

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

**IN THE MATTER OF THE PETITION OF :
SOUTH JERSEY GAS COMPANY :
TO REVISE THE LEVEL OF ITS :
BASIC GAS SUPPLY SERVICE (“BGSS”) :
CHARGE AND TO REVISE THE LEVEL :
OF ITS CONSERVATION INCENTIVE :
PROGRAM (“CIP”) CHARGES FOR THE :
YEAR ENDING SEPTEMBER 30, 2017 : BPU DOCKET NO. _____**

CASE SUMMARY, PETITION, TESTIMONY AND EXHIBITS

June 1, 2016

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STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF : CASE SUMMARY
SOUTH JERSEY GAS COMPANY TO :
REVISE THE LEVEL OF ITS BASIC GAS : BPU DOCKET NO.
SUPPLY SERVICE (BGSS) CHARGE AND :
TO REVISE THE LEVEL OF ITS :
CONSERVATION INCENTIVE PROGRAM :
(CIP) CHARGES FOR THE YEAR ENDING :
SEPTEMBER 30, 2017 :

TO THE HONORABLE COMMISSIONERS OF THE BOARD OF PUBLIC UTILITIES:

By this Petition, South Jersey Gas Company (“South Jersey”) seeks authorization to decrease the current level of its Periodic Basic Gas Supply Service (“BGSS”) charge and increase the current level of its Conservation Incentive Program (“CIP”) charge.

The BGSS permits South Jersey to pass through to its customers increases or decreases in the cost of purchased gas. The BGSS clause provides no profit to South Jersey. By this Petition, South Jersey proposes to decrease its current periodic BGSS charge of \$0.529214 per therm, including taxes, to \$0.354703 per therm, including taxes, for the BGSS year ending September 30, 2017. This will decrease the bill of a residential customer utilizing 100 therms of gas during a winter heating month by \$17.45 or 14.5%.

The CIP program is an incentive based conservation program. It requires South Jersey to limit its recovery from customers of non-weather related margin revenue loss to the level of BGSS cost reductions South Jersey is able to effect. By this Petition, South Jersey Gas seeks authorization to increase the level of its conservation incentive program CIP charges and implement the following CIP charges:

- RSG Non-Heating: \$0.026628 per therm
- RSG Heating: \$0.073013 per therm
- GSG: \$0.058332 per therm
- GSG-LV: \$0.017676 per therm

This will increase the bill of a residential heating customer utilizing 100 therms of gas during a winter month by \$13.20 or 11%.

The combined effect of these BGSS and CIP rate changes, if approved, for a residential heating customer utilizing 100 therms of gas during a month, would be a decrease of \$4.25 or 3.5%.

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

IN THE MATTER OF THE PETITION OF : PETITION
SOUTH JERSEY GAS COMPANY TO :
REVISE THE LEVEL OF ITS BASIC GAS : BPU DOCKET NO.
SUPPLY SERVICE (“BGSS”) CHARGE AND :
TO REVISE THE LEVEL OF ITS :
CONSERVATION INCENTIVE PROGRAM :
 (“CIP”) CHARGES FOR THE YEAR ENDING
SEPTEMBER 30, 2017

**TO THE HONORABLE COMMISSIONERS OF
THE BOARD OF PUBLIC UTILITIES:**

Petitioner, South Jersey Gas Company (sometimes 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 “BPU” or "Board") for authority to: 1) decrease the level of its Periodic Basic Gas Supply Service (“BGSS”) charge; and 2) increase the level of its Conservation Incentive Program (“CIP”) charge for the year ending September 30, 2017.

I. BACKGROUND

1. 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 375,000 customers.

II. BGSS BACKGROUND

2. On January 5, 1978, the Board, in combined Docket Nos. 769-988 and

7712-1161, approved the adoption of a levelized Raw Materials Adjustment Clause for the Company, effective for the period January 1, 1978 through October 31, 1978. The clause subsequently became referred to as the "Levelized Gas Adjustment Clause" or "LGAC". It was understood that after October 31, 1978 the clause would be adjusted annually, and each such adjustment would be effective for a twelve-month period, generally commencing each November 1, from and after November 1, 1978. Each year thereafter, such an adjustment was made.

3. The LGAC mechanism was replaced by the BGSS price structure in the Board's Order Approving BGSS Price Structure, Docket No. GX01050304, dated January 6, 2003 ("2003 BGSS Order").

4. Attached to the 2003 BGSS Order was "Attachment A", which the Board approved and incorporated therein.

5. Attachment A provided for the creation of a BGSS pricing mechanism, consisting of a Monthly BGSS pricing mechanism and a Periodic BGSS pricing mechanism. The applicability of Monthly and Periodic BGSS pricing was subsequently modified in South Jersey's base rate case (Docket No. GR03080683) and Global Settlement (Docket Nos. GR03080683, et al.) approved by the Board on March 27, 2006.

6. As to South Jersey, all Residential Sales (Rate Schedule RSG) customers, and all General Service Sales (Rate Schedule GSG) customers using less than 5,000 therms annually, are served under the Periodic BGSS pricing mechanism.

7. The 2003 BGSS Order required that South Jersey file its annual BGSS filing by June 1 of each year, with a request to implement its Periodic BGSS charge on or before October 1 of that year.

8. The 2003 BGSS Order also provided that South Jersey may file two self-

implementing Periodic BGSS charge increases, to be effective on December 1 of the same calendar year following implementation of a new Periodic BGSS Charge and on February 1 of the following year. Each such self-implementing increase may not exceed five percent (5%) of the average 100 therm residential bill.

9. In Docket No. GR02090645, South Jersey, the Division of the Ratepayer Advocate, and the Staff of the Board executed a “Settlement – BGSS Minimum Filing Requirements” on May 7, 2003 (the “2003 Settlement”). The Settlement was accepted by Board Order dated June 29, 2003.

10. This Petition complies with the Minimum Filing Requirements (“MFRs”) set forth in the 2003 Settlement.

11. On June 1, 2015, South Jersey made its annual BGSS filing in Docket No. GR15060642, proposing to decrease the periodic BGSS charge from its then current level of \$0.650270 per therm to \$0.529214 per therm, including taxes.

12. By Order dated March 23, 2016, the Board approved a Stipulation of Settlement to finalize South Jersey’s periodic BGSS charge of \$0.529214 per therm, including taxes, subject to refund with interest on any net over-recovered BGSS balance. The Board also approved, on a final basis, the following: (1) the gas cost portion of the Company’s D-2 charge for Rate Schedule LVS at \$16.545047 per Mcf (including taxes); (2) the gas cost portion of the firm D-2 charges at \$15.581692 per Mcf (including taxes), and the limited firm D-2 charges at \$8.272524 per Mcf (including taxes) for Rate Schedule EGS-LV; (3) the gas cost portion of the D-2 charge at \$8.272524 per Mcf (including taxes) for Rate Schedule FES; and (4) the monthly BGSS non-commodity rate applicable to Rate Schedules GSG, GSG-LV, EGS, LVS and EGS-LV at \$0.133252 per therm (including taxes).

III. REQUESTED PERIODIC BGSS CHARGE

13. By the present Petition, South Jersey is proposing to decrease its current Periodic BGSS charge from \$0.529214 (including taxes) to \$0.354703 (including taxes) for the period beginning October 1, 2016 and ending September 30, 2017. This Petition is based upon 7 months of actual data, and 17 months of estimated data. Petitioner proposes to update this information as this matter proceeds.

14. South Jersey has included a credit to BGSS gas costs of \$11.7 million, which was derived from the Board's approved margin sharing formula applicable to off-system sales, interruptible sales and transportation, and capacity releases.

15. The projected pipeline demand type costs reflected in this filing pertaining to the purchase, storage and transportation of gas on the Transcontinental Gas Pipeline Company, LLC ("Transco"), Columbia Gas Transmission, LLC ("Columbia"), and Dominion Transmission, Inc. ("Dominion") pipeline systems reflect each pipelines' most recent FERC approved jurisdictional rates.

16. Commodity charges to be experienced by South Jersey during the BGSS year ending September 30, 2017 have been projected utilizing: (1) the New York Mercantile Exchange strip pricing, as of May 10, 2016; and (2) estimated indices at the various locations where South Jersey expects to purchase gas during the forthcoming BGSS year.

17. LNG costs are based upon the delivered cost of LNG using the NYMEX as of May 10, 2016, along with costs related to processing natural gas into liquefied natural gas. In response to the changes in the LNG marketplace in 2012, the Company decided to construct, own and operate its own liquefaction facility at South Jersey's McKee City, LNG facility to ensure that LNG is available at a prudent cost and not subject to marketplace pressures. The

LNG liquefaction facility is under construction and expected to be in service during the fourth quarter of 2016.

18. In summary, by this Petition, South Jersey seeks authority to decrease the level of its Periodic BGSS charge to \$0.354703 per therm (including taxes). South Jersey also seeks authority to increase the Monthly BGSS non-commodity rate component to \$0.138898 per therm (including taxes), resulting in an increase of \$0.005646 from the current rate.

IV. BEST VALUE PURCHASING POLICY

19. The Company's proposal in this Petition again reflects its best value purchasing policy. Pursuant to this policy, it is the Company's goal to purchase the minimum priced gas supplies feasible within the guidelines of security of supply and capacity and system integrity. South Jersey intends to continue to pursue its policy to ensure the safest, most secure service to its customers, at reasonable prices, for this BGSS year and into the future.

20. The BGSS provides no profit to the Company. It merely allows the Company to pass through to its customers increases and decreases in the costs of gas and associated taxes experienced by the Company.

21. In support of the BGSS portion of this Petition, Petitioner incorporates the following testimony, exhibits, and work papers:

- A. Prepared Direct Testimony of Kenneth J. Barcia, Manager, Rates and Revenue Requirements; and
- B. Prepared Direct Testimony of Timothy W. Rundall, Senior Director, Gas Supply and Allocations

22. In support of the BGSS petition, Petitioner incorporates the attached Table of Contents demonstrating compliance with the MFRs.

V. CIP BACKGROUND AND PROPOSAL

23. On October 12, 2006, the Board, in combined Docket Nos. GR05121019 and GR05121020, adopted a stipulation (“CIP Stipulation”) implementing the Conservation Incentive Program (“CIP”) for South Jersey on a three-year, Pilot Program basis. The CIP Program was then extended until September 30, 2013, with an additional automatic one year extension, by Board Order dated January 21, 2010 in combined Docket Nos. GR05121019 and GR05121020.

24. On May 21, 2014, the Board approved the continuation of the CIP, with certain modifications, as set forth in more detail in the Stipulation executed by the parties in Docket No. GR13030185 (the “CIP Continuation Stipulation”). The changes approved by the Board became effective with the CIP year beginning October 1, 2014 and are reflected in this proceeding.

25. To promote conservation, the CIP program was devised as an incentive-based program in which South Jersey was required to limit the recovery of non-weather related margin revenue loss to the level of BGSS cost reductions South Jersey is able to achieve. Because of these BGSS savings, customer bills will not increase as a result of the Company’s recovery of such non-weather margin revenue losses through the CIP mechanism.

26. The CIP Continuation Stipulation approved by the Board established a Modified BGSS Savings Test with three categories of BGSS savings: (1) permanent savings achieved through permanent capacity releases or contract terminations; (2) gas cost savings from reductions of capacity on a long-term basis, i.e. for periods of at least one year; and (3) savings associated with avoided capacity costs to meet residential customer growth.

27. The attached Prepared Direct Testimony of Daniel P. Yardley demonstrates that sufficient BGSS savings exist to support South Jersey’s proposed CIP charge.

28. The CIP Stipulation also provided that South Jersey would implement a package

of incremental conservation programs designed to aid customers in reducing their costs of natural gas. Furthermore, South Jersey committed to assess the need to develop and implement future programs, if appropriate.

29. In the CIP Continuation Stipulation, South Jersey agreed to provide five hundred thousand dollars (\$500,000) annually of shareholder money to fund CIP programs. The CIP Continuation Stipulation further provided that in any year in which the \$500,000 was not expended, the difference between \$500,000 and the actual amount spent will be carried over and added to the amount to be spent in the following year.

30. The attached Direct Testimony of Bruce S. Grossman, Program Manager, Residential Energy Efficiency Education and Consulting for South Jersey, explains the Company's incurred and projected CIP expenditures for the 2015-2016 CIP Year. South Jersey projects that it will invest \$500,000 in conservation programs by September 30, 2016.

31. It was agreed in the CIP Stipulation that South Jersey would make an annual CIP filing based upon seven months of actual data and five months of projected data, to be filed on or before June 1 of each year. The filing is to document actual results, perform the required CIP collection tests, and propose the new CIP rate. This Petition is in conformity with these provisions of the CIP Stipulation.

32. Rider M of the Company's tariff contains a Board approved Return-on-Equity ("ROE") limitation on recoveries from customers pursuant to the CIP, consistent with South Jersey's former Temperature Adjustment Clause ("TAC") (the "ROE Test"). Under this provision, the CIP may not contribute toward earnings in excess of a 9.75% ROE. After recovery of the CIP margin revenues, South Jersey's ROE for the period October 1, 2015 through September 30, 2016 is projected to be 7.72%. As a result, the ROE test will not act as a

limitation on South Jersey's recovery through the CIP for the forthcoming 2016-2017 CIP year. This projected ROE is calculated on Schedule A to this Petition and is verified by Kenneth J. Barcia, Manager, Rates and Revenue Requirements.

33. The Company's CIP tariff also contains benchmarks for customer usage by customer class. The CIP is calculated on a class-by-class basis by comparing actual usage for the CIP year to the benchmark usage. The difference, either positive or negative, is then multiplied by revenue margins per customer class, and the result is divided by forecasted sales units. The result, either positive or negative, is then either a charge or credit to the CIP on a class-by-class basis.

34. The CIP charge was initially set at \$0.000 for the period October 1, 2006 through September 30, 2007 and, thereafter, annual petitions were filed to adjust the CIP charge.

35. On June 1, 2015, South Jersey filed its petition in Docket No. GR15060642 seeking to establish provisional CIP rates for the October 1, 2015 to September 30, 2016 CIP year. On September 21, 2015, the Board issued its Order in Docket No. GR15060642, provisionally accepting CIP rates, subject to review. Pursuant to this September 21, 2015 Order, the provisional CIP rates implemented were:

- RSG Non Heating (\$0.099971)
- RSG Heating (\$0.058946)
- GSG (\$0.031700)
- GSG-LV (\$0.025487)

36. By Order dated March 23, 2016, the Board approved a Stipulation of Settlement to finalize the CIP rates in Docket No. GR15060642.

37. In this Petition, South Jersey proposes to establish the CIP rates for the period

October 1, 2016 through September 30, 2017. The proposed CIP rates are as follows:

- RSG Non Heating \$0.026628
- RSG Heating \$0.073013
- GSG \$0.058332
- GSG-LV \$0.017676

38. In computing the non-weather CIP value, the margin impact of weather is first to be deducted from the total CIP charge or credit. The weather-related component of the CIP is recovered through the CIP. However, this portion is not subject to the Modified BGSS Savings Test. By this Petition, South Jersey seeks to recover \$21.9 million of weather-related margin revenues. The non-weather related CIP component shall be subject to a dual eligibility test comprised of the Modified BGSS Savings Test and a Margin Revenue Test established in the CIP Continuation Stipulation. In order to be eligible for recovery, non-weather related CIP impacts must pass both cost recovery tests. Amounts that do not pass one or both tests may still be recoverable in future years.

39. South Jersey's non-weather related margin is \$5.8 million. This was established by subtracting the weather related component of \$21.9 million, from the total CIP amount of \$27.7 million. Thus, by this Petition, South Jersey seeks to recover total non-weather related margin revenue through the CIP totaling \$5.8 million.

40. South Jersey has provided BGSS savings information in the Prepared Direct Testimony of Timothy W. Rundall and Daniel P. Yardley. South Jersey's permanent BGSS savings realized from the permanent capacity releases or contract terminations (Category One of the Modified BGSS Savings Test) total \$2.2 million per year. BGSS savings realized from gas cost savings from reductions of capacity on a long-term basis (Category Two of the Modified BGSS Savings Test) total \$6.1 million. BGSS savings realized from avoided capacity costs to meet residential customer growth (Category Three of the Modified BGSS Savings Test) total

\$260,288. Therefore, the total BGSS savings for the 2016-2017 CIP year is \$8.6 million. This amount exceeds the \$5.8 million of non-weather related margin revenue that will be recovered through the CIP, thus the Modified BGSS Savings Test has been met.

41. As explained in Mr. Yardley's testimony, variable margin revenues also exceed the \$5.8 million of non-weather related margin revenue that will be recovered through the CIP, thus the Margin Revenue Test has also been met.

42. In the present proceeding, South Jersey is comparing customer usage for the period October 1, 2015 through September 30, 2016 against the benchmark. The difference is to be recovered for the BGSS year October 1, 2016 through September 30, 2017.

43. In support of the Company's CIP proposal in this Petition, Petitioner incorporates the following testimony, exhibits, and work papers:

- A. Prepared Direct Testimony of Bruce S. Grossman, Program Manager, Residential Energy Efficiency Education and Consulting, South Jersey;
- B. Prepared Direct Testimony of Daniel P. Yardley, Principal, Yardley & Associates; and
- C. Schedule A – South Jersey Gas Company ROE Calculation

44. The effect of the proposed CIP change, if approved, for a residential heating customer utilizing 100 therms of gas in a month would be an increase of \$13.20 or 11%.

45. The combined effect of the proposed BGSS and CIP changes, if approved, for a residential heating customer utilizing 100 therms of gas in a month would be a decrease of \$4.25 or 3.5%.

VI. MISCELLANEOUS

46. A draft Notice of Filing and Public Hearing is attached hereto, as Schedule B.

47. South Jersey has served notice and a copy of this Petition upon Director, Division of Rate Counsel, 140 East Front Street – 4th Floor, Trenton, New Jersey 08625.

48. 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



STEVEN R. COCCHI

Vice President, Rates and Regulatory Affairs

Dated: June 1, 2016
Communications and correspondence
related to this filing should be sent to:

Steven R. Cocchi
Vice President, Rates and Regulatory Affairs
South Jersey Gas
One South Jersey Plaza, Route 54
Folsom, NJ 08037
(609)-561-9000

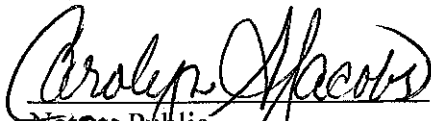
VERIFICATION

I, KENNETH J. BARCIA, of full age, being duly sworn according to law upon my oath, depose and say:

1. I am Manager, 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.


KENNETH J. BARCIA

Sworn to and
subscribed
before me this
1st day of June
2016.


Notary Public
CAROLYN A. JACOBS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires October 28, 2018

ROE CALCULATION
(\$ in Thousands)

	Sep 2015 Actual	Oct 2015 Actual	Nov 2015 Actual	Dec 2015 Actual	Jan 2016 Actual	Feb 2016 Actual	Mar 2016 Actual	Apr 2016 3&9	May 2016 3&9	Jun 2016 3&9	Jul 2016 3&9	Aug 2016 3&9	Sep 2016 3&9	12 Mos 9/30/2016 Total
Net Income	(2,164.4)	1,828.0	8,046.2	12,319.9	18,038.1	15,203	11,177	3,723	744	(1,399)	(1,189)	(1,268)	86	\$67,309
Incentive Items:														
OSS Margin	167.6	191.8	369.9	346.9	360.7	315.0	328.3	126.8	127.7	126.8	127.7	127.7	126.8	\$2,676
Interruptible Margin	(5.5)	1.7	5.0	3.5	4.7	3.0	4.9	2.8	2.1	2.0	1.4	1.1	1.4	\$34
Storage Incentive	315.1	34.4	0.0	0.9	0.0	0.0	0.0	0.0	0.0	336.7	0.0	0.0	0.0	\$709
AIRP	\$150	\$173	\$199	\$228	\$233	\$238	\$256	\$296	\$312	\$332	\$352	\$372	\$387	\$3,378
EET	125.7	144.8	152.1	163.1	170.1	169.3	179.2	180.4	185.5	189.0	192.8	197.9	204.8	\$2,129
Total Incentives	\$753	\$546	\$726	\$742	\$769	\$725	\$768	\$606	\$628	\$986	\$674	\$699	\$1,057	\$8,925
Net Income Less Incentives	(\$2,917)	\$1,282	\$7,320	\$11,578	\$17,270	\$14,478	\$10,409	\$3,117	\$116	(\$2,385)	(\$1,863)	(\$1,967)	(\$971)	\$58,384

	Sep 2015	Oct 2015	Nov 2015	Dec 2015	Jan 2016	Feb 2016	Mar 2016	Apr 2016	May 2016	Jun 2016	Jul 2016	Aug 2016	Sep 2016	13 Mo Avg Total
Beg Bal	\$721,814	\$719,649	\$710,986	\$719,032	\$720,789	\$738,827	\$754,030	\$765,207	\$768,930	\$769,674	\$768,275	\$767,086	\$815,818	
Net Income	(\$2,164)	\$1,828	\$8,046	\$12,320	\$18,038	\$15,203	\$11,177	\$3,723	\$744	(\$1,399)	(\$1,189)	(\$1,268)	\$86	
Dividends														
Equity		(\$10,491)		(\$10,491)										
Other Adj				(\$72)										\$50,000
Common Equity	\$719,649	\$710,986	\$719,032	\$720,789	\$738,827	\$754,030	\$765,207	\$768,930	\$769,674	\$768,275	\$767,086	\$815,818	\$815,904	\$756,478

CIPROE Test 7.72%

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 TO REVISE THE LEVEL OF ITS CONSERVATION INCENTIVE PROGRAM (“CIP”) CHARGES FOR THE YEAR ENDING SEPTEMBER 30, 2017

B.P.U. Docket No. _____

NOTICE IS HEREBY GIVEN that, on June 1, 2016, South Jersey Gas Company (“SJG” or “South Jersey”) filed its combined 2016-2017 Basic Gas Supply Service (“BGSS”) and Conservation Incentive Program (“CIP”) petition with the New Jersey Board of Public Utilities (“Board”). The BGSS component of the petition was 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 who purchase gas from South Jersey. The Company earns no profit from BGSS. The CIP component of the petition sought a price adjustment for all applicable service customers. The CIP is an incentive-based program that requires South Jersey Gas to reduce gas supply related costs and limits recovery of non-weather related revenue loss to the level of gas supply costs savings achieved. Pursuant to its filings, SJG requested that the Board allow it to change its BGSS and CIP Charges.

The impact of the Company’s combined proposals on the overall bills for gas service for a residential heating customer using 100 therms in a month would be a decrease of \$4.25, or 3.54 percent, resulting from SJG’s proposed BGSS decrease of \$17.45 per month, or 14.5 percent, on a 100 therm bill and SJG’s proposed CIP increase of \$13.20, or 11.0 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, 2016	Proposed Bill as of October 1, 2016	Amount	Percent
Residential Heat Sales	100	\$120.20	\$115.95	\$(4.25)	(3.5)%
Residential Non-Heat Sales	15	\$25.60	\$24.88	\$(0.72)	(2.8)%
General Service	500	\$540.91	\$498.67	\$(42.24)	(7.8)%
General Service - LV	15,646	\$11,263.60	\$11,938.93	\$675.33	6.0%

TAKE FURTHER NOTICE that other changes in SJG’s price for BGSS service may also occur if SJG elects to adjust its BGSS rates upward upon thirty days notice with the Board Staff and the Rate Counsel, pursuant to the Generic BGSS Order in Docket No. GX01050304. Any such self-implementing increases will be limited to a maximum of 5 percent of the total residential bill, effective December 1, 2016, and to a maximum of 5 percent of the total residential bill, effective February 1, 2017, as demonstrated in the chart below.

Customer Type	Therm Level	Rates		Change	
		Bill as of October 1, 2016	Proposed Bill Including December and February 5 Percent Increases	Amount	Percent
Residential Heat Sales	100	\$115.95	\$127.83	\$11.88	10.2%
Residential Non-Heat Sales	15	\$24.88	\$26.66	\$1.78	7.2%
General Service	500	\$498.67	\$558.13	\$59.46	11.9%
General Service - LV	15,646	\$11,938.93	\$11,938.93	\$0	0%

Further, these self-implementing increases will be provisional and subject to true-up in connection with the subsequent annual BGSS filing. Pursuant to the BGSS Order, SJG is permitted to decrease its BGSS rate at any

time upon five days notice and supporting documentation to the Board of Public Utilities and the Division of Rate Counsel.

The Board has the statutory authority to establish the BGSS and CIP Charges at levels it finds just and reasonable. Therefore, the Board may establish the BGSS and CIP Charges at levels other than those proposed by SJG. SJG'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 offices located at One South Jersey Plaza, Folsom, New Jersey 08037, or at the Board of Public Utilities, 44 South Clinton Avenue, 9th floor, Trenton, New Jersey 08625-0350. The Company's filing may also be found on the South Jersey Gas Website at www.southjersegas.com/for-my-home/current-regulatory-filings.html.

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

_____ at 4:30 and 5:30 PM
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 interested persons will be permitted to testify and/or make a statement of their views on the proposed increases/decreases. 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. In addition, members of the public may submit written comments concerning the petition to the Board regardless of whether they attend a hearing by addressing them 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: Jeffrey E. DuBois, President

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**DIRECT TESTIMONY
OF
KENNETH J. BARCIA
MANAGER, RATES AND REVENUE REQUIREMENTS
SOUTH JERSEY GAS COMPANY
JUNE 2016**

8 **I. INTRODUCTION**

9 **Q. Please state your name, affiliation and business address.**

10 **A.** My Name is Kenneth J. Barcia, and I am the Manager of Rates and Revenue
11 Requirements for South Jersey Gas Company (“South Jersey” or “SJG” or the
12 “Company”). My business address is South Jersey Gas, One South Jersey Plaza,
13 Route 54, Folsom, NJ 08037.

14
15 **Q. Please summarize your educational and professional background.**

16 **A.** I joined South Jersey Industries, Inc. (“SJI”) in December 2011, as Risk
17 Management Project Specialist. In March of 2013, I was promoted to Credit
18 Manager of the Risk Management Department of SJI. Most recently, in May of
19 2015, I accepted my current role as Manager, Rates and Revenue Requirements
20 with South Jersey. Prior to my employment with South Jersey, I held various
21 positions in the engineering and accounting fields. I hold a Bachelor of Science
22 degree in Environmental Engineering and in Accounting, both from Temple
23 University, 1992 and 2002, respectively. I am a member of the American Gas
24 Association (AGA), where I serve on the State Affairs Committee, and the New
25 Jersey Utilities Association (NJUA), where I serve on the Finance and Regulations
26 Committee.

1 In my current role, I manage the daily activity of the Company's Rates and Revenue
2 Requirements department and provide support and strategic direction regarding rate
3 and revenue related filings before the Board of Public Utilities ("BPU" or "Board").
4 I also assist with the development and interpretation of the Company's tariff.

5
6 **Q. What is the purpose of your testimony?**

7 **A.** The purpose of my testimony in this proceeding is to: (1) review the actual results
8 of the Basic Gas Supply Service ("BGSS") Clause for the 2015-2016 year; (2)
9 present the projected gas costs and recoveries in the 2016-2017 BGSS Clause
10 ("BGSSC") year; (3) support the BGSS charges proposed to become effective
11 October 1, 2016; and (4) support proposed revisions to South Jersey's tariff.

12
13 **II. REGULATORY HISTORY**

14 **Q. Please describe the regulatory history of the Basic Gas Supply Service**
15 **("BGSS") Clause?**

16 **A.** On January 6, 2003, the Board issued its "Order Approving BGSS Price Structure"
17 ("BGSS Order"). The BGSS Order directed the gas distribution companies to
18 immediately implement the BGSS pricing mechanism, which consists of the
19 Monthly BGSS charge and the Periodic BGSS charge.

20 The Monthly BGSS charge is currently applicable to all Rate Schedule GSG sales
21 customers having an annualized usage of 5,000 therms or more and to all sales
22 customers served under Rate Schedules GSG-LV, LVS, EGS and EGS-LV. South
23 Jersey's Monthly BGSS charge was implemented March 1, 2003, and is filed with

1 the Board each month utilizing the BGSS pricing formula approved by the BGSS
2 Order.

3 The Periodic BGSS charge is currently applicable to all sales customers served
4 under Rate Schedule RSG, and all Rate Schedule GSG sales customers having an
5 annualized usage of less than 5,000 therms.

6 The BGSS Order requires the gas utilities to make a BGSS filing with the Board
7 each year by June 1, with the intention that the Periodic BGSS charge would be
8 effective on October 1 of each year. As a result of the BGSS Order, South Jersey
9 also has the discretion to file notice for two self-implementing rate increases to the
10 Periodic BGSS charge, to be effective on or about December 1 and/or February 1,
11 following the October 1 effective date.

12 On May 7, 2003, in Docket No. GR02090645, the parties to the proceeding entered
13 into a Settlement regarding the minimum filing requirements for the annual BGSSC
14 proceedings. This settlement was approved by Board Order dated June 29, 2003.
15 Annual BGSS filings since 2003 have followed this process. A table of contents
16 has been submitted with South Jersey's Petition in this proceeding, which also
17 serves as a reference demonstrating that the Exhibits and work papers submitted
18 with the Petition meet each of the minimum filing requirements.

19 On June 1, 2015, South Jersey made its annual filing in Docket No. GR15060642,
20 where it proposed to decrease its periodic BGSS charge from the then current rate
21 of \$0.650270 per therm, to \$0.529214 per therm, both inclusive of taxes.

1 By Order dated September 21, 2015, the Board approved a Stipulation of
2 Settlement approving a Periodic BGSS Rate of \$0.529214 per therm, including
3 taxes, on a provisional basis.

4 By Order dated March 23, 2016, the Board approved a Stipulation of Settlement to
5 finalize this BGSS rate for the 2015-2016 BGSS year.

6

7 **III. BGSS RATES CALCULATION**

8 **Q. Please describe how the 2016/2017 BGSS Rates are calculated?**

9 **A.** Exhibit KJB-1 demonstrates the derivation of the proposed Periodic BGSS charge
10 of \$0.354703, which consists of commodity, deferred balance, and non-commodity
11 gas cost rate components. It starts with a projected commodity cost of gas of
12 \$82,828,036, shown on line 8, which includes South Jersey's approved line loss of
13 1.43%. This results in a BGSS commodity rate of \$0.305646 per therm, excluding
14 taxes, when dividing the commodity cost of gas by the applicable sales volumes.
15 Next, the projected total over-recovered deferred balance of \$(8,274,019) is shown
16 on line 20. Line 22 identifies the applicable sales volumes utilized to derive the net
17 deferred balance rate of \$(0.030532) per therm, excluding taxes, which is shown on
18 Line 24. Lastly, the non-commodity costs, shown on line 32, are \$15,082,499 for
19 the Periodic BGSS customers and \$4,999,984 for the Monthly BGSS customers.
20 The associated volumes and non-commodity cost rates are shown on lines 34 and
21 36, respectively.

22

1 **Q. Is South Jersey proposing a decrease or an increase to its 2016/2017 Periodic**
2 **BGSS Rate?**

3 **A.** In summary, South Jersey is proposing a decrease of \$0.174511 to its Periodic
4 BGSS rate. As reflected in Exhibit KJB-1, South Jersey has calculated the Periodic
5 BGSS rate to be set at \$0.330770 per therm, excluding taxes, or \$0.354703 per
6 therm, including taxes, for Rate Schedule RSG, and for Rate Schedule GSG
7 Customers whose annual usage is less than 5,000 therms. This represents a
8 decrease of \$17.45, or 14.5%, to a typical residential heating customer bill, based
9 on 100 therms of consumption during a month.

10 The proposed Periodic BGSS charge would recover commodity, non-commodity
11 gas costs, and the projected deferred balance. The Periodic BGSS charge would
12 consist of a BGSS commodity rate of \$0.305646 per therm, a deferred balance
13 component of \$(0.030532) per therm, and a BGSS non-commodity rate of
14 \$0.055656 per therm, all excluding taxes.

15 Moreover, since Rate Schedules GSG-LV, EGS, LVS and EGS-LV customers, and
16 Rate Schedule GSG customers whose annual consumption is 5,000 therms or
17 greater, recover some or all of their fixed gas costs through their Monthly BGSS
18 charge, as prescribed in South Jersey's tariff (Rider A), the calculated Monthly
19 BGSS non-commodity rate component would be \$0.138898 per therm, including
20 taxes, which is an increase of \$0.005646 from the current rate of \$0.133252.

21 Pursuant to Rate Schedule LVS, Special Provision (n) of the Company's currently
22 approved Tariff, the gas cost portion of the Firm D-2 charge is composed of the
23 system weighted average interstate pipeline demand charge plus the system

1 weighted average gas reservation charge as of October 1 of each year, plus
2 applicable taxes. Pursuant to Rate Schedule EGS-LV, Special Provision (f), of the
3 Company's currently approved tariff, the gas cost portion of the Firm D-2 charge is
4 composed of the highest pipeline demand cost imposed upon the Company by any
5 interstate pipeline applicable October 1 of each year, plus applicable taxes. The
6 Firm FES and Limited Firm EGS-LV gas cost portion of the D-2 rate is one-half the
7 weighted average of all interstate pipeline demand charges applicable to the
8 Company at October 1 of each year, plus applicable taxes.

9 Therefore, in accordance with South Jersey's tariff, South Jersey proposes that the
10 gas cost portion of the D-2 charge for Rate Schedule LVS be set at \$15.958901 per
11 Mcf, including taxes. South Jersey also proposes that the gas cost portion of the
12 Firm D-2 charge for Rate Schedule EGS-LV would remain unchanged at
13 \$15.581692 per Mcf, including taxes. Lastly, South Jersey proposes that the gas
14 cost portion of the Limited Firm D-2 and Firm D-2 charges for Rate Schedules
15 EGS-LV and FES, respectively, be set at \$7.979450 per Mcf, including taxes.

16

17 **IV. REVIEW OF 2015-2016 BGSS YEAR**

18 **Q. Please provide a summary of Actual and Projected Results related to the 2015-**
19 **2016 BGSS Clause?**

20 **A.** Exhibit KJB-2 is a summary of actual and projected results for the twelve month
21 period ending September 30, 2016. It reflects a projected over-recovery as of
22 September 30, 2016 of \$(8,274,019). This exhibit reflects \$62,406 in pipeline

1 refunds and \$25,944,370 in credits from interruptible sales, interruptible
2 transportation, off-system sales, and off-system and on-system capacity releases.

3 Section A of Exhibit KJB-2, entitled Natural Gas, shows the cost of natural gas
4 purchased by South Jersey on Line 9. This amount is increased by the cost of
5 withdrawals from inventory, and is reduced by the cost of gas injected into
6 inventory during the period, as the BGSSC is only charged for commodity gas costs
7 upon its actual usage, not its purchase. Lastly, this amount is then increased or
8 decreased as a result of the marketer imbalance for the month.

9 Section B of Exhibit KJB-2, entitled Supplemental Gas, identifies the cost of
10 liquefied natural gas (“LNG”) utilized during the period.

11 Section C of Exhibit KJB-2, entitled Cost Reductions, provides reductions to the
12 cost of gas applicable to the BGSSC. These reductions include the applicable cost
13 of gas sold under the Company’s interruptible rate schedules and off-system sales,
14 pipeline refunds, company use gas, and gas cost credits derived from interruptible
15 sales, interruptible transportation, off-system sales, and off-system and on-system
16 capacity releases utilizing the Board approved sharing formulas. Sections A, B, and
17 C are summarized in Section D as the Total Gas Cost to BGSS (line 29).

18 Section D of Exhibit KJB-2, entitled Cost Recovery, demonstrates that the total
19 projected cost of gas to the BGSSC of \$94,084,375 (line 29), less the projected
20 recoveries of \$139,420,267 (lines 30 and 31), plus a Periodic BGSS customer bill
21 credit of \$18,685,891 given in January 2016 (line 32), less the cumulative under-
22 recovery beginning balance of \$18,375,982 (line 36), results in a projected

1 Cumulative Over-Recovery Ending Balance of \$(8,274,019) (line 38) at September
2 30, 2016.

3

4 **Q. What is the Projected Carrying Cost associated with the 2015-2016 BGSS**
5 **Clause?**

6 **A.** Exhibit KJB-3 is a statement of projected accrued interest on the BGSSC. This
7 Exhibit reflects the monthly calculation of interest on the average cumulative
8 BGSSC balance. Column 2 shows the monthly BGSSC activity. Column 3 reflects
9 the cumulative under or over-recovered balance at the end of each month. Column
10 4 is the average of the current month's and prior months' cumulative balance.
11 Column 5 is the overall rate of return on rate base, shown on a monthly basis, which
12 was utilized to establish base rates in the Company's most recent base rate case.
13 Column 6 shows the monthly interest, while Column 7 shows the cumulative
14 interest. Exhibit KJB-3, line 36, shows that the projected total annual interest to be
15 credited to the BGSSC is \$0.00. The Board policy as to South Jersey's interest rate
16 was set forth in Docket No. GR87091101. In that Docket, the Board determined
17 that the overall rate of return last used to set South Jersey's base rates was the
18 proper interest rate for inclusion in the BGSSC calculation. In Docket No.
19 GR89080731, the Board ruled that the monthly offset methodology was the proper
20 methodology for calculating BGSSC interest.

21

22

23

1 **V. PROJECTION OF THE 2016-2017 BGSSC YEAR**

2 **Q. Can the Company please provide a projection and summary of the 2016 – 2017**
3 **BGSS Clause year?**

4 **A.** The analysis of the gas costs and recoveries for the 2016-2017 BGSS Clause year is
5 detailed on Exhibits KJB-4 through KJB-10 of my testimony. This analysis is
6 composed of the following sub-sections:

Exhibit - KJB-4	2016-2017 BGSSC Summary
Exhibit - KJB-5	Projected Gas Cost to BGSSC
Exhibit - KJB-6	Monthly Interruptible/Off-System Capacity Release Credit
Exhibit - KJB-7	BGSSC Recoveries Utilizing Current Rates
Exhibit - KJB-8	BGSSC Cost Recovery Allocation
Exhibit - KJB-9	Proof of BGSSC Recovery
Exhibit - KJB-10	Projected Carrying Cost on 2016-2017 BGSSC

7
8 Exhibit KJB-4 begins with the projected September 30, 2016 over-recovery of
9 \$(8,274,019). As reflected in Exhibit KJB-4, line 7, no interest is projected to be
10 credited to the Clause during the 2015-2016 BGSS year. Line 11 of Exhibit KJB-4
11 shows the projected cost of gas for the 2016-2017 BGSS Clause year to be
12 \$149,197,424. The derivation of this figure is shown on Exhibit KJB-5. There will
13 be a credit to gas costs of \$11,703,842, as calculated on Exhibit KJB-6, derived
14 from the projected pre-tax margins on interruptible sales, interruptible
15 transportation, off-system sales, and capacity releases. The projected net cost of gas
16 of \$129,219,563 is then compared to the projected total cost recoveries of
17 \$173,125,434 at current rates, shown on Exhibit KJB-7. The BGSSC should be
18 decreased by the \$43,905,871 balance on Exhibit KJB-4, (line 19), or \$47,082,636
19 including applicable taxes on Exhibit KJB-4, (line 25).

1

2 **Q. What are the Projected Gas Costs to BGSSC?**

3 **A.** Exhibit KJB-5 provides a breakdown of the cost components that are projected for
4 the 2016-2017 BGSS Year. This Exhibit reflects the total gas costs, storage
5 injection and withdrawal costs, LNG costs and Company use gas. These costs total
6 \$149,197,424 (line 24), which is the projected cost of gas send out.

7

8 **Q. Can the Company provide detail for the Monthly Interruptible, Off-System
9 and Capacity Release Credit?**

10 **A.** Exhibit KJB-6 details the derivation of the credit to gas costs from interruptible
11 sales, interruptible transportation, off-system sales, and off-system and on-system
12 capacity releases. South Jersey included a credit to BGSS gas costs of \$11,703,842
13 (line 18), which was derived from the Board's approved margin sharing formula in
14 South Jersey's base rate case order dated July 8, 2004 (Docket No. GR03080683).
15 The sharing formula provides for 85% of pre-tax margins to be credited to the
16 BGSSC, and 15% to South Jersey.

17

18 **Q. What is South Jersey's calculation for monthly BGSSC Recoveries?**

19 **A.** Exhibit KJB-7 demonstrates the calculation of monthly recoveries utilizing current
20 rates. Based on current rates, the BGSSC cost recoveries are projected to be
21 \$173,125,434 (line 62). In developing the cost recovery calculation, firm therm
22 sales and firm transportation volumes are multiplied by the currently applicable unit

1 recovery rates, as reflected in my work papers, to determine BGSSC cost
2 recoveries.

3 Anticipated therm sales to residential, commercial, and small industrial customers
4 are based upon normal temperatures, projected customer levels and usage factors.
5 Projected therm sales to customers subscribing to Rate Schedules LVS, EGS-LV,
6 and FES are predicated upon individual customers' contracts or the anticipated
7 levels of such contracts.

8

9 **Q. Please explain the Company's BGSS Clause Cost Recovery Allocation?**

10 **A.** Exhibit KJB-8 shows the elements making up the commodity and non-commodity
11 gas cost components and the deferred balance at September 30, 2016. Line 9 of this
12 Exhibit reflects the commodity cost of natural gas purchased by South Jersey. It
13 does not include the cost of gas associated with interruptible or off-system sales.
14 This amount is then reduced by the cost of gas injected into inventory during the
15 period, as the BGSSC is only charged for commodity gas costs upon its actual
16 usage, not its purchase. Next, it is increased by the cost of withdrawals from
17 inventory. The variable costs of storage and LNG commodity costs are also added
18 to the result. Lastly, the recoveries applicable to commodity costs are credited to
19 the commodity cost of gas. These recoveries include Monthly BGSS and FES
20 sales, and sales from South Jersey's Rate Schedules YLS and SLS.

21 Line 29 of Exhibit KJB-8 shows the projected over recovered balance at September
22 30, 2016.

1 As reflected on Exhibit KJB-8, the Company allocated the non-commodity costs
2 and applicable credits between the Periodic and Monthly priced BGSS customers.
3 The allocation is based on each groups' (Periodic and Monthly priced) respective
4 anticipated sales volumes.

5 The non-commodity charges consist of the annual pipeline and storage demand
6 charges. These costs are netted with applicable credits, refunds, and recoveries, to
7 derive the total non-commodity costs. Credits include those applicable to company
8 use gas, pipeline refunds, interruptible sales and transportation, off-system sales and
9 on-system and off-system capacity releases. Recoveries include balancing charges
10 applicable to customers subscribing to Rate Schedules RSG, GSG, GSG-LV, CTS,
11 LVS, EGS, and EGS-LV. Recoveries also include the D-2 gas cost component
12 applicable to sales customers subscribing to Rate Schedules LVS, EGS-LV and
13 FES, as shown on line 53. Currently, line 53 of Exhibit KJB-8 reflects only the D-2
14 gas cost component recoveries of Rate Schedule FES, as all of South Jersey's LVS
15 and EGS-LV customers are transporting.

16

17 **Q. Please provide a summary of projected Proof of Recovery for the 2016-2017**

18 **BGSS Clause Year?**

19 **A.** Exhibit KJB-9 provides a projected summary of the 2016-2017 BGSSC year on a
20 proof of recovery basis, based on South Jersey's calculated \$0.354703 per therm
21 rate, including taxes. Exhibit KJB-9 also provides a summary by month of the
22 2016-2017 BGSSC based upon the calculated gas cost levels, credits thereto and

1 gas cost recoveries. In short, this Exhibit shows that the 2016-2017 BGSS year
2 will end with a near zero balance, as shown on line 38, at September 30, 2017.

3

4 **Q. What is the Projected Carrying Cost associated with the 2016-2017 BGSS**
5 **Clause Year?**

6 **A.** Exhibit KJB-10 is a statement of projected accrued interest related to the 2016-2017
7 BGSS Clause Year. This Exhibit reflects the projected balances and interest
8 projected for the 2016-2017 year. Exhibit KJB-10, line 36, demonstrates that there
9 is projected interest of \$307,396 due to the rate payers for the 2016-2017 BGSS
10 Year.

11

12 **VI. TARIFF CHANGES**

13 **Q. Please provide the Company's proposed tariff pages with all proposed**
14 **changes?**

15 **A.** Exhibit KJB-11 consists of the proposed tariff pages reflecting South Jersey's
16 proposed changes to its Periodic BGSS charge and D-2 gas cost component for Rate
17 Schedules LVS, EGS-LV and FES. All tariff pages in Exhibit KJB-11 have been
18 black lined for review purposes.

19

20 **Q. Does this conclude your Testimony?**

21 **A.** Yes, it does.

SOUTH JERSEY GAS COMPANY
2016 - 2017 BGSSC
Periodic Rate Derivation

1						
2						
3						
4						
5	<u>COMMODITY RATE</u>	<u>Periodic BGSS</u>	<u>Monthly BGSS</u>	<u>Reference</u>		
6						
7						
8	Total Commodity Cost	\$82,828,036		(KJB-8 Line 21)		
9	Applicable Sales Volumes	270,993,272		(KJB-8 Line 23)		
10	BGSS Commodity Rate	\$0.305646				
11						
12	<u>DEFERRED BALANCE RATE</u>					
13						
14						
15						
16	Deferred Under/(Over) Recovered Balance	(\$8,274,019)		(KJB-8 Line 29)		
17	Forecasted Accrued Interest on 2015-2016 BGSSC	\$0		(KJB-8 Line 31)		
18	Total Deferred Under/(Over) Recovered Balance	(\$8,274,019)				
19	Applicable Sales Volumes	270,993,272		(KJB-8 Line 35)		
20	BGSS Deferred Balance Rate Per Therm	(\$0.030532)				
21						
22						
23						
24						
25						
26	<u>NON COMMODITY RATE</u>					
27						
28	Total Non Commodity Cost	\$45,345,088	\$6,459,292	(KJB-8 Line 43)		
29	Total Credits/Refunds/Recoveries	(\$30,262,589)	(\$1,459,308)	(KJB-8 Line 55)		
30	Total Non Commodity Cost	\$15,082,499	\$4,999,984			
31	Applicable Sales Volumes	270,993,272	38,602,298	(KJB-8 Line 60)		
32	BGSS Non Commodity Cost Rate	\$0.055656	\$0.129526			
33						
34						
35						
36						
37	<u>TOTAL BGSS CHARGE PER THERM (Excluding Taxes)</u>	\$0.330770	\$0.129526			
38	<u>TOTAL BGSS CHARGE PER THERM (Including Taxes)</u>	\$0.354703	\$0.138898			
39						
40						
41						
42						
43	<u>D-2 FES/EGS-LV/LVS RATE DERIVATION</u>					
44	Transco Demand (MCFs)	116,826	Capacity	FES	EGS-LV-FIRM	EGS-LV-LF
45			116,826	\$14.530362	\$14.530362	LVS
46	Columbia Demand (MCFs)	57,971	57,971	\$13.984920	\$13.984920	
47						
48	D-2 Rate (Greater of Transco or Columbia or FTF)					
49						
50						
51	Weighted Average Demand Rate (Transco, Columbia, FTF)			\$14.882120	\$14.882120	\$14.882120
52	D-2 Gas Cost Component per MCF (Excluding Taxes)			\$7.441060	\$14.530362	\$7.441060
53						
54	D-2 Gas Cost Component per MCF (Including Taxes)			\$7.979450	\$15.581692	\$7.979450
55						
56						
57						

SOUTH JERSEY GAS COMPANY
2015 - 2016 BGSSC
Proof of BGSSC Recovery

	Actual Oct-15	Actual Nov-15	Actual Dec-15	Actual Jan-16	Actual Feb-16	Actual Mar-16	Actual Apr-16	Projected May-16	Projected Jun-16	Projected Jul-16	Projected Aug-16	Projected Sep-16	Total
Section A (Natural Gas)													
1	\$10,097,825	\$10,780,722	\$8,066,564	\$18,999,258	\$16,873,703	\$9,892,832	\$11,920,963	\$10,502,667	\$10,276,595	\$10,239,478	\$10,331,830	\$9,632,567	\$137,605,006
2	\$412,389	\$104,510	\$1,438,117	\$131,573	\$130,625	\$1,141,230	(\$441,869)	\$0	\$0	\$0	\$0	\$0	\$2,916,575
3	\$348,438	\$1,813,036	\$2,658,255	\$3,526,105	\$4,276,410	\$2,399,998	\$709,302	\$132,294	\$57,517	\$51,680	\$51,362	\$79,504	\$16,103,900
4	\$1,088,276	\$227,364	\$818,788	\$988,609	\$610,903	\$221,932	\$1,665,027	\$2,286,538	\$2,420,277	\$2,451,471	\$2,428,754	\$2,402,999	\$17,610,940
5													
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13													
14													
15													
16	\$350,650	\$340,206	\$681,275	\$1,902,402	\$907,953	\$77,454	\$59,811	\$99,354	\$99,354	\$99,354	\$99,354	\$99,354	\$4,816,522
17													
18													
19													
20													
21	\$2,096,980	\$3,282,240	\$3,597,692	\$2,348,159	\$3,463,757	\$2,285,729	\$1,482,083	\$922,133	\$966,600	\$1,059,270	\$1,092,750	\$1,072,350	\$23,669,742
22	\$5,182	\$0	\$57,073	\$228	(\$77)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$62,406
23	\$13,449	\$12,658	\$13,597	\$15,705	\$14,860	\$14,117	\$11,916	\$6,080	\$6,080	\$7,600	\$7,600	\$6,080	\$129,742
24	\$1,850,528	\$3,538,963	\$3,324,009	\$3,467,349	\$3,016,935	\$3,160,903	\$1,468,224	\$1,232,309	\$1,221,407	\$1,224,652	\$1,221,763	\$1,217,329	\$25,944,370
25	(\$58,079)	\$0	(\$1,495)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$59,574)
26													
27													
28													
29													
30	\$6,212,965	\$5,977,249	\$5,024,547	\$17,739,288	\$15,082,313	\$7,828,833	\$7,620,958	\$6,287,256	\$5,819,102	\$5,647,519	\$5,731,678	\$5,112,667	\$94,084,375
31	\$1,331,755	\$1,544,114	\$2,614,204	\$3,666,124	\$5,035,286	\$4,174,195	\$3,028,069	\$1,935,613	\$1,405,935	\$1,412,177	\$1,532,721	\$1,366,202	\$29,046,396
32	\$3,715,780	\$6,075,180	\$11,074,705	\$16,811,290	\$22,309,612	\$18,593,966	\$11,695,248	\$7,138,521	\$3,849,837	\$3,072,890	\$2,987,404	\$3,049,437	\$110,373,871
33	\$1,165,430	(\$1,642,045)	(\$8,664,362)	\$15,947,766	(\$12,262,585)	(\$14,939,329)	(\$7,102,359)	(\$2,786,879)	\$563,330	\$1,162,453	\$1,211,553	\$697,028	\$18,685,891
34													(\$26,650,001)
35													
36	\$18,375,982	\$19,541,412	\$17,899,367	\$9,235,005	\$25,182,771	\$12,920,186	(\$2,019,144)	(\$9,121,503)	(\$11,908,382)	(\$11,345,052)	(\$10,182,600)	(\$8,971,047)	\$18,375,982
37													
38	\$19,541,412	\$17,899,367	\$9,235,005	\$25,182,771	\$12,920,186	(\$2,019,144)	(\$9,121,503)	(\$11,908,382)	(\$11,345,052)	(\$10,182,600)	(\$8,971,047)	(\$8,274,019)	(\$8,274,019)

SOUTH JERSEY GAS COMPANY
2015 - 2016 BGSSC
Projected Carrying Cost BGSSC

(1) Month	(2) Monthly (Over)/Under Activity	(3) Cumulative (Over)/Under Balance	(4) Average (Over)/Under Balance	(5) Interest Rate	(6) Monthly Interest	(7) Cumulative Interest
	Beginning Balance:	\$18,375,982				
Oct-15	\$1,165,430	\$19,541,412	\$18,958,697	0.5917%	\$112,172	\$112,172
Nov-15	(\$1,642,045)	\$17,899,367	\$18,720,390	0.5917%	\$110,762	\$222,935
Dec-15	(\$8,664,362)	\$9,235,005	\$13,567,186	0.5917%	\$80,273	\$303,207
Jan-16	\$15,947,766	\$25,182,771	\$17,208,888	0.5917%	\$101,819	\$405,026
Feb-16	(\$12,262,585)	\$12,920,186	\$19,051,478	0.5917%	\$112,721	\$517,748
Mar-16	(\$14,939,329)	(\$2,019,144)	\$5,450,521	0.5917%	\$32,249	\$549,997
Apr-16	(\$7,102,359)	(\$9,121,503)	(\$5,570,323)	0.5917%	(\$32,958)	\$517,039
May-16	(\$2,786,879)	(\$11,908,382)	(\$10,514,942)	0.5917%	(\$62,213)	\$454,825
Jun-16	\$563,330	(\$11,345,052)	(\$11,626,717)	0.5917%	(\$68,791)	\$386,034
Jul-16	\$1,162,453	(\$10,182,600)	(\$10,763,826)	0.5917%	(\$63,686)	\$322,348
Aug-16	\$1,211,553	(\$8,971,047)	(\$9,576,823)	0.5917%	(\$56,663)	\$265,685
Sep-16	\$697,028	(\$8,274,019)	(\$8,622,533)	0.5917%	(\$51,017)	\$214,668
	Cumulative Net Interest on Under Recovered Balance				<u>\$214,668</u>	
	Net Interest Credit to Ratepayers				<u>\$0</u>	

Pursuant to Docket Nos. GR87091101 and GR89080731, the Company is utilizing the monthly offset methodology.

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SOUTH JERSEY GAS COMPANY
2016 - 2017 BGSSC SUMMARY

	Reference
1 Forecasted Over Recovered Balance September 2016	
2	
3	
4	
5	
6 Forecasted Accrued Interest on 2015-2016 BGSSC	(\$8,274,019) (KJB-2, Line 38)
7	
8	<u>\$0 (KJB-3, Line 36)</u>
9 Total Deferred Over Recovered Balance	(\$8,274,019)
10	
11 Cost Of Gas Sendout - October 1, 2016 through September 30, 2017	\$149,197,424 (KJB-5, Line 24)
12	
13 Interruptible, Off-System Sales, and Capacity Release Credit	(\$11,703,842) (KJB-6, Line 18)
14	
15 Net Cost Of Gas Sendout	<u>\$129,219,563</u>
16	
17 Total Cost Recovery With Current Rates	<u>\$173,125,434 (KJB-7, Line 62)</u>
18	
19 Decrease in Cost of Gas (Excluding Taxes)	(\$43,905,871)
20	
21 P.U.A. Tax Factor	1.0022
22	
23 NJ Sales and Use Tax Factor	<u>1.07</u>
24	
25 Decrease in Cost of Gas (Including Taxes)	<u><u>(\$47,082,636)</u></u>

SOUTH JERSEY GAS COMPANY
2016 - 2017 BGSSC
Projected Gas Cost to BGSSC

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Total
Total Gas Cost	\$9,904,473	\$12,546,352	\$17,108,561	\$16,763,281	\$16,726,698	\$14,180,786	\$13,891,706	\$11,965,493	\$11,332,009	\$11,218,821	\$11,366,822	\$10,526,880	\$157,530,882
Total Storage Injections Cost	\$1,649,345	\$333,635	\$388,213	\$460,368	\$433,252	\$0	\$3,954,693	\$4,079,106	\$3,982,426	\$3,971,887	\$3,944,970	\$3,805,075	\$27,002,969
Total Storage Withdrawals Cost	\$0	\$1,154,258	\$3,372,699	\$5,141,837	\$4,010,680	\$1,888,301	\$552,561	\$0	\$0	\$0	\$0	\$0	\$16,120,335
Total LNG Withdrawal Cost	\$0	\$0	\$300,541	\$752,492	\$613,425	\$483,623	\$58,084	\$58,084	\$58,084	\$58,084	\$58,084	\$58,084	\$2,622,527
Company Use (Therms)	50,000	50,000	70,000	100,000	100,000	80,000	50,000	40,000	40,000	50,000	50,000	40,000	720,000
Company Use Administration Percent	30.80%	30.80%	30.80%	30.80%	30.80%	30.80%	30.80%	30.80%	30.80%	30.80%	30.80%	30.80%	30.80%
Company Use Administration	15,400	15,400	21,560	30,800	30,800	24,640	15,400	12,320	12,320	15,400	15,400	12,320	221,760
Average Rate	\$0.330770	\$0.330770	\$0.330770	\$0.330770	\$0.330770	\$0.330770	\$0.330770	\$0.330770	\$0.330770	\$0.330770	\$0.330770	\$0.330770	\$0.330770
Company Use Administrative Cost	\$5,094	\$5,094	\$7,131	\$10,188	\$10,188	\$8,150	\$5,094	\$4,075	\$4,075	\$5,094	\$5,094	\$4,075	\$73,352
Projected Cost of Gas Sendout	\$8,250,035	\$13,484,825	\$20,386,457	\$22,187,054	\$20,307,363	\$16,544,560	\$10,542,564	\$7,940,396	\$7,403,591	\$7,299,923	\$7,474,842	\$6,775,814	\$149,197,424

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Total
1 SOUTH JERSEY GAS COMPANY													
2 2016 - 2017 BGSSC													
3 Monthly Interruptible/Off-System Capacity Release Credit													
4													
5													
6													
7 Pre-Tax Interruptible Margins	\$19,854	\$21,216	\$22,995	\$16,449	\$20,712	\$32,804	\$27,276	\$24,500	\$20,978	\$15,492	\$12,093	\$16,181	\$250,550
8													
9 Pre-Tax Off-System Sales and Capacity Release	\$576,234	\$896,283	\$1,440,775	\$1,960,839	\$1,842,345	\$1,987,039	\$796,748	\$801,639	\$796,748	\$801,639	\$801,639	\$796,748	\$13,518,676
10													
11 Pre-tax Margins Subject to Revenue	\$596,087	\$917,499	\$1,463,770	\$1,997,288	\$1,863,057	\$2,019,843	\$824,024	\$826,139	\$817,726	\$817,131	\$813,732	\$812,929	\$13,769,226
12													
13 Sharing %	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	
14													
15 Revenue Sharing %	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	
16													
17													
18 Interruptible/Off-System Sales/Capacity Release Credit	\$506,674	\$779,874	\$1,244,204	\$1,697,695	\$1,583,599	\$1,716,867	\$700,420	\$702,218	\$695,067	\$694,561	\$691,673	\$690,990	\$11,703,842

SOUTH JERSEY GAS COMPANY
2016 - 2017 BGSSC
BGSSC Recoveries Utilizing Current Rates

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Total
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SOUTH JERSEY GAS COMPANY
2016 - 2017
BGSS Cost Recovery Allocation

	Proposed Periodic BGSS	Proposed Monthly BGSS Non Commodity
COMMODITY COST		
Purchases (Workpaper KJB-5B, Page 3, Line 17)	\$ 104,164,488	
Injections (KJB-5, Line 8)	\$ (27,002,969)	
Withdrawals (KJB-5, Line 10)	\$ 16,120,335	
Storage-Variabale Costs (Workpaper KJB-5B, Page 3, Line 41)	\$ 1,562,015	
LNG Withdrawal Costs (KJB-5, Line 12 less TWIR-2, Page 2, Line 39)	\$ 2,622,527	
FES Recoveries - Commodity Charges (Workpaper KJB-9A, Page 1, Line 34)	\$ (2,747,812)	
GGG - Monthly BGSS Recoveries - Commodity Charges (Workpaper KJB-9A, Page 1, Line 54)	\$ (11,851,839)	
EGS-LV Firm - Monthly BGSS Recoveries - Commodity Charges (Workpaper KJB-9A, Page 2, Line 11)	\$ -	
EGS - Monthly BGSS Recoveries - Commodity Charges (Workpaper KJB-9A, Page 2, Line 19)	\$ (309)	
EGS-LV Ltd Firm - Monthly BGSS Recoveries - Commodity Charges (Workpaper KJB-9A, Page 2, Line 7)	\$ -	
Yard and Street Lighting Recoveries (Workpaper KJB-9A, Page 2, Line 23)	\$ (38,400)	
Total Commodity Cost	\$ 82,828,036	
Applicable Sales Volumes	270,993,272	
BGSS Commodity Rate Per Therm	\$ 0.305646	
DEFERRED BALANCE		
Deferred Under/(Over) Recovered Balance (KJB-2 Line 36)	\$ (8,274,019)	
Forecasted Accrued Interest on 2015-2016 BGSS (KJB-3 Line 36)	\$ -	
Total Deferred Under/(Over) Recovered Balance	\$ (8,274,019)	
Applicable Sales Volumes	270,993,272	
Deferred Balance Rate Per Therm	\$ (0.030532)	
NON-COMMODITY COST		
CHARGES		
Annual Pipeline and Storage Demand Charges (Workpaper KJB-5B, Page 3, Line 40)	\$ 45,345,088	\$ 6,459,292
Total Non-Commodity Charges	\$ 45,345,088	\$ 6,459,292
CREDITS/REFUNDS/RECOVERIES		
Company Use/Administration (KJB-5, Line 22)	\$ (73,352)	
Interruptible/Off-System and On-System Sales Credits (KJB-6, Line 18)	\$ (10,244,534)	\$ (1,459,308)
CTS Recoveries - Balancing Charge (Workpaper KJB-7A, Line 33 and Workpaper Input Area, Line 57)	\$ (71,123)	
RSG-FSS & RSG-FT Recoveries - Balancing Charge (Workpaper KJB-9A, Page 1, Line 13)	\$ (12,920,767)	
GGG-FSS & GSG-FT Recoveries - Balancing Charge (Workpaper KJB-9A, Page 1, Line 18)	\$ (4,993,959)	
GGG-LV-FT Recoveries - Balancing Charge (Workpaper KJB-9A, Page 1, Line 22)	\$ (1,289,926)	
LVS-FT Recoveries - Balancing Charge (Workpaper KJB-7A, Line 33 and Workpaper Input Area, Line 46)	\$ (221,464)	
FES, LVS, & EGS-LV - Demand Charge Recoveries (Workpaper KJB-9A, Page 1, Line 38)	\$ (220,196)	
EGS-LV Firm & Ltd-Firm Recoveries - Balancing Charge (Workpaper KJB-7A, Line 34 and Input Area, Lines 45 & 52)	\$ (227,269)	
Total Credits/Refunds/Recoveries	\$ (30,262,589)	\$ (1,459,308)
Total Non-Commodity Cost	\$ 15,082,499	\$ 4,999,984
Applicable Sales Volumes	270,993,272	38,602,298
BGSS Non-Commodity Cost Rate Per Therm	\$ 0.055656	\$ 0.129526
TOTAL BGSS CHARGES PER THERM (Excluding Taxes)	\$ 0.330770	\$ 0.129526
TOTAL BGSS CHARGES PER THERM (Including Taxes)	\$ 0.354703	\$ 0.138898

SOUTH JERSEY GAS COMPANY
2016-2017 BGSSC
Proof of BGSSC Recovery

	Projected Oct-16	Projected Nov-16	Projected Dec-16	Projected Jan-17	Projected Feb-17	Projected Mar-17	Projected Apr-17	Projected May-17	Projected Jun-17	Projected Jul-17	Projected Aug-17	Projected Sep-17	Total
Section A (Natural Gas)													
Total Firm, Interruptible, and Off-System Sales COG	\$11,043,268	\$14,145,552	\$18,947,481	\$21,566,731	\$21,057,355	\$18,897,300	\$15,173,128	\$13,282,161	\$12,619,459	\$12,565,926	\$12,718,112	\$11,832,780	\$183,949,242
Marketer Imbalance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Storage Withdrawals Costs	\$0	\$1,154,258	\$3,372,899	\$5,141,837	\$4,010,680	\$1,888,301	\$552,561	\$0	\$0	\$0	\$0	\$0	\$16,120,335
Total Storage Injections Costs	\$1,649,345	\$333,635	\$388,213	\$460,368	\$433,252	\$0	\$3,954,693	\$4,079,106	\$3,982,426	\$3,971,887	\$3,944,970	\$3,805,075	\$27,002,969
Section B (Supplemental Gas)													
LNG Withdrawal Costs	\$0	\$123,943	\$300,541	\$752,492	\$613,425	\$463,623	\$58,084	\$58,084	\$58,084	\$58,084	\$58,084	\$58,084	\$2,622,527
Section C (Cost Reductions)													
Cost of Gas Interruptible and Off-System Sales	\$1,138,785	\$1,600,200	\$1,838,920	\$4,803,450	\$4,330,657	\$4,716,514	\$1,281,422	\$1,316,668	\$1,287,450	\$1,347,105	\$1,351,290	\$1,305,900	\$26,318,360
Pipeline Refunds & Demand Charge Reduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Company Use Admin Cost	\$5,094	\$5,094	\$7,431	\$10,188	\$10,188	\$8,150	\$5,094	\$4,075	\$4,075	\$5,094	\$5,094	\$4,075	\$73,352
Interruptible/Off-System/Capacity Release Credit	\$506,674	\$779,874	\$1,244,204	\$1,697,695	\$1,583,599	\$1,716,867	\$700,420	\$702,218	\$695,067	\$694,561	\$691,673	\$690,990	\$11,703,842
Section D (Cost Recovery)													
Total Gas Cost To BGSSC	\$7,745,360	\$12,704,950	\$19,142,253	\$20,489,359	\$19,323,765	\$14,827,694	\$9,842,144	\$7,238,178	\$6,708,524	\$6,605,363	\$6,783,169	\$6,084,824	\$137,493,582
Total Allocated Cost Recovery	\$1,269,704	\$2,348,245	\$4,471,889	\$6,702,482	\$6,104,553	\$6,313,324	\$3,726,669	\$2,115,675	\$1,720,472	\$1,566,641	\$1,656,367	\$1,587,471	\$39,583,511
Total BGSSC Recovery	\$2,722,697	\$5,778,810	\$10,994,963	\$16,625,350	\$15,931,886	\$14,607,049	\$9,373,392	\$4,589,448	\$2,924,174	\$1,954,470	\$1,897,757	\$2,136,428	\$89,636,445
Bill Credit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Monthly (Over) / Under Recovery	\$3,750,960	\$4,577,896	\$3,675,381	(\$2,838,473)	(\$2,712,675)	(\$6,092,679)	(\$3,257,938)	\$533,055	\$2,063,878	\$3,084,252	\$3,129,045	\$2,360,925	\$8,273,626
Cumulative (Over) / Under Recovery/Beginning Balance	(\$8,274,019)	(\$4,523,059)	\$54,837	\$3,730,218	\$891,745	(\$1,820,930)	(\$7,913,609)	(\$11,171,546)	(\$10,638,492)	(\$8,574,614)	(\$5,490,362)	(\$2,361,317)	(\$8,274,019)
Interest Accrued - Owed to Customers on 2015-2016 BGSSC	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative (Over) / Under Recovery Ending Balance	(\$4,523,059)	\$54,837	\$3,730,218	\$891,745	(\$1,820,930)	(\$7,913,609)	(\$11,171,546)	(\$10,638,492)	(\$8,574,614)	(\$5,490,362)	(\$2,361,317)	(\$389)	(\$389)

SOUTH JERSEY GAS COMPANY
2016 - 2017 BGSSC
Projected Carrying Cost BGSSC

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Month	Monthly (Over)/Under Activity	Cumulative (Over)/Under Balance	Average (Over)/Under Balance	Interest Rate	Monthly Interest	Cumulative Interest
	Beginning Balance:	(\$8,274,019)				
Oct-16	\$3,750,960	(\$4,523,059)	(\$6,398,539)	0.5917%	(\$37,858)	(\$37,858)
Nov-16	\$4,577,896	\$54,837	(\$2,234,111)	0.5917%	(\$13,218)	(\$51,077)
Dec-16	\$3,675,381	\$3,730,218	\$1,892,527	0.5917%	\$11,197	(\$39,879)
Jan-17	(\$2,838,473)	\$891,745	\$2,310,981	0.5917%	\$13,673	(\$26,206)
Feb-17	(\$2,712,675)	(\$1,820,930)	(\$464,592)	0.5917%	(\$2,749)	(\$28,955)
Mar-17	(\$6,092,679)	(\$7,913,609)	(\$4,867,269)	0.5917%	(\$28,798)	(\$57,753)
Apr-17	(\$3,257,938)	(\$11,171,546)	(\$9,542,578)	0.5917%	(\$56,460)	(\$114,213)
May-17	\$533,055	(\$10,638,492)	(\$10,905,019)	0.5917%	(\$64,521)	(\$178,734)
Jun-17	\$2,063,878	(\$8,574,614)	(\$9,606,553)	0.5917%	(\$56,839)	(\$235,573)
Jul-17	\$3,084,252	(\$5,490,362)	(\$7,032,488)	0.5917%	(\$41,609)	(\$277,182)
Aug-17	\$3,129,045	(\$2,361,317)	(\$3,925,840)	0.5917%	(\$23,228)	(\$300,410)
Sep-17	\$2,360,925	(\$393)	(\$1,180,855)	0.5917%	(\$6,987)	(\$307,396)
	Cumulative Net Interest on Under Recovered Balance				\$0	
	Net Interest Credit to Ratepayers				(\$307,396)	

Pursuant to Docket Nos. GR87091101 and GR89080731, the Company is utilizing the monthly offset methodology.

SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 11 - GAS

**Sixth Revised Sheet No. 28
Superseding Fifth Revised Sheet No. 28**

LARGE VOLUME SERVICE (LVS)
(continued)

Basic Gas Supply Service ("BGSS") Charge:

Demand Charge:

D-2: \$~~15.958901~~~~16.545047~~ per Mcf of Contract Demand.

Volumetric Charge:

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

Limited Firm:

Customer Charge:

\$107.0000 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: \$.142529 per therm

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

Volumetric Charge:

C-1FT: \$.142529 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).

Issued _____
by South Jersey Gas Company,
J. DuBois, 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. 11 - GAS

**Sixth Revised Sheet No. 33
Superseding Fifth Revised 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 \$3.100000 per Mcf of Winter Daily Contract Demand
- D-2 ~~\$7.9794508~~.272524 per Mcf of Daily Billing Determinant or \$0 for Firm Transportation

customers

Volumetric Charge:

- C-1: \$.041329 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: \$.174300 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 ~~\$7.9794508~~.272524 per Mcf of Daily Billing Determinant or \$0 for Firm Transportation

customers

Volumetric Charge:

- C-1: \$.041329 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: \$.174300 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)

Issued _____
by South Jersey Gas Company,
J. DuBois, 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. 11 - GAS

**Sixth Revised Sheet No. 45
Superseding Fifth Revised 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 \$20.795922 per Mcf of Firm Daily Contract Demand.

D-2 \$15.581692 per Mcf of Firm Daily Contract Demand or \$0 for Firm Transportation customers.

Volumetric Charge:

C-1: \$.041329 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 ~~\$7.9794508~~ ~~272524~~ per Mcf of Limited Firm Daily Contract Demand or \$0 for Limited Firm Transportation customers

Volumetric Charge: ⁽²⁾

C-1: \$.041329 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 \$.174300 per therm for all consumption within Limited Firm Contract Demand level.¹

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

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

Issued _____
by South Jersey Gas Company,
J. DuBois, 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

**Twenty-First Revised Sheet No. 67
Superseding Twentieth Sheet No. 67**

B.P.U.N.J. No. 11 - GAS

**RIDER "A"
BASIC GAS SUPPLY SERVICE CLAUSE ("BGSSC")**

APPLICABLE TO:

Rate Schedule RSG	-	Residential Service
Rate Schedule GSG	-	General Service
Rate Schedule GSG-LV	-	General Service – Large Volume
Rate Schedule LVS	-	Large Volume Service
Rate Schedule FES	-	Firm Electric Service
Rate Schedule EGS	-	Electric Generation Service
Rate Schedule EGS-LV	-	Electric Generation Service - Large Volume
Rate Schedule NGV	-	Natural Gas Vehicle

APPLICABLE RATES:

Periodic BGSS Subrider (Effective October 1, 201~~6~~5)¹:

<u>Rate Schedule</u>	<u>BGSS Rate Before Taxes (per therm)</u>	<u>BGSS Rate With Taxes (per therm)</u>
RSG	\$0. 330770493507	\$0. 354703529214
GSG (under 5,000 therms)	\$0. 330770493507	\$0. 354703529214

Monthly BGSS Subrider (Effective May 1, 2016):

<u>Rate Schedule</u>	<u>BGSS Rate Before Taxes (per therm)</u>	<u>BGSS Rate With Taxes (per therm)</u>
LVS C-2	\$0.264339	\$0.283465
FES	\$0.189114	\$0.202797
EGS	\$0.313375	\$0.336048
EGS-LV Firm C-2	\$0.267194	\$0.286527
EGS-LV Limited Firm C-2	\$0.288857	\$0.309756
GSG-LV	\$0.313375	\$0.336048
GSG (5,000 therms or greater)	\$0.313375	\$0.336048
NGV	\$0.313375	\$0.336048

The above Periodic and Monthly BGSS rates shall include the BGSS cost savings established in Rider "M" to this Tariff.

FILING:

This Subrider shall be applicable to all customers served under Rate Schedules RSG, and those GSG customers who do not meet the "Monthly Threshold". This Periodic BGSS Subrider shall recover gas costs associated with service to customers served under this Subrider.

¹ Reflects currently approved Total BGSS Rate.

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SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 11 - GAS

**Second Revised Sheet No. 70
Superseding First Revised Sheet No. 70**

**RIDER "A"
BASIC GAS SUPPLY SERVICE CLAUSE ("BGSSC")
(Continued)**

The Company will file self-implementing Monthly BGSS rates on the second day following the close of trading of the NYMEX Henry Hub gas contracts for each month. Within each monthly filing, the Company will provide the following:

- (1) Documentation regarding the NYMEX Henry Hub close;
- (2) Supporting schedules that document the actual/projected costs and sales volumes used to derive the monthly gas cost factor; and

MONTHLY FORMULA:

The formula for determining the Monthly BGSS rate shall be the sum of the following:

- (1) The Company will calculate a Commodity Cost which will be comprised of the sum of arithmetic average of
 - (i) the closing price of the NYMEX Henry Hub gas contract for the following month and
 - (ii) the weighted average of the estimated Index Prices, for the respective locations at which the Company purchases its gas, to be published in Inside FERC's Gas Market Report for the remaining BGSS Year. Further, the calculation will not include hedging.
- (2) An estimate shall be made of the variable costs of transportation and fuel and line loss for the subject month, to the extent not included in (1), above
- (3) A Non-Commodity Cost component that includes gas costs other than the Commodity Cost of Gas, including but not limited to all fixed pipeline costs, fixed supplier costs, fixed storage costs, pipeline refunds and similar credits, and other credits directed by the Board. The Non-Commodity Cost component shall be calculated on an equal per-therm basis for the entire BGSS Year. This subparagraph (3) is not applicable to FES customers.

The result of the calculation from the Monthly Formula above shall be adjusted for Rate Schedules LVS and EGS-LV (Firm and Limited Firm) to derive the Monthly BGSS Rates by deducting therefrom the volumetric equivalent of the D-2 charges within the respective Rates Schedules. Said deductions shall be as follows:

	D-2 Deduction	
Rate Schedule	Including	Taxes
LVS	\$.050721	052584
EGS-LV Firm	\$.049522	
EGS-LV Limited Firm	\$.025361	026292

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

	<u>BASE RATE</u>	<u>BGSS</u>	<u>OTHER RIDERS</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
RESIDENTIAL GAS SERVICE (RSG)						
RESIDENTIAL FIRM TRANS SERV (RSG FTS) - HEAT CUSTOMER						
Customer Charge	9.000000				0.630000	9.630000
CIP			(0.054969)	(0.000121)	(0.003856)	(0.058946)
Delivery Charge:						
COST OF SERVICE	0.509012		(0.000942)	(0.000002)	0.035631	0.544643
TIC					(0.000066)	(0.001010)
SBC:						
CLEP			0.011879	0.000026	0.000833	0.012738
RAC			0.009781	0.000022	0.000686	0.010489
USF			0.010100	0.000000	0.000700	0.010800
			0.031760	0.000048	0.002219	0.034027
Total SBC			0.000000	0.000000	0.000000	0.000000
TAC			0.006809	0.000015	0.000478	0.007302
EET		0.047100		0.000100	0.003300	0.050500
BSC "J" BS-1	0.509012	0.047100	0.037627	0.000161	0.041562	0.635462
BSC "J" BUY-OUT PRICE - Rate set monthly						
Total						
RESIDENTIAL FIRM SALES SERV (RSG FSS) - HEAT CUSTOMER						
Customer Charge	9.000000				0.630000	9.630000
Basic Gas Supply Service (BGSS):	0.330770			0.000728	0.023205	0.354703
CIP			(0.054969)	(0.000121)	(0.003856)	(0.058946)
Delivery Charge:						
COST OF SERVICE	0.509012		(0.000942)	(0.000002)	0.035631	0.544643
TIC					(0.000066)	(0.001010)
SBC:						
CLEP			0.011879	0.000026	0.000833	0.012738
RAC			0.009781	0.000022	0.000686	0.010489
USF			0.010100	0.000000	0.000700	0.010800
			0.031760	0.000048	0.002219	0.034027
Total SBC			0.000000	0.000000	0.000000	0.000000
TAC			0.006809	0.000015	0.000478	0.007302
EET		0.047100		0.000100	0.003300	0.050500
BSC "J" BS-1	0.509012	0.047100	0.037627	0.000161	0.041562	0.635462
Total						

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

<u>RESIDENTIAL FIRM TRANS SERV (RSG FTS) - NONHEAT CUSTOMER</u>	<u>BASE RATE</u>	<u>BGSS</u>	<u>OTHER RIDERS</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
Customer Charge	9.000000				0.630000	9.630000
CIP			(0.093226)	(0.000205)	(0.006540)	(0.099971)
Delivery Charge:						
COST OF SERVICE	0.509012		(0.000942)	(0.000002)	0.035631	0.544643
TIC					(0.000066)	(0.001010)
SBC:						
CLEP			0.011879	0.000026	0.000833	0.012738
RAC			0.009781	0.000022	0.000686	0.010489
USF			0.010100	0.000000	0.007000	0.010800
USF			0.031760	0.000048	0.002219	0.034027
Total SBC						
TAC			0.000000	0.000000	0.000000	0.000000
EET		0.047100	0.006809	0.000015	0.000478	0.007302
BSC "J" BS-1					0.003300	0.050500
BSC "J" BUY-OUT PRICE - Rate set monthly						
Total	0.509012	0.047100	0.037627	0.000161	0.041562	0.635462
 <u>RESIDENTIAL FIRM SALES SERV (RSG FSS) - NONHEAT CUSTOMER</u>						
Customer Charge	9.000000				0.630000	9.630000
Basic Gas Supply Service (BGSS):		0.330770		0.000728	0.023205	0.354703
CIP			(0.093226)	(0.000205)	(0.006540)	(0.099971)
Delivery Charge:						
COST OF SERVICE	0.509012		(0.000942)	(0.000002)	0.035631	0.544643
TIC					(0.000066)	(0.001010)
SBC:						
CLEP			0.011879	0.000026	0.000833	0.012738
RAC			0.009781	0.000022	0.000686	0.010489
USF			0.010100	0.000000	0.007000	0.010800
USF			0.031760	0.000048	0.002219	0.034027
Total SBC						
TAC			0.000000	0.000000	0.000000	0.000000
EET		0.047100	0.006809	0.000015	0.000478	0.007302
BSC "J" BS-1					0.003300	0.050500
Total	0.509012	0.047100	0.037627	0.000161	0.041562	0.635462

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

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<u>GENERAL SERVICE (GSG)</u>	<u>BASE RATE</u>	<u>BGSS</u>	<u>OTHER RIDERS</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<u>GENERAL SERVICE FIRM TRANS. (GSG FTS)</u>						
Customer Charge	27.250000				1.907500	29.157500
CIP			(0.029561)	(0.000065)	(0.002074)	(0.031700)
Delivery Charge:						
COST OF SERVICE	0.406684				0.028468	0.435152
TIC			(0.000942)	(0.000002)	(0.000066)	(0.001010)
SBC:						
CLEP			0.011879	0.000026	0.000833	0.012738
RAC			0.009781	0.000022	0.000686	0.010489
USF			0.010100	0.000000	0.000700	0.010800
Total SBC			0.031760	0.000048	0.002219	0.034027
TAC			0.000000	0.000000	0.000000	0.000000
EET			0.006809	0.000015	0.000478	0.007302
BSC "J" BS-1		0.047100		0.000100	0.003300	0.050500
BSC "J" BUY-OUT PRICE - Rate set monthly						
Total	0.406684	0.047100	0.037627	0.000161	0.034399	0.525971

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

Page 4

	BASE RATE	BGSS	OTHER RIDERS	PUA	NJ SALES TAX	TARIFF RATE
GENERAL SERVICE FIRM SALES (GSG FSS)						
- Less than 5,000 Therms Annually						
Customer Charge	27.250000				1.907500	29.157500
CIP			(0.029561)	(0.000065)	(0.002074)	(0.031700)
Basic Gas Supply Service (BGSS):		0.330770		0.000728	0.023205	0.354703
Delivery Charge:						
COST OF SERVICE	0.406684				0.028468	0.435152
TIC			(0.000942)	(0.000002)	(0.000066)	(0.001010)
SBC:						
CLEP			0.011879	0.000026	0.000833	0.012738
RAC			0.009781	0.000022	0.000686	0.010489
USF			0.010100	0.000000	0.000700	0.010800
Total SBC			0.031760	0.000048	0.002219	0.034027
TAC			0.000000	0.000000	0.000000	0.000000
EET			0.006809	0.000015	0.000478	0.007302
BSC "J" BS-1	0.047100		0.000100	0.000100	0.003300	0.050500
Total	0.406684	0.047100	0.037627	0.000161	0.034399	0.525971
GENERAL SERVICE FIRM SALES (GSG FSS)						
- 5,000 Therms Annually or Greater						
Customer Charge	27.250000				1.907500	29.157500
Basic Gas Supply Service (BGSS):						
CIP			(0.029561)	(0.000065)	(0.002074)	(0.031700)
Delivery Charge:						
COST OF SERVICE	0.406684				0.028468	0.435152
TIC			(0.000942)	(0.000002)	(0.000066)	(0.001010)
SBC:						
CLEP			0.011879	0.000026	0.000833	0.012738
RAC			0.009781	0.000022	0.000686	0.010489
USF			0.010100	0.000000	0.000700	0.010800
Total SBC			0.031760	0.000048	0.002219	0.034027
TAC			0.000000	0.000000	0.000000	0.000000
EET			0.006809	0.000015	0.000478	0.007302
BSC "J" BS-1	0.047100		0.000100	0.000100	0.003300	0.050500
Total	0.406684	0.047100	0.037627	0.000161	0.034399	0.525971

RATE SET MONTHLY

GENERAL SERVICE-LV (GSG-LV)

<u>GENERAL SERVICE-LV FTS (GSG-LV-FT)</u>	<u>BASE RATE</u>	<u>BGSS</u>	<u>OTHER RIDERS</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
Customer Charge	150.000000				10.500000	160.500000
D-1 Demand Charge	9.000000				0.630000	9.630000
CIP			(0.023768)	(0.000052)	(0.001667)	(0.025487)
Delivery Charge: COST OF SERVICE	0.221371				0.015496	0.236867
TIC			(0.000942)	(0.000002)	(0.000066)	(0.001010)
SBC:						
CLEP			0.011879	0.000026	0.000833	0.012738
RAC			0.009781	0.000022	0.000686	0.010489
USF			0.010100	0.000000	0.000700	0.010800
USF			0.031760	0.000048	0.002219	0.034027
TAC			0.000000	0.000000	0.000000	0.000000
EET		0.047100	0.006809	0.000015	0.000478	0.007302
BSC "J" BS-1						
BSC "J" BUY-OUT PRICE -Rate set monthly						
Total	0.221371	0.047100	0.037627	0.000161	0.021427	0.327686

GENERAL SERVICE FIRM SALES-LV (GSG-LV FSS)

<u>GENERAL SERVICE FIRM SALES-LV (GSG-LV FSS)</u>	<u>BASE RATE</u>	<u>BGSS</u>	<u>OTHER RIDERS</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
Customer Charge	150.000000				10.500000	160.500000
D-1 Demand Charge	9.000000				0.630000	9.630000
Basic Gas Supply Service (BGSS):						
CIP			(0.023768)	(0.000052)	(0.001667)	(0.025487)
Delivery Charge: COST OF SERVICE	0.221371				0.015496	0.236867
TIC			(0.000942)	(0.000002)	(0.000066)	(0.001010)
SBC:						
CLEP			0.011879	0.000026	0.000833	0.012738
RAC			0.009781	0.000022	0.000686	0.010489
USF			0.010100	0.000000	0.000700	0.010800
USF			0.031760	0.000048	0.002219	0.034027
TAC			0.000000	0.000000	0.000000	0.000000
EET		0.047100	0.006809	0.000015	0.000478	0.007302
BSC "J" BS-1						
Total	0.221371	0.047100	0.037627	0.000161	0.021427	0.327686

RATE SET MONTHLY

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

COMPREHENSIVE TRANSPORTATION SERVICE (CTS)

	BASE RATE	BGSS	OTHER RIDERS	PUA	NJ SALES TAX	TARIFF RATE
COMPREHENSIVE FIRM TRANS SERV (CTS FTS)						
Firm						
Customer Charge	600.000000				42.000000	642.000000
Delivery Charge:						
D-1 DEMAND CHARGE	27.421300				1.919500	29.340800
C-1 FT VOLUMETRIC CHARGE:						
C-1 COST OF SERVICE	0.036210				0.002535	0.038745
SBC:						
CLEP			0.011879	0.000026	0.000833	0.012738
RAC			0.009781	0.000022	0.000686	0.010489
USF			0.010100	0.000000	0.000700	0.010800
Total SBC			0.031760	0.000048	0.002219	0.034027
EET			0.006809	0.000015	0.000478	0.007302
Total C-1 VOLUMETRIC CHARGE	0.036210		0.038569	0.000063	0.005232	0.080074
BS-1 ALL THERMS		0.011800		0.000000	0.000800	0.012600
BS-1 (Opt Out Provision) ALL THERMS		0.002500		0.000000	0.000200	0.002700
BUY-OUT PRICE						RATE SET MONTHLY
Limited Firm						
Customer Charge	100.000000				7.000000	107.000000
Delivery Charge:						
C-1 FT VOLUMETRIC CHARGE:						
C-1 COST OF SERVICE	0.058400				0.004100	0.062500
SBC:						
CLEP			0.011879	0.000026	0.000833	0.012738
RAC			0.009781	0.000022	0.000686	0.010489
USF			0.010100	0.000000	0.000700	0.010800
Total SBC			0.031760	0.000048	0.002219	0.034027
EET			0.006809	0.000015	0.000478	0.007302
Total C-1 VOLUMETRIC CHARGE	0.058400		0.038569	0.000063	0.006797	0.103829
BS-1 ALL THERMS		0.011800		0.000000	0.000800	0.012600
BS-1 (Opt Out Provision) ALL THERMS		0.002500		0.000000	0.000200	0.002700
BUY-OUT PRICE						RATE SET MONTHLY

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

LARGE VOLUME SERVICE (LVS)

LARGE VOLUME FIRM TRANS SERV (LVS FTS)

<u>Firm</u>	<u>BASE RATE</u>	<u>BGSS</u>	<u>OTHER RIDERS</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
Customer Charge	900.000000				63.000000	963.000000
Delivery Charge:						
D-1 DEMAND CHARGE	14.884200				1.041900	15.926100
C-1 VOLUMETRIC CHARGE:						
C-1 COST OF SERVICE	0.034570				0.002420	0.036990
SBC:						
CLEP			0.011879	0.000026	0.000833	0.012738
RAC			0.009781	0.000022	0.006886	0.010489
USF			0.010100	0.000000	0.007000	0.010800
Total SBC			0.031760	0.000048	0.022219	0.034027
EET			0.006809	0.000015	0.000478	0.007302
Total C-1 VOLUMETRIC CHARGE	0.034570		0.038569	0.000063	0.005117	0.078319
BS-1 ALL THERMS		0.011800		0.000000	0.000800	0.012600
BS-1 (Opt Out Provision) ALL THERMS		0.002500		0.000000	0.000200	0.002700
BSC "I" CASH OUT CHARGE/(CREDIT)						RATE SET MONTHLY
Limited Firm					7.000000	107.000000
Customer Charge	100.000000					
Delivery Charge:						
C-1 FT VOLUMETRIC CHARGE:						
C-1 COST OF SERVICE	0.094600				0.006600	0.101200
SBC:						
CLEP			0.011879	0.000026	0.000833	0.012738
RAC			0.009781	0.000022	0.006886	0.010489
USF			0.010100	0.000000	0.007000	0.010800
Total SBC			0.031760	0.000048	0.022219	0.034027
EET			0.006809	0.000015	0.000478	0.007302
Total C-1 VOLUMETRIC CHARGE	0.094600		0.038569	0.000063	0.009297	0.142529
BS-1 ALL THERMS		0.011800		0.000000	0.000800	0.012600
BS-1 (Opt Out Provision) ALL THERMS		0.002500		0.000000	0.000200	0.002700
BUY-OUT PRICE						RATE SET MONTHLY

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

<u>LARGE VOLUME FIRM SALES SERV (LVS FSS)</u>	<u>BASE RATE</u>	<u>BGSS</u>	<u>OTHER RIDERS</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
Customer Charge	900.000000				63.000000	963.000000
Basic Gas Supply Service (BGSS):						
C-2 BGSS						RATE SET MONTHLY
D-2 DEMAND CHARGE		14.882120		0.032741	1.044040	15.958901
Delivery Charge:						
D-1 DEMAND CHARGE	14.884200				1.041900	15.926100
C-1 VOLUMETRIC CHARGE:						
C-1 COST OF SERVICE	0.034570				0.002420	0.036990
SBC:						
CLEP			0.011879	0.000026	0.000833	0.012738
RAC			0.009781	0.000022	0.006686	0.010489
USF			0.010100	0.000000	0.007000	0.010800
Total SBC			0.031760	0.000048	0.022219	0.034027
EET			0.006809	0.000015	0.000478	0.007302
Total C-1 VOLUMETRIC CHARGE	0.034570	0.000000	0.038569	0.000063	0.005117	0.078319
BS-1 ALL THERMS		0.011800		0.000000	0.000800	0.012600
<u>Limited Firm</u>						
Customer Charge	100.000000				7.000000	107.000000
Delivery Charge:						
C-1 FT VOLUMETRIC CHARGE:						
C-1 COST OF SERVICE	0.094600				0.006600	0.101200
SBC:						
CLEP			0.011879	0.000026	0.000833	0.012738
RAC			0.009781	0.000022	0.006686	0.010489
USF			0.010100	0.000000	0.007000	0.010800
Total SBC			0.031760	0.000048	0.022219	0.034027
EET			0.006809	0.000015	0.000478	0.007302
Total C-1 VOLUMETRIC CHARGE	0.0946	0.000000	0.038569	0.000063	0.009297	0.142529
BS-1 ALL THERMS		0.011800		0.000000	0.000800	0.012600
BS-1 (Opt Out Provision) ALL THERMS		0.002500		0.000000	0.000200	0.002700
BUY-OUT PRICE						RATE SET MONTHLY

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<u>ELECTRIC GENERATION SERVICE (EGS)</u>	<u>BASE RATE</u>	<u>BGSS</u>	<u>OTHER RIDERS</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<u>Commercial/Industrial</u>						
Customer Charge	25.000000				1.750000	26.750000
D-1 DEMAND	6.500000				0.455000	6.955000
Basic Gas Supply Service (BGSS):						RATE SET MONTHLY
Delivery Charge - Winter Season (Nov - Mar)	0.115638				0.008095	0.123733
COST OF SERVICE						
SBC:						
CLEP			0.011879	0.000026	0.000833	0.012738
RAC			0.009781	0.000022	0.000686	0.010489
USF			0.010100	0.000000	0.000700	0.010800
Total SBC			0.031760	0.000048	0.002219	0.034027
Balancing Charge BSC"J" BS-1	0.047100			0.000100	0.003300	0.050500
EET			0.006809	0.000015	0.000478	0.007302
Total C-1 VOLUMETRIC CHARGE (FSS & FTS)	0.115638	0.047100	0.038569	0.000163	0.014092	0.215562
Delivery Charge - Summer Season (Apr - Oct)						
COST OF SERVICE	0.085638				0.005995	0.091633
SBC:						
CLEP			0.011879	0.000026	0.000833	0.012738
RAC			0.009781	0.000022	0.000686	0.010489
USF			0.010100	0.000000	0.000700	0.010800
Total SBC			0.031760	0.000048	0.002219	0.034027
EET			0.006809	0.000015	0.000478	0.007302
Balancing Charge BSC"J" BS-1	0.047100			0.000100	0.003300	0.050500
Total C-1 VOLUMETRIC CHARGE (FSS & FTS)	0.085638	0.047100	0.038569	0.000163	0.011992	0.183462

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<u>ELECTRIC GENERATION SERVICE (EGS)</u>	<u>BASE RATE</u>	<u>BGSS</u>	<u>OTHER RIDERS</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<u>Residential</u>						
Customer Charge	9.000000				0.630000	9.630000
Basic Gas Supply Service (BGSS):		0.330770		0.000728	0.023205	0.354703
Delivery Charge	0.122100				0.008600	0.130700
COST OF SERVICE						
SBC:						
CLEP			0.011879	0.000026	0.000833	0.012738
RAC			0.009781	0.000022	0.000686	0.010489
USF			0.010100	0.000000	0.000700	0.010800
Total SBC			0.031760	0.000048	0.002219	0.034027
EET			0.006809	0.000015	0.000478	0.007302
Balancing Charge BSC "J" BS-1		0.047100		0.000100	0.003300	0.050500
Total C-1 VOLUMETRIC CHARGE (FSS & FTS)	0.122100	0.047100	0.038569	0.000163	0.014597	0.222529

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	BASE RATE	BGSS	OTHER RIDERS	PJA	NJ SALES TAX	TARIFF RATE
ELECTRIC GENERATION SERVICE-LV (EGS-LV)						
<u>Firm</u>						
Customer Charge	180.000000				12.600000	192.600000
D-1 DEMAND (Rate is negotiated. Shown here is the benchmark rate.)	19.435441				1.360481	20.795922
D-2 DEMAND BGSS(applicable to Sales Customers Only)		14.530362		0.031967	1.019363	15.561692
C-1 CLEP			0.011879	0.000026	0.000833	0.012738
C-1 RAC			0.009781	0.000022	0.000686	0.010489
C-1 USF			0.010100	0.000000	0.000700	0.010800
EET			0.006809	0.000015	0.000478	0.007302
Total C-1 VOLUMETRIC CHARGE			0.038569	0.000063	0.002697	0.041329
C-2 BGSS						RATE SET MONTHLY
BSC "I" CASH OUT CHARGE (CREDIT)		0.011800		0.000000	0.000800	0.012600
BS-1 ALL THERMS		0.002500		0.000000	0.000200	0.002700
<u>Limited Firm</u>						
D-2 DEMAND BGSS(applicable to Sales Customers Only)		7.441060		0.016370	0.522020	7.979450
C-1 CLEP			0.011879	0.000026	0.000833	0.012738
C-1 RAC			0.009781	0.000022	0.000686	0.010489
C-1 USF			0.010100	0.000000	0.000700	0.010800
EET			0.006809	0.000015	0.000478	0.007302
Total C-1 VOLUMETRIC CHARGE			0.038569	0.000063	0.002697	0.041329
C-3 All Therms (Rate is negotiated. Shown here is the benchmark rate.)	0.162900				0.011400	0.174300
C-2 BGSS						RATE SET MONTHLY
BSC "I" CASH OUT CHARGE (CREDIT)		0.011800		0.000000	0.000800	0.012600
BS-1 ALL THERMS		0.002500		0.000000	0.000200	0.002700

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<u>FIRM ELECTRIC SALES (FES)</u>	<u>BASE RATE</u>	<u>BGSS</u>	<u>RIDERS</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
Winter						
D-1 DEMAND (Rate is negotiated. Shown here is the benchmark rate.)	2.897200				0.202800	3.100000
D-2 DEMAND BGSS(applicable to Sales Customers Only)		7.441060		0.016370	0.522020	7.979450
C-1 CLEP			0.011879	0.000026	0.000833	0.012738
C-1 RAC			0.009781	0.000022	0.000686	0.010489
C-1 USF			0.010100	0.000000	0.000700	0.010800
EET			0.006809	0.000015	0.000478	0.007302
Total C-1 VOLUMETRIC CHARGE			0.038569	0.000063	0.002697	0.041329
C-3 All Therms (Rate is negotiated. Shown here is the benchmark rate.)	0.162900				0.011400	0.174300
C-4 Escalator Rate (To be determined as prescribed in the Company's Tariff)						RATE SET MONTHLY
C-2 BGSS/COGC						RATE SET MONTHLY
BSC "I" CASH OUT CHARGE (CREDIT)						RATE SET MONTHLY
Summer						
D-1 DEMAND (Rate is negotiated. Shown here is the benchmark rate.)	2.897200				0.202800	3.100000
D-2 DEMAND BGSS(applicable to Sales Customers Only)		7.441060		0.016370	0.522020	7.979450
C-1 CLEP			0.011879	0.000026	0.000833	0.012738
C-1 RAC			0.009781	0.000022	0.000686	0.010489
C-1 USF			0.010100	0.000000	0.000700	0.010800
EET			0.006809	0.000015	0.000478	0.007302
Total C-1 VOLUMETRIC CHARGE			0.038569	0.000063	0.002697	0.041329
C-3 All Therms (Rate is negotiated. Shown here is the benchmark rate.)	0.162900				0.011400	0.174300
C-4 Escalator Rate (To be determined as prescribed in the Company's Tariff)						RATE SET MONTHLY
C-2 BGSS/COGC						RATE SET MONTHLY
BSC "I" CASH OUT CHARGE (CREDIT)						RATE SET MONTHLY

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NATURAL GAS VEHICLE (NGV)

Company Operated Fueling Stations

	<u>BASE RATE</u>	<u>BGSS</u>	<u>RIDERS</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
C-1 CLEP			0.011879	0.000026	0.000833	0.012738
C-1 RAC			0.009781	0.000022	0.000686	0.010489
C-1 USF			0.010100	0.000000	0.000700	0.010800
EET			0.006809	0.000015	0.000478	0.007302
Total C-1 VOLUMETRIC CHARGE	0.000000		0.038569	0.000063	0.002697	0.041329
Distribution Charge:	0.140252			0.000300	0.009800	0.150352
Compression Charge	0.542769			0.001194	0.038077	0.582040
Basic Gas Supply Service (BGSS):						RATE SET MONTHLY
Rider "I" - BS-1 ALL THERMS		0.011800		0.000000	0.000800	0.012600
Rider "I" - BS-1 (Opt Out Provision) ALL THERMS		0.002500		0.000000	0.000200	0.002700
Rider "J" - BS-1		0.047100		0.000100	0.003300	0.050500
Customer Operated Fueling Stations						
Service Charge						
	0 - 999 CF/hour	37.500000			2.625000	40.125000
	1,000 - 4,999 CF/hour	75.000000			5.250000	80.250000
	5,000 - 24,999 CF/hour	200.000000			14.000000	214.000000
	25,000 or Greater CF/hour	600.000000			42.000000	642.000000
C-1 CLEP			0.011879	0.000026	0.000833	0.012738
C-1 RAC			0.009781	0.000022	0.000686	0.010489
C-1 USF			0.010100	0.000000	0.000700	0.010800
EET			0.006809	0.000015	0.000478	0.007302
Total C-1 VOLUMETRIC CHARGE			0.038569	0.000063	0.002697	0.041329
Distribution Charge:	0.140252			0.000300	0.009800	0.150352
Basic Gas Supply Service: (applicable Sales Customers only)						RATE SET MONTHLY
Rider "I" - BS-1 ALL THERMS		0.011800		0.000000	0.000800	0.012600
Rider "I" - BS-1 (Opt Out Provision) ALL THERMS		0.002500		0.000000	0.000200	0.002700
Rider "J" - BS-1		0.047100		0.000100	0.003300	0.050500

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INTERRUPTIBLE SERVICE, YARD & STREET LIGHTING

INTERRUPTIBLE TRANSPORTATION (ITS)

	BASE RATE	BGSS	OTHER RIDERS	PUA	NJ SALES TAX	TARIFF RATE
SERVICE CHARGE						
TRANS CHARGE A						
SBC:	100.000000				7.000000	107.000000
	0.028400				0.002000	0.030400
CLEP			0.011879	0.000026	0.000833	0.012738
RAC			0.009781	0.000022	0.000686	0.010489
USF			0.010100	0.000000	0.000700	0.010800
Total SBC:			0.031760	0.000048	0.002219	0.034027
EET			0.006809	0.000015	0.000478	0.007302
TRANS CHARGE B						
SBC:	0.093200				0.006500	0.099700
CLEP			0.011879	0.000026	0.000833	0.012738
RAC			0.009781	0.000022	0.000686	0.010489
USF			0.010100	0.000000	0.000700	0.010800
Total SBC:			0.031760	0.000048	0.002219	0.034027
EET			0.006809	0.000015	0.000478	0.007302
TRANS CHARGE C						
SBC:	0.153200				0.010700	0.163900
CLEP			0.011879	0.000026	0.000833	0.012738
RAC			0.009781	0.000022	0.000686	0.010489
USF			0.010100	0.000000	0.000700	0.010800
Total SBC:			0.031760	0.000048	0.002219	0.034027
EET			0.006809	0.000015	0.000478	0.007302

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Commodity	<u>BASE RATE</u>	<u>BGSS</u>	<u>OTHER RIDERS</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
INTERRUPTIBLE GAS SALES (IGS)						Rate Set Monthly
SBC:						
RAC			0.009781	0.000022	0.000686	0.010489
USF			0.010100	0.000000	0.000700	0.010800
Total SBC:			0.019881	0.000022	0.001386	0.021289
EET			0.006809	0.000015	0.000478	0.007302
YARD LIGHTING SERVICE (YLS)						
MONTHLY CHARGE / INSTALL	7.294754	4.638800			0.835209	12.766763
STREET LIGHTING SERVICE (SLS)						
MONTHLY CHARGE / INSTALL	7.863853	6.955200			1.037334	15.856387

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Heat Residential Rate Schedule:

	RSG FSS	RSG-FTS	Difference
BGSS	0.354703	0.000000	0.354703
Cost of Service	0.544643	0.544643	0.000000
CLEP	0.012738	0.012738	0.000000
RAC	0.010489	0.010489	0.000000
TAC	0.000000	0.000000	0.000000
CIP	(0.058946)	(0.058946)	0.000000
USF	0.010800	0.010800	0.000000
TIC	(0.001010)	(0.001010)	0.000000
EET	0.007302	0.007302	0.000000
BSC "J" BS-1	0.050500	0.050500	0.000000
Price to Compare	0.931219	0.576516	0.354703

NonHeat Residential Rate Schedule:

	RSG FSS	RSG-FTS	Difference
BGSS	0.354703	0.000000	0.354703
CIP	(0.099971)	(0.099971)	0.000000
Cost of Service	0.544643	0.544643	0.000000
CLEP	0.012738	0.012738	0.000000
RAC	0.010489	0.010489	0.000000
TAC	0.000000	0.000000	0.000000
USF	0.010800	0.010800	0.000000
TIC	(0.001010)	(0.001010)	0.000000
EET	0.007302	0.007302	0.000000
BSC "J" BS-1	0.050500	0.050500	0.000000
Price to Compare	0.890194	0.535491	0.354703

GSG

(Under 5,000 therms annually)

	GSG FSS	GSG-FTS	Difference
BGSS	0.354703	0.000000	0.354703
CIP	(0.031700)	(0.031700)	0.000000
Cost of Service	0.435152	0.435152	0.000000
CLEP	0.012738	0.012738	0.000000
RAC	0.010489	0.010489	0.000000
TAC	0.000000	0.000000	0.000000
USF	0.010800	0.010800	0.000000
TIC	(0.001010)	(0.001010)	0.000000
EET	0.007302	0.007302	0.000000
BSC "J" BS-1	0.050500	0.050500	0.000000
Price to Compare	0.848974	0.494271	0.354703

GSG

(5,000 therms annually or greater)

	GSG FSS	GSG-FTS	Difference
BGSS	0.336048	0.000000	0.336048
CIP	(0.031700)	(0.031700)	0.000000
Cost of Service	0.435152	0.435152	0.000000
CLEP	0.012738	0.012738	0.000000
RAC	0.010489	0.010489	0.000000
TAC	0.000000	0.000000	0.000000
USF	0.010800	0.010800	0.000000
TIC	(0.001010)	(0.001010)	0.000000
EET	0.007302	0.007302	0.000000
BSC "J" BS-1	0.050500	0.050500	0.000000
Price to Compare	0.830319	0.494271	0.336048

GSG-LV

Prior to 7/15/97

	GSG-LV FSS	GSG-LV-FTS	Difference
BGSS	0.336048	0.000000	0.336048
CIP	(0.025487)	(0.025487)	0.000000
Cost of Service	0.236867	0.236867	0.000000
CLEP	0.012738	0.012738	0.000000
RAC	0.010489	0.010489	0.000000
TAC	0.000000	0.000000	0.000000
USF	0.010800	0.010800	0.000000
TIC	(0.001010)	(0.001010)	0.000000
EET	0.007302	0.007302	0.000000
BSC "J" BS-1	0.050500	0.050500	0.000000
Price to Compare	0.638247	0.302199	0.336048

**PREPARED DIRECT TESTIMONY
OF
TIMOTHY W. RUNDALL
SENIOR DIRECTOR, GAS SUPPLY AND ALLOCATIONS
JUNE 2016**

1 **I. INTRODUCTION**

2 My name is Timothy W. Rundall and my business address is One South Jersey
3 Plaza, Folsom, New Jersey 08037. I graduated from Stockton State College (now
4 Stockton University) in 1992 with a Bachelor of Science Degree in Accounting.
5 After graduation while working for Rimm, Lavinsky, Horowitz and Pollard LLC, I
6 was licensed as a Certified Public Accountant (CPA) in the state of New Jersey. In
7 October 1996, after holding positions in the field of accounting, I was employed as
8 a Rate Analyst by South Jersey Gas Company (“South Jersey” or “the Company”).
9 In October 1997, I accepted a position in the Gas Supply Department as a Natural
10 Gas Trader. I have subsequently advanced through a number of positions of
11 increasing responsibility and in May of 2016 I was promoted to my current position
12 of Senior Director, Gas Supply and Off-System Sales. My current responsibilities
13 encompass all aspects of the Gas Supply Department, the Off-System Sales
14 Division, the Transportation Department and the Allocations Department.

15

16 **II. PURPOSE OF TESTIMONY**

17 In terms of the current gas supply portfolio the purpose of my testimony is to
18 proffer and explain: (a) the Company's projected gas send-out requirements and the

1 utilization of gas supplies to meet those requirements, as shown in Exhibit TWR-1;
2 and (b) the associated gas costs shown in Exhibits TWR-2 and Exhibit TWR-3.

3 I will also address the Company's hedging activities and Conservation Incentive
4 Program ("CIP") savings, as well as the anticipated and realized refunds.

5
6 **III. GAS SUPPLY AND REQUIREMENTS FORECAST**

7 The gas quantities shown on Exhibit TWR-1 are based upon a mixture of gas
8 supply sources determined by the Company to yield the best gas cost mixture while
9 providing security of supply and system integrity. The Company utilized the New
10 York Mercantile Exchange (NYMEX) Strip Pricing as of May 10, 2016, currently
11 hedged positions and contractual agreements when determining the prices and
12 quantities of gas, which are shown on Exhibits TWR-2 and Exhibit TWR-3.

13 For the 2016-2017 BGSS year, we are projecting in Exhibit TWR-1 that firm
14 customer requirements and projected storage injections will be met essentially
15 through annual, seasonal and short term purchases from third-party sellers on the
16 Transcontinental Gas Pipe Line Company, LLC ("Transco") and Columbia Gas
17 Transmission, LLC ("Columbia") pipeline systems of 11.1 MMDts and 17.0
18 MMDts, respectively; pipeline storage withdrawals of 7.9 MMDts and Liquefied
19 Natural Gas (LNG) of 0.4 MMDts.

20 **Prior and Prospective Supply and Requirements**

21 The data shown on Exhibit TWR-4 (page 1 of 3), provides the actual
22 requirements and supplies by component on an annual, heating season and
23 non-heating season basis, for the two prior gas supply years (November 2013

1 – October 2014 and November 2014 – October 2015). The data shown on
2 Exhibit TWR-4 (page 2 of 3), provides information for the reconciliation
3 period (November 2015 – October 2016), including actual data for November
4 2015 – March 2016 heating season and data estimated for April 2016 –
5 October 2016 non-heating season. Exhibit TWR-1 provides prospective
6 information on the October 2016 – September 2017 BGSS year, while Exhibit
7 TWR-4 (page 3 of 3) provides the same information on a prospective basis for
8 the subsequent gas supply year (November 2017 – October 2018).

9 **Supplies on Transco**

10 Transco is South Jersey's largest supplier of pipeline gas and it is also the
11 provider of six (6) of the eight (8) gas storage services reflected in Exhibit
12 TWR-1.

13 Additionally, the Company has a winter season peaking transportation service
14 with Transco, which is available for the period December 1 through the last
15 day of February of each year under Rate Schedule PSFT [referred to on line
16 34 in Exhibit TWR-1 (page 2 of 2) as Spot Purchases on Transco PSFT].

17 **Supplies on Columbia**

18 Columbia is South Jersey's second largest provider of interstate pipeline
19 services. The Company holds one firm transportation service with Columbia
20 under Rate Schedule FTS, and one long-term firm transportation service under
21 Rate Schedules NTS. In addition, South Jersey subscribes to a firm storage
22 service under Columbia's Rate Schedule FSS along with an associated firm
23 storage transportation service under Rate Schedule SST.

1 The Company's maximum daily quantity (MDQ) for its FTS service is 22,511
2 Dts/day and its MDQ with its NTS service is 22,511 Dts/day, for a combined
3 deliverability of 45,022 Dts/day. Each of the referenced services is available
4 on a year round basis.

5 In October 2012, the Company entered into a Precedent Agreement with
6 Columbia Gas Transmission, LLC to secure pipeline capacity on their East
7 Side Expansion Project (ESEP). The ESEP and other potential gas supply
8 portfolio changes are discussed in detail in the "New Long Term Agreements"
9 portion of my testimony.

10 **Supplies on Dominion**

11 The Company's Dominion Transmission, Inc. ("Dominion") GSS storage
12 service provides for the delivery of up to 10,000 Dts/day during the winter
13 season. This storage supply is moved to the city gate via a Transco Leidy Line
14 transportation service.

15 **Pipeline Storage Services**

16 Exhibit TWR-1 (page 1 of 2) also reflects the injection of direct purchase gas
17 into storage services during the 2017 summer season. Exhibit TWR-1 (page 2
18 of 2) shows that the net amount of gas projected to be withdrawn from
19 pipeline storage services to meet the Company's requirements during the
20 2016-2017 winter season will total approximately 7.9 MMDts.

1 **Liquefied Natural Gas (LNG)**

2 In Exhibit TWR-1 (page 2 of 2, line 17), the Company is projecting that its
3 LNG send-out requirement during the 2016-2017 BGSS year will be 406,940
4 Dts.

5 South Jersey requires a stable LNG supply source to maintain gas service to
6 its customers during the winter season to meet peak send-out requirements,
7 and to stand ready to supply its customers should an interruption of gas
8 supplies occur on the system of one or more of its pipeline suppliers. The
9 critical nature of the LNG facility was especially evident during the 2013-14
10 winter season, when LNG was vaporized on 29 days for a total quantity of
11 359,260 Mcf, and the 2014-15 winter season, when LNG was vaporized on 22
12 days for a total quantity of 347,140 Mcf. Additionally, LNG may be called
13 upon to stabilize pressures in the gas distribution system on the eastern side of
14 the Company's service territory.

15 South Jersey has historically secured its LNG supply requirements through a
16 competitive bidding process that takes place during the summer. LNG
17 supplies would be delivered to the Company's McKee City facility by
18 truckloads, the number of which can vary from year to year but regularly
19 require over 200 truckloads during the April-October timeframe. In recent
20 years, it has become increasingly difficult for the Company to secure reliable
21 and cost effective LNG supplies. LNG has become an attractive fuel choice
22 for a variety of transportation applications, which has increased competition
23 for LNG supply with traditional users like South Jersey. Suppliers have

1 continued to indicate that the seasonal nature of South Jersey's LNG purchase
2 requirements do not fit the business model these suppliers have adopted,
3 therefore the Company has been faced with either unacceptably high demand
4 charges or supply agreements that volumetrically do not meet our
5 requirements.

6 In response to the change in the LNG marketplace, the Company determined
7 in 2013 that owning and operating its own liquefaction facility was the most
8 appropriate path forward. The Company relies on 75,000 dts/day of LNG to
9 meet design day requirements and relies on LNG to provide adequate
10 operating pressure during extremely cold weather, thus LNG plays a critical
11 role for South Jersey. The Company determined that owning and operating its
12 own liquefaction facility would ensure that LNG is available at a prudent cost
13 and not subject to marketplace pressures which have already created reliability
14 of supply and cost issues. Construction of a liquefaction facility at South
15 Jersey's McKee City facility is underway with an expected in-service date
16 during the fourth quarter of 2016. This will enable SJG to utilize the new
17 liquefaction facility for the 2016-2017 winter season.

18
19 **IV. COST OF GAS**

20 The Company has direct connections with two interstate pipeline companies,
21 Transco and Columbia. South Jersey also secures firm storage and transportation
22 services from Dominion, whose pipeline system is located upstream of the Transco

1 system. Natural gas stored and transported by Dominion is delivered into Transco's
2 Leidy Line system for ultimate delivery to South Jersey.

3 **Market Responsive Pipeline Supplies**

4 South Jersey intends to utilize the "open access" status of its pipeline suppliers
5 to the maximum extent possible to facilitate its ongoing policy of best-value
6 gas purchasing, with consideration given to security of supply along with
7 contractual obligations and hedged supplies. With this objective, South Jersey
8 is projecting that all of the natural gas purchases reflected in Exhibit TWR-1
9 (page 2 of 2) for the 2016-2017 BGSS year will be priced on a market
10 responsive basis with the exception of those hedged purchases made under the
11 provisions of the Company's Commodity Purchasing Guidelines, which are
12 attached hereto as Confidential Exhibit TWR-5. Confidential Exhibit TWR-5
13 will be provided to Board Staff and the Division of Rate Counsel upon
14 execution of a mutually acceptable Non-Disclosure Agreement.

15 **Demand Charges**

16 The projected pipeline demand type charges shown in Exhibit TWR-2
17 associated with the purchase of storage and transportation services on the
18 Transco, Columbia and Dominion pipeline systems reflect the currently
19 effective FERC approved jurisdictional rates as contained in each pipeline's
20 FERC Gas Tariff. These rates were held constant throughout the BGSS year.

21 **Commodity Charges**

22 The delivered commodity gas prices reflected in Exhibit TWR-2 for the 2016-
23 2017 BGSS year were derived based on the Company's Commodity

1 Purchasing Guidelines, which are explained in Confidential Exhibit TWR-5.
2 These guidelines were developed with a number of goals in mind. These goals
3 included the management of price risk through diversity of purchases,
4 providing a framework from which sound purchasing decisions can be made,
5 and the establishment of criteria for price hedging.

6 The commodity prices in Exhibit TWR-2 for gas purchased and delivered
7 under Transco Rate Schedules FT and PSFT, along with gas purchased and
8 delivered on Columbia Rate Schedules FTS and NTS, were based on the
9 average of the NYMEX close as of May 10, 2016, along with the estimated
10 production and market area indices at the various locations where we expect
11 to purchase gas during the BGSS year. The estimates of indices were
12 gathered from industry publications along with discussions held with other
13 market participants including brokers, marketers and other GDCs.
14 Additionally, any currently hedged positions as shown in the quarterly
15 hedging report most recently filed with the Board are included in the
16 commodity price estimate. Also incorporated in these commodity prices are
17 the appropriate pipeline fuel retainage and transportation costs assessed when
18 delivering gas to South Jersey's city gate stations.

19 **LNG Commodity Charges**

20 The commodity price of the LNG as shown in Exhibit TWR-3 was based on
21 the delivered cost of LNG using the NYMEX strip on May 10, 2016, along
22 with costs related to processing natural gas into liquefied natural gas.

23

1 **Affiliate Gas Supply Transactions**

2 Please refer to Confidential Exhibit TWR-10 for details, including date, rate
3 and terms of all gas and capacity sales as of April 2016 to our affiliate South
4 Jersey Resources Group (“SJRG”), for the current BGSS year. Confidential
5 Exhibit TWR-10 will be provided to Board Staff and the Division of Rate
6 Counsel upon execution of a mutually acceptable Non-Disclosure Agreement.
7 Should market opportunities present themselves, we would expect additional
8 transactions in order to maximize Company assets.

9 **Design Day Analysis**

10 South Jersey, like other gas utilities, must plan to meet customer needs on a
11 design day (or a day in which our service area would experience an average
12 daily temperature of 2 degrees Fahrenheit or 63 heating degree days). Exhibit
13 TWR-6 represents the Company’s design day forecast (“Design Day
14 Forecast”) as compared to Company entitlements for the 2016-17 through
15 2020-21 winter seasons. This forecast is used by South Jersey to evaluate its
16 ability to meet customer requirements on the projected coldest day scenario,
17 which is based on South Jersey’s actual experience in January 1994. For the
18 purposes of this analysis, the Company updated the forecasting model to
19 incorporate updated customer growth rates for residential and commercial
20 customers and updated heating use factors. Incorporating the most recent
21 available data into the Design Day model will provide a reflection of the
22 effects that the energy efficiency programs and the conservation incentive
23 programs have had in recent years, and are projected to have in future years.

1 Also attached hereto as Exhibit TWR-7, are the Company's five (5) highest
2 send-out days for the last three winter seasons.

3 In the Global Settlement (BPU Docket No. GR03080683, et. al.) South Jersey
4 agreed to revise its design day analysis to include in the calculation of demand
5 requirements, design day volumes associated with customers served under all
6 sales rate schedules and transportation customers served under Rate Schedules
7 RSG, GSG, GSG-LV, EGS, LVS, CTS and EGS-LV. In addition, South
8 Jersey agreed to exclude from design day planning, design day volumes
9 associated with transportation customers served under rate schedules LVS,
10 CTS and EGS-LV that opt-out of the right or entitlement to have base load
11 provided by the Company in accordance with provisions of our tariff. To
12 date, all eligible customers served under rate schedules LVS, CTS and EGS-
13 LV have opted out and this has been reflected in the design day forecast.

14 For design day planning purposes, South Jersey will rely upon 100% of the
15 daily projected transportation volumes (not acquire backup capacity)
16 associated with transportation customers served under rate schedules RSG,
17 GSG, GSG-LV and EGS, along with those customers, if any, served under
18 rate schedules LVS, CTS and EGS-LV who do not opt-out if their volumes
19 are less than or equal to 105,000 Dts/d. Should South Jersey project that the
20 transportation market associated with these rate schedules will exceed 105,000
21 Dts/d, then South Jersey will rely on 50% of transportation volumes
22 associated with RSG, GSG, GSG-LV and EGS (as well as those customers, if
23 any, served under rate schedules LVS, CTS and EGS-LV who do not opt-out)

1 transportation customers that exceed 105,000 Dts/d. Exhibit TWR-6 details
2 the Company's design day requirements as compared to available capacity
3 entitlements through the 2019-20 winter season.

4 **New Long Term Agreements**

5 **Columbia Capacity**

6 As stated in previous filings, the Company has been evaluating, and continues
7 to evaluate interstate pipeline expansions as a means to alleviate the reliance
8 on city gate supplies, which are delivered on a secondary basis, to meet a
9 Design Day. Following the review and evaluation of a number of supply
10 options, the Company concluded that Columbia Gas Transmission, LLC's
11 East Side Expansion Project (ESEP) provided the best overall value in terms
12 of demand charges and access to comparatively low cost supply. As a result of
13 the analysis, in October 2012 the Company entered into a Precedent
14 Agreement with Columbia to secure pipeline capacity on their ESEP. The
15 ESEP will provide South Jersey access to supplies from the Tennessee Gas
16 Pipeline, which has previously not been accessible with South Jersey's
17 existing portfolio of capacity. In January 2015 the Company signed a FTS
18 Service Agreement related to the ESEP. On November 1, 2015 50,000 Dts/d
19 of ESEP capacity went into service and will increase by 10,000 Dts/d each
20 November 1 until the full contractual volume of 70,000 Dts/d is reached
21 November 1, 2017. The negotiated reservation rate for this service is
22 \$13.512/Dth/Month and the contract term will be 15 years from the in-service
23 date.

1 **PennEast Capacity**

2 In August of 2014 the Company entered into a Precedent Agreement for firm
3 transportation capacity with PennEast Pipeline Company, LLC (“PennEast”).
4 The Company requested a Maximum Daily Firm Transportation Quantity
5 (MDQ) of 105,000 Dth/d, which qualified the Company as a Foundation
6 Shipper and for the Most Favored Nation Rate Provision. If PennEast were to
7 negotiate a lower rate with any other shipper, the Most Favored Nation Rate
8 Provision provides that South Jersey would also pay the lower rate. The
9 reservation rate is \$0.45/Dth/Day and the in-service date is expected to be in
10 the 3rd or 4th quarter of 2018. This unique opportunity will provide access
11 (receipt points) to supplies in at several locations in Luzerne County, PA and
12 deliver those supplies to Transco in Mercer County, NJ where they can be
13 moved to SJG’s city gate on existing capacity acquired in Transco’s Central
14 New Jersey Expansion Project (CNJEP) in 2005. Currently the receipt points
15 of the capacity acquired in the CNJEP are located in Transco’s Zone 6.
16 Transco’s Zone 6 supplies have been subjected to considerable volatility
17 during the 2013-14 and 2014-15 winter seasons, leading to higher commodity
18 prices in those locations. Additionally, since February 2015, Transco has
19 identified the Marcus Hook Lateral (where all SJG Transco Meter Stations are
20 located) as a constraint point on their system, which has further exacerbated
21 price volatility in the market area. South Jersey’s requested MDQ of 105,000
22 Dth/d on the PennEast project, matching the MDQ held on Transco’s CNJEP,
23 will benefit South Jersey’s customers by providing access to significantly

1 lower priced commodity. In addition, the discounted supplies provided by
2 the PennEast/CNJEP path may provide an opportunity to make additional
3 supply portfolio changes that could potentially provide additional cost savings
4 for BGSS customers above and beyond the PennEast/CNJEP path commodity
5 savings.

6 **Tennessee Capacity**

7 In December of 2014, the Company entered into a Precedent Agreement for
8 firm transportation capacity with Tennessee Gas Pipeline, LLC. The
9 Company requested a MDQ of 78,000 Dth/d. The reservation rate is
10 \$12.166/Dth/Month and the expected in-service date is June 1, 2018. This
11 capacity will provide access (receipt points) to supplies along Tennessee's
12 pipeline 300 line, with the Primary Receipt Point of Gibson in Wayne County,
13 PA and deliver those supplies to Columbia in Pike County, PA where they can
14 be moved to SJG's city gate on capacity acquired in Colombia's ESEP,
15 discussed above. South Jersey's requested MDQ of 78,000 Dth/d on the
16 Tennessee project matches the MDQ on Columbia's ESEP, plus some
17 additional Columbia capacity held by the Company.

18 **Cabot Supply**

19 In January 2015 South Jersey entered into three (3) long term supply
20 agreements directly associated with the new pipeline capacity agreements
21 identified above that will provide significantly discounted supply and offset
22 the demand and variable charges associated with those new capacity
23 agreements. The first agreement provides supply into the Tennessee 300 line

1 at Gibson, which will be moved to the Tennessee/Columbia interconnect, then
2 transported to SJG's city gate via Columbia. This supply is priced at NYMEX
3 last day settle less \$0.88. The commodity price has been negotiated to offset
4 the per Dth demand charge on both the Tennessee capacity and the Columbia
5 ESEP capacity and land at SJG's city gate flat to NYMEX. The delivery
6 period begins November 2018 and continues for 10 years.

7 The second agreement provides supply into the PennEast project, which will
8 be moved to the PennEast/Transco interconnect, then transported to SJG's city
9 gate via Transco. This supply is priced at NYMEX last day settle less \$0.61.
10 The commodity price has also been negotiated to offset the per Dth demand
11 charge for both the PennEast capacity and Transco's CNJEP capacity, and
12 land at SJG's city gate flat to NYMEX. The delivery period begins on the in-
13 service date of the PennEast project and continues for 10 years.

14 These two supply agreements are priced to offset the pipeline demand and
15 variable charges on the PennEast and Transco pipelines on which they will
16 flow. The commodity will deliver into South Jersey's system at the monthly
17 NYMEX settle flat, net of pipeline demand and variable costs. This pricing
18 structure will prompt these pipeline paths to operate at the highest load factor
19 in the SJG portfolio. The unique and innovative structure of these two supply
20 agreements will provide BGSS customers with significant savings for years
21 into the future.

22 The third agreement provides winter only supply into the PennEast project,
23 which will be moved to the PennEast/Transco interconnect, then transported

1 to SJG's city gate via Transco. This supply is priced at Leidy Transco
2 Receipts inside FERC Index plus \$0.03 per Dth. The Leidy Transco Index
3 has been among the lowest priced indices in the country and, based on the
4 volume of Marcellus gas projected to come on line in the future, the Company
5 anticipates that the index will remain low relative to other locations for the
6 foreseeable future. The delivery period begins on the in-service date of the
7 PennEast project and continues for 10 years.

8 **Supplier Refunds**

9 The Company's actual and projected supplier refunds for both the 2015-2016
10 and 2016-2017 BGSS years are shown in Exhibit TWR-8 on page 1 of 2 and
11 page 2 of 2, respectively. The refunds shown for 2015-2016 reflect
12 miscellaneous pipeline rate adjustments and the sharing of penalty revenues
13 with non-penalized shippers. The Company is not anticipating any significant
14 refunds during the 2016-2017 BGSS year at this time.

15 16 **V. HEDGING PROGRAM**

17 **Overview**

18 South Jersey Gas manages its hedging program in accordance with the
19 Commodity Purchasing Guidelines contained in its Financial and Physical
20 Natural Gas Transaction Risk Management Policy and Procedures ("Policy
21 and Procedures") reviewed and approved by the Company's Risk
22 Management Committee (RMC). South Jersey's RMC is responsible for
23 approving and reviewing these hedging programs, while the Gas Supply

1 Department is responsible for executing the hedging strategies outlined in the
2 Policy and Procedures.

3 The intent of the hedging program and strategies is to provide commodity
4 price stabilization at the lowest reasonable cost. South Jersey's hedging
5 program consists of the following four hedging strategies: 1) A Non-
6 Discretionary Strategy - the Company purchases two and 1/2 futures contracts
7 per month for the 18 month period beginning with the 7th month and
8 continuing through the 24th month of the current NYMEX strip; 2) A
9 Planalytics Strategy - the Company purchases futures contracts based on
10 suggestions from the Planalytics Energy Buyer hedging tool; 3) A Storage
11 Incentive Mechanism ("SIM") Strategy - the Company purchases futures
12 contracts for the summer injection period establishing a benchmark and then
13 manages the physical injections to improve upon the benchmark; and 4) A
14 Discretionary Strategy - the Company exercises managerial discretion to
15 utilize futures, options, fixed priced physical, or other derivatives when
16 deemed appropriate.

17 All hedging gains and losses, as well as the cost of any derivatives and related
18 transaction fees, are passed through the BGSS clause and as such are subject
19 to periodic review by the BPU. Speculative trading is not practiced by the
20 Company.

21 **Reporting**

22 The Gas Supply Department prepares and distributes, on a quarterly basis, a
23 detailed report of hedging positions for the current and prospective BGSS

1 years. The reports are presented to and reviewed by South Jersey's RMC and
2 are provided to the BPU as is required. The reports contain the details of each
3 hedging strategy and a summary of all hedging strategies, including the
4 percentage of BGSS send-out currently hedged.

5 The four most recent quarterly hedging reports as of March 2016 are
6 contained in exhibit TWR-9.

7 8 **VI. COST REDUCTION INITIATIVES**

9 **Current and Anticipated Conservation Incentive Program Actions**

10 By Order dated May 21, 2014 in Docket No. GR13030185 (the "CIP
11 Continuation Order"), the Board approved the continuation of the Company's
12 Conservation Incentive Program (CIP), with certain modifications, that
13 became effective with the CIP accrual year beginning October 1, 2014. Those
14 modifications, which include the Modified BGSS Savings Test, have been
15 reflected in this CIP filing and are discussed in more detail in the Prepared
16 Direct Testimony of Daniel P. Yardley.

17 Savings for the 2016 -2017 BGSS year include \$2,243,369 of Category One
18 Permanent BGSS Savings, which are defined in the CIP Continuation Order
19 as permanent savings realized from their respective permanent capacity
20 releases and contract terminations. The CIP Continuation Order identified
21 Category One Permanent BGSS Savings of \$2,587,948, which included
22 \$1,704,736 of savings associated with the termination of the SS-1 storage
23 service provided by Transco and Dominion. When the Company permanently

1 discontinued the Dominion transportation and Transco storage service, the
2 remaining Transco firm transportation portion of the service was not
3 permanently released. The value of \$344,579 associated with this remaining
4 Transco firm transportation service should not have been included in the
5 calculation of Category One Permanent BGSS Savings associated with the
6 SS-1 service termination. The correct Category One Permanent BGSS Savings
7 is \$2,243,369 and will be recognized in all future filings.

8 Anticipated Category Two eligible BGSS savings for the 2016-17 BGSS
9 include the following capacity releases: 20,000 dts/d Transco FTF capacity;
10 10,000 dts/d of Transco Long Haul capacity; 19,029 dts/d of Columbia FSS
11 withdrawal capacity; and 8,671 dts/d of Columbia FTS capacity. Category
12 Two BGSS savings also include \$913,800 in commodity savings from a
13 negotiated change in receipt location of Columbia capacity. These anticipated
14 Category Two releases represent a cross section of South Jersey's portfolio of
15 assets.

16 Category Three BGSS savings associated with avoided capacity costs to meet
17 residential customer growth total \$260,288. This amount has been calculated
18 as set forth in the Board's Order in Docket No. GR13030185 and is supported
19 by the Direct Testimony of Daniel P. Yardley.

20 The total anticipated Category One, Two and Three savings eligible for the
21 BGSS savings test for the 2016-2017 BGSS is \$8.6 million.

1 **VII. FEDERAL ENERGY REGULATORY COMISSION (FERC) PIPELINE**
2 **ACTIVITES**
3

4 A summary of FERC proceedings which may impact BGSS costs during the
5 applicable periods is attached as Exhibit TWR-11. This schedule reflects
6 those proceedings that may have an operational and/or cost affect on the
7 services that South Jersey receives from its pipeline suppliers.
8

9 **VIII. CONCLUSION**

10 This testimony highlights activities the Company is undertaking to optimize the use
11 of its gas supply portfolio and to minimize and stabilize costs to its customers. For
12 the reasons set forth in this testimony the Board should approve the Company's
13 proposed BGSS and CIP rates.

SOUTH JERSEY GAS COMPANY
2016 - 2017 BGSSC
Requirement & Supply

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Total
1	1,370,119	2,890,862	4,676,835	5,274,932	4,612,659	3,582,350	1,810,988	945,686	603,104	590,928	612,419	611,725	27,582,487
2	173,567	417,630	702,392	581,771	776,415	391,728	264,797	69,224	138,853	157,190	192,594	49,965	3,916,126
3	0	0	0	0	0	0	0	0	0	0	0	0	0
4	0	0	0	0	0	0	0	0	0	0	0	0	0
5	0	0	0	0	0	0	0	0	0	0	0	0	0
6	0	0	0	0	0	0	0	0	0	0	0	0	0
7	0	0	0	0	0	0	0	0	0	0	0	0	0
8	0	0	0	0	0	0	0	0	0	0	0	0	0
9	0	0	0	0	0	0	0	0	0	0	0	0	0
10	0	0	0	0	0	0	0	0	0	0	0	0	0
11	0	0	0	0	0	0	0	0	0	0	0	0	0
12	0	0	0	0	0	0	0	0	0	0	0	0	0
13	0	0	0	0	0	0	0	0	0	0	0	0	0
14	0	0	0	0	0	0	0	0	0	0	0	0	0
15	1,616,740	3,357,199	5,384,310	5,882,073	5,431,691	4,029,883	2,131,570	1,095,579	955,012	880,012	936,909	737,788	32,439,167
16													
17													
18	77	0	0	0	0	0	15,000	15,000	20,460	21,642	36,642	31,223	140,044
19	72,827	0	0	0	0	0	341,910	328,669	297,615	293,561	273,513	228,407	1,837,502
20	23,301	0	0	0	0	0	31,818	31,817	41,010	43,331	43,331	41,010	255,615
21	192,640	0	0	0	0	0	238,767	246,247	237,579	210,380	210,380	203,129	1,539,122
22	0	0	0	0	0	0	35,303	36,378	35,303	36,378	36,378	35,303	215,042
23	97,576	0	0	0	0	0	204,000	210,800	202,920	204,000	198,280	204,000	1,321,578
24	226,732	0	0	0	0	0	463,331	369,234	343,567	343,567	343,567	360,010	2,460,289
25	49,935	0	0	0	0	0	63,450	72,850	70,500	72,850	72,850	70,500	472,935
26	0	107,037	102,818	107,818	102,817	0	0	0	0	0	0	0	420,490
27	0	0	0	0	0	0	0	0	0	0	0	0	0
28	5,631	0	0	0	0	0	6,979	7,109	6,944	6,149	6,149	5,937	44,987
29	521	0	0	0	0	0	2,445	2,350	2,128	2,099	1,956	1,630	13,139
30	1,526	0	0	0	0	0	3,191	3,297	3,174	3,191	3,101	3,191	20,671
31	0	0	0	0	0	0	10,724	11,051	10,724	11,051	11,051	10,724	65,325
32	295	0	0	0	0	0	696	555	516	516	516	541	3,635
33	1	0	0	0	0	0	97	97	132	139	236	201	903
34	993	0	0	0	0	0	1,262	1,449	1,402	1,449	1,449	1,402	9,406
35	4,431	0	0	0	0	0	9,663	7,697	7,162	7,162	7,162	7,505	50,782
36													
37	676,488	107,037	102,818	107,818	102,817	0	1,428,835	1,344,689	1,281,156	1,257,485	1,246,581	1,205,722	8,861,445
38	2,293,227	3,464,236	5,487,128	5,989,891	5,534,508	4,029,883	3,560,405	2,440,668	2,236,168	2,137,497	2,163,490	1,943,510	41,300,612
39													
40													

Utility Sendout
 GSG-LV - Monthly BGSS
 EGS-LV - Firm - Monthly BGSS
 EGS-LV - Limited Firm - Monthly BGSS
 EGS - Monthly BGSS
 FES - Limited Firm
 LVS - Monthly BGSS
 Total Firm Sendout
 Net Storage Injections
 Transco S-2
 Transco SS-2 (2)
 Transco ESS
 Transco GSS
 Transco LNG (LGA)
 Columbia FSS
 Columbia PSS
 Dominion GSS
 Dominion LNG
 ESS Compressor Fuel 0.0%
 GSS Compressor Fuel 2.84%
 SS-2 Compressor Fuel 0.71%
 LGA Compressor Fuel 1.54%
 Columbia FSS Compressor Fuel 23.3%
 Columbia PSS Compressor Fuel 0.115%
 Dominion GSS Compressor Fuel 0.64%
 Dominion SS Compressor Fuel 1.95%
 Columbia SST Compressor Fuel 2.042%
 Total Storage Injections
 Total Requirements

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Total
1													
2													
3													
4													
5													
6													
7													
8													
9	0	0	48,267	48,267	43,433	307,706	0	0	0	0	0	0	139,967
10	0	86,812	423,621	497,333	449,204	0	0	0	0	0	0	0	1,764,675
11	0	0	0	146,363	85,952	0	0	0	0	0	0	0	232,315
12	0	81,942	163,884	592,106	308,550	100,000	100,000	0	0	0	0	0	1,346,482
13	0	0	0	141,030	63,040	10,872	0	0	0	0	0	0	215,042
14	0	120,000	312,000	360,000	228,000	204,000	100,000	0	0	0	0	0	1,224,000
15	0	244,792	515,687	557,583	582,314	223,161	100,000	0	0	0	0	0	2,223,537
16	0	0	100,000	140,000	140,800	42,200	0	0	0	0	0	0	423,000
17	0	15,000	41,581	113,929	100,330	79,100	9,500	9,500	9,500	9,500	9,500	9,500	406,940
18	0	0	0	(1,047)	(942)	0	0	0	0	0	0	0	(3,036)
19	0	(1,059)	(5,168)	(6,067)	(5,480)	(3,754)	0	0	0	0	0	0	(21,528)
20	0	(288)	(749)	(864)	(547)	(490)	0	0	0	0	0	0	(2,938)
21	0	0	0	0	0	0	0	0	0	0	0	0	0
22	0	0	0	0	0	0	0	0	0	0	0	0	0
23	0	0	0	0	0	0	0	0	0	0	0	0	0
24	0	(4,999)	(10,530)	(11,386)	(11,891)	(4,557)	(2,042)	0	0	0	0	0	(45,405)
25	0	542,199	1,587,546	2,577,247	1,982,763	958,337	207,458	9,500	9,500	9,500	9,500	9,500	7,903,050
26	0	1,350,000	1,395,000	1,395,000	1,260,000	1,395,000	900,000	930,000	900,000	930,000	930,000	900,000	12,950,712
27	665,712	438,240	588,240	588,240	588,240	413,240	438,240	413,240	188,240	188,240	58,240	88,240	4,038,188
28	177,548	110,422	412,987	21,383	97,601	515,773	1,594,105	837,535	686,520	750,673	761,260	719,706	7,411,311
29	903,346	450,000	600,000	600,000	600,000	300,000	100,000	100,000	100,000	100,000	100,000	100,000	3,450,000
30	300,000	466,338	707,475	607,141	819,032	447,533	320,602	150,393	351,908	289,084	324,490	126,063	4,856,680
31	246,621	0	93,062	93,062	84,056	0	0	0	0	0	0	0	270,180
32	0	107,037	102,818	107,818	102,817	0	0	0	0	0	0	0	420,490
33	2,293,227	2,922,037	3,899,582	3,412,644	3,651,746	3,071,546	3,352,947	2,431,168	2,226,668	2,127,997	2,173,990	1,934,010	33,397,562
34	0	0	0	0	0	0	0	0	0	0	0	0	0
35	0	0	0	0	0	0	0	0	0	0	0	0	0
36	2,293,227	3,464,236	5,487,128	5,989,891	5,534,508	4,029,883	3,560,405	2,440,668	2,236,168	2,137,497	2,183,490	1,943,510	41,300,612
37													
38													

7 Net Storage Withdrawals
 8 Transco S-2
 9 Transco SS-2 (2)
 10 Transco ESS
 11 Transco ESS
 12 Transco GSS
 13 Transco LNG (LGA)
 14 Transco LSS (2)
 15 Columbia FSS
 16 Dominion GSS
 17 Company LNG
 18 S-2 Compressor Fuel 2.17%
 19 SS-2 Compressor Fuel 1.22%
 20 LSS Compressor Fuel 0.24%
 21 GSS Compressor Fuel 0.0%
 22 Dominion GSS Compressor Fuel 0.0%
 23 FSS Compressor Fuel 0.0%
 24 Columbia SST Compressor Fuel 2.042%
 25
 26 Total Storage Withdrawals
 27 Pipeline & Supplemental Supplies
 28 Spot Purchases - Columbia ESEP
 29 Spot Purchases - Columbia
 30 Spot Purchases - Transco
 31 Spot Purchases - Transco Leidy
 32 Spot Purchases - FES & Monthly BGSS
 33 Spot Purchases on Transco PSFT
 34 Liquefied Natural Gas (LNG)
 35 Total Pipeline & Supplemental Supplies
 36
 37
 38 Total Supply

SOUTH JERSEY GAS COMPANY
2016 - 2017 BGSSC
Pipeline Pricing

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17
1												
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8	\$0.4777	\$0.4777	\$0.4777	\$0.4777	\$0.4777	\$0.4777	\$0.4777	\$0.4777	\$0.4777	\$0.4777	\$0.4777	\$0.4777
9	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
10	\$0.1451	\$0.1451	\$0.1451	\$0.1451	\$0.1451	\$0.1451	\$0.1451	\$0.1451	\$0.1451	\$0.1451	\$0.1451	\$0.1451
11	\$0.0040	\$0.0040	\$0.0040	\$0.0040	\$0.0040	\$0.0040	\$0.0040	\$0.0040	\$0.0040	\$0.0040	\$0.0040	\$0.0040
12	\$0.0339	\$0.0339	\$0.0339	\$0.0339	\$0.0339	\$0.0339	\$0.0339	\$0.0339	\$0.0339	\$0.0339	\$0.0339	\$0.0339
13	\$0.0491	\$0.0491	\$0.0491	\$0.0491	\$0.0491	\$0.0491	\$0.0491	\$0.0491	\$0.0491	\$0.0491	\$0.0491	\$0.0491
14	\$0.2816	\$0.2816	\$0.2816	\$0.2816	\$0.2816	\$0.2816	\$0.2816	\$0.2816	\$0.2816	\$0.2816	\$0.2816	\$0.2816
15	\$0.0009	\$0.0009	\$0.0009	\$0.0009	\$0.0009	\$0.0009	\$0.0009	\$0.0009	\$0.0009	\$0.0009	\$0.0009	\$0.0009
16	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317
17	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317
18	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317
19	\$0.1008	\$0.1008	\$0.1008	\$0.1008	\$0.1008	\$0.1008	\$0.1008	\$0.1008	\$0.1008	\$0.1008	\$0.1008	\$0.1008
20	\$0.0005	\$0.0005	\$0.0005	\$0.0005	\$0.0005	\$0.0005	\$0.0005	\$0.0005	\$0.0005	\$0.0005	\$0.0005	\$0.0005
21	\$0.0488	\$0.0488	\$0.0488	\$0.0488	\$0.0488	\$0.0488	\$0.0488	\$0.0488	\$0.0488	\$0.0488	\$0.0488	\$0.0488
22	\$0.0419	\$0.0419	\$0.0419	\$0.0419	\$0.0419	\$0.0419	\$0.0419	\$0.0419	\$0.0419	\$0.0419	\$0.0419	\$0.0419
23	\$0.0211	\$0.0211	\$0.0211	\$0.0211	\$0.0211	\$0.0211	\$0.0211	\$0.0211	\$0.0211	\$0.0211	\$0.0211	\$0.0211
24	\$0.0025	\$0.0025	\$0.0025	\$0.0025	\$0.0025	\$0.0025	\$0.0025	\$0.0025	\$0.0025	\$0.0025	\$0.0025	\$0.0025
25	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411
26	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411
27	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411
28	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411
29	\$0.1522	\$0.1522	\$0.1522	\$0.1522	\$0.1522	\$0.1522	\$0.1522	\$0.1522	\$0.1522	\$0.1522	\$0.1522	\$0.1522
30	\$0.0006	\$0.0006	\$0.0006	\$0.0006	\$0.0006	\$0.0006	\$0.0006	\$0.0006	\$0.0006	\$0.0006	\$0.0006	\$0.0006
31	\$0.0277	\$0.0277	\$0.0277	\$0.0277	\$0.0277	\$0.0277	\$0.0277	\$0.0277	\$0.0277	\$0.0277	\$0.0277	\$0.0277
32	\$0.0212	\$0.0212	\$0.0212	\$0.0212	\$0.0212	\$0.0212	\$0.0212	\$0.0212	\$0.0212	\$0.0212	\$0.0212	\$0.0212
33	\$0.0348	\$0.0348	\$0.0348	\$0.0348	\$0.0348	\$0.0348	\$0.0348	\$0.0348	\$0.0348	\$0.0348	\$0.0348	\$0.0348
34	\$0.0067	\$0.0067	\$0.0067	\$0.0067	\$0.0067	\$0.0067	\$0.0067	\$0.0067	\$0.0067	\$0.0067	\$0.0067	\$0.0067
35	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055
36	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055
37	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055
38	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055
39	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000
40	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$375
41	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
42	\$16,800	\$16,800	\$16,800	\$16,800	\$16,800	\$16,800	\$16,800	\$16,800	\$16,800	\$16,800	\$16,800	\$16,800
43	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

43 Ventyx-SENDOUT Annual Charge

SOUTH JERSEY GAS COMPANY

Projected Supplemental Gas Supplies - Winter Peaking

LNG

		1	2	3	4	5	6	7
		LNG Produced (DTS)	NYMEX Close On 10-May-16	Variable/Basis Costs to City Gate (\$/Dt)	Del'd Commodity (\$/Dt) (3 + 4)	Total Commodity Costs (1 x 4)	LNG Production Variable Costs	Total LNG Costs (5 + 6)
Oct	2016	0	\$2.459	\$0.000	\$0.000	\$0	\$0	\$0
Nov	2016	107,037	\$2.672	\$0.445	\$3.117	\$333,634	\$215,000	\$548,634
Dec	2016	102,818	\$2.965	\$0.811	\$3.776	\$388,241	\$215,000	\$603,241
Jan	2017	107,818	\$3.096	\$1.174	\$4.270	\$460,383	\$215,000	\$675,383
Feb	2017	102,817	\$3.089	\$1.125	\$4.214	\$433,271	\$215,000	\$648,271
Mar	2017	0	\$3.039	\$0.000	\$0.000	\$0	\$0	\$0
Apr	2017	0	\$2.850	\$0.000	\$0.000	\$0	\$0	\$0
May	2017	0	\$2.835	\$0.000	\$0.000	\$0	\$0	\$0
Jun	2017	0	\$2.865	\$0.000	\$0.000	\$0	\$0	\$0
Jul	2017	0	\$2.900	\$0.000	\$0.000	\$0	\$0	\$0
Aug	2017	0	\$2.909	\$0.000	\$0.000	\$0	\$0	\$0
Sep	2017	0	\$2.905	\$0.000	\$0.000	\$0	\$0	\$0
Totals		420,490	\$2.8820	\$0.888	\$3.842	\$1,615,529	\$860,000	\$2,475,529

SOUTH JERSEY GAS COMPANY
ACTUAL ANNUAL REQUIREMENTS AND SUPPLIES
NOVEMBER 2013 THROUGH OCTOBER 2015

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Quantities in MDts

	1	2	3	5	6	7
	Nov 2013 through Oct 2014			Nov 2014 through Oct 2015		
	Actual	Actual	Actual	Actual	Actual	Actual
		Heating	Non-Heat		Heating	Non-Heat
	Annual	Season	Season	Annual	Season	Season
FIRM REQUIREMENTS						
Residential	24,140	19,097	5,043	26,103	21,030	5,073
Commercial	5,256	3,924	1,333	5,817	4,447	1,370
Commercial Large Volume	618	405	213	635	480	155
Industrial	290	231	59	491	294	197
Company Use and Unaccounted For	1,594	1,193	401	1,243	2,031	-788
Firm Electric Service	1,017	429	588	1,474	231	1,243
Electric Generation - LV	0	0	0	1	0	1
Electric Generation - Monthly BGSS	0	0	0	0	0	0
BSC	0	0	0	0	0	0
TOTAL FIRM SENDOUT EXCLUDING TRANSPORTATION (lines 17 thru 25)	32,916	25,278	7,638	35,764	28,514	7,251
Firm Transportation (FT)	<u>33,973</u>	<u>17,043</u>	<u>16,930</u>	<u>28,728</u>	<u>15,365</u>	<u>13,362</u>
TOTAL FIRM SENDOUT AND TRANSPORTATION (lines 27+29)	66,889	42,321	24,568	64,492	43,879	20,613
Interruptible Sales, Interruptible Transportation and Off-System Sales	<u>10,615</u>	<u>5,869</u>	<u>4,745</u>	<u>14,380</u>	<u>8,069</u>	<u>6,312</u>
TOTAL SENDOUT, TRANSPORTATION AND OFF-SYSTEM SALES (line 31+33)	77,503	48,190	29,313	78,873	51,948	26,924
Storage Injections	<u>7,880</u>	<u>817</u>	<u>7,063</u>	<u>7,959</u>	<u>732</u>	<u>7,227</u>
TOTAL REQUIREMENTS (lines 35+37)	85,383	49,007	36,376	86,831	52,680	34,152
AVAILABLE SUPPLIES						
Spot Direct Purchases - Transco & Columbia FT & City Gate	39,909	22,533	17,375	48,282	30,019	18,263
LNG	529	447	83	485	422	64
PSE&G Net Exchange	0	0	0	0	0	0
Peaking Supply	1,807	1,807	0	0	0	0
Transportation Gas (Firm & Interruptible)	<u>35,706</u>	<u>17,175</u>	<u>18,530</u>	<u>30,667</u>	<u>15,649</u>	<u>15,018</u>
TOTAL SUPPLIES EXCLUDING STORAGE (lines 43 thru 47)	77,950	41,962	35,988	79,434	46,089	33,345
Storage Withdrawals	<u>7,760</u>	<u>7,228</u>	<u>532</u>	<u>7,397</u>	<u>6,590</u>	<u>807</u>
TOTAL SUPPLIES AND STORAGE (lines 49+51)	85,710	49,190	36,520	86,831	52,680	34,152

SOUTH JERSEY GAS COMPANY
ANNUAL REQUIREMENTS AND SUPPLIES
NOVEMBER 2015 THROUGH OCTOBER 2016
ACTUAL HEATING SEASON - ESTIMATED NON-HEATING SEASON

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Quantities in MDts			
	1	2	3
	Nov 2015 through Oct 2016		
	Estimated	Actual	Estimated
	Annual	Heating Season	Non-Heat Season
FIRM REQUIREMENTS			
Residential	15,163	15,163	0
Commercial	2,735	2,735	0
Commercial LV	225	225	0
Industrial	66	66	0
Company Use and Unaccounted For	0	0	0
Firm Electric Service	282	282	0
Electric Generation - Large Volume	23	23	0
Total Summer Season Utility Load Normal Weather Requirements Inc. Firm Transportation	<u>11,199</u>	<u>0</u>	<u>11,199</u>
TOTAL FIRM SENDOUT REQUIREMENTS (lines 19 thru 26)	29,694	18,494	11,199
Firm Transportation (FT)	<u>12,612</u>	<u>12,612</u>	<u>0</u>
TOTAL FIRM SENDOUT AND TRANSPORTATION (lines 28+30)	42,306	31,106	11,199
Available For Interruptible and Off-System Sales (WS Actual - SS lines 53-32-38)	<u>59,799</u>	<u>10,277</u>	<u>49,523</u>
TOTAL SENDOUT, TRANSPORTATION AND OFF-SYSTEM SALES (line 32+34)	102,105	41,383	60,722
Storage Injections	<u>8,943</u>	<u>1,259</u>	<u>7,683</u>
TOTAL REQUIREMENTS - NORMAL WEATHER (lines 36+38)	111,048	42,642	68,406
AVAILABLE SUPPLIES			
Spot Direct Purchases - Transco & Columbia FT & City Gate	51,967	16,798	35,169
LNG	278	211	67
PSE&G Net Exchange	0	0	0
Peaking Supply	0	0	0
Columbia ESEP	13,943	3,243	10,700
Transportation Gas (WS Actual - SS up to 105,000 dts/d)	<u>37,397</u>	<u>14,927</u>	<u>22,470</u>
TOTAL SUPPLIES EXCLUDING STORAGE (lines 43 thru 48)	103,585	35,179	68,406
Storage Withdrawals	<u>7,463</u>	<u>7,463</u>	<u>0</u>
TOTAL SUPPLIES PLUS STORAGE (lines 50+52)	111,048	42,642	68,406

**SOUTH JERSEY GAS COMPANY
ANNUAL REQUIREMENTS AND SUPPLIES
NOVEMBER 2017 THROUGH OCTOBER 2018
EXCLUDES OPT-OUT CUSTOMERS**

Quantities in MDts

	1	2	3
	Nov 2017 through Oct 2018		
	Estimated	Estimated	Estimated
	Annual	Heating Season	Non-Heat Season
18 TOTAL FIRM SENDOUT AND TRANSPORTATION REQUIREMENTS (EXCLUDES OPT-OUT)	41,685	30,151	11,533
20 Storage Injections Based on Full Contract Quantities	<u>7,683</u>	0	7,683
22 TOTAL SENDOUT AND TRANS. REQUIREMENTS - NORMAL WEATHER (lines 18+20)	49,368	30,151	19,217
24 Firm Sendout and Transportation Requirements Added for Design Weather	<u>6,264</u>	<u>6,264</u>	<u>0</u>
26 TOTAL SENDOUT AND TRANS. REQUIREMENTS - DESIGN WEATHER (lines 22+24)	55,632	36,415	19,217
28 AVAILABLE SUPPLIES			
29 Spot Purchases Based on Transco & Col. FT & City Gate Supplies - Cap. Reduced For CIP Releases	71,477	31,272	40,205
30 LNG Withdrawals	434	368	67
31 Peaking Service	920	920	0
32 Columbia East Side Expansion Project	25,550	10,570	14,980
33 Transportation Gas (105,000 Dts per day)	<u>38,325</u>	<u>15,855</u>	<u>22,470</u>
35 TOTAL SUPPLIES EXCLUDING STORAGE (lines 29 thru 33)	136,706	58,984	77,722
37 Storage Withdrawals Full Contract Quantities	<u>7,683</u>	<u>7,683</u>	<u>0</u>
39 TOTAL SUPPLIES PLUS STORAGE (lines 35+37)	144,389	66,668	77,722
41 WINTER RESERVE - NORMAL WEATHER (lines 39-22)		36,517	
43 WINTER RESERVE - DESIGN WEATHER (lines 39-26)		30,252	
45 Amount in Storage November 1	7,683		

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CONFIDENTIAL

SOUTH JERSEY GAS COMPANY
DESIGN DAY FORECAST
2016-17 THROUGH 2020-21

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	2016-17	2017-18	2018-19	2019-20	2020-21
Summary of Requirements vs Supplies					
Total Design Day Requirements	512,891	520,555	528,351	536,280	544,346
Total Design Day Supplies	<u>554,755</u>	<u>564,755</u>	<u>564,755</u>	<u>564,755</u>	<u>564,755</u>
Excess / (Shortfall)	<u>41,864</u>	<u>44,200</u>	<u>36,404</u>	<u>28,475</u>	<u>20,409</u>
Design Day Degree Days	63.0	63.0	63.0	63.0	63.0
Quantity in Dts	2016-17	2017-18	2018-19	2019-20	2020-21
Total Design Day Sendout Requirements	<u>512,891</u>	<u>520,555</u>	<u>528,351</u>	<u>536,280</u>	<u>544,346</u>
Design Day Capacity Entitlements					
Pipeline City Gate Long-Term Capacity	Contract #				
Transco FT (Long-haul)	1003902	128,651	128,651	128,651	128,651
Transco FT (Long-haul)	1002231	2,264	2,264	2,264	2,264
Transco (PSFT) (Long-haul)	1005003	3,002	3,002	3,002	3,002
Transco FT (Leidy Line)	1013599	41,608	41,608	41,608	41,608
Transco FT (Leidy Line)	1044825	17,433	17,433	17,433	17,433
Columbia NTS	39305	22,511	22,511	22,511	22,511
Columbia FTS	38099	22,511	22,511	22,511	22,511
Columbia FTS	156147	9,000	9,000	9,000	9,000
Columbia FTS (ESEP)	161135	60,000	70,000	70,000	70,000
Total Pipeline Services (lines 23 thru 31)		306,980	316,980	316,980	316,980
Underground Storage Services					
Transco S-2		1,557	1,557	1,557	1,557
Transco GSS		27,314	27,314	27,314	27,314
Transco LSS		12,000	12,000	12,000	12,000
Transco LG-A		15,670	15,670	15,670	15,670
Transco SS-2		16,043	16,043	16,043	16,043
Columbia FSS		52,891	52,891	52,891	52,891
Total Underground Storage (lines 36 thru 41)		125,475	125,475	125,475	125,475
Company Sources					
Company LNG (110,000 Mcf pro-rated @ 20 hours - converted to Dts)		75,000	75,000	75,000	75,000
Total Company Entitlement Sources (lines 33+43+46)		507,455	517,455	517,455	517,455
Company Entitlement Deficiency Before Transportation (48-18)		(5,436)	(3,100)	(10,896)	(18,825)
Transportation Sources					
RSG-FT @ 100% of Jan 2017 Average Daily Load		14,810	14,810	14,810	14,810
GSG-FT & GSG-LV-FT @ 100% of Jan 2017 Average Daily Load		42,069	42,069	42,069	42,069
Total Transportation Sources (lines 53+54)		56,879	56,879	56,879	56,879
Incremental Capacity Available From Transco CNJEP (105,000-line 56)		48,121	48,121	48,121	48,121
Total Transco CNJEP Capacity (lines 56+58)		105,000	105,000	105,000	105,000
Assets Released as Part of The Conservation Incentive Program					
Transco FT (Long Haul)		(10,000)	(10,000)	(10,000)	(10,000)
Transco FT (Leidy Line)		(20,000)	(20,000)	(20,000)	(20,000)
Columbia FTS		(8,671)	(8,671)	(8,671)	(8,671)
Columbia FSS		(19,029)	(19,029)	(19,029)	(19,029)
Total Assets Released as Part of the CIP (lines 63 thru 66)		(57,700)	(57,700)	(57,700)	(57,700)
Total Net Design Day Supplies (lines 33+43+46+60+68)		<u>554,755</u>	<u>564,755</u>	<u>564,755</u>	<u>564,755</u>
Excess / (Shortfall) Between Requirements & Entitlements (lines 70 -18)		41,864	44,200	36,404	28,475
Excess / (Shortfall) as a Percent of Sendout (lines 72/18)		8.2%	8.5%	6.9%	5.3%
					3.7%

South Jersey Gas Company
Actual Peak Day Supply and Demand
Five Highest Demand Days For Each Of The Last Three Winter Season (Dts)

WINTER SEASON	DATE OF HIGHEST DEMAND	SUPPLY SOURCES				TOTAL SENDOUT	FIRM SENDOUT	INTERR SENDOUT	TOTAL SENDOUT	DEGREE DAYS
		TRANSCO	COLUMBIA	PSE&G	LNG					
2015-2016	February 13, 2016	246,375	210,624	0	16,178	473,177	469,346	3,832	473,178	49.00
	January 18, 2016	197,713	191,568	0	49,774	439,055	426,571	12,485	439,056	45.54
	February 14, 2016	221,578	200,443	0	9,844	431,865	427,965	3,899	431,864	46.62
	February 11, 2016	236,588	186,946	0	1,423	424,957	421,149	3,808	424,957	42.87
	January 19, 2016	200,768	192,536	0	25,612	418,916	406,839	12,078	418,917	41.72
2014-2015	February 15, 2015	283,105	164,979	0	59,135	507,219	504,332	2,887	507,219	54.87
	January 7, 2015	370,700	76,998	0	49,577	497,275	485,557	11,718	497,275	49.61
	February 19, 2015	286,545	147,120	0	53,380	487,045	483,290	3,755	487,045	54.16
	February 20, 2015	288,375	143,140	0	41,890	473,405	470,096	3,309	473,405	54.75
	February 16, 2015	281,588	165,242	0	9,971	456,801	454,081	2,720	456,801	49.61
2013-2014	January 7, 2014	285,626	139,967	0	69,463	495,056	493,191	1,865	495,056	53.80
	January 22, 2014	295,347	133,279	0	26,111	454,737	453,506	1,231	454,737	53.16
	January 3, 2014	326,425	100,417	0	25,352	452,194	450,726	1,468	452,194	53.02
	March 3, 2014	330,168	85,831	0	32,092	448,091	445,889	2,202	448,091	49.31
	January 29, 2014	272,510	142,063	0	24,018	438,591	437,219	1,372	438,591	50.90

**SOUTH JERSEY GAS COMPANY
STATEMENT OF SIGNIFICANT ACTUAL AND ESTIMATED SUPPLIER REFUNDS
2015-2016 BGSS YEAR**

<u>Date Received</u>	<u>Pipeline or Supplier</u>	<u>FERC Docket No.</u>	<u>Issue</u>	<u>Amount Refunded</u>	<u>Total Monthly</u>
Oct-15	Transco	Tariff	Penalty Sharing Refund	\$5,182.49	\$5,182.49
Nov-15	-	-	-	\$0.00	\$0.00
Dec-15	Transco Columbia	Tariff Credit	Distribution of Penalties Collected FTS Penalty Refund	\$13,642.95 \$43,430.00	\$57,072.95
Jan-16	Transco Columbia	Tariff Credit	Transco S-2 Storage Pass thru from TETCO Columbia	\$378.54 \$227.76	\$606.30
Feb-16	-	-	-	\$0.00	\$0.00
Mar-16	-	-	-	\$0.00	\$0.00
Apr-16	-	-	-	\$0.00	\$0.00
May-16	-	-	-	\$0.00	\$0.00
Jun-16	-	-	-	\$0.00	\$0.00
Jul-16	-	-	-	\$0.00	\$0.00
Aug-16	-	-	-	\$0.00	\$0.00
Sep-16	-	-	-	\$0.00	\$0.00
	Total			<u>\$62,861.74</u>	<u>\$62,861.74</u>

**SOUTH JERSEY GAS COMPANY
STATEMENT OF SIGNIFICANT ACTUAL AND ESTIMATED SUPPLIER REFUNDS
2016-2017 BGSS YEAR**

Date Received	Pipeline or Supplier	FERC Docket No.	Issue	Amount Refunded	Total Monthly
Oct-16	-	-	-	\$0.00	\$0.00
Nov-16	-	-	-	\$0.00	\$0.00
Dec-16	-	-	-	\$0.00	\$0.00
Jan-17	-	-	-	\$0.00	\$0.00
Feb-17	-	-	-	\$0.00	\$0.00
Mar-17	-	-	-	\$0.00	\$0.00
Apr-17	-	-	-	\$0.00	\$0.00
May-17	-	-	-	\$0.00	\$0.00
Jun-17	Columbia	RP16-314	Modernization Program Refund	TBD	TBD
Jul-17	-	-	-	\$0.00	\$0.00
Aug-17	-	-	-	\$0.00	\$0.00
Sep-17	-	-	-	\$0.00	\$0.00
Total				<u>\$0.00</u>	<u>\$0.00</u>

South Jersey Gas Company
 Summary of Hedging Activity
 October 2016 - September 2017
 As of March 31, 2016

Supply Month	BGSS Sendout* (000)	Program Hedges				
		Total Hedged (000)	Non-Discr (000)	Planalytics (000)	Sim (000)	Disc (000)
October-16	1,070	460	450	10	-	-
November-16	2,492	1,575	425	30	1,120	-
December-16	4,205	1,540	400	20	1,120	-
January-17	4,890	1,505	375	10	1,120	-
February-17	4,162	1,480	350	10	1,120	-
March-17	3,294	1,455	325	10	1,120	-
April-17	1,493	300	300	-	-	-
May-17	814	275	275	-	-	-
June-17	554	250	250	-	-	-
July-17	542	225	225	-	-	-
August-17	554	200	200	-	-	-
September-17	603	175	175	-	-	-
Total	24,673	9,440	3,750	90	5,600	-
Total % Hedged		38.3%	15.2%	0.4%	22.7%	0.0%

*Based on Sendout in 2015 BGSS Filing

South Jersey Gas Company
 Non Discretionary Hedging Strategy
 As of March 31, 2016

Month	Quantity	Average Price
October-16	450,000	\$ 3.087
November-16	425,000	\$ 3.043
December-16	400,000	\$ 2.994
January-17	375,000	\$ 2.963
February-17	350,000	\$ 2.937
March-17	325,000	\$ 2.914
April-17	300,000	\$ 2.892
May-17	275,000	\$ 2.869
June-17	250,000	\$ 2.839
July-17	225,000	\$ 2.796
August-17	200,000	\$ 2.746
September-17	175,000	\$ 2.710

South Jersey Gas Company
Non Discretionary Hedging Strategy
As of March 31, 2016

INS_TYPE (Multiple Items)
PFOLIO SIG_Financial_Trading_NonDiscr
PARAM_SEQ_NUM 1

Average of RATE	10/1/2016	11/1/2016	12/1/2016	1/1/2017	2/1/2017	3/1/2017	4/1/2017	5/1/2017	6/1/2017	7/1/2017	8/1/2017	9/1/2017
Row Labels	Column Labels											
Oct-14	\$ 3,835											
Nov-14	\$ 3,815	\$ 3,815										
Dec-14	\$ 3,460	\$ 3,460	\$ 3,460									
Jan-15	\$ 3,325	\$ 3,325	\$ 3,325	\$ 3,325								
Feb-15	\$ 3,237	\$ 3,237	\$ 3,237	\$ 3,237	\$ 3,237							
Mar-15	\$ 3,185	\$ 3,185	\$ 3,185	\$ 3,185	\$ 3,185	\$ 3,185						
Apr-15	\$ 3,143	\$ 3,143	\$ 3,143	\$ 3,143	\$ 3,143	\$ 3,143	\$ 3,143					
May-15	\$ 3,170	\$ 3,170	\$ 3,170	\$ 3,170	\$ 3,170	\$ 3,170	\$ 3,170	\$ 3,170				
Jun-15	\$ 3,225	\$ 3,225	\$ 3,225	\$ 3,225	\$ 3,225	\$ 3,225	\$ 3,225	\$ 3,225	\$ 3,225			
Jul-15	\$ 3,195	\$ 3,195	\$ 3,195	\$ 3,195	\$ 3,195	\$ 3,195	\$ 3,195	\$ 3,195	\$ 3,195	\$ 3,195		
Aug-15	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	
Sep-15	\$ 2,945	\$ 2,945	\$ 2,945	\$ 2,945	\$ 2,945	\$ 2,945	\$ 2,945	\$ 2,945	\$ 2,945	\$ 2,945	\$ 2,945	\$ 2,945
Oct-15	\$ 2,688	\$ 2,688	\$ 2,688	\$ 2,688	\$ 2,688	\$ 2,688	\$ 2,688	\$ 2,688	\$ 2,688	\$ 2,688	\$ 2,688	\$ 2,688
Nov-15	\$ 2,680	\$ 2,680	\$ 2,680	\$ 2,680	\$ 2,680	\$ 2,680	\$ 2,680	\$ 2,680	\$ 2,680	\$ 2,680	\$ 2,680	\$ 2,680
Dec-15	\$ 2,680	\$ 2,680	\$ 2,680	\$ 2,680	\$ 2,680	\$ 2,680	\$ 2,680	\$ 2,680	\$ 2,680	\$ 2,680	\$ 2,680	\$ 2,680
Feb-16	\$ 2,445	\$ 2,445	\$ 2,445	\$ 2,445	\$ 2,445	\$ 2,445	\$ 2,445	\$ 2,445	\$ 2,445	\$ 2,445	\$ 2,445	\$ 2,445
Jan-16	\$ 2,710	\$ 2,710	\$ 2,710	\$ 2,710	\$ 2,710	\$ 2,710	\$ 2,710	\$ 2,710	\$ 2,710	\$ 2,710	\$ 2,710	\$ 2,710
Mar-16	\$ 2,820	\$ 2,820	\$ 2,820	\$ 2,820	\$ 2,820	\$ 2,820	\$ 2,820	\$ 2,820	\$ 2,820	\$ 2,820	\$ 2,820	\$ 2,820
Average Cost per Dth	\$ 3,087	\$ 3,043	\$ 2,994	\$ 2,963	\$ 2,937	\$ 2,914	\$ 2,892	\$ 2,869	\$ 2,839	\$ 2,796	\$ 2,746	\$ 2,710

Dth Purchased	\$ 450,000	425,000	400,000	375,000	350,000	325,000	300,000	275,000	250,000	225,000	200,000	175,000
	\$ 1,388,950	\$ 1,293,075	\$ 1,197,700	\$ 1,111,200	\$ 1,028,075	\$ 947,150	\$ 867,525	\$ 788,950	\$ 709,700	\$ 629,075	\$ 549,200	\$ 474,200

South Jersey Gas Company
 Planalytics Hedging Strategy
 As of March 31, 2016

Month	Quantity	Average Price
October-16	10,000	\$ 2.308
November-16	30,000	\$ 2.872
December-16	20,000	\$ 2.723
January-17	10,000	\$ 2.670
February-17	10,000	\$ 2.668
March-17	10,000	\$ 2.644
April-17	-	\$ -
May-17	-	\$ -
June-17	-	\$ -
July-17	-	\$ -
August-17	-	\$ -
September-17	-	\$ -

South Jersey Gas Company
Discretionary Hedging Strategy
As of March 31, 2016

Financial Fixed Priced			Physical Fixed Price		
Month	Quantity	Average Price	Month	Quantity	Average Price
October-16	-	\$ -	October-16	-	\$ -
November-16	-	\$ -	November-16	-	\$ -
December-16	-	\$ -	December-16	-	\$ -
January-17	-	\$ -	January-17	-	\$ -
February-17	-	\$ -	February-17	-	\$ -
March-17	-	\$ -	March-17	-	\$ -
April-17	-	\$ -	April-17	-	\$ -
May-17	-	\$ -	May-17	-	\$ -
June-17	-	\$ -	June-17	-	\$ -
July-17	-	\$ -	July-17	-	\$ -
August-17	-	\$ -	August-17	-	\$ -
September-17	-	\$ -	September-17	-	\$ -

South Jersey Gas Company
Summary of Hedging Activity
October 2016 - September 2017
As of December 31, 2015

Supply Month	BGSS Sendout* (000)	Program Hedges				
		Total Hedged (000)	Non-Discr (000)	Planalytics (000)	Sim (000)	Disc (000)
October-16	1,070	385	375	10	-	-
November-16	2,492	380	350	30	-	-
December-16	4,205	345	325	20	-	-
January-17	4,890	310	300	10	-	-
February-17	4,162	285	275	10	-	-
March-17	3,294	260	250	10	-	-
April-17	1,493	225	225	-	-	-
May-17	814	200	200	-	-	-
June-17	554	175	175	-	-	-
July-17	542	150	150	-	-	-
August-17	554	125	125	-	-	-
September-17	603	100	100	-	-	-
Total	24,673	2,940	2,850	90	-	-
Total % Hedged		11.9%	11.6%	0.4%	0.0%	0.0%

*Based on Sendout in 2015 BGSS Filing

South Jersey Gas Company
Non Discretionary Hedging Strategy
As of December 31, 2015

Month	Quantity	Average Price
October-16	375,000	\$ 3.172
November-16	350,000	\$ 3.125
December-16	325,000	\$ 3.072
January-17	300,000	\$ 3.039
February-17	275,000	\$ 3.013
March-17	250,000	\$ 2.991
April-17	225,000	\$ 2.970
May-17	200,000	\$ 2.948
June-17	175,000	\$ 2.916
July-17	150,000	\$ 2.865
August-17	125,000	\$ 2.799
September-17	100,000	\$ 2.748

South Jersey Gas Company
 Planalytics Hedging Strategy
 As of December 31, 2015

Month	Quantity	Average Price
October-16	10,000	\$ 2.308
November-16	30,000	\$ 2.872
December-16	20,000	\$ 2.723
January-17	10,000	\$ 2.670
February-17	10,000	\$ 2.668
March-17	10,000	\$ 2.644
April-17	-	\$ -
May-17	-	\$ -
June-17	-	\$ -
July-17	-	\$ -
August-17	-	\$ -
September-17	-	\$ -

South Jersey Gas Company
Storage Incentive Mechanism
Benchmark Cost Calculation, Actual Results & Sharing (Proforma)
Actual April 2016 - October 2016

Component of Benchmark	For Deliveries During						Total	
	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16		Oct-16
Volumes (Bcf)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial Hedges								
Commodity Cost (\$000)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Average Cost	\$ 0.000	\$ 0.000	\$ 0.000	\$ 0.000	\$ 0.000	\$ 0.000	\$ 0.000	\$ 0.000
Transaction Costs (000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation and Fuel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Benchmark	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	Storage Benchmark Per Dt							0.000
Actual/Est Injection Volumes	0.80	0.80	0.80	0.80	0.80	0.80	0.80	5.60
Financial Hedges								
Cost (\$000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net (Gains) / Losses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Net Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Actual Transport & Fuel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Difference between Benchmark and Actual	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)
	Actual Average Cost Before Sharing							-
	BGSS Share 80%							\$ (0)
	SJG Share							\$ (0)
	Actual Average Cost Before Sharing							\$ -
	SJG Sharing Per Dt							\$ 0.0000
	Actual Average Cost After Sharing							\$ 0.000

1,120

**South Jersey Gas Company
Discretionary Hedging Strategy
As of December 31, 2015**

Financial Fixed Priced		Physical Fixed Price			
Month	Quantity	Average Price	Month	Quantity	Average Price
October-16	-	\$ -	October-16	-	\$ -
November-16	-	\$ -	November-16	-	\$ -
December-16	-	\$ -	December-16	-	\$ -
January-17	-	\$ -	January-17	-	\$ -
February-17	-	\$ -	February-17	-	\$ -
March-17	-	\$ -	March-17	-	\$ -
April-17	-	\$ -	April-17	-	\$ -
May-17	-	\$ -	May-17	-	\$ -
June-17	-	\$ -	June-17	-	\$ -
July-17	-	\$ -	July-17	-	\$ -
August-17	-	\$ -	August-17	-	\$ -
September-17	-	\$ -	September-17	-	\$ -

South Jersey Gas Company
Summary of Hedging Activity
October 2015 - September 2016
As of December 31, 2015

Supply Month	BGSS Sendout* (000)	Program Hedges			
		Total Hedged (000)	Non-Discr (000)	Planalytics (000)	Sim (000)
October-15	1,070	515	415	100	-
November-15	2,492	1,840	420	300	1,120
December-15	4,205	1,845	425	300	1,120
January-16	4,890	1,850	430	300	1,120
February-16	4,162	1,855	435	300	1,120
March-16	3,294	1,680	440	120	1,120
April-16	1,493	485	445	40	-
May-16	814	490	450	40	-
June-16	554	470	450	20	-
July-16	542	460	450	10	-
August-16	554	435	425	10	-
September-16	603	420	400	20	-
Total	24,673	12,345	5,185	1,560	5,600
Total % Hedged		50.0%	21.0%	6.3%	22.7%
					0.0%

*Based on Sendout in 2015 BGSS Filing

South Jersey Gas Company
Non Discretionary Hedging Strategy
As of December 31, 2015

Month	Quantity	Average Price
October-15	415,000	\$ 3.908
November-15	420,000	\$ 3.871
December-15	425,000	\$ 3.823
January-16	430,000	\$ 3.769
February-16	435,000	\$ 3.714
March-16	440,000	\$ 3.647
April-16	445,000	\$ 3.575
May-16	450,000	\$ 3.485
June-16	450,000	\$ 3.395
July-16	450,000	\$ 3.307
August-16	425,000	\$ 3.272
September-16	400,000	\$ 3.226

South Jersey Gas Company
 Planalytics Hedging Strategy
 As of December 31, 2015

Month	Quantity	Average Price
October-15	100,000	\$ 3.021
November-15	300,000	\$ 3.131
December-15	300,000	\$ 2.970
January-16	300,000	\$ 2.640
February-16	300,000	\$ 2.509
March-16	120,000	\$ 2.782
April-16	40,000	\$ 3.413
May-16	40,000	\$ 3.417
June-16	20,000	\$ 2.972
July-16	10,000	\$ 2.245
August-16	10,000	\$ 2.276
September-16	20,000	\$ 2.722

**South Jersey Gas Company
Storage Incentive Mechanism
Benchmark Cost Calculation, Actual Results & Sharing (Proforma)
Actual April 2015 - October 2015**

Component of Benchmark	For Deliveries During							Total
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	
Volumes (Bcf)	0.80	0.80	0.80	0.80	0.80	0.80	0.80	5.60
Financial Hedges								
Commodity Cost (\$000)	\$ 2,271	\$ 2,271	\$ 2,271	\$ 2,271	\$ 2,271	\$ 2,271	\$ 2,271	\$ 15,897
Average Cost	\$ 2,839	\$ 2,839	\$ 2,839	\$ 2,839	\$ 2,839	\$ 2,839	\$ 2,839	\$ 2,839
Transaction Costs (000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation and Fuel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Benchmark	\$ 2,271	\$ 2,271	\$ 2,271	\$ 2,271	\$ 2,271	\$ 2,271	\$ 2,271	\$ 15,897
	Storage Benchmark Per Dt							2,839
Actual/Est Injection Volumes	1.10	1.10	1.00	1.00	0.80	0.40	0.20	5.60
Financial Hedges								
Cost (\$000)	\$ 1,728	\$ 1,979	\$ 1,891	\$ 1,602	\$ 1,307	\$ 614	\$ 220	
Net (Gains) / Losses	\$ 207	\$ 265	\$ 27	\$ 60	\$ (30)	\$ 48	\$ 1	
Total Net Cost	\$ 1,935	\$ 2,244	\$ 1,918	\$ 1,662	\$ 1,277	\$ 662	\$ 220	\$ 9,919
Actual Transport & Fuel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 1,935	\$ 2,244	\$ 1,918	\$ 1,662	\$ 1,277	\$ 662	\$ 220	\$ 9,919
Difference between Benchmark and Actual	\$ (336)	\$ (27)	\$ (353)	\$ (609)	\$ (994)	\$ (1,609)	\$ (2,051)	\$ (5,977)
	BGSS Share 80%							\$ (4,782)
	SJG Share							\$ (1,195)
	Actual Average Cost Before Sharing							1,771
	Actual Average Cost Before Sharing							\$ 1,771
	SJG Sharing Per Dt							\$ 0.2135
	Actual Average Cost After Sharing							\$ 1,985

South Jersey Gas Company
Discretionary Hedging Strategy
As of December 31, 2015

Financial Fixed Priced			Physical Fixed Price		
Month	Quantity	Average Price	Month	Quantity	Average Price
October-15	-	\$ -	October-15	-	\$ -
November-15	-	\$ -	November-15	-	\$ -
December-15	-	\$ -	December-15	-	\$ -
January-16	-	\$ -	January-16	-	\$ -
February-16	-	\$ -	February-16	-	\$ -
March-16	-	\$ -	March-16	-	\$ -
April-16	-	\$ -	April-16	-	\$ -
May-16	-	\$ -	May-16	-	\$ -
June-16	-	\$ -	June-16	-	\$ -
July-16	-	\$ -	July-16	-	\$ -
August-16	-	\$ -	August-16	-	\$ -
September-16	-	\$ -	September-16	-	\$ -

South Jersey Gas Company
Summary of Hedging Activity
October 2015 - September 2016
As of September 30, 2015

Supply Month	BGSS Sendout * (000)	Program Hedges				
		Total Hedged (000)	Non-Discr (000)	Planalytics (000)	SIM (000)	Discr (000)
Oct-15	1,070	515	415	100	-	-
Nov-15	2,492	1,840	420	300	1,120	-
Dec-15	4,205	1,725	425	180	1,120	-
Jan-16	4,890	1,670	430	120	1,120	-
Feb-16	4,162	1,655	435	100	1,120	-
Mar-16	3,294	1,620	440	60	1,120	-
Apr-16	1,493	485	445	40	-	-
May-16	814	465	425	40	-	-
Jun-16	554	410	400	10	-	-
Jul-16	542	375	375	-	-	-
Aug-16	554	350	350	-	-	-
Sep-16	603	335	325	10	-	-
Total	24,673.48	11,445.00	4,885.00	960.00	5,600.00	-
Total % Hedged		46.4%	19.8%	3.9%	22.7%	0.0%

* Based on Sendout in 2015 BGSS Filing

South Jersey Gas Company
Non Discretionary Hedging Strategy
As of September 30, 2015

<u>Month</u>	<u>Quantity</u>	<u>Average Price</u>
Oct-15	415,000	\$ 3.908
Nov-15	420,000	\$ 3.871
Dec-15	425,000	\$ 3.823
Jan-16	430,000	\$ 3.769
Feb-16	435,000	\$ 3.714
Mar-16	440,000	\$ 3.647
Apr-16	445,000	\$ 3.575
May-16	425,000	\$ 3.532
Jun-16	400,000	\$ 3.483
Jul-16	375,000	\$ 3.432
Aug-16	350,000	\$ 3.398
Sep-16	325,000	\$ 3.351

South Jersey Gas Company
 Planalytics Hedging Strategy
 As of September 30, 2015

<u>Month</u>	<u>Quantity</u>	<u>Average Price</u>
Oct-15	100,000	\$ 3.026
Nov-15	300,000	\$ 3.131
Dec-15	180,000	\$ 3.373
Jan-16	120,000	\$ 3.563
Feb-16	100,000	\$ 3.541
Mar-16	60,000	\$ 3.512
Apr-16	40,000	\$ 3.413
May-16	40,000	\$ 3.417
Jun-16	10,000	\$ 3.755
Jul-16	-	\$ -
Aug-16	-	\$ -
Sep-16	10,000	\$ 2.830

South Jersey Gas Company
Storage Incentive Mechanism
Benchmark Cost Calculation, Actual Results & Sharing (Proforma)
Actual April- Aug; Estimated Sept 2015 - October 2015

Component of Benchmark	For Deliveries During							Total
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	
Volumes (Bcf)	0.80	0.80	0.80	0.80	0.80	0.80	0.80	5.60
Financial Hedges								
Commodity Cost (\$000)	\$ 2,270	\$ 2,270	\$ 2,270	\$ 2,270	\$ 2,270	\$ 2,270	\$ 2,270	\$ 15,889
Average Cost	\$ 2,837	\$ 2,837	\$ 2,837	\$ 2,837	\$ 2,837	\$ 2,837	\$ 2,837	\$ 2,837
Transaction Costs (000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation and Fuel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Benchmark	\$ 2,270	\$ 2,270	\$ 2,270	\$ 2,270	\$ 2,270	\$ 2,270	\$ 2,270	\$ 15,889
				Storage Benchmark Per Dt				<u>2.837</u>
Actual/Est Injection Volumes	1.10	1.10	1.00	1.00	0.80	0.40	0.20	5.60
Financial Hedges								
Cost (\$000)	\$ 1,728	\$ 1,979	\$ 1,891	\$ 1,602	\$ 1,307	\$ 614	\$ 567	
Net (Gains) / Losses	\$ 207	\$ 265	\$ 27	\$ 60	\$ (30)	\$ 48	\$ (57)	
Total Net Cost	\$ 1,935	\$ 2,244	\$ 1,918	\$ 1,662	\$ 1,277	\$ 662	\$ 511	\$ 10,210
Actual Transport & Fuel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 1,935	\$ 2,244	\$ 1,918	\$ 1,662	\$ 1,277	\$ 662	\$ 511	\$ 10,210
				Actual Average Cost Before Sharing				<u>1.823</u>
Difference between Benchmark and Actual	\$ (335)	\$ (25)	\$ (352)	\$ (608)	\$ (993)	\$ (1,608)	\$ (1,759)	\$ (5,680)
				BGSS Share 80%				\$ (4,544)
				SJG Share				\$ (1,136)
				Actual Average Cost Before Sharing				\$ 1.823
				SJG Sharing Per Dt				\$ 0.2028
				Actual Average Cost After Sharing				\$ 2.026

South Jersey Gas Company
Discretionary Hedging Strategy
As of September 30, 2015

Financial Fixed Price			Physical Fixed Price		
Month	Quantity	Average Price	Month	Quantity	Average Price
Oct-15	-	\$ -	Oct-15	-	\$ -
Nov-15	-	\$ -	Nov-15	-	\$ -
Dec-15	-	\$ -	Dec-15	-	\$ -
Jan-16	-	\$ -	Jan-16	-	\$ -
Feb-16	-	\$ -	Feb-16	-	\$ -
Mar-16	-	\$ -	Mar-16	-	\$ -
Apr-16	-	\$ -	Apr-16	-	\$ -
May-16	-	\$ -	May-16	-	\$ -
Jun-16	-	\$ -	Jun-16	-	\$ -
Jul-16	-	\$ -	Jul-16	-	\$ -
Aug-16	-	\$ -	Aug-16	-	\$ -
Sep-16	-	\$ -	Sep-16	-	\$ -

South Jersey Gas Company
Summary of Hedging Activity
October 2014 - September 2015
As of September 30, 2015

Supply Month	BGSS Sendout * (000)	Total Hedged (000)	Program Hedges			
			Non-Discr (000)	Planalytics (000)	SIM (000)	Discr (000)
Oct-14	1,161	410	360	50	0	0
Nov-14	2,621	1,780	360	300	1,120	0
Dec-14	4,242	1,885	365	400	1,120	0
Jan-15	4,695	2,090	370	400	1,120	200
Feb-15	4,048	2,295	375	400	1,120	400
Mar-15	3,325	2,200	380	300	1,120	400
Apr-15	1,616	425	385	40	0	0
May-15	850	440	390	50	0	0
Jun-15	513	435	395	40	0	0
Jul-15	474	450	400	50	0	0
Aug-15	493	455	405	50	0	0
Sep-15	579	460	410	50	0	0
Total	24,617	13,325	4,595	2,130	5,600	1,000
Total % Hedged		54.1%	18.7%	8.7%	22.7%	4.1%

* Based on Sendout in 2014 BGSS Filing

South Jersey Gas
Non Discretionary Hedging Strategy
As of September 30, 2015

<u>Month</u>	<u>Quantity</u>	<u>Average Price</u>
Oct-14	360,000	\$ 4.117
Nov-14	360,000	\$ 4.136
Dec-14	365,000	\$ 4.147
Jan-15	370,000	\$ 4.169
Feb-15	375,000	\$ 4.158
Mar-15	380,000	\$ 4.154
Apr-15	385,000	\$ 4.140
May-15	390,000	\$ 4.111
Jun-15	395,000	\$ 4.081
Jul-15	400,000	\$ 4.045
Aug-15	405,000	\$ 4.004
Sep-15	410,000	\$ 3.956

South Jersey Gas
Planalytics Hedging Strategy
As of September 30, 2015

<u>Month</u>	<u>Quantity</u>	<u>Average Price</u>
Oct-14	50,000	\$ 4.032
Nov-14	300,000	\$ 4.007
Dec-14	400,000	\$ 4.010
Jan-15	400,000	\$ 4.025
Feb-15	400,000	\$ 3.925
Mar-15	300,000	\$ 3.712
Apr-15	40,000	\$ 3.793
May-15	50,000	\$ 3.433
Jun-15	40,000	\$ 3.754
Jul-15	50,000	\$ 3.251
Aug-15	50,000	\$ 3.015
Sep-15	50,000	\$ 2.942

South Jersey Gas Company
Storage Incentive Mechanism
Benchmark Cost Calculation, Actual Results & Sharing (Proforma)
Actual April - October 2014

Component of Benchmark	For Deliveries During							Total
	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	
Volumes (Bcf)	0.80	0.80	0.80	0.80	0.80	0.80	0.80	5.60
Financial Hedges								
Commodity Cost (\$000)	\$ 3,582	\$ 3,582	\$ 3,582	\$ 3,582	\$ 3,582	\$ 3,582	\$ 3,582	\$ 25,072
Average Cost	\$ 4,477	\$ 4,477	\$ 4,477	\$ 4,477	\$ 4,477	\$ 4,477	\$ 4,477	\$ 4,477
Transaction Costs (000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation and Fuel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Benchmark	\$ 3,582	\$ 3,582	\$ 3,582	\$ 3,582	\$ 3,582	\$ 3,582	\$ 3,582	\$ 25,072
				Storage Benchmark Per Dt				4,477
Actual/Est Injection Volumes	1.10	0.90	0.80	0.60	0.90	0.80	0.50	5.60
Financial Hedges								
Cost (\$000)	\$ 4,533	\$ 3,182	\$ 2,869	\$ 1,944	\$ 3,057	\$ 2,796	\$ 1,732	
Net (Gains) / Losses	\$ (102)	\$ (271)	\$ (130)	\$ (27)	\$ 428	\$ 400	\$ 330	
Total	\$ 4,432	\$ 2,912	\$ 2,739	\$ 1,917	\$ 3,485	\$ 3,196	\$ 2,063	\$ 20,743
Difference between Benchmark and Actual	\$ 850	\$ (670)	\$ (843)	\$ (1,665)	\$ (97)	\$ (385)	\$ (1,519)	\$ (4,329)
				BGSS Share 80%				\$ (3,463)
				SJG Share				\$ (866)
				Actual Average Cost Before Sharing				3,704
				SJG Sharing Per Dt				\$ 0.1546
				Actual Average Cost After Sharing				\$ 3,859

**South Jersey Gas
Discretionary Hedging Strategy
As of September 30, 2015**

Financial Fixed Price			Physical Fixed Price		
Month	Quantity	Average Price	Month	Quantity	Average Price
Oct-14	-	0.000	Oct-14	-	0.000
Nov-14	-	0.000	Nov-14	-	0.000
Dec-14	-	0.000	Dec-14	-	0.000
Jan-15	200,000	3.166	Jan-15	-	0.000
Feb-15	400,000	3.165	Feb-15	-	0.000
Mar-15	400,000	3.158	Mar-15	-	0.000
Apr-15	-	0.000	Apr-15	-	0.000
May-15	-	0.000	May-15	-	0.000
Jun-15	-	0.000	Jun-15	-	0.000
Jul-15	-	0.000	Jul-15	-	0.000
Aug-15	-	0.000	Aug-15	-	0.000
Sep-15	-	0.000	Sep-15	-	0.000

Total 1,000,000

South Jersey Gas Company
Summary of Hedging Activity
October 2015 - September 2016
As of June 30, 2015

Supply Month	BGSS Sendout * (000)	Total Hedged (000)	Program Hedges			
			Non-Discr (000)	Planalytics (000)	SIM (000)	Discr (000)
October-15	1,070	465	415	50	0	0
November-15	2,492	1,670	420	130	1,120	0
December-15	4,205	1,645	425	100	1,120	0
January-16	4,890	1,620	430	70	1,120	0
February-16	4,162	1,590	410	60	1,120	0
March-16	3,294	1,550	390	40	1,120	0
April-16	1,493	410	370	40	0	0
May-16	814	390	350	40	0	0
June-16	554	335	325	10	0	0
July-16	542	300	300	0	0	0
August-16	554	275	275	0	0	0
September-16	603	250	250	0	0	0
Total	24,673	10,500	4,360	540	5,600	0
Total % Hedged		42.6%	17.7%	2.2%	22.7%	0.0%

* Based on Sendout in 2015 BGSS Filing

**South Jersey Gas
Planalytics Hedging Strategy
As of June 30, 2015**

Strategy	Month	Quantity	Avg Price
Planalytics	Oct-15	50,000	\$3.430
Planalytics	Nov-15	130,000	\$3.690
Planalytics	Dec-15	100,000	\$0.000
Planalytics	Jan-16	70,000	\$4.029
Planalytics	Feb-16	60,000	\$3.959
Planalytics	Mar-16	40,000	\$3.826
Planalytics	Apr-16	40,000	\$3.413
Planalytics	May-16	40,000	\$3.417
Planalytics	Jun-16	10,000	\$3.755
Planalytics	Jul-16	0	0
Planalytics	Aug-16	0	0
Planalytics	Sep-16	0	0

South Jersey Gas
Discretionary Hedging Strategy
As of June 30, 2015

<u>Financial Fixed Price</u>			<u>Physical Fixed Price</u>		
Month	Average Price Per Dt	Total Monthly Volume	Month	Average Price Per Dt	Total Monthly Volume
Oct-15	0	0	Oct-15	0	0
Nov-15	0	0	Nov-15	0	0
Dec-15	0	0	Dec-15	0	0
Jan-16	0	0	Jan-16	0	0
Feb-16	0	0	Feb-16	0	0
Mar-16	0	0	Mar-16	0	0
Apr-16	0	0	Apr-16	0	0
May-16	0	0	May-16	0	0
Jun-16	0	0	Jun-16	0	0
Jul-16	0	0	Jul-16	0	0
Aug-16	0	0	Aug-16	0	0
Sep-16	0	0	Sep-16	0	0
Totals			0		

**South Jersey Gas Company
Summary of Hedging Activity
October 2014 - September 2015
As of June 30, 2015**

Supply Month	BGSS Sendout * (000)	Program Hedges				
		Total Hedged (000)	Non-Discr (000)	Planalytics (000)	SIM (000)	Discr (000)
Oct-14	1,161	410	360	50	0	0
Nov-14	2,621	1,780	360	300	1,120	0
Dec-14	4,242	1,815	365	330	1,120	0
Jan-15	4,695	2,090	370	400	1,120	200
Feb-15	4,048	2,275	375	380	1,120	400
Mar-15	3,325	2,140	380	240	1,120	400
Apr-15	1,616	425	385	40	0	0
May-15	850	440	390	50	0	0
Jun-15	513	435	395	40	0	0
Jul-15	474	450	400	50	0	0
Aug-15	493	455	405	50	0	0
Sep-15	579	430	410	20	0	0
Total	24,617	13,145	4,595	1,950	5,600	1,000
Total % Hedged		53.4%	18.7%	7.9%	22.7%	4.1%

* Based on Sendout in 2014 BGSS Filing

South Jersey Gas
Non-Discretionary Hedges
As of June 30, 2015

Transaction Month	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15
Oct-12	4,150											
Oct-12	4,150											
Nov-12	4,150	4,150										
Nov-12	4,150	4,150										
Dec-12	3,870	3,870	3,870									
Dec-12	3,870	3,870	3,870									
Jan-13	4,055	4,055	4,055	4,055								
Jan-13	4,055	4,055	4,055	4,055								
Feb-13	4,042	4,042	4,042	4,042	4,042							
Feb-13	4,042	4,042	4,042	4,042	4,042							
Apr-13	4,263	4,263	4,263	4,263	4,263	4,263						
Apr-13	4,263	4,263	4,263	4,263	4,263	4,263						
May-13	4,335	4,335	4,335	4,335	4,335	4,335	4,335					
May-13	4,335	4,335	4,335	4,335	4,335	4,335	4,335					
May-13	4,325	4,325	4,325	4,325	4,325	4,325	4,325	4,325				
May-13	4,325	4,325	4,325	4,325	4,325	4,325	4,325	4,325				
Jun-13	4,020	4,020	4,020	4,020	4,020	4,020	4,020	4,020	4,020			
Jun-13	4,020	4,020	4,020	4,020	4,020	4,020	4,020	4,020	4,020			
Jun-13	3,975	3,975	3,975	3,975	3,975	3,975	3,975	3,975	3,975	3,975		
Jun-13	3,975	3,975	3,975	3,975	3,975	3,975	3,975	3,975	3,975	3,975		
Aug-13	4,035	4,035	4,035	4,035	4,035	4,035	4,035	4,035	4,035	4,035		
Aug-13	4,035	4,035	4,035	4,035	4,035	4,035	4,035	4,035	4,035	4,035		
Aug-13	3,990	3,990	3,990	3,990	3,990	3,990	3,990	3,990	3,990	3,990	3,990	
Aug-13	3,990	3,990	3,990	3,990	3,990	3,990	3,990	3,990	3,990	3,990	3,990	
Sep-13	3,730	3,730	3,730	3,730	3,730	3,730	3,730	3,730	3,730	3,730	3,730	3,730
Sep-13	3,730	3,730	3,730	3,730	3,730	3,730	3,730	3,730	3,730	3,730	3,730	3,730
Nov-13	4,010	4,010	4,010	4,010	4,010	4,010	4,010	4,010	4,010	4,010	4,010	4,010
Nov-13	4,010	4,010	4,010	4,010	4,010	4,010	4,010	4,010	4,010	4,010	4,010	4,010
Nov-13	4,230	4,230	4,230	4,230	4,230	4,230	4,230	4,230	4,230	4,230	4,230	4,230
Nov-13	4,230	4,230	4,230	4,230	4,230	4,230	4,230	4,230	4,230	4,230	4,230	4,230
Dec-13	4,252	4,252	4,252	4,252	4,252	4,252	4,252	4,252	4,252	4,252	4,252	4,252
Dec-13	4,252	4,252	4,252	4,252	4,252	4,252	4,252	4,252	4,252	4,252	4,252	4,252
Jan-14	4,252	4,252	4,252	4,252	4,252	4,252	4,252	4,252	4,252	4,252	4,252	4,252
Jan-14	4,252	4,252	4,252	4,252	4,252	4,252	4,252	4,252	4,252	4,252	4,252	4,252
Jan-14	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300
Feb-14	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300
Feb-14	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300
Mar-14	4,380	4,380	4,380	4,380	4,380	4,380	4,380	4,380	4,380	4,380	4,380	4,380
Mar-14	4,380	4,380	4,380	4,380	4,380	4,380	4,380	4,380	4,380	4,380	4,380	4,380
Mar-14	4,485	4,485	4,485	4,485	4,485	4,485	4,485	4,485	4,485	4,485	4,485	4,485
Mar-14	4,485	4,485	4,485	4,485	4,485	4,485	4,485	4,485	4,485	4,485	4,485	4,485
May-14	4,305	4,305	4,305	4,305	4,305	4,305	4,305	4,305	4,305	4,305	4,305	4,305
May-14	4,305	4,305	4,305	4,305	4,305	4,305	4,305	4,305	4,305	4,305	4,305	4,305
May-14	4,260	4,260	4,260	4,260	4,260	4,260	4,260	4,260	4,260	4,260	4,260	4,260
Jun-14	4,260	4,260	4,260	4,260	4,260	4,260	4,260	4,260	4,260	4,260	4,260	4,260
Jun-14	4,260	4,260	4,260	4,260	4,260	4,260	4,260	4,260	4,260	4,260	4,260	4,260
Jul-14	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900
Jul-14	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900
Aug-14	4,010	4,010	4,010	4,010	4,010	4,010	4,010	4,010	4,010	4,010	4,010	4,010
Aug-14	4,010	4,010	4,010	4,010	4,010	4,010	4,010	4,010	4,010	4,010	4,010	4,010
Aug-14	4,030	4,030	4,030	4,030	4,030	4,030	4,030	4,030	4,030	4,030	4,030	4,030
Aug-14	4,030	4,030	4,030	4,030	4,030	4,030	4,030	4,030	4,030	4,030	4,030	4,030
Oct-14	3,835	3,835	3,835	3,835	3,835	3,835	3,835	3,835	3,835	3,835	3,835	3,835
Oct-14	3,835	3,835	3,835	3,835	3,835	3,835	3,835	3,835	3,835	3,835	3,835	3,835
Nov-14	3,815	3,815	3,815	3,815	3,815	3,815	3,815	3,815	3,815	3,815	3,815	3,815
Nov-14	3,815	3,815	3,815	3,815	3,815	3,815	3,815	3,815	3,815	3,815	3,815	3,815
Nov-14	3,460	3,460	3,460	3,460	3,460	3,460	3,460	3,460	3,460	3,460	3,460	3,460
Dec-14	3,325	3,325	3,325	3,325	3,325	3,325	3,325	3,325	3,325	3,325	3,325	3,325
Dec-14	3,325	3,325	3,325	3,325	3,325	3,325	3,325	3,325	3,325	3,325	3,325	3,325
Jan-15	3,237	3,237	3,237	3,237	3,237	3,237	3,237	3,237	3,237	3,237	3,237	3,237
Jan-15	3,237	3,237	3,237	3,237	3,237	3,237	3,237	3,237	3,237	3,237	3,237	3,237
Feb-15												
Feb-15												

Average Cost per Dth

Dth Purchased
update

4,117	4,136	4,147	4,169	4,158	4,154	4,140	4,111	4,081	4,045	4,004	3,956
360,000	360,000	365,000	370,000	375,000	380,000	385,000	390,000	395,000	400,000	405,000	410,000
360,000	360,000	365,000	370,000	375,000	380,000	385,000	390,000	395,000	400,000	405,000	410,000
Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15

**South Jersey Gas
Planalytics Hedging Strategy
As of June 30, 2015**

Strategy	Month	Quantity	Avg Price
Planalytics	Oct-14	50,000	4.032
Planalytics	Nov-14	300,000	4.007
Planalytics	Dec-14	330,000	4.087
Planalytics	Jan-15	400,000	4.025
Planalytics	Feb-15	380,000	3.982
Planalytics	Mar-15	240,000	3.937
Planalytics	Apr-15	40,000	3.793
Planalytics	May-15	50,000	3.433
Planalytics	Jun-15	40,000	3.754
Planalytics	Jul-15	50,000	3.251
Planalytics	Aug-15	50,000	3.015
Planalytics	Sep-15	20,000	3.185

South Jersey Gas Company
Storage Incentive Mechanism
Benchmark Cost Calculation, Actual Results & Sharing (Proforma)
Actual April - October 2014

Component of Benchmark	For Deliveries During						Total	
	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14		Oct-14
Volumes (Bcf)	0.80	0.80	0.80	0.80	0.80	0.80	0.80	5.60
Financial Hedges								
Commodity Cost (\$000)	\$ 3,582	\$ 3,582	\$ 3,582	\$ 3,582	\$ 3,582	\$ 3,582	\$ 3,582	\$ 25,072
Average Cost	\$ 4,477	\$ 4,477	\$ 4,477	\$ 4,477	\$ 4,477	\$ 4,477	\$ 4,477	\$ -
Transaction Costs (000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Benchmark	\$ 3,582	\$ 3,582	\$ 3,582	\$ 3,582	\$ 3,582	\$ 3,582	\$ 3,582	\$ 25,072
								Storage Benchmark Per Dt
								4.477
Actual/Est Injection Volumes	1.10	0.90	0.80	0.60	0.90	0.80	0.50	5.60
Financial Hedges								
Cost (\$000)	\$ 4,533	\$ 3,182	\$ 2,869	\$ 1,944	\$ 3,057	\$ 2,796	\$ 1,732	\$ -
Net (Gains) / Losses	\$ (102)	\$ (271)	\$ (130)	\$ (27)	\$ 428	\$ 400	\$ 330	\$ -
Total	\$ 4,432	\$ 2,912	\$ 2,739	\$ 1,917	\$ 3,485	\$ 3,196	\$ 2,063	\$ 20,743
								Actual Average Cost Before Sharing
								3.704
Difference between Benchmark and Actual	\$ 850	\$ (670)	\$ (843)	\$ (1,665)	\$ (97)	\$ (385)	\$ (1,519)	\$ (4,329)
								BGSS Share 80%
								\$ (3,463)
								SJG Share
								\$ (866)
								Actual Average Cost Before Sharing
								\$ 3.704
								SJG Sharing Per Dt
								\$ 0.1546
								Actual Average Cost After Sharing
								\$ 3.859

South Jersey Gas
Discretionary Hedging Strategy
As of June 30, 2015

<u>Financial Fixed Price</u>			<u>Physical Fixed Price</u>		
Month	Average Price Per Dt	Total Monthly Volume	Month	Average Price Per Dt	Total Monthly Volume
Oct-14	0.000	-	Oct-14	0.000	-
Nov-14	0.000	-	Nov-14	0.000	-
Dec-14	0.000	-	Dec-14	0.000	-
Jan-15	3.166	200,000	Jan-15	0.000	-
Feb-15	3.165	400,000	Feb-15	0.000	-
Mar-15	3.158	400,000	Mar-15	0.000	-
Apr-15	0.000	-	Apr-15	0.000	-
May-15	0.000	-	May-15	0.000	-
Jun-15	0.000	-	Jun-15	0.000	-
Jul-15	0.000	-	Jul-15	0.000	-
Aug-15	0.000	-	Aug-15	0.000	-
Sep-15	0.000	-	Sep-15	0.000	-
Total		<u><u>1,000,000</u></u>			

CONFIDENTIAL

FEDERAL REGULATORY FILINGS OF INTEREST TO THE COMPANY

Listed below are summaries of filings submitted to the Federal Energy Regulatory Commission (Commission), for review and approval, made by interstate pipeline suppliers which are of interest to the Company:

Transco - Order No. 587-W Compliance Filing (Docket No. RP16-565-000)

On February 1, 2016, Transco submitted revised tariff records to comply with FERC's Order No. 587-W by incorporating into its tariff Version 3.0 of the business practice standards applicable to interstate natural gas pipelines and adopted by the Wholesale Gas Quadrant of the North American Energy Standard Board (NAESB). The Version 3.0 standards include new and revised standards supporting (1) gas-electric scheduling coordination, (2) the transition from common codes used by interstate pipelines to identify receipt and delivery locations to the use of proprietary codes, and (3) revisions to the capacity release standards regarding posting requirements for offers to purchase released capacity. The revised tariff records became effective on April 1, 2016.

Transco - Order No. 587-W Second Compliance Filing (Docket No. RP16-565-001)

On February 1, 2016, Transco filed revised tariff records to comply with the Commission's Order No. 587-W to implement Version 3.0 of the NAESB-WGQ Standards to be effective on April 1, 2016. On March 29, 2016, the Commission issued an "Order on Filings in Compliance with Order Nos. 587-W and 809" in which Transco's revised tariff records generally complied with the requirements of the Orders and accepted Transco's filing effective April 1, 2016, conditioned upon Transco's filing a revised tariff record incorporating certain modifications specified in the March 29 Order. On April 12, 2016, Transco filed the revised tariff record effective April 1, 2016.

Transco - Rate Schedule SS-2 Annual Inventory Adjustment (Docket No. RP16-859-000)

On April 19, 2016, Transco submitted a filing in compliance with Section 8(c) of Transco's Rate Schedule SS-2 which provides that Transco will track annually to its Rate Schedule SS-2 customers the adjustment made by National Fuel to Transco's storage inventory under National Fuel's Rate Schedule SS-1 related to transportation purchased by Transco under National Fuel's Rate Schedule X-54. The adjustment to customers' SS-2 storage inventory became effective May 1, 2016.

Transco - Filing to Revise Procedures for Allocating Available Firm Capacity (Docket No. RP16-729-000)

On March 18, 2016, Transco filed revisions to Section 49 of the General Terms and Conditions of its tariff, which sets forth procedures for allocating existing firm capacity

that becomes available on its system. The proposed revisions would allow Transco to offer unsubscribed firm capacity through the solicitation of bids in an open season (as currently provided in Section 49), and/or to award unsubscribed capacity on a not unduly discriminatory basis to buyers that submit a valid request for capacity posted on Transco's Unsubscribed Capacity Report. Transco requested that the revised tariff record be made effective on April 18, 2016.

Columbia Gas Transmission, LLC, - Modernization Program (Docket No. RP16-314-000)

On December 18, 2015, Columbia filed a Stipulation and Agreement of Settlement ("Settlement") representing an extension to its modernization program - a collaborative program between Columbia and its customers to address complex issues arising out of recent and anticipated changes in pipeline safety and environmental requirements, Columbia's ongoing efforts to enhance pipeline safety and reliability of service, and the age of Columbia's system. On March 17, 2016, the Commission approved the settlement on the basis that it is fair and reasonable and in the public interest.

The Settlement provides for a base rate reduction applicable to specified transportation rate schedules. Effective January 1, 2016, to reflect the termination of Columbia's obligations associated with its "Post Retirement Benefits Other Than Pensions" ("PBOP"), Columbia will reduce its base rates by approximately \$8.4 million annually. Additionally, to reflect the amortization of the PBOP regulatory liability, Columbia will reduce its Base Rates by approximately \$12.2 million annually. The filed tariff records reflect these rate reductions. As the base rate reductions are retroactive to January 1, 2016, shippers will realize the benefit of the rate reductions via a refund payment that will occur in the May 2016 billing cycle.

PennEast Pipeline Company, LLC (CP15-1-000)

On August 12, 2014 PennEast Pipeline Company, LLC (PennEast), announced plans to construct a greenfield interstate natural gas pipeline intended to bring lower cost natural gas produced in the Marcellus Shale region to customers in Pennsylvania and New Jersey. PennEast is a joint project of AGL Resources, NJR Pipeline Company, Public Service Power LLC, South Jersey Midstream, Spectra Energy Partners, and UGI Energy Services. The proposed 108 mile PennEast pipeline system will be designed to deliver up to approximately 1 Billion cubic feet of natural gas per day. The project will begin in Luzerne County in northeastern Pennsylvania and end at Transco's Trenton-Woodbury interconnection in New Jersey.

On October 7, 2014 PennEast submitted a request with the FERC to initiate an environmental review under the National Environmental Policy Act (NEPA) Pre-Filing Process. PennEast plans to file an application with the FERC for authorization of the project under Section 7(c) of the NGA following completion of the NEPA Pre-Filing Process. In March of 2016 PennEast received their Notice of Environmental Schedule from FERC, which details some key milestones in FERC's comprehensive review of the project application.

SJG expects that the PennEast Project will create a lower, more stable price environment which will benefit all of its customers. PennEast capacity will also allow SJG to restructure its capacity portfolio to lower overall costs to its Basic Gas Supply Service customers. In addition, it will provide additional operational flexibility for SJG by connecting its distribution system to an additional upstream pipeline. Moreover, this capacity will enable the Company to continue its efforts to connect new incremental load to its distribution system, including several natural gas-fired power plants, in support of New Jersey's Energy Master Plan. The Company has subscribed to 105,000 dts per day of PennEast capacity with and is expected to be in service by the fourth quarter 2018.

Tennessee Gas Pipeline Company, L.L.C. (CP16-4-000)

The Company is following Tennessee Gas Pipeline Company LLC's (Tennessee) announced Orion Expansion Project (Orion). The project will consist of the construction of about 13 miles of new pipeline and looping along with compressor station modifications. The receipt point for this service is Tennessee's Compressor Station #321 with a delivery point at Tennessee's interconnect with Columbia at Milford located in Pike County, PA.

Pending regulatory approvals, Tennessee is planning to start construction in 2017 with an estimated completion in June 2018. SJG has subscribed to 78,000 dts per day of Orion capacity which will be used to feed its capacity acquired as part of Columbia's ESEP.

2016-2017

WORKPAPERS

2016-2017 WORKPAPER
INPUT AREA

Billed Volumes:

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17
1 Input Area												
2 Volumes Input on a DT Basis												
3												
4												
5												
6												
7 Revenue Classification												
8												
9 Firm Sales												
10 480.110 RES SERV SALES - HSE HTG	784,170	1,617,424	3,090,598	4,596,273	4,494,659	4,048,118	2,645,093	1,288,718	816,400	532,707	483,373	544,260
11 480.120 RES SERV SALES W/O HSE HTG	13,444	18,344	29,633	35,996	32,984	27,515	20,459	13,801	12,835	10,090	9,170	11,257
12 480.130 RSG - AIR CONDITIONING	0	0	0	0	0	0	0	0	0	0	0	0
13 481.210 GEN SERV SALES COMMERCIAL (MONTHLY)	8,821	10,137	14,150	15,071	14,195	16,253	14,587	8,979	8,201	10,379	10,667	9,848
14 481.210 GEN SERV SALES COMMERCIAL (PERIODIC)	10,059	11,259	17,076	20,380	18,528	18,512	14,327	9,623	11,084	10,955	14,474	12,108
15 481.220 GEN SERV SALES INDUSTRIAL (MONTHLY)	0	0	0	0	0	0	0	0	0	0	0	0
16 481.220 GEN SERV SALES INDUSTRIAL (PERIODIC)	0	0	0	0	0	0	0	0	0	0	0	0
17 481.310 BLDG HTG & COOL COMMERCIAL (MONTHLY)	55,113	163,636	393,139	575,908	440,270	533,463	253,218	100,751	46,733	93,444	115,345	129,422
18 481.310 BLDG HTG & COOL COMMERCIAL (PERIODIC)	15,466	100,051	186,749	373,608	270,435	321,930	153,931	75,362	43,733	37,133	96,955	78,271
19 481.320 BLDG HTG & COOL INDUSTRIAL (MONTHLY)	0	0	0	0	0	0	0	0	0	0	0	0
20 481.320 BLDG HTG & COOL INDUSTRIAL (PERIODIC)	0	0	0	0	0	0	0	0	0	0	0	0
21 481.410 GSG - AIR CONDITIONING	0	0	0	0	0	0	0	0	0	0	0	0
22 481.540 FIRM ELECTRIC SVC - CONNECTV	72,000	48,000	5,000	25,000	42,000	55,000	55,000	80,000	210,000	130,000	130,000	75,000
23 481.610 GSG-LV COMMERCIAL	0	0	0	0	0	0	0	0	0	0	0	0
24 481.620 GSG-LV INDUSTRIAL	4,815	1,762	2,133	4,554	5,305	2,845	4,804	4,640	1,364	2,665	3,858	287
25 481.630 GSG-LV COMMERCIAL HEAT	11,754	21,598	46,447	78,798	107,749	121,830	93,453	64,997	15,163	17,367	10,358	12,515
26 481.640 GSG - LV COMMERCIAL HEAT	0	0	0	0	0	0	0	0	0	0	0	0
27 481.710 YARD LIGHTING SERVICE SALES	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
28 481.840 STREET LIGHTING SERV SALES	10	11	11	7	7	7	7	8	8	8	10	10
29 ELECTRIC GENERATION SERVICE	976,653	1,993,223	3,785,937	5,726,595	5,427,132	5,146,473	3,255,878	1,647,879	1,166,519	845,748	875,209	873,977
30 Total Firm Sales	5,000	15,382	15,382	12,982	12,982	13,332	13,632	14,732	15,232	16,232	16,232	15,232
31 IGS SALES												
32 481.650 IGS #6 INDUSTRIAL	-	0	0	-	592	961	250	250	-	-	-	-
33 481.651 IGS #2 INDUSTRIAL	0	0	0	0	0	0	0	0	0	0	0	0
34 Total IGS Sales	-	0	0	-	592	961	250	250	-	-	-	-
35												
36 Company Use												
37												
38 NGV	5,000	5,000	7,000	10,000	10,000	8,000	5,000	4,000	4,000	5,000	5,000	4,000
39												
40 TRANSPORTATION												
41 489.000 Interr Trans Service	66,251	70,798	76,733	54,891	50,446	79,167	83,136	73,872	70,004	51,695	40,355	53,995
42 489.100 ITS - GENERAL SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
43 489.200 Customer Owned Gas-LVS	0	0	0	0	0	0	0	0	0	0	0	0
44 489.400 Customer Owned Gas-FES	8,000	12,000	40,000	15,000	18,000	15,000	15,000	120,000	90,000	270,000	270,000	200,000
45 489.500 Customer Owned Gas-LVGS	156,094	236,711	1,040,074	951,896	856,127	1,092,275	302,400	324,950	379,845	197,724	370,702	199,930
46 489.700 LVS-FT	713,887	871,237	730,899	749,124	796,213	563,093	889,183	657,686	656,625	792,694	688,255	747,658
47 489.821 GSG-FT Comm Non-Heat	5,711	16,711	17,697	27,427	22,624	15,094	12,367	13,495	13,898	9,438	12,287	12,166
48 489.822 GSG-FT Indus Non-Heat	219,242	287,213	426,575	700,975	866,243	667,918	419,956	292,210	227,825	140,238	161,540	231,902
49 489.831 GSG-FT Comm Heat	0	0	0	0	0	0	0	0	0	0	0	0
50 489.832 GSG-FT Indus Heat	0	0	0	0	0	0	0	0	0	0	0	0
51 489.850 EGS-Customer Owned Gas	2,230	1,798	2,039	1,550	1,619	1,849	1,335	1,373	1,209	745	760	1,261
52 489.860 EGS-LV-FT	221,190	198,926	205,634	220,425	206,924	199,850	297,241	254,182	335,546	319,555	286,168	236,379
53 489.865 GSG-LV-FT Comm Non-Heat	1,968	3,426	4,786	8,237	4,475	5,624	4,509	3,401	2,240	1,790	2,072	1,999
54 489.866 GSG-LV-FT Indus Non-Heat	0	0	0	0	0	0	0	0	0	0	0	0
55 489.867 GSG-LV-FT Comm Heat	178,623	318,724	398,351	461,899	285,249	237,683	119,208	118,200	137,322	158,907	146,623	133,381
56 489.868 GSG-LV-FT Indus Heat	0	0	0	0	0	0	0	0	0	0	0	0
57 490.100 Comp Trans Service	224,383	272,794	225,480	264,589	217,709	282,108	240,411	258,235	221,890	199,502	226,717	211,304
58 490.210 RSG-FT Heat	74,380	150,265	283,728	413,343	400,871	366,170	234,031	113,806	61,642	50,606	41,034	49,071
59 490.220 RSG-FT Non-Heat	1,478	2,284	2,966	4,242	3,630	3,071	2,431	1,528	1,281	1,000	1,250	1,195
60 Total Transportation	1,873,437	2,442,888	3,464,964	3,873,599	3,732,130	3,518,903	2,621,209	2,232,939	2,199,127	2,193,894	2,247,763	2,080,241

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Total
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WORKPAPER KJB-5A, Page 1 of 2
 NATURAL GAS DETERMINANTS

DEMAND

TRANSCO FT ZONE BASED RESERVATION
 TRANSCO S-2 DEMAND
 TRANSCO S-2 CAPACITY
 TRANSCO SS-2 DEMAND
 TRANSCO SS-2 CAPACITY
 TRANSCO GSS DEMAND
 TRANSCO GSS CAPACITY
 TRANSCO LNG (LG-A) DEMAND
 TRANSCO LNG (LG-A) CAPACITY
 TRANSCO ESS DEMAND
 TRANSCO ESS CAPACITY
 TRANSCO LSS DEMAND
 TRANSCO LSS CAPACITY
 TRANSCO FT DEMAND #1013599
 TRANSCO FT DEMAND #1013599
 TRANSCO LONG HAUL - Contract #1003902
 TRANSCO DEMAND - PSFT #1005003
 TRANSCO FT - CNLEP #9032686
 DOMINION GSS STORAGE DEMAND
 DOMINION GSS STORAGE CAPACITY
 COLUMBIA GAS FTS DEMAND #38099
 COLUMBIA GAS FTS DEMAND #38305
 COLUMBIA GAS FTS DEMAND #156147
 COLUMBIA FSS DEMAND MDSQ #53000
 COLUMBIA FSS DEMAND SCQ #53000
 COLUMBIA SST DEMAND #38086
 COLUMBIA GAS FTS DEMAND ESEP #161135

Pipeline & Suppl. Supplies

Spot Purchases - Columbia ESEP
 Spot Purchases - Columbia
 Spot Purchases - Transco
 Spot Purchases - Transco Leiky #1013599
 Spot Purchases - FES & Monthly BGSS
 Spot Purchases on Transco PSFT
 Liquefied Natural Gas (LNG)
 TOTAL NAT GAS PURCHASED

1 WORKPAPER KJB-5A, Page 2 of 2
2 NATURAL GAS DETERMINANTS

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Total
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TOTAL NATURAL GAS SENDOUT	1,616,740	3,449,236	5,445,547	5,875,962	5,434,178	3,950,783	2,122,070	1,086,479	945,512	870,512	927,409	728,288	32,452,717
Liquefied Natural Gas (LNG)	-	107,037	102,818	107,818	102,817	-	0	0	0	0	-	-	420,490
Mekeo City Sendout	0	(92,037)	(61,237)	6,111	(2,487)	79,100	9,500	9,500	9,500	9,500	9,500	9,500	(13,550)
Total LNG Sendout	-	15,000	41,581	113,929	100,330	79,100	9,500	9,500	9,500	9,500	9,500	9,500	406,940
Total Sendout	1,616,740	3,464,236	5,487,128	5,989,891	5,534,508	4,029,883	2,131,570	1,095,979	955,012	880,012	936,909	737,788	32,859,657

WORKPAPER KJB-5B, Page 2 of 3
SUMMARY OF NATURAL GAS COSTS

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Total
1 Transco Demand Cost	\$87,683	\$153,314	\$158,424	\$158,424	\$143,093	\$158,424	\$84,855	\$87,683	\$84,855	\$87,683	\$87,683	\$84,855	\$1,376,977
2 Spot Purchases	\$2,307,146	\$306,091	\$1,268,695	\$66,555	\$312,225	\$1,623,653	\$4,705,797	\$2,459,004	\$2,036,904	\$2,254,271	\$2,292,914	\$2,164,877	\$21,800,132
3 Commodity Cost - Transco	\$743,492	\$1,211,424	\$1,791,650	\$1,870,526	\$1,866,311	\$918,103	\$2,986,817	\$285,312	\$298,322	\$291,935	\$292,738	\$292,738	\$10,136,864
4 Commodity Cost - Transco Laidy #1013559	\$629,871	\$1,232,688	\$2,173,364	\$1,946,494	\$2,620,082	\$1,408,633	\$946,418	\$441,553	\$1,044,111	\$868,119	\$977,365	\$379,199	\$14,728,097
5 Dir Purchases FES & Monthly GSG	\$0	\$0	\$88,533	\$98,537	\$79,965	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$257,030
6 Transco PSFT Transport Reserv. Cost	\$0	\$0	\$285,886	\$298,357	\$268,895	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$653,138
7 Transco PSFT Commodity Cost	\$426,080	\$412,335	\$426,080	\$426,080	\$394,846	\$426,080	\$412,335	\$426,080	\$412,335	\$426,080	\$426,080	\$412,335	\$5,016,743
8 Transco Central New Jersey Expansion	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Transco Long Haul Cap. Rel. Credit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 Columbia L-T Firm Commodity Cost	\$434,815	\$1,168,786	\$1,744,720	\$1,822,956	\$1,818,638	\$1,256,663	\$1,247,231	\$1,169,469	\$538,555	\$1,681,721	\$1,693,245	\$256,072	\$11,796,072
11 Columbia East Side Exp Project Commodity Cost	\$1,589,720	\$3,726,000	\$5,100,120	\$6,004,080	\$5,412,960	\$4,603,900	\$2,514,600	\$3,343,350	\$3,263,400	\$3,406,950	\$3,414,960	\$3,301,200	\$45,660,480
20 Columbia FTS Cost #19399	\$84,355	\$84,355	\$84,355	\$84,355	\$84,355	\$84,355	\$84,355	\$84,355	\$84,355	\$84,355	\$84,355	\$84,355	\$1,012,258
21 Columbia FTS Cost #19399	\$54,855	\$54,855	\$54,855	\$54,855	\$54,855	\$54,855	\$54,855	\$54,855	\$54,855	\$54,855	\$54,855	\$54,855	\$656,280
22 Columbia Gas NTS Cost	\$171,196	\$171,196	\$171,196	\$171,196	\$171,196	\$171,196	\$171,196	\$171,196	\$171,196	\$171,196	\$171,196	\$171,196	\$2,054,354
23 Columbia FSS	\$51,098	\$51,098	\$51,098	\$51,098	\$51,098	\$51,098	\$51,098	\$51,098	\$51,098	\$51,098	\$51,098	\$51,098	\$613,173
24 DEMAND MDSQ Cost	\$64,037	\$64,037	\$64,037	\$64,037	\$64,037	\$64,037	\$64,037	\$64,037	\$64,037	\$64,037	\$64,037	\$64,037	\$769,444
26 DEMAND SCQ Cost	\$3,474	\$0	\$0	\$0	\$0	\$0	\$7,103	\$5,658	\$5,265	\$5,265	\$5,265	\$5,516	\$37,546
27 IN Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
28 OUT Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
29 Columbia SST	\$179,299	\$179,299	\$179,299	\$179,299	\$179,299	\$179,299	\$179,299	\$179,299	\$179,299	\$179,299	\$179,299	\$179,299	\$2,147,742
30 Columbia SST Compression Charge	\$131,134	\$131,134	\$131,134	\$131,134	\$131,134	\$131,134	\$131,134	\$131,134	\$131,134	\$131,134	\$131,134	\$131,134	\$1,573,608
31 IN Cost	\$3,514	\$0	\$0	\$0	\$0	\$0	\$7,193	\$5,729	\$5,331	\$5,331	\$5,331	\$5,696	\$38,016
32 OUT Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33 Columbia Gulf FTS Demand - East Side Expansion Project	\$675,600	\$810,720	\$810,720	\$810,720	\$810,720	\$810,720	\$810,720	\$810,720	\$810,720	\$810,720	\$810,720	\$810,720	\$9,593,520
34 Dominion GSS Capacity Cost	\$6,134	\$6,134	\$6,134	\$6,134	\$6,134	\$6,134	\$6,134	\$6,134	\$6,134	\$6,134	\$6,134	\$6,134	\$73,602
35 Dominion GSS Capacity Cost	\$18,618	\$18,618	\$18,618	\$18,618	\$18,618	\$18,618	\$18,618	\$18,618	\$18,618	\$18,618	\$18,618	\$18,618	\$223,416
36 Dominion GSS IN Cost	\$1,588	\$0	\$0	\$0	\$0	\$0	\$2,018	\$2,317	\$2,242	\$2,317	\$2,317	\$2,242	\$15,039
37 Dominion GSS IT IN Cost	\$6,831	\$0	\$0	\$0	\$0	\$0	\$8,660	\$9,966	\$9,644	\$9,966	\$9,966	\$9,644	\$64,698
38 Dominion GSS OUT Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
39 Peaking Supply	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
40 Hedging/(Gain) Loss	\$280,890	\$171,925	\$7,985	(\$56,210)	(\$59,500)	(\$44,960)	\$16,525	\$13,700	(\$2,925)	(\$20,675)	(\$30,075)	(\$31,550)	\$245,130
41 License Agreement - Planalytics Hedging Tool	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$125,000
42 ICE OTC Fees	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$4,500
43 Midstream Partners	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$60,000
44 APB-SENDOUT Annual Charge	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
45 Storage Incentive Mechanism (Gain)/Loss	(\$255,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$255,000)
46 Marcus Hook - W/odbury Lateral	\$7,614	\$7,614	\$7,614	\$7,614	\$7,614	\$7,614	\$7,614	\$7,614	\$7,614	\$7,614	\$7,614	\$7,614	\$91,374
47 Antero Commodity Savings	(\$93,000)	(\$93,000)	(\$55,800)	(\$55,800)	(\$50,400)	(\$55,800)	(\$90,000)	(\$93,000)	(\$90,000)	(\$93,000)	(\$93,000)	(\$90,000)	(\$913,800)
48 LNG Liquefier - Direct Labor and Electric Costs	\$0	\$215,000	\$215,000	\$215,000	\$215,000	\$215,000	\$215,000	\$215,000	\$215,000	\$215,000	\$215,000	\$215,000	\$860,000
49 Total Gas Cost	\$9,904,473	\$12,545,352	\$17,108,561	\$16,763,281	\$16,726,698	\$14,180,786	\$13,891,706	\$11,965,493	\$11,332,009	\$11,218,821	\$11,366,822	\$10,526,860	\$157,550,882

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SUMMARY OF NATURAL GAS COSTS

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Total
1													
2													
3													
4													
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* Excludes Interruptible & OSS Natural Gas Purchases

1 **WORKPAPER KJB-5C, PAGE 2 OF 5**
2 **NATURAL GAS INVENTORY**

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Total
3	1,153,842	1,346,482	1,264,540	1,100,656	508,550	200,000	100,000	238,767	485,014	722,593	932,973	1,143,353	
4	192,640	0	0	0	0	0	238,767	246,247	237,579	210,380	210,380	203,129	1,539,122
5													
6	1,346,482	1,346,482	1,264,540	1,100,656	508,550	200,000	338,767	485,014	722,593	932,973	1,143,353	1,346,482	
7	0	81,942	163,884	592,106	308,550	100,000	100,000	0	0	0	0	0	1,346,482
8													
9	1,346,482	1,264,540	1,100,656	508,550	200,000	100,000	238,767	485,014	722,593	932,973	1,143,353	1,346,482	
10													
11	\$2,540,748	\$3,024,153	\$2,840,114	\$2,472,036	\$1,142,186	\$449,193	\$224,597	\$653,646	\$1,450,579	\$2,238,994	\$2,949,729	\$3,662,066	\$4,880,600
12													
13	\$483,405	\$0	\$0	\$0	\$0	\$0	\$702,809	\$796,932	\$788,416	\$710,735	\$712,337	\$685,966	\$4,880,600
14													
15	\$3,024,153	\$3,024,153	\$2,840,114	\$2,472,036	\$1,142,186	\$449,193	\$927,406	\$1,450,579	\$2,238,994	\$2,949,729	\$3,662,066	\$4,348,033	\$3,073,316
16	\$0	\$184,039	\$368,078	\$1,329,850	\$692,993	\$224,597	\$273,759	\$0	\$0	\$0	\$0	\$0	\$0
17													
18													
19	\$3,024,153	\$2,840,114	\$2,472,036	\$1,142,186	\$449,193	\$224,597	\$653,646	\$1,450,579	\$2,238,994	\$2,949,729	\$3,662,066	\$4,348,033	
20													
21	\$2,2460	\$2,2460	\$2,2460	\$2,2460	\$2,2460	\$2,2460	\$2,7376	\$2,9908	\$3,0986	\$3,1616	\$3,2029	\$3,2292	
22													
23	209,014	232,314	232,314	232,314	85,951	-1	-1	31,817	63,634	104,644	147,974	191,305	
24	23,301	0	0	0	0	0	31,818	31,817	41,010	43,331	45,331	41,010	255,615
25													
26	232,314	232,314	232,314	232,314	85,951	-1	31,817	63,634	104,644	147,974	191,305	232,314	
27	0	0	0	146,363	85,952	0	0	0	0	0	0	0	232,315
28													
29	232,314	232,314	232,314	232,314	85,951	-1	31,817	63,634	104,644	147,974	191,305	232,314	
30													
31	\$532,517	\$589,326	\$589,326	\$589,326	\$218,037	-\$1	-\$1	\$90,994	\$191,039	\$323,266	\$465,494	\$608,043	
32													
33	\$56,809	\$0	\$0	\$0	\$0	\$0	\$90,995	\$100,045	\$132,227	\$142,228	\$142,549	\$134,556	\$799,409
34													
35	\$589,326	\$589,326	\$589,326	\$589,326	\$218,037	-\$1	\$90,994	\$191,039	\$323,266	\$465,494	\$608,043	\$742,599	\$589,327
36	\$0	\$0	\$0	\$371,288	\$218,039	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
37													
38	\$589,326	\$589,326	\$589,326	\$218,037	-\$1	-\$1	\$90,994	\$191,039	\$323,266	\$465,494	\$608,043	\$742,599	
39													
40	\$2,5368	\$2,5368	\$2,5368	\$2,5368	\$2,5368	\$2,5368	\$2,8599	\$3,0022	\$3,0892	\$3,1458	\$3,1784	\$3,1965	

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NATURAL GAS INVENTORY

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Total
1 LSS Opening Balance	1,126,422	1,224,000	1,104,000	792,000	432,000	204,000	0	204,000	414,800	617,720	817,720	1,020,000	1,321,578
2 Storage Injectors Transco LSS	97,578	0	0	0	0	0	0	210,800	202,920	204,000	198,280	204,000	0
3 LSS Inventory Sub Total Dt	1,224,000	1,224,000	1,104,000	792,000	432,000	204,000	0	414,800	617,720	821,720	1,020,000	1,224,000	1,224,000
4 Net Storage Withdrawals Transco LSS	0	120,000	312,000	360,000	228,000	204,000	0	0	0	0	0	0	0
5 LSS Inventory Balance	1,224,000	1,104,000	792,000	432,000	204,000	0	204,000	414,800	617,720	821,720	1,020,000	1,224,000	1,224,000
6 LSS Inventory Cost Open Balance	\$2,384,560	\$2,626,186	\$2,368,717	\$1,699,297	\$926,889	\$437,698	\$0	\$592,546	\$1,265,752	\$1,930,261	\$2,610,345	\$3,272,848	\$4,194,288
7 LSS Injection Cost	\$241,625	\$0	\$0	\$0	\$0	\$0	\$592,546	\$673,207	\$664,509	\$680,084	\$662,503	\$679,814	\$4,194,288
8 LSS Inventory Cost Sub Total	\$2,626,186	\$2,626,186	\$2,368,717	\$1,699,297	\$926,889	\$437,698	\$592,546	\$1,265,752	\$1,930,261	\$2,610,345	\$3,272,848	\$3,952,662	\$2,626,186
9 Total LSS Storage Withdrawal Cost	\$0	\$257,469	\$669,420	\$772,408	\$489,191	\$437,698	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 Total LSS Inventory Cost Bal	\$2,626,186	\$2,368,717	\$1,699,297	\$926,889	\$437,698	\$0	\$592,546	\$1,265,752	\$1,930,261	\$2,610,345	\$3,272,848	\$3,952,662	\$2,626,186
11 LSS Inventory Cost Rate	\$2,1456	\$2,1456	\$2,1456	\$2,1456	\$2,1456	\$0,0000	\$2,9046	\$3,0515	\$3,1248	\$3,1767	\$3,2087	\$3,2293	\$3,2293
12 SS 2 Opening Balance	1,691,848	1,764,675	1,677,864	1,254,243	756,910	307,706	0	341,910	670,579	968,194	1,261,755	1,535,268	1,837,502
13 Storage Injectors Transco SS 2	72,827	0	0	0	0	0	0	328,669	297,615	293,561	279,513	229,407	0
14 SS 2 Inventory Sub Total Dt	1,764,675	1,764,675	1,677,864	1,254,243	756,910	307,706	0	670,579	968,194	1,261,755	1,535,268	1,764,675	1,764,675
15 Net Storage Withdrawals Transco SS 2	0	86,812	423,621	497,333	449,204	307,706	0	0	0	0	0	0	0
16 SS 2 Inventory Balance	1,764,675	1,677,864	1,254,243	756,910	307,706	0	341,910	670,579	968,194	1,261,755	1,535,268	1,764,675	1,764,675
17 SS 2 Inventory Cost Open Balance	\$3,568,650	\$3,747,480	\$3,563,126	\$2,663,521	\$1,607,380	\$653,446	\$0	\$984,821	\$2,025,677	\$2,992,138	\$3,962,613	\$4,868,851	\$5,805,769
18 SS 2 Storage Injections Cost	\$178,630	\$0	\$0	\$0	\$0	\$0	\$0	\$1,040,856	\$966,461	\$970,474	\$906,238	\$756,088	\$5,805,769
19 SS 2 Inventory Cost Sub Total	\$3,747,480	\$3,747,480	\$3,563,126	\$2,663,521	\$1,607,380	\$653,446	\$0	\$1,040,856	\$2,992,138	\$3,962,613	\$4,868,851	\$5,624,939	\$5,805,769
20 Total SS 2 Storage Withdrawal Cost	\$0	\$184,354	\$899,605	\$1,056,141	\$953,934	\$653,446	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21 Total SS 2 Inventory Cost Bal	\$3,747,480	\$3,563,126	\$2,663,521	\$1,607,380	\$653,446	\$0	\$984,821	\$2,025,677	\$2,992,138	\$3,962,613	\$4,868,851	\$5,624,939	\$3,747,480
22 SS 2 Inventory Cost Rate	\$2,1236	\$2,1236	\$2,1236	\$2,1236	\$2,1236	\$0,0000	\$2,8804	\$3,0208	\$3,0904	\$3,1406	\$3,1713	\$3,1887	\$3,1887
23 Dominion GSS - Opening Balance	373,065	423,000	423,000	323,000	183,000	42,200	0	63,450	136,300	206,800	279,650	352,500	472,935
24 Injections Dominion GSS - Storage	49,935	0	0	0	0	0	0	72,850	70,500	72,850	72,850	70,500	0
25 Dominion GSS Inventory Sub Total Dt	423,000	423,000	423,000	323,000	183,000	42,200	0	136,300	206,800	279,650	352,500	423,000	472,935
26 Net Storage Withdrawals Dominion GSS	0	0	100,000	140,000	140,800	42,200	0	0	0	0	0	0	0
27 Dominion GSS Inventory Balance	423,000	423,000	323,000	183,000	42,200	0	63,450	136,300	206,800	279,650	352,500	423,000	472,935
28 Dominion GSS Inventory Cost Open Balance	\$786,544	\$910,712	\$910,712	\$695,413	\$393,996	\$90,856	\$0	\$185,070	\$418,696	\$650,529	\$894,408	\$1,138,837	\$1,498,922
29 Dominion GSS Storage Injections Cost	\$124,168	\$0	\$0	\$0	\$0	\$0	\$0	\$233,626	\$231,834	\$243,879	\$244,429	\$235,918	\$1,498,922
30 Dominion GSS Inventory Cost Sub Total	\$910,712	\$910,712	\$910,712	\$695,413	\$393,996	\$90,856	\$0	\$418,696	\$650,529	\$894,408	\$1,138,837	\$1,374,755	\$1,498,922
31 Total Equit Storage Withdrawal Cost	\$0	\$0	\$215,298	\$301,418	\$303,140	\$90,856	\$0	\$0	\$0	\$0	\$0	\$0	\$0
32 Total Dominion GSS Inventory Cost Balance	\$910,712	\$910,712	\$695,413	\$393,996	\$90,856	\$0	\$185,070	\$418,696	\$650,529	\$894,408	\$1,138,837	\$1,374,755	\$1,498,922
33 Dominion GSS Inventory Cost Rate	\$2,1530	\$2,1530	\$2,1530	\$2,1530	\$2,1530	\$0,0000	\$2,9168	\$3,0719	\$3,1457	\$3,1983	\$3,2307	\$3,2500	\$3,2500

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 NATURAL GAS INVENTORY - WITHDRAWALS

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Total
1 Net Storage Withdrawals Transco GSS	0	81,942	163,884	592,106	308,550	100,000	100,000	0	0	0	0	0	1,346,482
2 GSS Inventory Cost Rate	\$2,2460	\$2,2460	\$2,2460	\$2,2460	\$2,2460	\$2,2460	\$2,7376	\$2,9908	\$3,0986	\$3,1616	\$3,2029	\$3,2292	
3 Total GSS Storage Withdrawal Cost	\$0	\$184,039	\$368,078	\$1,329,850	\$692,993	\$224,597	\$273,759	\$0	\$0	\$0	\$0	\$0	\$3,073,316
4 Net Storage Withdrawals Transco ESS	0	0	0	146,363	85,952	0	0	0	0	0	0	0	232,315
5 ESS Inventory Cost Rate	\$2,5368	\$2,5368	\$2,5368	\$2,5368	\$2,5368	\$2,5368	\$2,8599	\$3,0022	\$3,0892	\$3,1458	\$3,1784	\$3,1965	
6 Total ESS Storage Withdrawal Cost	\$0	\$0	\$0	\$371,288	\$218,039	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$689,327
7 Net Storage Withdrawals Transco LSS	0	120,000	312,000	360,000	228,000	204,000	0	0	0	0	0	0	1,224,000
8 LSS Inventory Cost Rate	\$2,1169	\$2,1456	\$2,1456	\$2,1456	\$2,1456	\$2,1456	\$0,0000	\$2,9046	\$3,0515	\$3,1248	\$3,1767	\$3,2087	
9 Total LSS Storage Withdrawal Cost	\$0	\$257,469	\$669,420	\$772,408	\$489,191	\$437,698	\$0	\$0	\$0	\$0	\$0	\$0	\$2,626,166
10 Net Storage Withdrawal Transco SS 2	0	86,812	423,621	497,333	449,204	307,706	0	0	0	0	0	0	1,764,675
11 SS 2 Inventory Cost Rate	\$2,1093	\$2,1236	\$2,1236	\$2,1236	\$2,1236	\$2,1236	\$0,0000	\$2,8804	\$3,0208	\$3,0904	\$3,1406	\$3,1713	
12 Total SS 2 Storage Withdrawal Cost	\$0	\$184,354	\$899,605	\$1,056,141	\$953,934	\$653,446	\$0	\$0	\$0	\$0	\$0	\$0	\$3,747,480
13 Net Storage Dominion GSS	0	0	100,000	140,000	140,800	42,200	0	0	0	0	0	0	423,000
14 Dominion GSS Inventory Cost Rate	\$2,1083	\$2,1530	\$2,1530	\$2,1530	\$2,1530	\$2,1530	\$0,0000	\$2,9168	\$3,0719	\$3,1457	\$3,1983	\$3,2307	
15 Total Dominion GSS Storage Withdrawal Cost	\$0	\$0	\$215,298	\$301,418	\$303,140	\$90,856	\$0	\$0	\$0	\$0	\$0	\$0	\$910,712
16 Net Storage Withdrawals Transco S-2	0	0	48,267	48,267	43,433	0	0	0	0	0	0	0	138,967
17 Transco S-2 Inventory Cost Rate	\$2,2200	\$2,2201	\$2,2201	\$2,2201	\$2,2201	\$0,0000	\$0,0000	\$2,8784	\$3,0216	\$3,1122	\$3,1696	\$3,2173	
18 Total Transco S-2 Storage Withdrawal Cost	\$0	\$0	\$107,158	\$107,158	\$96,426	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$310,743
19 Net Storage Withdrawal Col FSS & (MEP)	0	244,792	515,687	557,583	582,314	223,161	100,000	0	0	0	0	0	2,223,537
20 Col FSS & (MEP) Inventory Cost Rate	\$2,1586	\$2,1586	\$2,1586	\$2,1586	\$2,1586	\$2,1586	\$2,7880	\$2,9772	\$3,0704	\$3,1349	\$3,1770	\$3,2057	
21 Total Col FSS Storage Withdrawal Cost	\$0	\$528,396	\$1,113,139	\$1,203,574	\$1,256,957	\$481,705	\$278,802	\$0	\$0	\$0	\$0	\$0	\$4,862,572
22 Total Storage Withdrawals Dt	0	533,545	1,563,459	2,341,652	1,838,253	877,066	200,000	0	0	0	0	0	7,353,975
23 Total Storage Withdrawals Cost	\$0	\$1,154,258	\$3,372,699	\$5,141,837	\$4,010,690	\$1,898,301	\$552,561	\$0	\$0	\$0	\$0	\$0	\$16,120,335

SOUTH JERSEY GAS COMPANY
 2016 - 2017 BGSSC
 Interruptible Income Statement

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Total
1 <u>Volumes</u>													
2 IGS	0	0	0	0	592	961	250	250	0	0	0	0	2,053
3 ITS	66,251	70,798	76,733	54,891	50,446	79,167	83,136	73,872	70,004	51,695	40,355	53,995	771,345
4													
5													
6													
7													
8													
9													
10	66,251	70,798	76,733	54,891	51,038	80,128	83,386	74,122	70,004	51,695	40,355	53,995	773,397
11													
12													
13 <u>Revenues</u>													
14 IGS	\$0	\$0	\$0	\$0	\$7,991	\$12,915	\$3,307	\$3,303	\$0	\$0	\$0	\$0	\$27,516
15 ITS	\$20,140	\$21,523	\$23,327	\$16,687	\$15,335	\$24,067	\$25,273	\$22,457	\$21,281	\$15,715	\$12,268	\$16,415	\$234,489
16													
17													
18	\$20,140	\$21,523	\$23,327	\$16,687	\$23,326	\$36,982	\$28,581	\$25,760	\$21,281	\$15,715	\$12,268	\$16,415	\$262,005
19													
20	\$0	\$0	\$0	\$0	\$1,857	\$2,964	\$722	\$718	\$0	\$0	\$0	\$0	\$6,260
21	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22	\$0	\$0	\$0	\$0	\$1,857	\$2,964	\$722	\$718	\$0	\$0	\$0	\$0	\$6,260
23													
24													
25	\$0	\$0	\$0	\$0	\$539	\$871	\$223	\$223	\$0	\$0	\$0	\$0	\$1,857
26	\$287	\$306	\$332	\$238	\$218	\$343	\$360	\$320	\$303	\$224	\$175	\$234	\$3,338
27													
28	\$287	\$306	\$332	\$238	\$757	\$1,214	\$583	\$543	\$303	\$224	\$175	\$234	\$5,195
29													
30	\$19,854	\$21,216	\$22,995	\$16,449	\$20,712	\$32,804	\$27,276	\$24,500	\$20,978	\$15,492	\$12,093	\$16,181	\$250,550

SOUTH JERSEY GAS COMPANY
2016 - 2017 BGSSC

Off-System Sales & Capacity Release Income Statement

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Total
Volumes (DT)	465,000	600,000	620,000	1,550,000	1,400,000	1,550,000	450,000	465,000	450,000	465,000	465,000	450,000	8,930,000
Sales Rate per DT	\$2,9683	\$3,2103	\$4,3420	\$3,8055	\$3,8365	\$3,7515	\$3,6349	\$3,5956	\$3,6499	\$3,6626	\$3,6716	\$3,6716	\$3,6909
Off-System Sales Revenue	\$1,375,610	\$1,926,180	\$2,692,040	\$5,898,525	\$5,371,100	\$5,814,825	\$1,635,705	\$1,671,954	\$1,642,455	\$1,703,109	\$1,707,294	\$1,660,905	\$33,099,702
Capacity Release Revenue	\$339,409	\$570,303	\$587,655	\$885,764	\$800,045	\$885,764	\$441,743	\$445,635	\$441,743	\$445,635	\$445,635	\$441,743	\$6,731,074
Total Revenue	\$1,715,019	\$2,496,483	\$3,279,695	\$6,784,289	\$6,171,145	\$6,700,589	\$2,077,448	\$2,117,589	\$2,084,198	\$2,148,744	\$2,152,929	\$2,102,648	\$39,830,776
Volumes (DT)	465,000	600,000	620,000	1,550,000	1,400,000	1,550,000	450,000	465,000	450,000	465,000	465,000	450,000	8,930,000
COG Rate per DT	\$2,4490	\$2,6670	\$2,9660	\$3,0990	\$3,0920	\$3,0410	\$2,8460	\$2,8300	\$2,8610	\$2,8970	\$2,9060	\$2,9020	\$2,9020
Total Cost of Gas	\$1,138,785	\$1,600,200	\$1,838,920	\$4,803,450	\$4,328,800	\$4,713,550	\$1,280,700	\$1,315,950	\$1,287,450	\$1,347,105	\$1,351,290	\$1,305,900	\$26,312,100
Pretax Margin	\$576,234	\$896,283	\$1,440,775	\$1,980,839	\$1,842,345	\$1,987,039	\$796,748	\$801,639	\$796,748	\$801,639	\$801,639	\$796,748	\$13,518,676

WORKPAPER KJB-7A
CURRENT BGSS COST RECOVERY RATES

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17
1												
2												
3												
4												
5												
6	\$0.493507	\$0.493507	\$0.493507	\$0.493507	\$0.493507	\$0.493507	\$0.493507	\$0.493507	\$0.493507	\$0.493507	\$0.493507	\$0.493507
7												
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33												
34												
35												

RSG BGSS Recovery Per Therm
GSG BGSS Recovery Per Therm
Non-Commodity Rate (GSG-LV, EGS, LVS, & EGS-LV)
Dir Purchase monthly BGSS Per Therm
FES Demand Deter.
FES Demand Rate
FES Demand Charge
FES Commodity
EGS-LV Firm Demand Charge
EGS-LV Limited Firm Demand Charge
LVS Demand Determinant
LVS Demand Rate
LVS Demand Charge
RSG Balancing Charge
GSG / GSG-LV Balancing Charge
LVS-FT and CTS - Opt-Out Balancing Charge
EGS-LV Firm/Limited Firm Opt-Out Balancing Charge
Yard and Street Lighting

WORKPAPER KJB-9A, Page 2 of 2
PROOF OF RECOVERY

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Total
LVS Therm Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost of Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LVS Recoveries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EGS-LV Therm Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost of Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EGS-LV Recoveries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EGS-LV Ltd. Therm Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost of Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EGS-LV Ltd. Firm Recoveries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EGS - Monthly Therm Sales	100	110	110	70	70	70	70	80	80	80	100	100	1,040
Cost of Gas	\$0.255400	\$0.277200	\$0.307200	\$0.320600	\$0.319900	\$0.314800	\$0.295200	\$0.293600	\$0.296700	\$0.300300	\$0.301200	\$0.300800	\$309
EGS - Monthly Recoveries	\$26	\$30	\$34	\$22	\$22	\$22	\$21	\$23	\$24	\$24	\$30	\$30	\$309
Yard and Street Lighting Therm Sales	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
Cost of Gas	\$0.320000	\$0.320000	\$0.320000	\$0.320000	\$0.320000	\$0.320000	\$0.320000	\$0.320000	\$0.320000	\$0.320000	\$0.320000	\$0.320000	\$3,200
Yard and Street Lighting Recoveries	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$38,400
EGS-LV Firm Non Commodity	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost of Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EGS-LV Firm Non Commodity Recoveries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EGS-LV Ltd Firm Non Commodity	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost of Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LVS Non Commodity	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost of Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LVS Non Commodity Recoveries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EGS Non Commodity	100	110	110	70	70	70	70	80	80	80	100	100	1,040
Cost of Gas	\$0.129526	\$0.129526	\$0.129526	\$0.129526	\$0.129526	\$0.129526	\$0.129526	\$0.129526	\$0.129526	\$0.129526	\$0.129526	\$0.129526	\$1.95
EGS Non Commodity Recoveries	\$13	\$14	\$14	\$9	\$9	\$9	\$9	\$10	\$10	\$10	\$13	\$13	\$13
Total Allocated Cost Recovery	\$1,269,704	\$2,348,245	\$4,471,889	\$6,702,482	\$6,104,553	\$6,313,324	\$3,726,689	\$2,115,675	\$1,720,472	\$1,566,641	\$1,656,367	\$1,587,471	\$39,583,511
Applicable BGSS Sales	8,231,391	17,470,779	33,240,568	50,262,569	48,166,056	44,160,743	28,338,097	13,875,044	8,840,506	5,908,949	6,039,716	6,466,954	270,993,272
BGSS Cost Rate	\$0.330770	\$0.330770	\$0.330770	\$0.330770	\$0.330770	\$0.330770	\$0.330770	\$0.330770	\$0.330770	\$0.330770	\$0.330770	\$0.330770	\$0.330770
Total BGSS Recovery	\$2,722,697	\$5,778,810	\$10,984,963	\$16,625,350	\$15,931,866	\$14,607,049	\$9,373,382	\$4,589,448	\$2,924,174	\$1,954,470	\$1,997,757	\$2,136,428	\$89,636,445

2015-2016

WORKPAPERS

2015-2016 WORKPAPER
INPUT AREA

Billed Volumes:

	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16
1 Input Area												
2 Volumes Input on a DT Basis												
3												
4												
5												
6												
7 Revenue Classification												
8												
9 Firm Sales												
10 480.110 RES SERV SALES - HSE HTG								1,308,322	754,305	508,115	488,211	520,710
11 480.120 RES SERV SALES W/O HSE HTG								16,340	12,130	10,594	9,608	11,401
12 480.130 RSG - AIR CONDITIONING								0	0	0	0	0
13 481.210 GEN SERV SALES COMMERCIAL (MONTHLY)								9,688	781	17,039	10,587	9,948
14 481.210 GEN SERV SALES COMMERCIAL (PERIODIC)								9,808	10,729	11,105	14,868	12,055
15 481.220 GEN SERV SALES INDUSTRIAL (MONTHLY)								0	0	0	0	0
16 481.220 GEN SERV SALES INDUSTRIAL (PERIODIC)								0	0	0	0	0
17 481.310 BLDG HTG & COOL - COMMERCIAL (MONTHLY)								106,865	50,975	95,493	128,258	111,955
18 481.310 BLDG HTG & COOL - COMMERCIAL (PERIODIC)								112,019	2,933	92,850	92,654	73,746
19 481.320 BLDG HTG & COOL - INDUSTRIAL (MONTHLY)								0	0	0	0	0
20 481.320 BLDG HTG & COOL - INDUSTRIAL (PERIODIC)								0	0	0	0	0
21 481.410 GSG - AIR CONDITIONING								0	0	0	0	0
22 481.540 FIRM ELECTRIC SVC - CONNECTV								80,000	210,000	130,000	130,000	75,000
23 481.610 GSG-LV COMMERCIAL								0	0	0	0	0
24 481.620 GSG-LV INDUSTRIAL								4,580	1,513	2,767	3,464	(186)
25 481.630 GSG-LV COMMERCIAL HEAT								69,760	11,090	15,606	9,490	12,763
26 481.640 GSG - LV COMMERCIAL HEAT								0	0	0	0	0
27 481.710 YARD LIGHTING SERVICE SALES								1,000	1,000	1,000	1,000	1,000
28 481.720 STREET LIGHTING SERV SALES								8	8	8	10	10
29 481.840 ELECTRIC GENERATION SERVICE								1,718,390	1,055,464	884,577	888,150	828,402
30 Total Firm Sales								4,000	4,000	5,000	5,000	4,000
31 IGS SALES								250	-	-	-	-
32 481.650 IGS #6 INDUSTRIAL								0	0	0	0	0
33 481.651 IGS #2 INDUSTRIAL								250	-	-	-	-
34 Total IGS Sales								4,000	4,000	5,000	5,000	4,000
35 36 Company Use								14,732	15,232	16,232	16,232	15,232
37 38 NGV								73,872	70,004	51,695	40,355	53,995
39 40 TRANSPORTATION								0	0	0	0	0
41 489.000 Interr Trans Service								0	0	0	0	0
42 489.100 ITS - GENERAL SERVICE								120,000	90,000	270,000	270,000	200,000
43 489.200 Customer Owned Gas-LVS								324,950	379,845	197,724	370,702	199,930
44 489.400 Customer Owned Gas-FES								657,686	656,625	792,694	686,255	747,658
45 489.500 Customer Owned Gas-LVCS								13,507	15,138	7,573	12,154	11,987
46 489.700 LVS-FT								0	0	0	0	0
47 489.821 GSG-FT Comm Non-Heat								281,390	224,781	130,288	157,998	231,370
48 489.822 GSG-FT Indus Non-Heat								0	0	0	0	0
49 489.831 GSG-FT Comm Heat								1,373	1,209	745	760	1,261
50 489.832 GSG-FT Indus Heat								297,241	254,182	335,546	319,555	286,168
51 489.850 EGS-Customer Owned Gas								3,410	2,403	1,685	2,026	2,523
52 489.860 EGS-LV-FT								0	0	0	0	0
53 489.865 GSG-LV-FT Comm Non-Heat								118,346	114,805	136,341	152,139	140,899
54 489.866 GSG-LV-FT Indus Non-Heat								0	0	0	0	0
55 489.867 GSG-LV-FT Comm Heat								258,235	221,690	199,502	226,717	211,304
56 489.868 GSG-LV-FT Indus Heat								117,389	58,834	47,889	40,561	49,975
57 490.100 Comp Trans Service								1,539	1,309	198	1,886	1,214
58 490.210 RSG-FT Heat								2,268,938	2,090,826	2,171,880	2,283,110	2,138,286
59 490.220 RSG-FT Non-Heat								0	0	0	0	0
60 Total Transportation								4,000	4,000	5,000	5,000	4,000

1 **WORKPAPER KJB-2A, Page 1 of 2**
2 **PROOF OF RECOVERY**

	May-16	Jun-16	Jul-16	Aug-16	Sep-16
3 RSG Therm Sales	13,246,611	7,664,354	5,187,089	4,976,191	5,321,107
4 GSG Therm Sales	1,218,272	1,038,550	1,038,550	1,075,227	858,009
5 Applicable Therm Sales	14,464,883	7,800,978	6,226,639	6,053,418	6,179,116
6					
7					
8					
9					
10 Balancing Charges:					
11 Applic. Sales Volume RSG-FT & RSG-Sales	14,435,893	8,265,785	5,667,960	5,402,663	5,832,998
12 BSC "J" Charge	\$0.047100	\$0.047100	\$0.047100	\$0.047100	\$0.047100
13 Total BSC Charges for RSG-FT & RSG-Sales	\$679,931	\$389,318	\$286,961	\$254,485	\$274,734
14					
15					
16 Applic. Sales Volume GSG-FT & GSG-Sales	6,223,497	3,331,719	3,889,535	4,457,052	4,788,705
17 BSC "J" Charge	\$0.047100	\$0.047100	\$0.047100	\$0.047100	\$0.047100
18 Total BSC Charges for GSG-FT & GSG-Sales	\$293,127	\$155,924	\$183,197	\$209,927	\$225,548
19					
20 Applic. Sales Volume GSG-LV-FT	1,217,559	1,172,083	1,380,260	1,541,655	1,434,222
21 BSC "J" Charge	\$0.047100	\$0.047100	\$0.047100	\$0.047100	\$0.047100
22 Total BSC Charge for GSG-LV-FT	\$57,347	\$55,205	\$65,010	\$72,612	\$67,552
23					
24					
25 OPT-IN Balancing Charge Applic. Sales Volume	0	0	0	0	0
26 LVS-FT/CTS/EGS-LV-FIRWLTD FIRM	\$0.011800	\$0.011800	\$0.011800	\$0.011800	\$0.011800
27 BSC "I" Charge	\$0	\$0	\$0	\$0	\$0
28 Total OPT-IN BSC Charge - Rider "I"	\$0	\$0	\$0	\$0	\$0
29					
30 OPT-OUT Balancing Charge Applic. Sales Volume	15,394,929	15,135,592	15,262,185	16,059,995	14,463,317
31 FIRM	\$0.002500	\$0.002500	\$0.002500	\$0.002500	\$0.002500
32 BSC "I" Charge	\$38,487	\$37,839	\$38,155	\$40,150	\$36,158
33 Total OPT-OUT BSC Charge - Rider "I"	\$38,487	\$37,839	\$38,155	\$40,150	\$36,158
34					
35 FES Therm Sales	800,000	2,100,000	1,300,000	1,300,000	750,000
36 C-2 FES Limited Firm	\$0.206200	\$0.222900	\$0.235900	\$0.243100	\$0.246500
37 TOTAL FES C-2 RECOV.	\$164,960	\$465,090	\$306,870	\$316,030	\$184,875
38					
39 FES D-2 Contract Demand	2,466	2,466	2,466	2,466	2,466
40 FES D-2 Rate	\$7.714359	\$7.714359	\$7.714359	\$7.714359	\$7.714359
41 TOTAL FES D-2 RECOV.	\$19,024	\$19,024	\$19,024	\$19,024	\$19,024
42					
43 LVS D-2 Contract Demand	0	0	0	0	0
44 LVS D-2 Rate	\$15.428717	\$15.428717	\$15.428717	\$15.428717	\$15.428717
45 TOTAL LVS D-2 RECOV.	\$0	\$0	\$0	\$0	\$0
46					
47 EGS-LV-Firm D-2 Contract Demand	0	0	0	0	0
48 EGS-LV-Firm D-2 Rate	\$14.530362	\$14.530362	\$14.530362	\$14.530362	\$14.530362
49 TOTAL EGS-LV-Firm D-2 RECOV.	\$0	\$0	\$0	\$0	\$0
50					
51 EGS-LV-Ltd. Firm D-2 Contract Demand	0	0	0	0	0
52 EGS-LV-Ltd. Firm D-2 Rate	\$7.714359	\$7.714359	\$7.714359	\$7.714359	\$7.714359
53 TOTAL EGS-LV-Ltd. Firm D-2 RECOV.	\$0	\$0	\$0	\$0	\$0
54					
55 GSG, GSG-LV, & CNG Commodity	2,056,254	795,905	1,471,371	1,680,300	1,497,121
56 Cost of Gas	\$0.206200	\$0.222900	\$0.235900	\$0.243100	\$0.246500
57 GSG & GSG-LV Commodity Recoveries	\$424,000	\$177,407	\$347,097	\$408,481	\$369,040
58					
59 GSG, GSG-LV, & CNG Non Commodity	2,056,254	795,905	1,471,371	1,680,300	1,497,121
60 Cost of Gas	\$0.124261	\$0.124261	\$0.124261	\$0.124261	\$0.124261
61 GSG & GSG-LV Non Commodity Recoveries	\$255,512	\$98,900	\$182,834	\$208,796	\$186,034
62					

WORKPAPER KJB-2A, Page 2 of 2
 PROOF OF RECOVERY

	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16
LVS Therm Sales								0	0	0	0	0
Cost of Gas								\$0	\$0	\$0	\$0	\$0
LVS Recoveries								\$0	\$0	\$0	\$0	\$0
EGS-LV Therm Sales								0	0	0	0	0
Cost of Gas								\$0	\$0	\$0	\$0	\$0
EGS-LV Recoveries								\$0	\$0	\$0	\$0	\$0
EGS-LV Ltd. Therm Sales								0	0	0	0	0
Cost of Gas								\$0	\$0	\$0	\$0	\$0
EGS-LV Ltd. Firm Recoveries								\$0	\$0	\$0	\$0	\$0
EGS - Monthly Therm Sales								80	80	80	100	100
Cost of Gas								\$0.206200	\$0.222900	\$0.235900	\$0.243100	\$0.246500
EGS - Monthly Recoveries								\$16	\$18	\$19	\$24	\$25
Yard and Street Lighting Therm Sales								10,000	10,000	10,000	10,000	10,000
Cost of Gas								\$0.320000	\$0.320000	\$0.320000	\$0.320000	\$0.320000
Yard and Street Lighting Recoveries								\$3,200	\$3,200	\$3,200	\$3,200	\$3,200
EGS-LV Firm Non Commodity								0	0	0	0	0
Cost of Gas								\$0	\$0	\$0	\$0	\$0
EGS-LV Firm Non Commodity Recoveries								\$0	\$0	\$0	\$0	\$0
EGS-LV Ltd Firm Non Commodity								0	0	0	0	0
Cost of Gas								\$0	\$0	\$0	\$0	\$0
EGS-LV Ltd Firm Non Commodity Recoveries								\$0	\$0	\$0	\$0	\$0
LVS Non Commodity								0	0	0	0	0
Cost of Gas								\$0	\$0	\$0	\$0	\$0
LVS Non Commodity Recoveries								\$0	\$0	\$0	\$0	\$0
EGS Non Commodity								80	80	80	100	100
Cost of Gas								\$0.124261	\$0.124261	\$0.124261	\$0.124261	\$0.124261
EGS Non Commodity Recoveries								\$10	\$10	\$10	\$12	\$12
Total Allocated Cost Recovery	\$1,331,755	\$1,544,114	\$2,614,204	\$3,666,124	\$5,035,286	\$4,174,195	\$3,028,069	\$1,935,613	\$1,405,935	\$1,412,177	\$1,532,721	\$1,366,202
Applicable BGSS Sales								14,464,883	7,800,978	6,226,639	6,053,418	6,179,116
BGSS Cost Rate								\$0.493507	\$0.493507	\$0.493507	\$0.493507	\$0.493507
Total BGSS Recovery	\$3,715,780	\$6,075,180	\$11,074,705	(\$1,874,602)	\$22,309,612	\$18,593,966	\$11,695,248	\$7,138,521	\$3,849,837	\$3,072,890	\$2,987,404	\$3,049,437

**SOUTH JERSEY GAS COMPANY
BGSS COST RECOVERY VOLUMES
(Therms)**

	Rate Schedule	October 2015	November	December	January 2016	February	March	April	Total
1									
2									
3									
4	Rate Schedule RSG	6,282,680	11,298,090	20,883,610	13,857,630	41,306,320	34,266,560	21,736,150	149,631,040
5	Rate Schedule RSG-FT	631,310	1,130,550	2,059,630	2,993,510	3,731,910	3,051,890	1,959,000	15,557,800
6	Rate Schedule GSG	1,781,850	2,360,290	3,610,680	4,290,740	7,861,590	6,806,300	4,745,710	31,457,160
7	Rate Schedule GSG-FT	1,871,420	2,553,670	3,729,180	5,384,300	6,697,970	5,614,920	4,381,890	30,233,350
8	Rate Schedule GSG-LV	133,210	232,220	348,630	453,420	557,990	615,110	757,060	3,097,640
9	Rate Schedule GSG-LV-FT	1,090,260	1,866,730	1,990,260	3,245,850	3,605,510	3,065,830	3,112,160	17,976,600
10	Rate Schedule EGS	-	-	12,060	45,910	144,820	28,530	36,640	267,960
11	Rate Schedule EGS-FT	10,620	9,790	14,810	18,540	16,230	14,390	16,360	100,740
12	Rate Schedule LVS	-	-	-	-	69,840	-	-	69,840
13	Rate Schedule LVS -FT	7,454,480	7,216,160	7,380,350	8,103,140	7,466,810	6,702,170	7,146,850	51,469,960
14	Rate Schedule CTS	2,458,300	2,405,240	2,610,620	2,767,650	2,161,800	2,483,560	3,203,370	18,090,540
15	Rate Schedule FES	610,192	463,323	638,091	140,524	762,063	814,949	511,667	3,940,809
16	Rate Schedule INTERRUPTIBLE	1,059,480	1,172,070	1,210,200	1,667,920	1,019,280	1,276,360	443,390	7,848,700
17	Rate Schedule EGS-LV	-	-	-	-	-	-	-	0
18	Rate Schedule EGS-LV FT	2,380,522	4,166,855	2,595,881	3,562,044	4,952,383	4,785,772	2,374,953	24,818,410
19	Rate Schedule NGV	183,825	144,360	136,630	143,960	137,280	162,960	152,020	1,061,035
20	Rate Schedule YLS & SLS	10,000	10,000	10,000	10,000	10,000	10,000	10,000	70,000
21									
22	Total	25,958,149	35,029,348	47,230,632	46,685,138	80,501,796	69,699,301	50,587,220	355,691,584

SOUTH JERSEY GAS COMPANY
2015 - 2016 BGSSC
Projected Gas Cost to BGSSC

	May-16	Jun-16	Jul-16	Aug-16	Sep-16
Total Gas Cost	\$9,580,535	\$9,309,995	\$9,180,208	\$9,239,080	\$8,560,217
Total Storage Injections Cost	\$2,286,538	\$2,420,277	\$2,451,471	\$2,428,754	\$2,402,999
Total Storage Withdrawals Cost	\$132,294	\$57,517	\$51,680	\$51,362	\$79,504
Total LNG Cost	\$99,354	\$99,354	\$99,354	\$99,354	\$99,354
Company Use (Therms)	40,000	40,000	50,000	50,000	40,000
Company Use Administration Percent	30.80%	30.80%	30.80%	30.80%	30.80%
Company Use Administration	12,320	12,320	15,400	15,400	12,320
Average Rate	\$0.493507	\$0.493507	\$0.493507	\$0.493507	\$0.493507
Company Use Administrative Cost	\$6,080	\$6,080	\$7,600	\$7,600	\$6,080
Projected Cost of Gas Sendout	\$7,519,565	\$7,040,509	\$6,872,171	\$6,953,442	\$6,329,996

	May-16	Jun-16	Jul-16	Aug-16	Sep-16
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	4,058,365	3,927,450	4,058,365	4,058,365	3,927,450
	48,267	46,710	48,267	48,267	46,710
	361,553	349,890	361,553	361,553	349,890
	497,333	481,290	497,333	497,333	481,290
	54,704,925	52,940,250	54,704,925	54,704,925	52,940,250
	846,734	819,420	846,734	846,734	819,420
	41,740,942	40,394,460	41,740,942	41,740,942	40,394,460
	485,770	470,100	485,770	485,770	470,100
	6,666,302	6,451,260	6,666,302	6,666,302	6,451,260
	862,234	834,420	862,234	862,234	834,420
	7,201,734	6,969,420	7,201,734	7,201,734	6,969,420
	372,000	360,000	372,000	372,000	360,000
	37,944,000	36,720,000	37,944,000	37,944,000	36,720,000
	310,000	300,000	310,000	310,000	300,000
	0	0	0	0	0
	0	0	0	0	0
	3,255,000	3,150,000	3,255,000	3,255,000	3,150,000
	10,000	10,000	10,000	10,000	10,000
	423,000	423,000	423,000	423,000	423,000
	13,840	13,840	13,840	13,840	13,840
	22,511	22,511	22,511	22,511	22,511
	9,000	9,000	9,000	9,000	9,000
	33,862	33,862	33,862	33,862	33,862
	2,223,507	2,223,507	2,223,507	2,223,507	2,223,507
	16,931	16,931	16,931	16,931	17,696
	50,000	50,000	50,000	50,000	50,000
	775,000	750,000	775,000	775,000	750,000
	213,240	136,240	213,240	213,240	38,240
	1,060,054	839,532	880,234	859,758	821,168
	150,393	351,908	289,084	324,490	126,063
	0	0	0	0	0
	0	0	0	0	0
	2,198,687	2,079,680	1,957,558	1,972,488	1,735,471

WORKPAPER KJB-5A, Page 1 of 2
 NATURAL GAS DETERMINANTS

DEMAND

TRANSCO FT ZONE BASED RESERVATION
 TRANSCO S-2 DEMAND
 TRANSCO S-2 CAPACITY
 TRANSCO SS-2 DEMAND
 TRANSCO SS-2 CAPACITY
 TRANSCO GSS DEMAND
 TRANSCO GSS CAPACITY
 TRANSCO LNG (LG-A) DEMAND
 TRANSCO LNG (LG-A) CAPACITY
 TRANSCO ESS DEMAND
 TRANSCO ESS CAPACITY
 TRANSCO LSS DEMAND
 TRANSCO LSS CAPACITY
 TRANSCO FT DEMAND #1013589
 TRANSCO LONG HAUL - Contract #1003902
 TRANSCO DEMAND - PSFT #1005003
 TRANSCO FT - CNJEP #9032686
 DOMINION GSS STORAGE DEMAND
 DOMINION GSS STORAGE CAPACITY
 COLUMBIA GAS FTS DEMAND #38099
 COLUMBIA GAS NTS DEMAND #38305
 COLUMBIA GAS FTS DEMAND #156147
 COLUMBIA FSS DEMAND MDSO #53000
 COLUMBIA FSS DEMAND SCQ #53000
 COLUMBIA SST DEMAND #38086
 COLUMBIA GAS FTS DEMAND ESEP #161135

Pipeline & Suppl. Supplies

Spot Purchases - Columbia ESEP
 Spot Purchases - Columbia
 Spot Purchases - Transco
 Spot Purchases - FES & Monthly BGSS
 Spot Purchases on Transco PSFT
 Liquefied Natural Gas (LNG)

TOTAL NAT GAS PURCHASED

1 WORKPAPER KJB-5A, Page 2 of 2
 2 NATURAL GAS DETERMINANTS

	May-16	Jun-16	Jul-16	Aug-16	Sep-16
3					
4					
5					
6	TRANSCO S 2 IN	(20,120)	(25,944)	(27,126)	(21,762)
7	TRANSCO S 2 OUT	0	0	0	77
8	TRANSCO S 2 FUEL	(130)	(167)	(175)	(142)
9	SS 2 IN Vol.	(330,579)	(297,615)	(293,561)	(227,434)
10	SS 2 OUT Vol.	0	0	0	0
11	ESS 2 FUEL	(2,364)	(2,128)	(2,099)	(1,956)
12	ESS IN Vol.	(11,000)	(20,630)	(22,951)	(31,748)
13	ESS OUT Vol.	15,000	22,000	20,000	31,140
14	ESS FUEL	0	0	0	0
15	GSS IN Vol.	(200,000)	(207,751)	(184,597)	(174,363)
16	GSS OUT Vol.	50,000	0	0	0
17	GSS FUEL	(5,846)	(6,073)	(5,097)	(5,711)
18	LGA IN	(39,431)	(38,356)	(39,431)	(38,356)
19	LGA OUT	0	0	0	0
20	LSS IN Vol.	(11,978)	(11,652)	(11,978)	(11,652)
21	LSS OUT Vol.	(210,800)	(205,782)	(177,320)	(171,600)
22	LSS FUEL	0	0	0	0
23	Col FSS IN Vol.	(3,219)	(3,219)	(2,773)	(2,684)
24	Col FSS OUT Vol.	(280,291)	(280,291)	(280,291)	(273,794)
25	Col FSS FUEL	0	0	0	0
26	Col SST FUEL	(421)	(421)	(421)	(411)
27	Dominion GSS STOR IN	(5,843)	(5,843)	(5,843)	(5,707)
28	Dominion GSS STOR OUT	(64,698)	(55,647)	(57,997)	(55,644)
29	Dominion GSS FUEL	0	0	0	0
30		(1,287)	(1,107)	(1,153)	(1,107)
31					
32	TOTAL NATURAL GAS SENDOUT	1,075,602	939,054	864,447	920,980
33					721,318
34					
35	Liquefied Natural Gas (LNG)	0	0	-	-
36	Mickee City Sendout	9,500	9,500	9,500	9,500
37					
38	Total LNG Sendout	9,500	9,500	9,500	9,500
39					
40					
41					
42	Total Sendout	1,085,102	948,554	873,947	930,480
					730,818

WORKPAPER KJB-5B, Page 1 of 3
SUMMARY OF NATURAL GAS COSTS

	May-16	Jun-16	Jul-16	Aug-16	Sep-16
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WORKPAPER KJB-5B, Page 2 of 3
SUMMARY OF NATURAL GAS COSTS

	May-16	Jun-16	Jul-16	Aug-16	Sep-16
1 Transco Demand Cost	\$40,579	\$39,270	\$40,579	\$40,579	\$39,270
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11	\$2,185,832	\$1,871,316	\$2,076,473	\$2,090,071	\$2,024,179
12	\$310,110	\$784,403	\$681,949	\$788,836	\$310,746
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Transco Demand Cost	\$40,579	\$39,270	\$40,579	\$40,579	\$39,270
Spot Purchases	\$0	\$0	\$0	\$0	\$0
Commodity Cost - Transco	\$0	\$0	\$0	\$0	\$0
Dir Purchases FES & Monthly GSG	\$426,080	\$412,335	\$426,080	\$426,080	\$412,335
Transco FSFT Transport. Reserv. Cost	\$0	\$0	\$0	\$0	\$0
Transco PSFT Commodity Cost	\$422,642	\$296,940	\$30,161	\$31,114	\$91,126
Transco Central New Jersey Expansion	\$1,597,275	\$1,672,500	\$1,831,325	\$1,887,900	\$1,852,500
Transco Long Haul Cap. Rel. Credit	\$84,355	\$84,355	\$84,355	\$84,355	\$84,355
Columbia L-T Firm Commodity Cost	\$54,855	\$54,855	\$54,855	\$54,855	\$54,855
Columbia East Side Exp Project Commodity Cost	\$171,196	\$171,196	\$171,196	\$171,196	\$171,196
Columbia FTS Cost #38099	\$51,098	\$51,098	\$51,098	\$51,098	\$51,098
Columbia FTS Cost #156147	\$64,037	\$64,037	\$64,037	\$64,037	\$64,037
Columbia Gas NTS Cost	\$4,295	\$4,295	\$4,295	\$4,295	\$4,195
Columbia FSS	\$0	\$0	\$0	\$0	\$0
DEMAND MDSQ Cost	\$0	\$0	\$0	\$0	\$0
DEMAND SCQ Cost	\$89,650	\$89,650	\$89,650	\$89,650	\$93,698
IN Cost	\$131,134	\$131,134	\$131,134	\$131,134	\$131,134
OUT Cost	\$4,349	\$4,349	\$4,349	\$4,349	\$4,248
Columbia SST Compression Charge	\$0	\$0	\$0	\$0	\$0
Columbia Gulf FTS Demand - East Side Exp Project	\$675,600	\$675,600	\$675,600	\$675,600	\$675,600
Dominion GSS Capacity Cost	\$6,134	\$6,134	\$6,134	\$6,134	\$6,134
Dominion GSS Capacity Cost	\$18,618	\$18,618	\$18,618	\$18,618	\$18,618
Dominion IN Cost	\$2,057	\$1,770	\$1,844	\$1,844	\$1,769
Dominion IT IN Cost	\$8,851	\$7,613	\$7,934	\$7,934	\$7,612
Dominion OUT Cost	\$0	\$0	\$0	\$0	\$0
Peaking Supply	\$0	\$0	\$0	\$0	\$0
Hedging/(Gain) Loss	\$726,660	\$571,235	\$459,425	\$397,785	\$351,280
License Agreement - Planalytics Hedging Tool	\$0	\$0	\$0	\$0	\$0
ICE OTC Fees	\$375	\$375	\$375	\$375	\$375
Midstream Partners	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
ABB-SENDOUT Annual Charge	\$0	\$0	\$0	\$0	\$0
Storage Incentive Mechanism (Gain)/Loss	\$122,400	(\$8,000)	(\$109,600)	(\$165,600)	(\$192,000)
Marcus Hook - Woodbury Lateral	\$7,614	\$7,614	\$7,614	\$7,614	\$7,614
Antero Commodity Savings	(\$93,000)	(\$90,000)	(\$93,000)	(\$93,000)	(\$90,000)
Total Gas Cost	\$9,580,535	\$9,309,995	\$9,180,208	\$9,239,080	\$8,560,217

1 WORKPAPER KJB-5B, Page 3 of 3
2 SUMMARY OF NATURAL GAS COSTS

	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16
3 NATURAL GAS PURCHASES (\$)												
4 Spot Purchases on Columbia - ESEP								\$1,597,275	\$1,672,500	\$1,831,325	\$1,887,900	\$1,852,500
5 Spot Purchases on Columbia								\$422,642	\$296,940	\$30,161	\$31,114	\$91,126
6 Spot Purchases - Transco								\$2,185,832	\$1,871,316	\$2,076,473	\$2,090,071	\$2,024,179
7 Direct Purchases - FES & Monthly BGSS								\$310,110	\$784,403	\$681,949	\$788,836	\$310,746
8 Spot Purchases on Transco PSFT								\$0	\$0	\$0	\$0	\$0
9 Peaking Supply								\$0	\$0	\$0	\$0	\$0
10 Hedging/(Gain) Loss								\$726,660	\$571,235	\$459,425	\$397,785	\$351,280
11 Marcus Hook - Woodbury Lateral								\$7,614	\$7,614	\$7,614	\$7,614	\$7,614
12 Aniero Commodity Savings								(\$93,000)	(\$90,000)	(\$93,000)	(\$93,000)	(\$90,000)
13 Storage Incentive Mechanism								\$122,400	(\$8,000)	(\$109,600)	(\$165,600)	(\$192,000)
14 TOTAL NATURAL GAS PURCHASES (\$)								\$5,279,533	\$5,106,008	\$4,884,347	\$4,944,721	\$4,355,446
15 PURCHASED NAT GAS BREAKDOWN (D)												
16 Spot Purchases on Columbia - ESEP								775,000	750,000	775,000	775,000	750,000
17 Spot Purchases on Columbia								213,240	138,240	13,240	13,240	38,240
18 Spot Purchases - Transco								1,060,054	839,532	880,234	859,758	821,168
19 Direct Purchases - FES & Monthly BGSS								150,393	351,908	289,084	324,490	126,063
20 Spot Purchases on Transco PSFT								0	0	0	0	0
21 TOTAL NATL GAS PURCHASED (D)								2,198,687	2,079,680	1,957,558	1,972,488	1,735,471
22 NATURAL GAS COST PER THERM								\$0.2401	\$0.2455	\$0.2495	\$0.2507	\$0.2510
23 Total Cost Per Therm								\$0.2809	\$0.3104	\$0.3066	\$0.3014	\$0.2986
24 Total Cost Per Therm Excluding FES/Monthly BGSS/injections								\$0.2012	\$0.2175	\$0.2309	\$0.2381	\$0.2414
25 Injected Cost Per Therm												
26 (Excluding FMAC, Monthly BGSS & All Hedging & SIMS)												
27 SUMMARY OF GAS COSTS												
28 Pipeline & Storage Demand	\$3,568,172	\$4,361,402	\$4,484,897	\$4,262,278	\$4,452,229	\$4,373,841	\$4,271,292	\$4,239,478	\$4,146,335	\$4,239,478	\$4,239,478	\$4,150,363
29 Storage	\$38,477	\$49,181	\$57,457	\$104,633	\$151,573	\$109,267	\$133,779	\$61,524	\$57,652	\$56,383	\$54,681	\$54,388
30 Natural Gas Purchases *	\$4,360,872	\$3,048,804	-\$101,953	\$12,173,220	\$6,731,633	\$3,114,788	\$6,023,745	\$5,279,533	\$5,106,008	\$4,884,347	\$4,944,721	\$4,355,446
31 Total Gas Costs	\$7,967,522	\$7,459,387	\$4,440,401	\$16,540,131	\$13,335,434	\$7,597,897	\$10,428,817	\$9,560,535	\$9,309,995	\$9,180,208	\$9,239,080	\$8,560,217

1 WORKPAPER KJB-5C, PAGE 2 OF 5
 2 NATURAL GAS INVENTORY

	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Total
3 GSS Opening Balance	1,156,904	1,237,052	1,234,388	1,159,346	857,854	336,550	199,939	241,741	391,741	599,492	784,090	958,453	
4 Storage Injections Transco GSS	108,518	60,885	119,075	43,019	18,876	36,287	154,192	200,000	207,751	184,597	174,363	195,389	1,502,953
5													
6 GSS Inventory Sub Total Dt	1,265,422	1,297,937	1,353,463	1,202,365	876,730	372,837	354,131	441,741	599,492	784,090	968,453	1,153,842	
7 Net Storage Withdrawals Transco GSS	28,370	63,549	194,117	344,511	540,180	172,898	112,390	50,000	0	0	0	0	1,506,015
8													
9 GSS Inventory Balance	1,237,052	1,234,388	1,159,346	857,854	336,550	199,939	241,741	391,741	599,492	784,090	968,453	1,153,842	
10													
11 GSS Inventory Cost Opening Balance	\$2,446,668	\$2,566,714	\$2,539,954	\$2,406,644	\$1,801,992	\$714,812	\$386,824	\$402,497	\$724,150	\$1,189,281	\$1,627,976	\$2,055,252	
12													
13 GSS Injection Cost	\$179,317	\$106,006	\$268,881	\$115,755	\$58,812	\$48,723	\$209,590	\$414,080	\$465,132	\$438,694	\$427,277	\$465,496	\$3,217,762
14													
15 GSS Inventory Cost Sub Total	\$2,625,985	\$2,672,721	\$2,808,835	\$2,522,399	\$1,860,803	\$763,534	\$596,414	\$816,577	\$1,189,281	\$1,627,976	\$2,055,252	\$2,540,748	
16													
17 Total GSS Storage Withdrawal Cost	\$59,271	\$132,767	\$402,191	\$720,407	\$1,145,982	\$376,710	\$193,918	\$82,427	\$0	\$0	\$0	\$0	\$3,123,682
18													
19 Total GSS Inventory Cost Balance	\$2,566,714	\$2,539,954	\$2,406,644	\$1,801,992	\$714,812	\$386,824	\$402,497	\$724,150	\$1,189,281	\$1,627,976	\$2,055,252	\$2,540,748	
20													
21 GSS Inventory Cost Rate	\$2,0749	\$2,0577	\$2,0759	\$2,1006	\$2,1239	\$1,9347	\$1,6650	\$1,8485	\$1,9838	\$2,0763	\$2,1443	\$2,2020	
22													
23 ESS Opening Balance	203,348	228,814	198,806	213,397	213,390	199,425	210,614	212,947	208,947	207,577	210,527	208,405	206,100
24 Storage Injections Transco ESS	25,466	11,983	30,226	0	0	11,371	22,848	11,000	20,630	22,951	17,878	31,748	
25													
26 ESS Inventory Sub Total Dt	228,814	240,797	229,032	213,397	213,390	210,796	233,462	223,947	229,577	230,527	228,405	240,153	200,435
27 Net Storage Withdrawals Transco ESS	0	41,991	15,635	7	13,965	182	20,515	15,000	22,000	20,000	20,000	31,140	
28													
29 ESS Inventory Balance	228,814	198,806	213,397	213,390	199,425	210,614	212,947	208,947	207,577	210,527	208,405	209,014	
30													
31 ESS Inventory Cost Opening Balance	\$650,624	\$701,846	\$593,296	\$612,880	\$612,860	\$572,752	\$587,048	\$573,072	\$555,333	\$542,691	\$544,004	\$535,207	
32													
33 ESS Injection Cost	\$51,222	\$20,249	\$66,243	\$0	\$0	\$14,819	\$41,232	\$22,128	\$44,875	\$52,993	\$42,566	\$76,646	\$432,972
34													
35 ESS Inventory Cost Sub Total	\$701,846	\$722,095	\$659,539	\$612,880	\$612,860	\$587,571	\$628,280	\$595,199	\$600,208	\$595,684	\$586,570	\$611,853	
36 Total ESS Storage Withdrawal Cost	\$0	\$128,799	\$46,660	\$20	\$40,107	\$523	\$55,208	\$39,867	\$57,517	\$51,680	\$51,362	\$79,336	\$551,079
37													
38 Total ESS Inventory Cost Bal	\$701,846	\$593,296	\$612,880	\$612,860	\$572,752	\$587,048	\$573,072	\$555,333	\$542,691	\$544,004	\$535,207	\$532,517	
39													
40 ESS Inventory Cost Rate	\$3,0673	\$2,9843	\$2,8720	\$2,8720	\$2,8720	\$2,7873	\$2,6911	\$2,6578	\$2,6144	\$2,5840	\$2,5681	\$2,5478	

1 WORKPAPER KJB-5C, PAGE 3 OF 5
2 NATURAL GAS INVENTORY

	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Total
3 LSS Opening Balance	1,148,166	1,229,126	964,111	699,445	362,495	142,886	5,126	188,726	399,826	605,308	782,628	954,228	1,202,256
4 Storage Injections Transco LSS	80,960	0	0	0	0	0	183,600	210,800	205,782	177,320	171,600	172,194	0
5 LSS Inventory Sub Total Dt	1,229,126	1,229,126	964,111	699,445	362,495	142,886	188,726	399,526	605,308	782,628	954,228	1,126,422	1,224,000
6 Net Storage Withdrawals Transco LSS	0	265,015	284,666	336,950	219,609	137,760	0	0	0	0	0	0	0
7 LSS Inventory Balance	1,229,126	964,111	699,445	362,495	142,886	5,126	188,726	399,526	605,308	782,628	954,228	1,126,422	1,224,000
8 LSS Inventory Cost Open Balance	\$2,016,859	\$2,136,512	\$1,673,928	\$1,211,954	\$623,808	\$240,458	-\$2	\$246,243	\$676,921	\$1,131,561	\$1,547,395	\$1,962,348	\$2,504,215
9 LSS Injection Cost	\$119,653	\$0	\$0	\$0	\$0	\$0	\$246,245	\$430,678	\$454,640	\$415,835	\$414,953	\$422,212	\$0
10 LSS Inventory Cost Sub Total	\$2,136,512	\$2,136,512	\$1,673,928	\$1,211,954	\$623,808	\$240,458	\$246,243	\$676,921	\$1,131,561	\$1,547,395	\$1,962,348	\$2,384,560	\$2,504,215
11 Total LSS Storage Withdrawal Cost	\$0	\$462,384	\$461,975	\$568,146	\$383,349	\$240,460	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12 Total LSS Inventory Cost Bal	\$2,136,512	\$1,673,928	\$1,211,954	\$623,808	\$240,458	-\$2	\$246,243	\$676,921	\$1,131,561	\$1,547,395	\$1,962,348	\$2,384,560	\$2,504,215
13 LSS Inventory Cost Rate	\$1,7382	\$1,7362	\$1,7327	\$1,7209	\$1,6829	(\$0,0004)	\$1,3048	\$1,6943	\$1,8694	\$1,9772	\$2,0565	\$2,1169	\$2,1169
14 SS 2 Opening Balance	1,654,469	1,766,650	1,510,182	1,107,056	641,141	275,361	1,975	269,148	599,727	897,342	1,190,903	1,464,414	1,802,064
15 Storage Injections Transco SS 2	112,181	0	0	0	0	0	267,173	330,579	297,615	293,561	273,511	227,434	0
16 SS 2 Inventory Sub Total Dt	1,766,650	1,766,650	1,510,182	1,107,056	641,141	275,361	269,148	599,727	897,342	1,190,903	1,464,414	1,691,848	1,764,675
17 Net Storage Withdrawals Transco SS 2	0	236,466	403,126	466,915	385,780	273,386	0	0	0	0	0	0	0
18 SS 2 Inventory Balance	1,766,650	1,510,182	1,107,056	641,141	275,361	1,975	269,148	599,727	897,342	1,190,903	1,464,414	1,691,848	1,764,675
19 SS 2 Inventory Cost Open Balance	\$2,960,245	\$3,141,352	\$2,684,813	\$1,967,208	\$1,137,786	\$486,661	-\$20	\$355,336	\$1,025,084	\$1,677,115	\$2,359,794	\$3,015,653	\$3,749,777
20 SS 2 Storage Injections Cost	\$181,107	\$0	\$0	\$0	\$0	\$0	\$355,356	\$669,748	\$652,031	\$682,679	\$655,859	\$552,997	\$0
21 SS 2 Inventory Cost Sub Total	\$3,141,352	\$3,141,352	\$2,684,813	\$1,967,208	\$1,137,786	\$486,661	\$355,336	\$1,025,084	\$1,677,115	\$2,359,794	\$3,015,653	\$3,568,650	\$3,141,372
22 Total SS 2 Storage Withdrawal Cost	\$0	\$456,539	\$717,605	\$829,422	\$651,125	\$486,682	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23 Total SS 2 Inventory Cost Bal	\$3,141,352	\$2,684,813	\$1,967,208	\$1,137,786	\$486,661	-\$20	\$355,336	\$1,025,084	\$1,677,115	\$2,359,794	\$3,015,653	\$3,568,650	\$3,141,372
24 SS 2 Inventory Cost Rate	\$1,7781	\$1,7778	\$1,7770	\$1,7746	\$1,7674	(\$0,0103)	\$1,3202	\$1,7093	\$1,8690	\$1,9815	\$2,0593	\$2,1093	\$2,1093
25 Dominion GSS Opening Balance	422,990	422,990	422,990	422,990	223,443	73,742	-10	81,080	145,778	201,425	259,422	317,421	373,075
26 Injections Dominion GSS Storage	0	0	0	0	0	0	81,090	64,698	55,647	57,997	57,999	55,644	0
27 Dominion GSS Inventory Sub Total Dt	422,990	422,990	422,990	422,990	223,443	73,742	81,080	145,778	201,425	259,422	317,421	373,065	423,000
28 Net Storage Withdrawals Dominion GSS	0	0	0	199,547	149,701	73,752	0	0	0	0	0	0	0
29 Dominion GSS Inventory Balance	422,990	422,990	422,990	223,443	73,742	-10	81,080	145,778	201,425	259,422	317,421	373,065	423,000
30 Dominion GSS Inventory Cost Open Balance	\$727,894	\$727,894	\$727,894	\$727,894	\$384,514	\$126,908	\$3	\$115,931	\$248,667	\$372,124	\$608,701	\$649,536	\$786,541
31 Dominion GSS Storage Injections Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$115,928	\$132,735	\$123,457	\$136,577	\$140,835	\$137,008	\$0
32 Dominion GSS Inventory Cost Sub Total	\$727,894	\$727,894	\$727,894	\$727,894	\$384,514	\$126,908	\$115,931	\$248,667	\$372,124	\$608,701	\$649,536	\$786,544	\$786,544
33 Total Equity Storage Withdrawal Cost	\$0	\$0	\$0	\$343,380	\$257,605	\$126,905	\$0	\$0	\$0	\$0	\$0	\$0	\$0
34 Total Dominion GSS Inventory Cost Balance	\$727,894	\$727,894	\$727,894	\$384,514	\$126,908	\$3	\$115,931	\$248,667	\$372,124	\$608,701	\$649,536	\$786,544	\$786,544
35 Dominion GSS Inventory Cost Rate	\$1,7208	\$1,7208	\$1,7208	\$1,7209	\$1,7210	(\$0,3252)	\$1,4298	\$1,7058	\$1,8475	\$1,9609	\$2,0463	\$2,1083	\$2,1083

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NATURAL GAS INVENTORY

	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Total
1	140,008	140,206	140,206	104,188	55,494	11,989	127	17,887	36,007	63,951	91,077	118,205	140,038
2	198	0	0	0	0	0	0	20,120	25,944	27,126	27,128	21,762	140,038
3	140,206	140,206	140,206	104,188	55,494	11,989	17,887	36,007	63,951	91,077	118,205	139,967	140,156
4	0	0	36,018	48,694	43,505	11,862	0	0	0	0	0	77	140,156
5	140,206	140,206	104,188	55,494	11,989	127	17,887	36,007	63,951	91,077	118,205	139,890	140,156
6	\$328,645	\$329,048	\$329,048	\$244,441	\$130,059	\$27,866	\$1	\$32,267	\$73,002	\$129,801	\$192,839	\$257,845	\$311,122
7	\$402	\$0	\$0	\$0	\$0	\$0	\$32,266	\$40,735	\$56,799	\$63,038	\$66,006	\$52,876	\$311,122
8	\$329,048	\$329,048	\$329,048	\$244,441	\$130,059	\$27,866	\$32,267	\$73,002	\$129,801	\$192,839	\$257,845	\$310,721	\$329,215
9	\$0	\$0	\$94,606	\$114,382	\$102,193	\$27,865	\$0	\$0	\$0	\$0	\$0	\$168	\$329,215
10	\$329,048	\$329,048	\$244,441	\$130,059	\$27,866	\$1	\$32,267	\$73,002	\$129,801	\$192,839	\$257,845	\$310,553	\$329,215
11	\$2,3469	\$2,3469	\$2,3462	\$2,3437	\$2,3243	\$0,0072	\$1,8039	\$1,9208	\$2,0297	\$2,1173	\$2,1813	\$2,2200	\$2,2200
12	1,850,631	2,004,374	1,746,481	1,489,664	1,361,089	758,264	398,050	601,847	882,138	1,162,429	1,442,720	1,723,011	1,723,011
13	299,002	59,758	220,446	333,801	182,341	121,382	476,010	280,291	280,291	280,291	280,291	273,794	3,087,698
14	2,149,633	2,064,132	1,965,927	1,823,465	1,543,430	879,646	874,060	882,138	1,162,429	1,442,720	1,723,011	1,996,805	2,941,524
15	145,289	317,651	477,263	462,376	785,166	461,596	272,213	0	0	0	0	0	2,941,524
16	2,004,374	1,746,481	1,489,664	1,361,089	758,264	398,050	601,847	882,138	1,162,429	1,442,720	1,723,011	1,996,805	2,941,524
17	\$3,720,906	\$3,868,314	\$3,457,075	\$2,995,520	\$2,938,028	\$1,794,082	\$811,620	\$1,015,854	\$1,592,288	\$2,215,631	\$2,877,286	\$3,559,545	\$6,608,550
18	\$556,575	\$101,109	\$483,664	\$872,855	\$552,092	\$158,391	\$664,410	\$576,434	\$623,343	\$661,655	\$682,259	\$675,764	\$6,608,550
19	\$4,277,481	\$4,089,423	\$3,940,739	\$3,868,375	\$3,400,119	\$1,952,473	\$1,476,030	\$1,592,288	\$2,215,631	\$2,877,286	\$3,559,545	\$4,235,309	\$6,094,147
20	\$289,167	\$632,348	\$945,219	\$930,347	\$1,686,037	\$1,140,853	\$460,176	\$0	\$0	\$0	\$0	\$0	\$6,094,147
21	\$3,986,314	\$3,457,075	\$2,995,520	\$2,938,028	\$1,794,082	\$811,620	\$1,015,854	\$1,592,288	\$2,215,631	\$2,877,286	\$3,559,545	\$4,235,309	\$6,094,147
22	\$1,9998	\$1,9795	\$2,0109	\$2,1586	\$2,3660	\$2,0390	\$1,6879	\$1,8050	\$1,9060	\$1,9943	\$2,0659	\$2,1210	\$2,1210
23	6,576,516	7,029,212	6,217,164	5,196,086	3,714,906	1,798,217	815,821	1,613,376	2,665,864	3,737,524	4,761,366	5,744,137	5,744,137
24	7,029,212	6,217,164	5,196,086	3,714,906	1,798,217	815,821	1,613,376	2,665,864	3,737,524	4,761,366	5,744,137	6,690,885	6,690,885
25	\$12,851,841	\$13,591,680	\$12,006,008	\$10,166,541	\$7,629,046	\$3,983,540	\$1,785,475	\$2,741,200	\$4,895,444	\$7,258,204	\$9,657,995	\$12,035,387	\$12,035,387
26	\$13,591,680	\$12,006,008	\$10,166,541	\$7,629,046	\$3,983,540	\$1,785,475	\$2,741,200	\$4,895,444	\$7,258,204	\$9,657,995	\$12,035,387	\$14,368,882	\$14,368,882

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 NATURAL GAS INVENTORY - WITHDRAWALS

	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Total
1 Net Storage Withdrawals Transco GSS	28,370	63,549	194,117	344,511	540,180	172,898	112,390	50,000	0	0	0	0	1,506,015
2 GSS Inventory Cost Rate	\$2,0752	\$2,0592	\$2,0753	\$2,0979	\$2,1224	\$2,0479	\$1,6842	\$1,8485	\$1,9838	\$2,0763	\$2,1443	\$2,2020	
3 Total GSS Storage Withdrawal Cost	\$59,271	\$132,767	\$402,191	\$720,407	\$1,145,992	\$376,710	\$193,918	\$92,427	\$0	\$0	\$0	\$0	\$3,123,682
4 Net Storage Withdrawals Transco ESS	0	41,991	15,635	7	13,965	182	20,515	15,000	22,000	20,000	20,000	31,140	200,435
5 ESS Inventory Cost Rate	\$3,0673	\$2,9988	\$2,8797	\$2,8720	\$2,7874	\$2,6911	\$2,6911	\$2,6578	\$2,6144	\$2,5840	\$2,5681	\$2,5478	
6 Total ESS Storage Withdrawal Cost	\$0	\$128,799	\$46,660	\$20	\$40,107	\$523	\$55,208	\$39,867	\$57,517	\$51,680	\$51,362	\$79,336	\$551,079
7 Net Storage Withdrawals Transco LSS	0	265,015	264,666	336,950	219,609	137,760	0	0	0	0	0	0	1,224,000
8 LSS Inventory Cost Rate	\$1,7566	\$1,7382	\$1,7362	\$1,7327	\$1,7209	\$1,6829	-\$0,0004	\$1,3048	\$1,6943	\$1,8694	\$1,9772	\$2,0565	
9 Total LSS Storage Withdrawal Cost	\$0	\$462,584	\$461,975	\$588,146	\$383,349	\$240,460	\$0	\$0	\$0	\$0	\$0	\$0	\$2,136,514
10 Net Storage Withdrawal Transco SS 2	0	256,468	403,126	465,915	365,780	273,386	0	0	0	0	0	0	1,764,675
11 SS 2 Inventory Cost Rate	\$1,7892	\$1,7781	\$1,7778	\$1,7770	\$1,7746	\$1,7674	-\$0,0103	\$1,3202	\$1,7093	\$1,8690	\$1,9815	\$2,0593	
12 Total SS 2 Storage Withdrawal Cost	\$0	\$456,539	\$717,605	\$829,422	\$651,125	\$486,682	\$0	\$0	\$0	\$0	\$0	\$0	\$3,141,372
13 Net Storage Dominion GSS	0	0	0	199,547	149,701	73,752	0	0	0	0	0	0	423,000
14 Dominion GSS Inventory Cost Rate	\$1,7208	\$1,7208	\$1,7208	\$1,7208	\$1,7209	\$1,7210	-\$0,3252	\$1,4298	\$1,7058	\$1,8475	\$1,9609	\$2,0463	
15 Total Dominion GSS Storage Withdrawal Cost	\$0	\$0	\$0	\$343,380	\$257,605	\$126,905	\$0	\$0	\$0	\$0	\$0	\$0	\$727,891
16 Net Storage Withdrawals Transco S-2	0	0	36,018	48,694	43,505	11,862	0	0	0	0	0	77	140,156
17 Transco S-2 Inventory Cost Rate	\$2,3473	\$2,3469	\$2,3469	\$2,3462	\$2,3437	\$2,3243	\$0,0072	\$1,8039	\$1,9208	\$2,0297	\$2,1173	\$2,1813	
18 Total Transco S-2 Storage Withdrawal Cost	\$0	\$0	\$84,606	\$114,382	\$102,193	\$27,865	\$0	\$0	\$0	\$0	\$0	\$168	\$329,215
19 Net Storage Withdrawal Col FSS & (MEP)	145,259	317,651	477,263	462,376	785,166	481,596	272,213	0	0	0	0	0	2,941,524
20 Col FSS & (MEP) Inventory Cost Rate	\$1,9899	\$1,9812	\$2,0035	\$2,1214	\$2,2613	\$2,2196	\$1,6887	\$1,8050	\$1,9060	\$1,9943	\$2,0659	\$2,1210	
21 Total Col FSS Storage Withdrawal Cost	\$289,167	\$632,348	\$945,219	\$930,347	\$1,696,037	\$1,140,853	\$460,176	\$0	\$0	\$0	\$0	\$0	\$6,094,147
22 Total Storage Withdrawals Dt	173,629	944,674	1,390,825	1,858,000	2,117,906	1,151,436	405,118	65,000	22,000	20,000	20,000	31,217	8,199,805
23 Total Storage Withdrawals Cost	\$348,438	\$1,813,036	\$2,658,255	\$3,526,105	\$4,276,410	\$2,399,998	\$709,302	\$132,294	\$57,517	\$51,680	\$51,362	\$79,504	\$16,103,900

	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Total
1 SOUTH JERSEY GAS COMPANY													
2 2015 - 2016 BGSSC													
3 Monthly Interruptible/Off-System/Capacity Release Credit													
4													
5													
6													
7 Pre-Tax Interruptible Margins	\$36,099	\$34,129	\$38,295	\$52,375	\$32,900	\$54,316	\$9,910	\$24,500	\$20,978	\$15,492	\$12,093	\$16,181	\$347,268
8 Pre-Tax Off-System Sales and Capacity Release	\$2,140,994	\$4,129,357	\$3,872,304	\$4,026,860	\$3,516,435	\$3,664,384	\$1,717,411	\$1,425,275	\$1,415,971	\$1,425,275	\$1,425,275	\$1,415,971	\$30,175,521
9 Pre-tax Margins Subject to Revenue	\$2,177,092	\$4,163,486	\$3,910,599	\$4,079,234	\$3,549,335	\$3,718,709	\$1,727,322	\$1,449,775	\$1,436,949	\$1,440,767	\$1,437,368	\$1,432,152	\$30,522,789
10 Sharing %	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	
11 Revenue Sharing %													
12													
13													
14													
15													
16													
17													
18 Interruptible/Off-System Sales/Capacity Release Credit	\$1,850,528	\$3,538,963	\$3,324,009	\$3,467,349	\$3,016,935	\$3,160,903	\$1,468,224	\$1,232,309	\$1,221,407	\$1,224,652	\$1,221,763	\$1,217,329	\$25,944,370

SOUTH JERSEY GAS COMPANY
2015 - 2016 BGSSC
Interruptible Income Statement

	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Total
Volumes													
IGS					250			73,872	70,004	0	0	0	2,177
ITS										51,695	40,355	53,995	1,045,839
Total Volumes					74,122			74,122	70,004	51,695	40,355	53,995	1,048,016
Revenues													
IGS					\$3,072				\$0	\$0	\$0	\$0	\$20,334
ITS					\$22,457				\$21,281	\$15,715	\$12,268	\$16,415	\$332,936
Total Revenue	\$36,301	\$34,350	\$38,525	\$52,678	\$33,095	\$57,141	\$9,970	\$25,530	\$21,281	\$15,715	\$12,268	\$16,415	\$363,270
Cost Of Gas Interr Sales													
IGS								\$503	\$0	\$0	\$0	\$0	\$3,056
ITS								\$0	\$0	\$0	\$0	\$0	\$0
Total Cost Of Gas Interr Sales	\$0	\$0	\$0	\$0	\$0	\$2,553	\$0	\$503	\$0	\$0	\$0	\$0	\$3,056
NJ Sales Tax, TEFA & PUA													
IGS								\$207	\$0	\$0	\$0	\$0	\$247
ITS								\$320	\$303	\$224	\$175	\$234	\$2,700
Total Revenue Taxes								\$527	\$303	\$224	\$175	\$234	\$2,946
Pre-Tax Margin								\$24,500	\$20,978	\$15,492	\$12,093	\$16,181	\$347,268

SOUTH JERSEY GAS COMPANY
2015 - 2016 BGSSC
Off-System Sales & Capacity Release Income Statement

	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16
Volumes (DT)								465,000	450,000	465,000	465,000	450,000
Sales Rate per DT								\$3,1304	\$3,3313	\$3,4264	\$3,4984	\$3,5663
Off-System Sales Revenue	\$3,078,457	\$5,446,930	\$5,416,958	\$4,269,082	\$5,161,549	\$4,057,597	\$2,711,265	\$1,455,636	\$1,499,085	\$1,593,276	\$1,626,756	\$1,604,835
Capacity Release Revenue	\$1,159,516	\$1,964,667	\$2,053,037	\$2,105,927	\$1,818,642	\$1,889,973	\$488,230	\$891,269	\$883,486	\$891,269	\$891,269	\$883,486
Total Revenue	\$4,237,973	\$7,411,597	\$7,469,995	\$6,375,019	\$6,980,192	\$5,947,570	\$3,199,494	\$2,346,905	\$2,382,571	\$2,484,545	\$2,518,025	\$2,488,321
Volumes (DT)								465,000	450,000	465,000	465,000	450,000
COG Rate per DT								\$1,9820	\$2,1480	\$2,2780	\$2,3500	\$2,3830
Total Cost of Gas	\$2,096,980	\$3,282,240	\$3,597,692	\$2,348,159	\$3,463,757	\$2,283,176	\$1,482,083	\$921,630	\$966,600	\$1,059,270	\$1,092,750	\$1,072,350
Pretax Margin	\$2,140,994	\$4,129,357	\$3,872,304	\$4,026,860	\$3,516,435	\$3,664,394	\$1,717,411	\$1,425,275	\$1,415,971	\$1,425,275	\$1,425,275	\$1,415,971

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 2 INTERRUPTIBLE RATES
 3
 4

	May-16	Jun-16	Jul-16	Aug-16	Sep-16
5 Sales Rate Per Dt					
6 IGS	\$12.2895	\$12.4701	\$12.6115	\$12.6898	\$12.7257
7 ITS	\$0.3040	\$0.3040	\$0.3040	\$0.3040	\$0.3040
8					
9 COG Rate Per Dt incl. Unaccounted	\$2.0103	\$2.1787	\$2.3106	\$2.3836	\$2.4171
10					
11 Rate Derivation:					
12 IGS	\$2.0103	\$2.1787	\$2.3106	\$2.3836	\$2.4171
13	10	10	10	10	10
14					
15 Cost of Gas/Th	\$0.2010	\$0.2179	\$0.2311	\$0.2384	\$0.2417
16 Projected NIBT/Th	\$0.9450	\$0.9450	\$0.9450	\$0.9450	\$0.9450
17					
18 Rate Before Revenue	\$1.1460	\$1.1629	\$1.1761	\$1.1834	\$1.1867
19					
20 PUA	\$0.0025	\$0.0026	\$0.0026	\$0.0026	\$0.0026
21 SUT	\$0.0804	\$0.0816	\$0.0825	\$0.0830	\$0.0833
22					
23 Rate/Th	\$1.2290	\$1.2470	\$1.2612	\$1.2690	\$1.2726
24 Therm Factor	10	10	10	10	10
25					
26 Rate/Dt	\$12.2895	\$12.4701	\$12.6115	\$12.6898	\$12.7257
27					
28					
29					
30					
31 Rate/Therm	\$0.0304	\$0.0304	\$0.0304	\$0.0304	\$0.0304
32 X Therm Factor	10	10	10	10	10
33					
34 Rate/Dt	\$0.3040	\$0.3040	\$0.3040	\$0.3040	\$0.3040

SOUTH JERSEY GAS COMPANY
2015 - 2016 BGSSC
Requirement & Supply

	May-16	Jun-16	Jul-16	Aug-16	Sep-16
7 Utility Sendout	934,709	596,646	584,863	605,990	604,755
8 GSG-LV - Monthly BGSS	69,224	138,853	157,190	192,594	49,965
9 EGS-LV - Firm - Monthly BGSS	0	0	0	0	0
10 EGS-LV - Limited Firm - Monthly BGSS	0	0	0	0	0
11 EGS - Monthly BGSS	8	8	8	10	10
12 FES - Limited Firm	81,161	213,047	131,886	131,886	76,088
13 LVS - Monthly BGSS	0	0	0	0	0
14 Total Firm Sendout	1,085,102	948,554	873,947	930,480	730,818
15					
16 Net Storage Injections					
17					
18 Transco S-2	20,120	25,944	27,126	27,128	21,762
19 Transco SS-2 (2)	330,579	297,615	293,561	273,511	227,434
20 Transco ESS	11,000	20,630	22,951	17,878	31,748
21 Transco GSS	200,000	207,751	184,597	174,363	195,389
22 Transco LNG (LGA)	39,431	38,356	39,431	39,431	38,356
23 Transco LSS (2)	210,800	205,782	177,320	171,600	172,194
24 Columbia FSS	280,291	280,291	280,291	280,291	273,794
25 Dominion GSS	64,698	55,647	57,997	57,999	55,644
26 Company LNG	0	0	0	0	0
27 ESS Compressor Fuel 0.0%	0	0	0	0	0
28 GSS Compressor Fuel 2.84%	5,846	6,073	5,396	5,097	5,711
29 SS-2 Compressor Fuel 0.71%	2,364	2,128	2,099	1,956	1,626
30 LSS Compressor Fuel 1.54%	3,297	3,219	2,773	2,684	2,693
31 LGA Compressor Fuel 23.3%	11,978	11,652	11,978	11,978	11,652
32 Columbia FSS Compressor Fuel 0.15%	421	421	421	421	411
33 Transco S-2 Compressor Fuel 0.64%	130	167	175	175	140
34 Dominion GSS Compressor Fuel 1.95%	1,287	1,107	1,153	1,153	1,107
35 Columbia SST Compressor Fuel 2.042%	5,843	5,843	5,843	5,843	5,707
36					
37 Total Storage Injections	1,188,085	1,162,625	1,113,111	1,071,508	1,045,368
38					
39 Total Requirements	2,273,187	2,111,180	1,987,058	2,001,988	1,776,186

SOUTH JERSEY GAS COMPANY
2015 - 2016 BGSSC
Requirement & Supply

	May-16	Jun-16	Jul-16	Aug-16	Sep-16
7 <u>Net Storage Withdrawals</u>					
8 Transco S-2	0	0	0	0	77
9 Transco SS-2 (2)	0	0	0	0	0
10 Transco ESS	15,000	22,000	20,000	20,000	31,140
11 Transco GSS	50,000	0	0	0	0
12 Transco LNG (LGA)	0	0	0	0	0
13 Transco LSS (2)	0	0	0	0	0
14 Columbia FSS	0	0	0	0	0
15 Dominion GSS	0	0	0	0	0
16 Company LNG	9,500	9,500	9,500	9,500	9,500
17 S-2 Compressor Fuel 2.17%	0	0	0	0	(2)
18 SS-2 Compressor Fuel 1.22%	0	0	0	0	0
19 LSS Compressor Fuel 0.24%	0	0	0	0	0
20 GSS Compressor Fuel 0.0%	0	0	0	0	0
21 Dominion GSS Compressor Fuel 0.0%	0	0	0	0	0
22 FSS Compressor Fuel 0.0%	0	0	0	0	0
23 Columbia SST Compressor Fuel 2.042%	0	0	0	0	0
24 Total Storage Withdrawals	74,500	31,500	29,500	29,500	40,715
25					
26 <u>Pipeline & Supplemental Supplies</u>					
27 Spot Purchases - Columbia ESEP	775,000	750,000	775,000	775,000	750,000
28 Spot Purchases - Columbia	213,240	138,240	13,240	13,240	38,240
29 Spot Purchases - Transco	1,060,054	839,532	880,234	859,758	821,168
30 Spot Purchases - FES & Monthly BGSS	150,393	351,908	289,084	324,490	126,063
31 Spot Purchases on Transco PSFT	0	0	0	0	0
32 Liquefied Natural Gas (LNG)	0	0	0	0	0
33 Total Pipeline & Supplemental Supplies	2,198,687	2,079,680	1,957,568	1,972,488	1,735,471
34					
35 Total Supply	2,273,187	2,111,180	1,987,058	2,001,988	1,776,186
36					
37					

SOUTH JERSEY GAS COMPANY
2015 - 2016 BGSSC
Pipeline Pricing

	May-16	Jun-16	Jul-16	Aug-16	Sep-16
1					
2					
3					
4					
5					
6					
7					
8	\$0.4777	\$0.4777	\$0.4777	\$0.4777	\$0.4777
9	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
10	\$0.1451	\$0.1451	\$0.1451	\$0.1451	\$0.1451
11	\$0.0040	\$0.0040	\$0.0040	\$0.0040	\$0.0040
12	\$0.0339	\$0.0339	\$0.0339	\$0.0339	\$0.0339
13	\$0.0491	\$0.0491	\$0.0491	\$0.0491	\$0.0491
14					
15	\$0.2816	\$0.2816	\$0.2816	\$0.2816	\$0.2816
16	\$0.0009	\$0.0009	\$0.0009	\$0.0009	\$0.0009
17	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317
18	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317
19					
20	\$0.1008	\$0.1008	\$0.1008	\$0.1008	\$0.1008
21	\$0.0005	\$0.0005	\$0.0005	\$0.0005	\$0.0005
22	\$0.0488	\$0.0488	\$0.0488	\$0.0488	\$0.0488
23	\$0.0419	\$0.0419	\$0.0419	\$0.0419	\$0.0419
24					
25	\$0.0211	\$0.0211	\$0.0211	\$0.0211	\$0.0211
26	\$0.0025	\$0.0025	\$0.0025	\$0.0025	\$0.0025
27	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411
28	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411
29					
30	\$0.1522	\$0.1522	\$0.1522	\$0.1522	\$0.1522
31	\$0.0006	\$0.0006	\$0.0006	\$0.0006	\$0.0006
32	\$0.0277	\$0.0277	\$0.0277	\$0.0277	\$0.0277
33	\$0.0212	\$0.0212	\$0.0212	\$0.0212	\$0.0212
34					
35	\$0.0348	\$0.0348	\$0.0348	\$0.0348	\$0.0348
36	\$0.0067	\$0.0067	\$0.0067	\$0.0067	\$0.0067
37	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055
38	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055
39					
40	\$0	\$0	\$0	\$0	\$0
41	\$375	\$375	\$375	\$375	\$375
42	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
43	\$0	\$0	\$0	\$0	\$0
44					
45					
46					
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SOUTH JERSEY GAS COMPANY
 2015 - 2016 BGSSC
 Pipeline Pricing

	May-16	Jun-16	Jul-16	Aug-16	Sep-16
	\$0.1309	\$0.1309	\$0.1309	\$0.1309	\$0.1309
6 TRANSCO FT DEMAND #1013599					
10 Off-System COG per DT					
11 Commodity Purchases - Columbia East Side Exp Project	\$1.9820	\$2.1480	\$2.2780	\$2.3500	\$2.3830
12 Commodity Purchases - Transco (FES & Monthly BGSS)	\$2.0610	\$2.2300	\$2.3630	\$2.4360	\$2.4700
13	\$2.0620	\$2.2290	\$2.3590	\$2.4310	\$2.4650
14	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
15 Transco PSFT Transportation DEMAND	\$0.1309	\$0.1309	\$0.1309	\$0.1309	\$0.1309
16 Transco FT CNJEP DEMAND	\$2.0620	\$2.2290	\$2.3590	\$2.4310	\$2.4650
17 Commodity Purchases - Transco PSFT	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
18 Transco FT DEMAND #1013598	\$2.0610	\$2.2300	\$2.3630	\$2.4360	\$2.4700
19 Commodity Purchases - Columbia East Side Exp Project	\$1.9820	\$2.1480	\$2.2780	\$2.3500	\$2.3830
20 Commodity Purchases - Columbia	\$6.0950	\$6.0950	\$6.0950	\$6.0950	\$6.0950
21 Columbia FTS DEMAND #156147 and #38099	\$7.6050	\$7.6050	\$7.6050	\$7.6050	\$7.6050
22 Columbia Gas NTS DEMAND	\$1.5090	\$1.5090	\$1.5090	\$1.5090	\$1.5090
23 Columbia FSS DEMAND MDSQ	\$0.0288	\$0.0288	\$0.0288	\$0.0288	\$0.0288
24 Columbia FSS DEMAND SCQ	\$0.0153	\$0.0153	\$0.0153	\$0.0153	\$0.0153
25 Columbia FSS IN	\$0.0153	\$0.0153	\$0.0153	\$0.0153	\$0.0153
26 Columbia FSS OUT	\$5.2950	\$5.2950	\$5.2950	\$5.2950	\$5.2950
27 Columbia SST DEMAND	\$0.0152	\$0.0152	\$0.0152	\$0.0152	\$0.0152
28 Columbia SST IN	\$0.0152	\$0.0152	\$0.0152	\$0.0152	\$0.0152
29 Columbia SST OUT	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
30 Dominion-Transco APEC FT #1005353 DEMAND	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
31 Dominion FTNN DEMAND	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
32 Dominion GSS Storage Capacity	\$0.0145	\$0.0145	\$0.0145	\$0.0145	\$0.0145
33 Dominion GSS Storage DEMAND	\$1.8618	\$1.8618	\$1.8618	\$1.8618	\$1.8618
34 Dominion GSS IN	\$0.0318	\$0.0318	\$0.0318	\$0.0318	\$0.0318
35 Dominion IT IN	\$0.1368	\$0.1368	\$0.1368	\$0.1368	\$0.1368
36 Dominion OUT	\$0.0180	\$0.0180	\$0.0180	\$0.0180	\$0.0180
37 Columbia City Gate	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
38 Columbia Gulf FTS DEMAND - East Side Exp Project	\$13.5120	\$13.5120	\$13.5120	\$13.5120	\$13.5120
39 LNG Rates	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
40 LNG DEMAND Payment (includes LNG & Trans. Svc Fee)	\$0	\$0	\$0	\$0	\$0
41 Pipeline Refunds	\$0	\$0	\$0	\$0	\$0

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**PREPARED DIRECT TESTIMONY
OF
BRUCE S. GROSSMAN
PROGRAM MANAGER, RESIDENTIAL ENERGY EFFICIENCY
SOUTH JERSEY GAS COMPANY
JUNE 2016**

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I. INTRODUCTION

11 My name is Bruce S. Grossman, and my business address is One South Jersey Plaza, Route
12 54, Folsom, New Jersey. I am the Program Manager, Residential Energy Efficiency for the
13 Energy Efficiency Education and Consulting (“EEECO”) Department for South Jersey Gas
14 (“South Jersey” or the “Company”). In this position, I plan, direct and oversee the
15 activities of the Conservation Department, and manage the residential activities of the
16 Company’s EEECO Department. I also represent the Company in civic and regulatory
17 forums related to conservation and energy efficiency. My responsibilities also include the
18 development, implementation, and management of customer directed energy efficiency
19 programs. In total, I have been with the Company for over 37 years, serving the Company
20 in various managerial positions. Prior to serving the Company in my current role, I was the
21 Manager of Energy Programs for nine years.

22 I have been responsible for the Company’s residential, commercial and industrial retail
23 sales, and facilitated negotiations for natural gas contracts with some of the Company’s
24 largest customers. Since March of 2001, I have represented South Jersey as one of seven
25 utility managers who work with the administrator of the New Jersey Clean Energy Program
26 TM, within the New Jersey Board of Public Utilities (“Board” or “BPU”) Office of Clean
27 Energy. In that capacity, I was the Senior Utility Sponsor for the Commercial/Industrial
28 Construction Program, otherwise known as the SmartStart Buildings Program ®, the

1 Convener of the Combined Heat and Power Program and the Utility Sponsor for the Home
2 Performance with Energy Star Program.

3 I previously represented South Jersey on all of the New Jersey Clean Energy Efficiency
4 working groups and chaired the Commercial/Industrial Subcommittee of the New Jersey
5 Clean Energy Council.

6 I currently serve as a member on the Energy Efficiency committee of the Clean Energy
7 Council, serve on various committees with the Consortium for Energy Efficiency, and I
8 also serve on the American Gas Association (AGA) Sustainable Growth Committee. For
9 the past several years, I have served as the Senior Utility Sponsor for the Comfort Partners,
10 Low Income Working Group, which manages the Comfort Partners Low Income Program,
11 administered by the BPU Office of Clean Energy. In 2012, I was asked to serve on the
12 Sustainable Growth Committee of the American Gas Association. I earned a Bachelor of
13 Arts degree in Honors Political Science from Rutgers University, Camden College of Arts
14 and Sciences, and a Master's Degree in Public Policy from the Rutgers School of Public
15 Policy, Camden, NJ.

16 **II. PURPOSE OF TESTIMONY**

17 The purpose of my testimony is to provide information about the conservation oriented
18 initiatives that South Jersey has launched since the Conservation Incentive Program
19 ("CIP") was originally approved by the Board on October 12, 2006 in BPU Docket No.
20 GR0512019, as further extended on January 20, 2010 and again on May 21, 2014. I will
21 also provide actual cost information for each of these programs.

1 **III. BACKGROUND**

2 The CIP has enabled South Jersey to share the common goal of energy efficiency with its
3 customers and local, State and national level policy-makers. For several years, the
4 Company has been in a position to manage and develop energy conservation programs
5 collaboratively with the BPU and other utilities. The Board's approval of the CIP has
6 aligned the Company's interests with those of its customers, as the program has eliminated
7 the Company's financial disincentive to promote methods and opportunities for customers
8 to reduce their natural gas consumption and their bills.

9 The Board's approval of the CIP, and other significant efforts such as the initiation of the
10 New Jersey Clean Energy Program, have recast public policy concerning the efficient use
11 of natural gas and its effect on the environment. The CIP and the promotion of energy
12 efficiency have become an integral part of our Company's culture. For example, the focus
13 of South Jersey's residential and commercial and industrial ("C&I") sales force has shifted
14 from increasing customer natural gas consumption, to promoting specific customer-focused
15 programs that encourage conservation and energy efficiency.

16 Moreover, in September of 2009, the Company redefined its approach to the marketplace
17 by restructuring its Sales Department. The department is now known as the Energy
18 Efficiency Education and Consulting Department. The new management structure
19 embedded the implementation of energy efficiency programming into our sales and
20 marketing efforts. Company representatives in this department are referred to as
21 consultants, and have been exposed to various energy efficiency training seminars and
22 courses. Customers are not only educated about the benefits of natural gas service, but they
23 are also educated about energy efficiency. In fact, the residential and commercial subsets of

1 the EEECO department each have an energy efficiency implementation focus and a
2 consultative focus. The former concentrates on programming, such as the energy efficiency
3 installation offers that are available from the State of New Jersey and from the Company.
4 The latter concentrates on educating customers on energy efficiency as they become part of
5 the South Jersey network.

6 Through this restructuring, South Jersey has tied together the themes of energy efficiency,
7 comfort and savings. We will continue to promote the efficient use of natural gas through
8 the use of better technology, energy education, and sensible energy consumption patterns
9 through targeted presentations, and through partnerships with public entities and nonprofit
10 organizations, to promote energy efficiency program outreach to a variety of audiences.

11 Finally, strategic energy efficiency communication is fully integrated into South Jersey's
12 CIP. A communications strategy focusing on the CIP and its benefits to customers and
13 shareholders is not viewed as a separate program, but rather a corporate initiative. It
14 remains our goal to educate political leaders, corporate executives, business leaders, and
15 building managers about the facts associated with the CIP and to bring to light the vast
16 array of energy programs, policies, and practices necessary to achieve sustainable energy
17 efficiency in the market place.

18 19 **IV. REVIEW OF CURRENT PROGRAMS**

20 Attached to my testimony as Exhibit BSG-1 is the Company's thirty-sixth (36th) CIP
21 quarterly report, which was filed with the Board on November 5, 2015. The information
22 contained in Exhibit BSG-1 illustrates the Company's energy efficiency and conservation
23 related accomplishments during the eighth year of the CIP, which encompassed the time

1 period of October 2014 to September 2015. I have also attached as Exhibit BSG-2 the
2 Company's thirty- eight (38th) CIP quarterly report, which was filed with the Board on May
3 2, 2016. The information contained in Exhibit BSG-2 summarizes the Company's energy
4 efficiency and conservation related accomplishments during the first half of the current CIP
5 year, which encompasses the time period October 2015 to March 2016. This CIP quarterly
6 report illustrates how CIP programming has evolved into initiatives that promote energy
7 efficiency with a sense of urgency towards educating policy makers, energy program
8 designers, and trade ally contractors on the critical relationships between building science
9 and the installation of high efficiency heating and water heating equipment. Exhibit BSG-2
10 provides details of each program implemented in the tenth (10th) year of the CIP and
11 contains program-specific material used to promote those programs. The following
12 discussion provides a summary and status of the programs that continue to resonate with
13 our customers.

14 **Local on the 8's**

15 This program was originally launched in January 2007 and continues to be a successful
16 method of promoting energy efficiency and conservation to our customers. In 2014,
17 South Jersey again utilized the exposure of the Weather Channel and placed messages
18 on the "ribbon" during the "Local Weather On the 8's Message" from January 2015
19 through April 2015. The use of cable television enables companies to target messages
20 to specific regions and a diverse demographic within a market area. The viewers, who
21 watched the weather forecast and alerts every eight minutes, also saw South Jersey's
22 message to exercise energy efficiency practices. This messaging effort was aired
23 during some of the most challenging weather days experienced in several years.

1 Messages directed customers to visit the New Jersey Office of Clean Energy website
2 and the South Jersey Gas website to learn more about home audits, statewide programs,
3 and equipment rebates. During the winter of 2016, this program was phased out. The
4 primary reason is that advances in mobile devices have made viewing weather events
5 part of the low cost smartphone and tablet platform. The Company would rather direct
6 funds used for this initiative for other means that could have more impact on the
7 customer to save energy. More detail regarding this change will be discussed in
8 upcoming reports.

9 **Outreach**

10 Our market is represented by various chambers of commerce, trade associations, and
11 other public and private organizations that support economic enterprise and promote
12 public welfare. To promote energy efficiency programming entities, South Jersey
13 established an outreach program to communicate to local and state institutional
14 constituents, and created supportive relationships with trade ally organizations. The
15 purpose of this outreach is to illustrate how better energy practices will lead to lower
16 operating costs, and ultimately, savings for ratepayers and taxpayers.

17 For example, the Company continued its work to support a call center designed to
18 enhance our approach to better communicate with our customers, and answer questions
19 related to energy efficiency. This call center is part of a much larger campaign known
20 as “Keep it Simple,” and is an extension of the previous “Simple is Beautiful”
21 campaign. The concept is to clearly show customers that upgrading to energy efficiency
22 neither painful nor complicated, and can be done simply and seamlessly by leveraging
23 the resources available to our collective customers. The collective goal is to engage our

1 customers, and to provide them with a dedicated virtual call center, which began
2 operations on August 20, 2015 that can now assist in providing our callers with
3 information about the program that is the best fit for them. Over the first quarter of
4 2016, the call center experienced increased monthly activity in terms of minutes of
5 utilization. Specifically, in January 2016 there were 402.28 minutes, in February there
6 were 259.32 minutes, and in March there were 536.72 minutes. We encourage our
7 customers and trade allies to view the offerings found on this newly created very
8 informative website; www.sjgsimple.com, or to call 856-678-5860. Moreover, in the
9 month of April 2016, the Company enhanced its website further with the “Be South
10 Jersey Smart” campaign. The Company continues its efforts to leverage its partnership
11 approach with the NJ Clean Energy Program, in order to offer customers the most
12 energy value available to them.

13 The Company has also continued its involvement with the American Gas Association
14 (AGA), and with the Consortium for Energy Efficiency in an effort to engage with
15 various energy efficiency organizations, as well as its involvement with the
16 Environment Protection Agency (EPA) to find common ground whereby energy
17 efficiency gains can be gleaned according to best practices and market acceptance. An
18 example of this is our sponsorship toward the “National Awareness of Energy Star ®
19 for 2015”, Analysis of CEE Energy Star Household Awareness Survey (Please see
20 letter of acknowledgement attached to my testimony as Exhibit BSG – 3).

21 The Company promoted our theme of energy efficiency by emphasizing the importance
22 of crafting messages that are meaningful to the customer. It has become evident that
23 consumers desire more than energy efficiency and want a benefit that satisfies their

1 value proposition. For many residential customers, that benefit is comfort at an
2 affordable price. The Company is also making efforts to evolve from a broadcast
3 media platform, which may have limited reach to our customers, to a more direct and
4 modern approach. For an example, please see a SJG energy efficiency message at:

5 <https://www.youtube.com/watch?v=oFaeE87mCVs>

6 The Company continues to reach out to municipal and other civic and efficiency
7 minded constituents by participating in a variety of programs both inside and outside
8 our service territory. For example, the Company has been represented at community
9 and national industry functions. On October 20 – 21, SJG participated as a Platinum
10 Sponsor, for the Affordable Comfort Institute Conference in Cherry Hill, NJ, and also
11 participated as one of the presenters. On November 4 – 5, 2015, the Company was
12 represented in a Sustainable Growth Committee Conference with the AGA in
13 Alexandria, VA. The purpose of the conference was to discuss the implications of the
14 impending federal Department of Energy rules concerning the implementation of the
15 new furnace and boiler standards, as well as updates on the Clean Power Plan as a
16 compliance option for states.

17 During the fourth quarter of 2016, the Company continued to embark upon a targeted
18 campaign, designed to serve local strategic communities. These efforts included various
19 public outreach events, including Sound Off for South Jersey (Atlantic City); AC
20 Chamber of Commerce Business Showcase (Somers Point); Atlantic Builders
21 Convention (Wildwood); and the Atlantic County Plumbers Association (Somers
22 Point). Since the inception of the CIP, South Jersey has participated in numerous events
23 with various groups and organizations, and makes Company representatives available

1 to offer formal presentations regarding energy efficiency programs to any group upon
2 request.

3 Additionally, SJG utilized their social media to promote available financing and rebates
4 with spots running on Comcast starting in September and running through February
5 2016.

6
7 **Aclara (Nexus) Dashboard Program**

8 On March 8, 2008, the Company launched the Nexus (now known as Aclara) Prism
9 Dashboard System. The Prism System was an electronic platform that interfaced with
10 South Jersey's billing system and provided customers meaningful information to help
11 them understand, compare, and manage their natural gas bills. Most importantly, it was
12 designed to motivate customers to implement conservation measures in order to reduce
13 their consumption and energy costs. The program offered our customers a better
14 understanding of what drove their energy bills. It also leveraged the web self - service
15 feature to promote conservation and energy efficiency by illustrating how the customer
16 could save money through improved energy behaviors and by installing energy saving
17 devices and technologies. South Jersey promoted the dashboard program through our
18 website and through direct "on bill" messaging. The promotional tag line for this
19 program was "Take Control of Your Gas Bill". Unfortunately, after many years of
20 engagement with Aclara, and its predecessor, Nexus, SJG determined that there are
21 other opportunities that could better serve our customers' capabilities to be more energy
22 conscious and in February 2016 SJG decided to discontinue operations with Aclara.

1 Though South Jersey’s and Aclara’ s IT teams worked toward making the site more
2 user friendly, customer participation for this website has dropped off significantly.

3 Therefore, after many years of engagement with this Aclara, and its predecessor,
4 Nexus, SJG has determined that there are other opportunities that could better serve our
5 customer’s capabilities to be more energy conscious, and discontinued operations with
6 Aclara on February 29, 2016.

7 **Sustainable Jersey Program**

8 In 2013, the Company began taking a more global view of sustainability and energy
9 efficiency messaging. To foster that effort, the Company engaged with Sustainable
10 Jersey and made a substantial contribution to foster their efforts to create a “South
11 Jersey Hub.” Sustainable Jersey provides financial resources and support for
12 sustainability programs and encourages participation in clean energy and energy
13 efficiency programs. With South Jersey’s contribution, Sustainable Jersey has been
14 able to make significant inroads to foster initiatives throughout Southern New Jersey.

15 In March of 2016, the Company again provided \$150,000 to help fund the new
16 Sustainable Jersey for Schools Program. Sustainable Jersey for Schools is a voluntary
17 certification program for New Jersey public schools that provides tools, training and
18 financial incentives to support and reward schools as they pursue sustainability
19 programs such as energy efficiency, renewable energy and climate mitigation.

20
21 V. **REVIEW OF CURRENT CIP YEAR PROGRAM EXPENSES**

22 Quarterly expenses incurred for each of South Jersey's CIP programs are summarized in
23 Exhibits BSG-1 and BSG-2, attached to this testimony. During the first half of the CIP

1 year, which encompasses the time period October 2015 to March 2016, South Jersey
2 invested \$214,719 in these programs. With the Company's involvement in Sustainable
3 Jersey, increased targeted and cost effective media promotions, and concentrated outreach
4 within the communities we serve and the industries that support and foster an energy
5 efficiency economy, South Jersey projects that it will spend approximately \$500,000 by the
6 conclusion of the CIP year on September 30, 2016.

7
8 **VI. CONCLUSION**

9 This testimony has provided an overview of the programs in effect during the 2014 -2015
10 CIP year, as well as insights into the 2015-2016 CIP year programs and their related
11 expenditures. All of South Jersey's CIP programs are designed to complement current
12 energy policies articulated by the Board and the State of New Jersey and are intended to
13 motivate customers to use energy wisely and reduce their costs.



South Jersey Gas

John F. Stanziola
Director, Regulatory Affairs

November 5, 2015

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Trenton, NJ 08625

Re: Conservation Incentive Program ("CIP") Quarterly Report

Dear Director May and Ms. Thomas-Friel:

Pursuant to the Board's Order dated December 12, 2006, in Docket No. GR05121019, South Jersey Gas Company ("SJG") is filing its thirty sixth Conservation Incentive Program ("CIP") Quarterly Report for the quarter ending September 30, 2015. The report is comprised of the following four components:

- CIP Summary of Required Reporting Mechanisms
- Status Report of CIP Programs
- Supporting Attachments for Programs
- Quarterly CIP Report of Expenses

During the quarter ending September 30, 2015, SJG incurred CIP related expenses totaling (\$220,660) South Jersey Gas Company continues to be pleased with the results and the feedback we've received from customers, government officials and employees, regarding the CIP, and our extensive efforts to encourage conservation and energy efficiency.

The Aclara Prism Dashboard program has been well received by our customers. This key component of our CIP portfolio is designed to motivate customers to implement measures and behaviors, which will reduce their energy consumption and their energy costs. Since its launch in March 2008, this web based program has been offering customers a better sense of what is driving their energy bills, and leverages both our call center and the web self service feature to promote conservation and energy efficiency. The Company promotes the use of the dashboard through our website, www.southjerseygas.com, and has also utilized direct "on bill" messaging.

The promotional tag line for this program is: "Manage My Account". Over the past few months, Company has been working with Aclara to find more ways to message our customers, while also improving the customer experience as they attempt to access the site for the first time. Over the years, customers have increased their participation on this platform. Although there has been a recent drop in usage due to the Company's successful launch of our new customer service and work flow management system, both Aclara and SJG are working on improving the dashboard to be more inviting for the customer.

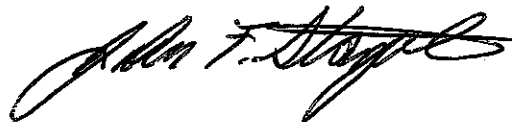
Our public sector outreach program is designed to take advantage of our strong relationships municipalities, trade allies, and various public constituencies. The Company has continued to utilize its resources to maintain constant interaction with our customers, contractors, dealers, and manufactures, through a new and vibrant campaign known as "Simple Is Beautiful" and through classroom style informational training sessions. The purpose of these collective messages is to make our multi-faceted audience, aware of opportunities which will enable them to practice judicious energy behaviors, safe equipment installation protocols, and take the anxiety out of taking the steps to upgrade to energy efficiency programming.

We continue to want our trade allies to install natural gas equipment with efficiency in mind, but to do so with a back-round of solid building science, compliance with licensing requirements, and better sales approaches. Educations in the field of building science has enabled contractors to better understand the issues of new codes, air flow and pressures within a home, and thus employ safer installation practices. Given the knowledge gained by contractors over the past couple of years, we have started to focus on providing information to contractors on how to make mechanical improvements affordable. Moreover, we're starting to illustrate to contractors that they need to show customer value. To that point; on April 17, 2015 the Company hosted, in conjunction with the Eastern Heating Cooling Council, two meetings throughout the morning with our Participating Contractors, to provide information concerning new water heating energy code requirements, along with SJG's and NJCEP energy programs. In July of 2015, the Company made the Corporate commitment to be a Platinum Sponsor of the Regional Affordable Comfort Institute Conference that occurred on October 20th and 21st in Cherry Hill, NJ.

During the third quarter of 2015, the Company continued to promote energy efficiency messaging by linking the customer comfort experience, with their participation in NJCEP offerings. To that end, the Company successfully continued their engagement with an energy efficiency call center, specifically dedicated to providing customers with greater access to program information and clarity. The goal is to illustrate how easy it can be, for customers to reap the rewards of making better decisions, and to take advantage of the benefits made possible by our Company, and the NJBPU. This new call center became operational on August, 2014. Since that time, the Company promoted SJG and NJCEP messages through several events that target specific communities throughout our service territory.

I hope that you find the information contained in this thirty sixth (36th) quarterly report informative. Please do not hesitate to contact me should you have any questions.

Very truly yours,



John F. Stanziola
Director
Regulatory Affairs

JFS:lvk/f84
Attachments

CONSERVATION INCENTIVE PROGRAM : SERVICE LIST
:
NOTIFICATION OF YEAR 8 PROGRAMS : BPU DOCKET NO. GR05121019

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South Jersey Gas Company

**Quarterly Report of Approved Conservation Incentive Programs ("CIP")
Docket No. GR05121019**

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1. **Exhibit 1** - Quarterly Report of Expenses
2. **Exhibit 2** - CIP Summary of Required Reporting Measures
3. **Exhibit 3** - Status Report of Approved Conservation Programs
4. **Exhibit 4** - Regional Affordable Comfort Institute Conference Commitment
5. **Exhibit 5** - Aclara Dashboard Program
6. **Exhibit 6** - July 2015 Energy Notes

South Jersey Gas Company
Docket No. GR05121019

Quarterly CIP Report of Expenses

	1st Quarter 10/01/14 - 12/31/14	2nd Quarter 1/1/15 - 3/31/015	3rd Quarter 4/1/15 - 6/30/15	4th Quarter 7/1/15 - 9/30/15	Annual Total
Direct Mail Campaign	\$3,456	\$5,778	(\$2,000)	\$300	\$7,534
Public Sector Outreach	\$3,913	\$32,622	\$153,320	\$192,993	\$382,848
Nexus System	(\$17,818)	\$17,893	\$17,893	\$17,984	\$35,952
Sustainable Jersey	\$0	\$150,000	\$145	\$9,383	\$159,528
Local on the 8's Program	\$0	\$0	\$5,100	\$0	\$5,100
Total CIP Expenses	<u>(\$10,449)</u>	<u>\$206,293</u>	<u>\$174,458</u>	<u>\$220,660</u>	<u>\$590,962</u>

Program	Measures/Information to be Reported per BPU Order	Status As Of 9/30/15
<p>Public Sector / Outreach</p>	<p>South Jersey Gas Company ("SJG" or "Company") continued to promote energy efficiency and statewide programs to all facets of our franchise community.</p> <ul style="list-style-type: none"> • The purpose of participating in the outreach venues is to promote energy efficiency awareness and programming to varied components of our customer base. We contend that all of our customers, who can take advantage of the Conservation Incentive Program ("CIP") programs, are making strides to cope with energy costs in this current economic environment. The information offered, ranges from illustrating how customers can take advantage of the energy efficiency features of the Company's website through our website and through and links to the NJ Clean Energy Website in order to engage the general public the business community, and government. • Energy Efficiency Call Center Operation. Operation continued in the second (2nd) quarter with the following minutes totaled: <ul style="list-style-type: none"> ○ July = 648 minutes ○ Aug = 434 minutes ○ Sept = 372 minutes • During the second (3rd) quarter of 2015, the Company continued to support grassroots efforts where SJG and NJ Clean Energy programs were presented to the public. These efforts included various public outreach events, for example, the Stone Harbor "Go Green" Fair, the 6th Annual Gloucester and Salem Counties' Fall Improvement Show, 6th Annual Bridgeton Community Fall Festival, Sea Isle City Family Fall Event with Sand Sculpting, and Newfield Day. Additionally, SJG utilized their social media to promote available financing and rebates. 	<p>The Company has continued its work to discuss the importance of the proper installation of high efficiency heating equipment, its relevance upon other natural gas consuming equipment in the home, and the need for improved cost benefit tests to ensure the continuation of energy programming.</p> <p>This focused effort, was officially launched by South Jersey Gas on August 20, 2014. The objective is to provide enhanced customer service and messaging to our customers, and to better solidify the partnership between the offerings of the NJCEP and South Jersey Gas.</p> <p>The Company also created a web link to our Simple is Beautiful campaign, which explains the programs in detail, www.SJGsimple.com</p> <p>The Company also paid for "Google Ad" words to link this website, along with E-Mail Blasts, Facebook.</p> <p>CIP Expenses for this quarter totaled \$192,993.</p>

CIP Summary of Required Reporting Measures

<p>Aclara Prism Dashboard Program</p>	<p>The Prism system continues to serve as the source for energy information and support for customers who want to analyze their specific energy consumption patterns.</p> <p>The Company has realized impressive sustained customer participation, since the Aclara dashboard was launched in March 2008. In February and March of 2014, the Company worked with Aclara to extend its contract through February 2016. The major improvements in this, and previous agreements, are the ability to have two way communications with our customers, who opt to be part of the Home Energy Center mode.</p>	<p>Through the first nine months of 2015, three thousand one hundred and thirty four (3,134) SJG customers accessed the dashboard. It is also noted that two thousand fifty two (2,052) returned to the site by the close of the third quarter of 2015.</p> <p>CIP expenses for this program incurred for the quarter amounted to \$17,984.</p>
<p>Sustainable Jersey</p>	<p>In 2013, the Company made a substantial financial commitment to Sustainable Jersey, in an effort to create a "South Jersey Hub". In March of 2015, the Company again showed its commitment to Sustainable Jersey, by sustaining their founding membership status of the Sustainable Jersey Schools Program.</p>	<p>The funding greatly assisted Sustainable Jersey in developing and implementing sustainable actions and behaviors in schools throughout NJ.</p> <p>CIP Expenses incurred for this program for the quarter amounted to \$9,383.</p>
<p>Direct Mail Program</p>	<p>The Company continues to develop energy efficiency communication strategies, and to make customers aware of the affordable energy programs that can help them make informed decisions. This message is communicated through SJG Energy Notes.</p>	<p>Energy Notes are messages that are included as bill stuffers to all of SJG's residential customers. Efficiency messages were promoted in the January and March 2015 Energy Notes. The next Energy Notes will run in November 2015.</p> <p>CIP expenses for this program during this quarter amounted to \$300.</p>
<p>Local On the 8's</p>	<p>During the winter months of 2015, the Company featured energy tips and messages on the Comcast Weather Channel during the Local On the 8's. This segment ran from January 2015-April 2015.</p>	<p>Energy tips and program messages were displayed along the information ribbon crawl on the bottom of the screen during local weather segments, and aired every eight (8) minutes, beginning at the top the hour.</p> <p>There were no CIP expenses for this program during this quarter.</p>

South Jersey Gas Company
Status Report of Approved Conservation Incentive Programs (“CIP”)
Docket No. GR05121019

Report of Quarterly Activities

Public Sector Outreach Program

SJG continued to promote energy efficiency and statewide programs to all facets of our franchise community. Several outreach opportunities were presented and we were able to reach the public on a variety of levels. The purpose of participating in outreach venues is to promote energy efficiency awareness and programming to varied components of our customer base.

We contend that all customers, who can take advantage of the CIP programs, are attempting to make every effort to cope with energy costs in this current economic environment. The information offered, ranges from illustrating how customers can take advantage of the Company’s website, and the “Take Control of Your Gas Bill” dashboard, to engaging our trade allies, and by introducing our next generation of customers to the importance of good energy practices.

The Company continues to make concerted efforts to re-craft the energy efficiency message and to enhance our approach to better communicate with our customers. Specifically; the Company is proud to announce the creation and launch of a new energy efficiency customer service call center. The purpose of which is to have the ability to directly answer questions that our customers have concerning both the NJ Clean Energy Program, and how it can relate to the energy efficiency offerings from South Jersey Gas. The goal is to maximize customer participation in both program initiatives, and to accelerate the rate of participation, energy, and environment savings. Moreover, this effort will create 5-10 temporary full time jobs in New Jersey, with the possibility of those jobs becoming permanent positions. This call center is part of a much larger campaign known as ‘Simple Is Beautiful’. The concept is to clearly show customers that upgrading to energy efficiency neither painful nor complicated, and can be done simply

and seamlessly by leveraging the resources available to our collective customers, For the first time since we began to offer energy efficiency messaging, the Company is now fully able to council and guide both residential and non-residential customers towards programs that can stimulate better decision making. The collective goal is to engage our customers, and to provide them with a dedicated virtual call center, which began operations on August 20th, that can now assist in providing our callers with information about the program that is the best fit for them. Over the first quarter of 2015, the call center experienced increased monthly activity in terms of minutes of utilization. Specifically, in April 2015 there were 973.73 minutes, in May there were 855.77 minutes, and in June there were 2,470.20 minutes. During the months of July, August, and September 2015, a total of 1,454 minutes were logged. We encourage our customers and trade allies to view the offerings found on this newly created very informative website; www.sjgsimple.com, or to call 856-678-5860. The Company continues its efforts to leverage its partnership approach with the NJ Clean Energy Program, in order to offer customers the most energy value available to them.

During the third (3rd) quarter of 2015, the Company continued to embark upon a targeted campaign, designed to serve local strategic communities. These efforts included various public outreach events, for example, the Stone Harbor "Go Green" Fair, the 6th Annual Gloucester and Salem Counties 'Fall Improvement Show, 6th Annual Bridgeton Community Fall Festival, Sea Isle City Family Fall Event with Sand Sculpting, and Newfield Day. . Additionally, SJG utilized their social media to promote available financing and rebates with spots running on Comcast starting in September and running through December 2015. Please see the below link;

<https://www.youtube.com/watch?v=oFaeE87mCVs>

Of special note: In July of 2015, the Company made the commitment to be a Platinum Sponsor of the Regional Affordable Comfort Institute Conference that occurred on October 20th and 21st in Cherry Hill, NJ (Exhibit 4).

The Aclara Dashboard Program

On March 8, 2008, the Company launched the Nexus (now known as Aclara) Prism Dashboard System. The Prism System is an electronic interface with SJG's billing system, which provides customers meaningful information to help them understand, compare, and manage their natural gas bills. Most importantly, it is designed to motivate customers to implement conservation measures in order to reduce their consumption and their energy costs. This program offers customers a better sense of what is driving their energy bills, and leverages both the call center and the web self-service feature to promote conservation and energy efficiency. The Prism system also provides a source for energy information and support for customers who want to analyze their specific energy consumption patterns.

SJG currently promotes the dashboard program through our web site, and through direct "on bill" messaging. The promotional tag line for this program is; "My Account". We have experienced significant customer participation with the Home Analyzer, since the Aclara dashboard was launched. In early September, SJG implemented new features to enhance user experience with this "dashboard" throughout 2012, as a result of our new contract. This dramatic increase to the "Dashboard" is due in large part to the improvements made to the South Jersey Gas web site. <http://www.southjerseygas.com/energy-efficiency/take-control-gas-bill-south-jersey-gas.html>. Additional features to the website were launched during the summer of 2013. The continued dramatic increase to "Dashboard" participation is due in large part to the location of the Manage My Account link inserted onto the upper right area of the South Jersey Gas web site; www.southjerseygas.com. In February and March of 2015, the Company worked with Aclara to extend its contract through February 2016.

Through the first nine months of 2015, three thousand one hundred and thirty four (3,134) SJG customers accessed the dashboard. It is also noted that two thousand fifty two (2,052) returned to the site by the close of the third quarter of 2015 (Exhibit 5).

Of special mention is the fact that over Columbus Day weekend, the Company completed a vigorous state of the art project of modernizing its customer service, and work management systems. Though the project was a success, there were a number of significant changes that

dramatically impacted customer use of the Manage My Account dashboard. As a result, South Jersey's IT and Aclara teams have started to work toward a solution to make the site user friendly, and again be able to offer helpful energy tips under this new platform.

Sustainable Jersey

In 2013 the Company made a substantial financial commitment to Sustainable Jersey, in an effort to create a "South Jersey Hub". The long term goal is help communities successfully implement a wide range of sustainability initiatives. The hub will also help to grow Sustainable Jersey's presence, and ability, to support local communities throughout the South Jersey region. Sustainable Jersey has identified key action items to be accomplished, and has included those items in a work plan. In March of 2015, the Company again showed its commitment to Sustainable Jersey, by sustaining SJG's founding membership of the Sustainable Jersey Schools Program with a \$150,000 sponsorship.

Local On the 8's

Energy tips and program messages were displayed along the information ribbon crawl on the bottom of the screen during local weather segments aired every eight (8) minutes, beginning at the top the hour. Messaging commenced on in January 2015, and ran through April.

Direct Mail Campaign

The Company continues to develop energy efficiency communication strategies, where appropriate. These Energy Note messages were issued through our billing process during the month of January 2015 and were again recently issued throughout the month of July (Exhibit 6). Another Energy Note message is scheduled to be released during the month of November. It is noted here that the Company's direct messaging promoted SJG's energy programs, the NJCEP program, and offered information about Lifeline credits. . The purpose of these layered marketing efforts is to again illustrate the relationship between the offerings provided by South Jersey Gas, and the NJCEP and to encourage customers to visit the NJ Clean Energy website for more detail. An example of this message is clearly articulated on the website; www.sjgsimple.com



Invoice

1187 Thorn Run Rd Ext, Ste 625
Moon Township, PA 15108
412-424-0070

Bill To
South Jersey Gas #1 South Jersey Plaza Folsom, NJ 08037

Date 7/30/2015
Invoice # 502328
Terms Payment due upon receipt

Description	Qty	Rate	Amount
2015 ACI Mid-Atlantic Regional Home Performance Conference Cherry Hill, New Jersey October 20-21, 2015			
Platinum Level Partnership	1	15,000.00	15,000.00

Thank you for your business!

Total	\$15,000.00
Payments/Credits	\$0.00
Balance Due	\$15,000.00

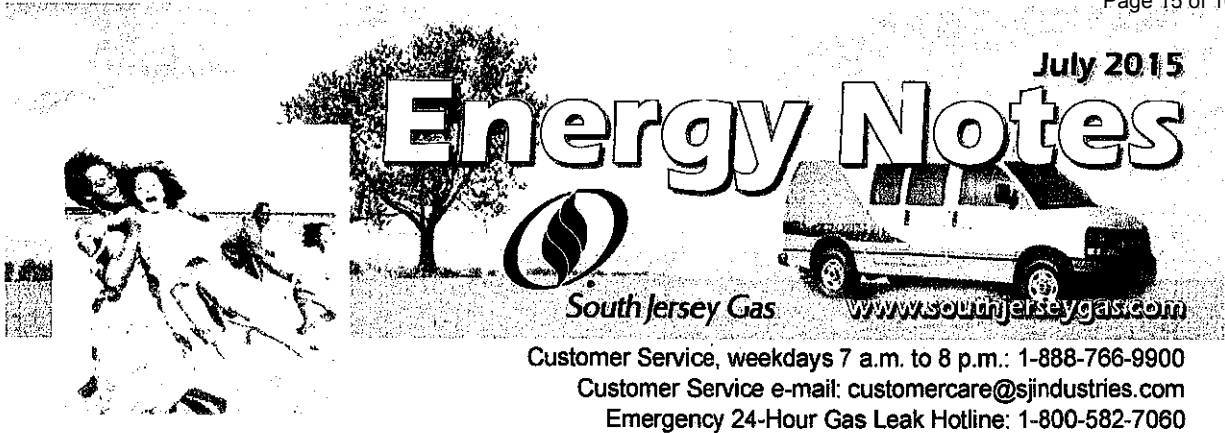
Please remit payment to:
Home Performance Coalition
Federal ID# 27-2422233 www.homeperformance.org



South Jersey Gas
2015 Web Statistics Report*

Statistic	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Overall Application												
Total Unique Users *1	702	678	723	370	238	152	134	0	137			
Total New Users *2	242	247	265	122	82	59	52	0	43			
Total Return Users *3	469	447	472	250	158	97	79	0	94			
Total Page Views	3,271	3,135	3,052	1,546	915	539	521	0	520			
Residential Dashboard												
Total Number of Users *4	702	680	723	370	237	152	134	0	138			
Total New Users *5	242	247	265	122	82	59	52	0	44			
Total Return Users *6	469	443	467	249	154	94	82	0	95			
Total Number of Sessions	760	726	762	381	244	156	140	0	142			
Total Number of Page Views	3,275	3,145	3,052	1,553	916	539	521	0	521			
Avg. Time Spent in Dashboard	3	2	2	2	1	1	1	0	1			
Total Customer Ids	714	686	719	376	238	161	141	0	146			
Total Account Numbers	714	686	719	376	238	161	141	0	146			
Total Premise Ids	714	687	719	377	238	161	141	0	146			
Total LI Completions from Dashboard *7	138	132	108	48	39	14	22	0	9			
Residential Bill Prism												
Bill Analysis												
Total Number of Users	138	132	121	62	24	17	19	0	18			
Total Number of New Users	69	64	59	26	12	5	11	0	6			
Total Number of Return Users	71	70	65	36	12	12	8	0	12			
Total Number of Page Views	594	617	552	217	118	41	82	0	71			
Avg. Time Spent in Bill Analysis	3	2	2	1	3	2	3	0	1			
Bill History												
Total Number of Users	172	161	155	95	46	29	24	0	30			
Total Number of New Users	89	64	70	37	20	10	11	0	7			
Total Number of Return Users	87	100	87	59	26	19	13	0	23			
Total Number of Page Views	318	321	310	189	81	62	39	0	48			
Avg. Time Spent in Bill History	1	1	1	0	1	1	2	0	0			
Customer Engagement - Residential												
Total Users	113	86	94	47	33	19	13	0	17			
New Users	74	61	65	26	26	12	11	0	8			
Return Users	40	25	31	22	7	7	3	0	9			
Authenticated Users	113	86	94	47	33	19	12	0	16			
New Authenticated Users	74	61	65	26	26	12	10	0	7			
Return Authenticated Users	40	25	31	22	7	7	3	0	9			
Unauthenticated Users	0	0	0	0	0	0	1	0	1			
New Unauthenticated Users	0	0	0	0	0	0	1	0	1			
Return Unauthenticated Users	0	0	0	0	0	0	0	0	0			
New Action Plans	7	7	9	5	2	1	4	0	2			
New Action Plan by New Users	6	7	6	4	1	1	4	0	2			
New Action Plan by Return Users	1	0	3	1	1	0	0	0	0			
Users Saving Home Panel	14	0	4	6	0	0	2	0	2			
Users Saving Appl Panel	3	1	4	1	0	0	0	0	1			
Users Saving Heat Panel	2	0	2	1	0	0	0	0	1			
Users Saving Light Panel	2	0	1	1	0	0	0	0	0			
Users Saving Insulation Panel	10	7	7	5	2	0	0	0	0			
Users Saving Water Panel	2	1	4	2	0	0	0	0	0			
Users Saving Other Panel	14	6	8	5	2	1	1	0	1			
Users Saving Solar Panel	5	2	4	3	0	0	0	0	0			
Users Saving Custom Panel	0	0	0	0	0	0	0	0	0			
Energy-Saving Calculators												
Total Number of Users	3	2	1	1	0	1	0	0	0			
Washer	0	0	0	0	0	0	0	0	0			
Fridge	0	0	0	0	0	0	0	0	0			
Room A/C	0	0	0	0	0	0	0	0	0			
Thermo	1	0	0	1	0	0	0	0	0			
System	2	2	0	0	0	1	0	0	0			
Residential Appliance	0	0	1	1	0	0	0	0	0			
Water Heater	2	1	0	1	0	0	0	0	0			
Dryer	0	0	0	1	0	0	0	0	0			
Lighting	0	0	0	1	0	0	0	0	0			
Heat Comparison	0	0	0	0	0	0	0	0	0			
Energy Smart Library, Residential												
Total Number of Users	0	0	0	0	0	0	0	0	0			
Total Number of Page Views	0	0	0	0	0	0	0	0	0			

- Notes:
- Beginning in May 2015, we began excluding CSR authenticated access from the counts.
 - An implementation of the Aclara Library application (and others that do not use any form of authentication) may show traffic from users who live outside of a company's service territory.
 - *1 = Total unique users across all Aclara customer care applications.
 - *2 = Total new users across all Aclara customer care applications. A new user has not previously accessed any application.
 - *3 = Total return users across all Aclara customer care applications. A return user has previously accessed at least one application. Note: A user can be both a new and a return user during a reporting period.
 - *4 = Total unique users accessing the Dashboard application.
 - *5 = Total new users accessing Dashboard. A new user has not previously accessed the application.
 - *6 = Total return users accessing Dashboard. A return user has previously accessed Dashboard. Note: A user can be both a new and a return user during a reporting period.
 - *7 = The number of users that complete or edit a profile from the Dashboard application.



July 2015

Energy Notes

South Jersey Gas www.southjerseygas.com

Customer Service, weekdays 7 a.m. to 8 p.m.: 1-888-766-9900
Customer Service e-mail: customercare@sjindustries.com
Emergency 24-Hour Gas Leak Hotline: 1-800-582-7060

On Your Side

Lifeline

Low-income residents may receive \$225 total credit toward a single utility account. Residents with both electric and gas may receive \$112.50 for each account.

You are eligible for Lifeline if you meet the following requirements:

- ◆ You are a New Jersey resident;
- ◆ You receive natural gas and/or electricity bills for your principal residence in your name or your spouse's name;
- ◆ Your annual income for 2012 is less than \$25,312 if single and less than \$31,035 if married;
- ◆ You are at least 65 years of age OR at least 18 years of age and receiving Social Security Disability benefits.

You're automatically eligible for Lifeline if enrolled in:

- ◆ Pharmaceutical Assistance to the Aged and Disabled (PAAD)
- ◆ Medicaid Only
- ◆ Medical Assistance to the Aged
- ◆ New Jersey Care Special Medicaid.

NOTE: If you are under age 65 and receiving Social Security Disability benefits on behalf of someone other than yourself, you are NOT eligible.

To enroll for Lifeline, call 1-800-792-9745.

Dollars & Sense

Did You Receive an Estimated Bill?

You may receive an estimated bill if something like a locked gate or a loose dog prevented us from reading your meter. We base estimated bills on the average amount of gas used during the same period last year as well as the amount used in the previous month. Your next actual reading adjusts any inaccuracy.

If an actual meter reading shows more gas was used than we estimated (especially if we had to estimate your usage for two or more months), your next bill may be considerably higher. If that bill is at least 25% higher than your prior estimated bill, you may pay the difference owed over the next few months. Upon request, we'll accept payment of the difference over a time period equal to the number of months we estimated your usage. Call us to make arrangements.

Programs & Services

Heating Up Over High Energy Bills This Summer?

Homeowners throughout South Jersey are battling high energy bills. If you are one of the many who are paying too much to power your home, keep cool with these summer savings tips:

Tip 1: Cook outside! Use your grill to the fullest extent. Cooking outside will keep the heat out of your kitchen and money in your pocket.

Tip 2: Replace air conditioner filters. A dirty air filter can restrict airflow making your system run longer and use more energy. Change them monthly to maximize your savings.

Tip 3: Visit NJCleanEnergy.com. NJ offers several equipment rebate and financing programs to help local homeowners become more energy efficient. Check them out online and see where you could be saving.

Beat the heat by saving energy this summer!

Visit www.NJCleanEnergy.com for more energy tips.

Visit www.SJGSimple.com for SJG energy program information.

Community Relations



Congratulations to the winners of the South Jersey Gas "Game On" Grants program. Twenty local organizations were awarded \$1,000 grants to provide critical support needed to sustain local, community-centered athletic programs, leagues, clubs, associations, and recreational organizations for children.

Chosen lottery-style, winners were selected from nearly 100 applicants from throughout the South Jersey Gas service area who serve young people between the ages of 4 and 18. Eligible programs included traditional youth sports, such as Baseball, Basketball, Softball, Soccer, Football, Cheerleading, Lacrosse, and Swimming. Many winners received a visit from South Jersey Gas at their Opening Day Ceremonies and posed for a photo with the big check!

Stay tuned to the "In The Community" section of the South Jersey Gas website, www.southjerseygas.com, for more information about the "Game On" grants program, which will be accepting applications again in early February 2016.

Safety

Check ID - Who's Reading Your Meter?

Your gas meter is read by a representative from Millennium Account Services. Millennium employees are required to wear ID badges, which display the employee's photo, signature, full name, and logo. If a meter reader asks to gain access to your home and cannot or will not show ID, call the police immediately. If in doubt, please call 1-888-766-9900.



Connect with us!



South Jersey Gas

Steven R. Cocchi
Vice President, Rates & Regulatory Affairs

May 2, 2016

Jerome May, Director
Division of Energy
NJ Board of Public Utilities
44 South Clinton Street, 3rd Floor
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Felicia Thomas-Friel, Esq.
Division of Rate Counsel
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Re: Conservation Incentive Program ("CIP") Quarterly Report

Dear Director May and Ms. Thomas-Friel:

Pursuant to the Board's Order dated December 12, 2006, in Docket No. GR05121019, South Jersey Gas Company ("SJG") is filing its thirty-eighth Conservation Incentive Program ("CIP") Quarterly Report for the quarter ending March 31, 2016. The report is comprised of the following four components:

- CIP Summary of Required Reporting Mechanisms
- Status Report of CIP Programs
- Supporting Attachments for Programs
- Quarterly CIP Report of Expenses

During the quarter ending March 31, 2016, SJG incurred CIP-related expenses totaling \$182,433. South Jersey Gas Company continues to be pleased with the results and the feedback we've received from customers, government officials and employees, regarding the CIP, and our extensive efforts to encourage conservation and energy efficiency.

Over many years, the Aclara Prism Dashboard program has been well received by our customers. This key component of our CIP portfolio is designed to motivate customers to implement measures and behaviors, which will reduce their energy consumption and their energy costs. Since its launch in March 2008, this web-based program has been offering customers a better sense of what is driving their energy bills, and leverages both our call center and the web self service feature to promote conservation and energy efficiency. The Company promotes the use of the dashboard through our website, www.southjerseygas.com, and has also utilized direct "on bill" messaging. The promotional tag line for this program has been: "Manage My Account". Over the past several months, the Company has worked with Aclara to find more ways to message our customers, while also improving the customer experience as they attempt to access the site for the first time.

For several years, customers have consistently increased their participation on this platform. Unfortunately, there has been a significant drop in usage recently. Although both Aclara and SJG made several concerted attempts to improve the dashboard to be more

Page 2
Jerome May
Felicia Thomas-Friel, Esq.
May 2, 2016

inviting for the customer, the decision was made to phase out this program in the first quarter of 2016. We thank Aclara, and their predecessor, Nexus, for the partnership that both companies enjoyed since 2007.

SJG looks forward to developing and implementing other initiatives that will have more impact on customer energy actions, with the goal of reducing both consumption and costs. Our public sector outreach program is designed to take advantage of our strong relationships with municipalities, trade allies, and various public constituencies. The Company has continued to utilize its resources to maintain constant interaction with our customers, contractors, dealers, and manufacturers, through a new and vibrant campaign known as "Simple Is Beautiful" and through classroom style informational training sessions. The purpose of these collective messages is to make our multi-faceted audience aware of opportunities which will enable them to practice judicious energy behaviors, safe equipment installation protocols, and take the anxiety out of taking the steps to upgrade to energy efficiency programming.

We continue to want our trade allies to install natural gas equipment with efficiency in mind, but to do so with a background of solid building science, compliance with licensing requirements and better sales approaches. Education in the field of building science has enabled contractors to better understand the issues of new codes, air flow and pressures within a home; and thus, employ safer installation practices. Given the knowledge gained by contractors over the past couple of years, we have started to focus on providing information to contractors on how to make mechanical improvements affordable.

During the first quarter of 2016, the Company continued to promote energy efficiency messaging by linking the customer comfort experience with their participation in NJCEP offerings, and continued our corporate commitment to supporting the Sustainable Jersey Schools program. To that end, the Company successfully continues its engagement with an energy efficiency call center specifically dedicated to providing customers with greater access to program information and clarity.

The goal is to illustrate how easy it can be for customers to reap the rewards of making better decisions, and to take advantage of the benefits made possible by our Company, and the NJBPU. This new call center became operational on August 2014. Since that time, the Company has promoted SJG and NJCEP messages through several events that target specific communities throughout our service territory.

I hope that you find the information contained in this thirty eighth (38th) quarterly report informative. Please do not hesitate to contact me should you have any questions.

Very truly yours,



Steven R. Cocchi
Vice President
Rates & Regulatory Affairs

SRC:lvk/f84
Attachments

cc: Service List

CONSERVATION INCENTIVE PROGRAM : SERVICE LIST
:
NOTIFICATION OF YEAR 10 PROGRAMS : BPU DOCKET NO. GR05121019

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SOUTH JERSEY GAS COMPANY

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South Jersey Gas Company

**Quarterly Report of Approved Conservation Incentive Programs (“CIP”)
Docket No. GR05121019**

Table of Contents

1. **Exhibit 1** - Quarterly Report of Expenses
2. **Exhibit 2** - CIP Summary of Required Reporting Measures
3. **Exhibit 3** - Status Report of Approved Conservation Programs
4. **Exhibit 4** - Aclara Dashboard Program
5. **Exhibit 5** - March 2016 Energy Notes

South Jersey Gas Company
 Docket No. GR05121019

Quarterly CIP Report of Expenses

	1st Quarter 10/01/15 - 12/31/15	2nd Quarter 1/1/16 - 3/31/016	3rd Quarter 4/1/16 - 6/30/16	4th Quarter 7/1/16 - 9/30/16	Annual Total
Direct Mail Campaign	\$0	\$0	\$0	\$0	\$0
Public Sector Outreach	\$14,332	\$32,363	\$0	\$0	\$46,695
Nexus System	\$17,954	\$70	\$0	\$0	\$18,024
Sustainable Jersey	\$0	\$150,000	\$0	\$0	\$150,000
Local on the 8's Program	\$0	\$0	\$0	\$0	\$0
Total CIP Expenses	<u>\$32,286</u>	<u>\$182,433</u>	<u>\$0</u>	<u>\$0</u>	<u>\$214,719</u>

Program	Measures/Information to be Reported per BPU Order	Status As Of 3/31/16
Public Sector / Outreach	<p>South Jersey Gas Company ("SJG" or "Company") continued to promote energy efficiency and statewide programs to all facets of our franchise community.</p> <ul style="list-style-type: none"> • The purpose of participating in the outreach venues is to promote energy efficiency awareness and programming to varied components of our customer base. We contend that all of our customers, who can take advantage of the Conservation Incentive Program ("CIP") programs, are making strides to cope with energy costs in this current economic environment. The information offered, ranges from illustrating how customers can take advantage of the energy efficiency features of the Company's website through our website and through and links to the NJ Clean Energy Website in order to engage the general public the business community, and government. • Energy Efficiency Call Center Operation. Operation continued in the fourth (4th) quarter with the following minutes totaled: <ul style="list-style-type: none"> ○ Jan = 402.28 minutes ○ Feb = 259.32 minutes ○ March = 536.72 minutes • During the first (1st) quarter of 2016, the Company continued to support grassroots efforts where SJG and NJ Clean Energy programs were presented to the public. These efforts included various public outreach events, for example, Sound Off for South Jersey, Atlantic City; AC Chamber of Commerce Business Showcase, Somers Point; Atlantic Builders Convention, Wildwood, and the Atlantic County Plumbers Association, Somers Point. Additionally, SJG utilized their social media to promote available financing and rebates. 	<p>The Company has continued its work to discuss the importance of the proper installation of high efficiency heating equipment, its relevance upon other natural gas consuming equipment in the home, and the need for improved cost benefit tests to ensure the continuation of energy programming.</p> <p>This focused effort, was officially launched by South Jersey Gas on August 20, 2014. The objective is to provide enhanced customer service and messaging to our customers, and to better solidify the partnership between the offerings of the NJCEP and South Jersey Gas.</p> <p>During the months of January and February of 2016, under the "Keep it Simple" web banner, the Company also paid for "Google Ad" words to link this website, along with Pandora online radio, Comcast Banner ads, and newspaper advertising.</p> <p>The Company will launch a new web link to the SJG website, known as, www.besouthjerseysmart/upgrade.com</p> <p>This site will be more user friendly, highlighting the benefits of comprehensive energy upgrades with energy efficiency for both homes and businesses.</p> <p>CIP Expenses for this quarter Totaled \$32,363.</p>

<p>Aclara Prism Dashboard Program</p>	<ul style="list-style-type: none"> • The Prism system, a platform that served as a source for energy information and support for customers who want to analyze their specific energy consumption patterns, came to a close on February 29, 2016. • The Company has realized impressive sustained customer participation, since the Aclara dashboard was launched in March 2008. In February and March 2014, the Company worked with Aclara to extend its contract through February 2016. After many years of engagement with this Company, and its predecessor, Nexus, SJG has determined that there are other opportunities that could better serve our customer's capabilities to be more energy conscious. 	<p>In the two months of 2016, two hundred sixty six customers (266) visited the site, with only one hundred forty one (141) customers returning to the site.</p> <p>CIP expenses for this program incurred for the quarter amounted to \$70.</p>
<p>Sustainable Jersey</p>	<p>In 2013, the Company made a substantial financial commitment to Sustainable Jersey, in an effort to create a "South Jersey Hub". In March 2015, the Company again showed its commitment to Sustainable Jersey, by sustaining their founding membership status of the Sustainable Jersey Schools Program. As of the beginning of 2016, negotiations commenced with Sustainable Jersey to evaluate SJG financial participation. The Company is proud to once again fund the Schools Program, and looks forward to continued work with this noteworthy organization.</p>	<p>The funding greatly assisted Sustainable Jersey in developing and implementing sustainable actions and behaviors in schools throughout N.J.</p> <p>CIP expenses for this program incurred for the quarter amounted to \$150,000</p>
<p>Direct-Mail Program</p>	<p>The Company continues to develop energy efficiency communication strategies, and to make customers aware of the affordable energy programs that can help them make informed decisions. This message is communicated through SJG Energy Notes. Specifically, the Company highlighted Whole House energy upgrades, along with energy efficient heating and water heating upgrades in our residential bill stuffers during the month of March 2016. The message also highlighted the offers available from the NJCEP for mechanical gas equipment upgrades.</p>	<p>Energy Notes are messages that are included as bill stuffers to all of SJG's residential customers.</p> <p>Though there were no CIP expenses reported for this item during the quarter.</p>

South Jersey Gas Company
Status Report of Approved Conservation Incentive Programs ("CIP")
Docket No. GR05121019

Report of Quarterly Activities

Public Sector Outreach Program

SJG continued to promote energy efficiency and statewide programs to all facets of our franchise community. Several outreach opportunities were presented and we were able to reach the public on a variety of levels. The purpose of participating in outreach venues is to promote energy efficiency awareness and programming to varied components of our customer base.

We contend that all customers, who can take advantage of the CIP programs, are making a concerted effort to cope with energy costs in this current economic environment. The information offered, ranges from illustrating how customers can take advantage of the Company's website, to engaging our trade allies, and by introducing our next generation of customers to the importance of good energy practices.

The Company continues to make strides to re-craft the energy efficiency message and to enhance our approach to better communicate with our customers. Specifically, the Company continues to utilize a call center designed to answer questions related to energy efficiency. The purpose of which is to have the ability to directly answer questions that our customers have concerning the NJ Clean Energy Program and how it relates to the energy efficiency offerings from South Jersey Gas. The goal is to maximize customer participation in both program initiatives, and to accelerate the rate of participation, energy, and environment savings. Moreover, this effort will create 5-10 temporary full time jobs in New Jersey, with the possibility of those jobs becoming permanent positions. This call center is part of a much larger campaign known as "Keep it Simple," and is an extension of the previous "Simple is Beautiful" campaign. The concept is to clearly show customers that upgrading to energy efficiency is neither painful nor complicated, and can be done simply and seamlessly by leveraging the resources available to our collective customers. For the first time since we began to offer energy efficiency messaging, the Company is now fully able to counsel and

guide both residential and non-residential customers towards programs that can stimulate better decision making. The collective goal is to engage our customers, and to provide them with a dedicated virtual call center, which began operations on August 20, 2015 that can now assist in providing our callers with information about the program that is most beneficial for them. Over the first quarter of 2016, the call center experienced increased monthly activity in terms of minutes of utilization. Specifically, in January 2016 there were 402.28.73 utilized minutes, in February 259.32 minutes, and March 536.72 minutes. We encourage our customers and trade allies to view the offerings found on this newly created and very informative website; www.sjgsimple.com, or call (856) 678-5860. Moreover, in the month of April 2016, the Company will evolve its website further with the "Be South Jersey Smart" campaign. The Company continues its efforts to leverage its partnership approach with the NJ Clean Energy Program, in order to offer customers the most energy value available to them.

During the first (1st) quarter of 2016, the Company continued to embark upon a targeted campaign, designed to serve local strategic communities. These efforts included various public outreach events, i.e., Sound Off for South Jersey, Atlantic City; AC Chamber of Commerce Business Showcase, Somers Point; Atlantic Builders Convention, Wildwood, and the Atlantic County Plumbers Association, Somers Point. Additionally, SJG utilized their social media to promote available financing and rebates with spots running on Comcast starting in September 2015 and running through February 2016. Please see the below link;

<https://www.youtube.com/watch?v=oFaeE87mCVs>

The Aclara (Nexus) Dashboard Program

On March 8, 2008, the Company launched the Nexus (now known as Aclara) Prism Dashboard System. The Prism System was an electronic interface with SJG's billing system, which provided customers meaningful information to help them understand, compare, and manage their natural gas bills. Most importantly, it was designed to motivate customers to implement conservation measures in order to reduce their consumption and their energy costs. This program offered customers a better sense of what was driving their energy bills, and leveraged both the call center and the web self-service feature to promote conservation and energy efficiency. The Prism system also provided a source for energy information and support for customers who wanted to analyze their specific energy consumption patterns.

SJG promoted the dashboard program through our web site, and through direct “on bill” messaging. The promotional tag line for this program was: “Manage My Account”. We experienced significant customer participation with the Home Analyzer, over the years since the Aclara dashboard was launched. SJG implemented new features to enhance user experience with this “dashboard” throughout 2012, as a result of our new contract. This dramatic increase to the “Dashboard” was due in large part to the improvements made to the South Jersey Gas web site. <http://www.southjerseygas.com/energy-efficiency/take-control-gas-bill-south-jersey-gas.html>. Additional features to the website were launched during the summer of 2013. The continued dramatic increase to “Dashboard” participation was also due in large part to the location of the Manage My Account link inserted onto the upper right area of the South Jersey Gas web site; www.southjerseygas.com. In February and March 2015, the Company worked with Aclara to extend its contract through February 2016.

Of special mention is the fact that over Columbus Day weekend 2014, the Company completed a vigorous state of the art project of modernizing its customer service, and work management systems. Though the project was a success, there were a number of significant changes that dramatically impacted customer use of the “Manage My Account” dashboard. Though South Jersey’s and Aclara’s IT teams worked toward a solution to make the site user-friendly, and offer helpful energy tips under this platform, the efforts were unsuccessful.

In fact the results of customer participation for this website are as follows: In the two months of 2016, two hundred sixty six customers (266) visited the site, with only one hundred forty one (141) customers returning to the site (Exhibit 4).

Therefore, after many years of engagement with this Aclara, and its predecessor, Nexus, SJG has determined that there are other opportunities that could better serve our customer’s capabilities to be more energy conscious, and discontinued operations with Aclara on February 29, 2016.

Sustainable Jersey

In 2013 the Company made a substantial financial commitment to Sustainable Jersey, in an effort to create a “South Jersey Hub”. The long term goal is help communities successfully

implement a wide range of sustainability initiatives. The hub will also help to grow Sustainable Jersey's presence and ability to support local communities throughout the South Jersey region. Sustainable Jersey has identified key action items to be accomplished and has included those items in a work plan. In March of 2016, the Company again showed its commitment to Sustainable Jersey by sustaining SJG's founding membership of the Sustainable Jersey Schools Program with another \$150,000 corporate sponsorship.

Local on the 8's

Energy tips and program messages were displayed along the information ribbon crawl on the bottom of the screen during local weather segments aired every eight (8) minutes, beginning at the top the hour. Messaging commenced in January 2015, and ran through April. As stated in the Summary report, this program has been phased out. The primary reason is that advances in mobile devices have made viewing weather events part of the low cost smartphone and tablet platform. The Company would rather direct funds used for this initiative for other means that could have greater impact on the customer to save energy. More details regarding this change will be discussed in upcoming reports.

Direct Mail Campaign

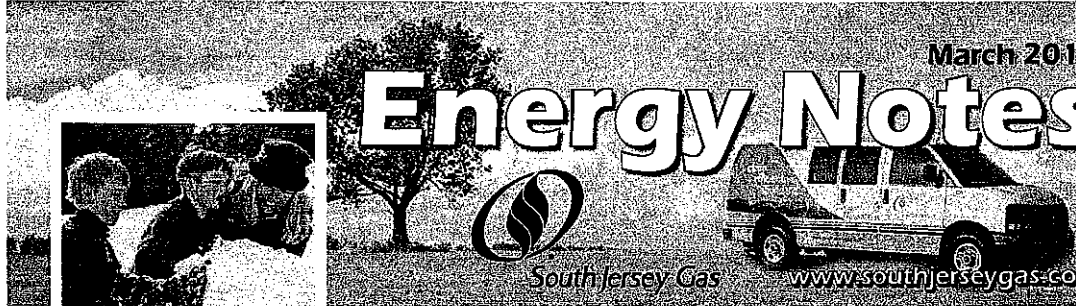
The Company continues to develop energy efficiency communication strategies, where appropriate. These Energy Note messages were issued through our billing process during March 2016 (Exhibit 5). It is noted here that the Company's direct messaging promoted SJG's energy programs, the NJCEP program, and offered information about the Home Energy Assistance Program. The purpose of these layered marketing efforts is to again illustrate the relationship between the offerings provided by South Jersey Gas and the NJCEP and to encourage customers to visit the NJ Clean Energy website for more detail. An example of this message is clearly articulated on the website; www.sjgsimple.com



South Jersey Gas
2016 Web Statistics Report*

Statistic	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Overall Application												
Total Unique Users *1	132	134										
Total New Users *2	53	71										
Total Return Users *3	75	62										
Total Page Views	502	617										
Residential Dashboard												
Total Number of Users *4	132	134										
Total New Users *5	53	71										
Total Return Users *6	78	63										
Total Number of Sessions	135	138										
Total Number of Page Views	502	617										
Avg. Time Spent in Dashboard	1	2										
Total Customer Ids	134	136										
Total Account Numbers	134	136										
Total Premise Ids	134	136										
Total L1 Completions from Dashboard *7	20	26										
Residential Bill P/plan												
Bill Analysis												
Total Number of Users	17	29										
Total Number of New Users	4	15										
Total Number of Return Users	13	14										
Total Number of Page Views	57	129										
Avg. Time Spent in Bill Analysis	1	2										
Bill History												
Total Number of Users	23	25										
Total Number of New Users	10	8										
Total Number of Return Users	13	17										
Total Number of Page Views	46	68										
Avg. Time Spent in Bill History	1	2										
Customer Engagement - Residential												
Total Users	15	19										
New Users	9	14										
Return Users	6	5										
Authenticated Users	15	19										
New Authenticated Users	9	14										
Return Authenticated Users	6	5										
Unauthenticated Users	0	0										
New Unauthenticated Users	0	0										
Return Unauthenticated Users	0	0										
New Action Plans	2	5										
New Action Plan by New Users	2	4										
New Action Plan by Return Users	0	1										
New Actions	0	0										
Completed Actions	0	0										
Action Plans Created with 1-click	0	0										
Users Saving Home Panel	2	3										
Users Saving Appl Panel	1	1										
Users Saving Heat Panel	2	1										
Users Saving Light Panel	1	1										
Users Saving Insulation Panel	2	3										
Users Saving Water Panel	1	1										
Users Saving Other Panel	2	4										
Users Saving Solar Panel	1	1										
Users Saving Custom Panel	0	0										
Energy-Saving Calculators												
Total Number of Users	2	1										
Washer	0	0										
Fridge	0	0										
Room A/C	0	0										
Thermo	1	0										
System	2	1										
Residential Appliance	1	0										
Water Heater	1	0										
Dryer	0	1										
Lighting	0	0										
Heat Comparison	0	0										
Energy Smart Library, Residential												
Total Number of Users	1	0										
Total Number of Page Views	1	0										

Notes:
 Beginning in May 2015, we began excluding CSR authenticated access from the counts.
 An implementation of the Aclara Library application (and others that do not use any form of authentication) may show traffic from users who live outside of a company's service territory.
 *1 = Total unique users across all Aclara customer care applications.
 *2 = Total new users across all Aclara customer care applications. A new user has not previously accessed any application.
 *3 = Total return users across all Aclara customer care applications. A return user has previously accessed at least one application. Note. A user can be both a new and a return user during a reporting period.
 *4 = Total unique users accessing the Dashboard application.
 *5 = Total new users accessing Dashboard. A new user has not previously accessed the application.
 *6 = Total return users accessing Dashboard. A return user has previously accessed Dashboard. Note. A user can be both a new and a return user during a reporting period.
 *7 = The number of users that complete or edit a profile from the Dashboard application.



Customer Service, weekdays 7 a.m. to 8 p.m. Saturday 9 a.m. to 2 p.m.
1-888-766-9900 Customer Service e-mail: customer care@sjindustries.com
Emergency 24-Hour Gas Leak Hotline: 1-800-582-7060

Safety

Suspect Theft of Gas?

It's not just stealing -- it's also dangerous. Theft of gas is a problem that's not only costly but threatens the lives of our customers and employees.

In almost every case of gas theft, necessary safety devices are omitted. Without these devices, gas leaks and even explosions can occur.

If you suspect someone of tampering with gas company meters or if you think someone is tapping into your gas service, call South Jersey Gas today at 1-888-766-9900. If we find someone is stealing your gas, you won't be charged for stolen service. We'll also take legal action to correct any problems.

Remember, safety is everyone's business.

Did You Know?

For your safety, a rotten-egg odor is added to gas so you can detect even the smallest amount. If you smell this odor in your home, check to see if a pilot is out or a burner valve is partially on. If all pilots are on and all burners are shut off, leave your home immediately. Then, from your cell phone or a neighbor's phone, call SJG's 24-hour Gas Leak Hotline. Stay outside your home until SJG or fire officials declare the area safe.

**South Jersey Gas Leak Hotline
1-800-582-7060**

Programs & Services

For the Hearing or Speech Impaired

TDD (Telecommunications Device for the Deaf) enables hearing or speech impaired customers to communicate with SJG in case of a power outage or if they have questions about their bills. SJG maintains special equipment to receive messages from TDD customers. This service is available by calling 1-800-547-9085 weekdays from 8 a.m. to 4:30 p.m.

Dollars & Sense

Error on Your Bill?

Do you think there's an error on your bill? Let us know in writing. Send us a letter or an email with the reason for your dispute. If there's an error with your gas charges, we'll adjust your account within the next two billing cycles.

If it takes longer to correct the error, we'll pay or credit interest to your residential account at a rate set by the New Jersey Board of Public Utilities. We remind you that estimated bills and Equal Payment Plan payments aren't considered overpayments.

Send all notifications of billing errors to:

South Jersey Gas Customer Care Center
P.O. Box 577, Hammonton, NJ 08037

Or email us:

CustomerCare@sjindustries.com

In Your Community

It's tax time again!

The Earned Income Tax Credit is a program designed to help low-to-moderate income families. Eligibility is limited and based on income, marital status and number of dependent children. Those who qualify are urged to take advantage of the credit.

To receive the EITC, you must file your tax return, even if you are not legally required to file.

Your local United Way can provide you with resources to assist in your tax preparations and help you to take advantage of the EITC. If you are unsure how to file tax return or have any other questions regarding tax preparation, please call 2-1-1 for assistance.

2-1-1 is a free non-emergency number sponsored by the United Way of New Jersey to provide information and referrals for residents in need of assistance or directions on seeking assistance.

0% Financing Available for Natural Gas Equipment Upgrades

What does this really mean for you?

Looking to replace your natural gas heating equipment? Looking to upgrade the efficiency of your entire home? Consider SJG's incredible financing and rebate programs!

What's Available?

Whole House Upgrade Program:

- ◆ Receive a Home Energy Audit and make efficiency upgrades
- ◆ You may qualify for \$10,000 in 0% financing for 7 years OR \$15,000 at 4.99% for 10 years
- ◆ Up to \$4,000 in rebates from the NJ Clean Energy Program

Equipment Upgrade Program:

- ◆ SJG customers heating with gas
- ◆ Up to \$6,500 in 0% financing for 5 years
- ◆ Upgrade to a qualifying high-efficiency natural gas central heating system or boiler AND a qualifying high-efficiency natural gas water heater
- ◆ Up to \$900 in rebates from the NJ Clean Energy Program

- ◆ SJG customers NOT heating with gas
- ◆ Up to \$8,000 in 0% financing for 5 years
- ◆ Upgrade to a qualifying high-efficiency natural gas central heating system or boiler AND a qualifying high-efficiency natural gas water heater
- ◆ Up to \$900 in rebates from the NJ Clean Energy Program

Rebates:

- ◆ Up to \$1,400 in rebates from SJG and the NJ Clean Energy Program
- ◆ Upgrade to a qualifying high-efficiency natural gas central heating system or boiler AND a qualifying high-efficiency natural gas water heater

****PLEASE NOTE- SJG rebate cannot be used in combination with financing offers.****

Are you ready to upgrade and save? Contact SJG today! Be advised, these offers are only available until August 31, 2017 or when funds are exhausted. Don't delay!

Call toll free 855.678.5860 or visit www.SJGsimple.com for financing and rebate information!

Customer Reminder

HEAP Helps Pay Utility Bills

The Home Energy Assistance Program helps elderly, disabled and low-income residents pay their utility bills.

To qualify for HEAP you must:

- ◆ be a New Jersey resident
- ◆ pay heating and/or cooling costs to a fuel supplier
- ◆ pay a landlord for fuel use or pay rent including these costs
- ◆ have a personal income level that doesn't exceed 200% of the poverty level

Four types of HEAP payments exist:

- ◆ automatic payments to Aid to Families with Dependent Children and Food Stamp recipients
- ◆ emergency energy assistance
- ◆ special energy assistance to other eligible households applying for assistance
- ◆ medically necessary cooling assistance

To apply for HEAP, contact or visit your local Community Action Program agency.

For more information, call 1-800-510-3102.

Comfort Partners

The New Jersey Comfort Partners Program is a free energy saving and energy education program for qualified low-income customers.

They partner with you to help you save energy and money and make your home more energy efficient. Certified Building Performance Institute contractors will install energy saving measures in your home to help lower your energy bills. You will also be taught new ways to conserve energy and how to create an Action Plan to support your efforts.

Eligibility Requirements

The Comfort Partners Program is available to any New Jersey household with significant energy use, having an income at or below 225% of the federal poverty guidelines.

For more details or to apply online visit: www.njcleanenergy.com/residential/programs/comfort-partners/comfort-partners



Connect with us!

April 14, 2016

Bruce Grossman
South Jersey Gas
640 S. White Horse Pike
Hammonton, NJ 08037

Dear Bruce

I am writing to thank you and South Jersey gas for your ongoing commitment to the annual CEE ENERGY STAR® Household Awareness survey. Included in this package is an analysis by EPA of the 2015 CEE ENERGY STAR Household Awareness Survey data. The report shows key indicators of the value accrued to the ENERGY STAR brand, such as label recognition, understanding, and influence of the label on purchasing decisions, continuing to improve.

When we first fielded the survey in 2000, only 41 percent of households across the nation recognized the label, and only 37 percent demonstrated a high level of understanding of the label. Now, at the national level,

- 88% of households recognized the ENERGY STAR label when shown the label.
- 68% of households associated the ENERGY STAR label with “efficiency or energy savings.”
- 46% of households knowingly purchased an ENERGY STAR labeled product in the past 12 months.
- 78% of households that recognized the label and purchased a product are likely to recommend ENERGY STAR labeled products to others, with 33% reporting they are “extremely likely” to recommend ENERGY STAR labeled products.

(Over)

Clearly, South Jersey Gas' efforts and the efforts of other ENERGY STAR program partners to promote the label and provide incentives for labeled products are continuing to make a difference. Your efforts have helped draw the attention of national retailers, resulting in substantial label publicity, even in areas without local partners.

Thank you again for your sponsorship of the 2015 survey. We look forward to your continued support of the CEE ENERGY STAR Household Awareness Survey in the future.

Sincerely,



Claire McIlvennie
Program Associate
Evaluation, Research and Behavior
Consortium for Energy Efficiency

SOUTH JERSEY GAS COMPANY
PREPARED DIRECT TESTIMONY OF
DANIEL P. YARDLEY

1 **I. INTRODUCTION**

2 **Q. Please state your name, affiliation and business address.**

3 A. My name is Daniel P. Yardley. I am Principal, Yardley & Associates and my
4 business address is 2409 Providence Hills Drive, Matthews, NC 28105.

5 **Q. On whose behalf are you testifying?**

6 A. I am testifying on behalf of South Jersey Gas Company (“South Jersey Gas” or
7 the “Company”).

8 **Q. Please summarize your professional and educational background.**

9 A. I have been employed as a consultant to the natural gas industry for over twenty-
10 five years. During this period, I have directed or participated in numerous
11 consulting assignments. A number of these assignments involved the
12 development of gas distribution company cost allocation, pricing, service
13 unbundling, revenue decoupling and other tariff analyses. In addition to this
14 work, I have performed interstate pipeline cost of service, rate design and service
15 unbundling analyses; gas supply planning analyses; and financial evaluation
16 analyses. I received a Bachelor of Science Degree in Electrical Engineering from
17 the Massachusetts Institute of Technology in 1988.

1 **Q. Have you previously testified before the New Jersey Board of Public**
2 **Utilities?**

3 A. Yes. I testified before the New Jersey Board of Public Utilities (the “Board”) on
4 behalf of South Jersey Gas, Elizabethtown Gas Company and New Jersey Natural
5 Gas Company (“NJNG”) in a number of different proceedings. I sponsored
6 testimony in 2005 that supported the Company’s petition to implement an
7 innovative rate design that promoted customer conservation and energy
8 efficiency, which led to the development of the Company’s Conservation
9 Incentive Program (“CIP”), and in 2013 that supported continuation of the CIP. I
10 have also testified or sponsored pre-filed testimony in proceedings before a
11 number of other State utility regulatory commissions, the Federal Energy
12 Regulatory Commission and the National Energy Board of Canada on matters
13 pertaining to cost of service, cost allocation, rate design, revenue decoupling and
14 upstream capacity planning.

15 **Q. What is the purpose of your testimony in this proceeding?**

16 A. The purpose of my testimony is to describe South Jersey Gas’ CIP and present the
17 derivation of the associated tariff charges resulting from the operation of the
18 program for the annual period ending September 30, 2016.

19 **Q. Are you sponsoring any exhibits that accompany your prepared direct**
20 **testimony?**

21 A. Yes. I am sponsoring the following exhibits, each of which will be explained
22 later in my testimony:

- 1 Exhibit No. DPY-1: Actual CIP Results for 2014-15
- 2 Exhibit No. DPY-2: Comparison of 2015-16 Customer Usage to
3 Baseline
- 4 Exhibit No. DPY-3: Calculation of Large Customer Adjustment
- 5 Exhibit No. DPY-4: Determination of Weather-Related Component of
6 CIP
- 7 Exhibit No. DPY-5: Application of BGSS Savings Eligibility Test
- 8 Exhibit No. DPY-6: Prior Period CIP Over / Under Recovery
- 9 Exhibit No. DPY-7: Derivation of CIP Charge / Credit Effective October
10 1, 2016
- 11 Exhibit No. DPY-8: Proposed Tariff Sheets

12 **II. DESCRIPTION OF THE CIP**

13 **Q. How was the Company's CIP developed?**

14 A. Following a period of relatively low and stable prices throughout the 1990s,
15 natural gas commodity prices experienced increased volatility and higher market
16 clearing prices in the ensuing years as the growing demand for natural gas to fire
17 electric generation contributed to a significant tightening of the supply-demand
18 balance. Prices continued to rise following major hurricanes that damaged Gulf
19 Coast production in the summer of 2005. South Jersey Gas together with NJNG
20 developed and proposed an innovative program late in 2005 that would allow
21 them to aggressively promote energy efficiency and conservation by customers.
22 A necessary component of the proposal was the implementation of a tariff
23 mechanism that eliminated the link between throughput and margin recoveries.

1 South Jersey Gas and NJNG, together with Board Staff and the New Jersey
2 Department of the Public Advocate, Division of Rate Counsel (“Rate Counsel”)
3 worked diligently to agree on the terms of a pilot program. The CIP was agreed
4 to by these parties pursuant to the CIP Stipulation, which was approved by the
5 Board for implementation on October 1, 2006. In January 2010, the Board
6 extended the CIP for an additional three-to-four year period. In May of 2014, the
7 Board approved continuation of the CIP with limited modifications as agreed to
8 by the Company, NJNG, Board Staff and Rate Counsel (“2014 CIP Stipulation”).

9 **Q. How does the CIP promote energy efficiency and conservation?**

10 A. The CIP is comprised of customer-oriented conservation programs and an
11 innovative tariff mechanism that normalizes South Jersey Gas’ margin recoveries
12 for the impact of conservation and other changes in customer use. The CIP tariff
13 more appropriately aligns South Jersey Gas’ interests with those of its customers
14 as any customer savings from conservation do not contribute negatively to the
15 Company’s financial performance. Elimination of the disincentives to pursue
16 customer conservation has enabled South Jersey Gas to implement new initiatives
17 that capitalize on various channels for promoting conservation by its customers.

18 **Q. Is the CIP consistent with the current public policy direction in New Jersey?**

19 A. Yes. The CIP promotes cost-effective energy choices by consumers by equipping
20 them with greater information concerning their consumption patterns. To the
21 extent South Jersey Gas customers participate in programs to install or upgrade
22 existing equipment with high efficiency alternatives, the New Jersey economy

1 and the environment benefit. The CIP contributes to economic benefits through
2 the local jobs supported by the contractor activity and the lower cost of energy use
3 to customers. The CIP also contributes to environmental benefits as higher
4 efficiency equipment leads to reductions in greenhouse gas emissions. These
5 benefits are consistent with New Jersey energy policy objectives.

6 **Q. Please summarize the important features of the CIP Tariff.**

7 A. Details of the CIP mechanism are set forth as Rider M of South Jersey Gas' tariff.
8 Rider M is applicable to all residential and general service customers. The CIP
9 tariff establishes a baseline monthly usage for four different groups of South
10 Jersey Gas customers: (i) residential non-heating, (ii) residential heating, (iii)
11 general service, and (iv) general service – large volume. Additionally, Rider M
12 sets forth the calculation method for establishing the charge or credit for each
13 applicable class based on a comparison of actual usage to the baseline usage and
14 on class-specific margin factors. Rider M also reflects features that potentially
15 limit the Company's recoveries in a given year. These include limitations upon
16 the recovery of the margin impact of non-weather related changes in use, and a
17 requirement that total recoveries not contribute to the Company earning in excess
18 of 9.75% return on equity.

19 **Q. Please describe the recovery limitations applicable to the non-weather
20 related CIP amount.**

21 A. The CIP incorporates a recovery limitation specifically applicable to changes in
22 average consumption that are not attributable to weather. This is referred to as the

1 non-weather component of the CIP amount and is determined by subtracting the
2 weather component from the total CIP amount. The non-weather component is
3 subject to a recovery limitation determined through the application of a two-
4 pronged test. The first prong of the recovery test limits recoveries for any amounts
5 whereby BGSS savings are less than 75% of the non-weather component. The
6 second prong of the recovery test limits recoveries for any amounts whereby 6.5%
7 of variable margin revenues are less than the non-weather component. The
8 amount of the non-weather component that does not pass both of these recovery
9 limits is deferred to the subsequent year and is included in the non-weather
10 component subject to the two-pronged test at that time.

11 **Q. Please explain the source of BGSS savings that are relied upon for the BGSS**
12 **savings test.**

13 A. BGSS savings result from gas supply contract restructurings, avoided costs or
14 other purchasing practices that benefit customers by lowering BGSS costs. The
15 2014 CIP Stipulation specifies the categories of BGSS savings as well as an initial
16 level of verified BGSS savings. In the current filing, the Company is supporting
17 total BGSS savings of \$8.6 million as further described in the testimony of
18 Timothy Rundall. The \$8.6 million of BGSS savings includes \$2.2 million of
19 permanent capacity release savings, \$6.1 million of additional capacity release
20 savings and \$0.3 million of avoided cost BGSS savings.

1 **Q. What steps are necessary to calculate the annual CIP charge or credit?**

2 A. The calculation of the Rider M adjustment is performed for each of the four
3 customer groups subject to the clause, resulting in a single credit or charge
4 applicable to all customers within each grouping. The calculation begins by
5 dividing the actual customers for each month into the actual booked volumes to
6 establish an actual average use per customer. An adjustment to the number of
7 general service and general service large volume customers is made to reflect any
8 large customers that have been added to the system.

9 Next, the monthly average use per customer value is compared to the baseline
10 usage per customer for the corresponding customer group. This difference
11 represents the average usage impact for all customers in the class for the month.
12 In order to determine the total volume impact for the class, the monthly
13 differences are multiplied by the corresponding actual number of customers.

14 The margin impact is simply the usage impact multiplied by the margin revenue
15 factor for the customer group set forth in Rider M. The charge or credit for the
16 group is the total margin adjustment divided by the forecasted sales for the
17 recovery period. Since the charge or credit is derived based on projected
18 throughput, any over or under-recovery from the prior recovery period is included
19 in the calculation of the charge or credit for the current period.

1 **III. CONSERVATION INCENTIVE PROGRAM RESULTS FOR 2014-15**

2 **Q. What time period is covered under this CIP filing?**

3 A. This filing addresses the annual period beginning October 1, 2015 through
4 September 30, 2016. The schedules supporting this filing are based on seven
5 months of actual data and five months of projected data for the period. The
6 resulting charge or credit, including any over or under recovery for the prior
7 period, is applied to customer bills beginning on October 1, 2016. The timing of
8 the CIP rate adjustments was agreed to in order to synchronize them with the
9 review and implementation of South Jersey Gas' annual BGSS filing.

10 **Q. Have you prepared a summary of results for the prior year of the CIP**
11 **program covering the twelve month period ending September 30, 2015?**

12 A. Yes. Now that the annual period covered by the previous year of the CIP is
13 complete, actual results for this time period can be calculated. Exhibit No. DPY-1
14 provides the actual results for the year ending September 30, 2015 for each of the
15 four groups, which reflect a combined total of \$18.0 million margin revenue
16 above the benchmark level, including the both weather and non-weather impacts.

17 **Q. Please provide a comparison of customer usage to the benchmark for the**
18 **annual period beginning October 1, 2015.**

19 A. Actual average use per customer for October 2015 through April 2016 and
20 projections through September 2016 are provided for each of the customer groups
21 covered by the CIP tariff in Exhibit No. DPY-2. Exhibit No. DPY-2 also
22 provides a comparison of the actual values shown in column (d) to the baseline

1 values set forth in Rider M and shown in column (e). The margin impact of the
2 difference in average use per customer is calculated by multiplying the change in
3 average use per customer times the actual number of customers times the margin
4 revenue factor. The margin revenue factor for each customer group is also set
5 forth in Rider M. The monthly benchmark use per customer and margin revenue
6 factors reflect the Company's currently-effective base rates. The total impact of
7 changes in average use per customer for the period results in a margin reduction
8 of \$27.7 million below the benchmark level.

9 **Q. Does the comparison reflected in Exhibit No. DPY-2 reflect the large**
10 **customer adjustment as provided for in Rider M?**

11 A. Yes. The actual number of customers for the general service and general service
12 large volume customer groups shown in column (c) of Exhibit No. DPY-2 reflects
13 an adjustment for large customer additions to South Jersey Gas' system. As
14 specified in Rider M, an adjustment is made for any incremental general service
15 customer that exceeds 1,200 cubic feet per hour of connected load and any
16 general service large volume customer that exceeds 50,000 cubic feet per hour of
17 connected load. The incremental load for these customers is converted into an
18 equivalent number of additional customers to be included in the Rider M
19 calculations going forward. This removes any potential disincentive to
20 connecting beneficial, large customer loads. The level of the monthly large
21 customer adjustment applicable for the period October 1, 2015 through September
22 30, 2016 is provided as Exhibit No. DPY-3.

1 **Q. Have you performed the dual pronged eligibility test applicable to the non-**
2 **weather component of the CIP for the current year?**

3 A. Yes. I determined the weather related component of the CIP by calculating the
4 margin impact of weather consistent with the terms of South Jersey Gas'
5 Temperature Adjustment Clause. The calculation of the weather related
6 component for each customer group is provided in Exhibit No. DPY-4. The total
7 weather related component, which equals \$21.9 million of revenue deficiency, is
8 subtracted from the total CIP additional revenue deficiency of \$27.7 million to
9 establish the non-weather related component for the current period, which is a
10 revenue deficiency of \$5.8 million. The modified BGSS Savings test and the
11 variable margin revenue test are shown on Exhibit No. DPY-5. Since the \$5.8
12 million passes both of these two prongs of the CIP non-weather eligibility test, it
13 is recoverable in rates beginning October 1, 2016.

14 **Q. Please provide the derivation of the CIP charge or credit to be effective**
15 **October 1, 2016.**

16 A. The total amount of the CIP that is refunded to customers through Rider M is the
17 combination of the weather and non-weather related margin impacts, or \$27.7
18 million. Recovery of this amount would not result in the Company exceeding the
19 ROE limitation set forth in Rider M. The weather and non-weather related CIP
20 amounts are collected through customer group-specific charges based on
21 projected throughput for the annual period beginning October 1, 2016. The
22 throughput forecast is the same as that proposed to be utilized to establish the

1 BGSS price effective October 1, 2016. In addition to the CIP amount for the
2 current year, the calculated charges also include the net over-collection of the CIP
3 for the recovery period ending September 30, 2015 of \$3.3 million, which is
4 shown in Exhibit No. DPY-6.

5 The derivation of the resulting CIP charges is set forth in Exhibit No. DPY-7.
6 This exhibit also shows the application of state taxes and assessments in order to
7 establish rates billed to customers.

8 **Q. Are you sponsoring revised tariff sheets that implement these charges?**

9 A. Yes. Exhibit No. DPY-8 provides proposed tariff sheets that reflect the CIP
10 charges to be effective October 1, 2016.

11 **Q. Given that the CIP charge or credit is based in part on projected data, how**
12 **will these projections be trued up in the future?**

13 A. The actual CIP recoveries or credits to customers will be trued up in future filings.
14 The first element of the true-up will reflect any adjustment to the recoverable
15 amount based on actual data for the period May 1, 2016 through September 30,
16 2016, which represents the final five months of the current year of the CIP. The
17 second element of the true-up relates to differences between actual and projected
18 throughput for the annual period beginning October 1, 2016, which is the period
19 over which the CIP charge or credit is collected. The true-up of these elements
20 for actual experience will be reflected in the docket addressing the Company's
21 CIP filing to be made on or before June 1, 2016.

1 Q. Does this conclude your prepared direct testimony?

2 A. Yes, it does.

South Jersey Gas Company
2016-17 Conservation Incentive Program Filing

Comparison of 2014-15 Customer Usage to Baseline

Line No.	Month (a)	Total Class Throughput (b)	Number of Customers (c)	Average Use / Cust. (d) = (b) / (c)	Baseline Use / Cust. (e)	Difference Per Cust. (f) = (d) - (e)	Margin Revenue Factor (g)	Margin Excess / (Deficiency) (h) = (f) * (c) * (g)
1								
2	<u>Actual Year-to-Date</u>							
Group 1: RSG Non-Heating								
3	October '14	145,711	12,455	11.7	13.6	(1.9)	\$ 0.498637	\$ (11,496)
4	November '14	190,969	12,376	15.4	13.8	1.7	\$ 0.498637	\$ 10,371
5	December '14	298,835	12,275	24.3	20.7	3.6	\$ 0.498637	\$ 22,310
6	January '15	369,957	12,213	30.3	23.5	6.8	\$ 0.498637	\$ 41,363
7	February '15	450,978	12,204	37.0	23.3	13.7	\$ 0.498637	\$ 83,085
8	March '15	448,148	12,225	36.7	27.7	9.0	\$ 0.498637	\$ 54,608
9	April '15	258,065	12,249	21.1	19.7	1.4	\$ 0.498637	\$ 8,357
10	May '15	133,859	12,257	10.9	14.0	(3.1)	\$ 0.498637	\$ (18,818)
11	June '15	141,114	12,271	11.5	11.4	0.1	\$ 0.498637	\$ 611
12	July '15	125,809	12,275	10.2	11.5	(1.3)	\$ 0.498637	\$ (7,656)
13	August '15	105,482	12,275	8.6	11.2	(2.6)	\$ 0.498637	\$ (15,955)
14	September '15	120,879	12,252	9.9	10.0	(0.1)	\$ 0.498637	\$ (818)
15								
16				227.6	200.3			
17								
18								
19								
20								
21	Total Group 1 Margin Excess / (Deficiency)							\$ 165,962
22								
23								
24								
25								
26	<u>Actual Year-to-Date</u>							
Group 2: RSG Heating								
27	October '14	8,967,409	326,841	27.4	34.1	(6.6)	\$ 0.498637	\$ (1,077,817)
28	November '14	28,274,538	327,574	86.3	76.8	9.5	\$ 0.498637	\$ 1,557,446
29	December '14	41,230,499	329,875	125.0	126.4	(1.4)	\$ 0.498637	\$ (235,506)
30	January '15	56,804,811	330,456	171.9	157.0	14.9	\$ 0.498637	\$ 2,454,899
31	February '15	58,487,945	330,586	176.9	135.3	41.6	\$ 0.498637	\$ 6,861,075
32	March '15	46,246,697	331,819	139.4	104.3	35.1	\$ 0.498637	\$ 5,803,125
33	April '15	15,825,236	332,436	47.6	51.9	(4.3)	\$ 0.498637	\$ (712,150)
34	May '15	6,696,506	332,494	20.1	29.6	(9.5)	\$ 0.498637	\$ (1,568,371)
35	June '15	4,946,224	332,845	14.9	15.6	(0.7)	\$ 0.498637	\$ (122,743)
36	July '15	4,250,994	332,655	12.8	14.7	(1.9)	\$ 0.498637	\$ (318,646)
37	August '15	6,785,382	332,776	20.4	13.3	7.1	\$ 0.498637	\$ 1,176,515
38	September '15	5,007,048	332,864	15.0	16.8	(1.8)	\$ 0.498637	\$ (291,736)
39								
40				857.7	775.8			
41								
42								
43								
44								
45	Total Group 2 Margin Excess / (Deficiency)							\$ 13,526,091

South Jersey Gas Company
2016-17 Conservation Incentive Program Filing
Comparison of 2014-15 Customer Usage to Baseline

Line No.	Month (a)	2011-12 Actual per Books			Baseline Use / Cust. (e)	Difference Per Cust. (f) = (d) - (e)	Margin Revenue Factor (g)	Margin Excess / (Deficiency) (h) = (f) * (c) * (g)
		Total Class Throughput (b)	Number of Customers (c)	Average Use / Cust. (d) = (b) / (c)				
1								
2		Group 3: GSG						
3	<u>Actual Year-to-Date</u>							
4	October '14	4,438,384	23,976	185.1	218.6	(33.5)	\$ 0.398903	\$ (320,227)
5	November '14	9,984,212	24,294	411.0	445.8	(34.8)	\$ 0.398903	\$ (337,493)
6	December '14	11,758,814	24,560	478.8	613.3	(134.5)	\$ 0.398903	\$ (1,317,615)
7	January '15	20,165,885	24,679	817.1	645.9	171.2	\$ 0.398903	\$ 1,685,652
8	February '15	23,657,780	24,716	957.2	622.2	335.0	\$ 0.398903	\$ 3,302,711
9	March '15	12,958,780	24,829	521.9	512.4	9.5	\$ 0.398903	\$ 94,301
10	April '15	5,155,549	24,891	207.1	261.6	(54.5)	\$ 0.398903	\$ (540,887)
11	May '15	3,484,849	24,812	140.5	160.2	(19.7)	\$ 0.398903	\$ (195,476)
12	June '15	3,438,265	24,728	139.0	118.4	20.6	\$ 0.398903	\$ 203,628
13	July '15	3,500,780	24,715	141.6	104.0	37.6	\$ 0.398903	\$ 371,147
14	August '15	4,826,130	24,696	195.4	130.5	64.9	\$ 0.398903	\$ 639,562
15	September '15	2,483,351	24,710	100.5	122.4	(21.9)	\$ 0.398903	\$ (215,868)
16				4,295.3	3,955.3			
17								
18								
19								
20								
21	Total Group 3 Margin Excess / (Deficiency)							\$ 3,369,435
22								
23								
24								
25								
26		Group 4: GSG Large Volume						
27	<u>Actual Year-to-Date</u>							
28	October '14	1,864,002	169	11,029.6	10,817.7	211.9	\$ 0.216751	\$ 7,762
29	November '14	3,402,179	172	19,780.1	17,479.9	2,300.2	\$ 0.216751	\$ 85,755
30	December '14	3,810,845	173	22,028.0	25,743.1	(3,715.1)	\$ 0.216751	\$ (139,308)
31	January '15	6,593,339	173	38,111.8	29,051.9	9,059.9	\$ 0.216751	\$ 339,727
32	February '15	5,729,292	172	33,309.8	24,583.0	8,726.8	\$ 0.216751	\$ 325,347
33	March '15	4,206,696	173	24,316.2	21,049.1	3,267.1	\$ 0.216751	\$ 122,508
34	April '15	2,237,575	175	12,786.1	14,872.7	(2,086.6)	\$ 0.216751	\$ (79,146)
35	May '15	1,027,489	174	5,905.1	10,250.2	(4,345.1)	\$ 0.216751	\$ (163,874)
36	June '15	1,342,013	174	7,712.7	7,627.9	84.8	\$ 0.216751	\$ 3,199
37	July '15	1,217,638	174	6,997.9	6,817.7	180.2	\$ 0.216751	\$ 6,797
38	August '15	2,832,611	175	16,186.3	5,906.0	10,280.3	\$ 0.216751	\$ 389,948
39	September '15	1,333,390	175	7,619.4	5,283.1	2,336.3	\$ 0.216751	\$ 88,618
40				205,783.1	179,482.3			
41								
42								
43								
44								
45	Total Group 4 Margin Excess / (Deficiency)							\$ 987,333
46								
47								
48	Total Groups 1 through 4							\$ 18,048,821

South Jersey Gas Company
2016-17 Conservation Incentive Program Filing

Comparison of 2015-16 Customer Usage to Baseline

Line No.	Month (a)	Total Class Throughput (b)	Number of Customers (c)	Average Use / Cust. (d) = (b) / (c)	Baseline Use / Cust. (e)	Difference Per Cust. (f) = (d) - (e)	Margin Revenue Factor (g)	Margin Excess / (Deficiency) (h) = (f) * (c) * (g)
1								
2	Actual							
3	October '15	118,947	12,199	9.8	13.6	(3.8)	\$ 0.509012	\$ (23,903)
4	November '15	200,390	12,166	16.5	13.7	2.8	\$ 0.509012	\$ 17,162
5	December '15	268,574	12,100	22.2	20.7	1.5	\$ 0.509012	\$ 9,215
6	January '16	299,699	12,113	24.7	23.5	1.2	\$ 0.509012	\$ 7,657
7	February '16	383,520	12,078	31.8	23.3	8.5	\$ 0.509012	\$ 51,971
8	March '16	288,020	12,088	23.8	27.7	(3.9)	\$ 0.509012	\$ (23,831)
9	April '16	154,317	12,077	12.8	19.7	(6.9)	\$ 0.509012	\$ (42,553)
10								
11	Projected							
12	May '16	157,517	12,306	12.8	14.0	(1.2)	\$ 0.509012	\$ (7,517)
13	June '16	135,938	12,358	11.0	11.4	(0.4)	\$ 0.509012	\$ (2,516)
14	July '16	137,196	12,360	11.1	11.5	(0.4)	\$ 0.509012	\$ (2,517)
15	August '16	140,767	12,348	11.4	11.2	0.2	\$ 0.509012	\$ 1,257
16	September '16	141,519	12,306	11.5	10.0	1.5	\$ 0.509012	\$ 9,396
17								
18								
19								
20				199.3	200.3			
21								
22								
23								
24								
25	Total Group 1 Margin Excess / (Deficiency)							\$ (6,179)
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36								
37								
38								
39								
40								
41	Actual							
42	October '15	11,322,875	333,546	33.9	34.1	(0.2)	\$ 0.509012	\$ (25,982)
43	November '15	19,833,415	334,779	59.2	76.8	(17.6)	\$ 0.509012	\$ (2,991,775)
44	December '15	23,833,867	335,988	70.9	126.4	(55.5)	\$ 0.509012	\$ (9,485,447)
45	January '16	52,266,682	337,096	155.0	157.0	(2.0)	\$ 0.509012	\$ (334,619)
46	February '16	42,289,202	337,825	125.2	135.3	(10.1)	\$ 0.509012	\$ (1,740,068)
47	March '16	25,939,573	338,296	76.7	104.3	(27.6)	\$ 0.509012	\$ (4,756,564)
48	April '16	18,003,532	338,248	53.2	51.9	1.3	\$ 0.509012	\$ 228,272
49								
50	Projected							
51	May '16	8,275,831	337,789	24.5	29.6	(5.1)	\$ 0.509012	\$ (876,887)
52	June '16	5,068,230	337,882	15.0	15.6	(0.6)	\$ 0.509012	\$ (103,192)
53	July '16	4,795,752	337,729	14.2	14.7	(0.5)	\$ 0.509012	\$ (85,954)
54	August '16	4,764,390	337,900	14.1	13.3	0.8	\$ 0.509012	\$ 137,596
55	September '16	5,509,645	338,015	16.3	16.8	(0.5)	\$ 0.509012	\$ (86,027)
56								
57								
58				658.4	775.8			
59								
60								
61								
62								
63								
64	Total Group 2 Margin Excess / (Deficiency)							\$ (20,120,647)

South Jersey Gas Company
2016-17 Conservation Incentive Program Filing
Comparison of 2015-16 Customer Usage to Baseline

Line No.	Month (a)	Total Class Throughput (b)	Number of Customers (c)	Average Use / Cust. (d) = (b) / (c)	Baseline Use / Cust. (e)	Difference Per Cust. (f) = (d) - (e)	Margin Revenue Factor (g)	Margin Excess / (Deficiency) (h) = (f) * (c) * (g)
1								
2								
3				Group 3: GSG				
4	Actual							
5	October '15	5,026,294	24,877	202.0	218.6	(16.6)	\$ 0.406684	\$ (167,480)
6	November '15	7,084,165	24,945	284.0	445.8	(161.8)	\$ 0.406684	\$ (1,641,505)
7	December '15	7,556,901	25,112	300.9	613.3	(312.4)	\$ 0.406684	\$ (3,190,147)
8	January '16	16,078,015	25,320	635.0	645.9	(10.9)	\$ 0.406684	\$ (112,315)
9	February '16	14,442,599	25,377	569.1	622.2	(53.1)	\$ 0.406684	\$ (547,791)
10	March '16	9,059,092	25,404	356.6	512.4	(155.8)	\$ 0.406684	\$ (1,609,622)
11	April '16	7,466,769	25,399	294.0	261.6	32.4	\$ 0.406684	\$ 334,453
12	Projected							
13	May '16	3,441,160	24,734	139.1	160.2	(21.1)	\$ 0.406684	\$ (211,975)
14	June '16	3,411,366	24,581	138.8	118.4	20.4	\$ 0.406684	\$ 203,739
15	July '16	3,465,885	24,466	141.7	104.0	37.7	\$ 0.406684	\$ 374,727
16	August '16	3,101,184	24,414	127.0	130.5	(3.5)	\$ 0.406684	\$ (34,504)
17	September '16	3,024,655	24,432	123.8	122.4	1.4	\$ 0.406684	\$ 13,900
18								
19								
20								
21				3,312.1	3,955.3			
22								
23								
24								
25								
26	Total Group 3 Margin Excess / (Deficiency)							\$ (6,588,520)
27								
28								
29								
30								
31								
32								
33								
34								
35								
36								
37								
38								
39	Actual							
40	October '15	1,624,774	175	9,284.4	10,817.7	(1,533.3)	\$ 0.221371	\$ (59,399)
41	November '15	1,334,951	174	7,672.1	17,479.9	(9,807.8)	\$ 0.221371	\$ (377,781)
42	December '15	2,320,060	174	13,333.7	25,743.1	(12,409.4)	\$ 0.221371	\$ (477,993)
43	January '16	4,688,616	176	26,639.9	29,051.9	(2,412.0)	\$ 0.221371	\$ (93,976)
44	February '16	4,622,126	175	26,412.1	24,583.0	1,829.1	\$ 0.221371	\$ 70,861
45	March '16	2,891,210	175	16,521.2	21,049.1	(4,527.9)	\$ 0.221371	\$ (175,411)
46	April '16	3,682,963	176	20,925.9	14,872.7	6,053.2	\$ 0.221371	\$ 235,842
47	Projected							
48	May '16	1,224,836	178	6,881.1	10,250.2	(3,369.1)	\$ 0.221371	\$ (132,756)
49	June '16	1,344,665	178	7,554.3	7,627.9	(73.6)	\$ 0.221371	\$ (2,900)
50	July '16	1,228,236	178	6,900.2	6,817.7	82.5	\$ 0.221371	\$ 3,251
51	August '16	1,049,613	178	5,896.7	5,906.0	(9.3)	\$ 0.221371	\$ (366)
52	September '16	945,661	178	5,312.7	5,283.1	29.6	\$ 0.221371	\$ 1,166
53								
54								
55								
56				153,334.4	179,482.3			
57								
58								
59								
60								
61	Total Group 4 Margin Excess / (Deficiency)							\$ (1,009,462)
62								
63								
64	Total Groups 1 through 4							\$ (27,724,808)

South Jersey Gas Company
2016-17 Conservation Incentive Program Filing

GSG and GSG-LV Large Customer Adjustment

Line No.	Month (a)	Customers Above 1,200 CFH		Equivalent GSG Customers		Monthly Adjustment (f) = (e) - (b)	Cumulative Large Customer Adjustment (g)
		Count (b)	CFH (c)	Avg. CFH (d)	Customers (e) = (c) / (d)		
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							

South Jersey Gas Company
2016-17 Conservation Incentive Program Filing

BGSS Savings Test

Line No.	<u>Description</u> (a)	<u>Margin Excess/(Deficiency)</u>			<u>Amount</u> (b)
		<u>Weather</u>	<u>Non-Weather</u>	<u>Total</u>	
1	<u>Step 1: Determine Weather and Non-Weather CIP Impacts</u>				
2					
3	CIP Group 1	\$ -	\$ (6,179)	\$ (6,179)	
4	CIP Group 2	\$ (17,581,135)	\$ (2,539,512)	\$ (20,120,647)	
5	CIP Group 3	\$ (3,752,683)	\$ (2,835,837)	\$ (6,588,520)	
6	CIP Group 4	\$ (551,694)	\$ (457,768)	\$ (1,009,462)	
7		\$ (21,885,512)	\$ (5,839,297)	\$ (27,724,808)	
8					
9					
10					
11					
12					
13					
14					
15	<u>Step 2: Apply Modified BGSS Savings Test</u>				
16					
17					
18	<u>A. Non-weather Impact Subject to Modified BGSS Savings Test</u>				
19	Non-Weather Deficiency			\$ 5,839,297	
20	75% Factor			75%	
21	Subtotal			\$ 4,379,473	
22					
23	Prior Year Carry-Forward (Modified BGSS Savings Test)			\$ -	
24					
25	Non-weather Impact Subject to Test			\$ 4,379,473	
26					
27					
28	<u>B. BGSS Savings</u>				
29	Permanent Capacity Savings			\$ 2,243,369	
30	Additional Capacity BGSS Savings			\$ 6,124,527	
31	Avoided Cost BGSS Savings			\$ 260,288	
32	Total BGSS Savings			\$ 8,628,184	
33					
34					
35	<u>C. Results</u>				
36	Non-Weather Impacts Passing Test (current accrual)			\$ 5,839,297	
37	Non-Weather Impacts Passing Test (prior year carry-forward)			\$ -	
38	Non-Weather Impacts Exceeding Test			\$ (1)	

South Jersey Gas Company
2016-17 Conservation Incentive Program Filing

BGSS Savings Test

Line
No.

1	<u>Step 3: Apply Variable Margin Revenue Test</u>		
2			
3			
4	<u>A. Non-weather Impact Subject to Variable Margin Revenue Test</u>		
5	Non-Weather Impact	\$	5,839,297
6			
7	Prior Year Carry-Forward (Variable Margin Revenue Test)	\$	-
8			
9	Non-weather Impact Subject to Test	\$	5,839,297
10			
11			
12	<u>B. Variable Margin Revenues</u>		
13	Variable Margin Revenues	\$	181,697,880
14	6.5% Factor		6.5%
15	Total Fixed Recovery Cap	\$	11,810,362
16			
17			
18	<u>C. Results</u>		
19	Non-Weather Impacts Passing Test (current accrual)	\$	5,839,297
20	Non-Weather Impacts Passing Test (prior year carry-forward)	\$	-
21	Non-Weather Impacts Exceeding Test	\$	-
22			
23			
24	Notes:		
25	(1) Variable margin revenues equal to the actual number of customers multiplied by the Benchmark UPC		
26	and multiplied by the margin revenue factor.		
27			
28			
29			
30	<u>Step 4: Determine Recoverable Non-Weather CIP Impacts</u>		
31			
32			
33	<u>A. Current Year Accrual Recoverable Non-Weather Impacts</u>		
34	Amount Passing Modified BGSS Savings Test	\$	5,839,297
35			
36	Amount Passing Variable Margin Revenue Test	\$	5,839,297
37			
38	Recoverable Amount		\$ 5,839,297
39			
40			
41	<u>B. Previous Carry-Forward Recoverable Amounts</u>		
42	Amount Passing Modified BGSS Savings Test	\$	-
43			
44	Amount Passing Variable Margin Revenue Test	\$	-
45	Deduction for any amount also included in above	\$	-
46			
47			
48	Total Non-Weather Recoverable CIP Amount		<u>\$ 5,839,297</u>

South Jersey Gas Company
2016-17 Conservation Incentive Program Filing

Calculation of Over/(Under) Recovered CIP Balance

Line No.	Category	Group 1 RSG Non-Heating	Group 2 RSG Heating	Group 3 GSG	Group 4 GSG-LV	Total (f) = (b) + (c) + (d) + (e)
	(a)	(b)	(c)	(d)	(e)	
1	Actual and Projected Recoveries					
2						
3	<u>Actual</u>					
4	October '15	\$ (10,196)	\$ (291,451)	\$ (61,935)	\$ (8,626)	\$ (372,208)
5	November '15	\$ (14,364)	\$ (682,271)	\$ (147,535)	\$ (47,225)	\$ (891,395)
6	December '15	\$ (20,612)	\$ (1,253,118)	\$ (227,152)	\$ (55,893)	\$ (1,556,774)
7	January '16	\$ (27,281)	\$ (1,842,568)	\$ (336,854)	\$ (89,142)	\$ (2,295,845)
8	February '16	\$ (33,569)	\$ (2,452,857)	\$ (434,009)	\$ (98,953)	\$ (3,019,389)
9	March '16	\$ (28,745)	\$ (2,035,557)	\$ (370,699)	\$ (86,049)	\$ (2,521,050)
10	April '16	\$ (22,187)	\$ (1,289,533)	\$ (271,631)	\$ (91,869)	\$ (1,675,220)
11						
12	<u>Projected</u>					
13	May '16	\$ (16,668)	\$ (783,699)	\$ (157,642)	\$ (46,608)	\$ (1,004,617)
14	June '16	\$ (12,529)	\$ (446,975)	\$ (90,261)	\$ (30,854)	\$ (580,618)
15	July '16	\$ (10,061)	\$ (305,630)	\$ (104,749)	\$ (37,173)	\$ (457,613)
16	August '16	\$ (10,715)	\$ (290,661)	\$ (123,127)	\$ (39,721)	\$ (464,224)
17	September '16	\$ (11,760)	\$ (313,700)	\$ (133,338)	\$ (37,078)	\$ (495,876)
18						
19						
20						
21						
22	Total Recoveries	\$ (218,687)	\$ (11,988,019)	\$ (2,458,933)	\$ (669,190)	\$ (15,334,828)
23						
24	Prior Period Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -
25						
26						
27						
28						
29	Recoverable CIP Amounts					
30	Final from 2014-2015 CIP Year	\$ (159,836)	\$ (13,609,329)	\$ (3,725,077)	\$ (1,121,537)	\$ (18,615,779)
31						
32	Total Recoverable CIP	\$ (159,836)	\$ (13,609,329)	\$ (3,725,077)	\$ (1,121,537)	\$ (18,615,779)
33						
34						
35						
36	Over / (Under) Recovery	\$ (58,851)	\$ 1,621,310	\$ 1,266,144	\$ 452,347	\$ 3,280,951

South Jersey Gas Company
2015-16 Conservation Incentive Program Filing

Derivation of CIP Charge / Credit

Line No.	Description (a)	Margin Excess / (Deficiency) (b)	2016-17 Throughput Therms (c)	Charge / (Credit) (d) = (-b) / (c)	Taxes (e)	Total Charge / (Credit) (f) = (d) + (e)
1	Group 1: RSG Non-Heating					
2						
3	Weather-Related	\$ -				
4	Non Weather-Related	\$ (6,179)				
5	Total CIP	\$ (6,179)				
6						
7	Prior Year Amounts					
8	Prior Year Carry-Over	\$ -				
9	Prior Year Over/(Under) Recovery	\$ (58,851)				
10	Total CIP Including Prior Year	\$ (65,030)				
11	Net Charge/(Credit)		2,618,862	\$ 0.024831		
12	Public Utilities Assessment				\$ 0.000055	
13	NJ State Sales Tax				\$ 0.001742	
14	Total Including Taxes and Assessments					\$ 0.026628
15						
16						
17						
18	Group 2: RSG Heating					
19						
20	Weather-Related	\$ (17,581,135)				
21	Non Weather-Related	\$ (2,539,512)				
22	Total CIP	\$ (20,120,647)				
23						
24	Prior Year Amounts					
25	Prior Year Carry-Over	\$ -				
26	Prior Year Over/(Under) Recovery	\$ 1,621,310				
27	Total CIP Including Prior Year	\$ (18,499,337)				
28	Net Charge/(Credit)		271,707,394	\$ 0.068086		
29	Public Utilities Assessment				\$ 0.000150	
30	NJ State Sales Tax				\$ 0.004777	
31	Total Including Taxes and Assessments					\$ 0.073013

South Jersey Gas Company
2015-16 Conservation Incentive Program Filing

Derivation of CIP Charge / Credit

Line No.	Description (a)	Margin Excess / (Deficiency) (b)	2016-17 Throughput Therms (c)	Charge / (Credit) (d) = (-b) / (c)	Taxes (e)	Total Charge / (Credit) (f) = (d) + (e)
1	Group 3: GSG					
2						
3	Weather-Related	\$ (3,752,683)				
4	Non Weather-Related	\$ (2,835,837)				
5	Total CIP	\$ (6,588,520)				
6						
7	Prior Year Amounts					
8	Prior Year Carry-Over	\$ -				
9	Prior Year Over/(Under) Recovery	\$ 1,266,144				
10	Total CIP Including Prior Year	\$ (5,322,376)				
11	Net Charge/(Credit)		97,844,886	\$ 0.054396		
12	Public Utilities Assessment				\$ 0.000120	
13	NJ State Sales Tax				\$ 0.003816	
14	Total Including Taxes and Assessments					\$ 0.058332
15						
16						
17						
18	Group 4: GSG Large Volume					
19						
20	Weather-Related	\$ (551,694)				
21	Non Weather-Related	\$ (457,768)				
22	Total CIP	\$ (1,009,462)				
23						
24	Prior Year Amounts					
25	Prior Year Carry-Over	\$ -				
26	Prior Year Over/(Under) Recovery	\$ 452,347				
27	Total CIP Including Prior Year	\$ (557,115)				
28	Net Charge/(Credit)		33,797,599	\$ 0.016484		
29	Public Utilities Assessment				\$ 0.000036	
30	NJ State Sales Tax				\$ 0.001156	
31	Total Including Taxes and Assessments					\$ 0.017676

SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 11 - GAS

**Second Revised Sheet No. 104
Superseding First Revised Sheet No. 104**

CONSERVATION INCENTIVE PROGRAM
(Continued)

mechanism. The Deficiency or Excess shall be calculated each month by multiplying the result obtained from subtracting the Baseline Usage per Customer from the Actual Usage per Customer by the actual number of customers, and then multiplying the resulting terms by the Margin Revenue Factor.

- (d) Recovery of any Deficiency in accordance with Paragraph (c), above, associated with non-weather related changes in customer usage will be limited to the level of BGSS savings achieved as provided for in the 2006 Order of the Board of Public Utilities in Docket No. GR05121019. The value of the weather-related changes in customer usage shall be calculated in accordance with Rider F to this tariff.
- (e) Except as limited by Paragraph (d), above, the amount to be surcharged or credited to the Customer Class Group shall equal the aggregate Deficiency or Excess for all months during the Annual Period determined in accordance with the provisions herein, divided by the FAU for the Customer Class Group.
- (f) The currently effective CIP Factor by Customer Class Group are as follows:

	Group I: RSG <u>Non-Heating</u>	Group II: RSG <u>Heating</u>	Group III: <u>GSG</u>	Group IV: <u>GSG-LV</u>
CIP Factors Per Therm	(\$0.02483193 226)	(\$0.0680865 4969)	(\$0.0543962 9561)	(\$0.01648423 768)
Applicable Revenue Tax Factor	1.0022	1.0022	1.0022	1.0022
CIP Factors Per Therm	(\$0.024886934 31)	(\$0.0682365509 0)	(\$0.054516296 26)	(\$0.01652023 820)
Applicable NJ Sales Tax Factor	1.07	1.07	1.07	1.07
CIP Factors Per Therm with NJ Sales Tax	(\$0.0266289 9971)	(\$0.07301358 946)	(\$0.0583323 1700)	(\$0.01767625 487)

- (g) The CIP shall not operate to cause the Company to earn in excess of its allowed rate of return on common equity of 9.75% for any twelve month period ending September 30; any revenue which is not recovered will not be deferred. For purposes of this paragraph (f), the Company's rate of return on common equity shall be calculated by dividing the Company's net income for such annual period by the Company's average 13 month common equity balance for such annual period, all data as reflected in the Company's monthly reports to the Board of Public Utilities. The Company's net income shall be calculated by subtracting from total net income the Company's share of margins from: (1) Interruptible Sales; (2) Interruptible Transportation; (3) On-System Capacity Release; (4) Off-System Sales and Capacity Release; (5) the Storage Incentive Mechanism, (6) the Energy Efficiency Tracker, (7) the Accelerated Infrastructure Replacement Program and (8) the Storm Hardening and Reliability Program..
- (h) As used in this Rider "M", the following terms shall have the meanings ascribed to them herein:

Issued _____
by South Jersey Gas Company,
J. DuBois, 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
Schedule of Rate Components
Appendix A -

	<u>BASE RATE</u>	<u>BGSS</u>	<u>OTHER RIDERS</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
RESIDENTIAL GAS SERVICE (RSG)						
RESIDENTIAL FIRM TRANS SERV (RSG FT S) - HEAT CUSTOMER						
Customer Charge	9.000000		0.068086	0.000150	0.630000	9.630000
CIP					0.004777	0.073013
Delivery Charge:						
COST OF SERVICE	0.509012		(0.000942)	(0.000002)	0.035631	0.544643
TIC					(0.000066)	(0.001010)
SBC:						
CLEP			0.011879	0.000026	0.000833	0.012738
RAC			0.009781	0.000022	0.000686	0.010489
USF			0.010100	0.000000	0.000700	0.010800
Total SBC			0.031760	0.000048	0.002219	0.034027
TAC			0.000000	0.000000	0.000000	0.000000
EET			0.006809	0.000015	0.000478	0.007302
BSC "J" BS-1		0.047100		0.000100	0.003300	0.050500
BSC "J" BUY-OUT PRICE - Rate set monthly						
Total	0.509012	0.047100	0.037627	0.000161	0.041562	0.635462
RESIDENTIAL FIRM SALES SERV (RSG FSS) - HEAT CUSTOMER						
Customer Charge	9.000000				0.630000	9.630000
Basic Gas Supply Service (BGSS):		0.493507		0.001086	0.034621	0.529214
CIP			0.068086	0.000150	0.004777	0.073013
Delivery Charge:						
COST OF SERVICE	0.509012		(0.000942)	(0.000002)	0.035631	0.544643
TIC					(0.000066)	(0.001010)
SBC:						
CLEP			0.011879	0.000026	0.000833	0.012738
RAC			0.009781	0.000022	0.000686	0.010489
USF			0.010100	0.000000	0.000700	0.010800
Total SBC			0.031760	0.000048	0.002219	0.034027
TAC			0.000000	0.000000	0.000000	0.000000
EET			0.006809	0.000015	0.000478	0.007302
BSC "J" BS-1		0.047100		0.000100	0.003300	0.050500
Total	0.509012	0.047100	0.037627	0.000161	0.041562	0.635462

SOUTH JERSEY GAS COMPANY
Schedule of Rate Components
Appendix A -

	<u>RESIDENTIAL FIRM TRANS SERV (RSG FT S) - NONHEAT CUSTOMER</u>	<u>BASE RATE</u>	<u>BGSS</u>	<u>OTHER RIDERS</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
Customer Charge	9.000000					0.630000	9.630000
CIP				0.024831	0.000055	0.001742	0.026628
Delivery Charge:							
COST OF SERVICE	0.509012			(0.000942)		0.035631	0.544643
TIC						(0.000066)	(0.001010)
SBC:							
CLEP				0.011879	0.000026	0.000833	0.012738
RAC				0.009781	0.000022	0.000686	0.010489
USF				0.010100	0.000000	0.000700	0.010800
				0.031760	0.000048	0.002219	0.034027
Total SBC				0.000000	0.000000	0.000000	0.000000
TAC				0.006809	0.000015	0.000478	0.007302
EET	0.047100			0.000100		0.003300	0.050500
BSC "J" BS-1							
BSC "J" BUY-OUT PRICE - Rate set monthly	0.509012	0.047100		0.037627	0.000161	0.041562	0.635462
Total							
Customer Charge	9.000000					0.630000	9.630000
Basic Gas Supply Service (BGSS):			0.493507		0.001086	0.034621	0.529214
CIP				0.024831	0.000055	0.001742	0.026628
Delivery Charge:							
COST OF SERVICE	0.509012			(0.000942)		0.035631	0.544643
TIC						(0.000066)	(0.001010)
SBC:							
CLEP				0.011879	0.000026	0.000833	0.012738
RAC				0.009781	0.000022	0.000686	0.010489
USF				0.010100	0.000000	0.000700	0.010800
				0.031760	0.000048	0.002219	0.034027
Total SBC				0.000000	0.000000	0.000000	0.000000
TAC				0.006809	0.000015	0.000478	0.007302
EET	0.047100			0.000100		0.003300	0.050500
BSC "J" BS-1							
Total	0.509012	0.047100		0.037627	0.000161	0.041562	0.635462

SOUTH JERSEY GAS COMPANY
Schedule of Rate Components
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<u>GENERAL SERVICE (GSG)</u>	<u>BASE RATE</u>	<u>BGSS</u>	<u>OTHER RIDERS</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
GENERAL SERVICE FIRM TRANS. (GSG FTS)						
Customer Charge	27.250000				1.907500	29.157500
CIP			0.054396	0.000120	0.003816	0.058332
Delivery Charge:						
COST OF SERVICE	0.406684				0.028468	0.435152
TIC			(0.000942)	(0.000002)	(0.000066)	(0.001010)
SBC:						
CLEP			0.011879	0.000026	0.000833	0.012738
RAC			0.009781	0.000022	0.000686	0.010489
USF			0.010100	0.000000	0.000700	0.010800
Total SBC			0.031760	0.000048	0.002219	0.034027
TAC			0.000000	0.000000	0.000000	0.000000
EET			0.006809	0.000015	0.000478	0.007302
BSC "J" BS-1		0.047100		0.000100	0.003300	0.050500
BSC "J" BUY-OUT PRICE - Rate set monthly						
Total	0.406684	0.047100	0.037627	0.000161	0.034399	0.525971

SOUTH JERSEY GAS COMPANY
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	BASE RATE	BGSS	OTHER RIDERS	PUA	NJ SALES TAX	TARIFF RATE
GENERAL SERVICE FIRM SALES (GSG FSS)						
- Less than 5,000 Therms Annually						
Customer Charge	27.250000				1.907500	29.157500
CIP			0.054396	0.000120	0.003816	0.058332
Basic Gas Supply Service (BGSS):		0.493507		0.001086	0.034621	0.529214
Delivery Charge:						
COST OF SERVICE	0.406684				0.028468	0.435152
TIC			(0.000942)	(0.000002)	(0.000066)	(0.001010)
SBC:						
CLEP			0.011879	0.000026	0.000833	0.012738
RAC			0.009781	0.000022	0.000686	0.010489
USF			0.010100	0.000000	0.000700	0.010800
Total SBC			0.031760	0.000048	0.002219	0.034027
TAC			0.000000	0.000000	0.000000	0.000000
EET			0.006809	0.000015	0.000478	0.007302
BSC "J" BS-1	0.047100			0.000100	0.003300	0.050500
Total	0.406684	0.047100	0.037627	0.000161	0.034399	0.525971
GENERAL SERVICE FIRM SALES (GSG FSS)						
- 5,000 Therms Annually or Greater						
Customer Charge	27.250000				1.907500	29.157500
Basic Gas Supply Service (BGSS):						
CIP			0.054396	0.000120	0.003816	0.058332
Delivery Charge:						
COST OF SERVICE	0.406684				0.028468	0.435152
TIC			(0.000942)	(0.000002)	(0.000066)	(0.001010)
SBC:						
CLEP			0.011879	0.000026	0.000833	0.012738
RAC			0.009781	0.000022	0.000686	0.010489
USF			0.010100	0.000000	0.000700	0.010800
Total SBC			0.031760	0.000048	0.002219	0.034027
TAC			0.000000	0.000000	0.000000	0.000000
EET			0.006809	0.000015	0.000478	0.007302
BSC "J" BS-1	0.047100			0.000100	0.003300	0.050500
Total	0.406684	0.047100	0.037627	0.000161	0.034399	0.525971

RATE SET MONTHLY

SOUTH JERSEY GAS COMPANY
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GENERAL SERVICE-LV (GSG-LV)

GENERAL SERVICE-LV FTS (GSG-LV-FT)

	BASE RATE	BGSS	OTHER RIDERS	PUA	NJ SALES TAX	TARIFF RATE
Customer Charge	150.000000				10.500000	160.500000
D-1 Demand Charge	9.000000				0.630000	9.630000
CIP			0.016484	0.000036	0.001156	0.017676
Delivery Charge: COST OF SERVICE	0.221371				0.015496	0.236867
TIC			(0.000942)	(0.000002)	(0.000066)	(0.001010)
SBC:						
CLEP			0.011879	0.000026	0.000833	0.012738
RAC			0.009781	0.000022	0.000686	0.010489
USF			0.010100	0.000000	0.000700	0.010800
USF			0.031760	0.000048	0.002219	0.034027
TAC			0.000000	0.000000	0.000000	0.000000
EET		0.047100	0.006809	0.000015	0.000478	0.007302
BSC "J" BS-1						0.050500
BSC "J" BUY-OUT PRICE - Rate set monthly						
Total	0.221371	0.047100	0.037627	0.000161	0.021427	0.327686

GENERAL SERVICE FIRM SALES-LV (GSG-LV FSS)

	BASE RATE	BGSS	OTHER RIDERS	PUA	NJ SALES TAX	TARIFF RATE
Customer Charge	150.000000				10.500000	160.500000
D-1 Demand Charge	9.000000				0.630000	9.630000
Basic Gas Supply Service (BGSS):						RATE SET MONTHLY
CIP			0.016484	0.000036	0.001156	0.017676
Delivery Charge: COST OF SERVICE	0.221371				0.015496	0.236867
TIC			(0.000942)	(0.000002)	(0.000066)	(0.001010)
SBC:						
CLEP			0.011879	0.000026	0.000833	0.012738
RAC			0.009781	0.000022	0.000686	0.010489
USF			0.010100	0.000000	0.000700	0.010800
USF			0.031760	0.000048	0.002219	0.034027
TAC			0.000000	0.000000	0.000000	0.000000
EET		0.047100	0.006809	0.000015	0.000478	0.007302
BSC "J" BS-1						0.050500
Total	0.221371	0.047100	0.037627	0.000161	0.021427	0.327686

SOUTH JERSEY GAS COMPANY
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COMPREHENSIVE TRANSPORTATION SERVICE (CTS)

	BASE RATE	BGSS	OTHER RIDERS	PUA	NJ SALES TAX	TARIFF RATE
COMPREHENSIVE FIRM TRANS SERV (CTS FTS)						
Firm						
Customer Charge	600.000000				42.000000	642.000000
Delivery Charge:						
D-1 DEMAND CHARGE	27.421300				1.919500	29.340800
C-1 FT VOLUMETRIC CHARGE:						
C-1 COST OF SERVICE	0.036210				0.002535	0.038745
SBC:						
CLEP			0.011879	0.000026	0.000833	0.012738
RAC			0.009781	0.000022	0.000686	0.010489
USF			0.010100	0.000000	0.000700	0.010800
Total SBC			0.031760	0.000048	0.002219	0.034027
EET			0.006809	0.000015	0.000478	0.007302
Total C-1 VOLUMETRIC CHARGE	0.036210		0.038569	0.000063	0.005232	0.080074
BS-1 ALL THERMS		0.011800		0.000000	0.000800	0.012600
BS-1 (Opt Out Provision) ALL THERMS		0.002500		0.000000	0.000200	0.002700
BUY-OUT PRICE						RATE SET MONTHLY
Limited Firm						
Customer Charge	100.000000				7.000000	107.000000
Delivery Charge:						
C-1 FT VOLUMETRIC CHARGE:						
C-1 COST OF SERVICE	0.058400				0.004100	0.062500
SBC:						
CLEP			0.011879	0.000026	0.000833	0.012738
RAC			0.009781	0.000022	0.000686	0.010489
USF			0.010100	0.000000	0.000700	0.010800
Total SBC			0.031760	0.000048	0.002219	0.034027
EET			0.006809	0.000015	0.000478	0.007302
Total C-1 VOLUMETRIC CHARGE	0.058400		0.038569	0.000063	0.006797	0.103829
BS-1 ALL THERMS		0.011800		0.000000	0.000800	0.012600
BS-1 (Opt Out Provision) ALL THERMS		0.002500		0.000000	0.000200	0.002700
BUY-OUT PRICE						RATE SET MONTHLY

SOUTH JERSEY GAS COMPANY
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LARGE VOLUME SERVICE (LVS)

LARGE VOLUME FIRM TRANS SERV (LVS FTS)

	<u>BASE RATE</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	900.000000				63.000000	963.000000
Delivery Charge:						
D-1 DEMAND CHARGE	14.884200				1.041900	15.926100
C-1 VOLUMETRIC CHARGE:						
C-1 COST OF SERVICE	0.034570				0.002420	0.036990
SBC:						
CLEP			0.011879	0.000026	0.000833	0.012738
RAC			0.009781	0.000022	0.006686	0.010489
USF			0.010100	0.000000	0.000700	0.010800
Total SBC			0.031760	0.000048	0.002219	0.034027
EET			0.006809	0.000015	0.000478	0.007302
Total C-1 VOLUMETRIC CHARGE	0.034570		0.038569	0.000063	0.005117	0.078319
BS-1 ALL THERMS		0.011800		0.000000	0.000800	0.012600
BS-1 (Opt Out Provision) ALL THERMS		0.002500		0.000000	0.000200	0.002700
BSC "I" CASH OUT CHARGE/(CREDIT)						RATE SET MONTHLY
<u>Limited Firm</u>						
Customer Charge	100.000000				7.000000	107.000000
Delivery Charge:						
C-1 FT VOLUMETRIC CHARGE:						
C-1 COST OF SERVICE	0.094600				0.006600	0.101200
SBC:						
CLEP			0.011879	0.000026	0.000833	0.012738
RAC			0.009781	0.000022	0.006686	0.010489
USF			0.010100	0.000000	0.000700	0.010800
Total SBC			0.031760	0.000048	0.002219	0.034027
EET			0.006809	0.000015	0.000478	0.007302
Total C-1 VOLUMETRIC CHARGE	0.094600		0.038569	0.000063	0.009297	0.142529
BS-1 ALL THERMS		0.011800		0.000000	0.000800	0.012600
BS-1 (Opt Out Provision) ALL THERMS		0.002500		0.000000	0.000200	0.002700
BUY-OUT PRICE						RATE SET MONTHLY

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<u>LARGE VOLUME FIRM SALES SERV (LVS FSS)</u>	<u>BASE RATE</u>	<u>BGSS</u>	<u>OTHER RIDERS</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
Customer Charge	900.000000				63.000000	963.000000
Basic Gas Supply Service (BGSS): C-2 BGSS						RATE SET MONTHLY
D-2 DEMAND CHARGE		15.428717		0.033943	1.082386	16.545047
Delivery Charge: D-1 DEMAND CHARGE	14.884200				1.041900	15.926100
C-1 VOLUMETRIC CHARGE: C-1 COST OF SERVICE SBC: CLEP RAC USF Total SBC	0.034570		0.011879 0.009781 0.010100 0.031760	0.000026 0.000022 0.000000 0.000048	0.000833 0.006886 0.007000 0.002219	0.012738 0.010489 0.010800 0.034027
EET			0.006809	0.000015	0.000478	0.007302
Total C-1 VOLUMETRIC CHARGE	0.034570	0.000000	0.038569	0.000063	0.005117	0.078319
BS-1 ALL THERMS		0.011800		0.000000	0.000800	0.012600
<u>Limited Firm</u> Customer Charge	100.000000				7.000000	107.000000
Delivery Charge: C-1 FT VOLUMETRIC CHARGE: C-1 COST OF SERVICE SBC: CLEP RAC USF Total SBC	0.094600		0.011879 0.009781 0.010100 0.031760	0.000026 0.000022 0.000000 0.000048	0.000833 0.006886 0.007000 0.002219	0.012738 0.010489 0.010800 0.034027
EET			0.006809	0.000015	0.000478	0.007302
Total C-1 VOLUMETRIC CHARGE	0.0946	0.000000	0.038569	0.000063	0.009297	0.142529
BS-1 ALL THERMS BS-1 (Opt Out Provision) ALL THERMS BUY-OUT PRICE		0.011800 0.002500		0.000000 0.000000	0.000800 0.000200	0.012600 0.002700
						RATE SET MONTHLY

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<u>ELECTRIC GENERATION SERVICE (EGS)</u>	<u>BASE RATE</u>	<u>BGSS</u>	<u>OTHER RIDERS</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<u>Commercial/Industrial</u>						
Customer Charge	25.000000				1.750000	26.750000
D-1 DEMAND	6.500000				0.455000	6.955000
Basic Gas Supply Service (BGSS):						RATE SET MONTHLY
Delivery Charge - Winter Season (Nov - Mar)	0.115638				0.008095	0.123733
COST OF SERVICE						
SBC:						
CLEP			0.011879	0.000026	0.000833	0.012738
RAC			0.009781	0.000022	0.000686	0.010489
USF			0.010100	0.000000	0.000700	0.010800
Total SBC			0.031760	0.000048	0.002219	0.034027
Balancing Charge BSC"J" BS-1	0.047100			0.000100	0.003300	0.050500
EET			0.006809	0.000015	0.000478	0.007302
Total C-1 VOLUMETRIC CHARGE (FSS & FTS)	0.115638	0.047100	0.038569	0.000163	0.014092	0.215562
Delivery Charge - Summer Season (Apr - Oct)						
COST OF SERVICE	0.085638				0.005995	0.091633
SBC:						
CLEP			0.011879	0.000026	0.000833	0.012738
RAC			0.009781	0.000022	0.000686	0.010489
USF			0.010100	0.000000	0.000700	0.010800
Total SBC			0.031760	0.000048	0.002219	0.034027
EET			0.006809	0.000015	0.000478	0.007302
Balancing Charge BSC"J" BS-1	0.047100			0.000100	0.003300	0.050500
Total C-1 VOLUMETRIC CHARGE (FSS & FTS)	0.085638	0.047100	0.038569	0.000163	0.011992	0.183462

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<u>ELECTRIC GENERATION SERVICE (EGS)</u>	<u>BASE RATE</u>	<u>BGSS</u>	<u>OTHER RIDERS</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<u>Residential</u>						
Customer Charge	9.000000				0.630000	9.630000
Basic Gas Supply Service (BGSS):		0.493507		0.001086	0.034621	0.529214
Delivery Charge	0.122100				0.008600	0.130700
COST OF SERVICE						
SBC:						
CLEP			0.011879	0.000026	0.000833	0.012738
RAC			0.009781	0.000022	0.000686	0.010489
USF			0.010100	0.000000	0.000700	0.010800
Total SBC			0.031760	0.000048	0.002219	0.034027
EET			0.006809	0.000015	0.000478	0.007302
Balancing Charge BSC "J" BS-1		0.047100		0.000100	0.003300	0.050500
Total C-1 VOLUMETRIC CHARGE (FSS & FTS)	0.122100	0.047100	0.038569	0.000163	0.014597	0.222529

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<u>ELECTRIC GENERATION SERVICE-LV (EGS-LV)</u>	<u>BASE RATE</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	180.000000				12.600000	192.600000
D-1 DEMAND (Rate is negotiated. Shown here is the benchmark rate.)	19.435441				1.360481	20.795922
D-2 DEMAND BGSS(applicable to Sales Customers Only)		14.530362		0.031967	1.019363	15.561692
C-1 CLEP			0.011879	0.000026	0.000833	0.012738
C-1 RAC			0.009781	0.000022	0.000686	0.010489
C-1 USF			0.010100	0.000000	0.000700	0.010800
EET			0.006809	0.000015	0.000478	0.007302
Total C-1 VOLUMETRIC CHARGE			0.038569	0.000063	0.002697	0.041329
C-2 BGSS						RATE SET MONTHLY
BSC "I" CASH OUT CHARGE (CREDIT)		0.011800		0.000000	0.000800	0.012600
BS-1 ALL THERMS		0.002500		0.000000	0.000200	0.002700
<u>Limited Firm</u>						
D-2 DEMAND BGSS(applicable to Sales Customers Only)		7.714359		0.016972	0.541193	8.272524
C-1 CLEP			0.011879	0.000026	0.000833	0.012738
C-1 RAC			0.009781	0.000022	0.000686	0.010489
C-1 USF			0.010100	0.000000	0.000700	0.010800
EET			0.006809	0.000015	0.000478	0.007302
Total C-1 VOLUMETRIC CHARGE			0.038569	0.000063	0.002697	0.041329
C-3 All Therms (Rate is negotiated. Shown here is the benchmark rate.)	0.162900				0.011400	0.174300
C-2 BGSS						RATE SET MONTHLY
BSC "I" CASH OUT CHARGE (CREDIT)		0.011800		0.000000	0.000800	0.012600
BS-1 ALL THERMS		0.002500		0.000000	0.000200	0.002700

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<u>FIRM ELECTRIC SALES (FES)</u>	<u>BASE RATE</u>	<u>BGSS</u>	<u>RIDERS</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
Winter						
D-1 DEMAND (Rate is negotiated. Shown here is the benchmark rate.)	2.897200				0.202800	3.100000
D-2 DEMAND BGSS(applicable to Sales Customers Only)		7.714359		0.016972	0.541193	8.272524
C-1 CLEP			0.011879	0.000026	0.000833	0.012738
C-1 RAC			0.009781	0.000022	0.000686	0.010489
C-1 USF			0.010100	0.000000	0.000700	0.010800
EET			0.006809	0.000015	0.000478	0.007302
Total C-1 VOLUMETRIC CHARGE			0.038569	0.000063	0.002697	0.041329
C-3 All Therms (Rate is negotiated. Shown here is the benchmark rate.)	0.162900				0.011400	0.174300
C-4 Escalator Rate (To be determined as prescribed in the Company's Tariff)						RATE SET MONTHLY
C-2 BGSS/COGC						RATE SET MONTHLY
BSC "I" CASH OUT CHARGE (CREDIT)						RATE SET MONTHLY
Summer						
D-1 DEMAND (Rate is negotiated. Shown here is the benchmark rate.)	2.897200				0.202800	3.100000
D-2 DEMAND BGSS(applicable to Sales Customers Only)		7.714359		0.016972	0.541193	8.272524
C-1 CLEP			0.011879	0.000026	0.000833	0.012738
C-1 RAC			0.009781	0.000022	0.000686	0.010489
C-1 USF			0.010100	0.000000	0.000700	0.010800
EET			0.006809	0.000015	0.000478	0.007302
Total C-1 VOLUMETRIC CHARGE			0.038569	0.000063	0.002697	0.041329
C-3 All Therms (Rate is negotiated. Shown here is the benchmark rate.)	0.162900				0.011400	0.174300
C-4 Escalator Rate (To be determined as prescribed in the Company's Tariff)						RATE SET MONTHLY
C-2 BGSS/COGC						RATE SET MONTHLY
BSC "I" CASH OUT CHARGE (CREDIT)						RATE SET MONTHLY

SOUTH JERSEY GAS COMPANY
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Appendix A -

NATURAL GAS VEHICLE (NGV)

Company Operated Fueling Stations

	<u>BASE RATE</u>	<u>BGSS</u>	<u>RIDERS</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
C-1 CLEP			0.011879	0.000026	0.000833	0.012738
C-1 RAC			0.009781	0.000022	0.000686	0.010489
C-1 USF			0.010100	0.000000	0.000700	0.010800
EET			0.006809	0.000015	0.000478	0.007302

Total C-1 VOLUMETRIC CHARGE

Distribution Charge:	0.140252			0.000300	0.002697	0.041329
Compression Charge	0.542769			0.001194	0.009800	0.150352
Basic Gas Supply Service (BGSS):					0.038569	0.582040

Customer Operated Fueling Stations

	<u>BASE RATE</u>	<u>BGSS</u>	<u>RIDERS</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
Rider "I" - BS-1 ALL THERMS		0.011800		0.000000	0.000800	0.012600
Rider "I" - BS-1 (Opt Out Provision) ALL THERMS		0.002500		0.000000	0.000200	0.002700
Rider "J" - BS-1		0.047100		0.000100	0.003300	0.050500

Customer Operated Fueling Stations

	<u>BASE RATE</u>	<u>BGSS</u>	<u>RIDERS</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
Service Charge						RATE SET MONTHLY
0 - 999 CF/hour	37.500000				2.625000	40.125000
1,000 - 4,999 CF/hour	75.000000				5.250000	80.250000
5,000 - 24,999 CF/hour	200.000000				14.000000	214.000000
25,000 or Greater CF/hour	600.000000				42.000000	642.000000

C-1 CLEP	0.011879			0.000026	0.000833	0.012738
C-1 RAC	0.009781			0.000022	0.000686	0.010489
C-1 USF	0.010100			0.000000	0.000700	0.010800

EET

EET	0.006809			0.000015	0.000478	0.007302
Total C-1 VOLUMETRIC CHARGE					0.002697	0.041329
Distribution Charge:	0.140252			0.000300	0.009800	0.150352

Basic Gas Supply Service: (applicable Sales Customers only)

	<u>BASE RATE</u>	<u>BGSS</u>	<u>RIDERS</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
Rider "I" - BS-1 ALL THERMS		0.011800		0.000000	0.000800	0.012600
Rider "I" - BS-1 (Opt Out Provision) ALL THERMS		0.002500		0.000000	0.000200	0.002700
Rider "J" - BS-1		0.047100		0.000100	0.003300	0.050500

SOUTH JERSEY GAS COMPANY
Schedule of Rate Components
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INTERRUPTIBLE SERVICE, YARD & STREET LIGHTING

INTERRUPTIBLE TRANSPORTATION (ITS)

	BASE RATE	BGSS	OTHER RIDERS	PUA	NJ SALES TAX	TARIFF RATE
SERVICE CHARGE						
TRANS CHARGE A						
SBC:	100.000000				7.000000	107.000000
	0.028400				0.002000	0.030400
CLEP			0.011879	0.000026	0.000833	0.012738
RAC			0.009781	0.000022	0.000686	0.010489
USF			0.010100	0.000000	0.000700	0.010800
Total SBC:			0.031760	0.000048	0.002219	0.034027
EET			0.006809	0.000015	0.000478	0.007302
TRANS CHARGE B						
SBC:	0.093200				0.006500	0.099700
CLEP			0.011879	0.000026	0.000833	0.012738
RAC			0.009781	0.000022	0.000686	0.010489
USF			0.010100	0.000000	0.000700	0.010800
Total SBC:			0.031760	0.000048	0.002219	0.034027
EET			0.006809	0.000015	0.000478	0.007302
TRANS CHARGE C						
SBC:	0.153200				0.010700	0.163900
CLEP			0.011879	0.000026	0.000833	0.012738
RAC			0.009781	0.000022	0.000686	0.010489
USF			0.010100	0.000000	0.000700	0.010800
Total SBC:			0.031760	0.000048	0.002219	0.034027
EET			0.006809	0.000015	0.000478	0.007302

SOUTH JERSEY GAS COMPANY
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<u>INTERRUPTIBLE GAS SALES (IGS)</u>	<u>BASE RATE</u>	<u>BGSS</u>	<u>OTHER RIDERS</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
Commodity						Rate Set Monthly
SBC:						
RAC			0.009781	0.000022	0.000686	0.010489
USF			0.010100	0.000000	0.000700	0.010800
Total SBC:			0.019881	0.000022	0.001386	0.021289
EET			0.006809	0.000015	0.000478	0.007302
<u>YARD LIGHTING SERVICE (YLS)</u>						
MONTHLY CHARGE / INSTALL	7.294754	4.638800			0.835209	12.766763
<u>STREET LIGHTING SERVICE (SLS)</u>						
MONTHLY CHARGE / INSTALL	7.863853	6.955200			1.037334	15.856387

SOUTH JERSEY GAS COMPANY
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Heat Residential Rate Schedule:

	RSG FSS	RSG-FTS	Difference
BGSS	0.529214	0.000000	0.529214
Cost of Service	0.544643	0.544643	0.000000
CLEP	0.012738	0.012738	0.000000
RAC	0.010489	0.010489	0.000000
TAC	0.000000	0.000000	0.000000
CIP	0.073013	0.073013	0.000000
USF	0.010800	0.010800	0.000000
TIC	(0.001010)	(0.001010)	0.000000
EET	0.007302	0.007302	0.000000
BSC "J" BS-1	0.050500	0.050500	0.000000
Price to Compare	1.237689	0.708475	0.529214

NonHeat Residential Rate Schedule:

	RSG FSS	RSG-FTS	Difference
BGSS	0.529214	0.000000	0.529214
CIP	0.026628	0.026628	0.000000
Cost of Service	0.544643	0.544643	0.000000
CLEP	0.012738	0.012738	0.000000
RAC	0.010489	0.010489	0.000000
TAC	0.000000	0.000000	0.000000
USF	0.010800	0.010800	0.000000
TIC	(0.001010)	(0.001010)	0.000000
EET	0.007302	0.007302	0.000000
BSC "J" BS-1	0.050500	0.050500	0.000000
Price to Compare	1.191304	0.662090	0.529214

GSG

(Under 5,000 therms annually)

	GSG FSS	GSG-FTS	Difference
BGSS	0.529214	0.000000	0.529214
CIP	0.058332	0.058332	0.000000
Cost of Service	0.435152	0.435152	0.000000
CLEP	0.012738	0.012738	0.000000
RAC	0.010489	0.010489	0.000000
TAC	0.000000	0.000000	0.000000
USF	0.010800	0.010800	0.000000
TIC	(0.001010)	(0.001010)	0.000000
EET	0.007302	0.007302	0.000000
BSC "J" BS-1	0.050500	0.050500	0.000000
Price to Compare	1.113517	0.584303	0.529214

GSG

(5,000 therms annually or greater)

	GSG FSS	GSG-FTS	Difference
BGSS	0.336048	0.000000	0.336048
CIP	0.058332	0.058332	0.000000
Cost of Service	0.435152	0.435152	0.000000
CLEP	0.012738	0.012738	0.000000
RAC	0.010489	0.010489	0.000000
TAC	0.000000	0.000000	0.000000
USF	0.010800	0.010800	0.000000
TIC	(0.001010)	(0.001010)	0.000000
EET	0.007302	0.007302	0.000000
BSC "J" BS-1	0.050500	0.050500	0.000000
Price to Compare	0.920351	0.584303	0.336048

GSG-LV

Prior to 7/15/97

	GSG-LV FSS	GSG-LV-FTS	Difference
BGSS	0.336048	0.000000	0.336048
CIP	0.017676	0.017676	0.000000
Cost of Service	0.236867	0.236867	0.000000
CLEP	0.012738	0.012738	0.000000
RAC	0.010489	0.010489	0.000000
TAC	0.000000	0.000000	0.000000
USF	0.010800	0.010800	0.000000
TIC	(0.001010)	(0.001010)	0.000000
EET	0.007302	0.007302	0.000000
BSC "J" BS-1	0.050500	0.050500	0.000000
Price to Compare	0.681410	0.345362	0.336048