

**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 CONSERVATION INCENTIVE :  
PROGRAM (“CIP”) CHARGE FOR THE :  
YEAR ENDING SEPTEMBER 30, 2018: : BPU DOCKET NO. \_\_\_\_\_**

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**CASE SUMMARY, PETITION, TESTIMONY AND SCHEDULES**

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June 1, 2017

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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 :  
CONSERVATION INCENTIVE PROGRAM :  
(CIP) CHARGE FOR THE YEAR ENDING :  
SEPTEMBER 30, 2018

**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 \$0.354288<sup>1</sup> per therm, including taxes, to \$0.340810 per therm, including taxes, for the BGSS year ending September 30, 2018. This will decrease the bill of a residential customer utilizing 100 therms of gas during a winter heating month by \$1.35 or 1.1%.

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

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<sup>1</sup> On November 14, 2016, the Board issued a Secretary’s Letter under Docket No. ER16111054, for all New Jersey electric and gas utilities, pursuant to P.L. 2016, c. 57, that the SUT to be charged to customers for utility service had been changed from 7.0% to 6.875% effective January 1, 2017. All BGSS and CIP references within this Case Summary as “current” rates are inclusive of the now 6.875% state sales tax rate.



authorization to increase the level of its conservation incentive program CIP charges and implement the following CIP charges:

- RSG Non-Heating: (\$0.014347) per therm
- RSG Heating: \$0.078355 per therm
- GSG: \$0.057010 per therm
- GSG-LV: (\$0.013816) per therm

This will increase the bill of a residential heating customer utilizing 100 therms of gas during a winter month by \$0.55 or 0.5%.

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 \$0.80 or 0.6%.

**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 :  
CONSERVATION INCENTIVE PROGRAM :  
 (“CIP”) CHARGE FOR THE YEAR ENDING  
SEPTEMBER 30, 2018

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

Petitioner, South Jersey Gas Company (sometimes hereinafter referred to as "South Jersey," "Petitioner," or the "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 the “BPU” or the "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, 2018.

**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 381,000 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 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 was 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 approved by way of 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, 2016, South Jersey made its annual BGSS filing in Docket No. GR16060483, proposing to decrease the periodic BGSS charge from its then current level of \$0.529214 per therm to \$0.354288<sup>1</sup> per therm, including taxes.

12. By Order dated April 21, 2017, the Board approved a Stipulation of Settlement to finalize South Jersey’s periodic BGSS charge of \$0.354288 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 \$15.940257 per Mcf (including taxes); (2) the gas cost portion of the firm D-2 charges at \$15.563489 per Mcf (including taxes) and the limited firm D-2 charges at \$7.970128 per Mcf (including taxes) for Rate Schedule EGS-LV; (3) the gas cost portion of the D-2 charge at \$7.970128 per Mcf (including taxes) for Rate Schedule FES; and (4) the monthly BGSS non-

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<sup>1</sup> On November 14, 2016, the Board issued a Secretary’s Letter under Docket No. ER16111054, for all New Jersey electric and gas utilities, pursuant to P.L. 2016, c. 57, that the SUT to be charged to customers for utility service had been changed from 7.0% to 6.875% effective January 1, 2017. All BGSS and CIP references within this Petition as “current” rates are inclusive of the now 6.875% state sales tax rate.

commodity rate applicable to Rate Schedules GSG, GSG-LV, EGS, LVS and EGS-LV at \$0.138735 per therm (including taxes).

### **III. REQUESTED PERIODIC BGSS CHARGE**

13. By this Petition, South Jersey is proposing to decrease its current Periodic BGSS charge from \$0.354288 (including taxes) to \$0.340810 (including taxes) for the period beginning October 1, 2017 and ending September 30, 2018. 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 \$29.2 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, 2018 have been projected utilizing: (1) the New York Mercantile Exchange strip pricing, as of May 10, 2017; 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, 2017, 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 has been in service since November of 2016. This enabled SJG to utilize the new liquefaction facility for the 2016-2017 winter season.

18. In summary, by this Petition, South Jersey seeks authority to decrease the level of its Periodic BGSS charge to \$0.340810 per therm (including taxes). South Jersey also seeks authority to decrease the Monthly BGSS non-commodity rate component to \$0.112111 per therm (including taxes), resulting in a decrease of \$0.026624 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. Direct Testimony of Kenneth J. Barcia, Manager, Rates and Revenue Requirements; and
- B. 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 is 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 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 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 assessing 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 2016-2017 CIP Year. South Jersey projects that it will invest \$500,000 in conservation programs by September 30, 2017.

31. It was agreed in the CIP Stipulation that South Jersey would make an annual CIP filing based upon seven (7) months of actual data and five (5) 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, 2016 through September 30, 2017 is projected to be 6.53%. As a result, the ROE test will not act as a limitation on South Jersey's recovery through the CIP for the forthcoming 2017-2018 CIP year. This projected ROE is calculated on Exhibit A to this Petition and is verified by the Direct Testimony of 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, 2016, South Jersey filed a petition in Docket No. GR16060483 seeking to establish provisional CIP rates for the October 1, 2016 to September 30, 2017 CIP year. On September 23, 2016, the Board issued its Order in Docket No. GR16060483, provisionally accepting CIP rates, subject to review. Pursuant to this September 23, 2016 Order, the provisional CIP rates implemented were:

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

36. By Order dated April 21, 2017, the Board approved a Stipulation of Settlement to

finalize the CIP rates in Docket No. GR16060483.

37. In this Petition, South Jersey proposes to establish the CIP rates for the period October 1, 2017 through September 30, 2018. The proposed CIP rates are as follows:

- RSG Non Heating (\$0.014347)
- RSG Heating \$0.078355
- GSG \$0.057010
- GSG-LV (\$0.013816)

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 \$17.6 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 \$5.1 million. This was established by subtracting the weather related component of \$17.6 million, from the total CIP amount of \$22.7 million. Thus, by this Petition, South Jersey seeks to recover total non-weather related margin revenue through the CIP totaling \$5.1 million.

40. South Jersey has provided BGSS savings information in the Direct Testimonies 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 \$0.4 million. Therefore, the total BGSS savings for the 2017-2018 CIP year is \$8.7 million. This amount exceeds the \$5.1 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 Direct Testimony, variable margin revenues also exceed the \$5.1 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 this proceeding, South Jersey is comparing customer usage for the period October 1, 2016 through September 30, 2017 against the benchmark. The difference is to be recovered for the BGSS year October 1, 2017 through September 30, 2018.

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

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

## **VI. MISCELLANEOUS**

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 \$0.55 or 0.5%.

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 \$0.80 or 0.6%.

46. A draft Notice of Filing and Public Hearing is attached hereto.

47. South Jersey has served notice and five (5) copies of this Petition upon the Director, Division of Rate Counsel, 140 East Front Street – 4<sup>th</sup> 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**

A handwritten signature in cursive script that reads "Stacy Mitchell". The signature is written in black ink and is positioned above the printed name and title.

**Stacy A. Mitchell  
Regulatory Affairs Counsel**

**Dated: June 1, 2017**

**Communications and correspondence  
Related to this filing should be sent to:  
Stacy A. Mitchell  
Regulatory Affairs Counsel  
South Jersey Gas Company  
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  
2017.

  
Notary Public

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

**ROE CALCULATION**  
(\$ in Thousands)

	Sep 2016 Actual	Oct 2016 Actual	Nov 2016 Actual	Dec 2016 Actual	Jan 2017 Actual	Feb 2017 Actual	Mar 2017 Actual	Apr 2017 3&9	May 2017 3&9	Jun 2017 3&9	Jul 2017 3&9	Aug 2017 3&9	Sep 2017 3&9	12 Mos 9/30/2017 Total
Net Income	(1,717)	2,032.4	8,223.2	12,644.2	19,268.4	16,455	10,755	3,691	159	(884)	(1,900)	(2,115)	(2,297)	\$66,033
Incentive Items:														
OSS Margin	163.3	204.7	381.4	312.5	417.6	406.6	344.4	156.3	157.1	156.3	157.1	157.1	155.8	\$3,007
Interruptible Margin	2.0	2.4	5.7	7.7	(3.6)	1.9	3.8	2.5	2.3	2.0	2.0	2.2	2.1	\$31
Storage Incentive	302.8	57.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	306.1	0.0	0.0	336.7	\$700
AIRP	\$395	\$394	\$394	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$788
EET	182.7	180.3	179.2	173.5	183.0	196.5	183.8	182.1	182.1	180.5	178.5	180.2	181.2	\$2,181
Total Incentives	\$1,046	\$839	\$960	\$494	\$597	\$605	\$532	\$341	\$341	\$645	\$338	\$340	\$676	\$6,707
Net Income Less Incentives	(\$2,763)	\$1,194	\$7,263	\$12,150	\$18,671	\$15,850	\$10,223	\$3,350	(\$183)	(\$1,528)	(\$2,238)	(\$2,454)	(\$2,972)	\$59,326

	Sep 2016	Oct 2016	Nov 2016	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017	Jul 2017	Aug 2017	Sep 2017	13 Mo Avg Total
Beg Bal	\$833,652	\$831,935	\$833,967	\$842,190	\$854,834	\$914,103	\$930,558	\$941,350	\$945,041	\$945,200	\$944,316	\$942,416	\$940,301	\$908,017
Net Income	(\$1,717)	\$2,032	\$8,223	\$12,644	\$19,268	\$16,455	\$10,755	\$3,691	\$159	(\$884)	(\$1,900)	(\$2,115)	(\$2,297)	
Dividends														
Equity					\$40,000				\$0					
Other Adj														
Common Equity	\$831,935	\$833,967	\$842,190	\$854,834	\$914,103	\$930,558	\$941,350	\$945,041	\$945,200	\$944,316	\$942,416	\$940,301	\$938,005	\$908,017

**CIP ROE Test 6.53%**

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

**IN THE MATTER OF THE PETITION OF SOUTH JERSEY GAS COMPANY TO REVISE THE LEVEL OF ITS BASIC GAS SUPPLY SERVICE (“BGSS”) CHARGE AND CONSERVATION INCENTIVE PROGRAM (“CIP”) CHARGE FOR THE YEAR ENDING SEPTEMBER 30, 2018**

**B.P.U. Docket No. \_\_\_\_\_**

**NOTICE IS HEREBY GIVEN** that, on June 1, 2017, South Jersey Gas Company “South Jersey” or the “Company”) filed its combined 2017-2018 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 the 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 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, South Jersey 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 \$0.80, or 0.6 percent, resulting from South Jersey’s proposed BGSS decrease of \$1.35 per month, or 1.1 percent, on a 100 therm bill and South Jersey’s proposed CIP increase of \$0.55, or 0.5 percent, on a 100 therm bill.

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

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

TAKE FURTHER NOTICE that other changes in South Jersey’s price for BGSS service may also occur if SJG elects to adjust its BGSS rates upward upon thirty days notice to Board Staff and 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, 2017, and to a maximum of five (5) percent of the total residential bill, effective February 1, 2018, as demonstrated in the chart below.

Customer Type	Therm Level	Rates		Change	
		Bill as of October 1, 2017	Proposed Bill Including December and February 5 Percent Increases	Amount	Percent
<b>Residential Heat Sales</b>	100	\$119.02	\$131.22	\$12.20	10.3%
<b>Residential Non-Heat Sales</b>	15	\$24.63	\$26.46	\$1.83	7.4%

<b>General Service</b>	500	\$505.64	\$566.62	\$60.98	12.1%
<b>General Service - LV</b>	15,646	\$10,543.77	\$10,543.77	\$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, South Jersey is permitted to decrease its BGSS rate at any time upon five days notice and supporting documentation to the Board s 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 South Jersey. South Jersey’s natural gas costs addressed in this petition will remain subject to audit by the Board, and Board approval shall not preclude or prohibit the Board from taking any such actions deemed appropriate as a result of any such audit.

Copies of the Company’s filing are available for inspection at the Company’s offices located at One South Jersey Plaza, Folsom, New Jersey 08037, or at the Board of Public Utilities, 44 South Clinton Avenue, 3<sup>rd</sup> floor, Trenton, New Jersey 08625-0350. The Company’s filing may also be found on the South Jersey Gas Website at [www.southjerseygas.com/for-my-home/current-regulatory-filings.html](http://www.southjerseygas.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 p.m. and 5:30 p.m.  
**Voorhees Township, Municipal Court**  
**Voorhees Town Center**  
**Voorhees, New Jersey 08043**  
**(located directly across from Township Library at 203 Laurel Road)**

**The public is invited to attend and 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, forty-eight (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: David Robbins, Jr., President**





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 2016-2017 year; (2)  
9 present the projected gas costs and recoveries in the 2017-2018 BGSS Clause  
10 ("BGSSC") year; (3) support the BGSS charges proposed to become effective  
11 October 1, 2017; 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 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 Schedules and work papers submitted  
18 with the Petition meet each of the minimum filing requirements.

19 On June 1, 2016, South Jersey made its annual filing in Docket No. GR16060483,  
20 where it proposed to decrease its periodic BGSS charge from the then current rate  
21 of \$0.529214 per therm, to \$0.354288<sup>1</sup> per therm, both inclusive of taxes.

---

<sup>1</sup> On November 14, 2016, the Board issued a Secretary's Letter under Docket No. ER16111054, for all New Jersey electric and gas utilities, pursuant to P.L. 2016, c. 57, that the SUT to be charged to customers for utility service had been changed from 7.0% to 6.875% effective January 1, 2017. All BGSS and CIP references within this Testimony as "current rates" are inclusive of the now 6.875% state sales tax rate.

1 By Order dated September 23, 2016, the Board approved a Stipulation of  
2 Settlement approving a Periodic BGSS Rate of \$0.354703 per therm, including  
3 taxes, on a provisional basis.

4 By Order dated April 21, 2017, the Board approved a Stipulation of Settlement to  
5 finalize this BGSS rate of \$0.354288 per therm, including taxes, for the 2016-2017  
6 BGSS year.

7  
8 **III. BGSS RATES CALCULATION**

9 **Q. Please describe how the 2017/2018 BGSS Rates are calculated.**

10 **A.** Schedule KJB-1 demonstrates the derivation of the proposed Periodic BGSS charge  
11 of \$0.340810, which consists of commodity, deferred balance, and non-commodity  
12 gas cost rate components. The rate derivation begins with a projected commodity  
13 cost of gas of \$82,333,942, shown on line 8, which includes South Jersey's  
14 approved line loss of 1.43%, and assumes projected applicable sales volumes of  
15 283,031,162, shown on line 10. These two components determine the BGSS  
16 commodity rate of \$0.290901 per therm, excluding taxes, shown on line 12, by  
17 dividing the commodity cost of gas by the applicable sales volumes. Next, the  
18 projected total over-recovered deferred balance of \$(1,377,302) is shown on line 16.  
19 Line 18 reflects \$(336,084) of accrued interest expense from the 2016-2017 BGSS  
20 year. Line 22 identifies the applicable sales volumes utilized to derive the net  
21 deferred balance rate of \$(0.006054) per therm, excluding taxes, which is shown on  
22 Line 24. The non-commodity costs, shown on line 32, are \$9,436,373 for the  
23 Periodic BGSS customers and \$3,335,319 for the Monthly BGSS customers. The

1 associated volumes and non-commodity cost rates are shown on lines 34 and 36,  
2 respectively.

3

4 **Q. Is South Jersey proposing a decrease or an increase to its 2017/2018 Periodic**  
5 **BGSS Rate?**

6 **A.** In summary, South Jersey is proposing a decrease of \$0.013478 to its Periodic  
7 BGSS rate. As reflected in Schedule KJB-1, South Jersey has calculated the  
8 Periodic BGSS rate to be set at \$0.318187 per therm, excluding taxes, or \$0.340810  
9 per therm, including taxes, for Rate Schedule RSG and for Rate Schedule GSG  
10 Customers where annual customer usage is less than 5,000 therms. This represents  
11 a decrease of \$1.35, or 1.1%, to a typical residential heating customer bill, based on  
12 100 therms of consumption during a month.

13 The proposed Periodic BGSS charge would recover commodity, non-commodity  
14 gas costs, and the projected deferred balance. The Periodic BGSS charge would  
15 consist of a BGSS commodity rate of \$0.290901 per therm, a deferred balance  
16 component of \$(0.006054) per therm, and a BGSS non-commodity rate of  
17 \$0.033340 per therm, all excluding taxes.

18 Moreover, since customers served under Rate Schedules GSG-LV, EGS, LVS and  
19 EGS-LV, and customers served under Rate Schedule GSG, whose annual  
20 consumption is 5,000 therms or greater, recover some or all of their fixed gas costs  
21 through their Monthly BGSS charge, as prescribed in South Jersey's tariff (Rider  
22 A), the calculated Monthly BGSS non-commodity rate component would be

1 \$0.112111 per therm, including taxes, which is a decrease of \$0.026624 from the  
2 current rate of \$0.138735.

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

14 Therefore, in accordance with South Jersey's tariff, South Jersey proposes that the  
15 gas cost portion of the D-2 charge for Rate Schedule LVS be set at \$15.796918 per  
16 Mcf, including taxes. South Jersey also proposes that the gas cost portion of the  
17 Firm D-2 charge for Rate Schedule EGS-LV would be set at \$15.491814 per Mcf,  
18 including taxes. Lastly, South Jersey proposes that the gas cost portion of the  
19 Limited Firm D-2 and Firm D-2 charges for Rate Schedules EGS-LV and FES,  
20 respectively, be set at \$7.898459 per Mcf, including taxes.

21  
22  
23

1 **IV. REVIEW OF 2016-2017 BGSS YEAR**

2 **Q. Please provide a summary of Actual and Projected Results related to the 2016-**  
3 **2017 BGSS Clause.**

4 **A.** Schedule KJB-2 is a summary of actual and projected results for the twelve month  
5 period ending September 30, 2017. It reflects a projected over-recovery as of  
6 September 30, 2017 of \$(1,377,302). This Schedule reflects \$10,742 in pipeline  
7 refunds and \$27,196,421 in credits from interruptible sales, interruptible  
8 transportation, off-system sales, and off-system and on-system capacity releases.

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

15 Section B of Schedule KJB-2, line 14, entitled “Supplemental Gas”, identifies the  
16 cost of liquefied natural gas (“LNG”) utilized during the period, as shown on line  
17 16.

18 Section C of Schedule KJB-2, line 19, entitled “Cost Reductions”, provides  
19 reductions to the cost of gas applicable to the BGSSC, as shown on lines 21 - 25.  
20 These reductions include the applicable cost of gas sold under the Company’s  
21 interruptible rate schedules and off-system sales, pipeline refunds, company use  
22 gas, and gas cost credits derived from interruptible sales, interruptible  
23 transportation, off-system sales, and off-system and on-system capacity releases

1 utilizing the Board approved sharing formulas. Sections A, B, and C are  
2 summarized in Section D of Schedule KJB-2, entitled “Cost Recovery”, as the  
3 “Total Gas Cost to BGSS”, which is shown on line 29.

4 Section D also demonstrates that the total projected cost of gas to the BGSSC of  
5 \$111,352,804 (line 29), less the projected recoveries of \$119,331,557 (lines 30 and  
6 31), plus two Periodic BGSS customer bill credits of \$9,313,694, given in  
7 December 2016, and \$7,448,943, given in April 2017, both reflected in (line 32),  
8 plus the cumulative Over-Recovered Beginning Balance of \$(10,161,185) (line 36),  
9 results in a projected Cumulative Over-Recovery Ending Balance of \$(1,377,302)  
10 (line 38) at September 30, 2017.

11  
12 **Q. What is the Projected Carrying Cost associated with the 2016-2017 BGSS**  
13 **Clause?**

14 **A.** Schedule KJB-3 is a statement of projected accrued interest on the BGSSC. This  
15 Schedule reflects the monthly calculation of interest on the average cumulative  
16 BGSSC balance. Column 2 shows the monthly BGSSC activity. Column 3 reflects  
17 the cumulative under or over-recovered balance at the end of each month. Column  
18 4 is the average of the current month’s and prior months’ cumulative balances.  
19 Column 5 is the overall rate of return on rate base, shown on a monthly basis, which  
20 was utilized to establish base rates in the Company’s most recent base rate case.  
21 Column 6 shows the monthly interest, and Column 7 shows the cumulative interest.  
22 Schedule KJB-3, line 36, shows that the projected total annual interest to be  
23 credited to the BGSSC is \$(336,084). The Board policy, regarding South Jersey’s



1 interest rate, was set forth in Docket No. GR87091101. In that Docket, the Board  
 2 determined that the overall rate of return last used to set South Jersey’s base rates  
 3 was the proper interest rate for inclusion in the BGSSC calculation. In Docket No.  
 4 GR89080731, the Board ruled that the monthly offset methodology was the proper  
 5 methodology for calculating BGSSC interest.

6

7 **V. PROJECTION OF THE 2017-2018 BGSSC YEAR**

8 **Q. Can you please provide a projection and summary of the 2017 – 2018 BGSS**  
 9 **Clause Year?**

10 **A.** The analysis of the gas costs and recoveries for the 2017-2018 BGSS Clause year is  
 11 detailed on Schedules KJB-4 through KJB-10, as follows:

Schedule- KJB-4	2017-2018 BGSSC Summary
Schedule- KJB-5	Projected Gas Cost to BGSSC
Schedule- KJB-6	Monthly Interruptible/Off-System Capacity Release Credit
Schedule- KJB-7	BGSSC Recoveries Utilizing Current Rates
Schedule- KJB-8	BGSSC Cost Recovery Allocation
Schedule- KJB-9	Proof of BGSSC Recovery
Schedule- KJB-10	Projected Carrying Cost on 2017-2018 BGSSC

12

13 Schedule KJB-4 begins with the projected September 30, 2017 over-recovery of  
 14 \$(1,377,302), line 5, to which \$(336,084) of interest (line 7) is projected to be  
 15 credited to the Clause during the 2016-2017 BGSS year. Line 11 of Schedule KJB-  
 16 4 shows the projected cost of gas for the 2017-2018 BGSS Clause year to be  
 17 \$158,244,919. The derivation of this figure is shown on Schedule KJB-5. There  
 18 will be a credit to gas costs of \$(29,178,951), as calculated on Schedule KJB-6,  
 19 derived from the projected pre-tax margins on interruptible sales, interruptible

1 transportation, off-system sales, and capacity releases. The projected net cost of gas  
2 of \$127,352,582 is then compared to the projected total cost recoveries of  
3 \$131,708,302 at current rates, shown on Schedule KJB-7. The BGSSC should be  
4 decreased by the \$(4,355,720) balance on Schedule KJB-4, (line 19), or  
5 \$(4,665,417) including applicable taxes on Schedule KJB-4, (line 25).

6

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

8 **A.** Schedule KJB-5 provides a breakdown of the cost components that are projected for  
9 the 2017-2018 BGSS Year. This Schedule reflects the total gas costs, storage  
10 injection and withdrawal costs, LNG costs and Company use gas. These costs total  
11 \$158,244,919 (line 24), which is the projected cost of gas send out.

12

13 **Q. Can you please provide detail for the Monthly Interruptible, Off-System and**  
14 **Capacity Release Credit?**

15 **A.** Schedule KJB-6 details the derivation of the credit to gas costs from interruptible  
16 sales, interruptible transportation, off-system sales, and off-system and on-system  
17 capacity releases. South Jersey included a credit to BGSS gas costs of \$29,178,951  
18 (line 18), which was derived from the Board's approved margin sharing formula in  
19 South Jersey's base rate case Order dated July 8, 2004 (Docket No. GR03080683).  
20 The sharing formula provides for 85% of pre-tax margins to be credited to the  
21 BGSSC, and 15% to South Jersey.

22

23

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

2 **A.** Schedule KJB-7 demonstrates the calculation of monthly recoveries utilizing  
3 current rates. Based on current rates, the BGSSC cost recoveries are projected to be  
4 \$131,708,302 (line 62). In developing the cost recovery calculation, firm therm  
5 sales and firm transportation volumes are multiplied by the currently applicable unit  
6 recovery rates, as reflected in my work papers, to determine BGSSC cost  
7 recoveries.

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

13

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

15 **A.** Schedule KJB-8 shows the elements making up the commodity and non-commodity  
16 gas cost components and the deferred balance at September 30, 2017. Line 9 of this  
17 Schedule reflects the commodity cost of natural gas purchased by South Jersey. It  
18 does not include the cost of gas associated with interruptible or off-system sales.  
19 This amount is then reduced by the cost of gas injected into inventory during the  
20 period, as the BGSSC is only charged for commodity gas costs upon its actual  
21 usage, not its purchase. Next, it is increased by the cost of withdrawals from  
22 inventory. The variable costs of storage and LNG commodity costs are also added  
23 to the result. The recoveries applicable to commodity costs are then credited to the

1 commodity cost of gas. These recoveries include Monthly BGSS and FES sales,  
2 and sales from South Jersey's Rate Schedules YLS and SLS.

3 Line 29 of Schedule KJB-8 shows the projected over recovered balance at  
4 September 30, 2017.

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

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

20

21 **Q. Please provide a summary of projected Proof of Recovery for the 2017-2018**  
22 **BGSS Clause Year.**

1 **A.** Schedule KJB-9 provides a projected summary of the 2017-2018 BGSSC year on a  
2 proof of recovery basis, based on South Jersey's calculated and proposed \$0.340810  
3 per therm rate, including taxes. Schedule KJB-9 also provides a summary by month  
4 of the 2017-2018 BGSSC based upon the calculated gas cost levels, credits thereto  
5 and gas cost recoveries. In short, this Schedule shows that the 2017-2018 BGSS  
6 year will end with a near zero balance, as shown on line 38, at September 30, 2018.

7  
8 **Q. What is the Projected Carrying Cost associated with the 2017-2018 BGSS**  
9 **Clause Year?**

10 **A.** Schedule KJB-10 is a statement of projected accrued interest related to the 2017-  
11 2018 BGSS Clause Year. This Schedule reflects the projected balances and interest  
12 projected for the 2017-2018 year. Schedule KJB-10, line 36, demonstrates that  
13 there is projected interest of \$0 due to rate payers for the 2017-2018 BGSS Year.

14  
15 **VI. TARIFF CHANGES**

16 **Q. Please provide the Company's proposed tariff pages with all proposed**  
17 **changes.**

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

22  
23

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

2 **A.** Yes, it does.

SOUTH JERSEY GAS COMPANY  
2017 - 2018 BGSSC  
Periodic Rate Derivation

	<u>Periodic BGSS</u>	<u>Monthly BGSS</u>	<u>Reference</u>			
<u>COMMODITY RATE</u>						
Total Commodity Cost	\$82,333,942		(KJB-8 Line 21)			
Applicable Sales Volumes	283,031,162		(KJB-8 Line 23)			
BGSS Commodity Rate	\$0.290901					
<u>DEFERRED BALANCE RATE</u>						
Deferred Under/(Over) Recovered Balance	(\$1,377,302)		(KJB-8 Line 29)			
Forecasted Accrued Interest on 2016-2017 BGSSC	(\$336,084)		(KJB-8 Line 31)			
Total Deferred Under/(Over) Recovered Balance	(\$1,713,386)					
Applicable Sales Volumes	283,031,162		(KJB-8 Line 35)			
BGSS Deferred Balance Rate Per Therm	(\$0.006054)					
<u>NON-COMMODITY RATE</u>						
Total Non Commodity Cost	\$55,850,878	\$6,288,027	(KJB-8 Line 43)			
Total Credits/Refunds/Recoveries	(\$46,414,505)	(\$2,952,708)	(KJB-8 Line 55)			
Total Non Commodity Cost	\$9,436,373	\$3,335,319				
Applicable Sales Volumes	283,031,162	31,865,348	(KJB-8 Line 60)			
BGSS Non Commodity Cost Rate	\$0.033340	\$0.104669				
<u>TOTAL BGSS CHARGE PER THERM (Excluding Taxes)</u>	\$0.318187	\$0.104669				
<u>TOTAL BGSS CHARGE PER THERM (Including Taxes)</u>	\$0.340810	\$0.112111				
<u>D-2 FES/EGS-LV/LVS RATE DERIVATION</u>		<u>Capacity</u>	<u>FES</u>	<u>EGS-LV-FIRM</u>	<u>EGS-LV-LF</u>	<u>LVS</u>
Transco Demand (MCFs)		116,826	\$14,463,445	\$14,463,445		
Columbia Demand (MCFs)		67,633	\$13,870,035	\$13,870,035		
D-2 Rate (Greater of Transco or Columbia or FTF)			\$14,748,296	\$14,463,445		
Weighted Average Demand Rate (Transco, Columbia, FTF)			\$7,374,148	\$14,463,445	\$7,374,148	\$14,748,296
D-2 Gas Cost Component per MCF (Excluding Taxes)			\$7,898,459	\$15,491,814	\$7,898,459	\$15,796,918
D-2 Gas Cost Component per MCF (Including Taxes)						

SOUTH JERSEY GAS COMPANY													
2016-2017 BGSSC													
Period of BGSSC Recovery													
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Total	
	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	
Section A (Natural Gas)													
8	\$9,852,280	\$15,135,396	\$24,577,917	\$23,156,196	\$16,877,173	\$20,931,619	\$17,443,225	\$14,469,277	\$13,873,029	\$14,090,150	\$14,488,232	\$13,401,170	\$198,295,666
9	\$1,180,884	\$9,320	(\$2,000,091)	\$619,608	\$895,911	\$483,054	\$245,278	\$0	\$0	\$0	\$0	\$0	\$1,423,964
10	\$226,531	\$1,271,060	\$2,792,750	\$3,870,480	\$3,216,762	\$2,032,976	\$500,214	\$75,910	\$80,646	\$93,339	\$85,669	\$97,719	\$14,323,955
11	\$1,118,346	\$820,205	\$755,817	\$464,868	\$582,157	\$1,001,724	\$3,419,563	\$3,620,646	\$3,889,476	\$4,005,469	\$4,280,065	\$3,968,869	\$27,927,205
Section B (Supplemental Gas)													
14	\$93,377	\$34,748	\$585,122	\$437,402	\$166,962	\$1,020,833	\$45,268	\$81,183	\$81,183	\$81,183	\$81,183	\$81,183	\$2,789,629
16													
17													
Section C (Cost Reductions)													
20	\$1,515,113	\$4,507,114	\$6,698,628	\$6,460,526	\$4,672,109	\$4,344,833	\$5,729,850	\$3,143,570	\$3,232,120	\$3,386,076	\$3,418,248	\$3,252,585	\$50,360,771
21	\$345	\$27	\$10,370	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,742
22	\$7,042	\$6,390	\$8,743	\$10,243	\$9,130	\$10,260	\$8,470	\$3,911	\$4,888	\$4,888	\$4,888	\$3,911	\$81,787
23	\$1,964,902	\$3,650,386	\$3,037,530	\$3,974,729	\$3,885,898	\$3,303,428	\$1,233,150	\$1,234,696	\$1,222,966	\$1,231,383	\$1,233,454	\$1,223,898	\$27,196,421
24	(\$96,516)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$96,516)
Section D (Cost Recovery)													
27													
28	\$6,843,839	\$7,466,403	\$15,444,610	\$17,173,321	\$11,997,514	\$15,808,237	\$7,842,952	\$6,623,548	\$5,686,385	\$5,625,866	\$5,718,328	\$5,120,810	\$111,352,804
29	\$1,683,577	\$2,196,755	\$3,602,151	\$6,261,432	\$5,478,044	\$4,930,260	\$3,733,942	\$2,277,247	\$2,309,155	\$1,663,908	\$1,664,910	\$1,559,160	\$37,360,541
30	\$2,324,940	\$4,365,966	\$10,189,025	\$15,772,150	\$13,357,249	\$11,959,530	\$9,517,598	\$4,466,148	\$3,526,489	\$2,023,137	\$2,161,931	\$2,306,854	\$81,971,016
31	\$0	\$0	\$9,313,694	\$0	\$0	\$0	\$7,448,943	(\$119,847)	\$0	\$0	\$0	\$0	\$16,762,636
32	\$2,835,323	\$903,681	\$10,967,128	(\$4,860,261)	(\$6,637,778)	(\$1,081,563)	\$2,040,355	(\$149,259)	\$1,939,811	\$1,891,487	\$1,254,796	\$1,254,796	\$8,783,883
33													
34													
35	(\$10,161,185)	(\$7,325,863)	(\$6,422,181)	\$4,544,947	(\$315,315)	(\$7,153,093)	(\$8,234,646)	(\$6,194,290)	(\$6,314,138)	(\$6,463,397)	(\$4,523,685)	(\$2,632,098)	(\$10,161,185)
36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
37	(\$7,325,863)	(\$6,422,181)	\$4,544,947	(\$315,315)	(\$7,153,093)	(\$8,234,646)	(\$6,194,290)	(\$6,314,138)	(\$6,463,397)	(\$4,523,685)	(\$2,632,098)	(\$1,377,302)	(\$1,377,302)
38													

Interest Accrued - Owed to Customers on 2015-2016 BGSSC  
 Cumulative (Over)/Under Recovery Ending Balance



SOUTH JERSEY GAS COMPANY  
2016 - 2017 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	(\$10,161,185)				
Oct-16	\$2,835,323	(\$7,325,863)	(\$8,743,524)	0.5917%	(\$51,733)	(\$51,733)
Nov-16	\$903,681	(\$6,422,181)	(\$6,874,022)	0.5917%	(\$40,671)	(\$92,404)
Dec-16	\$10,967,128	\$4,544,947	(\$938,617)	0.5917%	(\$5,553)	(\$97,957)
Jan-17	(\$4,860,261)	(\$315,315)	\$2,114,816	0.5917%	\$12,513	(\$85,445)
Feb-17	(\$6,837,778)	(\$7,153,093)	(\$3,734,204)	0.5917%	(\$22,094)	(\$107,539)
Mar-17	(\$1,081,553)	(\$8,234,646)	(\$7,693,869)	0.5917%	(\$45,522)	(\$153,061)
Apr-17	\$2,040,355	(\$6,194,290)	(\$7,214,468)	0.5917%	(\$42,686)	(\$195,746)
May-17	(\$119,847)	(\$6,314,138)	(\$6,254,214)	0.5917%	(\$37,004)	(\$232,750)
Jun-17	(\$149,259)	(\$6,463,397)	(\$6,388,767)	0.5917%	(\$37,800)	(\$270,551)
Jul-17	\$1,939,811	(\$4,523,585)	(\$5,493,491)	0.5917%	(\$32,503)	(\$303,054)
Aug-17	\$1,891,487	(\$2,632,098)	(\$3,577,842)	0.5917%	(\$21,169)	(\$324,223)
Sep-17	\$1,254,796	(\$1,377,302)	(\$2,004,700)	0.5917%	(\$11,861)	(\$336,084)
	Cumulative Net Interest on Under Recovered Balance				\$0	
	<b>Net Interest Credit to Ratepayers</b>				<b>(\$336,084)</b>	

SOUTH JERSEY GAS COMPANY  
2017 - 2018 BGSSC SUMMARY

	Reference
1 Forecasted Over Recovered Balance September 2017	
2	
3	
4	
5	
6	
7 Forecasted Accrued Interest on 2016-2017 BGSSC	(\$1,377,302) (KJB-2, Line 38)
8	
9 Total Deferred Over Recovered Balance	<u>(\$336,084) (KJB-3, Line 36)</u>
10	
11 Cost Of Gas Sendout - October 1, 2017 through September 30, 2018	(\$1,713,386)
12	
13 Interruptible, Off-System Sales, and Capacity Release Credit	\$158,244,919 (KJB-5, Line 24)
14	
15 Net Cost Of Gas Sendout	(\$29,178,951) (KJB-6, Line 18)
16	
17 Total Cost Recovery With Current Rates	<u>\$127,352,582</u>
18	
19 Decrease in Cost of Gas (Excluding Taxes)	<u>\$131,708,302 (KJB-7, Line 62)</u>
20	
21 P.U.A. Tax Factor	(\$4,355,720)
22	
23 NJ Sales and Use Tax Factor	1.0022
24	
25 Decrease in Cost of Gas (Including Taxes)	<u>1.06875</u>
	<u><u>(\$4,665,417)</u></u>

SOUTH JERSEY GAS COMPANY  
2017 - 2018 BGSSC  
Projected Gas Cost by BGSSC

	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Total
Total Gas Cost	\$10,149,265	\$13,492,179	\$17,750,278	\$18,477,020	\$16,630,427	\$15,518,812	\$12,419,865	\$10,372,069	\$9,638,303	\$9,418,436	\$9,508,943	\$8,695,466	\$152,071,062
Total Storage Injections Cost	\$2,326,162	\$277,778	\$430,692	\$202,826	\$166,235	\$286,183	\$2,889,681	\$2,809,680	\$2,687,508	\$2,521,922	\$2,510,415	\$2,324,085	\$19,433,166
Total Storage Withdrawals Cost	\$435,612	\$1,569,817	\$4,614,334	\$6,233,949	\$5,472,963	\$3,044,727	\$715,308	\$291,131	\$240,510	\$235,306	\$133,797	\$192,123	\$23,179,576
Total LNG Withdrawal Cost	\$30,949	\$481,947	\$423,982	\$405,723	\$484,219	\$426,477	\$29,608	\$40,419	\$43,144	\$44,738	\$45,558	\$41,244	\$2,498,009
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%	
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	\$0.318187	\$0.318187	\$0.318187	\$0.318187	\$0.318187	\$0.318187	\$0.318187	\$0.318187	\$0.318187	\$0.318187	\$0.318187	\$0.318187	\$0.318187
Company Use Administrative Cost	\$4,900	\$4,900	\$6,860	\$9,800	\$9,800	\$7,840	\$4,900	\$3,920	\$3,920	\$4,900	\$4,900	\$3,920	\$70,561
Projected Cost of Gas Sendout	\$8,284,764	\$15,261,264	\$22,351,042	\$24,904,067	\$22,411,573	\$18,695,983	\$10,270,200	\$7,890,018	\$7,230,529	\$7,171,658	\$7,172,984	\$6,600,828	\$158,244,919

SOUTH JERSEY GAS COMPANY  
2017 - 2018 BGSSC

Monthly Interruptible/Off-System Capacity Release Credit

	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Total
1													
2													
3													
4													
5													
6													
7	\$27,263	\$25,203	\$25,868	\$16,805	\$21,251	\$33,180	\$29,362	\$26,621	\$22,798	\$23,417	\$25,853	\$23,894	\$301,513
8	\$2,144,219	\$3,192,555	\$3,116,626	\$4,436,339	\$4,160,904	\$4,136,067	\$2,136,208	\$2,145,437	\$2,136,208	\$2,145,437	\$2,145,437	\$2,131,226	\$34,026,665
9													
10	\$2,171,482	\$3,217,758	\$3,142,494	\$4,453,144	\$4,182,154	\$4,169,247	\$2,165,570	\$2,172,059	\$2,159,006	\$2,168,855	\$2,171,290	\$2,155,120	\$34,328,178
11													
12	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	
13													
14													
15													
16													
17													
18	\$1,845,760	\$2,735,094	\$2,671,120	\$3,785,173	\$3,554,831	\$3,543,860	\$1,840,735	\$1,846,250	\$1,835,155	\$1,843,526	\$1,845,596	\$1,831,852	\$29,178,951



SOUTH JERSEY GAS COMPANY  
2017 - 2018  
BGSS Cost Recovery Allocation

	Proposed Periodic BGSS	Proposed Monthly BGSS Non Commodity
<b>COMMODITY COST</b>		
Purchases (Workpaper KJB-5B, Page 3, Line 17)	\$ 89,261,133	
Injections (KJB-5, Line 8)	\$ (19,433,166)	
Withdrawals (KJB-5, Line 10)	\$ 23,179,576	
Storage-Variable Costs (Workpaper KJB-5B, Page 3, Line 41)	\$ 671,024	
LNG Withdrawal Costs (KJB-5, Line 12 less TWR-2, Page 2, Line 41)	\$ 2,498,009	
FES Recoveries - Commodity Charges (Workpaper KJB-9A, Page 1, Line 34)	\$ (2,918,055)	
GSG - Monthly BGSS Recoveries - Commodity Charges (Workpaper KJB-9A, Page 1, Line 54)	\$ (10,885,694)	
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)	\$ (484)	
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)	
<b>Total Commodity Cost</b>	<b>\$ 82,333,942</b>	
Applicable Sales Volumes	283,031,162	
<b>BGSS Commodity Rate Per Therm</b>	<b>\$ 0.290901</b>	
<b>DEFERRED BALANCE</b>		
Deferred Under/(Over) Recovered Balance (KJB-2 Line 36)	\$ (1,377,302)	
Forecasted Accrued Interest on 2016-2017 BGSSC (KJB-3 Line 36)	\$ (336,084)	
<b>Total Deferred Under/(Over) Recovered Balance</b>	<b>\$ (1,713,386)</b>	
Applicable Sales Volumes	283,031,162	
<b>Deferred Balance Rate Per Therm</b>	<b>\$ (0.006054)</b>	
<b>NON-COMMODITY COST</b>		
<b>CHARGES</b>		
Annual Pipeline and Storage Demand Charges (Workpaper KJB-5B, Page 3, Line 40)	\$ 55,850,878	\$ 6,288,027
<b>Total Non-Commodity Charges</b>	<b>\$ 55,850,878</b>	<b>\$ 6,288,027</b>
<b>CREDITS/REFUNDS/RECOVERIES</b>		
Company Use/Administration (KJB-5, Line 22)	\$ (70,561)	
Interruptible/Off-System and On-System Sales Credits (KJB-6, Line 18)	\$ (26,226,243)	\$ (2,952,708)
CTS Recoveries - Balancing Charge (Workpaper KJB-7A, Line 33 and Workpaper Input Area, Line 57)	\$ (60,938)	
RSG-FSS & RSG-FT Recoveries - Balancing Charge (Workpaper KJB-9A, Page 1, Line 13)	\$ (13,059,873)	
GSG-FSS & GSG-FT Recoveries - Balancing Charge (Workpaper KJB-9A, Page 1, Line 18)	\$ (4,986,994)	
GSG-LV-FT Recoveries - Balancing Charge (Workpaper KJB-9A, Page 1, Line 22)	\$ (1,407,353)	
LVS-FT Recoveries - Balancing Charges (Workpaper KJB-7A, Line 33 and Workpaper Input Area, Line 46)	\$ (217,820)	
FES, LVS, & EGS-LV - Demand Charge Recoveries (Workpaper KJB-9A, Page 1, Line 38)	\$ (218,216)	
EGS-LV Firm & Ltd-Firm Recoveries - Balancing Charge (Workpaper KJB-7A, Line 34 and Input Area, Lines 45 & 52)	\$ (166,506)	
<b>Total Credits/Refunds/Recoveries</b>	<b>\$ (46,414,505)</b>	<b>\$ (2,952,708)</b>
<b>Total Non-Commodity Cost</b>	<b>\$ 9,436,373</b>	<b>\$ 3,335,319</b>
Applicable Sales Volumes	283,031,162	31,865,348
<b>BGSS Non-Commodity Cost Rate Per Therm</b>	<b>\$ 0.033340</b>	<b>\$ 0.104669</b>
<b>TOTAL BGSS CHARGES PER THERM (Excluding Taxes)</b>	<b>\$ 0.318187</b>	<b>\$ 0.104669</b>
<b>TOTAL BGSS CHARGES PER THERM (Including Taxes)</b>	<b>\$ 0.340810</b>	<b>\$ 0.112111</b>

SOUTH JERSEY GAS COMPANY  
2017-2018 BGSSC  
Final BGSSC Recovery

	Projected Oct-17	Projected Nov-17	Projected Dec-17	Projected Jan-18	Projected Feb-18	Projected Mar-18	Projected Apr-18	Projected May-18	Projected Jun-18	Projected Jul-18	Projected Aug-18	Projected Sep-18	Total
Section A (Natural Gas)													
8 Total Firm, Interruptible, and Off-System Sales COG	\$17,484,922	\$24,400,178	\$21,944,402	\$33,593,928	\$30,017,807	\$29,865,349	\$16,484,992	\$14,431,577	\$13,641,006	\$13,546,044	\$13,645,150	\$12,619,950	\$241,675,306
9 Market Imbalance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 Total Storage Withdrawals Costs	\$435,612	\$1,569,817	\$4,614,334	\$6,233,949	\$5,472,963	\$3,044,727	\$715,308	\$291,131	\$240,510	\$235,306	\$133,797	\$192,123	\$23,179,576
11 Total Storage Injections Costs	\$2,326,162	\$277,778	\$430,692	\$202,826	\$166,235	\$296,183	\$2,889,681	\$2,809,680	\$2,687,508	\$2,521,922	\$2,510,415	\$2,324,085	\$19,433,166
Section B (Supplemental Gas)													
14 LNG Costs (withdrawals)	\$30,949	\$481,947	\$423,982	\$405,723	\$484,219	\$426,477	\$29,608	\$40,419	\$43,144	\$44,738	\$45,558	\$41,244	\$2,498,009
Section C (Cost Reductions)													
20 Cost of Gas Interruptible and Off-System Sales	\$7,335,657	\$10,908,000	\$4,194,124	\$15,116,908	\$13,387,980	\$14,346,537	\$4,065,126	\$4,059,509	\$4,002,703	\$4,127,608	\$4,136,207	\$3,924,484	\$69,604,243
21 Pipeline Refunds & Demand Charge Reduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22 Company Use Admin Cost	\$4,900	\$4,900	\$6,660	\$9,800	\$9,800	\$7,840	\$4,900	\$3,920	\$3,920	\$4,900	\$4,900	\$3,920	\$70,561
23 Interruptible/Off-System Capacity Release Credit	\$1,845,760	\$2,735,094	\$2,671,120	\$3,785,173	\$3,554,931	\$3,543,860	\$1,840,735	\$1,846,250	\$1,835,155	\$1,843,526	\$1,845,596	\$1,831,852	\$29,178,951
24 Storage Incentive Mechanism	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Section D (Cost Recovery)													
28 Total Gas Cost To BGSSC	\$6,439,004	\$12,526,170	\$19,679,922	\$21,118,894	\$18,656,742	\$15,152,134	\$8,429,465	\$6,043,788	\$5,395,374	\$5,328,131	\$5,327,387	\$4,768,976	\$129,065,968
29 Total Allocated Cost Recovery	\$1,303,914	\$2,348,708	\$3,919,067	\$5,958,359	\$5,516,042	\$5,795,057	\$3,829,531	\$2,216,260	\$2,034,196	\$1,454,956	\$1,507,114	\$1,412,782	\$37,296,027
30 Total BGSSC Recovery	\$2,609,615	\$5,951,900	\$10,616,649	\$16,885,272	\$15,891,288	\$15,166,168	\$9,347,344	\$4,257,605	\$3,482,643	\$1,789,836	\$1,996,280	\$2,262,397	\$90,056,836
31 Bill Credit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
32 Monthly (Over) / Under Recovery	\$2,525,475	\$4,225,662	\$5,144,206	(\$1,524,738)	(\$2,550,427)	(\$5,809,132)	(\$4,747,409)	(\$430,098)	(\$121,465)	\$2,083,339	\$1,823,994	\$1,093,797	\$1,713,104
33 Cumulative (Over) / Under Recovery Beginning Balance	(\$1,377,302)	\$812,089	\$5,037,651	\$10,181,857	\$8,657,119	\$6,106,692	\$297,561	(\$4,449,849)	(\$4,879,946)	(\$5,001,412)	(\$2,918,072)	(\$1,094,078)	(\$1,377,302)
34 Interest Accrued - Owed to Customers on 2016-2017 BGSSC	(\$336,084)												(\$336,084)
35 Cumulative (Over) / Under Recovery Ending Balance	\$812,089	\$5,037,651	\$10,181,857	\$8,657,119	\$6,106,692	\$297,561	(\$4,449,849)	(\$4,879,946)	(\$5,001,412)	(\$2,918,072)	(\$1,094,078)	(\$282)	(\$282)

SOUTH JERSEY GAS COMPANY  
2017 - 2018 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	(\$1,713,386)				
Oct-16	\$2,525,475	\$812,089	(\$450,649)	0.5917%	(\$2,666)	(\$2,666)
Nov-16	\$4,225,562	\$5,037,651	\$2,924,870	0.5917%	\$17,305	\$14,639
Dec-16	\$5,144,206	\$10,181,857	\$7,609,754	0.5917%	\$45,024	\$59,664
Jan-17	(\$1,524,738)	\$8,657,119	\$9,419,488	0.5917%	\$55,732	\$115,395
Feb-17	(\$2,550,427)	\$6,106,692	\$7,381,906	0.5917%	\$43,676	\$159,072
Mar-17	(\$5,809,132)	\$297,561	\$3,202,126	0.5917%	\$18,946	\$178,018
Apr-17	(\$4,747,409)	(\$4,449,849)	(\$2,076,144)	0.5917%	(\$12,284)	\$165,734
May-17	(\$430,098)	(\$4,879,946)	(\$4,664,898)	0.5917%	(\$27,601)	\$138,133
Jun-17	(\$121,465)	(\$5,001,412)	(\$4,940,679)	0.5917%	(\$29,232)	\$108,901
Jul-17	\$2,083,339	(\$2,918,072)	(\$3,959,742)	0.5917%	(\$23,428)	\$85,472
Aug-17	\$1,823,994	(\$1,094,078)	(\$2,006,075)	0.5917%	(\$11,869)	\$73,603
Sep-17	\$1,093,797	(\$282)	(\$547,180)	0.5917%	(\$3,237)	\$70,366
	Cumulative Net Interest on Under Recovered Balance				<u>\$70,366</u>	
	Net Interest Credit to Ratepayers				<u>\$0</u>	

Pursuant to Docket Nos. GR87091101 and GR89080731, the Company is utilizing the monthly offset methodology. No interest is credited to ratepayers since interest on underrecoveries exceeds interest on overrecoveries.



**SOUTH JERSEY GAS COMPANY**

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

**Ninth Revised Sheet No. 28  
Superseding Eighth Revised Sheet No. 28**

**LARGE VOLUME SERVICE (LVS)**  
(continued)

**Basic Gas Supply Service ("BGSS") Charge:**

Demand Charge:

D-2: \$15.~~796918940257~~ per Mcf of Contract Demand.

Volumetric Charge:

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

**Limited Firm:**

**Customer Charge:**

\$106.875000 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: \$.141571 per therm

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

Volumetric Charge:

C-1FT: \$.141571 per therm

**Basic Gas Supply Service ("BGSS") Charge:**

Volumetric Charge:

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

**PRICE TO COMPARE:**

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

**LINE LOSS:**

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

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Issued \_\_\_\_\_  
by South Jersey Gas Company,  
D. Robbins, Jr, 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**

**Ninth Revised Sheet No. 33  
Superseding Eighth 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 <sup>(1)</sup> <sup>(2)</sup>**

**WINTER (November – March):**

**Demand Charge:**

- D-1 \$3.096400 per Mcf of Winter Daily Contract Demand
- D-2 \$7.~~898459970128~~ per Mcf of Daily Billing Determinant or \$0 for Firm Transportation

customers

**Volumetric Charge:**

- C-1: \$.040471 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: \$.174100 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 \$3.096400 per Mcf of Summer Daily Contract Demand
- D-2 \$7.~~898459970128~~ per Mcf of Daily Billing Determinant or \$0 for Firm Transportation

customers

**Volumetric Charge:**

- C-1: \$.040471 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: \$.174100 per therm of consumption
- C-4: Escalator Rate – Charge may change monthly pursuant to Standard Gas Service Addendum.

<sup>(1)</sup> Please refer to Appendix A for components of Monthly Rates.

<sup>(2)</sup> Please refer to Special Provision (p)

Issued \_\_\_\_\_  
by South Jersey Gas Company,  
D. Robbins, Jr., 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**

**Tenth Revised Sheet No. 45  
Superseding Ninth 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:** <sup>(1)</sup>

**Customer Charge:**

\$192.3750 per month

**FIRM:**

**Demand Charges:** <sup>(2)</sup>

D-1 \$22.134858 per Mcf of Firm Daily Contract Demand.

D-2 ~~\$15.49181415~~~~.563489~~ per Mcf of Firm Daily Contract Demand or \$0 for Firm Transportation customers.

**Volumetric Charge:**

C-1: \$.040471 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 ~~\$7.8984597~~~~.970128~~ per Mcf of Limited Firm Daily Contract Demand or \$0 for Limited Firm Transportation customers

**Volumetric Charge:** <sup>(2)</sup>

C-1: \$.040471 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 \$.174100 per therm for all consumption within Limited Firm Contract Demand level.<sup>1</sup>

<sup>(1)</sup> Please refer to Appendix A for components of Monthly Rates.

<sup>(2)</sup> Please refer to Special Provision (j).

Issued \_\_\_\_\_  
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**SOUTH JERSEY GAS COMPANY**

**Thirty-Fifth Revised Sheet No. 67**

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

**Superseding Thirty-Fourth Revised Sheet No. 67**

**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, 2017~~ January 1, 2017)<sup>1</sup>:**

<u>Rate Schedule</u>	<u>BGSS Rate Before Taxes (per therm)</u>	<u>BGSS Rate With Taxes (per therm)</u>
RSG	\$0. <del>318187330770</del>	\$0.354288
GSG (under 5,000 therms)	\$0. <del>318187330770</del>	\$0.354288

**Monthly BGSS Subrider (Effective May 1, 2017):**

<u>Rate Schedule</u>	<u>BGSS Rate Before Taxes (per therm)</u>	<u>BGSS Rate With Taxes (per therm)</u>
LVS C-2	\$0.410928	\$0.440145
FES	\$0.328701	\$0.352072
EGS	\$0.458227	\$0.490807
EGS-LV Firm C-2	\$0.412046	\$0.441344
EGS-LV Limited Firm C-2	\$0.434578	\$0.465477
GSG-LV	\$0.458227	\$0.490807
GSG (5,000 therms or greater)	\$0.458227	\$0.490807
NGV	\$0.458227	\$0.490807

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.

<sup>1</sup> Reflects currently approved Total BGSS Rate.

Issued \_\_\_\_\_  
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D. Robbins, Jr., President

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Public Utilities, State of New Jersey, dated \_\_\_\_\_

**SOUTH JERSEY GAS COMPANY**

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

**Fourth Revised Sheet No. 70  
Superseding Third 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:

Rate Schedule	D-2 Deduction	
		Including Taxes
LVS		<del>\$.050206950662</del>
EGS-LV Firm		<del>\$.045968049464</del>
EGS-LV Limited Firm		<del>\$.025103025331</del>

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D. Robbins, Jr., President

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Public Utilities, State of New Jersey, dated \_\_\_\_\_

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>
<b>RESIDENTIAL GAS SERVICE (RSG)</b>						
<b>RESIDENTIAL FIRM TRANS SERV (RSG FTS) - HEAT CUSTOMER</b>						
Customer Charge	9.000000				0.618800	9.618800
CIP			0.068086	0.000150	0.004691	0.072927
Delivery Charge:						
COST OF SERVICE	0.547317		(0.000942)	(0.000002)	0.037628	0.584945
TIC					(0.000065)	(0.001009)
SBC:						
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
			0.033560	0.000048	0.002292	0.035900
Total SBC						
TAC			0.000000	0.000000	0.000000	0.000000
EET			0.004268	0.000009	0.000294	0.004571
BSC "J" BS-1		0.047100		0.000100	0.003200	0.050400
BSC "J" BUY-OUT PRICE - Rate set monthly	0.547317	0.047100	0.036886	0.000155	0.043349	0.674807
Total						
<b>RESIDENTIAL FIRM SALES SERV (RSG FSS) - HEAT CUSTOMER</b>						
Customer Charge	9.000000				0.618800	9.618800
Basic Gas Supply Service (BGSS):		0.318187		0.000700	0.021923	0.340810
CIP			0.068086	0.000150	0.004691	0.072927
Delivery Charge:						
COST OF SERVICE	0.547317		(0.000942)	(0.000002)	0.037628	0.584945
TIC					(0.000065)	(0.001009)
SBC:						
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
			0.033560	0.000048	0.002292	0.035900
Total SBC						
TAC			0.000000	0.000000	0.000000	0.000000
EET			0.004268	0.000009	0.000294	0.004571
BSC "J" BS-1		0.047100		0.000100	0.003200	0.050400
Total	0.547317	0.047100	0.036886	0.000155	0.043349	0.674807

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				0.618800	9.618800
CIP			0.024831	0.000055	0.001711	0.026597
Delivery Charge:						
COST OF SERVICE	0.547317		(0.000942)	(0.000002)	0.037628	0.584945
TIC					(0.000065)	(0.001009)
SBC:						
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
Total SBC			0.033560	0.000048	0.002292	0.035900
TAC			0.000000	0.000000	0.000000	0.000000
EET			0.004268	0.000009	0.000294	0.004571
BSC "J" BS-1		0.047100		0.000100	0.0003200	0.050400
BSC "J" BUY-OUT PRICE - Rate set monthly						
<b>Total</b>	<b>0.547317</b>	<b>0.047100</b>	<b>0.036886</b>	<b>0.000155</b>	<b>0.043349</b>	<b>0.674807</b>
<u>RESIDENTIAL FIRM SALES SERV (RSG FSS) - NONHEAT CUSTOMER</u>						
Customer Charge	9.000000				0.618800	9.618800
Basic Gas Supply Service (BGSS):		0.318187		0.000700	0.021923	0.340810
CIP			0.024831	0.000055	0.001711	0.026597
Delivery Charge:						
COST OF SERVICE	0.547317		(0.000942)	(0.000002)	0.037628	0.584945
TIC					(0.000065)	(0.001009)
SBC:						
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
Total SBC			0.033560	0.000048	0.002292	0.035900
TAC			0.000000	0.000000	0.000000	0.000000
EET			0.004268	0.000009	0.000294	0.004571
BSC "J" BS-1		0.047100		0.000100	0.0003200	0.050400
<b>Total</b>	<b>0.547317</b>	<b>0.047100</b>	<b>0.036886</b>	<b>0.000155</b>	<b>0.043349</b>	<b>0.674807</b>

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

<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				1.873400	29.123400
CIP			0.054396	0.000120	0.003748	0.058264
Delivery Charge:						
COST OF SERVICE	0.435411				0.029935	0.465346
TIC			(0.000942)	(0.000002)	(0.000065)	(0.001009)
SBC:						
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
Total SBC			0.033560	0.000048	0.002292	0.035900
TAC			0.000000	0.000000	0.000000	0.000000
EET			0.004268	0.000009	0.000294	0.004571
BSC "J" BS-1		0.047100		0.000100	0.003200	0.050400
BSC "J" BUY-OUT PRICE - Rate set monthly	0.435411	0.047100	0.036886	0.000155	0.035656	0.555208
<b>Total</b>						



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>
<b>GENERAL SERVICE FIRM SALES (GSG FSS)</b>						
- Less than 5,000 Therms Annually						
Customer Charge	27.250000				1.873400	29.123400
CIP			0.054396	0.000120	0.003748	0.056264
Basic Gas Supply Service (BGSS):		0.318187		0.000700	0.021923	0.340810
Delivery Charge:						
COST OF SERVICE	0.435411				0.029935	0.465346
TIC			(0.000942)	(0.000002)	(0.000065)	(0.001009)
SBC:						
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
Total SBC			0.033560	0.000048	0.002292	0.035900
TAC			0.000000	0.000000	0.000000	0.000000
EET			0.004268	0.000009	0.000294	0.004571
BSC "J" BS-1	0.047100			0.000100	0.003200	0.050400
<b>Total</b>	<b>0.435411</b>	<b>0.047100</b>	<b>0.036886</b>	<b>0.000155</b>	<b>0.035656</b>	<b>0.555208</b>
<b>GENERAL SERVICE FIRM SALES (GSG FSS)</b>						
- 5,000 Therms Annually or Greater						
Customer Charge	27.250000				1.873400	29.123400
Basic Gas Supply Service (BGSS):					0.003748	0.056264
CIP			0.054396	0.000120	0.003748	0.056264
Delivery Charge:						
COST OF SERVICE	0.435411				0.029935	0.465346
TIC			(0.000942)	(0.000002)	(0.000065)	(0.001009)
SBC:						
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
Total SBC			0.033560	0.000048	0.002292	0.035900
TAC			0.000000	0.000000	0.000000	0.000000
EET			0.004268	0.000009	0.000294	0.004571
BSC "J" BS-1	0.047100			0.000100	0.003200	0.050400
<b>Total</b>	<b>0.435411</b>	<b>0.047100</b>	<b>0.036886</b>	<b>0.000155</b>	<b>0.035656</b>	<b>0.555208</b>

RATE SET MONTHLY

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

<u>GENERAL SERVICE-LV (GSG-LV)</u>						
<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				10.312500	160.312500
D-1 Demand Charge	9.000000				0.618800	9.618800
CIP			0.016484	0.000036	0.001136	0.017656
Delivery Charge: COST OF SERVICE	0.238429				0.016392	0.254821
TIC			(0.000942)	(0.000002)	(0.000065)	(0.001009)
SBC:						
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
Total SBC			0.033560	0.000048	0.002292	0.035900
TAC			0.000000	0.000000	0.000000	0.000000
EET			0.004268	0.000009	0.000294	0.004571
BSC "J" BS-1		0.047100		0.000100	0.003200	0.050400
BSC "J" BUY-OUT PRICE - Rate set monthly						
<b>Total</b>	<b>0.238429</b>	<b>0.047100</b>	<b>0.036886</b>	<b>0.000155</b>	<b>0.022113</b>	<b>0.344683</b>
<u>GENERAL SERVICE FIRM SALES- LV (GSG-LV FSS)</u>						
<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				10.312500	160.312500
D-1 Demand Charge	9.000000				0.618800	9.618800
Basic Gas Supply Service (BGSS):						
CIP			0.016484	0.000036	0.001136	0.017656
Delivery Charge: COST OF SERVICE	0.238429				0.016392	0.254821
TIC			(0.000942)	(0.000002)	(0.000065)	(0.001009)
SBC:						
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
Total SBC			0.033560	0.000048	0.002292	0.035900
TAC			0.000000	0.000000	0.000000	0.000000
EET			0.004268	0.000009	0.000294	0.004571
BSC "J" BS-1		0.047100		0.000100	0.003200	0.050400
<b>Total</b>	<b>0.238429</b>	<b>0.047100</b>	<b>0.036886</b>	<b>0.000155</b>	<b>0.022113</b>	<b>0.344683</b>

RATE SET MONTHLY

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

**COMPREHENSIVE TRANSPORTATION SERVICE (CTS)**

**COMPREHENSIVE FIRM TRANS SERV (CTS FTS)**

	BASE RATE	BGSS	OTHER RIDERS	PUA	NJ SALES TAX	TARIFF RATE
<b>Firm</b>						
Customer Charge	600.000000				41.250000	641.250000
Delivery Charge:						
<b>D-1 DEMAND CHARGE</b>	27.421300				1.885200	29.306500
C-1 FT VOLUMETRIC CHARGE:						
C-1 COST OF SERVICE	0.047608				0.003273	0.050881
SBC:						
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
Total SBC			0.033560	0.000048	0.002292	0.035900
EET			0.004268	0.000009	0.000294	0.004571
<b>Total C-1 VOLUMETRIC CHARGE</b>	<b>0.047608</b>		<b>0.037828</b>	<b>0.000057</b>	<b>0.005859</b>	<b>0.091352</b>
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
<b>Limited Firm</b>						
Customer Charge	100.000000				6.875000	106.875000
Delivery Charge:						
C-1 FT VOLUMETRIC CHARGE:						
C-1 COST OF SERVICE	0.058400				0.004000	0.062400
SBC:						
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
Total SBC			0.033560	0.000048	0.002292	0.035900
EET			0.004268	0.000009	0.000294	0.004571
<b>Total C-1 VOLUMETRIC CHARGE</b>	<b>0.058400</b>		<b>0.037828</b>	<b>0.000057</b>	<b>0.006586</b>	<b>0.102871</b>
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>
<b>Customer Charge</b>	900.000000				61.875000	961.875000
<b>Delivery Charge:</b>						
<b>D-1 DEMAND CHARGE</b>	14.884200				1.023300	15.907500
<b>C-1 VOLUMETRIC CHARGE:</b>						
C-1 COST OF SERVICE	0.040282				0.002769	0.043051
SBC:						
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
Total SBC			0.033560	0.000048	0.002292	0.035900
EET			0.004268	0.000009	0.000294	0.004571
<b>Total C-1 VOLUMETRIC CHARGE</b>	<b>0.040282</b>	0.011800 0.002500	<b>0.037828</b>	<b>0.000057</b>	<b>0.005355</b>	<b>0.083522</b>
BS-1 ALL THERMS					0.000800	0.012600
BS-1 (Opt Out Provision) ALL THERMS					0.000200	0.002700
BS-C "I" CASH OUT CHARGE/(CREDIT)						RATE SET MONTHLY
<b>Limited Firm</b>						
<b>Customer Charge</b>	100.000000				6.875000	106.875000
<b>Delivery Charge:</b>						
<b>C-1 FT VOLUMETRIC CHARGE:</b>						
C-1 COST OF SERVICE	0.094600				0.006500	0.101100
SBC:						
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
Total SBC			0.033560	0.000048	0.002292	0.035900
EET			0.004268	0.000009	0.000294	0.004571
<b>Total C-1 VOLUMETRIC CHARGE</b>	<b>0.094600</b>		<b>0.037828</b>	<b>0.000057</b>	<b>0.009086</b>	<b>0.141571</b>
BS-1 ALL THERMS		0.011800			0.000800	0.012600
BS-1 (Opt Out Provision) ALL THERMS		0.002500			0.000200	0.002700
BUY-OUT PRICE						RATE SET MONTHLY

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	BASE RATE	BGSS	OTHER RIDERS	PUA	NJ SALES TAX	TARIFF RATE
<b>LARGE VOLUME FIRM SALES SERV (LVS FSS)</b>						
Customer Charge	900.000000				61.875000	961.875000
<b>Basic Gas Supply Service (BGSS):</b>						
C-2 BGSS						RATE SET MONTHLY
D-2 DEMAND CHARGE		14.748296		0.032446	1.016176	15.796918
Delivery Charge:						
D-1 DEMAND CHARGE	14.884200				1.023300	15.907500
C-1 VOLUMETRIC CHARGE:						
C-1 COST OF SERVICE	0.040282				0.002769	0.043051
SBC:						
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
Total SBC			0.033560	0.000048	0.002292	0.035900
EET			0.004268	0.000009	0.000294	0.004571
<b>Total C-1 VOLUMETRIC CHARGE</b>	<b>0.040282</b>	<b>0.000000</b>	<b>0.037828</b>	<b>0.000057</b>	<b>0.005355</b>	<b>0.083522</b>
BS-1 ALL THERMS		0.011800		0.000000	0.000800	0.012600
<b>Limited Firm</b>						
Customer Charge	100.000000				6.875000	106.875000
Delivery Charge:						
C-1 FT. VOLUMETRIC CHARGE:						
C-1 COST OF SERVICE	0.094600				0.006500	0.101100
SBC:						
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
Total SBC			0.033560	0.000048	0.002292	0.035900
EET			0.004268	0.000009	0.000294	0.004571
<b>Total C-1 VOLUMETRIC CHARGE</b>	<b>0.0946</b>	<b>0.000000</b>	<b>0.037828</b>	<b>0.000057</b>	<b>0.009086</b>	<b>0.141571</b>
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>
Commercial/Industrial						
Customer Charge	25.000000				1.718800	26.718800
D-1 DEMAND	6.500000				0.446900	6.946900
Basic Gas Supply Service (BGSS):						RATE SET MONTHLY
Delivery Charge - Winter Season (Nov - Mar)	0.125294				0.008614	0.133908
COST OF SERVICE						
SBC:						
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
Total SBC			0.033560	0.000048	0.002292	0.035900
Balancing Charge BSC"J" BS-1	0.047100			0.000100	0.003200	0.050400
EET			0.004268	0.000009	0.000294	0.004571
<b>Total C-1 VOLUMETRIC CHARGE (FSS &amp; FTS)</b>	<b>0.125294</b>	<b>0.047100</b>	<b>0.037828</b>	<b>0.000157</b>	<b>0.014400</b>	<b>0.224779</b>
Delivery Charge - Summer Season (Apr - Oct)	0.095294				0.006551	0.101845
COST OF SERVICE						
SBC:						
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
Total SBC			0.033560	0.000048	0.002292	0.035900
Balancing Charge BSC"J" BS-1	0.047100			0.000009	0.000294	0.004571
EET			0.004268	0.000100	0.003200	0.050400
<b>Total C-1 VOLUMETRIC CHARGE (FSS &amp; FTS)</b>	<b>0.095294</b>	<b>0.047100</b>	<b>0.037828</b>	<b>0.000157</b>	<b>0.012337</b>	<b>0.192716</b>

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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				0.618800	9.618800
Basic Gas Supply Service (BGSS):		0.318187		0.000700	0.021923	0.340810
Delivery Charge	0.122100				0.008400	0.130500
COST OF SERVICE						
SBC:						
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
Total SBC			0.033560	0.000048	0.002292	0.035900
EET			0.004268	0.000009	0.000294	0.004571
Balancing Charge BSC"J" BS-1		0.047100		0.000100	0.003200	0.050400
<b>Total C-1 VOLUMETRIC CHARGE (FSS &amp; FTS)</b>	<b>0.122100</b>	<b>0.047100</b>	<b>0.037828</b>	<b>0.000157</b>	<b>0.014186</b>	<b>0.221371</b>

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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				12.375000	192.375000
D-1 DEMAND (Rate is negotiated. Shown here is the benchmark rate.)	20.710978				1.423880	22.134858
D-2 DEMAND BGSS(applicable to Sales Customers Only)		14.463445		0.031820	0.996549	15.491814
C-1 CLEP			0.011879	0.000026	0.000818	0.012723
C-1 RAC			0.009781	0.000022	0.000674	0.010477
C-1 USF			0.011900	0.000000	0.000800	0.012700
EET			0.004268	0.000009	0.000294	0.004571
<b>Total C-1 VOLUMETRIC CHARGE</b>			<b>0.037828</b>	<b>0.000057</b>	<b>0.002586</b>	<b>0.040471</b>
C-2 BGSS						RATE SET MONTHLY
BSC "I" CASH OUT CHARGE (CREDIT)		0.011800		0.000000	0.000800	RATE SET MONTHLY
BS-1 ALL THERMS		0.002500		0.000000	0.000200	0.012600
BS-1 (Opt Out Provision) ALL THERMS						0.002700
<u>Limited Firm</u>						
D-2 DEMAND BGSS(applicable to Sales Customers Only)		7.374148		0.016223	0.508088	7.898459
C-1 CLEP			0.011879	0.000026	0.000818	0.012723
C-1 RAC			0.009781	0.000022	0.000674	0.010477
C-1 USF			0.011900	0.000000	0.000800	0.012700
EET			0.004268	0.000009	0.000294	0.004571
<b>Total C-1 VOLUMETRIC CHARGE</b>			<b>0.037828</b>	<b>0.000057</b>	<b>0.002586</b>	<b>0.040471</b>
C-3 All Therms (Rate is negotiated. Shown here is the benchmark rate.)	0.162900				0.011200	0.174100
C-2 BGSS						RATE SET MONTHLY
BSC "I" CASH OUT CHARGE (CREDIT)		0.011800		0.000000	0.000800	RATE SET MONTHLY
BS-1 ALL THERMS		0.002500		0.000000	0.000200	0.012600
BS-1 (Opt Out Provision) ALL THERMS						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>
<b>Winter</b>						
D-1 DEMAND (Rate is negotiated. Shown here is the benchmark rate.)	2.897200				0.199200	3.096400
D-2 DEMAND BGSS(applicable to Sales Customers Only)		7.374148		0.016223	0.508088	7.898459
C-1 CLEP			0.011879	0.000026	0.000818	0.012723
C-1 RAC			0.009781	0.000022	0.000674	0.010477
C-1 USF			0.011900	0.000000	0.000800	0.012700
EET			0.004268	0.000009	0.000294	0.004571
<b>Total C-1 VOLUMETRIC CHARGE</b>			<b>0.037828</b>	<b>0.000057</b>	<b>0.002586</b>	<b>0.040471</b>
C-3 All Therms (Rate is negotiated. Shown here is the benchmark rate.)	0.162900				0.011200	0.174100
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
<b>Summer</b>						
D-1 DEMAND (Rate is negotiated. Shown here is the benchmark rate.)	2.897200				0.199200	3.096400
D-2 DEMAND BGSS(applicable to Sales Customers Only)		7.374148		0.016223	0.508088	7.898459
C-1 CLEP			0.011879	0.000026	0.000818	0.012723
C-1 RAC			0.009781	0.000022	0.000674	0.010477
C-1 USF			0.011900	0.000000	0.000800	0.012700
EET			0.004268	0.000009	0.000294	0.004571
<b>Total C-1 VOLUMETRIC CHARGE</b>			<b>0.037828</b>	<b>0.000057</b>	<b>0.002586</b>	<b>0.040471</b>
C-3 All Therms (Rate is negotiated. Shown here is the benchmark rate.)	0.162900				0.011200	0.174100
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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INTERRUPTIBLE SERVICE, YARD & STREET LIGHTING

	<u>BASE RATE</u>	<u>BGSS</u>	<u>OTHER RIDERS</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<b>INTERRUPTIBLE TRANSPORTATION (ITS)</b>						
<b>SERVICE CHARGE</b>						
<b>TRANS CHARGE A</b>						
SBC:	100.000000				6.875000	106.875000
CLEP	0.028400				0.002000	0.030400
RAC			0.011879	0.000026	0.000818	0.012723
USF			0.009781	0.000022	0.000674	0.010477
Total SBC:			0.011900	0.000000	0.000800	0.012700
EET			0.033560	0.000048	0.002292	0.035900
			0.004268	0.000009	0.000294	0.004571
<b>TRANS CHARGE B</b>						
SBC:	0.093200				0.006400	0.099600
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
Total SBC:			0.033560	0.000048	0.002292	0.035900
EET			0.004268	0.000009	0.000294	0.004571
<b>TRANS CHARGE C</b>						
SBC:	0.153200				0.010500	0.163700
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
Total SBC:			0.033560	0.000048	0.002292	0.035900
EET			0.004268	0.000009	0.000294	0.004571

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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	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
Total SBC:			0.021681	0.000022	0.001474	0.023177
EET			0.004268	0.000009	0.000294	0.004571
<u>YARD LIGHTING SERVICE (YLS)</u>						
MONTHLY CHARGE / INSTALL	7.723363	4.636800			0.849761	13.209924
<u>STREET LIGHTING SERVICE (SLS)</u>						
MONTHLY CHARGE / INSTALL	8.325900	6.955200			1.050576	16.331676

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**Heat Residential Rate Schedule:**

	RSG FSS	RSG-FTS	Difference
BGSS	0.340810	0.000000	0.340810
Cost of Service	0.584945	0.584945	0.000000
CLEP	0.012723	0.012723	0.000000
RAC	0.010477	0.010477	0.000000
TAC	0.000000	0.000000	0.000000
CIP	0.072927	0.072927	0.000000
USF	0.012700	0.012700	0.000000
TIC	(0.001009)	(0.001009)	0.000000
EET	0.004571	0.004571	0.000000
BSC "J" BS-1	0.050400	0.050400	0.000000
<b>Price to Compare</b>	<b>1.088544</b>	<b>0.747734</b>	<b>0.340810</b>

**NonHeat Residential Rate Schedule:**

	RSG FSS	RSG-FTS	Difference
BGSS	0.340810	0.000000	0.340810
CIP	0.026597	0.026597	0.000000
Cost of Service	0.584945	0.584945	0.000000
CLEP	0.012723	0.012723	0.000000
RAC	0.010477	0.010477	0.000000
TAC	0.000000	0.000000	0.000000
USF	0.012700	0.012700	0.000000
TIC	(0.001009)	(0.001009)	0.000000
EET	0.004571	0.004571	0.000000
BSC "J" BS-1	0.050400	0.050400	0.000000
<b>Price to Compare</b>	<b>1.042214</b>	<b>0.701404</b>	<b>0.340810</b>

**GSG**  
(Under 5,000 therms annually)

	GSG FSS	GSG-FTS	Difference
BGSS	0.340810	0.000000	0.340810
CIP	0.058264	0.058264	0.000000
Cost of Service	0.465346	0.465346	0.000000
CLEP	0.012723	0.012723	0.000000
RAC	0.010477	0.010477	0.000000
TAC	0.000000	0.000000	0.000000
USF	0.012700	0.012700	0.000000
TIC	(0.001009)	(0.001009)	0.000000
EET	0.004571	0.004571	0.000000
BSC "J" BS-1	0.050400	0.050400	0.000000
<b>Price to Compare</b>	<b>0.954282</b>	<b>0.613472</b>	<b>0.340810</b>

**GSG**  
(5,000 therms annually or greater)

	GSG FSS	GSG-FTS	Difference
BGSS	0.490807	0.000000	0.490807
CIP	0.058264	0.058264	0.000000
Cost of Service	0.465346	0.465346	0.000000
CLEP	0.012723	0.012723	0.000000
RAC	0.010477	0.010477	0.000000
TAC	0.000000	0.000000	0.000000
USF	0.012700	0.012700	0.000000
TIC	(0.001009)	(0.001009)	0.000000
EET	0.004571	0.004571	0.000000
BSC "J" BS-1	0.050400	0.050400	0.000000
<b>Price to Compare</b>	<b>1.104279</b>	<b>0.613472</b>	<b>0.490807</b>

**GSG-LV**

Prior to 7/15/97

	GSG-LV FSS	GSG-LV-FTS	Difference
BGSS	0.490807	0.000000	0.490807
CIP	0.017656	0.017656	0.000000
Cost of Service	0.254821	0.254821	0.000000
CLEP	0.012723	0.012723	0.000000
RAC	0.010477	0.010477	0.000000
TAC	0.000000	0.000000	0.000000
USF	0.012700	0.012700	0.000000
TIC	(0.001009)	(0.001009)	0.000000
EET	0.004571	0.004571	0.000000
BSC "J" BS-1	0.050400	0.050400	0.000000
<b>Price to Compare</b>	<b>0.853146</b>	<b>0.362339</b>	<b>0.490807</b>

**DIRECT TESTIMONY  
OF  
TIMOTHY W. RUNDALL  
SENIOR DIRECTOR, GAS SUPPLY AND ALLOCATIONS  
JUNE 2017**

1 **I. INTRODUCTION**

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

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

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

17 A. 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  
19 utilization of gas supplies to meet those requirements, as shown in Schedule TWR-

1 1; and (b) the associated gas costs shown in Schedules TWR-2 and Schedule TWR-  
2 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 **II. GAS SUPPLY AND REQUIREMENTS FORECAST**

7 **Q. Please explain generally the Company's gas supply and requirements forecast**  
8 **for the 2017-2018 BGSS Year.**

9 **A.** The gas quantities shown on Schedule TWR-1 are based upon a mixture of gas  
10 supply sources determined by the Company to yield the best gas cost mixture while  
11 providing security of supply and system integrity. The Company utilized the New  
12 York Mercantile Exchange (NYMEX) Strip Pricing as of May 10, 2017, currently  
13 hedged positions and contractual agreements when determining the prices and  
14 quantities of gas, which are shown on Schedule TWR-2 and Schedule TWR-3.

15  
16 For the 2017-2018 BGSS Year, we are projecting in Schedule TWR-1 that firm  
17 customer requirements and projected storage injections will be met essentially  
18 through annual, seasonal and short term purchases from third-party sellers on the  
19 Transcontinental Gas Pipe Line Company, LLC ("Transco") and Columbia Gas  
20 Transmission, LLC ("Columbia") pipeline systems of 4.6 MMDts and 24.0  
21 MMDts, respectively; pipeline storage withdrawals of 7.9 MMDts and Liquefied  
22 Natural Gas (LNG) of 0.7 MMDts.

1 **Q. Please provide the historic and prospective supply and requirements for the**  
2 **2017-2018 BGSS Year.**

3 **A.** The data shown on Schedule TWR-4 (page 1 of 3), provides the actual  
4 requirements and supplies by component on an annual, heating season and non-  
5 heating season basis, for the two prior gas supply years (November 2014 –  
6 October 2015 and November 2015 – October 2016). The data shown on Schedule  
7 TWR-4 (page 2 of 3), provides information for the reconciliation period  
8 (November 2016 – October 2017), including actual data for November 2016 –  
9 March 2017 heating season and data estimated for April 2017 – October 2017  
10 non-heating season. Schedule TWR-1 provides prospective information on the  
11 October 2017 – September 2018 BGSS year, while Schedule TWR-4 (page 3 of  
12 3) provides the same information on a prospective basis for the subsequent gas  
13 supply year (November 2018 – October 2019).

14 **Q. Please provide an overview of the Company’s supply by interstate pipeline.**

15 **A. Supplies on Transco**

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

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

22 |  
23 |



1           **Supplies on Columbia**

2           Columbia is South Jersey’s second largest provider of interstate pipeline services.  
3           The Company holds several firm transportation services with Columbia under  
4           Rate Schedule FTS, and one long-term firm transportation service under Rate  
5           Schedules NTS. In addition, South Jersey subscribes to a firm storage service  
6           under Columbia’s Rate Schedule FSS along with an associated firm storage  
7           transportation service under Rate Schedule SST.

8           The Company’s maximum daily quantity (MDQ) for its FTS service is 101,511  
9           Dts/day and its MDQ with its NTS service is 22,511 Dts/day, for a combined  
10          deliverability of 124,022 Dts/day. Each of the referenced services is available on  
11          a year round basis.

12          **Supplies on Dominion**

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

17          **Q. Please explain how if at all the pipeline storage services will help meet the**  
18          **Company’s requirements during the 2017-2018 BGSS Year.**

19          **A.** Schedule TWR-1 (page 1 of 2) also reflects the injection of direct purchase gas  
20          into storage services during the 2018 summer season. Schedule TWR-1 (page 2 of  
21          2) shows that the net amount of gas projected to be withdrawn from pipeline  
22          storage services to meet the Company’s requirements during the 2017-2018  
23          winter season will total approximately 7.9 MMDts.

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**Q. Please explain how the Company used Liquefied Natural Gas (“LNG”) to meets its current and forecasted needs.**

**A.** In Schedule TWR-1 (page 2 of 2, line 17), the Company is projecting that its LNG send-out requirement during the 2017-2018 BGSS year will be 401,940 Dts. South Jersey requires a stable LNG supply source to maintain gas service to its customers during the winter season to meet peak send-out requirements, and to stand ready to supply its customers should an interruption of gas supplies occur on the system of one or more of its pipeline suppliers. The critical nature of the LNG facility was especially evident during the 2013-14 winter season, when LNG was vaporized on 29 days for a total quantity of 359,260 Mcf, and the 2014-15 winter season, when LNG was vaporized on 22 days for a total quantity of 347,140 Mcf. Additionally, LNG may be called upon to stabilize pressures in the gas distribution system on the eastern side of the Company's service territory.

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

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

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

18

19 **III. COST OF GAS**

20 **Q. Please explain how the Company manages the cost of gas.**

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

1 Transco system. Natural gas stored and transported by Dominion is delivered into  
2 Transco's 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 to  
5 the maximum extent possible to facilitate its ongoing policy of best-value gas  
6 purchasing, with consideration given to security of supply along with contractual  
7 obligations and hedged supplies. With this objective, South Jersey is projecting  
8 that all of the natural gas purchases reflected in Schedule TWR-1 (page 2 of 2) for  
9 the 2017-2018 BGSS year will be priced on a market responsive basis with the  
10 exception of those hedged purchases made under the provisions of the Company's  
11 Commodity Purchasing Guidelines, which are attached hereto as Confidential  
12 Schedule TWR-5. Confidential Schedule TWR-5 will be provided to Board Staff  
13 and the Division of Rate Counsel upon execution of a mutually acceptable Non-  
14 Disclosure Agreement.

15 **Demand Charges**

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

21 **Commodity Charges**

22 The delivered commodity gas prices reflected in Schedule TWR-2 for the 2017-  
23 2018 BGSS year were derived based on the Company's Commodity Purchasing

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

6 The commodity prices in Schedule TWR-2 for gas purchased and delivered under  
7 Transco Rate Schedules FT and PSFT, along with gas purchased and delivered on  
8 Columbia Rate Schedules FTS and NTS, were based on the average of the  
9 NYMEX close as of May 10, 2017, along with the estimated production and  
10 market area indices at the various locations where we expect to purchase gas  
11 during the BGSS year. The estimates of indices were gathered from industry  
12 publications along with discussions held with other market participants including  
13 brokers, marketers and other GDCs. Additionally, any currently hedged positions  
14 as shown in the quarterly hedging report most recently filed with the Board are  
15 included in the commodity price estimate. Also incorporated in these commodity  
16 prices are the appropriate pipeline fuel retainage and transportation costs assessed  
17 when delivering gas to South Jersey's city gate stations.

18  
19 Please be advised that a recent legal decision issued on May 8, 2017 regarding a  
20 pricing dispute with a gas supplier resulted in approximately \$16.2 million in  
21 additional commodity cost. The Company intends to appeal the decision. While  
22 this matter is pending, the Company is not required to make a remittance related

1 to this dispute and therefore, has not included the \$16.2 million in disputed  
2 commodity costs in this filing.

3

4 **LNG Commodity Charges**

5 The commodity price of the LNG as shown in Schedule TWR-3 was based on the  
6 delivered cost of LNG using the NYMEX strip on May 10, 2017, along with costs  
7 related to processing natural gas into liquefied natural gas.

8

9 **Affiliate Gas Supply Transactions**

10 Please refer to Confidential Schedule TWR-10 for details, including date, rate and  
11 terms of all gas and capacity sales as of April 2017 to our affiliate South Jersey  
12 Resources Group (“SJRG”), for the current BGSS year. Confidential Schedule  
13 TWR-10 will be provided to Board Staff and the Division of Rate Counsel upon  
14 execution of a mutually acceptable Non-Disclosure Agreement.

15 Should market opportunities present themselves, we would expect additional  
16 transactions in order to maximize Company assets.

17 **Q. Please explain the Company’s design day analysis and how it impacts this**  
18 **filing.**

19 **A.** South Jersey, like other gas utilities, must plan to meet customer needs on a  
20 design day (or a day in which our service area would experience an average daily  
21 temperature of 2 degrees Fahrenheit or 63 heating degree days). Schedule TWR-  
22 6 represents the Company’s design day forecast (“Design Day Forecast”) as  
23 compared to Company entitlements for the 2017-18 through 2021-22 winter

1 seasons. This forecast is used by South Jersey to evaluate its ability to meet  
2 customer requirements on the projected coldest day scenario, which is based on  
3 South Jersey's actual experience in January 1994. For the purposes of this  
4 analysis, the Company updated the forecasting model to incorporate updated  
5 customer growth rates for residential and commercial customers and updated  
6 heating use factors. Incorporating the most recent available data into the Design  
7 Day model will provide a reflection of the effects that the energy efficiency  
8 programs and the conservation incentive programs have had in recent years, and  
9 are projected to have in future years.

10  
11 Also attached hereto as Schedule TWR-7, are the Company's five (5) highest  
12 send-out days for the last three winter seasons.

13  
14 In the Global Settlement (BPU Docket No. GR03080683, et. al.) South Jersey  
15 agreed to revise its design day analysis to include in the calculation of demand  
16 requirements, design day volumes associated with customers served under all  
17 sales rate schedules and transportation customers served under Rate Schedules  
18 RSG, GSG, GSG-LV, EGS, LVS, CTS and EGS-LV. In addition, South Jersey  
19 agreed to exclude from design day planning, design day volumes associated with  
20 transportation customers served under rate schedules LVS, CTS and EGS-LV that  
21 opt-out of the right or entitlement to have base load provided by the Company in  
22 accordance with provisions of our tariff. To date, all eligible customers served

1 under rate schedules LVS, CTS and EGS-LV have opted out and this has been  
2 reflected in the design day forecast.

3 For design day planning purposes, South Jersey will rely upon 100% of the daily  
4 projected transportation volumes (not acquire backup capacity) associated with  
5 transportation customers served under rate schedules RSG, GSG, GSG-LV and  
6 EGS, along with those customers, if any, served under rate schedules LVS, CTS  
7 and EGS-LV who do not opt-out if their volumes are less than or equal to 105,000  
8 Dts/d. Should South Jersey project that the transportation market associated with  
9 these rate schedules will exceed 105,000 Dts/d, then South Jersey will rely on  
10 50% of transportation volumes associated with RSG, GSG, GSG-LV and EGS (as  
11 well as those customers, if any, served under rate schedules LVS, CTS and EGS-  
12 LV who do not opt-out) transportation customers that exceed 105,000 Dts/d.  
13 Schedule TWR-6 details the Company's design day requirements as compared to  
14 available capacity entitlements through the 2021-22 winter season.

15 **Q. Has the Company planned for additional capacity and if so, how?**

16 **A. PennEast Capacity**

17 In August of 2014 the Company entered into a Precedent Agreement for firm  
18 transportation capacity with PennEast Pipeline Company, LLC ("PennEast").  
19 The Company requested a Maximum Daily Firm Transportation Quantity (MDQ)  
20 of 105,000 Dth/d, which qualified the Company as a Foundation Shipper and for  
21 the Most Favored Nation Rate Provision. If PennEast were to negotiate a lower  
22 rate with any other shipper, the Most Favored Nation Rate Provision provides that  
23 South Jersey would also pay the lower rate. The reservation rate is \$0.45/Dth/Day



1 and the in-service date is expected to be in the 3<sup>rd</sup> or 4<sup>th</sup> quarter of 2018. This  
2 unique opportunity will provide access (receipt points) to supplies in at several  
3 locations in Luzerne County, PA and deliver those supplies to Transco in Mercer  
4 County, NJ where they can be moved to SJG's city gate on existing capacity  
5 acquired in Transco's Central New Jersey Expansion Project (CNJEP) in 2005.  
6 Currently the receipt points of the capacity acquired in the CNJEP are located in  
7 Transco's Zone 6. Transco's Zone 6 supplies have been subjected to considerable  
8 volatility during the 2013-14 and 2014-15 winter seasons, leading to higher  
9 commodity prices in those locations. Additionally, since February 2015, Transco  
10 has identified the Marcus Hook Lateral (where all SJG Transco Meter Stations are  
11 located) as a constraint point on their system, which has further exacerbated price  
12 volatility in the market area. South Jersey's requested MDQ of 105,000 Dth/d on  
13 the PennEast project, matching the MDQ held on Transco's CNJEP, will benefit  
14 South Jersey's customers by providing access to significantly lower priced  
15 commodity. In addition, the discounted supplies provided by the PennEast/CNJEP  
16 path may provide an opportunity to make additional supply portfolio changes that  
17 could potentially provide additional cost savings for BGSS customers above and  
18 beyond the PennEast/CNJEP path commodity savings.

19 **Tennessee Capacity**

20 In December of 2014, the Company entered into a Precedent Agreement for firm  
21 transportation capacity with Tennessee Gas Pipeline, LLC (Tennessee). The  
22 Company requested a MDQ of 78,000 Dth/d. The reservation rate is  
23 \$12.166/Dth/Month and the expected in-service date is June 1, 2018. This

1 capacity will provide access (receipt points) to supplies along Tennessee's  
2 pipeline 300 line, with the Primary Receipt Point of Gibson in Wayne County, PA  
3 and deliver those supplies to Columbia in Pike County, PA where they can be  
4 moved to SJG's city gate on capacity acquired in Colombia's ESEP, discussed  
5 above. South Jersey's requested MDQ of 78,000 Dth/d on the Tennessee project  
6 matches the MDQ on Columbia's ESEP, plus some additional Columbia capacity  
7 held by the Company. Tennessee has proposed an earlier than originally  
8 negotiated in-service date for the project. The original in-service date was June, 1,  
9 2018 and the proposed new in-service date for a portion of the project (55,000  
10 Dth/d) is November 1, 2017. The Company is in the process of negotiating a  
11 discounted reservation rate of \$7.908 per Dth per month for the term November 1,  
12 2017 - March 31, 2018 and a discounted reservation rate of \$11.863 per Dth per  
13 month for April and May of 2018.

14 **Cabot Supply**

15 In January 2015 South Jersey entered into three (3) long term supply agreements  
16 directly associated with the new pipeline capacity agreements identified above  
17 that will provide significantly discounted supply and offset the demand and  
18 variable charges associated with those new capacity agreements. The first  
19 agreement provides supply into the Tennessee 300 line at Gibson, which will be  
20 moved to the Tennessee/Columbia interconnect, then transported to SJG's city  
21 gate via Columbia. This supply is priced at NYMEX last day settle less \$0.88.  
22 The commodity price has been negotiated to offset the per Dth demand charge on  
23 both the Tennessee capacity and the Columbia ESEP capacity and land at SJG's

1 city gate flat to NYMEX. The delivery period begins November 2018 and  
2 continues for 10 years. The Company is in discussions with Cabot to align the  
3 commencement of this supply agreement to the November 1, 2017 in-service date  
4 of Tennessee capacity identified above.

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

12 These two supply agreements are priced to offset the pipeline demand and  
13 variable charges on the PennEast and Transco pipelines on which they will flow.

14 The commodity will deliver into South Jersey's system at the monthly NYMEX  
15 settle flat, net of pipeline demand and variable costs. This pricing structure will  
16 prompt these pipeline paths to operate at the highest load factor in the SJG  
17 portfolio. The unique and innovative structure of these two supply agreements  
18 will provide BGSS customers with significant savings for years into the future.

19 The third agreement provides winter only supply into the PennEast project, which  
20 will be moved to the PennEast/Transco interconnect, then transported to SJG's  
21 city gate via Transco. This supply is priced at Leidy Transco Receipts inside  
22 FERC Index plus \$0.03 per Dth. The Leidy Transco Index has been among the  
23 lowest priced indices in the country and, based on the volume of Marcellus gas

1 projected to come on line in the future, the Company anticipates that the index  
2 will remain low relative to other locations for the foreseeable future. The delivery  
3 period begins on the in-service date of the PennEast project and continues for 10  
4 years.

5 **Supplier Refunds**

6 The Company's actual and projected supplier refunds for both the 2016-2017 and  
7 2017-2018 BGSS years are shown in Schedule TWR-8 on page 1 of 2 and page 2  
8 of 2, respectively. The refunds shown for 2016-2017 reflect miscellaneous  
9 pipeline rate adjustments and the sharing of penalty revenues with non-penalized  
10 shippers. The Company is not anticipating any significant refunds during the  
11 2017-2018 BGSS year at this time.

12  
13 **IV. HEDGING PROGRAM**

14 **Q. Please explain, generally, the Company's existing Hedging Program.**

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

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

14  
15 All hedging gains and losses, as well as the cost of any derivatives and related  
16 transaction fees, are passed through the BGSS clause and as such are subject to  
17 periodic review by the BPU. Speculative trading is not practiced by the  
18 Company.

19 **Q. How if at all does the Company report on its hedging program?**

20 **A.** The Gas Supply Department prepares and distributes, on a quarterly basis, a  
21 detailed report of hedging positions for the current and prospective BGSS years.  
22 The reports are presented to and reviewed by South Jersey's RMC and are  
23 provided to the BPU as is required. The reports contain the details of each

1 hedging strategy and a summary of all hedging strategies, including the  
2 percentage of BGSS send-out currently hedged.

3

4 The four most recent quarterly hedging reports as of March 2017 are contained in  
5 Schedule TWR-9.

6

7 **V. COST REDUCTION INITIATIVES**

8 **Q. Please explain the Company's current and anticipated Conservation  
9 Incentive Program (CIP) actions.**

10 **A.** 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 became  
13 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 Direct  
16 Testimony of Daniel P. Yardley.

17

18 Savings for the 2017-2018 BGSS Year include \$2,243,369 of Category One  
19 Permanent BGSS Savings, which are defined in the CIP Continuation Order as  
20 permanent savings realized from their respective permanent capacity releases and  
21 contract terminations. The CIP Continuation Order identified Category One  
22 Permanent BGSS Savings of \$2,243,369, which included \$1,360,159 of savings

1 associated with the termination of the SS-1 storage service provided by Transco  
2 and Dominion.

3 Anticipated Category Two eligible BGSS savings totaling \$6,116,513 for the  
4 2017-2018 BGSS Year include the following capacity releases: 20,000 dts/d  
5 Transco FTF capacity; 10,000 dts/d of Transco Long Haul capacity; 19,029 dts/d  
6 of Columbia FSS withdrawal capacity; and 8,671 dts/d of Columbia FTS  
7 capacity. Category Two BGSS savings also include \$913,800 in commodity  
8 savings from a negotiated change in receipt location of Columbia capacity. These  
9 anticipated Category Two releases represent a cross section of South Jersey's  
10 portfolio of assets.

11 Category Three BGSS savings associated with avoided capacity costs to meet  
12 residential customer growth total \$372,157. This amount has been calculated as  
13 set forth in the Board's Order in Docket No. GR13030185 and is supported by the  
14 Direct Testimony of Daniel P. Yardley. The total anticipated Category One, Two  
15 and Three savings eligible for the BGSS savings test for the 2017-2018 BGSS is  
16 \$8.7 million.

17

18 **VI. FEDERAL ENERGY REGULATORY COMISSION (FERC) PIPELINE**  
19 **ACTIVITES**

20  
21 **Q. Please explain whether any FERC proceedings are anticipated to impact**  
22 **BGSS 2017-1018 Year costs.**

23  
24 **A.** A summary of FERC proceedings which may impact BGSS costs during the  
25 applicable periods is attached as Schedule TWR-11. This schedule reflects those

1 proceedings that may have an operational and/or cost effect on the services that  
2 South Jersey receives from its pipeline suppliers.

3 **VII. CONCLUSION**

4 **Q. Can you please provide a brief summary of your testimony?**

5 **A.** This testimony highlights activities the Company is undertaking to optimize the  
6 use of its gas supply portfolio and to minimize and stabilize costs to its customers.  
7 For the reasons set forth in this testimony the Board should approve the  
8 Company's proposed BGSS and CIP rates.

9 **Q. Does that conclude your testimony?**

10 **A.** Yes, it does.



SOUTH JERSEY GAS COMPANY  
2017 - 2018 BGSS  
Requirement & Supply

	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Total
1 Utility Sendout	1,362,877	2,940,137	4,778,751	5,554,012	4,796,586	3,826,523	1,870,307	1,051,259	642,265	636,095	669,080	678,198	28,806,091
2 GSG-LV - Monthly BGSS	142,846	296,884	467,122	496,964	515,493	424,467	249,011	171,972	135,590	127,845	151,756	52,662	3,232,614
3 EGS-LV - Firm - Monthly BGSS	0	0	0	0	0	0	0	0	0	0	0	0	0
4 EGS-LV - Limited Firm - Monthly BGSS	0	0	0	0	0	0	0	0	0	0	0	0	0
5 EGS - Monthly BGSS	13	13	13	11	11	11	12	12	12	13	13	13	149
6 FES - Limited Firm	73,045	48,696	5,073	25,363	42,609	55,798	55,798	81,161	213,047	131,886	131,886	76,088	940,448
7 LVS - Monthly BGSS	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Total Firm Sendout	1,578,780	3,285,730	5,250,859	6,076,351	5,354,689	4,306,799	2,175,128	1,304,403	990,914	895,840	952,737	806,961	32,979,303
9 Net Storage Injections													
10 Transco S-2	77	0	0	0	0	0	15,000	15,000	20,460	21,642	36,642	31,223	140,044
11 Transco SS-2 (2)	80,000	0	0	0	0	0	261,910	328,669	297,615	293,561	273,513	229,407	1,764,675
12 Transco ESS	20,000	0	0	0	0	0	31,818	21,817	31,010	43,331	43,331	41,010	232,315
13 Transco GSS	100,000	60,000	100,000	30,000	20,000	15,000	153,767	206,247	187,579	180,380	160,380	153,129	1,346,482
14 Transco LNG (LGA)	0	0	0	0	0	0	35,303	36,378	35,303	36,378	36,378	35,303	215,042
15 Transco LSS (2)	80,000	0	0	0	0	0	184,000	210,800	202,920	164,000	198,280	184,000	1,224,000
16 Columbia FSS	240,000	30,000	30,000	30,000	30,000	30,000	433,531	339,234	313,587	263,587	233,587	250,010	2,223,537
17 Dominion GSS	0	0	0	0	0	0	63,450	72,850	70,500	72,850	72,850	70,500	423,000
18 Company LNG	155,390	0	0	0	0	40,000	53,196	86,131	88,238	82,237	84,897	87,241	677,330
19 Transco ESS Compressor Fuel 0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Transco GSS Compressor Fuel 2.47%	2,533	1,520	2,533	760	507	380	3,894	5,223	4,244	4,568	4,062	3,878	34,102
21 Transco SS-2 Compressor Fuel 1.33%	1,078	0	0	0	0	0	3,530	4,430	4,012	3,957	3,687	3,092	23,786
22 Transco LSS Compressor Fuel 1.57%	1,276	0	0	0	0	0	2,935	3,362	3,237	2,616	3,163	2,935	19,524
23 Transco LGA Compressor Fuel 28.56%	0	0	0	0	0	0	14,113	14,543	14,113	14,543	14,543	14,113	85,968
24 Columbia FSS Compressor Fuel 0.17%	409	51	51	51	51	51	738	578	534	449	398	426	3,787
25 Transco S-2 Compressor Fuel 0.64%	0	0	0	0	0	0	97	97	132	139	236	201	902
26 Dominion GSS Compressor Fuel 1.95%	0	0	0	0	0	0	1,262	1,449	1,402	1,449	1,449	1,402	8,413
27 Columbia SST Compressor Fuel 1.432%	3,487	436	436	436	436	436	6,298	4,928	4,556	3,829	3,394	3,632	32,304
28 Total Storage Injections	684,250	92,007	133,020	61,247	50,994	85,867	1,264,841	1,351,736	1,259,442	1,189,516	1,170,790	1,111,501	8,455,210
29 Total Requirements	2,263,030	3,377,737	5,383,879	6,137,598	5,405,693	4,392,666	3,439,969	2,656,139	2,250,356	2,085,355	2,123,527	1,918,462	41,434,513

SOUTH JERSEY GAS COMPANY  
2017 - 2018 BGSSC  
Requirement & Supply

	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Total
7 <u>Net Storage Withdrawals</u>													
8 Transco S-2	77	0	48,267	48,267	43,433	0	0	0	0	0	0	0	140,044
9 Transco SS-2 (2)	0	86,812	423,621	497,333	449,204	307,706	0	0	0	0	0	0	1,764,675
10 Transco ESS	0	40,000	15,000	59,363	40,962	0	22,000	20,000	10,000	0	0	25,000	232,315
11 Transco GSS	80,000	81,942	163,884	392,106	328,550	178,000	118,000	0	0	0	2,000	2,000	1,346,482
12 Transco LNG (LGA)	0	0	0	141,030	63,040	10,972	0	0	0	0	0	0	215,042
13 Transco LSS (2)	0	120,000	312,000	360,000	228,000	204,000	100,000	85,000	80,000	90,000	50,000	50,000	1,224,000
14 Columbia ESS	55,000	164,792	385,687	457,583	482,314	223,161	100,000	0	0	0	0	0	2,223,537
15 Columbia GSS	0	0	100,000	140,000	140,800	42,200	0	0	0	0	0	0	423,000
16 Dominion GSS	0	0	61,581	58,929	70,330	79,100	9,500	9,500	9,500	9,500	9,500	9,500	401,940
17 Company LNG	(2)	0	(999)	(999)	(889)	0	0	0	0	0	0	0	(2,899)
18 Transco S-2 Compressor Fuel 2.07%	0	0	(5,168)	(6,067)	(5,480)	(3,754)	0	0	0	0	0	0	(21,528)
19 Transco SS-2 Compressor Fuel 1.22%	0	(1,059)	(5,168)	(6,067)	(5,480)	(3,754)	0	0	0	0	0	0	(21,528)
20 Transco LSS Compressor Fuel 0.27%	0	(324)	(842)	(972)	(616)	(551)	0	0	0	0	0	0	(3,305)
21 Transco GSS Compressor Fuel 0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0
22 Dominion GSS Compressor Fuel 0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0
23 Columbia FSS Compressor Fuel 0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0
24 Columbia SST Compressor Fuel 1.432%	(788)	(2,360)	(5,523)	(6,553)	(6,907)	(3,196)	(1,432)	(1,217)	(1,146)	(1,289)	(716)	(716)	(31,843)
25 Total Storage Withdrawals	139,287	559,802	1,497,508	2,140,020	1,832,721	1,037,637	248,068	113,283	98,354	98,211	60,784	85,784	7,911,459
26 Total Storage Withdrawals													
27 Pipeline & Supplemental Supplies													
28 Spot Purchases - Columbia ESEP	665,712	2,100,000	2,170,000	2,170,000	1,960,000	2,170,000	2,100,000	2,070,000	1,500,000	1,500,000	1,500,000	1,500,000	21,405,712
29 Spot Purchases - Columbia	177,548	100,000	500,000	588,240	300,000	300,000	438,240	13,240	88,240	18,240	88,240	8,240	2,620,228
30 Spot Purchases - Transco	609,190	72,342	151,201	23,937	70,803	64,763	195,644	20,341	26,875	26,923	5,949	8,434	1,276,392
31 Spot Purchases - Transco Leidy	300,000	200,000	500,000	600,000	600,000	300,000	100,000	100,000	100,000	100,000	100,000	100,000	3,100,000
32 Spot Purchases - FES & Monthly BGSS	215,903	345,593	472,208	522,338	558,114	480,276	304,821	253,144	348,649	259,744	283,657	128,763	4,173,212
33 Spot Purchases on Transco PSFT	0	0	93,062	93,062	84,056	0	0	0	0	0	0	0	270,180
34 Liquefied Natural Gas (LNG)	155,390	0	0	0	0	40,000	53,196	86,131	88,238	82,237	84,897	87,241	677,330
35 Total Pipeline & Supplemental Supplies	2,123,743	2,817,935	3,886,471	3,997,578	3,572,973	3,355,029	3,191,901	2,542,856	2,152,002	1,987,144	2,062,743	1,832,678	33,523,054
36 Total Pipeline & Supplemental Supplies													
37 Total Supply	2,263,030	3,377,737	5,383,979	6,137,598	5,405,693	4,392,666	3,439,969	2,656,139	2,250,356	2,085,355	2,123,527	1,918,462	41,434,513

SOUTH JERSEY GAS COMPANY  
2017 - 2018 BGSSC  
Pipeline Pricing

	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18
1	\$0.4755	\$0.4755	\$0.4755	\$0.4755	\$0.4755	\$0.4755	\$0.4755	\$0.4755	\$0.4755	\$0.4755	\$0.4755	\$0.4755
2	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
3	\$0.1460	\$0.1460	\$0.1460	\$0.1460	\$0.1460	\$0.1460	\$0.1460	\$0.1460	\$0.1460	\$0.1460	\$0.1460	\$0.1460
4	\$0.0040	\$0.0040	\$0.0040	\$0.0040	\$0.0040	\$0.0040	\$0.0040	\$0.0040	\$0.0040	\$0.0040	\$0.0040	\$0.0040
5	\$0.0339	\$0.0339	\$0.0339	\$0.0339	\$0.0339	\$0.0339	\$0.0339	\$0.0339	\$0.0339	\$0.0339	\$0.0339	\$0.0339
6	\$0.0491	\$0.0491	\$0.0491	\$0.0491	\$0.0491	\$0.0491	\$0.0491	\$0.0491	\$0.0491	\$0.0491	\$0.0491	\$0.0491
7	\$0.2765	\$0.2765	\$0.2765	\$0.2765	\$0.2765	\$0.2765	\$0.2765	\$0.2765	\$0.2765	\$0.2765	\$0.2765	\$0.2765
8	\$0.0009	\$0.0009	\$0.0009	\$0.0009	\$0.0009	\$0.0009	\$0.0009	\$0.0009	\$0.0009	\$0.0009	\$0.0009	\$0.0009
9	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317
10	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317	\$0.0317
11	\$0.1008	\$0.1008	\$0.1008	\$0.1008	\$0.1008	\$0.1008	\$0.1008	\$0.1008	\$0.1008	\$0.1008	\$0.1008	\$0.1008
12	\$0.0005	\$0.0005	\$0.0005	\$0.0005	\$0.0005	\$0.0005	\$0.0005	\$0.0005	\$0.0005	\$0.0005	\$0.0005	\$0.0005
13	\$0.0488	\$0.0488	\$0.0488	\$0.0488	\$0.0488	\$0.0488	\$0.0488	\$0.0488	\$0.0488	\$0.0488	\$0.0488	\$0.0488
14	\$0.0419	\$0.0419	\$0.0419	\$0.0419	\$0.0419	\$0.0419	\$0.0419	\$0.0419	\$0.0419	\$0.0419	\$0.0419	\$0.0419
15	\$0.0211	\$0.0211	\$0.0211	\$0.0211	\$0.0211	\$0.0211	\$0.0211	\$0.0211	\$0.0211	\$0.0211	\$0.0211	\$0.0211
16	\$0.0025	\$0.0025	\$0.0025	\$0.0025	\$0.0025	\$0.0025	\$0.0025	\$0.0025	\$0.0025	\$0.0025	\$0.0025	\$0.0025
17	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411
18	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411	\$0.0411
19	\$0.1507	\$0.1507	\$0.1507	\$0.1507	\$0.1507	\$0.1507	\$0.1507	\$0.1507	\$0.1507	\$0.1507	\$0.1507	\$0.1507
20	\$0.0006	\$0.0006	\$0.0006	\$0.0006	\$0.0006	\$0.0006	\$0.0006	\$0.0006	\$0.0006	\$0.0006	\$0.0006	\$0.0006
21	\$0.0277	\$0.0277	\$0.0277	\$0.0277	\$0.0277	\$0.0277	\$0.0277	\$0.0277	\$0.0277	\$0.0277	\$0.0277	\$0.0277
22	\$0.0212	\$0.0212	\$0.0212	\$0.0212	\$0.0212	\$0.0212	\$0.0212	\$0.0212	\$0.0212	\$0.0212	\$0.0212	\$0.0212
23	\$0.0348	\$0.0348	\$0.0348	\$0.0348	\$0.0348	\$0.0348	\$0.0348	\$0.0348	\$0.0348	\$0.0348	\$0.0348	\$0.0348
24	\$0.0067	\$0.0067	\$0.0067	\$0.0067	\$0.0067	\$0.0067	\$0.0067	\$0.0067	\$0.0067	\$0.0067	\$0.0067	\$0.0067
25	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055
26	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055	\$0.3055
27	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
28	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
29	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
30	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
31	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
32	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
33	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
34	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
35	\$0.0348	\$0.0348	\$0.0348	\$0.0348	\$0.0348	\$0.0348	\$0.0348	\$0.0348	\$0.0348	\$0.0348	\$0.0348	\$0.0348
36	\$0.0067	\$0.0067	\$0.0067	\$0.0067	\$0.0067	\$0.0067	\$0.0067	\$0.0067	\$0.0067	\$0.0067	\$0.0067	\$0.0067
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	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
40	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
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	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000

- 8 Transco FT ZONE BASED RESV
- 9 Transco FT LONG HAUL CAP. REL. CREDIT
- 10 Transco S-2 DEMAND
- 11 Transco S-2 CAPACITY
- 12 Transco S-2 IN
- 13 Transco S-2 OUT
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- 15 Transco SS-2 DEMAND
- 16 Transco SS-2 CAPACITY
- 17 Transco SS-2 IN
- 18 Transco SS-2 OUT
- 19
- 20 Transco GSS DEMAND
- 21 Transco GSS CAPACITY
- 22 Transco GSS IN
- 23 Transco GSS OUT
- 24
- 25 Transco ESS DEMAND
- 26 Transco ESS CAPACITY
- 27 Transco ESS IN
- 28 Transco ESS OUT
- 29
- 30 Transco LSS DEMAND
- 31 Transco LSS CAPACITY
- 32 Transco LSS IN
- 33 Transco LSS OUT
- 34
- 35 Transco LNG (LG-A) DEMAND
- 36 Transco LNG (LG-A) CAPACITY
- 37 Transco LNG (LG-A) IN
- 38 Transco LNG (LG-A) OUT
- 39
- 40 Planalytics Annual Charge
- 41 Midstream Partners
- 42 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)	<b>NYMEX Close On 10-May-17</b>	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	2017	161,350	\$3.414	\$0.335	\$3.749	\$604,885	\$253,847	\$858,732
Nov	2017	-	\$3.461	\$0.235	\$3.696	\$0	\$0	\$0
Dec	2017	-	\$3.580	\$0.316	\$3.896	\$0	\$0	\$0
Jan	2018	-	\$3.655	\$0.315	\$3.970	\$0	\$0	\$0
Feb	2018	-	\$3.618	\$0.300	\$3.918	\$0	\$0	\$0
Mar	2018	40,000	\$3.520	\$0.270	\$3.790	\$151,616	\$62,931	\$214,547
Apr	2018	53,196	\$2.955	\$0.050	\$3.005	\$159,833	\$83,692	\$243,525
May	2018	86,131	\$2.888	(\$0.028)	\$2.860	\$246,343	\$135,507	\$381,850
Jun	2018	88,238	\$2.912	(\$0.028)	\$2.884	\$254,505	\$138,822	\$393,327
Jul	2018	82,237	\$2.936	(\$0.051)	\$2.885	\$237,221	\$129,381	\$366,602
Aug	2018	84,897	\$2.942	(\$0.033)	\$2.909	\$246,957	\$133,566	\$380,523
Sep	2018	87,241	\$2.918	(\$0.063)	\$2.855	\$249,073	\$137,254	\$386,327
Totals		683,290	\$3.233	\$0.073	\$3.147	\$2,150,433	\$1,075,000	\$3,225,433

SOUTH JERSEY GAS COMPANY  
ACTUAL ANNUAL REQUIREMENTS AND SUPPLIES  
NOVEMBER 2014 THROUGH OCTOBER 2016

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Quantities in MDts

	1	2	3	5	6	7
	Nov 2014 through Oct 2015			Nov 2015 through Oct 2016		
	Actual	Actual	Actual	Actual	Actual	Actual
	Annual	Heating Season	Non-Heat Season	Annual	Heating Season	Non-Heat Season
<b>FIRM REQUIREMENTS</b>						
Residential	26,103	21,030	5,073	20,036	15,163	4,873
Commercial	5,817	4,447	1,370	4,112	2,735	1,377
Commercial Large Volume	635	480	155	346	225	121
Industrial	491	294	197	152	66	86
Company Use and Unaccounted For	1,243	2,031	-788	5,871	4,376	1,496
Firm Electric Service	1,474	231	1,243	1,476	282	1,194
Electric Generation - LV	1	0	1	47	23	24
Electric Generation - Monthly BGSS	0	0	0	0	0	0
BSC	0	0	0	0	0	0
<b>TOTAL FIRM SENDOUT EXCLUDING TRANSPORTATION (lines 17 thru 25)</b>	<b>35,764</b>	<b>28,514</b>	<b>7,251</b>	<b>32,041</b>	<b>22,870</b>	<b>9,170</b>
Firm Transportation (FT)	28,728	15,365	13,362	27,249	12,612	14,637
<b>TOTAL FIRM SENDOUT AND TRANSPORTATION (lines 27+29)</b>	<b>64,492</b>	<b>43,879</b>	<b>20,613</b>	<b>59,290</b>	<b>35,482</b>	<b>23,807</b>
Interruptible Sales, Interruptible Transportation and Off-System Sales	14,380	8,069	6,312	17,802	10,277	7,526
<b>TOTAL SENDOUT, TRANSPORTATION AND OFF-SYSTEM SALES (line 31+33)</b>	<b>78,873</b>	<b>51,948</b>	<b>26,924</b>	<b>77,092</b>	<b>45,759</b>	<b>31,333</b>
Storage Injections	7,959	732	7,227	8,365	1,259	7,106
<b>TOTAL REQUIREMENTS (lines 35+37)</b>	<b>86,831</b>	<b>52,680</b>	<b>34,152</b>	<b>85,457</b>	<b>47,018</b>	<b>38,439</b>
<b>AVAILABLE SUPPLIES</b>						
Spot Direct Purchases - Transco & Columbia FT & City Gate	48,282	30,019	18,263	42,869	21,174	21,695
LNG	485	422	64	256	211	45
PSE&G Net Exchange	0	0	0	0	0	0
Peaking Supply	0	0	0	0	0	0
Columbia FT ESEP		0	0	4,405	3,243	1,162
Transportation Gas (Firm & Interruptible)	30,667	15,649	15,018	29,417	14,927	14,490
<b>TOTAL SUPPLIES EXCLUDING STORAGE (lines 43 thru 47)</b>	<b>79,434</b>	<b>46,089</b>	<b>33,345</b>	<b>76,947</b>	<b>39,555</b>	<b>37,392</b>
Storage Withdrawals	7,397	6,590	807	8,510	7,463	1,047
<b>TOTAL SUPPLIES AND STORAGE (lines 49+51)</b>	<b>86,831</b>	<b>52,680</b>	<b>34,152</b>	<b>85,457</b>	<b>47,018</b>	<b>38,439</b>

SOUTH JERSEY GAS COMPANY  
ANNUAL REQUIREMENTS AND SUPPLIES  
NOVEMBER 2016 THROUGH OCTOBER 2017  
ACTUAL HEATING SEASON - ESTIMATED NON-HEATING SEASON

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Quantities in MDts			
	1	2	3
Nov 2016 through Oct 2017			
	Estimated	Actual	Estimated
	Annual	Heating Season	Non-Heat Season
<b>FIRM REQUIREMENTS</b>			
Residential	16,942	16,942	0
Commercial	3,451	3,451	0
Commercial LV	332	332	0
Industrial	273	273	0
Company Use and Unaccounted For	1,376	1,376	0
Firm Electric Service	170	170	0
Electric Generation - Large Volume	37	37	0
Total Summer Season Utility Load Normal Weather Requirements Inc. Firm Transportation	<u>10,995</u>	<u>0</u>	<u>10,995</u>
<b>TOTAL FIRM SENDOUT REQUIREMENTS (lines 19 thru 26)</b>	<b>33,577</b>	<b>22,582</b>	<b>10,995</b>
Firm Transportation (FT)	<u>12,586</u>	<u>12,586</u>	<u>0</u>
<b>TOTAL FIRM SENDOUT AND TRANSPORTATION (lines 28+30)</b>	<b>46,163</b>	<b>35,168</b>	<b>10,995</b>
Available For Interruptible and Off-System Sales (WS Actual - SS lines 53-32-38)	<u>11,097</u>	<u>11,097</u>	<u>0</u>
<b>TOTAL SENDOUT, TRANSPORTATION AND OFF-SYSTEM SALES (line 32+34)</b>	<b>57,260</b>	<b>46,265</b>	<b>10,995</b>
Storage Injections	<u>7,678</u>	<u>748</u>	<u>6,930</u>
<b>TOTAL REQUIREMENTS - NORMAL WEATHER (lines 36+38)</b>	<b>64,939</b>	<b>47,013</b>	<b>17,925</b>
<b>AVAILABLE SUPPLIES</b>			
Spot Direct Purchases - Transco & Columbia FT & City Gate	74,091	21,046	53,045
LNG	371	305	67
PSE&G Net Exchange	0	0	0
Peaking Supply	0	0	0
Columbia ESEP	17,422	4,582	12,840
Transportation Gas (WS Actual - SS up to 105,000 dts/d)	<u>36,428</u>	<u>13,958</u>	<u>22,470</u>
<b>TOTAL SUPPLIES EXCLUDING STORAGE (lines 43 thru 48)</b>	<b>128,313</b>	<b>39,891</b>	<b>88,422</b>
Storage Withdrawals	<u>7,122</u>	<u>7,122</u>	<u>0</u>
<b>TOTAL SUPPLIES PLUS STORAGE (lines 50+52)</b>	<b>135,435</b>	<b>47,013</b>	<b>88,422</b>

SOUTH JERSEY GAS COMPANY  
ANNUAL REQUIREMENTS AND SUPPLIES  
NOVEMBER 2018 THROUGH OCTOBER 2019  
EXCLUDES OPT-OUT CUSTOMERS

Quantities in MDts

	1	2	3
<b>Nov 2018 through Oct 2019</b>			
	Estimated	Estimated	Estimated
	Annual	Heating Season	Non-Heat Season
<b>18 TOTAL FIRM SENDOUT AND TRANSPORTATION REQUIREMENTS (EXCLUDES OPT-OUT)</b>	<b>40,557</b>	<b>29,272</b>	<b>11,285</b>
19			
20 Storage Injections Based on Full Contract Quantities	<u>7,569</u>	<u>0</u>	<u>7,569</u>
21			
<b>22 TOTAL SENDOUT AND TRANS. REQUIREMENTS - NORMAL WEATHER (lines 18+20)</b>	<b>48,126</b>	<b>29,272</b>	<b>18,854</b>
23			
24 Firm Sendout and Transportation Requirements Added for Design Weather	<u>6,000</u>	<u>6,000</u>	<u>0</u>
25			
<b>26 TOTAL SENDOUT AND TRANS. REQUIREMENTS - DESIGN WEATHER (lines 22+24)</b>	<b>54,126</b>	<b>35,272</b>	<b>18,854</b>
27			
<b>28 AVAILABLE SUPPLIES</b>			
29 Spot Purchases Based on Transco & Col. FT & City Gate Supplies - Cap. Reduced For CIP Releases	97,027	41,842	55,185
30 LNG Withdrawals	434	368	67
31 Peaking Service	0	0	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>
34			
<b>35 TOTAL SUPPLIES EXCLUDING STORAGE (lines 29 thru 33)</b>	<b>161,336</b>	<b>68,634</b>	<b>92,702</b>
36			
37 Storage Withdrawals Full Contract Quantities	<u>7,569</u>	<u>7,569</u>	<u>0</u>
38			
<b>39 TOTAL SUPPLIES PLUS STORAGE (lines 35+37)</b>	<b>168,905</b>	<b>76,203</b>	<b>92,702</b>
40			
41 <b>WINTER RESERVE - NORMAL WEATHER (lines 39-22)</b>		46,932	
42			
43 <b>WINTER RESERVE - DESIGN WEATHER (lines 39-26)</b>		40,932	
44			
45 Amount in Storage November 1	7,569		
46			



CONFIDENTIAL

**SOUTH JERSEY GAS COMPANY**  
**DESIGN DAY FORECAST**  
**2017-18 THROUGH 2021-22**

	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Summary of Requirements vs Supplies</b>					
Total Design Day Requirements	527,490	532,623	539,518	546,562	553,709
Total Design Day Supplies	<u>564,755</u>	<u>564,755</u>	<u>564,755</u>	<u>564,755</u>	<u>564,755</u>
Excess / (Shortfall)	<u>37,265</u>	<u>32,132</u>	<u>25,237</u>	<u>18,193</u>	<u>11,046</u>
<b>Design Day Degree Days</b>					
	63.0	63.0	63.0	63.0	63.0
<b>Design Day Capacity Entitlements</b>					
<b>Pipeline City Gate Long-Term Capacity</b>					
	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	70,000	70,000	70,000	70,000
<b>Total Pipeline Services (lines 23 thru 31)</b>		<u>316,980</u>	<u>316,980</u>	<u>316,980</u>	<u>316,980</u>
<b>Underground Storage Services</b>					
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
<b>Total Underground Storage (lines 36 thru 41)</b>		<u>125,475</u>	<u>125,475</u>	<u>125,475</u>	<u>125,475</u>
<b>Company Sources</b>					
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)		517,455	517,455	517,455	517,455
<b>Company Entitlement Deficiency Before Transportation (48-18)</b>		<b>(10,035)</b>	<b>(15,168)</b>	<b>(22,063)</b>	<b>(29,107)</b>
<b>Transportation Sources</b>					
RSG-FT @ 100% of Jan 2018 Average Daily Load		12,763	12,763	12,763	12,763
GSG-FT & GSG-LV-FT @ 100% of Jan 2018 Average Daily Load		32,439	32,439	32,439	32,439
<b>Total Transportation Sources (lines 53+54)</b>		<u>45,202</u>	<u>45,202</u>	<u>45,202</u>	<u>45,202</u>
Incremental Capacity Available From Transco CNJEP (105,000-line 56)		59,798	59,798	59,798	59,798
Total Transco CNJEP Capacity (lines 56+58)		105,000	105,000	105,000	105,000
<b>Assets Released as Part of The Conservation Incentive Program</b>					
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)
<b>Total Assets Released as Part of the CIP (lines 63 thru 66)</b>		<u>(57,700)</u>	<u>(57,700)</u>	<u>(57,700)</u>	<u>(57,700)</u>
<b>Total Net Design Day Supplies (lines 33+43+46+60+68)</b>		<u>564,755</u>	<u>564,755</u>	<u>564,755</u>	<u>564,755</u>
Excess / (Shortfall) Between Requirements & Entitlements (lines 70 - 18)		37,265	32,132	25,237	18,193
Excess / (Shortfall) as a Percent of Sendout (lines 72/18)		7.1%	6.0%	4.7%	3.3%

**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							
<b>2016-2017</b>	January 08, 2017	198,436	224,033	0	33,603	456,071	450,787	5,284	456,072	48.20		
	December 15, 2016	198,137	198,008	0	56,459	452,604	447,530	5,074	452,605	45.80		
	January 09, 2017	192,816	224,173	0	18,630	435,617	429,726	5,893	435,619	47.00		
	January 07, 2017	192,978	219,835	0	6,487	419,302	414,181	5,120	419,301	46.92		
	March 05, 2017	230,645	186,239	0	24,187	331,073	319,169	11,902	331,072	37.83		
<b>2015-2016</b>	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		
<b>2014-2015</b>	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		

**SOUTH JERSEY GAS COMPANY  
STATEMENT OF SIGNIFICANT ACTUAL AND ESTIMATED SUPPLIER REFUNDS  
2016-2017 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-16	Transco	Tariff	Penalty Flow Through Refund	\$345.00	\$345.00
Nov-16	Transco	Tariff	Transco S-2 Storage Pass thru from TETCO	\$27.21	\$27.21
Dec-16	Columbia	Credit	FTS Penalty Refund	\$10,369.91	\$10,369.91
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	-	-	-	\$0.00	\$0.00
Jul-17	-	-	-	\$0.00	\$0.00
Aug-17	-	-	-	\$0.00	\$0.00
Sep-17	-	-	-	\$0.00	\$0.00
	Total			<u>\$10,742.12</u>	<u>\$10,742.12</u>

**SOUTH JERSEY GAS COMPANY  
STATEMENT OF SIGNIFICANT ACTUAL AND ESTIMATED SUPPLIER REFUNDS  
2017-2018 BGSS YEAR**

Date Received	Pipeline or Supplier	FERC Docket No.	Issue	Amount Refunded	Total Monthly
Oct-17	-	-	-	\$0.00	\$0.00
Nov-17	-	-	-	\$0.00	\$0.00
Dec-17	-	-	-	\$0.00	\$0.00
Jan-18	-	-	-	\$0.00	\$0.00
Feb-18	-	-	-	\$0.00	\$0.00
Mar-18	-	-	-	\$0.00	\$0.00
Apr-18	-	-	-	\$0.00	\$0.00
May-18	-	-	-	\$0.00	\$0.00
Jun-18	-	-	-	\$0.00	\$0.00
Jul-18	-	-	-	\$0.00	\$0.00
Aug-18	-	-	-	\$0.00	\$0.00
Sep-18	-	-	-	\$0.00	\$0.00
	Total			<u>\$0.00</u>	<u>\$0.00</u>

South Jersey Gas Company  
Summary of Hedging Activity  
October 2017 - September 2018  
As of March 31, 2017

Supply Month	BGSS Sendout* (000)	Program Hedges				
		Total Hedged (000)	Non-Discr (000)	Planalytics (000)	Sim (000)	Disc (000)
October-17	1,370	480	450	30	-	-
November-17	2,891	1,575	425	30	1,120	-
December-17	4,677	1,550	400	30	1,120	-
January-18	5,275	1,525	375	30	1,120	-
February-18	4,613	1,510	350	40	1,120	-
March-18	3,582	1,465	325	20	1,120	-
April-18	1,811	300	300	-	-	-
May-18	946	275	275	-	-	-
June-18	603	250	250	-	-	-
July-18	591	225	225	-	-	-
August-18	612	200	200	-	-	-
September-18	612	175	175	-	-	-
<b>Total</b>	<b>27,582</b>	<b>9,530</b>	<b>3,750</b>	<b>180</b>	<b>5,600</b>	<b>-</b>
<b>Total % Hedged</b>		<b>34.6%</b>	<b>13.6%</b>	<b>0.7%</b>	<b>20.3%</b>	<b>0.0%</b>

\* Based on Sendout in 2016 BGSS Filing

**South Jersey Gas Company**  
**Non Discretionary Hedging Strategy**  
**As of March 31, 2017**

<b>Month</b>	<b>Quantity</b>	<b>Average Price</b>
October-17	450,000	\$ 2.954
November-17	425,000	\$ 2.969
December-17	400,000	\$ 2.987
January-18	375,000	\$ 3.008
February-18	350,000	\$ 3.029
March-18	325,000	\$ 3.074
April-18	300,000	\$ 3.095
May-18	275,000	\$ 3.103
June-18	250,000	\$ 3.113
July-18	225,000	\$ 3.110
August-18	200,000	\$ 3.108
September-18	175,000	\$ 3.119

South Jersey Gas Company  
Non Discretionary Hedging Strategy  
As of March 31, 2017

INS\_TYPE (Multiple Items)  
PFOLIO SIG\_Financial\_Trading\_NonDiscr  
PARAM\_SEQ\_NUM 1

Average of RATE	10/1/2017	11/1/2017	12/1/2017	1/1/2018	2/1/2018	3/1/2018	4/1/2018	5/1/2018	6/1/2018	7/1/2018	8/1/2018	9/1/2018
11/30/2015	2.688											
12/30/2015	2.680	2.680	2.680									
1/29/2016	2.710	2.710	2.710	2.710								
2/29/2016	2.445	2.445	2.445	2.445	2.445							
3/31/2016	2.820	2.820	2.820	2.820	2.820	2.820						
4/28/2016	3.010	3.010	3.010	3.010	3.010	3.010	3.010					
5/27/2016	3.007	3.007	3.007	3.007	3.007	3.007	3.007	3.007				
6/30/2016	3.138	3.138	3.138	3.138	3.138	3.138	3.138	3.138	3.138			
7/29/2016	3.122	3.122	3.122	3.122	3.122	3.122	3.122	3.122	3.122	3.122		
8/31/2016	3.035	3.035	3.035	3.035	3.035	3.035	3.035	3.035	3.035	3.035	3.035	
9/30/2016	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000
10/31/2016	3.130	3.130	3.130	3.130	3.130	3.130	3.130	3.130	3.130	3.130	3.130	3.130
11/30/2016	3.137	3.137	3.137	3.137	3.137	3.137	3.137	3.137	3.137	3.137	3.137	3.137
12/30/2016	3.290	3.290	3.290	3.290	3.290	3.290	3.290	3.290	3.290	3.290	3.290	3.290
1/30/2017	3.200	3.200	3.200	3.200	3.200	3.200	3.200	3.200	3.200	3.200	3.200	3.200
2/28/2017	2.938	2.938	2.938	2.938	2.938	2.938	2.938	2.938	2.938	2.938	2.938	2.938
3/31/2017	3.135	3.135	3.135	3.135	3.135	3.135	3.135	3.135	3.135	3.135	3.135	3.135
<b>Average Cost per Dth</b>	2.954	2.969	2.987	3.008	3.029	3.074	3.095	3.103	3.113	3.110	3.108	3.119
<b>Dth Purchased</b>	450,000	425,000	400,000	375,000	350,000	325,000	300,000	275,000	250,000	225,000	200,000	175,000
	1,329,125	1,261,925	1,194,925	1,127,925	1,060,175	999,050	928,550	853,300	778,125	699,675	621,625	545,750



South Jersey Gas Company  
Planalytics Hedging Strategy  
As of March 31, 2017

Month	Quantity	Average Price
October-17	30,000	\$ 3.156
November-17	30,000	\$ 3.206
December-17	30,000	\$ 3.337
January-18	30,000	\$ 3.412
February-18	40,000	\$ 3.419
March-18	20,000	\$ 3.280
April-18	-	\$ -
May-18	-	\$ -
June-18	-	\$ -
July-18	-	\$ -
August-18	-	\$ -
September-18	-	\$ -



South Jersey Gas Company  
Discretionary Hedging Strategy  
As of March 31, 2017

Financial Fixed Priced			Physical Fixed Price		
Month	Quantity	Average Price	Month	Quantity	Average Price
October-17	-	\$ -	October-17	-	\$ -
November-17	-	\$ -	November-17	-	\$ -
December-17	-	\$ -	December-17	-	\$ -
January-18	-	\$ -	January-18	-	\$ -
February-18	-	\$ -	February-18	-	\$ -
March-18	-	\$ -	March-18	-	\$ -
April-18	-	\$ -	April-18	-	\$ -
May-18	-	\$ -	May-18	-	\$ -
June-18	-	\$ -	June-18	-	\$ -
July-18	-	\$ -	July-18	-	\$ -
August-18	-	\$ -	August-18	-	\$ -
September-18	-	\$ -	September-18	-	\$ -

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

Supply Month	BGSS Sendout* (000)	Program Hedges				Disc (000)
		Total Hedged (000)	Non-Discr (000)	Planalytics (000)	Sim (000)	
October-16	1,370	500	450	50	-	-
November-16	2,891	1,820	450	250	1,120	-
December-16	4,677	2,070	450	500	1,120	-
January-17	5,275	2,170	450	600	1,120	-
February-17	4,613	2,170	450	600	1,120	-
March-17	3,582	1,970	450	400	1,120	-
April-17	1,811	550	450	100	-	-
May-17	946	500	450	50	-	-
June-17	603	490	450	40	-	-
July-17	591	480	450	30	-	-
August-17	612	460	450	10	-	-
September-17	612	460	450	10	-	-
<b>Total</b>	<b>27,582</b>	<b>13,640</b>	<b>5,400</b>	<b>2,640</b>	<b>5,600</b>	<b>-</b>
<b>Total % Hedged</b>		<b>49.5%</b>	<b>19.6%</b>	<b>9.6%</b>	<b>20.3%</b>	<b>0.0%</b>

\*Based on Sendout in 2016 BGSS Filing

**South Jersey Gas Company**  
**Non Discretionary Hedging Strategy**  
**As of March 31, 2017**

Month	Quantity	Average Price
October-16	450,000	\$ 3.087
November-16	450,000	\$ 3.041
December-16	450,000	\$ 2.996
January-17	450,000	\$ 2.978
February-17	450,000	\$ 2.967
March-17	450,000	\$ 2.955
April-17	450,000	\$ 2.945
May-17	450,000	\$ 2.944
June-17	450,000	\$ 2.943
July-17	450,000	\$ 2.946
August-17	450,000	\$ 2.947
September-17	450,000	\$ 2.943

South Jersey Gas Company  
Non Discretionary Hedging Strategy  
As of March 31, 2017

INS\_TYPE (Multiple Items)  
PFOLO: S/G: Financial Trading\_NonDiscr  
PARAM\_SEQ\_NUM 1

Average of RATE	3/1/2017	4/1/2017	5/1/2017	6/1/2017	7/1/2017	8/1/2017	9/1/2017
Row Labels	3.185						
3/26/2015	\$ 3.143	\$ 3.170	\$ 3.170				
4/30/2015	\$ 3.170	\$ 3.225	\$ 3.225	\$ 3.225			
5/28/2015	\$ 3.225	\$ 3.195	\$ 3.195	\$ 3.195	\$ 3.195		
6/30/2015	\$ 3.195	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	
7/30/2015	\$ 3.000	\$ 2.945	\$ 2.945	\$ 2.945	\$ 2.945	\$ 2.945	\$ 2.945
8/31/2015	\$ 2.945	\$ 2.688	\$ 2.688	\$ 2.688	\$ 2.688	\$ 2.688	\$ 2.688
9/29/2015	\$ 2.688	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680
10/30/2015	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680
11/30/2015	\$ 2.680	\$ 2.710	\$ 2.710	\$ 2.710	\$ 2.710	\$ 2.710	\$ 2.710
12/30/2015	\$ 2.710	\$ 2.445	\$ 2.445	\$ 2.445	\$ 2.445	\$ 2.445	\$ 2.445
1/29/2016	\$ 2.445	\$ 2.820	\$ 2.820	\$ 2.820	\$ 2.820	\$ 2.820	\$ 2.820
2/29/2016	\$ 2.820	\$ 3.010	\$ 3.010	\$ 3.010	\$ 3.010	\$ 3.010	\$ 3.010
3/31/2016	\$ 3.010	\$ 3.007	\$ 3.007	\$ 3.007	\$ 3.007	\$ 3.007	\$ 3.007
4/28/2016	\$ 3.007	\$ 3.138	\$ 3.138	\$ 3.138	\$ 3.138	\$ 3.138	\$ 3.138
5/27/2016	\$ 3.138	\$ 3.122	\$ 3.122	\$ 3.122	\$ 3.122	\$ 3.122	\$ 3.122
6/30/2016	\$ 3.122	\$ 3.035	\$ 3.035	\$ 3.035	\$ 3.035	\$ 3.035	\$ 3.035
7/29/2016	\$ 3.035	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000
8/31/2016	\$ 3.000	\$ 3.130	\$ 3.130	\$ 3.130	\$ 3.130	\$ 3.130	\$ 3.130
9/30/2016	\$ 3.130	\$ 3.137	\$ 3.137	\$ 3.137	\$ 3.137	\$ 3.137	\$ 3.137
10/31/2016	\$ 3.137	\$ 3.290	\$ 3.290	\$ 3.290	\$ 3.290	\$ 3.290	\$ 3.290
11/30/2016	\$ 3.290	\$ 3.200	\$ 3.200	\$ 3.200	\$ 3.200	\$ 3.200	\$ 3.200
12/30/2016	\$ 3.200	\$ 2.938	\$ 2.938	\$ 2.938	\$ 2.938	\$ 2.938	\$ 2.938
1/30/2017	\$ 2.938						
2/28/2017	\$ 2.938						

Average Cost per Dth	\$ 2.955	\$ 2.945	\$ 2.944	\$ 2.943	\$ 2.946	\$ 2.947	\$ 2.943
Dth Purchased	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000
	\$ 1,329,950	\$ 1,325,325	\$ 1,325,000	\$ 1,324,175	\$ 1,325,800	\$ 1,325,925	\$ 1,324,375

South Jersey Gas Company  
Planalytics Hedging Strategy  
As of March 31, 2017

Month	Quantity	Average Price
October-16	50,000	\$ 2.808
November-16	250,000	\$ 3.011
December-16	500,000	\$ 2.753
January-17	600,000	\$ 2.900
February-17	600,000	\$ 3.357
March-17	400,000	\$ 3.309
April-17	100,000	\$ 3.014
May-17	50,000	\$ 3.121
June-17	40,000	\$ 3.169
July-17	30,000	\$ 3.147
August-17	10,000	\$ 3.221
September-17	10,000	\$ 3.216





South Jersey Gas Company  
Discretionary Hedging Strategy  
As of March 31, 2017

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 2017 - September 2018  
As of December 31, 2016

Supply Month	BGSS Sendout* (000)	Program Hedges				
		Total Hedged (000)	Non-Discr (000)	Planalytics (000)	Sim (000)	Disc (000)
October-17	1,370	385	375	10	-	-
November-17	2,891	360	350	10	-	-
December-17	4,677	335	325	10	-	-
January-18	5,275	310	300	10	-	-
February-18	4,613	285	275	10	-	-
March-18	3,582	260	250	10	-	-
April-18	1,811	225	225	-	-	-
May-18	946	200	200	-	-	-
June-18	603	175	175	-	-	-
July-18	591	150	150	-	-	-
August-18	612	125	125	-	-	-
September-18	612	100	100	-	-	-
<b>Total</b>	<b>27,582</b>	<b>2,910</b>	<b>2,850</b>	<b>60</b>	<b>-</b>	<b>-</b>
<b>Total % Hedged</b>		<b>10.6%</b>	<b>10.3%</b>	<b>0.2%</b>	<b>0.0%</b>	<b>0.0%</b>

\*Based on Sendout in 2016 BGSS Filing

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

Month	Quantity	Average Price
October-17	375,000	\$ 2.926
November-17	350,000	\$ 2.943
December-17	325,000	\$ 2.963
January-18	300,000	\$ 2.987
February-18	275,000	\$ 3.012
March-18	250,000	\$ 3.069
April-18	225,000	\$ 3.097
May-18	200,000	\$ 3.107
June-18	175,000	\$ 3.122
July-18	150,000	\$ 3.119
August-18	125,000	\$ 3.118
September-18	100,000	\$ 3.139

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

INS\_TYPE (Multiple Items)  
PCOLLO SIG\_Financial\_Trading\_NonDiscr  
PARAM\_SEQ\_NUM 1

Average of RATE Row Labels	10/31/2017	11/1/2017	12/1/2017	1/1/2018	2/1/2018	3/1/2018	4/1/2018	5/1/2018	6/1/2018	7/1/2018	8/1/2018	9/1/2018
10/30/2015	2.688											
11/30/2015	\$ 2.680	\$ 2.680	\$ 2.680									
12/30/2015	\$ 2.680	\$ 2.680	\$ 2.680									
1/29/2016	\$ 2.710	\$ 2.710	\$ 2.710	\$ 2.710								
2/29/2016	\$ 2.445	\$ 2.445	\$ 2.445	\$ 2.445	\$ 2.445							
3/31/2016	\$ 2.820	\$ 2.820	\$ 2.820	\$ 2.820	\$ 2.820	\$ 2.820						
4/28/2016	\$ 3.010	\$ 3.010	\$ 3.010	\$ 3.010	\$ 3.010	\$ 3.010	\$ 3.010					
5/27/2016	\$ 3.007	\$ 3.007	\$ 3.007	\$ 3.007	\$ 3.007	\$ 3.007	\$ 3.007	\$ 3.007				
6/30/2016	\$ 3.138	\$ 3.138	\$ 3.138	\$ 3.138	\$ 3.138	\$ 3.138	\$ 3.138	\$ 3.138	\$ 3.138			
7/29/2016	\$ 3.122	\$ 3.122	\$ 3.122	\$ 3.122	\$ 3.122	\$ 3.122	\$ 3.122	\$ 3.122	\$ 3.122	\$ 3.122		
8/31/2016	\$ 3.035	\$ 3.035	\$ 3.035	\$ 3.035	\$ 3.035	\$ 3.035	\$ 3.035	\$ 3.035	\$ 3.035	\$ 3.035	\$ 3.035	
9/30/2016	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000
10/31/2016	\$ 3.130	\$ 3.130	\$ 3.130	\$ 3.130	\$ 3.130	\$ 3.130	\$ 3.130	\$ 3.130	\$ 3.130	\$ 3.130	\$ 3.130	\$ 3.130
11/30/2016	\$ 3.137	\$ 3.137	\$ 3.137	\$ 3.137	\$ 3.137	\$ 3.137	\$ 3.137	\$ 3.137	\$ 3.137	\$ 3.137	\$ 3.137	\$ 3.137
12/30/2016	\$ 3.290	\$ 3.290	\$ 3.290	\$ 3.290	\$ 3.290	\$ 3.290	\$ 3.290	\$ 3.290	\$ 3.290	\$ 3.290	\$ 3.290	\$ 3.290
<b>Average Cost per Dth</b>	\$ 2.926	\$ 2.943	\$ 2.963	\$ 2.987	\$ 3.012	\$ 3.069	\$ 3.097	\$ 3.107	\$ 3.122	\$ 3.119	\$ 3.118	\$ 3.139

Dth Purchased	10/31/2017	11/1/2017	12/1/2017	1/1/2018	2/1/2018	3/1/2018	4/1/2018	5/1/2018	6/1/2018	7/1/2018	8/1/2018	9/1/2018
\$ 375,000	350,000	325,000	300,000	300,000	275,000	250,000	225,000	200,000	175,000	150,000	125,000	100,000
\$ 1,097,300	\$ 1,030,100	\$ 963,100	\$ 896,100	\$ 828,350	\$ 767,225	\$ 696,725	\$ 621,475	\$ 546,300	\$ 467,850	\$ 389,800	\$ 313,925	

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

Month	Quantity	Average Price
October-17	10,000	\$ 3.007
November-17	10,000	\$ 3.054
December-17	10,000	\$ 3.203
January-18	10,000	\$ 3.293
February-18	10,000	\$ 3.265
March-18	10,000	\$ 3.198
April-18	-	\$ -
May-18	-	\$ -
June-18	-	\$ -
July-18	-	\$ -
August-18	-	\$ -
September-18	-	\$ -



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

Financial Fixed Priced			Physical Fixed Price		
Month	Quantity	Average Price	Month	Quantity	Average Price
October-17	-	\$ -	October-17	-	\$ -
November-17	-	\$ -	November-17	-	\$ -
December-17	-	\$ -	December-17	-	\$ -
January-18	-	\$ -	January-18	-	\$ -
February-18	-	\$ -	February-18	-	\$ -
March-18	-	\$ -	March-18	-	\$ -
April-18	-	\$ -	April-18	-	\$ -
May-18	-	\$ -	May-18	-	\$ -
June-18	-	\$ -	June-18	-	\$ -
July-18	-	\$ -	July-18	-	\$ -
August-18	-	\$ -	August-18	-	\$ -
September-18	-	\$ -	September-18	-	\$ -

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

Supply Month	BGSS Sendout* (000)	Program Hedges				Disc (000)
		Total Hedged (000)	Non-Disc (000)	Planalytics (000)	Sim (000)	
October-16	1,370	500	450	50	-	-
November-16	2,891	1,820	450	250	1,120	-
December-16	4,677	2,070	450	500	1,120	-
January-17	5,275	2,170	450	600	1,120	-
February-17	4,613	2,130	450	560	1,120	-
March-17	3,582	1,800	450	230	1,120	-
April-17	1,811	450	450	-	-	-
May-17	946	450	450	-	-	-
June-17	603	450	450	-	-	-
July-17	591	450	450	-	-	-
August-17	612	425	425	-	-	-
September-17	612	400	400	-	-	-
<b>Total</b>	<b>27,582</b>	<b>13,115</b>	<b>5,325</b>	<b>2,190</b>	<b>5,600</b>	<b>-</b>
<b>Total % Hedged</b>		<b>47.5%</b>	<b>19.3%</b>	<b>7.9%</b>	<b>20.3%</b>	<b>0.0%</b>

\*Based on Sendout in 2016 BGSS Filing



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

Month	Quantity	Average Price
October-16	450,000	\$ 3.087
November-16	450,000	\$ 3.041
December-16	450,000	\$ 2.996
January-17	450,000	\$ 2.978
February-17	450,000	\$ 2.967
March-17	450,000	\$ 2.955
April-17	450,000	\$ 2.945
May-17	450,000	\$ 2.944
June-17	450,000	\$ 2.943
July-17	450,000	\$ 2.946
August-17	425,000	\$ 2.932
September-17	400,000	\$ 2.927

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

INS TYPE (Multiple Items)  
 PORTO SIG Financial Trading NonDisc  
 PARAM\_SEQ NUM 1

Average of RATE	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
1/29/2015	3.325								
2/26/2015	\$ 3.237	\$ 3.237							
3/26/2015	\$ 3.185	\$ 3.185	\$ 3.185						
4/30/2015	\$ 3.143	\$ 3.143	\$ 3.143	\$ 3.143					
5/28/2015	\$ 3.170	\$ 3.170	\$ 3.170	\$ 3.170	\$ 3.170				
6/30/2015	\$ 3.225	\$ 3.225	\$ 3.225	\$ 3.225	\$ 3.225	\$ 3.225			
7/30/2015	\$ 3.195	\$ 3.195	\$ 3.195	\$ 3.195	\$ 3.195	\$ 3.195	\$ 3.195		
8/31/2015	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	
9/29/2015	\$ 2.945	\$ 2.945	\$ 2.945	\$ 2.945	\$ 2.945	\$ 2.945	\$ 2.945	\$ 2.945	\$ 2.945
10/30/2015	\$ 2.688	\$ 2.688	\$ 2.688	\$ 2.688	\$ 2.688	\$ 2.688	\$ 2.688	\$ 2.688	\$ 2.688
11/30/2015	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680
12/29/2015	\$ 2.710	\$ 2.710	\$ 2.710	\$ 2.710	\$ 2.710	\$ 2.710	\$ 2.710	\$ 2.710	\$ 2.710
1/29/2016	\$ 2.445	\$ 2.445	\$ 2.445	\$ 2.445	\$ 2.445	\$ 2.445	\$ 2.445	\$ 2.445	\$ 2.445
3/31/2016	\$ 2.820	\$ 2.820	\$ 2.820	\$ 2.820	\$ 2.820	\$ 2.820	\$ 2.820	\$ 2.820	\$ 2.820
4/28/2016	\$ 3.010	\$ 3.010	\$ 3.010	\$ 3.010	\$ 3.010	\$ 3.010	\$ 3.010	\$ 3.010	\$ 3.010
5/27/2016	\$ 3.007	\$ 3.007	\$ 3.007	\$ 3.007	\$ 3.007	\$ 3.007	\$ 3.007	\$ 3.007	\$ 3.007
6/30/2016	\$ 3.138	\$ 3.138	\$ 3.138	\$ 3.138	\$ 3.138	\$ 3.138	\$ 3.138	\$ 3.138	\$ 3.138
7/29/2016	\$ 3.122	\$ 3.122	\$ 3.122	\$ 3.122	\$ 3.122	\$ 3.122	\$ 3.122	\$ 3.122	\$ 3.122
8/31/2016	\$ 3.035	\$ 3.035	\$ 3.035	\$ 3.035	\$ 3.035	\$ 3.035	\$ 3.035	\$ 3.035	\$ 3.035
9/30/2016	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000
10/31/2016	\$ 3.130	\$ 3.130	\$ 3.130	\$ 3.130	\$ 3.130	\$ 3.130	\$ 3.130	\$ 3.130	\$ 3.130
11/30/2016	\$ 3.137	\$ 3.137	\$ 3.137	\$ 3.137	\$ 3.137	\$ 3.137	\$ 3.137	\$ 3.137	\$ 3.137
12/30/2016	\$ 3.290	\$ 3.290	\$ 3.290	\$ 3.290	\$ 3.290	\$ 3.290	\$ 3.290	\$ 3.290	\$ 3.290

Average Cost per Dth	2.978	\$ 2.967	\$ 2.955	\$ 2.945	\$ 2.944	\$ 2.943	\$ 2.946	\$ 2.932	\$ 2.927
Dth Purchased	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 425,000	\$ 400,000
	\$ 1,340,075	\$ 1,335,000	\$ 1,329,950	\$ 1,325,325	\$ 1,325,000	\$ 1,324,175	\$ 1,325,800	\$ 1,245,925	\$ 1,170,925

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

Month	Quantity	Average Price
October-16	50,000	\$ 2.808
November-16	250,000	\$ 3.011
December-16	500,000	\$ 2.753
January-17	600,000	\$ 2.900
February-17	560,000	\$ 3.367
March-17	230,000	\$ 3.321
April-17	10,000	\$ 2.903
May-17	20,000	\$ 3.137
June-17	20,000	\$ 3.167
July-17	10,000	\$ 3.003
August-17	-	\$ -
September-17	-	\$ -



South Jersey Gas Company  
Discretionary Hedging Strategy  
As of December 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 September 30, 2016

Supply Month	BGSS Sendout* (000)	Program Hedges				
		Total Hedged (000)	Non-Discr (000)	Planalytics (000)	Sim (000)	Disc (000)
October-16	1,370	500	450	50	-	-
November-16	2,891	1,820	450	250	1,120	-
December-16	4,677	1,620	450	50	1,120	-
January-17	5,275	1,600	450	30	1,120	-
February-17	4,613	1,600	450	30	1,120	-
March-17	3,582	1,590	450	20	1,120	-
April-17	1,811	450	450	-	-	-
May-17	946	425	425	-	-	-
June-17	603	400	400	-	-	-
July-17	591	375	375	-	-	-
August-17	612	350	350	-	-	-
September-17	612	325	325	-	-	-
<b>Total</b>	<b>27,582</b>	<b>11,055</b>	<b>5,025</b>	<b>430</b>	<b>5,600</b>	<b>-</b>
<b>Total % Hedged</b>		<b>40.1%</b>	<b>18.2%</b>	<b>1.6%</b>	<b>20.3%</b>	<b>0.0%</b>

\*Based on Sendout in 2016 BGSS Filing

**South Jersey Gas Company**  
**Non Discretionary Hedging Strategy**  
**As of September 30, 2016**

Month	Quantity	Average Price
October-16	450,000	\$ 3.087
November-16	450,000	\$ 3.041
December-16	450,000	\$ 2.996
January-17	450,000	\$ 2.978
February-17	450,000	\$ 2.967
March-17	450,000	\$ 2.955
April-17	450,000	\$ 2.945
May-17	425,000	\$ 2.934
June-17	400,000	\$ 2.919
July-17	375,000	\$ 2.898
August-17	350,000	\$ 2.877
September-17	325,000	\$ 2.868

South Jersey Gas Company  
Non Discretionary Hedging Strategy  
As of September 30, 2016

INS_TYPE PF010 PARAM_SEQ_NUM 1	(Multiple Items) SIG_Financial_Trading_NonDiscr	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
Average of RATE	Column Labels												
10/30/2014	\$	3.835											
11/24/2014	\$	3.815	\$ 3.815										
12/30/2014	\$	3.460	\$ 3.460	\$ 3.460									
1/29/2015	\$	3.325	\$ 3.325	\$ 3.325	\$ 3.325								
2/26/2015	\$	3.237	\$ 3.237	\$ 3.237	\$ 3.237	\$ 3.237							
3/26/2015	\$	3.185	\$ 3.185	\$ 3.185	\$ 3.185	\$ 3.185	\$ 3.185						
4/30/2015	\$	3.143	\$ 3.143	\$ 3.143	\$ 3.143	\$ 3.143	\$ 3.143	\$ 3.143					
5/28/2015	\$	3.170	\$ 3.170	\$ 3.170	\$ 3.170	\$ 3.170	\$ 3.170	\$ 3.170	\$ 3.170				
6/30/2015	\$	3.225	\$ 3.225	\$ 3.225	\$ 3.225	\$ 3.225	\$ 3.225	\$ 3.225	\$ 3.225	\$ 3.225			
7/30/2015	\$	3.195	\$ 3.195	\$ 3.195	\$ 3.195	\$ 3.195	\$ 3.195	\$ 3.195	\$ 3.195	\$ 3.195	\$ 3.195		
8/31/2015	\$	3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	
9/29/2015	\$	2.945	\$ 2.945	\$ 2.945	\$ 2.945	\$ 2.945	\$ 2.945	\$ 2.945	\$ 2.945	\$ 2.945	\$ 2.945	\$ 2.945	\$ 2.945
10/30/2015	\$	2.688	\$ 2.688	\$ 2.688	\$ 2.688	\$ 2.688	\$ 2.688	\$ 2.688	\$ 2.688	\$ 2.688	\$ 2.688	\$ 2.688	\$ 2.688
11/30/2015	\$	2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680
12/30/2015	\$	2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680
1/29/2016	\$	2.710	\$ 2.710	\$ 2.710	\$ 2.710	\$ 2.710	\$ 2.710	\$ 2.710	\$ 2.710	\$ 2.710	\$ 2.710	\$ 2.710	\$ 2.710
2/29/2016	\$	2.445	\$ 2.445	\$ 2.445	\$ 2.445	\$ 2.445	\$ 2.445	\$ 2.445	\$ 2.445	\$ 2.445	\$ 2.445	\$ 2.445	\$ 2.445
3/31/2016	\$	2.820	\$ 2.820	\$ 2.820	\$ 2.820	\$ 2.820	\$ 2.820	\$ 2.820	\$ 2.820	\$ 2.820	\$ 2.820	\$ 2.820	\$ 2.820
4/28/2016	\$		\$ 3.010	\$ 3.010	\$ 3.010	\$ 3.010	\$ 3.010	\$ 3.010	\$ 3.010	\$ 3.010	\$ 3.010	\$ 3.010	\$ 3.010
5/27/2016	\$		\$ 3.007	\$ 3.007	\$ 3.007	\$ 3.007	\$ 3.007	\$ 3.007	\$ 3.007	\$ 3.007	\$ 3.007	\$ 3.007	\$ 3.007
6/30/2016	\$		\$ 3.138	\$ 3.138	\$ 3.138	\$ 3.138	\$ 3.138	\$ 3.138	\$ 3.138	\$ 3.138	\$ 3.138	\$ 3.138	\$ 3.138
7/29/2016	\$		\$ 3.122	\$ 3.122	\$ 3.122	\$ 3.122	\$ 3.122	\$ 3.122	\$ 3.122	\$ 3.122	\$ 3.122	\$ 3.122	\$ 3.122
8/31/2016	\$		\$ 3.035	\$ 3.035	\$ 3.035	\$ 3.035	\$ 3.035	\$ 3.035	\$ 3.035	\$ 3.035	\$ 3.035	\$ 3.035	\$ 3.035
9/30/2016	\$		\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000
<b>Average Cost per Dth</b>	<b>\$</b>	<b>3.087</b>	<b>\$ 3.041</b>	<b>\$ 2.996</b>	<b>\$ 2.978</b>	<b>\$ 2.967</b>	<b>\$ 2.955</b>	<b>\$ 2.945</b>	<b>\$ 2.934</b>	<b>\$ 2.919</b>	<b>\$ 2.898</b>	<b>\$ 2.877</b>	<b>\$ 2.868</b>
<b>Dth Purchased</b>	<b>\$</b>	<b>450,000</b>	<b>450,000</b>	<b>450,000</b>	<b>450,000</b>	<b>450,000</b>	<b>450,000</b>	<b>450,000</b>	<b>425,000</b>	<b>400,000</b>	<b>375,000</b>	<b>350,000</b>	<b>325,000</b>
	<b>\$</b>	<b>1,388,950</b>	<b>\$ 1,368,325</b>	<b>\$ 1,348,125</b>	<b>\$ 1,340,075</b>	<b>\$ 1,335,000</b>	<b>\$ 1,329,950</b>	<b>\$ 1,325,325</b>	<b>\$ 1,246,750</b>	<b>\$ 1,167,500</b>	<b>\$ 1,086,875</b>	<b>\$ 1,007,000</b>	<b>\$ 932,000</b>



South Jersey Gas Company  
Planalytics Hedging Strategy  
As of September 30, 2016

Month	Quantity	Average Price
October-16	50,000	\$ 2.808
November-16	250,000	\$ 3.011
December-16	50,000	\$ 3.007
January-17	30,000	\$ 3.103
February-17	30,000	\$ 3.094
March-17	20,000	\$ 2.952
April-17	-	\$ -
May-17	-	\$ -
June-17	-	\$ -
July-17	-	\$ -
August-17	-	\$ -
September-17	-	\$ -



South Jersey Gas Company  
Discretionary Hedging Strategy  
As of September 30, 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 2015 - September 2016  
As of September 30, 2016

Supply Month	BGSS Sendout* (000)	Program Hedges				Disc (000)
		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	1,760	440	200	1,120	-
April-16	1,493	495	445	50	-	-
May-16	814	500	450	50	-	-
June-16	554	480	450	30	-	-
July-16	542	500	450	50	-	-
August-16	554	500	450	50	-	-
September-16	603	500	450	50	-	-
<b>Total</b>	<b>24,673</b>	<b>12,640</b>	<b>5,260</b>	<b>1,780</b>	<b>5,600</b>	<b>-</b>
<b>Total % Hedged</b>		51.2%	21.3%	7.2%	22.7%	0.0%

\*Based on Sendout in 2015 BGSS Filing

**South Jersey Gas Company  
Non Discretionary Hedging Strategy  
As of September 30, 2016**

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	450,000	\$ 3.241
September-16	450,000	\$ 3.154

South Jersey Gas Company  
Planalytics Hedging Strategy  
As of September 30, 2016

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	200,000	\$ 2.531
April-16	50,000	\$ 3.100
May-16	50,000	\$ 3.119
June-16	30,000	\$ 2.656
July-16	50,000	\$ 2.699
August-16	50,000	\$ 2.723
September-16	50,000	\$ 2.719

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

Component of Benchmark	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Total
<b>Volumes (Bcf)</b>	0.80	0.80	0.80	0.80	0.80	0.80	0.80	5.60
<b>Financial Hedges</b>								
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
<b>Total Benchmark</b>	<b>\$ 2,270</b>	<b>\$ 2,270</b>	<b>\$ 2,270</b>	<b>\$ 2,270</b>	<b>\$ 2,270</b>	<b>\$ 2,270</b>	<b>\$ 2,270</b>	<b>\$ 15,889</b>
<b>Actual/Est Injection Volumes</b>	1.10	1.10	1.00	1.00	0.80	0.40	0.20	5.60
<b>Financial Hedges</b>								
Cost (\$000)	\$ 1,728	\$ 1,979	\$ 1,891	\$ 1,602	\$ 1,307	\$ 614	\$ 220	
Net (Gains) / Losses	\$ 207	\$ 265	\$ 27	\$ 60	\$ (30)	\$ 48	\$ 1	
<b>Total</b>	<b>\$ 1,935</b>	<b>\$ 2,244</b>	<b>\$ 1,918</b>	<b>\$ 1,662</b>	<b>\$ 1,277</b>	<b>\$ 662</b>	<b>\$ 220</b>	<b>\$ 9,919</b>
<b>Difference between Benchmark and Actual</b>	<b>\$ (335)</b>	<b>\$ (25)</b>	<b>\$ (352)</b>	<b>\$ (608)</b>	<b>\$ (993)</b>	<b>\$ (1,608)</b>	<b>\$ (2,049)</b>	<b>\$ (5,970)</b>
					<b>BGSS Share 80%</b>			<b>\$ (4,776)</b>
					<b>SJG Share</b>			<b>\$ (1,194)</b>
					<b>Actual Average Cost Before Sharing</b>			<b>\$ 1.771</b>
					<b>SJG Sharing Per Dt</b>			<b>\$ 0.2132</b>
					<b>Actual Average Cost After Sharing</b>			<b>\$ 1.985</b>

1,120

South Jersey Gas Company  
Discretionary Hedging Strategy  
As of September 30, 2016

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 2016 - September 2017  
As of June 30, 2016

Supply Month	BGSS Sendout* (000)	Program Hedges				
		Total Hedged (000)	Non-Discr (000)	Planalytics (000)	Sim (000)	Disc (000)
October-16	1,370	460	450	10	-	-
November-16	2,891	1,600	450	30	1,120	-
December-16	4,677	1,590	450	20	1,120	-
January-17	5,275	1,580	450	10	1,120	-
February-17	4,613	1,555	425	10	1,120	-
March-17	3,582	1,530	400	10	1,120	-
April-17	1,811	375	375	-	-	-
May-17	946	350	350	-	-	-
June-17	603	325	325	-	-	-
July-17	591	300	300	-	-	-
August-17	612	275	275	-	-	-
September-17	612	250	250	-	-	-
<b>Total</b>	<b>27,582</b>	<b>10,190</b>	<b>4,500</b>	<b>90</b>	<b>5,600</b>	<b>-</b>
<b>Total % Hedged</b>		<b>36.9%</b>	<b>16.3%</b>	<b>0.3%</b>	<b>20.3%</b>	<b>0.0%</b>

\*Based on Sendout in 2016 BGSS Filing

**South Jersey Gas Company**  
**Non Discretionary Hedging Strategy**  
**As of June 30, 2016**

Month	Quantity	Average Price
October-16	450,000	\$ 3.087
November-16	450,000	\$ 3.041
December-16	450,000	\$ 2.996
January-17	450,000	\$ 2.978
February-17	425,000	\$ 2.958
March-17	400,000	\$ 2.940
April-17	375,000	\$ 2.924
May-17	350,000	\$ 2.908
June-17	325,000	\$ 2.888
July-17	300,000	\$ 2.860
August-17	275,000	\$ 2.829
September-17	250,000	\$ 2.812

South Jersey Gas Company  
Non Discretionary Hedging Strategy  
As of June 30, 2016

INS. TYPE	(Multiple Items)	10/30/2016	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
PORTFOLIO	SIG Financial Trading, NonDiscor												
PARAM. SEQ. NUM.	1												
Average of RATE	Column Labels												
Row Labels													
10/30/2014		3835											
11/24/2014	\$	3815	\$ 3.815										
12/30/2014	\$	3460	\$ 3.460	\$ 3.460									
1/29/2015	\$	3325	\$ 3.325	\$ 3.325	\$ 3.325								
2/26/2015	\$	3237	\$ 3.237	\$ 3.237	\$ 3.237	\$ 3.237							
3/26/2015	\$	3185	\$ 3.185	\$ 3.185	\$ 3.185	\$ 3.185	\$ 3.185						
4/30/2015	\$	3143	\$ 3.143	\$ 3.143	\$ 3.143	\$ 3.143	\$ 3.143	\$ 3.143					
5/28/2015	\$	3170	\$ 3.170	\$ 3.170	\$ 3.170	\$ 3.170	\$ 3.170	\$ 3.170	\$ 3.170				
6/30/2015	\$	3225	\$ 3.225	\$ 3.225	\$ 3.225	\$ 3.225	\$ 3.225	\$ 3.225	\$ 3.225	\$ 3.225			
7/30/2015	\$	3195	\$ 3.195	\$ 3.195	\$ 3.195	\$ 3.195	\$ 3.195	\$ 3.195	\$ 3.195	\$ 3.195	\$ 3.195		
8/31/2015	\$	3000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.000	
9/29/2015	\$	2945	\$ 2.945	\$ 2.945	\$ 2.945	\$ 2.945	\$ 2.945	\$ 2.945	\$ 2.945	\$ 2.945	\$ 2.945	\$ 2.945	\$ 2.945
10/30/2015	\$	2688	\$ 2.688	\$ 2.688	\$ 2.688	\$ 2.688	\$ 2.688	\$ 2.688	\$ 2.688	\$ 2.688	\$ 2.688	\$ 2.688	\$ 2.688
11/30/2015	\$	2680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680
12/30/2015	\$	2680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680	\$ 2.680
1/29/2016	\$	2710	\$ 2.710	\$ 2.710	\$ 2.710	\$ 2.710	\$ 2.710	\$ 2.710	\$ 2.710	\$ 2.710	\$ 2.710	\$ 2.710	\$ 2.710
2/29/2016	\$	2445	\$ 2.445	\$ 2.445	\$ 2.445	\$ 2.445	\$ 2.445	\$ 2.445	\$ 2.445	\$ 2.445	\$ 2.445	\$ 2.445	\$ 2.445
3/31/2016	\$	2820	\$ 2.820	\$ 2.820	\$ 2.820	\$ 2.820	\$ 2.820	\$ 2.820	\$ 2.820	\$ 2.820	\$ 2.820	\$ 2.820	\$ 2.820
4/28/2016	\$		\$ 3.010	\$ 3.010	\$ 3.010	\$ 3.010	\$ 3.010	\$ 3.010	\$ 3.010	\$ 3.010	\$ 3.010	\$ 3.010	\$ 3.010
5/27/2016	\$		\$ 3.007	\$ 3.007	\$ 3.007	\$ 3.007	\$ 3.007	\$ 3.007	\$ 3.007	\$ 3.007	\$ 3.007	\$ 3.007	\$ 3.007
6/30/2016	\$		\$ 3.138	\$ 3.138	\$ 3.138	\$ 3.138	\$ 3.138	\$ 3.138	\$ 3.138	\$ 3.138	\$ 3.138	\$ 3.138	\$ 3.138
Average Cost per Dth	\$	3087	\$ 3.041	\$ 2.996	\$ 2.978	\$ 2.958	\$ 2.940	\$ 2.924	\$ 2.908	\$ 2.888	\$ 2.860	\$ 2.829	\$ 2.812
Dth Purchased	\$	450,000	450,000	450,000	425,000	400,000	375,000	350,000	325,000	300,000	275,000	250,000	
	\$	1,388,950	\$ 1,368,325	\$ 1,348,125	\$ 1,340,075	\$ 1,256,950	\$ 1,176,025	\$ 1,096,400	\$ 1,017,825	\$ 938,575	\$ 857,950	\$ 778,075	\$ 703,075

South Jersey Gas Company  
Planalytics Hedging Strategy  
As of June 30, 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 June 30, 2016**

Month	Financial Fixed Priced		Month	Physical Fixed Price	
	Quantity	Average Price		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 June 30, 2016**

Supply Month	BGSS Sendout* (000)	Program Hedges				
		Total Hedged (000)	Non-Discr (000)	Planalytics (000)	Sim (000)	Disc (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	1,760	440	200	1,120	-
April-16	1,493	495	445	50	-	-
May-16	814	500	450	50	-	-
June-16	554	480	450	30	-	-
July-16	542	500	450	50	-	-
August-16	554	500	450	50	-	-
September-16	603	470	450	20	-	-
<b>Total</b>	<b>24,673</b>	<b>12,610</b>	<b>5,260</b>	<b>1,750</b>	<b>5,600</b>	<b>-</b>
<b>Total % Hedged</b>		<b>51.1%</b>	<b>21.3%</b>	<b>7.1%</b>	<b>22.7%</b>	<b>0.0%</b>

\*Based on Sendout in 2015 BGSS Filing

**South Jersey Gas Company**  
**Non Discretionary Hedging Strategy**  
**As of June 30, 2016**

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	450,000	\$ 3.241
September-16	450,000	\$ 3.154



**South Jersey Gas Company  
Planalytics Hedging Strategy  
As of June 30, 2016**

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	200,000	\$ 2.531
April-16	50,000	\$ 3.100
May-16	50,000	\$ 3.119
June-16	30,000	\$ 2.656
July-16	50,000	\$ 2.699
August-16	50,000	\$ 2.723
September-16	20,000	\$ 2.722



South Jersey Gas Company  
Discretionary Hedging Strategy  
As of June 30, 2016

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	-	\$ -

**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:

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### **FERC Tennessee Pipeline Project (Docket No. CP16-4-000) Issued February 2, 2017**

The commission granted the requested authorizations filed by Tennessee Gas Pipeline Company, L.L.C (Tennessee) subject to conditions. The Orion Project infrastructure includes about “8.23 miles of new 36 inch-diameter pipeline loop in Wayne and Pike Counties and approximately 4.68 miles of new 36-inch-diameter pipeline loop, as well as modifications to an existing compressor until at Compressor Station 323 in Pike County, and will enable Tennessee to provide 135,000 Dth/d of firm west-to-east transportation service as subscribed by South Jersey Gas and Cabot”.

### **FERC PennEast Pipeline Project (Docket No. CP15-558-000) Issued April 7, 2017**

The staff of the Federal Energy Regulatory Commission (Commission or FERC) has prepared a final environmental impact statement (EIS) for the PennEast Pipeline Project (or Project) proposed by PennEast Pipeline Company, LLC (PennEast) in the above-referenced docket. PennEast requests authorization to construct, own, and operate, facilities in Pennsylvania and New Jersey to provide about 1.1 million dekatherms per day of year-round natural gas transportation service from northern Pennsylvania to markets in New Jersey, eastern and southeastern Pennsylvania, and surrounding states.

2017 – 2018

WORKPAPERS

2017-2018 WORKPAPER  
INPUT AREA

**Billed Volumes:**

	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18
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	732,675	1,705,669	3,156,219	4,694,906	4,571,701	4,145,182	2,712,541	1,312,247	873,923	480,754	451,085	568,253
11 480.120 RES SERV SALES W/O HSE HTG	12,545	16,827	26,095	30,167	30,898	24,740	18,882	13,427	11,183	10,523	8,094	10,201
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)	8,677	8,744	12,344	14,277	14,580	14,399	10,107	9,528	9,946	9,049	10,176	9,785
14 481.210 GEN SERV SALES COMMERCIAL (PERIODIC)	9,370	12,259	12,465	18,854	18,673	16,340	10,218	6,376	16,711	7,164	15,376	12,360
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)	43,096	120,926	280,788	413,123	337,791	426,513	302,402	140,486	101,355	82,013	86,764	96,507
18 481.310 BLDG HTG & COOL COMMERCIAL (PERIODIC)	65,561	135,811	141,828	499,930	373,002	580,170	196,048	6,032	192,711	64,069	152,838	130,213
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	3,288	1,541	2,010	3,491	3,438	2,199	3,356	2,269	3,167	1,905	3,420	1,402
25 481.630 GSG-LV COMMERCIAL HEAT	8,920	17,240	28,301	56,350	61,512	61,378	60,153	49,839	12,150	15,297	8,682	7,664
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	13	13	13	11	11	11	12	12	12	13	13	13
29 ELECTRIC GENERATION SERVICE	957,145	2,088,030	3,666,062	5,757,110	5,454,604	5,326,933	3,369,718	1,621,217	1,432,158	801,788	867,446	902,399
30 Total Firm Sales	17,360	17,360	17,360	15,980	16,360	16,360	16,460	17,360	17,360	17,360	17,360	17,360
31 IGS SALES												
32 481.650 IGS #6 INDUSTRIAL	0	0	0	0	592	961	250	250	0	0	0	0
33 481.651 IGS #2 INDUSTRIAL	0	0	0	0	0	0	0	0	0	0	0	0
34 Total IGS Sales	0	0	0	0	592	961	250	250	0	0	0	0
35 Company Use	5,000	5,000	7,000	10,000	10,000	8,000	5,000	4,000	4,000	5,000	5,000	4,000
36	17,360	17,360	17,360	15,980	16,360	16,360	16,460	17,360	17,360	17,360	17,360	17,360
37												
38 NGV												
39												
40 TRANSPORTATION												
41 489.000 Interr Trans Service	90,965	84,090	86,309	56,072	57,742	89,345	92,410	83,265	76,066	78,132	86,258	79,723
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-LVCS	58,687	163,361	39,159	485,520	474,513	537,099	1,497	2,289	213,481	478,337	313,883	107,081
46 489.700 LVS-FT	697,904	731,950	785,246	801,966	784,221	648,666	725,320	719,046	703,582	729,369	712,823	672,723
47 489.821 GSG-FT Comm Non-Heat	11,042	12,076	16,190	18,446	15,518	15,380	13,132	12,281	19,433	8,704	12,358	11,930
48 489.822 GSG-FT Indus Non-Heat	0	0	0	0	0	0	0	0	0	0	0	0
49 489.831 GSG-FT Comm Heat	219,891	316,877	436,674	617,756	704,545	672,258	471,293	332,646	226,442	152,338	154,269	235,852
50 489.832 GSG-FT Indus Heat	0	0	0	0	0	0	0	0	0	0	0	0
51 489.950 EGS-Customer Owned Gas	1,898	1,420	1,661	1,445	1,514	1,744	1,230	1,184	1,020	556	428	929
52 489.960 EGS-LV-FT	256,635	358,066	275,486	209,621	376,416	397,812	137,387	263,812	500,822	355,980	313,116	340,168
53 489.865 GSG-LV-FT Comm Non-Heat	1,804	3,157	4,938	4,683	4,198	5,367	5,213	2,359	2,606	1,919	1,837	2,170
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	143,148	377,080	355,294	423,064	343,481	288,447	240,213	219,147	90,008	139,590	192,882	135,409
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	186,073	229,340	234,168	247,831	184,641	218,198	256,288	193,686	173,360	164,031	179,567	170,326
58 490.210 RSG-FT Heat	65,199	141,565	269,119	392,973	374,975	338,570	220,245	106,630	52,678	51,797	39,041	44,464
59 490.220 RSG-FT Non-Heat	1,179	2,017	2,399	3,417	3,012	2,522	2,062	1,277	1,126	905	1,068	991
60 Total Transportation	1,742,425	2,432,988	2,546,643	3,277,796	3,342,774	3,230,407	2,181,289	2,057,622	2,150,625	2,431,659	2,277,530	2,001,765

	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Total
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**Pipeline & Suppl. Supplies**

Spot Purchases - Columbia ESEP  
Spot Purchases - Columbia  
Spot Purchases - Transco  
Spot Purchases - Transco Lady #1013589  
Spot Purchases - FES & Monthly BGSS  
Spot Purchases on Transco PSFT  
Liquefied Natural Gas (LNG)

TOTAL NAT GAS PURCHASED



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

	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Total
1	1,729,170	3,215,730	5,189,378	6,017,422	5,284,369	4,267,699	2,218,924	1,381,034	1,069,652	968,577	1,028,134	864,702	33,254,693
2	(155,390)	-	-	-	(40,000)	(40,000)	(53,196)	(86,131)	(88,238)	(82,237)	(84,897)	(87,241)	(677,330)
3	5,000	70,000	61,881	58,929	70,330	79,100	9,500	9,500	9,500	9,500	9,500	9,500	401,940
4	(150,390)	70,000	61,881	58,929	70,330	39,100	(43,696)	(76,631)	(78,738)	(72,737)	(75,397)	(77,741)	(275,390)
5	1,578,780	3,285,730	5,250,959	6,076,351	5,354,699	4,306,799	2,175,128	1,304,403	990,914	895,840	952,737	806,961	32,979,303
6	(80,000)	0	0	0	0	0	0	0	0	0	0	0	0
7	(2,000)	0	0	0	0	0	0	0	0	0	0	0	0
8	(1,078)	0	0	0	0	0	0	0	0	0	0	0	0
9	(20,000)	0	0	0	0	0	0	0	0	0	0	0	0
10	(1,078)	0	0	0	0	0	0	0	0	0	0	0	0
11	(20,000)	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	(100,000)	(60,000)	(100,000)	(30,000)	(20,000)	(15,000)	(153,767)	(206,247)	(167,579)	(180,380)	(160,380)	(153,129)	(1,346,482)
14	80,000	81,942	163,884	392,106	328,550	178,000	118,000	0	0	0	2,000	2,000	1,346,482
15	(2,533)	(1,520)	(2,533)	(760)	(507)	(380)	(3,894)	(5,223)	(4,244)	(4,568)	(4,062)	(3,878)	(34,102)
16	0	0	0	0	0	0	(35,303)	(36,378)	(35,303)	(36,378)	(36,378)	(35,303)	(215,042)
17	0	0	0	0	0	0	(14,113)	(14,543)	(14,113)	(14,543)	(14,543)	(14,113)	(85,968)
18	(80,000)	0	0	0	0	0	(184,000)	(210,800)	(202,920)	(164,000)	(198,280)	(184,000)	(1,224,000)
19	0	0	0	0	0	0	0	0	0	0	0	0	0
20	0	0	0	0	0	0	0	0	0	0	0	0	0
21	(1,276)	(324)	(942)	(972)	(616)	(551)	(2,935)	(3,962)	(3,237)	(2,516)	(3,163)	(2,935)	(22,829)
22	(240,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(633,531)	(339,234)	(313,587)	(263,587)	(233,687)	(250,010)	(2,223,537)
23	55,000	164,792	385,887	457,683	482,314	223,161	100,000	85,000	80,000	90,000	50,000	50,000	2,223,537
24	(4,099)	(61)	(51)	(51)	(51)	(51)	(738)	(6,578)	(534)	(449)	(3,998)	(3,787)	(21,417)
25	(4,275)	(2,796)	(5,955)	(6,989)	(7,343)	(3,632)	(7,730)	(6,145)	(5,703)	(5,118)	(4,110)	(4,348)	(64,147)
26	0	0	0	0	0	0	(63,450)	(72,850)	(70,500)	(72,850)	(72,850)	(70,500)	(423,000)
27	0	0	0	0	0	0	0	0	0	0	0	0	0
28	0	0	0	0	0	0	0	0	0	0	0	0	0
29	0	0	0	0	0	0	0	0	0	0	0	0	0
30	0	0	0	0	0	0	(1,262)	(1,449)	(1,402)	(1,449)	(1,449)	(1,402)	(6,413)
31	0	0	0	0	0	0	0	0	0	0	0	0	0
32	0	0	0	0	0	0	0	0	0	0	0	0	0
33	0	0	0	0	0	0	0	0	0	0	0	0	0
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	0	0	0	0	0	0	0	0	0	0	0	0	0
37	0	0	0	0	0	0	0	0	0	0	0	0	0
38	0	0	0	0	0	0	0	0	0	0	0	0	0
39	0	0	0	0	0	0	0	0	0	0	0	0	0
40	0	0	0	0	0	0	0	0	0	0	0	0	0
41	0	0	0	0	0	0	0	0	0	0	0	0	0
42	0	0	0	0	0	0	0	0	0	0	0	0	0

TOTAL NATURAL GAS SENDOUT

Liquefied Natural Gas (LNG)  
Mekeo City Sendout

Total LNG Sendout

Total Sendout



	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Total
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WORKPAPER KJB-5B, Page 2 of 3  
SUMMARY OF NATURAL GAS COSTS

Transco Demand Cost

Commodity Cost - Transco

Commodity Cost - Transco Leidy #1019599

Dir Purchases FES & Monthly GSG

TRANSCO FT - SS-1 #104825

Transco PSFT Transport, Reserv, Cost

Transco PSFT Commodity Cost

Transco Central New Jersey Expansion

Reservation Cost - #1 and #2

Transco Long Haul Cap. Ref. Credit

Columbia L-1 Firm Commodity Cost

Columbia East Side Exp Project Commodity Cost

Tennessee FT DEMAND

Columbia FTS Cost #38099

Columbia FTS Cost #156147

Columbia Gas NTS Cost

Columbia FSS

DEMAND MDSQ Cost

DEMAND SCQ Cost

IN Cost

OUT Cost

Columbia SST

Columbia SST Compression Charge

IN Cost

OUT Cost

Columbia FTS DEMAND #28769

Dominion Transportation Demand Cost

Columbia Gulf FTS Demand - East Side Expansion Project

Dominion GSS Capacity Cost

Dominion GSS Capacity Cost

Dominion GSS IN Cost

Dominion GSS IT IN Cost

Dominion GSS OUT Cost

Peaking Supply

Hedging (Gain) Loss

License Agreement - Planalytics Hedging Tool

Midstream Partners

ABB-SENDOUT Annual Charge

Storage Incentive Mechanism (Gain)/Loss

Marcus Hook - Woodbury Lateral

Antero Commodity Savings

Total Gas Cost

	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Total
1													
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WORKPAPER KJB-5B, Page 3 of 3  
SUMMARY OF NATURAL GAS COSTS

NATURAL GAS PURCHASES (\$)

Spot Purchases on Columbia - ESEP  
Spot Purchases on Columbia  
Spot Purchases - Transco  
Spot Purchases - Transco Leidy #1013599  
Direct Purchases - FES & Monthly BGSS  
Spot Purchases on Transco PSFT  
Peaking Supply  
Hedging(Gain) Loss  
Antero Commodity Savings  
Marcus Hook - Woodbury/Lateral  
Storage Incentive Mechanism  
TOTAL NATURAL GAS PURCHASES (\$)

PURCHASED NAT GAS BREAKDOWN (D)

Spot Purchases on Columbia - ESEP  
Spot Purchases on Columbia  
Spot Purchases - Transco  
Spot Purchases - Transco Leidy #1013599  
Direct Purchases - FES & Monthly BGSS  
Spot Purchases on Transco PSFT

TOTAL NATL GAS PURCHASED (D)

NATURAL GAS COST PER THERM

Total Cost Per Therm  
Total Cost Per Therm Excluding FES/Monthly BGSS/Injections  
(Excluding FMAC, Monthly BGSS & All Hedging & SIMS)

INJECTED COST PER THERM

SUMMARY OF GAS COSTS

Pipeline & Storage Demand  
Storage  
Natural Gas Purchases \*  
Total Gas Costs

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

	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Total
1													
2													
3													
4	102,533	61,520	102,533	30,760	20,507	15,380	157,661	211,470	171,623	184,948	164,442	157,007	1,380,564
5	\$3,2876	\$3,0191	\$3,2378	\$3,3116	\$3,2599	\$3,1152	\$2,3620	\$2,1387	\$2,1970	\$2,1912	\$2,2165	\$2,1616	
6													
7	\$337,087	\$185,735	\$331,981	\$101,865	\$66,851	\$47,912	\$372,395	\$452,271	\$377,495	\$405,258	\$364,486	\$339,386	\$3,382,723
8													
9	20,000	0	0	0	0	0	31,818	21,817	31,010	43,331	43,331	41,010	232,315
10	\$3,2876	\$3,0191	\$3,2378	\$3,3116	\$3,2599	\$3,1152	\$2,3620	\$2,1387	\$2,1970	\$2,1912	\$2,2165	\$2,1616	
11													
12	\$65,752	\$0	\$0	\$0	\$0	\$0	\$75,153	\$46,660	\$68,128	\$94,946	\$96,042	\$86,646	\$535,327
13													
14	81,276	0	0	0	0	0	186,935	214,162	206,157	166,616	201,443	186,935	1,243,524
15	\$3,2876	\$3,0191	\$3,2378	\$3,3116	\$3,2599	\$3,1152	\$2,3620	\$2,1387	\$2,1970	\$2,1912	\$2,2165	\$2,1616	
16													
17	\$267,203	\$0	\$0	\$0	\$0	\$0	\$441,540	\$458,028	\$452,927	\$365,089	\$446,498	\$404,079	\$2,635,365
18													
19	81,078	0	0	0	0	0	265,440	333,099	301,627	297,518	277,200	232,469	1,788,461
20	\$3,2876	\$3,0191	\$3,2378	\$3,3116	\$3,2599	\$3,1152	\$2,3620	\$2,1387	\$2,1970	\$2,1912	\$2,2165	\$2,1616	
21													
22	\$266,552	\$0	\$0	\$0	\$0	\$0	\$626,969	\$712,399	\$662,675	\$651,921	\$614,414	\$502,570	\$4,037,500
23													
24	0	0	0	0	0	0	64,712	74,269	71,902	74,269	74,269	71,902	431,413
25	\$3,2876	\$3,0191	\$3,2378	\$3,3116	\$3,2599	\$3,1152	\$2,3620	\$2,1387	\$2,1970	\$2,1912	\$2,2165	\$2,1616	
26													
27	\$0	\$0	\$0	\$0	\$0	\$0	\$152,650	\$158,903	\$157,969	\$162,804	\$164,684	\$155,423	\$852,633
28													
29	77	0	0	0	0	0	15,097	15,097	20,592	21,781	36,876	31,424	140,946
30	\$3,2876	\$3,0191	\$3,2378	\$3,3116	\$3,2599	\$3,1152	\$2,3620	\$2,1387	\$2,1970	\$2,1912	\$2,2165	\$2,1616	
31													
32	\$253	\$0	\$0	\$0	\$0	\$0	\$35,659	\$32,288	\$45,241	\$47,727	\$81,740	\$67,926	\$310,834
33													
34	243,886	30,487	30,487	30,487	30,487	30,487	440,567	344,740	318,677	267,865	237,379	254,068	2,259,628
35	\$3,2876	\$3,0191	\$3,2378	\$3,3116	\$3,2599	\$3,1152	\$2,3620	\$2,1387	\$2,1970	\$2,1912	\$2,2165	\$2,1616	
36													
37	\$801,832	\$92,043	\$98,711	\$100,961	\$99,385	\$94,973	\$1,040,618	\$737,296	\$700,134	\$596,947	\$526,151	\$549,192	\$5,426,244
38													
39	528,860	92,007	133,020	61,247	50,984	45,867	1,162,229	1,214,684	1,121,788	1,056,358	1,034,972	974,844	7,476,870
40													
41	\$1738,680	\$277,778	\$430,692	\$202,826	\$166,235	\$142,885	\$2,745,165	\$2,697,846	\$2,464,568	\$2,314,691	\$2,294,015	\$2,107,223	\$17,482,625

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NATURAL GAS INVENTORY

	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Total
1													
2													
3													
4	1,346,482	1,386,482	1,344,540	1,280,656	918,550	610,000	447,000	482,767	689,014	856,593	1,036,973	1,195,353	1,195,353
5	100,000	60,000	100,000	30,000	20,000	15,000	153,767	206,247	167,579	180,380	160,380	153,129	1,346,482
6													
7	1,446,482	1,426,482	1,444,540	1,310,656	938,550	625,000	600,767	689,014	856,593	1,036,973	1,197,353	1,346,482	1,346,482
8	80,000	81,942	163,884	392,106	328,550	178,000	118,000	0	0	0	2,000	2,000	1,346,482
9													
10	1,366,482	1,344,540	1,280,656	918,550	610,000	447,000	482,767	689,014	856,593	1,036,973	1,195,353	1,346,482	1,346,482
11													
12	\$4,328,793	\$4,407,826	\$4,329,691	\$4,132,803	\$2,967,792	\$1,972,332	\$1,444,878	\$1,460,333	\$1,912,603	\$2,290,099	\$2,695,357	\$3,054,731	\$3,382,723
13													
14	\$337,087	\$185,735	\$331,981	\$101,865	\$66,851	\$47,912	\$372,395	\$452,271	\$377,495	\$405,258	\$364,486	\$339,386	\$3,382,723
15													
16	\$4,665,880	\$4,593,561	\$4,661,673	\$4,234,668	\$3,034,642	\$2,020,243	\$1,817,273	\$1,912,603	\$2,290,099	\$2,695,357	\$3,059,842	\$3,394,118	\$4,322,432
17	\$258,054	\$263,870	\$528,870	\$1,266,876	\$1,062,311	\$575,365	\$356,941	\$0	\$0	\$0	\$5,111	\$5,034	\$4,322,432
18													
19	\$4,407,826	\$4,329,691	\$4,132,803	\$2,967,792	\$1,972,332	\$1,444,878	\$1,460,333	\$1,912,603	\$2,290,099	\$2,695,357	\$3,054,731	\$3,389,084	\$3,389,084
20													
21	\$3,2257	\$3,2202	\$3,2271	\$3,2310	\$3,2333	\$3,2324	\$3,0249	\$2,7759	\$2,6735	\$2,5993	\$2,5555	\$2,5170	\$2,5170
22													
23	232,314	252,314	212,314	197,314	137,951	97,000	97,000	108,817	108,634	129,644	172,974	216,305	232,315
24	20,000	0	0	0	0	0	31,818	21,817	31,010	43,331	43,331	41,010	232,315
25													
26	252,314	252,314	212,314	197,314	137,951	97,000	128,817	128,634	139,644	172,974	216,305	257,314	232,315
27	0	40,000	15,000	58,363	40,952	0	22,000	20,000	10,000	0	0	25,000	232,315
28													
29	252,314	212,314	197,314	137,951	97,000	97,000	108,817	108,634	129,644	172,974	216,305	232,314	232,314
30													
31	\$710,926	\$776,678	\$653,549	\$607,376	\$424,644	\$298,586	\$298,586	\$309,910	\$301,130	\$342,815	\$437,761	\$533,803	\$533,803
32													
33	\$65,752	\$0	\$0	\$0	\$0	\$0	\$75,153	\$46,660	\$68,128	\$94,946	\$96,042	\$98,646	\$535,327
34													
35	\$776,678	\$776,678	\$653,549	\$607,376	\$424,644	\$298,586	\$373,739	\$356,570	\$389,258	\$437,761	\$533,803	\$622,449	\$622,449
36	\$0	\$123,129	\$46,173	\$182,732	\$126,058	\$0	\$63,529	\$55,439	\$26,443	\$0	\$0	\$0	\$684,279
37													
38	\$776,678	\$653,549	\$607,376	\$424,644	\$298,586	\$298,586	\$309,910	\$301,130	\$342,815	\$437,761	\$533,803	\$661,974	\$661,974
39													
40	\$3,0782	\$3,0782	\$3,0782	\$3,0782	\$3,0782	\$3,0782	\$2,9013	\$2,7720	\$2,6443	\$2,5308	\$2,4678	\$2,4190	\$2,4190

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

	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Total
3 LSS Opening Balance	1,224,000	1,304,000	1,184,000	872,000	512,000	284,000	80,000	264,000	474,800	677,720	841,720	1,040,000	1,224,000
4 Storage Injections Transco LSS	80,000	0	0	0	0	0	184,000	210,800	202,920	164,000	196,280	184,000	1,224,000
5 LSS Inventory Sub Total Dt	1,304,000	1,304,000	1,184,000	872,000	512,000	284,000	264,000	474,800	677,720	841,720	1,040,000	1,224,000	1,224,000
6 Net Storage Withdrawals Transco LSS	0	120,000	312,000	360,000	228,000	204,000	0	0	0	0	0	0	0
7 LSS Inventory Balance	1,304,000	1,184,000	872,000	512,000	284,000	80,000	264,000	474,800	677,720	841,720	1,040,000	1,224,000	1,224,000
8 LSS Inventory Cost Open Balance	\$3,835,277	\$4,102,480	\$3,724,951	\$2,743,376	\$1,610,790	\$893,485	\$251,686	\$693,226	\$1,151,255	\$1,604,182	\$1,969,271	\$2,415,769	\$2,835,365
9 LSS Injection Cost	\$267,203	\$0	\$0	\$0	\$0	\$0	\$441,540	\$458,028	\$452,927	\$365,089	\$446,498	\$404,079	\$2,835,365
10 LSS Inventory Cost Sub Total	\$4,102,480	\$4,102,480	\$3,724,951	\$2,743,376	\$1,610,790	\$893,485	\$693,226	\$1,151,255	\$1,604,182	\$1,969,271	\$2,415,769	\$2,819,848	\$3,850,794
11 Total LSS Storage Withdrawal Cost	\$0	\$377,529	\$981,575	\$1,132,586	\$771,305	\$641,799	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12 Total LSS Inventory Cost Bal	\$4,102,480	\$3,724,951	\$2,743,376	\$1,610,790	\$893,485	\$251,686	\$693,226	\$1,151,255	\$1,604,182	\$1,969,271	\$2,415,769	\$2,819,848	\$3,850,794
13 LSS Inventory Cost Rate	\$3,1461	\$3,1461	\$3,1461	\$3,1461	\$3,1461	\$3,1461	\$2,6259	\$2,4247	\$2,3670	\$2,3396	\$2,3229	\$2,3038	\$2,3038
14 SS 2 Opening Balance	1,764,675	1,844,675	1,757,864	1,334,243	836,910	387,706	80,000	341,910	670,579	968,194	1,261,755	1,555,268	1,764,675
15 Storage Injections Transco SS 2	80,000	0	0	0	0	0	261,910	326,689	297,615	233,561	273,513	229,407	1,764,675
16 SS 2 Inventory Sub Total Dt	1,844,675	1,844,675	1,757,864	1,334,243	836,910	387,706	341,910	670,579	968,194	1,261,755	1,555,268	1,764,675	1,764,675
17 Net Storage Withdrawals Transco SS 2	0	86,612	423,621	497,353	445,204	307,706	0	0	0	0	0	0	0
18 SS 2 Inventory Balance	1,844,675	1,757,864	1,334,243	836,910	387,706	80,000	341,910	670,579	968,194	1,261,755	1,555,268	1,764,675	1,764,675
19 SS 2 Inventory Cost Open Balance	\$5,553,066	\$5,829,618	\$5,555,273	\$4,216,528	\$2,644,836	\$1,225,243	\$252,819	\$673,789	\$1,592,187	\$2,254,862	\$2,905,783	\$3,521,197	\$4,037,500
20 SS 2 Storage Injections Cost	\$286,552	\$0	\$0	\$0	\$0	\$0	\$626,969	\$712,399	\$662,675	\$651,921	\$614,414	\$502,570	\$4,037,500
21 SS 2 Inventory Cost Sub Total	\$5,829,618	\$5,829,618	\$5,555,273	\$4,216,528	\$2,644,836	\$1,225,243	\$879,789	\$1,592,187	\$2,254,862	\$2,906,783	\$3,521,197	\$4,023,767	\$5,576,799
22 Total SS 2 Storage Withdrawal Cost	\$0	\$274,345	\$1,338,745	\$1,571,692	\$1,419,593	\$972,424	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23 Total SS 2 Inventory Cost Bal	\$5,829,618	\$5,555,273	\$4,216,528	\$2,644,836	\$1,225,243	\$252,819	\$879,789	\$1,592,187	\$2,254,862	\$2,906,783	\$3,521,197	\$4,023,767	\$5,576,799
24 SS 2 Inventory Cost Rate	\$3,1602	\$3,1602	\$3,1602	\$3,1602	\$3,1602	\$3,1602	\$2,5732	\$2,3743	\$2,3289	\$2,3038	\$2,2935	\$2,2802	\$2,2802
25 Dominion GSS Opening Balance	423,000	423,000	423,000	323,000	183,000	42,200	0	63,450	136,300	206,800	279,650	352,500	423,000
26 Injections Dominion GSS Storage	0	0	0	0	0	0	63,450	72,850	70,500	72,850	72,850	70,500	423,000
27 Dominion GSS Inventory Sub Total Dt	423,000	423,000	423,000	323,000	183,000	42,200	63,450	136,300	206,800	279,650	352,500	423,000	423,000
28 Net Storage Withdrawals Dominion GSS	0	0	100,000	140,000	140,800	42,200	0	0	0	0	0	0	0
29 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	423,000
30 Dominion GSS Inventory Cost Open Balance	\$1,357,622	\$1,357,622	\$1,357,622	\$1,036,671	\$687,340	\$135,441	\$0	\$152,850	\$311,753	\$469,722	\$632,526	\$797,209	\$952,633
31 Dominion GSS Storage Injections Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$152,850	\$158,903	\$157,969	\$162,804	\$164,684	\$155,423	\$952,633
32 Dominion GSS Inventory Cost Sub Total	\$1,357,622	\$1,357,622	\$1,357,622	\$1,036,671	\$687,340	\$135,441	\$152,850	\$311,753	\$469,722	\$632,526	\$797,209	\$952,633	\$1,357,622
33 Total Equit Storage Withdrawal Cost	\$0	\$0	\$320,951	\$449,331	\$451,899	\$135,441	\$0	\$0	\$0	\$0	\$0	\$0	\$0
34 Total Dominion GSS Inventory Cost Balance	\$1,357,622	\$1,357,622	\$1,036,671	\$587,340	\$135,441	\$0	\$152,850	\$311,753	\$469,722	\$632,526	\$797,209	\$952,633	\$1,357,622
35 Dominion GSS Inventory Cost Rate	\$3,2095	\$3,2095	\$3,2095	\$3,2095	\$3,2095	\$0,0000	\$2,4090	\$2,2873	\$2,2714	\$2,2618	\$2,2616	\$2,2521	\$2,2521





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NATURAL GAS INVENTORY - WITHDRAWALS

	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Total
1													
2													
3	80,000	81,942	163,884	392,106	328,550	178,000	118,000	0	0	0	2,000	2,000	1,346,482
4													
5													
6	\$3,2257	\$3,2202	\$3,2271	\$3,2310	\$3,2333	\$3,2324	\$3,0249	\$2,7759	\$2,6735	\$2,5993	\$2,5555	\$2,5170	\$2,5170
7	\$288,054	\$263,870	\$528,870	\$1,266,876	\$1,062,311	\$575,365	\$356,941	\$0	\$0	\$0	\$5,111	\$5,034	\$4,322,432
8													
9	0	40,000	15,000	59,363	40,952	0	22,000	20,000	10,000	0	0	25,000	232,315
10													
11													
12													
13													
14													
15													
16													
17													
18	\$3,1334	\$3,1461	\$3,1461	\$3,1461	\$3,1461	\$3,1461	\$3,1461	\$2,6259	\$2,6443	\$2,5308	\$2,4678	\$2,4190	\$2,4190
19													
20	\$0	\$377,529	\$981,575	\$1,132,586	\$717,305	\$641,799	\$0	\$55,439	\$26,443	\$0	\$0	\$60,476	\$684,279
21													
22													
23													
24													
25													
26	\$0	\$274,345	\$1,338,745	\$1,571,692	\$1,419,593	\$972,424	\$0	\$0	\$0	\$0	\$0	\$0	\$5,576,799
27													
28	0	0	100,000	140,000	140,800	42,200	0	0	0	0	0	0	423,000
29													
30	\$3,2095	\$3,2095	\$3,2095	\$3,2095	\$3,2095	\$3,2095	\$0,0000	\$2,4090	\$2,2873	\$2,2714	\$2,2618	\$2,2616	\$2,2616
31													
32	\$0	\$0	\$320,951	\$449,331	\$451,899	\$135,441	\$0	\$0	\$0	\$0	\$0	\$0	\$1,357,622
33													
34	77	0	48,267	48,267	43,453	0	0	0	0	0	0	0	140,044
35													
36	\$3,2118	\$3,2118	\$3,2118	\$3,2118	\$3,2118	\$0,0000	\$0,0000	\$2,3773	\$2,2649	\$2,2431	\$2,2318	\$2,2314	\$2,2314
37													
38	\$247	\$0	\$155,026	\$155,026	\$139,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$445,799
39													
40	55,000	164,792	385,687	457,583	482,314	223,161	100,000	85,000	80,000	90,000	50,000	50,000	2,223,537
41													
42	\$3,2238	\$3,2219	\$3,2228	\$3,2250	\$3,2267	\$3,2250	\$2,9454	\$2,7728	\$2,6758	\$2,6145	\$2,5737	\$2,5323	\$2,5323
43													
44	\$177,311	\$530,944	\$1,242,994	\$1,475,705	\$1,556,298	\$719,698	\$294,538	\$235,691	\$214,067	\$235,306	\$128,686	\$126,613	\$6,937,851
45													
46	135,077	493,545	1,448,459	1,954,652	1,713,253	955,066	240,000	105,000	90,000	90,000	52,000	77,000	7,354,052
47													
48	\$435,612	\$1,569,817	\$4,614,334	\$6,233,949	\$5,472,963	\$3,044,727	\$715,308	\$291,131	\$240,510	\$235,306	\$133,797	\$192,123	\$23,179,576

	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Total
1													
2													
3													
4	155,390					40,000	53,196	86,131	88,238	82,237	84,897	87,241	677,330
5	\$3,7807	\$3,4720	\$3,7235	\$3,8084	\$3,7489	\$3,5824	\$2,7163	\$2,4594	\$2,5266	\$2,5199	\$2,5490	\$2,4868	
6													
7	\$587,482	\$0	\$0	\$0	\$0	\$143,298	\$144,496	\$211,835	\$222,940	\$207,230	\$216,399	\$216,862	\$1,950,542
8													
9													
10	155,910	309,300	239,300	177,719	118,790	48,460	9,360	53,056	129,687	208,425	281,162	356,559	
11	155,390	0	0	0	0	40,000	53,196	86,131	88,238	82,237	84,897	87,241	677,330
12													
13	314,300	309,300	239,300	177,719	118,790	88,460	62,556	139,187	217,925	290,662	366,059	443,800	
14	5,000	70,000	61,581	58,929	70,330	79,100	9,500	9,500	9,500	9,500	9,500	9,500	401,940
15													
16	309,300	239,300	177,719	118,790	48,460	9,360	53,056	129,687	208,425	281,162	356,559	434,300	
17													
18	\$1,357,984	\$1,914,516	\$1,647,570	\$1,223,587	\$817,864	\$333,645	\$50,466	\$165,354	\$551,769	\$946,565	\$1,324,057	\$1,709,899	
19													
20	\$587,482	\$0	\$0	\$0	\$0	\$143,298	\$144,496	\$211,835	\$222,940	\$207,230	\$216,399	\$216,862	\$1,950,542
21	\$0	\$215,000	\$0	\$0	\$0	\$0	\$0	\$215,000	\$215,000	\$215,000	\$215,000	\$0	\$1,075,000
22	\$1,945,468	\$2,129,516	\$1,647,570	\$1,223,587	\$817,864	\$476,943	\$194,961	\$592,188	\$989,709	\$1,368,795	\$1,755,457	\$1,926,761	
23	\$30,949	\$481,947	\$423,982	\$405,723	\$484,219	\$426,477	\$29,608	\$40,419	\$43,144	\$44,738	\$45,558	\$41,244	\$2,488,009
24													
25	\$1,914,516	\$1,647,570	\$1,223,587	\$817,864	\$333,645	\$50,466	\$165,354	\$551,769	\$946,565	\$1,324,057	\$1,709,899	\$1,885,517	
26	\$6,1888	\$6,8850	\$6,8850	\$6,8850	\$6,8850	\$5,3916	\$3,1166	\$4,2546	\$4,5415	\$4,7092	\$4,7956	\$4,3415	
27													
28	5,000	70,000	61,581	58,929	70,330	79,100	9,500	9,500	9,500	9,500	9,500	9,500	401,940
29													
30													
31	\$6,1888	\$6,8850	\$6,8850	\$6,8850	\$6,8850	\$5,3916	\$3,1166	\$4,2546	\$4,5415	\$4,7092	\$4,7956	\$4,3415	
32													
33	\$30,949	\$481,947	\$423,982	\$405,723	\$484,219	\$426,477	\$29,608	\$40,419	\$43,144	\$44,738	\$45,558	\$41,244	\$2,488,009

SOUTH JERSEY GAS COMPANY  
 2017 - 2018 BGSSC  
 Interruptible Income Statement

	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Total
Volumes													
IGS	0	0	0	0	592	961	250	250	0	0	0	0	2,053
ITS	90,965	84,090	86,309	56,072	57,742	89,345	92,410	83,265	76,066	78,132	86,258	79,723	960,378
Total Volumes	90,965	84,090	86,309	56,072	58,334	90,306	92,660	83,515	76,066	78,132	86,258	79,723	962,431
Revenues													
IGS	\$0	\$0	\$0	\$0	\$6,538	\$10,506	\$2,572	\$2,553	\$0	\$0	\$0	\$0	\$22,168
ITS	\$27,653	\$25,553	\$26,238	\$17,046	\$17,553	\$27,161	\$28,093	\$25,313	\$23,124	\$23,752	\$26,223	\$24,236	\$291,955
Total Revenue	\$27,653	\$25,553	\$26,238	\$17,046	\$24,091	\$37,667	\$30,664	\$27,866	\$23,124	\$23,752	\$26,223	\$24,236	\$314,123
Cost Of Gas Interr Sales													
IGS	\$0	\$0	\$0	\$0	\$2,159	\$3,406	\$735	\$718	\$0	\$0	\$0	\$0	\$7,018
ITS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost Of Gas Interr Sales	\$0	\$0	\$0	\$0	\$2,159	\$3,406	\$735	\$718	\$0	\$0	\$0	\$0	\$7,018
NJ Sales Tax, TEFA & PUA													
IGS	\$0	\$0	\$0	\$0	\$434	\$697	\$171	\$169	\$0	\$0	\$0	\$0	\$1,472
ITS	\$390	\$361	\$370	\$241	\$248	\$383	\$396	\$357	\$326	\$335	\$370	\$342	\$4,120
Total Revenue Taxes	\$390	\$361	\$370	\$241	\$682	\$1,081	\$567	\$527	\$326	\$335	\$370	\$342	\$5,592
Pre-Tax Margin	\$27,263	\$25,203	\$25,868	\$16,805	\$21,251	\$33,180	\$29,362	\$26,621	\$22,798	\$23,417	\$25,853	\$23,894	\$301,513

SOUTH JERSEY GAS COMPANY  
 2017 - 2018 BGSSC

Off-System Sales & Capacity Release Income Statement

	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Total
Volumes (DT)	2,155,011	3,175,546	1,179,450	4,162,144	3,723,288	4,103,900	1,401,988	1,433,695	1,401,998	1,433,695	1,433,694	1,371,718	26,976,136
Sales Rate per DT	\$3,9130	\$3,9780	\$4,9320	\$4,3390	\$4,3400	\$4,2060	\$3,6880	\$3,5970	\$3,6440	\$3,6450	\$3,6510	\$3,6500	\$3,6500
Off-System Sales Revenue	\$8,432,558	\$12,632,321	\$5,817,047	\$18,059,544	\$16,159,070	\$17,261,004	\$5,170,568	\$5,157,001	\$5,108,880	\$5,225,819	\$5,234,416	\$5,006,769	\$109,264,987
Capacity Release Revenue	\$1,047,318	\$1,488,234	\$1,483,703	\$1,483,703	\$1,387,054	\$1,218,194	\$1,030,032	\$1,047,227	\$1,030,032	\$1,047,227	\$1,047,228	\$1,048,941	\$14,358,883
Total Revenue	\$9,479,876	\$14,100,555	\$7,310,750	\$19,553,247	\$17,546,124	\$18,479,198	\$6,200,600	\$6,204,228	\$6,138,912	\$6,273,046	\$6,281,644	\$6,055,710	\$123,623,890
Volumes (DT)	2,155,011	3,175,546	1,179,450	4,162,144	3,723,288	4,103,900	1,401,988	1,433,695	1,401,998	1,433,695	1,433,694	1,371,718	26,976,136
COG Rate per DT	\$3,4040	\$3,4350	\$3,5560	\$3,6320	\$3,5950	\$3,4950	\$2,8990	\$2,8310	\$2,8550	\$2,8790	\$2,8850	\$2,8610	\$2,8610
Total Cost of Gas	\$7,335,657	\$10,908,000	\$4,194,124	\$15,116,908	\$13,385,221	\$14,343,131	\$4,064,391	\$4,058,791	\$4,002,703	\$4,127,608	\$4,136,207	\$3,924,484	\$89,597,225
Pretax Margin	\$2,144,219	\$3,192,555	\$3,116,626	\$4,436,339	\$4,160,904	\$4,136,067	\$2,136,208	\$2,145,437	\$2,136,208	\$2,145,437	\$2,145,437	\$2,131,226	\$34,026,665

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	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18
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INTERRUPTIBLE RATES

Sales Rate Per Dt

IGS

ITS

COG Rate Per Dt incl. Unaccounted

Rate Derivation:

IGS

Cost of Gas/Dt

/Therm Factor

Cost of Gas/Th

Projected NIBT/Th

Rate Before Revenue Taxes

PUA

SUT

Rate/Th

Therm Factor

Rate/Dt

Rate/Therm

X Therm Factor

Rate/Dt



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PROOF OF RECOVERY

	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Total
1	7,452,204	17,224,858	31,823,137	47,250,733	46,025,987	41,699,221	27,314,225	13,256,748	8,851,059	4,912,768	4,591,789	5,684,544	256,087,373
2	749,309	1,480,707	1,542,931	5,187,841	3,916,743	5,965,103	2,062,664	124,080	2,094,212	712,338	1,682,131	1,425,730	26,943,789
3	8,201,514	18,705,666	33,366,067	52,438,574	49,942,730	47,664,324	29,376,888	13,380,828	10,945,271	5,625,106	6,273,919	7,110,275	283,031,162
4													
5	8,115,981	18,660,777	34,538,318	51,214,638	49,805,856	45,110,144	29,537,296	14,335,816	9,389,099	5,439,787	4,992,881	6,139,092	277,279,685
6	\$0,047,100	\$0,047,100	\$0,047,100	\$0,047,100	\$0,047,100	\$0,047,100	\$0,047,100	\$0,047,100	\$0,047,100	\$0,047,100	\$0,047,100	\$0,047,100	\$0,047,100
7	\$392,263	\$878,923	\$1,626,755	\$2,412,209	\$2,345,856	\$2,124,688	\$1,391,207	\$675,217	\$442,227	\$256,214	\$235,165	\$289,151	\$13,059,873
8													
9													
10	3,872,052	6,428,336	9,479,596	16,592,075	15,454,171	18,049,973	10,831,692	5,768,173	5,992,751	3,579,013	4,612,418	5,230,730	105,880,980
11	\$0,047,100	\$0,047,100	\$0,047,100	\$0,047,100	\$0,047,100	\$0,047,100	\$0,047,100	\$0,047,100	\$0,047,100	\$0,047,100	\$0,047,100	\$0,047,100	\$0,047,100
12	\$182,374	\$392,775	\$446,489	\$781,016	\$721,891	\$650,154	\$510,173	\$271,681	\$282,259	\$168,572	\$217,245	\$246,367	\$4,986,984
13	1,449,517	3,802,364	3,602,322	4,277,470	3,476,788	2,938,134	2,454,253	2,215,056	926,141	1,415,089	1,947,191	1,375,786	29,880,111
14	\$0,047,100	\$0,047,100	\$0,047,100	\$0,047,100	\$0,047,100	\$0,047,100	\$0,047,100	\$0,047,100	\$0,047,100	\$0,047,100	\$0,047,100	\$0,047,100	\$0,047,100
15	\$68,272	\$179,091	\$169,669	\$201,469	\$163,757	\$158,386	\$115,995	\$104,329	\$43,621	\$66,651	\$91,713	\$64,800	\$1,407,353
16													
17													
18													
19													
20													
21													
22													
23													
24	0	0	0	0	0	0	0	0	0	0	0	0	0
25	\$0,011,800	\$0,011,800	\$0,011,800	\$0,011,800	\$0,011,800	\$0,011,800	\$0,011,800	\$0,011,800	\$0,011,800	\$0,011,800	\$0,011,800	\$0,011,800	\$0,011,800
26	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27													
28	12,012,089	14,841,503	13,357,330	17,463,950	18,213,148	18,035,295	11,217,334	11,900,289	15,922,774	17,282,866	15,198,293	12,912,392	178,257,273
29	\$0,002,500	\$0,002,500	\$0,002,500	\$0,002,500	\$0,002,500	\$0,002,500	\$0,002,500	\$0,002,500	\$0,002,500	\$0,002,500	\$0,002,500	\$0,002,500	\$0,002,500
30	\$30,030	\$37,104	\$33,393	\$43,660	\$45,533	\$45,088	\$28,043	\$29,501	\$39,807	\$43,207	\$37,996	\$32,281	\$445,643
31	720,000	480,000	50,000	250,000	420,000	550,000	550,000	800,000	2,100,000	1,300,000	1,300,000	750,000	9,270,000
32	\$0,348,500	\$0,353,500	\$0,367,000	\$0,373,000	\$0,369,500	\$0,359,500	\$0,302,200	\$0,293,500	\$0,297,800	\$0,300,200	\$0,300,800	\$0,299,400	\$2,918,055
33	\$250,920	\$189,680	\$18,285	\$93,325	\$155,190	\$197,725	\$166,210	\$236,240	\$625,390	\$390,260	\$391,040	\$223,900	\$2,918,055
34													
35	2,466	2,466	2,466	2,466	2,466	2,466	2,466	2,466	2,466	2,466	2,466	2,466	29,592
36	\$7,374,148	\$7,374,148	\$7,374,148	\$7,374,148	\$7,374,148	\$7,374,148	\$7,374,148	\$7,374,148	\$7,374,148	\$7,374,148	\$7,374,148	\$7,374,148	\$73,741,480
37	\$18,185	\$18,185	\$18,185	\$18,185	\$18,185	\$18,185	\$18,185	\$18,185	\$18,185	\$18,185	\$18,185	\$18,185	\$181,850
38													
39													
40	0	0	0	0	0	0	0	0	0	0	0	0	0
41	\$14,748,296	\$14,748,296	\$14,748,296	\$14,748,296	\$14,748,296	\$14,748,296	\$14,748,296	\$14,748,296	\$14,748,296	\$14,748,296	\$14,748,296	\$14,748,296	\$147,482,960
42	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
43													
44	0	0	0	0	0	0	0	0	0	0	0	0	0
45	\$14,463,445	\$14,463,445	\$14,463,445	\$14,463,445	\$14,463,445	\$14,463,445	\$14,463,445	\$14,463,445	\$14,463,445	\$14,463,445	\$14,463,445	\$14,463,445	\$144,634,450
46	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
47													
48	0	0	0	0	0	0	0	0	0	0	0	0	0
49	\$7,374,148	\$7,374,148	\$7,374,148	\$7,374,148	\$7,374,148	\$7,374,148	\$7,374,148	\$7,374,148	\$7,374,148	\$7,374,148	\$7,374,148	\$7,374,148	\$73,741,480
50	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
51													
52	813,409	1,658,104	3,408,027	5,032,216	4,336,804	5,208,492	3,924,774	2,194,820	1,439,788	1,296,248	1,264,013	1,327,182	31,863,878
53	\$0,348,500	\$0,353,500	\$0,367,000	\$0,373,000	\$0,369,500	\$0,359,500	\$0,302,200	\$0,293,500	\$0,297,800	\$0,300,200	\$0,300,800	\$0,299,400	\$2,918,055
54	\$283,473	\$586,140	\$1,246,315	\$1,878,526	\$1,602,449	\$1,872,453	\$1,186,067	\$648,130	\$428,769	\$377,126	\$380,215	\$396,031	\$10,885,694
55	813,409	1,658,104	3,408,027	5,032,216	4,336,804	5,208,492	3,924,774	2,194,820	1,439,788	1,296,248	1,264,013	1,327,182	31,863,878
56	\$0,104,669	\$0,104,669	\$0,104,669	\$0,104,669	\$0,104,669	\$0,104,669	\$0,104,669	\$0,104,669	\$0,104,669	\$0,104,669	\$0,104,669	\$0,104,669	\$1,046,690
57	\$85,139	\$173,552	\$356,715	\$526,717	\$453,929	\$545,168	\$410,802	\$229,730	\$150,701	\$131,490	\$132,303	\$138,915	\$3,335,160
58													

RSG Therm Sales  
 GSG Therm Sales  
 Applicable Therm Sales  
**Balancing Charges:**  
 Apple Sales Volume RSG-FT & RSG-Sales  
 BSC "J" Charge  
 Total BSC Charges for RSG-FT & RSG-Sales  
 Apple Sales Volume GSG-FT & GSG-Sales  
 BSC "J" Charge  
 Total BSC Charge for GSG-FT & GSG-Sales  
 Apple Sales Volume GSG-LV-FT  
 BSC "J" Charge  
 Total BSC Charge for GSG-LV-FT  
 OPT-IN Balancing Charge Applic. Sales  
 Volume LVS-FT/CTS/EGS-LV-FIRM/LTD  
 BSC "Y" Charge  
 Total OPT-IN BSC Charge - Rider "Y"  
 OPT-OUT Balancing Charge Applic. Sales  
 Volume LVS-FT/CTS/EGS-FSS/EGS-  
 FREGS-LV-FIRM/LTD/FIRM  
 BSC "Y" Charge  
 Total OPT-OUT BSC Charge - Rider "Y"  
 FES Therm Sales  
 TOTAL FES C-2 RECOV.  
 FES D-2 Contract Demand  
 FES D-2 Rate  
 TOTAL FES D-2 RECOV.  
 LVS D-2 Contract Demand  
 LVS D-2 Rate  
 TOTAL LVS D-2 Recoveries  
 EGS-LV-Firm D-2 Contract Demand  
 EGS-LV-Firm D-2 Rate  
 TOTAL EGS-LV-Firm D-2 RECOV.  
 EGS-LV-Ltd. Firm D-2 Contract Demand  
 EGS-LV-Ltd. Firm D-2 Rate  
 TOTAL EGS-LV-Ltd. Firm D-2 RECOV.  
 GSG, GSG-LV, & CNG Commodity  
 Cost of Gas  
 GSG & GSG-LV Commodity Recoveries  
 GSG, GSG-LV, & CNG Non Commodity  
 Cost of Gas  
 GSG & GSG-LV Non Commodity Recoveries

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2 PROOF OF RECOVERY

	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	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	130	130	130	110	110	110	120	120	120	130	130	130	1,470
Cost of Gas	\$0,348,500	\$0,365,700	\$0,365,700	\$0,373,300	\$0,369,500	\$0,369,500	\$0,302,200	\$0,295,300	\$0,297,800	\$0,300,800	\$0,300,800	\$0,298,400	\$3,200,000
EGS - Monthly Recoveries	\$45	\$46	\$48	\$41	\$41	\$40	\$36	\$35	\$36	\$39	\$39	\$39	\$484
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	\$0,320,000	\$0,320,000	\$0,320,000	\$0,320,000	\$0,320,000	\$0,320,000	\$0,320,000	\$0,320,000	\$0,320,000	\$0,320,000	\$0,320,000	\$0,320,000	\$3,840,000
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
EGS-LV Ltd Firm Non Commodity Recoveries	\$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	130	130	130	110	110	110	120	120	120	130	130	130	1,470
Cost of Gas	\$0,104,669	\$0,104,669	\$0,104,669	\$0,104,669	\$0,104,669	\$0,104,669	\$0,104,669	\$0,104,669	\$0,104,669	\$0,104,669	\$0,104,669	\$0,104,669	\$1,256,023
EGS Non Commodity Recoveries	\$14	\$14	\$14	\$12	\$12	\$12	\$13	\$13	\$13	\$14	\$14	\$14	\$154
Total Allocated Cost Recovery	\$1,303,314	\$2,348,708	\$3,919,067	\$5,958,359	\$5,516,042	\$5,795,097	\$3,629,531	\$2,216,260	\$2,034,196	\$1,454,956	\$1,507,114	\$1,412,782	\$37,296,027
Applicable BGSS Sales	8,201,514	18,705,666	33,366,067	52,438,574	49,942,730	47,664,324	29,376,888	13,380,828	10,945,271	5,625,106	6,273,919	7,110,275	283,031,162
BGSS Cost Rate	\$0,318187	\$0,318187	\$0,318187	\$0,318187	\$0,318187	\$0,318187	\$0,318187	\$0,318187	\$0,318187	\$0,318187	\$0,318187	\$0,318187	\$0,318187
Total BGSS Recovery	\$2,609,615	\$5,951,900	\$10,616,649	\$16,685,272	\$15,891,128	\$15,166,168	\$9,347,344	\$4,257,605	\$3,482,643	\$1,789,836	\$1,996,280	\$2,262,397	\$90,056,836



2016 – 2017

WORKPAPERS



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PROOF OF RECOVERY

	May-17	Jun-17	Jul-17	Aug-17	Sep-17
1	12,794,958	8,169,921	5,436,946	4,931,944	5,529,152
2	707,319	2,491,533	6,729,500	1,804,111	1,445,040
3	13,502,278	10,661,454	6,116,446	6,536,055	6,974,192
4					
5	13,860,191	8,753,250	5,923,719	5,329,797	5,999,525
6	\$0,047,100	\$0,047,100	\$0,047,100	\$0,047,100	\$0,047,100
7	\$652,815	\$412,278	\$279,007	\$251,033	\$282,578
8					
9					
10	6,324,998	6,533,642	3,620,046	4,681,987	5,318,715
11	\$0,047,100	\$0,047,100	\$0,047,100	\$0,047,100	\$0,047,100
12	\$297,907	\$307,735	\$170,504	\$220,522	\$250,511
13					
14	1,723,681	1,560,792	1,738,206	1,595,325	1,427,749
15	\$0,047,100	\$0,047,100	\$0,047,100	\$0,047,100	\$0,047,100
16	\$81,185	\$73,513	\$91,870	\$75,140	\$67,247
17					
18					
19					
20					
21					
22					
23					
24	0	0	0	0	0
25	\$0,011800	\$0,011800	\$0,011800	\$0,011800	\$0,011800
26	\$0	\$0	\$0	\$0	\$0
27					
28	11,800,289	15,922,774	17,282,866	15,198,293	12,912,392
29	\$0,002500	\$0,002500	\$0,002500	\$0,002500	\$0,002500
30	\$29,501	\$39,807	\$43,207	\$37,996	\$32,281
31					
32	800,000	2,100,000	1,300,000	1,300,000	750,000
33	\$0,320700	\$0,336000	\$0,345000	\$0,348300	\$0,346400
34	\$256,560	\$705,600	\$448,500	\$452,730	\$259,800
35					
36	2,466	2,466	2,466	2,466	2,466
37	\$7,441,060	\$7,441,060	\$7,441,060	\$7,441,060	\$7,441,060
38	\$18,350	\$18,350	\$18,350	\$18,350	\$18,350
39					
40					
41	\$14,882,120	\$14,882,120	\$14,882,120	\$14,882,120	\$14,882,120
42	\$0	\$0	\$0	\$0	\$0
43					
44					
45					
46	\$14,530,362	\$14,530,362	\$14,530,362	\$14,530,362	\$14,530,362
47	\$0	\$0	\$0	\$0	\$0
48					
49					
50	\$7,441,060	\$7,441,060	\$7,441,060	\$7,441,060	\$7,441,060
51	\$0	\$0	\$0	\$0	\$0
52					
53	2,082,676	1,608,110	1,304,900	1,267,863	1,355,529
54	\$0,320700	\$0,336000	\$0,345000	\$0,346300	\$0,346400
55	\$667,914	\$540,325	\$450,190	\$441,597	\$469,555
56					
57	2,082,676	1,608,110	1,304,900	1,267,863	1,355,529
58	\$269,761	\$208,292	\$169,018	\$164,221	\$175,576

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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
LVS Therm Sales	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
LVS Recoveries	\$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
Cost of Gas	\$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
EGS-LV Ltd. Therm Sales	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
EGS-LV Ltd. Firm Recoveries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EGS - Monthly Therm Sales	120	120	120	130	130	130	130	130	130	130	130	130
Cost of Gas	\$0.320700	\$0.336000	\$0.336000	\$0.345000	\$0.346300	\$0.346300	\$0.346300	\$0.346300	\$0.346300	\$0.346300	\$0.346300	\$0.346300
EGS - Monthly Recoveries	\$38	\$40	\$40	\$45	\$45	\$45	\$45	\$45	\$45	\$45	\$45	\$45
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
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
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
EGS-LV Firm Non Commodity	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
EGS-LV Firm Non Commodity Recoveries	\$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
Cost of Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EGS-LV Ltd Firm Non Commodity Recoveries	\$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
Cost of Gas	\$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
EGS Non Commodity	120	120	120	130	130	130	130	130	130	130	130	130
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
EGS Non Commodity Recoveries	\$16	\$16	\$16	\$17	\$17	\$17	\$17	\$17	\$17	\$17	\$17	\$17
<b>Total Allocated Cost Recovery</b>	<b>\$1,683,577</b>	<b>\$2,196,755</b>	<b>\$3,602,151</b>	<b>\$6,261,432</b>	<b>\$5,478,044</b>	<b>\$4,830,260</b>	<b>\$3,733,942</b>	<b>\$2,277,247</b>	<b>\$2,308,155</b>	<b>\$1,663,908</b>	<b>\$1,664,910</b>	<b>\$1,558,160</b>
Applicable BGSS Sales								13,502,278	10,661,454	6,116,446	6,536,055	6,974,192
BGSS Cost Rate								\$0.330770	\$0.330770	\$0.330770	\$0.330770	\$0.330770
<b>Total BGSS Recovery</b>	<b>\$2,324,940</b>	<b>\$4,365,966</b>	<b>\$10,189,025</b>	<b>\$15,772,150</b>	<b>\$13,357,249</b>	<b>\$11,959,530</b>	<b>\$9,517,598</b>	<b>\$4,466,148</b>	<b>\$3,526,489</b>	<b>\$2,023,137</b>	<b>\$2,161,931</b>	<b>\$2,306,854</b>

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

	October 2016	November	December	January 2017	February	March	April	Total
1								
2								
3								
4	Rate Schedule RSG	5,384,081	12,446,326	28,311,317	42,796,601	32,616,617	26,060,914	183,910,466
5	Rate Schedule RSG-FT	496,734	1,135,948	2,482,599	3,516,744	2,541,406	1,931,694	14,960,414
6	Rate Schedule GSG	1,459,729	2,487,678	5,314,323	8,792,849	7,231,796	5,519,168	38,562,867
7	Rate Schedule GSG-FT	1,954,741	2,517,797	4,919,015	6,266,638	4,992,176	4,665,058	30,485,206
8	Rate Schedule GSG-LV	189,729	370,961	314,557	1,352,413	916,896	576,373	5,081,965
9	Rate Schedule GSG-LV-FT	1,521,963	2,051,433	2,986,040	3,566,857	3,206,821	2,895,585	19,089,337
10	Rate Schedule EGS	36,226	35,261	35,664	135,521	103,766	48,698	464,045
11	Rate Schedule EGS-FT	23,798	19,847	17,573	27,963	97,685	(62,668)	135,596
12	Rate Schedule LVS	-	-	-	-	-	-	0
13	Rate Schedule LVS -FT	5,864,142	6,908,547	7,448,189	7,101,454	8,149,551	6,316,015	49,218,702
14	Rate Schedule CTS	2,426,603	2,485,135	2,759,233	1,936,408	2,880,689	2,403,679	17,342,305
15	Rate Schedule FES	1,758,901	279,311	400,771	393,926	484,412	50,714	3,512,092
16	Rate Schedule INTERRUPTIBLE	877,666	1,228,860	1,256,411	1,755,918	1,400,419	1,040,087	8,660,409
17	Rate Schedule EGS-LV	-	-	-	-	-	-	0
18	Rate Schedule EGS-LV FT	6,161,641	3,072,978	4,090,145	3,622,809	4,217,797	3,508,565	26,914,026
19	Rate Schedule NGV	212,959	156,792	174,163	175,615	192,595	167,551	1,205,465
20	Rate Schedule YLS & SLS	10,000	10,000	10,000	10,000	10,000	10,000	70,000
21								
22	Total	28,378,913	35,206,874	60,502,615	81,798,451	69,042,626	55,131,433	399,612,895

SOUTH JERSEY GAS COMPANY  
SERVICE INTERRUPTIONS TO CUSTOMERS  
JUNE 2016-MAY 2017

IGS		IGS RETAIL #.6		IGS RETAIL #.4		IGS RETAIL #.2	
# OF DAYS	# OF CUSTOMERS	# OF DAYS	# OF CUSTOMERS	# OF DAYS	# OF CUSTOMERS	# OF DAYS	# OF CUSTOMERS
JUNE 2016	0.0	JUNE 2016	0.0	JUNE 2016	0.0	JUNE 2016	0.0
JULY 2016	0.0	JULY 2016	0.0	JULY 2016	0.0	JULY 2016	0.0
AUG. 2016	0.0	AUG. 2016	0.0	AUG. 2016	0.0	AUG. 2016	0.0
SEP. 2016	0.0	SEP. 2016	0.0	SEP. 2016	0.0	SEP. 2016	0.0
OCT. 2016	0.0	OCT. 2016	0.0	OCT. 2016	0.0	OCT. 2016	0.0
NOV. 2016	0.0	NOV. 2016	0.0	NOV. 2016	0.0	NOV. 2016	0.0
DEC. 2016	2.0	DEC. 2016	0.0	DEC. 2016	0.0	DEC. 2016	0.0
JAN. 2017	3.0	JAN. 2017	7.0	JAN. 2017	0.0	JAN. 2017	0.0
FEB. 2017	0.0	FEB. 2017	7.0	FEB. 2017	0.0	FEB. 2017	0.0
MAR. 2017	0.0	MAR. 2017	0.0	MAR. 2017	0.0	MAR. 2017	0.0
APR. 2017	0.0	APR. 2017	0.0	APR. 2017	0.0	APR. 2017	0.0
MAY 2017	0.0	MAY 2017	0.0	MAY 2017	0.0	MAY 2017	0.0
CTS (ITS)		LVS-FT. (ITS)		IGS INDUST. 6		IGS INDUST. 2	
# OF DAYS	# OF CUSTOMERS	# OF DAYS	# OF CUSTOMERS	# OF DAYS	# OF CUSTOMERS	# OF DAYS	# OF CUSTOMERS
JUNE 2016	0.0	JUNE 2016	0.0	JUNE 2016	0.0	JUNE 2016	0.0
JULY 2016	0.0	JULY 2016	0.0	JULY 2016	0.0	JULY 2016	0.0
AUG. 2016	0.0	AUG. 2016	0.0	AUG. 2016	0.0	AUG. 2016	0.0
SEP. 2016	0.0	SEP. 2016	0.0	SEP. 2016	0.0	SEP. 2016	0.0
OCT. 2016	0.0	OCT. 2016	0.0	OCT. 2016	0.0	OCT. 2016	0.0
NOV. 2016	0.0	NOV. 2016	0.0	NOV. 2016	0.0	NOV. 2016	0.0
DEC. 2016	2.0	DEC. 2016	46.0	DEC. 2016	29.0	DEC. 2016	0.0
JAN. 2017	3.0	JAN. 2017	46.0	JAN. 2017	29.0	JAN. 2017	0.0
FEB. 2017	0.0	FEB. 2017	0.0	FEB. 2017	0.0	FEB. 2017	0.0
MAR. 2017	0.0	MAR. 2017	0.0	MAR. 2017	0.0	MAR. 2017	0.0
APR. 2017	0.0	APR. 2017	0.0	APR. 2017	0.0	APR. 2017	0.0
MAY 2017	0.0	MAY 2017	0.0	MAY 2017	0.0	MAY 2017	0.0
EGS-LY		FEES					
# OF DAYS	# OF CUSTOMERS	# OF DAYS	# OF CUSTOMERS				
JUNE 2016	0.0	JUNE 2016	0.0				
JULY 2016	0.0	JULY 2016	0.0				
AUG. 2016	0.0	AUG. 2016	0.0				
SEP. 2016	0.0	SEP. 2016	0.0				
OCT. 2016	0.0	OCT. 2016	0.0				
NOV. 2016	0.0	NOV. 2016	0.0				
DEC. 2016	2.0	DEC. 2016	1.0				
JAN. 2017	13.0	JAN. 2017	1.0				
FEB. 2017	0.0	FEB. 2017	0.0				
MAR. 2017	0.0	MAR. 2017	1.0				
APR. 2017	0.0	APR. 2017	1.0				
MAY 2017	0.0	MAY 2017	0.0				

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

	May-17	Jun-17	Jul-17	Aug-17	Sep-17
1					
2					
3					
4					
5					
6	\$11,325,707	\$10,640,910	\$10,704,074	\$11,069,984	\$10,148,586
7	\$3,620,646	\$3,889,476	\$4,005,469	\$4,280,065	\$3,965,869
8	\$75,910	\$80,646	\$93,339	\$85,569	\$87,719
9	\$81,183	\$81,183	\$81,183	\$81,183	\$81,183
10	40,000	40,000	50,000	50,000	40,000
11	30.80%	30.80%	30.80%	30.80%	30.80%
12	12,320	12,320	15,400	15,400	12,320
13	\$0.317432	\$0.317432	\$0.317432	\$0.317432	\$0.317432
14	\$3,911	\$3,911	\$4,888	\$4,888	\$3,911
15	\$7,858,244	\$6,909,352	\$6,858,240	\$6,951,782	\$6,344,708
16					
17					
18					
19					
20					
21					
22					
23					
24					





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

	May-17	Jun-17	Jul-17	Aug-17	Sep-17	
3						
4						
5	TRANSOCO S 2 IN	(36,704)	(20,460)	(21,642)	(27,726)	(16,766)
6	TRANSOCO S 2 OUT	0	0	0	0	0
7	TRANSOCO S 2 FUEL	(236)	(132)	(139)	(179)	(108)
8	SS 2 IN Vol.	(341,899)	(297,615)	(286,324)	(273,513)	(234,282)
9	SS 2 OUT Vol.	0	0	0	0	0
10	SS 2 FUEL	(4,609)	(4,012)	(3,899)	(3,687)	(3,158)
11	ESS IN Vol.	0	(60,879)	(43,331)	(43,331)	(64,032)
12	ESS OUT Vol.	28,664	28,664	28,664	28,664	28,664
13	ESS FUEL	0	0	0	0	0
14	GSS IN Vol.	(186,000)	(229,688)	(255,170)	(255,170)	(225,238)
15	GSS OUT Vol.	0	0	0	0	0
16	GSS FUEL	(4,711)	(5,817)	(6,462)	(6,462)	(5,704)
17	LGA IN	(36,378)	(35,303)	(36,378)	(36,378)	(35,303)
18	LGA OUT	0	0	0	0	0
19	LGA FUEL	(14,543)	(14,113)	(14,543)	(14,543)	(14,113)
20	LSS IN Vol.	(210,800)	(186,642)	(188,722)	(196,260)	(214,377)
21	LSS OUT Vol.	0	0	0	0	0
22	LSS FUEL	(3,362)	(3,009)	(3,026)	(3,163)	(3,419)
23	Col FSS IN Vol.	(310,000)	(343,587)	(343,587)	(406,259)	(369,599)
24	Col FSS OUT Vol.	0	0	0	0	0
25	Col FSS FUEL	(528)	(585)	(585)	(695)	(629)
26	Col SST FUEL	(4,504)	(4,992)	(4,992)	(5,931)	(5,370)
27	Dominion GSS STOR IN	(83,793)	(62,107)	(64,457)	(64,457)	(62,097)
28	Dominion GSS STOR OUT	0	0	0	0	0
29	Dominion GSS FUEL	(1,666)	(1,235)	(1,282)	(1,282)	(1,235)
30						
31						
32	TOTAL NATURAL GAS SENDOUT	1,280,859	972,482	878,288	933,775	785,858
33						
34						
35	Liquefied Natural Gas (LNG) In	0	0	0	0	0
36	McKee City Sendout	9,500	9,500	9,500	9,500	9,500
37						
38	Total LNG Sendout	9,500	9,500	9,500	9,500	9,500
39						
40						
41						
42	Total Sendout	1,290,359	981,982	887,788	943,275	795,358

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SUMMARY OF NATURAL GAS COSTS

	May-17	Jun-17	Jul-17	Aug-17	Sep-17
Transco FT					
Zone Based Resv. Cost	\$1,782,385	\$1,724,889	\$1,782,385	\$1,782,385	\$1,724,889
Transco S-2					
Demand Cost	\$7,047	\$6,820	\$7,047	\$7,047	\$6,820
Capacity Cost	\$1,435	\$1,389	\$1,435	\$1,435	\$1,389
In Cost	\$1,244	\$694	\$734	\$940	\$568
Out Cost	\$0	\$0	\$0	\$0	\$0
Transco SS-2					
Demand Cost	\$137,493	\$133,057	\$137,493	\$137,493	\$133,057
Capacity Cost	\$50,329	\$48,705	\$50,329	\$50,329	\$48,705
In Cost	\$10,842	\$9,437	\$9,079	\$8,673	\$7,429
Out Cost	\$0	\$0	\$0	\$0	\$0
Transco GSS					
Demand Cost	\$85,368	\$82,614	\$85,368	\$85,368	\$82,614
Capacity Cost	\$22,123	\$21,409	\$22,123	\$22,123	\$21,409
In Cost	\$9,082	\$11,216	\$12,460	\$12,460	\$10,998
Out Cost	\$0	\$0	\$0	\$0	\$0
Transco ESS					
Demand Cost	\$18,185	\$17,598	\$18,185	\$18,185	\$17,598
Capacity Cost	\$18,148	\$17,563	\$18,148	\$18,148	\$17,563
In Cost	\$0	\$2,904	\$1,782	\$1,782	\$2,634
Out Cost	\$1,179	\$1,179	\$1,179	\$1,179	\$1,179
Transco LSS					
Demand Cost	\$56,068	\$54,259	\$56,068	\$56,068	\$54,259
Capacity Cost	\$20,869	\$20,196	\$20,869	\$20,869	\$20,196
In Cost	\$5,833	\$5,220	\$5,250	\$5,486	\$5,932
Out Cost	\$0	\$0	\$0	\$0	\$0
Transco LG-A					
Demand Cost	\$16,900	\$16,355	\$16,900	\$16,900	\$16,355
Capacity Cost	\$44,664	\$43,223	\$44,664	\$44,664	\$43,223
In Cost	\$11,113	\$10,785	\$11,113	\$11,113	\$10,785
Out Cost	\$0	\$0	\$0	\$0	\$0

	May-17	Jun-17	Jul-17	Aug-17	Sep-17
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48					
	\$87,489	\$84,667	\$87,489	\$87,489	\$84,667
	\$2,551,307	\$2,281,792	\$2,681,121	\$3,052,043	\$2,766,416
	\$290,145	\$314,043	\$314,043	\$317,256	\$315,449
	\$811,834	\$1,171,459	\$896,118	\$987,978	\$446,036
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$425,136	\$411,422	\$425,136	\$425,136	\$411,422
	\$0	\$0	\$0	\$0	\$0
	\$1,291,788	\$617,239	\$196,152	\$198,016	\$298,428
	\$2,770,470	\$2,817,900	\$2,995,530	\$3,025,290	\$2,911,500
	\$144,701	\$144,701	\$144,701	\$144,701	\$144,701
	\$57,852	\$57,852	\$57,852	\$57,852	\$57,852
	\$178,692	\$178,692	\$178,692	\$178,692	\$178,692
	\$50,827	\$50,827	\$50,827	\$50,827	\$50,827
	\$64,037	\$64,037	\$64,037	\$64,037	\$64,037
	\$4,751	\$5,266	\$5,266	\$6,257	\$5,664
	\$0	\$0	\$0	\$0	\$0
	\$105,954	\$105,954	\$105,954	\$105,954	\$110,738
	\$131,134	\$131,134	\$131,134	\$131,134	\$131,134
	\$4,780	\$5,298	\$5,298	\$6,296	\$5,700
	\$0	\$0	\$0	\$0	\$0
	\$804,060	\$804,060	\$804,060	\$804,060	\$804,060
	\$6,134	\$6,134	\$6,134	\$6,134	\$6,134
	\$18,618	\$18,618	\$18,618	\$18,618	\$18,618
	\$2,665	\$1,975	\$2,050	\$2,050	\$1,975
	\$11,463	\$8,496	\$8,818	\$8,818	\$8,495
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	(\$89,060)	(\$164,545)	(\$203,160)	(\$211,915)	(\$205,175)
	\$0	\$0	\$125,000	\$0	\$0
	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
	\$0	\$0	\$0	\$0	\$0
	(\$619,000)	(\$619,000)	(\$619,000)	(\$619,000)	(\$619,000)
	\$7,614	\$7,614	\$7,614	\$7,614	\$7,614
	(\$93,000)	(\$90,000)	(\$93,000)	(\$93,000)	(\$90,000)
	\$11,325,707	\$10,640,910	\$10,704,074	\$11,069,984	\$10,148,586

	May-17	Jun-17	Jul-17	Aug-17	Sep-17
<b>WORKPAPER KJB-5B, Page 3 of 3</b>					
<b>SUMMARY OF NATURAL GAS COSTS</b>					
<b>NATURAL GAS PURCHASES (\$)</b>					
Spot Purchases on Columbia - ESEP	\$2,770,470	\$2,817,900	\$2,995,530	\$3,025,290	\$2,911,500
Spot Purchases on Columbia	\$1,291,788	\$617,239	\$ 196,152	\$195,016	\$298,428
Spot Purchases - Transco	\$2,551,307	\$2,281,792	\$2,681,121	\$3,052,043	\$2,766,416
Spot Purchases - Transco Leidy #1013599	\$290,145	\$395,207	\$314,043	\$317,256	\$315,449
Direct Purchases - FES & Monthly BGSS	\$811,834	\$1,171,459	\$896,118	\$987,978	\$446,036
Spot Purchases on Transco PSFT	\$0	\$0	\$0	\$0	\$0
Peaking Supply	\$0	\$0	\$0	\$0	\$0
Hedging/(Gain) Loss	(\$89,050)	(\$164,545)	(\$203,180)	(\$211,915)	(\$205,175)
Antero Commodity Savings	(\$93,000)	(\$90,000)	(\$93,000)	(\$93,000)	(\$90,000)
Marcus Hook - Woodbury/Lateral	\$7,614	\$7,614	\$7,614	\$7,614	\$7,614
Storage Incentive Mechanism	(\$619,000)	(\$619,000)	(\$619,000)	(\$619,000)	(\$619,000)
<b>TOTAL NATURAL GAS PURCHASES (\$)</b>	<b>\$6,922,109</b>	<b>\$6,327,666</b>	<b>\$6,175,399</b>	<b>\$6,664,264</b>	<b>\$5,831,269</b>
<b>PURCHASED NAT GAS BREAKDOWN (Dt)</b>					
Spot Purchases on Columbia - ESEP	930,000	900,000	930,000	930,000	900,000
Spot Purchases on Columbia	413,240	188,240	58,240	58,240	88,240
Spot Purchases - Transco	795,543	679,105	777,137	876,269	798,619
Spot Purchases - Transco Leidy #1013599	100,000	100,000	100,000	100,000	100,000
Direct Purchases - FES & Monthly BGSS	253,144	348,649	259,744	283,657	128,763
Spot Purchases on Transco PSFT	0	0	0	0	0
<b>TOTAL NATL GAS PURCHASED (Dt)</b>	<b>2,491,928</b>	<b>2,215,993</b>	<b>2,125,121</b>	<b>2,248,166</b>	<b>2,015,622</b>
<b>NATURAL GAS COST PER THERM</b>					
Total Cost Per Therm	\$0.2778	\$0.2855	\$0.2906	\$0.2964	\$0.2893
Total Cost Per Therm Excluding FES/Monthly BGSS/Injections (Excluding FMAC, Monthly BGSS & All Hedging & SIMS)	\$0.2961	\$0.2926	\$0.2954	\$0.2997	\$0.2989
Injected Cost Per Therm	\$0.3046	\$0.3181	\$0.3271	\$0.3312	\$0.3291
<b>SUMMARY OF GAS COSTS</b>					
Pipeline & Storage Demand	\$4,453,984	\$4,351,970	\$4,450,691	\$4,340,647	\$4,255,959
Storage	\$38,636	\$30,364	\$68,667	\$63,028	\$61,358
Natural Gas Purchases *	\$3,836,811	\$6,201,331	\$11,300,100	\$6,175,399	\$5,851,269
<b>Total Gas Costs</b>	<b>\$8,329,430</b>	<b>\$10,583,685</b>	<b>\$15,837,459</b>	<b>\$11,089,984</b>	<b>\$10,148,586</b>



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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	1,122,239	1,201,692	1,300,278	1,033,291	585,961	187,814	85,721	195,217	381,217	610,905	866,075	1,121,244	1,734,905
4	144,004	123,368	32,380	13,377	38,941	59,908	171,672	186,000	229,688	255,170	255,170	225,238	
5													
6													
7	1,266,243	1,325,050	1,332,658	1,046,688	624,902	247,722	257,393	381,217	610,905	866,075	1,121,244	1,346,482	1,510,662
8	64,551	24,772	299,367	460,707	437,088	162,001	62,176	0	0	0	0	0	
9													
10	1,201,692	1,300,278	1,033,291	585,961	187,814	85,721	195,217	381,217	610,905	866,075	1,121,244	1,346,482	
11													
12	\$1,975,978	\$2,122,891	\$2,414,033	\$1,972,837	\$1,142,102	\$419,829	\$227,006	\$516,440	\$1,097,269	\$1,846,386	\$2,702,157	\$3,568,786	\$5,354,287
13													
14	\$260,949	\$334,905	\$116,105	\$52,671	\$136,124	\$178,047	\$463,134	\$580,829	\$749,117	\$855,771	\$866,629	\$760,006	\$5,354,287
15													
16	\$2,236,927	\$2,457,796	\$2,530,138	\$2,025,508	\$1,278,226	\$597,875	\$690,141	\$1,097,269	\$1,846,386	\$2,702,157	\$3,568,786	\$4,328,793	\$5,354,287
17	\$114,036	\$43,762	\$57,302	\$83,406	\$88,397	\$370,969	\$173,701	\$0	\$0	\$0	\$0	\$0	\$3,001,472
18													
19	\$2,122,891	\$2,414,033	\$1,972,837	\$1,142,102	\$419,829	\$227,006	\$516,440	\$1,097,269	\$1,846,386	\$2,702,157	\$3,568,786	\$4,328,793	
20													
21	\$1,7666	\$1,8566	\$1,9093	\$1,9491	\$2,2353	\$2,6482	\$2,6455	\$2,8783	\$3,0224	\$3,1200	\$3,1829	\$5,2149	
22													
23	167,213	171,987	171,986	171,986	171,986	171,986	164,064	164,064	135,400	167,614	182,280	196,947	216,346
24	4,774	0	0	0	0	0	0	0	60,879	43,331	43,331	64,032	
25													
26	171,987	171,987	171,986	171,986	171,986	171,986	164,064	164,064	196,279	210,945	225,611	260,978	151,245
27	0	1	0	0	0	0	0	0	28,664	28,664	28,664	28,664	
28													
29	171,987	171,986	171,986	171,986	171,986	164,064	164,064	135,400	167,614	182,280	196,947	232,314	
30													
31	\$444,567	\$455,442	\$455,439	\$455,439	\$455,439	\$455,439	\$434,477	\$434,477	\$358,567	\$471,572	\$529,963	\$587,922	\$700,521
32													
33	\$10,875	\$0	\$0	\$0	\$0	\$0	\$16	\$0	\$193,651	\$141,730	\$143,528	\$210,722	\$434,162
34													
35	\$455,442	\$455,442	\$455,439	\$455,439	\$455,439	\$455,439	\$434,477	\$434,477	\$552,218	\$613,302	\$673,491	\$798,645	\$985,569
36	\$0	\$3	\$0	\$0	\$0	\$20,978	\$0	\$75,910	\$80,646	\$83,339	\$85,569	\$87,719	\$87,719
37													
38	\$455,442	\$455,439	\$455,439	\$455,439	\$455,439	\$434,461	\$434,477	\$358,567	\$471,572	\$529,963	\$587,922	\$710,926	
39													
40	\$2,6481	\$2,6481	\$2,6481	\$2,6481	\$2,6481	\$2,6481	\$2,6482	\$2,6482	\$2,8134	\$2,9074	\$2,9852	\$3,0602	

1 WORKPAPER KJB-5C, PAGE 3 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 LSS Opening Balance	1,116,440	1,224,000	965,634	592,735	269,766	104,531	15,000	222,180	432,980	621,622	811,343	1,009,623	621,622
4 Storage Injections Transco LSS	107,560	0	0	0	0	0	207,180	210,800	188,642	189,722	188,280	214,377	188,280
5 LSS Inventory Sub Total Dt	1,224,000	1,224,000	965,634	592,735	269,766	104,531	222,180	432,980	621,622	811,343	1,009,623	1,224,000	1,224,000
6 Net Storage Withdrawals Transco LSS	0	258,366	372,899	322,969	165,235	89,531	0	0	0	0	0	0	0
7 LSS Inventory Balance	1,224,000	965,634	592,735	269,766	104,531	15,000	222,180	432,980	621,622	811,343	1,009,623	1,224,000	1,224,000
8 LSS Inventory Cost Open Balance	\$1,896,160	\$2,068,319	\$1,631,732	\$1,001,607	\$455,854	\$176,640	\$14	\$556,942	\$1,211,193	\$1,820,814	\$2,451,272	\$3,118,532	\$3,118,532
9 LSS Injection Cost	\$172,158	\$0	\$0	\$0	\$0	\$0	\$556,927	\$652,252	\$609,621	\$630,456	\$667,260	\$716,745	\$4,007,421
10 LSS Inventory Cost Sub Total	\$2,068,319	\$2,068,319	\$1,631,732	\$1,001,607	\$455,854	\$176,640	\$512,118	\$1,211,193	\$1,820,814	\$2,451,272	\$3,118,532	\$3,835,277	\$7,125,953
11 Total LSS Storage Withdrawal Cost	\$0	\$436,587	\$630,125	\$345,753	\$279,214	\$176,626	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12 Total LSS Inventory Cost Bal	\$2,068,319	\$1,631,732	\$1,001,607	\$455,854	\$176,640	\$14	\$556,942	\$1,211,193	\$1,820,814	\$2,451,272	\$3,118,532	\$3,835,277	\$7,125,953
13 LSS Inventory Cost Rate	\$1.6898	\$1.6898	\$1.6898	\$1.6898	\$1.6898	\$0.0009	\$2.5157	\$2.7973	\$2.9291	\$3.0213	\$3.0888	\$3.1334	\$3.1334
14 SS 2 Opening Balance	1,606,135	1,764,675	1,469,697	985,118	524,309	222,047	15,000	331,042	672,941	970,556	1,256,880	1,530,393	1,530,393
15 Storage Injections Transco SS 2	158,540	0	0	0	0	15,000	316,042	341,899	297,615	286,324	273,513	234,282	234,282
16 SS 2 Inventory Sub Total Dt	1,764,675	1,764,675	1,469,697	985,118	524,309	237,047	331,042	672,941	970,556	1,256,880	1,530,393	1,764,675	1,764,675
17 Net Storage Withdrawals Transco SS 2	0	294,978	484,579	460,809	302,262	222,047	0	0	0	0	0	0	0
18 SS 2 Inventory Balance	1,764,675	1,469,697	985,118	524,309	222,047	15,000	331,042	672,941	970,556	1,256,880	1,530,393	1,764,675	1,764,675
19 SS 2 Inventory Cost Open Balance	\$2,683,446	\$2,970,495	\$2,473,959	\$1,658,267	\$882,587	\$373,759	-\$13	\$699,548	\$1,954,872	\$2,914,318	\$3,863,477	\$4,781,675	\$5,850,127
20 SS 2 Storage Injections Cost	\$287,049	\$0	\$0	\$0	\$0	\$0	\$699,560	\$1,055,325	\$959,445	\$949,160	\$918,197	\$781,391	\$5,850,127
21 SS 2 Inventory Cost Sub Total	\$2,970,495	\$2,970,495	\$2,473,959	\$1,658,267	\$882,587	\$373,759	\$699,548	\$1,954,872	\$2,914,318	\$3,863,477	\$4,781,675	\$5,563,066	\$11,700,254
22 Total SS 2 Storage Withdrawal Cost	\$0	\$486,536	\$815,692	\$775,680	\$508,928	\$373,772	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23 Total SS 2 Inventory Cost Bal	\$2,970,495	\$2,473,959	\$1,658,267	\$882,587	\$373,759	-\$13	\$699,548	\$1,954,872	\$2,914,318	\$3,863,477	\$4,781,675	\$5,563,066	\$11,700,254
24 SS 2 Inventory Cost Rate	\$1.6833	\$1.6833	\$1.6833	\$1.6833	\$1.6833	(\$0.0008)	\$2.7173	\$2.9050	\$3.0027	\$3.0739	\$3.1245	\$3.1525	\$3.1525
25 Dominion GSS - Operating Balance	423,000	423,000	423,000	423,000	223,000	94,927	5,000	86,080	169,883	231,990	296,447	360,903	360,903
26 Injections Dominion GSS - Storage	0	0	0	0	0	0	81,090	83,793	62,107	64,457	64,457	62,097	62,097
27 Dominion GSS - Inventory Sub Total Dt	423,000	423,000	423,000	423,000	223,000	94,927	86,090	169,883	231,990	296,447	360,903	423,000	423,000
28 Net Storage Withdrawals Dominion GSS	0	0	0	200,000	128,073	89,927	0	0	0	0	0	0	0
29 Dominion GSS - Inventory Balance	423,000	423,000	423,000	223,000	94,927	5,000	86,090	169,883	231,990	296,447	360,903	423,000	423,000
30 Dominion GSS - Inventory Cost Open Balance	\$639,148	\$639,148	\$639,148	\$639,148	\$336,948	\$143,430	\$5	\$254,668	\$514,942	\$716,426	\$931,451	\$1,149,204	\$1,149,204
31 Dominion GSS - Storage Injections Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$254,663	\$260,274	\$201,484	\$215,025	\$217,753	\$208,418	\$1,357,617
32 Dominion GSS - Inventory Cost Sub Total	\$639,148	\$639,148	\$639,148	\$639,148	\$336,948	\$143,430	\$514,942	\$514,942	\$716,426	\$931,451	\$1,149,204	\$1,357,622	\$2,506,819
33 Total Equit Storage Withdrawal Cost	\$0	\$0	\$0	\$302,200	\$193,518	\$143,425	\$0	\$0	\$0	\$0	\$0	\$0	\$0
34 Total Dominion GSS - Inventory Cost Balance	\$639,148	\$639,148	\$639,148	\$336,948	\$143,430	\$5	\$254,668	\$514,942	\$716,426	\$931,451	\$1,149,204	\$1,357,622	\$2,506,819
35 Dominion GSS - Inventory Cost Rate	\$1.5110	\$1.5110	\$1.5110	\$1.5110	\$1.5110	\$0.0010	\$2.9582	\$3.0312	\$3.0882	\$3.1421	\$3.1842	\$3.2095	\$3.2095

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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	139,891	140,161	140,161	103,299	53,911	11,677	19	16,669	53,373	73,833	95,475	123,201	140,218
2	270	0	0	0	0	0	0	36,704	20,460	21,642	27,726	16,766	140,218
3	140,161	140,161	140,161	103,299	53,911	11,677	16,669	53,373	73,833	95,475	123,201	139,967	140,142
4	0	0	36,862	49,388	42,234	11,668	0	0	0	0	0	0	0
5	140,161	140,161	103,299	53,911	11,677	19	16,669	53,373	73,833	95,475	123,201	139,967	140,142
6	\$323,239	\$323,859	\$323,859	\$2,38,685	\$124,570	\$26,984	\$44	\$52,334	\$164,838	\$230,339	\$301,583	\$394,015	\$450,121
7	\$620	\$0	\$0	\$0	\$0	\$0	\$52,289	\$112,504	\$65,501	\$71,243	\$82,433	\$55,531	\$450,121
8	\$323,859	\$323,859	\$323,859	\$2,38,685	\$124,570	\$26,984	\$44	\$52,334	\$164,838	\$230,339	\$301,583	\$394,015	\$450,121
9	\$0	\$0	\$85,173	\$114,116	\$97,586	\$26,939	\$0	\$0	\$0	\$0	\$0	\$0	\$323,814
10	\$323,859	\$323,859	\$238,685	\$124,570	\$26,984	\$44	\$52,334	\$164,838	\$230,339	\$301,583	\$394,015	\$449,546	\$450,121
11	\$2,3106	\$2,3106	\$2,3106	\$2,3107	\$2,3108	\$2,3322	\$3,1396	\$3,0884	\$3,1197	\$3,1588	\$3,1981	\$3,2118	\$3,2118
12	1,723,837	1,862,033	1,739,712	1,482,547	865,770	350,871	162,512	448,504	758,504	1,102,091	1,445,679	1,853,938	2,850,618
13	200,037	39,392	125,797	11,688	120,643	181,177	396,851	310,000	343,587	343,587	408,259	369,599	2,850,618
14	1,923,874	1,901,425	1,865,509	1,494,235	866,413	532,048	559,363	758,504	1,102,091	1,445,679	1,853,938	2,223,537	2,350,918
15	61,841	161,713	382,962	628,465	635,542	369,536	110,859	0	0	0	0	0	2,350,918
16	1,862,033	1,739,712	1,482,547	865,770	350,871	162,512	448,504	758,504	1,102,091	1,445,679	1,853,938	2,223,537	2,350,918
17	\$3,120,098	\$3,387,281	\$3,200,054	\$2,946,666	\$1,742,119	\$873,254	\$491,346	\$1,317,666	\$2,277,127	\$3,387,784	\$4,529,866	\$5,904,132	\$8,906,638
18	\$379,677	\$106,945	\$451,070	\$44,779	\$410,355	\$538,458	\$1,152,833	\$959,461	\$1,110,657	\$1,142,082	\$1,374,266	\$1,236,056	\$8,906,638
19	\$3,498,776	\$3,498,226	\$3,651,124	\$2,991,444	\$2,152,473	\$1,411,712	\$1,644,179	\$2,277,127	\$3,387,784	\$4,529,866	\$5,904,132	\$7,140,187	\$4,886,550
20	\$112,485	\$294,172	\$704,459	\$1,249,326	\$1,279,219	\$920,366	\$326,513	\$0	\$0	\$0	\$0	\$0	\$4,886,550
21	\$3,387,281	\$3,200,054	\$2,946,666	\$1,742,119	\$873,254	\$491,346	\$1,317,666	\$2,277,127	\$3,387,784	\$4,529,866	\$5,904,132	\$7,140,187	\$4,886,550
22	\$1,8191	\$1,8394	\$1,9876	\$2,0122	\$2,4888	\$3,0234	\$2,9379	\$3,0021	\$3,0740	\$3,1334	\$3,1846	\$3,2112	\$3,2112
23	6,298,755	6,787,548	6,210,468	4,791,976	2,694,703	1,143,853	447,316	1,463,766	2,604,298	3,778,611	4,954,178	6,196,249	7,353,975
24	6,787,548	6,210,468	4,791,976	2,694,703	1,143,853	447,316	1,463,766	2,604,298	3,778,611	4,954,178	6,196,249	7,353,975	7,353,975
25	\$11,082,638	\$11,967,435	\$11,138,225	\$8,912,650	\$5,139,619	\$2,469,335	\$1,152,864	\$4,034,073	\$7,578,809	\$11,387,640	\$15,309,769	\$19,504,266	\$19,504,266
26	\$11,967,435	\$11,138,225	\$8,912,650	\$5,139,619	\$2,469,335	\$1,152,864	\$4,034,073	\$7,578,809	\$11,387,640	\$15,309,769	\$19,504,266	\$23,385,417	\$23,385,417

41 Total Beginning Inventory Dt  
42  
43 Total Ending Inventory Dt  
44  
45 Total Beginning Inventory Cost  
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47  
48 Total Ending Inventory Cost



1 WORKPAPER KJB-5C, PAGE 5 OF 5  
2 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
3 Net Storage Withdrawals Transco GSS	64,551	24,172	299,367	460,707	437,088	162,001	62,176	0	0	0	0	0	1,510,662
4 GSS Inventory Cost Rate	\$1,7668	\$1,8549	\$1,8986	\$1,9352	\$2,0455	\$2,4135	\$2,6813	\$2,8783	\$3,1200	\$3,1200	\$3,1829	\$3,2149	\$3,2149
5 Total GSS Storage Withdrawal Cost	\$114,036	\$43,762	\$557,302	\$683,406	\$658,397	\$370,969	\$173,701	\$0	\$0	\$0	\$0	\$0	\$3,001,472
6 Net Storage Withdrawals Transco ESS	0	1	0	0	0	7,922	0	28,664	28,664	28,664	28,664	28,664	151,245
7 ESS Inventory Cost Rate	\$2,6481	\$2,6481	\$2,6481	\$2,6481	\$2,6481	\$2,6481	\$2,6482	\$2,6482	\$2,6482	\$2,9074	\$2,9852	\$3,0602	\$3,0602
8 Total ESS Storage Withdrawal Cost	\$0	\$3	\$0	\$0	\$0	\$20,978	\$0	\$75,910	\$80,646	\$83,339	\$85,569	\$87,719	\$434,162
9 Net Storage Withdrawals Transco LSS	0	258,366	372,899	322,969	165,235	89,531	0	0	0	0	0	0	1,209,000
10 LSS Inventory Cost Rate	\$1,6884	\$1,6898	\$1,6898	\$1,6898	\$1,6898	\$1,6898	\$0,0009	\$2,5157	\$2,7973	\$2,9291	\$3,0213	\$3,0888	\$3,0888
11 Total LSS Storage Withdrawal Cost	\$0	\$436,687	\$630,125	\$545,753	\$279,214	\$176,626	\$0	\$0	\$0	\$0	\$0	\$0	\$2,068,305
12 Net Storage Withdrawal Transco SS 2	0	294,978	484,579	460,809	302,262	222,047	0	0	0	0	0	0	1,764,675
13 SS 2 Inventory Cost Rate	\$1,6707	\$1,6833	\$1,6833	\$1,6833	\$1,6832	\$1,6832	-\$0,0008	\$2,7173	\$2,9050	\$3,0027	\$3,0739	\$3,1245	\$3,1245
14 Total SS 2 Storage Withdrawal Cost	\$0	\$496,636	\$815,692	\$775,680	\$508,828	\$373,772	\$0	\$0	\$0	\$0	\$0	\$0	\$2,970,508
15 Net Storage Dominion GSS	0	0	0	200,000	128,073	89,927	0	0	0	0	0	0	418,000
16 Dominion GSS Inventory Cost Rate	\$1,5110	\$1,5110	\$1,5110	\$1,5110	\$1,5110	\$1,5110	\$0,0010	\$2,9582	\$3,0312	\$3,0882	\$3,1421	\$3,1842	\$3,1842
17 Total Dominion GSS Storage Withdrawal Cost	\$0	\$0	\$0	\$302,200	\$193,518	\$143,425	\$0	\$0	\$0	\$0	\$0	\$0	\$639,144
18 Net Storage Withdrawals Transco S-2	0	0	36,862	49,388	42,234	11,668	0	0	0	0	0	0	140,142
19 Transco S-2 Inventory Cost Rate	\$2,3107	\$2,3106	\$2,3106	\$2,3106	\$2,3107	\$2,3108	\$2,3322	\$3,1396	\$3,1197	\$3,1197	\$3,1588	\$3,1981	\$3,1981
20 Total Transco S-2 Storage Withdrawal Cost	\$0	\$0	\$85,173	\$114,116	\$97,586	\$26,939	\$0	\$0	\$0	\$0	\$0	\$0	\$323,814
21 Net Storage Withdrawal Col FSS & (MEP)	61,841	161,713	382,962	628,465	655,542	369,536	110,859	0	0	0	0	0	2,350,916
22 Col FSS & (MEP) Inventory Cost Rate	\$1,8191	\$1,8377	\$1,9572	\$2,0020	\$2,1821	\$2,6534	\$2,9394	\$3,0021	\$3,0740	\$3,1334	\$3,1846	\$3,2112	\$3,2112
23 Total Col FSS Storage Withdrawal Cost	\$112,495	\$294,172	\$704,459	\$1,249,326	\$1,279,219	\$950,366	\$326,513	\$0	\$0	\$0	\$0	\$0	\$4,886,550
24 Total Storage Withdrawals Dt	126,392	739,530	1,576,669	2,122,338	1,710,434	952,622	173,035	28,664	28,664	28,664	28,664	28,664	7,544,642
25 Total Storage Withdrawals Cost	\$226,531	\$1,271,060	\$2,792,750	\$3,870,480	\$3,216,762	\$2,032,976	\$600,214	\$75,910	\$80,646	\$83,339	\$85,569	\$87,719	\$14,323,955



SOUTH JERSEY GAS COMPANY 2016 - 2017 BGSSC Monthly Interruptible/Off-System Capacity Release Credit													
	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													
10													
11													
12													
13													
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18													
Pre-Tax Interruptible Margins	\$26,845	\$37,518	\$85,728	\$14,957	\$33,139	\$42,023	\$30,550	\$27,314	\$22,798	\$23,417	\$25,853	\$23,894	\$394,036
Pre-Tax Off-System Sales and Capacity Release	\$2,284,805	\$4,257,054	\$3,487,836	\$4,661,195	\$4,538,506	\$3,844,363	\$1,420,215	\$1,425,269	\$1,415,986	\$1,425,269	\$1,425,270	\$1,415,986	\$31,601,754
Pre-tax Margins Subject to Revenue Sharing %	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%
Revenue Sharing %	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%
Interruptible/Off-System Sales/Capacity Release Credit	\$1,864,902	\$3,650,386	\$3,037,530	\$3,974,729	\$3,885,898	\$3,303,428	\$1,233,150	\$1,234,696	\$1,222,966	\$1,231,383	\$1,233,454	\$1,223,898	\$27,196,421

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
1												
2												
3												
4												
5												
6								250				
7								83,265	76,066	0	0	0
8										78,132		86,258
9												
10								83,515	76,066	78,132	86,258	79,723
11												
12												
13								\$3,375	\$0	\$0	\$0	\$0
14								\$25,313	\$23,124	\$23,752	\$26,223	\$24,236
15												
16								\$28,688	\$23,124	\$23,752	\$26,223	\$24,236
17												
18								\$793	\$0	\$0	\$0	\$0
19								\$0	\$0	\$0	\$0	\$0
20												
21												
22								\$793	\$0	\$0	\$0	\$0
23												
24												
25								\$224	\$0	\$0	\$0	\$0
26								\$357	\$326	\$335	\$370	\$342
27												
28								\$581	\$326	\$335	\$370	\$342
29												
30								\$27,314	\$22,798	\$23,417	\$25,853	\$23,894

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
Volumes (DT)								1,005,367	985,703	1,005,367	1,005,367	961,734
Sales Rate per DT								\$3,8916	\$4,0679	\$4,1336	\$4,1656	\$4,1709
Off-System Sales Revenue	\$2,807,593	\$8,223,755	\$9,651,723	\$10,574,463	\$6,647,643	\$7,655,939	\$6,656,088	\$3,912,486	\$4,009,741	\$4,155,785	\$4,187,957	\$4,011,297
Capacity Release Revenue	\$992,325	\$540,412	\$634,741	\$547,258	\$562,972	\$633,257	\$493,997	\$655,560	\$638,365	\$655,560	\$655,561	\$657,274
Total Revenue	\$3,799,918	\$8,764,167	\$10,186,465	\$11,121,721	\$9,210,615	\$8,189,196	\$7,150,085	\$4,568,046	\$4,648,106	\$4,811,345	\$4,843,518	\$4,668,571
Volumes (DT)								1,005,367	985,703	1,005,367	1,005,367	961,734
COG Rate per DT								\$3,1260	\$3,2790	\$3,3680	\$3,4000	\$3,3820
Total Cost of Gas	\$1,515,113	\$4,507,114	\$6,698,628	\$6,460,526	\$4,672,109	\$4,344,833	\$5,729,850	\$3,142,777	\$3,232,120	\$3,386,076	\$3,418,248	\$3,252,585
Pretax Margin	\$2,284,805	\$4,257,054	\$3,487,836	\$4,661,195	\$4,538,506	\$3,844,363	\$1,420,215	\$1,425,269	\$1,415,986	\$1,425,269	\$1,425,270	\$1,415,986

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SOUTH JERSEY GAS COMPANY  
2016 - 2017 BGSSC  
Requirement & Supply

	May-17	Jun-17	Jul-17	Aug-17	Sep-17
1					
2					
3					
4					
5					
6					
7	Utility Sendout				
8	GSG-LV - Monthly BGSS	1,037,215	628,043	659,618	669,594
9	EGS-LV - Firm - Monthly BGSS	171,972	127,845	127,845	52,662
10	EGS-LV - Limited Firm - Monthly BGSS	0	0	0	0
11	EGS - Monthly BGSS	0	0	0	0
12	FES - Limited Firm	12	13	13	13
13	LVS - Monthly BGSS	81,161	131,886	131,886	76,088
14	Total Firm Sendout	0	0	0	0
15		1,290,359	887,788	943,275	798,358
16	Net Storage Injections				
17					
18	Transco S-2	36,704	20,460	21,642	27,726
19	Transco SS-2 (2)	341,899	297,615	286,324	273,513
20	Transco ESS	0	60,879	43,331	43,331
21	Transco GSS	186,000	229,688	255,170	255,170
22	Transco LNG (LGA)	36,378	35,303	36,378	36,378
23	Transco LSS (2)	210,800	188,642	189,722	198,280
24	Columbia FSS	310,000	343,587	343,587	214,377
25	Dominion GSS	83,793	62,107	64,457	408,259
26	Company LNG	0	0	0	64,457
27	Transco ESS Compressor Fuel 0.0%	0	0	0	0
28	Transco GSS Compressor Fuel 2.47%	4,711	5,817	6,462	6,462
29	Transco SS-2 Compressor Fuel 1.33%	4,609	4,012	3,859	3,687
30	Transco LSS Compressor Fuel 1.57%	3,362	3,009	3,026	3,163
31	Transco LGA Compressor Fuel 28.56%	14,543	14,113	14,543	14,543
32	Columbia FSS Compressor Fuel 0.17%	528	585	585	629
33	Transco S-2 Compressor Fuel 0.64%	236	132	139	179
34	Dominion GSS Compressor Fuel 1.95%	1,666	1,235	1,282	1,282
35	Columbia SST Compressor Fuel 1.432%	4,504	4,992	4,992	5,931
36					
37	Total Storage Injections	1,239,733	1,272,175	1,275,498	1,343,055
38					
39	Total Requirements	2,530,092	2,254,158	2,163,285	2,286,330
					2,053,787

SOUTH JERSEY GAS COMPANY  
2016 - 2017 BGSSC  
Requirement & Supply

	May-17	Jun-17	Jul-17	Aug-17	Sep-17
1					
2					
3					
4					
5					
6					
7					
8					
9	0	0	0	0	0
10	0	0	0	0	0
11	28,664	28,664	28,664	28,664	28,664
12	0	0	0	0	0
13	0	0	0	0	0
14	0	0	0	0	0
15	0	0	0	0	0
16	0	0	0	0	0
17	9,500	9,500	9,500	9,500	9,500
18	0	0	0	0	0
19	0	0	0	0	0
20	0	0	0	0	0
21	0	0	0	0	0
22	0	0	0	0	0
23	0	0	0	0	0
24	0	0	0	0	0
25	0	0	0	0	0
26	38,164	38,164	38,164	38,164	38,164
27					
28					
29	930,000	900,000	930,000	930,000	900,000
30	413,240	188,240	58,240	58,240	88,240
31	795,543	679,105	777,137	876,269	798,619
32	100,000	100,000	100,000	100,000	100,000
33	253,144	348,649	259,744	283,657	128,763
34	0	0	0	0	0
35	2,491,928	2,215,993	2,125,121	2,248,166	2,015,622
36					
37	2,530,092	2,254,158	2,163,285	2,286,330	2,053,787
38					





SOUTH JERSEY GAS COMPANY  
 2016 - 2017 BGSSC  
 Pipeline Pricing

	May-17	Jun-17	Jul-17	Aug-17	Sep-17
	\$0.1306	\$0.1306	\$0.1306	\$0.1306	\$0.1306
6	TRANSCO FT DEMAND #1013599				
7					
8					
9					
10	Off-System COG per DT				
11	Commodity Purchases - Columbia East Side Exp Project	\$3.1260	\$3.2790	\$3.3680	\$3.4000
12	Commodity Purchases - Transco (FES & Monthly BGSS)	\$2.9790	\$3.1310	\$3.2210	\$3.2530
13	Commodity Purchases - Transco Leidy #1013599	\$3.2070	\$3.3600	\$3.4500	\$3.4830
14	Transco FT SS-1 DEMAND #1044825	\$2.9015	\$3.0521	\$3.1404	\$3.1726
15	Transco PSFT Transportation DEMAND	\$0.0000	\$0.0000	\$0.0000	\$0.0000
16	Transco FT CNJEP DEMAND #9032686	\$0.1306	\$0.1306	\$0.1306	\$0.1306
17	Commodity Purchases - Transco PSFT	\$3.2070	\$3.3600	\$3.4500	\$3.4830
18	Transco FT DEMAND #1013598	\$0.0000	\$0.0000	\$0.0000	\$0.0000
19	Commodity Purchases - Columbia East Side Exp Project	\$2.9790	\$3.1310	\$3.2210	\$3.2530
20	Commodity Purchases - Columbia	\$3.1260	\$3.2790	\$3.3680	\$3.4000
21	Columbia FTS DEMAND #156147 and #38099	\$6.4280	\$6.4280	\$6.4280	\$6.4280
22	Columbia Gas NTS DEMAND	\$7.9380	\$7.9380	\$7.9380	\$7.9380
23	Columbia FSS DEMAND MDSQ	\$1.5010	\$1.5010	\$1.5010	\$1.5010
24	Columbia FSS DEMAND SCQ	\$0.0288	\$0.0288	\$0.0288	\$0.0288
25	Columbia FSS IN	\$0.0153	\$0.0153	\$0.0153	\$0.0153
26	Columbia FSS OUT	\$0.0153	\$0.0153	\$0.0153	\$0.0153
27	Columbia SST DEMAND	\$6.2580	\$6.2580	\$6.2580	\$6.2580
28	Columbia SST IN	\$0.0152	\$0.0152	\$0.0152	\$0.0152
29	Columbia SST OUT	\$0.0152	\$0.0152	\$0.0152	\$0.0152
30	Dominion-Transco APEC FT #1005353 DEMAND	\$0.0000	\$0.0000	\$0.0000	\$0.0000
31	Dominion FTNN DEMAND	\$0.0000	\$0.0000	\$0.0000	\$0.0000
32	Dominion GSS Storage Capacity	\$0.0145	\$0.0145	\$0.0145	\$0.0145
33	Dominion GSS Storage DEMAND	\$1.8618	\$1.8618	\$1.8618	\$1.8618
34	Dominion GSS IN	\$0.0318	\$0.0318	\$0.0318	\$0.0318
35	Dominion GSS IT IN	\$0.1368	\$0.1368	\$0.1368	\$0.1368
36	Dominion GSS OUT	\$0.0180	\$0.0180	\$0.0180	\$0.0180
37	Columbia City Gate	\$0.0000	\$0.0000	\$0.0000	\$0.0000
38	Columbia FTS DEMAND - East Side Exp Project	\$13.4010	\$13.4010	\$13.4010	\$13.4010
39	LNG Rates	\$3.5024	\$3.6580	\$3.7615	\$3.8092
40	Pipeline Refunds	\$0	\$0	\$0	\$0



1 gas contracts with some of the Company's largest customers. Since March of 2001, I  
2 have represented South Jersey as one of seven utility managers who work with the  
3 administrator of the New Jersey Clean Energy Program <sup>TM</sup>, within the New Jersey Board  
4 of Public Utilities (the "Board" or the "BPU") Office of Clean Energy. In that capacity, I  
5 was the Senior Utility Sponsor for the Commercial/Industrial Construction Program,  
6 otherwise known as the SmartStart Buildings Program <sup>®</sup>, the Convener of the Combined  
7 Heat and Power Program and the Utility Sponsor for the Home Performance with Energy  
8 Star Program.

9  
10 I previously represented South Jersey on all of the New Jersey Clean Energy Efficiency  
11 working groups and chaired the Commercial/Industrial Subcommittee of the New Jersey  
12 Clean Energy Council.

13  
14 I currently serve as a member on the Energy Efficiency committee of the Clean Energy  
15 Council, serve on various committees with the Consortium for Energy Efficiency, and I  
16 also serve on the American Gas Association (AGA) Sustainable Growth Committee. For  
17 the past several years, I have served as the Senior Utility Sponsor for the Comfort  
18 Partners, Low Income Working Group, which manages the Comfort Partners Low  
19 Income Program, administered by the BPU Office of Clean Energy.

20  
21 **Q. What is the purpose of your testimony in this proceeding?**

22 **A.** The purpose of my testimony is to provide information about the conservation oriented  
23 initiatives that South Jersey has launched since the Conservation Incentive Program

1 (“CIP”) was originally approved by the Board on October 12, 2006 in BPU Docket No.  
2 GR0512019, as further extended on January 20, 2010 and again on May 21, 2014. I will  
3 also provide actual cost information for each of these programs.  
4

5 **II. BACKGROUND**

6 **Q. Can you please explain generally, the Company’s approach to conservation and the**  
7 **evolution of its workforce since inception of the Conservation Incentive Program**  
8 **(CIP)?**

9 **A.** The CIP has enabled South Jersey to share the common goal of energy efficiency with its  
10 customers and local, State and national level policy-makers. For several years, the  
11 Company has been in a position to manage and develop energy conservation programs  
12 collaboratively with the BPU and other utilities. The Board's approval of the CIP has  
13 aligned the Company's interests with those of its customers, as the program has  
14 eliminated the Company’s financial disincentive to promote methods and opportunities  
15 for customers to reduce their natural gas consumption and their bills.  
16

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

1           Moreover, in September of 2009, the Company redefined its approach to the marketplace  
2           by restructuring its Sales Department.   The department is now known as the Energy  
3           Efficiency Education and Consulting Department (EEECO).   The new management  
4           structure embedded the implementation of energy efficiency programming into our sales  
5           and marketing efforts.   Company representatives in this department are referred to as  
6           consultants, and have been exposed to various energy efficiency training seminars and  
7           courses.   Customers are not only educated about the benefits of natural gas service, but  
8           they are also educated about energy efficiency.   In fact, the residential and commercial  
9           subsets of the EEECO department each have an energy efficiency implementation focus  
10          and a consultative focus.   The former concentrates on programming, such as the energy  
11          efficiency installation offers that are available from the State and from the Company.  
12          The latter concentrates on educating customers on energy efficiency as they become part  
13          of the South Jersey network.

14  
15          Through this restructuring, South Jersey has tied together the themes of energy  
16          efficiency, comfort and savings.   We will continue to promote the efficient use of natural  
17          gas through the use of better technology, energy education, and sensible energy  
18          consumption patterns through targeted presentations, and through partnerships with  
19          public entities and nonprofit organizations, to promote energy efficiency program  
20          outreach to a variety of audiences.

21  
22          Finally, strategic energy efficiency communication is fully integrated into South Jersey's  
23          CIP.   A communications strategy focusing on the CIP and its benefits to customers and

1 shareholders is not viewed as a separate program, but rather a corporate initiative. It  
2 remains our goal to educate political leaders, corporate executives, business leaders, and  
3 building managers about the facts associated with the CIP and to bring to light the vast  
4 array of energy programs, policies, and practices necessary to achieve sustainable energy  
5 efficiency in the market place.  
6

7 **III. REVIEW OF CURRENT PROGRAMS**

8 **Q. Please provide a brief overview of the current programs.**

9 **A.** Attached to my testimony as Schedule BSG-1 is the Company's fortieth (40<sup>th</sup>) CIP  
10 quarterly report, filed with the Board on November 3, 2016. The information contained  
11 in Schedule BSG-1 illustrates the Company's energy efficiency and conservation related  
12 accomplishments during the tenth (10<sup>th</sup>) year of the CIP, which encompassed the time  
13 period of October 2015 to September 2016. I have also attached as Schedule BSG-2 the  
14 Company's forty second (42<sup>nd</sup>) CIP quarterly report, which was filed with the Board on  
15 May 8, 2017. The information contained in Schedule BSG-2 summarizes the Company's  
16 energy efficiency and conservation related accomplishments during the first half of the  
17 current CIP year, which encompasses the time period October 2016 to March 2017. This  
18 CIP quarterly report illustrates how CIP programming has evolved into initiatives that  
19 promote energy efficiency with a sense of urgency towards educating policy makers,  
20 energy program designers, and trade ally contractors on the critical relationships between  
21 building science and the installation of high efficiency heating and water heating  
22 equipment. Schedule BSG-2 provides details of each program implemented in the  
23 eleventh (11<sup>th</sup>) year of the CIP and contains program-specific material used to promote

1 those programs. The following discussion provides a summary and status of the programs  
2 that continue to resonate with our customers.

3  
4 **Q. Are there any programs that the Company is proposing to discontinue going  
5 forward?**

6 **A.** Yes. The “Local on the 8’s” program was originally launched in January 2007 and for a  
7 number of years was a successful method of promoting energy efficiency and  
8 conservation to our customers. In 2014, South Jersey utilized the exposure of the  
9 Weather Channel and placed messages on the “ribbon” during the “Local Weather On the  
10 8’s Message” from January 2015 through April 2015. The viewers, who watched the  
11 weather forecast and alerts every eight minutes, also saw South Jersey's message to  
12 exercise energy efficiency practices. This messaging effort was aired during some of the  
13 most challenging weather days experienced in several years. Messages directed  
14 customers to visit the New Jersey Office of Clean Energy website and the South Jersey  
15 Gas website to learn more about home audits, statewide programs, and equipment  
16 rebates. During the winter of 2016, this program was phased out. The primary reason  
17 was that advances in mobile devices have made viewing weather events part of the low  
18 cost smartphone and tablet platform. The Company therefore decided to direct funds  
19 used for this initiative, for other means that could have more impact on the customer to  
20 save energy. More detail regarding this change will be discussed in upcoming reports.

21  
22 **Q. What efforts has the Company made with respect to community outreach of CIP  
23 initiatives?**



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

8  
9 For example, the Company continued its work to support a call center designed to  
10 enhance our approach to better communicate with our customers, and answer questions  
11 related to energy efficiency. This call center is part of a much larger campaign previously  
12 known as “Keep it Simple,” and was an extension of the previous “Simple is Beautiful”  
13 campaign. The concept was to show customers that upgrading to energy efficiency is  
14 neither painful nor complicated, and can be done simply and seamlessly by leveraging the  
15 resources available to our collective customers. Our goal is to engage our customers, and  
16 to provide them with a dedicated virtual call center, which began operations on August  
17 20, 2015, which can now assist in providing our callers with information about the  
18 program, that is the best fit for them. Though the winter season of 2016 – 2017, was  
19 somewhat moderate compared to a few years ago, the call center still realized brisk  
20 activity. Specifically, in January 2017 there were 492 minutes, in February there were  
21 921 minutes, and in March there were 1,203 minutes. We encourage our customers and  
22 trade allies to view the offerings found on our newly created very informative website;  
23 [www.SouthJerseyGas.com/incentive](http://www.SouthJerseyGas.com/incentive), or to call 855-678-5860. Moreover, in the month of

1 April 2017, the Company evolved its outreach efforts further with the “Join the Energy  
2 Revolution” campaign. The Company continues to leverage its partnership approach  
3 with the NJ Clean Energy Program, in order to offer customers the most energy value  
4 available to them.

5 The Company has also continued its involvement with the AGA, and with the  
6 Consortium for Energy Efficiency in an effort to engage with various energy efficiency  
7 organizations, as well as its involvement with the Association of Energy Services  
8 Professionals (AESP), to find common ground whereby energy efficiency gains can be  
9 gleaned according to best practices and market acceptance. An example of this is our  
10 participation at the Mid Atlantic AESP conference at the Headquarters of PEPCO  
11 Holding Company in Washington, DC on September 28<sup>th</sup> 2016. I was part of a utility  
12 panel and presented on the topic titled, Overcoming Barriers to Bring Energy Efficiency  
13 to Customers, A Collaborative Approach. (Schedule BSG - 3).

14  
15 The Company promoted our theme of energy efficiency by emphasizing the importance  
16 of crafting messages that are meaningful to the customer. It has become evident that  
17 consumers desire more than energy efficiency and want a benefit that satisfies their value  
18 proposition. For many residential customers, that benefit is comfort at an affordable  
19 price. The Company has transitioned from a broadcast media platform, which may have  
20 limited reach to our customers, to a more direct approach, as evidenced in our web link;  
21 <https://southjerseygas.com/Save-Energy-Money/Energy-Saving-Videos.aspx>.

22 The Company continues to reach out to municipal and other civic and efficiency minded  
23 constituents by participating in a variety of programs both inside and outside our service

1 territory. For example, the Company has been represented at community, statewide and  
2 national industry functions. On October 25, 2016, as a result of SOUTH JERSEY's  
3 support of the Sustainable Jersey Schools Program, several schools from the South Jersey  
4 Region were recognized at a special ceremony in Atlantic City, during the Annual NJ  
5 School Boards Convention. Please refer to the following web link:  
6 [http://www.sustainablejerseyschools.com/media-communications/news-single-](http://www.sustainablejerseyschools.com/media-communications/news-single-view/?tx_news_pi1%5Bnews%5D=339&tx_news_pi1%5Bcontroller%5D=News&tx_news_pi1%5Baction%5D=detail&cHash=011ddd58569255cb9c5805b204b6be5a)  
7 [view/?tx\\_news\\_pi1%5Bnews%5D=339&tx\\_news\\_pi1%5Bcontroller%5D=News&tx\\_ne](http://www.sustainablejerseyschools.com/media-communications/news-single-view/?tx_news_pi1%5Bnews%5D=339&tx_news_pi1%5Bcontroller%5D=News&tx_news_pi1%5Baction%5D=detail&cHash=011ddd58569255cb9c5805b204b6be5a)  
8 [ws\\_pi1%5Baction%5D=detail&cHash=011ddd58569255cb9c5805b204b6be5a\)](http://www.sustainablejerseyschools.com/media-communications/news-single-view/?tx_news_pi1%5Bnews%5D=339&tx_news_pi1%5Bcontroller%5D=News&tx_news_pi1%5Baction%5D=detail&cHash=011ddd58569255cb9c5805b204b6be5a)  
9

10 On November 9 – 10, 2016, the Company was represented in a Sustainable Growth  
11 Committee Conference with the AGA in Washington, DC. The purpose of which was to  
12 not only discuss the implications of the impending federal Department of Energy  
13 concerning the implementation of the new furnace and boiler standards, but to also  
14 discuss updates on the use of natural gas a renewable bi-product from landfills and waste  
15 water treatment facilities. On October 25, 2016, as a result of SJG's support of the  
16 Sustainable Jersey Schools Program, several schools from the South Jersey Region were  
17 recognized at a special ceremony in Atlantic City, during the Annual NJ School Boards  
18 Convention. Please refer to the following web link:  
19 [http://www.sustainablejerseyschools.com/media-communications/news-single-](http://www.sustainablejerseyschools.com/media-communications/news-single-view/?tx_news_pi1%5Bnews%5D=339&tx_news_pi1%5Bcontroller%5D=News&tx_news_pi1%5Baction%5D=detail&cHash=011ddd58569255cb9c5805b204b6be5a)  
20 [view/?tx\\_news\\_pi1%5Bnews%5D=339&tx\\_news\\_pi1%5Bcontroller%5D=News&tx\\_ne](http://www.sustainablejerseyschools.com/media-communications/news-single-view/?tx_news_pi1%5Bnews%5D=339&tx_news_pi1%5Bcontroller%5D=News&tx_news_pi1%5Baction%5D=detail&cHash=011ddd58569255cb9c5805b204b6be5a)  
21 [ws\\_pi1%5Baction%5D=detail&cHash=011ddd58569255cb9c5805b204b6be5a\)](http://www.sustainablejerseyschools.com/media-communications/news-single-view/?tx_news_pi1%5Bnews%5D=339&tx_news_pi1%5Bcontroller%5D=News&tx_news_pi1%5Baction%5D=detail&cHash=011ddd58569255cb9c5805b204b6be5a)  
22

1 During the first quarter of 2017, the Company continued to embark upon a targeted  
2 campaign, designed to serve local strategic communities. These efforts included various  
3 public outreach events, for example, South Jersey Spring Home Show Expo in Gloucester  
4 County; the Atlantic County Business Showcase in Somers Point; and Spring Fest in  
5 Woodbury Heights. Additionally, SJG utilized their social media to promote available  
6 financing and rebates with spots running on Comcast starting in September and running  
7 through February 2016. Furthermore, the Company utilized its Folsom corporate  
8 headquarters to host meetings on January 19, 2017, and again on April 17, 2017, with Clear  
9 Result of the NJ Clean Energy Program as the featured presenter. The goal of which was to  
10 provide orientation for contractors to considering signing up for BPI gold training, and to better  
11 understand the benefits of the State's Home Performance with Energy Star Program.

12  
13 Since the inception of the CIP, South Jersey has participated in numerous events with  
14 various groups and organizations, and makes Company representatives available to offer  
15 formal presentations regarding energy efficiency programs to any group upon request.

16  
17 **Q. What is the Company's involvement with the Eastern Heating Cooling Council**  
18 **(EHCC)?**

19 **A.** In October 2016, South Jersey Gas made the decision to financially support the Eastern  
20 Heating Cooling Council (EHCC) to prevent an imminent shut down of HVAC training  
21 operations. SJG now serves on their Board of Directors. This organization has been vital  
22 in offering training seminars to HVAC contractors; especially in teaching them how to  
23 perform Manual J and ACCA Manual S calculations. These documents are now required  
24 to obtain an HVAC permit, and are required by the Warm and Cool Advantage Program.

1 Since September 2016, ninety (90) people have gone through this program. SJG will be  
2 scheduling a training session each month throughout 2017. These sessions have also  
3 been attended by staff from Clear Result to illustrate changes in the Warm and Cool  
4 Advantage Programs, along with new training guidelines for Building Performance  
5 Training Certification.

6  
7 **Q. Please explain the Company's involvement with the New Jersey Sustainable Jersey**  
8 **Program.**

9 **A.** In 2013, the Company began taking a more global view of sustainability and energy  
10 efficiency messaging. To foster that effort, the Company engaged with Sustainable Jersey  
11 and made a substantial contribution to foster their efforts to create a "South Jersey Hub."  
12 Sustainable Jersey provides financial resources and support for sustainability programs  
13 and encourages participation in clean energy and energy efficiency programs. With South  
14 Jersey's contribution, Sustainable Jersey has been able to make significant inroads to  
15 foster initiatives throughout Southern New Jersey. In March of 2015, the Company  
16 provided \$150,000 to help fund the new Sustainable Jersey for Schools Program.  
17 Sustainable Jersey for Schools is a voluntary certification program for New Jersey public  
18 schools that provides tools, training and financial incentives to support and reward schools  
19 as they pursue sustainability programs such as energy efficiency, renewable energy and  
20 climate mitigation.

21  
22 On March 29, 2017, a meeting was held with Randall Solomon, Director of Sustainable  
23 Jersey to discuss future support for this worthy organization. The meeting focused on

1 how both organizations can leverage messaging to promote energy efficiency  
2 programming, participation, while increasing awareness of sustainability. A proposal for  
3 this joint effort was received by South Jersey Gas on May 4, 2017, and is currently under  
4 review.

5 **IV. REVIEW OF CURRENT CIP YEAR PROGRAM EXPENSES**

6 **Q. Please provide an overview of the current CIP Year program expenses.**

7 **A.** Quarterly expenses incurred for each of South Jersey's CIP programs are summarized in  
8 Schedule BSG-2, attached hereto. During the first half of the CIP year, which  
9 encompasses the time period October 2016 to March 2016, South Jersey invested  
10 \$185,291 in these programs. With the Company's involvement in Sustainable Jersey,  
11 increased targeted and cost effective media promotions, and concentrated outreach with  
12 the EHCC, South Jersey projects that it will spend approximately \$500,000 by the  
13 conclusion of the CIP year September 30, 2017.

14 **Q. Please briefly summarize your testimony.**

15 **A.** This testimony has provided an overview of the programs in effect during the 2015 -2016  
16 CIP year, as well as insights into the 2017 CIP year programs and their related  
17 expenditures. All of South Jersey's CIP programs are designed to complement current  
18 energy policies articulated by the Board and the State of New Jersey and are intended to  
19 motivate customers to efficiently use energy and reduce their costs.

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

21 **A.** Yes.



**Steven R. Cocchi**  
*Vice President, Rates & Regulatory Affairs*

November 3, 2016

Thomas Walker, Director  
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**Re: Conservation Incentive Program (“CIP”) Quarterly Report**

Dear Director Walker 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 fortieth (40<sup>th</sup>) Conservation Incentive Program (“CIP”) Quarterly Report for the quarter ending September 30, 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 September 30, 2016, SJG incurred CIP related expenses totaling \$218,988. South Jersey Gas Company continues to be pleased with the results and feedback received from customers, government officials and employees regarding the CIP and our extensive efforts to encourage conservation and energy efficiency.

South Jersey Gas 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. Some of these new initiatives will be in concert with staff from the New Jersey Clean Energy Program (“NJCEP”) Administrative team; specifically, in the area of training. The Company has begun to launch sponsored training initiatives which are detailed in this report.

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 now the "Be South Jersey Smart" campaign with classroom style informational training sessions. The purpose of these collective messages are to make our multi-faceted audience aware of opportunities which will enable them to practice judicious energy behaviors, safe and effective equipment installation protocols, and take the anxiety out of steps to upgrade to energy efficiency programming.

We continue to want our trade allies to install natural gas equipment with efficiency in mind along 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 implication of new codes, sizing, air flow and pressures within a home, thus employing safer installation practices.

Given the knowledge gained by contractors in recent years, the Company has begun to focus on providing information to contractors on how to make mechanical improvements affordable. South Jersey Gas Company has been represented on multiple panels to speak on this subject. On September 29<sup>th</sup>, the Company was invited to participate, along with other utilities and organizations, to do a presentation on how to enroll "hard to reach" customers at the Association of Energy Services Professionals held at PEPCO Headquarters in Washington, DC.

During the quarter ending September 30, 2016, the Company continued to promote energy efficiency messaging by linking the customer comfort experience with their participation in NJCEP offerings. The Company successfully continued their engagement with an energy efficiency call center, which is 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 utilize the benefits made possible by SJG and the NJBPU. The new call center became operational August 2015. Since that time, the Company has promoted both SJG and NJCEP messages through several events that target specific communities throughout our service territory. The accompanying reports detail the call volumes for the third quarter of 2016.

I hope you find the information contained in this fortieth (40<sup>th</sup>) 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



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

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- 2 -

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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** - September Invoice: - (ACCC Manual I/S Course)
5. **Exhibit 5** - July 2016 Energy Notes

**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	\$4,781	\$9,428	\$14,209
Public Sector Outreach	\$14,332	\$32,363	\$58,669	\$209,560	\$314,924
Nexus System	\$17,954	\$70	\$0	\$0	\$18,024
Sustainable Jersey	\$0	\$150,000	\$3,150	\$0	\$153,150
Local on the 8's Program	\$0	\$0	\$0	\$0	\$0
<b>Total CIP Expenses</b>	<u>\$32,286</u>	<u>\$182,433</u>	<u>\$66,601</u>	<u>\$218,988</u>	<u>\$500,307</u>

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

**Report of Quarterly Activities**

**Public Sector Outreach Program**

South Jersey Gas Company (“SJG” or “the Company”) continues 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 offers various 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.

SJG continues to make strides to recraft the energy efficiency message and to enhance our approach to better communicate with our customers. Specifically, the Company continues to utilize its call center designed to answer questions related to energy efficiency. The purpose is to have the ability to directly answer questions that our customers may have concerning the NJ Clean Energy Program (“NJCEP”) and how it relates to the energy efficiency offerings from the Company. The goal is to maximize customer participation in this program initiative and to accelerate the rate of participation, energy and environment savings. This call center is part of a much larger campaign now known as the “Be South Jersey Smart” campaign. 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 toward programs that can stimulate better decision-making. The goal is to engage our customers and to provide them with a dedicated virtual call center which began operations on August 20, 2015. Over the third quarter of 2016, the call center experienced continued monthly activity in terms of minutes of utilization. Specifically, in July 2016 there were 183.62 utilized minutes, August 339.12 minutes and September 395.78 minutes. We encouraged our customers and trade allies to view the offerings

found on this newly created and informative website; [www.besouthjersey.com/upgrade](http://www.besouthjersey.com/upgrade) or to call (856) 678-5860. The Company continues its efforts to leverage its partnership approach with the NJ Clean Energy Program to offer customers the most energy value available to them. The new web portal can be found below:

<http://www.besouthjerseysmart.com/upgrade/>

During the third quarter of 2016, the Company continued to support grassroots outreach, along with other regional efforts where SJG and NJ Clean Energy programs are presented to the public. These efforts included various public outreach events, i.e., Swedesboro Woolwich Day (Swedesboro), SJ Pumpkin Festival (Woodstown), Smithville Irish Festival (Smithville), 15<sup>th</sup> Annual Fine Crafts Fall Festival (Mays Landing), State of the County & Business Expo (Cumberland County College), and OC Welcome Night (Ocean City). The Company was invited to do a presentation on how to enroll “hard to reach” customers, along with other utilities and organizations which took place on September 29<sup>th</sup> at the Association of Energy Services Professionals located at PEPCO Headquarters in Washington, DC.

On September 30<sup>th</sup>, the Company sponsored two (2) training seminars: the first being Manual J and ACCA Manual S. The purpose of this training was to teach HVAC contractors how to properly estimate heat loss and heat gains for the purpose of selecting the correct central heating and cooling system. Documentation illustrates the utilization of these manuals are and the calculations that were performed not part of the HVAC permit application process. This is a requirement for receiving a rebate from the NJ Clean Energy Program. The training seminar featured Don Swift of Clear Result and Ed Janowiak of the Eastern Heating Cooling Council. This training was crucial to the success of the Warm Advantage Program; but more importantly, to further motivate contractors to “right size” energy efficient mechanical equipment. The first successful training session hosted thirty-six (36) contractors along with SJG staff, and was well received (Exhibit 4). A second training session was held on October 21<sup>st</sup> and will be detailed in the next quarterly report.

#### **The Aclara 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. More 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 leverage 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 its website and through direct “on bill” messaging. The promotional tag line for the 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 website. <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 due in large part to the location of the “Manage My Account” link inserted onto the upper right area of the South Jersey Gas website [www.southjerseygas.com](http://www.southjerseygas.com). In February and March 2015, the Company worked with Aclara to extend its contract through February 2016.

A 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 be able to offer helpful energy tips under this platform, the efforts were unsuccessful.

Therefore, after many years of engagement with Aclara and its predecessor Nexus, SJG has determined that there are other opportunities that could better serve its customer’s capabilities to be more energy conscious and discontinued operations with Aclara on February 29, 2016. Over the coming months, South Jersey Gas will be turning its focus on more public outreach, along with more sophisticated marketing that will be accessed through printed media, radio, and mobile devices. The Company is using customer analytics, while measuring activity in terms of web engagement to ultimately measure the relationship between the marketing efforts and customer action. Specifically, South Jersey Gas will be targeting greater and more sophisticated marketing opportunities over the coming months and well into 2017.

### **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 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. Moreover, the Company was represented on a panel of speakers at the Sustainable Jersey conference on “Pathways and Incentives to Financing Clean Energy”. The conference was held at the A.C.U.A in Egg Harbor Township on June 21<sup>st</sup>. As a result of SJG’s support, several schools within the Company’s service territory were recognized at the Sustainable Jersey Schools Awards Ceremony held on October 25<sup>th</sup>.

### **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 July 2016 (Exhibit 5). The Company’s direct messaging promotes SJG’s Whole House Upgrade energy programs and specifically mentions the NJCEP. The purpose of these layered marketing efforts is to 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](http://www.sjgsimple.com), which will immediately take the user to our new and improved website.



Program	Measures/Information to be Reported per BPU Order	Status As of 9/30/16
<p><b>Public Sector / Outreach</b></p>	<p>South Jersey Gas Company (“SJG” or “Company”) continues to promote energy efficiency and statewide programs to all facets of our franchise community.</p> <ul style="list-style-type: none"> <li>• 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 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 utilize the energy efficiency features through our website and the links to the NJ Clean Energy website engaging the general public, business community and government.</li> <li>• A training seminar on Manual J and ACCA Manual S Heating - Hampton Inn, Vineland, NJ was held on September 30, 2016. A second training session took place on October 21, 2016 and will be detailed in the next quarterly report.</li> <li>• Energy Efficiency Call Center. Operations continued during the third quarter 2016 with the following minutes totaled:             <ul style="list-style-type: none"> <li>o July = 183.62 minutes</li> <li>o Aug = 339.12 minutes</li> <li>o Sept. = 395.78 minutes</li> </ul> </li> <li>• During the third quarter of 2016, the Company continued to support grassroots, along with other regional efforts where SJG and NJ Clean Energy programs were presented to the public. These efforts included various public outreach events; i.e., Swedesboro Woolwich Day (Swedesboro), SJ Pumpkin Festival (Woodstown), City).</li> </ul>	<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>The objective is to provide enhanced customer service and messaging to our customers to better solidify the partnership between the offerings of the NJCEP and South Jersey Gas. This initiative was recently illustrated with the Company sponsored training to thirty-six (36) contractors on the specifications of proper heating system sizing and selection. This training featured Don Swift of Clear Result, and Ed Janowiak of the Eastern Heating Cooling Council.</p> <p>During the months of April, May and June, the Company introduced the “Be South Jersey Smart” campaign theme. In June, the Company paid for “Google Ad” words to link to our EE website along with Pandora online radio, newspaper, and Facebook advertising</p> <p>The Company also launched a new a web link to the SJG website known as, <a href="http://www.besouthjerseysmart/upgrade.com">www.besouthjerseysmart/upgrade.com</a>.</p>

<p><b>Aclara Prism Dashboard Program</b></p>	<p>The Company provided a presentation on how to enroll “hard to reach” customers along with other utilities and organizations. This speaking engagement was held at the Association of Energy Services Professionals on September 29<sup>th</sup> located at PEPCO Headquarters in Washington, DC.</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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. Specifically, the Company will be focusing more on Public Outreach and Marketing over the coming months, and into the Fall of 2016.</li> </ul>	<p>SJG also worked with a production company to create a marketing campaign featuring three (3) videos. These videos will be featured in the next quarterly report.</p> <p>CIP expenses for the quarter totaled \$209,560.</p> <p>In the two months of 2016, two hundred sixty six (266) customers visited the site, with only one hundred forty one (141) customers returning to the site.</p> <p>No CIP expenses for this program were incurred for the quarter.</p>
<p><b>Sustainable Jersey</b></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 and again in March 2016, the Company showed its commitment to Sustainable Jersey by sustaining their founding membership status of the Sustainable Jersey Schools Program. Several schools within the Company’s service territory were recognized at the Sustainable Jersey held a Schools Awards Ceremony scheduled on October 25<sup>th</sup>. Detail regarding these schools will be explained in the next quarterly report.</p>	<p>The funding greatly assisted Sustainable Jersey in developing and implementing sustainable actions and behaviors in schools throughout N.J. Several schools within the Company’s service territory were recognized at the Sustainable Jersey Schools Awards Ceremony held on October 25<sup>th</sup>.</p> <p>There were no CIP expenses for this program during this quarter.</p>

**CIP Summary of Required Reporting Measures**

<b>Direct Mail Program</b>	The Company continues to develop energy efficiency communication strategies and 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's July 2016 Energy Notes featured an article promoting the Home Performance with Energy Star Upgrade Program.	Energy Notes are messages that are included as bill stuffers to all of SJG's residential customers.  CIP Expenses for the quarter totaled \$9,428.
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Eastern Heating & Cooling Council  
20000 Horizon Way  
Suite 260  
Mt. Laurel, NJ 08054

# Invoice

DATE
10/3/2016

INVOICE #
9266

DUE DATE
10/3/2016

TERMS
Due on Receipt

BILL TO
South Jersey Gas Company #1 South Jersey Plaza, Route 54 Folsom, NJ 08002 ATTN: Bruce Grossman VENDOR# 2159424

P.O. NO.

ITEM	DESCRIPTION	QUANTITY	RATE	AMOUNT
Ed-ManJ	Instruction of the ACCA Manual J/S Course on 9/30/16	1	2,500.00	2,500.00
			<b>Subtotal</b>	\$2,500.00
			<b>Credits</b>	\$0.00
<b>Balance Due</b>				<b>\$2,500.00</b>

Should you have any questions or comments regarding this invoice, please contact EHCC at 800-247-6547.

# Energy Notes



South Jersey Gas

[www.southjerseygas.com](http://www.southjerseygas.com)

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](mailto:customer care@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 2015 is less than \$26,575 if single or less than \$32,582 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

### Energy Efficiency Cooling and Heating Upgrades Made Easy!

Did you know most of your energy efficiency upgrades can be completed through South Jersey Gas financing offers with no money out pocket?

South Jersey Gas' Whole House Upgrade Program\* is here to help you increase the comfort and efficiency of your home. Through this program you can easily make small energy improvements (air sealing and insulation) or large energy improvements (installing high-efficiency cooling and heating equipment).

Here's how it works:

- A Home Energy Expert will assess your house with a Home Energy Audit.
- Based on your energy efficiency upgrades, you may qualify for \$10,000 in 0% financing for up to 7 years or up to \$15,000 at 4.99% for 10 years unsecured with no money down.
- Plus, take advantage of up to \$4,000 in rebates from the NJ Clean Energy Program.

Get started today! You could be saving up to 30% on your energy costs!

Call toll free 855.678.5860 or visit [www.SJGsimple.com](http://www.SJGsimple.com) for financing and rebate information.

\*Be advised, these offers are only available until August 31, 2017 or when funds are exhausted.

## 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.

## 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](http://www.southjerseygas.com), for more information about the "Game On" grants program, which will be accepting applications again in early February 2017.



Connect with us!



May 8, 2017

Thomas Walker, Director  
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**Re: Conservation Incentive Program (“CIP”) Quarterly Report**

Dear Mr. Walker 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 forty-second (42<sup>nd</sup>) Conservation Incentive Program (“CIP”) Quarterly Report for the quarter ending March 31, 2017. 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, 2017, SJG incurred CIP related expenses totaling \$92,340. 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.

SJG looks forward to developing and implementing initiatives that will have impact on customer energy actions, with the goal of reducing both consumption and costs. Some of these new initiatives will be in concert with staff from the New Jersey Clean Energy Program (“NJCEP”) Administrative team in the area of training. The Company has already launched sponsored training initiatives that are detailed in this report.



Page 2  
Thomas Walker  
Felicia Thomas-Friel, Esq.  
May 8, 2017

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 the "Join the Energy Revolution" with 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 and effective equipment installation protocols, and take the anxiety out of steps to upgrade to energy efficiency programming.

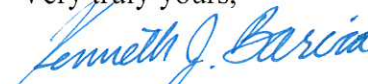
We continue to want our trade allies to install natural gas equipment with efficiency in mind, but to do so with a background of solid building science, compliance with licensing requirements, and better sales approaches. Education in the field of building science has enabled contractors to better understand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

The Company continues to promote energy efficiency messaging by linking the customer comfort experience, with their participation in NJCEP offerings. The Company continues their engagement with an energy efficiency call center, and has created a new website; [SouthJerseyGas.com/GetEnergyEfficient](http://SouthJerseyGas.com/GetEnergyEfficient). South Jersey Gas is committed to working with our trade allies to perform the necessary training to comply with the new HVAC sizing permit requirements and the new NJ Clean Energy Program requirements in order to obtain a rebate. In 2017, South Jersey Gas will be hosting at least one HVAC Manual J and ACCA Manual S training session monthly throughout South Jersey. This training will be offered through the expertise of the Eastern Heating Cooling Council in which South Jersey Gas supports.

The Company's goal for its customers is to reap the rewards of making better decisions and take advantage of the benefits made possible by the Company and the NJBPU. It is important that high efficiency heating and cooling products are installed to operate at their optimal design efficiencies so that our collectively its customers get the value they pay for.

I hope that you find the information contained in this forty-second (42nd) quarterly report informative. Please do not hesitate to contact me should you have any questions.

Very truly yours,



Kenneth J. Barcia  
Manager, Rates & Revenue Requirements

KJB:lvk/f84  
Attachments



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**

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3. **Exhibit 3** - Status Report of Approved Conservation Programs
4. **Exhibit 4** - Sponsored Content Ad
5. **Exhibit 5** - April/May 2017 Energy Notes

**Quarterly CIP Report of Expenses**

	1st Quarter 10/01/16 - 12/31/16	2nd Quarter 1/1/17 - 3/31/017	3rd Quarter 4/1/17 - 6/30/17	4th Quarter 7/1/17 - 9/30/17	Annual Total
Direct Mail Campaign	\$179	\$33,195	\$0	\$0	\$33,374
Public Sector Outreach	\$72,772	\$59,145	\$0	\$0	\$131,917
Eastern Heating Cooling Council	\$20,000	\$0	\$0	\$0	\$20,000
Sustainable Jersey	\$0	\$0	\$0	\$0	\$0
Local on the 8's Program	\$0	\$0	\$0	\$0	\$0
<b>Total CIP Expenses</b>	<u>\$92,951</u>	<u>\$92,340</u>	<u>\$0</u>	<u>\$0</u>	<u>\$185,291</u>

**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 those customers who can take advantage of the CIP programs are making a concerted effort to cope with energy costs in the 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.

SJG continues to make strides to recraft 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 is to directly answer questions that our customers have concerning both the NJ Clean Energy Program, (“NJCEP”) and how it relates to the energy efficiency offerings from the Company. The goal is to maximize customer participation in this program initiative and to accelerate the rate of participation and energy savings and environment stewardship. This call center is part of a much larger campaign now known as the “Be South Jersey Smart” campaign. 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 goal is to engage our customers and to provide them with a dedicated virtual call center, which began operations on August 20, 2015 and

can now assist in providing our callers with information about the program that is the best fit for them. Over the first quarter of 2017, the call center experienced continued monthly activity in terms of minutes of utilization. Specifically, in January 2017 there were 492 utilized minutes, February 921 utilized minutes and March 1,203 utilized minutes. We encouraged our customers and trade allies to view the offerings found on this newly created website, which invites the customer to contact the Company to receive information on our affordable financing programs:

<https://southjerseygas.com/getenergyefficient>, or to call (888) 726-5217. South Jersey Gas also paid for “Google Ad” words to link to our Energy Efficiency site, along with Pandora online radio, newspaper, billboard, and Facebook advertising. 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. Another web portal developed recently can be found at <https://www.southjerseygas.com/For-My-Home/Residential-Incentives.aspx>, and introduces a new campaign known as “Join the Energy Revolution” (See Exhibit 4).

On January 19<sup>th</sup>, the Company hosted a Home Performance with Energy Star Program orientation meeting with Clear Result. The meeting focused on the benefits of the Home Performance Program and how contractors can participate by signing up for BPI Gold training. This meeting was very well received and a second meeting was held on April 17<sup>th</sup>.

During the first quarter of 2017, the Company continued to support grassroots outreach, along with other regional efforts where SJG and NJ Clean Energy programs were presented to the public. These efforts included various public outreach events, i.e., the South Jersey Spring Home Show Expo in Gloucester County, the Atlantic County Business Showcase in Somers Point and the Spring Fest in Woodbury Heights. On September 30, the Company sponsored the first of two Manual J and ACCA Manual S training seminars. The purpose of this training is to teach our HVAC contractors how to properly estimate heat loss and heat gains for the purposes of selecting the correct central heating and cooling system. The documentation that illustrates that these manuals were utilized and that calculations were performed is not part of the HVAC permit application

process. This documentation is a requirement for receiving a rebate from the NJ Clean Energy Program. The training featured Don Swift of Clear Result, and Ed Janowiak of the Eastern Heating Cooling Council. This training is crucial to the success of the Warm Advantage Program, but more importantly will go far in motivating contractors to “right size” energy efficient mechanical equipment. This training occurred each month during the first quarter of 2017 and is the goal of the Company to continue this outreach training throughout the remainder of the year.

### *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. Moreover, the Company was represented on a panel of speakers at the Sustainable Jersey conference on “Pathways and Incentives to Financing Clean Energy”. The conference was held at the A.C.U.A in Egg Harbor Township on June 21<sup>st</sup>. As a result of SJG’s support, several schools within the Company’s service territory were recognized at the Sustainable Jersey Schools Awards Ceremony, scheduled on October 25<sup>th</sup>. The following schools received the 2016 Sustainability Champion Awards: the Reeds Road Elementary School, the Alder Avenue Middle School and the Egg Harbor Township High School ([http://www.sustainablejerseyschools.com/media-communications/news-single-view/?tx\\_news\\_pi1%5Bnews%5D=339&tx\\_news\\_pi1%5Bcontroller%5D=News&tx\\_news\\_pi1%5Baction%5D=detail&cHash=011ddd58569255cb9c5805b204b6be5a](http://www.sustainablejerseyschools.com/media-communications/news-single-view/?tx_news_pi1%5Bnews%5D=339&tx_news_pi1%5Bcontroller%5D=News&tx_news_pi1%5Baction%5D=detail&cHash=011ddd58569255cb9c5805b204b6be5a))

A meeting with Sustainable Jersey was held on March 29<sup>th</sup> to discuss future support for this worthy organization. The meeting focused on how both organizations can leverage

messaging to promote energy efficiency program availability and increase awareness of sustainability.

**Direct Mail Campaign**

The Company continues to develop energy efficiency communication strategies, where appropriate. Please see Exhibit 5 for Energy Note messages that were issued through our billing process during the month of March 2017. It is noted here that the Company's direct messaging promoted SJG's Whole House Upgrade energy programs and specifically mentioned the NJCEP. The purpose of these layered marketing efforts is to illustrate the relationship between the offerings provided by South Jersey Gas and NJCEP, and to encourage customers to visit the NJ Clean Energy website for more detail. An example of this message is provided on the website; <https://southjerseygas.com/Save-Energy-Money/Energy-Saving-Videos.aspx>. The approach taken on the series of three (3) video messages is to inform our viewers that sometimes a "do it yourself" approach may not always be the right way to go about becoming energy efficient. The message promotes the idea that it's best to call an energy services professional and take advantage of the collective offering provided by the NJ Clean Energy Program and South Jersey Gas.

**CIP Summary of Required Reporting Measures**

Program	Measures/Information to be Reported per BPU Order	Status As Of 03/31/17
<p><b>Public Sector / Outreach</b></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"> <li>• 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.</li> <li>• Energy Efficiency Call Center Operation. Operation continued during the first quarter 2017 with the following minutes totaled: <ul style="list-style-type: none"> <li>○ Jan = 492 minutes</li> <li>○ Feb = 921 minutes</li> <li>○ Mar = 1,203 minutes</li> </ul> </li> <li>• During the first quarter of 2017, the Company continued to support grassroots, along with other regional efforts where SJG and NJ Clean Energy programs were presented to the public.</li> </ul>	<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.</p> <p>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. The Company hosted a session on January 19<sup>th</sup> with Clear Result, as the featured presenter, to provide orientation for contractors to consider signing up for BPI gold training.</p> <p>During the months of January, February and March of 2017, the company introduced the "Join the Energy Revolution" campaign theme. The Company paid for "Google Adwords" to link to our EE website, online banner ads, newspaper ads and inserts, direct mail, shared mail and Facebook advertising.</p> <p>These efforts included various public outreach events, i.e, South Jersey Spring Home Show Expo (Gloucester County), Atlantic County Business Showcase (Somers Point) and Spring Fest (Woodbury Heights).</p> <p>CIP expenses for the quarter amounted to \$59,145.</p>



**CIP Summary of Required Reporting Measures**

<p><b>Eastern Heating Cooling Council</b></p>	<p>In October 2016, South Jersey Gas made the decision to financially support the Eastern Heating Cooling Council to prevent an imminent shut down of HVAC training operations. SJG now serves on their Board of Directors. This organization has been vital in offering training seminars to HVAC contractors; especially in teaching them how to perform Manual J and ACCA Manual S calculations. These documents are now required to obtain an HVAC permit, and are required by the Warm and Cool Advantage Program.</p>	<p>Since September 2016, ninety (90) people have gone through this program. SJG will be scheduling a training session each month throughout 2017. These sessions have also been attended by staff from Clear Result to illustrate changes in the Warm and Cool Advantage Programs, along with new training guidelines for Building Performance Training Certification.</p> <p>CIP expenses for this program totaled \$20,000.</p>
<p><b>Sustainable Jersey</b></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, and again in March 2016, the Company showed its commitment to Sustainable Jersey, by sustaining their founding membership status of the Sustainable Jersey Schools Program. Several schools within the Company's service territory were recognized at the Sustainable Jersey Schools Awards Ceremony, on October 25<sup>th</sup>. Specifically, three schools in Atlantic County received the Sustainability Champion Award: Reeds Road Elementary School, Alder Avenue Middle School and Egg Harbor Township High School.</p>	<p>The funding greatly assisted Sustainable Jersey in developing and implementing sustainable actions and behaviors in schools throughout N.J. A meeting with Sustainable Jersey was held on March 29<sup>th</sup> to discuss future support for this worthy organization. The meeting focused on how both organizations can leverage messaging to promote energy efficiency program availability and increase awareness of sustainability.</p> <p>There were no CIP expenses for this program incurred during this quarter.</p>

**CIP Summary of Required Reporting Measures**

<b>Direct Mail Program</b>	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's March 2017 Energy Notes featured an overview of the Whole House Upgrade program, Equipment Upgrade programs and rebates available for energy efficient upgrades.	Energy Notes are messages that are included as bill stuffers to all of SJG's residential customers.  CIP Expenses for the quarter amounted to \$33,195.00
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[MAILING #1]



South Jersey Gas  
Mail Code: XXX  
1 South Jersey Plaza  
Folsom, NJ 08037

<Month XX, 2017>

<FIRST NAME> <LAST NAME>  
<BILLING\_ADDRESS1>  
<BILLING\_ADDRESS2>  
<BILLING\_CITY> <BILLING\_STATE> <BILLING\_PLUS4>  
<barcode>

**Now offering  
0% interest financing  
for energy-efficient natural  
gas equipment and other home  
improvement upgrades.**

Visit [SouthJerseyGas.com/GetEnergyEfficient](http://SouthJerseyGas.com/GetEnergyEfficient)

Dear [First Name],

South Jersey Gas is committed to helping you be more energy efficient. That's why we're offering **0% interest financing on high-efficiency natural gas equipment and other upgrades**. Plus, get special rebates on natural gas furnaces, boilers, and water heaters, compliments of South Jersey Gas and the NJ Clean Energy Program.

**WHAT ARE THE BENEFITS OF AN ENERGY-EFFICIENT, NATURAL GAS HOME?**

**Lower utility bills**—Today's natural gas heating systems achieve efficiencies of 95 percent or higher to give you more energy for your dollar.

**Comfort and control**—Today's energy-saving features will enhance your comfort in any season. You'll enjoy cozy winters, cool summers, and perfect temperatures all year round.

**Good for the environment**—You'll feel good that you are doing your part for the planet by using natural gas more efficiently.



**JOIN THE ENERGY REVOLUTION.**

For more information on 0% interest financing go to [SouthJerseyGas.com/GetEnergyEfficient](http://SouthJerseyGas.com/GetEnergyEfficient)

Visit [SouthJerseyGas.com/incentives](http://SouthJerseyGas.com/incentives) for program details. SJG programs expire December 31, 2018 or when funds are exhausted.

Take a stand for your home, your family, and the environment while enjoying greater comfort, lower utility bills, and a higher-performing home.

For more information, mail in this card, call us at 1-888-726-5217, or visit [SouthJerseyGas.com/GetEnergyEfficient](http://SouthJerseyGas.com/GetEnergyEfficient)

<First Name> <Last Name>  
<Mailing Address1>  
<Mailing Address2, if exists>  
<Mailing Address City, State Zip>

Yes, I want to learn more for:

- Home  Business  Both

I currently heat with:

- Natural Gas  Oil  Electricity
- Heat Pump  Propane  Other

If "Other," please specify: \_\_\_\_\_

Telephone: \_\_\_\_\_

Email: \_\_\_\_\_

Best time to call: \_\_\_\_\_

[MAILING #2]



South Jersey Gas

South Jersey Gas  
Mail Code: XXX  
1 South Jersey Plaza  
Folsom, NJ 08037

<Month XX, 2017>

<FIRST NAME> <LAST NAME>  
<BILLING\_ADDRESS1>  
<BILLING\_ADDRESS2>  
<BILLING\_CITY> <BILLING\_STATE> <BILLING\_PLUS4>  
<barcode>

**Hurry! Now is the time to get 0% interest financing for energy-efficient natural gas equipment and other home improvement upgrades.**

Visit [SouthJerseyGas.com/GetEnergyEfficient](http://SouthJerseyGas.com/GetEnergyEfficient)

Dear [First Name],

Now, making your home energy efficient is easier to afford. We're offering **0% interest financing on high-efficiency natural gas equipment and other upgrades**. Don't miss out on this opportunity to replace outdated equipment and reduce your energy bills. Plus, get special rebates on natural gas furnaces, boilers, and water heaters, compliments of South Jersey Gas and the NJ Clean Energy Program.

**USE YOUR LOAN TO FINANCE ENERGY-SAVING UPGRADES SUCH AS THE FOLLOWING:**

**High-Efficiency Natural Gas Equipment**—Today's natural gas heaters, boilers, and appliances achieve efficiencies of 95 percent or higher and reduce your monthly utility bills.

**Insulation and Air Sealing**—An airtight, well-insulated home keeps heat in and regulates your temperatures all year round.

**Water-Heaters**—Lower your monthly bills with an energy-efficient natural gas water heater.

## JOIN THE ENERGY REVOLUTION.

**ACT NOW TO GET 0% INTEREST FINANCING WHILE THIS OFFER LASTS!**

Thousands of homeowners throughout New Jersey are making smart energy choices for their homes. You can too. To learn more about our 0% interest financing offer, go to [SouthJerseyGas.com/GetEnergyEfficient](http://SouthJerseyGas.com/GetEnergyEfficient).



Visit [SouthJerseyGas.com/incentives](http://SouthJerseyGas.com/incentives) for program details. SJG programs expire December 31, 2018 or when funds are exhausted.

Take a stand for your home, your family, and the environment while enjoying greater comfort, lower utility bills, and a higher-performing home.

**For more information, mail in this card, call us at 1-888-726-5217, or visit [SouthJerseyGas.com/GetEnergyEfficient](http://SouthJerseyGas.com/GetEnergyEfficient)**

<First Name> <Last Name>  
<Mailing Address1>  
<Mailing Address2, if exists>  
<Mailing Address City, State Zip>

Yes, I want to learn more for:

Home  Business  Both

I currently heat with:

Natural Gas  Oil  Electricity  
 Heat Pump  Propane  Other

If "Other," please specify: \_\_\_\_\_

Telephone: \_\_\_\_\_

Email: \_\_\_\_\_

Best time to call: \_\_\_\_\_





# Energy Notes

APRIL/MAY 2017



[www.southjerseygas.com](http://www.southjerseygas.com)

## CUSTOMER SERVICE

1-888-766-9900 Mon-Fri 7AM to 8PM / Sat 9AM to 2PM  
e-mail: [customer care@sjindustries.com](mailto:customer care@sjindustries.com)

**GAS LEAK HOTLINE:**  
1-800-582-7060

## SAFETY TIPS

### Make ONE CALL Before You Dig

Planning on landscaping? Perhaps you're having a fence installed? Maybe a backyard deck is in your future? Before you begin any digging, excavating or drilling project, South Jersey Gas urges you to make ONE CALL to receive a free markout of buried utility systems. Without a markout, you risk damage to underground facilities, disruption in public services, emergency repair costs and potentially serious, if not deadly, injury.

### Before you dig, call 8-1-1

The call — and this service — is easy, it's free and it's the law.

#### For Your Safety:

- **Call Before You Dig:** Call 8-1-1 at least three business days before beginning your digging project for a free markout of underground utility systems (gas, water, cable, telephone and electric).
- **Wait for Markout:** Any underground facilities will be marked with paint, flags or stakes. You will be notified if no underground facilities exist at your proposed excavation site.
- **Pinpoint the Buried System:** The buried system is located within 24 inches of the marker. Carefully hand-dig around the marker to pinpoint the exact location of the underground facility.
- **Dig Safely:** Use caution when digging near the buried system to avoid damage and disruption.



### Help Us Help You

Loose pets, hidden meters and missing house numbers can prevent meter readers and service persons from properly assisting you. Ensure the safety of your home and our employees by following these four simple steps:

1. **Keep your pets leashed or confined when we visit**
2. **Keep your meter free of clutter and debris**
3. **Make your address visible from the street**
4. **Inform us of address or phone number changes**

## DOLLARS & SENSE

### Direct Debit Makes Paying Easy

Direct debit automatically deducts the amount for your monthly gas bill from your bank account. To enroll, complete and return the form on the back. Please enclose a voided check from your bank account. Questions? Call 1-888-766-9900.

### Save a Stamp. Pay Online. Visit [www.southjerseygas.com](http://www.southjerseygas.com)

Paperless billing is the fast, free and easy way to pay your bill online. By enrolling in paperless billing, you can:

- Review and pay your bill online
- Access up to 6 months of prior statements
- Receive your monthly bill in your e-mail

For more information go to [southjerseygas.com](http://southjerseygas.com).



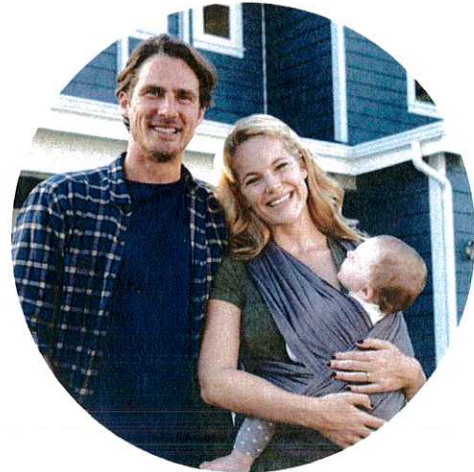
## ENERGY EFFICIENCY — DID YOU KNOW?

Did you know most of your energy efficiency upgrades can be completed through South Jersey Gas financing offers with no money out of pocket?

South Jersey Gas' Whole House Upgrade Program\* is here to help you increase the comfort and efficiency of your home.

### How it works:

- A Home Energy Expert will assess your house with a Home Energy Audit, and show you how they can seal up drafts to keep your home warm in the winter and cool in the summer!
- Based on your energy efficiency upgrades, you may qualify for \$10,000 in 0% unsecured financing for 7 years, or up to \$15,000 at 4.99% for 10 years **with no money down.**
- Plus, take advantage of up to \$4,000 in rebates from the NJ Clean Energy Program.



Get started today! You could be saving up to 30% on your energy costs!

Call toll free **855.678.5860** or visit [www.SouthJerseyGas.com/incentives](http://www.SouthJerseyGas.com/incentives) for financing and rebate information.

*\*Be advised, these offers are only available until December 31, 2018 or when funds are exhausted.*

## CUSTOMER REMINDER

### Customer Service Hours of Operation

Our telephone representatives are available weekdays from 7 a.m. to 8 p.m. and Saturday 9 a.m. to 2 p.m. except national holidays. Our customer payment centers are open weekdays from 10 a.m. to 2 p.m. except national holidays. You can reach us at 1-888-766-9900.

### Customer Privacy Reminder:

Please have your account number handy for verification when you call. Our Customer Care representatives will not release information about an account to anyone other than the person(s) whose name is on the account to protect privacy. Thank you.

## DIRECT DEBIT AUTHORIZATION

SJG Account # \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

Phone: Day \_\_\_\_\_ Evening \_\_\_\_\_

E-Mail Address \_\_\_\_\_

Signature \_\_\_\_\_

**Mail to:** South Jersey Gas • PO Box 6091, Bellmawr, NJ 08099-6091  
*Please enclose a voided check to ensure proper processing.*

Bank Account Information:

- Checking      – or –       Statement Savings Only  
 Personal Banking      – or –       Commercial Banking

Bank Name \_\_\_\_\_

ABA/Routing # \_\_\_\_\_

Bank Account # \_\_\_\_\_

- Yes, put me on a budget plan  
 No budget plan with a maximum withdraw of \$750 from my bank account.

I authorize SJG to deduct my payments from the account listed on this form. South Jersey Gas utilizes a third party to manage their direct debit program. All written authorizations must provide that the receiver may revoke the authorization by notifying the originator in the manner specified by the authorization.

Connect with us!



/southjerseygas



/southjerseygas

[www.southjerseygas.com](http://www.southjerseygas.com)



*South Jersey Gas*

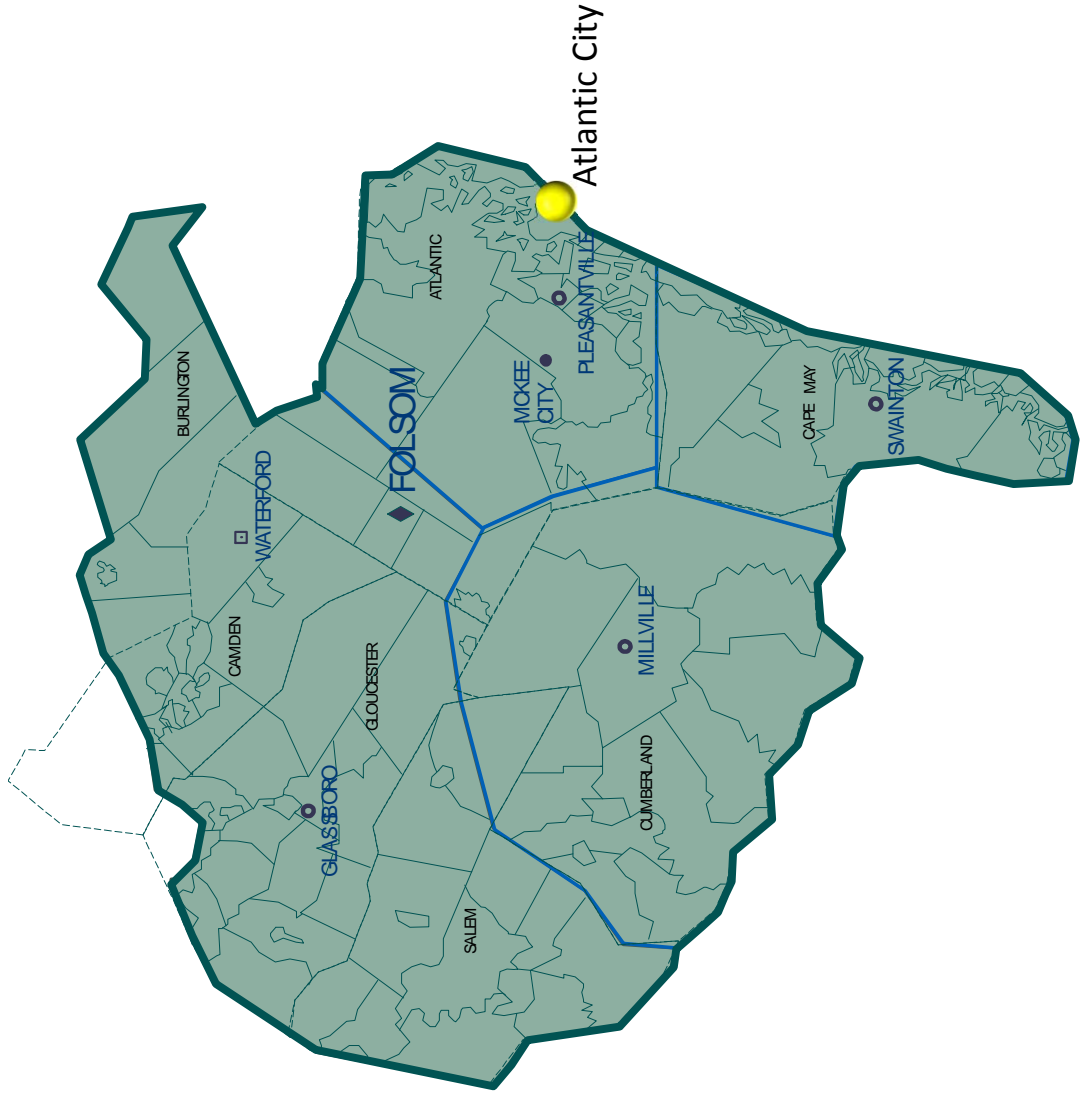
# **Overcoming Barriers to Bring Energy Efficiency to Customers.**

## **A Collaborative Approach**





# South Jersey Gas Service Area





# A Collaborative Approach To Solve A Financial Problem – The SJG Model.

- ❖ Leverage NJ Clean Energy Programs
- ❖ Motivate and Support Contractors and Service Providers Who Bring Energy Efficiency To Market
- ❖ Bring Financial Capital to Consumers and Businesses
- ❖ Align Utility Financial Needs To Support Energy Efficiency i.e.; Rate Decoupling, Rate of Return on Investments, Customer Acquisition and Customer Satisfaction.



# Let's Talk About \$\$\$\$

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The Deal Has To Have Value For:

- Program Providers (Utilities)
- Contractors and Financiers
- Customers
- Policy Makers



# South Jersey Gas Rebates and Financing – Some Background

- ❖ In June of 2013, SJG received approval to offer an additional \$500 Rebate for the installation of a qualifying central heating and qualifying water heating system.
- ❖ SJG customers can currently receive **\$1,200** in rebates for the installation of efficient heating and water heating systems, with a Home Energy Assessment. – **Leveraging the NJ Rebate of \$700, plus the SJG \$500 rebate.**



# SJG Financing Offers; Working with Energy Finance Solutions

- ❖ **NJ Home Performance Finance Program**
  - 0% Financing up to \$10,000 for 7 years, and 4.99% up to \$15,000 up to 10 years. The State of NJ will also provide up to \$4,000 in rebates.
- ❖ **Residential HVAC Financing (in lieu of a rebate)**
  - 0% financing for 5 years up to \$6,500 for existing customers, and up to \$8,000 for conversion heating customers.



# South Jersey Gas Financing Offers

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## ❖ NJ Direct Install Financing Program

- NJCEP pays 70% of the cost of all qualified upgrades up to \$125,000. SJG finances the remaining 30% at 0% financing currently for 3 years up to \$53,571, with an unsecured loan. Credit is evaluated based on the SJG payment history

## ❖ Smart Start Financing Program

- 0% financing over 5 years up to \$100,000. Credit is evaluated based on your SJG payment history and the company's financial history. The State of NJ will also provide rebates for qualifying equipment!



# Results of Financing Since: May 30, 2014 to September 9, 2016

## Number of Loans Sold:

- ❖ Home Performance = 2,182
- ❖ HVAC = 686
- ❖ Direct Install (Commercial Customers under 200 Kw Demand) = 53
- ❖ Non Residential = 15

Total Value of Loans = Nearly \$27.4M!



# What About The Customer?

---

- ❖ Customers Need To Be Educated About the Value of Energy Efficiency, and How to Afford It.
- Comfort – Who Wants to Be Cold or Hot?
- Safety – Who Wants An Unsafe Home?
- Savings – Who Wants to Spend More?
- Environmental Compatibility – Who Wants to Pollute?



# What About The Income Challenged Customer?

- NJ Comfort Partners Program- \$30M / Yr. Program  
Administered and Approved by the NJBPU,  
Managed by the Utilities.
- – Public Service Electric and Gas, Jersey Central Power and Light, New Jersey Natural Gas, Atlantic City Electric, Elizabethtown Gas, and South Jersey Gas.
- Component of the NJ Clean Energy Program, offering free energy saving improvements and energy education for income eligible families. – Over 100,000 customers served since 2001!





# Case Study: PSE&G and State Agency Partnership Increases Home Safety and Energy Efficiency

PSE&G, the NJ Board of Public Utilities' Comfort Partners Program and the NJ Dept. of Community Affairs' Weatherization Assistance Program (WAP) are partnering to make income eligible homes safer and more energy efficient.



WAP weatherizes homes and improves heating system efficiency, while Comfort Partners offers free energy-saving improvements and energy education. PSE&G administers the Comfort Partners Program in its service territory.

The programs are pooling resources through PSE&G to enroll homes that may have been beyond the scope of work for one program alone.



The partnership's first project was a home located in East Orange, NJ that had serious roof, gutter and plumbing problems, mold and asbestos issues, improper venting and broken windows and doors in addition to needing needed many energy efficiency improvements. The repairs and improvements on this home exceeded the individual spending budgets of Comfort Partners and WAP.



By combining the resources of the two programs all of the health and safety issues were addressed, and energy efficiency upgrades were made ranging from the replacement of the home's boiler and hot water heater to the installation of new windows, doors, high efficiency lighting and insulation. These upgrades will save the homeowner over 20% on their utility bills.

# What About The Contractor and Service Provider?

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- ❖ Contractors Need To Be Educated About the Value of Energy Efficiency - What's In It For Them?
- **Economic Opportunity**
- **Customer Satisfaction**
- **Increase in Revenue Per Project**
- **Another Profit Center**



# Why Should Utilities Care About Contractors?

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- ❖ Contractors Install The Products That Use Our Products!
- Economic Opportunity
- Customer Satisfaction
- Increase in Revenue Per Project
- Another Profit Center
- ❖ Financing Creates the Cash Flow, that Makes Our Partnerships Work!



# Why Does SJG and the NJBPU Work Together?

- ❖ We want our customers to be glad they made the affordable decision to move forward with energy efficient programs, products and services.
- ❖ We want them to be safe, comfortable, and have the best energy and environmental value.
- ❖ We want them to have a financial solution to the overcoming the cost barriers of becoming Energy Efficient.





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South Jersey Gas  
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609-617-4433 cell



**SOUTH JERSEY GAS COMPANY**

**DIRECT TESTIMONY  
OF  
DANIEL P. YARDLEY  
JUNE 2017**

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, 2017.

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

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



- 1 Schedule DPY-1: Actual CIP Results for 2015-16;
- 2 Schedule DPY-2: Comparison of 2016-17 Customer Usage to  
3 Baseline;
- 4 Schedule DPY-3: Calculation of Large Customer Adjustment;
- 5 Schedule DPY-4: Determination of Weather-Related Component of  
6 CIP;
- 7 Schedule DPY-5: Application of BGSS Savings Eligibility Test;
- 8 Schedule DPY-6: Prior Period CIP Over / Under Recovery;
- 9 Schedule DPY-7: Derivation of CIP Charge / Credit Effective October  
10 1, 2016; and
- 11 Schedule 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 \$8.7 million as further described in the testimony of  
18 Timothy Rundall. The \$8.7 million of BGSS savings includes \$2.2 million of  
19 permanent capacity release savings, \$6.1 million of additional capacity release  
20 savings and \$0.4 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 2015-16**

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

3 **A.** This filing addresses the annual period beginning October 1, 2016 through  
4 September 30, 2017. 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, 2017. 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, 2016?**

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. Schedule No.  
14 DPY-1 provides the actual results for the year ending September 30, 2016 for  
15 each of the four groups, which reflect a combined total of \$26.9 million margin  
16 revenue below the benchmark level, including the both weather and non-weather  
17 impacts.

18 **Q. Please provide a comparison of customer usage to the benchmark for the**  
19 **annual period beginning October 1, 2016.**

20 **A.** Actual average use per customer for October 2016 through April 2017 and  
21 projections through September 2017 are provided for each of the customer groups  
22 covered by the CIP tariff in Schedule No. DPY-2. Schedule No. DPY-2 also

1 provides a comparison of the actual values shown in column (d) to the baseline  
2 values set forth in Rider M and shown in column (e). The margin impact of the  
3 difference in average use per customer is calculated by multiplying the change in  
4 average use per customer times the actual number of customers times the margin  
5 revenue factor. The margin revenue factor for each customer group is also set  
6 forth in Rider M. The monthly benchmark use per customer and margin revenue  
7 factors reflect the Company's currently-effective base rates. The total impact of  
8 changes in average use per customer for the period results in a margin reduction  
9 of \$22.8 million below the benchmark level.

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

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

1 customer adjustment applicable for the period October 1, 2016 through September  
2 30, 2017 is provided as Schedule No. DPY-3.

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

5 **A.** Yes. I determined the weather related component of the CIP by calculating the  
6 margin impact of weather consistent with the terms of South Jersey Gas'  
7 Temperature Adjustment Clause. The calculation of the weather related  
8 component for each customer group is provided in Schedule No. DPY-4. The  
9 total weather related component, which equals \$17.6 million of revenue  
10 deficiency, is subtracted from the total CIP additional revenue deficiency of \$22.8  
11 million to establish the non-weather related component for the current period,  
12 which is a revenue deficiency of \$5.1 million. The modified BGSS Savings test  
13 and the variable margin revenue test are shown on Schedule No. DPY-5. Since  
14 the \$5.1 million passes both of these two prongs of the CIP non-weather  
15 eligibility test, it is recoverable in rates beginning October 1, 2017.

16 **Q. Please provide the derivation of the CIP charge or credit to be effective**  
17 **October 1, 2017.**

18 **A.** The total amount of the CIP that is refunded to customers through Rider M is the  
19 combination of the weather and non-weather related margin impacts, or \$22.8  
20 million. Recovery of this amount would not result in the Company exceeding the  
21 ROE limitation set forth in Rider M. The weather and non-weather related CIP  
22 amounts are collected through customer group-specific charges based on



1 projected throughput for the annual period beginning October 1, 2017. The  
2 throughput forecast is the same as that proposed to be utilized to establish the  
3 BGSS price effective October 1, 2017. In addition to the CIP amount for the  
4 current year, the calculated charges also include the net over-collection of the CIP  
5 for the recovery period ending September 30, 2015 of \$2.2 million, which is  
6 shown in Schedule No. DPY-6.

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

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

11 **A.** Yes. Schedule No. DPY-8 provides proposed tariff sheets that reflect the CIP  
12 charges to be effective October 1, 7

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

15 **A.** The actual CIP recoveries or credits to customers will be trued up in future filings.  
16 The first element of the true-up will reflect any adjustment to the recoverable  
17 amount based on actual data for the period May 1, 2017 through September 30,  
18 2017, which represents the final five months of the current year of the CIP. The  
19 second element of the true-up relates to differences between actual and projected  
20 throughput for the annual period beginning October 1, 2017, which is the period  
21 over which the CIP charge or credit is collected. The true-up of these elements

1           for actual experience will be reflected in the docket addressing the Company's  
2           CIP filing to be made on or before June 1, 2017.

3   **Q.   Does this conclude your prepared direct testimony?**

4   **A.   Yes, it does.**

South Jersey Gas Company  
2017-18 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	<u>Actual Year-to-Date</u>							
<b>Group 1: RSG Non-Heating</b>								
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	May '16	213,127	12,072	17.7	14.0	3.7	\$ 0.509012	\$ 22,457
11	June '16	78,834	12,064	6.5	11.4	(4.9)	\$ 0.509012	\$ (29,877)
12	July '16	132,304	12,064	11.0	11.5	(0.5)	\$ 0.509012	\$ (3,274)
13	August '16	110,839	12,048	9.2	11.2	(2.0)	\$ 0.509012	\$ (12,266)
14	September '16	100,848	12,006	8.4	10.0	(1.6)	\$ 0.509012	\$ (9,779)
15								
16				194.3	200.3			
17								
18								
19								
20								
21	Total Group 1 Margin Excess / (Deficiency)							\$ (37,021)
22								
23								
24								
25								
<b>Group 2: RSG Heating</b>								
26	<u>Actual Year-to-Date</u>							
27	October '15	11,322,875	333,546	33.9	34.1	(0.2)	\$ 0.509012	\$ (25,982)
28	November '15	19,833,415	334,779	59.2	76.8	(17.6)	\$ 0.509012	\$ (2,991,775)
29	December '15	23,833,867	335,988	70.9	126.4	(55.5)	\$ 0.509012	\$ (9,485,447)
30	January '16	52,266,682	337,096	155.0	157.0	(2.0)	\$ 0.509012	\$ (334,619)
31	February '16	42,289,202	337,825	125.2	135.3	(10.1)	\$ 0.509012	\$ (1,740,068)
32	March '16	25,939,573	338,296	76.7	104.3	(27.6)	\$ 0.509012	\$ (4,756,564)
33	April '16	18,003,532	338,248	53.2	51.9	1.3	\$ 0.509012	\$ 228,272
34	May '16	9,998,928	338,163	29.6	29.6	(0.0)	\$ 0.509012	\$ (5,445)
35	June '16	4,553,298	337,835	13.5	15.6	(2.1)	\$ 0.509012	\$ (364,925)
36	July '16	4,981,869	337,840	14.7	14.7	0.0	\$ 0.509012	\$ 7,951
37	August '16	3,720,941	337,980	11.0	13.3	(2.3)	\$ 0.509012	\$ (394,074)
38	September '16	5,334,396	337,925	15.8	16.8	(1.0)	\$ 0.509012	\$ (174,461)
39								
40				658.8	775.8			
41								
42								
43								
44								
45	Total Group 2 Margin Excess / (Deficiency)							\$ (20,037,137)

South Jersey Gas Company  
2017-18 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				<b>Group 3: GSG</b>				
3	<u>Actual Year-to-Date</u>							
3	October '15	5,026,294	24,877	202.0	218.6	(16.6)	\$ 0.406684	\$ (167,480)
4	November '15	7,084,165	24,945	284.0	445.8	(161.8)	\$ 0.406684	\$ (1,641,505)
5	December '15	7,556,901	25,112	300.9	613.3	(312.4)	\$ 0.406684	\$ (3,190,147)
6	January '16	16,078,015	25,320	635.0	645.9	(10.9)	\$ 0.406684	\$ (112,315)
7	February '16	14,442,599	25,377	569.1	622.2	(53.1)	\$ 0.406684	\$ (547,791)
8	March '16	9,059,092	25,404	356.6	512.4	(155.8)	\$ 0.406684	\$ (1,609,622)
9	April '16	7,466,769	25,399	294.0	261.6	32.4	\$ 0.406684	\$ 334,453
10	May '16	5,436,307	25,386	214.1	160.2	53.9	\$ 0.406684	\$ 556,941
11	June '16	3,768,224	25,248	149.2	118.4	30.8	\$ 0.406684	\$ 316,750
12	July '16	3,250,566	25,165	129.2	104.0	25.2	\$ 0.406684	\$ 257,596
13	August '16	2,677,591	25,131	106.5	130.5	(24.0)	\$ 0.406684	\$ (244,826)
14	September '16	3,043,580	25,078	121.4	122.4	(1.0)	\$ 0.406684	\$ (10,560)
15								
16				3,362.1	3,955.3			
17								
18								
19								
20								
21	Total Group 3 Margin Excess / (Deficiency)							\$ (6,058,506)
22								
23								
24								
25								
26	<u>Actual Year-to-Date</u>			<b>Group 4: GSG Large Volume</b>				
27	October '15	1,624,774	175	9,284.4	10,817.7	(1,533.3)	\$ 0.221371	\$ (59,399)
28	November '15	1,334,951	174	7,672.1	17,479.9	(9,807.8)	\$ 0.221371	\$ (377,781)
29	December '15	2,320,060	174	13,333.7	25,743.1	(12,409.4)	\$ 0.221371	\$ (477,993)
30	January '16	4,688,616	176	26,639.9	29,051.9	(2,412.0)	\$ 0.221371	\$ (93,976)
31	February '16	4,622,126	175	26,412.1	24,583.0	1,829.1	\$ 0.221371	\$ 70,861
32	March '16	2,891,210	175	16,521.2	21,049.1	(4,527.9)	\$ 0.221371	\$ (175,411)
33	April '16	3,682,963	176	20,925.9	14,872.7	6,053.2	\$ 0.221371	\$ 235,842
34	May '16	2,065,128	176	11,733.7	10,250.2	1,483.5	\$ 0.221371	\$ 57,798
35	June '16	1,441,280	176	8,189.1	7,627.9	561.2	\$ 0.221371	\$ 21,865
36	July '16	887,706	177	5,015.3	6,817.7	(1,802.4)	\$ 0.221371	\$ (70,623)
37	August '16	2,032,725	177	11,484.3	5,906.0	5,578.3	\$ 0.221371	\$ 218,574
38	September '16	629,890	177	3,558.7	5,283.1	(1,724.4)	\$ 0.221371	\$ (67,567)
39								
40				160,770.5	179,482.3			
41								
42								
43								
44								
45	Total Group 4 Margin Excess / (Deficiency)							\$ (717,810)
46								
47								
48	<b>Total Groups 1 through 4</b>							<b>\$ (26,850,474)</b>

South Jersey Gas Company  
2017-18 Conservation Incentive Program Filing

Comparison of 2016-17 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	<b>Actual</b>							
3	October '16	116,900	11,955	9.8	13.6	(3.8)	\$0.519066	\$ (23,715)
4	November '16	209,793	11,924	17.6	13.7	3.9	\$0.519066	\$ 24,103
5	December '16	366,728	11,910	30.8	20.7	10.1	\$0.547317	\$ 65,783
6	January '17	355,068	11,887	29.9	23.5	6.4	\$ 0.547317	\$ 41,444
7	February '17	366,221	11,894	30.8	23.3	7.5	\$ 0.547317	\$ 48,761
8	March '17	286,849	11,908	24.1	27.7	(3.6)	\$ 0.547317	\$ (23,536)
9	April '17	192,093	11,858	16.2	19.7	(3.5)	\$ 0.547317	\$ (22,719)
10								
11	<b>Projected</b>							
12	May '17	152,788	12,126	12.6	14.0	(1.4)	\$ 0.547317	\$ (9,291)
13	June '17	118,107	12,176	9.7	11.4	(1.7)	\$ 0.547317	\$ (11,329)
14	July '17	118,165	12,182	9.7	11.5	(1.8)	\$ 0.547317	\$ (12,001)
15	August '17	121,750	12,175	10.0	11.2	(1.2)	\$ 0.547317	\$ (7,996)
16	September '17	126,214	12,136	10.4	10.0	0.4	\$ 0.547317	\$ 2,657
17								
18								
19								
20				211.5	200.3			
21								
22								
23								
24								
25	Total Group 1 Margin Excess / (Deficiency)							\$ 72,160
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36								
37								
38								
39								
40								
41	<b>Actual</b>							
42	October '16	5,603,117	338,431	16.6	34.1	(17.5)	\$0.519066	\$ (3,081,892)
43	November '16	22,597,295	339,260	66.6	76.8	(10.2)	\$0.519066	\$ (1,794,864)
44	December '16	43,269,843	340,513	127.1	126.4	0.7	\$0.547317	\$ 125,335
45	January '16	44,673,233	341,955	130.6	157.0	(26.4)	\$ 0.547317	\$ (4,933,353)
46	February '17	33,235,881	342,648	97.0	135.3	(38.3)	\$ 0.547317	\$ (7,183,203)
47	March '17	37,787,641	343,352	110.1	104.3	5.8	\$ 0.547317	\$ 1,081,513
48	April '17	13,510,183	343,394	39.3	51.9	(12.6)	\$ 0.547317	\$ (2,360,012)
49								
50	<b>Projected</b>							
51	May '17	9,160,076	343,074	26.7	29.6	(2.9)	\$ 0.547317	\$ (544,534)
52	June '17	5,726,831	342,924	16.7	15.6	1.1	\$ 0.547317	\$ 206,457
53	July '17	5,448,787	342,691	15.9	14.7	1.2	\$ 0.547317	\$ 225,073
54	August '17	5,414,091	342,664	15.8	13.3	2.5	\$ 0.547317	\$ 468,865
55	September '17	6,167,790	342,655	18.0	16.8	1.2	\$ 0.547317	\$ 225,049
56								
57								
58								
59				680.4	775.8			
60								
61								
62								
63								
64	Total Group 2 Margin Excess / (Deficiency)							\$ (17,565,566)

South Jersey Gas Company  
2017-18 Conservation Incentive Program Filing  
Comparison of 2016-17 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	<b>Actual</b>							
4	October '16	2,537,327	25,198	100.7	218.6	(117.9)	\$0.414224	\$ (1,230,641)
5	November '16	7,711,128	25,400	303.6	445.8	(142.2)	\$0.414224	\$ (1,496,257)
6	December '16	14,411,893	25,672	561.4	613.3	(51.9)	\$0.435411	\$ (580,292)
7	January '16	14,749,799	25,908	569.3	645.9	(76.6)	\$ 0.435411	\$ (863,933)
8	February '17	10,935,301	25,978	420.9	622.2	(201.3)	\$ 0.435411	\$ (2,276,420)
9	March '17	13,656,270	26,088	523.5	512.4	11.1	\$ 0.435411	\$ 125,737
10	April '17	5,346,447	26,084	205.0	261.7	(56.7)	\$ 0.435411	\$ (643,725)
11								
12	<b>Projected</b>							
13	May '17	5,150,816	25,995	198.1	160.2	37.9	\$ 0.435411	\$ 429,497
14	June '17	3,892,774	25,855	150.6	118.4	32.2	\$ 0.435411	\$ 362,063
15	July '17	3,279,138	25,757	127.3	104.0	23.3	\$ 0.435411	\$ 261,425
16	August '17	4,849,378	25,713	188.6	130.5	58.1	\$ 0.435411	\$ 650,431
17	September '17	2,712,130	25,743	105.4	122.4	(17.0)	\$ 0.435411	\$ (191,064)
18								
19								
20								
21				3,454.3	3,955.4			
22								
23								
24								
25								
26	Total Group 3 Margin Excess / (Deficiency)							\$ (5,453,179)
27								
28								
29								
30								
31								
32								
33								
34								
35								
36								
37								
38	<b>Actual</b>							
39	October '16	1,384,972	177	7,824.7	10,817.7	(2,993.0)	\$ 0.225848	\$ (119,645)
40	November '16	3,152,565	180	17,514.3	17,479.9	34.4	\$ 0.225848	\$ 1,396
41	December '16	4,215,184	175	24,086.8	25,743.1	(1,656.3)	\$ 0.238429	\$ (69,111)
42	January '16	5,041,485	176	28,644.8	29,051.9	(407.1)	\$ 0.238429	\$ (17,083)
43	February '17	3,663,207	184	19,908.7	24,583.0	(4,674.3)	\$ 0.238429	\$ (205,064)
44	March '17	4,836,977	184	26,287.9	21,049.1	5,238.8	\$ 0.238429	\$ 229,832
45	April '17	1,840,378	184	10,002.1	14,872.7	(4,870.6)	\$ 0.238429	\$ (213,680)
46								
47	<b>Projected</b>							
48	May '17	2,074,979	185	11,216.1	10,250.2	965.9	\$ 0.238429	\$ 42,605
49	June '17	1,578,476	185	8,532.3	7,627.9	904.4	\$ 0.238429	\$ 39,893
50	July '17	948,791	185	5,128.6	6,817.7	(1,689.1)	\$ 0.238429	\$ (74,505)
51	August '17	3,011,597	185	16,278.9	5,906.0	10,372.9	\$ 0.238429	\$ 457,542
52	September '17	1,490,194	185	8,055.1	5,283.1	2,772.0	\$ 0.238429	\$ 122,271
53								
54								
55								
56				183,480.2	179,482.3			
57								
58								
59								
60								
61	Total Group 4 Margin Excess / (Deficiency)							\$ 194,451
62								
63								
64	<b>Total Groups 1 through 4</b>							<b>\$ (22,752,134)</b>

South Jersey Gas Company  
2017-18 Conservation Incentive Program Filing  
GSG and GSG-LV Large Customer Adjustment

Line No.	Month	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	Starting Point						680
3							
4	<u>Actual</u>						
5	October '16	6	21,788	600	36	30	710
6	November '16	13	32,258	600	54	41	751
7	December '16	4	17,362	600	29	25	776
8	January '17	5	11,237	600	19	14	790
9	February '17	3	12,240	600	20	17	807
10	March '17	3	7,725	600	13	10	817
11	April '17	4	7,925	600	13	9	826
12							
13	<u>Projected</u>						
14	May '17			600	0	0	826
15	June '17			600	0	0	826
16	July '17			600	0	0	826
17	August '17			600	0	0	826
18	September '17			600	0	0	826
19							
20							
21							
22							
23							
24							
25							
26							
27	Starting Point						0
28							
29	<u>Actual</u>						
30	October '16	0	0	25,000	0	0	0
31	November '16	0	0	25,000	0	0	0
32	December '16	0	0	25,000	0	0	0
33	January '17	0	0	25,000	0	0	0
34	February '17	0	0	25,000	0	0	0
35	March '17	0	0	25,000	0	0	0
36	April '17	0	0	25,000	0	0	0
37							
38	<u>Projected</u>						
39	May '17			25,000	0	0	0
40	June '17			25,000	0	0	0
41	July '17			25,000	0	0	0
42	August '17			25,000	0	0	0
43	September '17			25,000	0	0	0













South Jersey Gas Company  
2017-18 Conservation Incentive Program Filing

BGSS Savings Test

Line No.	Description (a)	Margin Excess/(Deficiency)			Amount (b)
		Weather	Non-Weather	Total	
1	<b>Step 1: Determine Weather and Non-Weather CIP Impacts</b>				
2					
3	CIP Group 1	\$ -	\$ 72,160	\$ 72,160	
4	CIP Group 2	\$ (13,907,937)	\$ (3,657,629)	\$ (17,565,566)	
5	CIP Group 3	\$ (3,104,981)	\$ (2,348,198)	\$ (5,453,179)	
6	CIP Group 4	\$ (604,784)	\$ 799,235	\$ 194,451	
7		\$ (17,617,702)	\$ (5,134,432)	\$ (22,752,134)	
8					
9					
10					
11					
12					
13					
14					
15	<b>Step 2: Apply Modified BGSS Savings Test</b>				
16					
17					
18	<b>A. Non-weather Impact Subject to Modified BGSS Savings Test</b>				
19	Non-Weather Deficiency			\$ 5,134,432	
20	75% Factor			75%	
21	Subtotal			\$ 3,850,824	
22					
23	Prior Year Carry-Forward (Modified BGSS Savings Test)			\$ -	
24					
25	Non-weather Impact Subject to Test			\$ 3,850,824	
26					
27					
28	<b>B. BGSS Savings</b>				
29	Permanent Capacity Savings			\$ 2,243,369	
30	Additional Capacity BGSS Savings			\$ 6,116,593	
31	Avoided Cost BGSS Savings			\$ 372,157	
32	Total BGSS Savings			\$ 8,732,119	
33					
34					
35	<b>C. Results</b>				
36	Non-Weather Impacts Passing Test (current accrual)			\$ 5,134,432	
37	Non-Weather Impacts Passing Test (prior year carry-forward)			\$ -	
38	Non-Weather Impacts Exceeding Test			\$ (0)	

South Jersey Gas Company  
2017-18 Conservation Incentive Program Filing

BGSS Savings Test

Line  
No.

1	<b><u>Step 3: Apply Variable Margin Revenue Test</u></b>		
2			
3			
4	<b><u>A. Non-weather Impact Subject to Variable Margin Revenue Test</u></b>		
5	Non-Weather Impact	\$	5,134,432
6			
7	Prior Year Carry-Forward (Variable Margin Revenue Test)	\$	-
8			
9	Non-weather Impact Subject to Test	\$	5,134,432
10			
11			
12	<b><u>B. Variable Margin Revenues</u></b>		
13	Variable Margin Revenues	\$	197,137,444
14	6.5% Factor		6.5%
15	Total Fixed Recovery Cap	\$	12,813,934
16			
17			
18	<b><u>C. Results</u></b>		
19	Non-Weather Impacts Passing Test (current accrual)	\$	5,134,432
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	<b><u>Step 4: Determine Recoverable Non-Weather CIP Impacts</u></b>		
31			
32			
33	<b><u>A. Current Year Accrual Recoverable Non-Weather Impacts</u></b>		
34	Amount Passing Modified BGSS Savings Test	\$	5,134,432
35			
36	Amount Passing Variable Margin Revenue Test	\$	5,134,432
37			
38	Recoverable Amount	\$	5,134,432
39			
40			
41	<b><u>B. Previous Carry-Forward Recoverable Amounts</u></b>		
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	<b>Total Non-Weather Recoverable CIP Amount</b>		<b>\$ 5,134,432</b>

South Jersey Gas Company  
2017-18 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	<b>Actual and Projected Recoveries</b>					
2						
3	<u>Actual</u>					
4	October '16	\$ (3,210)	\$ 83,479	\$ 39,855	\$ (16,813)	\$ 103,312
5	November '16	\$ 5,366	\$ 947,069	\$ 292,524	\$ 29,514	\$ 1,274,473
6	December '16	\$ 7,422	\$ 2,083,115	\$ 569,080	\$ 60,032	\$ 2,719,650
7	January '17	\$ 9,929	\$ 3,121,866	\$ 834,968	\$ 82,240	\$ 4,049,004
8	February '17	\$ 8,584	\$ 2,635,366	\$ 702,083	\$ 66,254	\$ 3,412,288
9	March '17	\$ 7,931	\$ 2,362,761	\$ 665,391	\$ 68,324	\$ 3,104,407
10	April '17	\$ 6,744	\$ 1,879,783	\$ 550,175	\$ 57,441	\$ 2,494,143
11						
12	<u>Projected</u>					
13	May '17	\$ 3,651	\$ 966,057	\$ 275,978	\$ 45,102	\$ 1,290,788
14	June '17	\$ 3,056	\$ 630,886	\$ 308,206	\$ 17,791	\$ 959,940
15	July '17	\$ 2,838	\$ 362,592	\$ 175,883	\$ 26,162	\$ 567,475
16	August '17	\$ 2,275	\$ 333,707	\$ 234,871	\$ 34,092	\$ 604,946
17	September '17	\$ 2,779	\$ 410,366	\$ 270,156	\$ 24,173	\$ 707,474
18						
19						
20						
21						
22	<b>Total Recoveries</b>	<b>\$ 57,367</b>	<b>\$ 15,817,047</b>	<b>\$ 4,919,171</b>	<b>\$ 494,314</b>	<b>\$ 21,287,899</b>
23						
24	<b>Prior Period Adjustment</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
25						
26						
27						
28						
29	<b>Recoverable CIP Amounts</b>					
30	Final from 2015-2016 CIP Year	\$ 97,975	\$ 18,363,144	\$ 4,770,045	\$ 249,298	\$ 23,480,462
31						
32	<b>Total Recoverable CIP</b>	<b>\$ 97,975</b>	<b>\$ 18,363,144</b>	<b>\$ 4,770,045</b>	<b>\$ 249,298</b>	<b>\$ 23,480,462</b>
33						
34						
35						
36	<b>Over / (Under) Recovery</b>	<b>\$ (40,608)</b>	<b>\$ (2,546,097)</b>	<b>\$ 149,126</b>	<b>\$ 245,016</b>	<b>\$ (2,192,563)</b>

South Jersey Gas Company  
2017-18 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	<b>Group 1: RSG Non-Heating</b>					
2						
3	Weather-Related	\$ -				
4	Non Weather-Related	\$ 72,160				
5	Total CIP	\$ 72,160				
6						
7	Prior Year Amounts					
8	Prior Year Carry-Over	\$ -				
9	Prior Year Over/(Under) Recovery	\$ (40,608)				
10	Total CIP Including Prior Year	\$ 31,552				
11	Net Charge/(Credit)		2,355,597	\$ (0.013395)		
12	Public Utilities Assessment				\$ (0.000029)	
13	NJ State Sales Tax				\$ (0.000923)	
14	Total Including Taxes and Assessments					\$ (0.014347)
15						
16						
17						
18	<b>Group 2: RSG Heating</b>					
19						
20	Weather-Related	\$ (13,907,937)				
21	Non Weather-Related	\$ (3,657,629)				
22	Total CIP	\$ (17,565,566)				
23						
24	Prior Year Amounts					
25	Prior Year Carry-Over	\$ -				
26	Prior Year Over/(Under) Recovery	\$ (2,546,097)				
27	Total CIP Including Prior Year	\$ (20,111,663)				
28	Net Charge/(Credit)		274,924,088	\$ 0.073154		
29	Public Utilities Assessment				\$ 0.000161	
30	NJ State Sales Tax				\$ 0.005040	
31	Total Including Taxes and Assessments					\$ 0.078355



South Jersey Gas Company  
2017-18 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	<b>Group 3: GSG</b>					
2						
3	Weather-Related	\$ (3,104,981)				
4	Non Weather-Related	\$ (2,348,198)				
5	Total CIP	\$ (5,453,179)				
6						
7	Prior Year Amounts					
8	Prior Year Carry-Over	\$ -				
9	Prior Year Over/(Under) Recovery	\$ 149,126				
10	Total CIP Including Prior Year	\$ (5,304,053)				
11	Net Charge/(Credit)		99,650,858	\$ 0.053226		
12	Public Utilities Assessment				\$ 0.000117	
13	NJ State Sales Tax				\$ 0.003667	
14	Total Including Taxes and Assessments					\$ 0.057010
15						
16						
17						
18	<b>Group 4: GSG Large Volume</b>					
19						
20	Weather-Related	\$ (604,784)				
21	Non Weather-Related	\$ 799,235				
22	Total CIP	\$ 194,451				
23						
24	Prior Year Amounts					
25	Prior Year Carry-Over	\$ -				
26	Prior Year Over/(Under) Recovery	\$ 245,016				
27	Total CIP Including Prior Year	\$ 439,467				
28	Net Charge/(Credit)		34,069,833	\$ (0.012899)		
29	Public Utilities Assessment				\$ (0.000028)	
30	NJ State Sales Tax				\$ (0.000889)	
31	Total Including Taxes and Assessments					\$ (0.013816)

**SOUTH JERSEY GAS COMPANY**

**Fourth Revised Sheet No. 104  
Superseding Third Revised Sheet No. 104**

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

**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:

	<b>Group I: RSG <u>Non-Heating</u></b>	<b>Group II: RSG <u>Heating</u></b>	<b>Group III: <u>GSG</u></b>	<b>Group IV: <u>GSG-LV</u></b>
CIP Factors Per Therm	( <del>\$0.013395</del> ) 2 4831	\$0.07315468 086	\$0.05322643 96	( <del>\$0.012899</del> ) 6 484
Applicable Revenue Tax Factor	<u>1.0022</u>	<u>1.0022</u>	<u>1.0022</u>	<u>1.0022</u>
CIP Factors Per Therm	( <del>\$0.013424</del> ) 24 886	\$0.07331568236	\$0.0533434516	( <del>\$0.012927</del> ) 6 520
Applicable NJ Sales Tax Factor	<u>1.06875</u>	<u>1.06875</u>	<u>1.06875</u>	<u>1.06875</u>
CIP Factors Per Therm with NJ Sales Tax	( <del>\$0.014347</del> ) 26597	\$0.078355292 7	\$0.05701082 64	( <del>\$0.013816</del> ) 7 656

- (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 - Effective

	<u>BASE RATE</u>	<u>BGSS</u>	<u>OTHER RIDERS</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<b>RESIDENTIAL GAS SERVICE (RSG)</b>						
<b>RESIDENTIAL FIRM TRANS SERV (RSG FTS) - HEAT CUSTOMER</b>						
Customer Charge	9.000000				0.618800	9.618800
CIP			0.073154	0.000161	0.005040	0.078355
Delivery Charge:						
COST OF SERVICE						
TIC	0.547317		(0.000942)	(0.000002)	0.037628	0.584945
SBC:					(0.000065)	(0.001009)
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
Total SBC			0.033560	0.000048	0.002292	0.035900
TAC			0.000000	0.000000	0.000000	0.000000
EET			0.004268	0.000009	0.000294	0.004571
BSC "J" BS-1		0.047100		0.000100	0.003200	0.050400
BSC "J" BUY-OUT PRICE - Rate set monthly	0.547317	0.047100	0.036886	0.000155	0.043349	0.674807
Total						
<b>RESIDENTIAL FIRM SALES SERV (RSG FSS) - HEAT CUSTOMER</b>						
Customer Charge	9.000000				0.618800	9.618800
Basic Gas Supply Service (BGSS):		0.330770		0.000728	0.022790	0.354288
CIP			0.073154	0.000161	0.005040	0.078355
Delivery Charge:						
COST OF SERVICE						
TIC	0.547317		(0.000942)	(0.000002)	0.037628	0.584945
SBC:					(0.000065)	(0.001009)
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
Total SBC			0.033560	0.000048	0.002292	0.035900
TAC			0.000000	0.000000	0.000000	0.000000
EET			0.004268	0.000009	0.000294	0.004571
BSC "J" BS-1		0.047100		0.000100	0.003200	0.050400
Total	0.547317	0.047100	0.036886	0.000155	0.043349	0.674807

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<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				0.618800	9.618800
<b>CIP</b>			<b>(0.013395)</b>	<b>(0.000029)</b>	<b>(0.000923)</b>	<b>(0.014347)</b>
Delivery Charge:						
COST OF SERVICE						
TIC	0.547317		(0.000942)	(0.000002)	0.037628	0.584945
SBC:					(0.000065)	(0.001009)
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
Total SBC			0.033560	0.000048	0.002292	0.035900
TAC			0.000000	0.000000	0.000000	0.000000
EET			0.004268	0.000009	0.000294	0.004571
BSC "J" BS-1		0.047100		0.000100	0.0003200	0.050400
BSC "J" BUY-OUT PRICE - Rate set monthly						
<b>Total</b>	<b>0.547317</b>	<b>0.047100</b>	<b>0.036886</b>	<b>0.000155</b>	<b>0.043349</b>	<b>0.674807</b>
<u>RESIDENTIAL FIRM SALES SERV (RSG FSS) - NONHEAT CUSTOMER</u>						
Customer Charge	9.000000				0.618800	9.618800
<b>Basic Gas Supply Service (BGSS):</b>						
<b>CIP</b>			<b>(0.013395)</b>	<b>(0.000029)</b>	<b>(0.000923)</b>	<b>(0.014347)</b>
Delivery Charge:						
COST OF SERVICE						
TIC	0.547317		(0.000942)	(0.000002)	0.037628	0.584945
SBC:					(0.000065)	(0.001009)
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
Total SBC			0.033560	0.000048	0.002292	0.035900
TAC			0.000000	0.000000	0.000000	0.000000
EET			0.004268	0.000009	0.000294	0.004571
BSC "J" BS-1		0.047100		0.000100	0.0003200	0.050400
<b>Total</b>	<b>0.547317</b>	<b>0.047100</b>	<b>0.036886</b>	<b>0.000155</b>	<b>0.043349</b>	<b>0.674807</b>

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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				1.873400	29.123400
CIP			0.053226	0.000117	0.003667	0.057010
Delivery Charge:						
COST OF SERVICE	0.435411				0.029935	0.465346
TIC			(0.000942)	(0.000002)	(0.000065)	(0.001009)
SBC:						
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
Total SBC			0.033560	0.000048	0.002292	0.035900
TAC			0.000000	0.000000	0.000000	0.000000
EET			0.004268	0.000009	0.000294	0.004571
BSC "J" BS-1		0.047100		0.000100	0.003200	0.050400
BSC "J" BUY-OUT PRICE - Rate set monthly	0.435411	0.047100	0.036886	0.000155	0.035656	0.555208
<b>Total</b>						

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	<u>BASE RATE</u>	<u>BGSS</u>	<u>OTHER RIDERS</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<b>GENERAL SERVICE FIRM SALES (GSG FSS)</b>						
- Less than 5,000 Therms Annually						
Customer Charge	27.250000				1.873400	29.123400
CIP			0.053226	0.000117	0.003667	0.057010
Basic Gas Supply Service (BGSS):		0.330770		0.000728	0.022790	0.354288
Delivery Charge:						
COST OF SERVICE	0.435411				0.029935	0.465346
TIC			(0.000942)	(0.000002)	(0.000065)	(0.001009)
SBC:						
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
Total SBC			0.033560	0.000048	0.002292	0.035900
TAC			0.000000	0.000000	0.000000	0.000000
EET			0.004268	0.000009	0.000294	0.004571
BSC "J" BS-1	0.047100			0.000100	0.003200	0.050400
<b>Total</b>	<b>0.435411</b>	<b>0.047100</b>	<b>0.036886</b>	<b>0.000155</b>	<b>0.035656</b>	<b>0.555208</b>
<b>GENERAL SERVICE FIRM SALES (GSG FSS)</b>						
- 5,000 Therms Annually or Greater						
Customer Charge	27.250000				1.873400	29.123400
Basic Gas Supply Service (BGSS):						
CIP			0.053226	0.000117	0.003667	0.057010
Delivery Charge:						
COST OF SERVICE	0.435411				0.029935	0.465346
TIC			(0.000942)	(0.000002)	(0.000065)	(0.001009)
SBC:						
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
Total SBC			0.033560	0.000048	0.002292	0.035900
TAC			0.000000	0.000000	0.000000	0.000000
EET			0.004268	0.000009	0.000294	0.004571
BSC "J" BS-1	0.047100			0.000100	0.003200	0.050400
<b>Total</b>	<b>0.435411</b>	<b>0.047100</b>	<b>0.036886</b>	<b>0.000155</b>	<b>0.035656</b>	<b>0.555208</b>

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<u>GENERAL SERVICE-LV (GSG-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>GENERAL SERVICE- LV FTS (GSG-LV-FT)</u>						
Customer Charge	150.000000				10.312500	160.312500
D-1 Demand Charge	9.000000				0.618800	9.618800
CIP			(0.012899)	(0.000028)	(0.000889)	(0.013816)
Delivery Charge: COST OF SERVICE	0.238429				0.016392	0.254821
TIC			(0.000942)	(0.000002)	(0.000065)	(0.001009)
SBC:						
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
			0.033560	0.000048	0.002292	0.035900
Total SBC			0.000000	0.000000	0.000000	0.000000
TAC			0.004268	0.000009	0.000294	0.004571
EET			0.047100	0.000100	0.003200	0.050400
BSC "J" BS-1			0.036886	0.000155	0.022113	0.344683
BSC "J" BUY-OUT PRICE - Rate set monthly						
<b>Total</b>	<b>0.238429</b>	<b>0.047100</b>	<b>0.036886</b>	<b>0.000155</b>	<b>0.022113</b>	<b>0.344683</b>
<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				10.312500	160.312500
D-1 Demand Charge	9.000000				0.618800	9.618800
Basic Gas Supply Service (BGSS):						
CIP			(0.012899)	(0.000028)	(0.000889)	(0.013816)
Delivery Charge: COST OF SERVICE	0.238429				0.016392	0.254821
TIC			(0.000942)	(0.000002)	(0.000065)	(0.001009)
SBC:						
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
			0.033560	0.000048	0.002292	0.035900
Total SBC			0.000000	0.000000	0.000000	0.000000
TAC			0.004268	0.000009	0.000294	0.004571
EET			0.047100	0.000100	0.003200	0.050400
BSC "J" BS-1			0.036886	0.000155	0.022113	0.344683
<b>Total</b>	<b>0.238429</b>	<b>0.047100</b>	<b>0.036886</b>	<b>0.000155</b>	<b>0.022113</b>	<b>0.344683</b>

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**COMPREHENSIVE TRANSPORTATION SERVICE (CTS)**

**COMPREHENSIVE FIRM TRANS SERV (CTS FTS)**

	BASE RATE	BGSS	OTHER RIDERS	PUA	NJ SALES TAX	TARIFF RATE
<b>Firm</b>						
Customer Charge	600.000000				41.250000	641.250000
Delivery Charge:						
<b>D-1 DEMAND CHARGE</b>	27.421300				1.885200	29.306500
C-1 FT VOLUMETRIC CHARGE:						
C-1 COST OF SERVICE	0.047608				0.003273	0.050881
SBC:						
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
Total SBC			0.033560	0.000048	0.002292	0.035900
EET			0.004268	0.000009	0.000294	0.004571
<b>Total C-1 VOLUMETRIC CHARGE</b>	<b>0.047608</b>		<b>0.037828</b>	<b>0.000057</b>	<b>0.005859</b>	<b>0.091352</b>
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
<b>Limited Firm</b>						
Customer Charge	100.000000				6.875000	106.875000
Delivery Charge:						
C-1 FT VOLUMETRIC CHARGE:						
C-1 COST OF SERVICE	0.058400				0.004000	0.062400
SBC:						
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
Total SBC			0.033560	0.000048	0.002292	0.035900
EET			0.004268	0.000009	0.000294	0.004571
<b>Total C-1 VOLUMETRIC CHARGE</b>	<b>0.058400</b>		<b>0.037828</b>	<b>0.000057</b>	<b>0.006586</b>	<b>0.102871</b>
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>BASE RATE</u>	<u>BGSS</u>	<u>OTHER RIDERS</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<b>LARGE VOLUME SERVICE (LVS)</b>						
<b>LARGE VOLUME FIRM TRANS SERV (LVS FTS)</b>						
<u>Firm</u>						
Customer Charge	900.000000				61.875000	961.875000
Delivery Charge:						
D-1 DEMAND CHARGE	14.884200				1.023300	15.907500
C-1 VOLUMETRIC CHARGE:						
C-1 COST OF SERVICE	0.040282				0.002769	0.043051
SBC:						
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
			0.033560	0.000048	0.002292	0.035900
Total SBC			0.004268	0.000009	0.000294	0.004571
<b>Total C-1 VOLUMETRIC CHARGE</b>	<b>0.040282</b>		<b>0.037628</b>	<b>0.000057</b>	<b>0.005355</b>	<b>0.083522</b>
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
<b>Limited Firm</b>						
Customer Charge	100.000000				6.875000	106.875000
Delivery Charge:						
C-1 FT VOLUMETRIC CHARGE:						
C-1 COST OF SERVICE	0.094600				0.006500	0.101100
SBC:						
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
			0.033560	0.000048	0.002292	0.035900
Total SBC			0.004268	0.000009	0.000294	0.004571
<b>Total C-1 VOLUMETRIC CHARGE</b>	<b>0.094600</b>		<b>0.037628</b>	<b>0.000057</b>	<b>0.009086</b>	<b>0.141571</b>
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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	BASE RATE	BGSS	OTHER RIDERS	PUA	NJ SALES TAX	TARIFF RATE
<b>LARGE VOLUME FIRM SALES SERV (LVS FSS)</b>						
Customer Charge	900.000000				61.875000	961.875000
Basic Gas Supply Service (BGSS):						
C-2 BGSS		14.882120		0.032741	1.025397	15.940257
D-2 DEMAND CHARGE	14.884200				1.023300	15.907500
Delivery Charge:						
D-1 DEMAND CHARGE	0.040282				0.002769	0.043051
C-1 VOLUMETRIC CHARGE:						
C-1 COST OF SERVICE						
SBC:						
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
Total SBC			0.033560	0.000048	0.002292	0.035900
EET			0.004268	0.000009	0.000294	0.004571
Total C-1 VOLUMETRIC CHARGE	0.040282	0.000000	0.037828	0.000057	0.005355	0.083522
BS-1 ALL THERMS		0.011800		0.000000	0.000800	0.012600
<b>Limited Firm</b>						
Customer Charge	100.000000				6.875000	106.875000
Delivery Charge:						
C-1 FT. VOLUMETRIC CHARGE:						
C-1 COST OF SERVICE	0.094600					
SBC:						
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
Total SBC			0.033560	0.000048	0.002292	0.035900
EET			0.004268	0.000009	0.000294	0.004571
Total C-1 VOLUMETRIC CHARGE	0.0946	0.000000	0.037828	0.000057	0.009086	0.141571
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>
Commercial/Industrial						
Customer Charge	25.000000				1.718800	26.718800
D-1 DEMAND	6.500000				0.446900	6.946900
Basic Gas Supply Service (BGSS):						RATE SET MONTHLY
Delivery Charge - Winter Season (Nov - Mar)	0.125294				0.008614	0.133908
COST OF SERVICE						
SBC:						
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
Total SBC			0.033560	0.000048	0.002292	0.035900
Balancing Charge BSC"J" BS-1	0.047100			0.000100	0.003200	0.050400
EET			0.004268	0.000009	0.000294	0.004571
<b>Total C-1 VOLUMETRIC CHARGE (FSS &amp; FTS)</b>	<b>0.125294</b>	<b>0.047100</b>	<b>0.037828</b>	<b>0.000157</b>	<b>0.014400</b>	<b>0.224779</b>
Delivery Charge - Summer Season (Apr - Oct)	0.095294				0.006551	0.101845
COST OF SERVICE						
SBC:						
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
Total SBC			0.033560	0.000048	0.002292	0.035900
Balancing Charge BSC"J" BS-1	0.047100			0.000009	0.000294	0.004571
EET			0.004268	0.000100	0.003200	0.050400
<b>Total C-1 VOLUMETRIC CHARGE (FSS &amp; FTS)</b>	<b>0.095294</b>	<b>0.047100</b>	<b>0.037828</b>	<b>0.000157</b>	<b>0.012337</b>	<b>0.192716</b>

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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				0.618800	9.618800
Basic Gas Supply Service (BGSS):		0.330770		0.000728	0.022790	0.354288
Delivery Charge	0.122100				0.008400	0.130500
COST OF SERVICE						
SBC:						
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
Total SBC			0.033560	0.000048	0.002292	0.035900
EET			0.004268	0.000009	0.000294	0.004571
Balancing Charge BSC"J" BS-1		0.047100		0.000100	0.003200	0.050400
<b>Total C-1 VOLUMETRIC CHARGE (FSS &amp; FTS)</b>	<b>0.122100</b>	<b>0.047100</b>	<b>0.037828</b>	<b>0.000157</b>	<b>0.014186</b>	<b>0.221371</b>

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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				12.375000	192.375000
D-1 DEMAND (Rate is negotiated. Shown here is the benchmark rate.)	20.710978				1.423880	22.134858
D-2 DEMAND BGSS(applicable to Sales Customers Only)		14.530362		0.031967	1.001160	15.563489
C-1 CLEP			0.011879	0.000026	0.000818	0.012723
C-1 RAC			0.009781	0.000022	0.000674	0.010477
C-1 USF			0.011900	0.000000	0.000800	0.012700
EET			0.004268	0.000009	0.000294	0.004571
<b>Total C-1 VOLUMETRIC CHARGE</b>			<b>0.037828</b>	<b>0.000057</b>	<b>0.002586</b>	<b>0.040471</b>
C-2 BGSS						RATE SET MONTHLY
BSC "I" CASH OUT CHARGE (CREDIT)		0.011800		0.000000	0.000800	RATE SET MONTHLY
BS-1 ALL THERMS		0.002500		0.000000	0.000200	0.012600
BS-1 (Opt Out Provision) ALL THERMS						0.002700
<u>Limited Firm</u>						
D-2 DEMAND BGSS(applicable to Sales Customers Only)		7.441060		0.016370	0.512698	7.970128
C-1 CLEP			0.011879	0.000026	0.000818	0.012723
C-1 RAC			0.009781	0.000022	0.000674	0.010477
C-1 USF			0.011900	0.000000	0.000800	0.012700
EET			0.004268	0.000009	0.000294	0.004571
<b>Total C-1 VOLUMETRIC CHARGE</b>			<b>0.037828</b>	<b>0.000057</b>	<b>0.002586</b>	<b>0.040471</b>
C-3 All Therms (Rate is negotiated. Shown here is the benchmark rate.)	0.162900				0.011200	0.174100
C-2 BGSS						RATE SET MONTHLY
BSC "I" CASH OUT CHARGE (CREDIT)		0.011800		0.000000	0.000800	RATE SET MONTHLY
BS-1 ALL THERMS		0.002500		0.000000	0.000200	0.012600
BS-1 (Opt Out Provision) ALL THERMS						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>
<b>Winter</b>						
D-1 DEMAND (Rate is negotiated. Shown here is the benchmark rate.)	2.897200				0.199200	3.096400
D-2 DEMAND BGSS(applicable to Sales Customers Only)		7.441060		0.016370	0.512698	7.970128
C-1 CLEP			0.011879	0.000026	0.000818	0.012723
C-1 RAC			0.009781	0.000022	0.000674	0.010477
C-1 USF			0.011900	0.000000	0.000800	0.012700
EET			0.004268	0.000009	0.000294	0.004571
<b>Total C-1 VOLUMETRIC CHARGE</b>			<b>0.037828</b>	<b>0.000057</b>	<b>0.002586</b>	<b>0.040471</b>
C-3 All Therms (Rate is negotiated. Shown here is the benchmark rate.)	0.162900				0.011200	0.174100
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
<b>Summer</b>						
D-1 DEMAND (Rate is negotiated. Shown here is the benchmark rate.)	2.897200				0.199200	3.096400
D-2 DEMAND BGSS(applicable to Sales Customers Only)		7.441060		0.016370	0.512698	7.970128
C-1 CLEP			0.011879	0.000026	0.000818	0.012723
C-1 RAC			0.009781	0.000022	0.000674	0.010477
C-1 USF			0.011900	0.000000	0.000800	0.012700
EET			0.004268	0.000009	0.000294	0.004571
<b>Total C-1 VOLUMETRIC CHARGE</b>			<b>0.037828</b>	<b>0.000057</b>	<b>0.002586</b>	<b>0.040471</b>
C-3 All Therms (Rate is negotiated. Shown here is the benchmark rate.)	0.162900				0.011200	0.174100
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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<u>NATURAL GAS VEHICLE (NGV)</u>		Page 13		
<u>Company Operated Fueling Stations</u>	<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	0.00026	0.000818	0.012723
C-1 RAC	0.009781	0.00022	0.000674	0.010477
C-1 USF	0.011900	0.000000	0.000800	0.012700
EET	0.004268	0.000009	0.000294	0.004571
<b>Total C-1 VOLUMETRIC CHARGE</b>	<b>0.000000</b>	<b>0.000057</b>	<b>0.002586</b>	<b>0.040471</b>
Distribution Charge:	0.164072	0.000361	0.011305	0.175738
Compression Charge	0.542769	0.001194	0.037397	0.581360
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	0.003200	0.050400
<b>Customer Operated Fueling Stations</b>				
Service Charge				
0 - 999 CF/hour	37.500000		2.578100	40.078100
1,000 - 4,999 CF/hour	75.000000		5.156300	80.156300
5,000 - 24,999 CF/hour	200.000000		13.750000	213.750000
25,000 or Greater CF/hour	600.000000		41.250000	641.250000
C-1 CLEP	0.011879	0.000026	0.000818	0.012723
C-1 RAC	0.009781	0.000022	0.000674	0.010477
C-1 USF	0.011900	0.000000	0.000800	0.012700
EET	0.004268	0.000009	0.000294	0.004571
<b>Total C-1 VOLUMETRIC CHARGE</b>	<b>0.000000</b>	<b>0.000057</b>	<b>0.002586</b>	<b>0.040471</b>
Distribution Charge:	0.164072	0.000361	0.011305	0.175738
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	0.003200	0.050400

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INTERRUPTIBLE SERVICE, YARD & STREET LIGHTING

	<u>BASE RATE</u>	<u>BGSS</u>	<u>OTHER RIDERS</u>	<u>PUA</u>	<u>NJ SALES TAX</u>	<u>TARIFF RATE</u>
<b>INTERRUPTIBLE TRANSPORTATION (ITS)</b>						
<b>SERVICE CHARGE</b>						
<b>TRANS CHARGE A</b>						
SBC:	100.000000				6.875000	106.875000
CLEP	0.028400				0.002000	0.030400
RAC			0.011879	0.000026	0.000818	0.012723
USF			0.009781	0.000022	0.000674	0.010477
Total SBC:			0.011900	0.000000	0.000800	0.012700
EET			0.033560	0.000048	0.002292	0.035900
			0.004268	0.000009	0.000294	0.004571
<b>TRANS CHARGE B</b>						
SBC:	0.093200				0.006400	0.099600
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
Total SBC:			0.033560	0.000048	0.002292	0.035900
EET			0.004268	0.000009	0.000294	0.004571
<b>TRANS CHARGE C</b>						
SBC:	0.153200				0.010500	0.163700
CLEP			0.011879	0.000026	0.000818	0.012723
RAC			0.009781	0.000022	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
Total SBC:			0.033560	0.000048	0.002292	0.035900
EET			0.004268	0.000009	0.000294	0.004571



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	0.000674	0.010477
USF			0.011900	0.000000	0.000800	0.012700
Total SBC:			0.021681	0.000022	0.001474	0.023177
EET			0.004268	0.000009	0.000294	0.004571
<u>YARD LIGHTING SERVICE (YLS)</u>						
MONTHLY CHARGE / INSTALL	7.723363	4.636800			0.849761	13.209924
<u>STREET LIGHTING SERVICE (SLS)</u>						
MONTHLY CHARGE / INSTALL	8.325900	6.955200			1.050576	16.331676

**SOUTH JERSEY GAS COMPANY**  
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**Heat Residential Rate Schedule:**

	RSG FSS	RSG-FTS	Difference
BGSS	0.354288	0.000000	0.354288
Cost of Service	0.584945	0.584945	0.000000
CLEP	0.012723	0.012723	0.000000
RAC	0.010477	0.010477	0.000000
TAC	0.000000	0.000000	0.000000
CIP	0.078355	0.078355	0.000000
USF	0.012700	0.012700	0.000000
TIC	(0.001009)	(0.001009)	0.000000
EET	0.004571	0.004571	0.000000
BSC "J" BS-1	0.050400	0.050400	0.000000
<b>Price to Compare</b>	<b>1.107450</b>	<b>0.753162</b>	<b>0.354288</b>

**NonHeat Residential Rate Schedule:**

	RSG FSS	RSG-FTS	Difference
BGSS	0.354288	0.000000	0.354288
CIP	(0.014347)	(0.014347)	0.000000
Cost of Service	0.584945	0.584945	0.000000
CLEP	0.012723	0.012723	0.000000
RAC	0.010477	0.010477	0.000000
TAC	0.000000	0.000000	0.000000
USF	0.012700	0.012700	0.000000
TIC	(0.001009)	(0.001009)	0.000000
EET	0.004571	0.004571	0.000000
BSC "J" BS-1	0.050400	0.050400	0.000000
<b>Price to Compare</b>	<b>1.014748</b>	<b>0.660460</b>	<b>0.354288</b>

**GSG**

(Under 5,000 therms annually)

	GSG FSS	GSG-FTS	Difference
BGSS	0.354288	0.000000	0.354288
CIP	0.057010	0.057010	0.000000
Cost of Service	0.465346	0.465346	0.000000
CLEP	0.012723	0.012723	0.000000
RAC	0.010477	0.010477	0.000000
TAC	0.000000	0.000000	0.000000
USF	0.012700	0.012700	0.000000
TIC	(0.001009)	(0.001009)	0.000000
EET	0.004571	0.004571	0.000000
BSC "J" BS-1	0.050400	0.050400	0.000000
<b>Price to Compare</b>	<b>0.966506</b>	<b>0.612218</b>	<b>0.354288</b>

**GSG**

(5,000 therms annually or greater)

	GSG FSS	GSG-FTS	Difference
BGSS	0.490807	0.000000	0.490807
CIP	0.057010	0.057010	0.000000
Cost of Service	0.465346	0.465346	0.000000
CLEP	0.012723	0.012723	0.000000
RAC	0.010477	0.010477	0.000000
TAC	0.000000	0.000000	0.000000
USF	0.012700	0.012700	0.000000
TIC	(0.001009)	(0.001009)	0.000000
EET	0.004571	0.004571	0.000000
BSC "J" BS-1	0.050400	0.050400	0.000000
<b>Price to Compare</b>	<b>1.103025</b>	<b>0.612218</b>	<b>0.490807</b>

**GSG-LV**

Prior to 7/15/97

	GSG-LV FSS	GSG-LV-FTS	Difference
BGSS	0.490807	0.000000	0.490807
CIP	(0.013816)	(0.013816)	0.000000
Cost of Service	0.254821	0.254821	0.000000
CLEP	0.012723	0.012723	0.000000
RAC	0.010477	0.010477	0.000000
TAC	0.000000	0.000000	0.000000
USF	0.012700	0.012700	0.000000
TIC	(0.001009)	(0.001009)	0.000000
EET	0.004571	0.004571	0.000000
BSC "J" BS-1	0.050400	0.050400	0.000000
<b>Price to Compare</b>	<b>0.821674</b>	<b>0.330867</b>	<b>0.490807</b>