

**NOTICE OF FILING OF PETITION
AND OF PUBLIC HEARING**

**IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY TO REVISE THE
LEVEL OF ITS BASIC GAS SUPPLY SERVICE (“BGSS”) CHARGE AND CONSERVATION
INCENTIVE PROGRAM (“CIP”) CHARGE FOR THE YEAR ENDING SEPTEMBER 30, 2018
BPU Docket No. GR17060586**

NOTICE IS HEREBY GIVEN that, on June 1, 2017, South Jersey Gas Company (South Jersey or Company) filed its combined 2017-2018 Basic Gas Supply Service (BGSS) and Conservation Incentive Program (CIP) petition (Petition) with the New Jersey Board of Public Utilities (Board). The BGSS cost components were filed pursuant to the Order Approving BGSS Price Structure issued by the Board on January 6, 2003 in Docket No. GX01050304 (Generic BGSS Order). BGSS rates are designed to recover South Jersey’s cost of gas applicable to customers purchasing gas from South Jersey. The Company earns no profit from the BGSS. By this Petition, the CIP rate is an upward price adjustment for all applicable service customers. The CIP is an incentive-based program that requires South Jersey to reduce gas supply related costs and limits recovery of non-weather related revenue loss to the level of gas supply costs savings achieved. South Jersey requests that the Board approve its BGSS and CIP rate adjustments.

The impact of the Company's combined proposals on the overall bills for gas service for a residential heating customer using one-hundred (100) therms in a month would be a decrease of \$0.80, or 0.6 percent, resulting from South Jersey’s proposed BGSS decrease of \$1.35 per month, or 1.1 percent, on a 100 therm bill and South Jersey’s proposed CIP increase of \$0.55, or 0.5 percent, on a 100 therm bill.

The chart below demonstrates the impact of the BGSS and CIP rate changes:

Customer Type	Therm Level	Rates		Change	
		Bill as of June 1, 2017	Proposed Bill as of October 1, 2017	Amount	Percent
Residential Heat Sales	100	\$119.82	\$119.02	\$(0.80)	(0.6)%
Residential Non-Heat Sales	15	\$25.45	\$24.63	\$(0.82)	(3.2)%
General Service	500	\$513.00	\$505.64	\$(7.36)	(1.4)%
General Service - LV	15,646	\$11,036.19	\$10,543.77	(\$492.42)	(4.5)%

TAKE FURTHER NOTICE that other changes in South Jersey’s price for BGSS service may also occur if South Jersey elects to adjust its BGSS rates upward upon 30 days’ notice to Board Staff and Rate Counsel, pursuant to the Generic BGSS Order. Any such self-implementing increases will be limited to a maximum of 5 percent of the total residential bill, effective December 1, 2017, and to a maximum of 5 percent of the total residential bill, effective February 1, 2018, as demonstrated in the chart below.

Customer Type	Therm Level	Rates		Change	
		Bill as of October 1, 2017	Proposed Bill Including December and February 5 Percent Increases	Amount	Percent
Residential Heat Sales	100	\$119.02	\$131.22	\$12.20	10.3%
Residential Non-Heat Sales	15	\$24.63	\$26.46	\$1.83	7.4%
General Service	500	\$505.64	\$566.62	\$60.98	12.1%
General Service - LV	15,646	\$10,543.77	\$10,543.77	\$0	0%

Further, these self-implementing increases will be provisional subject to true-up in connection with the annual BGSS filing. Pursuant to the Generic BGSS Order, South Jersey is permitted to decrease its BGSS rate at any time upon 5 days' notice and supporting documentation to the Board and the Division of Rate Counsel.

Pursuant to N.J.S.A. 48:3-1, any relief determined by the Board to be just and reasonable may be allocated to customers in such manner, and in such amounts or percentages, as the Board may deem appropriate. The Board may authorize an increase on any customer class or group or may exclude from increase any customer class or group, varying the percentage increase applicable. Therefore, the Board may establish the BGSS and CIP Charges at levels other than those proposed by South Jersey. South Jersey's natural gas costs addressed in this Petition will remain subject to audit by the Board, and Board approval shall not preclude or prohibit the Board from taking any such actions deemed appropriate as a result of any such audit.

Copies of the Company's filing are available for inspection at the Company's offices located at One South Jersey Plaza, Folsom, New Jersey 08037, or at the Board of Public Utilities, 44 South Clinton Avenue, 7th Floor, Trenton, New Jersey 08625-0350. The Company's filing may also be found on the South Jersey Gas website at <https://www.southjerseygas.com/About-South-Jersey-Gas/Regulatory-Compliance-Tariff-Information.aspx>.

NOTICE is further given that public hearings have been scheduled at the following date, times, and place on the Company's above-mentioned requests:

August 29, 2017 at 4:30 p.m. and 5:30 p.m.
Voorhees Township, Municipal Court
Voorhees Town Center
Voorhees, New Jersey 08043
(located directly across from Township Library at 203 Laurel Road)

The public is invited to attend and make a statement of their views on the proposed increases. Such comments will be made a part of the final record. 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 these hearings. Written requests and public comments may be submitted to the Board addressed to: Irene Kim Asbury, Secretary, Board of Public Utilities, 44 S. Clinton Avenue, P.O. Box 350, Trenton, NJ 08625-0350.

SOUTH JERSEY GAS COMPANY

By: David Robbins, Jr.,
President