

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

**IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY FOR
APPROVAL OF BASE RATE ADJUSTMENTS PURSUANT TO THE ACCELERATED
INFRASTRUCTURE REPLACEMENT PROGRAM (AIRP II)
DOCKET NO. GR17050441**

NOTICE IS HEREBY GIVEN that, on April 28, 2017, South Jersey Gas Company (South Jersey or Company) filed a N.J.S.A. 48:2-21 petition (Petition) with the New Jersey Board of Public Utilities (Board) seeking Board approval to increase base rates associated with the Company's Accelerated Infrastructure Replacement Program (AIRP II). The Board approved the AIRP II and the associated cost recovery mechanism on October 31, 2016 in Docket No. GR16020175 (Order). The Order authorized the Company to invest \$302.5 million, over a five-year period commencing October 1, 2016 and ending September 30, 2021, to replace cast iron and unprotected bare steel mains and associated services. The Order also authorized the Company to make annual filings with the Board to recover the costs associated with AIRP II project investments and to earn a return on and a return of those investments through annual adjustments to base rates. This Petition seeks Board approval to recover the revenue requirements associated with AIRP II projects placed in-service from October 1, 2016 through June 30, 2017 with an October 1, 2017 rate effective date. The purpose of the AIRP II program is to continue to eliminate aging and leak prone materials and enhance the reliability and safety of the Company's gas distribution system.

If the proposed increase is approved by the Board, the bill impacts 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 July 1, 2017⁽¹⁾	Bill as of October 1, 2017⁽²⁾	Dollar Increase	Percent Increase
25	\$37.84	\$38.18	\$0.34	0.9%
100	\$122.49	\$123.85	\$1.36	1.1%
200	\$235.36	\$238.08	\$2.72	1.2%

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

Therm Level	Bill as of July 1, 2017⁽¹⁾	Bill as of October 1, 2017⁽²⁾	Dollar Increase	Percent Increase
500	\$526.34	\$531.44	\$5.10	1.0%
1,000	\$1,023.55	\$1,033.76	\$10.21	1.0%
2,000	\$2,017.99	\$2,038.40	\$20.41	1.0%

(1) Based upon current Delivery Rates and Basic Gas Supply Service ("BGSS") charges in effect October 1, 2016 and assumes that the customer receives BGSS service from South Jersey.

(2) Same as (1) except includes base rate changes associated with AIRP II.

The following Rate Schedules will also be affected by the Company's proposed base rate increase: General Service – Large Volume (GSG-LV), Comprehensive Firm Transportation Service (CTS), Large Volume Service (LVS), Electric Generation Service (EGS), Electric Generation Service – Large Volume (EGS-LV), Natural Gas Vehicle Service (NGV), Yard Lights Service (YLS) and Street Lights Service (SLS).

The effect of the proposed increase would be an increase of \$1.36 or 1.1% for a residential customer using one-hundred (100) therms of gas during the winter months.

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 approve an AIRP II base rate adjustment that is different than the rate proposed by South Jersey.

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 website at <https://www.southjerseygas.com/About-South-Jersey-Gas/Regulatory-Compliance-Tariff-Information.aspx>.

NOTICE is further given that public hearings are scheduled at the following date, times, and place on the Company's petition:

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 rate 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, forty-eight (48) hours prior to this hearing. Written requests and public comments may be submitted to the Board 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