

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

IN THE MATTER OF THE PETITION OF : PETITION
SOUTH JERSEY GAS COMPANY TO MODIFY :
AND EXTEND ITS EXISTING CAPITAL : BPU DOCKET NO.
INVESTMENT RECOVERY TRACKER :
("CIRT II") PURSUANT TO N.J.S.A. 48:2-21 AND :
N.J.S.A. 48:2-21.1 :

CASE SUMMARY, PETITION AND EXHIBITS

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October 2011

STATE OF NEW JERSEY

BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY TO MODIFY AND EXTEND ITS EXISTING CAPITAL INVESTMENT RECOVERY TRACKER (“CIRT II”) PURSUANT TO N.J.S.A. 48:2-21 AND N.J.S.A. 48:2-21.1 : **CASE SUMMARY**
: **BPU DOCKET NO.**

By this Petition, South Jersey Gas Company (“South Jersey” or the “Company”) seeks Board approval to modify and extend the existing, Board-approved Capital Investment Recovery Tracker II.

This Petition is safety driven. The Company is committed to and proud of its excellent safety record and it firmly believes that the relief requested in this Petition will help the Company carry that record forward for generations to come. The only project, out of the several existing Board-approved CIRT projects, impacted by this Petition is the accelerated replacement of bare steel and cast iron main, and associated services (“AMRP”). Some of this main to be replaced has been in the ground for over a century, and, therefore, it is subject to the deleterious effect the environment has upon such main. As a result, the integrity of that main is impacted.

At the current pace, it will take more than 50 years to replace all of the Company’s unprotected bare steel and cast iron main, along with the associated services. If this Petition is granted, it will enable the Company to accelerate that pace, resulting in complete replacement of all unprotected bare steel and cast iron main, and associated services, in approximately 10 years. An additional benefit of such an extension would be the retention and addition of jobs created by the CIRT.

The CIRT II extension will generate a rate of \$0.0122, including taxes, related to the AMRP associated with the 2012 incremental \$40 million. The overall impact of the Company’s proposal will increase the bill of a typical residential customer using an average of 100 therms of gas during a month by \$1.22 or 0.91%, including taxes. This rate, if this extension is granted, will take effect March 1, 2013. In July 2012, the Company will file a Petition for CIRT II Rates associated with the 2013 AMPR incremental \$50 million, to be effective in March 2014.

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY TO MODIFY AND EXTEND ITS EXISTING CAPITAL INVESTMENT RECOVERY TRACKER (“CIRT II”) PURSUANT TO N.J.S.A. 48:2-21 AND N.J.S.A. 48:2-21.1 : **PETITION**
: **BPU DOCKET NO.**

TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

Petitioner, South Jersey Gas Company (hereinafter referred to as “South Jersey,” “Petitioner,” or “Company”), a public utility corporation of the State of New Jersey, with its principal office at One South Jersey Plaza, Folsom, New Jersey hereby petitions this Honorable Board (sometimes hereinafter referred to as “Board”) for authority to modify its existing Capital Investment Recovery Tracker II (“CIRT II”) and to extend the CIRT II for an additional year pursuant to *N.J.S.A.* 48:2-21 and 48:2-21.1. In support thereof, Petitioner states as follows:

I. THE PROPOSAL WILL PROMOTE SAFETY AND JOBS

1. South Jersey’s Capital Investment Recovery Tracker (“CIRT”) has been in place since April 2009. Through this mechanism, South Jersey has invested the following amounts in safety delivering, job promoting projects:

2009	\$57.2 million
2010	\$37.4 million
2011	\$50.4 million (projected)
2012	\$10.8 million (projected)

The current mechanism, CIRT II, is set to expire on October 31, 2012.

2. To continue to make essential investments, contribute to enhanced safety and reliability, and promote jobs, South Jersey proposes to 1) extend the deadline for capital expenditures for the accelerated replacement of unprotected steel main and cast iron mains, and associated services, from October 2012 to December 2012; 2) add an additional \$40 million in incremental capital expenditures associated with the accelerated replacement of unprotected steel and cast iron mains, and associated services, for 2012; 3) add an additional year (2013) to continue the accelerated replacement of unprotected steel and cast iron mains and associated services; 4) allocate \$50 million in incremental capital expenditures for the additional year; and 5) continue to use the CIRT II regulatory process for the accelerated replacement of unprotected steel and cast iron mains, and associated services, expenditures through December 31, 2013.

II. THE TIME IS PROPITIOUS FOR THE PROPOSED MODIFICATION AND EXTENSION

3. As of December 31, 2010, South Jersey had within its system 1,274 miles of unprotected steel main (“USM”) and cast iron main, along with approximately 41,733 associated bare steel services.

4. This main was installed between 1900 and 1971.

5. As this system ages, safety and reliability demand its replacement.

6. South Jersey has projected a cost of approximately \$589 million to replace the USM, cast iron main and associated services.

7. South Jersey has already been conducting an active main replacement program, which includes replacement of the services associated with those mains. Specifically, South Jersey has, for the past five years, spent between \$7 million and \$15 million per year replacing such main and services, averaging \$10 million per year. This average of \$10 million per year

for the active main replacement program is part of the Company's capital expenditure budget. South Jersey is not seeking to and will not reduce its average capital expenditures related to USM and cast iron main and associated services replacement.

8. But for the implementation of the replacement proposed in this Petition, at the current pace, full replacement of all unprotected bare steel main, cast iron main and associated services will take more than 50 years.

9. South Jersey believes that this replacement program should be accelerated. As such, it proposes to implement a program that will reduce the replacement period from more than 50 years to approximately 10 years.

10. South Jersey believes that this program will promote public safety and system reliability. However, to accomplish these goals, South Jersey will require regulatory the treatment proposed in this Petition.

11. The proposed program will also promote good, stable employment within South Jersey's service territory, and this State. It will help create and foster long-term employment and it will help unskilled laborers become skilled.

12. Without the relief requested in this Petition, South Jersey's accelerated program will trickle down to a smaller program in 2012 and be eliminated in 2013. The resulting loss of jobs that have been created since 2009 will be detrimental. Likewise, without the relief requested, the ability for South Jersey to enhance the safety and reliability of its system will be diminished.

13. If this Petition is granted, in 2012 South Jersey will spend its traditional \$7 million to \$15 million on main and associated services replacement through its construction

budget, and an incremental \$50 million through the CIRT, all on the replacement of USM , cast iron main and associated services. It will do the same in 2013.

14. Moreover, the Company will continue to spend at least the Company's 5-year average of \$24 million per year on non-revenue producing capital expenditures.

15. Attached to this Petition is the prefiled testimony of John F. Kiely. It demonstrates the job-promotive effect that this Petition, if granted, will have.

16. The CIRT has significantly contributed to mitigating and reducing the serious, deleterious impacts of the current economic crisis. Nevertheless, that economic crisis continues, and further measures are necessary to maintain the job creation accomplished by the CIRT.

17. In New Jersey, unemployment continues at unacceptable levels. In the housing market, the foreclosure rate is still dramatic, inventories of unsold houses remain excessive, and new housing starts continue at unacceptable levels. Economists generally agree that capital investments by business will have a multiplier effect, and help stimulate the economy.

18. Because of the economic concerns within New Jersey, in 2009 South Jersey implemented its first CIRT mechanism ("CIRT I"). It has been demonstratively beneficial. CIRT II, approved in March 2011, also has been demonstratively beneficial.

19. The modification and extension proposed herein will have the beneficial effect of maintaining jobs on a current basis and promoting job growth while having the further beneficial effect of providing an improved utility infrastructure, so as to permit long-term growth of employment and economic benefits for New Jersey for the foreseeable future.

20. From a financial perspective, the approval of the modification and extension of CIRT II as set forth in this Petition is also cost effective.

21. At present, the cost of money is at historically low levels. Recently, the Company has circled a very favorable interest rate for \$35 million of long-term debt to be issued in April 2012, and which will replace higher cost debt. As a result, the Company would be amenable to adjusting the capital structure in the CIRT to reflect these changes when they become effective.

22. In addition, natural gas rates are at or below 2003 levels and are projected to be stable. As a result, there is the appropriate “headroom” to increase charges to customers to allow for the incremental safety-related infrastructure spending.

23. The modification and extension of the CIRT II will be timely, and good public policy.

III. WITHOUT A SUPPORTIVE REGULATORY ENVIRONMENT, SOUTH JERSEY COULD NOT UNDERTAKE THE MODIFICATION AND EXTENSION OF CIRT.

24. The modification and extension of CIRT II will involve significant and incremental capital expenditures. These expenditures are significantly beyond the bounds of South Jersey’s traditional capital expenditures for main and service replacement. Those traditional expenditures will continue.

25. However, South Jersey could not undertake incremental capital expenditures of the scope which it seeks to make, making its system safer and more reliable, without regulatory support. The traditional rate base/rate of return ratemaking framework will not accommodate incremental capital expenditures of this nature.

26. Without appropriate regulatory support, the incremental financial burdens of this program could be detrimental. However, the Board has recognized this, and has afforded South Jersey appropriate regulatory treatment through CIRT II. This has stabilized South Jersey’s credit quality, while allowing the safety-producing, job-creating expenditures. This

has happened without adverse impacts upon South Jersey's cost of capital, and, ultimately, upon ratepayers.

27. The following quote from Michael V. Grande and William Ferrara of Standard & Poor's, demonstrates Wall Street's support for the CIRT II mechanism:

“Standard & Poor's regards regulatory oversight by the New Jersey Board of Public Utilities (NJBPU) as supportive of credit quality because it balances the financial interest of the utility and its shareholders while supporting conservation efforts. Supportive regulatory measures include:

The Capital Investment Recovery Tracker, which allows SJG to spend an incremental \$60.3 million in capital expenditures through October 2012, recover the costs as the investments are made, and earn its allowed rate of return on the expenditures.”

28. By this Petition, South Jersey seeks continued regulatory support for its enhanced program from this Board.

IV. BACKGROUND

29. South Jersey is engaged in the transmission, distribution, transportation, and sale of natural gas within its defined service territory within the State of New Jersey. Said service territory includes all or portions of the following Counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester and Salem. Within its service territory South Jersey serves approximately 350,000 customers.

30. South Jersey is subject to regulation by the Board for the purposes of assuring safe, adequate and proper natural gas service pursuant to N.J.S.A. 48:2-23.

31. In furtherance of this responsibility South Jersey must maintain its public utility infrastructure, including the property plant, facilities and equipment that comprise South Jersey's natural gas distribution and transmission system, in such condition as to enable the provision of such service.

V. PROCEDURAL HISTORY

32. On April 28, 2009, the Board issued a Decision and Order in Docket No. GO09010051, accepting a Stipulation of the parties implementing the CIRT mechanism of South Jersey.

33. On October 22, 2010, South Jersey filed with the Board a Case Summary, Petition and Exhibits for the authority to make its annual adjustment to its CIRT charge and to extend its CIRT for three (3) additional years (“CIRT II”).

34. The Parties held several settlement discussions to address the resolution of various CIRT II issues and settled various issues in accordance with a Stipulation entered in Docket No. GR10100765 (“CIRT II Stipulation”). By Board Order, the CIRT II Stipulation was approved.

VI. SOUTH JERSEY PROPOSES TO CONTINUE THE CIRT II BOARD APPROVED ACCOUNTING METHOD AND RATE MECHANISM

Accounting Method

35. In the CIRT II stipulation, the Parties agreed that, while the individual Qualifying Projects were under construction, they would be separately tracked in a Construction Work In Progress (“CWIP”) account. Each Qualifying Project would accrue an Allowance For Funds Used During Construction (“AFUDC”) on a monthly basis. The AFUDC would be capitalized and included in the CWIP balance in order to be recovered through the CIRT Rate Adjustment. The AFUDC would be determined on a monthly basis as follows:

- A. For purposes of determining the AFUDC, the outstanding CWIP balance for the month associated with the Qualifying Project would be multiplied by an AFUDC carrying cost rate.
- B. The AFUDC carrying cost rate for Qualifying Projects would be set at 7.98%. (As discussed in Paragraph 21 of this Petition, South Jersey would decrease this figure when its refinancing becomes effective).

- C. At the time a CIRT Rate Adjustment occurs, the CWIP balance would be reduced by any Qualifying Project CWIP balance that was included in the CIRT Rate Adjustment.
- D. AFUDC for Qualifying Projects would continue to accrue in accordance with this accounting method when a Qualifying Project is placed into service up until the revenue requirements associated with the Qualifying Project and all associated AFUDC were reflected in the CIRT Rate Adjustment.
- E. AFUDC would apply only to investments associated with Qualifying Projects that were reflected in the CIRT Rate Adjustment. All AFUDC on non-CIRT II related CWIP, including any Qualifying Projects that were not in service as of October 31, 2012, would accrue AFUDC at the Company's weighted cost of capital of 8.21% as determined in the Rate Case.

36. The Parties also agreed that the depreciation expense would not be accrued on an in service Qualifying Project prior to effective date of cost recovery for the associated investment through the CIRT Rate Adjustment.

37. South Jersey proposes to continue this accounting method in effect as a result of this Petition.

Revenue Requirement Recovery

38. In the CIRT II Stipulation, the Parties also agreed that the Company would make two filings in order to recover the revenue requirements associated with CIRT II investments in base rates through the CIRT Rate Adjustment. The first CIRT Rate Adjustment was filed with the Board in June 2011 to be effective October 1, 2011. The second CIRT II Rate Adjustment would be effective January 1, 2013.

39. The CIRT II stipulation stated that the first CIRT Rate Adjustment would establish an incremental adjustment to base rates based on the revenue requirements associated with the Company's investments in all CIRT Qualifying Projects as of August 31, 2011. Specifically, the revenue requirements would reflect all CIRT II Qualifying Project

investments that are reflected in plant in service and in CWIP for accounting purposes and all associated capitalized AFUDC determined in accordance with this Stipulation.

40. The CIRT Rate Adjustments would provide the Company with the following revenue requirement recovery:

- a) Rate of return on all Qualifying Project Investments as adjusted for accumulated depreciation and accumulated deferred income taxes at the Pre-Tax Adjusted weighted-average cost of capital rate of 11.63%.
- b) Depreciation expense recovery at an annual composite depreciation rate of 2.24% for all CIRT investment.
- c) A revenue factor to reflect a gross-up for uncollectibles, PUA and New Jersey sales taxes of 1.07834.
- d) The calculation of the revenue requirement shall be determined in the same manner as the example calculations set forth in Appendix B to the Stipulation in Docket No. GR10100765.

41. In the CIRT II Stipulation, the Parties agreed that the revenue requirements associated with the first CIRT II Rate Adjustment would be recovered through an equal per-term increase to the distribution charge of all firm rate classes. The Parties also agreed that the increment to base rates would be calculated on the basis of the billing determinants used to establish current base rates and that the margin revenue factors set forth in the Company's CIP and TAC tariffs would be updated to match the change to the base rates.

42. Pursuant to CIRT II, South Jersey was permitted by Board Order to recover a return of and return on incremental costs associated with projects the Board approved as Qualifying Projects. South Jersey proposes to continue this mechanism in effect as a result of this Petition.

VII. REQUESTED RELIEF

43. In this Petition, South Jersey seeks Board approval to 1) extend the deadline for capital expenditures for the accelerated replacement of USM, cast iron mains and associated services (“Accelerated Main Replacement Program” or “AMRP”) from October 2012 to December 2012; 2) add an additional \$40 million in incremental capital expenditures dedicated solely to the AMRP for 2012; 3) add an additional year (2013) to continue AMRP; 4) allocate \$50 million in incremental capital expenditures for the additional year; and 5) continue to use the CIRT II regulatory process for AMRP expenditures through December 31, 2013.

44. While this Petition is similar to past CIRT Petitions in its effort to stimulate the economy, the proposal set forth herein differs from the Petition filed by the Company in October 2010 because it seeks a return of and return on safety-related system improvements.

45. The two drivers behind this petition are public safety and employment.

a. Safety

46. South Jersey has an excellent reliability record when it comes to its distribution system, and the AMRP will allow South Jersey to continue that record into the foreseeable future.

47. South Jersey regularly replaces mains and services that are older or showing evidence of corrosion. In fact, South Jersey has implemented a specific program to identify mains and services for replacement, and has regularly been replacing approximately 22 miles of main and 2,572 services per year before the CIRT.

48. These regularly scheduled and planned replacement projects have helped ensure the reliability of South Jersey’s distribution system.

49. Under the AMRP, South Jersey will be better able to continue to ensure safety and excellent reliability by accelerating the replacement of older mains in its system. The older mains that South Jersey replaces will include the USM as well as the cast iron mains, where a majority of gas leaks tend to occur.

50. As of December 31, 2010, the Company has 1,274 miles of unprotected bare steel and cast iron main in service that was installed between 1900 and 1971. Replacement of these mains with plastic or cathodically protected coated steel mains will ensure that South Jersey's system's long-term reliability remains excellent and will minimize the risk of safety-related issues.

51. USM buried in the earth corrodes at an exponential pace as the pipe gets older with time.

52. Corrosion may occur over the entire surface of the pipe and it may take many years before the first occurrence of corrosion occurs. Once corrosion begins on a pipeline segment, however, additional corrosion will typically occur in a shorter and shorter timeframe as the corrosion completely breaches the wall of the pipe. Eventually many additional points of corrosion may result in the pipe becoming fragile.

53. Currently, South Jersey replaces USM and cast iron main in service at an average rate of approximately 22 miles per year. At this rate, it will take the Company more than 50 years to replace its existing USM and cast iron main.

54. Accelerating the replacement of its cast iron main and unprotected bare steel main currently in service will improve reliability by reducing the amount of mains which need to be repaired or replaced on an *ad hoc* basis when leaks are discovered.

55. In view of its current and projected resources, the Company has determined that it can manageably continue an AMRP that replaces USM and cast iron main at a rate of 127 miles per year and associated services at a rate of 4,177 per year. These replacement rates include both the Company's active main and service replacement program and the AMRP.

56. At this accelerated pace, South Jersey would be able to replace all of its cast iron main and USM currently in service within approximately 10 years.

57. Additional benefits will be realized by the public as a whole, including fewer unplanned traffic disruptions associated with emergency gas leak repairs and improved coordination with local municipalities.

58. Extending the AMRP will better allow South Jersey to ensure that its delivery system remains properly functioning and that it continues to provide reliable delivery of natural gas to customers going forward.

59. Currently, 19 states have approved gas infrastructure replacement cost recovery mechanisms and Pennsylvania may have a similar cost recovery mechanism approved by years end. Attached to this Petition as Exhibit 4 is a map published by the American Gas Association illustrating which states have adopted cost recovery mechanisms.

b. Jobs

60. Another significant concern with allowing the AMRP to expire in October 2012 is the loss of jobs in the State.

61. South Jersey has an agreement with a major blanket contractor in New Jersey. By virtue of South Jersey's AMRP, this contractor was able to maintain and expand its workforce, which is now estimated at approximately 91 employees dedicated to main replacement for South Jersey. See Exhibit 6, prefiled testimony of John M. Kiely. Please note that Mr. Kiely's

company is not the only contractor retained by South Jersey for CIRT projects, and likewise, is not the only contractor retained by South Jersey to conduct AMRP work under the CIRT.

62. In fact, not only are these jobs located in New Jersey, 100% of this contractor's employees are New Jersey residents.

63. When CIRT I became effective, this contractor started to gear up for what was at that time, a two year project of replacing mains. This was an incredible boon to the contractor's business, whose usual work included the installation of new services to new homes, developments and strip malls.

64. As a result of the severe downturn in the economy, there was a correlating downturn in the need for new services installations. Thus, the contractor was able to maintain and grow the workforce by shifting employees to the main replacement work.

65. In addition, the contractor has been able to confirm what has previously been described as the multiplier effect. That is, in addition to the employees that have been hired and trained to do the bare steel and cast iron main replacement work, materials for the project, such as sand, stone and asphalt, are all purchased by subcontractors and/or vendors located in New Jersey.

66. In addition, in ramping up for the main replacement work, this contractor purchased highly specialized equipment from New Jersey vendors that it would not have otherwise purchased if there was not the guarantee of long term use.

67. There are two additional benefits realized by the AMRP. First is safety, both for the workers and the general public. When the contractor hires additional employees, those employees receive not only skilled job training, but they also attend several hundred hours of classroom training on skills and safety. This increases worker safety.

68. In addition, though, when there is a workforce that is committed and focused on one type of job, such as main replacement, the work becomes more efficient because the construction workers are skilled at what they are doing. Thus, the general public receives the additional safety benefit of having an experienced workforce replacing the mains.

69. Thus, another benefit of the AMRP is that it does not simply provide jobs, but it transforms the employees into a skilled workforce. These employees, through extensive training and on-site work, acquire a skill set that provides them with career capital and make them more employable in the future. This results in the State obtaining a more skilled workforce.

70. If CIRT II was not modified and extended to continue the replacement of USM and cast iron mains, there would not only be a loss of jobs in the State, but these trained workers would have the ability to move out of State into a jurisdiction that has a robust infrastructure replacement program.

71. Conversely, if this Petition is granted, those jobs will remain in the State and additional jobs will be created.

72. Thus, we believe that for the safety of the public and the general economic well-being of the State, this Petition should be approved.

VIII. RATE IMPACT

73. The requested CIRT II extension will generate a rate of \$0.0122, including taxes, related to the AMRP associated with the 2012 incremental \$40 million. The overall impact of the Company's proposal will increase the bill of a typical residential customer using an average of 100 therms of gas during a month by \$1.22 or 0.91%, including taxes. This rate, if this extension is granted, will not take effect until March 1, 2013. In July 2012, the Company will

file a Petition for CIRT II Rates associated with the 2013 AMPR incremental \$50 million, to be effective in March 2014.

IX. MISCELLANEOUS

74. Attached to this Petition are:

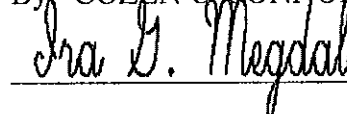
- A. Exhibit 1: List of Qualifying Project(s)
- B. Exhibit 2: CIRT II Revenue Requirement and Rate Calculation; Investments and AFUDC Calculation; and Derivation of Revenue Factor
- C. Exhibit 3: CIRT II Project List (2012)
- D. Exhibit 4: Illustration of States with Infrastructure Cost Recovery Mechanisms
- E. Exhibit 5: Tariff sheets necessary to implement the new CIRT II rate
- F. Exhibit 6: Prefiled Testimony of John M. Kiely
- G. Exhibit 7: Proposed form of Notice of Filing and Public Hearing.

75. South Jersey has served notice and a copy of this Petition upon Stefanie Brand, Esq., Director, Division of the Ratepayer Advocate, 31 Clinton Street, Newark, New Jersey 07101. South Jersey has served notice and two (2) copies of this Petition upon the Department of Law and Public Safety, 124 Halsey Street, P.O. Box 45029, Newark, New Jersey 07102.

Respectfully submitted,

SOUTH JERSEY GAS COMPANY

By: COZEN O'CONNOR



IRA G. MEGDAL

Dated: October 4, 2011

Communications addressed to the
Petitioner in this case are to be sent to:

COZEN O'CONNOR

Attention: Ira G. Megdal, Esquire
Daniel J. Bitonti, Esquire
Liberty View Building
Suite 300
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VERIFICATION

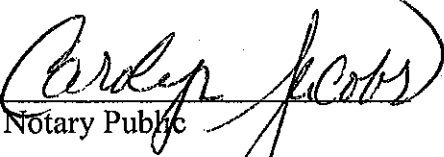
I, STEVEN R. COCCHI, ESQ., of full age, being duly sworn according to law upon my oath, depose and say:

1. I am Director, Rates & Revenue Requirements, of South Jersey Gas Company and am authorized to make this verification on behalf of the Company.
2. I have reviewed the foregoing petition and the information contained therein is true according to the best of my knowledge, information and belief.



STEVEN R. COCCHI, ESQ.

Sworn to and subscribed
before me this 4th day
of October, 2011.



Notary Public

CAROLYN JACOBS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires October 28, 2013

Exhibit 1

**South Jersey Gas Company
Capital Investment Recovery Tracker (CIRT II) Extension
Qualifying Projects**

Project	Type	Construction Start	In-Service	2012 Estimated Cost	Description	Jobs to be created
Accelerated Bare Steel/Cast Iron Main & Service Line Replacements	R	Various	Various	\$40,000,000	Replace approximately 55.3 miles of incremental bare steel/cast iron main and 3,816 associated bare steel services. This improves reliability by improving the integrity of the Company's distribution system.	160

Project Type:

- R = Replacements of existing distribution pipe
- N= New pipeline extension
- U= Upgrade of existing facilities

Exhibit 2

South Jersey Gas Company

**Capital Investment Recovery Tracker (CIRT II) Extension
Revenue Requirement and Rate Calculation**

Investment as of January 2013	\$40,000,000
AFUDC	1,463,068
Total Investment as of January 2013	<u>41,463,068</u>
Less Depreciation ⁽¹⁾	<u>(464,386)</u>
Net Plant	40,998,682
Less Deferred Tax ⁽²⁾	<u>(430,659)</u>
Net Investment	40,568,023
Pre-Tax Rate of Return	<u>11.63%</u>
Pre-Tax Return on Investment	4,718,061
Add: Depreciation	<u>928,773</u>
Revenue Recovery	5,646,834
Revenue Factor	<u>1.07834</u>
Revenue Requirement	<u>\$6,089,196</u>

Revenue Requirement	\$6,089,196
Therms	497,786,746
Rate/Therm - Including Tax	\$0.0122
Rate/Therm - Excluding Tax	\$0.0114

⁽¹⁾ Depreciation

Plant in Service as of January 2013	\$40,000,000
AFUDC	1,463,068
	<u>41,463,068</u>
Depreciation rate	2.24%
Depreciation Expense	<u>928,773</u>
1/2 Year Convention	<u>\$464,386</u>

⁽²⁾ Deferred Taxes

Plant in Service as of January 2013	\$40,000,000
AFUDC	496,856
	<u>40,496,857</u>
Tax Depreciation	1,518,632
Book Dep	<u>(464,386)</u>
Net	1,054,246
Deferred Taxes - 40.85%	<u>\$430,659</u>

**South Jersey Gas Company
Derivation of Revenue Factor**

<u>Line No.</u>			
1	Components:		
2			
3	Sales and Use Tax (SUT)	7.00%	
4			
5	Public Utility Assessment Tax (PUA)	0.2200%	
6			
7	Bad Debt Provision (Bad Debt)	0.5580%	
8			
9	Federal Income Tax (FIT)	0.0000%	
10			
11	CBT	0.0000%	
12			
13	Operating Revenue	1.0000	
14			
15			
16	Revenue Factor Calculation:	1.07834	
17			
18			
19		$1.00558 * 1.0022 * 1.07 =$	1.07834
20			
21			
22			

Exhibit 3

South Jersey Gas Company Capital Investment Recovery Tracker (CIRT II) Extension Project List

*This list is subject to change based on engineering design and competitive bids.

TOWN	STREET	BETWEEN	AND	REPLACEMENT FOOTAGE	REPLACEMENT MAIN COST	ESTIMATED SERVICES	REPLACEMENT SERVICE COST
ATC	WHITE HORSE PIKE	GENNESEE	ATCO	3,915	\$ 254,475	35	\$ 98,000
ATC	WHITE HORSE PIKE	ATCO	PINEHURST	2,502	\$ 162,630	25	\$ 70,000
BER	WHITE HORSE PIKE	PINEHURST	TAUNTON	3,042	\$ 197,730	25	\$ 70,000
BER	WHITE HORSE PIKE	TAUNTON	FLORENCE	3,221	\$ 209,365	40	\$ 112,000
BER	WHITE HORSE PIKE	FLORENCE	JACKSON	1,875	\$ 121,875	30	\$ 84,000
BER	WHITE HORSE PIKE	JACKSON	CROSS KEYS	2,414	\$ 205,190	30	\$ 84,000
BER	WHITE HORSE PIKE	CROSS KEYS	PARK	372	\$ 31,620	15	\$ 42,000
IMGN	WHITE HORSE PIKE	PHILLIP	EVESHAM	2,460	\$ 159,900	30	\$ 84,000
SOM	WHITE HORSE PIKE	EVESHAM	EVERGREEN	2,305	\$ 149,825	30	\$ 84,000
SOM	WHITE HORSE PIKE	EVERGREEN	SOMERDALE	2,282	\$ 148,330	30	\$ 84,000
SOM	WHITE HORSE PIKE	SOMERDALE	JEFFERSON	3,577	\$ 232,505	35	\$ 98,000
SOM	WHITE HORSE PIKE	JEFFERSON	UNION	1,708	\$ 111,020	20	\$ 56,000
STR	WHITE HORSE PIKE	UNION	ARLINGTON	2,154	\$ 140,010	25	\$ 70,000
STR	WHITE HORSE PIKE	ARLINGTON	MADISON	2,260	\$ 146,900	22	\$ 61,600
LWD	WHITE HORSE PIKE	MADISON	ELM	2,437	\$ 158,405	25	\$ 70,000
GMT	WHITE HORSE PIKE	ELM	WHITE HORSE AVENUE	942	\$ 61,230	20	\$ 56,000
ATC	TROUT	WHITE HORSE PIKE	DE	210	\$ 12,180	2	\$ 5,600
ATC	CHERRY	WHITE HORSE PIKE	PP	1,010	\$ 58,580	10	\$ 28,000
ATC	KOHLER	WHITE HORSE PIKE	PP	1,040	\$ 60,320	10	\$ 28,000
ATC	ATCO	WHITE HORSE PIKE	RARITAN	2,200	\$ 127,600	22	\$ 61,600
BER	LONDON	WHITE HORSE PIKE	DE	1,900	\$ 110,200	19	\$ 53,200
BER	MALONEY	WHITE HORSE PIKE	HARDING	600	\$ 34,800	6	\$ 16,800
BER	HARDING	WHITE HORSE PIKE	VIRTUA HOSPITAL	500	\$ 29,000	5	\$ 14,000
BER	FLORENCE	MALONEY	PP	400	\$ 23,200	4	\$ 11,200
BER	BISHOP	WHITE HORSE PIKE	DE	350	\$ 20,300	3	\$ 8,400
BER	TAUTON	WHITE HORSE PIKE	PP	1,020	\$ 59,160	10	\$ 28,000
BER	BROAD	WHITE HORSE PIKE	PARK	1,600	\$ 92,800	16	\$ 44,800
BER	RICH	WHITE HORSE PIKE	PP	1,340	\$ 77,720	13	\$ 36,400
BER	THACKERA	WHITE HORSE PIKE	PP	1,280	\$ 74,240	12	\$ 33,600
BER	BERLIN CLEMENTON RD	WHITE HORSE PIKE	PP	541	\$ 31,378	5	\$ 14,000
BER	HEIGHTS	WHITE HORSE PIKE	ATLANTIC	540	\$ 31,320	5	\$ 14,000
BER	BRILL	WHITE HORSE PIKE	DE	700	\$ 40,600	7	\$ 19,600
BER	N CEDAR	WHITE HORSE PIKE	PP	300	\$ 17,400	3	\$ 8,400
BER	S CEDAR	WHITE HORSE PIKE	PP	300	\$ 17,400	3	\$ 8,400
BER	FRANKLIN	WHITE HORSE PIKE	PP	200	\$ 11,600	2	\$ 5,600
BER	MALLON	WHITE HORSE PIKE	PP	500	\$ 29,000	5	\$ 14,000
BER	S ARLINGTON	WHITE HORSE PIKE	BER/CMT RD	610	\$ 35,380	14	\$ 39,200

South Jersey Gas Company Capital Investment Recovery Tracker (CIRT II) Extension Project List

TOWN	STREET	BETWEEN	AND	REPLACEMENT FOOTAGE	REPLACEMENT MAIN COST	ESTIMATED SERVICES	REPLACEMENT SERVICE COST
BER	ELLIS	WHITE HORSE PIKE	PP	280	\$ 16,240	3	\$ 8,400
LWD	E ELM	WHITE HORSE PIKE	PP	300	\$ 17,400	3	\$ 8,400
LWD	W ELM	WHITE HORSE PIKE	PP	150	\$ 8,700	2	\$ 5,600
LWD	E LINDEN	WHITE HORSE PIKE	PP	3,000	\$ 174,000	30	\$ 84,000
LSP	STONE	WHITE HORSE PIKE	PP	920	\$ 53,360	9	\$ 25,200
LSP	SOUTH	WHITE HORSE PIKE	STONE	530	\$ 30,740	5	\$ 14,000
LWD	PARK	WHITE HORSE PIKE	DE	900	\$ 52,200	9	\$ 25,200
LWD	WALNUT	WHITE HORSE PIKE	MAPLE AVE	1,410	\$ 81,780	14	\$ 39,200
LSP	BROADWAY	WHITE HORSE PIKE	PP	228	\$ 13,224	3	\$ 8,400
LWD	WHITE HORSE RD	WHITE HORSE PIKE	PP	420	\$ 24,360	5	\$ 14,000
STR	PRINCETON	WHITE HORSE PIKE	PP	850	\$ 49,300	9	\$ 25,200
STR	E HARVARD	WHITE HORSE PIKE	PP	360	\$ 20,880	4	\$ 11,200
STR	W HARVARD	WHITE HORSE PIKE	LEHIGH	1,200	\$ 69,600	12	\$ 33,600
STR	E YALE	WHITE HORSE PIKE	HARVARD	1,500	\$ 87,000	15	\$ 42,000
STR	VASSAR	WHITE HORSE PIKE	DE	950	\$ 55,100	10	\$ 28,000
SOM	CORNELL	WHITE HORSE PIKE	BROWNING	600	\$ 34,800	6	\$ 16,800
SOM	S COLUMBIA	WHITE HORSE PIKE	BEND	1,200	\$ 69,600	12	\$ 33,600
SOM	WHITMAN	WHITE HORSE PIKE	PP	1,440	\$ 83,520	15	\$ 42,000
SOM	AMHERST	WHITE HORSE PIKE	RAWS	910	\$ 52,780	9	\$ 25,200
SOM	WEBSTER	WHITE HORSE PIKE	WYKAGYL	1,700	\$ 98,600	17	\$ 47,600
SOM	SYCAMORE	WHITE HORSE PIKE	DE	300	\$ 17,400	3	\$ 8,400
SOM	COOPER	WHITE HORSE PIKE	WASHINGTON	1,400	\$ 81,200	14	\$ 39,200
SOM	GRANT	WHITE HORSE PIKE	BROWNING	700	\$ 40,600	7	\$ 19,600
HIN	OGG ROAD	WHITE HORSE PIKE	SOMERDALE	1,570	\$ 91,060	16	\$ 44,800
SOM	SOMERDALE	WHITE HORSE PIKE	BROWNING	500	\$ 29,000	5	\$ 14,000
SOM	CEDAR	WHITE HORSE PIKE	PP	1,400	\$ 81,200	14	\$ 39,200
SOM	MAIDEN	WHITE HORSE PIKE	CHESTNUT	460	\$ 26,680	5	\$ 14,000
SOM	CRESTWOOD	WHITE HORSE PIKE	GLOUCESTER	1,200	\$ 69,600	12	\$ 33,600
SOM	FAIRVIEW	WHITE HORSE PIKE	DE	1,600	\$ 92,800	16	\$ 44,800
SOM	EVERGREEN	WHITE HORSE PIKE	GLOUCESTER	1,200	\$ 69,600	12	\$ 33,600
SOM	ODLEN	WHITE HORSE PIKE	DE	325	\$ 18,850	4	\$ 11,200
MGN	JEFFERSON	WHITE HORSE PIKE	PP	575	\$ 33,350	6	\$ 16,800
MGN	MADISON	WHITE HORSE PIKE	DE	500	\$ 29,000	5	\$ 14,000
MGN	BRYANT	WHITE HORSE PIKE	PP	600	\$ 34,800	6	\$ 16,800
MLV	BRYANT	RAILROAD AVENUE	ARBUTUS	2,760	\$ 160,080	30	\$ 84,000
MLV	RT 47	COLUMBINE	MAYLYN	5,712	\$ 331,296	75	\$ 210,000
MLV	PLUM STREET	2ND STREET	DE	425	\$ 24,650	10	\$ 28,000
MLV	PEAR STREET	2ND STREET	DE	360	\$ 20,880	6	\$ 16,800

South Jersey Gas Company Capital Investment Recovery Tracker (CIRT II) Extension Project List

TOWN	STREET	BETWEEN	AND	REPLACEMENT FOOTAGE	REPLACEMENT MAIN COST	ESTIMATED SERVICES	REPLACEMENT SERVICE COST
MLV	NOBLE	2ND STREET	HOOVER	550	\$ 31,900	2	\$ 5,600
MLV	HOOVER	GARFIELD	PEAR	500	\$ 29,000	6	\$ 16,800
MLV	PEEK	2ND STREET	DE	890	\$ 51,620	20	\$ 56,000
MLV	FOWSER	2ND STREET	DE	2,500	\$ 145,000	12	\$ 33,600
MLV	ATKINSON	FOWSER	DE	600	\$ 34,800	6	\$ 16,800
VIN	LANDIS AVENUE	EAST AVENUE	UNION	21,653	\$ 1,255,874	26	\$ 72,800
VIN	S. VALLEY AVENUE	LINDA	LANDIS	2,900	\$ 168,200	29	\$ 81,200
VIN	DESHIBE	LANDIS	DE	1,400	\$ 81,200	14	\$ 39,200
VIN	ALMOND	S. VALLEY	S. 4TH	3,680	\$ 213,440	36	\$ 100,800
VIN	COLUMBIA	ALMOND	TO PP ON YALE TERRACE	1,288	\$ 74,704	12	\$ 33,600
VIN	CHESTNUT	S. VALLEY	N. 6TH STREET	4,587	\$ 266,046	45	\$ 126,000
VIN	STATE	CHESTNUT	LANDIS	1,018	\$ 59,044	21	\$ 58,800
VIN	ARCADIA	CHAMBERS	DE	858	\$ 49,764	8	\$ 22,400
VIN	EAST	CHESTNUT	CHAMBERS	1,376	\$ 79,808	13	\$ 36,400
VIN	8TH	GRAPE	CHESTNUT	1,906	\$ 110,548	19	\$ 53,200
VIN	7TH	LANDIS	CHESTNUT	3,263	\$ 189,254	32	\$ 89,600
VIN	6TH	LANDIS	FLORENCE	3,715	\$ 215,470	37	\$ 103,600
VIN	SOUTH WEST BLVD	GRAPE	2010 PP	1,285	\$ 74,530	12	\$ 33,600
VIN	GRAPE	S. 4TH STREET	S. EAST AVENUE	2,670	\$ 154,860	26	\$ 72,800
VIN	CHAMBERS PLACE	MYRTLE	ARCADIA	260	\$ 15,080	2	\$ 5,600
VIN	WASHINGTON	S. EAST	ALLEN	1,679	\$ 97,382	16	\$ 44,800
VIN	TULIP	N. 7TH AVENUE	DE	552	\$ 32,016	5	\$ 14,000
VIN	PAUL	N. 6TH STREET	N. 7TH STREET	370	\$ 21,460	3	\$ 8,400
VIN	CHERRY	N. 7TH AVENUE	MYRTLE	1,790	\$ 103,820	17	\$ 47,600
VIN	QUINCE	SOUTH EAST BLVD	S. EAST AVENUE	2,010	\$ 116,580	27	\$ 75,600
VIN	HOWARD	CHERRY	CHESTNUT	600	\$ 34,800	6	\$ 16,800
VIN	S ALLEN	WASHINGTON	FLORENCE	813	\$ 47,154	8	\$ 22,400
VIN	LANDIS AVENUE	EAST AVENUE	SOUTH EAST BLVD	2,625	\$ 152,250	26	\$ 72,800
VIN	VALLEY AVENUE	LANDIS AVENUE	NEW PEAR STREET	1,382	\$ 80,156	13	\$ 36,400
VIN	EWAN TERRACE	LANDIS AVENUE	NEW PEAR STREET	850	\$ 49,300	9	\$ 25,200
VIN	NEW PEAR STREET	SOUTH EAST AVENUE	VALLEY AVENUE	2,630	\$ 152,540	30	\$ 84,000
VIN	BROADLAWN TERRACE	EAST PARK AVENUE	CAMBRIDGE STREET	685	\$ 39,730	7	\$ 19,600
VIN	BROADLAWN TERRACE	DOWNNS DRIVE	HAMILTON DRIVE	290	\$ 16,820	2	\$ 5,600
VIN	CARLTON PLACE	LISA LANE	NORTH VALLEY AVENUE	672	\$ 38,976	7	\$ 19,600
VIN	CAMBRIDGE STREET	SOUTH EAST AVENUE	2003 PLASTIC PIPE (RE: C3398)	441	\$ 25,578	5	\$ 14,000
VIN	CAMBRIDGE STREET	2003 PLASTIC PIPE (RE: C3398)	BROADLAWN TERRACE	536	\$ 31,088	5	\$ 14,000
VIN	SOUTH EAST AVENUE	NEW PEAR STREET	CAMBRIDGE STREET	1,560	\$ 90,480	16	\$ 44,800
VIN	PEACH STREET	NORTH EAST AVENUE	NORTH 4TH STREET	3,486	\$ 202,188	35	\$ 98,000
VIN	8TH STREET	GRAPE STREET	LANDIS AVENUE	961	\$ 55,738	10	\$ 28,000

South Jersey Gas Company Capital Investment Recovery Tracker (CIRT II) Extension Project List

TOWN	STREET	BETWEEN	AND	REPLACEMENT FOOTAGE	REPLACEMENT MAIN COST	ESTIMATED SERVICES	REPLACEMENT SERVICE COST
VIN	7TH STREET	LANDIS AVENUE	PARK AVENUE	1,822	\$ 105,676	18	\$ 50,400
VIN	6TH STREET	LANDIS AVENUE	PARK AVENUE	1,192	\$ 69,136	19	\$ 53,200
VIN	SOUTH/NORTH EAST BOULEVARD	GRAPE STREET	PEACH STREET	2,293	\$ 132,994	23	\$ 64,400
VIN	FOWLER AVENUE	CRYSTAL AVENUE	PARK DRIVE	200	\$ 11,600	2	\$ 3,988
VIN	ERIN STREET	NORTH 4TH STREET	NORTH WEST BOULEVARD	670	\$ 38,860	7	\$ 19,600
VIN	PEAR STREET	NORTH WEST BOULEVARD	NORTH 4TH STREET	683	\$ 39,614	7	\$ 19,600
VIN	PLUM STREET	NORTH WEST BOULEVARD	NORTH 4TH STREET	665	\$ 38,570	7	\$ 19,600
VIN	WOOD STREET	NORTH WEST BOULEVARD	NORTH 4TH STREET	660	\$ 38,280	7	\$ 19,600
VIN	NORTH 4TH STREET	LANDIS AVENUE	PEAR STREET	1,060	\$ 61,480	10	\$ 28,000
MLV	MCNEAL	HIGH	COLUMBIA	2,250	\$ 130,500	22	\$ 61,600
MLV	BROAD	HIGH	COLUMBIA	1,512	\$ 87,696	15	\$ 42,000
MLV	BUCK	HARRISON	BROAD	2,140	\$ 124,120	21	\$ 58,800
MLV	DOCK	DEPOT	OAK	775	\$ 44,950	24	\$ 67,200
MLV	GREEN	NORTH	COLUMBIA	615	\$ 35,670	6	\$ 16,800
MLV	POWELL	NORTH	COLUMBIA	650	\$ 37,700	6	\$ 16,800
MLV	POWELL	DOCK	HIGH	675	\$ 39,150	6	\$ 16,800
MLV	ARNOLD	DOCK	NORTH	1,250	\$ 72,500	12	\$ 33,600
MLV	NORTH	SHARP	GREEN	1,350	\$ 78,300	13	\$ 36,400
MLV	ARCHER	SHARP	DOCK	1,805	\$ 104,690	18	\$ 50,400
MLV	CHURCH	SHARP	BROAD	1,770	\$ 102,660	17	\$ 47,600
MLV	DEPOT	DOCK	HIGH	350	\$ 20,300	3	\$ 8,400
MLV	HIGH	HARRISON	BROAD	2,800	\$ 162,400	28	\$ 78,400
MLV	BUCK	BROAD	OAK	525	\$ 30,450	5	\$ 14,000
MLV	DOCK	BROAD	OAK	400	\$ 23,200	4	\$ 11,200
MLV	PENN	BROAD	OAK	415	\$ 24,070	4	\$ 11,200
MLV	OAK	BUCK	HIGH	400	\$ 23,200	4	\$ 11,200
MLV	HIGH	BROAD	OAK	520	\$ 30,160	5	\$ 14,000
MVL	10TH	G	BROAD	1,590	\$ 92,220	16	\$ 44,800
MVL	10TH	BROAD	MAIN	2,750	\$ 159,500	27	\$ 75,600
MVL	MAIN	10TH	15TH	2,395	\$ 138,910	24	\$ 67,200
MVL	8TH	MAIN	DE	815	\$ 47,270	8	\$ 22,400
MVL	9TH	OAKLAND	DE	555	\$ 32,190	6	\$ 16,800
MVL	10TH	OAKLAND	WOODLAND	530	\$ 30,740	5	\$ 14,000
MVL	11TH	MAIN	DE	580	\$ 33,640	6	\$ 16,800
MVL	WOODLAND	8TH	11TH	460	\$ 26,680	11	\$ 30,800
MVL	11TH	MAIN	VINE	1,585	\$ 91,930	17	\$ 47,600
MVL	12TH	MAIN	DE	1,550	\$ 89,900	16	\$ 44,800
MVL	13TH	MAIN	DE	1,525	\$ 88,450	15	\$ 42,000

South Jersey Gas Company Capital Investment Recovery Tracker (CIRT II) Extension Project List

TOWN	STREET	BETWEEN	AND	REPLACEMENT FOOTAGE	REPLACEMENT MAIN COST	ESTIMATED SERVICES	REPLACEMENT SERVICE COST
MVL	14TH	MAIN	SASAFRAS	500	\$ 29,000	5	\$ 14,000
MVL	SASAFRAS	9TH	14TH	1,485	\$ 86,130	15	\$ 42,000
MVL	PINE	9TH	13TH	1,350	\$ 78,300	14	\$ 39,200
MVL	MULBERRY	9TH	13TH	1,350	\$ 78,300	14	\$ 39,200
MVL	BROAD	9TH	10TH	400	\$ 23,200	4	\$ 11,200
MVL	OAK	9TH	10TH	400	\$ 23,200	4	\$ 11,200
MVL	VINE	9TH	10TH	400	\$ 23,200	4	\$ 11,200
MVL	D'	9TH	10TH	400	\$ 23,200	4	\$ 11,200
MVL	E'	9TH	10TH	400	\$ 23,200	4	\$ 11,200
MVL	F'	9TH	10TH	400	\$ 23,200	4	\$ 11,200
MVL	G'	9TH	10TH	400	\$ 23,200	4	\$ 11,200
MVL	9TH	BROAD	MAIN	2,770	\$ 160,660	27	\$ 75,600
VEN	VASSAR SQ	CALLENDER	WINCHESTER	389	\$ 97,250	9	\$ 27,000
VEN	CALLENDAR	AUSTIN	JACKSON	710	\$ 177,500	2	\$ 6,000
VEN	MARION AVE	WINCHESTER	VENTNOR	530	\$ 132,500	32	\$ 96,000
VEN	AUSTIN AVE	WINCHESTER	VENTNOR	509	\$ 127,250	16	\$ 48,000
VEN	NASHVILLE AVE	WINCHESTER	VENTNOR	504	\$ 126,000	13	\$ 39,000
VEN	HILLSIDE AVE	WINCHESTER	VENTNOR	550	\$ 137,500	29	\$ 87,000
VEN	WEYMOUTH AVE	WINCHESTER	VENTNOR	550	\$ 137,500	22	\$ 66,000
VEN	WINCHESTER AVE	AUSTIN	WEYMOUTH	885	\$ 221,250	10	\$ 30,000
VEN	LITTLE ROCK AVE	WINCHESTER	VENTNOR	573	\$ 143,250	11	\$ 33,000
VEN	VICTORIA AVE	WINCHESTER	VENTNOR	420	\$ 105,000	25	\$ 75,000
VEN	SURREY AVE	WINCHESTER	VENTNOR	400	\$ 100,000	25	\$ 75,000
VEN	WINCHESTER	SURREY	DUDLEY	1,529	\$ 382,250	26	\$ 78,000
VEN	SUFFOLK AVE	WINCHESTER	VENTNOR	370	\$ 92,500	17	\$ 51,000
VEN	SOMERSET AVE	WINCHESTER	VENTNOR	370	\$ 92,500	14	\$ 42,000
VEN	OXFORD AVE	WINCHESTER	VENTNOR	250	\$ 62,500	8	\$ 24,000
VEN	DUDLEY AVE	WINCHESTER	VENTNOR	360	\$ 90,000	14	\$ 42,000
VEN	DORSET AVE	WINCHESTER	VENTNOR	454	\$ 113,500	15	\$ 45,000
VEN	DERBY AVE	WINCHESTER	VENTNOR	529	\$ 132,250	16	\$ 48,000
VEN	CORNWALL AVE	WINCHESTER	VENTNOR	1,304	\$ 326,000	18	\$ 54,000
VEN	WINCHESTER	CAMBRIDGE	PORTLAND	701	\$ 175,250	8	\$ 24,000
VEN	WINCHESTER	PORTLAND	AVOLYN	878	\$ 219,500	14	\$ 42,000
VEN	WINCHESTER	AVOLYN	WISSAHICKON	702	\$ 175,500	6	\$ 18,000
VEN	WINCHESTER	WISSAHICKON	MELBOURNE	1,021	\$ 255,250	9	\$ 27,000
VEN	WINCHESTER	MELBOURNE	FREDERICKSBURG	909	\$ 227,250	4	\$ 12,000
VEN	HARVARD AVE	WINCHESTER	DEAD END	820	\$ 205,000	25	\$ 75,000
VEN	SACRAMENTO AVE	VENTNOR	DEAD END	1,500	\$ 375,000	60	\$ 180,000
VEN	PRINCETON AVE	WINCHESTER	DEAD END	819	\$ 204,750	30	\$ 90,000

South Jersey Gas Company Capital Investment Recovery Tracker (CIRT II) Extension Project List

TOWN	STREET	BETWEEN	AND	REPLACEMENT FOOTAGE	REPLACEMENT MAIN COST	ESTIMATED SERVICES	REPLACEMENT SERVICE COST
VEN	PORTLAND AVE	VENTNOR	DEAD END (INCLUDE SUNSET)	1,698	\$ 424,500	45	\$ 135,000
VEN	NEWPORT AVE	VENTNOR	DEAD END	1,198	\$ 299,500	30	\$ 90,000
VEN	BRYANT AVE	WINCHESTER	MONMOUTH	515	\$ 128,750	21	\$ 63,000
VEN	NEW HAVEN AVE	MONMOUTH	VENTNOR	1,150	\$ 287,500	38	\$ 114,000
VEN	AVOLYN AVE	WINCHESTER	MONMOUTH	542	\$ 135,500	15	\$ 45,000
VEN	AVOLYN AVE	ATLANTIC	VENTNOR	540	\$ 135,000	15	\$ 45,000
VEN	TROY AVE	MONMOUTH	ATLANTIC	1,523	\$ 380,750	27	\$ 81,000
VEN	RICHARDS AVE	MONMOUTH	ATLANTIC	1,523	\$ 380,750	45	\$ 135,000
VEN	BUFFALO AVE	MONMOUTH	ATLANTIC	1,523	\$ 380,750	45	\$ 135,000
VEN	WISSAHICKON AVE	WINCHESTER	MONMOUTH	515	\$ 128,750	15	\$ 45,000
VEN	WISSAHICKON AVE	VENTNOR	ATLANTIC	540	\$ 135,000	15	\$ 45,000
VEN	NEWARK AVE	MONMOUTH	ATLANTIC	1,523	\$ 380,750	45	\$ 135,000
VEN	ROSBOROUGH AVE	VENTNOR GARDENS PLAZA	ATLANTIC	1,723	\$ 430,750	45	\$ 135,000
VEN	WYOMING AVE	VENTNOR GARDENS PLAZA	ATLANTIC	1,723	\$ 430,750	45	\$ 135,000
VEN	LAFAYETTE AVE	VENTNOR GARDENS PLAZA	VENTNOR	1,723	\$ 430,750	45	\$ 135,000
VEN	MELBOURNE AVE	VENTNOR GARDENS PLAZA	VENTNOR	1,228	\$ 325,000	30	\$ 90,000
VEN	BALTIMORE AVE	MONMOUTH	VENTNOR	1,028	\$ 257,000	30	\$ 90,000
VEN	SWARTHMORE AVE	MONMOUTH	ATLANTIC	1,523	\$ 380,750	45	\$ 135,000
VEN	WASHINGTON AVE	MONMOUTH	ATLANTIC	1,523	\$ 380,750	45	\$ 135,000
VEN	MARTINDALE AVE	MONMOUTH	ATLANTIC	1,523	\$ 380,750	45	\$ 135,000
VEN	FREDERICKSBURG	VENTNOR	ATLANTIC	351	\$ 87,750	15	\$ 45,000
VEN	OAKLAND	VENTNOR	ATLANTIC AVE	482	\$ 120,500	12	\$ 36,000
VEN	WISSAHICKON AVE	BALFOUR	VENTNOR GARDENS PLAZA	650	\$ 162,500	15	\$ 45,000
VEN	NEWARK AVE	BALFOUR	VENTNOR GARDENS PLAZA	650	\$ 162,500	15	\$ 45,000
VEN	ROSBOROUGH	BALFOUR	VENTNOR GARDENS PLAZA	650	\$ 162,500	15	\$ 45,000
VEN	WYOMING AVE	BALFOUR	VENTNOR GARDENS PLAZA	650	\$ 162,500	15	\$ 45,000
VEN	WASHINGTON	CALVERT	VENTNOR GARDENS PLAZA	570	\$ 142,500	10	\$ 30,000
ATL	N. JACKSON AVE	VENTNOR AVE	WINCHESTER AVE	481	\$ 120,250	15	\$ 45,000
ATL	N. MONTGOMERY AVE	VENTNOR AVE	WINCHESTER AVE	400	\$ 100,000	15	\$ 45,000
ATL	N. PLAZA PL	VENTNOR AVE	WINCHESTER AVE	511	\$ 127,750	15	\$ 45,000
ATL	N. TALLAHASSEE AVE	VENTNOR AVE	WEST OF WINCHESTER	713	\$ 178,250	15	\$ 45,000
ATL	N. ABERDEEN PL	VENTNOR AVE	WEST OF WINCHESTER	758	\$ 189,500	20	\$ 60,000
ATL	N. KINGSTON AVE	VENTNOR AVE	SUNSET AVE	799	\$ 199,750	20	\$ 60,000
ATL	N. BARTRAM PL	VENTNOR AVE	SUNSET AVE	834	\$ 208,500	20	\$ 60,000
ATL	N. COLUMBIA AVE	VENTNOR AVE	WINCHESTER AVE	81	\$ 20,250	20	\$ 60,000
ATL	N. DELANCY PL	VENTNOR AVE	SUNSET AVE	865	\$ 216,250	20	\$ 60,000
ATL	N. RALEIGH AVE	VENTNOR AVE	SUNSET AVE	879	\$ 219,750	20	\$ 60,000
ATL	N. LACLEDE PL	VENTNOR AVE	SUNSET AVE	911	\$ 227,750	40	\$ 120,000
ATL	N. RICHMOND AVE	VENTNOR AVE	SUNSET AVE	766	\$ 191,500	12	\$ 36,000

South Jersey Gas Company Capital Investment Recovery Tracker (CIRT II) Extension Project List

TOWN	STREET	BETWEEN	AND	REPLACEMENT FOOTAGE	REPLACEMENT MAIN COST	ESTIMATED SERVICES	REPLACEMENT SERVICE COST
ATL	N. WINDSOR AVE	VENTNOR AVE	SUNSET AVE	853	\$ 213,250	10	\$ 30,000
ATL	N. ANNAPOLIS AVE	VENTNOR AVE	SUNSET AVE	857	\$ 214,250	17	\$ 51,000
ATL	PARKER AVE	SUSSEX AVE	NORSEX AVE	259	\$ 64,750	5	\$ 15,000
ATL	SUSSEX AVE	N. DOVER AVE	PARKER AVE	181	\$ 45,250	-	\$ -
ATL	N. DOVER AVE	VENTNOR AVE	WINCHESTER AVE	539	\$ 134,750	6	\$ 18,000
ATL	WINCHESTER AVE	N. MONTGOMERY	N. HARRISBURG AVE	2,788	\$ 697,000	30	\$ 90,000
ATL	SUNSET AVE	N. RICHMOND AVE	N. ANNAPOLIS AVE	509	\$ 127,250	6	\$ 18,000
ATL	THERESA PL	S. JACKSON AVE	S. MONTGOMERY AVE	245	\$ 61,250	9	\$ 27,000
				292,239	\$ 29,004,612	3,816	\$ 10,995,388
TOTAL MILES				55.3			
TOTAL SERVICES				3,816			

Exhibit 4

States With Infrastructure Cost Recovery Mechanisms as of July 2011

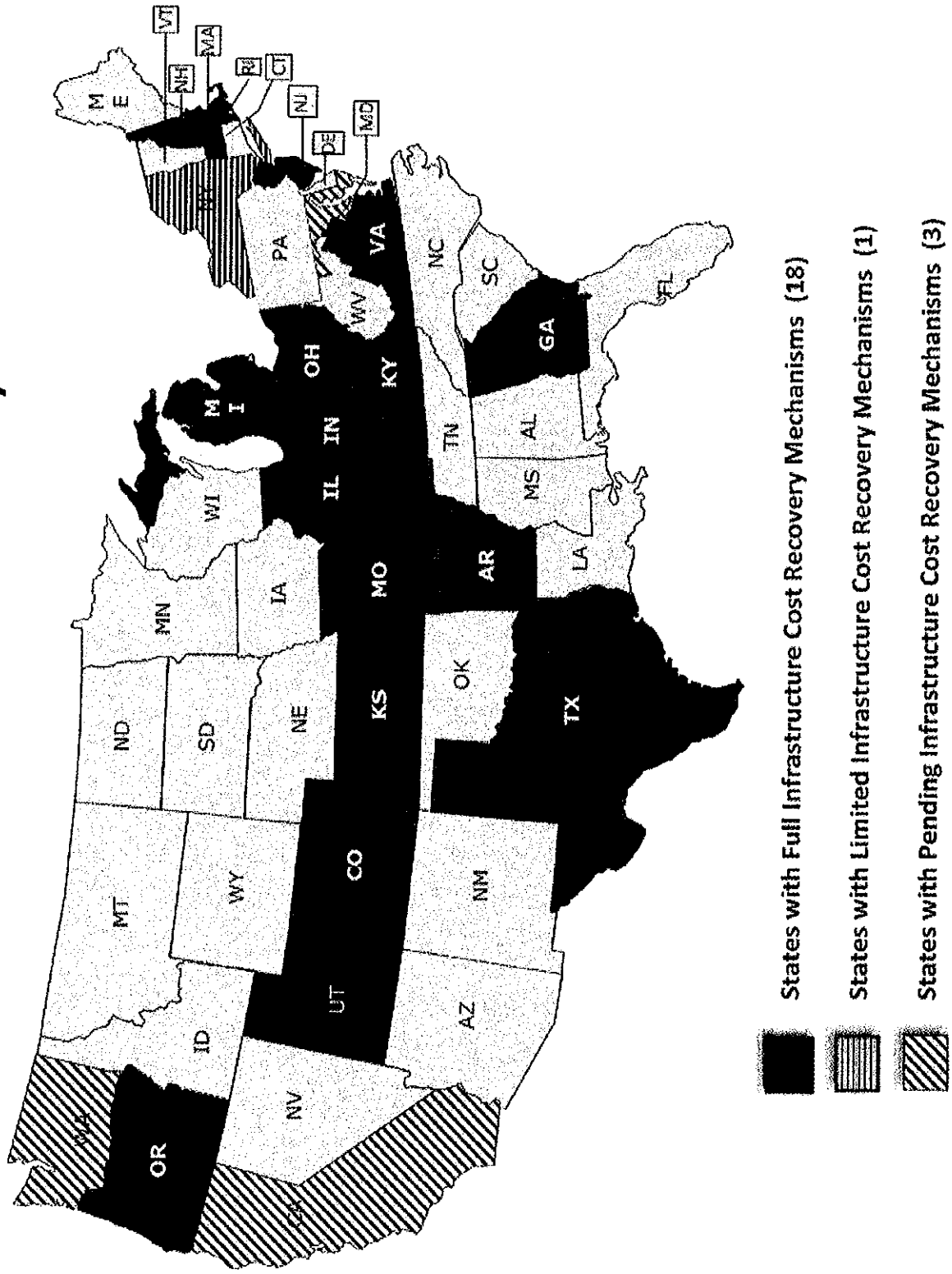


Exhibit 5

SOUTH JERSEY GAS COMPANY

**Third Revised Sheet No. 6
Superseding Second Sheet No. 6**

B.P.U.N.J. No. 10 - GAS

RESIDENTIAL SERVICE (RSG)

APPLICABLE TO USE OF SERVICE FOR:

All residential purposes. Customer may elect Firm Sales Service or Firm Transportation Service. To be eligible for Firm Transportation Service RSG, a customer must hold clear and marketable title to gas that is made available for delivery to the customer's residence on the Company's system.

CHARACTER OF SERVICE Firm Sales Service and Firm Transportation Service.

MONTHLY RATE: ⁽¹⁾

Customer Charge:	\$8.9238 per month
Delivery Charge:	
(a) All consumption for customers who elected to transfer from Firm Sales Service to Firm Transportation Service	\$ 602 15825 per therm
(b) All consumption for customers who elect Firm Sales Service	\$ 602 15825 per therm
Basic Gas Supply Service ("BGSS") Charge: All consumption for customers who elect Firm Sales Service.	See Rider "A" of this Tariff.

APPLICABLE RIDERS:

Basic Gas Supply Service Clause:	BGSS charges are depicted in Rider "A" of this Tariff.
Capital Investment Recovery Tracker:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "B" of this Tariff.
Transportation Initiation Clause:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "C" of this Tariff.
Societal Benefits Clause:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "E" of this Tariff.
Temperature Adjustment Clause:	The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "F" of this Tariff.

Please refer to Appendix A for components of Monthly Rates and Price to Compare

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E. Graham, President

Effective with service rendered
on and after _____

Filed pursuant to Order in Docket No. _____ of the Board of
Public Utilities, State of New Jersey, dated _____

SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 10 - GAS

Third Revised Sheet No. 10
Superseding Second Sheet No. 10

GENERAL SERVICE (GSG)

APPLICABLE TO USE OF SERVICE FOR:

All Commercial and Industrial Customers who would not qualify for any other Rate Schedule. A customer qualifying for service under Rate Schedule GSG may elect either Firm Sales Service or Firm Transportation Service. To be eligible for Firm Transportation Service under this Rate Schedule GSG, a customer must hold clear and marketable title to gas that is made available for delivery to customer's facility on the Company's system.

CHARACTER OF SERVICE:

Firm Sales Service or Firm Transportation Service.

MONTHLY RATE: ⁽¹⁾

Customer Charge:

\$23.8075 per month

Delivery Charges:

(a) All consumption for customers who elected to transfer from Sales Service to Firm Transportation Service

All therms \$.51414945 per therm

(b) All consumption for customers who elect Firm Sales Service

All therms \$.51414945 per therm

Basic Gas Supply Service ("BGSS") Charge:

All consumption for customers who elect Firm Sales Service

See Rider "A" of this Tariff.

LINE LOSS:

Line Loss shall be 1.43% as provided in Special Provision (o).

⁽¹⁾ Please refer to Appendix A for components of Monthly Rates and Price to Compare.

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 10 - GAS

Third Revised Sheet No. 14
Superseding Second Sheet No. 14

GENERAL SERVICE – LARGE VOLUME (GSG-LV)

APPLICABLE TO USE OF SERVICE FOR:

All Commercial and Industrial Customers who would not qualify for any other Rate Schedule (other than Rate Schedule GSG), and who has an annualized usage of 100,000 therms or more,. A customer qualifying for service under Rate Schedule GSG-LV may elect either Firm Sales Service or Firm Transportation Service. To be eligible for Firm Transportation Service under this Rate Schedule GSG-LV, a customer must hold clear and marketable title to gas that is made available for delivery to customer's facility on the Company's system.

CHARACTER OF SERVICE:

Firm Sales Service or Firm Transportation Service.

MONTHLY RATE: ⁽¹⁾

Customer Charge:

\$160.50 per month

Delivery Charges:

- (a) All consumption for customers who elected to transfer from Sales Service to Firm Transportation Service ⁽²⁾

Demand Charge:

D-1FT: \$8.5600 per Mcf of Contract Demand

Volumetric Charge:

C-1FT: \$.354347 per therm

- (b) All consumption for customers who elect Firm Sales Service

Demand Charge:

D-1: \$8.5600 per Mcf of Contract Demand

Volumetric Charge:

C-1: \$.354347 per therm

⁽¹⁾ Please refer to Appendix A for components of Monthly Rates and Price to Compare.

⁽²⁾ See Special Provision (p) of this Rate Schedule GSG-LV, regarding appropriate balancing charges.

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 10 - GAS

**Third Revised Sheet No. 19
Superseding Second Sheet No. 19**

COMPREHENSIVE TRANSPORTATION SERVICE (CTS)

APPLICABLE TO USE OF SERVICE FOR:

All customers having a Firm Contract Demand, and an average annual daily Firm usage of 100 Mcf per day or more. To be eligible for service under this Rate Schedule CTS, a customer must hold clear and marketable title to gas that is made available for delivery to customer's facility on the Company's system. Provided, however, that any customer receiving service under this Rate Schedule CTS prior to August 29, 2003 shall continue to be eligible to receive service under this Rate Schedule CTS, notwithstanding the foregoing, if said customers continues to have a Firm Contract Demand of 100 Mcf per day or more. Further provided, however, that if a customer ceases to receive service under this Rate Schedule CTS, and seeks to return to service under this Rate Schedule CTS, said customer must meet all requirements for eligibility as though applying for service in the first instance.

CHARACTER OF SERVICE:

Firm Transportation Service and Limited Firm Transportation Service

MONTHLY RATE: ⁽¹⁾

Firm:

Customer Charge: \$642.00 per month

Delivery Charges:

Demand Charge: D-1FT: \$29.3408 per Mcf of Contract Demand

Volumetric Charges:

C-1FT:

All consumption for customers who elected to transfer from Sales Service to Firm Transportation Service

\$10750879 per therm

Limited Firm:

Customer Charge: \$107.00 per month

Delivery Charges:

Volumetric Charges:

C-1FT:

All consumption for customers who elected to transfer from Sales Service to Firm Transportation Service

\$136165 per therm

⁽¹⁾ Please refer to Appendix A for components of Monthly Rates.

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 10 - GAS

Third Revised Sheet No. 27
Superseding Second Sheet No. 27

LARGE VOLUME SERVICE (LVS)

APPLICABLE TO USE OF SERVICE FOR:

Firm Sales Service and Firm Transportation Service pursuant to this Rate Schedule LVS, shall be available to all Industrial Customers with a Contract Demand and a minimum annualized average use of 200 Mcf per day. To be eligible for Firm Transportation Service under this Rate Schedule LVS, a customer must hold clear and marketable title to gas that is made available for delivery to customer's facility on the Company's system.

CHARACTER OF SERVICE:

Firm Sales Service, Limited Firm Sales Service, Firm Transportation Service, and Limited Firm Transportation Service.

MONTHLY RATE: ⁽¹⁾

Firm:

Customer Charge:
\$963.00 per month

Delivery Charge:

- (a) All consumption for customers who elected to transfer from Firm Sales Service to Firm Transportation Service

Demand Charge: D-1FT: \$15.9261 per Mcf of Contract Demand

Volumetric Charge: C-1FT: \$.1074878 per therm

- (b) All consumption for customers who elect Firm Sales Service

Demand Charge: D-1: \$15.9261 per Mcf of Contract Demand

Volumetric Charge: C-1: \$.1074878 per therm

⁽¹⁾ Please refer to Appendix A for components of Monthly Rates.

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SOUTH JERSEY GAS COMPANY

Third Revised Sheet No. 28
Superseding Second Sheet No. 28

B.P.U.N.J. No. 10 - GAS

LARGE VOLUME SERVICE (LVS)
(continued)

Basic Gas Supply Service ("BGSS") Charge:

Demand Charge:

D-2: \$13.4544 per Mcf of Contract Demand.

Volumetric Charge:

C-2: See Rider "A" of this Tariff.

Limited Firm:

Customer Charge:

\$107.00 per month

Delivery Charge:

- (a) All consumption for customers who elected to transfer from Firm Sales Service to Firm Transportation Service

Volumetric Charge:

C-1FT: \$.1748552 per therm

- (b) All consumption for customers who elect Firm Sales Service

Volumetric Charge:

C-1FT: \$.1748552 per therm

Basic Gas Supply Service ("BGSS") Charge:

Volumetric Charge:

C-2: See Rider "A" of this Tariff.

PRICE TO COMPARE:

The Company will provide the Price to Compare for an LVS customer, at said customer's request.

LINE LOSS:

Line Loss shall be 1.43% as provided in Special Provision (h).

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SOUTH JERSEY GAS COMPANY

Third Revised Sheet No. 33

B.P.U.N.J. No. 10 - GAS

Superseding Second Sheet No. 33

FIRM ELECTRIC SERVICE (FES)

APPLICABLE TO USE OF SERVICE FOR:

All gas that is purchased or transported to generate electricity. Provided, however, that in order to qualify for this Rate Schedule FES, a customer must have a Winter Daily Contract Demand of 1,000 Mcf per day or more, or a Summer Daily Contract Demand of 2,000 Mcf per day or more, or both. To be eligible for Firm Transportation Service under this Rate Schedule FES, a customer must hold clear and marketable title to gas that is made available for delivery to customer's facility on the Company's system.

CHARACTER OF SERVICE:

Firm Sales Service and Firm Transportation Service.

MONTHLY RATE (1) (2)

WINTER (November – March):

Demand Charge:

- D-1 \$3.1000 per Mcf of Winter Daily Contract Demand
D-2 \$6.7272 per Mcf of Daily Billing Determinant or \$0 for Firm Transportation customers

Volumetric Charge:

- C-1: \$.0980784 per therm of consumption
C-2: FES Monthly Commodity Rate, pursuant to Rider "A" and Special Provision (x), OR Customer Owned Gas Clause, Rider "D"
C-3: \$.1432 per therm of consumption
C-4: Escalator Rate – Charge may change monthly pursuant to Standard Gas Service Addendum.
Minimum Bill: The monthly D-1 and D-2 charges, irrespective of use.

SUMMER (April – October):

Demand Charge:

- D-1 \$3.1000 per Mcf of Summer Daily Contract Demand
D-2 \$6.7272 per Mcf of Daily Billing Determinant or \$0 for Firm Transportation customers

Volumetric Charge:

- C-1: \$.0980784 per therm of consumption
C-2: FES Monthly Commodity Rate, pursuant to Rider "A" and Special Provision (x), OR Customer Owned Gas Clause, Rider "D"
C-3: \$.1432 per therm of consumption
C-4: Escalator Rate – Charge may change monthly pursuant to Standard Gas Service Addendum.

(1) Please refer to Appendix A for components of Monthly Rates.

(2) Please refer to Special Provision (p)

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 10 - GAS

**Third Revised Sheet No. 40
Superseding Second Sheet No. 40**

ELECTRIC GENERATION SERVICE (EGS)

APPLICABLE TO USE OF SERVICE FOR:

Residential, commercial and industrial uses for electric generation facilities; all Prime Movers; and all engine driven equipment (whether or not used for electric generation). Provided, however, that in order to be eligible for this Rate Schedule EGS, a customer must have a Firm Daily Contract Demand of less than 200 Mcf per day; provided, however, that a residential EGS customer will have no Firm Daily Contract Demand. To be eligible for Firm Transportation Service under this Rate Schedule EGS, a customer must hold clear and marketable title to gas that is made available for delivery to customer's facility on the Company's system.

CHARACTER OF SERVICE:

Firm Sales Service and Firm Transportation Service

MONTHLY RATE: ⁽¹⁾⁽²⁾

Residential Customer Charge:

\$8.9238 per month

Residential Delivery Charge

Residential Volumetric Charge:

\$~~2480~~284 per therm

Commercial and Industrial Customer Charge:

\$26.75 per month

Commercial and Industrial Delivery Charge:

Commercial and Industrial Demand Charge:

D-1 Charge:

\$6.9550 per Mcf of contract

Volumetric Charges:

Winter Season (effective during billing months of November through March):

All Consumption for Firm Sales Service

\$~~2368~~172 per therm

All Consumption for Firm Transportation Service

\$~~2368~~172 per therm

⁽¹⁾ Please refer to Appendix A for components of Monthly Rates.

⁽²⁾ See Special Provision (k) of this Rate Schedule EGS, regarding appropriate balancing charges.

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E. Graham, President

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on and after _____

Filed pursuant to Order in Docket No. _____ of the Board of
Public Utilities, State of New Jersey, dated _____

SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 10 - GAS

Third Revised Sheet No. 41
Superseding Second Sheet No. 41

ELECTRIC GENERATION SERVICE (EGS)
(Continued)

Summer Season (effective during billing months of April through October):

All Consumption for Firm Sales Service \$.20471854 per therm

All Consumption for Firm Transportation Service \$.20471854 per therm

Basic Gas Supply Service ("BGSS") Charge:

All Consumption See Rider "A" of this Tariff.

LINE LOSS:

Line Loss shall be 1.43% as provided in Special Provision (p).

APPLICABLE RIDERS:

Basic Gas Supply Service Clause: BGSS charges are depicted in Rider "A" of this Tariff.

Capital Investment Recovery Tracker: The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "B" of this Tariff.

Societal Benefits Clause: The rates set forth above have been adjusted, pursuant to Rider "E" of this Tariff.

Balancing Service Clause The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "J" of this Tariff. However, also see Special Provision (k) regarding Rider "I".

Energy Efficiency Tracker: The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "N" of this Tariff.

TERMS OF PAYMENT:

Payment of all bills must be received in full at the Company's designated office within fifteen (15) days of the billing date; provided however, the Company shall take into account any postal service delays of which the Company is advised. If the fifteenth (15th) day falls on a non-business day, the due date shall be extended to the next business day. Should the customer fail to make payment as specified, the Company may, beginning on the twenty-sixth (26th) day, assess simple interest at a rate equal to the prime rate as published in the Money Rates column in The Wall Street Journal. A late payment charge shall not be assessed on a residential customer, or on State, county or municipal government entities.

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 10 - GAS

**Third Revised Sheet No. 45
Superseding Second Sheet No. 45**

ELECTRIC GENERATION SERVICE – LARGE VOLUME (EGS-LV)

APPLICABLE TO USE OF SERVICE FOR:

All commercial and industrial electric generation facilities; all Prime Movers and all engine driven equipment (whether or not used for electric generation). Provided, however, that in order to be eligible for this Rate Schedule EGS-LV, a customer must have a Firm Daily Contract Demand of 200 Mcf per day or more. To be eligible for Firm Transportation Service under this Rate Schedule EGS-LVS, a customer must hold clear and marketable title to gas that is made available for delivery to customer's facility on the Company's system.

CHARACTER OF SERVICE:

Firm Sales Service, Firm Transportation Service, Limited Firm Sales Service and Limited Firm Transportation Service.

MONTHLY RATE: ⁽¹⁾

Customer Charge:
\$192.60 per month

FIRM:

Demand Charges: ⁽²⁾

D-1 \$15.5935 per Mcf of Firm Daily Contract Demand.
D-2 \$15.2924 per Mcf of Firm Daily Contract Demand or \$0 for Firm Transportation customers.

Volumetric Charge:

C-1: \$.0980784 per therm of consumption
C-2: As depicted in the Monthly BGSS Subrider of Rider "A" of this Tariff, OR Customer Owned Gas Clause, Rider "D"

Minimum Bill: Monthly D-1 and D-2 charges, irrespective of use.

LIMITED FIRM:

Demand Charge:

D-2 \$6.7272 per Mcf of Limited Firm Daily Contract Demand or \$0 for Limited Firm Transportation customers

Volumetric Charge: ⁽²⁾

C-1: \$.0980784 per therm of consumption
C-2: As depicted in the Monthly BGSS Subrider of Rider "A" of this Tariff, OR Customer Owned Gas Clause, Rider "D"
C-3 \$.1432 per therm for all consumption within Limited Firm Contract Demand level.¹

Minimum Bill: Monthly D-2 charge, irrespective of use.

⁽¹⁾ Please refer to Appendix A for components of Monthly Rates.

⁽²⁾ Please refer to Special Provision (j).

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RESIDENTIAL GAS SERVICE (RSG)

RESIDENTIAL FIRM TRANS. SERV. (RSGTTS) - HEAT CUSTOMER

	BASE RATE	TEFA	BGSS	OTHER RIDERS	PUA	NJ SALES TAX	TARIFF RATE
Customer Charge	8.3400					0.5838	8.9238
CIP				0.0089	0.0000	0.0006	0.0095
Delivery Charge:							
COST OF SERVICE	0.4214	0.0203				0.0309	0.4726
TIC				0.0005	0.0000	0.0001	0.0006
SBC:							
CLEP				0.0162	0.0000	0.0011	0.0173
RAC				0.0326	0.0001	0.0022	0.0349
USF				0.0182	0.0000	0.0012	0.0194
Total SBC				0.0670	0.0001	0.0045	0.0716
TAC				0.0000	0.0000	0.0000	0.0000
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
BSC "J" BS-1			0.0471		0.0001	0.0033	0.0505
BSC "J" BUY-OUT PRICE - Rate set monthly							
Total	0.4214	0.0203	0.0471	0.0738	0.0002	0.0393	0.6021

RESIDENTIAL FIRM SALES SERV. (RSGSS) - HEAT CUSTOMER

	BASE RATE	TEFA	BGSS	OTHER RIDERS	PUA	NJ SALES TAX	TARIFF RATE
Customer Charge	8.3400					0.5838	8.9238
Basic Gas Supply Service (BGSS):			0.6055		0.0013	0.0425	0.6493
CIP				0.0089	0.0000	0.0006	0.0095
Delivery Charge:							
COST OF SERVICE	0.4214	0.0203				0.0309	0.4726
TIC				0.0005	0.0000	0.0001	0.0006
SBC:							
CLEP				0.0162	0.0000	0.0011	0.0173
RAC				0.0326	0.0001	0.0022	0.0349
USF				0.0182	0.0000	0.0012	0.0194
Total SBC				0.0670	0.0001	0.0045	0.0716
TAC				0.0000	0.0000	0.0000	0.0000
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
BSC "J" BS-1			0.0471		0.0001	0.0033	0.0505
Total	0.4214	0.0203	0.0471	0.0738	0.0002	0.0393	0.6021

SOUTH JERSEY GAS COMPANY
 Schedule of Rate Components
 Appendix A - Effective _____

	BASE RATE	TEFA	BGSS	OTHER RIDERS	PUA	NJ SALES TAX	TARIFF RATE
RESIDENTIAL FIRM TRANS. SERV. (RSG-FTS) - NONHEAT-CUSTOMER							
Customer Charge	8.3400					0.5838	8.9238
CIP				0.0473	0.0001	0.0033	0.0507
Delivery Charge:							
COST OF SERVICE	0.4214	0.0203		0.0005	0.0000	0.0309	0.4726
TIC						0.0001	0.0006
SBC:							
CLEP				0.0162	0.0000	0.0011	0.0173
RAC				0.0326	0.0001	0.0022	0.0349
USF				0.0182	0.0000	0.0012	0.0194
Total SBC				0.0670	0.0001	0.0045	0.0716
TAC				0.0000	0.0000	0.0000	0.0000
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
BSC "J" BS-1			0.0471		0.0001	0.0053	0.0505
BSC "J" BUY-OUT PRICE - Rate set monthly							
Total	0.4214	0.0203	0.0471	0.0738	0.0002	0.0393	0.6021
RESIDENTIAL FIRM SALES SERV. (RSG-FSS) - NONHEAT-CUSTOMER							
Customer Charge	8.3400					0.5838	8.9238
Basic Gas Supply Service (BGSS):			0.6055		0.0013	0.0425	0.6493
CIP				0.0473	0.0001	0.0033	0.0507
Delivery Charge:							
COST OF SERVICE	0.4214	0.0203		0.0005	0.0000	0.0309	0.4726
TIC						0.0001	0.0006
SBC:							
CLEP				0.0162	0.0000	0.0011	0.0173
RAC				0.0326	0.0001	0.0022	0.0349
USF				0.0182	0.0000	0.0012	0.0194
Total SBC				0.0670	0.0001	0.0045	0.0716
TAC				0.0000	0.0000	0.0000	0.0000
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
BSC "J" BS-1			0.0471		0.0001	0.0033	0.0505
Total	0.4214	0.0203	0.0471	0.0738	0.0002	0.0393	0.6021

SOUTH JERSEY GAS COMPANY
 Schedule of Rate Components
 Appendix A - Effective _____

	<u>BASE RATE</u>	<u>TEFA</u>	<u>EGSS</u>	<u>OTHER RIDERS</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<u>GENERAL SERVICE (GSG)</u>							
<u>GENERAL SERVICE FIRM TRANS (GSG-FIS)</u>							
Customer Charge	22.2500					1.5575	23.8075
CIP				0.0002	0.0000	0.0000	0.0002
Delivery Charge:							
COST OF SERVICE	0.3375	0.0219				0.0252	0.3846
TIC							
SBC:				0.0005	0.0000	0.0001	0.0006
CLEP				0.0162	0.0000	0.0011	0.0173
RAC				0.0326	0.0001	0.0022	0.0349
USF				0.0182	0.0000	0.0012	0.0194
Total SBC				0.0670	0.0001	0.0045	0.0716
TAC				0.0000	0.0000	0.0000	0.0000
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
BSC "J" BS-1			0.0471		0.0001	0.0033	0.0505
BSC "J" BUY-OUT PRICE - Rate set monthly							
Total	0.3375	0.0219	0.0471	0.0738	0.0002	0.0336	0.5141

SOUTH JERSEY GAS COMPANY
 Schedule of Rate Components
 Appendix A - Effective _____

	BASE RATE	TEFA	BGSS	OTHER RIDERS	PIJA	NJ SALES TAX	TARIFF RATE
GENERAL SERVICE FIRMS SALES (GSG-FSS) <i>Less than 5,000 Therms Annually</i>	22.2500					1.5575	23.8075
Customer Charge							
CIP				0.0002	0.0000	0.0000	0.0002
Basic Gas Supply Service (BGSS):			0.6055		0.0013	0.0425	0.6493
Delivery Charge:							
COST OF SERVICE	0.3375	0.0219				0.0252	0.3846
TIC							
SBC:							
CLEP				0.0005	0.0000	0.0001	0.0006
RAC				0.0162	0.0000	0.0011	0.0173
USF				0.0326	0.0001	0.0022	0.0349
				0.0182	0.0000	0.0012	0.0194
				0.0670	0.0001	0.0045	0.0716
TAC				0.0000	0.0000	0.0000	0.0000
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
BSC "J" BS-1			0.0471		0.0001	0.0033	0.0505
Total	0.3375	0.0219	0.0471	0.0738	0.0002	0.0336	0.5141
GENERAL SERVICE FIRMS SALES (GSG-FSS) <i>5,000 Therms Annually or Greater</i>	22.2500					1.5575	23.8075
Customer Charge							
Basic Gas Supply Service (BGSS):				0.0002	0.0000	0.0000	0.0002
CIP							
Delivery Charge:							
COST OF SERVICE	0.3375	0.0219				0.0252	0.3846
TIC							
SBC:							
CLEP				0.0005	0.0000	0.0001	0.0006
RAC				0.0162	0.0000	0.0011	0.0173
USF				0.0326	0.0001	0.0022	0.0349
				0.0182	0.0000	0.0012	0.0194
				0.0670	0.0001	0.0045	0.0716
TAC				0.0000	0.0000	0.0000	0.0000
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
BSC "J" BS-1			0.0471		0.0001	0.0033	0.0505
Total	0.3375	0.0219	0.0471	0.0738	0.0002	0.0336	0.5141

RATE SET MONTHLY

GENERAL SERVICE LV (GSG-LV)	BASE RATE	TEFA	BGSS	OTHER RIDERS	PUA	NJ SALES TAX	TARIFF RATE
Customer Charge	150.0000					10.5000	160.5000
D-1 Demand Charge	8.0000					0.5600	8.5600
CIP				0.0017	0.0000	0.0001	0.0018
Delivery Charge: COST OF SERVICE	0.1882	0.0219				0.0147	0.2248
TIC				0.0005	0.0000	0.0001	0.0006
SEC:							
CLEP				0.0162	0.0000	0.0011	0.0173
RAC				0.0326	0.0001	0.0022	0.0349
USF				0.0182	0.0000	0.0012	0.0194
				0.0670	0.0001	0.0045	0.0716
Total SBC				0.0000	0.0000	0.0000	0.0000
TAC				0.0041	0.0000	0.0003	0.0044
CIRT				0.0022	0.0000	0.0002	0.0024
EET					0.0001	0.0033	0.0505
BSC "J" BS-1			0.0471				
BSC "J" BUY-OUT PRICE - Rate set monthly							
Total	0.1882	0.0219	0.0471	0.0738	0.0002	0.0231	0.3543
GENERAL SERVICE FRM SALES LV (GSG-LV-FSS)	BASE RATE	TEFA	BGSS	OTHER RIDERS	PUA	NJ SALES TAX	TARIFF RATE
Customer Charge	150.0000					10.5000	160.5000
D-1 Demand Charge	8.0000					0.5600	8.5600
Basic Gas Supply Service (BGSS):							RATE SET MONTHLY
CIP				0.0017	0.0000	0.0001	0.0018
Delivery Charge: COST OF SERVICE	0.1882	0.0219				0.0147	0.2248
TIC				0.0005	0.0000	0.0001	0.0006
SEC:							
CLEP				0.0162	0.0000	0.0011	0.0173
RAC				0.0326	0.0001	0.0022	0.0349
USF				0.0182	0.0000	0.0012	0.0194
				0.0670	0.0001	0.0045	0.0716
Total SBC				0.0000	0.0000	0.0000	0.0000
TAC				0.0041	0.0000	0.0003	0.0044
CIRT				0.0022	0.0000	0.0002	0.0024
EET					0.0001	0.0033	0.0505
BSC "J" BS-1			0.0471				
Total	0.1882	0.0219	0.0471	0.0738	0.0002	0.0231	0.3543

SOUTH JERSEY GAS COMPANY
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~~COMPREHENSIVE TRANSPORTATION SERVICE (CIS)~~

~~COMPREHENSIVE FIRM TRANSPORTATION SERVICE (CIS)~~

	<u>BASE RATE</u>	<u>TEFA</u>	<u>BGSS</u>	<u>OTHER RIDERS</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<u>Firm</u>							
Customer Charge	600.0000					42.0000	642.0000
Delivery Charge:							
D-1 DEMAND CHARGE	27.4213					1.9195	29.3408
C-1 FT VOLUMETRIC CHARGE:							
C-1 COST OF SERVICE	0.0209	0.0063				0.0019	0.0291
SBC:							
CLEP				0.0162	0.0000	0.0011	0.0173
RAC				0.0326	0.0001	0.0022	0.0349
USF				0.0182	0.0000	0.0012	0.0194
Total SBC				0.0670	0.0001	0.0045	0.0716
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
Total C-1 VOLUMETRIC CHARGE	0.0209	0.0063		0.0733	0.0001	0.0069	0.1075
BS-1 ALL THERMS							
BS-1 (Opt Out Provision) ALL THERMS			0.0118		0.0000	0.0008	0.0126
BUY-OUT PRICE			0.0025		0.0000	0.0002	0.0027
							RATE SET MONTHLY
<u>Limited Firm</u>							
Customer Charge	100.0000					7.0000	107.0000
Delivery Charge:							
C-1 FT VOLUMETRIC CHARGE:							
C-1 COST OF SERVICE	0.0476	0.0063				0.0038	0.0577
SBC:							
CLEP				0.0162	0.0000	0.0011	0.0173
RAC				0.0326	0.0001	0.0022	0.0349
USF				0.0182	0.0000	0.0012	0.0194
Total SBC				0.0670	0.0001	0.0045	0.0716
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
Total C-1 VOLUMETRIC CHARGE	0.0476	0.0063		0.0733	0.0001	0.0088	0.1361
BS-1 ALL THERMS							
BS-1 (Opt Out Provision) ALL THERMS			0.0118		0.0000	0.0008	0.0126
BUY-OUT PRICE			0.0025		0.0000	0.0002	0.0027
							RATE SET MONTHLY

LARGE VOLUME SERVICE (LVS)

	BASE RATE	IEFA	BGSS	OTHER RIDERS	PUA	NJ SALES TAX	TARIFF RATE
Firm							
Customer Charge	900.0000					63.0000	963.0000
Delivery Charge:							
D-1 DEMAND CHARGE	14.8842					1.0419	15.9261
C-1 VOLUMETRIC CHARGE:							
C-1 COST OF SERVICE	0.0208	0.0063				0.0019	0.0290
SBC:							
CLEP				0.0162	0.0000	0.0011	0.0173
RAC				0.0326	0.0001	0.0022	0.0349
USF				0.0182	0.0000	0.0012	0.0194
Total SBC				0.0670	0.0001	0.0045	0.0716
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
Total C-1 VOLUMETRIC CHARGE	0.0208	0.0063		0.0733	0.0001	0.0069	0.1074
BS-1 ALL THERMS							
BS-1 (Opt Out Provision) ALL THERMS			0.0118		0.0000	0.0008	0.0126
BSC "Y" CASH OUT CHARGE/(CREDIT)			0.0025		0.0000	0.0002	0.0027
Limited Firm							
Customer Charge	100.0000					7.0000	107.0000
Delivery Charge:							
C-1 FT VOLUMETRIC CHARGE:							
C-1 COST OF SERVICE	0.0838	0.0063				0.0063	0.0964
SBC:							
CLEP				0.0162	0.0000	0.0011	0.0173
RAC				0.0326	0.0001	0.0022	0.0349
USF				0.0182	0.0000	0.0012	0.0194
Total SBC				0.0670	0.0001	0.0045	0.0716
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
Total C-1 VOLUMETRIC CHARGE	0.0838	0.0063		0.0733	0.0001	0.0113	0.1748
BS-1 ALL THERMS							
BS-1 (Opt Out Provision) ALL THERMS			0.0118		0.0000	0.0008	0.0126
BUY-OUT PRICE			0.0025		0.0000	0.0002	0.0027

RATE SET MONTHLY

<u>LARGE VOLUME FIRM SALES SERVICE (LVSS)</u>	<u>BASE RATE</u>	<u>TEFA</u>	<u>BGSS</u>	<u>OTHER RIDERS</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
Customer Charge	900.0000					63.0000	963.0000
Basic Gas Supply Service (BGSS):							
C-2 BGSS							
D-2 DEMAND CHARGE			12.5466		0.0276	0.8802	13.4544
Delivery Charge:							
D-1 DEMAND CHARGE	14.8842					1.0419	15.9261
C-1 VOLUMETRIC CHARGE:							
C-1 COST OF SERVICE	0.0208	0.0063				0.0019	0.0290
SBC:							
CLEP			0.0162	0.0000		0.0011	0.0173
RAC			0.0326	0.0001		0.0022	0.0349
USF			0.0182	0.0000		0.0012	0.0194
Total SBC			0.0670	0.0001		0.0045	0.0716
CIRT			0.0041	0.0000		0.0003	0.0044
EET			0.0022	0.0000		0.0002	0.0024
Total C-1 VOLUMETRIC CHARGE	0.0208	0.0063	0.0600	0.0733	0.0001	0.0669	0.1074
BS-1 ALL THERMS			0.0118		0.0000	0.0008	0.0126
Limited Firm							
Customer Charge	100.0000					7.0000	107.0000
Delivery Charge:							
C-1 FT VOLUMETRIC CHARGE:							
C-1 COST OF SERVICE	0.0838	0.0063				0.0063	0.0964
SBC:							
CLEP			0.0162	0.0000		0.0011	0.0173
RAC			0.0326	0.0001		0.0022	0.0349
USF			0.0182	0.0000		0.0012	0.0194
Total SBC			0.0670	0.0001		0.0045	0.0716
CIRT			0.0041	0.0000		0.0003	0.0044
EET			0.0022	0.0000		0.0002	0.0024
Total C-1 VOLUMETRIC CHARGE	0.0838	0.0063	0.0600	0.0733	0.0001	0.0113	0.1748
BS-1 ALL THERMS			0.0118		0.0000	0.0008	0.0126
BS-1 (Opt Out Provision) ALL THERMS			0.0025		0.0000	0.0002	0.0027
BUY-OUT PRICE							
							RATE SET MONTHLY

SOUTH JERSEY GAS COMPANY
 Schedule of Rate Components
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	<u>BASE RATE</u>	<u>IEFA</u>	<u>BGSS</u>	<u>OTHER RIDERS</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<u>ELECTRIC GENERATION SERVICE (EGS)</u> Commercial/Industrial							
Customer Charge	25.0000					1.7500	26.7500
D-1 DEMAND	6.5000					0.4550	6.9550
Basic Gas Supply Service (BGSS):							RATE SET MONTHLY
Delivery Charge - Winter Season (Nov - Mar) COST OF SERVICE	0.1008					0.0071	0.1079
SBC:							
CLEP				0.0162	0.0000	0.0011	0.0173
RAC				0.0326	0.0001	0.0022	0.0349
USF				0.0182	0.0000	0.0012	0.0194
Total SBC				0.0670	0.0001	0.0045	0.0716
Balancing Charge BSC"J" BS-1			0.0471		0.0001	0.0033	0.0505
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
Total C-1 VOLUMETRIC CHARGE (FSS & FTS)	0.1008		0.0471	0.0733	0.0002	0.0154	0.2368
Delivery Charge - Summer Season (Apr - Oct) COST OF SERVICE	0.0708					0.0050	0.0758
SBC:							
CLEP				0.0162	0.0000	0.0011	0.0173
RAC				0.0326	0.0001	0.0022	0.0349
USF				0.0182	0.0000	0.0012	0.0194
Total SBC				0.0670	0.0001	0.0045	0.0716
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
Balancing Charge BSC"J" BS-1			0.0471		0.0001	0.0033	0.0505
Total C-1 VOLUMETRIC CHARGE (FSS & FTS)	0.0708		0.0471	0.0733	0.0002	0.0133	0.2047

SOUTH JERSEY GAS COMPANY
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<u>ELECTRIC GENERATION SERVICE (EGS)</u> Residential	<u>BASE RATE</u>	<u>TEFA</u>	<u>BGSS</u>	<u>OTHER RIDERS</u>	<u>PIA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
Customer Charge	8,3400					0.5638	8.9238
Basic Gas Supply Service (BGSS):			0.6055		0.0013	0.0425	0.6483
Delivery Charge							
COST OF SERVICE	0.1113					0.0078	0.1191
SBC:							
CLEP				0.0162	0.0000	0.0011	0.0173
RAC				0.0326	0.0001	0.0022	0.0349
USF				0.0182	0.0000	0.0012	0.0194
Total SBC				0.0670	0.0001	0.0045	0.0716
Balancing Charge BSC"J" BS-1			0.0471		0.0001	0.0033	0.0505
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
Total C-1 VOLUMETRIC CHARGE (FSS & FTS)	0.1113		0.0471	0.0733	0.0002	0.0161	0.2480

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<u>ELECTRIC-GENERATION-SERVICE-EX(TGS-EV)</u>	<u>BASE RATE</u>	<u>IEFA</u>	<u>BGSS</u>	<u>OTHER RIDERS</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<u>Firm</u>							
Customer Charge	180.0000					12.6	192.6000
D-1 DEMAND (Rate is negotiated. Shown here is the benchmark rate.)	14.5734					1.0201	15.5935
D-2 DEMAND BGSS(applicable to Sales Customers Only)			14.2649		0.0314	1.0007	15.2924
COST OF SERVICE	0.0183					0.0013	0.0196
C-1 CLEP				0.0162	0.0000	0.0011	0.0173
C-1 RAC				0.0326	0.0001	0.0022	0.0349
C-1 USF				0.0182	0.0000	0.0012	0.0194
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
Total C-1 VOLUMETRIC CHARGE	0.0183			0.0733	0.0001	0.0063	0.0980
C-2 BGSS							
BSC '1' CASH OUT CHARGE (CREDIT)							
BS-1 ALL THERMS			0.0118		0.0000	0.0008	
BS-1 (Opt Out Provision) ALL THERMS			0.0025		0.0000	0.0002	
<u>Limited Firm</u>							
D-2 DEMAND BGSS(applicable to Sales Customers Only)			6.2733		0.0138	0.4401	6.7272
COST OF SERVICE	0.0183					0.0013	0.0196
C-1 CLEP				0.0162	0.0000	0.0011	0.0173
C-1 RAC				0.0326	0.0001	0.0022	0.0349
C-1 USF				0.0182	0.0000	0.0012	0.0194
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
Total C-1 VOLUMETRIC CHARGE	0.0183			0.0733	0.0001	0.0063	0.0980
C-3 All Therms (Rate is negotiated. Shown here is the benchmark rate.)	0.1338					0.0094	0.1432
C-2 BGSS							
BSC '1' CASH OUT CHARGE (CREDIT)							
BS-1 ALL THERMS			0.0118		0.0000	0.0008	
BS-1 (Opt Out Provision) ALL THERMS			0.0025		0.0000	0.0002	
RATE SET MONTHLY							
RATE SET MONTHLY							
RATE SET MONTHLY							

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	BASE RATE	TEFA	BGSS	RIDERS	PUA	NJ SALES TAX	TARIFF RATE
FIRM/ELECTRIC SALES (FES)							
Winter							
D-1 DEMAND (Rate is negotiated. Shown here is the benchmark rate.)	2.8972					0.2028	3.1000
D-2 DEMAND BGSS (applicable to Sales Customers Only)			6.2733		0.0138	0.4401	6.7272
COST OF SERVICE							
C-1 CLEP	0.0183			0.0162	0.0000	0.0011	0.0173
C-1 RAC				0.0326	0.0001	0.0022	0.0349
C-1 USF				0.0182	0.0000	0.0012	0.0194
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
Total C-1 VOLUMETRIC CHARGE							
C-3 All Therms (Rate is negotiated. Shown here is the benchmark rate.)	0.0183			0.0733	0.0001	0.0063	0.0980
C-4 Escalator Rate (To be determined as prescribed in the Company's Tariff)	0.1338					0.0094	0.1432
C-2 BGSS/COGC							RATE SET MONTHLY
BSC 'T' CASH OUT CHARGE (CREDIT)							RATE SET MONTHLY
Summer							
D-1 DEMAND (Rate is negotiated. Shown here is the benchmark rate.)	2.8972					0.2028	3.1000
D-2 DEMAND BGSS (applicable to Sales Customers Only)			6.2733		0.0138	0.4401	6.7272
COST OF SERVICE							
C-1 CLEP	0.0183			0.0162	0.0000	0.0011	0.0173
C-1 RAC				0.0326	0.0001	0.0022	0.0349
C-1 USF				0.0182	0.0000	0.0012	0.0194
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
Total C-1 VOLUMETRIC CHARGE							
C-3 All Therms (Rate is negotiated. Shown here is the benchmark rate.)	0.0183			0.0733	0.0001	0.0063	0.0980
C-4 Escalator Rate (To be determined as prescribed in the Company's Tariff)	0.1338					0.0094	0.1432
C-2 BGSS/COGC							RATE SET MONTHLY
BSC 'T' CASH OUT CHARGE (CREDIT)							RATE SET MONTHLY

NATURAL GAS VEHICLE (NGV)

	BASE RATE	TEFA	BGSS	RIDERS	PUA	NJ SALES TAX	TARIFF RATE
Company Operated Fueling Stations							
C-1 CLEP				0.0162	0.0000	0.0011	0.0173
C-1 RAC				0.0326	0.0001	0.0022	0.0349
C-1 USF				0.0182	0.0000	0.0012	0.0194
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
	0.1047			0.0733	0.0001	0.0050	0.0784
Total C-1 VOLUMETRIC CHARGE							
Distribution Charge:				0.0002	0.0002	0.0073	0.1122
Compression Charge	0.5300			0.0012		0.0372	0.5684
Basic Gas Supply Service (BGSS):							
Rider "I" - BS-1 ALL THERMS			0.0118	0.0000	0.0000	0.0008	0.0126
Rider "I" - BS-1 (Opt Out Provision) ALL THERMS			0.0025	0.0000	0.0000	0.0002	0.0027
Rider "J" - BS-1			0.0471	0.0001	0.0001	0.0033	0.0505
Customer Operated Fueling Stations							
Service Charge							
	37.5000	0 - 999 CF/hour				2.6250	40.1250
	75.0000	1,000 - 4,999 CF/hour				5.2500	80.2500
	200.0000	5,000 - 24,999 CF/hour				14.0000	214.0000
	600.0000	25,000 or Greater CF/hour				42.0000	642.0000
C-1 CLEP				0.0162	0.0000	0.0011	0.0173
C-1 RAC				0.0326	0.0001	0.0022	0.0349
C-1 USF				0.0182	0.0000	0.0012	0.0194
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
	0.1047			0.0733	0.0001	0.0050	0.0784
Total C-1 VOLUMETRIC CHARGE							
Distribution Charge:				0.0002	0.0002	0.0073	0.1122
Basic Gas Supply Service: (applicable Sales Customers only)							
Rider "I" - BS-1 ALL THERMS			0.0118	0.0000	0.0000	0.0008	0.0126
Rider "I" - BS-1 (Opt Out Provision) ALL THERMS			0.0025	0.0000	0.0000	0.0002	0.0027
Rider "J" - BS-1			0.0471	0.0001	0.0001	0.0033	0.0505

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~~INTERRUPTIBLE SERVICE, YARD & STREET LIGHTING~~

	BASE RATE	IEFA	BGSS	OTHER RIDERS	PUA	NJ SALES TAX	TARIFF RATE
INTERRUPTIBLE TRANSPORTATION (ITS)							
SERVICE CHARGE	100.0000					7.0000	107.0000
TRANS CHARGE A	0.0284	0.0063				0.0024	0.0371
SBC:							
CLEP				0.0162	0.0000	0.0011	0.0173
RAC				0.0326	0.0001	0.0022	0.0349
USF				0.0182	0.0000	0.0012	0.0194
Total SBC:				0.0670	0.0001	0.0045	0.0716
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
TRANS CHARGE B	0.0932	0.0063				0.0070	0.1065
SBC:							
CLEP				0.0162	0.0000	0.0011	0.0173
RAC				0.0326	0.0001	0.0022	0.0349
USF				0.0182	0.0000	0.0012	0.0194
Total SBC:				0.0670	0.0001	0.0045	0.0716
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
TRANS CHARGE C	0.1532	0.0063				0.0112	0.1707
SBC:							
CLEP				0.0162	0.0000	0.0011	0.0173
RAC				0.0326	0.0001	0.0022	0.0349
USF				0.0182	0.0000	0.0012	0.0194
Total SBC:				0.0670	0.0001	0.0045	0.0716
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024

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Commodity	BASE RATE	IEFA	BGSS	OTHER RIDERS	PUA	NJ SALES TAX	TARIFF RATE
							Rate Set Monthly
INTERRUPTIBLE GAS SALES (IGS)							
SBC:		0.0063					
RAC				0.0326	0.0001	0.0022	0.0349
USF				0.0182	0.0000	0.0012	0.0194
Total SBC:				0.0508	0.0001	0.0034	0.0543
CIRT				0.0041	0.0000	0.0003	0.0044
EET				0.0022	0.0000	0.0002	0.0024
YARD LIGHTING SERVICE (YLS)							
MONTHLY CHARGE / INSTALL	6.1655	0.0219	4.6368			0.7577	11.5819
STREET LIGHTING SERVICE (SLS)							
MONTHLY CHARGE / INSTALL	6.6465	0.0219	6.9552			0.9537	14.5773

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Heat Residential Rate Schedule:

	<i>RSG FSS</i>	<i>RSG-FTS</i>	<i>Difference</i>
BGSS	0.6493	0.0000	0.6493
Cost of Service	0.4726	0.4726	0.0000
CLEP	0.0173	0.0173	0.0000
RAC	0.0349	0.0349	(0.0000)
TAC	0.0000	0.0000	0.0000
CIP	0.0095	0.0095	0.0000
USF	0.0194	0.0194	0.0000
TIC	0.0006	0.0006	0.0000
CIRT	0.0044	0.0044	0.0000
EET	0.0024	0.0024	0.0000
BSC "J" BS-1	0.0505	0.0505	0.0000
Price to Compare	1.2609	0.6116	0.6493

NonHeat Residential Rate Schedule:

	<i>RSG FSS</i>	<i>RSG-FTS</i>	<i>Difference</i>
BGSS	0.6493	0.0000	0.6493
CIP	0.0507	0.0507	0.0000
Cost of Service	0.4726	0.4726	0.0000
CLEP	0.0173	0.0173	0.0000
RAC	0.0349	0.0349	0.0000
TAC	0.0000	0.0000	0.0000
USF	0.0194	0.0194	0.0000
TIC	0.0006	0.0006	0.0000
CIRT	0.0044	0.0044	0.0000
EET	0.0024	0.0024	0.0000
BSC "J" BS-1	0.0505	0.0505	0.0000
Price to Compare	1.3021	0.6528	0.6493

GSG

(Under 6,000 therms annually)

	<i>GSG FSS</i>	<i>GSG-FTS</i>	<i>Difference</i>
BGSS	0.6493	0.0000	0.6493
CIP	0.0002	0.0002	0.0000
Cost of Service	0.3846	0.3846	0.0000
CLEP	0.0173	0.0173	0.0000
RAC	0.0349	0.0349	0.0000
TAC	0.0000	0.0000	0.0000
USF	0.0194	0.0194	0.0000
TIC	0.0006	0.0006	0.0000
CIRT	0.0044	0.0044	0.0000
EET	0.0024	0.0024	0.0000
BSC "J" BS-1	0.0505	0.0505	0.0000
Price to Compare	1.1636	0.5143	0.6493

GSG

(6,000 therms annually or greater)

	<i>GSG FSS</i>	<i>GSG-FTS</i>	<i>Difference</i>
BGSS	0.5441	0.0000	0.5441
CIP	0.0002	0.0002	0.0000
Cost of Service	0.3846	0.3846	0.0000
CLEP	0.0173	0.0173	0.0000
RAC	0.0349	0.0349	0.0000
TAC	0.0000	0.0000	0.0000
USF	0.0194	0.0194	0.0000
TIC	0.0006	0.0006	0.0000
CIRT	0.0044	0.0044	0.0000
EET	0.0024	0.0024	0.0000
BSC "J" BS-1	0.0505	0.0505	0.0000
Price to Compare	1.0584	0.5143	0.5441

GSG-LV

Prior to 7/15/97

	<i>GSG-LV FSS</i>	<i>GSG-LV-FTS</i>	<i>Difference</i>
BGSS	0.5441	0.0000	0.5441
CIP	0.0018	0.0018	0.0000
Cost of Service	0.2248	0.2248	0.0000
CLEP	0.0173	0.0173	0.0000
RAC	0.0349	0.0349	0.0000
TAC	0.0000	0.0000	0.0000
USF	0.0194	0.0194	0.0000
TIC	0.0006	0.0006	0.0000
CIRT	0.0044	0.0044	0.0000
EET	0.0024	0.0024	0.0000
BSC "J" BS-1	0.0505	0.0505	0.0000
Price to Compare	0.9002	0.3561	0.5441

Exhibit 6

**DIRECT TESTIMONY
OF
JOHN M. KIELY
PRESIDENT, J.F. KIELY CONSTRUCTION CO.
OCTOBER 2011**

INTRODUCTION

My name is John M. Kiely and my business address is 700 McClellan Street, Long Branch, New Jersey 07740. I am the President of J.F. Kiely Construction Co. (“Kiely”). Kiely is a family-owned, New Jersey based utility construction business established in 1952. Kiely specializes in the installation of natural gas and water infrastructure. In my position, I am responsible for the overall executive leadership and executive decisions impacting Kiely.

In May 1990, I received a Bachelors of Science Degree in Business Administration from Boston University. Upon graduation, I have been continuously employed by Kiely in various positions. I have previously testified in administrative proceedings before the National Labor Relations Board on union issues.

PURPOSE OF TESTIMONY

In this case I am serving as South Jersey Gas Company’s (“South Jersey” or the “Company”) witness on the effect of the Company’s bare steel and cast iron main replacement programs on my business. As a primary blanket contractor for South Jersey, I can provide first-hand knowledge about the impact of the Company’s main replacement program on our business and, consequently, the impact that elimination of the program would have.

THE EFFECT OF THE MAIN REPLACEMENT PROGRAM

In 2009, after the Board of Public Utilities (“Board”) approved an accelerated steel main and cast iron replacement program under South Jersey’s Capital Investment Recovery Tracker (CIRT), Kiely experienced a significant increase in work. At that time, the country and State were in the throes of a serious economic downturn. That economic downturn significantly reduced both residential and commercial development, which is typically the economic driver of our company. Much of our gas business was not necessarily reliant on the replacement of existing mains, but rather the installation of new services. When the housing bubble burst, installations of services to new residential and commercial developments dropped significantly.

Directly before the 2009 board approval, Kiely employed 47 employees working for South Jersey, of which 43 were installing what little was left of new services and 4 employees were performing main replacement. With the implementation of the CIRT however, Kiely was able to shift its gas focus to main replacement.

Today, 91 Kiely employees are working for South Jersey Gas, of which 22 are installing new services and 69 are performing main replacement.

The numbers show that 21 jobs were saved by transferring them from service work to CIRT work; and 44 jobs were created from the implementation of CIRT.

Year	Services	Main Replacement	Total Employees
2009	43	4	47
2011	22	69	91
Jobs Saved / Created	-21	65	44

Currently Kiely employs approximately 225 employees, of which all field workers are New Jersey state residents and unionized under the AFL-CIO.

To do such work, we invested in expensive, customized equipment such as side boom loaders and plastic fusion machinery. These were purchased from New Jersey vendors. But for the CIRT, and the guarantee that these jobs would be available for at least two years, we would have never made such investments.

In addition to investing in equipment, we invested in our workforce. The newly hired employees for the main replacement work were given extensive on-the-job and in the classroom skill set and safety training by our company. Ultimately, this training transformed new employees with little or no experience into competent, safe, productive New Jersey workers that now maintain a specialized skill set. This investment produces New Jersey residents that possess career capital.

The investment has paid off in several respects. The training enhances our workers' safety, providing them with a greater quality of life. Also, the repetitive nature of performing the same work on a consistent basis provides an extra measurement of safety to the general public.

Finally, main replacement activities require large amounts of locally sourced materials such as sand and asphalt, all of which are delivered by local delivery trucks.

If this program were to end, Kiely would be forced to lay off approximately 65 skilled laborers residing in New Jersey. Conversely, if this program were extended by an additional two years, Kiely would be in a position to hire and train additional employees and purchase additional equipment.

CONCLUSION

I can state with certainty that South Jersey's accelerated unprotected steel and cast iron main replacement program has saved New Jersey jobs and also created new jobs by taking unskilled workers and teaching them a career skill set.

I can also state with certainty that if South Jersey's accelerated unprotected steel and cast iron main replacement program is discontinued, Kiely will be forced to lay off approximately 65 members of our skilled workforce. In addition, we will no longer have the need to continue purchasing various equipment and materials associated with the replacement of these mains from New Jersey contractors and vendors.

Exhibit 7

EXHIBIT 7

**NOTICE OF FILING OF PETITION
PROPOSING TO INCREASE EXISTING RATE
LEVELS AND OF PUBLIC HEARING**

**IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY TO
MODIFY AND EXTEND ITS EXISTING CAPITAL INVESTMENT RECOVERY
TRACKER ("CIRT II") PURSUANT TO N.J.S.A. 48:2-21.1 AND N.J.S.A. 48:2-21
B.P.U. DOCKET NO.**

NOTICE IS HEREBY GIVEN that pursuant to the statutory authorization granted in N.J.S.A. 48:2-21.1, South Jersey Gas Company ("South Jersey" or the "Company") has filed a Petition with the New Jersey Board of Public Utilities (the "Board") for the extension and modification of a mechanism, the Capital Investment Recovery Tracker ("CIRT"), associated with replacing the underground infrastructure of the Company.

The project eligible for this CIRT extension will be one that results in providing safe, adequate and proper service to South Jersey's customers; is incremental in nature; and maintains and creates jobs. South Jersey has identified these incremental infrastructure improvements totaling approximately Forty Million Dollars (\$40 million) that it proposes to complete under the CIRT during 2012. This infrastructure improvement was originally planned to be completed in future years. South Jersey believes that through the CIRT, it can accomplish the capital investment and job growth goals at a much quicker pace.

If approved by the Board, the impact of the proposed changes in the CIRT Charges on typical Residential and General Service customers using less than 5,000 therms per year is estimated to be as follows:

Residential Service (RSG)

Therm Level	Bill as of November 1, 2011 (1)	Bill as of March 1, 2013 (2)	Dollar Increase	Percent Increase
25	\$40.14	\$40.44	\$0.30	0.8%
100	\$133.79	\$135.01	\$1.22	0.9%
200	\$258.66	\$261.10	\$2.44	0.9%

General Service (GSG) (Using less than 5,000 therms per year)

Therm Level	Bill as of November 1, 2011 (1)	Bill as of March 1, 2013 (2)	Dollar Increase	Percent Increase
500	\$599.51	\$603.21	\$3.70	0.6%
1,000	\$1,175.21	\$1,182.61	\$7.40	0.6%
2,000	\$2,326.61	\$2,341.41	\$14.80	0.6%

- (1) Based upon current Delivery Rates and Basic Gas Supply Service (BGSS) charges in effect November 1, 2011 and assumes that the customer receives BGSS service from South Jersey Gas.
- (2) Same as (1) except includes change in CIRT, including changes proposed under Docket No. GR11060334.

The Board has statutory authority to modify and extend the CIRT in a manner it finds just and reasonable. Therefore, the Board may approve the Company's Petition in a different manner than as proposed by South Jersey.

Copies of the Company's filing are available for inspection at the Company offices located at One South Jersey Plaza, Folsom, New Jersey 08037, or at the Board of Public Utilities, 44 South Clinton Avenue, Trenton, New Jersey 08625.

NOTICE is further given that a public hearing has been scheduled at the following date, time, and place on the Company's above-mentioned requests.

[to be provided]

The public is invited to attend and interested persons will be permitted to testify and/or make a statement of their views on the proposed increases. In order to encourage full participation in this opportunity for public comment, please submit any requests for needed accommodations, including interpreter, listening devices or mobility assistance, 48 hours prior to this hearing. In addition, members of the public may submit written comments concerning the petition to the BPU regardless of whether they attend the hearing by addressing them to: Honorable Kristi Izzo, Secretary, Board of Public Utilities, P.O. Box 350, Trenton, NJ 08625.

**SOUTH JERSEY GAS COMPANY
By: Edward Graham, President**