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**South Jersey Gas Completes Storm Hardening
and Reliability Work in Ventnor**
Similar Enhancements Planned for Southern Barrier Islands

FOLSOM, NJ, May 17, 2016 – South Jersey Gas, a subsidiary of South Jersey Industries, Inc. (NYSE: SJI), announced today the completion of its infrastructure improvement project for Ventnor City, NJ, which increases the reliability of local services in the event of future storms by eliminating all its low pressure natural gas distribution systems. This work was completed as part of the company’s Storm Hardening and Reliability Program. After Superstorm Sandy, the New Jersey Board of Public Utilities encouraged the state’s utilities to propose programs that would build greater resiliency into their systems in the aftermath of major weather events. Through this program, SJG to date has replaced approximately 41 miles of low pressure main, 13 district regulator stations, and 4,860 services within Ventnor and Atlantic City.

“The BPU’s approval of SHARP enables us to take significant, proactive measures to improve the reliability of our existing system along these barrier islands,” said Jeffrey E. DuBois, president of South Jersey Gas. “The foresight of the BPU and its dedication to improving infrastructure for these locations will ensure that our system is more resilient against future storms affecting our community.”

SJG’s program focuses on upgrading lower operating pressure distribution systems, which are susceptible to water intrusion during significant flooding events, to more modern higher pressure systems. By upgrading this infrastructure and associated operating pressures, the company will ensure the continued operation of its infrastructure during and after a major storm event.

SJG will continue its SHARP program and commitment to enhancing infrastructure in the barrier islands. The program now moves south through Margate, Longport, Ocean City, and Wildwood Crest. Future locations include North Wildwood and Cape May with an anticipated completion date in 2017. In total, SJG expects to replace about 93 miles of natural gas mains and approximately 11,100 associated services during the course of this initiative.

Costs associated with SHARP are recovered through annual adjustments to SJG base rates on October 1 of each year of the program. It’s important to note that consistently low natural gas prices, resulting from the dramatic increase in gas supplies from shale formations such as the Marcellus, have helped offset the rate impact of infrastructure investments made by SJG in recent years. This abundance of supply has contributed to residential customer bills currently being, on average, about 30 percent lower than they were 10 years ago.

About South Jersey Gas

South Jersey Gas, subsidiary of energy services holding company South Jersey Industries (NYSE:SJI), delivers clean, efficient natural gas and promotes energy efficiency to approximately 375,000 residential, commercial and industrial customers in Atlantic, Cape May, Cumberland, Salem, and significant portions of Gloucester, Burlington and Camden counties in New Jersey. Visit www.southjerseygas.com to learn more about South Jersey Gas and its programs.

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