463	\$173,997	(\$616,724)	\$384,702	\$305,191	\$387,740	(\$94,138)	(\$395,422)	\$588,412
Cumulative deferral	\$5,597,223	\$6,477,442	\$6,840,838	\$6,953,301	\$7,127,298	\$6,510,574	\$6,895,276	\$7,200,467	\$7,588,207	\$7,494,069	\$7,098,647	\$7,687,059

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South Jersey Gas Company
Estimated COVID impact
As of September 2022
Incremental Costs/(Savings)*

Description	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Total
Uncollectible Expense	1,425,577	856,400	(530,444)	264,620	848,592	(1,311,162)	(1,309,732)	200,469	(488,234)	7,920,177
Masks and cleaning supplies, temperature screening services	2,007	1,190	1,606	2,625	4,931	7,511	2,126	2,200	2,400	319,812
Vaccine Bonus					199,200					199,200
Hazard pay										104,000
Legal advice										2,131
Safety signs										9,170
Customer Bill of Rights Mailer BPU	22,173	308	589	142						227,344
Mileage reimbursement	0									26,017
Total Incremental Costs	1,449,757	857,898	(528,249)	267,387	1,052,723	(1,303,651)	(1,307,606)	202,669	(485,834)	8,807,852
Conferences/Travel Expenses	7,042	12,314	22,505	8,811		55,865	5,687	10,532	18,757	497,733
Utilities Shared Services Contractor Expense	5,938	2,138							8,971	80,022
ACHQ Café shutdown	6,000	6,000	3,000							221,300
ACHQ reduced cleaning & plant maintenance cost	3,000	1,500	1,500							130,500
ACHQ reduced staffing (contractor)										18,300
ACHQ reduced exterior landscaping services	1,500	1,500								29,100
ACHQ holiday decorations										12,000
Fuel Cost Savings (net of capitalized portion)		331	316	3,385					3,426	69,844
CARES Act Employee Retention Credit										66,652
Total Savings	23,480	23,784	27,321	12,196	-	55,865	5,687	10,532	31,154	1,125,451
Total Baseline Impact	1,426,277	834,114	(555,570)	255,191	1,052,723	(1,359,516)	(1,313,293)	192,137	(516,989)	7,682,401
Monthly Carrying Cost	347	213	(270)	141	939	(2,126)	(2,174)	423	(1,259)	1,715
Compounded Carrying Cost	1,869	2,329	4,831	5,191	8,615	16,770	15,528	17,774	20,179	56,866
Total Carrying Cost	2,216	2,542	4,561	5,332	9,554	14,644	13,354	18,197	18,921	58,582
STD interest rate	0.29%	0.31%	0.58%	0.66%	1.07%	1.88%	1.99%	2.64%	2.92%	
Total Deferral	\$1,428,493	\$836,656	(\$551,009)	\$260,523	\$1,062,277	(\$1,344,871.84)	(\$1,299,940)	\$210,334	(\$498,068)	\$7,791,453.94
Cumulative deferral	\$9,115,552	\$9,952,208	\$9,401,199	\$9,661,723	\$10,724,000	\$9,379,127.73	\$8,079,187.91	\$8,289,521.84	\$7,791,453.94	

*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-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17
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
COVID Impact			754,841	(193,498)	(45,693)	126,052	233,428	173,295	2,682,614	(189,058)	550,499	752,689

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 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
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	613,198	613,198	613,198	613,198	613,198	613,198	613,198	613,198	613,198	613,198	613,198	613,198
COVID Impact	891,105	907,467	395,140	132,298	211,169	(566,548)	411,610	319,413	328,692	(64,605)	(437,088)	590,268

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

	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Total
Total Expense per G/L	2,038,775	1,469,598	82,754	877,818	1,461,790	(697,964)	(696,534)	813,667	124,964	24,802,528
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	19,009,138
COVID Impact	1,425,577	856,400	(530,444)	264,620	848,592	(1,311,162)	(1,309,732)	200,469	(488,234)	7,920,177

**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

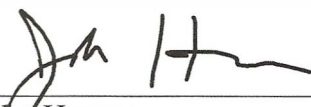
**VERIFICATION
JOHN HOUSEMAN**

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”).

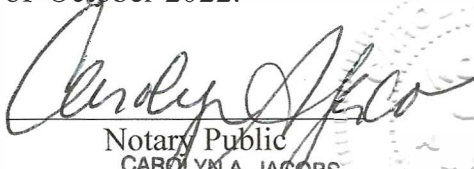
2. I offer this verification in support of the Company’s compliance with the New Jersey Board of Public Utilities’ COVID-19 Pandemic Order in BPU Docket No. AO16030196 (the “Order”).

3. The Company has met the requirements contained in the Order as of September 30, 2022.



John Houseman
Director

Sworn to and subscribed
before me this 21st day
of October 2022.



Notary Public
CAROLYN A. JACOBS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires October 26, 2025